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Societa' : ELES SEMICONDUCTOR EQUIPMENT

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Utenza - Referente : ELESN01 - FRANCESCA ZAFFARAMI

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Oggetto : Financial Statements 2023 and Consolidated Revenues 1Q 2024

Testo del comunicato

Vedi allegato



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PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

**ALL ECONOMIC AND FINANCIAL INDICATORS IN
SIGNIFICANT IMPROVEMENT
REVENUES (+25.7% YoY), EBITDA (+43.7% YoY),
NFP/EBITDA: 0.7x , D/E: 0.1x
CASH CONVERSION RATIO C. 57%**

Main consolidated figures as at 31 December 2023:

- Sales revenue: Euro 32.8 million (+25.7% compared to 31 December 2022);
- Consolidated EBITDA: Euro 5.1 million (+43.7% compared to 31 December 2022);
- Adjusted EBITDA: Euro 5.5 million;
- EBITDA Margin: 15.4% (EBITDA Margin 2022: 13.5%);
- CONSOLIDATED NET RESULT: Euro 799 thousands (+ 22.4% compared to 31 December 2022);
- Consolidated Shareholders' Equity: Euro 26.9 million;
- Consolidated NFP: Euro 3.7 million (compared to Euro 7.9 million as at 31 December 2022)

**ACKNOWLEDGEMENT OF CERTAIN MANAGEMENT DATA AS AT 31.03.2024
SALES REVENUE OF EURO 6.5 MILLION (+2.7% COMPARED TO 31.03.2023)
AEROSPACE & DEFENCE +38% COMPARED TO 31.03.2023**

**ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING CONVENED
OF SHAREHOLDERS ON 13 JUNE IN FIRST CALL AND ON
14 JUNE IN SECOND CALL, FOR THE PURPOSE OF RESOLVING
INTER ALIA, THE AUTHORISATION FOR THE PURCHASE AND DISPOSAL OF
TREASURY SHARES**

¹ Calculated as the EBITDA for the period gross of Euro 0.4 million of non-recurring charges for the reversal of the 2008 R&D tax credit (pending and in relation to which the possibility of recovery has been exhausted with the rejection of the appeal filed with the CEDU)



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Todi, May 10, 2024 - ELES S.p.A. (the "**Company**" or "**ELES**"), listed on Euronext Growth Milan and a provider of semiconductor device test solutions (*IC Integrated Circuits*) with **Automotive and Mission Critical** applications, announces that today the Board of Directors approved the draft financial statements prepared in accordance with Italian GAAP and the consolidated financial statements as of December 31, 2023, prepared in accordance with IAS/IFRS. At the same meeting, the Board of Directors examined the (unaudited) figures for the first quarter of 2024, with reference to sales revenue..

Antonio Zaffarami, Chairman of the Company states, " *The financial year 2023 confirms with its numbers the technological leadership of Eles, which produces an improvement in all economic and financial indicators. In addition to the increase in revenue and margins, our business model has enabled us to produce solid operating cash flow generation, which strengthens an already solid balance sheet. In 2023, partnerships were signed with the Fraunhofer Institute and ProteanTecs (global leaders in their respective fields) from which we expect an extremely positive contribution in terms of both technological know-how and business "*

Francesca Zaffarami, CEO of Eles says, " *We are extremely satisfied with the results achieved, which reward the hard work done with absolute dedication and continuous striving for innovation. The technological leadership of Eles, together with the strategy of growth by external lines, has produced over the years a resilience with respect to the normal cyclicity of the reference market. As proof, 2024 is confirmed as a positive year also thanks to the contribution of the A&D end-market, which grew by 38% compared to the previous year. We look to this year with great confidence and intend - among other things - to strengthen the management structure, in order to make the growth path sustainable, by gathering the best resources on the market."*

Analysis of consolidated financial results as of December 31, 2023.

Sales revenues, which take into account the acquisition of CBL Electronics Srl and its participated company (which took place in October 2022) and Campera ES Srl (which took place in January 2022), amounted to 32,784 thousand Euro, up 25.7% compared to 26,087 thousand Euro in 2022. During 2023, there was significant growth in the Industrial end market (+40% compared to the previous period), driven by increasingly strong demand for devices mainly related to the AI, High Performance Computing and Data server sectors.

