



# 2023 ANNUAL GENERAL MEETING

Paris | July 25<sup>th</sup>, 2023

# DISCLAIMER

This document is provided by Soitec (the “Company”) for information purposes only.

The Company’s business operations and financial position are described in the Company’s 2022-2023 Universal Registration Document (which notably includes the 2022-2023 Annual Financial Report) which was filed on June 14, 2023 with the French stock market authority (Autorité des Marchés Financiers, or AMF) under number D.23-0482. The French version of the 2022-2023 Universal Registration Document, together with English courtesy translation for information purposes, are available for consultation on the Company’s website ([www.soitec.com](http://www.soitec.com)), in the section Company - Investors - Financial Reports.

Your attention is drawn to the risk factors described in Chapter 2.1 (Risk factors and controls mechanism) of the Company’s 2022-2023 Universal Registration Document.

This document contains summary information and should be read in conjunction with the 2022-2023 Universal Registration Document.

This document contains certain forward-looking statements. These forward-looking statements relate to the Company’s future prospects, developments and strategy and are based on analyses of earnings forecasts and estimates of amounts not yet determinable. By their nature, forward-looking statements are subject to a variety of risks and uncertainties as they relate to future events and are dependent on circumstances that may or may not materialize in the future. Forward-looking statements are not a guarantee of the Company’s future performance. The occurrence of any of the risks described in Chapter 2.1 (Risk factors and controls mechanism) of the 2022-2023 Universal Registration Document may have an impact on these forward-looking statements.

In particular, the future consequences of geopolitical conflicts, notably the Ukraine / Russia situation, as well as rising inflation, may result in greater impacts than currently anticipated in these forward-looking statements.

The Company’s actual financial position, results and cash flows, as well as the trends in the sector in which the Company operates may differ materially from those contained in this document. Furthermore, even if the Company’s financial position, results, cash-flows and the developments in the sector in which the Company operates were to conform to the forward-looking statements contained in this document, such elements cannot be construed as a reliable indication of the Company’s future results or developments.

The Company does not undertake any obligation to update or make any correction to any forward-looking statement in order to reflect an event or circumstance that may occur after the date of this document. In addition, the occurrence of any of the risks described in Chapter 2.1 (Risk factors and controls mechanism) of the 2022-2023 Universal Registration Document may have an impact on these forward-looking statements. This document does not constitute or form part of an offer or a solicitation to purchase, subscribe for, or sell the Company’s securities in any country whatsoever. This document, or any part thereof, shall not form the basis of, or be relied upon in connection with, any contract, commitment or investment decision.

Notably, this document does not constitute an offer or solicitation to purchase, subscribe for or to sell securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from the registration under the U.S. Securities Act of 1933, as amended (the “Securities Act”). The Company’s shares have not been and will not be registered under the Securities Act. Neither the Company nor any other person intends to conduct a public offering of the Company’s securities in the United States.

# INTRODUCTION

---

**Éric Meurice** – Chairman of the Board of Directors

# PARTICIPANTS

## On stage

Éric Meurice\*

Chairman of the Board of Directors and  
Chairman of this meeting

Pierre Barnabé

Chief Executive Officer

Emmanuelle Bely\*

General Secretary of the Board of  
Directors and Secretary of this meeting

Léa Alzingre

Chief Financial Officer

## The scrutineer

Samuel Dalens\*

Representing Bpifrance Participations  
Scrutineer

Kai Seikku\*

Representing NSIG Sunrise S.à.r.l.  
Scrutineer

## The Statutory Auditors

Laurent Genin

Representing KPMG S.A.

Benjamin Malherbe

Representing Ernst & Young Audit

\*Members of the bureau

# AGENDA

#01

Introduction by the Chairman  
of the Board of Directors

Éric Meurice

#02

Presentation of the  
Company's activity for FY23

Pierre Barnabé

#03

Presentation of the  
Company's ESG strategy

Pierre Barnabé

#04

Presentation of the financial  
statements for FY23

Léa Alzingre

#05

Presentation of the FY23  
Corporate Governance

Éric Meurice

#06

Presentation of the Statutory  
Auditors' reports

Laurent Genin and Benjamin Malherbe

Questions & Answers

#07

Votes on the resolutions

Emmanuelle Bely

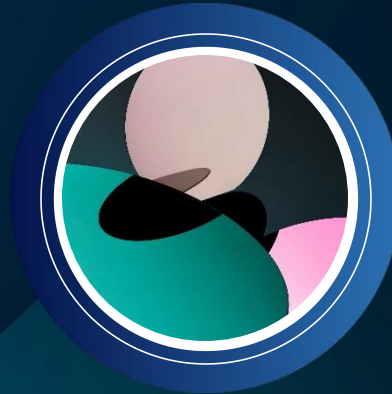
# PRESENTATION OF THE COMPANY'S ACTIVITY

—  
**Pierre Barnabé** – Chief Executive Officer

# CEO KEY MESSAGES



Technology megatrends to  
fuel **MASSIVE DEMAND** for  
semiconductors and increased  
adoption of **ENGINEERED  
SUBSTRATES**



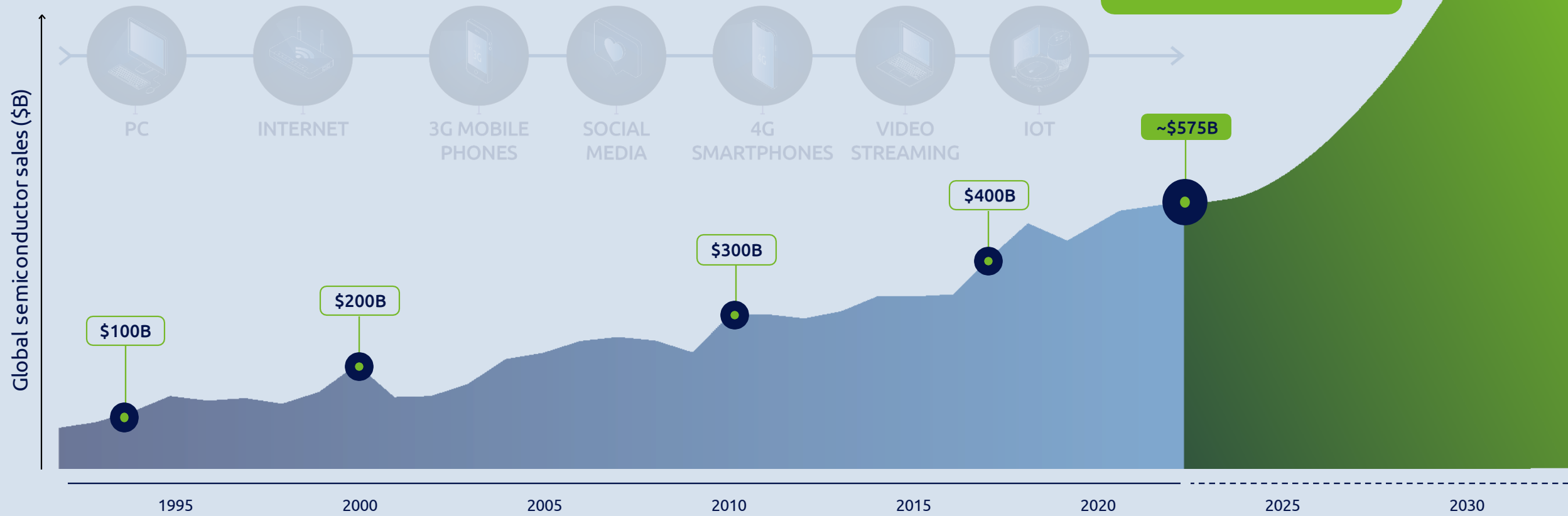
Deploying our sustainable value  
creation model to **STRENGTHEN  
OUR GLOBAL LEADERSHIP**  
in engineered substrates



