

PRESS RELEASE

Board of Directors approves the Draft Statutory and the Consolidated Annual Report as at 31 December, 2023

- **Consolidated Revenues of €409.3 million, down 25.4%**
- **Consolidated EBITDA of €122.7 million, down 50.0% with a margin of 30.0%**
- **Consolidated Net Profit of €97.4 million, down 34.3%**
- **Positive Consolidated Net Financial Position of €350.8 million (€403.4 million as at December 31, 2022)**

Cernusco Lombardone (LC), March 14, 2024 - 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 Draft Statutory and the Consolidated Annual Report as at 31 December 2023.

Stefano Felici, *Group Chief Executive Officer*, said: “*We are satisfied with the results achieved in such a challenging year. In a sharply contracting market, we kept high the standard of our products while preserving resources and production capacity with the aim of promptly responding to the needs of our customers in the recovery phase of volumes expected for the second half of 2024. During 2023, we also accelerated the vertical integration of production, a strategic pillar that will contribute to increase our competitive advantage*”.

Key Consolidated Financial results for the year end 31 December 2023

€ thousand	FY 2023	FY 2022	Change
Revenues	409,274	548,929	-25.4%
Gross Profit	199,327	332,780	-40.1%
Margin %	48.7%	60.6%	
Ebitda*	122,737	245,360	-50.0%
Margin %	30.0%	44.7%	
Net Profit	97,376	148,215	-34.3%

**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*

€ thousand	31.12.2023	31.12.2022	Change
Total Shareholders' Equity	817,300	736,975	10.9%
Net Financial Position**	350,769	403,430	-13.1%

**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.

Consolidated revenues was €409.3 million, for the year ended 31 December 2023 down 25,4% compared to prior year, as result of the general contraction of the reference market and in particular of consumer demand for devices, such as smartphones and computers. Volumes are further depressed by the high level of device inventories recorded by customers.

Consolidated EBITDA for the year ended 31 December 2023 was €122.7 million, down 50.0% compared to the prior year because of lower volumes, with a margin of 30.0%. Decrease in profitability compared to prior year, reflect 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, and the consolidation of Harbor Electronics Inc..

Consolidated net profit for the year ended 31 December 2023 was €97.4 million, down 34.3% compared to the prior year as results of the trend in volumes and costs. The consolidate net profit also benefitted from the Patent Box tax advantages recognized in the 2023 which allowed the recovery of the tax benefits relating to the 2020-2021-2022 tax periods as well as those relating to the 2023.

As at 31 December 2023, the **consolidated net financial position** was positive for €350.8 million: in 2023, the liquidity used for the acquisitions amounted to €41.7 million, for investments incurred during the period amounted to €63.9 million to upgrade production lines, for the payment of current taxes amounted to €44.6 million and for the purchase of treasury shares amounted to €11.7 million. Such amounts were partially offset by the liquidity generated by operating activities, amounted to €106.4 million.



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Business outlook

2024 is expected to be a very challenging year for the entire semiconductor sector which is going through a deep transformation fostered by new technologies and by different geopolitical orders: international turmoil related to the trade restrictions on technological exports in Asia will continue to affect the semiconductor sector.

On the demand side, the slowdown highlighted throughout 2023 is slowly but gradually handing over to a recovery in 2024, which is expected to be skewed in the second part of the year. This upward trend will be driven by growing volumes, mainly in the consumer market which represents the big chunk of our revenues, and by the contribution expected by the artificial intelligence also in terms of chips' manufacturing.

The technological challenge in the testing capacity of the new generation of chips, both in terms of complexity and volumes, will be pivotal for the Group. Technoprobe has been involved in 2023, and will continue in 2024, at expanding its production capacity, through investments in automation and new production plants, as well as in the development of new patents and processes to satisfy the growing needs of its customers through significant investments in research and development.

In this context, to face an increasingly demanding, concentrated but at the same time rewarding market, the Group will continue to pursue the vertical integration of its production processes in order to maintain control over the entire supply chain of critical components, both in terms of technology and procurement.

In fact, with the increase in the speed of the interfaces and the complexity of the devices, the control and optimization of all the main phases of the manufacturing process of the interface, from conception, to design, to production up to after sale service, will be crucial.

The synergies between Teradyne-DIS and Harbor Electronics in the design and implementation of interfaces together with Technoprobe's knowledge in the advanced production technologies, will bring to the market high performance, first pass quality and on-time delivery solutions for probe cards and final test sheets.

