



**BE SEMICONDUCTOR INDUSTRIES N.V.**

**DUIVEN, THE NETHERLANDS**

**UNAUDITED CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE SIX MONTHS  
ENDED JUNE 30, 2022**

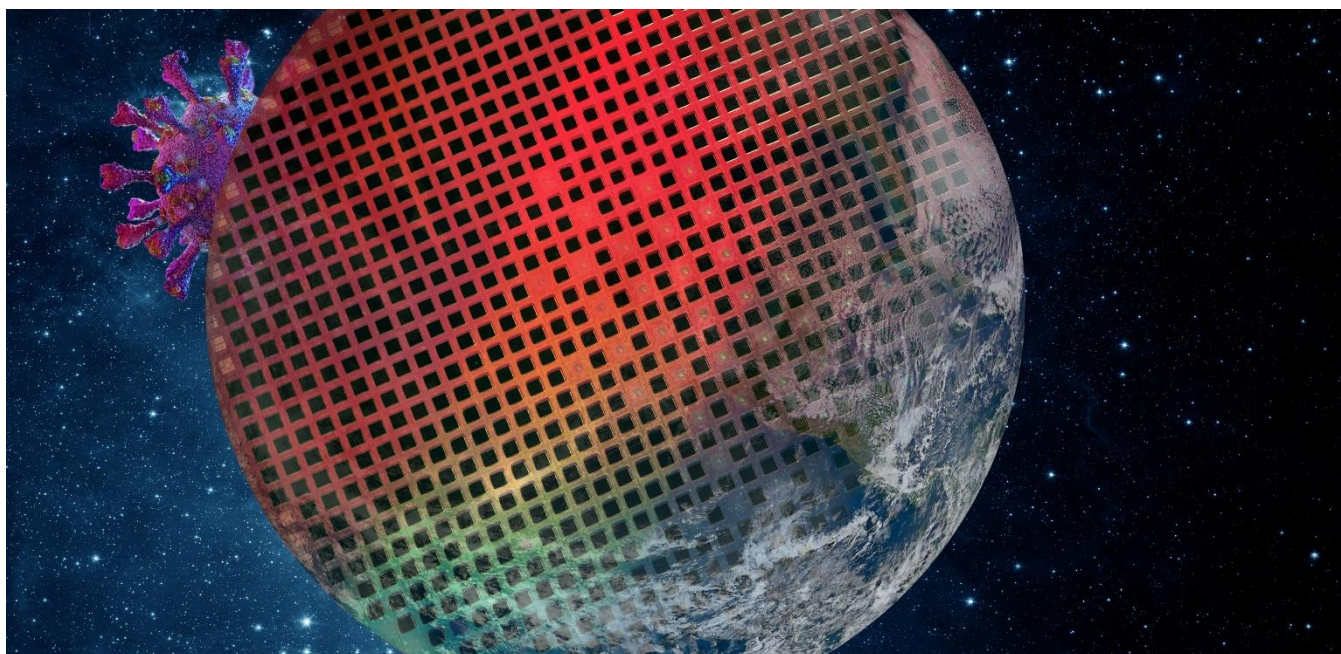
## **Content Unaudited Condensed Interim Consolidated Financial Statements June 30, 2022**

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## Caution Concerning Forward Looking Statements