**FY26 REVENUE / EBITDA  
OBJECTIVES ON TRACK**  
x2 EBITDA in 3 years

**BEYOND FY26**  
**EXPAND** our sustainable value  
creation ambitions

# SEMICONDUCTOR GLOBAL SALES TO REACH ~\$1T BY 2030: ~7% CAGR 2022-2030



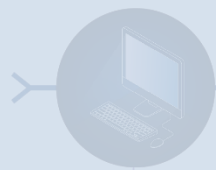
Source: SIA, IBS





SEMICONDUCTOR  
~\$1T BY 2030

Global semiconductor sales (\$B)



PC

\$100B

## SEMICONDUCTOR MEGATRENDS



**AUTONOMOUS &  
ELECTRIC VEHICLES**



**ARTIFICIAL  
INTELLIGENCE**



**5G**



**INDUSTRY 4.0**



**EDGE COMPUTING**



**WORK & LEARN  
FROM HOME**



**HEALTHCARE**



**SMART HOMES &  
SMART CITIES**



**AR / VR / MR**

1995

2000

2005

2010

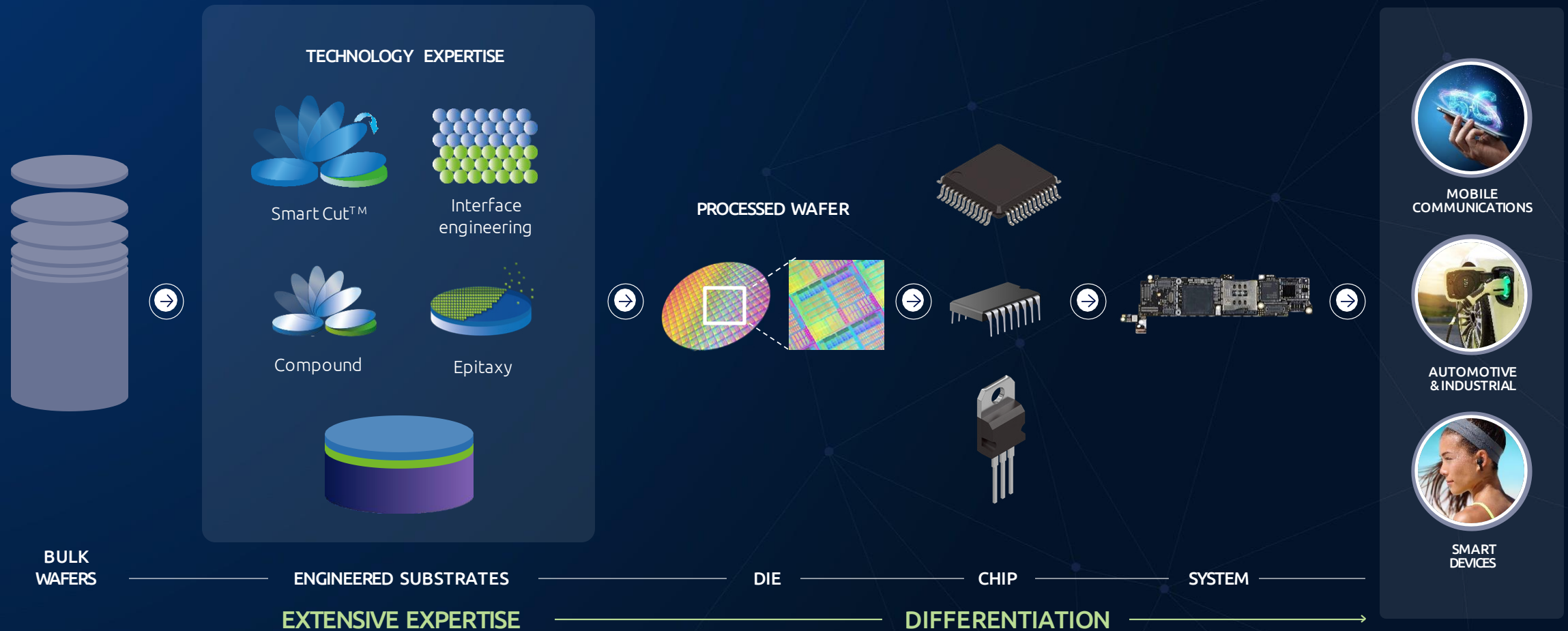
2015

2020

2025

2030