Automotive remains the main end market, with significant orders in 2023 from two of the industry's leading suppliers.

In addition, two important partnerships were signed in 2023 that will foster the development and deployment of ELES technology. In February, the Group's presence in California's Silicon Valley was expanded through the launch of a collaboration with a new OSAT specialising in chip qualification for 'mission critical' applications, while in October, a collaboration was announced with ProteanTecs that will enable an innovative approach to integrate parametric measurements during stress testing to accurately and precisely monitor the real effects of degradation.

In 2023, the Semiconductors line recorded revenues of about 22,039 thousand Euro, up 6.2% from 20,751 thousand Euro, outperforming the reference sector (-16% Global ICs Automated Test Equipment market). The Aerospace & Defense line, which benefited from the resumption of investment programmes in the Defense area at



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a national and European level and the continued growth of the Aerospace segment, closed the year with revenues of 10,747 thousand Euro, recording a growth of more than 101% compared to the 2022 revenues of 5,336 thousand Euro.

Revenues from the Test Applications line, which represents the Group's distinguishing factor and which allows, through the RETE methodology, to deliver results to the customer that support greater competitiveness, amounted to 13,444 thousand Euro or 41% of Sales Revenues, up 20% compared to 11,147 thousand Euro in 2022, mitigating the contraction recorded on the Test system line (-10% YoY).

The incidence of exports remained significant, amounting to 50% of Consolidated Sales Revenues, although the consolidation of the newly acquired company strengthened the weight of the domestic market.

(euro/1000)	31.12.2023	%	31.12.2022	%	Δ%
EMEA	8.448	25,77	9.313	35,70	(9,3)
America	2.381	7,26	876	3,36	>100%
Asia	5.569	16,99	5.815	22,29	(4,2)
Total Foreign Revenues	16.398	50,02	16.004	61,35	2,5
Italy	16.387	49,98	10.083	38,65	62,5
Total Revenues from sales	32.785	100,00	26.087	100,00	25,7

EBITDA amounted to 5,051 thousand Euro, up 43.7% from the previous period (3,516 thousand Euro) and represented 15.4% of sales revenue, up from the previous period (13.5% to 2022) due to the reduction in the impact of the increase in logistics costs, raw materials and services related to the shortage phenomenon.

Adjusted EBITDA amounted to 5,460 thousand Euro calculated gross of Euro 0.4 million of non-recurring charges for the reversal of the R&D tax credit dating back to 2008 and in relation to which the possibility of recovery was exhausted with the rejection of the appeal filed with the CEDU.

Operating Income ("**Ebit**") was positive in the amount of 2,148 thousand Euro, against a value of 1,201 thousand Euro as of 31 December 2022.

The **Net Result** was positive at 799 thousand Euro, against a value of 653 thousand Euro as at 31 December 2022.

(Euro/1000)	31.12.2023	%	31.12.2022	%	Δ%
Sales Revenues	32,785	100.0	26,087	100.0	25.7
EBITDA	5,051	15.4	3,516	13.5	43.7
Non recurring charges	409	1.2	0.0	0.0	-
Adjusted EBITDA	5,460	16.7	3,516	13.5	55.3

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ELES Semiconductor Equipment S.p.A.

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Operating Income	2,148	6.6	1,201	4.6	78.8
Group Net Result	799	2.4	653	2.5	22.4

The **company's net financial debt** decreased from a balance of 7,888 thousand Euro (debt) at 31 December 2022 to a balance of 3,701 thousand Euro (debt) at 31 December 2023. The reduction in debt benefited from the capital increase of 3 February 2023, the conversion of warrants carried out during the 8th and 9th windows (closed on 30 June 2023 and 30 November 2023, respectively), the absorption of working capital related to the increase in inventories and the reduction in trade receivables and payables.

Shareholders' Equity as at 31 December 2023 amounted to 26,935 thousand Euro including the profit for the period of 799 thousand Euro.