This report contains statements about management's future expectations, plans and prospects of our business that constitute forward-looking statements, which are found in various places throughout this report, including, but not limited to, statements relating to expectations of orders, net sales, product shipments, expenses, timing of purchases of assembly equipment by customers, gross margins, operating results and capital expenditures. The use of words such as “anticipate”, “estimate”, “expect”, “can”, “intend”, “believes”, “may”, “plan”, “predict”, “project”, “forecast”, “will”, “would”, and similar expressions are intended to identify forward looking statements, although not all forward looking statements contain these identifying words. The financial guidance set forth under the heading Performance and Outlook in the Report of the Board of Management contains such forward looking statements. While these forward looking statements represent our judgments and expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from those contained in forward looking statements, including any inability to maintain continued demand for our products; failure of anticipated orders to materialize or postponement or cancellation of orders, generally without charges; the volatility in the demand for semiconductors and our products and services; the extent and duration of the COVID-19 pandemic and measures taken to contain the outbreak, and the associated adverse impacts on the global economy, financial markets, global supply chains and our operations as well as those of our customers and suppliers; failure to develop new and enhanced products and introduce them at competitive price levels; failure to adequately decrease costs and expenses as revenues decline; loss of significant customers, including through industry consolidation or the emergence of industry alliances; lengthening of the sales cycle; acts of terrorism and violence; disruption or failure of our information technology systems; consolidation activity and industry alliances in the semiconductor industry that may result in further increased customer concentration, inability to forecast demand and inventory levels for our products; the integrity of product pricing and protection of our intellectual property in foreign jurisdictions; risks, such as changes in trade regulations, conflict minerals regulations, currency fluctuations, political instability and war, associated with substantial foreign customers, suppliers and foreign manufacturing operations, particularly to the extent occurring in the Asia Pacific region where we have a substantial portion of our production facilities; our ability to mitigate the dislocations caused by the flood at one of our Malaysian production facilities, potential instability in foreign capital markets; the risk of failure to successfully manage our diverse operations; any inability to attract and retain skilled personnel, including as a result of restrictions on immigration, travel or the availability of visas for skilled technology workers as a result of the COVID-19 pandemic; those additional risk factors set forth in Besi's annual report for the year ended December 31, 2021 and other key factors that could adversely affect our businesses and financial performance contained in our filings and reports, including our statutory consolidated statements. We expressly disclaim any obligation to update or alter our forward-looking statements whether as a result of new information, future events or otherwise.

## Report of the Board of Management



This report contains the semi-annual financial report of BE Semiconductor Industries N.V. ("Besi" or "the Company"), a Company which was incorporated in the Netherlands in May 1995 as the holding company for a worldwide business engaged in one line of business, the development, manufacturing, marketing, sales and service of semiconductor assembly equipment for the global semiconductor and electronics industries. We are a global company with headquarters at Ratio 6, 6921 RW Duiven, the Netherlands. We operate seven facilities in Asia and Europe for production and development activities as well as eight sales and service offices across Europe, Asia and North America.

The interim financial report for the six months ended June 30, 2022 consists of the condensed interim consolidated financial statements, the report of the Board of Management and responsibility statement by the Company's Board of Management. The information in this Interim Financial Report is unaudited.

The Board of Management of the Company hereby declares that to the best of their knowledge, the Condensed Consolidated Interim Financial Statements are prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole, and the Report of the Board of Management gives a fair review of the information required pursuant to section 5:25d(8)/(9) of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*).

## Performance

Besi reported solid first half year results with revenue and net income of € 416.4 million and € 143.2 million increasing by 12.8% and 9.2%, respectively, versus H1-21. Revenue development this first half year was influenced by a number of important market trends. On the positive side, it reflected ongoing strength for Besi's computing and automotive end-user markets continuing favorable trends from H2-21. Such strength was partially offset by reduced demand for high-end smartphones following a large capacity build in 2021. It also reflected a 31.4% decrease in revenue from Chinese customers primarily associated with reduced shipments to subcontractors for mobile handsets and mainstream electronics applications due to overcapacity and Covid-19 related lockdowns. Net income growth in H1-22 benefitted from higher revenue levels, stable gross margins of 60.5% and cost control efforts which enabled us to keep operating expense margins relatively flat despite funding a 46.8% increase in R&D spending associated with new wafer level product development.

Our liquidity position continued to improve at June 30, 2022 with net cash of € 284.0 million and total cash and deposits of € 601.6 million increasing 37.4% and 17.6%, respectively, versus June 30, 2021. Such increases occurred despite the distribution of € 305.7 million to shareholders in H1-22 in the form of dividends and share repurchases. Given continued strong cash flow generation and current market conditions, we intend to complete the current € 185 million share repurchase program by July 31, 2022. Beginning August 1, 2022, we intend to initiate a new € 300 million program representing approximately 7.5% of current shares outstanding with a completion date of October 2023. Repurchases under this new program will help reduce dilution related to Besi's Convertible Notes outstanding and issuances under employee stock plans.

