TECHNOPROBE

ANNUAL FINANCIAL REPORT 2023

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DIRECTORS' REPORT ON OPERATIONS

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2023

Courtesy translation
This document has been translated into English from the Italian original solely for the convenience of international readers.
In case of discrepancy between the Italian language original text and the English language translation, the Italian version shall prevail.

TECHNOPROBE S.P.A.

REGISTERED OFFICE IN CAVALIERI DI VITTORIO VENETO N. 2 - CERNUSCO LOMBARDONE
TAX CODE NO. 02272540135
SHARE CAPITAL € 6,010,000.00
LECCO R.E.A. (ECONOMIC AND ADMINISTRATIVE INDEX) NO.283619

DIRECTORS' REPORT ON OPERATIONS

GOVERNANCE AND INDEPENDENT AUDITORS

BOARD OF DIRECTORS(*)

Cristiano Alessandro Crippa	Chairman of the Board of Directors(1)
Roberto Alessandro Crippa	Vice chairman of the Board of Directors(1)
Stefano Felici	Chief Executive Officer(1)
Giulio Sirtori	Independent Director(2)
Anna Chiara Svelto	Independent Director(2)
Antonella Scaglia	Independent Director(2)(3)
Paolo Enrico Dellachà	Independent Director(2)(3)

(*) The Board of Directors will remain in office until the Shareholders' Meeting which will be called to approve the financial statements for the financial year ended on December 31, 2023.
(1) Executive and non-independent Director.
(2) Independent Director pursuant to art. 148, paragraph 3 of the Consolidated Law on Finance.
(3) In office since May 2, 2023.

BOARD OF STATUTORY AUDITORS(*)

Carlo Bianco	Chairman of the Board of Statutory Auditors
Giorgio Corti	Statutory Auditor
Pierfrancesco Giordano	Statutory Auditor
Giovanni Combi	Alternate Auditor
Francesco Carini	Alternate Auditor

(*) The Board of Statutory Auditors will remain in office until the Shareholders' Meeting which will be called to approve the financial statements for the financial year ended on December 31, 2023.

CONTROL AND RISK COMMITTEE

Antonella Scaglia	Chairman of the Control and Risk Committee
Anna Chiara Svelto	Independent Director
Giulio Sirtori	Independent Director

RELATED – PARTY COMMITTEE

Anna Chiara Svelto	Chairman of the Related Party Committee
Giulio Sirtori	Independent Director
Paolo Enrico Dellachà	Independent Director

NOMINATION AND REMUNERATION COMMITTEE

Anna Chiara Svelto	Chairman of the Nomination and Remuneration Committee
Antonella Scaglia	Independent Director
Giulio Sirtori	Independent Director

OFFICER IN CHARGE FOR THE PREPARATION OF CORPORATE FINANCIAL DOCUMENTS	Stefano Beretta

INDEPENDENT AUDITORS	PricewaterhouseCoopers S.p.A.(1)

(1) On April 6, 2023, the shareholders' meeting of Technoprobe S.p.A. appointed PricewaterhouseCoopers S.p.A. independent audit for the years 2023-2031 and the limited review of the interim condensed consolidated financial statements for the six months ending June 30 for the years 2023-2031.

Please refer to the "Report on corporate governance and ownership structures", published on the Company website for information on the Group corporate governance and ownership structures.

1 INTRODUCTION

Dear shareholders,

we hereby present for your review this integrated annual report. As authorized by article 40, paragraph 2 bis, of Legislative Decree no. 127 of April 9, 1991, the parent company Technoprobe S.p.A. (hereafter the "**Company**", "**Parent**" or "**Technoprobe**" and, together with its subsidiaries, the "**Group**" or the "**Technoprobe Group**"), prepared the directors' report on operations as the sole document for both the financial statements ended on December 31, 2023 (hereafter, the "**Financial Statements**") and for the consolidated financial statements for the financial year ended on December 31, 2023 (hereafter, the "**Consolidated Financial Statements**").

The Financial Statements and the Consolidated Financial Statements are prepared in accordance with the international accounting standards adopted by the European Union (hereafter "**IFRS**") and are accompanied by this report, which illustrates the performance of the Company and the Group, both with respect to the financial year concluded and the expected prospects.

Revenue for the year ended December 31, 2023, amounted to €409,274 thousand, with a decrease of 25.4% compared with prior year, and a net profit equal to €97,376 thousand, of which €96,999 thousand attributable to the Group. The gross operating margin and EBITDA, as described below, amounted to €199,327 thousand and €122,737 thousand, respectively. The net financial position amounted to a surplus of €350,769 thousand as of December 31, 2023.

The following table sets forth the Group's main economic and financial indicators:

(In thousands of Euro)	**Year ended December 31,**	
	2023	**2022**
Revenue	409,274	548,929
Gross profit	199,327	332,780
EBITDA (*)	122,737	245,360
Investments (*)	63,927	79,715
Net profit	97,376	148,215

(In thousands of Euro)	**As of December 31,**	
	2023	**2022**
Total equity	817,300	736,975
Net financial position (surplus) (*)	350,769	403,430

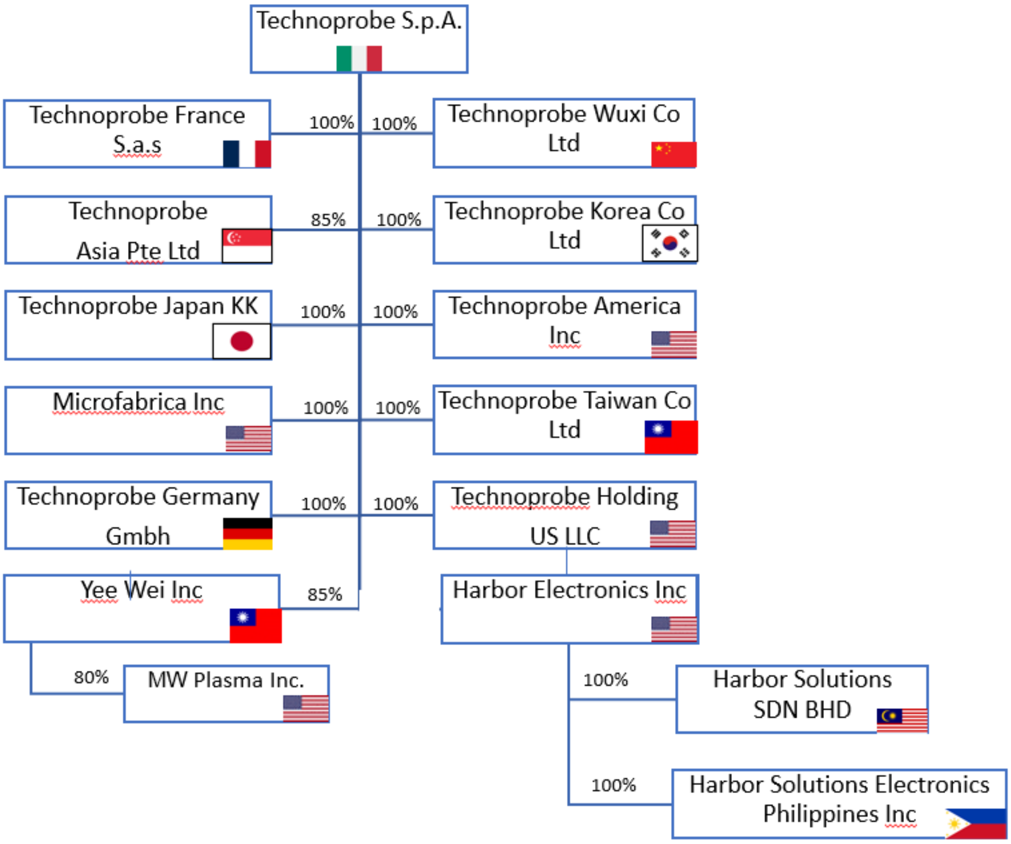
(*) This report on operation includes, in addition to the financial measures required by IFRS, certain measures derived from IFRS, although not required by IFRS (Non-GAAP Measures or APIs). These measures are presented in order to enable a better assessment of the Group's operating performance and should not be considered alternatives to those provided for by IFRS.

2 GROUP ORGANIZATION

The Group operates in the design and production of probe cards. Probe cards are high-tech devices tailor-made to the specific semiconductor that allow the operation of chips to be tested during their production (*i.e.*, while they are still on the silicon wafer). These are technological projects and solutions that guarantee the operation and reliability of devices that play a central role in the computer, smartphone, 5G, Internet of Things, home automation and automotive industries, among others. Probe cards are considered "consumables", meaning that each probe card's life cycle is linked to a specific chip and no part of the probe card can be reused. In Italy, the Group has its registered office in Cernusco Lombardone (LC), where there is also a production center measuring approximately 18,000 m2. Furthermore, the Group has two other production plants in Italy: the first plant, measuring about 3,000 m2 in Agrate (Monza and Brianza), and the second, measuring about 5,000 m2 in Osnago (Lecco).

Outside of Italy, the Group has other 16 offices facilities throughout Europe, Asia (i.e., Taiwan, South Korea, China and Singapore) and the United States.

The following chart shows the Group's corporate structure as of December 31, 2023:



During the financial year ended December 31, 2023, the following changes occurred to the Group's structure:

- In August 2023, the company Fastprint Technology US LLC (subsequently renamed TP U.S. Holding LLC) was acquired together with its subsidiaries Harbor Electronics, Inc., Harbor Electronics Solutions Philippines Inc and Harbor Solutions SDN BHD (collectively, the "**Harbor Group**");
- In December 2023, the company MW Plasma Inc. was acquired and the liquidation process of the Technoprobe's subsidiary GeniusPack Holding AG was concluded.

The chart below shows the Group's international presence, including our production sites, research and development labs and sales offices, which allow us to remain in close contact with customers in the geographic areas that we serve:

3 MACROECONOMIC SCENARIO[1]

International scenario

The effects of restrictive monetary policy measures and worsening consumer and business confidence continue to affect the international economic scenario. A region-wide extension of the Middle East conflict presents a significant risk to growth and inflation. In particular, some signs of weakening economic activity are emerging in the United States, and GDP growth in China remains below pre-pandemic levels. The most recent OECD estimates predict a slowdown in GDP by 2024 as a result of tight monetary policies and worsening consumer and business confidence. In addition, high downside risks remain from international political tensions, particularly in the Middle East.

Italy

The growth in Italy remained close to zero in the end of 2023, dampened by tighter credit conditions and by the persistence of high energy prices; consumption stagnated and investment have been reduced. Economic activity turned downwards again in manufacturing, while holding stable in services. It grew in construction, which continued to benefit from tax incentives. Toward the end of 2023, the labor market showed signs of resilience: employment continued to grow, although at a slower pace than in the first part of the year. The participation rate reached a new peak since the series has been calculated, while the unemployment rate remained stable. In addition, the decline in inflation became more pronounced and extended to non-energy industrial goods and services.

4 SIGNIFICANT MANAGEMENT EVENTS

Production capacity efficiency plan

In February 2023, a production capacity efficiency plan was launched, in particular at the American subsidiary Microfabrica Inc., controlled at 100% by Technoprobe. The plan brought a downsizing of about 100 units from the second quarter of 2023, both at production and administrative/commercial level. Such plan has not led to a contraction of production capacity or market response since the same capacity can be absorbed by other production sites, also thanks to the increasing automation of certain processes.

[1] Source: Banca d'Italia, Economic Bulletin Number 1/2024.

New design center opening

In June 2023, a new design center was opened in Vimercate; this new venue is added to those already operating in Cernusco Lombardone and Catania.

Translisting on Euronext Milan

During the first half of 2023, the Company undertook and completed the process of translisting its ordinary shares from *Euronext Growth Milan* to the regulated market *Euronext Milan*, organized and managed by Borsa Italiana S.p.A. The start of trading of Technoprobe ordinary shares on Euronext Milan took place on May 2, 2023 with the simultaneous exclusion from the *Euronext Growth Milan* market.

As a result of this translisting, the Company strengthened its governance by expanding its Board of Directors from 5 to 7 members, 4 of which independent. In addition, the Nomination and Remuneration Committee was established.

Shares buyback plan

Following the resolution of the Ordinary Shareholders' Meeting of June 22, 2023, the Company has launched a Shares buyback with the aim to (i) acquire a portfolio of own shares to serve stock option plans, stock grants or share incentive plans, and (ii) operate on own shares in an investment perspective for an efficient use of the Company's financial liquidity. As a result of this program, which ended on August 10, 2023, Technoprobe purchased a total of n. 1,500,000 treasury shares for an average price of €7.8312 per share and a total value of €11,746,748; also including taxes and commissions, the overall expense for the Company was equal to €11,767,495 with an average price of €7.8450.

Acquisition of Harbor Electronics

On August 8, 2023, the acquisition of Harbor Electronics Inc. was finalized for a total amount of approximately US$50 million. The transaction was completed without recourse to debt. Harbor Electronics, founded in the 1980s in Santa Clara, California, and acquired in 2015 by the group headed by Shenzhen Fastprint Circuit Tech Co., is a leader in the production of advanced printed circuit boards for testing systems for the main semiconductor manufacturers. Thanks to the acquisition, Technoprobe will further strengthen its technological expertise in testing by vertically integrating its manufacturing process through in-house production of advanced printed circuit boards for its probe cards and Final Test Boards.

Binding agreement between Technoprobe, T-Plus SpA and Teradyne, Inc.

On November 8, 2023 Technoprobe, T-Plus SpA ("**T-Plus**") and Teradyne Inc. ("**Teradyne**"), a leading system design and manufacturing company of automated testing, have signed a binding agreement for a joint operation, which includes:

- the acquisition by Technoprobe of the Device Interface Solutions (DIS) division from Teradyne, with the aim of strengthening skills in the Printed Circuit Boards markets and high-performance interfaces and to consolidate the vertical integration process of its business model;
- the acquisition by Teradyne, through the wholly owned subsidiary Teradyne International Holdings BV, of a 10% share of Technoprobe SpA through the subscription of newly issued shares of Technoprobe equal to 8% and the acquisition of shares equal to 2% from T-Plus.

Capital increase reserved for Teradyne International Holdings BV

As part of the binding agreement between Technoprobe and Teradyne, on November 14, 2023, the Board of Directors of Technoprobe partially executed the delegation referred to the art. 2443 of the Civil Code, conferred by the Extraordinary Shareholders' Meeting of April 6, 2023 and approved a paid capital increase, with the exclusion of the option right, for an amount of €384,744,524.94 (including share premium), through the issue of n. 52,260,870 ordinary shares (the "**New Shares**"), without indication of the nominal value, at an issue price for each share equal to €7.362 to be subscribed by October 30, 2024. The New Shares are reserved for subscription exclusively to Teradyne International Holdings BV.

5 MAIN ALTERNATIVE PERFORMANCE INDICATORS (APIS)

The European Securities and Market Authority (ESMA) has published guidelines on alternative performance indicators (hereafter also referred to as "**APIs**") for listed issuers. APIs refer to measures used by management and investors to analyze the Group's trends and performance, which are not directly derived from the financial statements. These measures are relevant to support management and investors in analyzing the Group's performance. Investors should not consider APIs as substitutes, but rather as additional information to the data included in the financial statements. It should be noted that APIs as defined by the Group, may not be comparable to similarly named measures used by other companies.

APIs presented in this report are defined as follows:

- 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) net finance income (expenses), (iv) other income (expenses), (v) net impairment of financial assets and depreciation, amortization and impairment included in: selling, general and administrative, research and development and cost of revenue.
- Gross Profit margin and EBITDA margin are defined as the ratio of Gross margin and EBITDA to revenue, respectively.
- Research and development expense ratio is defined as the ratio of research and development expenses to revenue.
- Net working capital is defined as the difference between current assets and current liabilities, including derivative financial instruments fair value and excluding current financial assets, cash and cash equivalents, current financial liabilities and current lease liabilities.
- Net fixed capital is defined as the difference between non-current assets and non-current liabilities, excluding non-current financial liabilities and non-current lease liabilities.
- Net invested capital is defined as the sum of Net working capital and Net fixed capital.
- Net financial position is defined as the sum of cash and cash equivalents and current financial assets, net of current and non-current financial and lease liabilities (in any case, with the exclusion of derivative financial instruments entered into to hedge exchange rate risk in relation to commercial transactions).
- Capital expenditures are defined as the sum of cash flow used for investments in property, plant and equipment (excluding right-of-use assets) and intangible assets.
- ROE is calculated as the ratio of net profit for the period to the Group's equity (including net profit for the period).
- ROI is calculated as the ratio of operating profit to total assets.
- ROS is calculated as the ratio of operating profit to revenue.
- Fixed assets coverage ratio is calculated as the ratio of Group's equity (including net profit for the period) to total non-current assets.
- The ratio "Shareholders' equity / Invested capital" is calculated as the ratio of Group's equity (including net profit for the period) to total current assets.
- Indebtedness ratio is defined as the ratio of total liabilities to total assets.
- Acid test is calculated as the ratio of total current assets net of inventories to current liabilities.
- Current ratio is calculated as the ratio of current assets to current liabilities.

6 GROUP'S FINANCIAL INFORMATION

6.1 GROUP'S RESULTS OF OPERATIONS

The following table sets forth the Group's income statement figures for the years ended December 31, 2023 and 2022, with evidence of the incidence as a percentage of revenue:

(In thousands of Euro and as a percentage)	**Year ended December 31,**			
	2023	**% on revenue**	**2022**	**% on revenue**
Revenue	409,274	100.0%	548,929	100.0%
Cost of revenue	(209,947)	(51.3%)	(216,149)	(39.4%)
Gross profit	**199,327**	**48.7%**	**332,780**	**60.6%**
Operating expenses				
Research and development	(56,763)	(13.9%)	(56,419)	(10.3%)
Selling, general and administrative	(62,771)	(15.3%)	(67,737)	(12.3%)
Net impairment of financial assets	49	0.0%	(178)	0.0%
Total operating expenses	**(119,485)**	**(29.2%)**	**(124,334)**	**(22.6%)**
Operating profit	**79,842**	**19.5%**	**208,446**	**38.0%**
Other income (expenses), net	1,884	0.5%	(4,155)	(0.8%)
Finance income	8,606	2.1%	1,237	0.2%
Finance expenses	(288)	(0.1%)	(213)	0.0%
Foreign exchange gains (losses)	(4,796)	(1.2%)	1,915	0.3%
Profit before tax	**85,248**	**20.8%**	**207,230**	**37.7%**
Income tax expense	12,128	3.0%	(59,015)	(10.8%)
Net profit	**97,376**	**23.8%**	**148,215**	**26.9%**
R&D expense ratio on revenue	*(13.9%)*		*(10.3%)*	

Revenue

Revenue amounted to €409,274 thousand and €548,929 thousand for the year ended December 31, 2023 and 2022, respectively.

The following table sets forth revenue by geographical area, in absolute terms and as a percentage of revenue:

(In thousands of Euro and as a percentage)	**Year ended December 31, (*)**			
	2023	**% on revenue**	**2022**	**% on revenue**
Asia	178,827	43.7%	356,947	65.0%
America	187,934	45.9%	153,444	28.0%
Europe (except Italy)	31,567	7.7%	28,724	5.2%
Italy	10,946	2.7%	9,814	1.8%
Revenue	**409,274**	**100.0%**	**548,929**	**100.0%**

(*) Data processed according to billing country

In both years under review, revenue originating outside Italy accounted for over 97% of total revenue.

As a percentage of total revenue, revenue originating in the different geographical areas underwent variations in the two years under review. In the year ended December 31, 2023 the Group originated 43.7% of its revenue in Asia, (decreasing compared to the 65.0% of revenue originating in Asia in prior year) and 45.9% of revenue in America (increasing compared to 28.0% of revenue originating in America in prior year). This trend was influenced by the decrease in sales of some of the Group's main customers in Asia, mainly due to market contraction and a business model change by one of such main clients.

Cost of revenue

Cost of revenue amounted to €209,947 thousand for the year ended December 31, 2023 and €216,149 thousand for the year ended December 31, 2022, with a decrease of €6,202 thousand, equals to 2.9%. As a percentage of revenue, cost of sales was equal to 51.3% for the year ended December 31, 2023 and 39.4% for the year ended December 31, 2022, with an increase of 11.9 percentage points compared to prior year. This increase is mainly due to the lower absorption of fixed structural costs due to the decrease in sales mentioned above and the Group's strategic choice to maintain the current production structure and level of resources employed to ensure an adequate response to the expected recovery in volumes. Furthermore, the cost of sales also reflects the consolidation of the newly acquired Harbor group.

Research and development

Research and development expenses amounted to €56,763 thousand and €56,419 thousand for the year ended December 31, 2023 and 2022, respectively; substantially in line over the two years. As a percentage of revenue, research and development expenses increased from 10.3% for the year ended December 31, 2022 to 13.9% for the year ended December 31, 2023.

Selling, general and administrative

Selling, general and administrative expenses amounted to €62,771 thousand for the year ended December 31, 2023 and €67,737 thousand for the year ended December 31, 2022, with a decrease of €4,966 thousand or 7.3% mainly due to the decrease in commissions on sales. During the year ended December 31, 2023 and 2022, the Group incurred non-recurring costs of €2.1 million and €1.6 million respectively attributable to the listing process of the Company's shares on the Euronext Milan market (translisting concluded on May 2, 2023) and the process of listing the Company's shares on the Euronext Growth Milan market (completed in February 2022). Furthermore, for the year ended December 31, 2023, acquisition costs of €473 thousand were incurred relating to the acquisition of the Harbor Group; as well as costs connected to the transaction with Teradyne-DIS. As a percentage of revenue, administrative, sales and distribution expenses increased from 12.3% to 15.3% for the year ended December 31, 2023 following the contraction in revenue commented above.

EBITDA ed EBITDA Margin

The following table sets forth the calculation of EBITDA and the related reconciliation with net profit:

(In thousands of Euro and as a percentage)	**Year ended December 31,**	
	2023	**2022**
Net profit	97,376	148,215
Income tax expense	(12,128)	59,015
Foreign exchange gains (losses)	4,796	(1,915)
Finance income	(8,606)	(1,237)
Finance expenses	288	213
Other income (expenses), net	(1,884)	4,155
Depreciation, amortization and impairment(*)	42,944	36,736
Net impairment of financial assets	(49)	178
EBITDA	**122,737**	**245,360**
EBITDA Margin	**30.0%**	**44.7%**

(*) The Group prepares its income statement by destination. Therefore, depreciation, amortization and impairment do not represent separate line-item on our consolidated income statement. Depreciation and amortization, as presented in the table above, were determined as the sum of such expenses included in: (i) Cost of revenue, (ii) Research and development and (iii) Selling, general and administrative.

EBITDA amounted to €122,737 thousand and €245,360 thousand, for the year ended December 31, 2023 and 2022, respectively, with a decrease of €122,623 thousand or 50.0%. As a percentage of revenue (*EBITDA Margin*), EBITDA amounted to 30.0% and 44.7% for the year ended December 31, 2023 and 2022, respectively. The decrease in margins compared to the previous year also reflects the Group's strategic decision to maintain the current production structure and level of resources employed in order to ensure an adequate response to the expected volume recovery.

Other income (expenses)

Other income (expenses), net amounted to an expense of €1,884 thousand for the year ended December 31, 2023 and an income of €4,155 thousand for the year ended December 31, 2022. For the year ended December 31, 2022, other income (expenses net) included €8,448 thousand of provisions for risks and charges (zero for the year ended December 31, 2023).

Finance income

Finance income amounted to €8,606 thousand and €1,237 thousand for the year ended December 31, 2023 and 2022, respectively. This trend is mainly due to the increased returns from the management of cash on deposit.

Foreign exchange gains (losses)

Foreign exchange gains (losses) consisted of losses amounting to €4,796 thousand and gains of €1,915 thousand for the year ended December 31, 2023 and 2022, respectively. These amounts include the effect of the management of currency derivatives, which partially offset the effects of the appreciation of the euro against other currencies recorded for the year ended December 31, 2023.

Income tax expense

Income tax represented a benefit of €12,128 thousand for the year ended December 31, 2023 and an expense of €59,015 thousand for the year ended December 31, 2022. As a percentage of profit before tax, income taxes increase from negative 28.5% for the year ended December 31, 2022 to positive 14.2% for the year ended December 31, 2023. This increase is mainly attributable to tax benefits related to the so-called Patent Box recognized in financial year 2023 following the signing of the agreement that allowed for the recovery of tax benefits related to fiscal years 2020, 2021 and 2022 as well as those related to fiscal year 2023.

Net profit

As a result of the above, net profit amounted to €97,376 thousand and €148,215 thousand for the year ended December 31, 2023 and 2022, respectively.

6.2 GROUP'S FINANCIAL POSITION

The following table sets forth a reclassification of the statement of financial position by applications and sources for a better understanding of the Group's financial position:

(In thousands of Euro)	**As of December 31,**	
	2023	**2022**
Applications		
Net fixed capital (*)	295,808	229,709
Net working capital (*)	170,723	103,836
Net invested capital (*)	**466,531**	**333,545**
Funding Sources		
Shareholders' equity	817,300	736,975
Net financial position (surplus) (*)	(350,769)	(403,430)
Total funding sources (*)	**466,531**	**333,545**

(*) The item is not considered to be accounting measures under IFRS and, therefore, should not be considered as an alternative measure to those provided by the Group's Financial Statements for the assessment of the Group's economic performance.

Net fixed capital

The following table sets forth a breakdown of net fixed assets:

(In thousands of Euro)	As of December 31,	
	2023	**2022**
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
Deferred tax liabilities	(3,485)	(320)
Employee benefits obligations	(288)	(297)
Provisions for risks and charges	(20,073)	(20,073)
Other non-current liabilities	(14)	(36)
Net fixed capital	**295,808**	**229,709**

Net fixed capital increased by €66,099 thousand or 28.8%, from €229,709 thousand as of December 31, 2022 to €295,808 thousand as of December 31, 2023. Such increase is mainly attributable to investments in property, plant and equipment and intangible assets as well as to the impact of the acquisition of the Harbor Group, which resulted, *inter alia*, in the recognition of goodwill amounting to €15,170 thousand as of the acquisition date.

Net working capital

The following tables sets forth a breakdown of net working capital:

(In thousands of Euro)	As of December 31,	
	2023	**2022**
Inventories	119,030	110,387
Trade receivables	67,829	75,418
Current tax receivables	38,647	363
Other current assets	18,925	16,884
Trade payables	(38,989)	(40,858)
Current tax payables	(1,241)	(21,756)
Other current liabilities	(33,478)	(38,304)
Derivative financial instruments	-	1,702
Net working capital	**170,723**	**103,836**

Net working capital increased by €66,887 thousand or 64.4%, from €103,836 thousand as of December 31, 2022 to €170,723 thousand as of December 31, 2023, recording an increase equal to. Such variation is mainly attributable to an increase in inventories and current tax assets, (mainly as a result of the recognition of benefits related to the Patent Box for the 2020, 2021 and 2022 tax periods), and a decrease in current tax liabilities.

Shareholders' equity

Shareholders' equity increased from €736,975 thousand as of December 31, 2022 to €817,300 thousand as of December 31, 2023. The increase is mainly attributable to the net result of the Group for the year ended December 31, 2023, partially offset by the purchase of treasury shares by the Parent for a total amount of €11,747 thousand.

Main indicators of financial position

(In percentage)	As of December 31,	
	2023	**2022**
R.O.E. (Return On Equity) (*)	11.9%	20.1%
R.O.I. (Return On Investment) (*)	8.6%	24.0%
R.O.S. (Return On Sales) (*)	19.5%	38.0%

(*) These items are not identified as accounting measures under IFRS and, therefore, should not be considered as alternative measures to those provided by the Group's financial statements for assessing the Group's financial position.

ROE, calculated as ratio between net profit to Group's shareholders' equity, summarizes the profitability and remuneration of the Group's equity.

ROI, calculated as ratio between operating income and total assets, represents the characteristic profitability of invested capital, excluding the effects of financial management, extraordinary items and the tax charge.

ROS, calculated as ratio between operating income and revenue, is used to analyze the Group's operations and shows the impact of the various production factors on sales.

The decrease of the above indicators reflects the trend in economic results for the year ended December 31, 2023 compared to the previous year and the increase in fixed assets.

(In thousands of Euro)	As of December 31,	
	2023	**2022**
Fixed assets coverage ratio (*)	2.56	2.94
Shareholders' equity / Invested capital (*)	0.88	0.85
Indebtedness ratio (*)	0.12	0.15

(*) These items are not identified as accounting measures under IFRS and, therefore, should not be considered as alternative measures to those provided by the Group's financial statements for assessing the Group's financial position.

Fixed asset coverage ratio, which represents the ratio between shareholders' equity (including net profit for the year) and total fixed assets, shows that non-current assets are fully funded by shareholders' equity, thus demonstrating the existence of a solid structural balance.

Shareholders' equity to invested capital ratio is the ratio of shareholders' equity to total assets and highlights the weight of capital contributed by shareholders in relation to the sources used to fund the statement of financial position assets.

Indebtedness ratio between capital raised from third parties and total assets expresses the percentage of debt which, for various reasons, the Group has contracted in order to raise the funds necessary to satisfy the items presented in total assets in the statement of financial position.

Liquidity test	As of December 31,	
	2023	**2022**
Acid test (*)	6.37	4.90
Current ratio (*)	7.92	5.97

(*) These items are not identified as accounting measures under IFRS and, therefore, should not be considered as alternative measures to those provided by the Group's financial statements for assessing the Group's financial position.

Acid test is the ratio of current assets net of inventories to current liabilities and expresses the company's ability to carry out its operations under conditions of adequate liquidity.

Current ratio is the ratio between current assets and current liabilities and represents the company's ability to meet future outflows deriving from the settlement of current liabilities with cash and cash equivalents and with future inflows deriving from the collection of current assets.

Net financial position

Group's net financial position prepared in accordance with the ESMA 32-382-1138 Recommendation of March 4, 2021 is presented below:

(In thousands of Euro)	As of December 31,	
	2023	**2022**
A. Cash	361,800	411,031
B. Cash and cash equivalents	-	-
C. Other current financial asset	2,496	598
D. Liquidity (A+B+C)	**364,296**	**411,629**
E. Current financial debt (*)	-	-
F. Current portion of non-current financial debt	(3,135)	(2,352)
G. Current financial indebtedness (E+F)	**(3,135)**	**(2,352)**
- of which guaranteed	-	-
- of which not guaranteed	*(3,135)*	*(2,352)*
H. Net current financial indebtedness	**361,161**	**409,277**
I. Non-current financial debt (*)	(10,392)	(5,847)
J. Debt instruments	-	-
K. Non-current trade and other payables	-	-
L. Non-current financial indebtedness (I+J+K)	**(10,392)**	**(5,847)**
- of which guaranteed	-	-
- of which not guaranteed	*(10,392)*	*(5,847)*
M. Net financial position (H+L)	**350,769**	**403,430**

(*) As of December 31, 2023, €13,527 thousand refer to the lease liability relating to IFRS 16 (€8,199 thousand as of December 31, 2022) of which €3,135 thousand is current (€2,352 thousand as of December 31, 2022) and €10,392 thousand is non-current (€5,847 thousand as of December 31, 2022).

Net financial position decreased by €52,661 thousand, from €403,430 thousand as of December 31, 2022 to €350,769 thousand as of December 31, 2023, mainly as a result of the decrease in cash and cash equivalents during 2023. For more information, please refer to Section 6.3 - "Group Cash Flows."

6.3 GROUP'S CASH FLOWS

The following tables sets forth cash flow details for the year ended December 31, 2023 and 2022:

(In thousands of Euro)	Year ended December 31,	
	2023	**2022**
Net cash flow generated by operating activities	61,750	207,236
Net cash flow used in investing activities	(93,421)	(78,317)
Net cash flow generated by (used in) financing activities	(15,044)	130,294
Total cash flow generated (used) during the year	**(46,715)**	**259,213**
Cash and cash equivalents at the beginning of the year	411,031	146,754
Exchange differences from translation of cash and cash equivalents	(2,516)	5,064
Cash and cash equivalents at the end of the year	**361,800**	**411,031**

Cash flow from operating activities

Cash flow generated by operating activities amounted to €61,750 thousand for the year ended December 31, 2023, a decrease from the net cash flow generated by operating activities for the year ended December 31, 2022 amounting to €207,236 thousand. Such decrease, equal to €145,486 thousand, is mainly due to the net effect resulting from:

- cash generated from operating activities before changes in net working capital, amounting to €133,420 thousand, in line with EBITDA performance and taking into account provisions and foreign exchange management; and
- cash absorbed by net working capital, mainly attributable to taxes paid for the year ended December 31, 2023 and changes in trade payables and receivables.

Cash flow from investing activities

Cash flow used in investing activities amounted to €93,421 thousand for the year ended December, 31, 2023 and €78,317 thousand for the year ended December 31, 2022.

Cash flow used in investing activities amounting to €93,421 thousand for the year ended December 31, 2023, is mainly attributable to:

- investments in property, plant and equipment (excluding rights of use) amounting to €62,834 thousand, mainly related to plant and machinery and tangible assets in progress and advances;
- cash used in the Harbor acquisition amounting to €41,672 thousand, net of cash acquired;
- financial income received, amounting to €5,400 thousand, from the return on cash in deposit.

Cash flow used in investing activities amounting to €78,317 thousand for the year ended December 31, 2022, is mainly attributable to:

- investments in property, plant and equipment, equal to €74,642 thousand, mainly attributable to property, plant and equipment in progress and advances, amounting to €36,376 thousand, plant and machinery, amounting to €24,316 thousand, and industrial and commercial equipment, amounting to €7,642 thousand; and
- investments in intangible assets equal to €5,073 thousand, mainly attributable to the purchases of new software.

Cash flow from financing activities

Cash flow generated by financing activities amounted to €15,044 thousand for the year ended December 31, 2023, a decrease compared to cash flow absorbed by financing activities for the year ended December 31, 2022 amounting to €130,294 thousand. Such decrease is mainly due to the purchase of treasury shares amounting to €11,747 thousand and the repayment of lease liabilities amounting to €3,009 thousand.

