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Societa' : ELES SEMICONDUCTOR EQUIPMENT  
S.P.A.

Identificativo : 144503

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Regolamentata

Nome utilizzatore : ELESN01 - FRANCESCA ZAFFARAMI

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The Board of Directors of ELES S.p.A, on march 29, 2021, approved the draft financial statements prepared in accordance with Italian accounting principles and the consolidated financial statements as at December 31, 2020, prepared in accordance with IAS/IFRS principles and to be audited by the Independent Auditors KPMG S.p.A.

## PRESS RELEASE

- **APPROVED DRAFT FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020**
- **IMPROVED RESULTS COMPARED TO FORECAST FOR THE YEAR 2020**
- **NET RESULT UP BY ABOUT 100%**
  - **CONSOLIDATED SALES REVENUES: € 18.1 million (+3.4%** compared to December 31, 2019 and equal to € 17.5 million)
  - **EBITDA € 3.53 million (+10.8%** compared to December 31, 2019 and equal to € 3.19 million) **and EBITDA MARGIN 2020: 19.5%**
  - **EBIT €1.56 million (+30.5%** compared to December 31, 2019 and amounting to €1.19 million)
  - **NET RESULT: €1.68 million (+101%** compared to December 31, 2019 and amounting to €0.84 million)
  - **SHAREHOLDERS' EQUITY: €14.43 million (+15.4%** compared to December 31, 2019 and amounting to €12.50 million)
  - **NET FINANCIAL DEBT: € -0.53 million** (€ 1.48<sup>1</sup> million as at December 31, 2019)
  - **STRATEGIC INVESTMENTS CONTINUE IN R&D TO PRESERVE TECHNOLOGY LEADERSHIP** (€1.9 million as of December 31, 2020, 10.3% of Sales Revenues for the period)
- **PROPOSAL TO THE SHAREHOLDERS' MEETING TO REVOKE THE POWER OF ATTORNEY PURSUANT TO ARTICLE 2443 OF THE ITALIAN CIVIL CODE CONFERRED ON 30 MAY 2019 AND CONFERMENT OF A NEW PROXY TO INCREASE THE SHARE CAPITAL IN ORDER TO EXTEND THE DURATION OF THE PROXY ORIGINALLY CONFERRED, WITHOUT PREJUDICE TO THE MAXIMUM AMOUNT.**
- **ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING CONVENED.**

<sup>1</sup>NFP Adjusted. Adjusted was €609 thousand as at December 31, 2019 on a NFP Reported of €2.09 million

**Todi, march 30 , 2020** - The Board of Directors of ELES S.p.A. (the "**Company**" or "**ELES**"), a company listed on the multilateral trading system AIM Italia, and worldwide provider of solutions for the testing of semiconductor devices (*IC Integrated Circuits*) with **Automotive and Mission Critical** applications, on march 29, 2021, approved the draft financial statements prepared in accordance with Italian accounting principles and the consolidated financial statements as at December 31, 2020, prepared in accordance with IAS/IFRS principles and to be audited by the Independent Auditors KPMG S.p.A.

The Board of Directors expressed satisfaction with the positive results for the period, given the dynamics of demand for Semiconductor Equipment, which includes *Equipment for Semiconductor Manufacturing* as well as Test (wafer fab, test and assembly & packaging) during the period under review. This remained solid in 2020 (+16% expected growth over 2019), but with uneven dynamics by both geography and product type. Growth was driven by demand in the Foundry Equipment (wafer fab) and Memory IC Automated Test System sectors, particularly in the Korea, Japan and China areas, linked to the increase in the Memory segment (concentrated in these geographical areas) and the Data Center and Communications Infrastructure sectors, where double-digit growth was recorded, balancing the lower growth in the other geographies (North America, Europe and SEA/ROW: Rest of the World), which were more impacted by the reduction in semiconductor manufacturing capacity due to the pandemic and a slower than expected recovery in the Automotive sector, and where the Company has a greater presence.