Net Financial Position (euro/000)	31.12.2023	31.12.2022	Δ%
A. Liquidity	(14,705)	(11,217)	31
B. Current financial indebtedness	7,618	5,714	33
C. NET CURRENT FINANCIAL INDEBTEDNESS (A-B)	(7,088)	(5,503)	29
D. Non-current financial indebtedness	10,788	13,392	(19)
E. TOTAL FINANCIAL INDEBTEDNESS (C+D)	3,701	7,888	(53)

Research and Development Activities

In 2023, the Group capitalised internal and external investments related to the development of new innovative solutions necessary for the implementation of the Company's strategic plan, for 2,603 thousand Euro, of which about 600 thousand Euro related to investments of the subsidiary CBL S.r.l.

Research and development activities are aimed at anticipating and supporting the evolution, towards increasingly stringent levels, of the reliability requirements of semiconductors and the A&D sector and related testing.

During 2023, the Parent Company was mainly engaged in the following R&D projects:

- Study and development of newly developed test methodologies and software architectures to support the de-sign and reliability verification of electronic components
- Study and research of Thermal Head geometry that guarantees temperature uniformity in Bi-Phase technology. Study, research and prototyping of the control platform (HDW-SW-FW) for testing high power density SOCs with Bi-Phase technology
- Study and development for Design of Experiment (DoE) activities for high-current applications - up to 1000.
- Study and development in favour of Design of Experiment (DoE) activities for LTC applications - embedded heaters inside the PCB



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- Study and development in favour of Design of Experiment (DoE) activities for fine pitch applications - Socket Board and Chip board with pitch = 0.3mm
- Study and development of a solution and test methods for wafer-level Burn-In and Test applications of wide bandgap devices in Silicon Carbide technology
- Study and development of new solutions for significantly improved Thermal Head versions, in order to mitigate issues arising from field tests.

For these projects, the company accrued a Tax Credit for R&D Activities pursuant to Article 1, paragraph 200 Law no. 160 of 27 December 2019 amounting to 159 thousand Euro; and a Tax Credit for investments in Technological Innovation pursuant to Article 1, paragraph 201 Law no. 160 of 27 December 2019 amounting to 5 thousand Euro.

Results and Allocation of Profit for the Year to 31 December 2023

The Board of Directors has resolved to propose to the Shareholders' Meeting scheduled for 13 June 2024 and, if necessary, on second call, for 14 June 2024, the following allocation of Eles S.p.A.'s net profit for the year, amounting to 92,400 Euro:

- Euro 4,620 to the legal reserve
- Euro 87,780 to the extraordinary reserve.

Significant events during the period

The Group focused on the integration process of the companies acquired during 2022 and continued to invest in research and development projects to enable the company to seize all opportunities related to current and future technological challenges, as well as in projects aimed at improving efficiency and competitiveness.

The Group's innovation capacity also supports the process of acquiring new customers.

In January 2023, the Group announced that an important customer (SEMI), a world leader in LED lighting, had reconfirmed its trust in Eles by issuing new orders worth a total of around 2 million Euro relating to High Power solutions.

In February, the Group announced that a new OSAT (*Outsourced Semiconductor Assembly And Test*) based in the American Silicon Valley and specialised in the qualification of chips for "mission critical" applications, has been equipped with Eles solutions and the partnership with Eles, to offer its customers the RETE applications aimed at guaranteeing the "FAST ZERO DEFECT ROADMAP" a real plus for Mission Critical and Automotive applications. This expands Eles' presence in a geographical area with a high propensity for technological innovation in all strategic semiconductor chip sectors.



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In April, the Group announced the acquisition of a new customer, an important European player leader in the supply of semiconductors for AI and Data Computing and management that will include Eles solutions in the production line of new chips developed with high power (1500W).

In June, the Group announced that the Semiconductor Reliability Laboratory ICE Inc., one of the most important in the US Silicon Valley, has chosen the ELES ART HPH liquid-cooled semiconductor qualification platform to process ultra-high power chips for AI (Artificial Intelligence) and Data Servers applications, whose market is expanding rapidly.

These new orders reinforce the path of penetration of the high power market undertaken by the company, a fast-growing market driven mainly by AI and Data Management and Automotive applications that re-demand very high performance processors.

Also noteworthy is the launch of the strategic alliance between the ELES Group, the University of Perugia and the Fraunhofer Institute for Electronic Nano Systems ENAS for advanced semiconductor reliability, with the technological objective of improving the reliability of semiconductor devices and systems of orders of magnitude, according to an innovative model that combines device-oriented and data-oriented technologies.