Orders of € 357.9 million in H1-22 decreased by 32.1% versus H1-21 as industry conditions weakened, global GDP growth rates decelerated and customer caution increased. In particular, the decrease reflected lower orders for high-end smartphones post new product introductions in 2021 and decreased demand from Chinese subcontractors, partially offset by continued strength in demand for automotive end-user markets. Of note, we received three orders for Besi's new embedded bridge die attach system in H1-22 reflecting progress in the build out of our wafer level assembly portfolio. In addition, Besi's backlog of € 275 million at June 30, 2022 remained at higher than typical levels reflecting ongoing supply chain issues, selective pre ordering by customers and, to a lesser extent, pushouts by some Asian subcontractors given changing market conditions.

Whether current market softness is a temporary pause or more prolonged in duration is difficult to tell at present given the many conflicting economic, geopolitical and industry cross currents. For Q3-22, we estimate that revenue will decrease by 20-30% versus Q2-22 reflecting current market conditions and seasonal trends. However, Besi's gross margin is expected to remain in the 60-62% range due to the flexibility of our production model and timely operational actions taken. In this regard, we reduced temporary production headcount approximately 16% in the latter half of the quarter to better align production with order trends. Further, operating expenses are anticipated to decrease by 10-15% versus Q2-22 principally related to lower revenue levels.

We are accelerating investment in Besi's future, particularly for our hybrid bonding and wafer level assembly portfolio as the long-term drivers of our business remain intact and sub 10 nanometer device innovation continues apace. As such, we are deploying greater resources to meet hybrid bonding goals, introducing new wafer level assembly systems, adding development and support personnel and taking occupancy of a new 125,000 square foot leased facility in Malaysia in Q3-22 which should lessen capacity constraints for our most advanced systems.

## COVID-19

The impact of the pandemic on the Company's business was significant as it caused material disruptions to global supply chains and component inventory levels and extended delivery lead times. Due to the flexible Asian supply chain, labor force and assembly capacity, Besi was able to shift production and final assembly sufficiently among the Malaysian, Chinese and Singapore facilities to satisfy a large portion of customer requirements. Production output also benefited from Besi's dual source supplier strategy and advance purchases of components deemed critical to the operations. The ongoing pandemic has presented challenges unlike any the Company has encountered previously and underscored the importance of building a resilient, flexible and sustainable organization.

## Risks and uncertainties

In our Annual Report 2021, we have extensively described certain risk categories and risk factors, which could have a material adverse effect on our financial position and results. The Company believes that the risks identified for the first half of 2022 are in line with the risks that Besi presented in its Annual Report 2021.

Demand for semiconductor devices and expenditures for the equipment required to assemble semiconductors is highly cyclical, depending in large part on levels of demand worldwide for smart phones, tablets and other personal productivity devices, computing and peripheral equipment and automotive and industrial components, as well as the production capacity of global semiconductor manufacturers. Furthermore, a rise or fall in the level of sales of semiconductor equipment typically lags any downturn or recovery in the semiconductor market by approximately three to six months due to the lead times associated with the production of semiconductor equipment.

## Outlook

Based on its June 30, 2022 order backlog and feedback from customers, Besi forecasts for Q3-22 that:

- Revenue will decrease by approximately 20-30% vs. the € 214.0 million reported in Q2-22 reflecting current market conditions and seasonal trends
- Gross margin will range between 60-62% vs. the 61.0% realized in Q2-22
- Operating expenses will decrease by 10-15% vs. the € 37.9 million reported in Q2-22