**Francesca Zaffarami** CEO of ELES declares: *"We are satisfied with the results achieved, the improvement of the EBITDA Margin as a percentage of Revenues (19.5% Vs 18.2% as at 31.12.2019) is even more positive considering that the company has started a process of strengthening the organization to support the development plan, whose economic impacts are not yet fully reflected in the current results. The company's equity and financial situation is solid, and allows us to be ready for an acceleration in the economic recovery and for the implementation of the Group's medium-long term plans. Thanks to the resulting leverage, the company is determined to pursue its growth strategy, both externally and organically".*

2020 sales revenues are in line with the results expected from Forecast 2020 updated when Budget 2021 was published on November 30, 2020. Margins increase thanks to the improvement of the contribution margin in the fourth quarter of 2020 and also to a value of the tax credit for Research and Development pursuant to art. 1, c. 198 et seq. L. 160/2019 higher than the value estimated in the forecast. The net financial position is positive as at December 31, 2020 due to the effect of a time repositioning of certain investments in 2021 and an improvement in net working capital while the average payment and collection terms remain unchanged.

INCOME STATEMENT (€/1000)	Actual		Forecast	
	2020	%	2020	%
Sales revenues	18,107	100.0	17,985	100.0
EBITDA	3,529	19.5	3,129	17.4
EBIT	1,557	8.6	1,116	6.2
<b>Net Financial Position</b>	<b>(527)</b>		<b>1,300</b>	

Sales revenues for the period amounted to €18,107 thousand, compared to €17,517 thousand in 2019, an overall increase of 3.4% compared to the previous period.

Thanks to the effectiveness of market repositioning and operational management, the Group recorded sales growth, which was higher than the growth recorded in Semiconductor Equipment in the geographical areas that account for more than 90% of the Group's sales (North America, Europe and SEA/ROW: Rest of the World).

In this period, the Group increased the share of diversification towards the main customer, confirming the company's development strategy; thanks to the acquisition of new customers and the increase in the value of average revenues on existing high-potential customers.

The table below shows the breakdown of revenues by geographical area:

(€/1000)	31.12.2020	%	31.12.2019	%	Δ%
EMEA	5,907	32.6	6,883	39.3	(14.2)
America	970	5.4	745	4.3	30.2
Asia	3,859	21.3	4,469	25.5	(13.6)
<b>Total Foreign Revenue</b>	<b>10,736</b>	<b>59.3</b>	<b>12,098</b>	<b>69.1</b>	<b>(11.3)</b>
Italy	7,371	40.7	5,419	30.9	36.0
<b>Total Revenues</b>	<b>18,107</b>	<b>100.0</b>	<b>17,517</b>	<b>100.0</b>	<b>3.4</b>

The export incidence of sales is equal to 59% of revenues. The reduction compared to the previous period is of an exceptional nature as it is linked to the effects of the pandemic which led to a reduction in the operating levels of ELES customers' production plants.

**The Gross Operating Margin ("Ebitda")** is equal to € 3.53 million (€ 3.18 million in 2019), in terms of percentage on revenues it increased compared to the same period of the previous year and is equal to 19.5 % of revenues (18.2 % of revenues in 2019); a clear sign of a Company that is able to adapt to changing market conditions. This result is even more positive considering that the company has begun to strengthen its organizational structure, whose economic results are not yet fully reflected in the current results.

The Operating Result ("**Ebit**"), is equal to €1.56 million (€ 1.19 million in 2019).

**The Net Result** for the period, taking into account current and deferred taxes, is equal to €1.68 million, up by 100% compared to the previous period (€0.84 million in 2019). This result benefits from the tax advantage, net of the 3% substitute tax, amounting to €537 thousand deriving from the revaluation of the property used as registered office/operating headquarters recorded among the fixed assets in the financial statements of the year in progress as at December 31, 2019 in application of the provisions of Law Decree 104/2020 which resulted in the recognition of the related advance taxation in the IFRS consolidated financial statements.

**The net financial debt** goes to €2,087 thousands in 2019 to a positive balance of €527 thousand. The net financial position as of December 31, 2020 includes the value of insurance policies in the amount of €847 thousand, recorded in 2019 under Other non-current assets in the amount of €609 thousand. The net financial position is positive as of December 31, 2020 due to a time repositioning of certain investments in 2021 and an improvement in net working capital while the average payment and collection terms remain unchanged.

The Group's net financial position, including the above items, would have been as follows:

Net Financial Position Adjusted (€/000)	31.12.2020	31.12.2019	Δ%
Net Financial Position	527	(2,087)	(125.3)
Insurance policies		609	(nc)
<b>Net Financial Position Adjusted</b>	<b>527</b>	<b>(1,479)</b>	<b>(135.7)</b>

Consolidated Shareholders' Equity as of December 31, 2020 amounted to €14.43 million (€12.50 million as of December 31, 2019).

