

PRESS RELEASE

Board of Directors approves consolidated results as at June 30, 2023

- **Consolidated Revenues: €196.3 million, down 21.6% compared to the first semester 2022**
- **Consolidated EBITDA: €64.7 million, down 39.4% compared to the same period of 2022, with a margin of 33.0%**
- **Net Profit: €31,1 million, down 53.2% compared to the same period of 2022**
- **Positive Consolidated Net Financial Position of €360.3 million**

Cernusco Lombardone (LC), August 9th, 2023 - The Board of Directors of Technoprobe S.p.A., a leading company in the design and production of probe cards (the “**Company**” or “**Technoprobe**”) listed on *Euronext Milan*, met today to examine and approve the consolidated results as at June 30, 2023.

Stefano Felici, *Group Chief Executive Officer*, said: “*We are satisfied with the results achieved in the first six months of 2023 and with the sequential improvement recorded in the second quarter in a market still affected by the persistent weakness of the consumer segment and the high level of inventories*”.

Key Consolidated Financial results

€/mil.	H1 2023	H1 2022	Change
Revenues	196.3	250.3	-21.6%
Gross Profit	101.8	149.1	-31.7%
Margin %	51.9%	59.6%	
Ebitda*	64.7	106.7	-39.3%
Margin %	33.0%	42.6%	
Net Income	31.1	66.6	-53.2%

*EBITDA is a non-IFRS alternative performance indicator monitored by management to evaluate underlying business performance. EBITDA used by the Group is defined as net profit adjusted for: (i) income tax expenses, (ii) foreign exchange gains (losses), (iii) finance income (iv) finance expenses (v) other income (expenses), net, (vi) net impairment losses/reversals on financial assets and (vii) depreciation, amortization and impairment included in: selling, general and administrative, research and development and cost of revenue

€/mil.	30.6.2023	31.12.2022	Change
Total Shareholders' Equity	765.2	737.0	3.8%
Net Financial Position**	360.3	403.4	-10.7%

**Net Financial Position determined in accordance with the provisions of CONSOB communication DEM/6064293 of July 28, 2006, as subsequently amended and in compliance with the ESMA 32-382-1138 Recommendation of March 4, 2021.

Revenues as at June 30, 2023 were €196.3 million, down 21.6% compared to the same period of 2022, as result of the reference market affected by the shrinkage of consumer demand for devices, such as smartphones and computers. Volumes are further depressed by the high level of device inventories recorded by customers.

EBITDA was €64.7 million, down 39.4% compared to the same period of 2022 because of lower volumes, with a margin of 33%. Decrease in profitability compared to the same period of the previous year, is the result of the strategic view of the company to maintain the current production structure and resources employed to guarantee an adequate response to the expected upward of volumes.

Net Profit was €31.1 million compared to €66.6 million in the same period of 2022 net of taxes amounted to €14.6 million.

As at June 30, 2023, the **consolidated net financial position** was positive for €360.3 million: cash generated from operating activities, amounted to €31.0 million and cash generated from financial activities, amounted to € 1.0 million were partially offset by capital expenditure amounted to €32.0 million mainly related the upgrading of production lines and tax payment amounted to €39.0 million.

Significant events subsequent to the end of the first six months

On August 8th, 2023 Technoprobe announced the closing of the acquisition of *Harbor Electronics*, a company specialized in the production of printed circuit boards for the testing market from the group headed by Shenzhen Fastprint Circuit Tech Co..

Under terms of the agreement, Technoprobe will pay a total amount of USD 50.0 million in cash.

Harbor Electronics, a company founded in the '80s in Santa Clara, California, and acquired in 2015 by the group headed by Shenzhen Fastprint Circuit Tech Co., is a leading manufacturer of advanced printed circuit boards for testing systems for major semiconductor manufacturers.

The acquisition will allow Technoprobe to further strength its technological skills in the field of testing, vertically integrating its production process, thanks to the in-house creation of advanced printed circuits for its probe cards and Final Test Boards.

Business outlook

The current forecasts for the macroeconomic environment, significantly affected by international geopolitical tensions, foster uncertainty. Later in 2023, the geopolitical tensions between the United States and China relating to the trade restrictions on technological exports in Asia represent a further factor of instability in the



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semiconductor sector. In addition to the general contraction in demand for consumers of devices such as smartphones and computers, as well as high inventory levels at major players in the industry continue to hit the reference market. On the other hand, automotive, industrial applications and artificial intelligence segments are expected to grow.

The recovery of the entire semiconductor supply chain is expected by the final part of 2023, driven by a general recovery in consumption and by the conclusion of the aforementioned de-stocking processes currently in progress.

Guidance Q3 2023

Guidance for the third quarter of 2023 is the following:

Consolidated Revenues: €111m (+/-3%)

Gross margin: 49% (+/-2%)

Ebitda margin: 32% (+/-2%)

Mr. Stefano Beretta, the officer in charge of preparing the corporate accounting documents of Technoprobe S.p.A. declares that pursuant to paragraph 2, Art. 154 bis of the Consolidated Law on Finance, to the best of his knowledge, the accounting information contained in the Presentation corresponds to the documental results, accounting books and records.