7 INFORMATION REGARDING THE PARENT COMPANY'S ECONOMIC, FINANCIAL AND ASSET PERFORMANCE

The following tables sets forth the main economic and financial information of the Parent for the year ended December 31, 2023 and 2022:

(In thousands of Euro)	As of December 31,	
	2023	2022
Revenue	327,986	453,042
Gross profit	143,128	241,981
Operating profit	53,878	164,319
Net profit	120,255	126,117
Investment in subsidiaries	121,273	81,055
Total equity	784,095	675,587

Revenue decreased by €125,056 thousand, or 27.6%, from €453,042 thousand for the year ended December 31, 2022 to €327,986 thousand for the year ended December 31, 2023. This decrease is mainly attributable to the decrease in sales of some of the Group's main customers in Asia.

Gross profit decreased by €98,853 thousand, or 40.9%, from €241,981 thousand for the year ended December 31, 2022 to €143,128 thousand for the year ended December 31, 2023. As a percentage of revenue, gross profit decreased from 53.4% for the year ended December 31, 2022 to 43.6% for the year ended December 31, 2023, mainly as a result of the lower absorption of fixed costs of structure given the decrease in sales mentioned above.

Investments in subsidiaries increased from €81,055 thousand as of December 31, 2022 to €121,273 thousand as of December 31, 2023 as a result of: (i) acquisition of the investment in Technoprobe US

Holding LLC equal to €44,873 thousand; (ii) conversion of some loans granted to Yee Wei Inc; and (iii) liquidation and consequent elimination of the related shareholding in Geniuspack Holding.

The following tables sets forth the details of investments in subsidiaries as of December 31, 2023 and 2022:

(In thousands of Euro)	**Year ended December 31,**	
	2023	**2022**
Technoprobe US Holding LLC	44,872	-
Microfabrica Inc.	32,978	32,978
Yee Wei Inc.	16,975	10,332
Technoprobe Asia Pte Ltd.	10,200	10,200
Technoprobe France S.a.s.	7,500	7,500
Technoprobe Wuxi Co. Ltd.	3,183	3,183
Technoprobe Korea Co Ltd.	2,785	2,785
Technoprobe Taiwan Co. Ltd.	1,361	1,361
Technoprobe America Inc.	853	853
Technoprobe Germany Gmbh	300	300
Technoprobe Japan KK	266	266
GeniusPack Holding AG	-	11,297
Total	**121,273**	**81,055**

Total equity increased from €675,587 thousand as of December 31, 2022 to €784,095 thousand as of December 31, 2023 due to the combined effect of: (i) the net result for the year equal to €120,255 thousand and (ii) the purchase of treasury shares for a total value of €11,747 thousand.

The following table sets forth a reconciliation of shareholders' equity and net profit for the year ended December 31, 2023 of the Group with the same items of the Parent.

(In thousands of Euro)	**As of December 31, 2023**	
	Net profit	**Equity**
Net profit and equity of the Parent	**120,255**	**784,095**
Subsidiaries' Net profit	16,942	16,942
Subsidiaries' Capital and reserves	-	124,767
Book value of investments in subsidiaries	-	(103,480)
Intercompany dividends	(40,698)	-
Intercompany transactions	500	(6,552)
Consolidated net profit and equity attributable to shareholders of the Parent	**96,999**	**815,772**

8 MANAGEMENT OF THE RISKS TO WHICH THE GROUP IS EXPOSED

Operating risks

Risk factors are primarily linked to fierce competition. The trend of recent years towards market consolidation is confirmed, with smaller companies struggling more and more due to their inability to raise the necessary financial resources to keep up with technological development and renewal. The effects on the semiconductor market could be negative if, as a result of duties or import blocks, there is a slowdown in global demand for electronic devices.

However, the partnership established with the leading manufacturers in the market allows the Technoprobe Group to have a privileged perspective of the technological trends, thus allowing it to correctly address the investments in R&D.

Financial risks

The main financial risks identified, monitored and, to the extent specified below, actively managed by the Group, are as follows:

- market risk, deriving from fluctuations in exchange rates between the euro and the other currencies in which the Group operates, especially the US dollar;
- credit risk, deriving from the possibility of counterparty default;
- liquidity risk, deriving from a lack of financial resources to meet financial commitments.

The Group's aim is to maintain balanced management of its financial exposure over time, ensuring that its liabilities are in balance with the composition of its assets and providing the necessary operational flexibility through the use of the liquidity generated by current operations and bank loans.

The ability to generate liquidity from the core business, together with the indebtedness capacity, allows the Group to adequately satisfy its operating needs, financing operating working capital and investments, as well as compliance with its financial obligations.

The Group's financial policy and the management of related financial risks are centrally directed and monitored. Moreover, credit risk is at present considered negligible for the Group, given the size and creditworthiness of its main customers. Further details are provided in Note 5 of the notes to the Consolidated Financial Statements.

Climate risk

In consideration of its business model, the Group does not believe to be significantly exposed to environmental risks and, in particular, to risks related to the Climate Change.

9 OUTLOOK AND SIGNIFICANT EVENTS AFTER DECEMBER 31, 2023

2024 is expected to be a highly challenging year: the entire semiconductor sector is going through a profound phase of change dictated both by new technologies but also by potentially different geopolitical structures: international tensions relating to the limits imposed on technological exports to Asia will still weigh in the industry.

On the demand side, the slowdown evidenced throughout 2023 is slowly but gradually giving way to recovery in the new year, in favor of an expectation of growth that is estimated to become more apparent in the second half of the year, driven primarily by growing volumes, especially in the consumer segment that represents the most significant portion targeted by the Group's market, but also by the potential that artificial intelligence promises to manifest in the realization of the chips themselves.

The technological challenge in the ability to test the new generation of chips, both in complexity and volume, will be crucial in defining the success of the Group, which during 2023 and throughout 2024 has been and will be actively focused on expanding its production capacity, through investments in automation and new production facilities, the development of new patents and processes that will meet 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 with 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 sourcing.

In fact, as interface evolution speeds and device complexity increase, the ability to control and optimize all major steps in the production process of the interface itself, from conception, design, and production to customer support, will be of critical importance.

The synergies between Teradyne-DIS and Harbor Electronics' expertise in interface design and manufacturing together with Technoprobe's expertise in advanced production technologies will bring to market high-performance, first pass quality and on-time delivery solutions for probe cards and final test boards.

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 conditioned 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. Finally, the execution of the capital increase reserved for the Teradyne Group, also conditional on the same conditions precedent just mentioned, will allow Technoprobe to raise further funds of approximately €385 million, which will therefore 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.

10 GROUP STRATEGY AND FUTURE ORGANIZATIONAL MODEL

The strategy of concentrating the entire know-how in Italy and the realization of the parts with high technological content in the plants of Cernusco Lombardone is confirmed, strengthened by the opening of the already mentioned plant in Agrate Brianza, and by the acquisition of the site in Osnago which is currently being prepared. The "engineering support" departments are present in the foreign plants in order to provide assistance to customers during the installation and customization of products manufactured in Italy.

11 RESEARCH AND DEVELOPMENT

Research and development continued to be significant also for the year ended December 31, 2023. It is testified both by the entry into full operation of the new production plant in Agrate and the opening of a new research center in Catania and the filing of numerous new international patent applications.

Our research and development is focused on the needs of individual customers in order to (i) understand the specific technological requirements of each project, (ii) develop innovative solutions and (iii) anticipate technological trends in the market.

In particular, we have teams dedicated to: (i) the development of probe cards; (ii) the robotic component and machinery for the production of probe cards; and (iii) the artificial intelligence aspects (with the aim of developing projects and solutions capable of making the production process more efficient and effective).

With respect to our probe card operations, there are several teams that deal with the different phases of production. Two teams are dedicated to the design of probes with TPEG™ MEMS technology and those manufactured by Microfabrica, while another team is dedicated to the development and design phases.

With respect to the robotics and the machinery component of our products, the teams dedicated to the software and the design phase work simultaneously for the development of machines and other equipment used in the probe card production process (*e.g.*, lasers, automatic assembly machines and probe card analyzers).

We routinely implement innovative solutions through our research and development initiatives, including but not limited to high-power architecture ("HiP") technology, the patent for which has recently filed and obtained, which allows for the minimization of needle burning events during testing (especially for mobile/data center applications).

12 INFORMATION ON SHARES

During the financial year ended December 31, 2023, the Company purchased a total of no. 1,500,000 outstanding shares for a total value of €11,746,748 in order to (i) acquire a portfolio of own shares to serve stock option plans, stock grants or share incentive plans, and (ii) operate on own shares in an investment perspective for an efficient use of the Company's financial liquidity.

Please note that the Company does not own and has not owned, during the financial year, not even through trust companies or through third parties, shares or quotas of parent companies.

13 OTHER INFORMATION

RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANIES

Pursuant to article 2428 of the Italian Civil Code, note 10 of the explanatory notes to the Consolidated Financial Statements and in note 8 of the explanatory notes to the Financial Statements provide a summary of payables due, and receivables from, as well as costs and revenue with related parties.

PERSONNEL

During the year there were no deaths at work or serious accidents involving serious or very serious injuries to staff. Also, during the year there were no charges relating to occupational illnesses affecting employees or former employees, or cases of mobbing for which the company has been declared definitively liable.

ENVIRONMENT

The Company constantly monitors, based on an internal plan, the quality of emissions and discharges produced at each of its production sites in Italy. All values have always been found to comply with the requirements of current permits.
The management of environmental aspects is ensured by an audit plan, using both internal resources and specialized external consultants, aimed at identifying intervention actions and possible opportunities for improvement.

DEROGATION FROM THE PUBLICATION OF INFORMATION DOCUMENTS

It should be noted that Technoprobe has adhered, pursuant to articles 70, paragraph 8 and 71, paragraph 1-bis, of Consob Regulation no. 11971/1999 ("**Issuers' Regulation**"), to the opt-out regime provided for by the aforementioned articles, making use of the right to derogate from the obligations of publication of the information documents provided for in Annex 3B of the Issuers' Regulation in case of: (i) significant mergers, demergers or capital increases through the contribution of assets in kind, and (ii) significant acquisition or disposal transactions.

BRANCHES AND LOCAL UNITS

The Company's branch offices are listed below:

Type of location	Address
Plant	Via Milano 10 - 23875 Osnago (LC)
Office	Zona industriale VIII strada 29 - 95121 Catania (CT)
Plant	Via Guglielmo Marconi 8 - 20864 Agrate Brianza (MB)
Office	Via Lecco 61 – 20871 Vimercate (MB)

MANAGEMENT AND COORDINATION

At the date of this report, the Company is not subject to management and coordination activities by T-Plus S.p.A., pursuant to art. 2497 et seq. of the Italian Civil Code. The Company believes, in fact, that none of the activities typically entailing management and coordination pursuant to Article 2497 et seq. of the Italian Civil Code exist.

PRIVACY

The Privacy Document, "Privacy Document - Data Protection Impact Assessment 2019" updated on 22.02.2019 has been prepared pursuant to GDPR 2016/679, Legislative Decree 196/2003 and Legislative Decree 101/2018 taking into account the provisions of the "Italian Privacy Guarantor".

QUALITY MANAGEMENT SYSTEM

The quality certification has been conferred by IMQ S.p.A. based in Milan, in relation to all our products.

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Thanking you for the trust you have placed in us, we remain at your complete disposal to integrate, during the meeting, this information with any further information you may require.

Cernusco Lombardone, March 14, 2024

On behalf of the Board of Directors

The Chairman
Crippa Cristiano Alessandro

TECHNOPROBE

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

Courtesy translation
This document has been translated into English from the Italian original solely for the convenience of international readers.
In case of discrepancy between the Italian language original text and the English language translation, the Italian version shall prevail.

Consolidated Statement of Financial Position

(In thousands of Euro)	Notes	As of December 31,	
		2023	**2022**
ASSETS			
Non-current assets			
Property, plant and equipment	7.1	252,278	209,736
Intangible assets	7.2	17,869	10,742
Goodwill	7.2	25,451	10,351
Deferred tax assets	7.3	20,926	16,598
Non-current financial assets	7.4	1,388	1,021
Other non-current assets	7.5	1,756	1,987
Total non-current assets		**319,668**	**250,435**
Current assets			
Inventories	7.6	119,030	110,387
Trade receivables	7.7	67,829	75,418
Current financial assets	7.8	2,496	2,300
Current tax receivables	7.9	38,647	363
Other current assets	7.10	18,925	16,884
Cash and cash equivalents	7.11	361,800	411,031
Total current assets		**608,727**	**616,383**
Total Assets		**928,395**	**866,818**
EQUITY AND LIABILITIES			
Equity	7.12		
Share capital		6,010	6,010
Reserves		712,763	582,022
Net profit attributable to the owners of the Parent		96,999	147,904
Total 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	7.1	10,392	5,847
Deferred tax liabilities	7.3	3,485	320
Employee benefits obligations	7.13	288	297
Provision for risks and charges	7.14	20,073	20,073
Other non-current liabilities		14	36
Total non-current liabilities		**34,252**	**26,573**
Current liabilities			
Trade payables	7.15	38,989	40,858
Current lease liabilities	7.1	3,135	2,352
Current tax payables	7.9	1,241	21,756
Other current liabilities	7.16	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**

Consolidated Income Statement

(In thousands of Euro)	Notes	Year ended December 31,	
		2023	**2022**
Revenue	8.1	409,274	548,929
Cost of revenue	8.2	(209,947)	(216,149)
Gross profit		**199,327**	**332,780**
Operating expenses			
Research and development	8.3	(56,763)	(56,419)
Selling, general and administrative	8.4	(62,771)	(67,737)
Net impairment of financial assets	8.5	49	(178)
Total operating expenses		**(119,485)**	**(124,334)**
Operating profit		**79,842**	**208,446**
Other income (expenses), net	8.6	1,884	(4,155)
Finance income	8.7	8,606	1,237
Finance expenses	8.8	(288)	(213)
Foreign exchange gains (losses)	8.9	(4,796)	1,915
Profit before tax		**85,248**	**207,230**
Income tax expense	8.10	12,128	(59,015)
Net profit		**97,376**	**148,215**
Of which:			
attributable to the owners of the Parent		96,999	147,904
attributable to non-controlling interests		377	311
Basic and diluted net profit per share (in Euro)	8.11	*0.16*	*0.25*

Consolidated Statement of Comprehensive Income

(In thousands of Euro)	Notes	Year ended December 31,	
		2023	**2022**
Net profit		**97,376**	**148,215**
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences from translation of foreign financial statements		(5,658)	4,240
Total other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax		**(5,658)**	**4,240**
Total comprehensive income		**91,718**	**152,455**
Of which:			
attributable to the owners of the Parent		*91,583*	*151,991*
attributable to non-controlling interests		*135*	*464*

Consolidated Statement of Changes in Equity

(In thousands of Euro)			Reserves									
	Notes	**Share capital**	***Legal reserve***	***Share premium reserve***	***Treasury shares reserve***	***Other reserves***	***Translation reserve***	***Retained earnings***	**Net profit attributable to the owners of the Parent**	**Total Equity attributable to the owners of the Parent**	**Equity attributable to non-controlling interests**	**Total Equity**
Balance as of December 31, 2021	*7.12*	**5,760**	**1,152**	**-**	**-**	**31,104**	**3,272**	**284,141**	**118,321**	**443,750**	**2,533**	**446,283**
Net profit		-	-	-	-	-	-	-	147,904	147,904	311	**148,215**
Total other comprehensive income		-	-	-	-	-	4,087	-	-	4,087	153	**4,240**
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**4,087**	**-**	**147,904**	**151,991**	**464**	**152,455**
Allocation of prior year profit		-	-	-	-	-	-	118,321	(118,321)	-	-	**-**
Capital increase		250	-	139,116	-	-	-	-	-	139,366	-	**139,366**
Distribution of dividends		-	-	-	-	-	-	-	-	-	(1,129)	**(1,129)**
Other changes		-	-	-	-	829	-	-	-	829	(829)	**-**
Balance As of December 31, 2022	*7.12*	**6,010**	**1,152**	**139,116**	**-**	**31,933**	**7,359**	**402,462**	**147,904**	**735,936**	**1,039**	**736,975**
Net profit		-	-	-	-	-	-	-	96,999	96,999	377	**97,376**
Total other comprehensive income		-	-	-	-	-	(5,416)	-	-	(5,416)	(242)	**(5,658)**
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**(5,416)**	**-**	**96,999**	**91,583**	**135**	**91,718**
Allocation of prior year profit		-	50	-	-	-	-	147,854	(147,904)	-	-	**-**
Acquisition of treasury shares		-	-	-	(11,747)	-	-	-	-	(11,747)	-	**(11,747)**
Non-controlling interests on acquisition of subsidiary		-	-	-	-	-	-	-	-	-	354	**354**
Balance As of December 31, 2022	*7.12*	**6,010**	**1,202**	**139,116**	**(11,747)**	**31,933**	**1,943**	**550,316**	**96,999**	**815,772**	**1,528**	**817,300**

Consolidated Statement of Cash Flows

(In thousands of Euro)	*Notes*	**Year ended December 31,**	
		2023	**2022**
Profit before tax		85,248	207,230
Adjustments for:			
Amortization, depreciation and impairment	*7.1 - 7.2*	42,945	36,736
Gains (losses) on disposals		(125)	(235)
Net Finance (income) expenses	*8.7 - 8.8*	(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	*7.6*	(19,712)	(45,382)
Change in trade receivables	*7.7*	11,710	27,250
Change in trade payables	*7.15*	(3,545)	8,225
Changes in other assets/ liabilities	*7.5 - 7.10 -7.16*	(11,543)	765
Uses of provisions for risks and charges and employee benefits obligations	*7.13*	(3,962)	(5,339)
Income taxes paid	*8.10*	(44,618)	(37,918)
Net cash flow generated by operating activities		**61,750**	**207,236**
Purchase of property, plant and equipment (excluding right of use assets)	*7.1*	(62,834)	(74,642)
Purchase of intangible assets	*7.2*	(1,093)	(5,073)
Disposals of property, plant and equipment	*7.1*	4,875	1,297
Net divestitures/(investments) in financial assets	*7.4*	1,894	(97)
Acquisition of subsidiaries, net of cash acquired	*6*	(41,663)	-
Finance income received	*8.7*	5,400	198
Net cash flow used in investing activities		**(93,421)**	**(78,317)**
Financial liabilities reimbursement		-	(4,646)
Repayment of lease liabilities	*7.1*	(3,009)	(3,084)
Finance expenses paid	*8.8*	(288)	(213)
Capital increase	*7.12*	-	139,366
Acquisition of treasury shares	*7.12*	(11,747)	-
Dividend paid	*7.12*	-	(1,129)
Net cash flow generated by (used in) financing activities		**(15,044)**	**130,294**
Total cash flow generated (used) during the year		**(46,715)**	**259,213**
Cash and cash equivalents at the beginning of the year	*7.11*	**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 year	*7.11*	**361,800**	**411,031**

Explanatory notes to the Consolidated Financial Statements as of and for the year ended December 31, 2023

1. General Information

Technoprobe S.p.A. (hereafter "**Technoprobe**", the "**Company**" or the "**Parent**" and, together with its subsidiaries, the "**Technoprobe Group**" or the "**Group**") is a company incorporated and domiciled in Italy, with its registered offices in Cernusco Lombardone (LC), Via Cavalieri di Vittorio Veneto, 2, organized under Italian law. Since May 2, 2023, the Company's shares are listed on Euronext Milan.

As of December 31, 2023 Technoprobe is controlled by T-PLUS S.p.A. (hereinafter, "**T-PLUS**"), which holds a stake in the Company's share capital equal to 68% and voting rights equal to 78%.

T-Plus S.p.A. with its registered office in Milan, Via Meravigli 8, prepares the consolidated financial statements of the largest and smallest group of companies to which the Company belongs as a subsidiary, available at the company's registered office.

The Technoprobe Group operates in the production of electronic circuits, mechanical interfaces for electrical contacting of hybrid circuits and semiconductor devices and it is specialized in the design, development and production of probe cards used to test the operation of chips.

2. Summary of accounting policies and criteria used in preparing the Consolidated Financial Statements

2.1 Basis of preparation

This consolidated financial statements as of and for the year December 31, 2023 (hereafter, the "**Consolidated Financial Statements**") were approved by the Company's Board of Directors on March 14, 2023 and were audited by PricewaterhouseCoopers S.p.A.

2.2 Statement of compliance with International Financial Reporting Standards

The Consolidated Financial Statements have been prepared in compliance with the International Financial Reporting Standards as adopted by the European Union and effective on December 31, 2023. IFRS means all "International Financial Reporting Standards", all "International Accounting Standards" ("IAS") and all interpretation documents of the "International Financial Reporting Interpretations Committee" ("IFRIC"), formerly the "Standing Interpretations Committee" ("SIC") (hereafter, "**IFRS**").

2.3 Criteria used in the preparation of the Consolidated Financial Statements

The Consolidated Financial Statements comprise the statements required by the accounting standard IAS 1, i.e. consolidated statement of financial position, a consolidated income statement, a consolidated statement of comprehensive income, a consolidated statement of changes in equity and a consolidated statement of cash flows, and the related explanatory notes.

The Group has elected to present the consolidated income statement by classifying costs by destination, while assets and liabilities presented in the consolidated statement of financial posotion are classified separately as either current or non-current. The consolidated statement of cash flows is prepared using the indirect method. The statements used are those that best represent the Group's economic and financial situation.

An asset is classified as current when:

- it is expected to be realized, or it is intended for sale or consumption, in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;

- it is expected to be realized within twelve months from the end of the reporting period; or
- it is cash or a cash equivalent (unless it is restricted from being exchanged or used to settle a liability for at least twelve months from the end of the reporting period).

All other assets are classified as non-current. Specifically, IAS 1 uses the term "non-current" to include property plant and equipment, intangible assets and financial assets of a long-term nature.

A liability is classified as current when:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months from the end of the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months from the end of the reporting period. Terms of the liability that could, at the option of the counterparty, result in its settlement by issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time that elapses between the acquisition of goods for the production process and their realization in cash or cash equivalents. When the normal operating cycle is not clearly identifiable, its duration is assumed to be twelve months.

The Consolidated Financial Statements have been prepared in Euro, the Company's functional currency. Unless otherwise stated, all financial amounts, explanatory notes and tables are presented in thousands of Euro.

The Consolidated Financial Statements have been prepared:

- on a going concern basis;
- using the accrual basis of accounting, respecting the principle of materiality and significance, ensuring the prevalence of substance over form and with a view to facilitating consistency with future financial statements. Neither assets and liabilities nor income and expenses are offset, unless required or allowed by IFRS;
- on a historical cost basis, except for financial assets and liabilities required to be measured at fair value.

2.4 Criteria and basis of consolidation

The Consolidated Financial Statements include the equity, economic and financial situation of the Company and its subsidiaries, prepared on the basis of the related accounting situations, where applicable, appropriately adjusted to make them compliant with IFRS.

The following table provides the list of companies included in the scope of consolidation of the Consolidated Financial Statements together with details of the company name, country, functional currency, share capital and the percentage of ownership held.

Company name	Country	Functional Currency	Share capital as of December 31, 2023	Control percentage as of December 31, 2023	Control percentage as of December 31, 2022	Investment held by:
PARENT:						
Technoprobe S.p.A.	Italy	EUR	6,010,000			
SUBSIDIARIES:						
Technoprobe France S.a.s.	France	EUR	500,000	100%	100%	Technoprobe S.p.A.
Technoprobe Wuxi Co. Ltd.	China	CNY	24,515,750	100%	100%	Technoprobe S.p.A.
Technoprobe Asia Pte Ltd.	Singapore	USD	60	85%	85%	Technoprobe S.p.A.
Technoprobe Korea Co Ltd.	South Korea	KRW	2,000,010,000	100%	100%	Technoprobe S.p.A.
Technoprobe Japan KK	Japan	JPY	22,500,000	100%	100%	Technoprobe S.p.A.
Technoprobe America Inc.	United States of America	USD	1,250,000	100%	100%	Technoprobe S.p.A.
Microfabrica Inc.	United States of America	USD	10,000,000	100%	100%	Technoprobe S.p.A.
Technoprobe Taiwan Co. Ltd.	Taiwan	TWD	46,500,000	100%	100%	Technoprobe S.p.A.
Technoprobe Germany Gmbh	Germany	EUR	300,000	100%	100%	Technoprobe S.p.A.
Yee Wei Inc.	Taiwan	TWD	79,250,000	85%	85%	Technoprobe S.p.A.
Technoprobe US Holding LLC	United States of America	USD	25,000,000	100%	-	Technoprobe S.p.A.
Harbor Electronics, Inc.	United States of America	USD	25,000	100%	-	TP U.S. Holding LLC
Harbor Electronics Solutions Philippines Inc	Philippines	PHD	2,769,720	100%	-	Harbor Electronics, Inc.
Harbor Solutions SDN. BHD	Malaysia	MYR	100	100%	-	Harbor Electronics, Inc.
MW Plasma Inc.	United States of America	USD	100	80%	-	Yee Wei Inc.

All of the companies included within the scope of the consolidation are consolidated on a line-by-line basis.

The year-end reporting date of the consolidated entities is December 31, the same as that of the Company.

In the financial year ended on December 31, 2023, the following changes occurred in the scope of consolidation:

- On August 8, 2023, the company Fastprint Technology US LLC (hereafter "TP US Holding LLC") was acquired together with its subsidiaries;
- on December 18, 2023 the company MW Plasma Inc was acquired;
- on December 19, 2023 the liquidation process of the subsidiary GeniusPack Holding AG was concluded.

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This section describes the criteria followed to define the basis of consolidation and the related consolidation principles adopted.

Subsidiaries

Subsidiaries are those companies over which the Group exercises control. The Group controls a subsidiary when: i) it is exposed, or has rights, to variable returns from its involvement with the investee, and ii) it has the ability to affect those returns through its control over the investee. The existence of control is verified each time that facts or circumstances indicate a change in one of the aforementioned control criteria. Subsidiaries are consolidated using the line-by-line method, from the date that control is obtained until the date that such control ceases when it is transferred to third parties. The criteria adopted for the line-by-line consolidation method are the following:

- Assets, liabilities, expenses and revenues of the subsidiaries are consolidated on a line-by-line basis in the Consolidated Financial Statements:
- the carrying amount of equity investments included in the scope of consolidation is eliminated against the corresponding share of equity, as a result of the recognition of assets and liabilities of the associated companies, while any share of equity and net profit attributable to minority interests is recorded separately.

- gains and losses including any tax effects resulting from transactions between fully consolidated Group companies, which have not been realized with third parties at the end of the reporting period, are eliminated, other than losses resulting from transactions involving a reduction in value of the asset transferred. Receivables and payables, costs and revenues and finance income and expenses among companies included in the scope of consolidation are also eliminated.

Business combinations

Business combinations in which control is acquired are recorded as set out in IFRS 3, applying the acquisition method of accounting.

Specifically, at the acquisition date, that is the date in which control is obtained (the "**Acquisition Date**"), identifiable assets acquired and liabilities assumed are recognized at their fair value, except for deferred tax assets and liabilities, assets and liabilities relating to employee benefits, and the assets held for sale, which are instead recognized on the basis of the relevant accounting standard.

If positive, the difference between the amount of the consideration transferred in the business combination and the fair value of the assets and liabilities acquired is recognized in intangible assets as goodwill; if negative, after reviewing the fair value measurements of the assets and liabilities acquired, it is recognized directly in the consolidated income statement as a gain.

Non-controlling interests in the acquiree, at the acquisition date, can be measured at fair value or on a pro-quota basis of the value of the net assets recognized for the acquired company. The choice of the method is made transaction by transaction.

When the fair value of the assets acquired and liabilities assumed is estimated on a provisional basis, it shall be determined within twelve months from the date of acquisition, taking into account only information relating to facts and circumstances existing at the Acquisition Date. In the period when such values are finally determined, the provisional values are adjusted retrospectively. Transaction costs are recognized in the consolidated income statement income when incurred.

In addition to the fair value at the Acquisition Date of the assets transferred, the liabilities assumed and of any capital instruments issued for the purposes of the acquisition, the consideration for the acquisition also includes contingent consideration, or that share of the consideration, whose amount and timing are contingent on future events. Contingent consideration is measured at fair value at the Acquisition Date and subsequent changes in fair value are recognized in the consolidated income statement if the contingent consideration is a financial asset or liability while, if the contingent consideration is classified as equity, the original amount is not remeasured, and it is recognized directly in equity when settled.

Translation of foreign companies' financial statements

The financial statements of foreign subsidiaries are prepared using the currency of the main economic environment in which they operate. The rules for translating the financial statements of companies expressed in currencies other than the Euro are as follows:

- assets and liabilities are translated using the exchange rates effective on the closing date;
- costs and revenues are translated at the average exchange rate for the year;
- the currency translation reserve, included in the comprehensive income statement, includes both the exchange differences generated by the translation of the economic amounts at a different exchange rate from the closing rate and those generated by the translation of the opening net assets at the historical exchange rate;
- any goodwill arising from the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising from the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation and shall be translated at the closing rate.

The following table provides the exchange rates used for the translation of the financial statements of Group companies expressed in currencies other than the Euro for the periods indicated.

Currency	As of December 31,		(Average rate) Year ended December 31,	
	2023	2022	2023	2022
Philippine Peso	61.28	59.32	60.16	57.31
U.S. dollar	1.11	1.07	1.08	1.05
Japanese Yen	156.33	140.66	151.99	138.03
Korean Won	1,433.66	1,344.09	1,412.88	1,358.07
Chinese Renminbi	7.85	7.36	7.66	7.08
New Taiwan Dollar	33.87	32.76	33.70	31.32

2.5 Accounting policies and measurement criteria

The following paragraphs describe the criteria adopted with respect to the classification, recognition, measurement and derecognition of assets and liabilities as well as the criteria used to recognize income statement items.

Property, plant and equipment

Items of property, plant and equipment are accounted for only when both the following conditions are satisfied:

- it is likely that the future economic benefits relating to the asset will flow to the company; and
- the cost of the asset can be determined reliably.

Items of property, plant and equipment are originally measured at cost, defined as the cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or substitution. Subsequently, property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes amounts directly attributable to enabling the asset to be used as well as any expected costs of dismantling and removing the asset and restoring it to its original condition if a contractual obligation exists.

Expenses incurred for ordinary and/or cyclical maintenance and repairs are charged directly to profit or loss when incurred. The capitalization of costs inherent to the expansion, modernization or improvement of facilities owned or used by third parties is recorded solely to the extent that they meet the conditions for being classified separately as an asset or part of an asset.

Depreciation is calculated on a straight-line basis over the estimated useful life of the individual assets.

The Group’s estimated expected useful life by class of property, plant and equipment is as follows.

Property, plant and equipment class	Expected useful life (in years)
Buildings	33-50
Plants and machinery	3-13
Industrial and commercial equipment	3-7
Other assets	3-7

The depreciation period of leasehold improvements and right of use assets is the lower of the residual useful life of the asset and the residual duration of the lease, considering any renewal period, if dependent on the lessee. Land held by the Group is not depreciated.

At each year end, the Group determines whether there have been any significant changes in the expected economic benefits to be derived from capitalized property, plant and equipment and, in such case, makes appropriate changes to the relevant depreciation rate, which is considered a change in accounting estimate in accordance with IAS 8.

Property, plant and equipment amount is derecognized when it is sold or otherwise disposed of or when no economic benefit can be derived from its sale.

Intangible asset

An intangible asset is an asset that meets all the following conditions:

- it can be identified;
- it is non-monetary;
- it is without physical substance;
- it is under the control of the company that prepares the financial statements; and
- it is expected to produce future economic benefits for the company.

If an asset does not meet all of the above requirements to be considered an intangible asset, the amount incurred to acquire or produce that asset internally is expensed when it is incurred.

Intangible assets are initially recognized at cost. The cost of intangible assets acquired externally includes both the purchase price and any cost that may be directly attributed.

Intangible assets of the Group comprise the followings:

(a) Intangible assets with definite useful life

Intangible assets with definite useful life are recognized at cost, as previously described, less any accumulated amortization and any accumulated impairment losses.

Amortization starts when the asset is available for use and is calculated on a straight-line basis over the asset's estimated useful life.

The Group's estimated expected useful life by class of intangible assets with definitive useful life is as follows.

Intangible asset class	**Expected useful life (in years)**
Software	3-5
Patents and intellectual property rights	8-9
Know-how	5-15

(b) Intangible assets with indefinite useful life - Goodwill

Goodwill represents the residual amount of the acquisition cost, as it is the excess of the cost of the business combination over the fair value of the assets, liabilities and contingent liabilities identified (including intangible assets and potential liabilities that meet the requirements for recognition in the financial statements).

It represents the consideration paid by the buyer in anticipation of future economic benefits deriving from assets that cannot be identified individually and recognized separately, effectively incorporating the value of the expected synergies, the brand of the acquired company, the know-how, the professional skills, procedures and other indistinct factors. Specifically, at the acquisition date, goodwill is measured as the difference between the fair value of the identifiable net assets of the acquired company and the sum of the following components:

- the consideration transferred, generally measured at fair value;
- the amount relating to non-controlling interests;
- the fair value at the acquisition date of the interests already held by the buyer prior to the business combination.

Goodwill acquired in a business combination is not amortized. Each year, or more frequently, whenever events or changes in circumstances indicate that goodwill may be impaired, the Group performs impairments tests to ensure that the value of goodwill recognized in the consolidated financial statements has not been impaired.

Right of use assets and lease liabilities

In accordance with IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The contract is then reassessed to determine whether it is, or contains, a lease only if the terms and conditions of the contract are changed.

For a contract that is, or contains, a lease, each lease component within the contract is accounted for as a lease separately from non-lease components of the contract, unless the Group applies the practical expedient of IFRS 16. Under such practical expedient, the Group may elect, by class of underlying asset, not to separate non-lease components from lease components, and instead to account for each lease component and any associated non-lease components as a single lease component. The Group has chosen to apply such practical expedient.

The lease term is the non-cancellable period of a lease, together with both:

- the periods covered by an option to extend the lease, if the Group is reasonably certain to exercise that option; and
- the periods covered by an option to terminate the lease, if the Group is reasonably certain not to exercise that option.

In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group shall consider all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group shall re-assess the lease term if there is a change in the non-cancellable period of a lease.

At the contract commencement date, the Group recognizes the right of use asset and the related lease liability.