### Research and Development Activities

The R&D activity remains the area of greatest investment of the Company and **represents a determining factor for preserving the technological leadership** of the Company and for the implementation of the company's strategic plan, which is deployed according to the following guidelines:

- Introduction of a new concept of reliability R.E.T.E. (Reliability Embedded Test Engineering)
- Increased functional test coverage up to TOTAL TEST on TDBI platform (Test During Burn-In)
- Increased presence in the SoC Medium, High and Very High Power segments
- Enhancement offered for new Smart Power technologies (SiC, GaN)
- Automation Solutions Development
- Market Development ECU (Electronic Control Unit) for Automotive, Aerospace & Defense applications

The company's development roadmap remains aimed at achieving the ultimate goal of Zero Defects for all semiconductor devices: maximum yield (ideally no defects) and minimum test cost.

In March 2021, an Italian patent was granted for an innovative "Adaptive Liquid Cooling" solution, in support of the project for the development of modular and scalable solutions, adaptable to different needs and cuts in the power dissipated by the devices, able to manage power up to 1KW and to support the expansion of the offer for High Power SOC segments.

The qualification activities of the new solutions in collaboration with customers and the presentation activities (DEMO) to prospects continue. These solutions are being appreciated also in the China area where several pilot projects and DEMO have been launched during the period.

Eles is bringing on the market an innovative model of servitization, that is the passage from an offer of products and services to the delivery of results, through a deep knowledge and analysis of test data produced in real time; this is possible thanks to the integration in the proprietary solutions of AI (*Artificial Intelligence*) and Machine Learning algorithms, for which a collaboration with an external partner has been activated in the period.

### **COVID 19 pandemic - Actions implemented to safeguard business continuity**

Starting from the second half of February 2020, the Coronavirus epidemic has spread also in our country, which has progressively assumed the dimension of a pandemic. In the face of the restrictive measures that led to the suspension of certain activities, the Company remained operational as it is active in the Aerospace & Defense industry (a sector authorized under the measures issued) as well as in supply chain activities considered essential by regulatory measures. During the year the Company's activities were not particularly impacted by the spread of the COVID-19 pandemic, nor were there any problems with the organization of work in the production unit of Todi where the company implemented the organizational measures and health precautions necessary to comply with the provisions of national legislation and the Shared Regulatory Protocol for the contrast and containment of COVID-19 in the workplace of March 14, 2020, also applying all the recommendations of the national health authorities, including the possibility of remote/home working (so-called smart working).

In this context, however, it should be noted that some customers in the first half of the 2020 financial year have asked to change the timing of the processing of certain orders due to the reduction of production as part of measures aimed at preventing the spread of COVID-19 infection. In addition, as of August 2020, some industry studies indicated that although the semiconductor sector had fared better than the remaining sectors of the economy, some signs of a slowdown were beginning to appear due to the impact of the COVID-19 pandemic. The impacts of the Covid-19 outbreak were exacerbated by a number of specific events and, in particular, by the August 17, 2020 ban by which the U.S. government's Bureau of Industry and Security (BIS) further restricted the access of Huawei Technologies (Huawei) and its non-U.S. affiliates to U.S.-produced technology and software items (the "Ban"). As a result of the tightening of the Ban and the additional threats described above impacting the entire global semiconductor supply chain and industry, in the second half of 2020, the Parent Company initiated an in-depth review of orders, opportunities and prospects for FY2020. As a result of this review carried out with its prospects and customers, it emerged that: (i) the Chinese market, while confirming the interest in ELES solutions, has suffered a blockage on the entire semiconductor chain, with a consequent revision of the investment policy; and (ii) the restrictions imposed have impacted the balance of the entire semiconductor chain, leading to slowdowns and shifts in orders at global level. Therefore, in a context of extreme uncertainty and given the persistence of the pandemic, as it is difficult to provide a precise forecast of 2020 performance, on September 28,

2020 the Board of Directors withdrew the estimates for the years 2021 and 2022 and approved the updated forecast for 2020 which, in addition to confirming what had already been communicated on September 17, 2020 in terms of turnover, estimated an EBITDA for the current year of between 16.6% and 16.9% of revenues. Adjusted Net Financial Debt was estimated at between €1.3 and €1.4 million. In addition, on November 30, 2020, the Company communicated to the market a pre-closing 2020 forecast. As of December 31, 2020, the maximum range of the 2020 forecast was reached, with revenues of €18,107 thousand.

