BE SEMICONDUCTOR INDUSTRIES N.V.

DUIVEN, THE NETHERLANDS

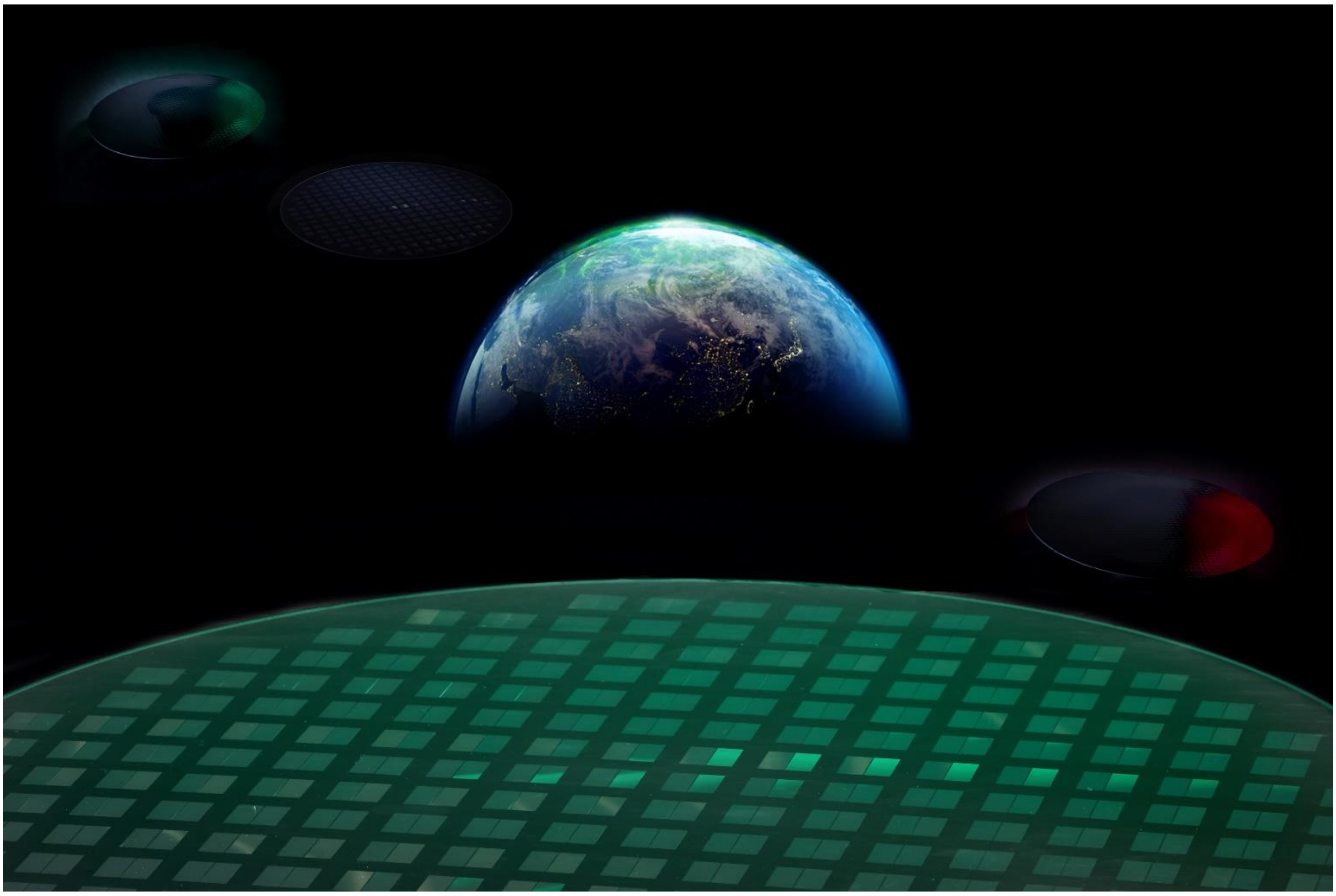
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2021

