

# Annual Report 2023



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We are shaping the future.  
With innovation and precision.

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**AIXTRON**

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# AIXTRON GROUP

## 2023 at a Glance

EUR **640.7** million

### **Order Intake**

previous year: EUR 585.9 million

EUR **629.9** million

### **Revenues**

previous year: EUR 463.2 million

**44%**

### **Gross Margin**

previous year: 42%

EUR **156.8** million

### **EBIT**

previous year: EUR 104.7 million

EUR **1.29**

### **Earnings per Share**

previous year: EUR 0.89

**73.4%**

### **EU Taxonomy-Aligned Revenues**

Details: [AIXTRON Sustainability Report](#)

EUR **87.7** million

### **R&D Expenditure**

previous year: EUR 57.7 million

**1,086**

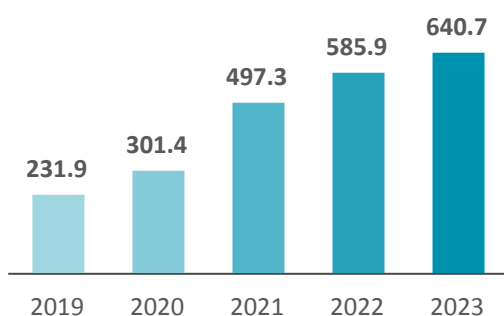
### **Employees at Year-End**

previous year: 895

## Key Figures 2023

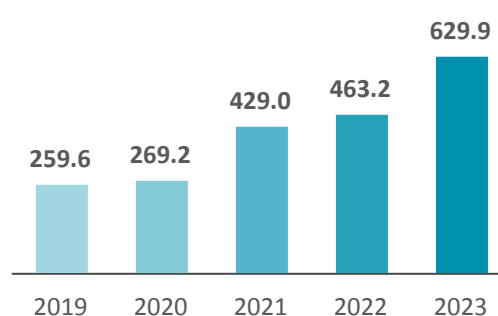
### Order Intake

EUR million



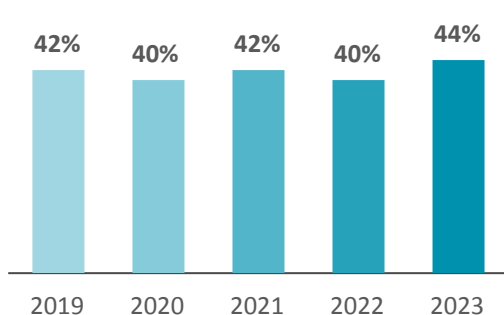
### Revenues

EUR million



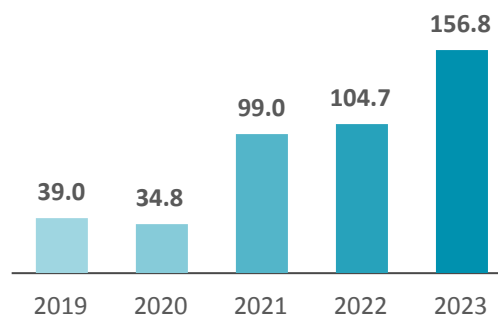
### Gross Margin

% of revenues



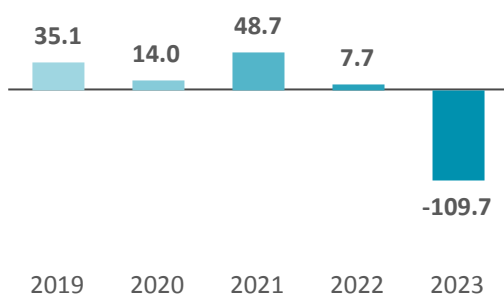
### Operating Result (EBIT)

EUR million



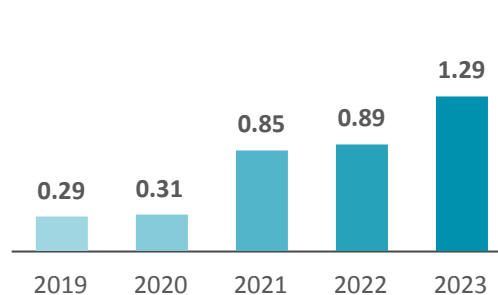
### Free Cash Flow

EUR million



### Earnings per Share

EUR



## Company Profile

AIXTRON SE is a leading global provider of deposition equipment to the semiconductor industry. The company has subsidiaries in Europe, Asia and in the United States and offers customers high-tech tools that are used in a wide range of high-performance compound semiconductors and optoelectronic applications. These devices are used in a variety of innovative applications and industries, including lasers, LED, display technologies, optical and wireless data transmission, SiC and GaN power electronics, and many other leading-edge applications. AIXTRON was founded in 1983 and is headquartered in Herzogenrath, Germany (City Region of Aachen).

For further information on AIXTRON (FSE: AIXA, ISIN DE000A0WMPJ6) please visit our website at: [www.aixtron.com](http://www.aixtron.com).



Our registered trademarks: AIXACT®, AIXTRON®, Close Coupled Showerhead®, EXP®, EPISON®, Gas Foil Rotatio®, Optacap™, OVPD®, Planetary Reactor®, PVP®, STExS®, TriJet®

# Letter to Shareholders

## Dear Shareholders, Ladies and Gentlemen

We are pleased to announce that AIXTRON took another big step forward in the 2023 financial year and continued its successful growth path. We have fully achieved our ambitious growth targets, fully met our forecast, and further expanded our technological leadership and competitive position in all of our material systems. AIXTRON achieved sales of EUR 629.9 million (+36%) and achieved an operating result of EUR 156.8 million (+50%). This means that AIXTRON's sales have increased by more than 30 percent per year on average since 2020. Order intake also grew significantly again in 2023 to EUR 640.7 million (+9%).

Our strong growth in 2023 was primarily driven by the sharp increase in demand for compound semiconductors for efficient power electronics. The materials silicon carbide (SiC) and gallium nitride (GaN) are being used in more and more technological applications due to their outstanding material properties. Optoelectronics and display technology applications contributed a smaller share of sales in 2023 but will increase strongly again in the current financial year. Our strategy of serving various uncorrelated end markets with our systems was successful again in 2023.

AIXTRON played a decisive role in driving forward the dynamics in the market with the successful launch of the G10 product family. In just one year, we have renewed AIXTRON's entire product portfolio - starting with the introduction of our G10-SiC, continued with the G10-AsP and concluded in September 2023 with the G10-GaN. All these solutions succeeded in taking the strong performance indicators of the already very successful predecessor products to the next level.

With its dual wafer size capability (usable for 150 mm as well as 200 mm wafers), the G10-SiC significantly supports the transition of SiC power electronics to 200 mm wafers. The G10-SiC was met with great response from our customers driving the proportion to sales to around 30%, made possible as we were able to scale into volume production within a very short time. Over the course of 2023, we were able to further improve the already strong performance and productivity of this system, so that the G10-SiC now sets standards in terms of performance, stability, productivity and unit costs.

The G10-GaN ushered in the era of volume production in the field of GaN power semiconductors. Not only does this system offer further improvements in performance, but above all it addresses the needs of modern mass production: increased productivity, reduced space consumption, longer maintenance intervals with reduced maintenance effort and a further significant reduction in production costs per wafer.

The G10-AsP, which was introduced at the beginning of the year, is the first system to enable robust large-scale production of micro LED and laser components. In doing so, we have remained true to our original market – optoelectronics. This system has set standards particularly in the areas of particle reduction, automation and wafer size. Numerous customers with innovative applications have already chosen this system.

The outstanding performance and high level of maturity of our systems are arguments for many of our customers to choose AIXTRON technology: in many segments, AIXTRON plays a key role in the production of compound semiconductors in large volumes. However, our global customer service, which we have further expanded in a targeted manner in 2023, is at least just as important for our customers. Our engineers and technicians not only support customers with installation, commissioning and process start-up: they also advise them on how to achieve the best possible results with our systems and help to further increase operational productivity. This was also officially recognized by our customers: in 2023 we received Supplier Excellence Awards from several major semiconductor producers, including Texas Instruments and tsmc.

In addition to the sales achieved, these awards are another indication of AIXTRON's successful strategy and orientation: We grew from being a specialist provider into a key partner in the modern semiconductor industry. In recent years, we have steadily increased the company's level of maturity in all areas, from quality to production to service. At the same time, we have optimized our internal structures and processes to achieve scalability for further growth.

Together with our technology partners, we are already working on the innovations and products of tomorrow today. We have laid an important foundation for this with the decision to build the new innovation center at our headquarters in Herzogenrath in 2023. We are expanding the current clean room with a new building by 1,000 m<sup>2</sup> of space in class ISO 6, expandable up to ISO 4, and creating additional office space for a further 100 employees. The investment of around EUR 100 million gives us space for our next product generations, to develop technologies with customers and partners and to develop new applications. The construction project is progressing at lightning speed and is fully on schedule at the time of reporting: after the final construction decision in May 2023, all permits were received in August 2023, and the floor slab of the main building was completed at the turn of the year.

AIXTRON's extensive growth is supported by our talented workforce, which we further strengthened in 2023. It forms the backbone of our success. Only with their tireless commitment, their belief in our strategy and vision, their creativity and performance were we able to secure and further expand our position as a global market leader. In a market environment with great competition in the search for talented employees, we managed to recruit a further round 200 employees worldwide, so that we had 1,086 colleagues at AIXTRON at the end of the year: AIXTRON offers extremely exciting tasks and content, but also a modern working environment and a very good working atmosphere.





Our Executive Board Members Dr. Felix Grawert and Dr. Christian Danninger (from left to right).

An important element for our growth is our close, cooperative collaboration with our suppliers and business partners, whom we involve early on in new projects and with whom we share the foresight in the supply chain in the medium to long term. Strong growth in a multi-level supply chain requires transparency, trust and reliability between the partners involved. We were only able to cope with growth in 2023 with reliable suppliers who can deliver because we have further intensified cooperation and communication along the supply chain. Despite challenging conditions, we were able to achieve top performance in terms of quality, delivery quantities and delivery reliability. We would like to expressly thank all suppliers and business partners for this.

In the many projects in 2023, we were always advised and supported by our supervisory board in a trusting collaboration. A big thank you for that. We would then like to thank you, our shareholders, for your trust in us to lead AIXTRON into a successful future with economically and ecologically sustainable growth.

The Executive Board of AIXTRON SE

Two handwritten signatures in black ink. The signature on the left is 'Felix Grawert' and the signature on the right is 'Christian Danninger'.

**Dr. Felix Grawert**  
Chairman

**Dr. Christian Danninger**  
Member



## ***Supervisory Board Report***

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The 2023 financial year was very successful for AIXTRON. Order intake, sales and profits increased significantly despite a challenging environment, which was also due to the introduction of the new product generation, the G10 product family. With this product portfolio, AIXTRON will be able to defend or further expand its strong market position in the targeted markets. The Supervisory Board will continue to support the implementation of this corporate strategy pursued by the Executive Board.

The growth markets for compound semiconductors addressed by AIXTRON all developed very positively and enabled the company to benefit from this development with its leading technologies. AIXTRON has also made great progress in recruiting new employees to strengthen the company structures with a view to further growth. Through targeted investments in research and development, AIXTRON creates the foundations for future success – in the short and long term. The investment in the planned new innovation center will support this objective.

The areas of environmental, social and societal aspects as well as responsible corporate management (environmental, social, governance; ESG) remain the company's focus. It is important to comply with the regulatory changes and at the same time to promote further improvements in all aspects of sustainability.

During the entire reporting year, the Supervisory Board fully performed the tasks incumbent upon it in accordance with the law, the articles of association and the rules of procedure, and the training and further education measures of the Supervisory Board members were adequately supported by the company.

### ***Cooperation between the Supervisory Board and the Executive Board***

The Supervisory Board continuously monitored the Executive Board in its management of the Company and advised it on all matters of importance to the Company, so that the Supervisory Board was always able to verify the legality and regularity, expediency, and economic efficiency of the Company's management.

The Supervisory Board was directly involved at an early stage in all decisions of fundamental importance to the Company. The Executive Board informed the Supervisory Board regularly, promptly, and comprehensively about the course of business, market development, corporate planning, and the strategic development of the AIXTRON Group. In addition, the Supervisory Board regularly consulted with the Executive Board on the Company's risk situation, risk management, and compliance. Particular attention was paid to the areas of information security and ESG, about which the Executive Board also provided the Supervisory Board with comprehensive information. Based on the Executive Board's reports, business developments and other events of importance to the Company were discussed in detail. The Supervisory Board approved the respective resolution proposals of the Executive Board after thorough examination and consultation.

The Supervisory Board did not make use of the opportunity to review the Company's books and records (Section 111 (2) of the German Stock Corporation Act (AktG)).

Cooperation with the Executive Board was characterized in every aspect by responsible and targeted action. The Executive Board fully complied with its reporting obligations to the Supervisory Board, both verbally and in writing.

The Executive Board supports the members of the Supervisory Board to an appropriate extent in the training and continuing education measures they are generally responsible for. In addition, the Company provides the members with up-to-date, topic-specific information material in order to keep them informed about current market trends in the semiconductor industry and important capital market issues. In addition, AIXTRON supports participation in further training events relevant to Supervisory Board activities. New Supervisory Board members are introduced to all relevant topics and processes in an onboarding program, in particular with comprehensive background information on the technologies and markets in which AIXTRON operates (recommendation D.11 German Corporate Governance Code 2022).

As Chairman of the Supervisory Board, I was also in regular contact with the Executive Board even beyond the Supervisory Board meetings. In addition to the current business situation and important business transactions, we discussed especially matters of strategic positioning of the Company.

### ***Supervisory Board Meetings 2023***

The Supervisory Board met for five regular meetings and one extraordinary meeting in 2023. One meeting was held virtually, all other meetings were held face-to-face. Prof. Dr. Denk and Dr. Traeger were being excused absent for one meeting each. Prof. Dr. Weber excused her absence for one meeting but submitted her votes for it. With these exceptions, all Supervisory Board members attended the meetings in 2023.

Prior to the meetings, all Supervisory Board members received detailed quarterly reports on the Company's situation, as well as other information, such as internal control reports, meeting minutes, Company presentations, analyst reports, consensus estimates, press releases, and the AIXTRON financial reports or financial news. These are made available via an encrypted digital platform specially set up for the Supervisory Board. The Supervisory Board obtained a comprehensive picture of the business situation before and during the meetings based on current financial figures as well as updated forecast reports and development plans (orders, revenues, competition, market shares). Deviations in the course of business from the planned budgets were explained and justified in detail.

In addition, the Supervisory Board focused intensively on the development progress of new equipment generations and their customer acceptance. These are key to the Company's ecologically and economically sustainable growth, resulting from the expected growth in AIXTRON's target markets. The Supervisory Board was also informed in detail about the operational management of the sharp increase in demand and the status of the outstanding export permits.

At the meeting on **January 13, 2023**, questions regarding the internal organization were discussed, in particular the introduction of an executive committee, which is intended to support the Executive Board in managing the company.

At the meeting on **February 27, 2023**, the focus was on the annual and consolidated financial statements as well as the combined management report for the 2022 financial year and the corresponding discussions and resolutions. Furthermore, the Supervisory Board discussed and approved the submitted corporate governance statement and the Supervisory Board report. The non-financial report of AIXTRON SE and the Group (sustainability report) for the 2022 financial year to be prepared by AIXTRON was extensively discussed, examined and approved. The non-financial group report of AIXTRON SE was subjected to an external, independent audit with limited assurance by the auditor. In addition, the Supervisory Board considered and approved the draft agenda presented as well as the resolution on the appropriation of profits for the 2023 Annual General Meeting, which was to take place in person. As part of the annual efficiency review, the Supervisory Board's activities were assessed and deemed effective using a comprehensive questionnaire. In addition, the Executive Board presented the status of strategic projects.

At the meeting on **May 16, 2023**, the Executive Board explained the current business development for the current year as well as the planned course of the 2023 Annual General Meeting, which took place in person. The board gave a detailed overview of the current business development and the outlook for the full year 2023. Reports were also made about ongoing development projects, particularly in the area of power electronics and the progress of various strategy projects. To expand the laboratory capacity at the headquarters, investment planning for an innovation center was approved.

At the meeting on **May 17, 2023**, after my re-election to the Supervisory Board, I was unanimously elected again as Chairman and Mr. Frits van Hout as Deputy Chairman of the Supervisory Board. In addition, the members of the committees of the Supervisory Board were re-appointed. Ms. Prof. Dr. Weber was re-elected Chairwoman of the Audit Committee. Mr. Kim Schindelhauer was re-elected chairman of the Capital Markets Committee and the Nomination Committee and Mr. Frits van Hout was re-elected chairman of the Compensation Committee.

At the meeting on **September 19, 2023**, the Executive Board reported on the business development in the first half of the year and the outlook for the full year 2023. The Supervisory Board received a comprehensive strategy update as well as an up-to-date status of the technology roadmaps, particularly in the area of optoelectronics. In addition, the competitive situation and market developments were reported. The board gave an update on the status of the planning of the new innovation center and the Supervisory Board approved the adjusted budget for the construction project.

The Supervisory Board held its last regular meeting of the year on **December 11, 2023**. It discussed and approved the budget for 2024 presented by the Executive Board, which included, among other things, the detailed sales, earnings, financial and investment planning as well as the planned personnel development of the AIXTRON Group. The Executive Board informed the Supervisory Board comprehensively about business developments in 2023 as a whole and about potential business opportunities in the coming years. At this meeting, the Supervisory Board dealt intensively with the compensation system for the Executive Board and decided to propose a slightly adjusted compensation system to the 2024 Annual General Meeting. The Supervisory Board also discussed and approved the draft agenda for the 2024 Annual General Meeting. The 2024 Annual General Meeting is scheduled to be held as a face-to-face event on May 15, 2024. As part of the annual efficiency review of the Supervisory Board, the work of the

Supervisory Board was evaluated and found to be effective using a comprehensively revised questionnaire. The Supervisory Board discussed and confirmed the appropriateness of the Executive Board's remuneration. He also set the Executive Board's goals for the next few years as part of the compensation system. The rules of procedure for the Executive Board, the Supervisory Board and the Audit Committee have been updated and approved.

## **Committees**

The Supervisory Board has formed four committees: an Audit Committee, a Capital Markets Committee, a Nomination Committee, and a Remuneration Committee. The committees prepare resolutions and issues to be dealt with in the plenary sessions of the Supervisory Board.

The **Audit Committee** deals with the monitoring of accounting, the accounting process, corporate governance & compliance, the effectiveness of the internal control system, the risk management system, the internal audit system, the audit of the financial statements as well as assessing the quality of the audit. The Chairwoman of the Audit Committee, Prof. Dr. Anna Weber, has expertise in the areas of accounting and auditing (Section 107 (4), Section 100 (5) of the German Stock Corporation Act (AktG)) as well as special knowledge and experience in the application of internal control and risk management systems. Accounting and auditing also include the non-financial (sustainability) reporting and its audit. Mr. Kim Schindelhauer, as a further member of the Audit Committee, also has expertise in the field of accounting.

In the year under review, the Supervisory Board commissioned KPMG AG Wirtschaftsprüfungsgesellschaft again to audit the individual and consolidated financial statements and the combined management report of AIXTRON SE as of December 31, 2023. Based on an invitation to tender for the audit, the Audit Committee recommended to the Supervisory Board to propose to the general shareholders meeting to elect KPMG AG Wirtschaftsprüfungsgesellschaft as auditor for fiscal year 2023. The Annual General Meeting on May 17, 2023 followed this proposal with a large majority. KPMG was also appointed to review the content of the separate non-financial Group report to be prepared for fiscal 2023. In addition, the key audit matters to be mentioned in the auditor's report on the AIXTRON annual and consolidated financial statements 2023 were discussed with the auditor.

The Audit Committee consists of three members and met seven times in 2023 (February, April, May, July, September, October and December), of which three meetings were held virtually. Dr. Traeger was excused from one meeting. With this exception all meetings in 2023 were attended by Prof. Dr. Weber and all acting members of the Audit Committee. All resolutions were passed unanimously. For the quarterly financial statements as of March 31, 2023, and September 30, 2023 as well as half year financial statements as of June 30, 2023, the Audit Committee held discussions with the auditors and accounting representatives in each case and discussed the publication of the figures in detail with the Executive Board.

In addition to the regular accounting and business development topics, the Audit Committee also dealt with the following key issues:

- Declaration and ongoing monitoring of the auditor's independence
- Current and future regulatory requirements for financial and non-financial reporting, in particular preparation for the Corporate Sustainability Reporting Directive (CSRD)
- Non-financial Group report (Sustainability Report), in particular the implementation of the requirements of the EU Taxonomy Directive
- Implementation of the recommendations and suggestions from the German Corporate Governance Code (GCGC 2022)
- Risk management, risk report and overall risk situation in accordance with auditing standard IDW PS 340 n.F.
- Adequacy and effectiveness of the internal control system (ICS) and the risk management system (RMS) and the internal audit system.
- Compliance Management System (CMS) and its revision
  - Introduction of a tax compliance management system (tax CMS)
  - Introduction of a compliance program for the protection of human rights and the environment in AIXTRON's business area and supply chain, which is based on the German Supply Chain Duty of Care Act (LkSG), in order to be prepared for a possible future mandatory application of the LkSG)
  - Implementation of the requirements of the Whistleblower Protection Act (HinSchG)
- Status of internal audits 2023 and possible measures and audit planning for the following year
- Data protection and Information security, esp. cyber security risks
- Preparations for the introduction of an Information Security Management System (ISMS) in accordance with ISO 27001
- Tax audits, esp. at AIXTRON SE
- Assessment of the quality of the audit of the financial statements

The **Capital Market Committee** is concerned with the evaluation of activities with potential capital market relevance. It consists of three members and is chaired by me, Mr. Kim Schindelhauer. No meetings were held in 2023.

In fiscal year 2023, the **Nomination Committee** consisted of three members which is also chaired by me, Kim Schindelhauer. The committee makes appropriate proposals to the full Supervisory Board in the event of new appointments to the corporate bodies. In doing so, it also considers the targets for the composition of the corporate bodies. During 2023, a total of nine meetings was held (January, February, June, twice in July, twice in September, twice in October), thereof eight meetings were held virtually. All meetings were attended by all members. In the search for suitable candidates for the Supervisory

Board, a suitable personnel consultant was first selected and commissioned, which was unanimously approved by the Supervisory Board. The list of candidates was then discussed and two personalities were selected to be proposed to the 2024 Annual General Meeting for election to the Supervisory Board. The Nomination Committee also dealt with the rules of procedure for an Executive Committee to be formed, for which the Executive Board has proposed suitable candidates. The committee recommended that the Supervisory Board approve the rules of procedure. In addition, the Nomination Committee, in cooperation with the Remuneration Committee, dealt with the extension of the service contract for the Executive Board member Dr. Danninger. The committee recommended to the Supervisory Board that the contract be extended and requested that it be prepared accordingly.

The **Compensation Committee** mainly deals with issues relating to the remuneration of the Executive Board members, in particular its variable short-term and long-term remuneration components. In the course of revising the remuneration system for the Executive Board, an intensive dialogue was held and a corresponding proposal is to be drawn up in cooperation with the Nomination Committee, which is to be submitted to the shareholders for approval at the upcoming 2024 Annual General Meeting. The remuneration of the Supervisory Board was also discussed, for which a benchmark comparison is to be drawn up. Based on this, the Remuneration Committee, in collaboration with the Nomination Committee, is to draw up a corresponding proposal to be submitted to shareholders for approval at the upcoming 2024 Annual General Meeting.

### ***Corporate Governance and Declaration of Conformity***

The Supervisory Board continuously monitors the development of corporate governance standards and prepares a joint corporate governance report together with the Executive Board. The Supervisory Board will continue to support the Executive Board in its efforts to fully comply with the recommendations of the German Corporate Governance Code ("GCGC").

In the current [Declaration of Conformity](#) pursuant to Section 161 of the German Stock Corporation Act (AktG) dated February 2024, full compliance with the recommendations of the German Corporate Governance Code is declared, except for one deviation explained.

No conflicts of interest involving members of the Supervisory Board or Executive Board were reported in the fiscal year.

### ***Audit, Annual Financial Statements and Non-Financial Report***

In accordance with the resolution of the general shareholders meeting on May 17, 2023, the Supervisory Board commissioned KPMG AG Wirtschaftsprüfungsgesellschaft, Essen, Germany with the audit of the annual financial statements and the consolidated financial statements as well as the combined management report of AIXTRON SE for fiscal year 2023. The audit was performed by the audit team of the lead auditor Dr. Kathryn Ackermann.



The audits also covered the measures taken by the Executive Board to identify risks at an early stage that could threaten the success and continued existence of the Company. It was also agreed that the auditor must inform the Supervisory Board or make a note in the audit report if, during the performance of the audit, it ascertains facts that show a misstatement in the Declaration of Conformity issued by the Executive Board and Supervisory Board in accordance with Section 161 of the AktG. As in previous years, such a determination was not necessary for the 2023 fiscal year.

The annual financial statements and the combined management report of AIXTRON SE and the AIXTRON Group as of December 31, 2023, were prepared in accordance with the rules of the German Commercial Code (HGB), the consolidated financial statements and the group management report as of December 31, 2023, were prepared in accordance with Section 315e HGB on the basis of the International Financial Reporting Standards IFRS. The independent auditing Company KPMG AG audited the annual financial statements and the consolidated financial statements and combined management report prepared by AIXTRON SE for fiscal year 2023 and has reviewed the separate non-financial report of the group. The financial statements including the combined management report were issued with an unqualified audit opinion. The non-financial consolidated report received the note on an audit to obtain limited assurance. The auditors found that the combined management report of the Company and the Group accurately presents the current business and future development of the Company and the Group.

The financial statement documents (annual financial statements of AIXTRON SE and consolidated financial statements as of December 31, 2023, as well as the combined management report of AIXTRON SE and the Group), the proposal for the appropriation of profits, the separate Group non-financial report as well as the auditor's reports were submitted to the Audit Committee and the Supervisory Board in a timely manner. These documents were reviewed in detail by the Supervisory Board. In the meeting of the Audit Committee and the full Supervisory Board on February 26, 2024, both the annual financial statements of AIXTRON SE and the consolidated financial statements as well as the combined management report and the Group non-financial report were discussed and debated in detail, considering the audit reports of the auditor. The auditor, who attended both the Audit Committee meeting and the Supervisory Board meeting, reported on the main results of its audit, which also included the internal control and risk management system regarding the accounting process, and was available to the Audit Committee and the Supervisory Board, respectively, for any additional questions and information.

The results of our own review did not give rise to any objections either to the Group non-financial report or to the annual financial statements, the consolidated financial statements and the combined management report. The combined management report is consistent with our own assessment of the situation and business development of the Company and the Group. We concurred with the auditor's findings, with which we fully agreed in terms of content and approved the annual financial statements and the consolidated financial statements as well as the combined management report prepared by the Executive Board, as well as the Group non-financial (sustainability) report of the Company for fiscal year 2023, by resolution dated February 26, 2024. The annual financial statements of AIXTRON SE were thus formally adopted.

***Note of thanks from the Supervisory Board***

On behalf of all members, the Supervisory Board would like to thank the members of the Executive Board and all employees of the AIXTRON Group for their extraordinary commitment in fiscal year 2023, which was characterized by many challenges. The entire Supervisory Board would also like to thank the employee representatives for their constructive cooperation with the company's executive bodies in this successful and challenging year.

Herzogenrath, February 2024



**Kim Schindelhauer**

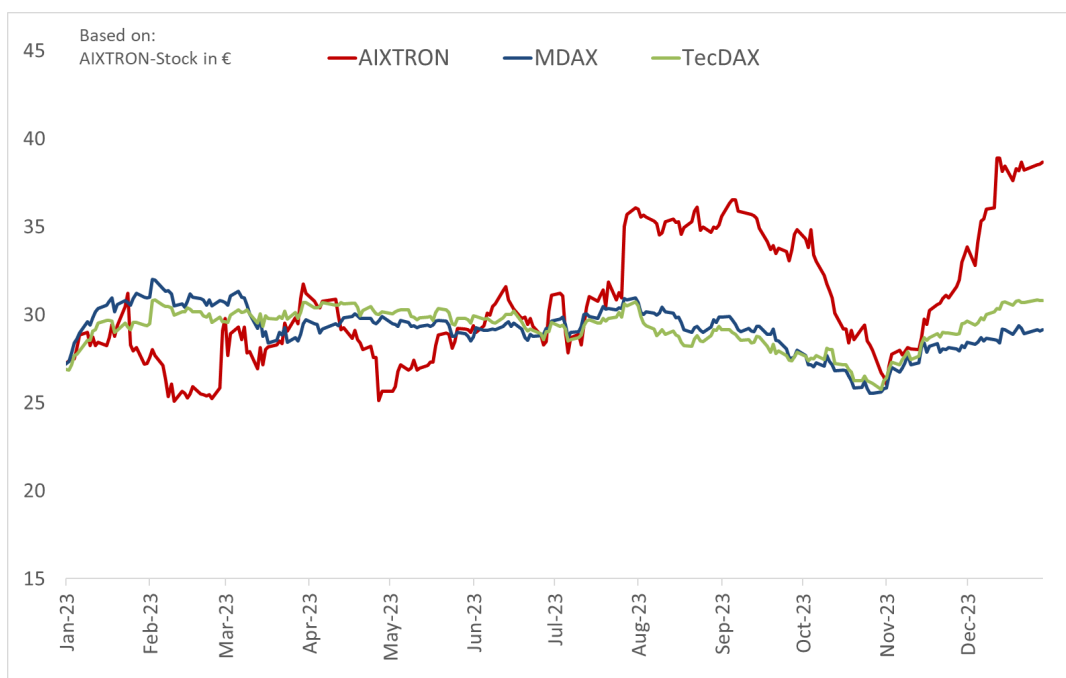
Chairman of the Supervisory Board

## THE AIXTRON SHARE

The AIXTRON share is listed in the Prime Standard of the Frankfurt Stock Exchange as well as in the MDAX and TecDAX. In Deutsche Börse's MDAX ranking, which includes a total of 50 stocks, it was ranked 9th in terms of market capitalization as of December 31, 2023 (2022: 15th place). Among the 30 TecDAX members, the share continued to mark an 8th place (2022: 8th place).

In addition to the traditional trading platforms such as XETRA and the German regional stock exchanges, trading in AIXTRON shares also takes place to a significant extent on alternative trading platforms such as Tradegate or Chi-X.

### ***AIXTRON Share Price Development during 2023***



### ***AIXTRON Share: High Volatility and Significant Gains***

After a positive start to the 2023 stock market year, the upward movement of the AIXTRON share ended at the end of January and the subsequent downward movement was reinforced by interest rate increases by the central banks. The short-term profit-taking caused the share price to fall to an annual low of EUR 25.08. The publication of the 2022 annual results and the positive outlook for 2023 led to an upward movement in the share price until the end of March. Lower deliveries due to timing effects and the impact on the results of the first quarter led to an abrupt downward trend at the end of April. The share price then rose significantly again until the end of June.

The announcement of further operational successes, particularly with the new G10-SiC system in the market for SiC power electronics, the very good results for the second quarter of 2023, the increase in the outlook for 2023 and positive studies from renowned analyst firms supported this positive development. Doubts about the dynamics of demand from the SiC sector led to a brief price decline at the beginning of the fourth quarter. After the release of the third quarter results and the confirmation of the annual forecast for 2023, the stock showed a sharp increase. This was further reinforced by the extensive positive reporting from a renowned analyst firm in December with a focus on gallium nitride as a long-term business driver and resulted in a multi-year high of EUR 39.49.

Despite the slight sell-off at the end of the year, the AIXTRON share clearly outperformed the comparative indices in the 2023 stock market year with an increase of 39% at a XETRA closing price of EUR 38.60 as of December 29th. The market capitalization at the end of the year was EUR 4,384 million (year-end 2022: EUR 3,057 million). The comparative indices MDAX and TecDAX rose significantly more moderately over the course of 2023 by 6.5% to 27,137 points and 14.8% to 3,337 points, respectively.

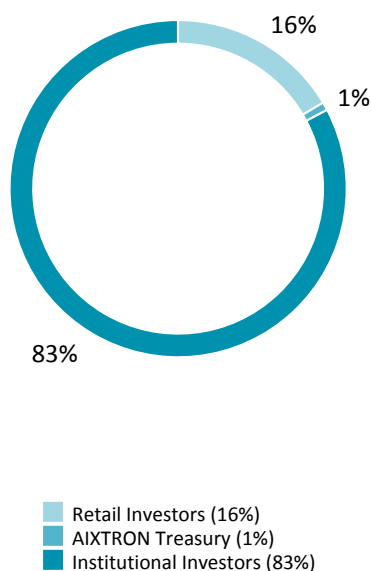
### ***Broadly Diversified Shareholder Structure***

As of December 31, 2023, around 16% of AIXTRON shares were owned by private individuals (2022: 18%), most of whom are based in Germany. Around 83% of the outstanding AIXTRON shares were in the hands of institutional investors (2022: 82%). The majority of institutional investors are based in North America (34%), followed by Great Britain and Ireland (21%) and Germany (17%). The remaining investors come from other parts of Europe and the rest of the world.

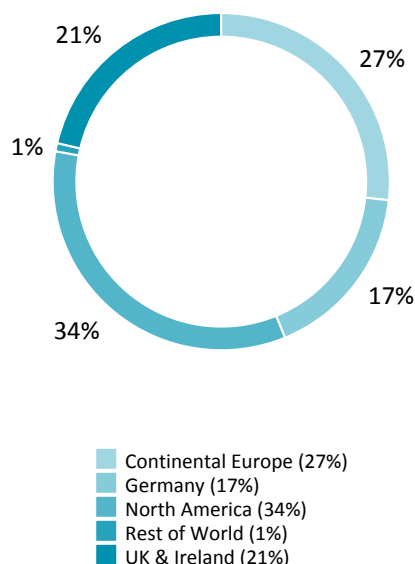
At the end of 2023, the four largest shareholders each held more than 3% of AIXTRON shares in their portfolios. According to the most recently received voting rights notifications, Blackrock, Inc. was at 5.7%, Bank of America Corp. at 4.8%, Norges Bank at 4.3% and Perpetual Limited at 3.6%. According to the definition of the German stock exchange, 99% of the shares were in free float and around 1% of the AIXTRON shares were held by the company itself.

All voting rights notifications made in 2023 and thereafter in accordance with sections 33 et seq. of the German Securities Trading Act (WpHG) can be found on our [website](#). Information on reportable holdings that currently exceed or fall below a certain threshold can be found in the appendix to this report.

### Shareholder Structure



### Regional Split of Free Float



### Research-Coverage

During the fiscal year of 2023, a total of fifteen international banks and brokers (2022: eleven) published equity research reports about AIXTRON and the development of the semiconductor industry. Barclays, Citi, Equita and Morgan Stanley initiated coverage in 2023. Of the fifteen financial analysts who monitored our shares at the end of 2023, eleven issued a buy recommendation and four recommended holding the AIXTRON share. The average price target at the end of December 2023 was EUR 38.77 (2022: EUR 25.00). At the end of the year, the AIXTRON share was monitored by the following financial analysts (the current status can be found on our [website](#)):

Broker	Analyst	Location
Alster Research	Oliver Wojahn	Hamburg
Bank of America	Didier Scemama	London
Barclays	Simon Coles	London
Berenberg	Gustav Froberg	London
Citi	Andrew Gardiner	London
Deutsche Bank	Michael Kuhn	Frankfurt
DZ Bank	Armin Kremser	Frankfurt
Equita	Gianmarco Bonacina	Milan
Exane BNP Paribas	David O'Connor	San Francisco
Jefferies	Olivia Honychurch	London
Morgan Stanley	Lee Simpson	London
Nomura	Donnie Teng	Hong Kong
Oddo BHF	Martin Marandon-Carlhian	Paris
Stifel (MainFirst)	Jürgen Wagner	Frankfurt
Warburg Research	Malte Schaumann	Hamburg

### ***Investor Relations Activities Continued At A High Level***

Our aim is transparency and openness in a continuous dialogue with our shareholders and participants in the capital market. Our investor relations work is aimed at strengthening trust in AIXTRON in the long term and achieving a fair valuation on the capital market. To this end, we provide our shareholders and the capital market with accurate, timely and relevant information about both the AIXTRON Group's business and our market environment. In addition, AIXTRON is committed to adhering to the principles of good corporate governance.

In individual or group discussions at investor roadshows and conferences, our management and investor relations team answered investors and financial analysts' questions about the AIXTRON Group's business strategy and development as well as industry and market trends. With almost 440 meetings (2022: 400) with 520 financial market participants, the exchange was significantly intensified in 2023.

### ***Dividend Payout Increase***

The virtual Annual General Meeting of AIXTRON SE took place on May 17, 2023. Around 67% of the share capital was represented. The Executive Board explained the results of the 2022 fiscal year and the first quarter of 2023 as well as the operational highlights and technologies of the AIXTRON Group. Together with the Chairman of the Supervisory Board, the Executive Board answered the shareholders' questions in detail. For the 2022 fiscal year, AIXTRON increased the dividend payment to shareholders to EUR 0.31 per share (2021: EUR 0.30 per share). This corresponded to a payout of EUR 34.8 million.



### ***Dividend Proposal of EUR 0.40 per Share***

In the light of the strong operational and financial development in 2023, the company's strong financial position and the management's confidence in the long-term growth prospects, the Executive Board and Supervisory Board of AIXTRON SE will propose a dividend of EUR 0.40 per dividend-entitled share to the Annual General Meeting on May 15, 2024 (2023: EUR 0.31 per share). The total payout of EUR 45.0 million (2023: EUR 34.8 million) corresponds to a payout ratio of around 31% of AIXTRON's consolidated net income for the year (2022: around 35%), based on the number of shares outstanding as of December 31, 2023.

# CORPORATE GOVERNANCE

## *Declaration of Corporate Governance*

AIXTRON is committed to a transparent, responsible and sustainable value-creating corporate governance. Through appropriate management and supervision of the Company, we – the Executive Board and the Supervisory Board – aim to merit the trust placed in us by our shareholders, the financial markets, our customers, business partners, employees, and the general public. We are convinced that this approach to corporate governance, as well as the responsible actions of our employees, are an crucial basis for the success of our Company.

The Declaration of Corporate Governance in accordance with Sections 289f, 315d of the German Commercial Code (“Handelsgesetzbuch”, HGB), as well as the current Declaration of Conformity in accordance with Section 161 of the German Stock Corporation Act (“Aktengesetz”, AktG) as adopted by the Executive Board and the Supervisory Board in February 2024, are permanently available on our website at [Investors/Corporate Governance](#).