The Group's economic and financial situation is solid, also in view of the fact that in August the Parent Company stipulated three new loans, which do not include covenants, for a total amount of €4,431 thousand with a duration of 6 years, taking advantage of the free guarantee of the Central Guarantee Fund as provided for by art. 13 of Decree no. 23 of 8 April 2020, in order to be ready to accelerate the economic recovery and for the implementation of the Group's medium-long term plans.

It is understood that the continuation or tightening of these measures could lead to serious consequences for the entire economic system, both domestic and international, especially in the various countries subject to these measures.

### **Significant events**

During the 2020 financial year, the Group, increased the share of diversification towards the main customer through the acquisition of new customers:

- a fabless belonging to a US e-commerce giant, focused on high-performance processors for cloud computing, storage and networking infrastructure;
- new Italian customer, European leader in the Aerospace& Defense sector;
- new american customer, important multinational world leader in the production of MEMS (Micro Electro-Mechanical Systems) devices.

With regard to the development of high-potential customers, the following were significant during the period:

- the consolidation of the collaboration with an important multinational active in the IDM (*Integrated Device Manufacturer*) sector, with Head Quarter in the United States of America, with whom the use of Eles solutions was extended not only to the quality and reliability (Q&R) area but also to the production area;
- the consolidation in one of the main independent semiconductor *Foundry* that has chosen Eles solutions and R.E.T.E. methodology for the qualification of their technology for Memory products;
- the consolidation on an important IDM with headquarter in Europe, a leading supplier of MEMS solutions.

During the year the Group set up collaborations in the United States with three representatives covering areas where the company is currently less present, such as the East Coast, the central area and Mexico; and in the Far East with a representative in Korea, in addition to the existing collaboration with the Chinese partner, a private company, with consolidated relations with Chinese IDM, *Fabless*, *Hi-Tech Laboratories*, *Institutes* and present in 18 provinces of China.

During the year, the Group did not slow down the process of strengthening its organization by reinforcing the front line with the entry of a *Chief Technology Officer* (CTO), with the insertion of a Manager with significant previous experience in Asian markets and with a new commercial figure with twenty years of experience in the market and in the ECU Automotive-Aerospace & Defence specialization.

The Group continued to invest in research and development projects to enable the company to take advantage of all the opportunities linked to current and future technological challenges. Noteworthy during the period were:

- The delivery to one of the major Semiconductor Players, the first ART HPH (High Power hybrid) system developed for semiconductor testing, with powers up to 1000W for devices with Industrial applications.
- The launch of a partnership for the application of AI and Machine Learning algorithms to the data acquired by our machines to allow our customers to make more informed decisions with respect to the need to increase or reduce the size of the tests, with direct repercussions on the cost of its products.

On July 31, 2020, the first exercise period "WARRANT ELES 2019-2024" ISIN code IT0005374258 ended with the exercise of no. 238,750 Warrants and the issuance of no. 119,375 newly issued ordinary shares of Eles, for a total consideration of €238,750. On October 31, 2020, the second exercise period "WARRANT ELES 2019-2024" ISIN code IT0005374258 ended with the exercise of no. 77,450 Warrants and the issuance of no. 38,725 newly issued ordinary shares of Eles, for a total countervalue of € 77,450.

During the period, a further collaboration was initiated for the performance of Corporate Broking and Specialist services.

On February 7, 2020 the Organization, Management and Control Model was adopted pursuant to Legislative Decree no. 231/2001 and a Supervisory Body was appointed in a monocratic composition.

### **Significant events after the end of the period**

The Group continues to maintain all the measures identified in the security protocol and has managed to ensure, at national and international/world level, production continuity and technical assistance to customers, respecting the delivery times of its products to customers.



Our suppliers are reporting an increase in delivery times due to the shortage of electronic components, which has not so far impacted the Group's supplies. Analysts and industry sites indicate that this phenomenon may gradually dissipate in the second half of 2021 given the increase in capacity at foundries plants. The Group will continue to closely monitor the situation in order to deploy any further actions if the situation worsens.

The Group continues to invest in research and development projects:

- the adoption of the offer for High Power devices on consolidated customers will facilitate the market promotion of the new offer;
- the Group is working in partnership with important players in the SiC & GaN field building all the references useful for the promotion of its offer also in this market.

The Group's ability to innovate contributes to the loyalty of customers who experience new Test solutions together with the Group while expanding the Group's offer. In January 2021, the Group announced the consolidation of its relationship with an important american customer, a leading manufacturer of Microcontrollers, thanks to the proposition of the TDBI approach at Strip level.