At the commencement date, the right of use asset is measured at cost, which comprises:

a) the amount of the initial measurement of the lease liability;
b) any lease payments made at or before the commencement date, less any lease incentives received;
c) any initial direct costs incurred by the lessee; and
d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid as of that date. The lease payments included in the measurement of the lease liability comprise the following:

a) fixed payments, less any lease incentives receivable;
b) variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
c) amounts expected to be payable by the lessee under residual value guarantees;
d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and

e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Lease payments are discounted to their present value using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Group is required to use its incremental borrowing rate, which is the rate of interest it would have to pay to borrow a similar amount over a similar term as the lease contract.

Following initial recognition, the right of use asset is measured at cost:

a) less any accumulated depreciation and any accumulated impairment losses; and
b) adjusted for any remeasurement of the lease liability.

Following initial recognition, the lease liability is measured by:

a) increasing the carrying amount to reflect interest on the lease liability;
b) reducing the carrying amount to reflect the lease payments made; and
c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

For a lease modification that is not accounted for as a separate lease, the right of use asset is remeasured (up or down) in line with the change in the lease liability at the modification date. The lease liability is remeasured based on the new contract conditions, using the discount date at the effective date of the modification.

The Group has elected to exploit two exceptions permitted by IFRS 16, regarding short-term leases (leases that, at the commencement date, have lease terms of 12 months or less) and leases for which the underlying asset is of low value (leases for which the underlying asset value, when new, is less than USD 5,000). In such cases the right of use assets and related lease liabilities are not recognized, and lease payments are charged directly to profit or loss.

Right of use assets are classified under “Property, plant and equipment”.

Impairment of property, plant and equipment, intangible assets and right of use assets
At each reporting date, the Group assesses whether there are any indications of impairment of property, plant and equipment, intangible assets and right of use assets not fully depreciated or amortized.

When indicators of impairment exist, the recoverable amount is estimated and the carrying amount of the asset reduced accordingly, with the impairment loss being charged to profit or loss. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use, where value in use is determined by discounting the asset’s estimated future cash flows including, if materially significant and reasonably certain, those relating to disposal of the asset at the end of its useful economic life, less any costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets, the Group estimates the recoverable amount of the Cash-Generating Unit (“CGU”) to which the asset belongs.

If the carrying amount of an asset or the CGU to which it belongs exceeds the recoverable amount, an impairment loss is charged to profit or loss. Such impairment losses are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to other assets of the unit pro-rata on the basis of their carrying amounts. The carrying amounts of other assets of the unit may not be reduced below their recoverable amounts. If the conditions that gave rise to an impairment loss no longer exist, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, up to the carrying amount that would have been recorded had no impairment loss been recognized, with the increase being reflected in the consolidated income statement.

Financial assets
On initial recognition, financial assets are measured at fair value and are subsequently classified in one of the three categories specified below based on the following elements:

- the entity's business model for managing the financial assets; and
- the contractual cash flows characteristics of the financial asset.

Financial assets are derecognized from the consolidated statement of financial position when the Group has substantially transferred all the risks and rewards of ownership of the financial asset.

a) Financial assets at amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a "Hold to collect" business model, the objective of which is to hold financial assets in order to collect contractual cash flows (Business model "Hold to Collect"); and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (that pass the SPPI test).

At initial recognition, such assets are measured at fair value including directly attributable transaction costs or income. After initial recognition, such financial assets are measured at amortized cost, calculated using the effective interest method. The amortized cost method is not used for those assets (measured at historical cost) whose short-term nature means there is no requirement to discount to present value, assets with no set maturity date or revocable credit lines.

b) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a "Hold to collect and sell" business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e., that pass the SPPI test).

c) Financial assets at fair value through profit or loss

This category includes all financial assets other than those classified as "Financial assets at fair value through other comprehensive income" or "Financial assets at amortized cost".

Specifically, the category includes financial assets held for trading and derivatives not eligible as hedging instruments (which are represented as assets if their fair value is positive or liabilities if their fair value is negative).

At initial recognition, financial assets at fair value through profit or loss are measured at fair value, not including directly attributable transaction costs or income. After initial recognition, such financial assets are measured at fair value and the changes in fair value recorded in profit or loss.

Inventories
Inventories are assets:

- held for sale in the ordinary course of business;
- in the process of production for such sale; or
- in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are recognized and measured at the lower of cost and net realizable value.

The cost of inventories includes all purchase costs, transformation costs, and other costs incurred to bring the inventories to their current location and condition.

In accordance with the provisions of IAS 2, the Group calculates the cost of inventories using the weighted average cost method.

If net realizable value is lower than cost, the difference is immediately recognized in the consolidated income statement.

Trade receivables
Trade receivables are initially recognized at fair value and subsequently measured at amortized cost, net of the allowance for doubtful accounts estimated according to the expect credit losses model as set out in IFRS 9.

As trade receivables are typically short-term in nature and do not involve payment of interest, amortized cost is not calculated and they are accounted for at the nominal value stated on the invoice or in the customer contract: such arrangement is followed even for those receivables due after more than 12 months, unless the effect is particularly significant. This is due to the fact that the value of short-term receivables is very similar whether the historical cost method or amortized cost method is adopted, and the impact of discounting is insignificant.

Trade receivables are tested for impairment in accordance with the requirements of IFRS 9. For measurement purposes, trade receivables are categorized by due date. Performing

Cash and cash equivalents
Cash and cash equivalents are recognized, depending on their nature, at nominal value or at amortized cost. Other cash equivalents represent highly liquid short-term financial assets that can be easily converted to known cash amounts and are subject to negligible risk of change in their value, and which have an original maturity, on purchase, of less than 3 months.

Payables
Trade payables and other payables are initially recognized at fair value and subsequently measured using the amortized cost method. However, short-term trade payables, whose maturity falls within the normal commercial terms, are not discounted since the effect of the discounting of financial flows is irrelevant.

Financial liabilities are initially recognized at fair value, net of directly attributable accessory costs, and subsequently measured at amortized cost, using the effective interest rate method. In the event of a change in the estimated expected cash flows, the value of the liabilities is recalculated to reflect this change on the basis of the present value of the new expected cash flows and the effective internal rate initially determined. Financial liabilities are classified under current liabilities, unless the Group has an unconditional right to defer their payment for at least twelve months after the reporting date.

Payables are derecognized when settled and when the Group has transferred all risks and the charges related to the instrument.

Provisions for employee benefits

Employee benefits include benefits granted to employees or their dependents, settled through cash payments (or through the supply of goods and services) directly to employees, their spouses, children or other dependents or to third parties, such as insurance companies. They include short-term benefits, benefits payable to employees on termination of employment and post-employment benefits.

Short-term employee benefit obligations include incentive schemes such as annual bonuses, the MBO and the one-off renewals of the national collective labor agreements and are recognized as liabilities (accrued expenses) after deducting any advances paid, and costs, unless a given IFRS requires or allows the inclusion of such benefits in the cost of a capitalized asset.

Benefits relating to the termination of employment include voluntary redundancy incentive schemes, which in the case of voluntary redundancy provide for the employee or group of employees taking part in trade union agreements involving the use of so-called solidarity funds, and (non-voluntary) redundancy arrangements, which apply in the case of termination of employment as a result of a unilateral decision by the company. The Group recognizes the cost of such benefits as a liability on the earliest date between:

- the time at which the Group may no longer withdraw the offer of such benefits;
- the time at which the Group recognizes the costs of a restructuring that falls within the scope of IAS 37 and involves the payment of termination benefits.

Post-employment benefits for employees are divided in two categories: defined contribution plans and defined benefit plans.

For defined benefit plans, which also include the severance indemnity due to employees pursuant to article 2120 of the Italian Civil Code, the amount of the benefit to be paid to employees can be determined only after termination of employment, and is linked to one or more factors such as age, years of service and remuneration. Therefore, the related cost is charged to the income statement on an actuarial basis. The liability recognized in the statement of financial position for defined benefit plans is equal to the present value of the obligation at the reporting date.

Starting from January 1, 2007, the so-called “2007 Finance Law” and the related implementing decrees introduced significant changes to the rules governing severance indemnities, including the choice left to workers regarding the destination of their accruing severance indemnities. Specifically, employees may now allocate new provision flows to alternative external pension plans or elect for them to be retained by the employer. If an external pension plan is chosen, the Group is only obliged to make defined contributions to such plan and, accordingly, from the aforementioned date, the related new provision flows are deemed to be payments to a defined contribution plan not subject to actuarial valuation.

Provisions for risks and charges

Provisions for risks and charges are recognized in respect of costs or losses of a known nature, the occurrence of which is certain or likely, but in respect of which the amount and timing are not known.

Provisions are only recognized when there is a current obligation (legal or constructive) for a future outflow of economic resources as a result of past events and it is likely that such outflow is required to settle the obligation. This provision represents the best estimate of the charge to settle the obligation. The rate used to determine the present value of the liability reflects current market values and takes into account the specific risk associated with each liability.

Where the effect of the time value of money is material and the payment dates relating to the obligations can be reliably estimated, provisions are measured at the present value of the expected outflow using a rate that reflects market conditions, the change in the time value of money and the specific risk associated with the obligation. The increase in the value of the provision determined by changes in the time value of money is accounted for as a financial expense.

Risks, in relation to which the occurrence of a liability is only possible are reported as contingent liabilities and no provision is made in respect of them.

Treasury shares

Treasury shares are recorded as a reduction of equity. In the event of any subsequent sales, any difference between the purchase value and the sale price is recognized in equity.

Revenue

Revenue is recognized when the following conditions are met:

- the contract with a customer has been identified;
- the performance obligations in the contract have been identified;
- the transaction price has been determined;
- the transaction price has been allocated to the performance obligations in the contract; and
- the related performance obligation contained in the contract is satisfied.

The Group recognizes revenue at a given time or when it satisfies its performance obligations, by transferring the promised goods (*i.e.*, an asset), typically probe cards, to the customer. An asset is transferred when the customer obtains control of that asset. Transfer of control depends on the terms of sale and related Incoterms, which may vary from customer to customer.

The contractual consideration included in a contract with a customer may include fixed amounts, variable amounts, or both. If the contractual consideration includes a variable amount (e.g., discounts, price concessions, incentives, penalties or other similar items), the Group estimates the amount of consideration to which it is entitled in exchange for transferring the promised goods or services to a customer. The Group includes a variable consideration in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

With reference to sales with right of return, and in compliance with the provisions of IFRS 15, the Group recognizes as a reduction in revenues the amount of returns expected from the sale of products against "Other current liabilities" and recognizes an asset in "Other current assets" with a corresponding adjustment to the cost of revenue representing the right to recover the products from the customer upon exercise of the right of return.

Cost recognition

Costs are recognized in profit or loss on an accrual basis.

Government grants

Any government grants are recognized when there is reasonable certainty that they will be received and all related conditions are satisfied.

Any public contributions related to property, plant and equipment are recorded by directly deducting them from the asset they refer to. The value of an asset is adjusted through systematic depreciation, calculated based on the remaining possibility of utilization according to its useful life.

Income tax expenses

Current income tax expenses are calculated based on taxable income for the year, applying tax rates in effect at the reporting date. Taxes due for the current and previous years are recognized as liabilities to the extent they are still unpaid. Income tax receivables and payables, for the current and previous years, represent the amounts that are likely to be recovered from/paid to the tax authorities, applying the tax rates and the tax laws in effect, or effectively issued, at the reporting date.

Deferred taxes are divided into:

- deferred tax liabilities, are the amounts of income taxes payable in future periods in relation to taxable temporary differences;
- deferred tax assets, are the amounts of income taxes that may be recovered in future years in respect of deductible temporary differences, carry forward of unused tax losses, and carry forward of unused tax credits.

Deferred tax liabilities and assets are calculated by applying the relevant tax rate to the temporary differences identified, whether taxable or deductible, unused tax losses or unused tax credits.

At each reporting date, both unrecognized and recognized deferred tax assets are remeasured to confirm the likelihood of recovering such deferred tax assets.

Moreover, in the event of uncertainties over income tax treatments, the Group proceeds as follows: (i) if it considers it likely that the tax authorities will accept an uncertain tax treatment, it determines the (current and/or deferred) income taxes to be reported in the financial statements based on the tax treatment that it has applied or expects to apply when filing its returns; (ii) if it concludes it is not probable that the taxation authority will accept an uncertain tax treatment, it reflects the effect of uncertainty in determining the related (current and/or deferred) income taxes to be reported in the financial statements.

Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the owners of the Parent by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.

Diluted earnings per share are calculated by dividing the profit attributable to the owners of the Parent by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares. For the purpose of the calculation of diluted earnings per share, the weighted average number of shares outstanding is adjusted assuming that rights having potential dilutive effects are exercised by all the grantees of such rights, and the result attributable to the owners of the Parent is adjusted to take into account any effects, net of tax, of the exercise of those rights.

Operating segments

The operating segment is a component of the Group that:

- engages in business activities from which it may earn revenues and incur expenses (including costs and revenues relating to transactions with other components of the same group);
- whose operating results are periodically reviewed by the top management for the purpose of taking decisions on the resources to be allocated to the sector and assess its performance; and
- for which discrete financial information is available.

Translation of transaction in other currencies

Transactions in currencies other than the functional currency are translated using the exchange rate applicable at the transaction date. Assets and liabilities denominated in currencies other than Euro are translated at the closing exchange rate. Foreign currency exchange gains and losses are recognized in the profit or loss line-item “Foreign currency gains (losses)”.

3. Recently issued accounting standards

Accounting standards not yet applicable as not yet endorsed by the European Union (EU)

At the date of approval of the Consolidated Financial Statements, the following standards and amendments had not yet been endorsed by the EU:

Accounting standard/amendment	Endorsed by the EU	Effective date
Amendments to IAS 7 Cash flow statement and IFRS 7 Financial instruments: additional information: "Supplier Finance Arrangements"	NO	January 1, 2024
Amendments to IAS 21 "Effects of changes in foreign currency exchange rates: lack of interchangeability"	NO	January 1, 2025

It should be noted that the adoption of the above-mentioned standards and amendments, based on the information available to date, will not have any impact on the Group's Consolidated Financial Statements.

Accounting standards, amendments and interpretations endorsed by the EU but not yet adopted by the Group

At the date of approval of this Consolidated Financial Statements, the following standards and amendments had been endorsed by the EU, but not yet adopted by the Group.

Accounting standard/amendment	Endorsed by the EU	Effective date
Amendments to IAS 1 Presentation of Financial Statements: classification of liabilities as current or non-current; non-current liabilities with covenants	YES	January 1, 2024
Amendments to IFRS 16 – Leasing: liabilities for the right of use in "Sales and Leaseback" operations	YES	January 1, 2024

No impacts are expected on the Group's Consolidated Financial Statements deriving from the future application of these accounting standards or amendments.

The Group has not adopted in advance any new standard, interpretation or amendment issued but not yet in force.

New accounting standards, interpretations and amendments adopted by the Group

The Group applied for the first-time certain standards and amendments effective for annual periods beginning on or after January 1, 2023, in particular:

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects.

The new standard had no impact on the Group's Consolidated Financial Statements.

Definition of Accounting Estimates – Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's Consolidated Financial Statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Group's Consolidated Financial Statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Group's Consolidated Financial Statements.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim periods ending on or before December 31, 2023.

The amendments had no impact on the Group's Consolidated Financial Statements as the Group is not in scope of the Pillar Two model rules.

4. Estimates and assumptions

The preparation of financial statements in conformity with relevant accounting standards and methods in certain cases requires management to make estimates and assumptions based on difficult and subjective judgments, in turn based on past experience and hypotheses considered reasonable and realistic, given the information known at the time.

Such estimates have an effect on the amounts reported in the financial statements, including the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related notes. Actual results may then differ, even significantly, from those reported in the consolidated financial statements due to changes in the factors considered in determining the estimates, given the uncertainties that characterize the assumptions and conditions on which estimates are based.

The accounting estimates that more than others involve a high degree of subjectivity and judgement on the part of management, and where a change in the conditions underlying the assumptions could have a significant effect on the Group's financial results, are detailed below:

a) *Useful life of property, plant and equipment and intangible assets:* useful life is determined when the asset is first recognized in the financial statements. Considerations regarding an asset's useful life are based on historical experience, market conditions and expected future events that may affect them, such as technological changes. An asset's actual useful life may, therefore, differ from its estimated useful life.

b) *Inventories*: final inventories of products that are obsolete or slow-moving are periodically tested for impairment and written down if their recoverable amount is lower than their carrying amount. The write-downs made are based on assumptions and estimates made by management based on their experience and historical results.

c) *Sales with right of return*: the accounting of assets for sales with right of return and liabilities for sales with right of return is based on assumptions regarding the quantity of products expected to be returned and the estimated realizable value of these returned products.

d) *Provision for risks and charges*: identification of the existence of a current (legal or constructive) obligation is in certain cases not a simple matter. Management reviews such matters on a case-by-case basis, together with estimates of the outflow of resources required to satisfy the obligation. When managers believe the likelihood of a liability occurring to be only possible, the relevant risks are disclosed in the note on risks and charges, but no provision is made.

5. Management of financial risks

In terms of business-related risks faced, the main risks identified, monitored and actively managed by the Group as described below, are the following:

- market risk, deriving from fluctuations in exchange rates between the Euro and other currencies in which the Group operates, and in particular USD;
- credit risk, relating to the risk of default on the part of a counterpart;
- liquidity risk, relating to a lack of financial resources to meet financial obligations.

The Group aims at maintaining a balanced approach in managing its financial exposure by matching assets and liabilities and achieving operational flexibility through the use of liquidity generated by current operating activities and bank loans.

The Group's ability to generate liquidity from operations together with its borrowing capacity enable it to satisfy its operational requirements to fund working capital, invest and meet its financial obligations.

The Group's financial policy and the management of related financial risks are centrally managed and monitored.

The following paragraphs provide qualitative and quantitative information relating to the Group's exposure to the aforementioned financial risks.

5.1 Market risk

Exchange rate risk

Exposure to the risk of fluctuations in exchange rates derives from the Group's commercial activities, which are also denominated in currencies other than the Euro. Revenues and costs denominated in foreign currency may be influenced by fluctuations in exchange rates, with impacts commercial margins (business risk); similarly, trade and financial payables and receivables denominated in foreign currency may be affected by the translation rates used, with an impact on profit and loss (transaction risk).

Revenue is generally denominated in Euro and USD. The Group sometimes uses derivative financial instruments for the purpose of hedging foreign exchange risk on transactions in foreign currency. For the years ended December 31, 2023 and 2022, the Group recorded an exchange loss amounting to Euro 4,796 thousand and an exchange gain to Euro 1,915 thousand, respectively.

The Group has subsidiaries that prepare their financial statements in currencies other than the Euro, which is the currency used for the presentation of the Consolidated Financial Statements. This exposes the Group to translation exchange rate risk, generated by the conversion of the subsidiaries assets and liabilities into Euro.

The main exposures to translation exchange rate risk relate to the U.S. currency (U.S. Dollar - USD), the Korean currency (South Korean Won - KRW), the Japanese currency (Japanese Yen - JPY) and the Taiwanese currency (New Taiwanese Dollar - TWD).

Sensitivity analysis related to exchange rate risk

For the purposes of the sensitivity analysis on the exchange rate, statement of financial position items as of December 31, 2023 and 2022 (financial assets and liabilities) denominated in currencies other than the functional currency of each Group company were identified. In assessing the potential effects on net income deriving from changes in exchange rates, intercompany payables and receivables denominated in currencies other than the functional currency were also taken into account.

For the purpose of this analysis, two scenarios were considered, which are affected respectively by an appreciation and a depreciation of 5% of the exchange rate between the currency in which the statement of financial position item is denominated and the reporting currency.

The following table sets forth the results of the analysis conducted.

(In thousands of Euro)	**As of December 31, 2023**		**As of December 31, 2022**	
Currency	**Positive currency exchange rate of 5%**	**Negative currency exchange rate of 5%**	**Positive currency exchange rate of 5%**	**Negative currency exchange rate of 5%**
USD	(1,871)	2,068	(3,728)	4,121
JPY	70	(78)	51	(57)
EUR	1,049	(1,159)	128	(142)
SGD	16	(18)	(52)	57
PHP	(24)	26	(14)	16
Total	**(760)**	**839**	**(3,615)**	**3,995**

Interest rate risk

As of December 31, 2023 and 2022, the Group has available liquidity that marginally invests in market instruments based on market conditions and according to its own interest. In fact, the Group's liquidity is mainly deposited in primary credit institutions. Interest rates changes have an impact on the cost and yield of the various forms of funding and investment, thus affecting net finance income (expenses).

During the financial years under review the Group did not have a significant amount in floating-rate financial liabilities and, therefore, did not enter into derivative financial instruments designed to hedge the risk of fluctuations in interest rates.

Sensitivity analysis related to interest rate risk

With reference to interest rate risk, a sensitivity analysis was carried out to determine the effect on the consolidated income statement and the consolidated statement of changes in equity that would result from a hypothetical positive and negative change of 50 bps in interest rates compared with those recorded in each period.

The analysis was carried out having regard primarily to the following items:

- Cash and cash equivalents;
- Current and non-current financial liabilities.

In relation to cash and cash equivalents, the average amount and the average rate of return for the period were considered, whilst regarding current and non-current financial liabilities, the impact was calculated precisely.

The following table sets forth the results of the analysis.

(In thousands of Euro)	**Effect on profit and equity (net of tax)**	
	- 50 bps	**+ 50 bps**
Year ended December 31, 2023	(3,407)	3,407
Year ended December 31, 2022	(1,665)	1,665

A positive sign indicates a higher profit and an increase in equity; a negative sign indicates a lower profit and a decrease in equity.

5.2 Credit risk

The Group faces its exposure to credit risk inherent in the possibility of default and/or impairment in the creditworthiness of customers by means of instruments to assess each individual counterparty through a dedicated organizational structure, equipped with the appropriate tools to constantly monitor customers’ behavior and creditworthiness.

The Group is currently structured to perform a continuous monitoring process for receivables, with different collection levels, which vary based on specific knowledge of the customer and past due days, to optimize working capital and minimize the aforementioned risk.

As of December 31, 2023 and 2022 the group's trade receivables presented a significant concentration towards the main customers, in particular as of December 31, 2023 approximately 33.45% of the trade receivables referred to a single counterparty. This concentration of receivables is attributable to the fact that the Group generates a significant part of its revenue from a limited number of customers, which coincide with the main semiconductor manufacturers worldwide. This also depends on the structure of the market in which the Group operates, characterized by a few large customers, which represent almost all of the demand for the Group's products and services. In this regard, the incidence of the top 5 customers on the total of the Group's trade receivables as of December 31, 2023 and 2022 was 79.0% and 76.3%, respectively.

The following table sets forth the breakdown of trade receivables as of December 31, 2023 and 2022, grouped by past due period, net of allowance for doubtful receivables.

(In thousands of Euro)	Current	1-90 days past due	91-180 days past due	Over 181 days past due	Total
Trade receivables (gross) as of December 31, 2023	51,876	15,693	1,135	70	68,774
Allowance for doubtful receivables	(73)	(310)	(492)	(70)	(945)
Trade receivables as of December 31, 2023	**51,803**	**15,383**	**643**	**-**	**67,829**
Trade receivables (gross) as of December 31, 2022	57,663	18,272	151	377	**76,463**
Allowance for doubtful receivables	(122)	(635)	(126)	(162)	**(1,045)**
Trade receivables as of December 31, 2022	**57,541**	**17,637**	**25**	**215**	**75,418**

Net trade receivables as of December 31, 2023 include Euro 16,026 thousand referring to past due positions (Euro 17,877 thousand as of December 31, 2022), of which Euro 643 thousand (Euro 240 thousand as of December 31, 2022) related to positions past due by more than 90 days.

5.3 Liquidity risk

Liquidity risk is represented by the possibility that the Group's financial resources may not be sufficient to ensure current operations and the fulfilment of obligations falling due, or that these resources may be available at a high cost.

In order to mitigate this risk, the Group: *(i)* periodically verifies forecast financial requirements on the basis of management needs, in order to act promptly to find any additional resources needed, *(ii)* implements all the actions for such finding, *(iii)* manages an adequate composition in terms of deadlines, tools and level of availability.

Cash and cash equivalents as of December 31, 2023 amounted to Euro 361,800 thousand (Euro 411,031 thousand as of December 31, 2022) and consisted of balances in current accounts with primary banking institutions mainly in Italy and Asia. Additionally, the Group holds investment securities amounting to Euro 443 thousand and Euro 113 thousand as of December 31, 2023 and 2022, respectively.

The Group believes that the cash flows that will be generated by operating activities will be sufficient to meet its financial requirements in terms of capital expenditure, working capital management and the repayment of financial liabilities when due.

The following tables set forth a maturity analysis, based on contractual repayment obligations, outstanding as of December 31, 2023 and 2022.

(In thousands of Euro)	**As of December 31, 2023**					
	Within 1 year	**1 to 2 years**	**3 to 5 years**	**Over 5 years**	**Contractual amount**	**Carrying amount**
Lease liabilities	3,135	2,880	2,685	4,928	**13,628**	**13,527**
Trade payables	38,989	-	-	-	**38,989**	**38,989**
Other liabilities	33,478	14	-	-	**33,492**	**33,492**

(In thousands of Euro)	**As of December 31, 2022**					
	Within 1 year	**1 to 2 years**	**3 to 5 years**	**Over 5 years**	**Contractual amount**	**Carrying amount**
Lease liabilities	2,352	1,792	2,578	1,696	**8,418**	**8,199**
Trade payables	40,858	-	-	-	**40,858**	**40,858**
Other liabilities	38,321	19	-	-	**38,340**	**38,340**

The amounts shown in the above tables represent non-discounted nominal values, determined with reference to the remaining contractual due dates, for both principal and interest portion.

5.4 Capital management

The Group's capital management is aimed at guaranteeing solid credit ratings and adequate capital indicators to support its investment plans, while meeting contractual obligations with lenders.

5.5 Financial assets and liabilities by category and information on fair value

Financial assets and liabilities by category

The following table provides the breakdown, in accordance with IFRS 9, of financial assets by category as of December 31, 2023 and 2022.

(In thousands of Euro)	As of December 31,	
	2023	**2022**
FINANCIAL ASSETS		
Financial assets measured at amortized cost:		
Non-current financial assets	945	908
Other non-current assets	1,756	1,987
Trade receivables	67,829	75,418
Other receivables(*)	144	212
Current financial assets	2,496	598
Cash and cash equivalents	361,800	411,031
Financial assets measured at fair value through income statement:		
Non-current financial assets	443	113
Derivative financial assets (**)	-	1,702
TOTAL FINANCIAL ASSETS	**435,413**	**491,969**

(*) Other receivables are included in the line item "Other current assets".
(**) Derivative financial assets are included in the line item "Current financial assets".

(In thousands of Euro)	As of December 31,	
	2023	**2022**
FINANCIAL LIABILITIES		
Financial liabilities measured at amortized cost:		
Non-current lease liabilities	10,392	5,847
Current lease liabilities	3,135	2,352
Trade payables	38,989	40,858
Other current liabilities (*)	26,790	28,279
TOTAL FINANCIAL LIABILITIES	**79,306**	**77,336**

(*) Other current liabilities include payables to employees, social security institutions, directors and other payables recorded under other current liabilities.

In view of the nature of current financial assets and liabilities, for most of them the carrying amounts are deemed to be reasonable approximations of their fair value.

Non-current financial assets and liabilities are settled or measured at market rates, consequently, their fair values are deemed to be substantially in line with their carrying amounts.

Information on fair value

For assets and liabilities recognized at fair value in the statement of financial position, IFRS 13 requires that such values be classified according to a hierarchy of levels that reflects the significance of the inputs used in the calculation of fair value. The fair value hierarchy classifies the inputs to valuation techniques used to measure fair value as follows:

- **Level 1**: fair value is calculated with reference to (unadjusted) prices quoted in active markets for identical financial instruments. Accordingly, the emphasis within Level 1 is on determining both of the following: (a) the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; and (b) whether the entity can enter into a transaction for the asset or liability at the price in that market at the measurement date.

- **Level 2**: fair value is calculated using valuation techniques based on observable inputs in active markets. Level 2 inputs include the following: (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in markets that are not active; (c) inputs other than quoted prices that are observable for the asset or liability, for example: interest rates and yield curves observable commonly quoted intervals, implied volatilities and credit spreads and market-corroborated inputs.

- **Level 3**: fair value is calculated using valuation techniques based on unobservable market inputs.

The following tables provide the breakdown of financial assets and liabilities at fair value, split by fair value hierarchy level, as of December 31, 2023 and 2022.

(In thousands of Euro)	As of December 31, 2023		
	Level 1	**Level 2**	**Level 3**
Non-current financial assets	443	-	-
Derivative financial assets(*)	-	-	-
Total assets at fair value	**443**	**-**	**-**

(*) Derivative financial assets are included in the line-item Current financial assets.

(In thousands of Euro)	As of December 31, 2022		
	Level 1	**Level 2**	**Level 3**
Non-current financial assets	113	-	-
Derivative financial assets(*)	-	1,702	-
Total assets at fair value	**113**	**1,702**	**-**

(*) Derivative financial assets are included in the line-item Current financial assets.

There were no transfers between fair value hierarchy levels during the periods under review.

6. Business Combinations

Acquisition of the Harbor Group

On August 8, 2023, the Company acquired 100% of the share capital of Fastprint Technology US LLC (subsequently renamed “TP US Holding LLC”) and its subsidiaries Harbor Electronics, Inc., Harbor Electronics Solutions Philippines Inc and Harbor Solutions SDN BHD (jointly, the “**Harbor Group**”), for a consideration equal to Euro 44,875 thousand (equal to USD 49,111 thousand). The Harbor Group is a leading manufacturer of advanced printed circuit boards for test systems for major semiconductor manufacturers.

Through the acquisition, the Technoprobe Group will further strengthen its technological skills in the field of testing by vertically integrating its production process with in-house creation of advanced printed circuits for its probe cards and Final Test Boards.

The following table shows the detail of the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date, taking into account the final effects of the purchase price allocation process.

(In thousands of Euro)	**Fair value at the acquisition date**
ASSETS	
Property, plant and equipment	18,109
Intangible assets	9,458
Inventories	1,939
Trade receivables	3,178
Cash and cash equivalents	3,203
Other assets	280
Total Assets	**36,167**
LIABILITIES	
Lease liabilities	154
Deferred tax liabilities	3,592
Trade payables	2,568
Other liabilities	148
Total liabilities	**6,462**
Total net assets acquired (A)	**29,705**
Consideration (B)	**44,875**
Goodwill (B)-(A)	**15,170**

Goodwill, determined as the excess between the fair value of the identifiable net assets of the acquired company and the consideration paid, equal to Euro 15,170 thousand, is attributable to the ability of the acquired company to generate future economic benefits.

The following table shows the net cash flow for the acquisition of Harbor Group:

(In thousands of Euro)	**At the acquisition date**
Consideration paid	(44,875)
Acquired cash and cash equivalents	3,203
Net cash flow (investing activities)	**(41,672)**

The costs related to the acquisition of the Harbor Group, equal to Euro 473 thousand, were entirely recognized in the income statement within the item “Administrative, sales and distribution expenses”.

The Group Harbor contributed to the determination of the Group's revenues for the year ended December 31, 2023 for Euro 8,089 thousand and the Group’s net result for a loss of Euro 792 thousand respectively, starting from the acquisition date (August 8, 2023).

Acquisition of MW Plasma Inc

On December 18, 2023, the Company acquired through its subsidiary Yee Wei Inc. the 80% of the share capital of MW Plasma Inc (hereafter “**MW Plasma**”), for a consideration equal to Euro 1,824 thousand (equal to USD 2,000 thousand). MW Plasma operates in the field of designing and manufacturing microwave systems for chemical vapor deposition through which components in precious materials, mainly gems, can be made from a mixture of hydrocarbon gases.

Thanks to the acquisition of MW Plasma, the Group will be able to introduce certain components into their products that can better conduct electrical signals while dissipating more of the heat generated as current passes through them, thus improving the technological performance of probe cards.

The following table shows the detail of the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date, taking into account the final effects of the purchase price allocation process.

(In thousands of Euro)	**Fair value at the acquisition date**
ASSETS	
Cash and cash equivalents	1,833
Other assets	35
Total Assets	**1,868**
LIABILITIES	
Liabilities	98
Total liabilities	**98**
Total net assets acquired (A)	**1,770**
Consideration (B)	**1,824**
Equity attributable to non-controlling interests	**354**
Goodwill (B)-(A)	**408**

Goodwill, determined as the excess between the fair value of the identifiable net assets of the acquired company and the consideration paid, equal to Euro 1,824 thousand, is attributable to the ability of the acquired company to generate future economic benefits.

The following table shows the net cash flow for the acquisition of MW Plasma Inc:

(In thousands of Euro)	**At the acquisition date**
Consideration paid	(1,824)
Acquired cash and cash equivalents	1,833
Net cash flow (investing activities)	**9**

MW Plasma contributed to the determination of the Group's revenues and net result for the year ended December 31, 2023 for Euro 6 thousand and Euro 13 thousand respectively, starting from the acquisition date (December 18, 2023).

It should be noted that if both acquisitions had taken place on January 1, 2023, the contribution to the Group's revenues and net income would have been Euro 30,003 thousand and a loss of Euro 3,122 thousand, respectively. These amounts were calculated using the results of the acquired companies adjusted to take into account (i) the differences in accounting policies between the Group and the acquired companies, and (ii) the additional amortization that would have been recognized if the fair value adjustments to right-of-use assets and intangible assets had been made on January 1, 2023, together with the resulting tax effects.