# ENGINEERED SUBSTRATES ARE A CRITICAL COMPONENT OF THE SEMICONDUCTOR INDUSTRY



# BUILDING A DIVERSE PRODUCT PORTFOLIO TO FUEL OUR DIVISIONS VALUE CREATION ACROSS 3 STRATEGIC END MARKETS



RF-SOI

FD-SOI

Power-SOI

Imager-SOI

Photonics-SOI

POI

SmartSiC™

RF-GaN

Power-GaN

SmartGaN

InP

New materials

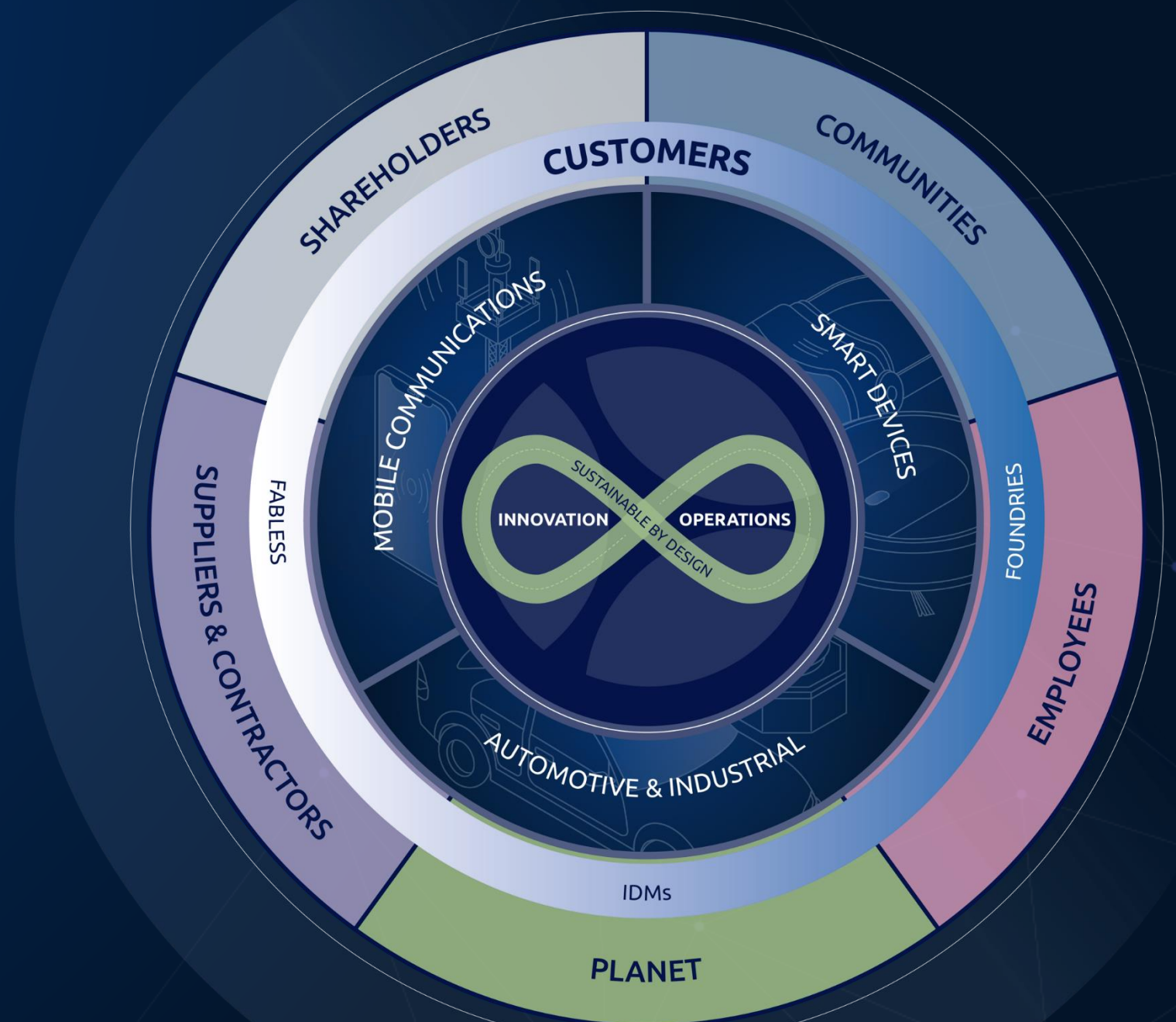
PREPARING  
EXPANSION  
BEYOND

EXPANDING INTO  
COMPOUND  
SEMICONDUCTORS

STRENGTHENING  
SOI LEADERSHIP

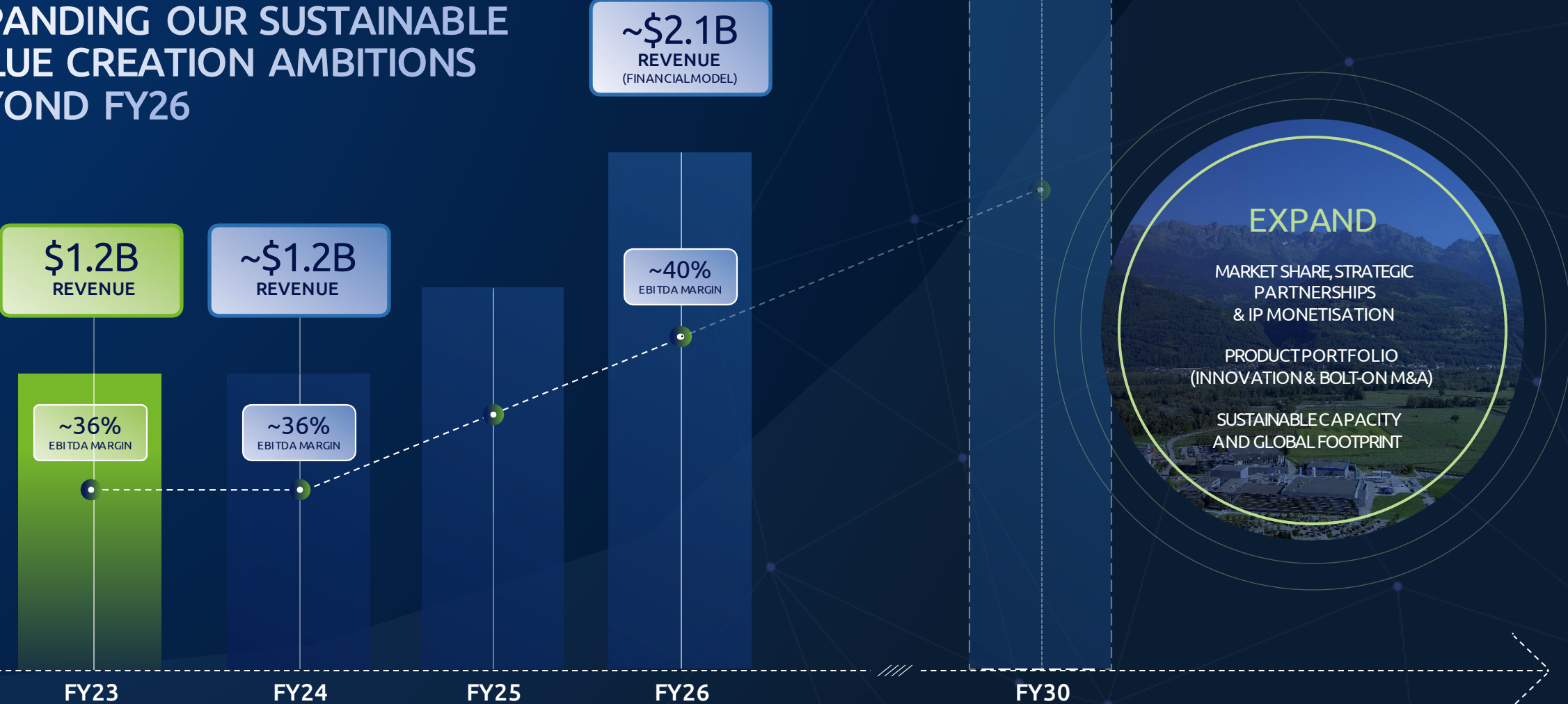
+ LICENSING / PATENT MONETIZATION

# LEVERAGING OUR ROBUST AND SUSTAINABLE VALUE CREATION MODEL TO BENEFIT ALL STAKEHOLDERS





# EXPANDING OUR SUSTAINABLE VALUE CREATION AMBITIONS BEYOND FY26



EBITDA represents operating income (EBIT) 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 EBITDAs 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