The Group's ability to innovate also supports the process of acquiring new customers:

- in january 2021 the Group announced the acquisition of a new american customer, a world leader in the supply of Storage Systems, which chose the DfT Tester ART530 solution for testing a new family of SoCs, devices used as memory controllers for Data Storage applications;
- in february, the Group announced that it had received its first order from an Israeli start-up, for the supply of its R.E.T.E. solution, applied to new Image Sensor devices for the Automotive sector and in particular ADAS devices where the Group has more than ten years' experience. This opportunity confirms and increases the technological and commercial presence of the Group in a geographical area characterized by a strong push towards technological innovation.

In terms of developing new geographical areas:

- in january the Group communicated the installation of a platform in a major Q&R LAB in Taiwan, which may represent a partner for development in this area where the Group is in any case investing by strengthening the network of representatives and distributors;
- in february the Group communicated that an important Chinese Fabless, a leader in the semiconductor market, has qualified the Eles solution and the relative R.E.T.E. methodology for the entire supply chain, starting from the design phase, to the Q&R phase, up to production. This opportunity represents an indispensable reference and an important milestone for the development of the Chinese market.

In line with the best practices for maximum transparency towards the market, on the occasion of the communication of the financial calendar 2021, in addition to the main events as per regulations, the Group has provided for the quarterly communication of consolidated sales revenues.

The Group's economic and financial situation is solid and it is believed that, despite the phase of uncertainty brought about by the COVID-19 epidemic and the sanctions issued by the government of the United States of America against China, while remaining exposed to even significant potential effects, business continuity can be regularly maintained.

### **Foreseeable management evolution**

On november 30, the 2021 budget was approved by the Board of Directors and presented to the market, confirming the medium- to long-term strategic guidelines.

In 2020, the global pandemic accelerated the digital transformation of the world economy, which led to an increase in sales of new electronic systems and a sharp rise in the IC market in the second half of the year. Moreover, this demand remained solid in the first quarter of 2021. While the Covid-19 situation is still very fluid, many semiconductor companies have issued strong guidance for the first quarter of 2021 and expect demand to remain solid throughout (Source: 2021 IC Market Forecast, Research Bulletin- IC Insight, March 2021).

Over the next 5 years, growth is estimated to continue for semiconductors, with inventory disposal eventually driving up the average chip selling price. In addition, the maturity of many disruptive technologies, including AI, big data, and 5G, will drive semiconductor market growth. Therefore, despite the volatility caused by COVID-19 delaying the recovery, the long-term outlook for the semiconductor industry remains positive (Source: Rise of the "Big 4", The semiconductor industry in Asia Pacific- Deloitte, 2020).

**Antonio Zaffarami**, Chairman of the Company declares: *"In this complex and still fluid context we have witnessed a reshuffling of the investment plans (Capital Spending) of our customers and an extension of the timeframe for issuing orders; but at the same time the reorganization of the entire semiconductor supply chain will bring at least three new production facilities in the three strategic areas of this sector: the United States, China and the EU, which have recognized the strategic nature of the semiconductor industry and planned major investments in the same. This, together with a demand for semiconductors stimulated by technological progress, maintains a positive outlook for the sector where, thanks to its skills, vision and capacity for innovation, the Company is well positioned to be a protagonist in this scenario as well".*

The Board of Directors resolved to propose to the General Meeting of Shareholders the following allocation of the Parent Company's net income for the year, amounting to 882,924 euros:

- 44,146 euros to the legal reserve;
- 838,778 euros to the extraordinary reserve.

It also proposes to reclassify the reserve for unrealized foreign exchange gains of 13,485 euros among the available reserves, given that the financial statements as at 31/12/2020 show a loss on unrealized foreign exchange gains.

**PROPOSAL TO THE SHAREHOLDERS' MEETING TO REVOKE THE PROXY PURSUANT TO ART. 2443 OF THE ITALIAN CIVIL CODE CONFERRED ON 30 MAY 2019 AND GRANTING OF A NEW PROXY**

The Board of Directors also resolved to submit to the Shareholders' Meeting the proposal to revoke the proxy pursuant to Article 2443 of the Italian Civil Code conferred on May 30, 2019 and to grant a new proxy pursuant to Article 2443 of the Italian Civil Code to increase the share capital. The conferment of the new proxy pursuant to art. 2443 of the Italian Civil Code is aimed at extending the duration of the proxy originally conferred, without prejudice to the maximum amount, so as to provide the Board of Directors with a more flexible instrument for the achievement of strategic and capital strengthening objectives.

