

JULY 23, 2024 ANNUAL GENERAL MEETING

SUMMARY OF THE MEETING

The Annual General Meeting of Soitec was held on Tuesday July 23, 2024 at the Company's registered office, located at Parc Technologique des Fontaines, Chemin des Franques, 38190 Bernin, France.

The Annual General Meeting was chaired by Eric Meurice, who held the position of Chairman of the Board of Directors until the formal close of the meeting. Emmanuelle Bely, General Secretary and Secretary of the Board of Directors, acted as secretary of the meeting.

Samuel Dalens, representing Bpifrance Participations and Kai Seikku, representing NSIG Sunrise SARL acted as scrutineers.

Also present were the members of the Board of Directors who were able to make themselves available, as well as Pierre Barnabé, Chief Executive Officer, Léa Alzingre, Chief Financial Officer and the Statutory Auditors.

1,853 shareholders, representing 28,098,064 shares and 38,128,540 voting rights, were present, represented or voted by mail. The quorum stood at 78.75%.

The Annual General Meeting approved all the resolutions proposed by the Board of Directors. Voting results for resolutions are also available on the Company's website www.soitec.com in the section: Investors – Shareholders' information – Annual General Meetings – 2024 - AGM 07.23.2024.

PROCEEDINGS OF THE ANNUAL GENERAL MEETING

OPENING OF THE ANNUAL GENERAL MEETING AND INTRODUCTION BY THE CHAIRMAN OF THE MEETING

After introducing the members of the bureau and the meeting agenda, Eric Meurice gave an introductory speech.

Emmanuelle Bely then confirmed that the legal formalities prior to the Annual General Meeting had been complied with, and informed the shareholders of the provisional quorum.

PRESENTATION OF THE COMPANY'S BUSINESS ACTIVITY, ESG STRATEGY AND GOVERNANCE

Pierre Barnabé, Chief Executive Officer, took the floor to present Soitec's activity during fiscal year 2023-2024 as well as the ESG strategy and governance.

Fiscal year 2023-2024 was marked by a stringent inventory correction across the smartphone supply chain, but in this context Soitec proved resilient by:

- Reinforcing the sustainable and profitable growth model, notably by expanding its customer base,
- Accelerating product portfolio diversification,
- Optimizing its cost structure,
- Ensuring future growth through sustained investment in R&D.

Indeed, Soitec's success is reflected, among other things, by its ability to innovate and produce in high volumes, with quality and competitiveness. This close link between innovation and operations enables the three divisions to bring value and differentiation to all their customers.

Soitec's fundamentals are extremely robust, and the Group's medium-term ambition is to achieve sales of around \$2 billion, with a significant improvement in EBITDA margin, up to 40% approximately.

During fiscal year 2023-2024, Soitec's sales, down 10%, were impacted primarily by the correction of RF-SOI inventories across the smartphone value chain.

In the **Mobile Communications** division, the growing penetration of FD-SOI and the acceleration of POI were offset by the impact of the ongoing correction of RF-SOI inventories in the smartphone supply chain.

In the **Automotive & Industrial** division, Soitec recorded strong growth, driven by two key trends: digitalization and electrification.

In the **Edge & Cloud AI** division (formerly Smart Devices), the temporary low level of investment in some data centers in the market, and the drop in smartphone volumes in 2023 impacted income generation.

However, in all three markets, the penetration of Soitec products continues to grow, and segment share remains very strong.

As for profitability, with an EBITDA margin of 34% in fiscal year 2023-2024, Soitec is proving its solidity in a context of lower income.

Finally, the lower operating cash flow reflects higher working capital requirements, in line with the delivery profile and the expansion of the supplier base.

The outlook for fiscal year 2024-2025 is as follows:

- Stable sales driven by ongoing inventory correction within direct customers, which should weigh on revenues in the first half of fiscal year 2024-2025;
- EBITDA margin around 35%, benefiting from a positive contribution from new products and strict costs control;
- Capital expenditure of around 250 million euros, reflecting Soitec's agility in responding to customer demand.



After outlining Soitec's activity in fiscal year 2023-2024, Pierre Barnabé continued his presentation on ESG topics, a fundamental element of Soitec's strategy.