### *Declaration of Conformity*

The German Corporate Governance Code (“Deutsche Corporate Governance Kodex”, DCGK) was last updated in 2022. The version dated April 28, 2022 became the basis for the Declaration of Conformity upon publication in the Federal Gazette on June 27, 2022 (“GCGC 2022”). The Executive Board and the Supervisory Board of AIXTRON SE declare that AIXTRON SE has complied with the recommendations of the GCGC 2022 and will continue to comply with them in the future with the following exception:

#### **Consideration of the higher time commitment of the Chair and Deputy Chair of the Supervisory Board as well as the Chair and the members of committees in Supervisory Board compensation (G.17 GCGC 2022)**

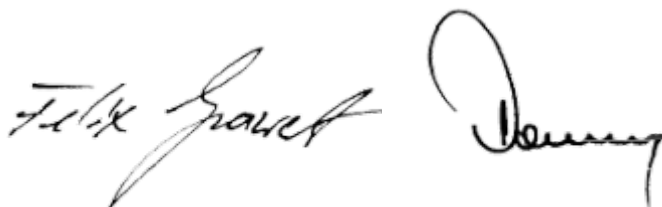
According to G.17, the remuneration of Supervisory Board members shall take into account, in an appropriate manner, the higher time commitment of the Chair and the Deputy Chair of the Supervisory Board as well as of the Chair and the members of committees. The Supervisory Board remuneration resolved by the Annual General Meeting on May 16, 2018, only takes into account the Chair and Deputy Chair of the Supervisory Board and the Chair of the Audit Committee in addition to membership of the Supervisory Board.

A further consideration of the chairmanship or membership in committees has not yet been considered necessary, since the expenses incurred in these activities were considered to be adequately compensated for by the Supervisory Board's remuneration.

Herzogenrath, February 26, 2024

AIXTRON SE

The Executive Board of AIXTRON SE

The image shows two handwritten signatures in black ink. The signature on the left is 'Felix Grawert' and the signature on the right is 'Christian Danninger'.

**Dr. Felix Grawert**  
Chairman

**Dr. Christian Danninger**  
Member

For the Supervisory Board of AIXTRON SE

The image shows a handwritten signature in black ink, which appears to be 'Kim Schindelhauer'.

**Kim Schindelhauer**  
Chairman of the Supervisory Board

## ***Information on Corporate Governance Practices***

AIXTRON SE has defined a **Code of Ethics** which applies throughout the entire Group and is primarily aimed at Executive Board members, managers and selected employees in the finance department. The aim of this Code is to promote honest and ethical conduct, including the handling of conflicts of interest, the on time disclosure of complete, accurate, and clear quarterly and annual reports, compliance with applicable laws, rules and regulations, and the prompt internal reporting of breaches of the Code where necessary, and to ensure accountability for compliance with the Code. It is published on the AIXTRON website under [Code of Ethics](#).

In addition, a **Compliance Code of Conduct** applies to the Executive Board, Supervisory Board, and the senior management team as well as to all employees throughout the Company, which obliges them to behave responsibly and in accordance with the law. Among the topics addressed, this Code covers the following topics: responsibility and respect towards people and the environment, compliance with the legal frameworks, lawful and ethical conduct of each individual employee, loyalty to the Company, fair and respectful treatment of employees, rejection of any form of discrimination, dealing responsibly with corporate risks, acting in an environmentally responsible manner, safety in all working areas, working professionally, reliability and fairness in all business relationships, compliance with guidelines regarding granting/acceptance of benefits, handling of insider information, and the handling of Company property. The full text of the Compliance Code of Conduct can be downloaded from the AIXTRON website at [Code of Conduct](#).

Furthermore, AIXTRON issued a Group-wide **Compliance Manual** which applies to all members of the Executive Board, the Supervisory Board, as well the senior management, and which further sets out the principles of the Compliance Code of Conduct. The Compliance Manual provides detailed explanations on AIXTRON's compliance organization, the legal, regulatory and internal requirements, and the resulting conduct requirements for the Executive Board, Supervisory Board, senior management team, and employees. This Compliance Manual is regularly updated to reflect new and/or amended legal, regulatory and internal requirements. The compliance manual was rewritten during 2023 and will be published in first quarter 2024. The main aim was to further increase the comprehensibility of the requirements. The communication of the content is an essential part of the company-wide compliance trainings offering. Participation in compliance training is mandatory for members of the senior management team and for all other company employees across the group. This is controlled and monitored by our compliance department.

In addition, every quarter all members of the Company's senior management team, as well as selected employees declare in writing that the compliance requirements were adhered to in their area of responsibility. If the Compliance Manual has been updated, they also declare that they will take note of the updated version, follow and communicate its contents within their area of responsibility, and monitor its implementation. Leadership principles have also been defined for the Company's managers, which include rules of conduct for managers when dealing with their employees.

AIXTRON's corporate governance system is based on the risks and opportunities that arise for the company. The combined management report presents the key aspects of the **risk management system (RMS)** and the **internal control system (ICS)**. These systems comply with legal requirements and international standards – such as the German Stock Corporation Act (AktG), the German Corporate Governance Code (GCGC), or the auditing standard IDW PS 340 new version issued by the Institute of Public Auditors in Germany (“Institut der Wirtschaftsprüfer”, IDW). The AIXTRON Group's Senior Vice President & Chief Compliance Officer is responsible for the implementation and maintenance of these systems and regularly reports to the Chief Financial Officer and the full Executive Board on the effectiveness of the corporate governance management systems used. In addition, he regularly reports to the Audit Committee of AIXTRON SE's Supervisory Board or to its Chairwoman. In fiscal year 2023, the risk management system (RMS) and the internal control system (ICS) were reviewed by external experts (Deloitte) with respects to the core elements, the framework and selected risks and controls on the basis of the auditing standards IDW PS 981 and PS 982. This review did not reveal any indications that speak against the appropriateness and effectiveness of these systems. Based on the information provided to the Executive Board of AIXTRON SE, it is not aware of any circumstances that speak against the appropriateness and effectiveness of the risk management system (RMS) or the internal control system (ICS).

AIXTRON also has implemented a **whistleblower mechanism** and adapted it to the requirements of the German Whistleblower Protection Act (HinSchG) in the course of 2023. Notifications of violations of legal, regulatory or internal company requirements can be sent confidentially to the Chairman of the Supervisory Board of AIXTRON SE via a specified e-mail address or in the form of an email. The Chairman of the Supervisory Board decides together with the Compliance department, depending on the subject matter and scope of the report, whether to involve other persons and/or bodies. In the event of proven violations or deficiencies, the involved persons/bodies will work out proposed solutions with the aim of a prompt remedy, including any necessary sanctions and improvements to the management and monitoring processes. All information received will be treated discreetly, confidentially, and anonymously by the persons/bodies involved.

In addition, in 2023 AIXTRON introduced a **compliance program for the protection of human rights and the environment** in the AIXTRON business area and supply chain, which is based on the German Supply Chain Due Diligence Act (LkSG), in order to be prepared for a possible future mandatory application of the LkSG. In particular, this includes a **policy statement on human rights and environmental strategy**, a **code of conduct for suppliers** and a **complaints procedure** for reporting human rights and environmental risks and violations. The mentioned documents can be found on the AIXTRON website under [Supplier Management](#).

## ***Executive Board and Supervisory Board Operating Procedures as well as Composition and Mode of Operation of Committees***

AIXTRON SE is a European stock company (Societas Europaea) and is subject not only to the German stock corporation law but also to the superordinate European SE regulations and the German SE Implementation Act. The Company has a two tier board structure consisting of an Executive Board and a Supervisory Board.

The Executive Board is responsible for managing the Company and informs the Supervisory Board regularly, comprehensively, and without delay about all relevant issues involving strategy, planning, business development, the risk situation, risk management, and compliance.

The Supervisory Board appoints the Executive Board members and monitors and advises the Executive Board in its management duties. To perform certain transactions and measures specified by law, the Articles of Association of AIXTRON SE, or the Executive Board's rules of procedure, the Executive Board must obtain the prior approval of the Supervisory Board. The Executive Board is also required to report to the Supervisory Board on the conclusion, amendment, or termination of important agreements that do not require approval under the Articles of Association or the Executive Board's rules of procedures. The Executive Board is also required to notify the Supervisory Board of all material events, even those that do not require the approval of the Supervisory Board.

In 2023, the Executive Board and the Supervisory Board worked closely together for the benefit of the Company and all stakeholders. The shared objective is to secure and expand AIXTRON's leading market positions in the long term in order to benefit from growing end markets.

No committees have been set up by AIXTRON SE's Executive Board.

With the approval of the Supervisory Board, the Executive Board has set up an **Executive Committee (EC)** to support the Executive Board in managing the company. The EC is made up of experienced managers from the organisation and the Executive Board and consists of five people as at the end of December 2023. It is responsible for managing the product portfolio and technology and product development as well as the operating business and current projects.

The Supervisory Board of AIXTRON SE has set up four committees, an Audit Committee, a Capital Market Committee, a Nomination Committee, and a Remuneration Committee. The Supervisory Board is authorized to establish additional committees from among its members.

The **Audit Committee** consists of one Chairwoman and two other members. As an independent member, the Chairwoman of the Audit Committee, Prof. Dr. Anna Weber, has expertise in the areas of accounting and auditing (Section 107 para. 4, Section 100 para. 5 AktG) and special knowledge and experience in the application of internal control and risk management systems. Sustainability reporting and the respective audit are also part of accounting and auditing. A further member of the Audit Committee, Mr. Kim Schindelhauer, also has expertise in the field of accounting. The members are also familiar with the sector in which AIXTRON is represented, which particularly due to their many years of experience. The Audit Committee deals in particular with the audit of the accounting, the monitoring of the accounting process, corporate governance and



compliance, the effectiveness of the internal control system, the risk management system, and the internal audit system. The Audit Committee also deals with the audit of the financial statements, the assessment of the quality of the audit, and the review of the Group Non-Financial Report to be prepared by the Company. The Audit Committee discusses with the auditor the assessment of the audit risk, the audit strategy and planning, and the audit results. The Chairwoman regularly confers with the auditor on the progress of the audit and reports her findings to the Audit Committee. In accordance with D.10 GCGC, the Audit Committee also consults regularly with the auditor without the presence of the Executive Board. Furthermore, the Audit Committee submits to the full Supervisory Board a reasoned recommendation for the appointment of the auditor. In accordance with the resolution of the Annual General Meeting of May 17, 2023, the Supervisory Board appointed KPMG AG Wirtschaftsprüfungsgesellschaft, Essen, as auditor. The Audit Committee monitors the independence of the auditor and the additional services provided by the auditor. Finally, it deals with the issuing of the audit mandate to the auditor, the determination of audit focus matters, and the fee agreement. The Chairwoman of the Audit Committee, Prof. Dr. Anna Weber, reports regularly to the Supervisory Board on the work of the Audit Committee.

For the purpose of evaluating, supporting and implementing projects with capital market relevance, a **Capital Market Committee** is set up, consisting of three members, the Chairman of the Supervisory Board and two other members of the Supervisory Board.

The **Nomination Committee**, consists of three members, including Mr. Kim Schindelhauer as Chairman. He prepares nominations to the full Supervisory Board for the appointment of new board members and deals with succession planning for positions on the Supervisory Board.

The **Remuneration Committee** consists of four members, including Mr. Frits van Hout as Chairman. It deals with the application of the remuneration system in accordance with the requirements of ARUG II and the GCGC.

Further details on the work of the Executive Board, Supervisory Board and committees during fiscal year 2023 can be found in this Annual Report in the [Report of the Supervisory Board](#). Full details on the composition of the committees can be found in the section [Executive Board and its Composition](#).

## **Executive Board and its Composition**

According to Article 8 of AIXTRON SE's Articles of Association, the Executive Board consists of two or more people. The Supervisory Board determines the precise number of Executive Board members. It also decides whether there should be a Chairman and whether deputy members or a Deputy Chairman should be appointed. At the time of reporting, the Supervisory Board consists of two members following the departure of Executive Board member Dr. Jochen Linck from the Executive Board:

### **Executive Board**

*(as of December 31, 2023)*

<b>Name</b>	<b>Position</b>	<b>Since</b>	<b>End of Term</b>
Dr. Felix Grawert	Chairman	August 14, 2017	August 13, 2025
Dr. Christian Danninger	Member	May 01, 2021	April 30, 2029

Notwithstanding the Executive Board's overall legal responsibility and the obligation of the Executive Board members to collaborate closely and in confidence with their colleagues, the assigned responsibilities of the individual members of the Executive Board in accordance with the currently valid **business distribution plan** as of December 11, 2023 are as follows:

The **Chairman of the Executive Board, Dr. Grawert**, coordinates the work of the Executive Board and is additionally responsible for Strategy, Marketing, Sales, Customer Service, Innovation, Research and Development as well as Operations (Procurement, Manufacturing and Logistics, Quality Management, Facility Management).

**Executive Board member Dr. Danninger** is responsible for the Group's Finance and Reporting, Human Resources, Investor Relations & Communications, ESG (Environment, Social and Governance), Corporate Governance, Compliance & Risk Management, Information Security, Information Technology and Legal.

**The Executive Board member Dr. Linck** was, until leaving at 30. September 2023, responsible for Research and Development as well as Operations (Procurement, Manufacturing and Logistics, Quality Management, Facility Management) and Information Technology.

With the approval of the Supervisory Board, the Executive Board has adopted Rules of Procedure which are regularly reviewed for their appropriateness and topicality. Among other things, they contain a list of matters of fundamental or significant importance on which the Executive Board must formally resolve. This concerns, for example, decisions on the Company's strategies, business plans and budgets; material changes to the Company and Group structure; the commencement or cessation of areas of activity of the Company; the acquisition and sale of land or land rights; the conclusion, amendment and termination of corporate or significant license agreements; the award of major external consulting and research contracts; fundamental issues relating to human resources and personnel policy; determining the principles for representation in business organizations and associations; appointments to the management and supervisory bodies of subsidiaries and associated companies; important publications and information for the public outside of mandatory disclosure duties; initiating lawsuits and legal disputes; providing collateral and assuming guarantees.

The Rules of Procedure for the Executive Board and the Articles of Association each contain a catalog of significant transactions and measures that additionally require the prior approval of the Supervisory Board. The transactions and measures requiring approval under the Articles of Association or the Rules of Procedure include, for example, decisions on the establishment or sale of business premises, the acquisition or sale of land, the commencement or cessation of areas of activity, or the granting or taking out of loans.

In accordance with the Rules of Procedure, meetings of the Executive Board are held at least twice a month and whenever required for the good of the Company. Meetings of the Executive Board are convened and chaired by the Chairman of the Executive Board. Each member of the Executive Board can arrange an additional meeting on a specific topic at any time. If the Chairman of the Executive Board is unable to attend, the meeting is chaired by the member of the Executive Board designated for this purpose by the Chairman of the Executive Board, or by the oldest member of the Executive Board. The Executive Board constitutes a quorum if all members have been invited and more than half of its members are present at the time a resolution is adopted, whereby members of the Executive Board connected by telephone or video conference are deemed to be present. Unless otherwise stipulated by law, the Articles of Association or the Rules of Procedure, the Executive Board adopts resolutions by a simple majority of the votes cast. In the event of a tie, the Chairman of the Executive Board has the casting vote. If there are two members of the Executive Board, the Chairman of the Supervisory Board must be consulted and asked to mediate in the event of a tie.

Each member of the Executive Board must disclose any conflicts of interest to the Supervisory Board without delay and inform the other members of the Executive Board accordingly. Members of the Executive Board may only take on secondary activities, in particular supervisory board mandates outside the Company, with the approval of the Supervisory Board.

### ***Long-term Succession Planning for the Executive Board and Age Limit for the Executive Board***

AIXTRON is a globally operating company in a highly dynamic and technologically demanding market environment. It is therefore of strategic importance for AIXTRON to have a competent Executive Board and to appoint suitable candidates to the Executive Board. Following the generational change on the Executive Board, the Supervisory Board is also pursuing long-term succession planning. The Nomination Committee bases its work on the requirements and competency profile that has been developed and described, which is continuously reviewed and refined. As part of succession planning, the Supervisory Board and the Executive Board will also discuss potential internal candidates for the Executive Board. The age limit for the Executive Board is 65 and is set out in the Executive Board's Rules of Procedure.

### ***Supervisory Board and its Composition***

Pursuant to Article 11 of AIXTRON SE's Articles of Association, the Supervisory Board consists of six members. According to the Articles of Association, the members of the Supervisory Board are appointed until the end of the Annual General Meeting which resolves on the approval of the Supervisory Board's activities for the fourth fiscal year

after the term of office begins, whereby the fiscal year in which the appointment was made is not included. The Annual General Meeting may provide for a shorter term of office.

The Supervisory Board elects a Chairman and a Deputy Chairman from among its members. The Supervisory Board Chairman convenes and conducts the Supervisory Board meetings. If he is unable to do so, his Deputy takes over this function.

The Supervisory Board has adopted [Rules of Procedure](#). They govern the tasks, rights and obligations of the Supervisory Board, the organization of meetings and resolutions, and the formation of committees. The Rules of Procedure of the Supervisory Board were last revised in December 2023. The Audit Committee has separate Rules of Procedure established by the Supervisory Board.

The Chairman of the Supervisory Board is generally available for discussions with investors but only to the extent that such discussions take place within a reasonable framework and the topics fall within the sole competence of the Supervisory Board. One meeting was held with the Chairman of the Supervisory Board in the past financial year. The topics discussed were succession planning on the Supervisory Board, diversity and Executive Board remuneration.

As of December 31, 2023, the composition of the Supervisory Board in accordance with the Articles of Association and as determined by the Annual General Meeting was as follows:

### Composition of the Supervisory Board

(as of December 31, 2023)

Name	Position	Member since	End of term
Kim Schindelhauer <sup>1)2)3)4)5)</sup>	Chairman of the Supervisory Board, Chairman of the Capital Market Committee	2002	HV 2026
Frits van Hout <sup>4)</sup>	Deputy Chairman of the Supervisory Board, Chairman of the Remuneration and Nomination Committee	2019	HV 2024
Prof. Dr. Andreas Biagosch <sup>2)3)</sup>		2013	HV 2024
Prof. Dr. Petra Denk <sup>4)</sup>		2011	HV 2024
Dr. Stefan Traeger <sup>1)2)3)4)</sup>		2022	HV 2025
Prof. Dr. Anna Weber <sup>1)</sup>	Chairwoman of the Audit Committee	2019	HV 2024

<sup>1)</sup> Member of the Audit Committee

<sup>2)</sup> Member of the Capital Market Committee

<sup>3)</sup> Member of the Nomination Committee

<sup>4)</sup> Member of the Remuneration Committee

<sup>5)</sup> Former AIXTRON Executive Board member

### Composition of Committees

(as of December 31, 2023)

Audit Committee	Capital Market Committee	Nomination Committee	Remuneration Committee
Prof. Dr. Anna Weber (Chairwoman)	Kim Schindelhauer (Chairman)	Kim Schindelhauer (Chairman)	Frits van Hout (Chairman)
Kim Schindelhauer	Prof. Dr. Andreas Biagosch	Prof. Dr. Andreas Biagosch	Prof. Dr. Petra Denk
Dr. Stefan Traeger	Dr. Stefan Traeger	Dr. Stefan Traeger	Kim Schindelhauer
			Dr. Stefan Traeger

### ***Independence of Supervisory Board Members and Cooperation between the Supervisory Board and the Executive Board***

The Supervisory Board shall comprise what it considers to be a sufficient number of independent members (recommendation C.6 GCGC). Accordingly, the Supervisory Board has set itself the goal that more than half of its members shall be independent (recommendation C.7 GCGC). The Chairman of the Supervisory Board shall be independent of the Company and the Executive Board (recommendation C.10 GCGC). AIXTRON considers Mr. Schindelhauer to be independent despite the long period of time he has been a member of the Supervisory Board. During his time as Chairman of the Supervisory Board, Mr. Schindelhauer has always maintained a professional distance from the Company and the Executive Board and has fulfilled his monitoring and advisory duties by applying an appropriate critical attitude at all times (recommendation C.8 GCGC).

As all members of the Supervisory Board, which consists exclusively of elected shareholder representatives, are therefore to be regarded as independent, this recommendation is also met.

The Supervisory Board includes Mr. Schindelhauer, a former member of the Executive Board, whose term of office as a member of the Executive Board, however, was more than two years ago (see also C.7 GCGC). The Supervisory Board therefore complies with recommendation C.11 of the GCGC that it shall not include more than two former members of the Executive Board.

The Supervisory Board must include at least one member with expertise in the field of auditing and at least one other member with expertise in the field of accounting. These requirements are met by the two members, Prof. Dr. Weber and Mr. Schindelhauer.

Ahead of the Supervisory Board meeting in December 2023, the members of the Supervisory Board completed a self-evaluation questionnaire. After evaluation of the questionnaire, the Supervisory Board determined that the Supervisory Board performs its activities effectively in accordance with recommendation D.12 of the GCGC.

Further mandates of the members of the Executive Board and the Supervisory Board are listed in the Notes to the Consolidated Financial Statements in section 36 Supervisory Board and Executive Board.

The Company did not enter into or carry out any material transactions with any related parties in the fiscal year 2023.

The Audit Committee is chaired by Prof. Dr. Weber, an independent and expert member of the Supervisory Board in accordance with recommendation D.3 GCGC. She is not the same person as the Chairman of the Supervisory Board. In the persons of Prof. Dr. Weber and Mr. Schindelhauer, the Audit Committee includes one member with expertise in the field of auditing and one further member with expertise in the field of accounting.

The Supervisory Board regularly holds four ordinary meetings and the Audit Committee seven ordinary meetings per calendar year. Extraordinary Supervisory Board meetings as well as meetings of the Audit, Nomination, Remuneration, and Capital Market Committees are convened as required.



The Executive Board reports regularly to the Supervisory Board and its committees on the company's situation. At the request of the Chairman of the Supervisory Board, or the Chairpersons of the Committees, the Executive Board regularly attends the ordinary meetings of the Supervisory Board or individual committee meetings, reports in writing and orally on the individual agenda items and draft resolutions, and answers the questions of individual Supervisory Board members. Between meetings, all members of the Supervisory Board receive detailed quarterly reports from the Executive Board on the situation of the Company. In addition, the Chairman of the Supervisory Board or the Chairwoman of the Audit Committee are informed by the Executive Board about important developments and upcoming important decisions in telephone calls and personal discussions. In accordance with recommendation D.6 GCGC, meetings are also held without participation of the Executive Board.

As a rule, resolutions of the Supervisory Board and its committees are passed at the meetings. In justified exceptional cases, Supervisory Board members may also participate in a meeting of the Supervisory Board or a committee by telephone or video conference. The Supervisory Board and its committees each constitute a quorum if two thirds of the members participate in the vote (outside of meetings by means of a vote conducted in writing, by fax, by telephone or by e-mail, or by a combination of the aforementioned communication media, provided that no member of the Supervisory Board objects to this procedure). Resolutions require a simple majority of the votes cast. In the event of a tie, the chairman of the meeting has the casting vote.

Each member of the Supervisory Board shall disclose to the Supervisory Board any conflicts of interest, in particular those that may arise as a result of a consultancy or directorship function with customers, suppliers, lenders or other third parties. Any conflicts of interest on the part of a member of the Supervisory Board that are material and not merely temporary shall result in that person having to resign from office.

### ***Self-evaluation of the Supervisory Board***

In fiscal year 2023, the Supervisory Board conducted an internal self-evaluation based on a questionnaire, taking into account AIXTRON-specific criteria. The results were discussed by the Supervisory Board and confirmed that cooperation both within the Supervisory Board and with the Executive Board was characterized by a high degree of trust and openness. The Supervisory Board and its committees were also considered to be adequately informed and effective in their work. Hence there is no fundamental need for change. Based on the feedback received, the Remuneration Committee was asked to draw up a proposal for adjusting the remuneration of the Supervisory Board.

## **Information on the Equal Representation of Men and Women as per Section 76 para. 4 and Section 111 para. 5 AktG**

Pursuant to Sections 76 para. 4, 111 para. 5 AktG, companies listed on the stock exchange or subject to co-determination must set target figures for the proportion of women on their supervisory boards, executive boards and the two management levels below the executive board. The GCGC reflects these regulations in principle 3 and principle 9 sentence 2 for the executive board and in recommendation C.1 sentence 2 for the supervisory board.

AIXTRON aims to increase both the proportion of women and the internationality of its employees and managers. In doing so, the Company is primarily committed to the professional and social skills of all employees.

The **Supervisory Board** of AIXTRON SE has set the following **target figures for the proportion of women** to be reached by **December 31, 2025**:

<b>Level</b>	<b>Target as of 31.12.2025</b>	<b>Women's quota as of 31.12.2023</b>	<b>Determined by</b>
Supervisory Board	33%	33%	Supervisory Board
Executive Board	0%	0%	Supervisory Board

The Supervisory Board consists of six members. It continues to include two women, bringing the proportion of female Supervisory Board members to around 33% as of December 31, 2023. The current composition of the Executive Board is in line with the target set for the Executive Board.

The **Executive Board** of AIXTRON SE has set itself the objective of specifically promoting women in the Company. In line with this objective, the Executive Board has now raised the **targets for the proportion of women** to 10% for the first level below the Executive Board and to 20% for the second level below the Executive Board. These targets are to be achieved by **December 31, 2025**.

<b>Level</b>	<b>Target as of 31.12.2025</b>	<b>Women's quota as of 31.12.2023</b>	<b>Determined by</b>
1st tier management	10%	11%	Executive Board
2nd tier management	20%	23%	Executive Board

Based on the current composition of the Executive Board, no changes in the composition are initially planned until the end of 2025, so that the target for the proportion of women on the Executive Board valid until December 31, 2025 has been set at 0%. The proportion of women at all management levels should be increased in the long term. To this end, the Executive Board has rolled out various personnel development initiatives that promote the advancement of female talent at AIXTRON. These include, for example, coaching and mentoring programs for selected female managers. In addition, there were regular women's network meetings in 2023, which enabled participants to share their views on strategic corporate management topics. In order to ensure equal participation of women in management positions, the Supervisory Board and Executive Board of AIXTRON SE are focusing even more on women when evaluating job candidates.

## ***Diversity Concept for Executive Board and Supervisory Board; Objectives for the Composition of the Supervisory Board and Status of Implementation***

### ***Executive Board***

As required by the GCGC, AIXTRON has addressed the issue of objectives with regard to an appropriate level of diversity in the Company's management (recommendations B.1 and C.1).

When proposing the appointment of new Executive Board members by the Nomination Committee, the Supervisory Board takes into account their personal and professional suitability, international experience and leadership qualities, the age limit set for members of the Executive Board, and diversity – also with regard to aspects such as age, gender, and educational and professional background. The Executive Board shall consist of members with different, complementary skill profiles as well as a sufficient age mix and possess different personalities. In addition to the above-mentioned qualities, members of the Executive Board should, as far as possible, have different knowledge and experience as well as educational and professional backgrounds, both individually and in their entirety as a team. In view of the Company's international orientation, experience abroad is an advantage. In its search for suitable candidates to fill vacant positions on the Executive Board, the Supervisory Board took account of the diversity concept and, as part of this, also considered female candidates.

### ***Supervisory Board***

The Supervisory Board has set the target for the proportion of women on the Supervisory Board at 33% by December 31, 2025. With Prof. Dr. Petra Denk and Prof. Dr. Anna Weber, two of the six members of the Supervisory Board are currently women, corresponding to a proportion of around 33%.

The targets for the composition of the Supervisory Board are shown in detail below:

- When proposing candidates for election to the Supervisory Board, the Nomination Committee ensures that the Supervisory Board always includes members who, individually and collectively as a team, have the knowledge, skills and professional experience required to properly perform their duties. Furthermore, the members should be independent. In this way, the Nomination Committee contributes to increasing the efficiency and transparency of the selection process. As a general rule, Supervisory Board members should be elected for the longest period of time permitted by the statutes.

- AIXTRON is strongly export-oriented. In particular, experience in AIXTRON's specific electronics and semiconductor markets is a great advantage.
- As a general rule, an age limit of 75 years for the retirement of Supervisory Board members should be appropriate. New Supervisory Board members should be available to the Company for at least two election periods.
- It is desirable that the individual members of the Supervisory Board have the most diverse education, qualifications, expertise and international experience possible in order to have the knowledge, skills and professional experience necessary to properly perform their duties. Company- and product-oriented coverage with an understanding of the business model, the industry-specific features and the processes in the various areas of business administration, accounting, auditing, corporate development, capital markets, technology, special equipment manufacturing, markets/sales, semiconductor market etc. are advantageous.
- It is in the best interests of the Company to utilize the potential of well-trained and motivated employees of different nationalities and genders. The Supervisory Board supports the appropriate participation of women and men on the Supervisory Board, which is reflected in the current proportion of women on the Supervisory Board of around 33%.
- In its opinion, the Supervisory Board should have a sufficient number of independent members, whereby a member of the Supervisory Board shall not be considered independent in particular if he or she has a business or personal relationship with the Company, its executive bodies, a controlling shareholder, or a company affiliated with the latter that could give rise to a material and not merely temporary conflict of interest.
- More than half of the Supervisory Board shall consist of independent members.
- No more than two former members of the Executive Board shall be members of the Supervisory Board.
- The members of the Supervisory Board shall not exercise any executive or advisory functions at major competitors of the Company.
- At least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing. These two members shall then also be members of the Audit Committee.
- Due to the increased demands on the professionalization of the Supervisory Board's members and in order to simultaneously ensure high efficiency of the Supervisory Board's activities as in previous years, new Supervisory Board members shall not hold more than five mandates in other listed companies or other companies that have comparable requirements, whereby a supervisory board chairmanship counts double.

In addition to the objectives set for its composition, the Supervisory Board has also drawn up a skills profile for the Supervisory Board as a whole. In view of AIXTRON's business activities and the markets addressed by the Company, the Supervisory Board shall have expertise in the areas of technology, finance/accounting, capital markets, strategy and

corporate governance, and in ecological sustainability topics of relevance to AIXTRON SE. Furthermore, a established network of contacts and many years of experience in the respective disciplines are advantageous.

The requirement for diversity within the Supervisory Board (recommendation C.1 sentence 2 GCGC ) is fulfilled, among other things, as a result of the diverse skills of the individual Supervisory Board members (with regard to areas such as finance, capital markets, M&A, and technology and markets).

The Executive Board and the Supervisory Board of AIXTRON SE are convinced that the composition of the Supervisory Board fully complies with its own objectives and skills profile as well as with the requirement of the current GCGC for appropriate diversity and an appropriate number of independent Supervisory Board members.

As Chairwoman of the Audit Committee of AIXTRON SE, Prof. Dr. Anna Weber has expertise in the field of accounting and auditing. She is an auditor and a member of the Supervisory Board and Chairwoman of the Audit Committee of another listed company. She is also a professor of general business administration specializing in external accounting. The Chairman of the Supervisory Board, Mr. Kim Schindelhauer, also has expertise in the field of accounting. He was active at AIXTRON as Chief Executive Officer, Chief Financial Officer and Commercial Director as well as in various management positions in the finance department of other international groups (recommendation D.3 GCGC).

In the following qualification matrix (recommendation C.1 GCGC), the Supervisory Board presents a clear overview of the implementation status of the desired skills profile for the Supervisory Board as a whole:

	Kim Schindelhauer	Frits van Hout	Prof. Dr. Andreas Biagosch	Prof. Dr. Petra Denk	Dr. Stefan Traeger	Prof. Dr. Anna Weber
<b>Membership duration</b>						
Member since	2002	2019	2013	2011	2022	2019
<b>General suitability</b>						
Independence <sup>1)</sup>	+	+	+	+	+	+
No overboarding	+	+	+	+	+	+
<b>Diversity</b>						
Year of birth	1953	1960	1955	1972	1967	1984
Gender	m	m	m	f	m	f
Nationality	German	Dutch	German	German	German	German
International experience	+	+	+		+	+
Educational background	Business Administration	Physics	Mechanical Engineering and Business Administration	Physics and Business Administration (EBW)	Physics and Business Administration (MBA)	Business Administration
<b>Professional knowledge <sup>2)</sup></b>						
Company management <sup>3)</sup>	+	+	+		+	
Strategy	+	+	+	+	+	
Sales & marketing	+	+			+	
Operations & Supply Chain	+	+	+		+	
Digitalization of business models related to capital goods		+	+		+	
Personnel / HR	+	+	+	+	+	+
Capital market / IR	+	+			+	
Accounting	+					+
Auditing	+					+
Legal / Compliance / Corporate Governance	+		+		+	+
Sustainability / ESG	+			+	+	+
Geopolitics	+	+	+		+	
Entrepreneurship & Value Creation	+	+	+	+	+	
<b>Knowledge of technologies</b>						
Semiconductor (equipment) industry	+	+	+	+	+	
Compound semiconductors	+	+	+	+		
<b>Knowledge of customer industry</b>						
Power electronics			+	+		
Optoelectronics	+				+	
Display industry	+	+				

<sup>1)</sup> In accordance with the German Corporate Governance Code

<sup>2)</sup> Criterion met (+), based on self-assessment by Supervisory Board member

<sup>3)</sup> Experience as Executive Board member of capital market-oriented companies of similar complexity or comparable experience

### ***Information on the Remuneration of the Executive Board and Supervisory Board and on the Remuneration System of the Executive Board***

Detailed information on the structure and amount of remuneration paid to the individual Executive Board members and on the remuneration of the members of the Supervisory Board as well as an exact list of the outstanding Executive Board stock options can be found in the Company's [Remuneration Report](#).

The remuneration system pursuant to Section 87a para. 1 and para. 2, sentence 1 AktG approved by the 2020 Annual General Meeting with an approval rate of 90.3% is publicly available on the Company's website under [Executive Board Remuneration Policy](#). In accordance with Section 113 para. 3 AktG, the Annual General Meeting 2021 confirmed the remuneration of the Supervisory Board; this resolution is also available on the Company's website under [Voting Results AGM 2021](#). A Remuneration Report prepared in accordance with Section 162 AktG for the past fiscal year, together with an auditor's report in accordance with Section 162 AktG, is also available on the Company's website under [Executive Board Remuneration Report](#).

### ***Shareholders and Annual General Meeting***

The Annual General Meeting was held on 17 May 2023 in presence. The invitation to the Annual General Meeting was published in due time in the German Federal Gazette ("Bundesanzeiger") in accordance with the statutory requirements and contained, among other things, the agenda with the proposed resolutions of the administration or the Supervisory Board as well as the conditions for attending the Annual General Meeting and exercising voting rights. All reports and documents required by law were available on the AIXTRON website, in the [Annual General Meeting](#) section, from the time the Annual General Meeting was convened. After the Annual General Meeting, AIXTRON published the attendance and voting results on its website.

Eight agenda items were put to the vote. All resolutions were passed with clear majorities, with about 67% of AIXTRON's share capital being represented at the Annual General Meeting at the time of voting.



## ***Transparency***

AIXTRON regularly and promptly informs interested parties such as customers, suppliers, shareholders, shareholder associations, potential investors, financial analysts, and the media of the Group's business developments. The internet is the primary communication channel used for this purpose.

Reports on the business situation and financial results of AIXTRON SE and the AIXTRON Group are made available in German and/or English, in the form of:

- The Annual Report with the Consolidated Financial Statements, the Combined Management Report and the Supervisory Board Report,
- The Financial Statements of AIXTRON SE, with the Combined Management Report,
- The Group Non-Financial Report (Sustainability Report),
- The Interim Financial Reports,
- Quarterly conference calls for the press and analysts with their respective transcripts,
- Company presentations.
- Publication of insider information, corporate and press releases.

The date of the Annual General Meeting and the publication dates of the financial reports are listed in the Company's [Financial Calendar](#) on the AIXTRON website. This calendar, as well as the reports, speech manuscripts, presentations, webcasts, and announcements listed above, can be freely viewed on the AIXTRON website.

## ***Accounting and Audit of the Annual Financial Statements***

The quarterly reports as of March 31 and September 30, the half-year report as of June 30 and the consolidated financial statements as of December 31, 2023 were prepared in accordance with International Financial Reporting Standards (IFRS). The Separate Financial Statements of AIXTRON SE for fiscal year 2023 and the Combined Management Report were prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

The Consolidated Financial Statements and the Separate Financial Statements of AIXTRON SE were audited by the auditor and approved and adopted by the Supervisory Board. It was agreed with the auditor that the Chairman of the Supervisory Board or the Chairwoman of the Audit Committee would be informed immediately of any reasons for exclusion or exemption or any inaccuracies in the Declaration of Conformity that arise during the audit. No such duties to inform were triggered in the year under review.

## Remuneration Report

The remuneration report describes the main features of the remuneration system of AIXTRON SE and explains the amount and structure of the remuneration of the Executive Board as well as the remuneration of the Supervisory Board in accordance with the Articles of Association for the 2023 fiscal year. The remuneration of the individual members of the Executive Board and the Supervisory Board is disclosed on an individual basis. The remuneration report for fiscal year 2022 was approved by the Annual General Meeting on May 17, 2023.

This report complies with the requirements of the Act Implementing the Second Shareholders' Directive (ARUG II) pursuant to Section 162 of the German Stock Corporation Act (AktG). For reasons of easier readability, we only use the grammatical masculine form here. It represents people of all genders: male, female, diverse.

### *Principles of the Remuneration System*

The remuneration system for the Executive Board of AIXTRON SE was introduced in 2020. It is in line with the content-related requirements of ARUG II and is based on the recommendations of the German Corporate Governance Code in the version dated April 28, 2022. A detailed description of the remuneration system for the Executive Board which was approved by the Annual General Meeting on May 20, 2020 can be found on the AIXTRON SE website under [Executive Board remuneration system](#).

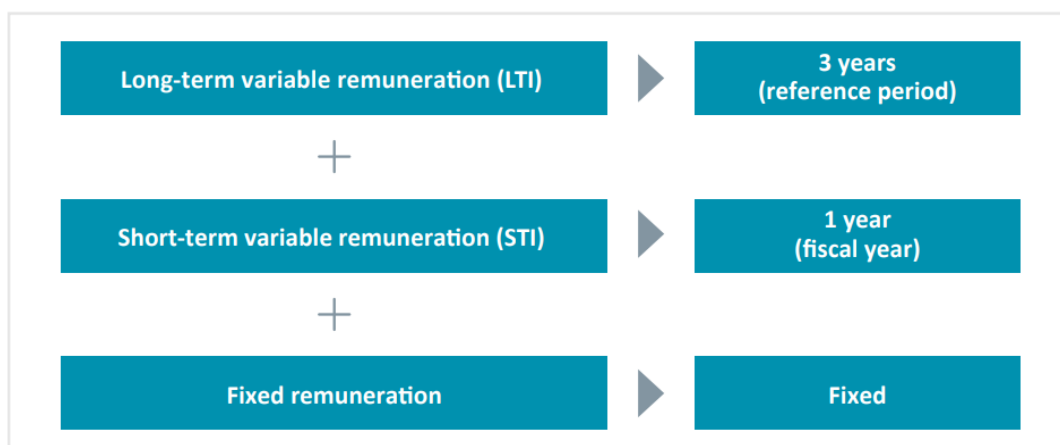
The remuneration system for the 2023 fiscal year applies to the contracts of the Executive Board members Dr. Felix Grawert and Dr. Christian Danninger for the period from January 1, 2023 to December 31, 2023 and of Dr. Jochen Linck for the period from January 1, 2023 to September 30, 2023. The structure of the remuneration of the Executive Board at AIXTRON SE is designed to provide incentives for ecologically and economically sustainable development of the Company as well as for long-term commitment by Executive Board members.

Based on the remuneration system, the Supervisory Board determines the specific remuneration of the individual members of the Executive Board. Within the scope of what is legally permissible, the Supervisory Board targets to offer the members of the Executive Board a remuneration scheme that is customary in the market and at the same time competitive in order to be able to attract outstanding personalities to AIXTRON SE and retain them in the long term.