With reference to the acquisition by Technoprobe of the DIS division from Teradyne, the completion is expected by the first half of 2024, still being submitted by obtaining the authorizations regarding Foreign Direct Investment from the competent US authorities, the authorization of the competent Taiwanese authority (merger control review), as well as other conditions precedent established by practice. Finally, the execution of the capital increase reserved for the Teradyne Group, also subject to the same conditions precedent just mentioned, will allow Technoprobe to raise further funds of approximately €385 million, which will then be available for development strategies. The 2024-2028 Business Plan which reflects this direction has been updated and submitted for approval to the Board of Directors.

The Board of Directors decided to propose to the Shareholders' Meeting, to allocate the 2023 profit of Technoprobe S.p.A. amounting to €120,254,821 as follow:

- €120,072,349 to the specific balance sheet item "Retained earnings"
- €182,472 to the Reserve for presumed profits on exchange rates.

The decision to not distribute dividends is aimed at supporting the company's growth strategy.

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Consolidated non-financial statement

The Board of Directors examined and approved the results of the 2023 consolidated statement containing non-financial information which constitutes a separate report from the financial statements.

The information contained in the Consolidated non-financial statement has been defined in compliance with Legislative Decree 254/2016 in a series of relevant non-financial information areas of social/environmental nature, taking into account the activities and characteristics of Technoprobe. For each area, the relevant corporate model for managing and organizing activities, the policies practiced and the results achieved, as well as the fundamental non-financial performance indicators are described. The main risks, generated and/or suffered, connected to them are also identified. The information was provided according to the methodologies and principles envisaged by a reporting standard and by the standard guidelines published by the Global Reporting Initiative (GRI).

This document will be available on the Company's website within the legal deadlines.

Q1 2024¹ Guidance

Guidance for the first quarter of 2024 is the following:

Consolidated Revenues: €102m (+/-3%)

Gross margin: 44% (+/-2%)

Ebitda margin: 26% (+/-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 Legislative Decree 24 February 1998, n. 58 (the "TUF"), to the best of his knowledge, the accounting information contained in the Presentation corresponds to the documental results, accounting books and records.

FY 2023 results will be presented to the financial community during an audio webcast conference call on March 15th, at 9:00 A.M. CET.

¹ Q1 2024 guidance does not include DIS division. For further information on the combined operation between Teradyne and Technoprobe see the press release published on November 8, 2023.



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OTHER RESOLUTIONS OF THE BOARD OF DIRECTORS

Proposal of Restricted Shares Plan 2024-2026

The Board of Directors resolved to submit to the Shareholders' Meeting the approval of an incentive plan called "Restricted Shares Plan 2024-2026", in accordance with art. 114-bis, paragraph 1, of the TUF, in favour of the subjects identified by the Board of Directors of Technoprobe, among the Executive Directors, the Managers with Strategic Responsibilities, as well as other employees with strategic roles of the Company or subsidiaries.

The characteristics of the Plan are set out in a specific Information Document that will be made available on the Company's website within the terms of law.

Proposal to the Shareholder Meeting to authorize buyback and sale of treasury shares

Considering that the authorisation granted by the Shareholders' Meeting on 22 June 2023, still in force but economically exhausted, and therefore no longer in force, the Board of Directors has resolved to submit to the Shareholders' Meeting a new request for authorisation, pursuant to articles 2357 and 2357-ter of the Civil Code and 132 of the TUF, to the purchase, in one or more times, within 18 months from the date of the resolution, of treasury shares Technoprobe S.p.A., up to a maximum number that, taking into account the treasury shares held from time to time by the Company and its subsidiaries, is not more than 1% (one per cent) of the Company's share capital at the date of the purchase - for a maximum total amount of Euro 50.000.000, within the limits of distributable profits and available reserves resulting from the last budget approved at the time of the execution of each operation, and in compliance with the provisions of article 2357, paragraph 3, of the Civil Code.

The proposed authorisation is generally required to provide the Company with a strategic flexibility tool to use, for one or more of the following purposes:

- (i) to support the liquidity of the Company's securities, as well as regularize the trend of trading and prices, also in accordance with the relative market practice accepted by Consob;
- (ii) operating for a medium and long term investment perspective ;
- (iii) constitute a so called "securities stock", to sell, dispose and/or use shares, in the context of extraordinary corporate/financial transactions; and
- (iv) fulfilling obligations arising from any stock options plans, stock grants, performance shares and in general share-based incentive plans;

on the understanding that, in the absence of the reasons that led to the purchase, the treasury shares acquired pursuant to this authorization may be assigned to one of the other purposes indicated above and/or sold.