# ESG STRATEGY

—  
**Pierre Barnabé** – Chief Executive Officer



## DRIVE THE TRANSITION TOWARD A SUSTAINABLE ECONOMY THROUGH OUR INNOVATION AND OPERATIONS



INNOVATING TO REDUCE  
THE ENVIRONMENTAL  
FOOTPRINT ACROSS THE  
PRODUCT LIFE CYCLE

x10

RE-USABILITY OF DONOR  
SUBSTRATE THANKS TO OUR  
PROPRIETARY SMART CUT™  
TECHNOLOGY



ACTING TO REDUCE OUR  
CARBON FOOTPRINT  
IN LINE WITH THE 1.5°C  
PATHWAY

-25%

REDUCTION OF OUR **SCOPE 1  
& 2 ABSOLUTE GHG  
EMISSIONS** IN 2026 V.S 2020,  
WHILE x2.5 VOLUMES

BUSINESS  
AMBITION FOR **1.5°C** 



RESPONSIBLE  
WATER MANAGEMENT  
TO SUPPORT OUR  
GROWTH

-50%

REDUCTION OF OUR  
WATER INTAKE PER UNIT OF  
PRODUCTION BETWEEN  
FY21 AND FY30





## LEVERAGE OUR INCLUSIVE AND INSPIRING COMPANY CULTURE



MAKING SOITEC AN  
ATTRACTIVE EMPLOYER  
TO SUPPORT OUR  
GROWTH

18%

ELIGIBLE EMPLOYEES  
PROMOTED INTERNALLY  
IN FY23

HUMPACT 



SHARING THE  
FRUIT OF GROWTH  
WITH ALL OUR  
EMPLOYEES

100%

EMPLOYEES ELIGIBLE TO FREE  
PERFORMANCE SHARE PLAN



AIMING FOR  
GENDER PARITY

40%

TARGET FOR THE PROPORTION  
OF WOMEN ACROSS  
THE GROUP BY FY30

SEMI INDUSTRY LEADER IN  
DIVERSITY AND INCLUSION  
AWARD IN 2022







## ALIGN GOVERNANCE PRACTICES WITH INDUSTRY- LEADING STANDARDS TO BECOME A REFERENCE



INCREASED  
NUMBER OF  
BOARD INDEPENDENT  
DIRECTORS

58%

OF INDEPENDENT  
DIRECTORS\*

\*Excluding employee representatives



A COMPENSATION POLICY  
AND GOVERNING BODIES  
ALIGNED WITH OUR  
SUSTAINABLE AMBITION

20%

WEIGHT OF ESG CRITERIA WITHIN  
CEO VARIABLE COMPENSATION  
AND EMPLOYEE FREE  
SHARE PLAN

CREATION OF THE BOARD OF  
DIRECTORS ESG COMMITTEE



SET HIGH ETHICAL  
STANDARDS FOR  
OURSELVES AND  
FOR OUR BUSINESS  
RELATIONS

100%

OF OUR STRATEGIC  
SUPPLIERS ADHERE TO OUR  
SUPPLIER QUALITY POLICY

FY23

# FINANCIAL STATEMENTS

**Léa Alzingre** – Chief Financial Officer

# FY23 FINANCIAL HIGHLIGHTS

## P&L

**€1,089M SALES**

+19% Y/Y Organic Growth

**36.0%** EBITDA <sup>(1)</sup>  
MARGIN

+0.2pts vs FY22

**€233M** NET  
PROFIT

+15% vs FY22

**€6.63 EPS**

+11% vs FY22

## CASH FLOW

**€263M** OPERATING  
CASH FLOW<sup>(1)</sup>

+€8M vs FY22

**€244M** CAPEX<sup>(1)(2)</sup>

+€15M vs FY22

**€34M** FREE CASH  
FLOW<sup>(1)</sup>

vs €42M in FY22

## BALANCE SHEET

**€1.3B EQUITY**

+€262M vs end of March 22

**€788M** GROSS CASH  
POSITION

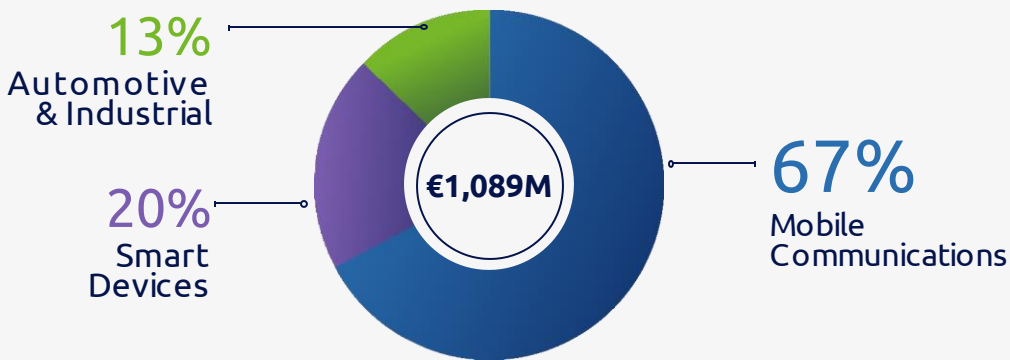
+€60M vs end of March 22

**€140M** NET CASH  
POSITION

-€2M vs end of March 22

(1) From continuing operations. EBITDA represents operating income (EBIT) 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. (2) Cash-out related to investing activities

# SUSTAINED ORGANIC REVENUE GROWTH ACROSS ALL END-MARKETS



€M	FY23	FY22	Change as reported	Change at constant FX and scope
Mobile Communications	731	624	+17%	+10%
Automotive & Industrial	141	74	+89%	+77%
Smart Devices	217	165	+32%	+26%
<b>Total Revenues</b>	<b>1,089</b>	<b>863</b>	<b>+26%</b>	<b>+19%</b>

## MOBILE COMMUNICATIONS

- In the context of global smartphone market slowdown: **RF-SOI growth remains supported by:**
  - Further penetration of 5G in **high-end smartphones** requiring **greater semiconductor content**
  - Long-term **customer agreements**

## AUTOMOTIVE & INDUSTRIAL

- Demand driven by the **rise in semiconductor content** embedded in new vehicles:
  - **Digitalization:** infotainment, ADAS, functional safety
  - **Electrification:** EV and hybrid engines
- **Sharp growth in FD-SOI and in Power-SOI**
- **First revenue generated by SmartSiC™**

## SMART DEVICES

- Demand driven by **more complex sensors, higher connectivity** functionalities and **embedded intelligence:**
  - More powerful / efficient chips for edge AI, datacenters and cloud computing
- **Sharp growth in FD-SOI** for IoT and edge computing devices
  - **Sustained growth in Photonics-SOI** (high-speed connectivity for AI in the cloud) and in **Imager-SOI** (3D imaging)



## CURRENT OPERATING INCOME INCREASED BY A STRONG 37%

€M	FY23	FY22	Change
<b>Revenue</b>	<b>1,089</b>	<b>863</b>	<b>+26%</b>
<b>Gross profit</b>	<b>402</b>	<b>316</b>	<b>+28%</b>
<i>as a % of revenue</i>	<i>37.0%</i>	<i>36.6%</i>	
<b>Gross R&amp;D expenses before capitalization</b>	<b>(123)</b>	<b>(108)</b>	<b>+14%</b>
<i>as a % of revenue</i>	<i>11.3%</i>	<i>12.5%</i>	
- Gross R&D expenses after capitalization	(95)	(93)	+2%
- Subsidies, income tax credit and other revenue	30	36	-16%
<b>Net R&amp;D expenses</b>	<b>(64)</b>	<b>(57)</b>	<b>+13%</b>
<i>as a % of revenue</i>	<i>5.9%</i>	<i>6.6%</i>	
- Sales and Marketing expenses	(16)	(15)	+6%
- General and Administrative expenses	(55)	(49)	+13%
<b>SG&amp;A expenses</b>	<b>(71)</b>	<b>(64)</b>	<b>+11%</b>
<i>as a % of revenue</i>	<i>6.5%</i>	<i>7.4%</i>	
<b>Current operating income</b>	<b>267</b>	<b>195</b>	<b>+37%</b>
<i>as a % of revenue</i>	<i>24.5%</i>	<i>22.6%</i>	

### Current operating margin improved by ~2pts to 24.5% of revenue

- Robust increase in gross profit
- Tight control over operating expenses while continuing to prepare for future growth

### Net R&D expenses increased by 13%

- Gross R&D expenses before capitalization increased by €15M to €123M (11.3% of revenue)
- Strong effort to support innovation strategy and product portfolio expansion

### SG&A expenses down to 6.5% of revenue

- Moderate increase in SG&A expenses despite higher labor costs due to hirings and inflation

## NET PROFIT RAISED BY 15%

€M	FY23	FY22	Change
<b>Current operating income</b>	<b>267</b>	<b>195</b>	<b>+37%</b>
- Other operating income and expenses	0	10	
<b>Operating income</b>	<b>268</b>	<b>205</b>	<b>+31%</b>
- Financial expenses	<b>(10)</b>	<b>(13)</b>	
- Net foreign exchange gain	1	13	
<b>Net financial result</b>	<b>(10)</b>	<b>(1)</b>	
- Income tax	(26)	(2)	
<b>Net profit from continuing operations</b>	<b>232</b>	<b>202</b>	<b>+15%</b>
- Net profit / (loss) from discontinued operations	1	(0)	
<b>Net profit (Group share)</b>	<b>233</b>	<b>202</b>	<b>+15%</b>
- Basic EPS (in €)	6.63	5.98	+11%
- Diluted EPS (in €)	6.41	5.63	+14%
Number of shares	35,133,150	33,753,666	
Number of diluted shares	37,240,936	37,181,632	

**FY22 benefitted from a €10M non-recurring operating income**  
(reversal of an impairment loss related to Singapore industrial building)

**Net financial result at €(10)M vs €(1)M in FY22**

- Positive impact of OCEANES 2023 conversion and income related to cash investments
- Offset by FX net result (€1M net forex gain in FY23 vs €13M gain in FY22)

**Effective income tax rate came at 10% of pre-tax profit**

- The Company continued to benefit from tax loss carryforwards
- Favorable non-recurring effects