On the basis of the remuneration system, the Supervisory Board sets a target for the total remuneration for each Executive Board member for the upcoming fiscal year, which consists of three components:

- **fixed remuneration,**
- **short-term performance-related variable remuneration** (short-term incentive, **STI**), and
- **long-term performance-related variable remuneration** (long-term incentive, **LTI**).

## Remuneration Structure



**Fixed remuneration** consists of fixed, non-performance-related base remuneration, which is paid out as a monthly salary. Other components of fixed remuneration include fringe benefits, such as a company car, allowances for individual private pensions, and the assumption of costs for other insurance policies.

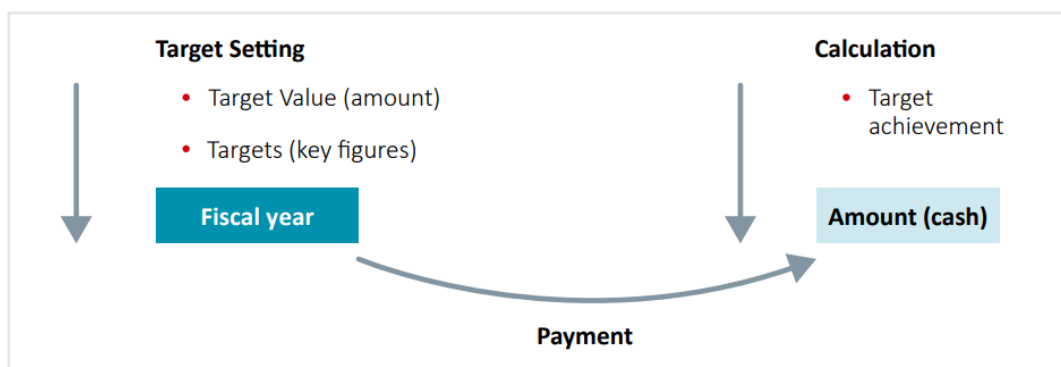
The **variable remuneration** is directly linked to the strategy and the performance of the AIXTRON Group and consists of the short-term STI and the long-term LTI. The amount of the two variable remuneration elements depends on the achievement of financial and non-financial performance criteria. In the interests of the shareholders, the company does not publish the details of individual market-related KPIs that could allow competitors to draw conclusions about the strategic intentions of the company. The weighting and KPI value of each target are determined before the beginning of each fiscal year by the Supervisory Board and the result is solely determined by the actual KPI achievement without any discretionary adjustments.

### **Short-term Performance-Related Variable Remuneration**

The short-term, performance-related remuneration **Short Term Incentive (STI)** is based on the performance achieved by the AIXTRON Group in the fiscal year and is granted entirely in cash.

The STI is measured based on the key indicators of consolidated net income, the market position of the AIXTRON Group and financial and operational targets. The relative weighting is 70% for the consolidated net income, 15% for the market position and 15% for financial and operational goals.

## Short-term Variable Remuneration (STI)



The **targets are set** prior to the start of a fiscal year: The Supervisory Board establishes the STI's target value and the targets based on the aforementioned indicators. In the event of 100% target achievement, the individual target STI of the Executive Board members varies from 1.1% to 1.75% of the consolidated net income for the year pursuant to the budget approved by the Supervisory Board for the fiscal year.

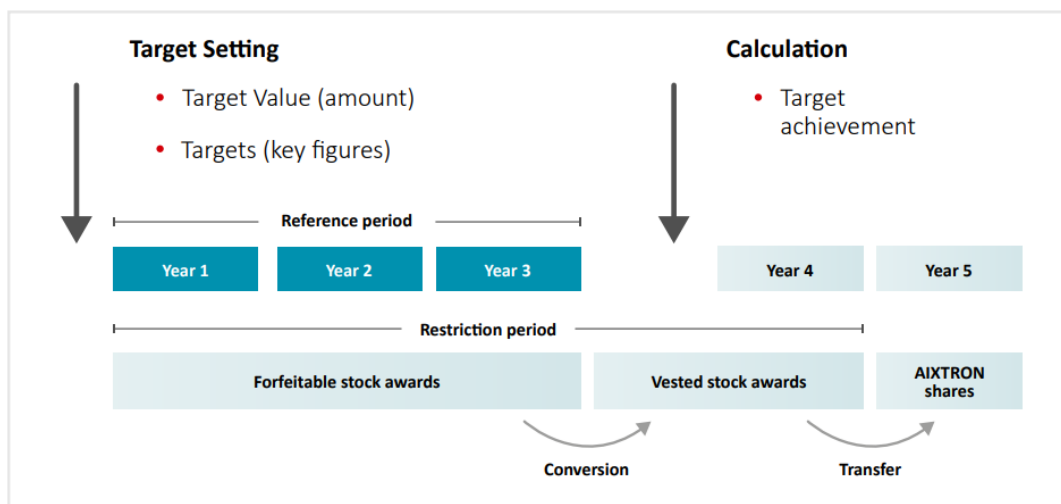
**STI target achievement** is determined after the expiry of the fiscal year. This is capped at a maximum of 250% target achievement. No STI is paid if the consolidated net income for the year is negative, i.e. in years in which the Company posts a loss. STI is paid out in cash after the Supervisory Board has approved the consolidated financial statements.

## Long-term Performance-Related Variable Remuneration (LTI)

The amount of long-term performance-related remuneration, also referred to as the **long-term incentive (LTI)**, is geared to the performance of the AIXTRON Group over a **3-year reference period** and is granted entirely in AIXTRON shares. Executive Board members may first dispose of these shares following a four-year holding period calculated from the start of the reference period.

Before the start of a fiscal year, the Supervisory Board determines the **long-term targets** for each Executive Board member for the forthcoming reference period. Each Executive Board member receives forfeitable stock awards in the amount of the **target LTI**, which varies from 1.4% to 2.25% of the consolidated net income for the year pursuant to the budget adopted by the Supervisory Board for the fiscal year. The number of forfeitable stock awards is calculated based on the average of the closing prices on all stock market trading days in the final quarter of the previous year. If consolidated net income for the year is budgeted to be zero or negative, and if a return to profitability is expected during the reference period, the Supervisory Board may within reasonable limits specify a LTI value for the fiscal year.

## Long-term variable remuneration (LTI)



**LTI target achievement** is determined using the indicators consolidated net income for the year and total shareholder return (TSR), as well as sustainability targets. In this regard, the relative weighting amounts to 50% for consolidated net income for the year, 40% for TSR, and 10% for sustainability targets.

For the first **LTI key figure**, the **consolidated net income for the year**, before the start of each fiscal year the Supervisory Board sets a target value on the aggregate consolidated net incomes that are to be achieved during the reference period. After the reference period ends, the ratio of the actual value to the target value is calculated. If the two values are identical, target achievement amounts to 100%. Target achievement is capped at a maximum of 250%. If the ratio is zero or negative, target achievement amounts to 0%. A linear interpolation takes place between the values of 0% and 250%. The **second LTI key figure**, the **TSR**, denotes the **total shareholder return** over the reference period and is calculated as the ratio of the change in the stock price, plus paid dividends, at the end of the reference period to the value at the start of the reference period. The TSR for AIXTRON stock is determined by the weighted TSR for a comparative group, which consists of the shares of six semiconductor equipment manufacturers – Veeco Instruments, Applied Materials, Tokyo Electron, Lam Research, ASML, and ASMI – and is weighted in proportion to their market capitalization. Changes in the share prices are determined by reference to the difference between the average values of the closing prices on all stock market trading days in the final quarter before the start of the reference period and in the final quarter of the reference period. After the reference period ends, the ratio of the development in the TSR for AIXTRON shares to the development in the TSR for the comparative group is calculated. The target achievement over the reference period corresponds to the ratio of the TSR performance of the AIXTRON share to the TSR performance of the peer group. Target achievement is capped at a maximum of 250% and amounts to 0% if the ratio is less than 50%. If during the period under consideration the enterprises in the comparative group experience extraordinary changes (such as mergers, changes in business activities, etc.), the Supervisory Board may take this appropriately into consideration with regard to the composition of the comparative group. In such case, the Supervisory Board will report on this in the annual remuneration report.

The **third LTI key figure** is calculated by reference to **sustainability targets** set by the Supervisory Board at the start of each reference period. These targets refer to the areas of environment, social affairs, and corporate governance. Target achievement corresponds to the ratio of the actual values to the target values and is capped at 250%. Before the start of each fiscal year, the Supervisory Board sets two to three sustainability targets that are to be achieved by the end of the reference period. The sustainability targets that the Supervisory Board may choose from before the start of a fiscal year when setting targets for the respective Executive Board member include, among others: efficient use of energy and raw materials, reduction of emissions, employee satisfaction and development, customer satisfaction, innovation performance, successor planning, and compliance.

After the expiry of the three-year reference period, the degree of LTI target achievement is determined by the Supervisory Board. Depending on the degree of target achievement, the forfeitable stock awards are then converted into vested stock awards or otherwise lapse. The maximum number of vested stock awards that may be granted in connection with LTI is capped at 250% of the number of forfeitable stock awards granted at the start of the reference period.

Following expiry of the four-year restriction period, the shares are transferred to the Executive Board member, with due compliance with the maximum remuneration limits set out below. The Executive Board member is not entitled to receive dividends during the restriction period.

### ***Remuneration limits***

The remuneration system is intended to provide appropriate rewards for successful Executive Board work and to ensure that the Executive Board and shareholders all benefit from the Company's positive development. At the same time, to prevent the taking of inappropriate risks and ensure an appropriate relation to the situation of the AIXTRON Group, Executive Board remuneration is limited by setting a **maximum remuneration** and a **remuneration cap**.

**Maximum remuneration (expenditure cap)** is the total remuneration owed to the Executive Board for a fiscal year. It may not exceed EUR 6,500 thousand in the case of two Executive Board members or EUR 10,000 thousand in the case of three or more Executive Board members. If an Executive Board contract ends during the financial year, the expenditure cap is calculated on a pro rata basis. In total, this also results in the **expenditure cap**, i.e. the maximum expense for the Company.

There is also a **remuneration cap (allocation cap)** for the aggregate of fixed remuneration, STI, and LTI. The actual allocation for each Executive Board member for a fiscal year is capped at four times the Executive Board member's target total remuneration. This is the **allocation cap**. If the remuneration cap is exceeded, a portion of the vested stock awards previously awarded is forfeited to ensure compliance.

**Fixed remuneration** will generally account for 20% to 40% of **target total remuneration**, while **variable remuneration** will make up 60% to 80%. Long-term remuneration will account for a greater share of remuneration in order to provide incentives for long-term and sustainable actions. No additional remuneration is paid for group-internal mandates at subsidiaries.

## ***Further Provisions***

To ensure that the interests of the Executive Board are aligned with those of shareholders, the Company has a stock ownership policy. Following a four-year build-up phase, each Executive Board member is obliged to hold AIXTRON stock worth 100% of their base remuneration on a permanent basis throughout their term of office. The value of vested stock awards is set off against the respective target shareholding value. Executive Board members may sell shares only if they exceed the respective target value.

Furthermore, a **sanctioning mechanism**, i.e. **claw-back policy**, applies for **breaches of duty or compliance**. Based on this mechanism, in the event of such breaches the Supervisory Board may reduce variable remuneration components not yet paid out, allow stock awards to lapse, or even claw these back. These possibilities may be exercised even when the Executive Board member is no longer in office and is no longer employed by the Company.

In justified exceptional circumstances, such as severe economic crises, the effects of which render the original Company targets invalid, the Supervisory Board may resolve a temporary divergence from the remuneration system if such divergence is in the interests of AIXTRON SE. As a general rule, the targets and target values do not change during the periods relevant for the respective target achievement, even if developments in the overall market are unfavorable.

## ***Comparison of Remuneration***

The Supervisory Board reviews the appropriateness of the various components of remuneration on an annual basis. The remuneration system is presented to the Annual General Meeting for approval in the event of any material changes to the system and at least every four years.

For the purposes of external comparison, the Supervisory Board refers to remuneration data at the semiconductor equipment manufacturers Veeco Instruments, Applied Materials, Tokyo Electron, Lam Research, ASML, and ASMI, as well as to those companies listed in the TecDAX that have a market capitalization between 50% and 200% of that of AIXTRON SE.

For the internal comparison, the Supervisory Board defines the senior management level as the ten non-tariff remunerated senior managers who have the greatest managerial responsibility and decision-making powers.

## ***Arrangements upon Contract Termination***

Should a contract with an Executive Board member be terminated, then the outstanding variable remuneration components attributable to the time through to termination of the contract will be paid out in accordance with the originally agreed targets and comparison parameters and with the due dates or holding periods specified in the contract. If an Executive Board contract ends during a fiscal year, STI and LTI are granted on a prorated basis relative to the length of service in this fiscal year.



The foregoing does not apply to cases in which the employment contract is terminated without notice for cause inherent in the Executive Board member for which he or she is responsible. In such case, variable remuneration will not be paid for the year in which termination becomes effective.

In the case of **premature termination of the Executive Board mandate** by reason of revocation of the appointment, the Executive Board member will be paid a severance equal to the remuneration expected to be owed by the Company for the remaining term of the employment contract, but not more than two years of remuneration (severance cap).

When agreeing employment contracts with Executive Board members, the Supervisory Board may stipulate that, in the event of the contract being terminated due to a **“change-of-control” event**, severance will be paid in the aforementioned maximum amount. A change-of-control event in the foregoing sense exists where a third party, or a group of third parties who combine their shareholding by contract in order to act as a single third party, directly or indirectly holds more than 50% of the Company’s share capital.

Benefits in excess of this severance payment are not permitted.

In the event of premature termination of the Executive Board mandate based on mutual agreement to end the employment contract, the total value of benefits pledged by the Company to the Executive Board member in connection with such agreement may not exceed the amount of remuneration expected to be owed by the Company for the original remaining term of the employment contract and may not exceed a maximum of two annual remuneration packages.

## ***Remuneration of Executive Board Members in Fiscal Year 2023***

In fiscal year 2023, the remuneration system described above was applied to the contracts of the Executive Board members Dr. Felix Grawert and Dr. Christian Danninger for the period from January 1 to December 31 and of Dr. Jochen Linck for the period from January 1 to September 30. The following sections specify the specific Executive Board remuneration for the reporting year and contain detailed information and background on the total Executive Board remuneration, the target setting and target achievement of the variable remuneration as well as individualized information on the remuneration of the individual Executive Board members. The stated target remuneration takes into account the departure of Executive Board members during the course of the year.

### ***Total Remuneration***

The maximum remuneration (expense cap) is the total remuneration owed to the Executive Board for a financial year. It may not exceed EUR 6,500 thousand for two board members or EUR 10,000 thousand for three or more board members. For the 2023 financial year, the maximum compensation (expense cap) may not exceed EUR 9,125 thousand due to the departure of one member of the Executive Board during the year.

The total remuneration of the Executive Board for the fiscal year 2023 amounted to EUR 9,125 thousand (2022: EUR 9,984 thousand). In the 2023 financial year, the expense cap was applied, which limits the total compensation of the Executive Board to EUR 9,125 thousand.

The non-performance-related fixed remuneration of the Executive Board for the fiscal year 2023, consisting of a basic remuneration, pension allowances and benefits in kind, totaled EUR 1,032 thousand (2022: EUR 1,113 thousand).

### ***Base Remuneration***

Base remuneration comprised the following amounts in fiscal year 2023:

- for Dr. Felix Grawert: EUR 400 thousand
- for Dr. Christian Danninger: EUR 300 thousand
- for Dr. Jochen Linck: EUR 225 thousand

### ***Pension Allowances***

The Executive Board members in office in the year under report do not have individual pension commitments, as a result of which no provisions are stated for pensions. The Company rather pays pension allowances to Executive Board members together with their salaries or makes contributions to an insurance contract with a pension fund.

Pension allowances form a constituent component of the non-performance-related fixed remuneration of the Executive Board. They comprised the following amounts in fiscal year 2023:

- for Dr. Felix Grawert: EUR 30 thousand
- for Dr. Christian Danninger: EUR 30 thousand
- for Dr. Jochen Linck: EUR 23 thousand

### **Short-term Variable Remuneration (STI)**

#### **Target Dimension “Consolidated Net Income for the Year”**

In its meeting on December 12, 2022, the Supervisory Board set a target value of EUR 141,691 thousand for the consolidated net income for 2023 (70% of total target). The actually achieved value of EUR 145,189 thousand results in a target achievement of 102% (2022: 115%).

#### **Target Dimension “Market Position”**

For the target dimension "market position" (15% of total target), the Supervisory Board has set targets for individual market segments. These targets for the 2023 fiscal year are weighted 50% for existing markets and 50% for new growth markets. A good sales performance in both the existing and the growth markets led to a target achievement of 112% (2022: 175%) for the existing and 107% (2022: 234%) for the new markets.

#### **Target Dimension “Financial and Operational Targets”**

For the target dimension "financial and operational targets" (15% of total target), performance criteria in the area of operational improvements and product-related improvements were defined. Here, the target achievement in the past fiscal year was 175% and 91% (2022: 142% for operational improvements and 50% for product-related improvements).

Due to the very good performance achieved in the 2023 financial year and the resulting target achievement, the expense cap applies, which limits the total compensation for the Executive Board. This results in the short-term variable remuneration (STI) for fiscal year 2023 as follows:

- for Dr. Felix Grawert: EUR 1,576 thousand in cash (reduced by 41.9% due to the expense cap),
- for Dr. Christian Danninger: EUR 991 thousand in cash (reduced by 41.9% due to the expense cap),
- for Dr. Jochen Linck: EUR 764 thousand in cash (reduced by 40.3% due to the expense cap).

### ***Long-Term Variable Remuneration (LTI)***

The target achievement of the LTI tranche 2023 is calculated based on the results achieved in the period from January 1, 2023 to December 31, 2025. The following performance criteria apply to them:

- Consolidated net income for fiscal years 2023, 2024, and 2025 (50% of total)
- Change in total shareholder return (TSR) from Q4/2022 to Q4/2025 (40% of total)
- Sustainability (10% of total):
  - Percentage of aligned sales, operating expenses (OpEx) and investments (CapEx) as defined by the EU Taxonomy Regulation in 2025
  - Strategic leadership team and personnel development, measured against defined target quotas for the year 2025

The relevant AIXTRON SE share price for the LTI target remuneration for fiscal year 2023 is EUR 28,206. It corresponds to the average of the XETRA closing prices on all stock exchange trading days in Q4/2022. The degree of achievement of the performance criteria will be determined by the Supervisory Board after the end of fiscal year 2025. At that time, the vested share awards will be converted into non-forfeitable share awards depending on target achievement. After the expiry of a 4-year vesting period ending on December 31, 2026, for the fiscal year 2023, one share of the Company will be transferred for each vested share award. This is to take place in the week following the publication of the annual report.

For the long-term variable remuneration (LTI) for 2023, the Supervisory Board stipulated a target LTI of EUR 8.139 thousand was set for the Executive Board (without taking into account the remuneration limits according to the remuneration system).

In the 2023 financial year, the expense cap will apply, which limits the total compensation of the Executive Board. This reduces the expense for long-term variable compensation (LTI) by 41.5% and limits it to a total of EUR 4.762 thousand.

This results in the following expenses for long-term variable remuneration (LTI):

- for Dr. Felix Grawert: EUR 2,266 thousand (reduced by 41.9% due to the expense cap)
- for Dr. Christian Danninger: EUR 1,410 thousand (reduced by 41.9% due to the expense cap)
- for Dr. Jochen Linck: EUR 1,087 thousand (reduced by 40.3% due to the expense cap)

**Tabular Overview of Performance Criteria Applied to Executive Board Remuneration pursuant to Sec. 162 (1) Sentence 2 No. 1 Stock Corporation Act (AktG)**

Component	Description of performance measures	Portion	Information on the performance targets			
				a) Minimum target b) Corresponding remuneration	a) Target achievement b) Corresponding remuneration	a) Measured performance b) Corresponding remuneration
STI 2023	Consolidated net income 2023	70%	% kEUR	a) 0 b) 0	a) 100 b) 3,645	a) 102 b) 3,735
	Market position	15%	% kEUR.	a) 0 b) 0	a) 100 b) 781	a) 109 b) 854
	Existing markets	50%	% kEUR	a) 0 b) 0	a) 100 b) 391	a) 112 b) 436
	New markets	50%	% kEUR	a) 0 b) 0	a) 100 b) 391	a) 107 b) 418
	Financial and operational targets	15%	% kEUR	a) 0 b) 0	a) 100 b) 781	a) 141 b) 1,105
	Operational improvements	70%	% kEUR	a) 0 b) 0	a) 100 b) 469	a) 175 b) 820
	Product related improvements	30%	% kEUR	a) 0 b) 0	a) 100 b) 312	a) 91 b) 284
LTI 2023	Consolidated net income 2023-2025	50%	% kEUR	a) 0 b) 0	a) 100 b) 3,537	a) will be calculated at the end of 2025 b) the end of 2025
	Total Shareholder Return 2023-2025	40%	% kEUR	a) 0 b) 0	a) 100 b) 3,895	a) will be calculated at the end of 2025 b) the end of 2025
	Sustainability targets 2023-2025	10%	% kEUR	a) 0 b) 0	a) 100 b) 707	a) will be calculated at the end of 2025 b) the end of 2025
	EU Taxonomy aligned revenues, OpEx and CapEx	50%	% kEUR	a) 0 b) 0	a) 100 b) 354	a) will be calculated at the end of 2025 b) the end of 2025
	Development of executive and personnel	50%	% kEUR	a) 0 b) 0	a) 100 b) 354	a) will be calculated at the end of 2025 b) the end of 2025

**Determination of Target Achievement Tranche 2021:**

The reference period for the 2021 LTI tranche expired on December 31, 2023. The originally agreed targets were largely achieved or even exceeded. The achievement of objectives for the Executive Board is shown in detail in the following table:

Component	Description of performance measures	Portion	Information on the performance targets			
				a) Minimum target b) Corresponding remuneration	a) Target achievement b) Corresponding remuneration	a) Measured performance b) Corresponding remuneration
LTI 2021	Consolidated net income 2021-2023	50%	% kEUR	a) 0 b) 0	a) 100 b) 1,030	a) 211 b) 2,179
	Total Shareholder Return 2021-2023	40%	% kEUR	a) 0 b) 0	a) 100 b) 824	a) 149 b) 1,225
	Sustainability targets 2021-2023	10%	% kEUR	a) 0 b) 0	a) 100 b) 206	a) 249 b) 514
	Reduction of energy consumption	50%	% kEUR	a) 0 b) 0	a) 100 b) 103	a) 249 b) 257
	Employee trainings	50%	% kEUR	a) 0 b) 0	a) 100 b) 103	a) 250 b) 257

A target of EUR 161 million was set in 2021 for the **group's net income** in the years 2021-2023. This financial goal was achieved by 211% with a total consolidated net income of EUR 341 million. At the end of this fiscal year, the '**Total Shareholder Return**' (TSR) performance of the AIXTRON share was 184% compared to the TSR performance of the peer group 91%, corresponding to a target achievement of 149%. For the non-financial targets, the **energy consumption** of the AIXTRON Group normalized for the number of systems, employees and laboratory runs was reduced by 15% in 2023 compared to the 2020 financial year. This corresponds to a target achievement of 249%. In **employee training**, AIXTRON achieved an increase to 32 hours per employee compared to fiscal year 2020, which corresponds to a target achievement of 250% (Capped at a maximum of 250%).

**Deviation from Remuneration System**

In 2023, there were no deviations from and no adjustments to the remuneration system compared with the AGM resolution on the remuneration system in May 2020.

**Benefits Granted and Payments Made in Fiscal Year 2023**

The following tables show the remuneration granted and due to the active members of the Executive Board in each of the fiscal years 2022 and 2023 in accordance with Section 162 (1) sentence 1 AktG. The "Remuneration granted and due" section of the tables thus contains all amounts actually received by the individual Executive Board members in the reporting period ("**remuneration granted**") and all remuneration legally due but not yet received in the reporting period ("**remuneration due**"). In addition, the individual possible minimum and maximum remuneration values for the 2023 fiscal year are shown here.

Furthermore, the tables show the fixed remuneration and the one-year variable remuneration as an inflow for the respective fiscal year. For subscription rights and other share-based remuneration, the time and value of the inflow is the relevant time and value under German tax law.

In addition to the remuneration amounts, Section 162 (1) sentence 2 no. 1 AktG also requires the disclosure of the relative share of all fixed and variable remuneration components in total remuneration. The relative proportions stated here at the end of each table relate to the remuneration components granted and due in the respective fiscal year in accordance with Section 162 (1) sentence 1 AktG.

In total, the remuneration of the Executive Board ("remuneration granted and due") for fiscal year 2023 amounted to EUR 9,125 thousand (fiscal year 2022: EUR 9,984 thousand). In the 2023 financial year, the expense cap was applied, which limits the total compensation of the Executive Board to EUR 9,125 thousand.

## Remuneration Granted and due pursuant to Section 162 (1) sentence 1 AktG and Payments Made per Executive Board Member in Fiscal Year 2023

Dr. Felix Grawert Chairman of the Executive Board Member of the Executive Board since August 14, 2017		Remuneration granted and due				Allocation	
		2022	2023	2023 ** (Target achievement)	2023 *** (Maximum remuneration)	2022	2023
in EUR thousands							
Non-performance related remuneration	Fixed remuneration	430	430	430	430	430	430
	Fringe benefits	6	6	6	6	6	6
	<b>Total</b>	<b>436</b>	<b>436</b>	<b>436</b>	<b>436</b>	<b>436</b>	<b>436</b>
Performance-related remuneration	<b>Short-term variable remuneration</b>	<b>1,963</b>	<b>1,576</b>	<b>2,480</b>		<b>1,963</b>	<b>1,576</b>
	STI 2022	1,963	0	0		1,963	0
	STI 2023	0	1,576	2,480		0	1,576
	<b>Long-term variable remuneration</b>	<b>1,979</b>	<b>2,266</b>	<b>3,896</b>		<b>1,670</b>	<b>1,350</b>
	Share-based portion of one-year variable remuneration 2018 under old system (restriction period 2018-2021)	0	0	0		1,670	0
	Share-based portion of one-year variable remuneration 2019 under old system (restriction period 2019-2022)	0	0	0		0	1,350
	LTI tranche 2021-2023 (restriction period 2021-2024)	0	0	0		0	0
	LTI tranche 2022-2024 (restriction period 2022-2025) *	1,979	0	0		0	0
	LTI tranche 2023-2025 (restriction period 2023-2026) *	0	2,266	3,896		0	0
	<b>Total</b>	<b>3,942</b>	<b>3,842</b>	<b>6,376</b>	<b>3,842</b>	<b>3,633</b>	<b>2,926</b>
<b>Total non-performance and performance-related remuneration</b>		<b>4,377</b>	<b>4,278</b>	<b>6,812</b>	<b>4,278</b>	<b>4,069</b>	<b>3,362</b>
Pension allowance		0	0	0	0	0	0
<b>Total remuneration</b>		<b>4,377</b>	<b>4,278</b>	<b>6,812</b>	<b>4,278</b>	<b>4,069</b>	<b>3,362</b>
Thereof as a percentage	Portion of fixed remuneration	10%	10%	6%	10%	11%	13%
	Portion of variable remuneration	90%	90%	94%	90%	89%	87%

\* Fair value valuation of LTI tranche

\*\* Theoretical target remuneration without taking into account the remuneration limits in accordance with the remuneration system

\*\*\* Maximum remuneration taking into account the remuneration limits in accordance with the remuneration system

In 2023 the expense cap which limits the total compensation of the Executive Board is applied for Dr. Grawert. This reduces the expense for both short-term variable compensation (STI) and long-term variable compensation (LTI) by 41.9% each.



Dr. Christian Danninger Member of the Executive Board Member of the Executive Board since Mai 1, 2021		Remuneration granted and due				Allocation	
		2022	2023	2023 ** (Target achievement)	2023 *** (Maximum remuneration)	2022	2023
in EUR thousands							
Non-performance related remuneration	Fixed remuneration	330	330	330	330	330	330
	Fringe benefits	11	14	14	14	11	14
	<b>Total</b>	<b>341</b>	<b>344</b>	<b>344</b>	<b>344</b>	<b>341</b>	<b>344</b>
Performance-related remuneration	<b>Short-term variable remuneration</b>	<b>1,234</b>	<b>991</b>	<b>1,559</b>		<b>1,234</b>	<b>991</b>
	STI 2022	1,234	0	0		1,234	0
	STI 2023	0	991	1,559		0	991
	<b>Long-term variable remuneration</b>	<b>1,231</b>	<b>1,410</b>	<b>2,424</b>		<b>0</b>	<b>0</b>
	LTI tranche 2021-2023 (restriction period 2021-2024)	0	0	0		0	0
	LTI tranche 2022-2024 (restriction period 2022-2025) *	1,231	0	0		0	0
	LTI tranche 2023-2025 (restriction period 2023-2026) *	0	1,410	2,424		0	0
	<b>Total</b>	<b>2,465</b>	<b>2,400</b>	<b>3,983</b>	<b>2,400</b>	<b>1,234</b>	<b>991</b>
<b>Total non-performance and performance-related remuneration</b>		<b>2,806</b>	<b>2,744</b>	<b>4,327</b>	<b>2,744</b>	<b>1,575</b>	<b>1,335</b>
Pension allowance		0	0	0	0	0	0
<b>Total remuneration</b>		<b>2,806</b>	<b>2,744</b>	<b>4,327</b>	<b>2,744</b>	<b>1,575</b>	<b>1,335</b>
Thereof as a percentage	Portion of fixed remuneration	12%	13%	8%	13%	22%	26%
	Portion of variable remuneration	88%	87%	92%	87%	78%	74%

\* Fair value valuation of LTI tranche

\*\* Theoretical target remuneration without taking into account the remuneration limits in accordance with the remuneration system

\*\*\* Maximum remuneration taking into account the remuneration limits in accordance with the remuneration system

In 2023 the expense cap which limits the total compensation of the Executive Board is applied for Dr. Danninger. This reduces the expense for both short-term variable compensation (STI) and long-term variable compensation (LTI) by 41.9% each.

Dr. Jochen Linck Member of the Executive Board Member of the Executive Board from Oct 1, 2020 until September 30, 2023		Remuneration granted and due				Allocation	
		2022	2023	2023 ** (Target achievement)	2023 *** (Maximum remuneration)	2022	2023
in EUR thousands							
Non-performance related remuneration	Fixed remuneration	330	248	248	248	330	248
	Fringe benefits	5	4	4	4	5	4
	<b>Total</b>	<b>335</b>	<b>252</b>	<b>252</b>	<b>252</b>	<b>335</b>	<b>252</b>
Performance-related remuneration	<b>Short-term variable remuneration</b>	<b>1,234</b>	<b>764</b>	<b>1,169</b>		<b>1,234</b>	<b>764</b>
	STI 2022	1,234	0	0		1,234	0
	STI 2023 ****	0	764	1,169		0	764
	<b>Long-term variable remuneration</b>	<b>1,231</b>	<b>1,087</b>	<b>1,818</b>		<b>0</b>	<b>0</b>
	LTI tranche 2021-2023 (restriction period 2021-2024)	0	0	0		0	0
	LTI tranche 2022-2024 (restriction period 2022-2025) *	1,231	0	0		0	0
	LTI tranche 2023-2025 (restriction period 2023-2026) * / ****	0	1,087	1,818		0	0
	<b>Total</b>	<b>2,465</b>	<b>1,851</b>	<b>2,987</b>	<b>1,851</b>	<b>1,234</b>	<b>764</b>
<b>Total non-performance and performance-related remuneration</b>		<b>2,800</b>	<b>2,103</b>	<b>3,239</b>	<b>2,103</b>	<b>1,569</b>	<b>1,016</b>
Pension allowance		0	0	0	0	0	0
<b>Total remuneration</b>		<b>2,800</b>	<b>2,103</b>	<b>3,239</b>	<b>2,103</b>	<b>1,569</b>	<b>1,016</b>
Thereof as a percentage	Portion of fixed remuneration	12%	12%	8%	12%	21%	25%
	Portion of variable remuneration	88%	88%	92%	88%	79%	75%

\* Fair value valuation of LTI tranche

\*\* Theoretical target remuneration without taking into account the remuneration limits in accordance with the remuneration system

\*\*\* Maximum remuneration taking into account the remuneration limits in accordance with the remuneration system

\*\*\*\* Prorated from January 1 to September 30, 2023

In 2023 the expense cap which limits the total compensation of the Executive Board is applied for Dr. Linck. This reduces the expense for both short-term variable compensation (STI) and long-term variable compensation (LTI) by 40.3% each.

Dr. Bernd Schulte Member of the Executive Board Member of the Executive Board until Mar 31, 2021		Remuneration granted and due				Allocation	
		2022	2023	2023 * (Minimum)	2023 * (Maximum)	2022	2023
in EUR thousands							
Non-performance related remuneration	Fixed remuneration	0	0	0	0	0	0
	Fringe benefits	0	0	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Performance-related remuneration	<b>Short-term variable remuneration</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Long-term variable remuneration</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,544</b>	<b>1,202</b>
	Share-based portion of one-year variable remuneration (restriction period 2018-2021)	0	0	0	0	1,544	0
	Share-based portion of one-year variable remuneration (restriction period 2019-2022)	0	0	0	0	0	1,202
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,544</b>	<b>1,202</b>
<b>Total non-performance and performance-related remuneration</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,544</b>	<b>1,202</b>
Pension allowance		0	0	0	0	0	0
<b>Total remuneration</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,544</b>	<b>1,202</b>
Thereof as a percentage	Portion of fixed remuneration	0%	0%	0%	0%	0%	0%
	Portion of variable remuneration	0%	0%	0%	0%	100%	100%

\* Theoretical minimum and maximum remuneration according to that for Dr. Bernd Schulte valid remuneration system.

### Shares Granted and Awarded to the Executive Board under the LTI in Accordance with Section 162 (1) Sentence 2 No. 3 AktG

Name, position	Description of plan	Restriction period	Development of granted or awarded shares		
			Awarded shares January 1	a) Granted (+) or awarded (-) shares b) Value of granted shares in EUR thousands	Awarded shares December 31
<b>Dr. Felix Grawert</b> Chairman of the Executive Board	Variable remuneration 2019	2019-2023	46,987	a) -46,987	0
	Variable remuneration 2020 old system*	2020-2024	18,072		18,072
	LTI tranche 2020-2022**	2020-2023	33,586		33,586
	LTI tranche 2021-2023***	2021-2024	112,119	a) 53,733	165,852
	LTI tranche 2022-2024***	2022-2025	114,070		114,070
	LTI tranche 2023-2025***	2023-2026	0	a) 65,705 b) 2,266	65,705
					<b>397,285</b>

\* Prorated from January 1 to August 13, 2020

\*\* Prorated from August 14 to December 31, 2020

\*\*\* The number of shares can change due to the actual target achievement at the end of the reference period.

Name, position	Description of plan	Restriction period	Development of granted or awarded shares		
			Awarded shares January 1	a) Granted (+) or awarded (-) shares b) Value of granted shares in EUR thousands	Awarded shares December 31
<b>Dr. Christian Danning</b> Member of the Executive Board	LTI tranche 2021-2023*/**	2021-2024	46,827	a) 22,442	69,269
	LTI tranche 2022-2024**	2022-2025	70,977		70,977
	LTI tranche 2023-2025**	2023-2026	0	a) 40,883 b) 1,410	40,883
					<b>140,246</b>

\* Prorated from May 1 bis December 31, 2021

\*\* The number of shares can change due to the actual target achievement at the end of the reference period.

Name, position	Description of plan	Restriction period	Development of granted or awarded shares		
			Awarded shares January 1	a) Granted (+) or awarded (-) shares b) Value of granted shares in EUR thousands	Awarded shares December 31
<b>Dr. Jochen Linck Member of the Executive Board</b>	LTI tranche 2020-2022*	2020-2023	13,977		13,977
	LTI tranche 2021-2023**	2021-2024	69,763		103,197
	LTI tranche 2022-2024**	2022-2025	70,977		70,977
	LTI tranche 2023-2025**/**	2023-2026	0	a) 31,518 b) 1,087	31,518
					<b>188,151</b>

\* Prorated from October 1 to December 31, 2020

\*\* The number of shares can change due to the actual target achievement at the end of the reference period.

\*\*\* Prorated for the period from January 1 to September 30, 2023

Name, position	Description of plan	Restriction period	Development of granted or awarded shares		
			Awarded shares January 1	a) Granted (+) or awarded (-) shares b) Value of granted shares in EUR thousands	Awarded shares December 31
<b>Dr. Bernd Schulte (Member of the Executive Board until Mar 31, 2021)</b>	Variable remuneration 2019	2019-2023	41,835	a) -41,835	0
	Variable remuneration 2020	2020-2024	26,153		26,153
	Variable remuneration 2021	2021-2025	10,800		10,800
					<b>36,953</b>

\*In the previous year provisionally calculated with the closing price on December 31, 2021. In 2022, the number of shares was adjusted based on the actual underlying price on May 31, 2022.

### **Benefits in Connection with the Termination of Executive Board Mandate**

Apart from the provisions regarding the termination of an Executive Board member's contract, there are no other contractually agreed benefits that would apply if an Executive Board member were to leave the Company, such as retirement benefits, the further use of a company car or office, or the continued payment of other benefits.

***Comparative Presentation of the Annual Change in the Remuneration of the Members of the Executive Board with the Development of Earnings and the Average Remuneration of the Employees of AIXTRON SE***

The following table shows a comparison of the percentage change in the remuneration of the members of the Executive Board with the earnings development of AIXTRON SE and the AIXTRON Group as well as with the average remuneration of the employees on a full-time equivalent basis compared to the previous year. The remuneration of the members of the Executive Board included in the table reflects the remuneration granted and due to the respective Executive Board members in the reporting year and thus corresponds to the value stated in the preceding remuneration tables in the column "Remuneration granted and due" for the fiscal years 2022 and 2023 within the meaning of Section 162 (1) sentence 1 AktG. Where members of the Executive Board were only remunerated on a pro rata basis in individual fiscal years, for example due to joining or leaving the company during the year, the remuneration for this fiscal year was extrapolated to a full year to ensure comparability.

The development of earnings is generally presented on the basis of the development of the annual result of AIXTRON SE in accordance with Section 275 (3) No. 16 HGB (German Commercial Code). As the remuneration of the members of the Executive Board is also significantly dependent on the business success of the AIXTRON Group, the development of revenues, EBIT and net income for the year is also stated for the Group.

The comparison with the development of the average remuneration of employees is based on the average remuneration of the workforce of the Group parent company AIXTRON SE in Germany. Since the employee and remuneration structures in the subsidiaries are manifold, in particular in the case of employees abroad, it is appropriate for the comparison of the development of the average remuneration to be based only on the total workforce of AIXTRON SE. This comparison group was also used in the examination of the appropriateness of the remuneration of the members of the Executive Board. In this context, the remuneration of all employees of AIXTRON SE, including the leadership team and excluding student assistants, was taken into account. In order to ensure comparability, the remuneration of part-time employees was extrapolated to full-time equivalents.