ESG ambitions have been materialized in Soitec's corporate purpose and clear and ambitious objectives have been defined. The results of Soitec's efforts have been reflected in its MSCI ESG rating, which has improved from B to A in 3 years.

In terms of **Environment**, while Soitec's sales have increased by almost 70% since 2020, the carbon footprint of Scopes 1 and 2 has remained similar in absolute terms.

Soitec is confident of achieving its CO₂ emission reduction targets and has passed the inflection point in the curve.

Scopes 1 and 2 emissions in 2023 have dropped by 15% year-on-year, in absolute terms, and are 3% below the SBTi target.

In terms of water management, Soitec recently announced a new industrial facility which will significantly increase the proportion of water that can be reused in industrial processes.

Soitec is committed to reducing water consumption by fiscal year 2029-2030. Water recycling is fundamental, and as Soitec has already reached its long-term target, the objective has been raised to 50% of recycled water by 2029-2030.

On **Social** matters, Soitec continues its efforts to attract and develop talent, focusing on internal promotions and leading the industry in terms of diversity.

In addition, Soitec shares its value with all employees through the free allocation of performance share plans for all, which reinforces the attractiveness of the Company and the commitment of each employee towards a common goal.

Finally, in terms of **Governance**, ESG issues are the responsibility of each of our management bodies and each of our employees:

- The Board's four specialized Committees discuss and issue ESG recommendations to the Board in the areas that concern them. The Chairwoman of the ESG Committee, who is present on all the other Committees, acts as a link among all the Committees on ESG matters, to ensure consistency and cohesion in the recommendations that are issued in this area by the different Committees to the Board of Directors;
- Within the Executive Committee, responsibilities have been allocated according to their respective scopes. A Steering Committee has been set up within which, the Senior Executive Vice President in charge of Operations Excellence and Quality Chief Operations Officer is in charge of environmental issues, the Chief Human Resources Officer is in charge of social issues, and the General Secretary is in charge of governance issues;
- Finally, the Chief Executive Officer provides direct supervision via the Head of Communications and Marketing and Chief of Staff to the Chief Executive Officer, who is responsible for ESG performance.

PRESENTATION OF FINANCIAL STATEMENTS FOR FISCAL YEAR 2023-2024

Léa Alzingre, Chief Financial Officer, then took the floor to present the financial statements for fiscal year 2023-2024.

Fiscal year 2024 was a complex year in terms of visibility on Soitec's business and financial performance management.

Despite lower-than-anticipated revenues of €978m, i.e. 10% down in comparison with the previous fiscal year, Soitec managed to achieve a solid level of profitability with an EBITDA rate of 34%, while maintaining a very high level of investment in innovation thanks to strict costs control.

Beyond innovation, Soitec has continued to invest in its industrial capacities to prepare for growth at the end of this transition period.

Free cash flow generation was impacted by these investments and by the increase in working capital requirements. However, the financial structure remains solid, with debt limited to €39m at March 31, 2024.

The 10% decline in revenues in Euros, compared with the previous fiscal year, reveals different trends between the three divisions:

- **Mobile Communications** division revenue was down 16%. In line with forecasts, sales generated by RF-SOI products were heavily impacted by high customer inventory levels, combined with a smartphone market that remained weak. This decline was partially offset by growth in sales of POI filter products, which was the result of strong demand from existing customers but also the gain of new customers, particularly in the 2nd half of fiscal year 2023-2024;
- Revenue from the **Automotive & Industrial** division was up strongly, by +16%, with demand driven by the increased volume of semiconductors embedded in the latest generations of vehicles, which benefited both FD-SOI and Power-SOI products;
- Revenue from the **Edge & Cloud AI** division (formerly Smart Devices) was down 6%: medium-term growth vectors exist, with an evolution towards more complex, hyperconnected and increasingly intelligent systems. On the other hand, in the short term, income was penalized by the slowdown in demand in the data center sector, impacting sales of Photonics products. However, this decline was partially counterbalanced by a good performance from FD-SOI product sales.

The gross margin rate reached a solid 34% thanks to a solid industrial performance, strict costs control at all levels and the effect of subsidies obtained.