Content Unaudited Condensed Interim Consolidated Financial Statements June 30, 2021

Caution Concerning Forward Looking Statements

This report contains statements about management's future expectations, plans and prospects of our business that constitute forward-looking statements, which are found in various places throughout this report, including, but not limited to, statements relating to expectations of orders, net sales, product shipments, expenses, timing of purchases of assembly equipment by customers, gross margins, operating results and capital expenditures. The use of words such as “anticipate”, “estimate”, “expect”, “can”, “intend”, “believes”, “may”, “plan”, “predict”, “project”, “forecast”, “will”, “would”, and similar expressions are intended to identify forward looking statements, although not all forward looking statements contain these identifying words. The financial guidance set forth under the heading Performance and Outlook in the Report of the Board of Management contains such forward looking statements. While these forward looking statements represent our judgments and expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from those contained in forward looking statements, including any inability to maintain continued demand for our products; failure of anticipated orders to materialize or postponement or cancellation of orders, generally without charges; the volatility in the demand for semiconductors and our products and services; the extent and duration of the COVID-19 pandemic and measures taken to contain the outbreak, and the associated adverse impacts on the global economy, financial markets, and our operations as well as those of our customers and suppliers; failure to develop new and enhanced products and introduce them at competitive price levels; failure to adequately decrease costs and expenses as revenues decline; loss of significant customers, including through industry consolidation or the emergence of industry alliances; lengthening of the sales cycle; acts of terrorism and violence; disruption or failure of our information technology systems; inability to forecast demand and inventory levels for our products; the integrity of product pricing and protection of our intellectual property in foreign jurisdictions; risks, such as changes in trade regulations, currency fluctuations, political instability and war, associated with substantial foreign customers, suppliers and foreign manufacturing operations, particularly to the extent occurring in the Asia Pacific region; potential instability in foreign capital markets; the risk of failure to successfully manage our diverse operations; any inability to attract and retain skilled personnel, including as a result of restrictions on immigration, travel or the availability of visas for skilled technology workers as a result of the COVID-19 pandemic; those additional risk factors set forth in Besi's annual report for the year ended December 31, 2020 and other key factors that could adversely affect our businesses and financial performance contained in our filings and reports, including our statutory consolidated statements. We expressly disclaim any obligation to update or alter our forward-looking statements whether as a result of new information, future events or otherwise.

Report of the Board of Management



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

The interim financial report for the six months ended June 30, 2021 consists of the condensed interim consolidated financial statements, the report of the Board of Management and responsibility statement by the Company's Board of Management. The information in this Interim Financial Report is unaudited.

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

Performance

Besi reported strong results for the first half year as we successfully ramped production to meet increased customer demand in the current upturn while controlling expense development.

H1-21 revenue reached € 369.3 million, up 71.3% versus H1-20 reflecting strong demand across Besi's end-user markets, geographies and customers and favorable underlying market conditions. In particular, it reflected a strong capacity build for high-end smart phones by customers in anticipation of new product introductions in H2-21.

Similarly, orders of € 527.3 million grew by € 307.4 million, or +139.8%, versus H1-20 due to higher bookings for mobile applications as well as strength in Q2-21 for mainstream electronics, automotive and computing applications. IDM and subcontractor orders represented 46% and 54%, respectively, of H1-21 orders versus 42% and 58%, respectively, in H1-20.

Besi's H1-21 net income of € 131.1 million grew by € 77.4 million, or 144.1%, versus H1-20 and its net margin increased by 10.6 points to 35.5% as increased revenue and gross margin more than offset a € 7.1 million, or 11.5%, increase in operating expenses principally associated with increased share-based compensation expense (€ 5.4 million). As a percentage of revenue, operating expenses decreased to 18.6% in H1-21 versus 28.5% in H1-20.