Duiven, July 20, 2022

Richard W. Blickman  
President & CEO

## Condensed Interim Consolidated Statement of Financial Position

(€ thousands)	June 30, 2022 (unaudited)	December 31, 2021 (audited)
<b>Assets</b>		
Cash and cash equivalents	376,581	451,395
Deposits	200,000	195,789
Trade receivables	243,713	174,942
Inventories	102,549	94,399
Income tax receivable	3,358	3,053
Other receivables	15,496	13,546
Prepayments	4,494	3,024
<b>Total current assets</b>	<b>946,191</b>	<b>936,148</b>
Property, plant and equipment	29,815	29,884
Right of use assets	18,299	10,606
Goodwill	46,012	45,170
Other intangible assets	76,141	68,746
Deferred tax assets	23,407	27,436
Deposits	25,000	25,000
Other non-current assets	1,076	1,051
<b>Total non-current assets</b>	<b>219,750</b>	<b>207,893</b>
<b>Total assets</b>	<b>1,165,941</b>	<b>1,144,041</b>
<b>Liabilities and equity</b>		
Trade payables	68,819	74,711
Income tax payable	15,029	28,636
Provisions	7,128	6,641
Lease liabilities	3,866	3,475
Other payables	43,142	44,545
Other current liabilities	31,463	29,570
<b>Total current liabilities</b>	<b>169,447</b>	<b>187,578</b>
Long-term debt	317,595	301,802
Lease liabilities	14,564	7,198
Deferred tax liabilities	15,719	10,970
Provisions	13,368	16,239
Other non-current liabilities	1,556	980
<b>Total non-current liabilities</b>	<b>362,802</b>	<b>337,189</b>
Share capital	811	786
Share premium	381,664	251,149
Retained earnings	127,335	261,211
Other reserves	123,882	106,128
<b>Total equity</b>	<b>633,692</b>	<b>619,274</b>
<b>Total liabilities and equity</b>	<b>1,165,941</b>	<b>1,144,041</b>



## Condensed Interim Consolidated Statement of Operations

(€ thousands, except share and per share data)	For the six months ended June 30,	
	2022 (unaudited)	2021 (unaudited)
Revenue	416,365	369,259
Cost of sales	164,307	145,674
<b>Gross profit</b>	<b>252,058</b>	<b>223,585</b>
Selling, general and administrative expenses	51,913	50,891
Research and development expenses	25,938	17,668
<b>Total operating expenses</b>	<b>77,851</b>	<b>68,559</b>
<b>Operating income</b>	<b>174,207</b>	<b>155,026</b>
Financial income	252	83
Financial expense	(9,777)	(7,402)
<b>Financial income (expense), net</b>	<b>(9,525)</b>	<b>(7,319)</b>
<b>Income before income taxes</b>	<b>164,682</b>	<b>147,707</b>
Income tax expense	21,501	16,640
<b>Net income</b>	<b>143,181</b>	<b>131,067</b>
Net income per share		
Basic	1.81	1.76
Diluted <sup>1</sup>	1.71	1.58
Weighted average number of shares used to compute income per share		
Basic	78,981,056	74,540,692
Diluted	85,745,051	85,439,676

<sup>1</sup> The calculation of the diluted income per share for the six months ended June 30, 2022 and 2021 assumes the exercise of the equity-settled share-based payments. The calculation also assumes the conversion of the Company's Convertible Notes due 2023, 2024, 2027 and 2029 respectively, as such conversion would have a dilutive effect.

## Condensed Interim Consolidated Statement of Comprehensive Income

(€ thousands)	For the six months ended June 30,	
	2022 (unaudited)	2021 (unaudited)
<b>Net income</b>	<b>143,181</b>	<b>131,067</b>
<i>Other comprehensive income</i> <i>(will be reclassified subsequently to profit and loss</i> <i>when specific conditions are met):</i>		
Currency translation differences	10,927	682
Actuarial gain, net of income tax	3,072	2,848
Unrealized hedging results, net of income tax	(3,835)	(2,858)
Other comprehensive income for the period, net of income tax	10,164	672
<b>Total comprehensive income</b>	<b>153,345</b>	<b>131,739</b>