Proposal of delegation to the Board of Directors to increase the share capital, pursuant to art. 2443 and 2420-ter of the Civil Code

The Board of Directors has resolved to submit to the approval of the Shareholders' Meeting the grant of the power of attorney with the Board of Directors, to be exercised within the period of five years from the date of the Shareholders' Meeting resolutions, for maximum nominal value of Euro 650,000 excluded the over price, by issuing a maximum of n. 65,000,000 ordinary shares (i) to increase the paid-up share capital, also in a divisible form, with or without warrants and also in service of the exercise of warrants, pursuant to art. 2443 of the Civil Code, also with exclusion or limitation of the right of option pursuant to art. 2441, paragraphs 4, 5 and 8, of the Civil Code, and (ii) to issue bonds convertible into ordinary shares of the company, pursuant to art. 2420-ter of the Civil Code, for a maximum total amount of Euro 585,000,000, together with the power to decide



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on the related capital increase at the service of the conversion for a maximum of n. 65,000,000 ordinary shares, even with exclusion or limitation of the right of option pursuant to art. 2441, paragraph 5, of the Civil Code. As a result of the conferral of the aforementioned delegation, Article 6 of the Company's Articles of Association would be amended.

A prerequisite of this proposal for a resolution is the revocation of the delegation currently being assigned by the Extraordinary Shareholders' Meeting of 6 April 2023 to the Board of Directors and partially executed by the latter on 14 November 2023.

Proposal for amendment of Article 16 (assemblies by means of telecommunications and designated representative) and article 19 (Board of Directors) of the Company Bylaws

The Board of Directors has resolved to propose to the Shareholders' Meeting to amend article 16 (meetings by means of telecommunications and designated representative) and article 19 (Board of Directors) of the Company's Articles of Association, for the reasons indicated in the relative illustrative report for the Shareholders' Meeting.

Appointment of the Board of Directors

Considering that, with the approval of the Shareholders' Meeting of the Financial Statements closed on 31 December 2023, the current Board of Directors will expire, the latter has resolved to submit to the Shareholders' Meeting the appointment of the members of the new Board of Directors, including the Chairman, until the approval of the financial statements at 31 December 2026. The Shareholders' Meeting will also be called upon to determine the remuneration of the members of the Board of Directors.

Appointment of the Board of Statutory Auditor

Considering that, with the approval of the Shareholders' Meeting of the Financial Statements ended on 31 December 2023 the current Board of Statutory Auditors will expire, the Board of Directors has resolved to submit to the Shareholders' Meeting the appointment of the statutory auditors, including the Chairman of the Board of Statutory Auditors and the substitute auditors until the approval of the financial statements at 31 December 2026. The Shareholders' Meeting will also be called upon to determine the remuneration of the members of the Board of Statutory Auditors.

Report on corporate governance and ownership structures and Report on remuneration policy and remuneration paid

The Board of Directors also approved, to the extent of its competence, the Report on Corporate Governance and Ownership Structure for the year 2023 drawn up by the Company pursuant to art. 123-bis of the TUF, as well as the Report on remuneration policy and remuneration paid in accordance with art. 123-ter of the TUF, art. 84-quater and Annex 3A, Schedule 7-bis of the Issuers Regulation and art. 5 of the Corporate Governance Code.



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Proposal of the Shareholders' meeting regulation

The Board of Directors approved a proposal for the adoption of a Shareholders' Meeting Regulation in which the specific shareholders' meeting procedures to be adopted and the conduct to be followed in order to allow the orderly, regulated and functional conduct of the meetings of the Company.

Convocation of the Shareholders' Meeting

Finally, the Board of Directors resolved to convene the Ordinary and Extraordinary Shareholders' Meeting for 24 April 2024 in a single call, at 11:00 am.

The Shareholders' Meeting will be called to decide on the approval of the financial statements at 31 December 2023 and on the proposals on the above-mentioned points.

The notice of convocation of the Assembly, as well as all documents that will be submitted to the same, will be made available to the public, within the terms and with the modalities of law and Statute, at the registered office of the Company in Via Cavalieri di Vittorio Veneto n. 2, 23870 Cernusco Lombardone (LC), on the website of Technoprobe www.technoprobe.com in the section "Governance/Shareholders' Meetings" and at the authorized storage mechanism "emarket Storage" (www.emarketstorage.it).