Our liquidity position continued to expand with total cash and deposits at June 30, 2021 of € 511.4 million (+39.5% versus June 30, 2020) despite the significant working capital investment necessary to finance Besi's rapid revenue growth and increased capital allocation in the form of dividends and share repurchases. Net cash of € 206.7 million at quarter end increased by 120.8% versus June 30, 2020 aided by the conversion in H1-21 of € 104.3 million of our 2.5% Convertible Notes due 2023. Given Besi's strong cash flow generation, we intend to increase our share repurchase program by € 60.0 million to a total of € 185.0 million and to extend its duration until October 2022.

At present, our strategic priorities focus on maintaining the health and safety of our employees in the face of new COVID-19 variants, meeting customer delivery schedules in a challenging production environment, expanding development efforts for Besi's wafer level activities and joint development program with Applied Materials, Inc. and allocating resources to support the development and growth of existing and next generation product portfolios.

Looking forward, we believe that the market drivers supporting the growth of the assembly equipment market in this upcycle remain intact. For Q3-21, we estimate that revenue will decline by 5-15% versus Q2-21, consistent with seasonal order trends inherent in our business. In addition, we forecast gross margins in Q3-21 to range between 60-62% and for operating expenses to decrease by 5-10% versus the € 33.6 million realized in Q2-21.

COVID-19

The emergence of the COVID-19 virus in the first quarter of 2020 presented a challenge unlike any we have encountered. Post the pandemic outbreak, we took immediate precautionary measures to protect the safety and health of our employees, customers and suppliers. We significantly increased the frequency of management and board meetings in order to sustain employee and customer engagement in the face of restrictions on personal movement and interaction. In addition, we flexibly adjusted the management and organization to the new and uncertain realities of the pandemic as it evolved. Furthermore, due to our flexible Asian supply chain, labor force and assembly capacity, we were able to shift production and final assembly sufficiently among our Malaysian, Chinese and Singapore facilities to satisfy customer demand. Virtually all Besi office personnel worked remotely with careful adherence to local regulations. Our production also benefited from Besi's dual source supplier strategy and advance purchases of components deemed critical to our operations.

Risks and uncertainties

In our Annual Report 2020, we have extensively described certain risk categories and risk factors, which could have a material adverse effect on our financial position and results. The Company believes that the risks identified for the first half of 2021 are in line with the risks that Besi presented in its Annual Report 2020.

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

Outlook

Based on its June 30, 2021 order backlog and feedback from customers, Besi forecasts for Q3-21 that:

- Revenue will decrease by approximately 5-15% vs. the € 226.1 million reported in Q2-21 consistent with seasonal trends
- Gross margin will range between 60-62% vs. the 62.1% realized in Q2-21
- Operating expenses will decrease by 5-10% vs. the € 33.6 million reported in Q2-21

Duiven, July 26, 2021

Richard W. Blickman
President & CEO

Condensed Interim Consolidated Statement of Financial Position

(euro in thousands)	June 30, 2021 (unaudited)	December 31, 2020 (audited)
Assets		
Cash and cash equivalents	298,802	375,406
Deposits	212,575	223,299
Trade receivables	217,725	93,218
Inventories	78,100	51,645
Income tax receivable	1,920	1,438
Other receivables	12,648	7,930
Prepayments	2,597	2,596
Total current assets	**824,367**	**755,532**
Property, plant and equipment	27,344	27,840
Right of use assets	10,280	9,873
Goodwill	44,732	44,484
Other intangible assets	57,450	50,660
Deferred tax assets	20,086	21,924
Other non-current assets	1,084	1,043
Total non-current assets	**160,976**	**155,824**
Total assets	**985,343**	**911,356**
Liabilities and equity		
Trade payables	91,472	44,017
Income tax payable	14,193	9,244
Provisions	5,623	3,478
Lease liabilities	3,381	2,976
Other payables	35,416	28,052
Other current liabilities	28,724	13,719
Total current liabilities	**178,809**	**101,486**
Long-term debt	304,647	399,956
Lease liabilities	6,963	6,952
Deferred tax liabilities	11,448	12,840
Provisions	15,055	18,118
Other non-current liabilities	892	777
Total non-current liabilities	**339,005**	**438,643**
Share capital	786	786
Share premium	272,520	178,600
Retained earnings	121,845	127,425
Other reserves	72,378	64,416
Total equity	**467,529**	**371,227**
Total liabilities and equity	**985,343**	**911,356**