## Condensed Interim Consolidated Statement of Changes in Equity

(€ in thousands, except share data)	Number of Ordinary Shares outstanding <sup>1</sup>	Share capital	Share premium	Retained earnings	Other reserves	Total equity
Balance at January 1, 2022	78,567,842	786	251,149	261,211	106,128	619,274
Currency translation differences	-	-	-	-	10,927	10,927
Actuarial gain	-	-	-	-	3,072	3,072
Unrealized hedging results	-	-	-	-	(3,835)	(3,835)
Other comprehensive income	-	-	-	-	10,164	10,164
Net income	-	-	-	143,181	-	143,181
Total comprehensive income for the period	-	-	-	143,181	10,164	153,345
Dividends paid to owners of the Company	-	-	-	(269,467)	-	(269,467)
Convertible Notes converted into equity	2,578,896	25	134,735	-	-	134,760
Legal reserve	-	-	-	(7,590)	7,590	-
Equity-settled share-based payments	-	-	12,239	-	-	12,239
Equity component new Convertible Notes	-	-	19,816	-	-	19,816
Purchase of treasury shares	-	-	(36,275)	-	-	(36,275)
<b>Balance at June 30, 2022 (unaudited)</b>	<b>81,146,738</b>	<b>811</b>	<b>381,664</b>	<b>127,335</b>	<b>123,882</b>	<b>633,692</b>
Balance at January 1, 2021	78,067,842	786	178,600	127,425	64,416	371,227
Currency translation differences	-	-	-	-	682	682
Actuarial gain	-	-	-	-	2,848	2,848
Unrealized hedging results	-	-	-	-	(2,858)	(2,858)
Other comprehensive income	-	-	-	-	672	672
Net income	-	-	-	131,067	-	131,067
Total comprehensive income for the period	-	-	-	131,067	672	131,739
Dividends paid to owners of the Company	-	-	-	(129,357)	-	(129,357)
Convertible Notes converted into equity	-	-	100,720	-	-	100,720
Legal reserve	-	-	-	(7,290)	7,290	-
Equity-settled share-based payments	-	-	13,397	-	-	13,397
Purchase of treasury shares	-	-	(20,197)	-	-	(20,197)
<b>Balance at June 30, 2021 (unaudited)</b>	<b>78,067,842</b>	<b>786</b>	<b>272,520</b>	<b>121,845</b>	<b>72,378</b>	<b>467,529</b>

<sup>1</sup> The outstanding number of Ordinary Shares includes 554,186 and 598,219 treasury shares at June 30, 2022 and at January 1, 2022, respectively, and 422,163 and 5,701,931 at June 30, 2021 and January 1, 2021, respectively.

## Condensed Interim Consolidated Statement of Cash Flows

(€ thousands)	For the six months ended June 30,	
	2022 (unaudited)	2021 (unaudited)
<i>Cash flows from operating activities</i>		
Income before income tax	164,682	147,707
<i>Adjustments to reconcile income before income tax to net cash flows</i>		
Depreciation, amortization and impairment	10,988	8,432
Share-based payment expense	12,239	13,397
Financial expense, net	9,525	7,319
<i>Effects on changes in assets and liabilities</i>		
Increase in trade receivables	(51,654)	(122,195)
Increase in inventories	(5,130)	(26,293)
Increase (decrease) in trade payables	(7,710)	47,053
Changes in provisions	533	3,491
Changes in other working capital	(27,790)	11,047
	<b>105,683</b>	<b>89,958</b>
Income tax paid	(31,182)	(10,421)
Interest received	188	112
Interest paid	(2,152)	(2,218)
<b>Net cash provided by operating activities</b>	<b>72,537</b>	<b>77,431</b>
<i>Cash flows from investing activities</i>		
Capital expenditures	(2,007)	(2,865)
Proceeds from sale of property	-	54
Capitalized development expenses	(10,890)	(10,780)
Repayment of (investments in) deposits	(289)	9,953
<b>Net cash used in investing activities</b>	<b>(13,186)</b>	<b>(3,638)</b>
<i>Cash flows from financing activities</i>		
Proceeds from (payments of) debts	-	1,021
Proceeds from Convertible Notes	172,176	-
Payments of lease liabilities	(1,835)	(1,850)
Dividend paid to shareholders	(269,467)	(129,357)
Purchase treasury shares	(36,275)	(20,197)
<b>Net cash used in financing activities</b>	<b>(135,401)</b>	<b>(150,383)</b>
Net change in cash and cash equivalents	(76,050)	(76,590)
Effect of changes in exchange rates on cash and cash equivalents	1,236	(14)
Cash and cash equivalents at beginning of the period	451,395	375,406
<b>Cash and cash equivalents at end of the period</b>	<b>376,581</b>	<b>298,802</b>

## Notes to the Condensed Interim Consolidated Financial Statements

### 1. Corporate information

BE Semiconductor Industries N.V. ("Besi" or "the Company") was incorporated in the Netherlands in May 1995 as the holding company for a worldwide business engaged in one line of business, the development, production, marketing and sales of back-end equipment for the semiconductor industry. Besi's principal operations are in the Netherlands, Switzerland, Austria and Asia. Besi's principal executive office is located at Ratio 6, 6921 RW, Duiven, the Netherlands. Statutory seat of the Company is Amsterdam, number at Chamber of Commerce is 09092395.