**Net profit reached €233M, up 15% vs FY22**



# POSITIVE FREE CASH FLOW WHILE CAPACITY INVESTMENTS FURTHER INCREASED

€M	FY23	FY22
<b>Operating income</b>	<b>268</b>	<b>205</b>
- Depreciation and amortization	106	81
- Other items	18	23
<b>EBITDA<sup>(1)</sup></b>	<b>391</b>	<b>309</b>
Change in working capital	(96)	(52)
- Incl. inventories	(36)	(31)
- Incl. trade receivables	(112)	(48)
- Incl. trade payables	40	15
- Incl. others	11	12
Tax paid	(32)	(2)
<b>Net cash generated by operating activities<sup>(2)</sup></b>	<b>263</b>	<b>255</b>
- Purchases of intangible assets	(42)	(24)
- Purchases of property, plant and equipment	(186)	(181)
- Others	(1)	(8)
<b>Net cash used in Investing activities<sup>(2)</sup></b>	<b>(228)</b>	<b>(213)</b>
<b>Free Cash Flow<sup>(1)</sup></b>	<b>34</b>	<b>42</b>

## OPERATING CASH FLOW SLIGHTLY UP AT €263M

**Improvement in operating cash flow from strong EBITDA** (€391M, up €83M vs FY22) **partially offset by a higher increase in working capital requirement** (+€44M vs FY22)

### €96M negative change in working capital

- €36M increase in inventories and €112M increase in trade receivables mostly reflecting the higher level of activity and fewer downpayments received from customers
- Partially offset by a €40M increase in trade payables

**€32M tax paid vs €2M in FY22**  
(non-recurring adjustments in FY22)

## POSITIVE FREE CASH FLOW AT €34M vs €42M IN FY22

**Investments at €228M** (€244M including tools financed through leasing contracts)

- €28M in capitalized R&D (mainly SmartSiC™)
- €191m related to capacity investments (€155m SOI, €25m Filters, €11m SmartSiC™)

(1) From continuing operations. EBITDA represents operating income (EBIT) 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. (2) From continuing operations

# VERY SOUND BALANCE SHEET MAINTAINED

ASSETS - in €M	31 March 2023	31 March 2022
Intangible assets	128	108
Tangible assets	705	562
Other non-current assets	84	35
Deferred tax assets	67	64
<b>Total non-current assets</b>	<b>985</b>	<b>770</b>
Inventories	175	143
Trade receivables	363	280
Other current assets	109	66
Cash and cash equivalents	788	728
<b>Total current assets</b>	<b>1,435</b>	<b>1,216</b>
<b>Total assets</b>	<b>2,420</b>	<b>1,986</b>

**€143M net increase in tangible assets includes €181M investments related to:**

- Further capacity investment in Singapore 300mm SOI facility
- Capacity investment in Bernin (300mm SOI, POI)
- New leasing contracts for land and administrative buildings

**Other non-current assets mainly include tax research credit receivables and downpayments to suppliers**

LIABILITIES AND EQUITY - in €M	31 March 2023	31 March 2022
<b>Total equity</b>	<b>1,306</b>	<b>1,044</b>
Long-term financial debt	578	518
Provisions and other non-current liabilities	80	79
<b>Total non-current liabilities</b>	<b>659</b>	<b>597</b>
Short-term financial debt	69	68
Trade payables	171	101
Other current liabilities	216	177
<b>Total current liabilities</b>	<b>456</b>	<b>346</b>
<b>Total liabilities and equity</b>	<b>2,420</b>	<b>1,986</b>

**€62M increase in financial debt mainly reflects:**

- €53M of net drawdowns and new borrowings
- €20M net increase in property leases and leasing contracts
- Partially offset by €17M change in fair value of financial derivatives (FX hedging)



# OUTLOOK – FY24 GUIDANCE CONFIRMED

## STABLE REVENUE EXPECTED ON AN ORGANIC BASIS

### FY24 EXPECTED TO MARK A PAUSE IN FAST GROWTH TRAJECTORY TOWARD FY26

- Weaker smartphone market with strong inventory correction expected to weigh on Mobile Communications
- Sustained demand anticipated in both Automotive & Industrial and Smart Devices markets
- H1'24 revenue expected to decline by ~15% on an organic basis
- H2'24 revenue expected up low double digit

## EBITDA MARGIN <sup>(1)</sup> EXPECTED TO REMAIN AT ~36%

### PROFITABILITY MAINTAINED THROUGH STRICT COSTS CONTROL

- Inflation, including bulk price
- Sustained effort in R&D
- Offset by strong cost control
- Solid level of loading of our fabs
- Revenue timing over the year will request tight production management
- €/£: 1.10 (~40% of net exposure hedged ~1.12)

## CAPITAL EXPENDITURE EXPECTED AT ~€300M

### CAPACITY INVESTMENTS TO SUPPORT STRONG GROWTH THROUGH FY26

#### SOI INVESTMENTS

- 300mm refresh capacity in Bernin 4
- Additional capacity investments at Singapore 300mm SOI existing facility
- Building of Singapore facility extension

#### OTHER INVESTMENTS

- Further investments in SmartSiC™ tools (150 & 200mm in Bernin 4)
- Ongoing investments in innovation (including capitalized R&D)

(1) EBITDA margin = Electronics EBITDA (EBITDA from continuing operations) / Revenue

# FY23 CORPORATE GOVERNANCE

—  
**Éric Meurice** – Chairman of the Board of Directors

# THE BOARD OF DIRECTORS – 1/2



Éric Meurice  
Chairman



Pierre Barnabé  
CEO



Satoshi Onishi



François Jacq  
(CEA Investissement)



Wissème Allali  
Employee Director



Didier Landru  
Employee Director



Françoise Chombar



Laurence Delpy  
(FSP)



Christophe Gégout  
Referent Director



Samuel Dalens (Bpifrance  
Participations)

9  
Meetings  
during FY23

92,07%  
Attendance rate

4  
Committees

58%  
Independence

42%  
Women

5  
Nationalities



Maude Portigliatti



Delphine  
Segura-Vaylet



Kai Seikku



Shuo Zhang

 Independent Director



# THE BOARD OF DIRECTORS – 2/2

## FY23 MAIN DUTIES

### Strategy

- Review of strategic initiatives
- Investment studies
- Review of various presentations and market research
- Review of the multi-year business plan
- Review of material contracts
- Review of organizational structures
- Review of M&A projects

### Financial policy

- Review of financials statements (including press releases)
- Review of budget
- Review of risk mapping
- Financing share buyback program
- Renewal of the authorisation for the CEO to issue sureties, endorsements and guarantees
- Change in the reporting method for results
- Review of cyber security

### Environment and social

- Environmental and social policy (including climate)
- Soitec’s diversity policy

### Governance

- Review of the composition of the Board of Directors and Committees
- Board self-assessment
- Revision of the Board of Directors’ Internal Regulation
- Adoption of a budget specifically for the Board of Directors
- Review of governance recommendations and monitoring of their implementation
- Creation of the ESG Committee and merger of the Compensation Committee and Nomination and Governance Committee
- Designation of a referent Director
- Review of succession plans for corporate officers
- Review of business ethics programs

### Compensation

- Adoption of employee share ownership plans
- Monitoring the vesting of employee share ownership plans set up in previous years
- Review of the compensation of the Chairman of the Board of Directors and the members of the Board
- Review of the Chief Executive compensation
- Review of the compensation of Executive Committee members
- Review of organisation changes



# THE STRATEGIC COMMITTEE



Éric Meurice  
Chairman



Pierre Barnabé  
CEO



Satoshi Onishi



François Jacq  
(CEA Investissement)



Wissème Allali  
Employee Director



Didier Landru  
Employee Director



Françoise Chombar



Laurence Delpy  
(FSP)



Christophe Gégout  
Referent Director



Samuel Dalens  
(Bpifrance Participations)

4  
Meetings  
during FY23

85%  
Attendance rate

58%  
Independence



Maude Portigliatti



Delphine  
Segura-Vaylet



Kai Seikku



Shuo Zhang

## FY23 MAIN DUTIES

The Committee worked on:

- all subjects related to the Group’s business, including products, markets and organization, and its strategy for the next five years.