Condensed Interim Consolidated Statement of Operations

(euro in thousands, except share and per share data)	For the six months ended June 30, 2021 (unaudited)	2020 (unaudited)
Revenue	369,259	215,606
Cost of sales	145,674	86,873
Gross profit	**223,585**	**128,733**
Selling, general and administrative expenses	50,891	43,658
Research and development expenses	17,668	17,859
Total operating expenses	**68,559**	**61,517**
Operating income	**155,026**	**67,216**
Financial income	83	34
Financial expense	(7,402)	(5,337)
Financial income (expense), net	**(7,319)**	**(5,303)**
Income before income taxes	**147,707**	**61,913**
Income tax expense	16,640	8,240
Net income	**131,067**	**53,673**
Net income per share		
Basic	1.76	0.74
Diluted [1]	1.58	0.69
Weighted average number of shares used to compute income per share		
Basic	74,540,692	72,352,859
Diluted	85,439,676	82,631,951

[1] The calculation of the diluted income per share for the six months ended June 30, 2021 and 2020 assumes the exercise of the equity-settled share-based payments. The calculation also assumes the conversion of the Company's Convertible Notes due 2023, 2024 and 2027 respectively, as such conversion would have a dilutive effect.

Condensed Interim Consolidated Statement of Comprehensive Income

(euro in thousands)	For the six months ended June 30, 2021 (unaudited)	2020 (unaudited)
Net income	**131,067**	**53,673**
Other comprehensive income (loss) (will be reclassified subsequently to profit and loss when specific conditions are met):		
Currency translation differences	682	512
Actuarial gain, net of income tax	2,848	250
Unrealized hedging results, net of income tax	(2,858)	(273)
Other comprehensive income for the period, net of income tax	672	489
Total comprehensive income	**131,739**	**54,162**

Condensed Interim Consolidated Statement of Changes in Equity

(euro in thousands, except share data)	Number of Ordinary Shares outstanding[1]	Share capital	Share premium	Retained earnings	Other reserves	Total equity
Balance at January 1, 2021	78,067,842	786	178,600	127,425	64,416	371,227
Currency translation differences	-	-	-	-	682	682
Actuarial gain	-	-	-	-	2,848	2,848
Unrealized hedging results	-	-	-	-	(2,858)	(2,858)
Other comprehensive income	-	-	-	-	672	672
Net income	-	-	-	131,067	-	131,067
Total comprehensive income for the period	-	-	-	131,067	672	131,739
Dividends paid to owners of the Company	-	-	-	(129,357)	-	(129,357)
Convertible bond converted into equity	-	-	100,720	-	-	100,720
Legal reserve	-	-	-	(7,290)	7,290	-
Equity-settled share-based payments	-	-	13,397	-	-	13,397
Purchase of treasury shares	-	-	(20,197)	-	-	(20,197)
Balance at June 30, 2021 (unaudited)	**78,067,842**	**786**	**272,520**	**121,845**	**72,378**	**467,529**
Balance at January 1, 2020	80,067,842	800	159,672	77,417	60,619	298,508
Currency translation differences	-	-	-	-	512	512
Actuarial gain	-	-	-	-	250	250
Unrealized hedging results	-	-	-	-	(273)	(273)
Other comprehensive income	-	-	-	-	489	489
Net income	-	-	-	53,673	-	53,673
Total comprehensive income for the period	-	-	-	53,673	489	54,162
Dividends paid to owners of the Company	-	-	-	(73,486)	-	(73,486)
Convertible bond converted into equity	-	-	6,662	-	-	6,662
Legal reserve			-	(3,764)	3,764	-
Equity-settled share-based payments	-	-	8,033	-	-	8,033
Purchase of treasury shares	-	-	(6,198)	-	-	(6,198)
Balance at June 30, 2020 (unaudited)	**80,067,842**	**800**	**168,169**	**53,840**	**64,872**	**287,681**

[1] The outstanding number of Ordinary Shares includes 422,163 and 5,701,931 treasury shares at June 30, 2021 and at January 1, 2021, respectively, and 7,321,713 and 7,855,420 at June 30, 2020 and January 1, 2020, respectively.