These factors partially offset the following unfavorable effects, which explain why the gross margin rate was down 3 points compared with the previous fiscal year:

- lower plant capacity levels than in the previous fiscal year, due to lower activity levels,
- an increase of depreciation charges linked to investments made in previous fiscal years,
- the effects of inflation.

Soitec continued to invest heavily in R&D in all 3 divisions, across all divisions and product lines as well as in upstream research. Net R&D expenditure before capitalization amounted to 12% in comparison with the previous fiscal year and down 5% compared with the previous fiscal year, due to the level of subsidies obtained.

Selling and administrative costs fell by 12%, thanks to tighter cost control and favorable non-recurring effects.

Operating income before non-recurring items therefore amounted €208m, representing 21% of sales.



Net financial expense amounted to €5m, an improvement compared with the previous fiscal year, due to an increase of financial interests on investments.

The effective tax rate was 11% and Soitec continues to benefit from tax loss carryforwards.

Net income came to €178m, representing around 18% of the income.

In terms of cash flow, Soitec generated operating cash flow of €165m, lower than the previous year. This was the result of lower EBITDA in value terms, combined with a 142m€ increase in working capital requirements due to higher inventories, increased trade receivables and advance payments to certain suppliers to secure the supply chain.

Soitec continued to invest significantly, notably in industrial capacity in both France and Singapore, to the amount of €227m before the impact of leasing contracts.

In addition, Soitec invested €228m of cash in capacity investments in both Singapore and Bernin, and in innovation.

On the balance sheet, non-current assets increased significantly to €1.2 billion as a result of these acquisitions.

Treasury amounts to €708m and net financial debt remains limited to €40m, given that financial debt stands at €747m. The main movements in financial debt over the fiscal year 2023-2024 concern the real estate leasing contract for the plant dedicated to SmartSiC as well as equipment financing.

Equity strengthened further, mainly thanks to fiscal year revenue, to reach 1.5 billion euros at March 31, 2024.

At March 31, 2024, the balance sheet was solid, and Soitec also benefited from unused credit lines and the possibility of additional drawdowns on borrowings if needed.

Regarding the outlook for the fiscal year 2024-2025, Soitec expects revenues to be stable compared with the fiscal year 2023-2024 on a like-for-like basis, with a decline of around 15% in the 1st half of the fiscal year 2024-2025 compared with the previous year, and a rebound in the 2nd half of the fiscal year. This rebound will be made possible by the recovery in RF-SOI business following the absorption of customer inventories and will be supported by the recovery in the smartphone market and the continued adoption of POI substrates.

In terms of profitability, the Group is set to maintain a high EBITDA rate of 35%, thanks to continued efforts on costs and operating performance.

Soitec will continue to invest significantly in R&D to support growth beyond fiscal year 2024-2025. €250m will mainly be invested to increase capacity in line with customer demand.

PRESENTATION OF THE BOARD GOVERNANCE AND THE CORPORATE OFFICER'S COMPENSATION FOR FISCAL YEARS 2023-2024 AND 2024-2025

Éric Meurice presented the current composition of the Board of Directors as well as its work and the work of its Committees for fiscal year 2023-2024.

He then reminded the shareholders that the Board of Directors carries out an annual assessment of its composition, organization and operation, as well as an evaluation of its Committees. He then shared

the very positive conclusions of this evaluation but also the main areas for improvement that will be implemented during fiscal year 2024-2025.

Emmanuelle Bely took the floor to outline to the shareholders the changes planned in the composition of the Board of Directors for fiscal year 2024-2025, giving a brief presentation of the selection process for new candidates and the backgrounds and skills of the directors whose mandates have been proposed for reappointment or whose appointment have been submitted to the Annual General Meeting.

Emmanuelle Bely then described the compensation components paid or granted in respect of fiscal year 2023-2024 to Eric Meurice, in his capacity as Chairman of the Board of Directors, to Pierre Barnabé, in his capacity of Chief Executive Officer of the Company as well as to the members of the Board of Directors, while recalling that this compensation elements are in line with the compensation policy approved by the Annual General Meeting held in 2023.