7. Notes to the consolidated statement of financial position

7.1 Property, plant and equipment

The following table provides the breakdown and movements of property, plant and equipment for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Right of use assets	Leasehold improvement	Other assets	Property, plant and equipment in progress and advances	Total
Historical cost as of December 31, 2021	**41,169**	**145,461**	**16,117**	**11,241**	**1,617**	**15,135**	**23,374**	**254,114**
Additions	1,280	24,316	7,642	3,812	2,418	2,610	36,376	**78,454**
Disposals	(113)	(720)	(96)	(976)	-	(317)	(109)	**(2,331)**
Reclassifications	2,791	13,757	2,605	-	493	2,341	(21,987)	-
Exchange differences	(242)	(802)	(239)	106	2	273	(162)	**(1,064)**
Historical cost as of December 31, 2022	**44,885**	**182,012**	**26,029**	**14,183**	**4,530**	**20,042**	**37,492**	**329,173**
Additions	1,929	29,339	5,015	9,219	2,972	1,827	21,752	**72,053**
Disposals	(1,153)	(1,653)	(437)	(2,166)	-	(87)	(2,025)	**(7,521)**
Business combination	7,975	8,628	-	110	1,360	-	36	**18,109**
Reclassifications	429	14,983	3,243	-	556	2,630	(21,841)	-
Exchange differences	(137)	(1,575)	(435)	(407)	(146)	(78)	(290)	**(3,068)**
Historical cost as of December 31, 2023	**53,928**	**231,734**	**33,415**	**20,939**	**9,272**	**24,334**	**35,124**	**408,746**
Accumulated depreciation as of December 31, 2021	**(5,985)**	**(60,184)**	**(8,218)**	**(3,030)**	**(953)**	**(6,546)**	**-**	**(84,916)**
Depreciation	(1,540)	(24,112)	(2,999)	(3,554)	(436)	(2,754)	-	**(35,395)**
Disposals	4	18	1	918	-	270	-	**1,211**
Exchange differences	97	(410)	54	194	(18)	(254)	-	**(337)**
Accumulated depreciation as of December 31, 2022	**(7,424)**	**(84,688)**	**(11,162)**	**(5,472)**	**(1,407)**	**(9,284)**	**-**	**(119,437)**
Depreciation	(1,390)	(26,844)	(4,709)	(3,082)	(834)	(3,043)	-	**(39,902)**
Disposals	-	463	58	1,129	-	84	-	**1,734**
Exchange differences	12	549	182	285	52	57	-	**1,137**
Accumulated depreciation as of December 31, 2023	**(8,802)**	**(110,520)**	**(15,631)**	**(7,140)**	**(2,189)**	**(12,186)**	**-**	**(156,468)**
Net book value as of December 31, 2022	**37,461**	**97,324**	**14,867**	**8,711**	**3,123**	**10,758**	**37,492**	**209,736**
Net book value as of December 31, 2023	**45,126**	**121,214**	**17,784**	**13,799**	**7,083**	**12,148**	**35,124**	**252,278**

Property, plant and equipment mainly includes land and buildings and plant and machinery used in the production process. Property, plant and equipment in progress and advances as of December 31, 2023 and 2022 mainly include plant and machinery that will be used in the production process.

Investments in property, plant and equipment for the year ended December 31, 2023 amounted to Euro 72,053 thousand (Euro 78,454 thousand for the year ended December 31, 2022), of which Euro 9,219 thousand (Euro 3,812 thousand for the year ended December 31, 2022) relate to right of use assets and mainly referred to the lease of the new design office in Vimercate opened during 2023.

Investments in property, plant and equipment made in the year ended December 31, 2023 were mainly attributable to modernization and upgrading of production lines at the production facilities in Agrate (MB) and Cernusco Lombardone (LC), as well as the construction of a new facility in Taiwan.

The changes in the scope of consolidation that occurred during the 2023 financial year refer mainly to land, buildings, plant and machinery resulting from the acquisition of the Harbor Group. For further information, please refer to note 6 – "Business combinations".

As of December 31, 2023 and 2022, there were no indicators of possible impairment with respect to property, plant and equipment.

As of December 31, 2023 and 2022, there were no property, plant and equipment encumbered by any type of guarantee provided in favor of third parties.

Right of use assets and lease liabilities

The following table sets forth the main financial information for the lease contracts of the Group, that mainly operates as lessee.

(In thousands of Euro)	**As of December 31,**	
	2023	**2022**
Net book value of right of use assets (buildings)	13,628	8,497
Net book value of right of use assets (industrial and commercial equipment)	94	97
Net book value of right of use assets (other assets)	77	117
Net book value of right of use assets	**13,799**	**8,711**
Current lease liabilities	3,135	2,352
Non-current lease liabilities	10,392	5,847
Total lease liabilities	**13,527**	**8,199**

The following table sets forth the main income statement information for the lease contracts of the Group, that mainly operates as lessee.

(In thousands of Euro)	**Year ended December 31,**	
	2023	**2022**
Depreciation of right of use assets (buildings)	1,896	2,109
Depreciation of right of use assets (Industrial and commercial equipment)	9	318
Depreciation of right of use assets (other assets)	1,177	1,127
Total depreciation of right of use assets	**3,082**	**3,554**
Lease interest expenses	**288**	**213**
Total other expenses	**614**	**547**
Total lease expenses	**3,009**	**3,084**

Right of use assets related to buildings mainly relate to the lease of offices and production facilities in which certain Group companies operate, as well as the lease of a warehouse used by Technoprobe.

As of December 31, 2023 and 2022, the Group has not identified any indicators of impairment with respect to right of use assets.

The following table sets forth the undiscounted contractual flows of the Group's lease liabilities as of December 31, 2023 and 2022.

(In thousands of Euro)	**Within 1 year**	**1 to 2 years**	**3 to 5 years**	**After 5 years**	**Contractual amount**	**Carrying amount**
Lease liabilities as of December 31, 2023	3,135	2,880	2,685	4,928	**13,628**	**13,527**
Lease liabilities as of December 31, 2022	2,352	1,792	2,578	1,696	**8,418**	**8,199**

Lease payments due are discounted using the incremental borrowing rate, which is the rate of interest that the Group would have to pay to borrow a similar sum over a similar term as the lease contract.

7.2 Intangible assets and goodwill

The following table provides the breakdown and movements of intangible assets including goodwill for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	**Goodwill**	**Know-how**	**Software and patents**	**Other intangible assets**	**Intangible assets in progress and advances**	**Total**
Historical cost as of December 31, 2021	**9,757**	**6,614**	**3,928**	**477**	**252**	**21,028**
Additions	-	-	4,704	-	369	**5,073**
Reclassifications	-	-	206	-	(206)	**-**
Exchange differences	594	414	(14)	-	-	**994**
Historical cost as of December 31, 2022	**10,351**	**7,028**	**8,824**	**477**	**415**	**27,095**
Additions	-	-	912	-	181	**1,093**
Disposals	-	-	-	-	-	**-**
Business combination	15,579	5,417	789	3,251	-	**25,036**
Reclassifications	-	-	122	-	(122)	**-**
Exchange differences	(479)	(299)	(85)	(92)	-	**(955)**
Historical cost as of December 31, 2023	**25,451**	**12,146**	**12,732**	**3,636**	**474**	**52,269**
Accumulated amortization as of December 31, 2021	**-**	**(1,133)**	**(2,988)**	**(477)**	**-**	**(4,598)**
Amortization	-	(475)	(866)	-	-	**(1,341)**
Exchange differences	-	(68)	5	-	-	(63)
Accumulated amortization as of December 31, 2022	**-**	**(1,676)**	**(3,849)**	**(477)**	**-**	**(6,002)**
Amortization	-	(797)	(2,128)	(118)	-	**(3,043)**
Exchange differences	-	71	5	20	-	96
Accumulated amortization as of December 31, 2023	**-**	**(2,402)**	**(5,946)**	**(575)**	**-**	**(8,949)**
			-			
Net book value as of December 31, 2022	**10,351**	**5,352**	**4,975**	**-**	**415**	**21,093**
Net book value as of December 31, 2023	**25,451**	**9,744**	**6,786**	**3,061**	**474**	**43,320**

As of December 31, 2023 and 2022, the Group has not identified any indicators of impairment with respect to intangible assets.

<u>Intangible assets with a finite useful life</u>

Investments in intangible assets with a finite useful life for the year ended December 31, 2023 and 2022, amounted to Euro 1,093 thousand and Euro 5,073 thousand respectively, and they were primarily attributable to software and patents purchases.

The know-how was recognized as a result of the Purchase Price Allocation (PPA) exercise relating to the acquisition of the Harbor Group in August 2023 (please refer to note 6 – "Business combinations" for further information) and of the subsidiary Microfabrica Inc. which took place in 2019.

Other intangible assets mainly include the value of a trademark resulting from the aforementioned acquisition of the Harbor Group.

<u>Intangible assets with an indefinite useful life</u>

Goodwill

As of December 31, 2023, goodwill amounted to Euro 25,451 thousand (Euro10,351 thousand as of December 31, 2022) and mainly refers to goodwill recognized as part of the acquisition of Microfabrica

Inc in 2019 as well as the acquisition of the Harbor Group and MW Plasma (please refer to note 6 – “Business combinations” for further information).

The value of goodwill, in line with IFRS’s requirements, has to be assessed through an "impairment test" as of December 31, 2023. To this extent, it should be noted that, for the purpose of the impairment test of goodwill, a single Cash Generating Unit (**"CGU"**) was identified, consisting of the Group's operating activities as a whole. In order to identify the CGU, the elements provided by IAS 36 were taken into account, including the fact that the management monitors the Group's operations on a consolidated basis and the fact that the management makes strategic decisions, with particular reference to the product range and investment decisions, at Group level.

According to IFRS, the "recoverable amount" of the CGUs or group of CGUs to be considered for the purposes of the impairment test is equal to the higher of the "fair value less costs of disposal" and the "Value in use".

The value configuration used to determine the recoverable amount of the Group's assets (including goodwill) as of December 31, 2023 is the fair value determined using the Parent Company's market capitalization as of the impairment test date (December 31, 2023), as adjusted for the fair value of items in the financial statements not included in the book value of the CGU, mainly the net financial position. For further information on the Group's net financial position, please refer to Note 7.11.

The impairment test as of December 31, 2023 did not reveal any loss in value, as the fair value of the Group's assets including goodwill is significantly higher than the related carrying amount.

The difference between the recoverable amount and the carrying amount of the Group's assets would be zeroed against a potential decrease of more than 90% in the market prices of ordinary shares.

7.3 Deferred tax asset and deferred tax liabilities

The following tables provide breakdown and movements of deferred tax assets for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	**As of December 31, 2022**	**Provisions/releases to income statement**	**Business combinations**	**Exchange differences**	**As of December 31, 2023**
Impairment of raw materials	4,071	3,582	73	(5)	7,721
Other costs	3,883	116	50	(76)	3,973
Property, plant and equipment	5,325	(1,012)	17	(140)	4,190
Tax loss carryforwards	3,134	3,103	-	(176)	6,061
Unrealized intra-group margin	2,633	(334)	-	-	2,299
Right of use assets	50	-	-	1	51
Intangible assets	-	(93)	327	(5)	229
Total deferred tax assets (gross)	**19,096**	**5,362**	**467**	**(401)**	**24,524**
Offsetting with deferred tax liabilities	(2,498)	-	(450)	-	(3,598)
Total deferred tax assets	**16,598**	**5,362**	**17**	**(401)**	**20,926**

(In thousands of Euro)	**As of December 31, 2021**	**Provisions/releases to income statement**	**Exchange differences**	**As of December 31, 2022**
Impairment of raw materials	2,154	1,920	(3)	4,071
Other costs	826	3,097	(40)	3,883
Property, plant and equipment	6,511	(1,186)	-	5,325
Tax loss carryforwards	4,798	(1,980)	316	3,134
Unrealized intra-group margin	1,006	1,627	-	2,633
Right of use assets	18	32	-	50
Total deferred tax assets (gross)	**15,313**	**3,510**	**273**	**19,096**

Offsetting with deferred tax liabilities	(1,709)	-	-	(2,498)
Total deferred tax assets	**13,604**	**3,510**	**273**	**16,598**

Deferred tax assets are recognized to the extent to which it is probable that future taxable profit will be available against which they can be utilized. Deferred tax assets relating to tax loss carry forward were recognized only to the extent they are expected to be recovered in the future.

The following tables provide breakdown and movements of deferred tax liabilities for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	**As of December 31, 2022**	**Provisions/releases to income statement**	**Business combination**	**Exchange differences**	**As of December 31, 2023**
Intangible assets	-	(93)	1,617	-	1,524
Exchange differences	58	71	-	(2)	127
Property, plant and equipment	2,352	558	2,362	(47)	5,225
Derivative financial instruments	408	(408)	-	-	-
Other temporary taxable differences	-	144	63	-	207
Total deferred tax liabilities (gross)	**2,818**	**272**	**4,042**	**(49)**	**7,083**
Offsetting with deferred tax assets	(2,498)	-	(450)	-	(3,598)
Total deferred tax liabilities	**320**	**272**	**3,592**	**(49)**	**3,485**

(In thousands of Euro)	**As of December 31, 2021**	**Provisions/releases to income statement**	**Exchange differences**	**As of December 31, 2022**
Intangible assets	650	(699)	49	-
Exchange differences	255	(194)	(3)	58
Property, plant and equipment	1,139	1,163	50	2,352
Derivative financial instruments	-	408	-	408
Total deferred tax liabilities (gross)	**2,044**	**678**	**96**	**2,818**
Offsetting with deferred tax assets	(1,709)	-	-	(2,498)
Total deferred tax liabilities	**335**	**678**	**96**	**320**

Deferred tax liabilities are recognized for temporary differences that will become taxable in future years.

The increase in deferred tax liabilities that occurred during the year ended December 31, 2023 compared to the year ended December 31, 2022 is mainly attributable to the effect of the acquisition of the Harbor Group. For further information, please refer to note 6 – “Business combinations”.

7.4 Non-current financial assets

The following table provides the breakdown of non-current financial assets as of December 31, 2023 and 2022.

(In thousands of Euro)	**As of December 31,**	
	2023	**2022**
Security deposits	945	880
Debt securities	443	113
Time deposit	-	28
Non-current financial assets	**1,388**	**1,021**

7.5 Other non-current assets

Other non-current assets, amounting to Euro 1,756 thousand and Euro 1,987 thousand as of December 31, 2023 and 2022, respectively, mainly refers to tax credits.

7.6 Inventories

The following table provides the breakdown of inventories as of December 31, 2023 and 2022.

(In thousands of Euro)	**As of December 31,**	
	2023	**2022**
Raw materials, supplies and consumables	75,843	74,897
Work in progress and semi-finished goods	69,785	45,849
Finished products and goods	1,157	4,383
Inventories (gross)	**146,785**	**125,129**
Provisions for inventory write-downs	(27,755)	(14,742)
Inventories	**119,030**	**110,387**

Net changes in provisions for inventory write-downs amounted to Euro 13,013 thousand and Euro 7,023 thousand for the years ended December 31, 2023 and 2022, respectively.

The increase in inventories in the year ended December 31, 2023 is mainly attributable to an increase in work in progress and semi-finished goods, partially offset by a decrease in finished goods and materials and an increase in the provisions for inventory write-downs.

7.7 Trade receivables

The following table provides the breakdown of trade receivables as of December 31, 2023 and 2022.

(In thousands of Euro)	**As of December 31,**	
	2023	**2022**
Trade receivables (gross)	68,774	76,463
Allowance for doubtful receivables	(945)	(1,045)
Trade receivables	**67,829**	**75,418**

The following table provides the breakdown and movement of allowance for doubtful receivables as of December 31, 2023 and 2022.

(In thousands of Euro)	**Allowance for doubtful receivables**
As of December 31, 2021	**920**
Net provision	178
Utilization	(55)
Exchange differences	2
As of December 31, 2022	**1,045**
Net provision	(49)
Utilization	(47)
Exchange differences	(4)
As of December 31, 2023	**945**

Net provision for doubtful receivables is recognized in the income statement line-item "Net impairment of financial assets" (see Note 8.5 – "Net impairment of financial assets").

There are no trade receivables due beyond 5 years as of December 31, 2023 and 2022.

7.8 Current financial assets

The following table provides the breakdown of current financial assets as of December 31, 2023 and 2022.

(In thousands of Euro)	**As of December 31,**	
	2023	**2022**
Security deposits	922	12
Derivative financial instruments	-	1,702
Receivables to banks for interest	1,574	577
Loans to employees	-	9
Current financial assets	**2,496**	**2,300**

7.9 Current tax receivables and current tax payables

Current tax receivables amounted to Euro 38,647 thousand and Euro 363 thousands as of December 31, 2023 and 2022, respectively.

Current tax payables amounted to Euro 1,241 thousand and Euro 21,756 thousand as of December 31, 2023 and 2022, respectively.

The increase in current tax receivables as of December 31, 2023 compared to December 31, 2022 is mainly attributable to the recognition of the tax benefit related to the Patent Box. Please refer to Note 8.10 – "Income Taxes" for further information.

7.10 Other current assets

The following table provides the breakdown of other current assets as of December 31, 2023 and 2022.

(In thousands of Euro)	**As of December 31,**	
	2023	**2022**
Tax receivables	14,579	12,805
Prepaid expenses	3,350	3,299
Prepayments and advance	852	568
Other receivables	144	212
Other current assets	**18,925**	**16,884**

Tax receivables are mostly VAT receivables.

Prepaid expenses include mainly prepaid expenses relating to multi-year insurance policies.

7.11 Cash and cash equivalents

The following table provides the breakdown of cash and cash equivalents as of December 31, 2023 and 2022.

(In thousands of Euro)	**As of December 31,**	
	2023	**2022**
Bank and postal deposits	361,787	411,020
Cash and cash on hand	13	11
Cash and cash equivalents	**361,800**	**411,031**

As of December 31, 2023 and 2022, bank and postal deposits are not subject to restrictions or limitations and are held at banks and financial institutions primarily located in Italy and Asia. In order to optimize the return on liquidity held, during the financial year ended December 31, 2023, the Group used term deposit which can be released upon request.

Refer to the consolidated statement of cash flows for details on changes in cash and cash equivalents for the years ended December 31, 2023 and 2022.

The table below shows the composition of the Group's net financial position as of December 31, 2023 and 2022 determined in accordance with the provisions of CONSOB communication DEM/6064293 of July, 28 2006 as amended by CONSOB Attention Notice no. 5/21 of April, 29 2021 and in accordance with the ESMA Recommendations 32-382-1138 of March 4, 2021.

(In thousands of Euro)	**As of December 31,**	
	2023	**2022**
A. Cash	361,800	411,031
B. Cash equivalents	-	-
C. Other current financial assets	2,496	598
D. Liquidity (A+B+C)	**364,296**	**411,629**
E. Current financial debt	-	-
F. Current portion of non-current financial debt	(3,135)	(2,352)
G. Current financial indebtedness (E+F)	**(3,135)**	**(2,352)**
- of which guaranteed	-	-
- of which not guaranteed	*(3,135)*	*(2,352)*
H. Net current financial indebtedness (G-D)	**361,161**	**409,277**
I. Non-current financial debt	(10,392)	(5,847)
J. Debt instruments	-	-
K. Non-current trade and other payables	-	-
L. Non-current financial indebtedness (I+J+K)	**(10,392)**	**(5,847)**
- of which guaranteed	-	-
- of which not guaranteed	*(10,392)*	*(5,847)*
M. Net financial position (surplus) (*) (H-L)	**350,769**	**403,430**

(*) As of December 31, 2023, Euro 13,527 thousand refer to the financial liability relating to IFRS 16 (Euro 8,199 thousand as of December 31, 2022), of which Euro 3,135 thousand current (Euro 2,352 thousand as of December 31, 2022) and Euro 10,392 thousand non-current current (Euro 5,847 thousand as of December 31, 2022).

7.12 Total equity

The following table provides the breakdown of total equity as of December 31, 2023 and 2022.

(In thousands of Euro)	**As of December 31,**	
	2023	**2022**
Share capital	6,010	6,010
Legal reserve	1,202	1,152
Share premium reserve	139,116	139,116
Treasury shares reserve	(11,747)	-
Other reserves	31,933	31,933
Translation reserve	1,943	7,359
Retained earnings	550,316	402,462
Net profit attributable to the owners of the Parent	96,999	147,904
Equity attributable to non-controlling interests	1,528	1,039
Total equity	**817,300**	**736,975**

Share capital

The share capital of the Parent, fully subscribed and paid-up, amounted to Euro 6,010 thousand as of December 31, 2023 (Euro 6,010 thousands as of December 31, 2022), consisted of 150,250,000 ordinary shares and 450,750,000 ordinary shares with increased voting rights, the latter held by T-PLUS and the Crippa family. The shares are registered, with no par value and are issued in dematerialized form.

Legal reserve
The legal reserve, amounted to Euro 1,202 thousand and Euro 1,152 thousand as of December 31, 2023 and 2022 respectively.

Share premium reserve
The share premium reserve amounted to Euro 139,116 thousand as of December 31, 2023 and to Euro 139,116 thousand as of December 31, 2022 and it was generated in the year ended December 31, 2022 in connection with the EGM Listing.

Translation reserve
The translation reserve includes all differences arising from the translation into Euro of the financial statements of the companies included in the scope of consolidation expressed in currencies other than Euro.

Treasury shares reserve
The "Treasury shares reserve" amounted to Euro 11,747 thousand includes the equivalent value of the n. 1,500,000 treasury shares purchased by Technoprobe in the year ended December 31, 2023.

Other reserve
Other reserves amounted to Euro 31,933 thousand as of December 31, 2023 (Euro 31,933 thousand as of December 31, 2022) and include, among others, the effects of applying IFRS.

The movements that affected shareholders' equity for the year ended December 31, 2023 are related to:
- the purchase of 1,500,000 treasury shares amounting to Euro 11,747 thousand, and;
- recognition of the total comprehensive income for the year of Euro 91,718 thousand.

The movements that affected shareholders' equity for the year ended December 31, 2022 are related to:
- recognition of the total comprehensive income for the year of Euro 152,455 thousand; and
- the increase in share capital and reserves as a result of the EGM Listing; and
- the distribution of dividends for Euro 1,129 thousand

7.13 Employee benefits obligations

The item includes Technoprobe directors' end of mandate indemnity and employee severance indemnity.

The following table reports the movements in the employee benefit obligations as of and for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	**Employee severance indemnity**	**End of mandate indemnity**	**Employee benefits obligations**
As of December 31, 2021	**276**	**2,389**	**2,665**
Provisions	2,971	-	2,971
Benefits paid	(2,950)	(2,389)	(5,339)
As of December 31, 2022	**297**	**-**	**297**
Provisions	3,953	-	3,953
Benefits paid	(3,962)	-	(3,962)
As of December 31, 2023	**288**	**-**	**288**

The average number of employees of the Group as of December 31, 2023 is 2,746 units (2,448 units as of December 31, 2022), of which 21 directors, 1,079 white collars and 1,646 blue collars.

7.14 Provision for risks and charges

The provision for risks and charges amounting to Euro 20,073 thousand as of December 31, 2023 and 2022, related to accrual made in relation to risk mainly of a fiscal nature. In fact, in its business operations, the Group puts in place several transactions with foreign third parties. The complexity of such transactions implies the risk that the relevant taxation authorities might provide for a treatment for these transactions different from that adopted by the Group.

7.15 Trade payables

Trade payables, amounting to Euro 38,989 thousand and Euro 40,858 thousand as of December 31, 2023 and 2022, respectively, are mainly attributable to transactions for the purchase of raw materials, components and services.

7.16 Other current liabilities

The following table provides the breakdown of other current liabilities as of December 31, 2023 and 2022.

(In thousands of Euro)	**As of December 31,**	
	2023	**2022**
Payables due to employees	17,068	17,696
Payables due to social security institutions	8,149	7,378
Accrued expenses	163	3,237
Tax payables	3,359	3,708
Payables to directors	990	1,109
Deferred income	3,166	3,080
Other minor liabilities	583	2,096
Other current liabilities	**33,478**	**38,304**

Payables due to employees primarily refer to payroll, production bonuses, MBOs and deferred expenses, such as vacation, leave and additional monthly payments.

Payables due to social security institutions primarily refer to liabilities to pension and social security institutions for the payment of contributions.

Accrued expenses mainly relate to the provision for commission expenses on sales.

Tax payables primarily include amounts due to non-income taxes, primarily consisting of withholding taxes on employees, VAT payables and other indirect taxes.

8. Notes to the consolidated income statement

8.1 Revenue

The following table provides the breakdown of Revenue for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	**Year ended December 31,**	
	2023	**2022**
Revenue from sales	409,221	548,927
Other revenues	53	2
Revenue	**409,274**	**548,929**

The following table provides the breakdown of Revenue by geographical area for the years ended December 31, 2023 and 2022, classified according to the billing country.

(In thousands of Euro)	**Year ended December 31,**	
	2023	**2022**
Asia	178,827	356,947
America	187,934	153,444
Europe (excluding Italy)	31,567	28,724
Italy	10,946	9,814
Revenue	**409,274**	**548,929**

Almost all the contracts with customers entered by the Group do not include variable consideration.

The Group considers that there is no contract containing a significant financial component, i.e. for which the period between the transfer to the customer of the promised good and the related payment exceeds twelve months. Therefore, the Group has not made any adjustment to the consideration received to consider the time value of money.

8.2 Cost of revenue

The following table provides the breakdown of cost of revenue for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	**Year ended December 31,**	
	2023	**2022**
Raw materials, supplies, consumables and goods	83,884	98,008
Personnel expenses	79,481	73,467
Depreciation, amortization and impairment	28,928	26,578
Outsourced services and industrial services	4,924	5,261
Maintenance and repairs	4,651	3,553
Utilities	4,506	5,864
Lease and rental costs	1,317	1,302
Other minor costs	2,256	2,116
Cost of revenue	**209,947**	**216,149**

8.3 Research and development

The following table provides the breakdown of research and development for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	**Year ended December 31,**	
	2023	**2022**
Personnel expenses	35,902	34,471
Consultancy and professional services	3,917	8,036
Depreciation, amortization and impairment	9,227	6,285
Raw materials, supplies, consumables and goods	4,730	3,035
Software licenses	1,353	2,464
Maintenance and repairs	575	792
Utilities	331	453
Other minor costs	728	883
Research and development	**56,763**	**56,419**

The Group’s research and development activities are aimed at both introducing new products and implementing new production processes. Raw materials, supplies, consumables and goods and the costs for the use of third-party assets are attributable to research and development centers entered into operation.

8.4 Selling, general and administrative

The following table provides the breakdown of selling, general and administrative for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	Year ended December 31,	
	2023	**2022**
Personnel expenses	27,841	27,764
Sales commissions	4,422	11,309
Consultancy and professional services	11,327	9,804
Office costs	682	992
Depreciation, amortization and impairment	4,790	3,873
Transportation costs	1,510	1,569
Lease and rental costs	774	459
Maintenance and repairs	906	684
Travel costs	1,391	1,016
Utilities	1,689	2,589
Directors’ compensation	2,659	2,850
Other minor costs	4,780	4,828
Selling, general and administrative	**62,771**	**67,737**

8.5 Net impairment of financial assets

Net impairment of financial assets, recognized in accordance with the requirements of IFRS 9, amounting to a net revaluation of Euro 49 thousand and a net impairment of Euro 178 thousand for the years ended December 31, 2023 and 2022, respectively, relate to the impairment of trade receivables.

Changes in the allowance for doubtful receivables for the years ended December 31, 2023 and 2022 are shown in Note 7.7 – “Trade Receivables”.

8.6 Other income (expenses), net

Other income (expenses), net amounting to an income of Euro 1,884 thousand and to an expense of Euro 4,155 thousand for the years ended December 31, 2023 and 2022, respectively.

Other revenues for the year ended December 31, 2023 are mainly attributable to tax credits for research and development, investment in capital goods, and energy consumption.

Other expenses, net recorded in the year ended December 31, 2022 was mainly attributable to *(i)* provisions for risks and charges of Euro 8,448 thousand, mainly related to tax risks connected to the Group’s numerous transactions with foreign counterparties, partially offset by (ii) other income deriving from the tax credit for research and development and interconnection activities.

8.7 Finance income

The following table provides the breakdown of net finance income for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	Year ended December 31,	
	2023	**2022**
Interest income	8,498	1,174
Other finance income	108	63
Finance income	**8,606**	**1,237**

The increase in finance income is mainly attributable to the increase in interest income, mainly attributable to the higher balance of cash and cash equivalents in bank current accounts and term deposit accounts which can be released upon request and, to a lesser extent, to interest income on other financial activities.

8.8 Finance expenses

The following table provides the breakdown of finance expenses for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	Year ended December 31,	
	2023	**2022**
Interests on lease and other minor liabilities	288	213
Finance expenses	**288**	**213**

8.9 Foreign exchange gains (losses)

Exchange gains (losses) amounted to profits of Euro 4,796 thousand and Euro 1,915 thousand for the financial year ended December 31, 2023 and 2022, respectively.

8.10 Income tax expense

The following table provides the breakdown of income tax expense for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	Year ended December 31,	
	2023	**2022**
Current taxes	(24,533)	(61,223)
Prior periods taxes	31,571	(624)
Deferred taxes	5,090	2,832
Income tax expense	**12,128**	**(59,015)**

For details of the item "Deferred tax assets and liabilities", see Note 7.3 - "Deferred tax assets and deferred tax liabilities".

The following table provides a reconciliation of the theoretical and the reported tax charge with respect to the Italian Corporate Income Tax (IRES) for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	Year ended December 31,	
	2023	**2022**
Profit before tax	85,248	207,230
Theoretical tax rate %	24%	24%
Theoretical tax charge	**20,460**	**49,735**
Foreign tax rate differences	(184)	(324)
Non-taxable income and non-deductible expenses	4,835	4,465
Excluded share of dividends collected	(9,284)	(2,079)
Equity investment deduction (ACE)	(1,491)	(1,450)
Patent Box benefit related to previous years	(31,326)	-
IRAP and other taxes/benefits	4,862	8,668
Income tax expense	**(12,128)**	**59,015**

8.11 Earnings per share

The following table sets forth the calculation of net profit per share for the year ended December 31, 2023 and 2022.

	Year ended December 31,	
	2023	**2022**
Net profit attributable to the owners of the Parent	96,999	147,904
Weighted average number of ordinary shares	600,320,872	597,917,808
Basic and diluted net profit per share (in Euro)	0.16	0.25

Net profit per share was calculated by dividing the net profit by the average number of ordinary shares outstanding during the year, excluding treasury shares.

The shares composing the share capital are ordinary shares and there are no obligations relating to the distribution of privileged dividends or other privileged forms of allocation of results among the shares. Furthermore, there are no existing instruments with a potential diluting effect.

9. Segment information

Segment information has been prepared in accordance with IFRS 8 – “Operating segments” (hereafter “**IFRS 8**”), which requires the presentation of disclosures consistent with how directors take operating decisions.

At the management level, the Group identifies a single strategic vision for its operating activities. In particular, top management reviews the economic results at Group level as a whole, and therefore no operating segments can be identified. Consequently, the Group's business has been represented as a single reportable segment in accordance with IFRS 8.

Revenue by geographical area is presented in Note 8.1 – “Revenues”

In accordance with the provisions of IFRS 8, paragraph 34, it should be noted that for both the years ended December 31, 2023 and 2022, there were four individual customers that individually generated more than 10% of the Group’s total revenue.

The following table provides the detail of revenue relating to customers that individually generated more than 10% of the Group’s total revenue for the year ended December 31, 2023 and 2022.

(In thousands of Euro and percentage)	**Year ended December 31,**			
	2023		*2022*	
	Revenue	*% on Revenue*	**Revenue**	*% on Revenue*
First customer	57,358	14.0%	140,041	25.5%
Second customer	54,820	13.4%	116,152	21.2%
Third customer	54,451	13.3%	61,695	11.2%
Fourth customer	42,969	10.5%	56,485	10.3%

The table below provides non-current assets, other than financial assets and deferred tax assets, by geographical area as of December 31, 2023 and 2022, presented according to where the assets are located.

(In thousands of Euro)	**Italy**	**Asia**	**Europe (excluding Italy)**	**America**	**Non-allocated**	**Total non-current asset**
Property, plant and equipment	182,620	40,658	1,475	27,525	-	**252,278**
Goodwill	-	-	-	-	25,451	**25,451**
Intangible assets	7,462	1,874	5	3,708	4,820	**17,869**
Other non-current assets	1,734	22	-	-	-	**1,756**
As of December 31, 2023	**191,816**	**42,554**	**1,480**	**31,233**	**30,271**	**297,354**
Property, plant and equipment	163,112	29,098	2,095	15,431	-	**209,736**
Goodwill	-	-	-	-	10,351	**10,351**
Intangible assets	3,932	1,442	12	4	5,352	**10,742**
Other non-current assets	1,948	39	-	-	-	**1,987**
As of December 31, 2022	**168,992**	**30,579**	**2,107**	**15,435**	**15,703**	**232,816**

Non-allocated assets are entirely attributable to goodwill and know-how.

10. Related party transactions

Significant transactions carried out with related parties, identified on the basis of the criteria defined by IAS 24 and carried out at market conditions, are shown below.

Transactions with the top management

It is noted that:

- other current liabilities as of December 31, 2023 and 2022 included amounts due to directors for fees not yet paid in the amounts of Euro 990 thousand and Euro 1,109 thousand respectively; and
- selling, general and administrative for the years ended December 31, 2023 and 2022 included compensations of directors and top management in the amounts of Euro 2,883 thousands and Euro 2,850 thousand, respectively.

11. Other information

Compensation to directors and statutory auditors
Compensation due to directors and statutory auditors for the years ended December 31, 2023 and 2022 amounted to Euro 2,503 thousand and 2,938 thousand, respectively.

Fees due to independent auditors
Pursuant to applicable regulations, the total fees for the year ended December 31, 2023 for audit and non-audit services rendered by PricewaterhouseCoopers S.p.A. and entities both within and outside its network are shown below.

(In thousands of Euro)	**Service provider**	**Recipient**	**Fees**
Audit services	PricewaterhouseCoopers S.p.A.	Technoprobe S.p.A.	410
	Network PricewaterhouseCoopers	Subsidiaries	125
	Other entities outside the Network PricewaterhouseCoopers	Subsidiaries	170
Non-audit services	PricewaterhouseCoopers S.p.A.	Technoprobe S.p.A.	616
	Network PricewaterhouseCoopers	Technoprobe S.p.A.	1,103

Disclosure on subsidies and public contributions
In compliance with the transparency and publicity obligations required under Law no. 124 of August 4, 2017 article 1 paragraphs 125-129 (as replaced by art. 35 of Legislative Decree no. 34 of April 30, 2019), it is noted that the Group has received grants, subsidies, advantages, contributions or aid, not of a general character and without remunerative, retributive or compensatory purposes, from public administrations and/or entities assimilated to them for the amounts listed below:

(In thousands of Euro)	**Lending entity**	**Year ended December 31,**	
		2023	**2022**
Energy and gas credit	Italian State	380	995
Sanitation tax credit	Italian State	6	-

Commitments
The Group has not undertaken any commitments that have not been recognized in the balance sheet, with the exception of commitments undertaken with suppliers which amount to Euro 29 million as of December 31, 2023.