1H 2023 results will be presented to the financial community during an audio webcast conference call today at 4:00 P.M. CET.

This press release and the presentation will be available on Technoprobe's website <https://www.technoprobe.com/it/>, in the Investor Relations section and on and on the authorized storage system named eMarket Storage" (www.emarketstorage.it).

Technoprobe, following the admission to trading on the Market for derivative financial instruments IDEM of Borsa Italiana and in accordance with Article IA.2.1.3 of the Instructions to the Rules of Borsa Italiana, announces that the month upon which the possible dividend is expected to be paid, relevant to the Fiscal Year 2023, will be May 2024.

It is highlighted that this announcement should not be interpreted in any case as a prevision of the existence of the conditions for the distribution of the dividend, nor actual nor future, and that the final decision about the possible dividend distribution shall be taken exclusively by the Shareholders' Meeting of the Company,



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The Board of Directors resolves the appointment of the Internal Auditor

Technoprobe announces the appointment of Dr. Davide Bernardini as Internal Auditor and Head of the Internal Audit Department, reporting directly to the Board of Directors (through the Control and Risk Committee).

The Board of Directors also approved the granting to the Internal Auditor with the Audit Mandate, specifically regulating

- the mission of the Audit Function;
- the professional reference framework for the Audit Function;
- the role and responsibilities of the Audit Function;
- the authority and independence of the Audit Function;
- the organisational placement of the Audit Function;
- the Internal Audit activities and related reporting;
- the quality assurance and service quality improvement programme developed by the Audit Function.

The curriculum vitae of Dr Davide Bernardini has been duly acquired on the Company's record; in particular, Dr Bernardini, during his working career, has always performed functions and audit activities, first as a consultant, as Senior Auditor of PricewaterhouseCoopers, then within major international corporate groups, such as Vodafone Omnitel N.V., Coeclerici Group and GI Group.

As of today, to the best of the Company's knowledge, Davide Bernardini does not hold any ordinary share of the Company.

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Technoprobe Group

Technoprobe is a leading company in the field of semiconductors and microelectronics. Established in 1996 by the entrepreneurial spirit of its founder Giuseppe Crippa, Technoprobe specialises in the design and manufacture of Probe Cards, i.e. electro-mechanical interfaces used for the functional testing of chips. Its market segment is the testing of non-memory or SOC (system on chip) semiconductors. The Group is the only Probe Card manufacturer in Italy and a world leader in terms of volume and turnover. It has partnerships and collaborations with some of the world's largest microelectronics, IT and digital companies. Probe cards are hi-tech devices that are custom-made for each chip and allow the function of chips to be tested during the manufacturing process. These technologically-advanced designs and solutions are essential for ensuring the proper functioning and reliability of devices that play a crucial role in industries such as Information Technology, 5G, Internet of Things, home automation, automotive, aerospace, etc. As a result, Technoprobe is a critical link in the supply chain for the manufacture of chips, which are at the heart of today's technological world. Technoprobe is a rapidly expanding hub of technological research and innovation with approximately 2700 employees (1700 of them located in Italy), three research centres and more than 600 certified patents. Technoprobe has 14 locations worldwide. The Group's Italian headquarters are in Cernusco Lombardone (LC), a municipality on the outskirts of Milan where there is also a production plant that covers an area of about 18,000 sqm. The Group has two additional production plants in Italy: one in Agrate (MB) covering about 3,000 sqm, and one in Osnago (LC) covering about 5,000 sqm. Also in Italy a Design Center was opened in Sicily, in Catania, in 2022. The Group also has 10 other locations spread across Europe (France and Germany), Asia (Taiwan, South Korea, China, Japan, Philippines and Singapore) and the United States (two locations in California).



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Forward-looking statements

Certain statements contained in this press release may constitute forward looking statements as defined by the Private Securities Litigation Reform Act of 1995. Such statements concern risks, uncertainties and other factors that could cause actual results to differ, even materially substantial, from those anticipated. These risks and uncertainties include, by way of example but not limited to, the ability to manage the effects of the current uncertain international economic situation, the ability to predict future economic conditions and changes in customer preferences, the ability to successfully introduce and commercialize new products, the ability to maintain an efficient distribution system, the ability to achieve and manage growth, the ability to negotiate and maintain favorable license agreements, currency fluctuations, changes in local conditions, the ability to protect intellectual property, information systems problems, inventory risks, credit and insurance risks, changes in tax regimes, as well as other political, economic, legal and technological factors and other risks and uncertainties already highlighted in the filings carried out at the National Commission for Companies and the Stock Exchange. These forward-looking statements have been made as of today and we undertake no obligation to update them.