Finally, Emmanuelle Bely also presented the compensation policies for corporate officers (The Chief Executive Officer, the Chairman of the Board of Directors and the members of the Board of Directors) and the proposed adjustments for fiscal year 2024-2025.

OTHER PRESENTATIONS

The following persons also made presentations during the Annual General Meeting:

- Benjamin Malherbe of Ernst & Young Audit and Rémi Vinit-Dunand of KPMG S.A. to present the Statutory Auditors' reports;
- Emmanuelle Bely to present the resolutions submitted to the vote of the Annual General Meeting.

DIALOGUE WITH SHAREHOLDERS (Q&A)

Question n°1: Given the current context in France with the dissolution of the National Assembly, has Soitec anticipated a worst-case scenario for CIR subsidies? What would be the impact of such a scenario on future revenues?

The subsidies granted to Soitec so far are subject to a contractual commitment between the parties and cannot be challenged.

For future subsidies, Soitec does not expect France to reduce its R&D and technology subsidies. However, if changes were to occur and France became an unattractive country in which to invest in R&D, Soitec would analyze other alternatives.

Question n°2: Only 1.14% of Soitec's share capital is held by employees. What is Soitec's position employee shareholding?

Soitec shares its value with its employees by implementing each year free allocation of performance share plans for the benefit of all employees. The delivery of these shares is subject to a condition of presence and to performance conditions reviewed and validated by the Board of Directors at the time of the allocation. This approach is supported by the Board of Directors.

The employee shareholding rate is benchmarked every year.

As no holding period is stipulated in the performance share plans, employees have full disposal of the shares at the time of delivery and are free to sell them.

Question n°3: Since the governance crisis, 50% of the Board of Directors has changed. At the same time, the economic climate is not favorable. How do you analyze these 2 years of change in the Company? How do you see the future with this new Board?

Soitec has indeed experienced a governance crisis, which has given rise to changes that are proving to be very positive for the Group: not only has the Board been structured, with the arrival of new profiles, a higher level of independence and staggered terms of office, but also the Company has welcomed a new Chief Executive Officer, creating a new dynamic for the Group.

The end of the governance crisis was also recognized in the results of the evaluation of the Board of Directors carried out this year with the help of an independent external consultant.

Today, the Group is facing a slowdown in the smartphone market. This is having an impact on the Group, but to a limited extent, thanks to the diversification strategy implemented by Executive Management with the support of the Board of Directors. In addition, R&D investments will enable the Group to continue to develop.

Question n°4: Given the departure of Éric Meurice and the appointment of Christophe Gégout as Chairman of the Board of Directors for a transitional period, does the Board wish to maintain the dissociation of roles between the Chairman and the Chief Executive Officer? What is the point of the Referent Director's role at Soitec, given that the roles of Chairman and Chief Executive Officer are dissociated?

The roles of Chairman of the Board of Directors and Chief Executive Officer have been dissociated since July 26, 2018. This dissociation of roles was reaffirmed in 2022 when the new Chief Executive Officer, Pierre Barnabé, was appointed, as well as in 2024 when the Board of Directors discussed the end of the Chairman's term of office.

This dissociation of roles is the best-suited governance structure given the Company's activities, promoting solid governance with a balance of powers between the Board of Directors and Soitec's Executive Management. The Board of Directors therefore wishes to maintain this balance.

In addition, the role of Referent Director was introduced at the time of the governance crisis, and his mission is to manage any conflicts of interest relating to the Chairman of the Board of Directors and to ensure the proper functioning of the Board's governance.

During the fiscal year 2024, the Referent Director, together with the Compensation and Nominations Committee and the ESG Committee, took part in the evaluation of the Board of Directors carried out by an independent external consultant, as well as in the selection of future Board member whose appointment is proposed for approval at the Annual General Meeting on July 23, 2024.

The Board wishes to maintain the role of Referent Director in order to welcome and integrate the new director as effectively as possible.

As a reminder and following the appointment of Christophe Gégout as Chairman of the Board of Directors for a transitional period, the role of Referent Director will be assumed by Delphine Segura-Vaylet from July 23, 2024, for a transitional period.

Question n°5: Given that the new director may be a prescriber of Soitec products, isn't there a risk of conflict of interest? As he works and lives abroad, are you certain that he will be an effective member of the Board of Directors?