**CONVOCAZIONE OF THE SHAREHOLDERS' MEETING**

The Company's Board of Directors resolved to convene the Shareholders' Meeting in ordinary and extraordinary session on April 29, 2021 and, if necessary, on second call on April 30, 2021. The notice of call as well as all the documents that will be submitted to the Shareholders' Meeting will be made available to the public in the time and manner required by law, and on the Company's website.

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**Attachments to the press release (not yet audited)**

- Consolidated Income Statement as at 31 December 2020, prepared in accordance with International Accounting Standards (IAS/IFRS).
- Consolidated Balance Sheet as at 31 December 2020, prepared in accordance with International Accounting Standards (IAS/IFRS).
- Cash Flow Statement, prepared in accordance with International Accounting Standards (IAS/IFRS).
- Income Statement of ELES S.p.A. as at 31 December 2020, prepared in accordance with Italian Accounting Principles (OIC).
- ELES S.p.A. Balance Sheet as at 31 December 2020, prepared in accordance with Italian Accounting Standards (OIC).
- Cash Flow Statement, prepared in accordance with Italian Accounting Principles (OIC)

## Consolidated Income Statement as at December 31, 2020

<b>PROFIT &amp; LOSS</b> <b>(€/1000)</b>	<b>31.12.2020</b>	<b>%</b>	<b>31.12.2019</b>	<b>%</b>
Sale revenues	18,107	100.0	17,517	100.0
Other revenues	975	5.4	697	4.0
<b>Total Revenues</b>	<b>19,082</b>	<b>105.4</b>	<b>18,214</b>	<b>104.0</b>
Material purchase & Changes in inventories	(7,600)	(42.0)	(7,054)	(40.3)
Service costs	(3,696)	(20.4)	(3,676)	(21.0)
Other operational costs	(247)	(1.4)	(452)	(2.6)
Personnel cost	(4,011)	(22.1)	(3,847)	(22.0)
<b>EBITDA</b>	<b>3,529</b>	<b>19.5</b>	<b>3,185</b>	<b>18.2</b>
Write-downs and depreciations	(1,814)	(10.0)	(1,923)	(11.0)
Accruals to provisions	(158)	(0.9)	(70)	(0.4)
<b>EBIT</b>	<b>1,557</b>	<b>8.6</b>	<b>1,193</b>	<b>6.8</b>
Financial revenues	(17)	(0.1)	27	0.2
Financing costs	(87)	(0.5)	(183)	(1.0)
Profits/Losses on exchange rates	(1)	(0.0)	(27)	(0.2)
<b>EBT</b>	<b>1,452</b>	<b>8.0</b>	<b>1,010</b>	<b>5.8</b>
Taxes	233	1.3	(172)	(1.0)
<b>Net Profit of the Group</b>	<b>1,685</b>	<b>9.3</b>	<b>838</b>	<b>4.8</b>

## Consolidated Balance Sheet as at December 31, 2020

<b>BALANCE SHEET</b>			
<b>(€/1000)</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>Δ%</b>
Tangible assets	3,822	3,942	(3.0)
Intangible assets	4,302	3,861	11.4
Financial assets	386	1,041	(62.9)
<b>Fixed assets</b>	<b>8,511</b>	<b>8,843</b>	<b>(3.8)</b>
Inventory	4,029	3,770	6.9
Trade receivables	6,234	4,270	46.0
Trade payables	(4,722)	(2,674)	76.6
<b>Operating working capital</b>	<b>5,541</b>	<b>5,366</b>	<b>3.3</b>
Employee benefits	(618)	(590)	4.8
Provisions for non-current risks and charges	(290)	(264)	9.6
Deferred tax receivables	852	318	>100%
Deferred tax liabilities	(201)	(202)	(0.4)
Net claims/liabilities	109	1,121	(90.2)
<b>Other current assets/liabilities</b>	<b>-148</b>	<b>382</b>	<b>(138.7)</b>
<b>Net invested</b>	<b>13,904</b>	<b>14,592</b>	<b>(4.7)</b>
<b>Net Equity</b>	<b>(14,431)</b>	<b>(12,504)</b>	<b>15.4</b>
Current financial assets	1,055	198	>100%
Current Debt	(2,534)	(2,837)	(10.7)
Long Term Debt	(8,372)	(5,602)	49.5
Cash and cash equivalents	10,379	6,153	68.7
<b>Net financial position</b>	<b>527</b>	<b>(2,087)</b>	<b>(125.3)</b>
<b>Total sources</b>	<b>(13,903)</b>	<b>(14,591)</b>	<b>(4.7)</b>