Guarantees
As of December 31, 2023, the Group has not provided guarantees.

Potential liabilities

The Group has not assumed potential liabilities that have not been recognized in the financial statements except as described in Note 7.14 - " Provisions for risks and charges".

Significant non-recurring events and operations

Pursuant to Consob Communication No. 6064293 of July 28, 2006, it should be noted that for the year ended December 31, 2023, there were no non-recurring events and transactions, with the exception of charges attributable to the listing transaction on Euronext Milan totalling €2.1 million, as well as other charges incurred in connection with the acquisitions of Harbor and Teradyne Inc. With regard to the year ended December 31, 2022, it should be noted that charges attributable to the listing transaction on Euronext Milan Growth totalled €1.6 million.

Atypical and/or unusual operations

Pursuant to Consob Communication No. 6064293 of July 28, 2006, it should be noted that during the year ended December 31, 2023, the Group did not engage in any atypical and/or unusual transactions, as defined in the aforementioned communication.

12. Significant events occurring after the year-end

There are no significant events that occurred after year-end.

Management's attestation to the Consolidated Financial Statements pursuant to Article 81-ter of CONSOB regulation no. 11971 of May 14, 1999, as amended and extended

The undersigned Stefano Felici and Stefano Beretta in their capacity respectively as Chief Executive Officer and Manager in Charge of Company’s Financial Reports of Technoprobe S.p.A., certify, also taking into account the provisions of the art. 154-bis, paragraphs 3 and 4, of Legislative Decree February, 24 1998, n. 58:

- the adequacy in relation to the characteristics of the company and
- the effective application of the administrative and accounting procedures for the preparation of the Consolidated Financial Statements as of December 31, 2023.

No significant aspects emerged in this regard.

It is also certified that the Consolidated Financial Statements as of December 31, 2023:

- are drawn up in compliance with the applicable international accounting standards recognized in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19 2002;
- corresponds to the results of the accounting books and records;
- is suitable for providing a true and correct representation of the equity, economic and financial situation of the issuer and of all the companies included in the consolidation.

The Directors’ Report on Operation includes a reliable analysis of the performance and results of operations, as well as the situation of the issuer and of all the companies included in the consolidation, together with the description of the main risks and uncertainties to which it is exposed.

Cernusco Lombardone, March 14, 2024

Technoprobe SpA

Stefano Felici
(Chief Executive Officer)

Stefano Beretta
(Manager in Charge of Company’s Financial Reports)

Independent Auditors' Report

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Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of Technoprobe SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Technoprobe SpA Group (the Group), which comprise the consolidated statement of financial position as of 31 December 2023, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and explanatory notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2023, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Technoprobe SpA pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Inventories valuation *Explanatory notes: 2.5 Accounting Principles and Evaluation Criteria, 7.6 Inventories* As of 31 December 2023 the inventories of raw materials, semi-finished and finished products recorded in the consolidated financial statements amount to euro 119, equal to 13% of total assets, and are shown net of a write-down provision of euro 28 million. In accordance with International Financial Reporting Standards as adopted by the European Union (IFRS UE) inventories are recognized and measured at the lower of cost and net realizable value. The cost of inventories includes all purchase costs, transformation costs, and other costs incurred to bring the inventories to their current location and condition. In accordance with the provisions of IAS 2, the Group calculates the cost of inventories using the weighted average cost method. If net realizable value is lower than cost, the difference is immediately recognized in the income statement. The valuation of inventories represents an estimate characterized by complexity and uncertainty, which requires a high degree of judgment by the directors, and which can be influenced by both exogenous and endogenous factors. The industry in which the Group operates is characterized by rapid and significant technological changes, the continuous introduction of new products and services, evolving industrial standards, and changing customer needs and preferences. For the reasons stated above, we considered the valuation of inventories a key aspect of the audit activity.	The audit activities included, among others, the following procedures: • updating our understanding and evaluating of the Group's internal control system in relation to the inventory business process; • performing test of details and analytical procedures summarized below: – performing analytical procedures to understand the fluctuations in inventories; – attending the physical inventory count for a sample of inventory codes at the inventory date and requests confirmation from external custodians of the quantities in stock as of 31 December 2023; – for a sample of inventory codes, verification of the correct application of the methodology adopted for determining the cost of inventories, through analysis of the supporting documentation, interviews with management as well as through the recalculation of the production or purchase cost; – for a sample of inventory codes, verification of the reasonableness of the net realizable value and the assumptions adopted in the estimation of the provisions for inventory write-downs, through discussions with the Group functions involved and the collection and verification of

	documents as well as comparison with historical data; – analysis of the movement of inventories in the period following the fiscal year closing date in order to corroborate the assumptions adopted on the basis of the estimate of the provisions for inventory write-downs; – assessing the completeness and adequacy of the information provided in the consolidated financial statement's disclosure relating to inventories.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Technoprobe SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

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As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

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Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 14 April 2023, the shareholders of Technoprobe SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2023 to 31 December 2031.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Technoprobe SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements as of 31 December 2023, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements as of 31 December 2023 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Due to certain technical limitations, some information included in the explanatory notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Technoprobe SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the Technoprobe SpA Group as of 31 December 2023, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements of the Technoprobe SpA Group as of 31 December 2023 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

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In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of Technoprobe SpA Group as of 31 December 2023 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Statement in accordance with article 4 of Consob's Regulation implementing Legislative Decree No. 254 of 30 December 2016

The directors of Technoprobe SpA are responsible for the preparation of the non-financial statement pursuant to Legislative Decree No. 254 of 30 December 2016.
We have verified that the directors approved the non-financial statement.

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016, the non-financial statement is the subject of a separate statement of compliance issued by ourselves.

Milan, 28 March 2024

PricewaterhouseCoopers SpA

Signed by

Francesco Ferrara
(Partner)

The accompanying consolidated financial statements of Technoprobe SpA constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

TECHNOPROBE

SEPARATE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2023

SEPARATE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31,2023

Courtesy translation
This document has been translated into English from the Italian original solely for the convenience of international readers.
In case of discrepancy between the Italian language original text and the English language translation, the Italian version shall prevail.

Statement of financial position

(In Euro)	Notes	As of December 31,				As of January 1,	
		2023	*of which related parties (note 8)*	2022	*of which related parties (note 8)*	2022	*of which related parties (note 8)*
ASSETS							
Non-current assets							
Property, plant and equipment	6.1	180,804,980	-	163,678,046	-	138,590,842	-
Intangible assets	6.2	2,430,964	-	3,933,837	-	530,443	-
Investment in subsidiaries	6.3	121,273,438	-	81,054,825	-	70,723,148	-
Deferred tax assets	6.4	13,449,997	-	10,943,548	-	9,094,115	-
Non-current financial assets	6.5	136,125	-	116,034	-	64,257	-
Other non-current assets	6.6	1,732,033	-	1,948,062	-	1,334,338	-
Total non-current assets		**319,827,537**	**-**	**261,674,352**		**220,337,143**	
Current assets							
Inventories	6.7	110,098,377	-	105,721,321	-	62,140,509	-
Trade receivables	6.8	110,524,594	*89,740,741*	122,480,083	*118,971,938*	108,015,890	*102,455,385*
Current financial assets	6.9	67,287,625	*65,713,366*	28,826,965	*26,548,077*	7,894,553	*7,794,810*
Current tax receivables	6.10	36,279,696	-	-	-	1,897,851	-
Other current assets	6.11	15,577,168	-	13,307,087	-	11,311,209	-
Cash and cash equivalents	6.12	220,257,657	-	270,621,213	-	73,858,593	-
Total current assets		**560,025,117**		**540,956,669**		**265,118,605**	
Total Assets		**879,852,654**		**802,631,021**		**485,455,748**	
EQUITY AND LIABILITIES							
Equity	6.13	-	-	-	-	-	-
Share capital		6,010,000	-	6,010,000	-	5,760,000	-
Reserves		657,830,030	-	543,459,450	-	404,343,585	-
Net profit		120,254,821	-	126,117,328	-	-	-
Equity		**784,094,851**	**-**	**675,586,778**		**410,103,585**	
Non-current liabilities							
Non-current lease liabilities	6.1	6,362,360	-	2,308,162	-	2,065,794	-
Deferred tax liabilities		851,595	-	982,730	-	231,080	-
Employee benefits obligations	6.14	287,908	-	296,877	-	2,664,578	-
Provision for risks and charges	6.15	20,073,000	-	20,073,000	-	11,625,000	-
Other non-current liabilities		14,083	-	35,680	-	24,302	-
Total non-current liabilities		**27,588,946**	**-**	**23,696,449**		**16,610,754**	
Current liabilities							
Trade payables	6.16	40,602,893	*8,158,639*	47,967,670	*11,638,022*	36,262,834	*8,293,153*
Current financial liabilities	6.17	-	-	12,200,517	*12,200,517*	4,497,999	*4,271,856*
Current lease liabilities	6.1	562,271	-	204,995	-	177,719	-
Current tax payables	6.10	-	-	16,301,330	-	-	-
Other current liabilities	6.18	27,003,693	*989,634*	26,673,282	*1,108,933*	17,802,857	*683,880*
Total current liabilities		**68,168,857**		**103,347,794**		**58,741,409**	
Total liabilities		**95,757,803**		**127,044,243**		**75,352,163**	
Total equity and liabilities		**879,852,654**		**802,631,021**		**485,455,748**	

Income statement

(In Euro)	Notes	Year ended December 31,			
		2023	***of which related parties (note 8)***	**2022**	***of which related parties (note 8)***
Revenue	7.1	327,986,436	*274,116,764*	453,041,568	*425,234,334*
Cost of revenue	7.2	(184,858,421)	*(32,209,520)*	(211,060,159)	*(52,202,543)*
Gross profit		**143,128,015**		**241,981,409**	
Operating expenses					
Research and development	7.3	(49,587,768)	*(2,691,117)*	(44,188,918)	*(2,442,533)*
Selling, general and administrative	7.4	(39,662,465)	*(7,855,850)*	(33,473,178)	*(5,318,896)*
Total operating expenses		**(89,250,233)**		**(77,662,096)**	
Operating profit		**53,877,782**		**164,319,313**	
Other income (expenses), net	7.6	3,882,510		(5,064,896)	*126,836*
Finance income	7.7	49,947,697	*41,911,917*	10,438,689	*9,387,388*
Finance expenses	7.8	(81,964)		(49,103)	*(10,625)*
Foreign exchange gains (losses)	7.9	(3,600,463)		3,409,632	
Profit before tax		**104,025,562**		**173,053,635**	
Income tax expense	7.10	16,229,259		(46,936,307)	
Net profit		**120,254,821**		**126,117,328**	

Statement of comprehensive income

(In Euro)	Notes	Year ended December 31,			
		2023	***of which related parties (note 8)***	**2022**	***of which related parties (note 8)***
Net profit		**120,254,821**	-	**126,117,328**	-
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			-		-
		-	-	-	-
Total other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax		-	-	-	-
Total comprehensive income		**120,254,821**	-	**126,117,328**	-

Statement of changes in equity

(In Euro)			Reserves							
	Notes	**Share capital**	***Legal reserve***	***Share premium reserve***	***Treasury shares reserve***	***Demerger surplus reserve***	***Other reserves***	***Retained earnings***	**Net profit**	**Total equity**
Balance as of January 1, 2022	*6,13*	**5,760,000**	**1,152,000**	**-**	**-**	**31,288,542**	**2,330,610**	**369,572,433**	**-**	**410,103,585**
Net profit		-	-	-	-	-	-	-	126,117,328	**126,117,328**
Total other comprehensive income		-	-	-	-	-	-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**126,117,328**	**126,117,328**
Capital increase		250,000	-	139,115,865	-	-	-	-	-	**139,365,865**
Balance as of December 31, 2022	*6,13*	**6,010,000**	**1,152,000**	**139,115,865**	**-**	**31,288,542**	**2,330,610**	**369,572,433**	**126,117,328**	**675,586,778**
Net profit		-	-	-	-	-	-	-	120,254,821	**120,254,821**
Total other comprehensive income		-	-	-	-	-	-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**120,254,821**	**120,254,821**
Allocation of prior year profit		-	50,000	-	-	-	(888,835)	126,956,163	(126,117,328)	-
Acquisition of treasury shares		-	-	-	(11,746,748)	-	-	-	-	**(11,746,748)**
Balance as of December 31, 2023	*6,13*	**6,010,000**	**1,202,000**	**139,115,865**	**(11,746,748)**	**31,288,542**	**1,441,775**	**496,528,596**	**120,254,821**	**784,094,851**

Statement of cash flows

(In Euro)		Year ended December 31,			
	Notes	2023	*of which related parties (note 8)*	2022	*of which related parties (note 8)*
Profit before tax		104,025,562		173,053,635	
Adjustments for:					
Amortization, depreciation and impairment		30,813,226		26,730,828	
Gains (losses) on disposals		(125,362)		(235,355)	
Net Finance (income) expenses	*7.6 - 7.7*	(49,865,733)	(41,911,917)	(10,389,586)	(9,376,763)
Accruals to provisions		16,568,162		18,052,480	
Other non-cash adjustments		247,840		(1,501,867)	
Cash flow generated by operating activities before changes in net working capital		**101,663,695**		**205,710,135**	
Change in inventories	*6.7*	(16,991,723)		(50,214,292)	
Change in trade receivables	*6.8*	10,883,398	29,231,197	(16,832,189)	(16,516,553)
Change in trade payables	*6.16*	(8,436,868)	(3,479,383)	9,336,840	3,344,869
Changes in other assets/ liabilities		(3,528,630)		6,208,537	
Uses of provisions for risks and charges and employee benefits obligations	*6.14*	(3,962,464)		(5,338,701)	
Income taxes paid	*7.9*	(34,816,913)		(29,199,387)	
Net cash flow generated by operating activities		**44,810,495**		**119,670,943**	
Purchase of property, plant and equipment (excluding right of use assets)	*6.1*	(42,543,607)		(51,724,653)	
Purchase of intangible assets	*6.2*	(343,680)		(3,798,772)	
Investments in subsidiaries	*6.3*	(44,872,966)		-	
Disposal of property, plant and equipment	*6.1*	1,445,362		1,006,355	
Net investments in financial assets	*6.3*	(42,877,789)	(45,709,343)	(16,364,819)	(15,920,215)
Dividends received	*6.13*	40,717,917	40,717,917	9,116,388	9,116,388
Finance income received	*7.7*	4,649,238		183,443	
Net cash flow used in investing activities		**(83,825,525)**		**(61,582,058)**	
Financial liabilities reimbursement	*6.17*	-		(4,498,482)	(4,271,856)
Repayment of lease liabilities	*6.1*	(457,526)		(199,356)	
Finance expenses paid	*7.8*	(81,964)		(49,104)	
Acquisition of treasury shares	*6.13*	(11,746,748)		-	
Capital increase	*6.13*	-		139,365,865	
Net cash flow generated by (used in) financing activities		**(12,286,238)**		**134,618,923**	
Total cash flow generated (used) during the year		**(51,301,268)**		**192,707,808**	
Cash and cash equivalents at the beginning of the year	*6.12*	**270,621,213**		**73,858,593**	
Total changes in cash and cash equivalents		(51,301,268)		192,707,808	
Exchange differences from translation of cash and cash equivalents		937,712		4,054,812	
Cash and cash equivalents at the end of the year	*6.12*	**220,257,657**		**270,621,213**	

Explanatory notes to the Financial Statements as of and for the year ended December 31, 2023

1. General information

Technoprobe S.p.A. (hereafter "**Technoprobe**", the "**Company**") is a company incorporated and domiciled in Italy, with its registered offices in Cernusco Lombardone (LC), Via Cavalieri di Vittorio Veneto, 2, organized under Italian law.

Since May 2, 2023, the Company's shares are listed on Euronext Milan.

As of December 31, 2023 Technoprobe is controlled by T-PLUS S.p.A. (hereinafter, "**T-PLUS**"), which holds a stake in the Company's share capital equal to 68% and voting rights equal to 78%.

T-Plus S.p.A., with registered office in Milan, Via Meravigli 8, prepares the consolidated financial statements of the largest and smallest set of companies to which the Company belongs as a subsidiary company, available at the company's registered office.

Technoprobe operates in the production of electronic circuits, mechanical interfaces for electrical contacting of hybrid circuits and semiconductor devices and it is specialized in the design, development and production of probe cards used to test the operation of chips.

2. Summary of accounting policies and criteria used in preparing the Financial Statements

2.1 Basis of preparation

These financial statements as of and for the year December 31, 2023 were approved by the Company's Board of Directors on March 14, 2024 and were audited by PricewaterhouseCoopers S.p.A.

It is noted that the financial statements as of and for the year ended December 31, 2023 (the "**Financial Statements**") are the first financial statements prepared by the Company in accordance with International Accounting Standards as, previously, the Company prepared its financial statements in accordance with the laws applicable in Italy and the accounting standards promulgated by the Italian National Council of Certified Accountants and Accounting Professionals, as interpreted by the Italian GAAP setter, the Organismo Italiano di Contabilità (hereafter, "**Italian GAAP**"). It has therefore been necessary to undertake a process of conversion from Italian GAAP to IFRS in accordance with the requirements of IFRS 1 "First-time Adoption of International Financial Reporting Standards" ("IFRS 1"); to this end, the date of conversion to IFRS is deemed to be January 1, 2022 (the "**Conversion Date**"). Disclosure required by IFRS 1 in relation to the conversion process is reported in Note 11 "First-time Adoption of IFRS".

2.2 Statement of compliance with International Financial Reporting Standards

The Financial Statements have been prepared in compliance with the International Financial Reporting Standards as adopted by the European Union and effective on December 31, 2023. IFRS means all "International Financial Reporting Standards", all "International Accounting Standards" ("IAS") and all interpretation documents of the "International Financial Reporting Interpretations Committee" ("IFRIC"), formerly the "Standing Interpretations Committee" ("SIC") (hereafter, "**IFRS**").

The Financial Statements have been prepared in accordance with the provisions issued in implementation of Article 9, Paragraph 3 of Legislative Decree No. 38 of February 28, 2005.

2.3 Criteria used in preparation of the Financial Statements

The Financial Statements comprise the statements required by the accounting standard IAS 1, i.e. statement of financial position, a income statement, a statement of comprehensive income, a statement of changes in equity and a statement of cash flows, and the related explanatory notes.

The Company has elected to present the income statement by classifying costs by destination, while assets and liabilities presented in the statement of financial position are classified separately as either current or non-current. The statement of cash flows is prepared using the indirect method. The statements used are those that best represent the Company's economic and financial situation.

An asset is classified as current when:

- it is expected to be realized, or it is intended for sale or consumption, in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within twelve months from the end of the reporting period; or
- it is cash or a cash equivalent (unless it is restricted from being exchanged or used to settle a liability for at least twelve months from the end of the reporting period).

All other assets are classified as non-current. Specifically, IAS 1 uses the term "non-current" to include property plant and equipment, intangible assets and financial assets of a long-term nature.

A liability is classified as current when:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months from the end of the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months from the end of the reporting period. Terms of the liability that could, at the option of the counterparty, result in its settlement by issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time that elapses between the acquisition of goods for the production process and their realization in cash or cash equivalents. When the normal operating cycle is not clearly identifiable, its duration is assumed to be twelve months.

The Financial Statements have been prepared in Euro, the Company's functional currency. Unless otherwise stated, all financial amounts, explanatory notes and tables are presented in thousands of Euro.

The Financial Statements have been prepared:

- on a going concern basis;
- using the accrual basis of accounting, respecting the principle of materiality and significance, ensuring the prevalence of substance over form and with a view to facilitating consistency with future financial statements. Neither assets and liabilities nor income and expenses are offset, unless required or allowed by IFRS;
- on a historical cost basis, except for financial assets and liabilities required to be measured at fair value.

2.4 Accounting policies and measurement criteria

The following paragraphs describe the criteria adopted with respect to the classification, recognition, measurement and derecognition of assets and liabilities as well as the criteria used to recognize income statement items.

Property, plant and equipment

Items of property, plant and equipment are accounted for only when both the following conditions are satisfied:

- it is likely that the future economic benefits relating to the asset will flow to the company; and
- the cost of the asset can be determined reliably.

Items of property, plant and equipment are originally measured at cost, defined as the cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or substitution. Subsequently, property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes amounts directly attributable to enabling the asset to be used as well as any expected costs of dismantling and removing the asset and restoring it to its original condition if a contractual obligation exists.

Expenses incurred for ordinary and/or cyclical maintenance and repairs are charged directly to profit or loss when incurred. The capitalization of costs inherent to the expansion, modernization or improvement of facilities owned or used by third parties is recorded solely to the extent that they meet the conditions for being classified separately as an asset or part of an asset.

Depreciation is calculated on a straight-line basis over the estimated useful life of the individual assets.

The Company's estimated expected useful life by class of property, plant and equipment is as follows.

Property, plant and equipment class	**Expected useful life (in years)**
Buildings	33-39
Plants and machinery	3-13
Industrial and commercial equipment	3-7
Other assets	3-7

The depreciation period of leasehold improvements and right of use assets is the lower of the residual useful life of the asset and the residual duration of the lease, considering any renewal period, if dependent on the lessee. Land held by the Company is not depreciated.

At each year end, the Company determines whether there have been any significant changes in the expected economic benefits to be derived from capitalized property, plant and equipment and, in such case, makes appropriate changes to the relevant depreciation rate, which is considered a change in accounting estimate in accordance with IAS 8.

Property, plant and equipment amount is derecognized when it is sold or otherwise disposed of or when no economic benefit can be derived from its sale.

Intangible assets

An intangible asset is an asset that meets all the following conditions:

- it can be identified;
- it is non-monetary;
- it is without physical substance;
- it is under the control of the company that prepares the financial statements; and
- it is expected to produce future economic benefits for the company.

If an asset does not meet all of the above requirements to be considered an intangible asset, the amount incurred to acquire or produce that asset internally is expensed when it is incurred.

Intangible assets are initially recognized at cost. The cost of intangible assets acquired externally includes both the purchase price and any cost that may be directly attributed.

Intangible assets of the Company comprise the followings:

Intangible assets with definite useful life

Intangible assets with definite useful life are recognized at cost, as previously described, less any accumulated amortization and any accumulated impairment losses.

Amortization starts when the asset is available for use and is calculated on a straight-line basis over the asset's estimated useful life.

The Company's estimated expected useful life by class of intangible assets with definitive useful life is as follows.

Intangible asset class	Expected useful life (in years)
Software	3-5
Patents and intellectual property rights	8-9
Know-how	15

Right of use assets and lease liabilities

In accordance with IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The contract is then reassessed to determine whether it is, or contains, a lease only if the terms and conditions of the contract are changed.

For a contract that is, or contains, a lease, each lease component within the contract is accounted for as a lease separately from non-lease components of the contract, unless the Company applies the practical expedient of IFRS 16. Under such practical expedient, the Company may elect, by class of underlying asset, not to separate non-lease components from lease components, and instead to account for each lease component and any associated non-lease components as a single lease component. The Company has chosen to apply such practical expedient.

The lease term is the non-cancellable period of a lease, together with both:

- the periods covered by an option to extend the lease, if the Company is reasonably certain to exercise that option; and
- the periods covered by an option to terminate the lease, if the Company is reasonably certain not to exercise that option.

In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Company shall consider all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company shall re-assess the lease term if there is a change in the non-cancellable period of a lease.

At the contract commencement date, the Company recognizes the right of use asset and the related lease liability.

At the commencement date, the right of use asset is measured at cost, which comprises:

a) the amount of the initial measurement of the lease liability;
b) any lease payments made at or before the commencement date, less any lease incentives received;
c) any initial direct costs incurred by the lessee; and
d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid as of that date. The lease payments included in the measurement of the lease liability comprise the following:

a) fixed payments, less any lease incentives receivable;
b) variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
c) amounts expected to be payable by the lessee under residual value guarantees;
d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Lease payments are discounted to their present value using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Company is required to use its incremental borrowing rate, which is the rate of interest it would have to pay to borrow a similar amount over a similar term as the lease contract.

Following initial recognition, the right of use asset is measured at cost:

a) less any accumulated depreciation and any accumulated impairment losses; and
b) adjusted for any remeasurement of the lease liability.

Following initial recognition, the lease liability is measured by:

a) increasing the carrying amount to reflect interest on the lease liability;
b) reducing the carrying amount to reflect the lease payments made; and
c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

For a lease modification that is not accounted for as a separate lease, the right of use asset is remeasured (up or down) in line with the change in the lease liability at the modification date. The lease liability is remeasured based on the new contract conditions, using the discount date at the effective date of the modification.

The Company has elected to exploit two exceptions permitted by IFRS 16, regarding short-term leases (leases that, at the commencement date, have lease terms of 12 months or less) and leases for which the underlying asset is of low value (leases for which the underlying asset value, when new, is less than USD 5,000). In such cases the right of use assets and related lease liabilities are not recognized, and lease payments are charged directly to profit or loss.

Right of use assets are classified under “Property, plant and equipment”.

Impairment of property, plant and equipment, intangible assets and right of use assets
At each reporting date, the Company assesses whether there are any indications of impairment of property, plant and equipment, intangible assets and right of use assets not fully depreciated or amortized.

When indicators of impairment exist, the recoverable amount is estimated and the carrying amount of the asset reduced accordingly, with the impairment loss being charged to profit or loss. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use, where value in use is determined by discounting the asset’s estimated future cash flows including, if materially significant and reasonably certain, those relating to disposal of the asset at the end of its useful economic life, less any costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets, the Company estimates the recoverable amount of the Cash-Generating Unit (“CGU”) to which the asset belongs.

If the carrying amount of an asset or the CGU to which it belongs exceeds the recoverable amount, an impairment loss is charged to profit or loss. Such impairment losses are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to other assets of the unit pro-rata on the basis of their carrying amounts. The carrying amounts of other assets of the unit may not be reduced below their recoverable amounts. If the conditions that gave rise to an impairment loss no longer exist, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, up to the carrying amount that would have been recorded had no impairment loss been recognized, with the increase being reflected in the income statement.

<u>*Investments in subsidiaries*</u>

Investments in subsidiaries, other than those held for sale, are measured at acquisition cost. In the presence of events leading to the presumption of a reduction in value, the recoverability of the book value of equity investments is verified by comparing the book value with the relative recoverable value represented by the greater of fair value, net of disposal costs, and value in use. If the aforementioned check reveals a book value higher than the recoverable value, the relevant investment is written down to its recoverable value. Should the reasons for the write-downs cease to exist, investments measured at cost are revalued within the limits of the write-downs made, with the effect recognized in the income statement under 'Income/expenses from investments in subsidiaries'. The risk arising from any losses exceeding shareholders' equity is recognized in a special provision to the extent that the investor is committed to fulfil legal or constructive obligations towards the investee company or otherwise cover its losses. Dividend income is recognized in the income statement when the right to collect it arises, which normally corresponds to the shareholders' resolution to distribute dividends, regardless of whether these dividends derive from pre- or post-acquisition profits of the investee companies. The distribution of dividends to shareholders is recognized as a liability in the Company's financial statements at the time the distribution of such dividends is approved.

<u>*Financial assets*</u>

On initial recognition, financial assets are measured at fair value and are subsequently classified in one of the three categories specified below based on the following elements:

- the entity’s business model for managing the financial assets; and
- the contractual cash flows characteristics of the financial asset.

Financial assets are derecognized from the statement of financial position when the Company has substantially transferred all the risks and rewards of ownership of the financial asset.

a) Financial assets at amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a “Hold to collect” business model, the objective of which is to hold financial assets in order to collect contractual cash flows (Business model “Hold to Collect”); and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (that pass the SPPI test).

At initial recognition, such assets are measured at fair value including directly attributable transaction costs or income. After initial recognition, such financial assets are measured at amortized cost, calculated using the effective interest method. The amortized cost method is not used for those assets (measured at historical cost) whose short-term nature means there is no requirement to discount to present value, assets with no set maturity date or revocable credit lines.

b) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a “Hold to collect and sell” business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e., that pass the SPPI test).

c) Financial assets at fair value through profit or loss

This category includes all financial assets other than those classified as “Financial assets at fair value through other comprehensive income” or “Financial assets at amortized cost”.

Specifically, the category includes financial assets held for trading and derivatives not eligible as hedging instruments (which are represented as assets if their fair value is positive or liabilities if their fair value is negative).

At initial recognition, financial assets at fair value through profit or loss are measured at fair value, not including directly attributable transaction costs or income. After initial recognition, such financial assets are measured at fair value and the changes in fair value recorded in profit or loss.

Inventories
Inventories are assets:

- held for sale in the ordinary course of business;
- in the process of production for such sale; or
- in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are recognized and measured at the lower of cost and net realizable value.

The cost of inventories includes all purchase costs, transformation costs, and other costs incurred to bring the inventories to their current location and condition.

In accordance with the provisions of IAS 2, the Company calculates the cost of inventories using the weighted average cost method.

If net realizable value is lower than cost, the difference is immediately recognized in the income statement.

Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost, net of the allowance for doubtful accounts estimated according to the expect credit losses model as set out in IFRS 9.

As trade receivables are typically short-term in nature and do not involve payment of interest, amortized cost is not calculated and they are accounted for at the nominal value stated on the invoice or in the customer contract: such arrangement is followed even for those receivables due after more than 12 months, unless the effect is particularly significant. This is due to the fact that the value of short-term receivables is very similar whether the historical cost method or amortized cost method is adopted, and the impact of discounting is insignificant.

Trade receivables are tested for impairment in accordance with the requirements of IFRS 9. For measurement purposes, trade receivables are categorized by due date.

Cash and cash equivalents
Cash and cash equivalents are recognized, depending on their nature, at nominal value or at amortized cost. Other cash equivalents represent highly liquid short-term financial assets that can be easily converted to known cash amounts and are subject to negligible risk of change in their value, and which have an original maturity, on purchase, of less than 3 months.

Payables
Trade payables and other payables are initially recognized at fair value and subsequently measured using the amortized cost method. However, short-term trade payables, whose maturity falls within the normal commercial terms, are not discounted since the effect of the discounting of financial flows is irrelevant.

Financial liabilities are initially recognized at fair value, net of directly attributable accessory costs, and subsequently measured at amortized cost, using the effective interest rate method. In the event of a change in the estimated expected cash flows, the value of the liabilities is recalculated to reflect this change on the basis of the present value of the new expected cash flows and the effective internal rate initially determined. Financial liabilities are classified under current liabilities, unless the Company has an unconditional right to defer their payment for at least twelve months after the reporting date.

Payables are derecognized when settled and when the Company has transferred all risks and the charges related to the instrument.

Provisions for employee benefits
Employee benefits include benefits granted to employees or their dependents, settled through cash payments (or through the supply of goods and services) directly to employees, their spouses, children or other dependents or to third parties, such as insurance companies. They include short-term benefits, benefits payable to employees on termination of employment and post-employment benefits.

Short-term employee benefit obligations include incentive schemes such as annual bonuses, the MBO and the one-off renewals of the national collective labor agreements and are recognized as liabilities (accrued expenses) after deducting any advances paid, and costs, unless a given IFRS requires or allows the inclusion of such benefits in the cost of a capitalized asset.

Benefits relating to the termination of employment include voluntary redundancy incentive schemes, which in the case of voluntary redundancy provide for the employee or group of employees taking part in trade union agreements involving the use of so-called solidarity funds, and (non-voluntary) redundancy arrangements, which apply in the case of termination of employment as a result of a unilateral decision by the company. The Company recognizes the cost of such benefits as a liability on the earliest date between:

- the time at which the Company may no longer withdraw the offer of such benefits;
- the time at which the Company recognizes the costs of a restructuring that falls within the scope of IAS 37 and involves the payment of termination benefits.

Post-employment benefits for employees are divided in two categories: defined contribution plans and defined benefit plans.

For defined benefit plans, which also include the severance indemnity due to employees pursuant to article 2120 of the Italian Civil Code, the amount of the benefit to be paid to employees can be determined only after termination of employment, and is linked to one or more factors such as age, years of service and remuneration. Therefore, the related cost is charged to the income statement on an actuarial basis. The liability recognized in the statement of financial position for defined benefit plans is equal to the present value of the obligation at the reporting date.

Starting from January 1, 2007, the so-called “2007 Finance Law” and the related implementing decrees introduced significant changes to the rules governing severance indemnities, including the choice left to workers regarding the destination of their accruing severance indemnities. Specifically, employees may now allocate new provision flows to alternative external pension plans or elect for them to be retained by the employer. If an external pension plan is chosen, the Company is only obliged to make defined contributions to such plan and, accordingly, from the aforementioned date, the related new provision flows are deemed to be payments to a defined contribution plan not subject to actuarial valuation.

Provisions for risks and charges
Provisions for risks and charges are recognized in respect of costs or losses of a known nature, the occurrence of which is certain or likely, but in respect of which the amount and timing are not known.

Provisions are only recognized when there is a current obligation (legal or constructive) for a future outflow of economic resources as a result of past events and it is likely that such outflow is required to settle the obligation. This provision represents the best estimate of the charge to settle the obligation. The rate used to determine the present value of the liability reflects current market values and takes into account the specific risk associated with each liability.

Where the effect of the time value of money is material and the payment dates relating to the obligations can be reliably estimated, provisions are measured at the present value of the expected outflow using a rate that reflects market conditions, the change in the time value of money and the specific risk associated with the obligation. The increase in the value of the provision determined by changes in the time value of money is accounted for as a financial expense.

Risks, in relation to which the occurrence of a liability is only possible are reported as contingent liabilities and no provision is made in respect of them.

Treasury shares

Treasury shares are recorded as a reduction of shareholders' equity. In the event of any subsequent sales, any difference between the purchase value and the sale price is recognized in equity.

Revenue

Revenue is recognized when the following conditions are met:

- the contract with a customer has been identified;
- the performance obligations in the contract have been identified;
- the transaction price has been determined;
- the transaction price has been allocated to the performance obligations in the contract; and
- the related performance obligation contained in the contract is satisfied.