Condensed Interim Consolidated Statement of Cash Flows

(euro in thousands)	For the six months ended June 30, 2021 (unaudited)	2020 (unaudited)
Cash flows from operating activities		
Income before income tax	147,707	61,913
Adjustments to reconcile income before income tax to net cash flows		
Depreciation, amortization and impairment	8,432	9,848
Share-based payment expense	13,397	8,033
Financial expense, net	7,319	5,303
Effects on changes in assets and liabilities		
Increase in trade receivables	(122,195)	(35,742)
Increase in inventories	(26,293)	(6,324)
Increase in trade payables	47,053	16,541
Changes in provisions	3,491	1,154
Changes in other working capital	11,047	(372)
	89,958	60,354
Income tax paid	(10,421)	(8,753)
Interest received	112	34
Interest paid	(2,218)	(2,214)
Net cash provided by operating activities	**77,431**	**49,421**
Cash flows from investing activities		
Capital expenditures	(2,865)	(1,350)
Proceeds from sale of property	54	-
Capitalized development expenses	(10,780)	(7,982)
Repayment of (investments in) deposits	9,953	15,000
Net cash provided by (used in) investing activities	**(3,638)**	**5,668**
Cash flows from financing activities		
Payments of bank lines of credit	-	(434)
Proceeds from (payments of) debts	1,021	(416)
Payments of lease liabilities	(1,850)	(1,769)
Dividend paid to shareholders	(129,357)	(73,486)
Purchase treasury shares	(20,197)	(6,198)
Net cash used in financing activities	**(150,383)**	**(82,303)**
Net change in cash and cash equivalents	(76,590)	(27,214)
Effect of changes in exchange rates on cash and cash equivalents	(14)	437
Cash and cash equivalents at beginning of the period	375,406	278,398
Cash and cash equivalents at end of the period	**298,802**	**251,621**

Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

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

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

2.1 Basis of preparation

The condensed interim consolidated financial statements for the six months ended June 30, 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The Condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Besi’s annual consolidated financial statements as at December 31, 2020.

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

2.2 Significant accounting judgements, estimates and assumptions

The accounting policies adopted in the preparation of the Condensed interim consolidated financial statements are consistent with those applied in the Annual Report 2020. In the process of applying the Company’s accounting policies, management has made some judgements that have significant effect on the amounts recognized in the condensed interim consolidated financial statements. Estimates and assumptions used in the preparation of the condensed interim consolidated financial statements are considered consistent with those described in the Annual Report 2020.

2.3 Segment information

Operating segments

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

Reportable segment

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

3. Dividend

On April 30, 2021, the Company announced a dividend payment of € 1.70 per ordinary share. The dividend was payable fully in cash. The Company paid an amount of € 129.4 million to shareholders in May 2021.

4. Share repurchase program

On July 26, 2018, Besi announced a € 75 million share repurchase program through October 26, 2019 (the “2018 program”). The 2018 program was initiated for capital reduction purposes and to help offset dilution associated with Besi’s Convertible Notes and share issuance under employee stock plans. The program has been extended twice, the most recent of which was on July 28, 2020, when it was extended until October 30, 2021. In addition, the total amount of the program increased from € 75 million to € 125 million.

During the six months ended June 30, 2021, Besi repurchased 316,066 of its ordinary shares at an average price of € 63.78 per share for a total of € 20.2 million. Cumulatively, as of June 30, 20201, a total of 3.8 million shares have been purchased under the 2018 program at an average price of € 27.32 per share for a total of € 105.0 million. Regular repurchase activity continues in 2021.