Independent Director



# THE AUDIT AND RISKS COMMITTEE



**Christophe Gégout**  
Referent Director  
Chairman



**Éric Meurice**



**Samuel Dalens**  
(Bpifrance  
Participations)



**Shuo Zhang**



**Laurence Delpy**  
(FSP)



**Kai Seikku**



**Didier Landru**  
Employee Director

7

meetings  
during FY23

100%

attendance rate

67

Independence

## FY23 MAIN DUTIES

In addition to its recurring annual work, the Audit and Risks Committee worked in particular on the following topics:

- confirmation of the rate of achievement of the objectives relating to EBITDA and revenue under the Topaz share plan as well as the conversion date of August 1, 2022 (subject to the TSR indicator);
- review of routine agreements entered into on arm's length terms falling within the scope of Article L. 225-39 of the French Commercial Code, as required pursuant to Article L. 22-10-12 of the French Commercial Code;
- review of the risk map and the risks presented in the Universal Registration Document;
- study of a presentation on cyber security;
- review of the transfer pricing policy;
- review of internal control and compliance programs.

 Independent Director



# THE COMPENSATION AND NOMINATIONS COMMITTEE



**Delphine Segura-Vaylet**  
Chairwoman



**Éric Meurice**



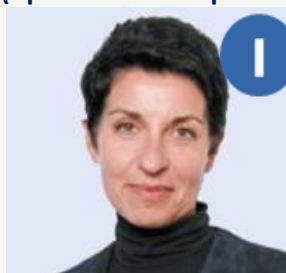
**Wissème Allali**  
Employee Director



**Samuel Dalens**  
(Bpifrance Participations)



**Shuo Zhang**



**Laurence Delpy**  
(FSP)



**Kai Seikku**

**+4**  
meetings  
during FY23

**97%**  
attendance average rate

**67%**  
Independence

## FY23 MAIN DUTIES

Prior to the merger, in addition to its recurring annual work, the Compensation Committee, which met 3 times (100% attendance rate), worked in particular on the following topics:

- diversity policy in terms of professional and pay equality;
- determination of the terms and conditions of the Chief Executive Officer's departure;
- issues relating to the compensation of corporate officers (*ex-post* and *ex-ante* votes), including the pay equity ratio.

Prior to the merger, in addition to its recurring annual work, the Nomination and Governance Committee, which met 4 times (91% attendance rate), worked in particular on the following topics:

- review of its composition and proposals for reappointments to or a list of target profiles for the Board of Directors and the Committees;
- review of the adoption of governance recommendations;
- review of the independence of Board members;
- the succession process for the Chief Executive Officer.

Then, in addition to its recurring annual work, the new Compensation and Nominations Committee, created from the above-mentioned merger, which met 2 times (100% attendance rate), worked in particular on the following topics:

- recommendations to allocate additional share plans (Agate 2025 [Soitec ESU]) and Onyx 2025 plans);
- delivery of preferred shares under the Topaz 2022 plan;
- conversion of preferred shares into ordinary shares;
- review of the achievement of performance conditions and delivery of shares under the US 2022 plan;
- review of directors' compensation.

 Independent Director

# THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) COMMITTEE



**Laurence Delpy**  
(FSP)  
Chairwoman



**Françoise Chombar**



**Christophe Gégout**  
Referent Director



**Kai Seikku**



**Samuel Dalens**  
(Bpifrance  
Participations)



**Didier Landru**  
Employee  
Director

**2**  
meetings  
during FY2023

**100%**  
attendance rate

**60%**  
Independence

## FY23 MAIN DUTIES

The Committee worked on:

- update of ESG priorities and definition of the ESG strategic plan;
- review of the adoption of governance recommendations;
- annual assessment of the performance of the Board and its Committees;
- review of the Internal Regulation of the Board and its Committees;
- review of the independence of Board members;
- Review of business ethics programs.

 Independent Director





# CORPORATE OFFICERS' COMPENSATION

—  
**Éric Meurice** – Chairman of the Board of Directors

# ÉRIC MEURICE'S FY2023 COMPENSATION

## RESOLUTION N°12

**FIXED COMPENSATION** | **€230,000**

According to the compensation policy approved by the 2022 AGM:

- This compensation is not paid out of the budget allocated for the compensation of the members of the Board of Directors.
- He does not benefit of any variable or exceptional compensation, performance share allocations, termination benefits or a non-compete indemnity, or Director compensation.
- He is entitled to the reimbursement of any travel expenses incurred in connection with his directorship duties, on presentation of receipts.

# PAUL BOUDRE'S FY2023 COMPENSATION

## RESOLUTION N°13

### FIXED COMPENSATION

**€175,939.58** calculated pro rata to the length of his term of office.

### VARIABLE COMPENSATION

**€176,291** calculated pro rata to the length of his term of office (100,2% achievement of the financial and strategic objectives).

### LONG-TERM VARIABLE COMPENSATION

He did not receive any performance shares or any other long-term benefits in FY2023.

### SUPPLEMENTARY PENSION PLAN

**€4,237.25** under the “Article 83” defined contribution pension plan.

### BENEFITS IN KIND

**€14,604.60** (use of a company car and private unemployment insurance and key-person insurance).

# PIERRE BARNABE'S FY2023 COMPENSATION

## RESOLUTION N°14

### FIXED COMPENSATION

**€325,714.29** calculated pro rata to the length of his term of office.

### VARIABLE COMPENSATION

**€380,109** calculated pro rata to the length of his term of office (116,7% achievement of the financial and strategic objectives).

### LONG-TERM VARIABLE COMPENSATION

**€332,286.84** i.e. 9,612 performance shares, representing 0.01% of the share capital.

### SUPPLEMENTARY PENSION PLAN

**€5,748.99** under the “Article 83” defined contribution pension plan.

### BENEFITS IN KIND

**€19,560.72** (use of a company car and company accommodation, contributions paid for the private unemployment insurance taken out with GSC).

# ÉRIC MEURICE'S FY2024 COMPENSATION POLICY

## RESOLUTION N°7

### FIXED COMPENSATION

€230,000 (unchanged since FY2021)

#### PRINCIPLES

This level of compensation was benchmarked in March 2022 by an independent firm, based on two panels: one consisting of 33 comparable companies in the CAC Mid 60 index and the other comprising 20 comparable European companies operating in the semiconductor or technology sectors.

This compensation is not paid out of the budget allocated for the compensation of the members of the Board of Directors.

He does not benefit of any variable or exceptional compensation, performance share allocations, termination benefits or a non-compete indemnity, or Director compensation.

He is entitled to the reimbursement of any travel expenses incurred in connection with his directorship duties, on presentation of receipts.

TOTAL AMOUNT  
ALLOCATION

€820,000

PRINCIPLES

- All Directors receives a compensation for their directorship duties, except the CEO, the Chairman of the Board and the employee Directors.
- The total amount of compensation will be calculated on a pro rata basis.
- The Directors' compensation is allocated in proportion to their actual attendance at meetings of the Board and the Committee(s) of which they are a member.
- Participation in meetings via conference call or video conferencing is considered equivalent to physical attendance.
- No specific compensation is allocated for the role of Lead Independent Director.