### 2. Basis of preparation and changes to the Company's accounting policies

#### 2.1 Basis of preparation

The condensed interim consolidated financial statements for the six months ended June 30, 2022 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The Condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Besi's annual consolidated financial statements as at December 31, 2021.

The Condensed interim consolidated financial statements are stated in thousands of euros unless indicated otherwise.

#### 2.2 Significant accounting judgements, estimates and assumptions

The accounting policies adopted in the preparation of the Condensed interim consolidated financial statements are consistent with those applied in the Annual Report 2021. In the process of applying the Company's accounting policies, management has made some judgements that have significant effect on the amounts recognized in the condensed interim consolidated financial statements. Estimates and assumptions used in the preparation of the condensed interim consolidated financial statements are considered consistent with those described in the Annual Report 2021.

#### 2.3 Segment information

##### *Operating segments*

The Company is engaged in one line of business, the development, manufacturing, marketing, sales and service of semiconductor assembly equipment for the global semiconductor and electronics industries. The Company identifies three operating segments (Product Groups). These Product Groups are Die Attach, Packaging and Plating. The chief operating decision maker reviews each Product Group in detail and all operational functions are allocated to these Product Groups: 1) Product Marketing, 2) Research and Development, 3) Product Group management, 4) Customer Project management and 5) Operations. Corporate functions (Finance, Legal, Human Resources and Sales & Service) do not qualify as operating segments. Hence, Besi identifies three operating segments which meet the IFRS 8 criteria.

##### *Reportable segment*

IFRS 8 allows for operating segments to be aggregated into reportable segments if the operating segments share similar economic characteristics. The Company deems the three operating segments to meet the aggregation criteria, as the nature of the products and services, production processes, classes of customer and methods used to distribute the products and provide services and gross margins are similar. Hence the three Product Groups are aggregated into a single reporting segment; the development, manufacturing, marketing, sales and service of assembly equipment for the semiconductor's back-end segment.

### 3. Dividend

On April 29, 2022, the Company announced a dividend payment of € 3.33 per ordinary share. The dividend was payable fully in cash. The Company paid an amount of € 269.5 million to shareholders in May 2022.

### 4. Share repurchase program

On July 26, 2018, Besi announced a € 75 million share repurchase program through October 26, 2019 (the "2018 program"). The 2018 program was initiated for capital reduction purposes and to help offset dilution associated with Besi's Convertible Notes and share issuance under employee stock plans. The program has been extended three times, the most recent of which was on July 26, 2021, when it was extended until October 30, 2022. and its principal amount was increased to € 185 million.

During the six months ended June 30, 2022, Besi repurchased 591,076 of its ordinary shares at an average price of € 61.25 per share for a total of € 36.3 million. Cumulatively, as of June 30, 2022, a total of 4.8 million shares have been purchased under the 2018 program at an average price of € 35.38 per share for a total of € 171.0 million.

At present, Besi has shareholder authorization to purchase up to an aggregate of 10% of its ordinary shares outstanding (approximately 8.1 million shares) until October 30, 2022.

## 5. Convertible bonds

In April 2022, the Company issued € 175 million principal amount of Convertible Notes with a maturity date of April 6, 2029 (the “2022 Convertible Notes”). The 2022 Convertible Notes carry a nominal interest rate of 1.875% per year, payable semi-annually. Bondholders can convert the bonds into ordinary shares at a conversion price of € 115.50 (subject to adjustments). The 2022 Convertible Notes will be repaid at maturity at a price of 100% of their principal amount plus accrued and unpaid interest. If not converted, at any time from April 27, 2026, the Company may redeem the outstanding 2022 Convertible Notes at their principal amount, subject to giving a minimum of 30 days’ and maximum of 60 days’ prior notice to Bondholders, if the value of the shares underlying the 2022 Convertible Notes equals or exceeds 130% of the then effective conversion price for at least 20 out of 30 consecutive dealing days. The 2022 Convertible Notes may be redeemed at the option of the holder (i) on April 6, 2027 at their principal amount plus accrued interest and (ii) in the event of a change of control, at the principal amount plus accrued interest.