Added to this is the announcement in October 2023 of a partnership for safety and mission-critical applications between ELES, and ProteanTecs, a global leader in data analysis for advanced electronics. The collaboration combines ProteanTecs' chip health and performance monitoring solutions with ELES' Design for Reliability methodology. The two companies have published a white paper highlighting the joint benefits, entitled 'Using Deep Data Analytics to Enhance Reliability Testing: The Fast Roadmap for Zero Defects'. The collaboration between ProteanTecs and ELES will enable an innovative approach to integrate parametric measurements during stress testing to accurately and precisely monitor the true effects of degradation. Other applications include intelligent test material selection, dynamic calibration of the stress level to match the required mission profile, early identification of outliers and the ability to quickly identify the root cause once a failure is observed. This is to the benefit of customers who can gain greater confidence in reliability, with significant time and cost savings.

As regards the Aerospace & Defence sector, a segment characterised by strong growth (20% from 2012 to date), the Group announced in June the acquisition of an important order from OHB Italia Spa (Orbitale Hoch-technologie Bremen) for the 'Comet Interceptor' mission of the European Space Agency (ESA) for the development and supply of an EGSE (electrical ground support equipment).

On 03 February, a capital increase was fully subscribed and offered to qualified investors in order to broaden the investor base, as well as to provide additional financial resources for future investments and to be allocated to research and development activities and external growth, for a counter-value of EUR 6,499,995.90 through the issue of 3,823,527 new ordinary shares at a price per share of EUR 1.70.

On 14 July 2023, in execution of the share transfer agreement of CBL Electronics S.r.l. signed on 10 May 2022, Eles finalised the purchase of the remaining 4% of CBL's share capital from the sellers, Massimiliano Bellucci and Andrea Cannavici, for a total countervalue of Euro 60,000, thus resulting in 100% ownership of CBL's shares.



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On 13 October 2023, the Extraordinary Shareholders' Meeting of Eles S.p.A. resolved to revoke the proxy pursuant to Article 2443 of the Italian Civil Code conferred on 20 January 2023 and to grant a new proxy to the Board of Directors to increase the share capital.

On 13 October 2023, the Shareholders' Meeting of the holders of the "Eles Warrants 2019-2024" approved certain amendments to the "Eles Warrants 2019-2024" Re-regulation, in order to extend the final exercise deadline of the warrants to 19 June 2026, introducing two additional exercise periods and changing the name of the Warrant Regulations to reflect this extension.

On 30 November 2023, the ninth exercise period "WARRANT ELES 2019-2026" ISIN code IT0005374258 ended with the total exercise in the two 2023 periods (June and November) of no. 10,850 Warrants and the issuance of no. 5,425 newly issued ordinary Eles shares, for a total countervalue of Euro 11,663.75.

During the period, the impacts of the shortage persisted, such as: i) the extension of delivery times and ii) the increase in purchase prices of electronic components, exacerbated by inflation.

More than a year after the start of the Russo-Ukrainian conflict, the war is still ongoing and the associated sanctions continue to have a major impact on the global economy by driving up energy, commodity and service prices; increasing inflationary pressures that started with the Covid-19 pandemic and the subsequent supply chain disruptions. In the European area, after peaking at 10% in 2022, inflation dropped to 2.9% in December 2023 according to Eurostat. While in the US, December inflation was higher than expected at +3.4% year-on-year; but with the energy index down 2.0% in the 12 months ending December.

The Group will continue to closely monitor the situation in order to implement any further actions to minimise unforeseen supply disruptions, and in the event of a rise in inflation.

The Group's economic and financial situation is solid and it is believed that, despite the phase of uncertainty brought about by the sanctions issued by the US government against China, the Russia-Ukraine conflict and the impacts of the shortage and inflation, while remaining exposed to even significant potential effects, business continuity can be regularly maintained.

Events after the end of the period

The Group is focused on the integration process of the companies acquired during 2022 and continues to invest in research and development projects to enable the company to seize all opportunities related to current and future technological challenges, as well as projects aimed at improving efficiency and competitiveness.