ALLOCATION

(Based on a 100% attendance rate for all meetings over the full fiscal year)

Seat on the Board of Directors	€46,000
Seat on a Committee	€13,000
Chair of a Committee (In addition to the amount received by the director in their capacity as a member of the Committee concerned)	€17,000



# CEO'S OR DEPUTY CEO'S FY2024 GENERIC COMPENSATION POLICY

## RESOLUTION N°9

### FIXED COMPENSATION

Will be fixed taking into account the duties and responsibilities of the CEO

### VARIABLE COMPENSATION

**Maximum:** 165% of his annual fixed compensation

**Objectives:** financial (60%) and strategic (40%) + add. criterion allowing for a 10% increase in his total variable compensation

### LONG TERM VARIABLE COMPENSATION

Performance share allocations representing up to 300% of annual fixed compensation (number of shares calculated at fair market value at the allocation date)

### SUPPLEMENTARY PENSION PLAN

“Article 83” defined contribution pension plan (as the employees of Soitec’s ESU)

### BENEFITS IN KIND

Use of a company car, company accommodation, contributions paid for the private unemployment insurance taken out with GSC, personal risk insurance and healthcare expense coverage

### COMMITMENTS

Indemnity in lieu of notice, termination benefit, non-compete indemnity, representing up to 24 months’ worth of compensation (fixed and short-term variable compensation)

### OTHERS

The CEO will not benefit from an exceptional compensation, director compensation nor from loans or guarantees issued by the Company

# PIERRE BARNABE'S FY2024 COMPENSATION POLICY

## FIXED COMPENSATION

€480,000 (unchanged from FY2023)

## VARIABLE COMPENSATION

	Weighting	Over performance*
Revenue	20%	30%
EBITDA	20%	30%
Operating Cash flow	20%	30%
<b>Financial Objectives</b>	<b>60%</b>	<b>90%</b>
Innovation	30%	45%
Strategy	3%	5%
ESG**	7%	10%
<b>Non-Financial Objectives</b>	<b>40%</b>	<b>60%</b>

\* The total sum of the achievement rates will be multiplied by 1.1 in the event of achievement of ESG ratings improvements

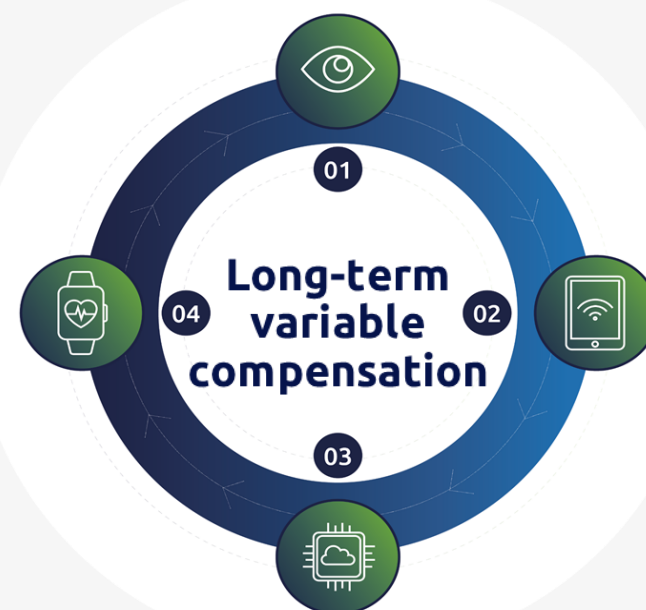
\*\* Diversity, climate change and Water consumption

## Compliant

Free performance shares within authorization of shareholders, and within general rules of the LTI yearly program

## Fair

Number of free performance shares allocated will vary according to employees' level of responsibility



## Aligned

LTI scheme and criteria are the same for all employees:

- Revenue
- EBITDA
- TSR
- Diversity & Inclusion
- Climate Change
- Water Stress

## Controlled

Final number of free performance shares based on Board's assessment



# STATUTORY AUDITORS' REPORTS

**Benjamin Malherbe** – Representing Ernst & Young Audit  
**Laurent Genin** – Representing KPMG S.A.

- Statutory Auditors' report on the financial statements
- Statutory Auditors' report on the consolidated financial statements
- Statutory Auditors' report on related party agreements
- Statutory Auditors' report on the issue of shares and/or securities with or with a waiver of shareholders' preemptive subscription rights
- Statutory Auditors' report on the issue of ordinary shares and/or securities giving access, immediately or in the future, to the Company's share capital, reserved for categories of persons meeting defined requirements, with a waiver of shareholders' preemptive subscription rights
- Statutory Auditors' report on the issue of ordinary shares and/or securities reserved for members of a company savings plan
- Statutory Auditors' report on the share capital reduction



# Q&A

# VOTES ON THE RESOLUTIONS

**Emmanuelle Bely** – Meeting Secretary

# Resolutions within the competence of the Ordinary General Meeting

# Resolutions n° 1 to 3

## Approval of the financial statements and appropriation of net profit

### Resolution n° 1

FY 2023 statutory financial statements:

- Revenue of **€1,037,530,957.57**
- Profit of **€211,847,059.96**

### Resolution n° 2

FY 2023 Consolidated financial statements:

- Revenue of **€1,088,730 thousand**
- Net profit (Group share) of **€233,035 thousand**

### Resolution n° 3

Appropriation of net profit:

- **€87,767.40** to the “Legal reserve”
- the balance, representing **€211,759,292.56** to “Retained earnings”

No dividends have been paid over the past three fiscal years

# Resolutions n° 4 to 6

## Approval of related-party agreements

### Resolution n° 4

Memorandum of understanding with STMicroelectronics International N.V.

**Purpose:** Define the main terms and conditions of future technical and commercial cooperation on SiC substrates, subject to the qualification of Soitec's 200 mm SmartSiC™ substrate technology by ST, within 18 months following the date of signature

**Financial terms:** Paid initial fee by ST of US\$10,000,000 on March 23, 2023 (first milestone achieved in February 2023). Additional payments will be made when completion of the related milestones

**Objective:** The adoption by ST of Soitec's SmartSiC™ technology

### Resolution n° 5

Multi-year framework R&D partnership agreement with the CEA

**Purpose:** Renew the partnership agreement for a period of 5 years and define the terms and conditions for performing R&D work

**Financial terms:** To be determined each year and will depend on various conditions, such as the scope of the R&D work

**Objective:** To give the Company continued access to CEA research expertise and facilities for R&D projects

### Resolution n° 6

Amendment to the agreement on patent licensing and the provision of know-how for the manufacture and sale of substrates with the CEA

**Purpose:** Renew and amend the financial terms of the agreement on patent licensing and the provision of know-how for the manufacture and sale of substrates, notably sub-licensing royalties

**Financial terms:** Royalties are calculated on the basis of (i) Soitec's revenue from the sale of substrates pursuant to the agreement, and (ii) financial income from the Company's sub-licenses

**Objective:** To adjust the rate of royalties paid to CEA for the use of its patents and know-how and the share of sub-licensing income received by Soitec and paid to CEA.



## Resolutions n° 7 to 10

### Approval of the compensation policies for the corporate officers (ex-ante say-on-pay)

#### Resolution n° 7

Compensation policy for the Chair of the Board of Directors, as presented in sections 4.2.1 and 4.2.4.1 of the 2023 URD

#### Resolution n° 8

Compensation policy for the members of the Board of Directors (excluding the Chair of the Board of Directors), as presented in sections 4.2.1 and 4.2.4.2 of the 2023 URD

#### Resolution n° 9

Generic compensation policy for any future Chief Executive Officer and/or any future Deputy Chief Executive Officer, as presented in sections 4.2.1 and 4.2.4.3 A. of the 2023 URD

#### Resolution n° 10

Compensation policy for Pierre Barnabé in his capacity as Chief Executive Officer, as presented in sections 4.2.1 and 4.2.4.3 B. of the 2023 URD

## Resolutions n°11 to 14

### Approval of the compensation of the corporate officers for FY2023 (ex-post Say-on-pay)

#### Resolution n° 11

Information relating to the compensation of the Company's corporate officers referred to in Article L. 22-10-9, I of the French Commercial Code, as presented in section 4.2.2 of the 2023 URD