The Company recognizes revenue at a given time or when it satisfies its performance obligations, by transferring the promised goods (*i.e.*, an asset), typically probe cards, to the customer. An asset is transferred when the customer obtains control of that asset. Transfer of control depends on the terms of sale and related Incoterms, which may vary from customer to customer.

The contractual consideration included in a contract with a customer may include fixed amounts, variable amounts, or both. If the contractual consideration includes a variable amount (e.g., discounts, price concessions, incentives, penalties or other similar items), the Company estimates the amount of consideration to which it is entitled in exchange for transferring the promised goods or services to a customer. The Company includes a variable consideration in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

With reference to sales with right of return, and in compliance with the provisions of IFRS 15, the Company recognizes as a reduction in revenues the amount of returns expected from the sale of products against "Other current liabilities” and recognizes an asset in "Other current assets" with a corresponding adjustment to the cost of revenue representing the right to recover the products from the customer upon exercise of the right of return.

Cost recognition

Costs are recognized in profit or loss on an accrual basis.

Dividends

Dividends distributed are recognized as a movement in equity in the financial year in which they are approved by the shareholders' meeting.

Dividends received are recognized in the financial statements on an accrual basis in the financial year in which, as a result of the resolution passed by the shareholders' meeting of the investee company to distribute the profit or any reserves, the Company's right to collect them arises.

Government grants

Any government grants are recognized when there is reasonable certainty that they will be received and all related conditions are satisfied.

Any public contributions related to property, plant and equipment are recorded by directly deducting them from the asset they refer to. The value of an asset is adjusted through systematic depreciation, calculated based on the remaining possibility of utilization according to its useful life.

Income tax expenses

Current income tax expenses are calculated based on taxable income for the year, applying tax rates in effect at the reporting date. Taxes due for the current and previous years are recognized as liabilities to the extent they are still unpaid. Income tax receivables and payables, for the current and previous years, represent the amounts that are likely to be recovered from/paid to the tax authorities, applying the tax rates and the tax laws in effect, or effectively issued, at the reporting date.

Deferred taxes are divided into:

- deferred tax liabilities, are the amounts of income taxes payable in future periods in relation to taxable temporary differences;
- deferred tax assets, are the amounts of income taxes that may be recovered in future years in respect of deductible temporary differences, carry forward of unused tax losses, and carry forward of unused tax credits.

Deferred tax liabilities and assets are calculated by applying the relevant tax rate to the temporary differences identified, whether taxable or deductible, unused tax losses or unused tax credits.

At each reporting date, both unrecognized and recognized deferred tax assets are remeasured to confirm the likelihood of recovering such deferred tax assets.

Moreover, in the event of uncertainties over income tax treatments, the Company proceeds as follows: (i) if it considers it likely that the tax authorities will accept an uncertain tax treatment, it determines the (current and/or deferred) income taxes to be reported in the financial statements based on the tax treatment that it has applied or expects to apply when filing its returns; (ii) if it concludes it is not probable that the taxation authority will accept an uncertain tax treatment, it reflects the effect of uncertainty in determining the related (current and/or deferred) income taxes to be reported in the financial statements.

Translation of transaction in other currencies

Transactions in currencies other than the functional currency are translated using the exchange rate applicable at the transaction date. Assets and liabilities denominated in currencies other than Euro are translated at the closing exchange rate. Foreign currency exchange gains and losses are recognized in the profit or loss line-item “Foreign currency gains (losses)”.

3. Recently issued accounting standards

Accounting standards not yet applicable as not yet endorsed by the European Union (UE)

At the date of approval of the Financial Statements, the following standards and amendments had not yet been endorsed by the EU:

Accounting standard/amendment	Endorsed by the EU	Effective date
Amendments to IAS 7 Cash flow statement and IFRS 7 Financial instruments: additional information: "Supplier Finance Arrangements"	NO	January 1, 2024
Amendments to IAS 21 "Effects of changes in foreign currency exchange rates: lack of interchangeability"	NO	January 1, 2025

No impacts are expected on the Company's Financial Statements deriving from the future application of these accounting standards or amendments.

Accounting standards, amendments and interpretations endorsed by the EU but not yet adopted by the Company

At the date of approval of this Financial Statements, the following standards and amendments had been endorsed by the EU, but not yet adopted by the Company.

Accounting standard/amendment	Endorsed by the EU	Effective date
Amendments to IAS 1 Presentation of Financial Statements: classification of liabilities as current or non-current; non-current liabilities with covenants	YES	January 1, 2024
Amendments to IFRS 16 – Leasing: liabilities for the right of use in "Sales and Leaseback" operations	YES	January 1, 2024

No impacts are expected on the Company's Financial Statements deriving from the future application of these accounting standards or amendments.

The Company has not adopted in advance any new standard, interpretation or amendment issued but not yet in force.

New accounting standards, interpretations and amendments adopted by the Company

The Company applied for the first-time certain standards and amendments effective for annual periods beginning on or after January 1, 2023, particularly:

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects.

The new standard had no impact on the Company's Financial Statements.

Definition of Accounting Estimates – Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's Financial Statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Company's Financial Statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Company's Financial Statements.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1 2023, but not for any interim periods ending on or before December 31, 2023.

The amendments had no impact on the Company's Financial Statements as the Company is not in scope of the Pillar Two model rules.

4. Estimates and assumptions

The preparation of financial statements in conformity with relevant accounting standards and methods in certain cases requires management to make estimates and assumptions based on difficult and subjective judgments, in turn based on past experience and hypotheses considered reasonable and realistic, given the information known at the time.

Such estimates have an effect on the amounts reported in the financial statements, including the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related notes. Actual results may then differ, even significantly, from those reported in the financial statements due to changes in the factors considered in determining the estimates, given the uncertainties that characterize the assumptions and conditions on which estimates are based.

The accounting estimates that more than others involve a high degree of subjectivity and judgement on the part of management, and where a change in the conditions underlying the assumptions could have a significant effect on the Company's financial results, are detailed below:

a) *Useful life of property, plant and equipment and intangible assets:* useful life is determined when the asset is first recognized in the financial statements. Considerations regarding an asset's useful life are based on historical experience, market conditions and expected future events that may affect them, such as technological changes. An asset's actual useful life may, therefore, differ from its estimated useful life.

b) *Use of valuation models for the measurement of investments in subsidiaries*: investments in subsidiaries are assessed to establish whether there was a decrease in value, to be recorded with impairment, if there are indications that it will be difficult to recover their net accounting value. To establish the presence of said indications, Directors must make subjective assessment on the basis of information available within the Company and the market, as well as historical experience. Moreover, if it is determined that a potential impairment loss may be generated, the Company calculates this loss using appropriate measurement techniques. The proper identification of elements indicating the existence of a potential impairment loss, and the estimates for calculating the amount of such losses, depend on factors that may vary over time, affecting the assessments and estimates made by Directors. In particular, the key assumptions used by management are estimates of future increases in sales, operating cash flows, growth rate of operating cash flows beyond the explicit forecast period for the purpose of estimating the terminal value, and the weighted average cost of capital (discount rate).

c) *Inventories*: final inventories of products that are obsolete or slow-moving are periodically tested for impairment and written down if their recoverable amount is lower than their carrying amount. The write-downs made are based on assumptions and estimates made by management based on their experience and historical results.

d) *Sales with right of return*: the accounting of assets for sales with right of return and liabilities for sales with right of return is based on assumptions regarding the quantity of products expected to be returned and the estimated realizable value of these returned products.

e) *Provision for risks and charges*: identification of the existence of a current (legal or constructive) obligation is in certain cases not a simple matter. Management reviews such matters on a case-by-case basis, together with estimates of the outflow of resources required to satisfy the obligation. When managers believe the likelihood of a liability occurring to be only possible, the relevant risks are disclosed in the note on risks and charges, but no provision is made.

5. Management of financial risks

In terms of business-related risks faced, the main risks identified, monitored and actively managed by the Company as described below, are the following:

- market risk, deriving from fluctuations in exchange rates between the Euro and other currencies in which the Company operates, and in particular USD;
- credit risk, relating to the risk of default on the part of a counterpart;
- liquidity risk, relating to a lack of financial resources to meet financial obligations.

The Company aims at maintaining a balanced approach in managing its financial exposure by matching assets and liabilities and achieving operational flexibility through the use of liquidity generated by current operating activities and bank loans.

The Company's ability to generate liquidity from operations together with its borrowing capacity enable it to satisfy its operational requirements to fund working capital, invest and meet its financial obligations.

The Company's financial policy and the management of related financial risks are centrally managed and monitored.

The following paragraphs provide qualitative and quantitative information relating to the Company's exposure to the aforementioned financial risks.

5.1 Market risk

Exchange rate risk

Exposure to the risk of fluctuations in exchange rates derives from the Company's commercial activities, which are also denominated in currencies other than the Euro. Revenues and costs denominated in foreign currency may be influenced by fluctuations in exchange rates, with impacts commercial margins (business risk); similarly, trade and financial payables and receivables denominated in foreign currency may be affected by the translation rates used, with an impact on profit and loss (transaction risk).

Revenue is generally denominated in Euro and USD. The Company sometimes uses derivative financial instruments for the purpose of hedging foreign exchange risk on transactions in foreign currency. For the years ended December 31, 2023 and 2022, the Company recorded an exchange loss amounting to Euro 3,600 thousand and an exchange gain amounting to Euro 3,412 thousand, respectively

Sensitivity analysis related to exchange rate risk

For the purposes of the sensitivity analysis on the exchange rate, statement of financial position items as of December 31, 2023 and 2022 (financial assets and liabilities) denominated in currencies other than the functional currency of the company were identified. In assessing the potential effects on net income deriving from changes in exchange rates, intercompany payables and receivables denominated in currencies other than the functional currency were also taken into account.

For the purpose of this analysis, two scenarios were considered, which are affected respectively by an appreciation and a depreciation of 5% of the exchange rate between the currency in which the statement of financial position item is denominated and the reporting currency.

The following table sets forth the results of the analysis conducted.

(In thousands of Euro)	**As of December 31, 2023**		**As of December 31, 2022**	
Currency	**Positive currency exchange rate of 5%**	**Negative currency exchange rate of 5%**	**Positive currency exchange rate of 5%**	**Negative currency exchange rate of 5%**
USD	(2,581)	2,853	(3,696)	4,085
JPY	70	(78)	51	(57)
Total	**(2,511)**	**2,775**	**(3,645)**	**4,028**

Interest rate risk

The Company has available liquidity that marginally invests in market instruments based on market conditions and according to its own interest. In fact, the Company's liquidity is mainly deposited in primary credit institutions. Interest rates changes have an impact on the cost and yield of the various forms of funding and investment, thus affecting finance income and expenses. During the financial years under review the Company did not have floating-rate financial liabilities and, therefore, did not enter into derivative financial instruments designed to hedge the risk of fluctuations in interest rates.

Sensitivity analysis related to interest rate risk

With reference to interest rate risk, a sensitivity analysis was carried out to determine the effect on the income statement and the statement of changes in equity that would result from a hypothetical positive and negative change of 50 bps in interest rates compared with those recorded in each period.

The analysis was carried out having regard primarily to the following items:

- Cash and cash equivalents;
- Current and non-current financial liabilities.

In relation to cash and cash equivalents, the average amount and the average rate of return for the period were considered, whilst regarding current and non-current financial liabilities, the impact was calculated precisely.

The following table sets forth the results of the analysis.

(In thousands of Euro)	**Effect on profit and equity (net of tax)**	
	- 50 bps	**+ 50 bps**
Year ended December 31, 2023	(933)	933
Year ended December 31, 2022	(655)	655

A positive sign indicates a higher profit and an increase in equity; a negative sign indicates a lower profit and a decrease in equity.

5.2 Credit risk

The Company faces its exposure to credit risk inherent in the possibility of default and/or impairment in the creditworthiness of customers by means of instruments to assess each individual counterparty through a dedicated organizational structure, equipped with the appropriate tools to constantly monitor customers' behavior and creditworthiness.

The Company is currently structured to perform a continuous monitoring process for receivables, with different collection levels, which vary based on specific knowledge of the customer and past due days, to optimize working capital and minimize the aforementioned risk.

The following table sets forth the breakdown of trade receivables as of December 31, 2023, 2022 and January 1, 2022, grouped by past due period, net of allowance for doubtful receivables.

(In thousands of Euro)	**Current**	**1-90 days past due**	**91-180 days past due**	**Over 181 days past due**	**Total**
Trade receivables (gross) as of December 31, 2023	96,011	5,106	1,729	8,469	**111,315**
Allowance for doubtful receivables	-	(275)	(445)	(70)	**(790)**
Trade receivables as of December 31, 2023	**96,011**	**4,831**	**1,284**	**8,399**	**110,525**
Trade receivables (gross) as of December 31, 2022	104,204	13,164	913	5,061	**123,342**
Allowance for doubtful receivables	-	(635)	(126)	(101)	**(862)**
Trade receivables as of December 31, 2022	**104,204**	**12,529**	**787**	**4,960**	**122,480**
Trade receivables (gross) as of January 1, 2022	84,712	23,347	356	463	**108,878**
Allowance for doubtful receivables	-	(43)	(356)	(463)	**(862)**
Trade receivables as of January 1, 2022	**84,712**	**23,304**	**-**	**-**	**108,016**

Net trade receivables as of December 31, 2023 include Euro 14,514 thousand referring to past due positions (Euro 18,276 thousand as of December 31, 2022 and Euro 23,204 thousand as of January 1, 2022), of which Euro 9,683 thousand (Euro 5,747 thousand as of December 31, 2022 and zero as of January 1, 2022) related to positions past due by more than 90 days.

5.3 Liquidity risk

Liquidity risk is represented by the possibility that the Company's financial resources may not be sufficient to ensure current operations and the fulfilment of obligations falling due, or that these resources may be available at a high cost.

In order to mitigate this risk, the Company: *(i)* periodically verifies forecast financial requirements on the basis of management needs, in order to act promptly to find any additional resources needed, *(ii)* implements all the actions for such finding, *(iii)* manages an adequate composition in terms of deadlines, tools and level of availability.

Cash and cash equivalents as of December 31, 2023 amounted to Euro 220,258 thousand (Euro 270,621 thousand as of December 31, 2022 and Euro 73,859 thousand as of January 1, 2022) and consisted of balances in current accounts and fixed-term deposit accounts releasable on request at leading banking institutions mainly in Italy.

The Company believes that the cash flows that will be generated by operating activities will be sufficient to meet its financial requirements in terms of capital expenditure, working capital management and the repayment of financial liabilities when due.

The following tables set forth a maturity analysis, based on contractual repayment obligations, outstanding as of December 31, 2023, 2022 and January 1, 2022.

(In thousands of Euro)	**As of December 31, 2022**					
	Within 1 year	**1 to 2 years**	**3 to 5 years**	**Over 5 years**	**Contractual amount**	**Carrying amount**
Financial liabilities	-	-	-	-	**-**	**-**
Lease liabilities	562	735	1,470	4,928	**7,696**	**6,925**
Trade payables	40,603	-	-	-	**40,603**	**40,603**
Other liabilities	27,004	14	-	-	**27,018**	**27,018**

(In thousands of Euro)	**As of December 31, 2022**					
	Within 1 year	**1 to 2 years**	**3 to 5 years**	**Over 5 years**	**Contractual amount**	**Carrying amount**
Financial liabilities	12,201	-	-	-	**12,201**	**12,201**
Lease liabilities	205	254	508	1,695	**2,662**	**2,513**
Trade payables	47,968	-	-	-	**47,968**	**47,968**
Other liabilities	26,673	36	-	-	**26,709**	**26,709**

(In thousands of Euro)	**As of January 1, 2022**					
	Within 1 year	**1 to 2 years**	**3 to 5 years**	**Over 5 years**	**Contractual amount**	**Carrying amount**
Financial liabilities	4,498	-	-	-	**4,498**	**4,498**
Lease liabilities	178	181	562	1,320	**2,241**	**2,244**
Trade payables	36,263	-	-	-	**36,263**	**36,263**
Other liabilities	17,803	24	-	-	**17,827**	**17,827**

The amounts shown in the above tables represent non-discounted nominal values, determined with reference to the remaining contractual due dates, for both principal and interest portion.

5.4 Capital management

The Company's capital management is aimed at guaranteeing solid credit ratings and adequate capital indicators to support its investment plans, while meeting contractual obligations with lenders.

5.5 Financial assets and liabilities by category and information on fair value

Financial assets and liabilities by category

The following table provides the breakdown, in accordance with IFRS 9, of financial assets by category as of December 31, 2023, 2022 and January 1, 2022.

(In thousands of Euro)	As of December 31,		As of January 1, 2022
	2023	2022	
FINANCIAL ASSETS:			
Financial assets measured at amortized cost:			
Non-current financial assets	136	116	64
Other non-current assets	1,732	1,948	1,334
Trade receivables	110,525	122,480	108,016
Other receivables(*)	-	9	3
Current financial assets	67,288	27,125	7,805
Cash and cash equivalents	220,258	270,621	73,859
Financial assets measured at fair value through income statement:			
Derivative financial assets (**)	-	1,702	90
TOTAL FINANCIAL ASSETS	**399,939**	**424,001**	**191,171**

(*) Other receivables are included in the line-item Other current assets.
(**) Derivative financial instruments are included in the line-item Current financial assets .

(In thousands of Euro)	As of December 31,		As of January 1, 2022
	2023	2022	
FINANCIAL LIABILITIES:			
Financial liabilities measured at amortized cost:			
Non-current lease liabilities	6,362	2,308	2,066
Current financial liabilities	-	12,201	4,498
Current lease liabilities	562	205	178
Trade payables	40,603	47,968	36,263
Other current liabilities (*)	21,759	21,962	15,286
TOTAL FINANCIAL LIABILITIES	**69,286**	**84,644**	**58,291**

(*) Other current liabilities include payables to employees, social security institutions, directors and other payables recorded under other current liabilities.

In view of the nature of current financial assets and liabilities, for most of them the carrying amounts are deemed to be reasonable approximations of their fair value.

Non-current financial assets and liabilities are settled or measured at market rates, consequently, their fair values are deemed to be substantially in line with their carrying amounts.

Information on fair value

For assets and liabilities recognized at fair value in the statement of financial position, IFRS 13 requires that such values be classified according to a hierarchy of levels that reflects the significance of the inputs used in the calculation of fair value. The fair value hierarchy classifies the inputs to valuation techniques used to measure fair value as follows:

- **Level 1**: fair value is calculated with reference to (unadjusted) prices quoted in active markets for identical financial instruments. Accordingly, the emphasis within Level 1 is on determining both of the following: (a) the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; and (b) whether the entity can enter into a transaction for the asset or liability at the price in that market at the measurement date.

- **Level 2**: fair value is calculated using valuation techniques based on observable inputs in active markets. Level 2 inputs include the following: (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in markets that are not active; (c) inputs other than quoted prices that are observable for the asset or liability, for example: interest rates and yield curves observable commonly quoted intervals, implied volatilities and credit spreads and market-corroborated inputs.

- **Level 3**: fair value is calculated using valuation techniques based on unobservable market inputs.

The following tables provide the breakdown of financial assets and liabilities at fair value, split by fair value hierarchy level, as of December 31, 2022 and January 1, 2022. There were no financial assets and liabilities recognized at fair value as of December 31, 2023.

(In thousands of Euro)	**As of December 31, 2022**		
	Level 1	**Level 2**	**Level 3**
Non-current financial assets	-	-	-
Derivative financial assets (*)	-	1,702	-
Total assets at fair value	-	**1,702**	-
Derivative financial assets (**)	**-**	**-**	**-**
Total liabilities at fair value	**-**	**-**	**-**

(*) Derivative financial assets are included in the line-item Current financial assets.
(**) Derivative financial liabilities are included in the line-item, Current financial liabilities.

(In thousands of Euro)	**As of January 1, 2022**		
	Level 1	**Level 2**	**Level 3**
Non-current financial assets	-	-	-
Derivative financial assets (*)	-	90	-
Total assets at fair value	-	**90**	-
Derivative financial assets (**)	**-**	**-**	**-**
Total liabilities at fair value	**-**	**-**	**-**

(*) Derivative financial assets are included in the line-item Current financial assets.
(**) Derivative financial liabilities are included in the line-item, Current financial liabilities.

There were no transfers between fair value hierarchy levels during the periods under review.

6. Notes to the statement of financial position

6.1 Property, plant and equipment

The following table provides the breakdown and movements of property, plant and equipment for the years ended December 31, 2023, 2022 and January 1, 2022.

(In thousands of Euro)	**Land and buildings**	**Plant and machinery**	**Industrial and commercial equipment**	**Right of use**	**Leasehold improvement**	**Other assets**	**Property, plant and equipment in progress and advances**	**Total**
Historical cost as of January 1, 2022	**31,933**	**125,449**	**5,602**	**2,885**	**-**	**12,534**	**22,306**	**200,709**
Additions	1,138	14,300	4,502	469	848	2,147	28,790	**52,194**
Disposals	-	(720)	(45)	-	-	(35)	-	**(800)**
Reclassifications	2,792	15,035	446	-	492	2,337	(21,102)	-
Historical cost as of December 31, 2022	**35,863**	**154,064**	**10,505**	**3,354**	**1,340**	**16,983**	**29,994**	**252,103**
Additions	684	20,621	3,237	4,869	1,500	1,435	15,067	**47,413**
Disposals	(1,153)	(646)	(58)	-	-	(84)	(129)	**(2,070)**
Reclassifications	429	14,983	1,316	-	1,063	2,630	(20,421)	-
Historical cost as of December 31, 2023	**35,823**	**189,022**	**15,000**	**8,223**	**3,903**	**20,964**	**24,511**	**297,446**
Accumulated depreciation as of January 1, 2022	**(3,642)**	**(50,228)**	**(2,997)**	**(76)**	**-**	**(5,175)**	**-**	**(62,118)**
Depreciation	(1,161)	(21,367)	(1,280)	(254)	(59)	(2,215)	-	**(26,336)**
Disposals	-	29	-	-	-	-	-	**29**
Accumulated depreciation as of December 31, 2022	**(4,803)**	**(71,566)**	**(4,277)**	**(330)**	**(59)**	**(7,390)**	**-**	**(88,425)**
Depreciation	(1,208)	(21,827)	(2,541)	(518)	(251)	(2,621)	-	**(28,966)**
Disposals	-	608	58		-	84	-	**750**
Accumulated depreciation as of December 31, 2023	**(6,011)**	**(92,785)**	**(6,760)**	**(848)**	**(310)**	**(9,927)**	**-**	**(116,641)**
Net book value as of January 1, 2022	**28,291**	**75,221**	**2,605**	**2,809**	**-**	**7,359**	**22,306**	**138,591**
Net book value as of December 31, 2022	**31,060**	**82,498**	**6,228**	**3,024**	**1,281**	**9,593**	**29,994**	**163,678**
Net book value as of December 31, 2023	**29,812**	**96,237**	**8,240**	**7,375**	**3,593**	**11,037**	**24,511**	**180,805**

Property, plant and equipment mainly includes land and buildings and plant and machinery used in the production process. Property, plant and equipment in progress and advances as of December 31, 2023, 2022 and January 1, 2022 mainly include plant and machinery that will be used in the production process.

Investments in property, plant and equipment for the year ended December 31, 2023 amounted to Euro 47,413 thousand (Euro 52,194 thousand for the year ended December 31, 2022), of which Euro 4,869 thousand (Euro 469 thousand for the year ended December 31, 2022) relate to right of use assets and mainly related to the lease of the new design office in Vimercate opened during 2023.

Investments in property, plant and equipment made in the year ended December 31, 2023 and 2022 were mainly attributable to modernization and upgrading of production lines at the production facilities in Agrate (MB) and Cernusco Lombardone (LC).

As of December 31, 2023, 2022 and January 1, 2022, there were no indicators of possible impairment with respect to property, plant and equipment.

As of December 31, 2023, 2022 and January 1, 2022, there were no property, plant and equipment encumbered by any type of guarantee provided in favour of third parties.

Right of use assets and lease liabilities

The following table sets forth the main financial information for the lease contracts of the Company, that mainly operates as lessee.

(In thousands of Euro)	As of December 31,		As of January 1, 2022
	2023	2022	
Net book value of right of use assets	**7,375**	**3,024**	**2,809**
Current lease liabilities	562	205	178
Non-current lease liabilities	6,363	2,308	2,066
Total lease liabilities	**6,925**	**2,513**	**2,244**

The following table sets forth the main income statement information for the lease contracts of the Company, that mainly operates as lessee.

(In thousands of Euro)	Year ended December 31,	
	2023	2022
Total depreciation of right of use assets	**518**	**254**
Lease interest expenses	**82**	**34**
Total other expenses	**317**	**306**
Total lease expenses	**458**	**199**

Right of use assets related to buildings mainly relate to the lease of buildings.

As of December 31, 2023 and 2022, the Company has not identified any indicators of impairment with respect to right of use assets.

The following table sets forth the undiscounted contractual flows of the Company's lease liabilities as of December 31, 2023, 2022 and January 1, 2022.

(In thousands of Euro)	Within 1 year	1 to 2 years	3 to 5 years	After 5 years	Contractual amount	Carrying amount
As of December 31, 2023	562	735	1,470	4,928	**7,696**	**6,925**
As of December 31, 2022	205	254	508	1,695	**2,662**	**2,513**
As of January 1, 2022	178	181	562	1,320	**2,241**	**2,244**

Lease payments due are discounted using the incremental borrowing rate, which is the rate of interest that the Company would have to pay to borrow a similar sum over a similar term as the lease contract.

6.2 Intangible assets

The following table provides the breakdown and movements of intangible assets for the years ended December 31, 2023, 2022 and January 1, 2022.

(In thousands of Euro)	Software and Patents	Intangible assets in progress and advances	Total
Historical cost as of January 1, 2022	**651**	**252**	**903**
Additions	3,430	369	**3,799**
Reclassifications	206	(206)	-
Historical cost as of December 31, 2022	**4,287**	**415**	**4,702**
Additions	164	180	**344**
Reclassifications	122	(122)	-
Historical cost as of December 31, 2023	**4,573**	**473**	**5,046**
Accumulated amortization as of January 1, 2022	**(373)**	**-**	**(373)**
Amortization	(395)	-	**(395)**
Accumulated amortization as of December 31, 2022	**(768)**	**-**	**(768)**
Amortization	(1,847)	-	**(1,847)**
Accumulated amortization as of December 31, 2023	**(2,615)**	**-**	**(2,615)**
Net book value as of January 1, 2022	**278**	**252**	**530**
Net book value as of December 31, 2022	**3,519**	**415**	**3,934**
Net book value as of December 31, 2023	**1,958**	**473**	**2,431**

As of December 31, 2023, 2022 and January 1, 2022, the Company has not identified any indicators of impairment with respect to intangible assets.

Investments in intangible assets for the year ended December 31, 2023 and 2022, amounted to Euro 344 thousand and Euro 3,799 thousand respectively, mainly due to the purchase of software used in the production process.

6.3 Investments in subsidiaries

The table provides the detail of investments in subsidiaries as of December 31, 2023, 2022 and January 1, 2022.

(In thousands of Euro)	**Year ended December 31,**		**As of January 1, 2022**
	2023	**2022**	
Technoprobe US Holding LLC	44,873	-	-
Microfabrica Inc.	32,978	32,978	32,978
Yee Wei Inc.	16,976	10,332	-
Technoprobe Asia Pte Ltd.	10,200	10,200	10,200
Technoprobe France S.a.s.	7,500	7,500	7,500
Technoprobe Wuxi Co. Ltd.	3,183	3,183	3,183
Technoprobe Korea Co Ltd.	2,785	2,785	2,785
Technoprobe Taiwan Co. Ltd.	1,361	1,361	1,361
Technoprobe America Inc.	853	853	853
Technoprobe Germany Gmbh	300	300	300
Technoprobe Japan KK	266	266	266
GeniusPack Holding AG	-	11,297	11,297
Total	**121,275**	**81,055**	**70,723**

The increase in the item under review as of December 31, 2023 compared to December 31, 2022 is mainly attributable (i) to the recognition of the investment in the subsidiaries Technoprobe US Holding LLC (acquired on August 8, 2023 as detailed below), and (ii) to the increase in the value of the equity investment in Yee Wei Inc. as a result of the conversion into equity of certain loans previously granted to the subsidiary . These effects were only partially offset by the elimination of the investment in GeniusPack Holding AG following the conclusion of the liquidation procedure on December 19, 2023.

The increase in the item under review on December 31, 2022 compared to January 1, 2022 is attributable to the acquisition of 85% of the shares of Yee Wee Inc previously held by the subsidiary Genius Pack Holding AG.

Acquisition of Technoprobe US Holding LLC

On August 8, 2023, Technoprobe acquired 100% of the share capital of Fastprint Technology US LLC (subsequently renamed TP US Holding LLC) and its subsidiaries Harbor Electronics, Inc., Harbor Electronics Solutions Philippines Inc and Harbor Solutions SDN BHD (jointly the "**Harbor Group**"), for a price equal to Euro 44,873 thousand (corresponding to USD 49,111 thousand). The Harbor Group is a leading manufacturer of advanced printed circuit boards for test systems for major semiconductor manufacturers.

Share capital increase of Yee Wei Inc.

On September 27, 2023, following the notification of approval by the Taiwanese government, a share capital increase was subscribed in the company Yee Wei Inc. for no. 19,677,500 "Series A" preferred shares achieved through the conversion of some loans provided by Technoprobe for a total amount of Euro 6,644 thousand (corresponding to USD 7,000 thousand).

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The following table provides the main details of the subsidiaries as of December 31, 2023.

	Country	Currency	Share capital	Percentage
Technoprobe France S.a.s.	France	EUR	500,000	100%
Technoprobe Wuxi Co. Ltd.	China	CNY	24,515,750	100%
Technoprobe Asia Pte Ltd.	Singapore	USD	60	85%
Technoprobe Korea Co Ltd.	South Korea	KRW	2,000,010,000	100%
Technoprobe Japan KK	Japan	JPY	22,500,000	100%
Technoprobe America Inc.	USA	USD	1,250,000	100%
Microfabrica Inc.	USA	USD	10,000,000	100%
Technoprobe Taiwan Co. Ltd.	Taiwan	TWD	46,500,000	100%
Technoprobe Germany Gmbh	Germany	EUR	300,000	100%
Yee Wei Inc.	Taiwan	TWD	79,250,000	85%
Technoprobe US Holding LLC	USA	USD	25,000,000	100%

6.4 Deferred tax assets and deferred tax liabilities

The following tables provide breakdown and movements of deferred tax assets for the years ended December 31, 2023, 2022 and January 1, 2022:

(In thousands of Euro)	As of December 31, 2022	Provisions/releases to income statement	As of December 31, 2023
Revaluation of property, plant and equipment	5,627	(1,346)	4,281
Inventory write-downs	4,005	3,519	7,524
Additional statutory depreciation	470	232	702
Estimated negative exchange rate differences	608	35	643
Unpaid directors' compensation	264	(84)	180
Impairment of derivative instruments	-	-	-
Other deductible temporary differences	(30)	150	120
Total deferred tax assets	**10,944**	**2,506**	**13,450**

(In thousands of Euro)	**As of January 1, 2022**	**Provisions/releases to income statement**	**As of December 31, 2022**
Revaluation of property, plant and equipment	6,512	(885)	5,627
Inventory write-downs	2,154	1,851	4,005
Additional statutory depreciation	276	194	470
Estimated negative exchange rate differences	-	608	608
Unpaid directors' compensation	-	264	264
Impairment of derivative instruments	33	(33)	-
Other deductible temporary differences	119	(149)	(30)
Total deferred tax assets	**9,094**	**1,850**	**10,944**

Deferred tax assets are recognized to the extent to which it is probable that future taxable profit will be available against which they can be utilized.

The following tables provide breakdown and movements of deferred tax liabilities for the years ended December 31, 2023, 2022 and January 1, 2022:

(In thousands of Euro)	**As of December 31, 2022**	**Provisions/releases to income statement**	**As of December 31, 2023**
Reduction in statutory depreciation	575	-	575
Estimated positive exchange rate differences	-	127	127
Revaluation of derivative instruments	408	(408)	-
Other taxable temporary differences	-	150	150
Total deferred tax liabilities	**983**	**(131)**	**852**

(In thousands of Euro)	**As of January 1, 2022**	**Provisions/releases to income statement**	**As of December 31, 2022**
Reduction in statutory depreciation	-	575	575
Estimated positive exchange rate differences	231	(231)	-
Revaluation of derivative instruments	-	408	408
Total deferred tax liabilities	**231**	**752**	**983**

6.5 Non-current financial assets

Non-current financial assets, amounting to Euro 136 thousand, Euro 116 thousand and Euro 64 thousand, as of December 31, 2023, 2022 and January 1, 2022, respectively, mainly refers to security deposits.

6.6 Other non-current assets

Other non-current assets, amounting to Euro 1,732 thousand, Euro 1,948 thousand and Euro 1,334 thousand as of December 31, 2023, 2022 and January 1, 2022, respectively, mainly refers to tax receivables.

6.7 Inventories

The following table provides the breakdown of inventories as of December 31, 2023, 2022 and January 1, 2022.

(In thousands of Euro)	**As of December 31,**		**As of January 1,**
	2023	**2022**	**2022**
Raw materials, supplies and consumables	69,557	75,430	48,143
Work in progress	67,123	44,082	20,790
Finished products and goods	385	561	927
Inventories (gross)	**137,065**	**120,073**	**69,860**
Provisions for inventory write-downs	(26,967)	(14,352)	(7,719)
Inventories	**110,098**	**105,721**	**62,141**

Net provisions for inventory write-downs amounted to Euro 12,615 thousand and Euro 6,633 thousand for the years ended December 31, 2023 and 2022, respectively.

The increase in inventories in the year ended December 31, 2023 is mainly due to an increase in work-in-progress and semi-finished products, partially offset by a decrease in raw, subsidiary and consumable materials and an increase in the inventory provision.

The increase in inventories in the year ended December 31, 2022 is influenced both by the increase in turnover and by the dynamics of the procurement of raw materials and components.

6.8 Trade receivables

The following table provides the breakdown of trade receivables as of December 31, 2023, 2022 and January 1, 2022.