At present, Besi has shareholder authorization to purchase up to an aggregate of 10% of its ordinary shares outstanding (approximately 7.9 million shares) until October 30, 2022.

5. Convertible bonds

In December 2016, the Company issued € 125 million principal amount of Convertible Notes with a maturity date of December 2, 2023 (the "2016 Convertible Notes"). The 2016 Convertible Notes carry a nominal interest rate of 2.5% per year, payable semi-annually. Bondholders can convert the bonds into ordinary shares at a conversion price of € 19.45 (subject to adjustments). The original exercise price of € 43.51 has been adjusted for the two for one stock split effective May 4, 2018 and dividends paid subsequent to the date of issuance of the 2016 Convertible Notes in accordance with the terms and conditions related thereto. The 2016 Convertible Notes will be repaid at maturity at a price of 100% of their principal amount plus accrued and unpaid interest. If not converted, at any time from December 23, 2020, the Company may redeem the outstanding 2016 Convertible Notes at their principal amount, subject to giving a minimum of 30 days' and maximum of 60 days' prior notice to Bondholders, if the value of the shares underlying the 2016 Convertible Notes equals or exceeds 130% of the then effective conversion price for at least 20 out of 30 consecutive dealing days.

During the six months ended June 30, 2021, € 104.3 million principal amount of the 2016 Convertible Bonds were converted into 5,285,220 ordinary shares, issued from treasury shares. The carrying value amounted to € 99.8 million at conversion. As a result, the principal amount outstanding of the 2016 Convertible Notes declined from € 110.0 million at December 31, 2020 to € 5.7 million at June 30, 2021.

6. Revenue from contracts with customers

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

(euro in thousands)	Six months ended June 30, 2021	2020
China	134,175	78,130
Ireland	47,664	3,564
Korea	36,783	32,811
Japan	33,715	9,555
Malaysia	28,810	20,923
Taiwan	27,585	16,655
United States	15,343	12,611
Other Asia Pacific [1]	28,060	25,119
Other Europe [1]	16,135	15,315
Rest of the World [1]	989	923
Total revenue	**369,259**	**215,606**

[1] Countries with revenue representing more than 5% of consolidated revenue in the six months ended June 30, 2021 or June 30, 2020 are separately reported.

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

(euro in thousands)	Six months ended June 30, 2021	2020
Die Attach	313,021	173,909
Packaging	51,246	34,789
Plating	4,992	6,908
Total revenue	**369,259**	**215,606**

7. Financial instruments

The Company assumes that the book value of the Company's financial instruments, which consist of cash and cash equivalents, deposits, trade receivables and accounts payable, does not significantly differ from their fair value due to the short maturity of those instruments and to the fact that interest rates are floating or approximate the rates currently available to the Company. For the valuation of the Convertible Notes reference is made to Note 18 of the Annual Report 2020.

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

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

(euro in thousands)		**June 30, 2021 (unaudited)**
	Carrying amount	**Fair value**
Financial assets		
Forward exchange contracts	2,472	2,472
Marketable securities for pension liability	600	600
Total	**3,072**	**3,072**
Financial liabilities		
Forward exchange contracts	4,505	4,505
Long-term debt [1]	304,647	515,542
Total	**309,152**	**520,047**

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

There were no transfers between levels during the six months ended June 30, 2021 and the year ended December 31, 2020.

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

8. Events after the balance sheet date

Subsequent events were evaluated up to July 26, 2021, which is the date the Condensed interim consolidated financial statements included in this Report were approved.

On July 26, 2021, Besi decided to extend the duration of its current share buyback program until October 30, 2022 and increase the total amount from € 125 million to € 185 million. The share repurchase program was initiated for capital reduction purposes and to help offset dilution related to Besi's Convertible Notes and shares issued under employee stock plans. It is funded using Besi's available cash resources and is effective since July 26, 2018.

There are no other events to report.