### Comparison of Annual Changes in Executive Board Remuneration pursuant to Section 162 (1) no. 2 of the German Stock Corporation Act (AktG)

Annual change (in %)	31.12.23 versus 31.12.22	31.12.22 versus 31.12.21	31.12.21 vs. 31.12.20
<b>Executive Board remuneration</b>			
Dr. Felix Grawert	(2%)	18%	166%
Dr. Christian Danninger*	(2%)	13%	n.a.
Dr. Jochen Linck**	0%	18%	128%
Dr. Bernd Schulte***	n.a.	n.a.	113%
<b>Earnings development of AIXTRON SE and the Group</b>			
Group revenues	36%	8%	59%
Group EBIT	50%	6%	184%
Group net income	45%	6%	175%
AIXTRON SE income	56%	6%	275%
<b>Average remuneration of AIXTRON employees****</b>			
Employees of AIXTRON SE	7%	3%	9%

\* Executive Board member since May 1, 2021, amount for 2021 calculated on an annualized basis

\*\* Executive Board member until September 30, 2023, amount for 2023 calculated on an annualized basis

\*\*\* Executive Board member until March 31, 2021, amount for 2021 calculated on an annualized basis

\*\*\*\* Based on full-time equivalents; gradual build-up over an observation period of five financial years

The remuneration of the Executive Board fell by around 2% in the 2023 financial year, despite a significant increase in group sales (+36%), group EBIT (+50%) and group earnings (+45%). The reason for this is the application of the expense cap, which limits the total compensation of the Executive Board.

#### Stock Option Plans

The remuneration system described does not include any stock options. Therefore, Dr. Felix Grawert, Dr. Christian Danninger and Dr. Jochen Linck do not hold any stock options.

#### Claw-Back Information

There was no claw-back of variable compensation components of the Executive Board members in fiscal year 2023 (claw-back policy).

#### Outlook for the Application of the Remuneration System for 2024

##### Short-Term Variable Remuneration (STI)

For the current fiscal year 2024, the Supervisory Board has defined the following target dimensions and performance criteria for the short-term variable remuneration (STI) in December 2023:

- Target dimension “Consolidated net income” (70% of total): The Supervisory Board set a target value for consolidated net income in 2024 in line with the internal forecast.

- Target dimension “Market position” (15% of total): For the “Market position” target dimension, the Supervisory Board has set targets for important markets for 2024.
- Target dimension “Financial and operational targets” (15% of total): Performance criteria were defined for the target dimension “Financial and operational targets” in the area of operational performance and product-related performance.

### **Long-Term Variable Remuneration (LTI)**

The Supervisory Board has defined the following performance criteria for the reference period for long-term variable remuneration (LTI) starting in fiscal year 2024:

- Consolidated net income for fiscal years 2024, 2025 and 2026 (50% of total)
- Development of total shareholder return (TSR) from Q4/2023 to Q4/2026 (40% of total).
- Sustainability targets (10% of total)
  - Decarbonization goals according to the criteria of the Science-Based-Target-Initiative (SBTi) and achieving “Target Approved” status until 2026.
  - Diversity and variety in the company, as well as employee retention, each measured until 2026 for a defined group of employees.

The target achievement of the LTI remuneration 2024 is calculated on the basis of the results achieved in the period from January 1, 2024, to December 31, 2026. The relevant share price of AIXTRON SE for the LTI grant is EUR 32.102. It corresponds to the average of the XETRA closing prices on all stock exchange trading days in the 4th quarter of 2023. The degree of fulfillment of the performance criteria will be determined by the Supervisory Board after the end of fiscal year 2026. At that time, the vested share awards will be converted into non-forfeitable share awards depending on target achievement. After the expiry of a 4-year vesting period for fiscal year 2024 ending on December 31, 2027, one share of the Company will be transferred for each vested share award. This is to take place in the week following the publication of the annual report.



## ***Remuneration of Supervisory Board Members***

Remuneration of the Supervisory Board is regulated in Article 17 of AIXTRON's Articles of Association. The currently valid remuneration system was last approved by 2018 Annual General Meeting and the compensation of the Supervisory Board was confirmed by the 2021 Annual General Meeting. Accordingly, annual fixed remuneration for individual members of the Supervisory Board amounts to EUR 60,000, with the Chairman receiving three times and the Deputy Chairman one and a half times the remuneration of an ordinary Supervisory Board member.

The Chairman of the Audit Committee receives additional annual remuneration of EUR 20,000.

No attendance fees or other variable remuneration is granted.

The members of the Supervisory Board who were members of the Supervisory Board or who were the Chairman or Deputy Chairman of the Supervisory Board or Audit Committee for only part of the fiscal year receive one twelfth of the above mentioned remuneration on a prorated basis for each month or part thereof of the corresponding activity on the Supervisory Board.

The Company assumes insurance premiums paid for liability and legal expenses insurance to cover liability risks arising from Supervisory Board activities for the members of the Supervisory Board, as well as the insurance tax payable thereon.

The Supervisory Board members receive no loans from the Company.

The remuneration attributable to the respective members of the Supervisory Board in fiscal years 2022 and 2023 is presented on an individualized basis in the table below. As in previous years, no remuneration was paid to Supervisory Board members for individual advisory services in fiscal year 2023.

## Supervisory Board Remuneration

Supervisory Board Member	Year	Total fixed compensation in EUR thousands
Kim Schindelhauer <sup>1)2)3)4)5)</sup> (Chairman of the Supervisory Board)	2023	180
	2022	180
Frits van Hout <sup>4)</sup> (Deputy Chairman of the Supervisory Board)	2023	90
	2022	90
Prof. Dr. Andreas Biagosch <sup>2)3)</sup>	2023	60
	2022	60
Prof. Dr. Petra Denk <sup>4)</sup>	2023	60
	2022	60
Stefan Traeger <sup>1)2)3)4)</sup>	2023	60
	2022	40
Prof. Dr. Anna Weber <sup>1)</sup> (Chairwoman of the Audit Committee, Independent Financial Expert)	2023	80
	2022	80
<b>Gesamt</b>	<b>2023</b>	<b>530</b>
	<b>2022</b>	<b>510</b>

*as of December 31, 2023:*

- 1) Member of the Audit Committee
- 2) Member of the Capital Markets Committee
- 3) Member of the Nomination Committee
- 4) Member of the Compensation Committee
- 5) Former AIXTRON Executive Board Member

## Directors & Officers (D&O) Insurance

In accordance with the requirements of Section 93 para. 2 AktG, AIXTRON SE has arranged a D&O insurance policy for all members of the Executive Board against risks from their professional activities for the Company, which in each case provides for a deductible of at least 10% of the damage up to at least the amount of one and a half times the fixed annual remuneration of the Executive Board member. For the members of the Supervisory Board of AIXTRON SE, the Company has arranged D&O insurance policies.

# **COMBINED MANAGEMENT AND GROUP MANAGEMENT REPORT**

**AS OF DECEMBER 31, 2023**

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This Management Report combines the AIXTRON Group Management Report (hereinafter also referred to as “AIXTRON”, “AIXTRON Group”, or “the Group”), consisting of AIXTRON SE (hereinafter also referred to as “the Company”) and its consolidated subsidiaries, with the Management report of AIXTRON SE.

In this report, we inform about the business development as well as the situation and the expected development of the AIXTRON Group and AIXTRON SE. The information regarding AIXTRON SE is contained in a separate section in the report on economic position with disclosures in accordance with the German Commercial Code (HGB).

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, pursuant to section 315e of the German Commercial Code (HGB). With the exception of the HGB disclosures in the chapter Management Report of AIXTRON SE, all financial figures contained in this Group Management Report, including the comparative figures for the previous year, are reported in accordance with IFRS.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals indicated and percentages may not precisely reflect the absolute figures for the same reason.

## Fundamental Information on the Group

### Business Model

AIXTRON develops, produces and installs equipment for the deposition of complex semiconductor materials, and also offers deposition processes, consulting, training, customer support and service for these systems. AIXTRON also provides peripheral devices and services for the operation of its systems.

AIXTRON supplies deposition equipment for volume production as well as for research and development (R&D) and pre-series production.

AIXTRON system demand continues to be high as our tools are an enabling technology for higher energy efficiency in power electronics, the transformation towards electromobility, for the increasing bandwidth of data, as well as the use of 3D sensor technology in consumer electronics and in the automotive sector. Last but not least, they enable the use of innovative technologies like micro LEDs in displays. With deposition technology, AIXTRON helps its customers increase the performance and quality of modern power and optoelectronics components and reduce production costs.

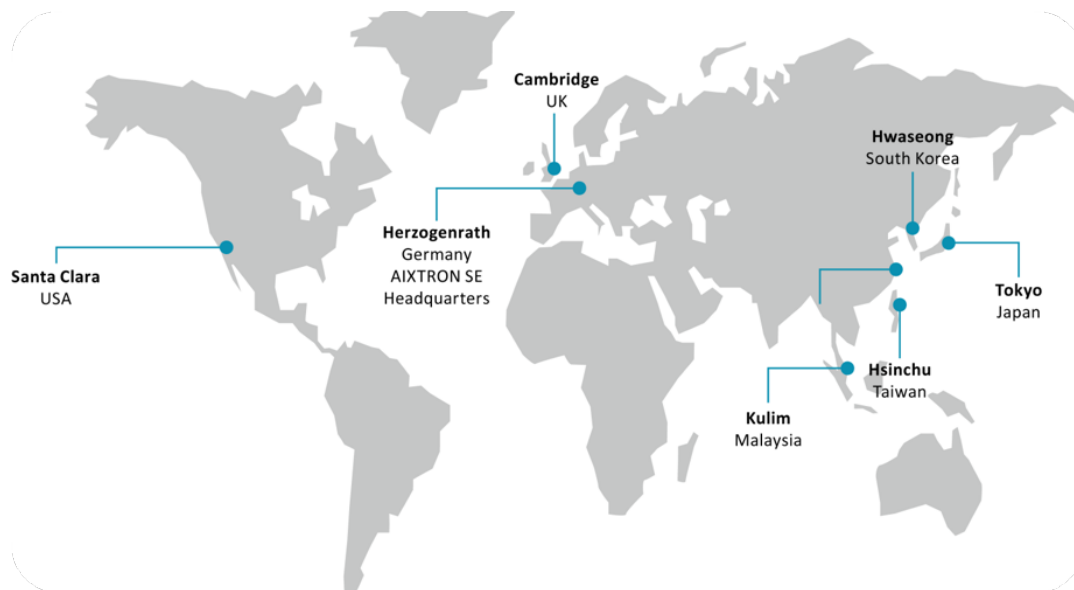
AIXTRON falls within the scope of the EU Dual-Use Regulation and supplies systems and spare parts based on the correspondingly required export permits.

### Organizational Structure

#### Locations and Legal Corporate Structure

The AIXTRON Group comprises the parent company AIXTRON SE with its registered office in Herzogenrath, Germany, and its subsidiaries. As of December 31, 2023, AIXTRON SE held direct and indirect stakes in 13 companies which are part of the AIXTRON Group, and which are fully consolidated. In the 2023 financial year, AIXTRON operated at the following locations:

Facility location	Use
Herzogenrath, Germany	Headquarters, R&D, Manufacturing, Sales, Service
Cambridge, United Kingdom	R&D, Manufacturing, Service
Santa Clara, CA, USA	Sales, Service
Hwaseong, South Korea	Sales, Service
Shanghai, China	Sales, Service
Hsinchu, Taiwan	Sales, Service
Tokio, Japan	Sales, Service
Kulim, Malaysia	Service



### ***Management and Control***

As a European stock company (Societas Europaea) the AIXTRON SE has a dual management and control structure consisting of an Executive Board and a Supervisory Board. The Executive Board is responsible for managing the Company at its own responsibility while being advised and monitored by the Supervisory Board. In 2023, there were the following personnel changes in the Company's management and supervisory bodies:

Dr. Jochen Linck left the Executive Board on September 30, 2023. Since October 1, 2023, the Executive Board has consisted of Dr. Felix Grawert (Chairman of the Board) and Dr. Christian Danninger (CFO).

Detailed information on the composition of the Executive Board and the Supervisory Board, the allocation of responsibilities between them, the operating procedures of the Supervisory Board committees and the Company's diversity concept can be found in the Corporate Governance Declaration, which is part of the annual report and also available on the AIXTRON website at [Declaration of Corporate Governance](#).<sup>1</sup>

<sup>1</sup> The information in the Corporate Governance Declaration was made in accordance with the requirements of the German Corporate Governance Code 2022. They are to be classified as "not related to the Management Report" because they go beyond the legal requirements and are therefore not part of the substantive audit by the auditor.

## ***Technology and Products***

The AIXTRON product range includes customer-specific systems for the deposition of complex semiconductor materials. Here, substrates of different materials and sizes can be coated.

The **MOCVD process (Metal-Organic Chemical Vapor Deposition)** is used to manufacture components for power electronics or for optoelectronics from compound semiconductor materials.

Our systems in the field of **power electronics** are used for the production of gallium nitride (GaN) semiconductor components, which, for example, increase the performance of chargers in consumer electronics, enable energy-saving power supply for servers and data centers and efficient power conversion in the field of renewable energy. A second major field of application for power electronics are silicon carbide (SiC) components, which are used, for example, in the main inverters for electric vehicles, in their charging infrastructure, and also in inverters for renewable energies (solar and wind). These components are also manufactured by our customers using our CVD systems. Both GaN and SiC are material systems with a wide band gap (WBG) that are beginning to be increasingly used in various areas of power electronics. Through their use, they contribute to the decarbonization of our modern society and make an important contribution to climate protection.

On our systems in the field of **optoelectronics**, customers manufacture lasers for fast optical data transmission and for 3D sensors. The latter are increasingly used in applications that require recognition of the spatial context, e.g. in the environment detection of robots or in autonomous vehicles. Another area of application is the production of LED picture elements (pixels) for display applications of the next generation, so-called micro LED displays. Other applications of our systems include the production of special LEDs, such as red, orange and yellow LEDs (ROY) for automotive lighting and indoor farming, among others.

AIXTRON is continuously working to improve its existing technologies and products. After AIXTRON presented the first system of the newly developed generations with the G10-SiC in 2022, the G10 product family was completed last year by the G10-GaN and the G10-AsP. The G10-GaN is a fully automated, compact MOCVD cluster tool for high-production power electronics factories and can be used to produce GaN devices on both 150mm and 200mm wafers. The G10-AsP is designed for the production of optoelectronic components e.g. for optical data communication or micro LED and can also be used for 150mm and 200mm wafers. In addition to continuously improving material performance, the focus of the entire G10 product family is particularly on further optimizing the systems for large-scale production through more automation with industry-standard interfaces, for example through the efficient use of limited clean room areas in semiconductor factories.

## ***Business Processes***

### ***Manufacturing and Procurement***

AIXTRON produces its prototype and customer systems at its production sites in Herzogenrath and Cambridge. Production focuses on assembly, testing and qualification as well as commissioning of the systems according to standardized specifications.

The group sources the components required to manufacture the systems and the majority of the pre-assembled assemblies from external suppliers and service providers. We optimize the performance of our supply chains in order to cover the increased overall demand and to compensate for fluctuations in delivery ability. Based on a rolling forecast, necessary measures are taken to ensure material availability in close coordination between sales, purchasing and production. This also includes the early detection of bottlenecks in raw materials and components. In collaboration with our partners in the supply chain, we use appropriate strategies to ensure the availability of inventory.

The assembly of the systems is carried out with the help of external service providers in our own or, if necessary, in rented nearby production facilities. The subsequent commissioning, testing and qualification of the systems is carried out by AIXTRON specialists. The planning, control and monitoring of production is the sole responsibility of AIXTRON employees, thus enabling quality requirements to be met throughout the entire production process.

In 2022 and during 2023, AIXTRON successfully completed the market launch of the products G10-SiC, G10-AsP and G10-GaN series production.

AIXTRON's production sites have a process-oriented quality management system certified according to ISO 9001:2015. In 2023, external auditors have certified the quality management systems of both AIXTRON SE and AIXTRON Ltd. confirmed without any deviation.

### ***Employees***

AIXTRON's leading position in the global market and ability to continually innovate are the result of the commitment and knowledge of our employees. Therefore, our human resources department is designed to create a safe and supportive working environment and to promote a culture of appreciation and collaboration.

Attracting and retaining highly qualified and committed specialists and managers is a key success factor. Competing for the best talent, we are continuously enhancing our attractiveness as an employer brand. In addition to a comprehensive, informative careers site and other communication channels, we use a wide variety of target group-oriented recruitment channels, increasingly in social media. Personal contact with potential applicants at job fairs and similar events, as well as in the context of our close cooperation with universities worldwide, is also of great importance to us.

AIXTRON is working consistently to establish a modern corporate culture with a mature leadership culture and good teamwork. We attach great importance to supporting our employees competently and in a spirit of partnership, to promoting them individually, and to challenging them with future-oriented projects and tasks. As part of our company-

wide personnel development concept, we offer our employees a wide range of measures for continuous training as well as individual advanced training measures and development opportunities. This includes e-learnings in the areas of health, software, communication or conflict management, which our employees can use at any time, but also training on working methods such as time, project management and facilitation techniques, which are carried out with external trainers. In addition, employees can take advantage of coaching and mediation services.

Another central pillar of our corporate culture is AIXTRON's commitment to diversity and equal opportunities, which form an essential basis for our innovative strength and competitiveness. We explicitly encourage collaboration in diverse teams. We also attach great importance to an appropriate gender balance and a balanced age structure.

In the 2023 fiscal year, the number of employees in the Group increased by approximately 21% from 895 at the end of 2022 to 1,086 as at 31 December 2023. The increase in the number of headcount is due to the continued strong growth of the Group's core business. As in previous years, the majority of employees are located in Europe.

### ***Customers and Geographic Regions***

Today's customers of AIXTRON have successfully established and expanded their value chains in the fields of power electronics, optoelectronics and the display industry. Increasing digitalization has raised the need for semiconductor devices with higher performance for applications in IT infrastructure, such as data centers. Consumer electronics, as well as power generation and electromobility, are also driving the development of the current markets. Electromobility in particular is gaining in importance: Due to the rapid adoption of power semiconductors and their low switching losses, which leads to efficiency increases in power conversion, we are experiencing strong growth in the high-performance areas of power electronics. The main applications are inverters in electric vehicles as well as fast charging stations. In addition, they are used in railway technology, wind and solar energy generation, and in industrial applications where high-voltage current is processed.

In optoelectronics, AIXTRON's customers still manufacture lasers for data transmission, entertainment electronics and the automotive sector and are advancing into areas of autonomous driving.

Customers from the display industry, on the other hand, concentrate, among other things, on the production of new types of LEDs (mini and micro LEDs) - already with the first demonstrators - in order to address displays of all sizes, from smartwatches to large-area display panels.

In today's customers ecosystem, we differentiate between customers who either prefer vertical integration and thus serve the entire value chain up to the end user, or independent manufacturers of various devices or epitaxy wafers. The latter supply products manufactured on AIXTRON equipment to companies at the next stage in the value chain, the manufacturers of electronic components. In addition to industrial customers, AIXTRON's customers also include research institutes and universities, where research into novel materials and new fields of application is being driven forward to create the basis for novel components of the next generation.



AIXTRON's products are sold worldwide. The market segments and the product mix are regionally different. The current demand for systems for the production of GaN and SiC power semiconductors is mostly driven by the expansion of production capacities in western markets such as America and Europe. AIXTRON generates around half of its current sales here. The other half is generated in Asia, with power electronics also accounting for a large portion of sales, followed by optoelectronics with a little less than 40%.

The [Development of Revenues](#) chapter contains a detailed breakdown of revenues by region.

### **Objectives and Strategy**

With the development, manufacture, sale and maintenance of systems for deposition of complex compound materials, AIXTRON addresses growing future markets along many end-use fields, such as consumer electronics, IT infrastructure, the automotive industry, telecommunications and power generation.

In the area of these complex deposition processes, AIXTRON's strategy is to develop the technology and products with a clear focus on its core competencies in such a way that they address as many end applications as possible. Above all, it is about increasing productivity and thus a high level of competitiveness in the specific requirement profile of the respective application. In this way, AIXTRON is addressing the fast-growing end markets in order to generate income for the development of other promising future applications.

### **Technology Portfolio for Complex Material Deposition**



Our strategic goal is to secure our market position in our core markets in the long term through continuous innovation and technological leadership. In addition, we aim to expand the range of addressable end applications and penetrate adjacent markets by applying our core competencies. The ecological and economic sustainability of our business, increasing sales and improving profitability are at the center of our strategic planning.

The core of our strategy is to adapt the products to the requirements of the respective application areas while maintaining the focus on using AIXTRON's core competencies. This targeted addressing of the applications and markets that are attractive for AIXTRON in terms of size, growth, profitability and differentiation potential is currently very successful. Because these applications from different areas such as consumer electronics, IT infrastructure and electromobility are subject to growth dynamics that are largely independent of one another, AIXTRON is not dependent on a single segment, but strives to be robust against fluctuations in individual application markets across the range of applications and the broadly diversified customer base. For this purpose, AIXTRON is actively developing a broad technology portfolio through its own or funded developments, through cooperation or targeted acquisitions. The maintenance and development of technology ecosystems in close cooperation with customers and, if necessary, their customers or technology partners allows AIXTRON to establish new technologies and develop new applications.

Our main focus is on markets where the application of our technology enables a clear differentiation from our competitors and thus offers significant added value to our customers. This is achieved, among other things, by the homogeneity of the physical properties of the deposited layers and thus a high yield on the wafer with simultaneous high throughput and low material and maintenance costs. An important differentiating factor is the high productivity and cost-effectiveness of our systems, e.g. due to the high throughput of the systems thanks to the so-called batch reactor, in which several wafers can be produced at the same time. This allows our customers to allocate the direct and indirect system costs, such as costs for clean room space, to high production volumes. In many applications, the high efficiency of the use of materials due to the reactor architecture is another important cost factor.

AIXTRON is pursuing a platform strategy with its system families based on the planetary principle. With a high proportion of identical parts, the systems can be customized. As outlined in the previous section, this enables broad diversification and the use of numerous applications. In addition to the planetary systems, which address customers with high production volumes, AIXTRON sells systems based on the showerhead principle in university and niche markets. AIXTRON makes this possible, e.g. to be involved early in the development of newly emerging applications and to understand the emerging customer needs in new markets at an early stage.

## **Control System**

Since numerous business activities within the group are largely integrated at the operational level, the Executive Board of AIXTRON SE controls the group at the level of the overall group. The developments forecast for the Group by the Executive Board therefore also apply to AIXTRON SE.

## **Key Financial Performance Indicators**

The most important financial performance indicators for the AIXTRON Group are revenues, gross profit relative to revenue (gross margin) and earnings before interest and taxes relative to revenues (EBIT margin). They are determined monthly in the AIXTRON reporting system and made available to management in a comprehensive report. This enables the Executive Board to identify growth drivers at an early stage, to analyze developments during the year and take prompt countermeasures in the event of any discernible deviations.

AIXTRON aims to achieve organic revenue growth, exchange rate effects are excluded when setting revenue targets. The gross margin provides information on the profitability and return on investment of AIXTRON's operating business. The EBIT margin is used as an additional important indicator for operational management and analysis of the earnings situation.

The key financial indicators mentioned are the most important financial performance indicators for AIXTRON.

## **Further performance indicators**

Order intake was classified as a key performance indicator until the 2023 financial year. Since short-term market and demand fluctuations, large individual customer orders and the fulfilling of requirements to book existing orders in order intake are becoming increasingly difficult to predict, using it as a central financial performance indicator and a short-term forecast is no longer meaningful.

However, order intake remains an important performance indicator and is explained below in the order development section.

## **Non-Financial Performance Indicators**

Since the introduction of the current Executive Board remuneration system in fiscal year 2020, AIXTRON has defined annual sustainability targets for the Executive Board as part of the Long Term Incentive (LTI), which are to be achieved over a three-year reference period, and includes corresponding non-financial performance indicators in the Group management.

The following non-financial performance indicators were defined for the LTI reference period beginning in the 2023 financial year:

- Share of ecologically sustainable sales revenue, capital expenditure (CapEx) and operating expenditure (OpEx) within the meaning of the EU Taxonomy Regulation
- Strategic management and personnel development, measured based on defined quotas

## ***Research and Development (R&D)***

In addition to the R&D center at its headquarters in Herzogenrath, AIXTRON also operates a R&D laboratory in Cambridge, United Kingdom. These in-house laboratories are equipped with AIXTRON systems and are used to research and develop new equipment, materials and processes for the production of semiconductor structures.

In May 2023, the company announced that it will invest in a new innovation center at the Herzogenrath site. The start of the construction project, which includes a clean room area of around 1,000 square meters, was initiated in November 2023. The new building will provide sufficient space for the development of the next product generations.

### **Focus on Innovation**

The Group's R&D activities in 2023 continued to include development programs for future technologies and new products, as well as continuous improvement of AIXTRON's existing products. In order to increase industrial maturity, products were optimized along the entire value chain, e.g. through design improvements of externally supplied components or through improved data analysis. In addition, AIXTRON is working on customer-specific development projects and researching new technologies, often in the context of publicly funded projects.

The Group's R&D expertise remains of great strategic importance to AIXTRON, as we believe it ensures a competitive, leading edge technology portfolio and supports the future business development. AIXTRON invests specifically in research and development projects in order to maintain or expand the Company's leading position in MOCVD equipment for applications such as lasers, Micro LEDs, specialty LEDs and for the production of wide-band-gap materials for power electronics. In addition, the Group is working on novel 2D-nanostructures, which are currently seen as having great potential in research.

For the consistent technological evolution of our product portfolio, we invested EUR 87.7 million, or around 14% of revenues (2022: EUR 57.7 million, 12% of revenues), in research and development (R&D) in 2023. At year-end 2023, 366 of AIXTRON Group's total 1,086 employees were employed in the Research and Development department (2022: 254 of 895 employees).

### **Technology Protection through Patents**

AIXTRON aims to secure its technology by patenting and protecting inventions, provided it is strategically expedient for the Company to do so. As of December 31, 2023, the Group had 265 (thereof AIXTRON SE: 250) patent families available (December 31, 2022: 252 patent families). In the reporting period, new applications for patent protection were filed for 14 patent families (AIXTRON SE: 13), and one patent expired. Usually, patent protection for inventions is applied for in those markets relevant to AIXTRON, specifically in Europe, China, Japan, South Korea, Taiwan and the United States. AIXTRON's patent portfolio is evaluated annually and adjusted accordingly. The individual patents expire between 2024 and 2043. In addition, AIXTRON continuously performs a worldwide patent analysis in order to identify and assess changes in the competitive environment at an early stage.

## Research Projects 2023

Together with our project partners, we again worked on promising research projects in the reporting year. Here, too, we operate on a global scale and focus on areas with attractive growth potential.

Examples of the Group's research work include the following projects:

The aim of the **HoverGaN project** (holistic development of vertical GaN transistors for operating voltages up to 1.7kV) is to research future-oriented vertical transistor architectures. The aim is to develop and test powerful transistors with low static and dynamic losses and high dielectric strength on low-defect GaN substrates. AIXTRON SE will fundamentally investigate and further develop the MOCVD technology for deposition of the necessary layer structures.

The BMBF joint project **NEUROTEC** researches technologies for neuromorphic electronics. A central building block is the memristive cell. The project contributes to the digital transformation and strengthening of high technology in the Rhineland region. In the AIXTRON sub-project, MOCVD technology for deposition of the required layer structures, here 2D materials, is being intensively researched and further developed.

The EU-funded project **SKYTOP** (Topological Insulators and Weyl Semimetals Technology) aims to combine topological states in both real and reciprocal space through the use of Topological Materials (TM) such as Topological Insulators and/or Weyl Semimetals and magnetic skyrmions. The aim is to develop a Skyrmion-TM based platform and realize devices with interlocking electronic spins and topologies for improved efficiency and new functions. These should lead to a new paradigm for ultra-dense, low-power nanoelectronics. AIXTRON is developing the necessary MOCVD system technology for a route to exploit the emerging Weyl semimetal materials

**TRANSFORM** (Trusted European SiC Value Chain for a greener Economy) is a research and development project funded by the EU and national funding authorities. This project aims to establish a complete and competitive European supply chain for power electronics based on SiC semiconductor technology from substrates to energy converters such as transistors and modules. It is intended to serve as a source of supply for silicon carbide components and systems in Europe.

## Report on Economic Position

### Global Economy

As a manufacturer of capital goods, AIXTRON may be affected by the development of the general economic environment, as this could impact its own suppliers, manufacturing costs, and sales opportunities, driven by the customers' willingness to invest.

Despite numerous challenges in some regions, the economic environment in 2023 has developed somewhat more positively than expected. The US economy in particular performed better than expected, while growth in other regions of the world varied widely and remained below expectations. The central banks continued to raise key interest rates to curb high inflation. Although inflation eased slightly, it remained at a very high level in many areas. Supply chains also relaxed, driven by lower freight costs and increased freight capacity.

After the significant adjustments to the growth forecasts at the beginning of 2023, the International Monetary Fund (IMF) is assuming 3.1% and thus stable growth in global economic output compared to 2023 in its "World Economic Outlook Update" (WEO) from January 2024. The forecast for 2024 is therefore at the level of the forecast from October 2023. For the industrialized nations, the expected growth rate for 2024 is 1.5% (2023: 1.6%). The growth rate for emerging and developing countries in 2024 is expected to be 4.1% (2023: 4.1%). Expectations for world trade in 2023 were 0.4% (2022: 5.2%) and are expected to rise to 3.3% in 2024, while the inflation rate in industrialized nations is expected to decrease significantly compared to the previous year at 5.8% (2022: 6.8%).<sup>1</sup>

The strongly export-oriented German machinery and equipment engineering sector also suffered from increasing reluctance of customers to invest over the course of the year due to the increased economic uncertainties. According to order balance of the German Engineering Federation (VDMA), companies recorded a price-adjusted decline in incoming orders of 12% in 2023. International orders decreased by 13% while domestic orders decreased by 11%.<sup>2</sup>

Demand for AIXTRON's products remains largely dependent on industry-specific developments, such as the introduction of new applications in consumer electronics, IT infrastructure, electromobility, or demand in sub-segments of the global semiconductor market. These developments are based on the megatrends of digitalization, electrification, and sustainability and thus continued to be very robust.

The U.S. dollar exchange rate showed a very volatile development under the impact of the U.S. Federal Reserve's actions to reduce inflation in 2023. The US dollar closed the year at 1.11 USD/EUR (2022: 1.07 USD/EUR), depreciating by around 3.5% overall. AIXTRON applied an average USD/ EUR exchange rate of 1.08 USD/EUR in fiscal year 2023 (Q1/2023: 1.07 USD/EUR; Q2/2023: 1.09 USD/EUR; Q3/2023: 1.09 USD/EUR; Q4/2023: 1.08 USD/EUR). On average over the year, the exchange rate was thus slightly above the prior-year average (2022: 1.06 USD/EUR). Compared to the previous year, this had a moderate impact on the Group's US-dollar-denominated revenues.

<sup>1</sup> IMF: *World Economic Outlook Update, January 2024*

<sup>2</sup> VDMA: *Incoming orders December / total 2023, February 2024*

AIXTRON's Executive Board continuously monitors the developments of the global economy and the financial markets to decide what can potentially be done to mitigate negative external effects on AIXTRON's business. The global crisis situations and market developments continued to have only a minor overall impact on AIXTRON's business. In 2023, no forward exchange contracts or other hedging transactions were entered into. Therefore, no currency hedging contracts were in place as of December 31, 2023. The Executive Board reserves the right to carry out hedging transactions in the future, should this be deemed appropriate.

## ***Competitive Positioning***

Competitors in the market for CVD/MOCVD equipment are Veeco Instruments, Inc. (USA, "Veeco"), Taiyo Nippon Sanso (Japan, "TNS"), Tokyo Electron Ltd. (Japan, "TEL"), ASM International N.V. (Netherlands, "ASMI"), Nuflare Technology Inc. (Japan, "Nuflare"), Advanced Micro-Fabrication Equipment Inc. (China, "AMEC"), Beijing NAURA Microelectronics Equipment Co., Ltd. (China, "Naura") and Tang Optoelectronics Equipment Corporation Limited (China, "TOPEC"). Other companies are also continuing to try to qualify their own CVD/MOCVD-systems with their customers. For example, Technology Engine of Science Co. Ltd. (South Korea, "TES"), Zhejiang Jingsheng Mechanical & Electrical Co., Ltd. (China, "JSG") and Hermes-Epitek Corp. (Taiwan, "HERMES") and Shenzhen Nashe Intelligent Equipment Co., Ltd. (China, "Naso Tech") worked on developing its own CVD/MOCVD system solutions and are trying to establish them on the market.

According to a study by the market research institute Gartner, AIXTRON has maintained its global market leadership position in 2022. AIXTRON's once again takes the top spot: market share has slightly decreased to 70% (2021: 75%), followed by AMEC (China) with 18% (2021: 14%) and Veeco (USA) with 12% (2021: 11%). At the same time, the global market for MOCVD tools grew from USD 561 million to USD 566 million in 2022. For fiscal year 2023, no current market share figures from independent market analysts are yet available.

## ***Key Target Markets***

### ***Market For Power Semiconductors Based on Wide-Band-Gap (WBG) Materials Gallium Nitride (GaN) and Silicon Carbide (SiC)***

Power semiconductors based on Wide-Band-Gap (WBG) materials are one of the main applications of AIXTRON's deposition technology. These materials enable the production of very compact and highly efficient power supplies and AC/DC as well as DC/DC converters which are used, for example, in the industrial space for applications such as power supplies of modern data centers, the more efficient feed-in of regenerative energies into the power grid and in electromobility. They are therefore increasingly used in a broad spectrum of applications covering a wide power range. WBG power semiconductors reduce conversion losses by up to 40% and thus contribute significantly to increasing energy efficiency and reducing CO<sub>2</sub> emissions. There are two main groups of commercially available WBG power semiconductors: GaN (gallium nitride) and SiC (silicon carbide).



### ***Market for Gallium Nitride (GaN) Power Semiconductors***

GaN semiconductor components are primarily used in low and medium power and voltage classes, such as in power supplies for smartphones and laptops as well as in the power supply for modern data centers. According to analysts at Yole Group (Yole), GaN semiconductor device sales were USD 235 million in 2023 compared to USD 126 million in 2021, growing at an average annual rate of over 30% over the past two years, which underlines the increasing market acceptance of GaN technology in the field of power semiconductors. For example, there is already a wide range of commercially available 65W power supplies that use GaN technology and are marketed as such. In addition, customers are continually developing new applications, for example in the area of data centers, in IT infrastructure as well as micro inverters in the area of photovoltaics or on-board chargers in the area of electromobility. In addition, the customer base for AIXTRON systems for the production of GaN semiconductor components is continually expanding while existing customers expand their production capacities.

Due to the wide range of applications, analysts of the Yole Group (Yole) expect the market for GaN power semiconductors to grow very strongly to USD 2.2 billion in 2028, corresponding to a compound annual growth rate (CAGR) of around 60%.

Furthermore, GaN semiconductor devices are increasingly used in high-frequency applications. In 5G telecom networks and likely in subsequent network generations such as 6G, the GaN technology advantage of lower power losses at high frequencies comes into play. As a result, more and more manufacturers of high-frequency switches are changing their production from Silicon to GaN. Yole analysts forecast the GaN high-frequency semiconductor device market to grow from USD 1.3 billion in 2022 to USD 3.0 billion in 2027 at a compound annual growth rate (CAGR) of 18%.

### ***Market for Silicon Carbide (SiC) Power Semiconductors***

The adoption of SiC power semiconductors in the area of high-voltage and high-power applications has increased further in 2023. The main fields of application within electromobility are in particular the main inverters in the powertrain as well as the on-board chargers, but also the charging stations, as well as the inverters in the field of industrial photovoltaics and wind energy. SiC is also used in industrial motor control systems. In all these applications, SiC enables a significant reduction in conversion losses during the conversion of electrical energy. This leads, for example, to a greater range per battery charge in battery electric vehicles and to lower conversion losses in the field of power generation.

Driven by significantly increased awareness of the importance of energy efficiency and CO<sub>2</sub> reduction, both in the regulatory and private sectors, as well as by bans imposed in several countries on the sale of vehicles with internal combustion engines from 2035 onwards, car manufacturers worldwide have raised their targets for powertrain electrification.

Based on this development, Yole forecasts that the SiC device market will grow from USD 2 billion in 2022 to USD 8 billion by 2027 at a CAGR of 40% and are forecasting even stronger growth than in the previous year's report (34% CAGR). According to the analysts, this is particularly due to the development of electric vehicles sales and the corresponding fast charging infrastructure.



## ***LED Market***

Red, orange and yellow LEDs (ROY LEDs) are used in, among other things, large-format color displays in sports stadiums, airports and shopping malls, as well as in automotive taillights or in the area of indoor farming. In addition, televisions and monitors in the premium segment are increasingly being equipped with Mini LEDs for backlighting as an alternative to OLED displays. While the market for the production of conventional LEDs is currently largely stable, the market for systems for production of Mini LEDs will grow at an annual growth rate of 31% until 2028. According to Yole Growth the biggest growth drivers will be automotive applications and are expected to grow by an average of 99.5% per year over the same period.

The market for UV LEDs (Ultra-Violet Light Emitting Diodes) is another specialized segment in the LED market that AIXTRON addresses. UV LEDs are used for curing plastics and disinfecting surfaces, circulating air and (drinking) water. Due to the increasing demand for hygiene, this market is expected to gain importance in the future. After an initial strong increase in demand for mass production systems for UV LEDs in the first years of the COVID pandemic, this has since been significantly reduced to tools for development and small series production in the past year. Nevertheless, UV LEDs are a product segment with very specific applications such as air disinfection systems, vehicle air conditioning or sterilization of running water.

## ***Market for Micro LEDs***

Micro LEDs form a basis for new types of displays. Analysts expect Micro LEDs to be used initially in very small displays such as smartwatches and very large displays such as large-screen premium TVs. In the long term, other potential applications include displays in smartphones, tablets and notebooks. Micro LED technology is currently still in the early stages of development but has seen very large investments in the recent past. The speed of market development and thus the growth rates are strongly linked to the forecasted technical progress, but are generally very high. The market researchers at Yole estimate the market for Micro LED panels to be approximately USD 150 million in 2024 with strong growth to USD 1 billion in 2027 and further to USD 2.2 billion in the base scenario (corresponding to a CAGR of 80% ) or to USD 12 billion in the "full penetration scenario" (corresponding to a CAGR of 130%) until 2030.

As Micro LED technology matures, AIXTRON expects the currently still very young market for Micro LEDs to mature both technically and commercially. Developments are currently focusing on the cost per pixel, as well as on the yield and quality of the industrial manufacturing process. Accordingly, analysts also expect the initial commercial introductions in the area of high-end applications and a subsequent continuous expansion of the applications across other segments.