## Consolidated Cash Flow Statement as at 31 December 2020

CONSOLIDATION STATEMENT OF CASH FLOWS (€/1000)	31.12.2020	31.12.2019
<b>Profit for the period</b>	<b>1,685</b>	<b>838</b>
Adjustment for Amortisation	1,814	1,923
Change in Inventories	(259)	12
Adjustment for employee benefits	231	212
Change in Trade and other receivables	(1,994)	1,578
Change in current assets	(45)	(467)
Change in Tax	807	(1,060)
Change in Trade and other payables	2,048	(1,741)
Change in Provision	28	(473)
Change in current liabilities	15	(438)
Change in employee benefits	(227)	(242)
Change in DTL	(529)	(276)
Other changes in net working capital	8	23
<b>Cash flows from operating activities</b>	<b>3,581</b>	<b>(111)</b>
Acquisition of intangible assets	(1,901)	(1,743)
Acquisition of property, plant and equipment	(239)	(628)
Acquisition of financial fixed assets	0	(59)
<b>Cash Flow from investing activities</b>	<b>(2,140)</b>	<b>(2,430)</b>
Financial liability	2,468	(166)
Dividends paid	0	0
Other Change in Equity	316	5,127
<b>Cash Flow from Financing activities</b>	<b>2,784</b>	<b>4,961</b>
<b>Cash Flow from financing activities</b>	<b>4,226</b>	<b>2,420</b>
Cash and cash equivalents at 01 Jan. 2019	6,153	3,733
Cash and cash equivalents at 31 Dec. 2019	10,379	6,153
<b>Increase (decrease) in cash and cash equivalents</b>	<b>4,226</b>	<b>2,420</b>

## Eles S.p.A. Income Statement as at 31 December 2020

<b>PROFIT &amp; LOSS</b>				
<b>(€/1000)</b>	<b>31.12.2020</b>	<b>%</b>	<b>31.12.2019</b>	<b>%</b>
Sale revenues	17,608	100.0	17,107	100.0
Other revenues	965	5.5	697	4.1
<b>Total Revenues</b>	<b>18,573</b>	<b>105.5</b>	<b>17,804</b>	<b>104.1</b>
Material purchase & Changes in inventories	(7,328)	(41.6)	(6,907)	(40.4)
Service costs	(3,718)	(21.1)	(3,692)	(21.6)
Personnel cost	(3,976)	(22.6)	(3,797)	(22.2)
Other operational costs	(219)	(1.2)	(419)	(2.4)
<b>EBITDA</b>	<b>3,332</b>	<b>18.9</b>	<b>2,989</b>	<b>17.5</b>
Write-downs and depreciations	(1,942)	(11.0)	(2,056)	(12.0)
Accruals to provisions	(158)	(0.9)	(70)	(0.4)
<b>EBIT</b>	<b>1,232</b>	<b>7.0</b>	<b>864</b>	<b>5.0</b>
Financial revenues	(17)	(0.1)	27	0.2
Financing costs	(114)	(0.6)	(152)	(0.9)
Profits/Losses on exchange rates	(1)	(0.0)	(28)	(0.2)
<b>EBT</b>	<b>1,100</b>	<b>6.2</b>	<b>711</b>	<b>4.2</b>
Taxes	(217)	(1.2)	(113)	(0.7)
<b>Net Profit</b>	<b>883</b>	<b>5.0</b>	<b>599</b>	<b>3.5</b>