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

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CONSOLIDATED INCOME STATEMENT

<i>(In Euro thousand)</i>	31/12/2023	31/12/2022
Revenue	409,274	548,929
Cost of revenue	(209,947)	(216,149)
Gross profit	199,327	332,780
Operating expenses		
Research and development	(56,763)	(56,419)
Selling, general and administrative	(62,771)	(67,737)
Net impairment losses/reversals on financial assets	49	(178)
Total operating expenses	(119,485)	(124,334)
Operating profit	79,842	208,446
Other income/(expenses), net	1,884	(4,155)
Finance income	8,606	1,237
Finance expenses	(288)	(213)
Foreign exchange gains (losses)	(4,796)	1,915
Profit before tax	85,248	207,230
Income tax expense	12,128	(59,015)
Net profit	97,376	148,215

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CONSOLIDATED BALANCE SHEET

<i>(In Euro thousand)</i>	31/12/2023	31/12/2022
ASSETS		
Non-current assets		
Property, plant and equipment	252,278	209,736
Intangible assets	17,869	10,742
Goodwill	25,451	10,351
Deferred tax assets	20,926	16,598
Non-current financial assets	1,388	1,021
Other non-current assets	1,756	1,987
Total non-current assets	319,668	250,435
Current assets		
Inventories	119,030	110,387
Trade receivables	67,829	75,418
Current financial assets	2,496	2,300
Current tax receivables	38,647	363
Other current assets	18,925	16,884
Cash and cash equivalents	361,800	411,031
Total current assets	608,727	616,383
Total Assets	928,395	866,818
EQUITY AND LIABILITIES		
Equity		
Share capital	6,010	6,010
Reserves	712,763	582,022
Net profit attributable to the owners of the Parent	96,999	147,904
Equity attributable to the owners of the Parent	815,772	735,936
Equity attributable to non-controlling interests	1,528	1,039
Total equity	817,300	736,975
Non-current liabilities		
Non-current lease liabilities	10,392	5,847
Deferred tax liabilities	3,485	320
Employee benefits obligations	288	297
Provision for risks and charges	20,073	20,073
Other non-current liabilities	14	36
Total non-current liabilities	34,252	26,573
Current liabilities		
Trade payables	38,989	40,858
Current lease liabilities	3,135	2,352
Current tax payables	1,241	21,756
Other current liabilities	33,478	38,304
Total current liabilities	76,843	103,270
Total liabilities	111,095	129,843
Total equity and liabilities	928,395	866,818

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CONSOLIDATED CASH FLOW

<i>(In Euro thousand)</i>	31/12/2023	31/12/2022
Profit before tax	85,248	207,230
Adjustments for:		
Amortization, depreciation and impairment	42,945	36,736
Gains (losses) on disposals	(125)	(235)
Net Finance (income) expenses	(8,318)	(1,024)
Provisions to funds	16,917	18,620
Other non-cash adjustments	(3,247)	(1,692)
Cash flow generated by operating activities before changes in net working capital	133,420	259,635
Change in inventories	(19,712)	(45,382)
Change in trade receivables	11,710	27,250
Change in trade payables	(3,545)	8,225
Changes in other assets/ liabilities	(11,543)	765
Uses of provisions for risks and charges and employee benefits obligations	(3,962)	(5,339)
Income taxes paid	(44,618)	(37,918)
Net cash flow generated by operating activities	61,750	207,236
Payments for property, plant and equipment (excluding right	(62,834)	(74,642)
Payments for intangible assets	(1,093)	(5,073)
Proceeds from sale of property, plant and equipment	4,875	1,297
Net divestitures/(investments) in financial assets	1,894	(97)
Payment for acquisition, net of cash acquired	(41,663)	-
Finance income received	5,400	198
Net cash flow used in investing activities	(93,421)	(78,317)
Financial liabilities reimbursement	-	(4,646)
Repayment of lease liabilities	(3,009)	(3,084)
Finance expenses paid	(288)	(213)
Capital increase	-	139,366
Acquisition of treasury shares	(11,747)	-
Dividend paid	-	(1,129)
Net cash flow generated by (used in) financing activities	(15,044)	130,294
Total cash flow generated (used) during the period	(46,715)	259,213
Cash and cash equivalents at the beginning of the period	411,031	146,754
Total changes in cash and cash equivalents	(46,715)	259,213
Exchange differences from translation of cash and cash equivalents	(2,516)	5,064
Cash and cash equivalents at the end of the period	361,800	411,031



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Technoprobe Group

Technoprobe is a leading company in the field of semiconductors and microelectronics.

Established in 1996, Technoprobe is focused in the design and manufacture of Probe Cards, i.e. electro-mechanical interfaces used for the functional testing of chips. 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.

Technoprobe headquarters are in Cernusco Lombardone (LC). The Group has 21 locations worldwide, 4 research centres and more than 600 certified patents. Since May 2nd, 2023 shares have been transferred to Euronext Milano segment. For more information, visit their website: www.technoprobe.com

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:

- *EBITDA defined as Net Profit adjusted for: (i) income tax expenses, (ii) foreign exchange gains (losses), (iii) net finance income (expenses), (iv) other income (expenses), net, (v) net impairment of financial assets and (vi) depreciation, amortization and impairment included in Selling, general and administrative, Research and development and Cost of revenue.*
- *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.*