## ***Market for Laser-based Optical Data Transmission***

The volume of data, transmitted over fiber optic cables continues to increase, driven by the increased use of cloud computing and Internet services. In addition, demand for bigger amounts of data will accelerate even further in the coming years due to the triumph of artificial intelligence. The ongoing increase of video-on-demand use and communication from connected devices via the Internet ("Internet of Things") also

contribute to the increased data volumes. In addition to data volumes, the rapid transmission of data - at the speed of light - also plays an important role in the expanding field of application of optical data communication. Diode lasers manufactured on AIXTRON systems are key components for high-speed optical data transmission. The growth of global data traffic through AI, mobile telecommunications, the transition to 5G standards and the continuous expansion of fiber optic networks are increasing the demand for lasers as optical signal transmitters, photodiodes as receivers and optical amplifiers and switches.

Market research firms such as Yole and Strategies Unlimited expect investments in laser-based communications to continue to increase to accommodate growing data traffic. Yole analysts expect sales of transceivers used in telecommunications to grow at an annual rate of 12% from 2022 to 2028. The total market volume in 2028 is estimated by Yole to be over USD 22.3 billion. Yole also expects demand for the laser diodes used for this to rise sharply by 2026 and now expects data communications to be the biggest driver of demand over the next five years.

### ***Laser-based 3D Sensor Market***

Laser-based 3D sensors are often used in high-end mobile phones. Since this technology was introduced to the market with the iPhone® X in 2017, Apple® has been using it in its current generation smartphones and is also using it in its tablet series. With these sensors, the environment can be captured in three dimensions, which is important for many applications, e. g. augmented reality. Another rapidly growing application of this technology is in the automotive sector. Autonomously driving vehicles need such 3D sensor technology in order to monitor the road in front of them even at night and in bad weather conditions and to be able to control the vehicle autonomously.

According to market research firm Yole, demand for laser-based 3D sensors, so-called vertical cavity surface-emitting lasers, will increase from USD 980 million in 2022 to USD 1.4 billion in 2028, a compound annual growth rate of 6% corresponds.

In addition to applications in consumer electronics, edge and surface emitting lasers are increasingly being used in the industrial and automotive sectors in the area of 3D sensing. Yole expects demand for these components to increase sharply by 71% by 2028.

### ***Business Development***

Fiscal year 2023 was once again marked by significant geopolitical events, some of which had serious macroeconomic effects. The energy crisis, inflation and serious geopolitical conflicts are examples of external factors that many people and companies have had to deal with. We have successfully met these challenges through targeted measures. We were able to gain many new colleagues and fully meet our forecast, which was increased over the course of the year, in all areas. Demand for our systems and in particular the newly launched G10 product family has been and continues to be very strong. Our profitability also developed as we expected.

The very strong increase in demand for AIXTRON systems for the production of energy-efficient silicon carbide (SiC) and gallium nitride (GaN) power components was able to

overcompensate for temporarily lower demand for systems for the production of lasers and LEDs.

With orders totaling EUR 640.7 million (2022: EUR 585.9 million), we recorded an 9% increase in order volume in the fiscal year 2023. As expected, revenues also developed very positively and, at EUR 629.9 million (2022: EUR 463.2 million), within our guidance range. At 44%, the gross margin was in line with internal expectations. The increased operating expenses of EUR 122.3 million was mostly driven by increased expenses for Research and Development. The operating result was EUR 156.8 million with an EBIT margin of 25% (2022: EUR 104.7 million; 23%). This resulted in a net profit of EUR 145.2 million (2022: EUR 100.5 million). For 2023, a free cash flow (cash flow from operating activities - investments in property, plant and equipment, intangible assets and non-current financial assets + result from the disposal of property, plant and equipment) of EUR -109.7 million (2022: EUR 7.7 million) was reported.

In 2023, AIXTRON completed the renewal of the product portfolio after successfully launching the new G10-GaN on the market in September of that year in addition to the G10-SiC and G10-AsP systems. Significant orders from both existing and new customers have already been recorded for all systems in the G10 product family. To achieve an unabated profitable development of the AIXTRON Group in the future, our product portfolio focuses exclusively on product lines with a positive contribution to earnings or those that promise a significant return on investment (ROI) in the foreseeable future.

## Results of Operations

### Development of Orders

	2023 in EUR million	2022 in EUR million	2023 vs. 2022 in EUR million	%
Total order intake incl. spares & services	640.7	585.9	54.8	9
Equipment order backlog (end of period)	353.7	351.8	1.9	1

In fiscal year 2023, US dollar-denominated **order intake** and **order backlog** have been recorded at the budget exchange rate of 1.15 USD/EUR (2022: 1.20 USD/EUR). Spares & service orders are not included in the order backlog.

In 2023, **total order intake** including spares & services stood at EUR 640.7 million, thus significantly higher than the previous year's figure. This development was driven in particular by continuously strong demand from power electronics. In Q4/2023, order intake was booked at EUR 204.5 million and with that was up 73% against the previous quarter (Q3/2023: EUR 118.5 million).

At EUR 353.7 million, **equipment order backlog** as of December 31, 2023, was also higher than the order backlog of EUR 351.8 million at the end of 2022 (2023 budget rate: 1.15 USD/EUR; 2022 budget rate: 1.20 USD/EUR). Compared to the end of the previous quarter, the order backlog slightly decreased due to the high number of shipments in the fourth quarter by 4% at year-end (September 30, 2023: EUR 368.0 million).

In line with strict internal procedures, AIXTRON has defined clear conditions that must be met for the recording of equipment orders in order intake and order backlog. These conditions include the following requirements:

1. the receipt of a firm written purchase order
2. the receipt or securing of the agreed down payment
3. accessibility to the required shipping documentation
4. a customer confirmed agreement on a system specific delivery date

In addition, and taking into account current market conditions, the Executive Board reserves the right to assess whether the actual realization of each system order is sufficiently likely to occur in a timely manner. If, as a result of this review, the Executive Board comes to the conclusion that the realization of an order is not sufficiently likely or involves an unacceptable degree of risk, it will exclude this specific order or a portion of this order from the recorded order intake and order backlog figures until the risk has decreased to an acceptable level. Such Risk factors include, for example, technological risks in orders for new product generations or delays in the granting of export licenses. The order backlog is regularly assessed and – if necessary – adjusted in line with potential execution risks.

## Development of Revenues

Revenues in fiscal year 2023 amounted to EUR 629.9 million and were thus significantly higher than in the previous year by about 36% (2022: EUR 463.2 million). EUR 97.6 million or 15% of revenues in fiscal year 2023 were generated from the sale of consumables, spare parts and services (2022: 18%). Revenues with MOCVD systems rose by around 40% year-on-year. In particular, the strong increase in demand for MOCVD equipment for the production of GaN and SiC power devices led to an increase of equipment revenues for power electronics. Demand for systems in the laser and LED application areas was below the previous year due to temporarily lower demand, but recovered significantly in the fourth quarter. The proportions of revenues developed as following: Power electronics contributed 74% of equipment revenues, followed by optoelectronics with 12% and LEDs including Micro LEDs with 11%.

### Revenues by Equipment, Spares & Service

	2023		2022		2023 vs. 2022	
	in EUR million	%	in EUR million	%	in EUR million	%
Equipment revenues	532.3	85	380.4	82	151.9	40
Service, spare parts, etc.	97.6	15	82.8	18	14.8	18
<b>Total</b>	<b>629.9</b>	<b>100</b>	<b>463.2</b>	<b>100</b>	<b>166.7</b>	<b>36</b>

With EUR 314.4 million or 50%, about half of the demand was driven by customers in Asia in 2023 (2022: 68%). The significantly higher proportion of customers in Europe is due to increased demand from companies in Europe.

### Revenues by Region

	2023		2022		2023 vs. 2022	
	in EUR million	%	in EUR million	%	in EUR million	%
Asia	314.4	50	316.1	68	-1.7	-1
Americas	126.1	20	83.6	18	42.5	51
Europe	189.4	30	63.5	14	125.9	198
<b>Total</b>	<b>629.9</b>	<b>100</b>	<b>463.2</b>	<b>100</b>	<b>166.7</b>	<b>36</b>

## Development of Results

### Cost of Sales, Gross Profit, Gross Margin

**Cost of sales** amounted to EUR 350.8 million in the past fiscal year (2022: EUR 267.9 million) and were almost on the same level as last year with 56% (2022: 58%). This resulted in a **gross profit** of EUR 279.0 million (2022: EUR 195.3 million) in the fiscal year, which corresponds to a **gross margin** of 44% (2022: 42%). The significant increase in the gross margin of two percentage points is primarily related to an improved product mix.

### Development of Results

	2023		2022		2023 vs. 2022	
	in EUR million	% Rev.	in EUR million	% Rev.	in EUR million	%
<b>Cost of sales</b>	<b>350.8</b>	<b>56</b>	<b>267.9</b>	<b>58</b>	<b>82.9</b>	<b>31</b>
<b>Gross profit</b>	<b>279.0</b>	<b>44</b>	<b>195.3</b>	<b>42</b>	<b>83.7</b>	<b>43</b>
<b>Operating expenses</b>	<b>122.3</b>	<b>19</b>	<b>90.6</b>	<b>20</b>	<b>31.7</b>	<b>35</b>
Selling Expenses	14.1	2	11.2	2	2.9	26
General and administration expenses	32.6	5	29.2	6	3.4	12
Research and development costs	87.7	14	57.7	12	30.0	52
Net other operating expenses (income)	-12.1	0.0	-7.6	-2	-4.5	59

### Operating Expenses

In absolute terms, **operating expenses** increased on an absolute basis significantly during 2023 compared to the previous year, but were stable as percentage of revenues. In absolute terms, operating expenses increased to EUR 122.3 million in the year 2023 compared to EUR 90.6 million in the past fiscal year. Increased personnel costs driven by the higher number of employees and higher variable remuneration components contributed to the increase in operating expenses. In addition, research and development expenses increased, while at the same time higher income from the valuation and sale of funds as well as higher government grants more than compensated for the lower foreign currency income.

The following individual effects must be taken into account:

**Selling, general and administrative (SG&A) expenses** were higher in a year-on-year comparison at EUR 46.7 million (2022: EUR 40.4 million). In proportion to revenues, SG&A expenses amounted to 7% (2022: 9%). The development was mainly attributable to higher personnel costs as well as higher variable remuneration components.

**Research and development (R&D) expenses**, including expenses for development activities for our new generations of systems, increased significantly by 52% year-on-year to EUR 87.7 million (2022: EUR 57.7 Mio.). In fiscal year 2023, AIXTRON has both driven the completion of new product generations and already started to invest in the development of next generation products.

### Key R&D Information

	2023	2022	2023 vs. 2022
R&D expenses (in EUR million)	87.7	57.7	52%
R&D expenses, % of revenues	14	12	1pp

**Net other operating income and expenses** in 2023 resulted in an income of EUR 12.1 million (2022: operating income of EUR 7.6 million). This includes net income from the valuation and sale of funds amounting to EUR 4.8 million (2022: EUR 0.0 million).

In the reporting year, other operating income including grants for **publicly funded development projects** increased from EUR 5.3 million in 2022 to EUR 6.8 million, which was largely due to the completion of two new major funding projects. In fiscal year 2023, a **net foreign exchange gain** of EUR 0.8 million (2022: EUR 2.8 million gain) was recorded from transactions in foreign currencies and the translation of balance sheet items.

At EUR 115.0 million, **personnel costs** in fiscal year 2023 were 26% higher than the EUR 91.1 million in 2022. This increase is due to salary increases to compensate for inflation, higher variable compensation components and increased personnel costs due to the higher number of employees.

### Operating Result (EBIT)

The **operating result (EBIT)** significantly improved year-on-year by 50% and amounted to EUR 156.8 million in the fiscal year 2023 (2022: EUR 104.7 million). This resulted in an EBIT margin of 25% (2022: 23%). This development is mainly attributable to the year-on-year increase in revenues and related higher gross margin and is thus related to the business and cost developments described above.

### Result before Tax

**Result before tax** at EUR 157.7 million in 2023 was significantly higher than in the previous year (2022: EUR 105.1 million). This includes net interest income of EUR 0.92 million (2022: EUR 0.45 million).

### Interest and Taxes

	2023 in EUR million	2022 in EUR million	2023 vs. 2022 in EUR million		%
<b>Net interest income</b>	<b>0.92</b>	<b>0.45</b>	<b>0.47</b>		<b>104</b>
Interest income	1.12	0.80	0.32		39
Interest expense	0.20	0.35	-0.15		-43
<b>Tax expense</b>	<b>12.49</b>	<b>4.67</b>	<b>7.82</b>		<b>167</b>

In 2023, AIXTRON reported a **net income tax expense** of EUR 12.5 million (2022: EUR 4.7 million income tax expense). This consists of a tax expense from current taxes of EUR 19.7 million (2022: EUR 13.9 million) and an income from the capitalization of deferred taxes

on loss carryforwards in the amount of EUR 7.2 million (2022: EUR 9.2 million income) due to expected future profits.

### ***Consolidated Net Income for the Year***

The **AIXTRON Group's consolidated net income** in fiscal year 2023 was EUR 145.2 million, or 23% of revenues and with that significantly above the previous year (2022: EUR 100.5 million or 22%).

### ***Assets and Liabilities***

The **balance sheet total** as of 31 December 2023 increased to EUR 1,029.9 million year-on-year (December 31, 2022: EUR 902.6 million).

#### ***Assets***

**Property, plant and equipment** increased to EUR 147.8 million as of 31 December 2023 compared to 2022 (EUR 99.0 million as of 31 December 2022). The significant increase is primarily related to the construction of the Innovation Center. Investments were also made in new demonstration systems in the laboratories and in the expansion of production and development areas.

**Goodwill** was EUR 72.3 million compared to EUR 72.5 million as of December 31, 2022. The difference is entirely related to exchange rate fluctuations. No impairment losses were recognized.

**Other intangible assets** increased to EUR 4.4 million as of 31 December 2023 (31 December 2022: EUR 3.3 million), due to investments in licenses, software and IT-solutions.

**Inventories**, including components and work in process, increased by EUR 170.9 million year-on-year to EUR 394.5 million (December 31, 2022: EUR 223.6 million). This development is primarily related to higher inventory levels in preparation for the high amount of planned sales in the coming quarters.. The inventory turnover rate at the end of 2023 was 0.9 (2022: 1.2).

**Trade receivables** were EUR 157.6 million at December 31, 2023 (December 31, 2022: EUR 119.7 million), reflecting the high volume of shipments in the fourth quarter of 2023.

**Cash and cash equivalents and financial assets** decreased to EUR 181.7 million as of December 31, 2023 (31. December 2022: EUR 325.2 million). This development is essentially due to the build-up of inventories as a result of the increase in business volume, the increase in receivables due to a disproportionately strong sales contribution in the last quarter, and the increased investments, particularly for the construction of the innovation center.

As of December 31, 2023, **other financial assets** include fund investments of EUR 83.7 million (December 31, 2022: EUR 220.4 million).



## **Liabilities**

**Trade payables** increased to EUR 57.8 million as of December 31, 2023 (December 31, 2022: EUR 46.1 million), due to the increased procurement volume.

**Provisions** (non-current and current) were similar to previous year's levels at EUR 36.9 million as of December 31, 2023 (EUR 36.1 million as of December 31, 2022).

At EUR 141.3 million as of December 31, 2023, **advance payments received from customers** were on the previous year's level (December 31, 2022: EUR 141.2 million), reflecting the ongoing strong order levels.

**Other current liabilities** include payments received for publicly funded development projects and decreased slightly year-on-year to EUR 5.4 million (December 31, 2022: EUR 6.6 million).

## **Financial Position**

### **Principals and Objectives of Financial Management**

AIXTRON has a central financial management system whose primary objective is to ensure the long-term financial strength of the Group. AIXTRON's financial management includes the control of its global liquidity as well as its interest and currency management. Financial processes and responsibilities are defined throughout the Group. The investment policy is approved by the Supervisory Board.

Our capital structure management aims to determine an appropriate capital structure for each company within the Group while minimizing costs and risks. An appropriate structure must comply with tax, legal and commercial requirements. The Group increases or decreases the capital in line with the strategic orientation of the companies.

Our liquidity management aims to ensure the effective management of cash flows within each company of the group. The central finance department and local management monitor the cash flows within the group on a daily basis and take corrective action where necessary. Financing requirements are covered by cash within the group, either through intra-group loans or through changes in equity.

The principles of the investment policy are determined by the Executive Board and approved by the Supervisory Board of AIXTRON SE. Excess cash is invested by the finance department in accordance with this policy. The policy only allows for low-risk investments.

Due to its global business operations, AIXTRON generates a portion of its revenues in foreign currencies, i. e. in currencies other than the Euro. The most prevalent foreign currency relevant for AIXTRON is the US dollar. The associated exchange rate risk is monitored by the central finance department and taken into account as part of liquidity management. Speculative foreign currency transactions are not entered into.

In the semiconductor equipment industry, it is essential to have sufficient cash and cash equivalents at all times in order to be able to quickly finance possible business expansion. AIXTRON's current cash requirements are generally covered by cash inflows from

operating activities. The Company can draw on a high level of cash and cash equivalents and other short-term investments to secure further corporate financing and to support its indispensable research and development activities. In addition, AIXTRON has the option, if necessary and subject to the approval of the Supervisory Board, to issue financial instruments on the capital market to cover additional capital requirements.

### **Financing**

The **equity ratio** increased driven by the high net profit compared to the previous year and amounted to 75% as of December 31, 2023 compared to 73% as of December 31, 2022.

The **share capital** of AIXTRON SE amounted to EUR 113,411,020 as of December 31, 2023 (December 31, 2022: EUR 113,348,420). It is divided into 113,411,020 no-par value registered common shares with a pro rata amount of share capital of EUR 1.00 per share. All shares are fully paid in. The increase in share capital is attributable to the shares issued in the fiscal year under stock option programs.

In fiscal year 2023, 62,600 stock options from past stock option programs were exercised (2022: 56,400 options) and no new stock options were issued (2022: 0 options).

#### **AIXTRON ordinary shares**

	<b>31.12.2023</b>	<b>Exercised</b>	<b>Expired</b>	<b>Allocation</b>	<b>31.12.2022</b>
Stock options to acquire shares	48,300	62,600	1,200	0	112,100

As of December 31, 2023 and 2022, AIXTRON did not have any **bank borrowings**.

To safeguard advance payments received from customers for orders, the Group had **bank guarantee lines** amounting to EUR 104.4 million as of December 31, 2023 (2022: EUR 105.2 million), of which EUR 18.4 million (2022: EUR 49.8 million) had been utilized as of the reporting date.

### **Capital Expenditures**

In the year 2023, AIXTRON's total **capital expenditures** amounted to EUR 62.6 million (2022: EUR 29.7 million).

Driven by the Group's growth, EUR 60.2 million (2022: EUR 27.4 million) was invested in **property, plant and equipment** in fiscal year 2023. Of this, EUR 36.6 million are related to the construction of the new innovation center, which began in November 2023. In addition, besides further testing and demonstration equipment in the laboratories, the investments also include the expansion of production and development areas.

EUR 2.5 million were invested in **intangible assets** including licenses (2022: EUR 2.3 million).

During 2023 EUR 139.4 million of **fund investments were divested** while fixed-term bank deposits changed by EUR 0.0 million (2022: EUR 79.6 million investments in fund investments; EUR 60.0 million reduction of fixed-term deposits).

All capital expenditures in fiscal years 2023 and 2022 were self-financed.

As of the reporting date, there were investment commitments for the construction of the innovation center amounting to EUR 55.8 million, which will be financed with cash on balance sheet.

### **Liquidity and Cash Flow**

EUR million

Description	Balance sheet item	31.12.2023	31.12.2022	+ / -
Bank deposits	Cash and Cash equivalents	98.0	104.8	-6.8
Fund investments	Other financial assets	83.7	220.4	-136.7
<b>Total liquidity</b>		<b>181.7</b>	<b>325.2</b>	<b>-143.5</b>

**Cash and cash equivalents** including **other financial assets** decreased to EUR 181.7 million as of December 31, 2023 (December 31, 2022: EUR 325.2 million). As of December 31, 2023, other financial assets exclusively included fund investments totaling EUR 83.7 million (2022: EUR 220.4 million) (see also [Investments](#)).

There are no restrictions on access to the Company's cash and cash equivalents.

**Cash flow from operating activities** amounted to EUR -47.3 million in fiscal year 2023 (2022: EUR 37.1 million). This is mainly the result of the build-up of inventories and the increase in receivables as of the reporting date.

**Cash flow from investing activities** in the 2023 fiscal year was EUR 78.1 million (2022: EUR -48.3 million). The positive inflow was mainly influenced by the sale of fund investments, which more than offset the outflows for investments in tangible and intangible assets (see also [Investments](#)).

**Cash flow from financing activities** amounted to EUR -35.9 million in 2023 (2022: EUR -34.6 million). The main drivers were the dividend payment of EUR -34.8 million (2022: EUR -33.7 million) and repayments of lease liabilities EUR -1.9 million, (2022: EUR -1.5 million). Cash inflows from the issue of new shares under stock option programs were of EUR 0.8 million (2022: EUR 0.7 million).

**Free cash flow** (cash flow from operating activities - investments + proceeds from disposals adjusted for changes in financial assets) for the 2023 fiscal year was EUR -109.7 million compared to EUR 7.7 million in 2022. The difference compared to the previous year is mainly related to the increase in inventories, the increased receivables due to the timing of tool shipments and higher investments in property, plant and equipment.

### ***Management Assessment of Company Situation***

In fiscal year 2023, AIXTRON continued to focus on successfully serving the targeted growth markets with sustainable profitability. At the same time, the Group continued to drive development and sales activities, particularly for GaN- and SiC power electronics equipment and for the production lasers as well as Mini and Micro LED displays.

Equipment revenues in 2023 amounted to EUR 532.3 million, of this, EUR 396.1 million (74%) were generated by MOCVD/CVD systems for the production of components for the area of power electronics (GaN/SiC) and EUR 66.2 million (12%) to MOCVD systems for the area of optoelectronics (laser, solar and Telecom), as well as EUR 59.9 million (11%) for the LED area including Micro LED. Further structural growth can be expected in the end markets mentioned because the materials gallium nitride and silicon carbide are increasingly replacing traditional Silicon in modern power electronic components, the use of lasers in the areas of optical data transmission and in 3D sensing continues to increase, and new types of micro LED displays are increasingly being used commercially.

In addition to the above-mentioned activities, there is a focus on the costs as well as the margin contributions of individual revenue drivers. Furthermore, the Executive Board continuously reviews the product portfolio with a view to changing framework conditions, such as time windows for the market launch of new technologies or evaluation of our customers' product requirements.

Fiscal year 2023 developed very positively in all markets addressed by our core technology, especially with GaN and SiC power electronics. Management expects further revenue growth in the future, driven by the megatrends of digitalization, electromobility, energy efficiency and environmental sustainability.

In this context, the AIXTRON Group maintains a healthy financing structure with a high level of cash and cash equivalents and without any bank debt.

## Achievement of Guidance in 2023

The order intake, revenue, gross margin and EBIT margin forecasts for fiscal 2023 published in the Annual Report 2022 and adjusted in conjunction with the publication of the third quarter report were fully met. This also applies with regard to the adjusted forecast ranges for order intake and revenues, which were increased when the half-year results were published::

	Outlook FY 2023 28.02.2023	1st quarter 2023 27.04.2023	1st half year 2023 27.07.2023	3rd quarter 2023 26.10.2023	Result 2023 29.02.2024
<b>Order Intake*</b>	Range of EUR 600m to EUR 680m	Confirmation	Increase: Range of EUR 620m to EUR 700m	Confirmation	EUR 641 million
<b>Revenues*</b>	Range of EUR 580m to EUR 640m	Confirmation	Increase: Range of EUR 600m to EUR 660m	Confirmation	EUR 463 million
<b>Gross Margin</b>	around 45%	Confirmation	Confirmation	Confirmation	44%
<b>EBIT Margin*</b>	around 25-27%	Confirmation	Confirmation	Confirmation	25%

\*At constant budget exchange rate of 1.15 USD/EUR

## ***Management Report of AIXTRON SE***

### ***Supplementary Explanations According to HGB***

The management report of AIXTRON SE and the Group management report of the AIXTRON Group are combined according to Section 315 Para. 5 HGB in conjunction with Section 298 Para. 2 HGB. The report is published in the Federal Gazette.

The annual financial statements of AIXTRON SE have been prepared in accordance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The annual financial statements generally serve to determine the balance sheet profit and thus the possible distribution amount.

The combined management report comprises all legally required information regarding AIXTRON SE. In addition to the reporting on the AIXTRON Group we explain the development of AIXTRON SE.

AIXTRON SE is the parent company of the AIXTRON Group and has its headquarters in Herzogenrath, Germany. The AIXTRON SE Management is responsible for key management functions for the Group, such as corporate strategy, risk management, investment management, executive and financial management, and communication with key target groups of the Group. AIXTRON SE generates the majority of its consolidated revenues through its operating activities of the development, production, sale and maintenance of equipment for the deposition of semiconductor materials. In addition to ten directly or indirectly wholly owned subsidiaries, which are primarily responsible for the worldwide distribution of AIXTRON's products, AIXTRON SE currently holds an 87% interest in the APEVA Group. AIXTRON SE is not managed separately using its own performance indicators because the Company is integrated into the Group management. We refer here to the respective explanations provided for the Group. The economic framework conditions of AIXTRON SE are essentially the same as those of the AIXTRON Group and are described in detail in the chapter [Report on Economic Position](#).

**Income Statement of AIXTRON SE according to HGB**

in EUR million	2023	2022	2023 vs. 2022
<b>Revenues</b>	<b>609.6</b>	<b>432.1</b>	<b>177.5</b>
Changes in inventories	58.2	41.0	17.2
Other own work capitalized	1.2	0.7	0.5
<b>Total output</b>	<b>669.0</b>	<b>473.8</b>	<b>195.2</b>
Other operating income	13.4	15.2	-1.8
Cost of materials	345.8	235.2	110.6
Personnel expenses	85.7	65.3	20.4
Depreciation	8.6	6.5	2.1
Other operating expenses	103.0	88.6	14.4
<b>Operating result</b>	<b>139.3</b>	<b>93.3</b>	<b>46.0</b>
Result from investments	6.8	5.3	1.5
Net interest income	4.4	-1.0	5.4
<b>Financial result</b>	<b>11.2</b>	<b>4.3</b>	<b>6.9</b>
<b>Profit before tax</b>	<b>150.5</b>	<b>97.6</b>	<b>52.9</b>
Taxes on income and earnings	18.5	12.8	5.7
Profit after tax	132.0	84.8	47.2
Other taxes	0.3	0.2	0.1
<b>Net profit for the year</b>	<b>131.7</b>	<b>84.6</b>	<b>47.1</b>
Profit carried forward	59.5	50.9	8.6
Dividend payment	-34.8	-33.7	-1.1
Transfer to retained earnings	-65.8	-42.3	-23.5
<b>Net retained profit</b>	<b>90.6</b>	<b>59.5</b>	<b>31.1</b>

## Results of Operations of AIXTRON SE According to HGB

AIXTRON SE's **revenues** amounted to EUR 609.6 million in fiscal year 2023 and thus increased by EUR 177.5 million, or 41%, compared with the previous year (2022: EUR 432.1 million). Revenues were influenced by continued high demand for MOCVD systems in the fields of GaN- and SiC-power electronics, wireless and optical data communication as well as LED including micro LED applications. Other revenues are attributable to intra-group charges.

### Revenues by category

	2023		2022		2023 vs. 2022	
	in EUR million	%	in EUR million	%	in EUR million	%
Equipment revenues	507.3	83	350.1	81	157.2	45
Service and spare parts	97.6	16	76.4	18	21.2	28
Other revenues	4.7	1	5.6	1	-0.9	-16
<b>Total</b>	<b>609.6</b>	<b>100</b>	<b>432.1</b>	<b>100</b>	<b>177.5</b>	<b>41</b>

### Revenues by region

	2023		2022		2023 vs. 2022	
	in EUR million	%	in EUR million	%	in EUR million	%
Asian	309.5	51	299.2	69	10.3	3
Europe	187.7	31	63.5	15	124.2	196
Americas	112.4	18	69.4	16	43.0	62
<b>Total</b>	<b>609.6</b>	<b>100</b>	<b>432.1</b>	<b>100</b>	<b>177.5</b>	<b>41</b>

At 51%, about half of the revenue generation in 2023 was driven by our customers based in Asia.

At EUR 131.7 million (2022: EUR 84.6 million), the **net result for the year** was significantly higher than in the previous year. The following factors contributed to this development:

At 52%, the **cost of materials ratio** (cost of materials in relation to total output) was increased (2022: 50 %). This is due to relatively higher expenses for purchased services and the product mix.

The annual average number of employees at AIXTRON SE rose from 542 in the previous year to 709 in the fiscal year 2023. As result of the increased number of employees and variable remuneration components, **personnel expenses** increased from EUR 65.3 million in the previous year to EUR 85.7 million in fiscal year 2023.

Due to the increase in capital expenditures, **depreciation and amortization** increased by EUR 2.1 million from EUR 6.5 million in 2022 to EUR 8.6 million in 2023.



**Other operating expenses** were higher at EUR 103.0 million compared to EUR 88.6 million in fiscal year 2022. The main drivers were increased variable expenses for shipped systems and increased development costs.

In comparison to 2022, **other operating income** decreased from EUR 15.2 million to EUR 13.4 million in the 2023 fiscal year. This is mainly due to lower income from foreign currency translation and exchange rate gains.

In addition, **a result from investments** of EUR 6.8 million (2022: EUR 5.3 million) was generated in fiscal year 2023. As in previous years, the result from investments in the fiscal year consists exclusively of dividend payments from subsidiaries.

**Net interest income** totaled EUR 4.4 million in fiscal year 2023 compared to EUR -1.0 million in 2022. This is mainly attributable to expenses from the fair value accounting of fund investments.

### ***Net Result AIXTRON SE – Appropriation of profit***

The net profit of AIXTRON SE amounted to EUR 131.7 million. An amount of EUR 65.8 million was transferred to retained earnings. Combined with the carried forward profit from the previous year in the amount of EUR 59.5 million and the dividend payment in May 2023 in the amount of EUR 34.8 million, this results in a new accumulated profit of EUR 90.6 million as of December 31, 2023 (December 31, 2022: EUR 59.5 million). The Executive Board and Supervisory Board will propose to the Annual General Meeting that a dividend of EUR 0.40 per dividend-entitled share (2022: EUR 0.31) be paid for the financial year 2023.

### ***Assets and Liabilities and Financial Position of AIXTRON SE***

With EUR 874.2 million, total assets at the end of 2023 were about 15% higher than the previous year's figure (2022: EUR 757.8 million). This was due the positive net result for the year.

**Balance Sheet of AIXTRON SE (HGB)**

<b>in EUR million</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
<b>Assets</b>		
Intangible assets	4.4	3.3
Property, plant and equipment	135.8	85.7
Financial assets	46.9	46.9
<b>Non-current assets</b>	<b>187.1</b>	<b>135.9</b>
Inventories	368.8	204.7
Trade receivables	115.3	83.6
Receivables from associates	59.2	36.1
Other assets	8.6	10.5
Securities	82.7	220.3
Cash and credit balances at banks	48.7	65.7
<b>Current assets</b>	<b>683.3</b>	<b>620.9</b>
Deferred expenses and accrued income	3.8	1.0
<b>Total assets</b>	<b>874.2</b>	<b>757.8</b>

<b>in EUR million</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
<b>Equity and liabilities</b>		
<i>Subscribed capital</i>	113.4	113.3
<i>Treasury stock</i>	-0.9	-1.0
Issued capital	112.5	112.4
Capital reserve	292.4	287.0
Retained earnings	153.0	87.2
Accumulated deficit	90.6	59.5
<b>Equity</b>	<b>648.5</b>	<b>546.1</b>
<b>Provisions</b>	<b>63.6</b>	<b>47.7</b>
Prepayments received on order	120.5	120.3
Trade payables	32.5	29.1
Liabilities from associates	7.3	11.9
Other liabilities	1.8	2.7
<b>Liabilities</b>	<b>162.1</b>	<b>164.0</b>
<b>Total equity and liabilities</b>	<b>874.2</b>	<b>757.8</b>

## Assets

**Property, plant and equipment** increased from EUR 85.7 million in 2022 to EUR 135.8 million in fiscal year 2023 due to increased capital expenditures, mainly for the construction of the innovation center and for laboratory equipment.

The increase in **inventories** from EUR 204.7 million as of December 31, 2022 to EUR 368.8 million as of December 31, 2023 mainly reflects the expected sales growth of systems in the following quarters and the high order backlog.

**Trade receivables** increased from EUR 83.6 million to EUR 115.3 million due to a high number of deliveries at the end of the 2023 fiscal year.

## Liabilities

The **subscribed capital** of AIXTRON SE was at EUR 113.4 million as of December 31, 2023 (December 31, 2022: EUR 113.3 million). **Issued capital** was EUR 112.5 million (2022: EUR 112.4 million). A total of 62,600 shares were issued as part of stock option programs in the fiscal year 2023.

As a result of the exercise of the stock options as well as the recognition of share-based payments expenses, the **capital reserve** increased from EUR 287.0 million as of December 31, 2022, to EUR 292.4 million as of December 31, 2023. Due to the higher net profit, the **equity ratio** increased to 74% in the fiscal year compared to 72% in the previous year.

To secure **prepayments received on orders**, AIXTRON SE had guarantee facilities of EUR 97.5 million as of December 31, 2023 (2022: EUR 97.5 million), of which EUR 17.6 million had been utilized as of the balance sheet date (2022: EUR 47.3 million).

**Trade payables** increased to EUR 32.5 million due to the reporting date and a higher procurement volume (2022: EUR 29.1 million).

As of December 31, 2023, AIXTRON did not have any **bank borrowings**, as was the case on the prior-year balance sheet dates.

## Investments

Along with AIXTRON's growth, capital expenditures in property, plant, equipment, other intangible assets and financial assets at AIXTRON SE totaled EUR 60.4 million in fiscal year 2023 (2022: EUR 30.0 million).

Thereof EUR 58.0 million in 2023 were for property, plant and equipment (2022: EUR 27.2 million) and primarily included the investment in the new building of the Innovation Center and, as in the previous year, investments in laboratory equipment, in test and demonstration facilities as well as expansion of the production areas.

Furthermore, AIXTRON SE invested EUR 2.4 million in intangible assets for licenses and software (2022: EUR 2.3 million).

Investments of EUR 0.1 million (2022: EUR 0.5 million) were made in financial assets in fiscal year 2023. These related to the foundation of two new subsidiaries.

## Liquidity

### Cash Flow Statement of AIXTRON SE (HGB)

in EUR million	2023	2022
<b>Cashflow</b>		
Cash flow from operating activities	-75.8	34.1
Cash flow from investing activities	88.4	-104.4
Cash flow from financing activities	-29.6	-31.7
<b>Change in cash and cash equivalents</b>	<b>-17.0</b>	<b>-102.0</b>
Cash and cash equivalents at the beginning of the period	65.7	167.7
<b>Cash and cash equivalents at the end of the period</b>	<b>48.7</b>	<b>65.7</b>

### Development of Financial Position (Cash Flow)

**Cash and cash equivalents** decreased by EUR 17.0 million from EUR 65.7 million to EUR 48.7 million in the fiscal year, which results from the cash flows described below.

**Cash flow from operating activities** decreased from EUR 34.1 million in 2022 to EUR -75.8 million in the fiscal year 2023 mainly as a result of the high level of receivables and increased inventories as of the reporting date, which has not yet been fully reflected in cash flow.

**Cash flow from investing activities** amounted to EUR 88.4 million in fiscal year 2023 (2022: EUR -104.4 million) which is mainly due to the sale of funds amounting to EUR 137.6 million. In contrast, in 2023 there were cash outflows due to investments in fixed assets of EUR 60.4 million. In the previous year, the acquisition of funds in the amount of EUR 78.7 million and investments in fixed assets of EUR 30.0 million resulted in cash flow from investing activities of EUR -104.4 million.

**Cash flow from financing activities** amounted to EUR -29.6 million in fiscal year 2023 (2022: EUR -31.7 million). Same as in 2022, the main driver of this development was the dividend payment of EUR -34.8 million (2022: EUR -33.7 million).

There are no restrictions on access to the Company's cash and cash equivalents.

### Opportunities and Risks

The business development of AIXTRON SE is subject to substantially the same risks and opportunities as the AIXTRON Group. AIXTRON SE generally participates in the risks of its subsidiaries in proportion to its respective ownership interest. As a result of the centralized financial management of the AIXTRON Group, all financing transactions are conducted through AIXTRON SE. As the parent company of the AIXTRON Group, AIXTRON SE is integrated into the Group-wide risk management system. For further information, please refer to the Opportunities and Risks Report.

## **Outlook**

The outlook for the AIXTRON Group largely reflects the expectations of AIXTRON SE. The earnings development of AIXTRON SE should continue to be in line with that of the Group in the future, as the results of the subsidiaries are reflected in the income from investments of the Group's parent company. Management by means of performance indicators is carried out exclusively at Group level. The comments on the expected results of operations and financial position therefore also apply to AIXTRON SE (see in the following section "[Expected Developments](#)").

## ***Report on Expected Developments, Opportunities and Risks***

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### ***Expected Developments***

#### ***Future Market Environment***

In its “World Economic Outlook” (January 2024), the IMF forecasts global economic growth of 3.1% for 2024. Given the expected continued decline in inflation, the IMF sees the risks to global growth as broadly balanced. Global inflation is expected to decline to 5.8% in 2024 (2023: 6.8%), still above pre-pandemic (2017-19) levels of around 3.5%. AIXTRON does not currently expect any significant influence on business development from the general global economic environment. The industry and sector-specific framework conditions for demand for AIXTRON systems remain intact, although an influence from negative macroeconomic developments cannot be ruled out.

Market observers continue to see positive developments for production equipment in the semiconductor industry in the coming years. According to a study published by the leading global industry association SEMI in December 2023, the overall market for investments in wafer fab equipment, which includes AIXTRON's deposition equipment, will decline from an all-time high of around USD 107.4 billion in 2022 to around USD 100 billion in 2023 and grow by 3% in 2024. In 2025, SEMI expects a significant increase in the markets to a sales level of USD 124 billion, still mostly driven by the Korean, Taiwanese and Chinese markets. According to SEMI, the market for wafer fab equipment is currently burdened by difficult macroeconomic conditions and conditions in the semiconductor industry. However, emerging applications in numerous markets are expected to drive significant growth in the semiconductor industry again this decade, which should necessitate further investment to expand production capacity.

Regardless of the market development of the entire semiconductor industry, the market segments on which AIXTRON focuses are determined by a number of megatrends, including electrification, digitalization and energy efficiency, the development of which will be decisive for the future development and size of AIXTRON's sales markets.

Sales of GaN power semiconductors will be driven by the need to increase energy efficiency in the global IT infrastructure and data centers in order to slow down the rapid increase in energy consumption. The electromobility of the future is expected to lead to an increased use of SiC components in the powertrain and in the charging infrastructure in order to better meet the requirements for range and efficiency.

The increasing demand for lasers manufactured on AIXTRON systems is due to the rapidly growing need for fast and energy-efficient optical data communication (cloud computing, video streaming, etc.). Likewise, 3D sensor technology in consumer electronics (smartphones, TVs) and access control, as well as the progress of industrial digitization and a growing number of vehicles that use 3D sensor technology, are contributing to an increased demand for lasers.