## Balance Sheet of Eles S.p.A. as at 31 December 2020

<b>BALANCE SHEET</b>			
<b>(€/1000)</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>Δ%</b>
Tangible assets	5,305	3,157	68.1
Intangible assets	5,010	4,804	4.3
Financial assets	386	1,041	(62.9)
Partecipation	238	238	0.0
<b>Fixed assets</b>	<b>10,939</b>	<b>9,240</b>	<b>18.4</b>
Inventory	4,029	3,770	6.9
Trade receivables	6,166	4,199	46.9
Trade payables	(4,842)	(2,793)	73.3
<b>Operating working capital</b>	<b>5,354</b>	<b>5,176</b>	<b>3.4</b>
Employee benefits	(554)	(525)	5.6
Provisions for non-current risks and charges	(290)	(264)	9.6
Deferred tax receivables	5	4	30.4
Deferred tax liabilities	0	0	-
Net claims/liabilities	122	1,234	(90.1)
<b>Other current assets/liabilities</b>	<b>(717)</b>	<b>449</b>	<b>(259.9)</b>
<b>Net invested</b>	<b>15,575</b>	<b>14,864</b>	<b>4.8</b>
<b>Net Equity</b>	<b>(15,763)</b>	<b>(12,479)</b>	<b>26.3</b>
Current financial assets	1,055	198	>100%
Current Debt	(2,555)	(2,824)	(9.5)
Long Term Debt	(8,331)	(5,508)	51.3
Cash and cash equivalentents	10,018	5,749	74.3
<b>Net financial position</b>	<b>187</b>	<b>(2,385)</b>	<b>(107.9)</b>
<b>Total sources</b>	<b>(15,575)</b>	<b>(14,864)</b>	<b>4.8</b>



## Cash flow statement of Eles S.p.A. as at 31 December 2020

CASH FLOW STATEMENT Eles S.p.A. (€/1000)	31.12.2020	31.12.2019
Net profit (loss) for the year	883	599
Income taxes	217	113
Interest expense/ (Interest income)	100	130
(Gains) / Losses on disposal of fixed assets	0	(1)
<b>1. Profit (loss) for the year before income taxes, interest, dividends and gains / losses on disposal of assets</b>	<b>1,200</b>	<b>841</b>
<i>Adjustments to non-monetary items which were not offset by the net working capital</i>		
Allocations to provisions	380	287
Amortisation/depreciation of non-current assets	1,942	2,056
Write-downs for permanent impairments of financial assets and derivatives without cash effect	(7)	3
Other adjustments to other non-monetary items	71	3
<b>2. Cash flow before the change in net working capital</b>	<b>3,586</b>	<b>3,189</b>
<i>Changes in net working capital</i>		
Change in inventories - decrease (increase)	(259)	12
Change in trade receivables - decrease (increase)	(1,895)	1,375
Change in trade payables - increase (decrease)	2,152	(1,911)
Change in accrued income and prepaid expenses - decrease (increase)	25	(115)
Change in accrued liabilities and deferred income - increase (decrease)	62	(48)
Other changes in net working capital	320	(774)
<b>3. Cash flow after the change in net working capital</b>	<b>3,991</b>	<b>1,729</b>
Interest collected/ (paid)	(90)	(130)
(Income taxes paid)	(33)	(881)
(Use of provisions)	(325)	(787)
<b>A) CASH FLOW FROM OPERATIONS</b>	<b>3,543</b>	<b>(70)</b>
<b>Investing activities</b>		
<i>Property, plant and equipment</i>		
(Investments)	(239)	(395)
Proceeds from disposal of assets	0	1
<i>Intangible assets</i>		
(Investments)	(1,901)	(2,922)
Proceeds from disposal of assets		
<i>Financial assets</i>		
(Investments)		(59)
Proceeds from disposal of assets		
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(2,140)</b>	<b>(3,376)</b>
<b>Financing activities</b>		
<i>Third parties</i>		
Increase (decrease) payable to banks	(540)	(2,251)
Loan new	5,505	4,290

Loan repayments	(2,415)	(2,350)
Equity	0	
Acquisition of minority interests	0	
Distribution of reserves and profits carried forward	0	0
Increase equity	316	6,000
<b>Cash generated by financing activities</b>	<b>2,866</b>	<b>5,688</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
	<b>2,866</b>	<b>5,688</b>
Increase (decrease) in cash and cash equivalents (A±B±C)	4,269	2,243

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**Further information:**

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Eles S.p.A. (Eles), founded in 1988, designs and manufactures semiconductor test solutions (SOC, MEMS and Memories). Eles produces universal test systems together with Engineering Services for reliability tests, having developed a co-engineering process with its customers aimed at guaranteeing 'Zero Defect' microelectronic devices. The Company also develops customised test applications for devices to be tested on its universal systems, along with the data management of test results. Eles counts among its customers multinational companies producing semiconductors and manufacturers of electronic modules for Automotive, Aerospace and Defense sectors. Eles' growth strategy is through internal growth by penetration of new markets, diversification of customers and improvement of existing solutions, as well as growth through acquisition for faster expansion overseas.

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