Alternative performance indicators

This document, in addition to the financial measures provided for by the International Financial Reporting Standards (IFRS), also includes measures derived from the latter, even though not provided for by the IFRS (Non-GAAP Measures), in compliance with the ESMA Guidelines on Alternative Performance Indicators (ESMA/2015/1415) published on October 5, 2015. These measures are presented in order to allow for a better assessment of the Group's result of operations and financial condition and should not be considered as alternatives to those required by the IFRS. Since the calculation of these measures is not governed by the applicable accounting standards, the calculation methods applied by the Group may not be consistent with those used by other companies or groups and therefore these indicators may not be comparable. Therefore, investors should not place undue reliance on such indicators.

Specifically, the Non-GAAP Measures presented were as follows:

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CONSOLIDATED INCOME STATEMENT

<i>(In Euro mil.)</i>	30/06/2023	30/06/2022
Revenue	196.3	250.3
Cost of revenue	(94.4)	(101.2)
Gross profit	101.8	149.1
Operating expenses		
Research and development	(27.0)	(25.6)
Selling, general and administrative	(29.8)	(34.5)
Net impairment losses/reversals on financial assets	0.0	-
Total operating expenses	(56.8)	(60.1)
Operating profit	45.1	89.0
Other income, net	0.6	(2.2)
Financial income	3.5	0.1
Financial expenses	(0.1)	(0.2)
Foreign exchange gains (losses)	(3.2)	4.6
Profit before tax	45.8	91.3
Income tax expense	(14.6)	(24.7)
Net profit	31.1	66.6

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CONSOLIDATED BALANCE SHEET

<i>(In Euro mil.)</i>	30/06/2023	31/12/2022
ASSETS		
Non-current assets		
Property, plant and equipment	228.1	209.7
Intangible assets	9.5	10.7
Goodwill	10.2	10.4
Deferred tax assets	17.6	16.6
Non-current financial assets	1.0	1.0
Other non-current assets	0.6	2.0
Total non-current assets	266.9	250.4
Current assets		
Inventories	117.2	110.4
Trade receivables	78.5	75.4
Cash and cash equivalents	371.8	411.0
Current tax receivables	14.4	0.4
Current financial assets	1.8	2.3
Other current assets	21.8	16.9
Total current assets	605.5	616.4
Total Assets	872.5	866.8
EQUITY AND LIABILITIES		
Equity		
Share capital	6.0	6.0
Reserves	727.0	582.0
Net profit attributable to the owners of the Parent	30.2	147.9
Equity attributable to the owners of the Parent	763.2	735.9
Equity attributable to non-controlling interests	2.0	1.0
Total equity	765.2	737.0
Non-current liabilities		
Non-current lease liabilities	10.2	5.8
Deferred tax liabilities	0.2	0.3
Employee benefits obligations	0.3	0.3
Provision for risks and charges	20.1	20.1
Other non-current liabilities	0.0	0.0
Total non-current liabilities	30.8	26.6
Current liabilities		
Trade payables	38.2	40.9
Current lease liabilities	2.7	2.4
Current tax payables	7.7	21.8
Other current liabilities	27.8	38.3
Total current liabilities	76.5	103.3
Total liabilities	107.2	129.8
Total equity and liabilities	872.5	866.8

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CONSOLIDATED CASH FLOW STATEMENT

<i>(In Euro mil.)</i>	30/06/2023	30/06/2022
Profit before tax	45.8	91.3
Adjustments for:		
Amortization, depreciation and impairment	19.7	17.8
Gains (losses) on disposals	(0.1)	(0.0)
Net Finance (income) expenses	(3.3)	0.1
Other non-cash adjustments	6.6	9.1
Cash flow generated by operating activities before changes in net working capital	68.6	118.2
Change in inventories	(12.0)	(27.6)
Change in trade receivables	(3.1)	(6.9)
Change in trade payables	(2.8)	10.4
Changes in other assets/ liabilities	(18.1)	(1.1)
Uses of provisions for risks and charges and employee benefits obligations	(1.7)	(1.2)
Income taxes paid	(39.3)	(15.6)
Net cash flow generated by (used in) operating activities	(8.4)	76.3
Purchase of property, plant and equipment (excluding right of use assets)	(32.6)	(36.8)
Purchase of intangible assets	(0.1)	(1.2)
Disposal of property, plant and equipment	0.4	0.2
Net investments in financial assets	1.3	(0.1)
Finance income received	2.1	0.1
Net cash flow used in investing activities	(28.9)	(37.8)
Financial liabilities reimbursement	-	(4.4)
Repayment of lease liabilities	(1.5)	(0.9)
Finance expenses paid	(0.1)	(0.2)
Capital increase	-	139.4
Net cash flow generated by (used in) financing activities	(1.6)	133.9
Total cash flow generated (used) during the period	(38.9)	172.4
Cash and cash equivalents at the beginning of the period	411.0	146.8
Total changes in cash and cash equivalents	(38.9)	172.4
Exchange differences from translation of cash and cash equivalents	(0.3)	4.4
Cash and cash equivalents at the end of the period	371.8	323.5