AIXTRON is deepening its collaboration with many customers on research and pilot projects for the technological advancement of the next generation of displays in smartwatches, TVs, smartphones and notebooks: Micro LED displays, whose self-luminous LED pixels can be produced on AIXTRON's MOCVD systems, aim to replace today's LCD or OLED display technology with innovative, energy-saving alternatives with better luminosity, contrast, color fidelity and resolution. The commercialization of these novel display technologies will determine the size of these additional new markets for AIXTRON.

### ***Expected Financial and Earnings Position***

For the financial year 2024, the Group once again expects sales growth compared to the previous year. Customer demand continues to extend across all technology areas. The Executive Board is optimistic about both the short and long-term positive outlook for demand for MOCVD systems for optoelectronics (Laser, LED and micro LED-based display applications) and also power electronics (GaN and SiC-based power electronics).

Based on the current Group structure, the assessment of the order development and a budget exchange rate of USD 1.15/EUR (2023: USD 1.15/EUR), the Executive Board expects revenues in 2024 in the range of EUR 630 million and EUR 720 million, at a corresponding gross margin of around 43% – 45% and an EBIT margin of around 24% - 26% in the financial year 2024. For the first quarter of 2024, the Executive Board expects revenues in a range between EUR 100 million and EUR 120 million.

As in previous years, the Executive Board assumes that AIXTRON will not require external bank financing in the financial year 2024. Furthermore, it is assumed that the Group will be able to maintain a solid equity base for the foreseeable future.

### ***Overall Statement on the Future Development***

AIXTRON's systems enable the production of power semiconductors for highly efficient energy conversion in the area of power supply for data centers or consumer electronics or electric vehicles and their charging infrastructure (GaN and SiC components). Lasers manufactured with the help of AIXTRON systems are key components in fast optical data transmission (cloud computing, Internet of Things), in 3D sensors and increasingly in complex vehicle assistance systems. AIXTRON technology also enables the production of high-frequency chips for 5G mobile networks and key components for the production of the latest generation of displays (fine pitch displays, mini and micro LED displays).

Due to AIXTRON's proven ability to develop, manufacture and market innovative deposition systems in a flexible number for several customer markets, the Executive Board is convinced of the positive future prospects for the group and its target markets.

As of December 31, 2023, AIXTRON did not have any legally binding agreements on financial investments or the acquisition or sale of parts of the company.

## **Risk Report**

### **Risk Management System**

AIXTRON's risk management system is controlled centrally and includes all of AIXTRON's key organizational units in the process. The Corporate Governance & Compliance department, headed by the responsible CFO of AIXTRON SE, is responsible for setting up a risk management system and informs the entire Executive Board and the Supervisory Board of AIXTRON SE at regular intervals or ad hoc if necessary.

The primary goals of the risk management system support the achievement of strategic business goals and early detection of potential risks compared to the applicable corporate planning that could negatively affect the achievement of strategic business goals and business activities. The risk management system supports the Executive Board in the systematic, effective and efficient management of identified risks by defining, prioritizing and tracking risk-reducing measures. In order to meet the extended requirements of IDW PS 340, the conformity and meaningfulness of AIXTRON's risk management system were examined and essential instruments were further optimized in terms of presentation and meaningfulness. The subject of this consideration was the further development of the framework specifications for the risk management system, the risk assessment scheme, the risk-bearing capacity and the resulting overall risk position in the AIXTRON Group. The results and resulting adjustments were integrated into the risk management process and risk reporting, used in the quarterly risk inventory and documented in the Group-wide risk management system manual. In order to further optimize the risk management system, new software for the risk management system was introduced in the fourth quarter of 2022.

All risk owners have been trained in the use of the new risk management software and have ongoing access to it. This ensures that abrupt changes in the risk situation or newly identified risks are reported by those responsible for risk and integrated into the risk portfolio and reported in a timely manner.

The regular, quarterly risk inventory is initiated, carried out and monitored by the central risk management department. All risk owners from the operational and administrative areas, all general managers of the AIXTRON subsidiaries and the Executive Board of AIXTRON SE are asked about the current developments in already documented risks and measures to reduce them, as well as possible new risks. The results are collated at central level and discussed in a risk committee before the Supervisory Board is informed.

AIXTRON uses a risk management software to support the risk management process. All risk owners have access to the software. This ensures that abrupt changes in the risk situation or newly identified risks are reported by the risk owners and integrated into the risk portfolio and reported promptly.

At AIXTRON, all individual risks and risk aggregates are evaluated and classified according to a defined scheme. The assessment of the probability of occurrence can be specified in four levels or as a fixed value. The possible extent of damage if the risk occurs can also be recorded in four stages or as a three-point analysis (Best Case, Most likely Case and Worst Case). The amount of damage relates to the measured degree of impact on the operating result (EBIT) of the AIXTRON Group. If the risk is significant for relevant risks, a possible outflow of cash is also used as the amount of damage.



The four levels for the probability of occurrence of the risks, in addition to the possibility of a fixed value, are divided into:

- Remote <5%
- Unlikely 5% – 10%
- Possible >10% – 50%
- Likely > 50% – 100%

The potential net loss (measured as a percentage of equity) is used as a criterion for evaluating the possible financial impact of a risk on the earnings (EBIT) of the AIXTRON Group. The four possible levels in addition to the three-point view were calculated as follows:

- Acceptable <0.4%
- Relevant 0.4% – 2%
- Serious >2% – 4%
- Critical > 4%

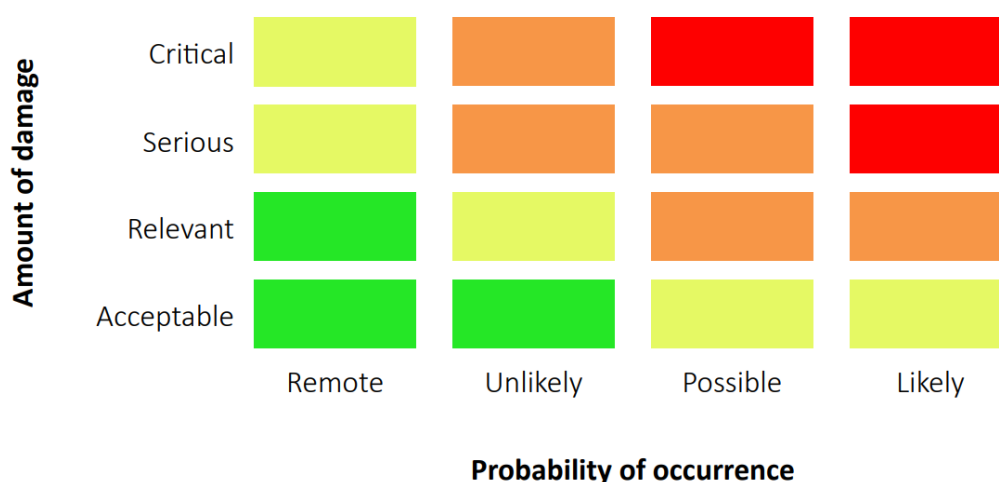
The risk effects are presented both in terms of possible gross/net effects and in different observation periods (up to 12 months, 13 – 24 months and longer than 24 months). The gross loss represents the loss potential in the event of a risk occurring without taking into account other effects such as risk reduction measures. The net loss describes the loss potential in the event of a risk occurring taking into account the effects resulting from the risk reduction measures such as insurance, provisions, budget- and forecast recording of risks. A risk matrix is derived from this assessment, which divides the risks of the AIXTRON Group into the following four risk classes (see chart for color scale):

- Acceptable risk (green)
- Moderate risk (yellow)
- Significant risk (orange)
- Substantial risk (red)

Substantial risks that are classified as “critical” in terms of the amount of damage and with a probability of occurrence in the “likely” category are to be viewed as material risks for the AIXTRON Group within the meaning of the German Accounting Standard (DRS 20).

Similar substantial and significant risks are also considered material within the meaning of DRS 20 if they have an aggregated net expected value (combination of the amount of damage and probability of occurrence) that can be viewed as “critical” according to the system described above.

Risks that are considered to threaten the continued existence of the company within the meaning of DRS 20 would be listed separately.

**Risk Map for Individual Risk Factors****Internal Control System (ICS)**

The organizational responsibility for the internal control system (ICS) lies with the Corporate Governance & Compliance department. The aim of the ICS is to ensure the proper conduct of business activities, reliable financial reporting and compliance with legal, regulatory and internal requirements. To achieve this goal, potential operational, financial and compliance risks are identified, assessed and internal controls are implemented when deemed necessary. The effectiveness of the control measures is checked at regular intervals by the Corporate Governance & Compliance department. In order to ensure functional and disciplinary independence, the Corporate Governance & Compliance area reports to the Chief Compliance Officer, who regularly informs the Management Board and the Audit Committee about the results of the audits. The Corporate Governance & Compliance area has neither direct operational responsibility nor authority for the processes within the ICS.

**Internal Control System (ICS) in the Accounting Process**

The internal control system in the accounting process of the AIXTRON Group includes both the accounting process of AIXTRON SE and the group accounting process. It defines controls and monitoring activities, which are measures aimed at ensuring the proper handling of business activities, reliable financial reporting and compliance with laws and regulations. A control system that is appropriate for the size of the group and business activities is the prerequisite for effectively controlling operational, financial and other risks.

In the accounting process, controls are defined at risk points that help ensure that the annual financial statements and the consolidated financial statements are prepared in accordance with the regulations. A separation of functions that is adequate for the size of the group and the application of the four-eyes principle reduce the risk of fraudulent activities.

A global IT system is used to prepare the annual financial statements, the consolidated financial statements and the consolidation, which ensures a uniform and consistent

approach and data security. Central system backups are regularly carried out for the relevant IT systems in order to avoid data loss. In addition, defined authorizations and access restrictions are part of the security concept.

The corporate function Finance of the AIXTRON Group is technically and organizationally responsible for the preparation of the annual financial statements and the consolidated financial statements. In the decentralized units, local employees are responsible for preparing the local financial statements. Uniform group accounting is ensured by group-wide specifications in terms of content and deadlines, as well as accounting guidelines and valuation principles. The Corporate Governance & Compliance department regularly checks compliance and effectiveness of the controls and is therefore involved in the overall process.

In the opinion of the Executive Board, these coordinated processes, systems and controls ensure that the Group accounting process is in accordance with IFRS and the annual financial statements are in accordance with HGB and other accounting-related regulations and laws and are reliable.

### **Internal Audit**

The internal audit is part of the corporate governance organization and is set up by the audit committee of AIXTRON SE on behalf of the Supervisory Board of AIXTRON SE. Internal Auditing reports directly to the Audit Committee and the Executive Board. Internal Audit's annual plan is discussed with and approved by the Audit Committee and the Executive Board. Internal Audit aims to provide independent and objective auditing and consulting services to improve the organization and add value. Internal Audit follows a systematic and disciplined approach to assessing the effectiveness and efficiency of organizational processes and tools. The follow-up to internal audit findings and progress is regularly discussed with the Audit Committee and the Board.

In addition, the annual internal audit plans are prepared on the basis of a risk-based methodology, which takes into account findings and risks in the area of compliance risk management and the internal control systems. Based on the risks and findings, a recommendation for the annual internal audit plan is submitted to the Audit Committee for review and approval. In addition, the findings and risks are reviewed on an ongoing basis and, if necessary, ad hoc reviews are recommended to the Audit Committee.

### **Overall Statement on the Effectiveness of the Risk Management and Internal Control System**

The design of the risk management and internal control system described is based on the legal framework and international standards – such as the German Stock Corporation Act, the German Corporate Governance Code or the auditing standard "IDW PS 340 n.F." issued by the Institute of Public Auditors. Based on the information made available to the Executive Board of AIXTRON SE, it is not aware of any circumstances that could impair the appropriateness and effectiveness of the risk management system (RMS) or the internal control system (ICS).<sup>1</sup>

<sup>1</sup> The information in this paragraph (overall statement on the effectiveness of the risk management and internal control system) was made in accordance with the requirements of the German Corporate Governance Code 2022. They are to be classified as "not related to the management report" because they go beyond the legal requirements and are therefore not part of the substantive audit by the auditor.

## **Risks Factors**

The following risks could possibly have a significant negative impact on AIXTRON's results of operations, net assets and financial position, net assets, liquidity and the stock market price of the shares as well as on the actual outcome of matters to which the forward-looking statements contained in this combined management report are based relate. The risks explained below are not the only ones faced by the AIXTRON Group. There may be other risks that AIXTRON is currently unaware of, as well as general corporate risks such as political risks, the risk of force majeure and other unforeseeable events. In addition, there may be risks that AIXTRON currently considers immaterial, but which ultimately could also have a material negative impact on the AIXTRON Group. Please refer to the [Forward-Looking Statement](#) section for more information on forward-looking statements.

In accordance with the requirements of the German Accounting Standard (DRS 20), the following material risks exist as at December 31, 2023, considered on an aggregated basis:

### **Market and Competition-Related Risks**

AIXTRON's target markets are distributed worldwide, with a regional focus on Asia, Europe and the USA. AIXTRON is therefore subject to global economic cycles and geopolitical risks such as the conflict between the USA and China, which could adversely affect the business of the AIXTRON Group. Such risks cannot be influenced by AIXTRON.

The markets addressed by AIXTRON are cyclical and can therefore be volatile. The timing, length and intensity of these industry cycles are difficult to predict and influence through AIXTRON. In order to spread market-related risks, AIXTRON therefore diversifies and offers products in different target markets.

In each of these markets, AIXTRON competes with other companies. It is possible that new competitors will appear on the market or that established competitors will adopt strategies or launch products that may negatively impact market expectations overall or of individual key customers of AIXTRON.

Market developments are continuously observed and assessed by AIXTRON. In order to reduce the risk of dependence on individual markets and their fluctuations, AIXTRON has implemented a management system designed to ensure that market developments are identified early and used optimally.

AIXTRON's market and competition risks can have a critical impact on the Group's medium to long-term high sales and profit expectations if the risks materialize.

In addition to the requirements of the German Accounting Standard (DRS 20), there are industry-specific, unique technological risks as of December 31, 2023:

### **Technological Risks**

Some of the technologies that AIXTRON offers enable new, disruptive application options. This often means long development and qualification cycles for AIXTRON products, since demanding technical and/or other customer specifications have to be met (sometimes for the first time) before a business deal is concluded.

Due to the predominantly long-term development and qualification cycles of AIXTRON's products, there is a possibility that AIXTRON's technologies and products are developed for markets or application areas in which the framework conditions of the end markets or the strategic planning of potential customers change fundamentally in the course of the development cycle.

The ongoing focus on research and development activities in the past fiscal year and the intensive involvement of external technology partners are still considered by AIXTRON SE's Executive Board to be suitable measures to reduce this risk.

AIXTRON's technology risks could have a significant impact on the Group's medium to long-term high sales and profit expectations if the risks materialize.

If it turns out that a technology risk has materialized and the introduction of a new technology cannot be implemented as planned, this can result in the planned and forecasted revenues being exposed to the risk of being postponed or omitted, and thus development activities being refinanced later than planned or not at all.

In AIXTRON's risk management system, the following risks are not considered significant for the Group:

- Currency and Financial Risks
- Production and related risks
- Legal Risks
- Risks related to patents and intellectual property

AIXTRON defines IT and information security risks as breaches of integrity, confidentiality and liability.

The Group has invested in extensive technical and organizational measures to increase information security and protect information from unauthorized access, unwanted modification or deletion. The information security measures taken are subject to regular monitoring and continuous improvement and are supported by targeted awareness and training concepts.

### ***Overall Statement on the Risk Situation of AIXTRON SE***

Compared to the 2022 fiscal year, the overall risk situation remains unchanged for the 2023 fiscal year, with the exception of the changes described above in the AIXTRON Group. The continuous focus of research and development activities with a emphasis on renewing and expanding the product portfolio streamlines the risk portfolio and thus improves the exploitation of opportunities and the avoidance of risks in AIXTRON's target markets.

Neither in the 2023 fiscal year nor at the time of writing of this management report has the Executive Board of AIXTRON SE identified any risks for the company that could threaten its continued existence as of December 31, 2023.

## ***Opportunities Report***

AIXTRON's core competence is the development of the latest technologies for the precise deposition of complex semiconductor structures and other functional materials. Here the group has developed a leading competitive position worldwide. In order to maintain or expand these positions, AIXTRON continuously invests in corresponding research and development projects, e.g. for MOCVD systems for the production of semiconductors for applications such as micro LEDs, lasers or power electronics. The Executive Board will maintain the focus on AIXTRON's core competence in order to successfully work on existing as well as to successfully open up new markets.

Important market segments for power electronics based on wide-band gap materials such as gallium nitride (GaN) and silicon carbide (SiC) are the automotive industry, energy industry, telecommunications and consumer electronics. Energy-efficient solutions are increasingly in demand for AC/DC converters and inverters as well as high-frequency power amplifiers. The electrification of vehicles and their charging infrastructure with SiC-based components is an important trend. GaN-based components, which enable fast charging of mobile devices, are also becoming increasingly popular. The IT industry, such as data centers or servers, also has a high need for energy-saving GaN-based power supplies, which are expected to see even greater demand from other market segments in the next few years. In addition, GaAs or GaN-based high-frequency components contribute to sales, which are used, among other things, for signal transmission in 5G networks or for the WLAN 6 standard.

Important market segments for optoelectronics are consumer electronics, data communication and display technology. The rapid developments in the field of artificial intelligence will lead to an accelerated increase in data volume in the coming years and thus the demand for faster and more optical data communication. The use of optical data transmission is also increasingly penetrating shorter distances, e.g. within data centers and even servers or for connecting households to the fiber optic network. The global expansion of fiber optic networks for high-speed data transmission is leading to increasing demand for systems for the production of edge and surface emitting lasers (EEL and VCSEL). Although these markets are always subject to certain cyclical and technical fluctuations, AIXTRON expects demand to increase in the coming years, especially if demand for 3D sensing increases due to virtual reality applications or LiDAR for autonomous driving. Demand for systems for the production of red, orange and yellow (ROY) LEDs is currently showing signs of recovery. Further growth potential is expected from the increasing commercialization of Micro LED displays, which may lead to additional significant demand for equipment for these demanding applications. These display technologies have high potential in various consumer electronics end applications.

AIXTRON expects that the following market trends and opportunities in the relevant end-user markets can have a positive impact on further business development:

### ***Short Term:***

- Ongoing increasing use of wide-band-gap GaN or SiC-based components for energy-efficient power electronics in electric vehicles, consumer electronics, mobile devices and IT infrastructure
- Increasing use of GaN-based components in the field of 5G network infrastructure

- Increasing use of GaAs-based components in mobile devices (e.g. smartphones) for 5G mobile communications or WLAN 6 technology
- Further increasing demand for lasers for high-volume optical data transmission, e.g. for video streaming and Internet-of-Things (IoT) applications
- Increasing use of compound semiconductor-based lasers for 3D sensing in mobile devices and in infrastructure applications
- Increasing use of LEDs and special LEDs (especially red-orange-yellow, UV or IR) in display and other applications
- Increasing commercialization of Micro LED displays

### ***Medium to Long Term:***

- Development of new applications based on wide-band gap materials such as high-frequency chips or system-on-chip architectures with integrated energy management
- Increasing use of optoelectronic components for artificial intelligence applications, so-called co-packed optics for the highest data transmission speeds
- Development of alternative LED applications, such as visible light communication technology
- Increasing application of compound semiconductor-based 3D sensing lasers for autonomous driving
- Use of GaN-based components in mobile devices (e.g. smartphones) for the millimeter wave range of 5G and 6G mobile communications
- Increased development activities for high-performance solar cells made from compound semiconductors

### ***Overall Picture of Opportunities***

As part of the assessment of our business opportunities, investment opportunities or development projects are reviewed and prioritized in terms of their potential value proposition to ensure an effective allocation of resources. We focus specifically on growth markets that are positively influenced by global megatrends such as increasing electromobility, electrification, energy efficiency, digitization and networking, in order to make the best possible use of the opportunities that arise for the Group's economically and ecologically sustainable business development.

If identified opportunities are deemed likely to materialize, they are incorporated into business plans and short-term forecasts. Trends or events going beyond this, which could lead to a positive development for the net assets, financial position and results of operations, are observed and can have a positive effect on our medium to long-term prospects.

## Legal Disclosures

### ***Group Declaration of Corporate Governance pursuant to Section 289f in conjunction with Section 315d German Commercial Code (HGB)***

The Declaration of Corporate Governance pursuant to Section 289f HGB has been combined with the Group Declaration of Corporate Governance pursuant to Section 315d HGB. This combined declaration including a Corporate Governance Report is available on the homepage of AIXTRON SE at [Declaration of Corporate Governance](#) and is part of this annual report.<sup>1</sup>

### ***Information Concerning Section 289a in conjunction with Section 315a of the German Commercial Code (HGB) on Takeovers***

The share capital of AIXTRON SE as of December 31, 2023, amounted to EUR 113,411,020 (December 31, 2022: EUR 113,348,420) divided into 113,411,020 registered shares with a proportional interest in the share capital of EUR 1.00 per no-par value registered share. Each no-par value share represents the proportionate share in AIXTRON's stated share capital and carries one vote at the Company's annual shareholders' meeting. All registered shares are fully paid in.

As of December 31, 2023, AIXTRON SE held 876,402 treasury shares, which accounted for a share capital in the amount of EUR 876,402 (2022: 965,224). The treasury shares correspond to 0.8% of the share capital (previous year: 0.9%).

AIXTRON SE has issued a share certificate representing multiples of shares (global share). Shareholders do not have the right to the issue of a share certificate representing their share(s). There are no voting or transfer restrictions on AIXTRON's registered shares that are related to the Company's Articles of Association. There are no classes of securities endowed with special control rights, nor are there any provisions for control of voting rights, if employees participate in the share capital without directly exercising their voting rights.

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<sup>1</sup> The information in the Corporate Governance Declaration was made in accordance with the requirements of the German Corporate Governance Code 2022. They are to be classified as "not related to the Management Report" because they go beyond the legal requirements and are therefore not part of the substantive audit by the auditor.



Additional funding needs could be covered by the following additional capital as authorized by the annual shareholders' meeting:

### Funding Sources

(EUR or number of shares)

	31.12.23	Approved since	Expiration date	31.12.22	31.12.23 vs. 31.12.22
Issued shares	113,411,020			113,348,420	62,600
Authorised capital 2022 - Capital increase in cash or in kind with or without subscription rights for existing shareholders	41,450,000	25.05.22	24.05.27	41,450,000	0
Conditional Capital II 2012 - Stock Option Program 2012	66,000	16.05.12	15.05.17	128,600	-62,600
Conditional Capital 2022 - Authorisation to issue bonds with warrants and/or convertible bonds, profit-sharing rights and/or income bonds (or combinations of these instruments) with or without subscription rights for existing shareholders	15,000,000	25.05.22	24.05.27	15,000,000	0

In accordance with Section 71 (1) no. 8 German Corporations Act, AktG, the Company is authorized until May 24, 2027, with the approval of the Supervisory Board, to purchase its own shares representing an amount of up to 10% of the share capital existing at the time of the resolution or – if this value is lower – at the time of the exercise of the authorization. This authorization may not be used by the Company for the purpose of trading in own shares. The authorization may be exercised in full, or in part, once, or on several occasions by the Company, by companies dependent on the Company or in which the Company directly or indirectly holds a majority interest, or by third parties appointed by the Company. The shares may be purchased (1) on the stock market or (2) by way of a public offer to all shareholders made by the Company or (3) by way of a public invitation to submit offers for sale.

Changes to the Articles of Association regarding capital measures require a resolution of the general meeting, which is passed by a three-quarters majority of the share capital represented at the general meeting (Art. 59 SE-VO, § 179 AktG). Other changes to the Articles of Association require a majority of two-thirds of the votes cast or, if at least half of the share capital is represented, a simple majority of the votes cast.

As of December 31, 2023, approximately 16% of AIXTRON's shares were held by private individuals (2022: 18%), most of whom are based in Germany. Approximately 83% of the outstanding AIXTRON shares were held by institutional investors (2022: 82%). At the end of 2023, the four largest shareholders each held more than 3% of AIXTRON shares in their portfolios. According to the most recently received voting rights notifications, Blackrock, Inc. was at 5.7%, Bank of America Corp. at 4.8%, Norges Bank at 4.3% and Perpetual Limited at 3.6%. According to the definition of the German stock exchange, 99% of the shares were in free float and around 1% of the AIXTRON shares were held by the company itself.

Members of the Executive Board are appointed and dismissed by the Company's Supervisory Board. The individual members of the Executive Board are appointed for a maximum period of six years and can then be re-appointed.

In the event of a “change of control”, the individual members of the Executive Board are entitled to terminate their employment with three months’ notice to the end of the month and to resign from office with effect from the date of termination. Upon termination of employment due to a so-called “change of control” event, all members of the Executive Board receive a severance payment in the amount of the fixed and variable remuneration expected to be owed by the Company for the remaining term of the employment contract, up to a maximum of two years’ remuneration. A “change of control” as defined above exists if a third party or a group of third parties, who contractually combine their shares to act as a third party, directly or indirectly holds more than 50% of the Company’s share capital. Apart from the aforementioned, there are no other “change of control” clauses.

### ***Non-financial Reporting in acc. with Sections 315b et seq. HGB***

The AIXTRON Group's Sustainability Report is available on our website under [Publications](#). The Group's non-financial report in accordance with sections 315b ff. HGB is integrated into this Sustainability Report and all text sections, tables and graphs, and all text sections, tables and graphics that are assigned to the non-financial report are marked accordingly.

# GROUP CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated Income Statement

in EUR thousands	Note	2023	2022
Revenues	3	629,879	463,167
Cost of sales		350,847	267,896
<b>Gross profit</b>		<b>279,032</b>	<b>195,271</b>
Selling expenses		14,082	11,223
General administration expenses		32,572	29,216
Research and development costs	4	87,681	57,726
Other operating income	5	12,857	10,177
Other operating expenses	6	787	2,587
<b>Operating result</b>		<b>156,767</b>	<b>104,696</b>
Finance income		1,119	803
Finance expense		205	356
<b>Net finance income</b>	8	<b>914</b>	<b>447</b>
<b>Profit before taxes</b>		<b>157,681</b>	<b>105,143</b>
Taxes on income	9	12,492	4,671
<b>Profit for the year</b>		<b>145,189</b>	<b>100,472</b>
Attributable to:			
Owners of AIXTRON SE		145,185	100,437
Non-controlling interests		4	35
Basic earnings or loss per share in EUR	20	1.29	0.89
Diluted earnings or loss per share in EUR	20	1.29	0.89

For explanations, see the accompanying notes to consolidated financial statements.

## **Consolidated Statement of Other Comprehensive Income**

in EUR thousands	Note	2023	2022
<b>Profit for the year</b>		<b>145,189</b>	<b>100,472</b>
<b>Items that will not be reclassified subsequently to profit or loss (after taxes):</b>			
Remeasurement of defined benefit obligation		-46	85
<b>Items that may be subsequently reclassified to profit or loss (after taxes):</b>			
Currency translation adjustment	19	-1,631	-926
<b>Other comprehensive income/loss</b>		<b>-1,677</b>	<b>-841</b>
<b>Total comprehensive income for the year</b>		<b>143,512</b>	<b>99,631</b>
Attributable to:			
Owners of AIXTRON SE		143,507	99,599
Non-controlling interests		5	32

*For explanations, see the accompanying notes to consolidated financial statements.*

## Consolidated Statement of Financial Position

in EUR thousands	Note	31.12.23	31.12.22
<b>Assets</b>			
Property, plant and equipment, and leased assets	11	147,751	98,980
Goodwill	12	72,292	72,452
Other intangible assets	12	4,436	3,267
Other non-current financial assets	13	707	705
Deferred tax assets	14	41,092	34,266
<b>Total non-current assets</b>		<b>266,278</b>	<b>209,670</b>
Inventories	15	394,461	223,594
Trade receivables	16	157,570	119,696
Current tax receivables	10	2,115	2,804
Other current assets	16	27,845	21,652
Other financial assets	17	83,655	220,410
Cash and cash equivalents	18	98,022	104,751
<b>Total current assets</b>		<b>763,668</b>	<b>692,907</b>
<b>Total assets</b>		<b>1,029,946</b>	<b>902,577</b>
<b>Liabilities and equity</b>			
Issued Capital	19	112,535	112,383
Additional paid-in capital		395,131	389,694
Retained earnings incl. profit for the year		265,531	155,231
Currency translation reserve		4,171	5,804
<b>Equity attributable to the owners of AIXTRON SE</b>		<b>777,368</b>	<b>663,112</b>
Non-controlling interests		210	205
<b>Total equity</b>		<b>777,578</b>	<b>663,317</b>
Non-current liabilities	27	3,983	5,975
Other non-current provisions	23	3,098	3,190
Deferred tax liabilities	14	662	827
<b>Total non-current liabilities</b>		<b>7,743</b>	<b>9,992</b>
Trade payables	24	57,761	46,098
Contract liabilities for advance payments	26	141,287	141,237
Other current provisions	23	33,755	32,913
Other current liabilities	24	5,375	6,581
Current tax payables	10	6,447	2,439
<b>Total current liabilities</b>		<b>244,625</b>	<b>229,268</b>
<b>Total liabilities</b>		<b>252,368</b>	<b>239,260</b>
<b>Total liabilities and equity</b>		<b>1,029,946</b>	<b>902,577</b>

For explanations, see the accompanying notes to consolidated financial statements.

## Consolidated Statement of Cash Flow

in EUR thousands	Note	2023	2022
Profit for the year		145,189	100,472
<b>Adjustments to reconcile net profit to net cash from operating activities</b>			
Expense from share-based payments	7, 22	4,762	4,441
Depreciation, amortization and impairment expense	11, 12	11,610	8,867
Net result from disposal of property, plant and equipment	5, 6	221	-8
Adjustments for fair value valuation of financial assets at fair value through profit or loss	6	-2,621	770
Deferred taxes	9	-7,191	-9,222
Interest and lease repayments shown under investing or financing activities	8, 27	765	911
<b>Change in</b>			
Inventories		-170,852	-103,633
Trade receivables		-38,758	-39,987
Other assets		-5,631	-12,156
Trade payables		12,267	27,102
Provisions and other liabilities		3,787	-2,162
Non-current liabilities		-1,406	-3,306
Advance payments from customers		569	65,050
<b>Net cash provided by operating activities</b>		<b>-47,289</b>	<b>37,139</b>
Capital expenditures in property, plant and equipment	11	-60,169	-27,353
Capital expenditures in intangible assets	12	-2,476	-2,309
Proceeds from disposal of fixed assets		282	186
Interest received	8, 27	1,105	760
Repayment of bank deposits with a maturity of more than 90 days	17	0	60,000
Sale (+) / Purchase (-) of other financial assets	2(S)	139,376	-79,555
<b>Net cash provided by (used in) investing activities</b>		<b>78,118</b>	<b>-48,271</b>
Proceeds from the issue of equity shares		827	741
Interest paid	8, 27	-3	-175
Repayment of lease liabilities	27	-1,866	-1,496
Dividend paid		-34,839	-33,662
<b>Net cash provided by (used in) financing activities</b>		<b>-35,881</b>	<b>-34,592</b>
Effect of changes in exchange rates on cash and cash equivalents		-1,677	-388
Net change in cash and cash equivalents		-6,729	-46,112
Cash and cash equivalents at the beginning of the period		104,751	150,863
<b>Cash and cash equivalents at the end of the period</b>	18	<b>98,022</b>	<b>104,751</b>
Net cash provided by operating activities includes:			
Income taxes paid		-12,378	-23,575
Income taxes received		108	1,418

For explanations, see the accompanying notes to consolidated financial statements.

## Consolidated Statement of Changes in Equity

in EUR thousands	Issued capital	Additional paid-in capital	Retained Earnings incl. profit for the year	Currency translation reserve	Equity attributable to the owners of AIXTRON SE	Non-controlling interests	Total
<b>Balance January 1, 2022</b>	<b>112,208</b>	<b>384,687</b>	<b>88,372</b>	<b>6,726</b>	<b>591,993</b>	<b>173</b>	<b>592,166</b>
Dividends			-33,662		-33,662		-33,662
Share-based payments		4,441			4,441		4,441
Issue of shares	175	566			741		741
Profit for the year			100,437		100,437	35	100,472
Other comprehensive income			85	-922	-838	-3	-841
Total comprehensive income for the year			100,521	-922	99,599	32	99,631
<b>Balance December 31, 2022 and January 1, 2023</b>	<b>112,383</b>	<b>389,694</b>	<b>155,231</b>	<b>5,804</b>	<b>663,112</b>	<b>205</b>	<b>663,317</b>
Dividends			-34,839		-34,839		-34,839
Share-based payments		4,762			4,762		4,762
Issue of shares	152	675			828		828
Profit for the year			145,185		145,185	4	145,189
Other comprehensive income			-46	-1,633	-1,678	1	-1,677
Total comprehensive income for the year			145,139	-1,633	143,507	5	143,512
<b>Balance December 31, 2023</b>	<b>112,535</b>	<b>395,131</b>	<b>265,531</b>	<b>4,171</b>	<b>777,368</b>	<b>210</b>	<b>777,578</b>

For explanations, see the accompanying notes to consolidated financial statements.

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# 1. General Principles

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AIXTRON SE (“Company”) is incorporated as a European Company (Societas Europaea) under the laws of the Federal Republic of Germany. The Company is domiciled at Dornkaulstraße 2, 52134 Herzogenrath, Germany. AIXTRON SE is registered in the commercial register of the District Court (“Amtsgericht”) of Aachen under HRB 16590.

The consolidated financial statements of AIXTRON SE and its subsidiaries (“AIXTRON” or “Group”) have been prepared in accordance with, and fully comply with

- International Financial Reporting Standards (IFRS) as adopted for use in the European Union; and
- the requirements of Section 315e of HGB (German Commercial Law).

The Group is a leading provider of deposition equipment to the semiconductor industry. It offers its customers high-tech systems for the production of high-performance compound semiconductor components for power electronics and optoelectronics. The devices are used in a variety of innovative applications and industries. These include laser, LED, display technologies, optical and wireless data transmission, SiC and GaN power electronics, and many other leading-edge applications. The Group’s products are used by a broad range of customers.

These consolidated financial statements have been prepared by the Executive Board and have been submitted to the Supervisory Board at its meeting held on February 26, 2024 for approval and publication.

## 2. Significant Accounting Policies

### **(A) Companies Included in Consolidation**

Companies included in consolidation are AIXTRON SE, and companies controlled by AIXTRON SE. The balance sheet date of all consolidated companies is December 31. A list of all consolidated companies is shown in [note 31](#).

### **(B) Basis of Accounting**

The consolidated financial statements are presented in Euro (EUR). The amounts are rounded to the nearest thousand Euro (EUR thousand).

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments.

The preparation of financial statements in conformity with IFRS, as they are to be applied in the EU, requires management to make estimates and judgements that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the balance sheet date and the reported amounts of income and expenses during the reported period. Actual results may differ from these estimates.

The estimates and judgements are reviewed on an ongoing basis. Revisions to accounting estimates and judgements are recognized in the period in which the estimate is revised if this revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Estimates and judgments which have a significant effect on the Group's financial statements are described in [note 36](#).

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

The accounting policies have been applied consistently by each consolidated company.

### **(C) Bases of Consolidation**

#### **(I) Subsidiaries**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Entities over which AIXTRON SE has control are treated as subsidiaries (see [note 31](#)). The results of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

## **(II) Transactions Eliminated on Consolidation**

All intercompany income and expenses, transactions and balances have been eliminated in the consolidation.

## ***(D) Foreign Currency***

The consolidated financial statements have been prepared in Euro (EUR). In the translation of financial statements of subsidiaries outside the Eurozone the local currencies are also the functional currencies of those companies. Assets and liabilities of those companies are translated to EUR at the exchange rate as of the balance sheet date. Income and expenses are translated to EUR at average exchange rates for the year or at average exchange rates for the period between their inclusion in the consolidated financial statements and the balance sheet date. Net equity is translated at historical rates. The differences arising on translation are disclosed in the consolidated statement of changes in equity.

Exchange gains and losses resulting from fluctuations in exchange rates in the case of foreign currency transactions are recognized in the income statement in [other operating income](#) or [other operating expenses](#).

## ***(E) Property, Plant and Equipment***

### **(I) Acquisition or Manufacturing Cost**

Items of property, plant and equipment are stated at cost, plus ancillary charges such as installation and delivery costs, less accumulated depreciation (see below) and impairment losses (see [accounting policy \(J\)](#)).

Costs of internally generated assets include not only costs of material and personnel, but also a share of directly attributable overhead costs, such as employee benefits, delivery costs, installation, and professional fees.

Where parts of an item of property, plant and equipment have different useful lives, they are depreciated as separate items of property, plant and equipment.

### **(II) Subsequent Recognition of Costs**

AIXTRON recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing components or enhancement of such an item when that cost is incurred if it is probable that the future economic benefits embodied in the item will flow to the Group and the cost of the item can be measured reliably. All other costs such as repairs and maintenance are expensed as incurred.

**(III) Government Grants**

Government grants related to the acquisition or manufacture of owned assets are deducted from original cost at the date of capitalization.

**(IV) Depreciation**

Depreciation is charged on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Useful lives, depreciation method and residual values of property, plant and equipment are reviewed at the year-end date or more frequently if circumstances arise which are indicative of a change. The estimated useful lives are as follows:

- Buildings 25 - 45 years
- Machinery and equipment 3 - 19 years
- Other plant, factory and office equipment 2 - 20 years

The useful lives of leased assets do not exceed the expected lease periods.

**(V) Leased Assets**

The Group only has contracts in which it is the lessee.

AIXTRON assesses whether a contract is, or contains, a lease, at inception of the contract. The Group recognizes a lease asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

AIXTRON recognizes a leased asset and a lease liability at the lease commencement date. The leased asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The leased asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the asset or the expected end of the lease term. The estimated useful lives of leased assets are determined on the same bases as those of property, plant and equipment. In addition, the leased asset is periodically tested and reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use assets are presented in property, plant and equipment, and leased assets in the consolidated statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the

lease or, if that rate cannot be readily determined, the company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed payments, less any lease incentives and variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

The lease liabilities are included in other non-current payables and other current liabilities in the consolidated statement of financial position.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in index or rate, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the leased asset, or is recorded in profit or loss if the carrying amount of the leased asset has been reduced to zero.

The Group did not make any such adjustments during the periods presented.

## ***(F) Intangible Assets***

### **(I) Goodwill**

Business combinations are accounted for by applying the purchase method.

Goodwill is stated at cost less any accumulated impairment loss. Goodwill is allocated to cash-generating units and is tested at least once per year for impairment, regardless there are any indications of impairment. For the purposes of the impairment test, goodwill is allocated to the cash-generating unit. An impairment loss is recognized if the carrying amount exceeds the higher of the fair value less costs to sell and the value in use of the cash-generating unit. Details of the impairment test are presented in [Note 12 \(see accounting policy \(J\)\)](#). Impairment losses on goodwill are not reversed.

### **(II) Research and Development**

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding using scientific methods, is recognized as an expense as incurred.