To date, there is no direct business relationship between Soitec and Borgwarner, and consequently no conflict of interest.

The Board of Directors aims to have a number of members with experience in the semiconductor industry, but this market is characterized by a limited number of players, which means that some directors may find themselves in a situation of conflict of interest at any given time.

Consequently, the Board of Directors has put in place a robust procedure for managing conflicts of interest. For example, items on the agendas of Committees and/or the Board that could raise conflicts of interest with directors are identified in advance of meetings and these directors are therefore not invited to take part in these debates.

Furthermore, Frédéric Lissalde was motivated by the idea of joining the Board of Directors throughout the selection process and made a commitment to the Board that he would be available. Moreover, Frédéric Lissalde's participation rates on Borgwarner and Autoliv Boards are very positive, demonstrating his strong commitment to his mandates. In addition, although he was unable to attend the Annual General Meeting, he will take part in the Board meeting to be held afterwards.

Question n°6: Françoise Chombar, an independent director, is personally linked to X-Fab and Sensinovat, and therefore indirectly holds 25% of the share capital. Doesn't this mean that she is treated differently from the other directors? Can she really be considered independent?

The Afep-Medef Code, to which the Company refers, defines precise criteria for qualifying a director as independent.

One of these criteria is "significant business relationships". Thus, to be qualified as an independent director under this criteria, the director must not be a customer, supplier, investment banker, commercial banker or significant advisor to the Company or its Group, or for whom the Company or its Group represents a significant part of the business.

As part of the annual review of Board members' independence, the ESG Committee, then the Board of Directors, verifies the existence of any business relationships. If these are found to exist, a more detailed review is then carried out to assess whether or not the relationship is significant, based on qualitative criteria (context, history and organization of the relationship, respective powers of the parties) and quantitative criteria (materiality of the relationship for the parties).

Today, X-Fab represents less than 1% of Soitec's sales: it is therefore not a significant business relationship likely to challenge François Chombar's independence. However, if the relationship were to evolve and develop, François Chombar's independence could indeed be challenged, and if this were the case, the Board would apply the procedure for managing conflicts of interest.

Question n°7: There have been many promotions and increases in variable compensation within the Executive Committee (ranging from 15% to 25%). At the same time, the mandatory annual negotiations were particularly tense between employees/unions and Management, particularly about pay rises, which were judged to be very low. Are Executive Committee promotions decided by the Board of Directors?

The Executive Committee reports to the Chief Executive Officer, and not to the Board of Directors. However, the Compensation and Nominations Committee makes recommendations once a year on the Chief Executive Officer's proposals for Executive Committee members, based on benchmarks requested by the Committee from an outside firm.



A year and a half ago, there were 4 hierarchical levels within the Executive Committee, and the new Chief Executive Officer wanted to simplify this hierarchy and reduce the number of levels, to ensure better teamwork. We now have two Senior Executive Vice-Presidents, the Senior Executive Vice-President of Soitec's Innovation and Chief Technology Officer and the Senior Executive Vice-President of Operations Excellence and Quality Chief Operations Officer, and ten Executive Vice-Presidents, representing all the other members of the Executive Committee.

This information was made public in the 2023-2024 Universal Registration Document.

With this new organization, the level of responsibility has also evolved, and the targets set as part of variable compensation are therefore increasingly demanding.

Question n°8: The Chief Executive Officer's compensation has been increased and is now 10% higher than 2 years ago. Normally, the compensation of the Chief Executive Officer is fixed throughout his term of office. In addition, his variable compensation targets have not been met. How do you justify this increase?

The compensation of Chief Executive Officers is determined in accordance with the missions entrusted to them, their experience and market practices.

In response to requests from investors, who felt that the proportion of long-term variable compensation in our Chief Executive Officer's overall compensation package was too high, and unrelated to market practices, and on the recommendation of the Compensation and Nominations Committee, the Board of Directors has decided to propose two adjustments to the Annual General Meeting in order to rebalance the composition of the Chief Executive Officer's compensation in line with market practices, without increasing the total compensation that may be received by the Chief Executive Officer. The proposal is as follows:

- to increase the Chief Executive Officer's fixed compensation to 530,000 euros, compared with 480,000 euros since the start of his term of office on July 26, 2022, thereby positioning the Chief Executive Officer's fixed compensation in the median range;
- to reduce the value of the Chief Executive Officers's long-term variable compensation by -50% of his fixed compensation, thus decreasing it to 250% of his fixed compensation compared with 300% initially planned.