(In thousands of Euro)	**As of December 31,**		**As of January 1, 2022**
	2023	**2022**	
Trade receivables due from subsidiaries (gross)	89,741	118,972	102,455
Trade receivables due from third party (gross)	21,574	4,370	6,423
Allowance for doubtful receivables	(790)	(862)	(862)
Trade receivables	**110,525**	**122,480**	**108,016**

The following table provides the breakdown and movement of allowance for doubtful receivables as of December 31, 2023 and 2022.

(In thousands of Euro)	**Allowance for doubtful receivables**
As of January 1, 2022	**862**
Net provision	-
Utilization	-
As of December 31, 2022	**862**
Net provision	-
Utilization	(72)
As of December 31, 2023	**790**

There are no trade receivables due beyond 5 years as of December 31, 2023.

6.9 Current financial assets

The following table provides the breakdown of current financial assets as of December 31, 2023, 2022 and January 1, 2022:

(In thousands of Euro)	**As of December 31,**		**As of January 1, 2022**
	2023	**2022**	
Loans to subsidiaries	65,713	26,548	7,795
Derivative financial instruments	-	1,702	90
Receivables to banks for interest	1,575	577	10
Current financial assets	**67,288**	**28,827**	**7,895**

Loans to subsidiaries mainly refer to loans granted to the subsidiary Yee Wei Inc. in the amount of Euro 65,713 thousand, Euro 26,548 thousand and Euro 3,523 thousand as of December 31, 2023 and 2022 and January 1, 2022, respectively.

Derivative financial instruments referred to the positive fair value of a derivative contract entered into by the Company, aimed at mitigating the risk of fluctuation in the EUR/USD exchange rate. The derivative contracts have not been designated as a hedging financial instrument, in accordance with the provision of IFRS. Consequently, changes in the fair value of the derivatives are recognized in income statement within “Foreign exchange gains (losses)”.

6.10 Current tax receivables and current tax payables

Current tax receivables amounted to Euro 36,280 thousand, a null value and Euro 1,898 thousand as of December 31, 2023, 2022 and January 1, 2022, respectively.

Current tax payables amounted to a null value, Euro 16,301 thousand and a null value as of December 31, 2023, 2022 and January 1, 2022 respectively.

6.11 Other current assets

The following table provides the breakdown of other current assets as of December 31, 2023, 2022 and January 1, 2022.

(In thousands of Euro)	As of December 31,		As of January 1,
	2023	**2022**	**2022**
Tax receivables	13,382	11,493	10,052
Prepaid expenses	2,133	1,725	959
Prepayments and advance	62	80	297
Other receivables	-	9	3
Other current assets	**15,577**	**13,307**	**11,311**

Tax receivables are mostly VAT receivables.

As of December 31, 2023, prepaid expenses include, among others, the prepayment of a multi-year insurance policy signed at the time of the EGM Listing.

6.12 Cash and cash equivalents

The following table provides the breakdown of cash and cash equivalents as of December 31, 2023, 2022 and January 1, 2022.

(In thousands of Euro)	As of December 31,		As of January 1,
	2023	**2022**	**2022**
Bank and postal deposits	220,256	270,620	73,856
Cash and cash on hand	2	1	3
Cash and cash equivalents	**220,258**	**270,621**	**73,859**

As of December 31, 2023, 2022 and January 1, 2022, bank and postal deposits are not subject to restrictions or limitations, except for the use of term deposit accounts that can be released upon request in order to optimize the return on the liquidity in stock.

Refer to the statement of cash flows for details on changes in cash and cash equivalents for the years ended December 31, 2023 and 2022.

6.13 Total equity

The following table provides the breakdown of total equity as of December 31, 2023, 2022 and January 1, 2022.

(In thousands of Euro)	As of December 31,		As of January 1, 2022
	2023	2022	
Share capital	6,010	6,010	5,760
Legal reserve	1,202	1,152	1,152
Share premium reserve	139,116	139,116	-
Treasury shares reserve	(11,747)	-	-
Demerger surplus reserve	31,289	31,289	31,289
Revaluation reserves	1.305	1.305	1.305
Reserve for unrealized exchange gains	348	1.237	1.237
Other reserves (including IFRS F.T.A.)	(211)	(211)	(211)
Retained earnings	496.528	369.572	369.572
Net profit	120.255	126.117	-
Total equity	**784.095**	**675.587**	**410.104**

Share capital

The share capital of the Company, fully subscribed and paid-up, amounted to Euro 6,010 thousand as of December 31, 2023 (Euro 6,010 thousand and Euro 5,760 thousand as of December 31, 2022 and January 1, 2022), consisted of 150,250,000 ordinary shares and 450,750,000 ordinary shares with increased voting rights, the latter held by T-PLUS and the Crippa family. The shares are registered, with no par value and are issued in dematerialized form.

Legal reserve

The legal reserve, amounted to Euro 1,202 thousand as of December 31, 2023 and Euro 1,152 thousand as of December, 2022 and January 1, 2022.

Share premium reserve

The share premium reserve, amounting to Euro 139,116 thousand as of December 31, 2023 and 2022, was generated in the year ended December 31, 2022 as a result of the capital increase subscribed in February 2022 during the Company's share listing on the Euronext Growth Milan market ("**EGM Listing**").

Treasury shares reserve

The “Treasury shares reserve” includes the equivalent value of the n. 1,500,000 treasury shares purchased by the Company in the financial year ended December 31, 2023.

The movements that affected shareholders' equity for the year ended December 31, 2023 are related to:
- recognition of the total comprehensive income for the year of Euro 120,255 thousand; and
- the purchase of treasury shares for Euro 11,747 thousand.

The movements that affected shareholders' equity for the year ended December 31, 2023 are related to:
- recognition of the total comprehensive income for the year of Euro 126,117 thousand; and
- the increase in share capital and reserves as a result of the EGM Listing.

As of December 31, 2023, the Company's share capital and reserves were as follows according to origin, possibility of utilisation and distribution as follows:

(In thousands of Euro)	Amount	Possibility of use (*)	Available amount
Share capital	6,010		-
Legal reserve	1,202	B	1.202
Share premium reserve	139,116	A, B, C	139.116
Treasury shares reserve	(11,747)		-
Demerger surplus reserve	31,289	B	3.544
Revaluation reserves	1.305	A, B	1.305
Reserve for unrealized exchange gains	348		-
Other reserves (including IFRS F.T.A.)	(211)	A, B, C	96
Retained earnings	496.528	A, B, C	496.528
Total	**663.840**		**641.791**
Of which distributable			**641.791**

(*) Legend:
A - for capital increase
B - for loss coverage
C - for distribution to shareholders

6.14 Employee benefits obligations

The following table provides the breakdown of employee benefits obligations as of December 31, 2023, 2022 and January 1, 2022.

(In thousands of Euro)	Employee severance indemnity	End of mandate indemnity	Employee benefits obligations
As of January 1, 2022	**276**	**2,389**	**2,665**
Provisions	2,971	-	2,971
Benefits paid	(2,950)	(2,389)	(5,339)
As of December 31, 2022	**297**	**-**	**297**
Provisions	3,953	-	3,953
Benefits paid	(3,962)	-	(3,962)
As of December 31, 2023	**288**	**-**	**288**

This item includes Company directors' end of mandate indemnity and employee severance indemnity. It should be noted that in the year ended December 31, 2022, the provision for termination indemnity was fully settled and no further accruals were recognized.

The following table reports the breakdown of the average number of employees for the years ended December 31, 2023 and 2022.

	Year ended December 31,	
	2023	2022
Executive	16	15
White collar	661	559
Blue collar	843	615
Total	**1,520**	**1,189**

6.15 Provision for risks and charges

As of December 31, 2023 the Company recorded a provision for risks and charges of Euro 20,073 thousand, Euro 20,073 thousand and Euro 11,625 thousand as of December 31, 2023, 2022 and January 1, 2022, respectively, following the accrual made in relation to risk mainly of a fiscal nature. In fact, in its business operations, the Company puts in place several transactions with foreign third parties. The complexity of such transactions implies the risk that the relevant taxation authorities might provide for a treatment for these transactions different from that adopted by the Company.

6.16 Trade payables

The following table provides the breakdown of trade payables as of December 31, 2023, 2022 and January 1, 2022.

(In thousands of Euro)	As of December 31,		As of January 1, 2022
	2023	2022	
Trade payables	32,444	36,330	27,970
Trade payables to subsidiaries	8,159	11,638	8,293
Trade receivables	**40,603**	**47,968**	**36,263**

Trade payables are mainly attributable to transactions for the purchase of raw materials, components and services.

6.17 Current financial liabilities

The following table provides the breakdown of current financial liabilities as of December 31, 2023, 2022 and January 1, 2022.

(In thousands of Euro)	As of December 31, 2023		As of January 1, 2022
	2023	2022	
Genius Pack loan	-	12,201	-
T-PLUS loan	-	-	4,272
Derivative financial instruments	-	-	226
Total current financial liabilities	**-**	**12,201**	**4,498**

Financial liabilities to related parties

The item "Financial payable to Geniuspack", amounting to Euro 12,201 thousand as of December 31, 2023, is attributable to financial liabilities to the subsidiary Geniuspack Holding AG relating *(i)* for Euro 5,600 thousand to the unpaid portion of the consideration for the acquisition of the capital share in Yee Wei, described in Note 6.3 - "Investments in subsidiaries"; and *(ii)* for Euro 6,601 thousand to certain financial receivables due from Yee Wei that were sold by Geniuspack Holding AG to the Company. During the year ended December 31, 2023, this loan was closed without cash outlay for the Company upon liquidation of the subsidiary GeniusPack Holding AG.

The item "Financial payable to T-Plus", amounting to Euro 4,272 thousand as of January 1, 2022, is attributable to the financial liability to Technoprobe's parent company related to a financial receivable from Geniuspack Holding AG, which was assigned by T-Plus to the Company. This financial liability was repaid by the Company to T-Plus on June 29, 2022.

Derivative financial liabilities

Derivative financial liabilities amount to a null value as of December 31, 2023 and 2022 and Euro 226 thousand as of January 1, 2022, refer to contracts signed to mitigate the exchange rate risk on currency transactions.

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The table below shows for the years ended December 31, 2023 and 2022, in accordance with IAS 7, the changes in financial liabilities arising from cash flows generated and/or absorbed by financing activities, as well as arising from non-cash items.

(In thousands of Euro)	**Current financial liabilities**
As of January 1, 2022	**4,498**
Reimbursement	(4,272)
Fair value change	(226)
Other non-cash movement	12,201
As of December 31, 2022	**12,201**
Other non-cash movement	(12,201)
As of December 31, 2023	**-**

The change relating to other non-monetary elements which occurred in the year ended December 31, 2022 refers entirely to the financial debt to GeniusPack previously described in this Note 6.17.

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The table below shows the composition of the Company's net financial position as of December 31, 2023, 2022 and January 1, 2022 determined in accordance with the provisions of CONSOB communication DEM/6064293 of July 28, 2006 as amended by CONSOB Attention Notice no. 5/21 of April 29, 2021 and in accordance with the ESMA Recommendations 32-382-1138 of March 4, 2021.

(In thousands of Euro)	**As of December 31,**		**As of January 1, 2022**
	2023	**2022**	
A, Cash	220,258	270,621	73,859
B, Cash equivalents	-	-	-
C, Other current financial assets	67,288	27,125	7,805
D, Liquidity (A+B+C)	**287,546**	**297,746**	**81,664**
E, Current financial debt	-	(12,201)	(4,498)
F, Current portion of non-current financial debt	(562)	(205)	(178)
G, Current financial indebtedness (E+F)	**(562)**	**(12,406)**	**(4,676)**
- of which guaranteed	-	-	-
- of which not guaranteed	*(562)*	*(12,406)*	*(4,676)*
H, Net current financial indebtedness (G-D)	**286,984**	**285,340**	**76,988**
I, Non-current financial debt	(6,362)	(2,308)	(2,066)
J, Debt instruments	-	-	-
K, Non-current trade and other payables	-	-	-
L, Non-current financial indebtedness (I+J+K)	**(6,362)**	**(2,308)**	**(2,066)**
- of which guaranteed	-	-	-
- of which not guaranteed	*(6,362)*	*(2,308)*	*(2,066)*
M, Net financial position (surplus) (*) (H-L)	**280,622**	**283,032**	**74,922**

(*) As of December 31, 2023, Euro 6,924 thousand referred to the financial liability related to IFRS 16 (Euro 2,513 thousand and Euro 2,244 thousand as of December 31, 2022 and January 1, 2022, respectively), of which Euro 562 thousand was current (Euro 205 thousand and Euro 178 thousand as of December 31, 2022 and January 1, 2022, respectively) and Euro 6,362 thousand non-current (Euro 2,308 thousand and Euro 2,066 thousand as of December 31, 2022 and January 1, 2022, respectively).

6.18 Other current liabilities

The following table provides the breakdown of other current liabilities as of December 31, 2023, 2022 and January 1, 2022.

(In thousands of Euro)	As of December 31,		As of January 1, 2022
	2023	2022	
Payables due to employees	13,173	13,798	9,810
Payables due to social security institutions	7,596	7,055	4,792
Tax payables	2,079	1,631	1,175
Payables to directors	990	1,109	684
Deferred income	3,166	3,080	1,342
Other current liabilities	**27,004**	**26,673**	**17,803**

Payables due to employees primarily refer to payroll, production bonuses, MBOs and deferred expenses, such as vacation, leave and additional monthly payments.

Payables due to social security institutions primarily refer to liabilities to pension and social security institutions for the payment of contributions.

Tax payables primarily include amounts due to non-income taxes, primarily consisting of withholding taxes on employees, VAT payables and other indirect taxes.

7. Notes to the income statement

7.1 Revenue

The following table provides the breakdown of Revenue for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	Year ended December 31,	
	2023	2022
Revenue from sales	327,888	453,040
Other revenues	98	2
Revenue	**327,986**	**453,042**

The following table provides the breakdown of Revenue by geographical area for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	Year ended December 31,	
	2023	2022
Asia	173,133	215,893
America	121,626	207,322
Europe (excluding Italy)	22,497	20,218
Italy	10,730	9,609
Revenue	**327,986**	**453,042**

Almost all the contracts with customers entered into by the Company do not include variable consideration.

The Company considers that there is no contract containing a significant financial component, i.e. for which the period between the transfer to the customer of the promised good and the related payment exceeds twelve months. Therefore, the Company has not made any adjustment to the consideration received to take into account the time value of money.

7.2 Cost of revenue

The following table provides the breakdown of cost of revenue for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	Year ended December 31,	
	2023	**2022**
Raw materials, supplies, consumables and goods	89,681	113,734
Personnel expenses	55,116	50,388
Depreciation, amortization and impairment	22,803	20,956
Outsourced services and industrial services	8,772	16,196
Maintenance and repairs	3,115	2,404
Utilities	3,426	5,338
Lease and rental costs	979	1,253
Other minor costs	966	791
Cost of revenue	**184,858**	**211,060**

7.3 Research and development

The following table provides the breakdown of research and development for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	Year ended December 31,	
	2023	**2022**
Personnel expenses	27,619	23,806
Consultancy and professional services	10,269	10,348
Depreciation, amortization and impairment	6,587	4,538
Raw materials, supplies, consumables and goods	3,040	1,996
Software licences	1,353	2,464
Maintenance and repairs	348	434
Utilities	224	344
Other minor costs	148	259
Research and development cost	**49,588**	**44,189**

The Company's research and development activities are aimed at both introducing new products and implementing new production processes.

7.4 Selling, general and administrative

The following table provides the breakdown of selling, general and administrative for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	Year ended December 31,	
	2023	**2022**
Personnel expenses	12,028	12,628
Sales commissions and fees	9,405	2,314
Consultancy and professional services	9,095	8,482
Office costs	192	155
Depreciation, amortization and impairment	1,423	1,237
Transportation costs	201	289
Lease and rental costs	584	267
Maintenance and repairs	641	420
Travel costs	174	161
Utilities	460	1,632
Directors' compensation	2,659	2,850
Other minor costs	2,800	3,038
Selling, general and administrative	**39,662**	**33,473**

7.5 Other income (expenses)

Other income (expenses), net amounting to Euro 3,883 thousand and to Euro 5,065 thousand for the years ended December 31, 2023 and 2022, respectively.

Other income, net recorded in the year ended December 31, 2023 was mainly attributable to other revenues deriving from the tax credit for research and development.

Other income, net recorded in the year ended December 31, 2022 was mainly attributable to *(i)* provisions for risks and charges of Euro 8,448 thousand, mainly related to risks of fiscal nature connected to the Company's numerous transactions with foreign counterparties, partially offset by *(ii)* other income deriving from the tax credit for research and development and interconnection activities.

7.6 Finance income

The following table provides the breakdown of finance income for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	**Year ended December 31,**	
	2023	**2022**
Dividend income from subsidiaries	40,718	9,116
Interest income	9,187	1,259
Other finance income	43	64
Finance income	**49,948**	**10,439**

The finance income is mainly attributable to the dividends received from subsidiaries and interest income, accrued from cash and cash equivalents in bank current accounts and term deposit accounts which can be released upon request.

7.7 Finance expenses

The following table provides the breakdown of finance expenses for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	**Year ended December 31,**	
	2023	**2022**
Interests on lease and other minor liabilities	82	49
Finance expenses	**82**	**49**

The finance expenses are mainly attributable to interest expenses on lease liabilities.

7.8 Foreign exchange gains (losses)

The following table provides the breakdown of foreign exchange gains (losses) for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	**Year ended December 31,**	
	2023	**2022**
Foreign exchange gains	6,051	17,546
Foreign exchange losses	(9,651)	(14,136)
Foreign exchange gains (losses)	**(3,600)**	**3,410**

The item includes the gains and losses on foreign exchange including exchange rate derivatives.

7.9 Income tax expenses

The following table provides the breakdown of income tax expenses for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	Year ended December 31,	
	2023	2022
Current taxes	(15,948)	(47,413)
Prior periods taxes	29,540	(621)
Deferred taxes	2,637	1,098
Income tax (benefit) expense	**16,229**	**(46,936)**

For details of the item “Deferred tax assets and liabilities”, see Note 6.3 – “Deferred tax assets and deferred tax liabilities”.

The following table provides a reconciliation of the theoretical and the reported tax charge with respect to the Italian Corporate Income Tax (IRES) for the years ended December 31, 2023 and 2022.

(In thousands of Euro)	Year ended December 31,	
	2023	2022
Profit before tax	104,026	173,054
Theoretical tax rate %	24%	24%
Theoretical tax charge	**24,966**	**41,533**
Non-taxable revenues and income	(4,176)	(2,461)
Non-deductible costs	220	2,725
Excluded share of dividends received	(9,284)	(2,079)
Deduction for equity capital employed (ACE)	(1,491)	(1,450)
Patent box benefit related to prior years	(31,326)	-
IRAP and other taxes/benefits	4,862	8,668
Net effective tax expense (benefit)	**(16,229)**	**46,936**

8. Related party transactions

Related party transactions, identified on the basis of the IAS 24 criteria, are mainly of a financial nature and are carried out at normal market conditions

The following table provides details of the Company’s statement of financial position transactions with related parties as of December 31, 2023.

(In thousands of Euro)	As of December 31, 2023			
	Trade receivables	Current financial assets	Trade payables	Current financial liabilities
Technoprobe France S.a.s.	1,817	-	62	-
Technoprobe Asia Pte Ltd	19,586	-	793	-
Technoprobe America Inc.	9,229	-	2,028	-
Technoprobe Korea Co. Ltd	15,808	-	470	-
Technoprobe Japan KK	10,560	-	-	-
Technoprobe Taiwan Co. Ltd	31,866	-	505	-
Microfabrica Inc.	-	-	2,712	-
Technoprobe Wuxi Co Ltd	868	-	184	-
Technoprobe Germany Gmbh	-	-	321	-
Yee-Wei Co Ltd	5	65,713	806	-
Technoprobe US Holding LLC	2	-	278	-
Total	**89,741**	**65,713**	**8,159**	**-**

The following table provides details of the Company’s statement of financial position transactions with related parties as of December 31, 2022.

(In thousands of Euro)	As of December 31, 2022			
	Trade receivables	**Current financial assets**	**Trade payables**	**Current financial liabilities**
Technoprobe France S.a.s.	4,381	-	230	-
Technoprobe Asia Pte Ltd	33,007	-	1,002	-
Technoprobe America Inc.	25,296	-	8	-
Technoprobe Korea Co. Ltd	25,536	-	1,265	-
Technoprobe Japan KK	7,031	-	-	-
Technoprobe Taiwan Co. Ltd	23,035	-	450	-
Microfabrica Inc.	-	-	7,409	-
Technoprobe Wuxi Co Ltd	686	-	290	-
Technoprobe Germany Gmbh	-	-	496	-
Yee-Wei Co Ltd	-	26,548	488	-
GeniusPack Holding AG	-	-	-	12,201
Total	**118,972**	**26,548**	**11,638**	**12,201**

The following table provides details of the Company's statement of financial position transactions with related parties as of January 1, 2022.

(In thousands of Euro)	As of January 1, 2022			
	Trade receivables	**Current financial assets**	**Trade payables**	**Current financial liabilities**
T-Plus S.p.A.	-	-	-	4,272
Technoprobe France S.a.s.	2,247	-	145	-
Technoprobe Asia Pte Ltd	12,509	-	1,971	-
Technoprobe America Inc.	41,226	-	51	-
Technoprobe Korea Co. Ltd	16,313	-	268	-
Technoprobe Japan KK	4,047	-	-	-
Technoprobe Taiwan Co. Ltd	25,955	-	410	-
Microfabrica Inc.	-	-	4,496	-
Technoprobe Wuxi Co Ltd	158	-	265	-
Technoprobe Germany Gmbh	-	-	528	-
Yee-Wei Co Ltd	-	3,523	159	-
GeniusPack Holding AG	-	4,272	-	-
Total	**102,455**	**7,795**	**8,293**	**4,272**

The Company's statement of financial position transactions mainly include:

- trade receivables and trade payables mainly related to *(i)* transfer pricing contract between the Company and Technoprobe Asia Pte Ltd, Technoprobe Korea Co. Ltd and Technoprobe Taiwan Co. Ltd; *(ii)* supply and services contract between the Company and Technoprobe Asia Pte Ltd, Technoprobe Korea Co. Ltd, Technoprobe America Inc and Technoprobe France S.a.s; *(iii)* distribution and service contract between the Company and Technoprobe Taiwan Co. Ltd.; and *(iv)* supply of components made by Microfabrica Inc. to the Company;
- current financial assets mainly related to the loans granted by the Company to Yee-Wei Co Ltd to support the subsidiary's operations for a total of Euro 65,713 thousand, Euro 26,548 thousand and Euro 3,523 thousand as of December 31, 2023 and 2022 and January 1, 2022;
- current financial liabilities to GeniusPack Holding AG referring to the unpaid portion of the consideration for the purchase of the equity investment in Yee Wei (Euro 5,600 thousand as of December 31, 2022) and financial receivables subject to sale by GeniusPack Holding AG to the Company (Euro 6,600 thousand as of December 31, 2022).

The following table provides details of the Company's income statement transactions with related party for the year ended December 31, 2023.

(In thousands of Euro)	Year ended December 31, 2023				
	Revenue	**Cost of revenue**	**Research and development**	**Selling, general and administrative**	**Finance income**
Technoprobe France S.a.s.	11,203	518	-	-	-
Technoprobe Asia Pte Ltd	48,328	2,334	75	142	-
Technoprobe America Inc.	99,896	373	61	3,500	31,306
Technoprobe Korea Co. Ltd	35,415	2,314	31	243	2,145
Technoprobe Japan KK	3,626	-	-	-	-
Technoprobe Taiwan Co. Ltd	73,872	2,718	-	57	-
Microfabrica Inc.	3	16,611	1,964	-	7,267
Technoprobe Wuxi Co Ltd	1,754	1,117	-	105	-
Technoprobe Germany Gmbh	-	-	-	1,147	-
Yee-Wei Co Ltd	18	3,551	453	-	1,194
Technoprobe US Holding LLC	2	2,673	107	-	-
Total	**274,117**	**32,209**	**2,691**	**5,194**	**41,912**

The following table provides details of the Company's income statement transactions with related party for the year ended December 31, 2022.

(In thousands of Euro)	Year ended December 31, 2022						
	Revenue	**Cost of revenue**	**Research and development**	**Selling, general and administrati ve**	**Other income (expenses)**	**Finance income**	**Finance expenses**
T-Plus S.p.A.	-	-	-	-	-	-	11
Technoprobe France S.a.s.	8,368	586	-	-	2	-	-
Technoprobe Asia Pte Ltd	53,901	7,033	33	151	15	9,116	-
Technoprobe America Inc.	206,889	289	16	2	46	-	-
Technoprobe Korea Co. Ltd	45,769	4,603	-	404	20	-	-
Technoprobe Japan KK	3,042	-	-	-	6	-	-
Technoprobe Taiwan Co. Ltd	105,644	3,071	-	-	27	-	-
Microfabrica Inc.	-	32,632	2,241	2	5	-	-
Technoprobe Wuxi Co Ltd	1,621	1,712	-	-	2	-	-
Technoprobe Germany Gmbh	-	-	-	1,910	3	-	-
Yee-Wei Co Ltd	-	2,277	152	-	-	264	-
GeniusPack Holding AG	-	-	-	-	-	7	-
Total	**425,234**	**52,203**	**2,442**	**2,469**	**126**	**9,387**	**11**

The Company's income statement transactions with related party include:

- revenue from *(i)* transfer pricing contract between the Company and Technoprobe Asia Pte Ltd, Technoprobe Korea Co. Ltd, Technoprobe Taiwan Co. Ltd; *(ii)* supply and services contract between the Company and Technoprobe Asia Pte Ltd, Technoprobe Korea Co. Ltd, Technoprobe America Inc; *(iii)* distribution and services contract between the Company and Technoprobe Taiwan Co. Ltd; and *(iv)* supply of components made by Microfabrica Inc. to the Company;
- cost of revenue mainly attributable to the supply of components by Microfabrica Inc. to the Company;
- financial income related to the dividend paid by Technoprobe Asia Pte Ltd.

<u>Relation with the top management</u>

In addition to the statement of financial position and income statement transactions with related parties presented in the tables above, it should be noted that:

- other current liabilities as of December 31, 2023 and 2022 and January 1, 2022 include amounts due to directors for fees not yet paid in the amount of Euro 990 thousand, Euro 1,109 thousand and Euro 684 thousand, respectively; and

- selling, general and administrative for the years ended December 31, 2023 and 2022 include compensation of directors and top management in the amount of Euro 2,662 thousand and Euro 2,850 thousand.

In the year ended December 31, 2022, the provision for severance indemnities was fully settled and no further provisions were recognized.

9. Other information

Compensation to directors and statutory auditors

Compensation to directors and statutory auditors for the years ended December 31, 2023 and 2022 amounted to Euro 2,503 thousand and Euro 2,801 thousand, respectively.

Fees due to independent auditors

Pursuant to applicable regulations, the total fees for the year ended December 31, 2023 for audit and non-audit services rendered by PricewaterhouseCoopers S.p.A. and entities both within and outside its network are shown below.

(In thousands of Euro)	**Service provider**	**Recipient**	**Fees**
Audit services	PricewaterhouseCoopers S.p.A.	Technoprobe S.p.A.	410
Non-audit services	PricewaterhouseCoopers S.p.A.	Technoprobe S.p.A.	616
	Network PricewaterhouseCoopers	Technoprobe S.p.A.	1,103

Disclosure on subsidies and public contributions

In compliance with the transparency and disclosure requirements provided for pursuant to law no. 124 of August 4, 2017 article 1 paragraphs 125-129 (as replaced by article 35 of decree-law no. 34 of April 30, 2019), we report that the Company has received grants, subsidies, advantages, contributions or aid, not of a general nature and without consideration, remuneration or compensation, from public administrations and/or parties assimilated to them for the amounts listed below:

(In thousands of Euro)	**Lending entity**	**Year ended December 31,**	
		2023	**2022**
Energy and gas credit	Italian State	380	995
Sanitation tax credit	Italian State	6	-

Commitments

The Company has not undertaken any commitments that have not been recognized in the statement of financial position, with the exception of commitments made with suppliers that amounted to Euro 29 million as of December 31, 2023.

Guarantees

As of December 31, 2023, the Company has not provided guarantees.

Contingent liabilities

The Company has not assumed any contingent liabilities that have not been recognized in the financial statements, with the exception of those described in Note 6.15 – 'Provisions for liabilities and charges'.

10. Significant events occurring after the end of the period

There are no significant events after the end of the period.

11. First-time adoption of IFRS

The Company prepares his financial statements in accordance with IFRS for the first time as of December 31, 2023. Accordingly, the date of first first-time adoption of IFRS (the "**Conversion Date**") has been set at January 1, 2022, in accordance with IFRS 1.

The following tables provide the information required by IFRS 1 and, in particular, a description of the impact of the conversion to IFRS on the Company's statement of financial position and income statement. For this purpose, the Company has prepared a detail of:

- effects on the transtion on statement of financial position at the Transtion Date and as of December 31, 2022 (closing date of the last financial statements prepared in accordance with the previous accounting standards);
- effects on the transtion on income statement at the Transtion Date and as of December 31, 2022;
- effects on the transtion on shareholder's equity at the Transtion Date and as of December 31, 2022;
- effects on the transtion on the statement of cash flow at the Transtion Date and as of December 31, 2022;
- effects on the transtion on the statement of comprehensive income at the Transtion Date and as of December 31, 2022;
- the explanatory notes on adjustments and reclassifications included in the aforementioned I, which describe the significant effects of the conversion, both with regard to the classification of the various items in the financial statements and their different valuation and, therefore, the consequent effects on the balance sheet and income statement.

The financial position at the Conversion Date has been preapred according the following criteria:

- assets and liabilities for which recognition is required by IFRS;
- assets and liabilities for which recognition is required by Italian GAAP but not by IFRS, are not recognized;
- IFRS have been applied in the valuation of recognised assets and liabilities; and
- certain items have been reclassified in accordance with IFRS.

At the Conversion Date, the effect of adjusting opening asset and liability balances to the new standards is recognized in the "Retained earnings" in the Consolidated Statement of Financial Position, considering the related tax effects.

Mandatory exceptions to the retrospective application of IFRS

The only mandatory exception applicable to the Company in the context of this conversion relates to the valuation estimates used in the restatement of information as of the Conversion Date, which are consistent with those used in the preparation of the relevant financial statements under the previous accounting standards (after adjustments to reflect any differences in accounting policies).

The other mandatory exceptions prescribed by IFRS 1 have not been applied, as they relate to matters not applicable to the Company.

Optional exceptions to the retrospective application of IFRS

The Company has prepared its financial statements as of December 31, 2022 in accordance with IFRS. Therefore, as required by IFRS 1, Appendix D, paragraph D17, the Company has recognised its assets and liabilities at the same amounts as included within the financial statements.

The other permitted execeptions provided by IFRS 1 have not been used, as they relate to situations for which: (i) Italian GAAP is already aligned with IFRS, (ii) the Company has opted for retrospective application, or (iii) they are not applicable.

Accounting treatments chosen from those permitted by IFRS:

The Company has chosen to adopt the following accounting treatments from those permitted by IFRS:

- Measurement of inventories: in accordance with IAS 2, the cost of inventories must be measured using either the FIFO method or the weighted average cost method. The Company has chosen to use the weighted average cost method;
- Measurement of property, plant and equipment, intangible assets and right-of-use assets: subsequent to initial recognition at cost, IAS 16 "Property, Plant and Equipment", IAS 38 "Intangible Assets" and IFRS 16 "Leases" require that property, plant and equipment, intangible assets and right-of-use assets be measured either at cost, net of accumulated depreciation, amortization and impairment, or at market value, with the carrying value being adjusted to the market value at the reporting date (the so-called revaluation model). The Company has chosen to measure property, plant and equipment, intangible assets and right-of-use assets at cost.

Description of significant effects on the Conversion

The following tables provide detail of the effects of the conversion to IFRS. In particular:

- a reconciliation between the Company's statement of financial position as of January 1, 2022 prepared in accordance with Italian GAAP reclassified according to the criteria chosen by the Company for the IFRS financial statements and the Company's statement of financial position prepared in accordance with IFRS;
- a reconciliation between the Company's statement of financial position as of December 31, 2022, prepared in accordance with Italian GAAP, reclassified according to the criteria chosen by the Company for the IFRS financial statements and the statement of financial position prepared in accordance with IFRS; and
- a reconciliation between the Company's statement of comprehensive income for the year ended December 31, 2022, prepared in accordance with Italian GAAP, reclassified according to the criteria chosen by the Company for the IFRS financial statements, and the statement of comprehensive income prepared in accordance with IFRS.

Statement of financial position at the Conversion Date

The following table provides a reconciliation of the Company's statement of financial position as of January 1, 2022 prepared in accordance with Italian GAAP and the Company's statement of financial position prepared in accordance with IFRS.

(In thousands of Euro)	Italian accounting standards	Adjustments	Reclassifications	IFRS
ASSETS				
Non-current assets				
Property, plant and equipment	158,628	(20,530)	493	138,591
Intangible assets	1,023	-	(493)	530
Investment in subsidiaries	71,139	(416)	-	70,723
Deferred tax assets	2,462	6,632	-	9,094
Non-current financial assets	64	-	-	64
Other non-current assets	1,334	-	-	1,334
Total non-current assets	**234,650**	**(14,314)**	**-**	**220,336**
Current assets				
Inventories	62,141	-	-	62,141
Trade receivables	108,016	-	-	108,016
Current financial assets	7,895	-	-	7,895
Current tax receivables	1,898	-	-	1,898
Other current assets	11,882	(571)	-	11,311
Cash and cash equivalents	73,859	-	-	73,859
Total current assets	**265,691**	**(571)**	**-**	**265,120**
Total Assets	**500,341**	**(14,885)**	**-**	**485,456**
EQUITY AND LIABILITIES				
Equity				
Share capital	5,760	-	-	5,760
Reserves	421,479	(17,135)	-	404,344
Net profit attributable to the owners of the Parent	-	-	-	-
Equity attributable to the owners of the Parent	**427,239**	**(17,135)**	**-**	**410,104**
Non-current liabilities				
Non-current financial liabilities	-	-	-	-
Non-current lease liabilities	-	2,066	-	2,066
Deferred tax liabilities	231	-	-	231
Employee benefits obligations	2,665	-	-	2,665
Provision for risks and charges	11,625	-	-	11,625
Other non-current liabilities	20	4	-	24
Total non-current liabilities	**14,541**	**2,070**	**-**	**16,611**
Current liabilities				
Trade payables	36,263	-	-	36,263
Current financial liabilities	4,498	-	-	4,498
Current lease liabilities	-	178	-	178
Current tax payables	-	-	-	-
Other current liabilities	17,800	2	-	17,802
Total current liabilities	**58,561**	**180**	**-**	**58,741**
Total liabilities	**73,102**	**2,250**	**-**	**75,352**
Total equity and liabilities	**500,341**	**(14,885)**	**-**	**485,456**

Statement of financial position as of December 31, 2022

The following table provides a reconciliation of the Company's statement of financial position as of December 31, 2022 prepared in accordance with Italian GAAP and the Company's statement of financial position prepared in accordance with IFRS.