Expenditure on development comprises costs incurred with the purpose of using scientific knowledge technically and commercially. As not all criteria of IAS 38 are met AIXTRON does not capitalize such costs.

### **(III) Other Intangible Assets**

Other intangible assets that are acquired are stated at cost less accumulated amortization (see below) and impairment losses ([see accounting policy \(J\)](#)).

Intangible assets acquired through business combinations are stated at their fair value at the date of purchase.

Expenditure on internally generated goodwill, trademarks and patents is expensed as incurred.

#### **(IV) Amortization**

Amortization is charged on a straight-line basis over the estimated useful lives of intangible assets, except for goodwill. Goodwill has a useful life which is indefinite and is tested annually in respect of its recoverable amount. Other intangible assets are amortized from the date they are available for use. Useful lives and residual values of intangible assets are reviewed at the year-end date or more frequently if circumstances arise which are indicative of a change.

The estimated useful lives are as follows:

- |   |              |
|---|--------------|
| • Software  | 2 - 5 years  |
| • Patents and similar rights                        | 4 - 18 years |
| • Customer base and product and technology know how | 6 - 10 years |

### ***(G) Financial Instruments***

#### **(I) Financial Assets**

Financial assets are classified into the following specific categories:

- financial assets 'at fair value through profit or loss' (FVTPL),
- 'at amortized cost'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### **(II) Financial Assets at Amortized Cost**

Financial assets are measured at amortized cost as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

#### **(III) Financial Assets at FVTPL**

All financial assets not classified as measured at amortized cost or at fair value through other comprehensive income under IFRS 9 are measured at fair value through profit and loss (FVTPL).

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The gain or loss including dividends earned on financial asset and is included in [profit and loss](#) account and in [note 5](#) or [6](#) respectively. Fair value is determined in accordance with IFRS 13.

**(IV) Trade Receivables**

Trade receivables and other receivables are measured at amortized cost as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

**(V) Impairment of Financial Assets**

The Group recognizes a loss allowance for expected credit losses (ECL) on trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognizes lifetime ECL for trade receivables, and contract assets. The expected credit losses on these financial assets are estimated using a provision analysis based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

**(VI) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and deposits with banks with a maturity of less than three months at inception.

**(VII) Equity Instruments**

Equity instruments, including share capital, issued by the Group are recorded at the proceeds received, net of direct issue costs.

**(VIII) Financial Liabilities**

Other financial liabilities, including trade payables, are measured at amortized cost.

**(H) Inventories**

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. Cost is determined using weighted average cost.

The cost includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work in progress and finished goods, cost includes direct material and production cost, as well as an appropriate share of overheads based on normal operating capacity. Scrap and other wasted costs are

expensed on a periodic basis either as cost of sales or, in the case of beta tools as research and development expense.

Allowance for slow moving, excess and obsolete, and otherwise unsaleable inventory is recorded based primarily on either the estimated forecast of product demand and production requirement or historical usage. When the estimated future demand is less than the inventory, AIXTRON writes down such inventories.

### ***(I) Operating Result***

Operating result is stated before finance income, finance expense and tax.

### ***(J) Impairment of Property, Plant and Equipment and Intangible Assets***

Property, plant and equipment as well as other intangible assets are tested for impairment, where there is any indication that the asset may be impaired. The Group assesses at the end of each period whether there is an indication that an asset may be impaired. Impairment losses on such assets are recognized, to the extent that the carrying amount exceeds both the fair value that would be obtainable from a disposal in an arm's length transaction, and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments and the risks associated with the asset.

Impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount. Reversals are made only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

### ***(K) Earnings Per Share***

Basic earnings per share are computed by dividing net income (loss) by the weighted average number of issued common shares for the year. Diluted earnings per share reflect the potential dilution that could occur if options issued under the Company's stock option plans were exercised unless such exercises had an anti-dilutive effect.

### ***(L) Employee Benefits***

#### ***(I) Defined Contribution Plans***

Obligations for contributions to defined contribution pension plans are recognized as an expense in the income statement as incurred.



## **(II) Share-based Payment Transactions**

### **Stock Option Programs**

As part of the share option programs from 2007 and 2012, share options were issued to members of the Executive Board, managers and employees of the Group. The contractual terms of these share programs are presented in [note 22](#). These stock option programs are accounted for according to IFRS 2 for equity-settled share-based payment transactions. The fair value of options granted were recognized as personnel expense with a corresponding increase in additional paid-in capital.

### **Long-term Incentive of the Executive Board (LTI)**

Executive Board remuneration system at AIXTRON SE consists long-term variable remuneration incentives (LTI) granted in shares of AIXTRON SE. These equity-settled share-based payments are measured at fair value of the equity instruments at the grant date. The fair value of the shares granted is measured using a mathematical model, taking into account the terms and conditions upon which the shares were granted. Further details regarding the equity-settled share-based transactions are set out in [note 22](#) and [31](#).

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the performance period, based on the Group's estimate of the number of equity instruments expected to vest. For non-market-based vesting conditions, the Group reviews its estimate of number of equity instruments at each reporting date during vesting period. The impact of the revision of the original estimates, if any, is recognized in profit or loss and a corresponding adjustment is recognized to equity.

## **(M) Provisions**

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle this obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax interest rate that reflects current market assessments of the time value of money and, where appropriate, the risks associated with the liability.

### **(I) Warranties**

The Group normally offers one- or two-year warranties on all of its products. Warranty expenses generally include cost of labor, material and related overhead necessary to repair a product free of charge during the warranty period. The specific terms and conditions of those warranties may vary depending on the equipment sold, the terms of the contract and the locations from which they are sold. The Group establishes the costs that may be incurred under its warranty obligations and records a liability in the amount of such costs at the time revenue is recognized.

Factors affecting the warranty obligation include the historical and expected number of warranty claims and the estimated cost per warranty claim.

The Group accrues warranty cost for systems shipped based upon historical experience. The Group periodically assesses the adequacy of its recorded warranty provisions and adjusts the amounts as necessary.

Extended warranties, beyond the normal warranty periods, are treated as maintenance services in accordance with [note 2\(N\)](#) below.

### **(N) Revenue**

AIXTRON enters contracts with customers for goods and services, including combinations of goods and services. Contracts are usually for fixed prices and do not offer any unilateral right of return to the customer.

Revenue is generated from the following major sources:

- sale of equipment
- installation of equipment
- sale and installation of customer specific equipment
- spare parts
- services

Revenue is recognized when the Group satisfies a performance obligation in contracts with its customers by transferring control of promised goods or services to the customer and it is probable that the economic benefits associated with the transaction will flow to the entity.

The sale of equipment involves acceptance tests at AIXTRON's production facility. After successful completion of this test, the equipment is dismantled and packaged for shipment.

Revenues from the sale of products that have been demonstrated to meet product specification requirements are recognized at a point in time upon shipment to the customer if full acceptance tests have been successfully completed at the AIXTRON production facility and control has passed to the customer and the customer can benefit from the product either on its own or with other resources that are readily available.

Upon arrival at the customer site the equipment is reassembled and installed, which is a service generally performed by AIXTRON engineers. Revenue relating to the installation of the equipment is recognized at the point in time when AIXTRON has fulfilled its performance obligations under the contract and control of the goods has passed to the customer.

Revenue related to equipment where meeting the product specification requirements has not yet been demonstrated or the customer cannot benefit from the product either on its own or with other resources that are readily available, or where specific rights of return have been negotiated, is recognized only at the point in time when the customer finally accepts the equipment and has control.

Revenue related to spares is recognized at the point in time at which the customer obtains control of the goods, generally at the point of delivery.

Revenue related to services such as repair works is recognized at the point in time as the customer accepts the equipment at this point.

As part of the payment terms, AIXTRON does not grant any general right of return, cash discount, credit notes or other sales incentives. Generally, payment terms for advance payments and customer invoices are short-term and contracts do not include a financing component.

The consideration from contracts which include combinations of different performance obligations such as equipment, spares and services is allocated to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for transferring the goods or services to the customer. Discounts from list price are proportionately allocated to each performance obligation. The transaction price is allocated to each performance obligation based on a relative stand-alone selling price basis. As the stand-alone selling prices are usually not directly observable, AIXTRON uses the expected cost plus a margin approach to estimate the stand-alone selling price.

The portion of equipment revenue related to installation services is determined based on either the method described above or, if the Group determines that there may be a risk that the economic benefits of installation services may not flow to the Group, the portion of the contract amount that is due and payable upon completion of the installation.

Contract assets may arise for contracts with different performance obligations if the revenue recognized exceeds the amounts for received advance payments and customer invoices ([see note 16](#)).

## ***(O) Expenses***

### **(I) Cost of Sales**

Cost of sales includes such direct costs as materials, labor, and related production overheads.

### **(II) Research and Development**

Research and development costs are expensed as incurred. Costs of beta tools which do not qualify to be recognized as an asset are expensed as research and development costs.

Project funding received from governments (e.g. state funding) is recorded in other operating income, if the research and development costs are incurred and provided that the conditions for the funding have been met.

### **(III) Lease Payments**

Payments made under leases for assets which have not been capitalized are recognized as expense on a straight-line basis over the term of the lease.

***(P) Government Grants***

Government grants awarded for project funding are recorded in other operating income if the research and development costs are incurred and provided that the conditions for the funding have been met. Government grants awarded to support continued employment where work is not allowed are recorded as a reduction in the related expense, as this presents the underlying reason for the grant better.

***(Q) Income Tax***

The tax expense represents the sum of the current and deferred tax.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits can be set off against timing differences and tax losses carried forward or taxable temporary differences exist. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit can be realized. The recoverability of deferred tax assets is reviewed at least annually.

Deferred tax assets and liabilities are recorded for temporary differences between tax and commercial balance sheets and for losses brought forward for tax purposes as well as for tax credits of the companies included in consolidation. Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current income taxes for the current and prior periods are recognized as a liability to the extent that they have not yet been paid. If the amount attributable to the current and prior periods and already paid exceeds the amount due for those periods, the difference is recognized as an asset. The amount of the expected tax liability or tax receivable reflects the best estimate of the amount, considering tax uncertainties, when applicable.

The Group evaluates income tax uncertain treatments on a regular basis. In making this assessment, the Group assumes that a tax authority will review the matter in question and that it has all the relevant information to do so. If it is probable that an uncertain tax treatment will not be accepted by the tax authorities, the best estimate (expected value or most likely value of the tax uncertainty) is used to determine the impact and a tax liability is recognized or, in the case of existing loss carryforwards, the deferred tax attributable to them is reduced accordingly.

***(R) Segment Reporting***

An operating segment is a component of the Group that is engaged in business activities and whose operating results are reviewed regularly by the Chief Operating Decision Maker, which AIXTRON considers to be its Executive Board, to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. AIXTRON has only one reportable segment.

Accounting standards applied in segment reporting are in accordance with the general accounting policies as explained in this section.

***(S) Cash Flow Statement***

Cash flows from operating activities are determined using the indirect method.

Cash flows from taxes are allocated to operating activities.

Cash flows from other financial assets (fund investments) are presented in cash flow from investing activities as the assets are not traded for trading purposes.

***(T) Adoption of New and Revised Accounting Standards*****New and Amended IFRS Standards Effective for the Current Year**

In the current year, the Group has applied the below amendments to IFRS standards and interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

IFRS 17	Insurance contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to assets and liabilities arising from a single transaction <sup>1)</sup>
Amendments to IAS 12	International Tax reform - pillar two model rules <sup>1)</sup>

*1) The amendment has been effective immediately since the publication on May 23, 2023.*

At the date of authorization of these consolidated financial statements, the Group has not applied following new and revised standards and interpretations which have been issued but are not yet effective. AIXTRON does not expect that the adoption of these standards will have a material impact on the financial statements of the Group in future periods.

Long-term debt with additional conditions - Amendments to IAS 1	Classification of liabilities as current or non-current <sup>1)</sup>
Amendments to IFRS 16	Lease liability in a Sale and Leaseback transaction <sup>1)</sup>
Amendment to IAS 7 and IFRS 7	Supplier arrangements <sup>4)</sup>
Amendments to IAS 21	Lack of exchangeability <sup>2)</sup>
Amendment to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and an associate or joint venture <sup>3)</sup>

*1) Initial application to annual reporting periods beginning on or after 1 January 2024.*

*2) Initial application to annual reporting periods beginning on or after 1 January 2025.*

*3) The effective date of the amendments has yet to be set by the Board.*

*4) EU endorsement is still pending.*

### 3. Segment Reporting and Revenues

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Executive Board, as chief operating decision maker, in order to allocate resources to the segments and to assess their performance.

In the period 2022 to 2023 the Executive Board regularly reviewed financial information to allocate resources and assess performance only on a consolidated Group basis since the various activities of the Group are largely integrated from an operational perspective. In accordance with IFRS, AIXTRON has only one reportable segment.

The Group's reportable segment is based around the category of goods and services provided to the semiconductor industry

Revenues are recognized as disclosed in [note 2 \(N\)](#).

#### Segment revenues and results

in EUR thousands	Note	2023	2022
Equipment revenues		532,289	380,410
Spares revenues		92,329	76,319
Services revenues		5,261	6,438
<b>Revenue from external customers</b>		<b>629,879</b>	<b>463,167</b>
Inventories recognized as an expense	15	252,271	186,438
Reversals of inventory provisions	15	-3,081	-3,329
Obsolescence and valuation allowance expense for inventories	15	2,067	1,893
Personnel expense	7	114,974	91,133
Depreciation and impairment	11	10,303	7,674
Amortization	12	1,308	1,193
Other expenses		108,320	85,142
Foreign exchange (gains)/losses	5	-193	-1,496
Other operating income	5	12,857	10,177
<b>Segment profit</b>		<b>156,767</b>	<b>104,696</b>
Finance income	8	1,119	803
Finance expense	8	205	356
<b>Profit before tax</b>		<b>157,681</b>	<b>105,143</b>

Reversals of impairment allowances are included in other operating income as described in [note 5](#).

The accounting policies of the reportable segment are identical to the Group's accounting policies as described in [note 2](#). Segment profit represents the profit earned by the segment without the allocation of investment revenue, finance costs and income tax expense. This is the measure reported to the Executive Board for the purpose of resource allocation and assessment of performance.

The transaction price allocated to (partially) unsatisfied performance obligations at 31 December 2023 is EUR 353.7 million (31 December 2022: EUR 351.8 million). Management expects that approximately 91% of the transaction price allocated to the unsatisfied contracts as of the year ended 2023 will be recognized as revenue during 2024. The remaining amount will be recognized during the next fiscal year.

### ***Segment assets and liabilities***

<b>in EUR thousands</b>	<b>31.12.23</b>	<b>31.12.22</b>
Semi-conductor equipment segment assets	805,063	540,347
Unallocated assets	224,883	362,230
<b>Total Group assets</b>	<b>1,029,946</b>	<b>902,577</b>

<b>in EUR thousands</b>	<b>31.12.23</b>	<b>31.12.22</b>
Semi-conductor equipment segment liabilities	245,259	235,994
Unallocated liabilities	7,109	3,266
<b>Total Group liabilities</b>	<b>252,368</b>	<b>239,260</b>

For the purpose of monitoring segment performance and allocating resources all assets other than tax assets, deferred tax assets, cash and cash equivalents and other financial assets are treated as allocated to the reportable segment. All liabilities are allocated to the reportable segment apart from tax liabilities and post-employment benefit liabilities.

Additions and changes to property, plant and equipment, to goodwill and to intangible assets, and the depreciation and amortization expenses are given in [notes 11](#) and [12](#). Other non-current financial assets were essentially unchanged during 2023 compared to previous year (2022: unchanged).

Information concerning other material items of income and expense for personnel expenses and R&D expenses can be found in [notes 7](#) and [4](#).

### ***Geographical Information***

The Group's revenue from continuing operations from external customers and information about its non-current assets by geographical location are detailed below. Revenues from external customers are attributed to individual countries based on the country in which it is expected that the products will be used.



<i>in EUR thousands</i>	2023	2022
<b>Asia</b>	314,356	316,133
<i>thereof China</i>	213,254	228,221
<i>thereof Malaysia</i>	52,025	32,902
<i>thereof Taiwan</i>	42,595	77,460
<b>Europe</b>	189,420	63,480
<i>thereof Germany</i>	28,839	19,261
<b>Americas</b>	126,103	83,554
<b>Total</b>	<b>629,879</b>	<b>463,167</b>

Revenues from all countries outside Germany were EUR 601,040 thousand and EUR 443,906 thousand for the years 2023 and 2022 respectively.

In 2023 one customer accounted 15% and one customer for 10% of Group revenue. During 2022 sales of Group revenue with no customer exceeding 10%.

<i>in EUR thousands</i>	31.12.23	31.12.22
Germany	194,592	144,956
Europe excluding Germany	17,671	17,218
Asia	1,158	1,186
USA	11,057	11,448
<b>Total Group non-current assets</b>	<b>224</b>	<b>174,808</b>

Non-current assets exclude deferred tax assets, financial instruments, post-employment benefit assets and rights arising under insurance contracts.

## 4. Research and Development

Research and development costs, before deducting project funding received which is included in other operating income, were EUR 87,681 thousand and EUR 57,726 thousand for the years ended December 31, 2023 and 2022 respectively.

After deducting project funding received and not repayable, net expenses for research and development were EUR 80,923 thousand and EUR 52,424 thousand for the years ended December 31, 2023 and 2022 respectively.

The project funding received amounting to EUR 6,758 thousand (2022: EUR 5,303 thousand) are government grants.

In addition, EUR 15 thousand (2022: EUR 15 thousand) government grants were deducted from the carrying amount of an asset in property, plant and equipment. The reduced depreciation is attributable to research and development.

## 5. Other Operating Income

in EUR thousands	2023	2022
Research and development funding	6,758	5,303
Gains from financial assets at FVTPL	4,846	0
Foreign exchange gains	952	4,290
Other	301	584
<b>Other Operating Income</b>	<b>12,857</b>	<b>10,177</b>

in EUR thousands	2023	2022
Foreign exchange gains	952	4,290
Foreign exchange losses (see note 6)	-193	-1,496
<b>Net foreign exchange gains</b>	<b>759</b>	<b>2,794</b>

The amounts for research and development funding are government grants.

In 2023 total net exchange gains of EUR 759 thousand were recognized in profit or loss (2022: gain EUR 2,794 thousand) (see also note 6).

Financial assets measured at fair value through profit or loss resulted in net income of EUR 4,846 thousand in 2023 (2022: net loss of EUR 1,047 thousand).

## 6. Other Operating Expenses

in EUR thousands	2023	2022
Foreign exchange losses	193	1,496
Losses from financial assets at FVTPL	0	1,047
Other	361	30
Losses from the disposal of fixed assets	221	14
Additions to allowances for receivables or write-off of receivables	12	0
<b>Other Operating Expense</b>	<b>787</b>	<b>2,587</b>

The item "Losses from financial assets at FVTPL" includes unrealized losses of EUR 0 thousand (2022: EUR 770 thousand) and realized losses of EUR 0 thousand (2022: EUR 277 thousand).

## 7. Personnel Expense

<i>in EUR thousands</i>	2023	2022
Payroll	95,902	75,794
Social insurance contributions	12,685	9,645
Expense for defined contribution plans	1,625	1,253
Share-based payments	4,762	4,441
<b>Total</b>	<b>114,974</b>	<b>91,133</b>

## 8. Net Finance Income

<i>in EUR thousands</i>	2023	2022
<b>Finance income</b>		
Interest income on bank deposits	1,119	803
<b>On financial assets measured at amortized cost</b>	<b>1,119</b>	<b>803</b>
<b>Finance expense</b>		
Interest expense on bank overdrafts and balances	-18	-217
Interest expense on lease liabilities	-187	-139
<b>On financial liabilities not at fair value through profit or loss and on financial assets</b>	<b>-205</b>	<b>-356</b>
<b>Net finance income</b>	<b>914</b>	<b>447</b>

## 9. Income Tax Expense / Benefit

The following table shows income tax expenses and income recognized in the consolidated income statement:

in EUR thousands	2023	2022
<b>Current tax expense (+)/current tax income (-)</b>		
for current year	20,241	13,810
for prior years	-531	68
<b>Total current tax expense</b>	<b>19,710</b>	<b>13,878</b>
<b>Deferred tax expense (+)/deferred tax income (-)</b>		
- from temporary differences	-1,277	247
- from changes in local tax rate	273	61
- from reversals and write-downs	-6,213	-9,515
<b>Total deferred tax income</b>	<b>-7,218</b>	<b>-9,207</b>
<b>Income tax expense</b>	<b>12,492</b>	<b>4,671</b>

The Group's effective tax rate is different from the German statutory tax rate of 32.80% (2022: 32.80%) which is based on the German corporate income tax rate (incl. solidarity surcharge) and trade tax.

The following table shows the reconciliation from the expected to the reported tax expense:

in EUR thousands	2023	2022
<b>Net result before taxes</b>	<b>157,681</b>	<b>105,143</b>
Expected income tax expense (German tax rate)	51,719	34,487
Effect from differences to foreign tax rates	-1,248	-693
Non-deductible expenses / tax exempt	-2,285	205
Tax losses not recognized as assets	1	2
Recognition of deferred tax assets	-36,676	-30,215
Effect from changes in local tax rate / taxes prior years	-349	-10
Effect of permanent differences	0	2
Other	1,330	892
<b>Income tax expense</b>	<b>12,492</b>	<b>4,671</b>
<b>Effective tax rate</b>	<b>7.9%</b>	<b>4.4%</b>

In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognized in other comprehensive income (OCI):

in EUR thousands	2023	2022
Deferred tax from remeasurement of defined benefit obligation	16	41
<b>Deferred tax related to items recognized in other comprehensive income</b>	<b>16</b>	<b>41</b>

The law implementing Council Directive (EU) 2022/2523 to ensure a global minimum level of taxation for groups of companies (Minimum Tax Act) and other accompanying

measures was promulgated in the Federal Law Gazette on December 27, 2023 and came into force on December 28, 2023. AIXTRON SE is not subject to the application of these regulations in fiscal year 2023.

Therefore, the corresponding IAS 12 Tax Amendments do not apply either.

## ***10. Current Tax Receivable and Payable***

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As of December 31, 2023 the current tax receivable and payable, arising because the amount of tax paid in the current or in prior periods was either too high or too low, are EUR 2,115 thousand (2022: EUR 2,804 thousand) and EUR 6,447 thousand (2022: EUR 2,439 thousand) respectively.

## 11. Property, Plant and Equipment and Leased Assets

in EUR thousands	Land and buildings	Technical equipment	Other equipment	Assets under construction and prepayments	Leased land and buildings	Leased equipment	Total
<b>Cost</b>							
Balance at January 1, 2022	64,983	81,379	18,652	12,319	5,131	717	183,181
Additions	0	8,440	4,564	14,349	5,700	69	33,122
Disposals	2	378	1,128	6	290	0	1,804
Transfers	0	4,681	1,110	-5,791	0	0	0
Effect of movements in exchange rates	-139	-319	-97	-107	-208	-2	-872
<b>Balance at 31. December 2022</b>	<b>64,842</b>	<b>93,803</b>	<b>23,101</b>	<b>20,764</b>	<b>10,333</b>	<b>784</b>	<b>213,627</b>
Balance at January 1, 2023	64,842	93,803	23,101	20,764	10,333	784	213,627
Additions	336	6,895	2,372	50,566	0	356	60,525
Disposals	7	2,981	866	0	1,084	51	4,989
Transfers	49	12,758	277	-13,084	0	0	0
Effect of movements in exchange rates	14	64	-74	55	-46	-13	0
<b>Balance at 31. December 2023</b>	<b>65,234</b>	<b>110,539</b>	<b>24,810</b>	<b>58,301</b>	<b>9,203</b>	<b>1,076</b>	<b>269,163</b>
<b>Depreciation and impairment losses</b>							
Balance at January 1, 2022	30,307	62,077	14,890	8	1,670	216	109,168
Depreciation charge for the year	1,297	3,322	1,588	0	1,281	186	7,674
Disposals	2	290	1,033	0	395	0	1,720
Effect of movements in exchange rates	-135	-181	-79	1	-79	-2	-475
<b>Balance at 31. December 2022</b>	<b>31,467</b>	<b>64,928</b>	<b>15,366</b>	<b>9</b>	<b>2,477</b>	<b>400</b>	<b>114,647</b>
Balance at January 1, 2023	31,467	64,928	15,366	9	2,477	400	114,647
Depreciation charge for the year	1,357	5,009	2,001	0	1,711	225	10,303
Disposals	7	2,565	781	0	82	49	3,484
Effect of movements in exchange rates	24	32	-61	0	-43	-6	-54
<b>Balance at 31. December 2023</b>	<b>32,841</b>	<b>67,404</b>	<b>16,525</b>	<b>9</b>	<b>4,063</b>	<b>570</b>	<b>121,412</b>
<b>Carrying amounts</b>							
At January 1, 2022	34,676	19,302	3,762	12,311	3,461	501	74,013
<b>At December 31, 2022</b>	<b>33,375</b>	<b>28,875</b>	<b>7,735</b>	<b>20,755</b>	<b>7,856</b>	<b>384</b>	<b>98,980</b>
At January 1, 2023	33,375	28,875	7,735	20,755	7,856	384	98,980
<b>At December 31, 2023</b>	<b>32,393</b>	<b>43,135</b>	<b>8,285</b>	<b>58,292</b>	<b>5,140</b>	<b>506</b>	<b>147,751</b>

## ***Depreciation***

Depreciation expense amounted to EUR 10,303 thousand for 2023 and EUR 7,674 thousand for 2022 respectively.

The useful lives and residual values of assets are reviewed at least at the end of each financial year. If the expected useful lives and residual values differ from previous estimates, the effects of the changes are recognized in the current financial year.

In 2023 there were no adjustments to the remaining useful lives and residual values that would have led to lower depreciation than if the useful lives and residual values had not been adjusted.

In 2022 the audit revealed that depreciation was EUR 933 thousand lower than if the useful lives and residual values had not been adjusted.

## ***Impairments***

No impairment expense was incurred in the fiscal year 2023 or for the previous year.

## ***Assets Under Construction and Prepayments***

Assets under construction amounted to EUR 58,292 thousand in 2023 (2022: EUR 20,755 thousand) and mainly relate to the building of the new innovation center and internally generated laboratory facilities under construction. In 2022, the item mainly included internally generated laboratory facilities under construction and advance payments for the expansion of the production and development areas.

## ***Leased Assets***

Disclosures in respect of the underlying leases are shown in [note 27](#).

## 12. Intangible Assets

in EUR thousands	Goodwill	Other intangible assets	Total
<b>Cost</b>			
Balance at January 1, 2022	89,474	47,302	136,776
Additions	0	2,309	2,309
Disposals	0	1,233	1,233
Effect of movements in exchange rates	-71	1,341	1,270
<b>Balance at 31. December 2022</b>	<b>89,403</b>	<b>49,719</b>	<b>139,122</b>
Balance at January 1, 2023	89,403	49,719	139,122
Additions	0	2,476	2,476
Disposals	0	362	362
Effect of movements in exchange rates	-79	-787	-866
<b>Balance at 31. December 2023</b>	<b>89,324</b>	<b>51,046</b>	<b>140,370</b>
<b>Amortization and impairment losses</b>			
Balance at January 1, 2022	17,155	45,056	62,211
Amortization charge for the year	0	1,193	1,193
Disposals	0	1,140	1,140
Effect of movements in exchange rates	-204	1,343	1,139
<b>Balance at 31. December 2022</b>	<b>16,951</b>	<b>46,452</b>	<b>63,403</b>
Balance at January 1, 2023	16,951	46,452	63,403
Amortization charge for the year	0	1,308	1,308
Disposals	0	362	362
Effect of movements in exchange rates	81	-788	-707
<b>Balance at 31. December 2023</b>	<b>17,032</b>	<b>46,610</b>	<b>63,642</b>
<b>Carrying amounts</b>			
At January 1, 2022	72,319	2,246	74,565
<b>At December 31, 2022</b>	<b>72,452</b>	<b>3,267</b>	<b>75,719</b>
At January 1, 2023	72,452	3,267	75,719
<b>At December 31, 2023</b>	<b>72,292</b>	<b>4,436</b>	<b>76,728</b>

Other intangible assets include patents, other rights and software.



## ***Amortization and Impairment Expenses for Other Intangible Assets***

Amortization and impairment expenses for other intangible assets are recognized in the income statement as follows:

<b>in EUR thousands</b>	<b>2023 Amortization</b>	<b>2022 Amortization</b>	<b>2023 Impairment</b>	<b>2022 Impairment</b>
Cost of sales	126	396	0	0
General administration expenses	1,129	745	0	0
Research and development costs	53	52	0	0
<b>Total</b>	<b>1,308</b>	<b>1,193</b>	<b>0</b>	<b>0</b>

As in the previous year no impairment expense was incurred in 2023. No reversal of impairment were recognized in fiscal years 2023 and 2022.

## ***Impairment of Goodwill***

At the end of 2023 the Group assessed the recoverable amount of goodwill and determined that as in 2022 no impairment loss had to be recognized.

As at the end of 2023 the cash generating unit, to which the goodwill has been allocated, is the AIXTRON Group Semiconductor Equipment segment.

The recoverable amount of the cash-generating unit is determined through a fair value less cost to sell calculation. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As AIXTRON has only one cash generating unit (CGU), market capitalization of AIXTRON, adjusted for a control premium, has been used to determine the fair value less cost to sell of the cash generating unit. This is level 2 in the hierarchy of fair value measures set out in IFRS 13.

As at December 31, 2023 the market capitalization of AIXTRON was EUR 4,351 million, based on a share price of EUR 38.66 and issued shares (excluding Treasury Shares) of 112,534,618.

In an orderly selling process costs are incurred. AIXTRON has used 1.5% to account for the costs to sell.

A control premium typically in the range 20% - 40% is incurred in the acquisition of a company. A 20% premium has been applied in this test to adjust the market capitalization to the fair value. Market capitalization was also adjusted for net debt and tax assets prior to comparing it to the carrying amount of the CGU. The analysis shows that the fair value less costs to sell of the CGU AIXTRON exceeds its carrying amount and that Goodwill is not impaired.

Euro millions, except share price	Impairment Test 2023	Impairment Test 2022
Share price - Euros	38.66	26.97
Market capitalization as of December 31	4,350.6	3,031.0
Costs to sell in percentage	1.5%	1.5%
Costs to sell	-65.3	-45.5
Market capitalization less cost to sell	4,285.3	2,985.5
Control premium in percentage	20%	20%
Control premium	857.1	597.1
Market capitalization and control premium less cost to sell	5,142.4	3,582.6
Net debt	-181.7	-325.2
Tax assets	-36.1	-33.8
Fair value less costs to sell of CGU	4,924.6	3,223.6
Carrying amount of the CGU	559.8	304.4
Surplus of fair value less cost to sell over carrying amount	4,364.8	2,919.2
Surplus of fair value less cost to sell over carrying amount as a percentage	780%	959%

The fair value less costs to sell, which is the recoverable amount, exceeds the carrying amount of the CGU by 780% (2022: 959%).

### **13. Other Non-Current Financial Assets**

Other non-current financial assets amounting to EUR 707 thousand (2022: EUR 705 thousand) mainly relate to security deposits for buildings.

## 14. Deferred Tax Assets and Deferred Tax Liabilities

### Recognized Deferred Tax Assets and Deferred Tax Liabilities

Deferred tax assets and liabilities are attributable to the following items:

in EUR thousands	Deferred tax assets		Deferred tax liabilities		Total	
	2023	2022	2023	2022	2023	2022
Property, plant and equipment	21	22	-1,820	-2,200	-1,799	-2,178
Trade receivables	39	337	-157	0	-118	337
Inventories	1,518	758	-635	-365	883	393
Employee benefits	155	158	0	-15	155	143
Provisions and other liabilities	6,768	2,903	0	-1,474	6,768	1,429
Advance payments	0	22	-220	0	-220	22
Other	2	64	-378	29	-376	93
Tax losses	35,137	33,200	0	0	35,137	33,200
Netting amount	-2,548	-3,198	2,548	3,198	0	0
<b>Total</b>	<b>41,092</b>	<b>34,266</b>	<b>-662</b>	<b>-827</b>	<b>40,430</b>	<b>33,439</b>

Deferred tax assets are recognized at the level of individual consolidated companies in which a loss was realized in the current or preceding fiscal year, only to the extent that there is convincing evidence that sufficient taxable profit will be available against which the deferred tax assets can be used. The nature of the evidence used in assessing the probability of realization includes forecasts, budgets and the recent profitability of the relevant entity. In fiscal year 2023, deferred tax assets in the amount of EUR 652 thousand (2022: EUR 255 thousand) were recognized, which were attributable to companies that reported a loss in fiscal year 2023 or in the previous fiscal year. Of this amount, EUR 641 thousand was attributable to a Group company that had suffered a loss in the financial year due to a timing effect. It is expected that the reversal of the effect will lead to corresponding taxable profits.

No deferred tax assets were recognized for the following items (gross values):

in EUR thousands	2023	2022*
Tax loss carry-forwards	119,792	237,325
Thereof expire within the next five years	8,477	0
Thereof expire after more than five years	25,299	43,481
Tax credits	10,054	10,514
Thereof expire within the next five years	711	728
Thereof expire after next five years	4,552	4,817
Deductible temporary differences	1,619	8,620
	<b>131,465</b>	<b>256,458</b>

No deferred tax liabilities were recognized on temporary differences in relation to investments in subsidiaries amounting to EUR 859 thousand (2022: EUR 774 thousand\*).

The following table shows the development of deferred tax assets and liabilities during the fiscal year:

in EUR thousands	Balance at January 1, 2023	Recognized in income statement	Directly recognized in other comprehensive income	Balance at December 31, 2023
Property, plant and equipment	-2,178	398	0	-1,799
Trade receivables	337	-453	0	-118
Inventories	393	470	0	883
Employee benefits	143	44	-25	155
Currency translation	0	-68	-202	0
Provisions and other liabilities	1,429	5,422	0	6,768
Advance payments	22	-242	0	-220
Other	93	-383	0	-376
Tax losses	33,200	2,030	0	35,137
<b>Total</b>	<b>33,439</b>	<b>7,218</b>	<b>-227</b>	<b>40,430</b>

in EUR thousands	Balance at January 1, 2022*	Recognized in income statement	Directly recognized in other comprehensive	Balance at December 31, 2022*
Property, plant and equipment	-831	-1,386	0	-2,178
Trade receivables	-105	442	0	337
Inventories	732	-301	0	393
Employee benefits	166	-23	41	143
Currency translation	0	0	110	0
Provisions and other liabilities	248	1,091	0	1,429
Advance payments	142	-102	0	22
Other	355	-244	0	93
Tax losses	23,374	9,730	0	33,200
<b>Total</b>	<b>24,081</b>	<b>9,207</b>	<b>151</b>	<b>33,439</b>

\*For reasons of comparability and on the basis of better insights, the previous year's figures have been adjusted without affecting the amounts recognized in the balance sheet.

## 15. Inventories

<i>in EUR thousands</i>		2023	2022
Raw materials and supplies		216,829	115,123
Work in process		146,726	94,056
Customer-specific work in process		5,252	3,909
Inventories at customers' locations		25,654	10,506
<b>Inventories</b>		<b>394,461</b>	<b>223,594</b>

<i>in EUR thousands</i>	Note	2023	2022
Inventories recognized as an expense during the period	3	252,271	186,438
Reversals of write-downs recognized during the year	3	-3,081	-3,329
<b>Total</b>		<b>249,190</b>	<b>183,109</b>
Write-down of inventories during the year	3	2,067	1,893
Inventories measured at net realisable value		2,359	1,666

The reversal of write-downs recognized during the year in both 2023 and 2022 mainly relates to inventories which had been written down to their net realizable value and subsequently were sold.

Customer-specific work in process relates to work performed at the customers' site, typically to install equipment or to upgrade customers' existing equipment. Completion of installation is the final contractual deliverable in most customer contracts which typically allows any remaining payments to be received from the customer.

## 16. Trade Receivables and Other Current Assets

<i>in EUR thousands</i>		2023	2022
Trade receivables		134,965	103,542
Contract assets receivable		22,593	16,154
Allowances for doubtful accounts		0	0
<b>Trade receivables - net</b>		<b>157,570</b>	<b>119,696</b>
Prepaid expenses		4,393	1,723
Reimbursement of research and development costs		1,651	1,757
Advance payments to suppliers		11,143	8,605
VAT recoverable		9,772	9,058
Other assets		886	509
<b>Other current assets</b>		<b>27,845</b>	<b>21,652</b>
<b>Total trade receivables and other current assets</b>		<b>185,415</b>	<b>141,348</b>

Additions to allowances against trade receivables are included in other operating expenses, releases of allowances are included in other operating income. Neither in the 2023 financial year nor in the previous year were any impairment losses on receivables or reversals of impairment losses to be recognized.

Ageing of past due but not impaired receivables:

in EUR thousands	2023	2022
1-90 days past due	3,372	17,699
More than 90 days past due	1,290	238

Due to the worldwide spread of risks, there is a diversification of the credit risk for trade receivables. Generally, the Group demands no securities for financial assets. In accordance with usual business practice for capital equipment however, the Group mitigates its exposure to credit risk by requiring payment by irrevocable letters of credit and substantial payments in advance from most customers as conditions of contracts for sale of major items of equipment.

In 2023 one customer accounted for 13% of net trade receivables respectively. In 2022 two customers accounted for 11% and 10% of net trade receivables respectively. In determining concentrations of credit risk, the Group defines counterparties as having similar characteristics if they are part of the same external group of entities.

Included in the Group's trade receivable balance are debtors with a carrying amount of EUR 4,662 thousand (2022: EUR 17,937 thousand) which are past due at the reporting date for which the Group has not provided. As there has not been a significant change in credit quality, and although the Group has no collateral, the amounts are considered recoverable.

The Group measures the loss allowance for trade receivables at an amount equal to the lifetime expected credit loss. Based on its experience, the Group uses a negligible risk of default for lifetime, adjusted for factors which are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

In determining receivables which may be individually impaired the Group has taken into account the likelihood of recoverability based on the past due nature of certain receivables, and our assessment of the ability of all counterparties to perform their obligations.

## 17. Other Financial Assets

In 2023 other financial assets comprise fund investments.

The composition of the other financial assets and the maturities at inception of the deposits were as below:

in EUR thousands	2023	2022
Financial assets measured at FVTPL	83,655	220,410
Bank deposits with maturities less than 12 months	0	0
<b>Other Financial Assets</b>	<b>83,655</b>	<b>220,410</b>

The fair value of fund investments is determined using the quoted prices in active markets at reporting date which is level one of the fair value hierarchy.

## 18. Cash and Cash Equivalents

in EUR thousands	2023	2022
Cash-in-hand	1	2
Bank balances	98,021	104,749
<b>Cash and Cash equivalents</b>	<b>98,022</b>	<b>104,751</b>

Cash and cash equivalents comprise short-term bank deposits with an original maturity of 3 months or less and financial assets that are convertible to cash at any time and are subject to only minor fluctuations in value. The carrying amount and fair value are the same.

No bank balances were given as security either as of the balance sheet date of the fiscal year or in the previous year.