The compensation of the Chief Executive Officer is benchmarked annually and discussed by the Compensation and Nominations Committee and the Board of Directors.

The Compensation and Nominations Committee verified that the proposed compensation policy for the Chief Executive Officer was in line with the market practices of a panel of comparable companies. This review positioned the new fixed compensation received by Soitec's Chief Executive Officer at the median of fixed compensation received by Chief Executive Officers of European and French companies in the semiconductor industry and the long-term variable compensation slightly above the median of long-term variable compensation received by Chief Executive Officers of European and French companies.

Question n°9: The compensation of the Chair of the Board of Directors will be increased following the shareholders' vote. Why not increase the compensation of Christophe Gégout, Chairman of the Board for a transitional period?

Indeed, on the recommendation of the Compensation and Nominations Committee, the Board of Directors has decided to submit to the Annual General Meeting for approval an increase in the fixed

compensation of the Chair of the Board, which would thus amount to 280,000 euros gross, compared with 230,000 euros gross from the fiscal year 2019-2020.

This increase would position the compensation of the Chair of the Board of Directors at the median, align the Chair's compensation with the duties entrusted to him, and make the role of Chair of Soitec's Board of Directors more attractive in a year of transition.

By decision of the Board of Directors, this increase in fixed compensation will become effective after the transition period, i.e. as from the appointment of the new Chair of the Board of Directors. Thus, if Christophe Gégout is finally appointed long-term Chairman of the Board, the increase in his compensation would apply to him.

VOTING ON RESOLUTIONS

Before voting on the resolutions, the secretary of the meeting informed the shareholders of the final quorum.

The Annual General Meeting approved notably the statutory and consolidated financial statements for fiscal year 2023-2024, as well as the appropriation of net profit to the "Legal reserve" and the balance to "Retained earnings".

The Annual General Meeting appointed Frédéric Lissalde as a new director and reappointed Françoise Chombar, Satoshi Onishi and Shuo Zhang as directors for a three-year period.

The Annual General Meeting approved the compensation policy applicable to corporate officers for the fiscal year 2024-2025, as well as information relating to the compensation of the Company's corporate officers referred to in article L. 22-10-9, I of the French Code of commerce and the compensation paid during or granted for the fiscal year 2023-2024 to Eric Meurice, Chairman of the Board of Directors and to Pierre Barnabé, Chief Executive Officer of the Company.

The Annual General Meeting also approved the amendment to the defined contribution supplementary pension plan that forms part of the Chief Executive Officer's compensation policy, effective from January 1, 2024.

In addition, the Annual General Meeting approved, in accordance with Article L. 225-38 *et seq.*, a services agreement entered into with Éric Meurice, Chair of the Company's Board of Directors at the date the agreement was signed.

The Annual General Meeting appointed KPMG S.A. as Statutory Auditor responsible for certifying the Company's sustainability information until the Ordinary General Meeting which will be called to approve the financial statements of the fiscal year ending March 31, 2028.

Moreover, the Annual General Meeting renewed the share buyback program for a period of 18 months, notably, to cover free performance share plans, to reduce share capital by cancelling shares, and to ensure the liquidity of and make a market for the Company's shares through an investment services provider.

Lastly, the Annual General Meeting approved all the financial resolutions authorizing or delegating to the Board of Directors, for a period of 14 or 38 months, as appropriate, the powers (i) to reduce the share capital by cancelling treasury shares, (ii) to increase the share capital, with a waiver of preemptive subscription rights, reserved for categories of persons meeting defined requirements, (iii) to increase the share capital, with a waiver of preemptive subscription rights, reserved for members of a company



savings plan, but also (iv) to allocate, free of consideration, new or existing ordinary shares of the Company to employees and/or corporate officers of the Company and/or companies or groups of entities directly or indirectly affiliated with the Company.