#### Resolution n° 12

Fixed, variable and exceptional components of the total compensation and benefits of any kind paid during or granted for the FY23 to Éric Meurice in his capacity as Chairman of the Board of Directors, as presented in the 3rd table of section 4.2.3 of the 2023 URD

#### Resolution n° 13

Fixed, variable and exceptional components of the total compensation and benefits of any kind paid during or granted for the FY23 to Paul Boudre in his capacity as CEO until the close of the 2022 AGM, as presented in the 1st table of section 4.2.3 of the 2023 URD

#### Resolution n° 14

Fixed, variable and exceptional components of the total compensation and benefits of any kind paid during or granted for the FY23 to Pierre Barnabé in his capacity as CEO as from the close of the 2022 AGM, as presented in the 2nd table of section 4.2.3 of the 2023 URD

## Resolution n° 15

# Authorization to be granted to the Board of Directors to carry out transactions on the Company's shares

### **Purposes:**

- To cover restricted share plans
- To enable capital reduction through cancellation of shares
- To ensure the liquidity of and making a market for the Company's shares through an investment services provider

### **Maximum purchase price:**

- €230 per share (excluding acquisition costs)

### **Ceilings:**

- 5 % of the share capital

### **Validity of the authorization:** 18 months

Not during takeover bid

Supersedes the authorization granted by the 2022 AGM in the 24th resolution

# Resolutions within the competence of the Extraordinary General Meeting

# Resolutions ° 16 to 19

## Amendment of Articles 7, 9 and 10 and deletion of Article 25 of the Company's by-laws to remove references to preferred shares and PS 2

### Resolution n° 16

Amendment of Article 7 - FORM OF THE SHARES - of the Company's by-laws to remove references to preferred shares

### Resolution n° 17

Amendment of Article 9 - SALE OF SHARES - of the Company's by-laws to remove references to PS 2

### Resolution n° 18

Amendment of Article 10 - RIGHTS AND OBLIGATIONS ATTACHED TO SHARES - of the Company's by-laws to remove references to PS 2

### Resolution n° 19

Deletion of Article 25 - SPECIAL MEETINGS OF HOLDERS OF PREFERRED SHARES - of the Company's by-laws relating to preferred shares and renumbering of the following articles of the Company's by-laws

## Resolution n° 20

Delegation of authority to be granted to the Board of Directors for the purpose of carrying out a capital increase by way of the issue of shares and/or securities giving access, immediately or in the future, to the Company's share capital, with shareholders' preemptive subscription rights

### **Ceilings:**

- In share capital = €35 million
- In debt securities = €500 million

**Validity of the authorization:** 26 months

Not during takeover bid

Supersedes the delegation of authority granted by the 2021 AGM in the 17th resolution

## Resolution n° 21

Delegation of authority to be granted to the Board of Directors for the purpose of carrying out a capital increase by way of the issue of shares and/or securities giving access, immediately or in the future, to the Company's share capital, with a waiver of shareholders' preemptive subscription rights, through a public offer other than offers referred to in Article L. 411-2, 1° of the French Monetary and Financial Code

### **Ceilings:**

- In share capital = €35 million and €7 million
- In debt securities = €500 million

**Validity of the authorization:** 26 months

Not during takeover bid

Supersedes the delegation of authority granted by the 2021 AGM in the 18th resolution



## Resolution n° 22

Delegation of authority to be granted to the Board of Directors for the purpose of issuing, by way of a public offer referred to in Article L. 411-2, 1° of the French Monetary and Financial Code, shares and/or securities giving access, immediately or in the future, to the Company's share capital, with a waiver of shareholders' preemptive subscription rights

### **Ceilings:**

- In share capital = €35 million and €7 million
- In debt securities = €500 million

**Validity of the authorization:** 26 months

Not during takeover bid

Supersedes the delegation of authority granted by the 2021 AGM in the 19th resolution

## Resolution n° 23

Delegation of authority to be granted to the Board of Directors for the purpose of issuing shares and/or securities giving access, immediately or in the future, to the Company's share capital, reserved for categories of persons meeting defined requirements, with a waiver of shareholders' preemptive subscription rights

### **Ceilings:**

- In share capital = €35 million and €7 million
- In debt securities = €500 million

**Validity of the authorization:** 18 months

Not during takeover bid

Supersedes the delegation of authority granted by the 2022 AGM in the 26th resolution

## Resolution n° 24

Delegation of authority to be granted to the Board of Directors for the purpose of increasing the issue amount, with or with a waiver of shareholders' preemptive subscription rights, within the limit of 15% of the initial issue

### **Ceilings:**

- 15% of the initial issue, and at the same price as that applied to the initial issue; and
- the ceiling(s) specified in the resolution used for the initial issue

**Validity of the authorization:** 26 months

Not during takeover bid

Supersedes the delegation of authority granted by the 2021 AGM in the 21st resolution

## Resolution n° 25

Authorization to be granted to the Board of Directors in the event of the issue, with a waiver of shareholders' preemptive subscription rights, of shares and/or securities giving access, immediately or in the future, to the Company's share capital, for the purpose of setting the issue price within the limit of 10% of the Company's share capital under the terms and conditions adopted by the Annual General Meeting

### **Ceilings:**

- 10% of the share capital per period of 12 months; and
- the ceiling(s) specified in the resolution used for the initial issue

**Validity of the authorization:** 26 months

Supersedes the authorization granted by the 2021 AGM in the 22nd resolution

## Resolution n° 26

Delegation of powers to be granted to the Board of Directors for the purpose of issuing shares and/or securities giving access, immediately or in the future, to the Company's share capital as consideration for contributions in kind consisting of shares or securities giving access to the Company's share capital

### **Ceilings:**

- In share capital = €35 million and €7 million (and within the limit of 10% of the share capital)
- In debt securities = €500 million

**Validity of the authorization:** 26 months

Not during takeover bid

Supersedes the delegation of powers granted by the 2021 AGM in the 23rd resolution

## Resolution n° 27

Delegation of authority to be granted to the Board of Directors for the purpose of increasing the share capital by capitalizing premiums, reserves, profits, or any other funds that may be capitalized

### **Ceilings:**

- the amount of the total reserves, premiums, or profits; and
- €35 million

**Validity of the authorization:** 26 months

Not during takeover bid

Supersedes the delegation of authority granted by the 2021 AGM in the 24th resolution

## Resolution n° 28

Delegation of authority to be granted to the Board of Directors for the purpose of carrying out a capital increase by way of the issue of shares and/or securities giving access, immediately or in the future, to the Company's share capital as consideration for securities contributed as part of a public exchange offer initiated by the Company

### **Ceilings:**

- In share capital = €35 million and €7 million
- In debt securities = €500 million

**Validity of the authorization:** 26 months

Not during takeover bid

Supersedes the delegation of authority granted by the 2021 AGM in the 25th resolution



## Resolution n° 29

Delegation of authority to be granted to the Board of Directors for the purpose of carrying out one or more share capital increases by way of the issue of shares and/or securities giving access to the Company's share capital reserved for members of a company savings plan, with a waiver of shareholders' preemptive subscription rights

### **Ceiling:**

- In share capital = €710,000, i.e. approximately 1% of the share capital as March 31, 2023

**Validity of the authorization:** 26 months

Supersedes the delegation of authority granted by the 2022 AGM in the 27th resolution

## Resolution n° 30

Authorization to be granted to the Board of Directors to reduce the share capital by canceling shares acquired by the Company pursuant to Article L. 22-10-62 of the French Commercial Code, up to a maximum of 10% of the share capital

### **Ceilings:**

- 10% of the share capital over a period of 24 months

**Validity of the authorization:** 18 months

Supersedes the authorization granted by the 2022 AGM in the 25th resolution

# Resolution within the competence of the Ordinary General Meeting

# Resolution n° 31

## Powers for formalities

Powers to perform legal formalities



2023 ANNUAL GENERAL MEETING

THANK YOU