## 19. Shareholders' Equity

### Share Capital

in EUR	2023	2022
Share capital as of January 1	113,348,420	113,292,020
Shares issued	62,600	56,400
<b>Share capital fully paid as of December 31</b>	<b>113,411,020</b>	<b>113,348,420</b>
Treasury shares	-876,402	-965,224
<b>Issued capital</b>	<b>112,534,618</b>	<b>112,383,196</b>

The share capital of AIXTRON SE consists of no-par value shares and was fully paid-up during 2023 and 2022. Each share represents a portion of the share capital in the amount of EUR 1.00.

### Authorized Share Capital

Authorized share capital, including issued capital, amounted to EUR 169,927,020 (2022: EUR 169,927,020).

### Additional Paid-In Capital and Other Reserves

Additional paid-in capital mainly includes the premium on increases of subscribed capital as well as cumulative expenses from stock option plans and for share-based payments.

In 2023 62,600 new shares were issued within the scope of AIXTRON stock option plans (2022: 56,400 shares). 88,822 treasury shares were transferred in 2023 as part of the share-based payments scheme (2022: 118,881 shares).

A dividend of EUR 0.31 per share was paid in May 2023. Total dividend amount of EUR 34,839 thousand was paid to shareholders of AIXTRON SE (2022: EUR 33,662 thousand).

The Group regards its shareholders' equity as capital for the purpose of managing capital. In order to ensure the sustainable development of the AIXTRON Group and to maintain the confidence of investors and stake holders, AIXTRON's capital management aims to maintain a strong capital base. This is also taken into account when determining dividend distributions. The Group considers its capital resources to be adequate.



## ***Income and Expenses Recognized in Other Comprehensive Income***

Income and expenses recognized in other comprehensive income are shown in the statement of other comprehensive income.

The foreign currency translation adjustment comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currency is not the Euro.

During 2023 an expense of EUR 46 thousand (2022: income EUR 85 thousand) was recorded from the remeasurement of defined benefit obligations in other comprehensive income.

## ***20. Earnings Per Share***

### ***Basic Earnings Per Share***

The calculation of the basic earnings per share is based on the weighted-average number of common shares outstanding during the reporting period.

### ***Diluted Earnings Per Share***

The calculation of the diluted earnings per share is based on the weighted-average number of outstanding common shares and of common shares with a possible dilutive effect resulting from share options being exercised under the share option plan.

	2023	2022
<b>Earnings per share</b>		
Net profit attributable to the shareholders of AIXTRON SE in EUR thousand	145,185	100,437
Weighted average number of common shares for the purpose of earnings per share	112,465,961	112,297,083
<b>Basic earnings per share (EUR)</b>	<b>1.29</b>	<b>0.89</b>
<b>Earnings per share (diluted)</b>		
Net profit attributable to the shareholders of AIXTRON SE in EUR thousand	145,185	100,437
Weighted average number of common shares for the purpose of earnings per share	112,465,961	112,297,083
Dilutive effect of share options	31,881	57,314
Weighted average number of common shares for the purpose of earnings per share (diluted)	112,497,842	112,354,397
<b>Diluted earnings per share (EUR)</b>	<b>1.29</b>	<b>0.89</b>

In 2023 and 2022 no share options existed that would be anti-dilutive.

Amounts recognized as distributions to shareholders during the fiscal year and the proposed dividend for the year ended December 31, 2023 are set out in the table below:

<i>in EUR thousands</i>	<b>2023</b>	<b>2022</b>
Final dividend payment for the financial year 2022: EUR 0.31 per share (2021: EUR 0.3 per share)	34,839	33,662
Proposed dividend for the financial year ending on <b>December 31, 2023: EUR 0.40</b> per share (2022: EUR 0.31 per share)	45,014	34,839

## **21. Employee Benefits**

### ***Defined Contribution Plan***

The Group grants retirement benefits to qualified employees through various defined contribution pension plans. In 2023 the expense recognized for defined contribution plans amounted to EUR 1,625 thousand (2022: EUR 1,253 thousand).

In addition to the Group's retirement benefit plans, the Group is required to make contributions to state retirement benefit schemes in the countries in which it operates. AIXTRON is required to contribute a specified percentage of payroll costs to the retirement schemes in order to fund the benefits. The only obligation of the Group is to make the required contributions.

### ***Defined Benefit Plan***

Provisions for defined benefit pension plans in the amount of EUR 123 thousand (2022: EUR 115 thousand) are reported under other non-current provisions.

## 22. Share-Based Payment

The Company has different fixed option plans which reserve shares of common stock for issuance to members of the Executive Board, management, and employees of the Group. The Executive Board remuneration system at AIXTRON SE also consists long-term variable remuneration components (long-term incentive, LTI) that are granted in shares of AIXTRON SE.

The fair value of services received in return for shares or stock options granted is measured by reference to the fair value of the equity instruments or stock options granted which are determined using mathematical valuation models.

### **AIXTRON Stock Option Plans**

The fair value of the shares and stock options is determined on the basis of a mathematical model.

In the fiscal years 2023 and 2022, no new stock option programs were initiated. There were no expenses recognized for the existing program in 2023 and 2022.

### **AIXTRON Stock Option Plan 2012**

In May 2012, options were authorized to purchase shares of common stock. The granted options may be exercised after a waiting period of not less than four years. The options expire 10 years after they have been granted. Under the terms of the 2012 plan, options are granted at prices equal to the average closing price over the last 20 trading days on the Frankfurt Stock Exchange before the grant date, plus 30%. Options to purchase 48,300 common shares were outstanding under this plan as of December 31, 2023.

### **Summary of Stock Option Programs**

AIXTRON- share options	Number of share options		Average exercise price EUR	
	2023	2023	2022	2022
Balance at January 1	112,100	13.18	182,500	13.14
Exercised during the year	62,600	13.21	56,400	13.14
Forfeited during the year	1,200	13.14	14,000	13.14
<b>Outstanding at December 31</b>	<b>48,300</b>	<b>13.14</b>	<b>112,100</b>	<b>13.14</b>
<b>Exercisable at December 31</b>	<b>48,300</b>	<b>13.14</b>	<b>112,100</b>	<b>13.14</b>

**AIXTRON Stock Options as of December 31, 2023**

Year of emission	Exercise price per share EUR	Underlying shares represented by outstanding options	Average option life (in years)
2014	13.14	48,300	1.0
		<b>48,300</b>	

**Long-Term Incentive of the Executive Board (LTI)**

The amount of long-term performance-related remuneration (LTI) is geared to the performance of the Group over a 3-year reference period and is granted entirely in AIXTRON shares. Executive Board members may first dispose of these shares following a four-year holding period calculated from the start of the reference period. Before the start of a fiscal year, the Supervisory Board determines the long-term targets for each Executive Board member for the forthcoming reference period. Each Executive Board member receives forfeitable stock awards in the amount of the target LTI as a percentage of the consolidated net income for the year pursuant to the budget adopted for the fiscal year. The number of forfeitable stock awards is calculated based on the average of the closing prices on all stock market trading days in the final quarter of the previous year.

LTI target achievement is determined using the indicators consolidated net income for the year and total shareholder return (TSR), as well as sustainability targets. The TSR is defined as the total shareholder return over the reference period and is calculated as the ratio of the share price development including dividends paid at the end of the reference period to the value at the beginning of the reference period.

In this regard, the relative weighting of the targets amounts to 50% for consolidated net income for the year, 40% for TSR, and 10% for sustainability targets. After the expiry of the three-year reference period, the degree of LTI target achievement is determined by the Supervisory Board. Depending on the degree of target achievement, the forfeitable stock awards are then converted into vested stock awards or otherwise lapse. The maximum number of vested stock awards that may be granted in connection with LTI is capped at 250% of the number of forfeitable stock awards granted at the start of the reference period.

The shares are transferred to the Executive Board member after the four-year restriction period.

The fair value of equity-settled share-based payment transactions is recognized as an expense over the vesting period and a corresponding adjustment is made to equity. The fair value of the shares granted is measured based on a valuation model taking into account the vesting conditions at which the shares are granted. The calculation takes into account estimates for future dividends. The TSR ratio is used as a market condition in estimating the fair value at the valuation date. For the other non-market-based vesting conditions, the Group reviews its estimate of the number of equity instruments during the vesting period. Adjustments in the original estimates, if any, are recognized in profit or loss and a corresponding adjustment is made to equity.

The following table shows the main parameters of the valuation model (Monte Carlo simulation) for the long-term variable remuneration of the Executive Board (LTI) for the LTI Tranche 2023 and 2022:

	LTI Tranche 2023	LTI Tranche 2022
Grant date	12.12.22	15.12.21
Share price at grant date	31.27€	16.77€
Index level Peer Group	111.27	102.61
Risk-free interest rate	1.94%	-0.66%
Volatility AIXTRON	50.59%	52.08%
Volatility Peer Group	34.26%	30.41%
Correlation AIXTRON/Index	0.58	0.53
Fair Value TSR	41.24€	19.47€
Fair Value Plain-Tranche	29.96€	15.93€

Assumptions regarding volatility and correlation between the AIXTRON share and the Peer Group were determined based on historical share price developments.

Within the scope of the LTI Tranche 2023 236,101 forfeitable share awards were granted with the weighted average fair value of EUR 34.47 per award on grant date (LTI Tranche 2022: 224,941 forfeitable share awards with the weighted average fair value of EUR 17,35 per award). At the end of the reference period, the forfeitable share awards of LTI Tranche 2023 or 2022 are converted into vested stock awards or partially forfeited.

In 2023, the personnel expenses from share-based payments, all of which were equity settled share-based payments, were EUR 4,762 thousand (2022: EUR 4,441 thousand). Share-based payments include the expense of long-term incentive of the Executive Board which is paid in shares (see [note 30](#)).

## 23. Provisions

Development and breakdown of provisions:

in EUR thousands	01.01.2023	Exchange rate	Usage	Reversal	Addition	31.12.2023	Current	Non-current
Personnel expenses	17,131	-136	16,200	273	19,526	20,048	19,864	184
Warranties	8,373	10	7,663	0	7,319	8,039	5,959	2,080
Other	10,599	-2	7,468	903	6,540	8,766	7,932	833
<b>Total</b>	<b>36,103</b>	<b>-128</b>	<b>31,331</b>	<b>1,176</b>	<b>33,385</b>	<b>36,853</b>	<b>33,755</b>	<b>3,098</b>

***Personnel Expenses***

These include mainly provisions for holiday pay, payroll, severance payments and other variable element of pay, which are financial liabilities.

***Warranties***

Warranty provisions are the estimated unavoidable costs of providing parts and service to customers during the normal warranty periods.

***Other Provisions***

Other provisions consist mainly of the estimated cost of services received and also include pension provisions.

For provisions existing at both December 31, 2023 and December 31, 2022, the economic outflows resulting from the obligations that are provided for are expected to be settled within one year of the respective balance sheet date for current provisions and within two years of the respective balance sheet date, but more than one year, for the main non-current provisions (excluding pension provisions).

## 24. Trade Payables and Other Current Liabilities

The liabilities consist of the following:

<i>in EUR thousands</i>	<b>2023</b>	<b>2022</b>
<b>Trade payables</b>	<b>57,761</b>	<b>46,098</b>
Liabilities from grants	829	2,551
Short-term lease liabilities	1,633	2,088
Payroll taxes and social security contributions	1,543	1,093
VAT and similar taxes	1,033	248
Other liabilities	337	601
<b>Other current liabilities</b>	<b>5,375</b>	<b>6,581</b>
<b>Trade payables and other current liabilities</b>	<b>63,136</b>	<b>52,679</b>

The carrying amount of trade payables and other current liabilities approximates their fair value. Trade payables, grant liabilities, taxes and other liabilities fall due for payment within 34 days of receipt of the relevant goods or services.

Short-term lease liabilities are explained in [note 25](#).

## 25. Financial Instruments

Details of the significant accounting policies and methods, the basis of measurement that are used in preparing the financial statements and the other accounting policies that are relevant to an understanding of the financial statement are disclosed in [note 2](#) to the financial statements.

### **Financial Risk Management Objectives**

The Group seeks to minimize the effects of any risk that may occur from any financial transaction. Key aspects are the exposures to liquidity risk, credit risk, interest rate risk and currency risk arising in the normal course of the Group's business.

The AIXTRON Group's central management coordinates access to domestic and international financial institutions and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposure to risk by likelihood and magnitude. These risks cover all aspects of the business, including financial risks.

### **Liquidity Risks**

Liquidity risk is the risk that the Group is unable to meet its existing or future obligations due to insufficient availability of cash or cash equivalents. Managing liquidity risk is one of

the central tasks of AIXTRON SE. In order to be able to ensure the Group's solvency and flexibility at all times cash and cash equivalents are projected on the basis of regular financial and liquidity planning.

As of December 31, 2023 the Group did not have any borrowings (2022: nil). Financial liabilities, all due within one year, of EUR 63,136 thousand (2022: EUR 52,679 thousand) consisting of trade payables and other liabilities and are shown in [note 24](#), together with an analysis of their maturity. Non-current payables consist of lease liabilities and other payables. Long term lease liabilities of EUR 3,803 thousand (2022: EUR 5,874 thousand) are shown with an analysis of their maturity in [note 27](#). Other non-current payables of EUR 181 thousand (2022: EUR 101 thousand) are due after more than one year.

As of December 31, 2023 the Group had EUR 181,928 thousand (2022: EUR 325,411 thousand) of bank deposits and investments as described in notes [13](#), [17](#) and [18](#).

### ***Credit Risks***

Financial assets generally exposed to a credit risk are trade receivables, financial investments, and cash and cash equivalents.

The Group's cash and cash equivalents and financial investments are kept with financial institutions that have a good credit standing. Central management of the Group assesses the counter-party risk of each financial institution dealt with and sets limits to the Group's exposure to those institutions. These credit limits are reviewed from time to time so as to minimize the default risk as far as possible and to ensure that concentrations of risk are managed.

The maximum exposure of the Group to credit risk is the total amount of receivables, financial assets and bank deposits as described in notes [13](#), [16](#), [17](#) and [18](#).

For contract assets measured at fair value, the maximum amount of the exposure to credit risk is the amount of contract assets measured at fair value as disclosed in [note 25](#). There are no credit derivatives or similar instruments which mitigate the maximum exposure to credit risk and there has been no change during the period or cumulatively in the fair value of such receivables that is attributable to changes in the credit risk.

### ***Market Risks***

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rate risks. Interest rate risks are not material as the Group only receives a minor amount of interest income. The Group does not use derivative financial instruments to manage its exposure to interest rate risk. Cash deposits are made with the Group's bankers at the market rates prevailing at inception of the deposit for the period and currency concerned. The Group's financial investments are made into funds bases in the European Union and are exposed to changes in the market value of those funds. There has been no change to the Group's exposure to market risk or the manner in which it manages and measures the risk.



## Foreign Currency Risk

The Group can enter into a variety of derivative financial instruments to manage its exposure to foreign currency risk, including forward exchange contracts to hedge the exchange rate risk arising on the export of equipment. The main exchange rates giving rise to the risk are those between the US Dollar, GB Pound, Chinese Renminbi, Japanese Yen and Euro. No forward exchange contracts were entered into in the fiscal year or in the previous year.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

in EUR thousands	Assets		Liabilities	
	2023	2022	2023	2022
US Dollars	82,266	65,057	68,126	51,305
GB Pounds	4,916	6,079	7,184	4,175
Chinese Renminbi	12,575	25,303	6,058	8,891
Japanese Yen	17,140	10,193	1,398	397

Exposures are reviewed on a regular basis and are managed by the Group through sensitivity analysis.

## Foreign Currency Sensitivity Analysis

The Group's global operations expose it primarily to foreign exchange risks by the US Dollar, GB Pound, Japanese Yen and Chinese Renminbi.

The following table details the Group's sensitivity to a 10% change in the value of the Euro against the US Dollar, GB Pound, Japanese Yen and Chinese Renminbi. A positive number indicates an increase in profit, a negative number indicates a reduction in profit.

in EUR thousands	USD Currency Effect		GBP Currency Effect		RMB Currency Effect		JPY Currency Effect	
	2023	2022	2023	2022	2023	2022	2023	2022
Profit or loss	1,575	543	72	108	-77	-751	25	19

in EUR thousands	USD Currency Effect		GBP Currency Effect		RMB Currency Effect		JPY Currency Effect	
	2023	2022	2023	2022	2023	2022	2023	2022
Profit or loss	-1,575	-543	-72	-108	77	751	-25	-19

The sensitivity analysis represents the foreign exchange risk at the year-end date only. It is calculated by revaluing the Group's financial assets and liabilities, existing at 31 December, denominated in US Dollars, GB Pounds or Chinese Renminbi by 10%. It does

not represent the effect of a 10% change in exchange rates sustained over the whole of the fiscal year, only the effect of a different rate occurring on the last day of the year.

### ***Fair Values and Contract Assets***

Cash and cash equivalents, receivables are stated at amortized cost. Other financial assets in 2023 and 2022 comprise financial assets measured at FVTPL. Contract assets are outside the scope of IFRS 9.

### ***Trade Receivables / Payables***

For trade receivables/payables due within less than one year, measured at amortized cost, the fair value is equivalent to the carrying amount.

### ***Financial Assets 2023***

<b>in EUR thousands</b>	<b>At amortized cost*</b>	<b>At fair value</b>	<b>Total carrying amount and fair value</b>
Cash and cash equivalents	98,022	0	98,022
Other financial assets	0	83,655	83,655
Other non-current financial assets	457	250	707
Trade receivables (excluding contract assets)	134,989	0	134,989
Contract assets included in trade receivables (not in scope of IFRS 9)	22,593	0	22,593
<b>Total</b>	<b>256,061</b>	<b>83,905</b>	<b>339,966</b>

### ***Financial Liabilities 2023***

<b>in EUR thousands</b>	<b>At amortized cost*</b>	<b>At fair value</b>	<b>Total carrying amount and fair value</b>
Trade payables	57,761	0	57,761
Non-current lease liabilities and other liabilities	3,983	0	3,983
Short-term lease liabilities	1,633	0	1,633
<b>Total</b>	<b>63,377</b>	<b>0</b>	<b>63,377</b>

**Financial Assets 2022**

in EUR thousands	At amortized cost*	At fair value	Total carrying amount and fair value
Cash and cash equivalents	104,751	0	104,751
Other financial assets	0	220,410	220,410
Other non-current financial assets	455	250	705
Trade receivables (excluding contract assets)	103,542	0	103,542
Contract assets included in trade receivables (not in scope of IFRS 9)	16,154	0	16,154
<b>Total</b>	<b>224,902</b>	<b>220,660</b>	<b>445,562</b>

**Financial Liabilities 2022**

in EUR thousands	At amortized cost*	At fair value	Total carrying amount and fair value
Trade payables	46,098	0	46,098
Non-current lease liabilities and other liabilities	5,975	0	5,975
Short-term lease liabilities	2,088	0	2,088
<b>Total</b>	<b>54,161</b>	<b>0</b>	<b>54,161</b>

\*For the financial assets and financial liabilities at amortized cost the carrying amount is a reasonable approximation of fair value.

## **26. Advance Payments – Contract Liabilities**

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Contract liabilities for advance payments from customers occur when a contract requires the customer to pay a deposit to the Group and the deposit has actually been paid, typically near the commencement of the contract, or if it reflects an unconditional payment claim. Usually, advance payments are up to 50% of the total contract price.

The Group records the liability as the advance payment is received and eliminates the liability at the same time and up to the same amount as it records revenue until the liability is fully extinguished. Changes in contract liabilities for advance payments in the year reflect the changing level of outstanding customer orders.

Revenues of EUR 93,079 thousand were realized in 2023 from the EUR 141,237 thousand of contract liabilities for advance payments outstanding at the end of 2022. Revenues of EUR 60,821 thousand were realized in 2022 from the EUR 77,041 thousand of contract liabilities for advance payments outstanding at the end of 2021. In 2023 no revenue was recognized from performance obligations that were settled in prior years.

## 27. Leases

### Leases as Lessee

The undiscounted lease liabilities are payable as follows:

in EUR thousands	2023	2022
Not later than one year	1,819	2,212
Later than one year and not later than five years	3,776	5,745
Later than five years	194	606
<b>Total</b>	<b>5,789</b>	<b>8,563</b>

Note 11 includes the disclosures required by IFRS 16 concerning the depreciation charge for leased assets by underlying class of asset, additions to leased assets and the carrying value of leased assets at the end of the reporting period.

in EUR thousands	2023	2022
Expenses for:		
Short-term and low-value leases	337	439
Payments made in respect of:		
Short-term and low-value leases	337	439
Lease liabilities	1,853	1,496
Interest on lease liabilities	187	139
<b>Total cash outflow for leases</b>	<b>2,377</b>	<b>2,074</b>

The Group has applied paragraph 6 of IFRS 16 when accounting for short-term leases and low-value leases and has expensed these on a straight-line basis. A similar portfolio of short-term leases exists at the reporting date.

The Group leases certain buildings, equipment and vehicles under various leases. Under most of the lease commitments for buildings the Group has options to renew the leasing contracts. The leases typically run for a period between one and ten years. None of the leases include contingent rentals.

## 28. Capital Commitments

<i>in EUR thousands</i>	<b>2023</b>	<b>2022</b>
Capital expenditures for property, plant & equipment	61,773	7,663
Other expenditures	292,054	325,161
<b>Capital Commitments</b>	<b>353,827</b>	<b>332,824</b>

## 29. Contingencies

AIXTRON is occasionally involved in legal proceedings or can be exposed to a threat of legal proceedings in the normal course of business. The Executive Board regularly analyses these matters, considering any possibilities of avoiding legal proceedings or covering potential damages under insurance contracts and has recognized, where required, appropriate provisions. It is not expected that such matters will have a material effect on the Group's net assets, results of operations and financial position.

## 30. Related Parties

The related parties of AIXTRON SE are the fully consolidated subsidiaries according to [note 31](#).

Related parties of the Group are members of the Executive Board and members of the Supervisory Board and their close relatives.

SBG Beteiligung GmbH is also a related party because the company is controlled by a related person of AIXTRON SE. There were no transactions with AIXTRON in the fiscal year or in the previous year.

The disclosures of key management personnel compensation are as follows:

in EUR thousands	2023	2022
<b>Executive Board:</b>		
Short-term employee benefits	4,363	5,543
Share-based payments	4,762	4,441
	<b>9,125</b>	<b>9,984</b>
<b>Supervisory Board:</b>		
Short-term benefits from fixed remuneration	530	510
	<b>530</b>	<b>510</b>
<b>Total</b>	<b>9,655</b>	<b>10,494</b>

Share-based payments refer to the fair value of share options at grant date and includes that portion of bonus agreements which is settled in shares. The number of shares granted and their fair value at the time they were granted can be found in Note 22.

Individual amounts and further details regarding the remuneration of the members of the Executive Board and Supervisory Board are disclosed in the Remuneration Report.

## 31. Consolidated Entities

AIXTRON SE controls the following subsidiaries:

Wholly owned subsidiaries	Place of incorporation and operation	Percentage control 31 December 2023	Percentage control 31 December 2022
AIXTRON Ltd.	Great Britain	100%	100%
AIXTRON Korea Co. Ltd.	South Korea	100%	100%
AIXTRON K.K.	Japan	100%	100%
AIXTRON China Ltd.	China	100%	100%
AIXTRON Taiwan Co. Ltd.	Taiwan	100%	100%
AIXTRON Inc.	USA	100%	100%
AIXinno Ltd.	Great Britain	100%	100%
AIXTRON Malaysia Sdn. Bhd.	Malaysia	100%	100%
AIXTRON S.R.L. *	Italy	100%	n.a.
AIXTRON B.V. *	Netherlands	100%	n.a.

\*New foundation

Non-wholly owned subsidiaries of APEVA Group	Place of incorporation and operation	Percentage control 31 December 2023	Percentage control 31 December 2022
APEVA Holdings Ltd.	Great Britain	87%	87%
APEVA SE *	Germany	87%	87%
APEVA Co. Ltd.	South Korea	87%	87%

\* In liquidation since January 1, 2023

Proportion of voting rights and ownership interests held by non-controlling interests	Profit allocated to non-controlling interests 2023 EUR thousands	Profit allocated to non-controlling interests 2022 EUR thousands	Accumulated non-controlling interests 2023 EUR thousands	Accumulated non-controlling interests 2022 EUR thousands
APEVA GROUP				
13%	4	35	210	205



## 32. Events After the Reporting Period

There are no events which have occurred after the balance sheet date, of which the directors have knowledge, which would result in a different assessment of the Group's net assets, results of operation and financial position.

## 33. Auditors' Fees

Fees expensed in the income statement for the services of the Group auditor, KPMG AG Wirtschaftsprüfungsgesellschaft are as follows:

in EUR thousands	2023	2022
for audit	356	343
for other confirmation services	212	20
for tax advisory services	0	0
for other services	0	0
<b>Total</b>	<b>568</b>	<b>363</b>

The fees for other confirmation services in the current and previous year include fees for audits of the non-financial Group report. In the current financial year, the fees for other confirmation services include EUR 107 thousand relating to the previous financial year.

## 34. Employees

Compared to last year, the average number of employees during the current year was as follows:

	2023	2022
Sales	59	55
Research and Development	342	241
Manufacturing and Service	499	398
Administration	103	94
<b>Employees</b>	<b>1,003</b>	<b>788</b>
Executive board members	3	3
	<b>1,006</b>	<b>791</b>
Apprentices	13	11
<b>Total employees</b>	<b>1,019</b>	<b>802</b>

## 35. Supervisory Board and Executive Board

### Supervisory Board

- **Kim Schindelhauer**

Chairman of the Supervisory Board since 2002 until February 28, 2017 and since September 1, 2017  
Entrepreneur

- **Frits van Hout**

Vice Chairman of the Supervisory Board since 2019  
Entrepreneur

Membership of Supervisory Boards and Controlling Bodies:

- Bambi Belt Holding BV, Eindhoven/Netherlands (Member of the Supervisory Board)
- Kendrion NV, Amsterdam/Netherlands (Chairman of the Supervisory Board)
- SmartPhotonics BV, Eindhoven/Netherlands (Member of the Supervisory Board)
- Deep Tech Fund (InvestNL), Amsterdam/Netherlands, (Chairman of the Investment Committee)

- **Prof. Dr. Andreas Biagosch**

Member of the Supervisory Board since 2013  
Entrepreneur

Membership of Supervisory Boards and Controlling Bodies:

- Wacker Chemie AG, Munich (Member of the Supervisory Board)
- Ashok Leyland Limited, Chennai/India (Non-Executive Director)
- ATHOS Service GmbH, Munich (Chairman of the Advisory Board)

- **Prof. Dr. Petra Denk**

Member of the Supervisory Board since 2011  
Professor of Energy Economics

Membership of Supervisory Boards and Controlling Bodies:

- Pfisterer Holding AG, Winterbach (Member of the Supervisory Board)
- BKW AG, Bern/Switzerland (Member of the Advisory Board)
- VAT Vakuumventile AG, Haag/Switzerland (Member of the Advisory Board), since May 16, 2023

- **Prof. Dr. Anna Weber**

Member of the Supervisory Board since 2019  
Professor for Economics esp. External Financial Accounting  
German Public Auditor (Wirtschaftsprueferin), German Tax Advisor (Steuerberaterin)

Membership of Supervisory Boards and Controlling Bodies:

- Wacker Chemie AG, München (Member of the Supervisory Board)

- **Dr. Stefan Traeger**

Member of the Supervisory Board since May 25, 2022  
Chairman of Executive Board, JENOPTIK AG

Membership of Supervisory Boards and Controlling Bodies:

- Group-internal mandates, JENOPTIK Group, Jena, Germany

### ***Executive Board***

The composition of the Company's Executive Board in 2023 is:

- **Dr. Felix Grawert**

Aachen, Chairman of the Executive Board and Chief Executive Officer (CEO),  
member of the Executive Board since 2017

- **Dr. Christian Danninger**

Cologne, member of the Executive Board and Chief Financial Officer (CFO),  
member of the Executive Board since 2021

- **Dr. Jochen Linck**

Aachen, member of the Executive Board and Chief Operating Officer (COO),  
member of the Executive Board until September 30, 2023

## ***36. Critical Accounting Judgements and Key Sources of Estimation and Uncertainty***

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The preparation of AIXTRON's Consolidated Financial Statements requires management to make certain estimates, judgments, and assumptions that the Group believes are reasonable based upon the information available. These estimates and assumptions affect the reported amounts and related disclosures and are made in order to fairly present the Group's financial position and results of operations. The following accounting policies are significantly impacted by these estimates and judgments that AIXTRON believes are the most critical to aid in fully understanding and evaluating its reported financial results:

### **Revenue Recognition**

Revenue for the supply of most equipment to customers is generally recognized in two stages, partly on delivery and partly on final installation and acceptance (see note 2 (N)). When allocating the transaction price to the two performance obligations, delivery of the tool and installation of the tool, assumptions are made regarding individual margins as part of the cost-plus method. The Group believes, based on past experience, that this method of recognizing revenue fairly states the revenues of the Group. For the reporting periods 2023 and 2022, 10% of the installation revenue was allocated to installation performance.

The judgements made by management include an assessment of the point at which control has passed to the customer.

### **Valuation of Inventories**

Inventories are stated at the lower of cost and net realizable value. This requires the Group to make judgments concerning obsolescence of materials. This evaluation requires estimates, including both forecasted product demand and pricing environment, both of which may be susceptible to significant change. The carrying amount of inventories and details on impairment losses and reversals of impairment losses in the fiscal year are disclosed in [notes 3](#) and [15](#). In future periods, impairment losses may be necessary due to various factors such as decreasing product demand or technological obsolescence. These factors could result in adjustment to the valuation of inventory in future periods, and significantly impact the Group's future operating results.

### **Income Taxes**

At each balance sheet date, the Group assesses whether the realization of future tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the exercise of judgement on the part of management with respect to future taxable income. The parent company AIXTRON SE does generally not exceed a planning horizon of twelve months. The recorded amount of total deferred tax assets could be reduced or increased if estimates of projected future taxable income are lowered or increased, or if changes in current tax regulations are enacted that impose restrictions on the timing or extent of the Group's ability to utilize future tax benefits. The carrying amount of deferred tax assets is disclosed in [note 14](#).

### **Provisions**

Provisions are liabilities of uncertain timing or amount. At each balance sheet date, the Group assesses the valuation of the liabilities which have been recorded as provisions and adjusts them if necessary. Because of the uncertain nature of the timing or amounts of provisions, judgement has to be exercised by the Group with respect to their valuation. Actual liabilities may differ from the estimated amounts. Details of provisions are shown in [note 23](#).

### **Legal proceedings**

In the normal course of business, the Group is subject to various legal proceedings and claims. The Company, based upon advice from legal counsel, believes that the matters the Group is aware of are not likely to have a material adverse effect on its financial condition or results of operations. The Group is not aware of any unasserted claims that may have a material adverse effect on its financial condition or results of operation.

### **Significant external influences**

The global impact of the Russia/Ukraine conflict on business operations is explained in the combined management report. The impact on the 2023 consolidated financial statements is immaterial and it is also expected that the impact on fiscal year 2024 will be immaterial. Climate risks also did not have a material impact on the business operations of AIXTRON.

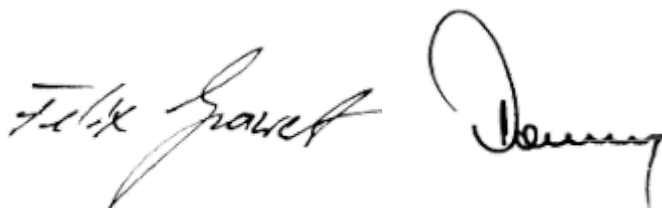
### **37. Disclosures according to Section 161 German Stock Corporation Act (“Aktiengesetz”)**

The current Declaration of Conformity according to section 161 German Stock Corporation Act (“Aktiengesetz”), which was adopted by the Executive Board and the Supervisory Board in February 2024, is permanently available on AIXTRON's website under [Investors/Corporate Governance](#).

Herzogenrath, February 26, 2024

AIXTRON SE

Executive Board

The image shows two handwritten signatures in black ink. The signature on the left is 'Felix Grawert' and the signature on the right is 'Christian Danninger'. Both are written in a cursive, flowing style.

**Dr. Felix Grawert**  
Chairman

**Dr. Christian Danninger**  
Member

## **FURTHER INFORMATION**

### ***Responsibility Statement by the Executive Board***

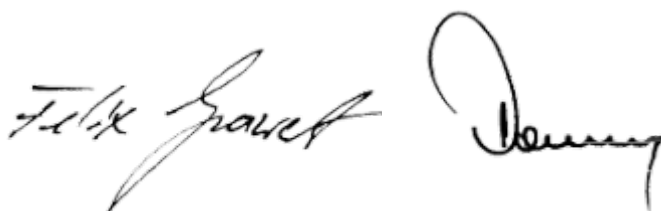
Responsibility Statement required by Sections 297(2) sentence 4 and 315 (1) sentence 5 of the Handelsgesetzbuch (HGB – German Commercial Code) for the Consolidated Financial Statements:

“To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.”

Herzogenrath, February 26, 2024

AIXTRON SE

The Executive Board



**Dr. Felix Grawert**  
Chairman

**Dr. Christian Danninger**  
Member

## ***Independent Auditor's Report***

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To AIXTRON SE, Herzogenrath

### ***Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report***

#### ***Opinions***

We have audited the consolidated financial statements of AIXTRON SE, Herzogenrath, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2023, and the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the management report of the Company and the Group (combined management report) of AIXTRON SE for the financial year from January 1 to December 31, 2023.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2023, and of its financial performance for the financial year from January 1 to December 31, 2023, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

### ***Basis for the Opinions***

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

### ***Key Audit Matters in the Audit of the Consolidated Financial Statements***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

#### **Existence of revenues and revenue recognition cut-off for spare parts**

Please refer to Note 2 (N) of the notes to the consolidated financial statements for further information on the accounting policies applied and the assumptions used. For a breakdown of revenues, please refer to Note 3 of the notes to the consolidated financial statements.

#### **THE FINANCIAL STATEMENT RISK**

The Company generated revenues from spare parts of EUR 92.3 million in the financial year from January 1 to December 31, 2023.

AIXTRON recognizes revenues when (or as) it fulfils a performance obligation through the transfer of a promised asset to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Revenues from spare parts are recognized solely at a point in time.

Revenues from spare parts are based on a large number of business transactions. Revenues are one of the Group's most important indicators of target achievement and additionally form a significant basis for decisions for the users of financial statements. There is the risk for the consolidated financial statements that revenues from spare parts are recognized without actual performance having been rendered. Further, there is the



risk that revenues from spare parts are recognized in 2023, even though the services were not rendered in 2023.

### **OUR AUDIT APPROACH**

In order to examine the recognition of revenues from spare parts, we assessed the design, setup and effectiveness of internal controls relating to order acceptance, outgoing goods and invoicing, in particular the determination and verification of the actual transfer of control.

In addition, on the basis of a mathematical and statistical procedure we selected revenue transactions in spare parts that were recorded in financial year 2023 and evaluated these by reconciling them with the underlying invoices and external delivery records.

In order to evaluate the recognition of revenues on an accrual basis, we assessed the applicable point in time and the amount of revenues recognized by reconciling invoices to the related external delivery records. The basis for this were revenues that were selected using a mathematical and statistical procedure which were recognized in a set period before the year-end closing date. Based on risk, we examined the credits issued for a certain period after the closing date and evaluated whether these required further evaluation in respect of the matching principle.

### **OUR OBSERVATIONS**

The procedure used for the recognition of revenues and the revenue recognition cut-off for spare parts is appropriate.

### ***Other Information***

The Executive Board and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the Group's separate non-financial statement, which is referred to in the combined management report,
- the combined corporate governance statement for the Company and the Group referred to in the combined management report, and
- information extraneous to combined management reports and marked as unaudited.

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of the Executive Board and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report***

The Executive Board is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the Executive Board is responsible for such internal control as it has determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the Executive Board is responsible for assessing the Group's ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, the Executive Board is responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Executive Board is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Executive Board is responsible for such arrangements and measures (systems) as it has considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with

the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the Executive Board and the reasonableness of estimates made by the Executive Board and related disclosures.
- Conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets,

liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the Executive Board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Executive Board as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## ***Other Legal and Regulatory Requirements***

### ***Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB***

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report „aix-2023-12-31-de.zip“ (SHA256-Hashwert: 33d1fdbf185b62908f38862ddb4cee311584c4df242a884e73aa0d990d4633a1) made available and prepared for publication purposes complies in all material respects

with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2023, contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1) (09.2022).

The Company's Executive Board is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's Executive Board is responsible for such internal control that it has considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

***Further Information pursuant to Article 10 of the EU Audit Regulation***

We were elected as group auditor at the Annual General Meeting on May 17, 2023. We were engaged by the Supervisory Board on September 16, 2023. We have been the group auditor of AIXTRON SE without interruption since financial year 2022.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

## ***Other Matter – Use of the Auditor's Report***

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

## ***German Public Auditor Responsible for the Engagement***

The German Public Auditor responsible for the engagement is Dr. Kathryn Ackermann.

Essen, February 26, 2024

**KPMG AG**

**Wirtschaftsprüfungsgesellschaft**

[Original German version signed by:]

Dr. Ackermann  
Wirtschaftsprüferin  
[German Public Auditor]

Dr. Ohmen  
Wirtschaftsprüfer  
[German Public Auditor]

## ***Financial Calendar***

April 25th, 2024	Publication of the results for the 1st quarter of 2024
May 15th, 2024	Annual General Meeting 2024, Aachen
July 25th, 2024	Publication of the results for the 1st half of 2024
October 31st, 2024	Publication of the results for the 3rd quarter of 2024

## ***Imprint***

<b>Publisher:</b>	AIXTRON-Gruppe, Herzogenrath, Germany
<b>Editor:</b>	AIXTRON-Gruppe, Deutschland Investor Relations & Corporate Communications <a href="mailto:invest@aixtron.com">invest@aixtron.com</a>
<b>Auditor:</b>	KPMG AG Wirtschaftsprüfungsgesellschaft, Essen, Germany



## ***Forward-Looking Statements***

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This document may contain forward-looking statements regarding the business, results of operations, financial condition and earnings outlook of AIXTRON. These statements may be identified by words such as “may”, “will”, “expect”, “anticipate”, “contemplate”, “intend”, “plan”, “believe”, “continue” and “estimate” and variations of such words or similar expressions. These forward-looking statements are based on the current assessments, expectations and assumptions of the executive board of AIXTRON, of which many are beyond control of AIXTRON, based on information available at the date hereof and subject to risks and uncertainties. You should not place undue reliance on these forward-looking statements. Should these risks or uncertainties materialize or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of AIXTRON may materially vary from those described explicitly or implicitly in the relevant forward-looking statement. This could result from a variety of factors, such as those discussed by AIXTRON in public reports and statements, including but not limited to those reported in the chapter “Risk Report”. AIXTRON undertakes no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise, unless expressly required to do so by law.

This document is an English language translation of a document in German language. In case of discrepancies, the German language document shall prevail and shall be the valid version.



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As a contribution to environmental protection, AIXTRON does not routinely print or mail annual reports.

This Annual Report is available on the AIXTRON website under [www.aixtron.com/en/investors/publications](http://www.aixtron.com/en/investors/publications) at any time.

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