(In thousands of Euro)	Italian accounting standards	Adjustments	Reclassifications	IFRS
ASSETS				
Non-current assets				
Property, plant and equipment	179,539	(17,142)	1,281	163,678
Intangible assets	7,741	(2,526)	(1,281)	3,934
Investment in subsidiaries	81,471	(416)	-	81,055
Deferred tax assets	5,346	5,598	-	10,944
Non-current financial assets	116	-	-	116
Other non-current assets	1,948	-	-	1,948
Total non-current assets	**276,161**	**(14,486)**	**-**	**261,675**
Current assets				
Inventories	105,721	-	-	105,721
Trade receivables	122,480	-	-	122,480
Current financial assets	28,827	-	-	28,827
Current tax receivables	-	-	-	-
Other current assets	13,830	(522)	-	13,308
Cash and cash equivalents	270,621	-	-	270,621
Total current assets	**541,479**	**(522)**	**-**	**540,957**
Total Assets	**817,640**	**(15,008)**	**-**	**802,632**
EQUITY AND LIABILITIES				
Equity				
Share capital	6,010	-	-	6,010
Reserves	563,728	(20,269)	-	543,459
Net profit attributable to the owners of the Parent	123,385	2,733	-	126,118
Equity attributable to the owners of the Parent	**693,123**	**(17,536)**	**-**	**675,587**
Non-current liabilities				
Non-current financial liabilities	-	-	-	-
Non-current lease liabilities	-	2,308	-	2,308
Deferred tax liabilities	983	-	-	983
Employee benefits obligations	297	-	-	297
Provision for risks and charges	20,073	-	-	20,073
Other non-current liabilities	21	15	-	36
Total non-current liabilities	**21,374**	**2,323**	**-**	**23,697**
Current liabilities				
Trade payables	47,968	-	-	47,968
Current financial liabilities	12,201	-	-	12,201
Current lease liabilities	-	205	-	205
Current tax payables	16,301	-	-	16,301
Other current liabilities	26,673	-	-	26,673
Total current liabilities	**103,143**	**205**	**-**	**103,348**
Total liabilities	**124,517**	**2,528**	**-**	**127,045**
Total equity and liabilities	**817,640**	**(15,008)**	**-**	**802,632**

Comprehensive income for the year ended December 31, 2022

The following table provides a reconciliation of the Company's comprehensive income as of December 31, 2022 prepared in accordance with Italian GAAP and the Company's comprehensive income prepared in accordance with IFRS.

(In thousands of Euro)	Italian accounting standards	Adjustments	Reclassifications	IFRS
Revenue	453,042	-	-	453,042
Cost of revenue	(210,806)	(254)	-	(211,060)
Gross profit	**242,236**	**(254)**	**-**	**241,982**
Operating expenses				
Research and development	(44,189)	-	-	(44,189)
Selling, general and administrative	(37,529)	4,055	-	(33,474)
Net impairment of financial assets	-	-	-	-
Total operating expenses	**(81,718)**	**4,055**	**-**	**(77,663)**
Operating profit	**160,518**	**3,801**	**-**	**164,319**
Other income (expenses), net	(5,065)	-	-	(5,065)
Finance income	10,439	-	-	10,439
Finance expenses	(15)	(34)	-	(49)
Foreign exchange gains (losses)	3,412	(2)	-	3,410
Profit before tax	**169,289**	**3,765**	**-**	**173,054**
Income tax expense	(45,904)	(1,032)	-	(46,936)
Net profit	**123,385**	**2,733**	**-**	**126,118**

Cash flows for the year ended December 31, 2022

The following table provides a reconciliation of the Company's cash flows for the year ended December 31, 2022 prepared in accordance with Italian GAAP and the Company's c cash flows prepared in accordance with IFRS.

(In thousands of Euro)	Italian accounting standards	Reclassifications	IFRS
Net cash flow generated by operating activities	118,988	5,219	124,207
Net cash flow used in investing activities	(76,709)	10,591	(66,118)
Net cash flow generated by financing activities	150,429	(15,810)	134,619
Total changes in cash and cash equivalents	**192,708**	**-**	**192,708**

Shareholder's equity and statement of comprehensive income

The following table shows the reconciliations, starting from the Company's statement of financial position and income statement, between the Company's shareholder's equity as of January 1, 2022 and December 31, 2022 and the Company's total comprehensive income for the year ended December 31, 2022 prepared in accordance with Italian GAAP with the corresponding values prepared in accordance with IFRS.

(In thousands of Euro)	Notes	Equity as of the transition date	Equity as of December 31, 2022
Italian accounting standards		**427,239**	**693,123**
Reversal of revaluation of property, plant and equipment (ex art. 110 Decree Law 104/2020)	**a**	(16,828)	(14,540)
Elimination of non-capitalisable assets	**b**	(300)	(300)
Lease contracts	**c**	(7)	(21)
Different accounting treatment of the share capital	**d**	-	(2,675)
IFRS		**410,104**	**675,587**

Explanatory notes related to the Conversion effects

The following is a description of the main adjustments and reclassifications performed during the Conversion to IFRS:

Main adjustments

a. Reversal of revaluation of property, plant and equipment (ex art. 110 Decree Law 104/2020)

During the 2020 financial year, the Company used the option granted by Article 110 of Legislative Decree 104/2020 concerning the possibility of revaluing business assets by paying a 3% substitute tax for the purpose of recognising the higher values recognised in its financial statements for tax purposes. In particular, in its financial statements for the year ended December 31, 2020, prepared in accordance with Italian GAAP, the Company revalued tangible assets for a total of approximately Euro 28.6 million, mainly attributable to plant and machinery, and to a lesser extent to buildings. The accounting standard '–AS 16 - Property, Plant and Equipment' does not allow this revaluation, therefore the effects related to the revaluation were reversed.

The following table provides the effects of this adjustments.

(In thousands of Euro)	**Equity as of the transition date**	**Equity as of December 31, 2022**
Property, plant and equipment	(23,339)	(20,166)
Deferred tax assets	6,511	5,626
Equity	(16,828)	(14,540)
Of which Net profit	-	2,288

b. Elimination of non-capitalisable assets

In the financial statements prepared in accordance with Italian GAAP, legal and consulting costs incurred in connection with the acquisitions of Microfabrica and Technoprobe Taiwan were capitalised. In accordance with IFRS, these capitalised costs were expensed.

The following table provides the effects of this adjustments.

(In thousands of Euro)	**Equity as of the transition date**	**Equity as of December 31, 2022**
Investment in subsidiaries	(416)	(416)
Deferred tax assets	116	116
Equity	(300)	(300)
Of which Net profit	-	-

c. Lease contracts

In the financial statement prepared in accordance with Italian GAAP, rental and lease costs relating to operating leases were recognised as an expense in the income statement on an accrual basis. In accordance with IFRS 16, the Company has recognized a right-of-use asset, representing the right to use the assets underlying the contract, and a lease liability, representing the obligation to make payments under the rental or lease agreement. The capital element of rental and lease payments has been offset against the aforementioned liability and the interest element charged to the income statement on an accrual's basis.

The following table provides the effects of this adjustments.

(In thousands of Euro)	**Equity as of the transition date**	**Equity as of December 31, 2022**
Property, plant and equipment	2,809	3,024
Other non-current liabilities	4	15
Deferred tax assets	5	5
Non-current lease liabilities	2,066	2,308
Current lease liabilities	178	205
Other current assets	(571)	(522)
Other current liabilities	2	-
Equity	(7)	(21)
Of which Net profit	-	(12)

d. Different accounting treatment of the share capital

In the financial statements prepared in accordance with Italian GAAP, the costs incurred for the capital increase subscribed in the year ended December 31, 2022 were capitalized as intangible assets. In accordance with the accounting standard IAS 32, the Company recognized these costs as a reduction of the share premium reserve in equity and eliminated the corresponding intangible asset.

The following table provides the effects of this adjustments.

(In thousands of Euro)	**Equity as of the transition date**	**Equity as of December 31, 2022**
Intangible assets	-	(2,526)
Deferred tax assets	-	(149)
Equity	-	(2,675)
Of which Net profit	-	459

Main reclassifications

Leasehold improvements

Leasehold improvements, classified as intangible assets under Italian GAAP, have been reclassified to property, plant and equipment in accordance with IFRS. Such reclassification amounted to Euro 493 thousand as of January 1, 2022 and Euro 1,281 thousand as of December 31, 2022.

12. Proposal for the allocation of profit

This financial statement as of December 31, 2023 report a net profit of Euro 120,254,821.

The Company's Board of Directors proposes that the Shareholders' Meeting approve the financial statements of Technoprobe S.p.A. for the year ended December 31, 2023, including the explanatory notes and the Directors' report on operations, which show shareholder's' equity of Euro 784,094,851 including profit for the year.

Management's attestation to the Separate Financial Statements

The undersigned Stefano Felici and Stefano Beretta in their capacity respectively as CEO and Manager in Charge of Company's Financial Reports of Technoprobe S.p.A., certify, also taking into account the provisions of the art. 154-bis, paragraphs 3 and 4, of Legislative Decree February 24 1998, n. 58:

- the adequacy in relation to the characteristics of the company and
- the effective application of the administrative and accounting procedures for the preparation of the Separate Financial Statements as of December 31, 2023.

No significant aspects emerged in this regard.

It is also certified that the Separate Financial Statements as of December 31, 2023:

- are drawn up in compliance with the applicable international accounting standards recognized in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002;
- corresponds to the results of the accounting books and records;
- is suitable for providing a true and correct representation of the equity, economic and financial situation of the issuer.

Cernusco Lombardone, March 14, 2024

Technoprobe SpA

Stefano Felici
(Chief Executive Officer)

Stefano Beretta
(Manager in Charge of Company's Financial Reports)

Independent Auditors' Report

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Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of Technoprobe SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Technoprobe SpA (the Company), which comprise the statement of financial position as of 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and explanatory notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2023, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Inventories valuation *Explanatory notes: 2.4 Accounting Principles and Evaluation Criteria, 6.7 Inventories* As of 31 December 2023 the inventories of raw materials, semi-finished and finished products recorded in the statutory financial statements amount to euro 110, equal to 13% of total assets, and are shown net of a write-down provision of euro 27 million. In accordance with International Financial Reporting Standards as adopted by the European Union (IFRS UE) inventories are recognized and measured at the lower of cost and net realizable value. The cost of inventories includes all purchase costs, transformation costs, and other costs incurred to bring the inventories to their current location and condition. In accordance with the provisions of IAS 2, the Company calculates the cost of inventories using the weighted average cost method. If net realizable value is lower than cost, the difference is immediately recognized in the income statement. The valuation of inventories represents an estimate characterized by complexity and uncertainty, which requires a high degree of judgment by the directors, and which can be influenced by both exogenous and endogenous factors. The industry in which the Company operates is characterized by rapid and significant technological changes, the continuous introduction of new products and services, evolving industrial standards, and changing customer needs and preferences. For the reasons stated above, we considered the valuation of inventories a key aspect of the audit activity.	The audit activities included, among others, the following procedures: • updating our understanding and evaluating of the Company's internal control system in relation to the inventory business process; • performing test of details and analytical procedures summarized below: – performing analytical procedures to understand the fluctuations in inventories; – attending the physical inventory count for a sample of inventory codes as of 2 January 2024 and requests confirmation from external custodians of the quantities in stock as of 31 December 2023; – for a sample of inventory codes, verification of the correct application of the methodology adopted for determining the cost of inventories, through analysis of the supporting documentation, interviews with management as well as through the recalculation of the production or purchase cost; – for a sample of inventory codes, verification of the reasonableness of the net realizable value and the assumptions adopted in the estimation of the provisions for inventory write-downs, through discussions with the company functions involved and the collection and verification of documents as well as comparison

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	with historical data; – analysis of the movement of inventories in the period following the fiscal year closing date in order to corroborate the assumptions adopted on the basis of the estimate of the provisions for inventory write-downs; – assessing the completeness and adequacy of the information provided in the financial statement's disclosure relating to inventories.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014

On 14 April 2023, the shareholders of Technoprobe SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2023 to 31 December 2031.

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We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Technoprobe SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the financial statements as of 31 December 2023, to be included in the annual report.
We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation
In our opinion, the financial statements as of 31 December 2023 have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Technoprobe SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Technoprobe SpA as of 31 December 2023, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements of Technoprobe SpA as of 31 December 2023 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of Technoprobe SpA as of 31 December 2023 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milan, 28 March 2024

PricewaterhouseCoopers SpA

Signed by

Francesco Ferrara
(Partner)

The accompanying financial statements of Technoprobe SpA constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Statutory Board of Auditors' Report

TECHNOPROBE S.P.A.

VIA CAVALIERI DI VITTORIO VENETO N.2, CERNUSCO LOMBARDONE (LC)
Tax code 02272540135
R.E.A. OF LECCO N. 283619

REPORT OF THE BOARD OF AUDITORS TO THE SHAREHOLDERS' MEETING OF TECHNOPROBE S.P.A. EX ART. 153 OF LEGISLATIVE DECREE 58/1998 AND ART. 2429 CIVIL CODE

Dear Shareholders,

this report, drawn up pursuant to art. 153 of Legislative Decree no. 58/1998 ("TUF") and art. 2429 of the Civil Code, reports on the activity carried out by the Board of Statutory Auditors of Technoprobe S.p.A. ("Technoprobe" or also the "Company") in the financial year ended 31 December 2023, in compliance with the relevant legislation, also taking into account the "Rules of conduct of the Board of Statutory Auditors of listed companies" recommended by the National Council of Chartered Accountants and of the Accounting Experts, updated to 21 December 2023, of the CONSOB provisions regarding corporate controls and of the indications contained in the Corporate Governance Code promoted by Borsa Italiana.

The Board of Statutory Auditors was appointed on 14 December 2021 by the Technoprobe Shareholders' Meeting, with a deadline of approving the financial statements on 31 December 2023. During the 2023 financial year, the Board of Statutory Auditors carried out the relevant checks, holding eight meetings . In the same financial year, the Board also participated in thirteen meetings of the Board of Directors, thirteen meetings of the Control and Risk Committee, four meetings of the Appointments and Remuneration Committee, three meetings of the Related Parties Committee as well as the Shareholders' Meetings held on 6 April 2023 and 22 June 2023.

During the year, the Board of Statutory Auditors met with the Supervisory Body for a mutual exchange of information.

The legal audit of the accounts, pursuant to Legislative Decree 39/2010 (as subsequently amended by Legislative Decree 135/2016), was assigned to the auditing firm PriceWaterhouseCoopers S.p.A. (hereinafter "Auditing Company"), appointed by the Shareholders' Meeting of 6 April 2023 for the nine-year period 2023 - 2031.

The Board of Statutory Auditors met with the independent Auditors three times during the year to exchange information flows.

Supervisory activities on compliance with the Law and the statute.

The supervisory duties of the Board of Statutory Auditors are governed by art. 2403 of the Civil Code, by Legislative Decree no. 58/1998 and by Legislative Decree no. 39/2010. The Board took into account the changes made to Legislative Decree no. 39/2010 by Legislative Decree no. 135/2016, implementing Directive 2014/56/EU and European Regulation 537/2014.

On the supervisory activities carried out during the financial year, considering the indications provided by CONSOB with communication DEM/1025564 of 6 April 2001, modified and integrated with communication DEM/3021552 of 4 April 2003 and, subsequently, with communication no. DEM/6031329 of 7 April 2006, the Board represents the following.

The Board of Statutory Auditors has periodically obtained from the directors, also through participation in the meetings of the Board of Directors and of the board committees, information on the activity carried out and on the operations of greatest economic, financial and equity importance decided and carried out during the financial year, carried out by the Company as well as, pursuant to art. 150, paragraph 1, TUF, of those implemented by the controlled companies.

On the basis of the checks carried out and the information learned during the meetings in which it participated, the Board of Statutory Auditors can reasonably represent that the operations themselves comply with the Law and the Articles of Association and are not manifestly imprudent, risky, in conflict with the resolutions of the Shareholders' Meeting or such as to compromise the integrity of the company's assets.

Furthermore, operations in potential conflict of interest were managed and resolved in accordance with the Law, regulatory provisions and the Articles of Association.

During the year, the Board monitored the correct application of the Corporate Governance Code which came into force in January 2021 and, in particular, acknowledges the adoption of the recommendations communicated by the President of the Corporate Governance Committee for the year 2023.

Among the significant events of the year, the Board of Statutory Auditors deems it appropriate to recall the following, in consideration of their relevance, referring to the Management Report for a more detailed examination:

Transition process on Euronext Milan

During the first half of 2023, the Company concluded the process of transition of its ordinary shares from the Euronext Growth Milan market to the regulated Euronext Milan market, organized and managed by Borsa Italiana S.p.A.

The start of trading of Technoprobe's ordinary shares on Euronext Milan took place on 2 May 2023.

Purchase of own shares

Following the resolution of the Ordinary Shareholders' Meeting of 22 June 2023, the Company has launched a program for the purchase of treasury shares in order to (i) equip itself with a portfolio of treasury shares to be allocated to service stock option plans, stock grant or in any case share incentive plans, as well as (ii) operate on own shares with an investment perspective for an efficient use of liquidity.

Acquisition of Harbor Electronics

The acquisition of Harbor Electronics Inc. was completed on 8 August 2023 by the subsidiary Technoprobe Holding US LLC for an amount of approximately 50 million US dollars.

Binding agreement between Technoprobe, T-Plus S.p.A. and Teradyne, Inc.

On 8 November 2023 Technoprobe S.p.A., T-Plus S.p.A. and Teradyne Inc., have entered into a binding joint transaction agreement, which includes:

- Technoprobe's acquisition of the Device Interface Solutions (DIS) division from Teradyne;

- the acquisition by Teradyne, through its wholly owned subsidiary Teradyne International Holdings B.V., of a 10% stake in Technoprobe S.p.A. through the subscription of newly issued shares of Technoprobe corresponding to a share of 8% and the acquisition of shares equal to 2% from T-Plus.

Capital increase reserved for Teradyne International Holdings B.V.

As part of this agreement, on 14 November 2023, the Board of Directors partially implemented the delegation referred to in the art. 2443 of the Civil Code, conferred by the Extraordinary Shareholders' Meeting of 6 April 2023 and resolved a paid capital increase, with the exclusion of the option right, for an amount of Euro 384,744,524.94 (including share premium), through the issue of n. 52,260,870 ordinary shares without indication of nominal value, at an issue price for each share equal to Euro 7.362 to be subscribed by 30 October 2024. The New Shares are reserved for subscription exclusively to Teradyne International Holdings B.V.

There are no significant events that occurred after the end of the financial year.

Supervision activities on the adequacy of the organizational structure

The Board of Statutory Auditors acquired knowledge and monitored the adequacy of the organizational structure, compliance with the principles of correct administration, the adequacy of the instructions given by the Company to its subsidiaries, through the acquisition of information from the managers of the competent corporate functions and from the Auditing Firm , within the framework of the mutual exchange of relevant data and information.

During the year, the Company took various measures to implement or transpose provisions envisaged by the Regulations, by the Supervisory Authorities, by the Corporate Governance Code, keeping the Board of Statutory Auditors informed during the meetings.

The information received during the meetings of the Board of Directors and that received by the CEO, the Manager in Charge and the top positions and the Auditing Firm did not highlight the existence of atypical or unusual transactions with Group companies, with third parties or with related parties.

Supervisory activities on the adequacy of the internal control system

The Board of Statutory Auditors monitored the adequacy of the internal control and risk management systems through:

- acknowledgment of the assessment, expressed by the Board of Directors, of the adequacy of the organisational, administrative and accounting structure of Technoprobe and of the subsidiaries having strategic importance;

- the examination of the Reports of the Control and Risk Committee on the activity carried out and on the adequacy of the internal control and risk management system, approved on 3 August 2023 and 19 February 2024;

- the examination of the reports of the Supervisory Body pursuant to Legislative Decree no. 231/2001;

- periodic meetings, also participating in the meetings of the Control and Risk Committee, with the Internal Audit function, established by resolution of the Board of Directors of 9 August 2023, to evaluate the work planning methods, based on the identification and evaluation of the main risks present in processes and organizational units;

- meetings with the Manager responsible for preparing the company's accounting documents;

- discussion of the results of the work carried out by the auditing firm;

- regular participation in the work of the Control and Risk Committee, the Appointments and Remuneration Committee and the Related Parties Committee of the Company, jointly dealing with the topics when deemed appropriate;

- the analysis of some of the internal control procedures adopted by the Company, with the carrying out of specific compliance tests on a sample basis. In particular, the supplier qualification and monitoring procedures were analysed; Procurement of goods, services and consultancy; Qualify suppliers; Customs management; Management of customer orders; Customer management and customer care;

- meetings with the Health and Safety Manager, in order to verify the procedures adopted and be informed of relevant facts;

- meetings with the Internal Auditor, for updates on ongoing activities, preparatory to the development of the audit plan.

The Board of Statutory Auditors has acknowledged that the Control and Risk Committee has detected the absence of significant critical issues to submit to the Board of Directors, with specific reference to the EHS, the Internal Audit work plan and the related analysis and control activities to the fraud event suffered by the investee Technoprobe US.

Supervision activity on the adequacy of the administrative accounting system and on the auditing activity

The Board of Statutory Auditors monitored the process and checked the effectiveness of the internal control and risk management systems with regards to financial reporting.

The Board of Statutory Auditors periodically met with the Manager responsible for preparing the company's accounting documents to exchange information on the administrative-accounting system as well as on the reliability of the latter for the purposes of a correct representation of management facts.

The Board of Statutory Auditors also examined the declarations of the Manager in charge of preparing the corporate accounting documents in accordance with the provisions contained in the art. 154-bis, paragraphs 3 and 4 of the TUF.

The Board noted the start of a process of improvement of the system of internal control procedures compatible with the development and growth of the Company.

In this regard, the Company is currently implementing new management and information systems, characterized by greater automation, aimed at more efficient control of asset management and asset protection.

On this point, the Board of Statutory Auditors was informed of the implementation of the new ERP system, identified in SAP, currently underway. The transition to the new system was started from the first months of 2024 on the Administration and Finance function while, starting from 2025, the new management control system will be implemented which will support and integrate the SAP system.

The topic of the implementation of a new information system was also studied in depth by the Auditing Firm, which noted its priority and recommended its continuation in this sense.

During the month of October 2023, the subsidiary Technoprobe America suffered a fraud which highlighted critical issues relating to the segregation of duties. In this regard, the Company carried out investigation and control activities which led to the adoption of measures aimed at immediately improving the internal control system. The event was the subject of attention by the Board of Statutory Auditors, the Risk Control Committee and the Auditing Firm.

The Board of Statutory Auditors, also on the basis of the checks conducted by the Auditing Firm, considers more effective oversight and managerial strengthening in the area of treasury management a priority.

The event, in its extent, was considered by the Auditing Firm not significant for the purposes of the financial statements but worthy of attention with regards to the improvement of the information and internal control system.

The managers of the auditing firm, in periodic meetings with the Board of Statutory Auditors, did not report any critical situations which could however invalidate the internal control system inherent to the administrative and accounting procedures.

The Board of Statutory Auditors, considering the ongoing activity to improve the information and management system, believes that the critical issues that have emerged cannot invalidate the judgment on the adequacy of the administrative-accounting system.

Pursuant to art. 19 of Legislative Decree 39/2010 as amended by Legislative Decree 135/2016, the Board of Statutory Auditors also identifies itself in the Internal Control and Audit Committee and has therefore carried out the required supervisory activity on the statutory audit of the accounts annual and consolidated accounts.

The Board of Statutory Auditors periodically met with the auditing firm PricewaterhouseCoopers S.p.A., also pursuant to art. 150, paragraph 3, of the TUF, for the purpose of exchanging mutual information. In these meetings the Auditing Company did not highlight any acts or facts deemed objectionable or irregularities which required the formulation of specific reports pursuant to art. 155, paragraph 2, of the TUF.

During the supervisory activity on the financial statements, the Board of Statutory Auditors periodically met with the Auditing Company to examine the results deriving from carrying out the verification on the regular keeping of the accounts, for the examination of the audit plan of Technoprobe and the Group for the year 2023 and the progress of the work on the Plan itself.

The Board of Statutory Auditors and the Independent Auditors also maintained continuous information exchanges; in particular, the Board acknowledged an adequate level of professional skepticism and promoted effective and timely communication with the Auditors.

The Board of Statutory Auditors analyzed the activity carried out by the Auditing Company and in particular the methodological system and the auditing approach used for the various significant areas of the financial statements and the planning of the auditing work. Furthermore, the Board shared the issues relating to corporate risks with the Auditing Company, thus being able to appreciate the adequacy of the response planned by the auditor with the structural and risk profiles of the Company and the Group.

The draft financial statements for the financial year ended 31 December 2023, accompanied by the management report prepared by the Directors, as well as the certification of the Chief Executive Officer and the Manager in charge of preparing the corporate accounting documents, approved by the Board of Directors at the meeting of 14 March 2024, was simultaneously made available to the Board of Statutory Auditors in view of the Shareholders' Meeting called for 24 April 2024. On the same date of 14 March 2024, the Board of Directors of Technoprobe approved the consolidated financial statements, as prepared by the Manager in Charge, pursuant to art. 154-bis of the TUF accompanied by the certification of the CEO and the Manager in charge of preparing the corporate accounting documents.

On 28 March 2024, the Auditing Company issued, pursuant to art. 14 of Legislative Decree 39/2010 as amended by Legislative Decree 135/2016 and art. 10 of Regulation (EU) no. 537/2014, the audit reports on the financial statements and consolidated financial statements of the Technoprobe Group closed on 31 December 2023, drawn up in compliance with the International Financial Reporting Standards - IFRS adopted by the European Union.

The Auditing Company informed the Board of Statutory Auditors regarding the circularization activity, with particular regard to the feedback received from professionals and lawyers, who confirmed the absence of unknown or otherwise relevant issues for the purposes of the financial statements as at 31 December 2023.

With regards to the opinions and certifications of the Auditing Firm, please refer to the reports issued by the same, in which there are no findings or requests for information.

On 28 March 2024, the Auditing Company also presented the additional report required by art. to the Board of Statutory Auditors. 11 of EU Regulation no. 537/2014, which shows no significant deficiencies in the internal control system in relation to the financial reporting process worthy of being brought to the attention of those responsible for governance activities except as indicated in relation to the information and internal control system, which is subject to improvement and modernization.

The Auditing Company presented to the Board of Statutory Auditors, in the additional report required by art. 11 of EU Regulation no. 537/2014, the declaration relating to independence, as required by art. 6 of EU Regulation no. 537/2014, of which no situations emerge that could compromise its independence.

The Auditing Company has received attestation assignments and other assignments relating to the 2023 financial year, as reported in the table attached to the financial statements in compliance with the requirements of the art. 149- duodecies of the Issuers' Regulations.

The fees for the aforementioned assignments amount to Euro 1,026,000.00, detailed as follows:

Audit Services:

- Euro 130,000.00: Legal auditing of the financial statements of Technoprobe SpA

- Euro 115,000.00: Legal auditing of the consolidated financial statements of the Technoprobe group

- Euro 75,000.00: Limited audit assignment of the abbreviated half-yearly financial statements of Technoprobe SpA (parent company)

- Euro 90,000.00: Assignment of limited audit of the consolidated non-financial statement

Services other than audit:

- Euro 571,000.00: Additional audit activities in relation to the Listing with reference to the aggregate consolidated financial statements of the Company relating to the financial years 2020, 2021 and 2022;

Issuance of Comfort letters and Bring Down letters on the information prospectus and Offering circular based on the provisions of Research Document no. 132, "Informative prospectus of comfort letter offers requested by intermediaries responsible for placement" issued by Assirevi and, although not regulated by the same, referring to AU C-920 "Letters for Underwriters and Certain Other Requesting Parties" issued by American Institute of Certified Public Accountants (AICPA)";

Activities related to the issuance of the Comfort Letter for the benefit of the listing agent with reference to the budget, issuance of Comfort Letter in relation to the listing process.

- Euro 45,000.00: Report art. 2441 c.c.

Supervisory activities on transactions with related parties

Intercompany or related party transactions are indicated in the explanatory notes to the 2023 financial statements.

The Board of Statutory Auditors monitored the compliance of the Procedure adopted by Technoprobe S.p.A. regarding transactions with Related Parties, as lastly approved by the Board of Directors on 21 March 2023, to current legislation and on the correct application of the CONSOB regulatory provisions which came into force on 31 December 2021 (Resolution no. 17221 of 12.3.2010 updated with resolution no. 22144 of 12.22.2021).

Other activities

1) *Methods of concrete implementation of corporate governance rules*

In the exercise of its functions, the Board of Statutory Auditors, as required by art. 2403 c.c. and by the art. 149 of the TUF, monitored the methods of concrete implementation of the corporate governance rules envisaged by the codes of conduct which Technoprobe declares to comply with. The Company adheres to the Corporate Governance Code drawn up by the Corporate Governance Committee of the Italian Stock Exchange and has drawn up, pursuant to art. 123-bis of the TUF, the annual "Report on Corporate Governance and Ownership Structures".

This report provides, among other things, information regarding (i) the ownership structures; (ii) the corporate governance rules; (iii) the internal control and risk management system; (iv) the mechanisms of the Shareholders' Meeting; (v) the rights of shareholders and the methods of exercising them; (vi) the composition and functioning of the administrative and control bodies and of the board committees.

The Board of Directors approved the "Report on Corporate Governance and Ownership Structures" on 14 March 2024.

The Board of Statutory Auditors proceeded to verify the correct application of the criteria and assessment procedures adopted by the Board of Directors to evaluate the independence of its members according to the procedure adopted by the Board of Directors.

2) *Remuneration policies*

The Board of Statutory Auditors verified the corporate processes that led to the definition of the Company's remuneration policies with particular reference to the remuneration criteria of the CEO and Managers with strategic responsibilities, providing, where required by law, the relevant opinions . The Appointments and Remuneration Committee expressed a favorable opinion on the approval of the Report on the remuneration policy, prepared pursuant to article 123-ter of the TUF and in compliance with article 5 of the Corporate Governance Code, which was also approved by the Board of administration dated 14 March 2024.

3) Omissions or objectionable facts, opinions rendered and initiatives undertaken

During the 2023 financial year, the Board of Statutory Auditors did not receive any complaints pursuant to art. 2408 of the Civil Code, nor has it received complaints from third parties.

The Board of Statutory Auditors also issued the opinions required by current legislation, in particular:

- On 29 March 2023 it issued the certification pursuant to art. 15 paragraph first letter (C) (II) of the Market Regulation adopted with Consob resolution no. 20249 of 28.12.2017 regarding the administrative-accounting system of subsidiaries not belonging to member states of the European Union, whose participation is of significant importance on the basis of the criteria identified by art. 151 of the Issuers' Regulations;

- On 6 April 2023, presented the reasoned proposal of the Board of Statutory Auditors pursuant to article 13 of Legislative Decree 39/2010, regarding the assignment of the task for the audit of the financial statements and the consolidated financial statements of the group , of the condensed half-yearly financial statements, pursuant to and for the purposes of article 14 of Legislative Decree 39/2010;

- On May 20, 2023, it issued the opinion regarding the assignment to PriceWaterhouseCoopers for the due diligence activity relating to the acquisition of Harbor Electronics Inc;

- On 8 September 2023 it issued the opinion regarding the assignment of the "non-audit" task to PwC Business Service S.r.l. for the preparation of the due diligence relating to the acquisition of the Design Interface Solution business unit of Teradyne, Inc.

During the activity carried out and on the basis of the information obtained, no omissions, objectionable facts, irregularities or in any case significant circumstances were detected such as to require reporting to the Supervisory Authorities or mention in this report.

4) Non-financial declaration

The Board of Statutory Auditors, in the exercise of its functions, monitored compliance with the provisions contained in Legislative Decree no. 30 December 2016. 254 and in the CONSOB Regulation implementing the Decree adopted with resolution no. 20267 of 18 January 2018, in particular with reference to the drafting process and contents of the Non-Financial Declaration ("DNF") drawn up by Technoprobe.

The DNF was approved at the meeting of the Board of Directors on March 14, 2024.

The Auditing Firm, which has been assigned the task of carrying out the limited assurance examination of the DNF pursuant to art. 3, paragraph 10, of Legislative Decree 254/2016, in the report issued on 28 March 2024 highlights that no elements have come to its attention such as to suggest that the DNF of the Technoprobe Group, relating to the financial year ended 31 December 2023 , has not been drawn up, in all significant aspects, in compliance with the requirements of the articles. 3 and 4 of Legislative Decree 254/2016 and the Global Reporting Initiative Sustainability Reporting Standards.

The Board of Statutory Auditors obtained, also by participating in the meetings of the Control and Risk Committee, periodic updates regarding the performance of the preparatory activities for the preparation of the DNF and, within the scope of its activities, it did not become aware of violations of the relevant regulatory provisions.

Conclusions

Taking into account all of the foregoing, the Board of Statutory Auditors, considering the content of the reports drawn up by the Auditing Company, having taken note of the certifications issued jointly by the CEO and the Manager in charge of preparing the company's accounting documents, expresses, to the extent of its competence , favorable opinion on the proposal to approve the financial statements of Technoprobe S.p.A. to 31 December 2023 and the proposed allocation of the profit for the year of Euro 120,254,821 as formulated by the Board of Directors.

Cernusco Lombardone, March 28, 2024

Dottor Carlo Bianco – Presidente

Dottor Giorgio Corti- Sindaco effettivo

Dottor Pierfrancesco Giordano – Sindaco effettivo

TECHNOPROBE