The amount of the 2022 Convertible Notes classified as equity of € 26,859 is net of attributable debt issuance cost of € 441.

During the six months ended June 30, 2022, € 139.9 million principal amount of the 2017 Convertible Bonds were converted into 2,907,231 ordinary shares at request of the Bondholders. 328,335 shares were issued from treasury shares and 2,578,896 new shares were issued. The carrying value of the liability at conversion amounted to € 133.3 million and was reclassified to equity and no gain or loss was recognized on conversion. As a result, the principal amount outstanding of the 2017 Convertible Notes declined from € 172.4 million at December 31, 2021 to € 32.5 million at June 30, 2022.

## 6. Revenue from contracts with customers

The following table disaggregates the geographical distribution on the Company’s revenue billed to customers:

(€ thousands)	Six months ended June 30,	
	2022	2021
China	92,095	134,175
Taiwan	56,828	27,585
Malaysia	53,716	28,810
Korea	50,417	36,783
United States	35,305	15,343
Philippines	26,874	5,156
Ireland	25,692	47,664
Thailand	23,641	14,200
Japan	9,463	33,715
Other Asia Pacific <sup>1</sup>	10,315	8,704
Other Europe <sup>1</sup>	15,638	14,448
Rest of the World <sup>1</sup>	16,381	2,676
<b>Total revenue</b>	<b>416,365</b>	<b>369,259</b>

<sup>1</sup> Countries with revenue representing more than 5% of consolidated revenue in the six months ended June 30, 2022 or June 30, 2021 are separately disclosed.

The following table disaggregates the Company's revenue of the three different operating segments (Product Groups):

(€ thousands)	Six months ended June 30,	
	2022	2021
Die Attach	341,916	313,021
Packaging	58,086	51,246
Plating	16,363	4,992
<b>Total revenue</b>	<b>416,365</b>	<b>369,259</b>

## 7. Financial instruments

The Company assumes that the book value of the Company's financial instruments, which consist of cash and cash equivalents, deposits, trade receivables and accounts payable, does not significantly differ from their fair value due to the short maturity of those instruments and to the fact that interest rates are floating or approximate the rates currently available to the Company. For the valuation of the Convertible Notes reference is made to Note 18 of the Annual Report 2021.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair values of financial assets and financial liabilities, together with the carrying amounts in the Consolidated Statements of Financial Position, are as follows:

(€ thousands)	June 30, 2022 (unaudited)	
	Carrying amount	Fair value
<i>Financial assets</i>		
Forward foreign currency exchange contracts	6,125	6,125
Marketable securities for pension liability	549	549
<b>Total</b>	<b>6,674</b>	<b>6,674</b>
<i>Financial liabilities</i>		
Forward foreign currency exchange contracts	7,473	7,473
Long-term debt <sup>1</sup>	317,595	356,410
<b>Total</b>	<b>325,068</b>	<b>363,883</b>

<sup>1</sup> The fair value of the Convertible Notes included in the long-term debt are based on the closing prices of the Notes on the Deutsche Börse Freiverkehr Market.

There were no transfers between levels during the six months ended June 30, 2022 and the year ended December 31, 2021.

The only recurring fair value measurement is the valuation of forward exchange contracts for hedging purposes. According to IFRS 13 this measurement is categorized as Level 2. Non-recurring fair value measurements were not applicable in the reporting period.

## 8. Events after the balance sheet date

Subsequent events were evaluated up to July 20, 2022, which is the date the Condensed interim consolidated financial statements included in this Report were approved.

On July 20, 2022, a new € 300 million share repurchase program ("2022 program") was approved. The 2022 program will be initiated effective August 1, 2022. The 2022 program is aimed at general capital reduction purposes and to help offset dilution related to Besi's Convertible Notes and shares issued under employee stock plans. It will be funded using Besi's available cash resources and is expected to be completed by October 2023. In addition the Company intends to fully complete the 2018 program by July 31, 2022.

There are no other events to report.