The Group's innovation capacity also supports the process of acquiring new customers.

In April 2024, the Group announced that it had received a first order from a new Indian customer, a leader in 'Concept to Chip' Design & Test, for an ART system, a universal platform for Zero Defect Reliability Embedded Test Engineering (RETE). India, strengthened by uncertainties in other areas of the world such as China and Taiwan, thinks it has all the makings of a major semiconductor hub and a reliable interlocutor for the EU and USA.



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In fact, starting with the major USD 11 billion investment planned by TATA Electronics and Taiwanese PowerChip Semiconductor, the country is working towards the creation of a robust semiconductor ecosystem and a major front-end facility in the Gujarat region. With this order, ELES consolidates the scouting and partnership activities initiated in the region, carving out a leading role for itself in the context.

In March 2024, the Group announced that it had signed an agreement with Manakin Enterprise Private Limited, a subsidiary of IHE (INDO-FRENCH HIGH TECH EQUIPMENTS) for the distribution in the Indian market of Eles solutions, aimed at semiconductor reliability testing. Eles Spa was invited by the sales & marketing manager of IHE, to attend the IEEE Electron Devices Technology and Manufacturing (IEEE EDTM) conference held at the Hilton Hotel in Bangalore, India from 03 to 6 March 2024. Participation in this important international event (IEEE EDTM), allowed Eles to present its innovative RETE (Reliability Embedded Test Engineering) offering as a unique global player, particularly useful to meet the current and future needs of Indian Reliability Laboratories, Design Centres, OSATs and Research Institutes. The interest aroused by the Eles offer, has consolidated the partnership with the representation and distribution company Manakin Enterprise Private Limited, resulting in the signing of the agreement that will guide the collaboration process, in order to allow our group to operate effectively - as a global leader - in a new market space and geographical area in constant growth and development.

The Group's ability to innovate, contributes to the loyalty of customers who experience new test solutions together with the Group while expanding the Group's offering. In May 2024, the Group announced the receipt of an order for a smART MTX system from an IDM customer among the top 10 players in the global semiconductor market. The receipt of this order renews and consolidates the collaboration with the customer, expanding the installed base of Eles systems present in the customer's laboratory and confirming the Group's technological leadership in the reference market. smART MTX, a system capable of testing high-voltage devices up to 6,000 volts, was selected by the customer for its versatility and ability to efficiently support the ELES RETE (Reliability Embedded Test Engineering) methodology for improving reliability and yield.

These new orders reinforce the company's path of penetration of the high power and high voltage market, a fast-growing market driven mainly by AI and Data Management applications that require very high performance processors and Automotive, the latter also growing due to the increase in demand for Electric Vehicles and based on SiC&Gan technology chips.

In March 2024, the Group filed a patent application in Italy for a solution for Wafer-level Testing of devices in SiC&Gan technology, for which strong growth is expected.

Worthy of note is the announcement in April 2024 of the signing of an agreement between the ATS Engineering Group company (Reliability Lab in Israel) and inPACK, a microchip and electronic board assembly company, for the creation of the first OSAT (Outsourced Semiconductor Assembly And Test) in the Middle East. This cooperation will guarantee Israel technological independence in the field of assembly and testing of SEMI chips for A&D, Medical and Mission Critical applications and at the same time meet the evolving needs in the field of POST



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SILICON, starting with the design and production of substrates for the technological miniaturisation of chip assembly in electronic systems, continuing with testing and qualification, provided by the Reliability Lab ATS Engineering, using Eles ART solutions and the RETE (Reliability embedded Test Engineering) methodology.

The strategic partnership initiated between ProteanTecs and the ELES Group continues, and it was announced in May 2024 that ProteanTecs will collaborate on an Industrial Paper entitled "In-chip Monitoring for Ex-tended Reliability Testing and Mission Profile Monitoring Feedback Loop" to be presented by ProteanTecs - at the 29th IEEE European Test Symposium 2024.

The Group's economic and financial situation is solid and it is believed that, despite the phase of in-certainty brought about by the sanctions issued by the US government against China, the Russia-Ukraine conflict and the impact of inflation, while remaining exposed to potential even significant effects, business continuity can be regularly maintained.

Foreseeable business developments

The global semiconductor industry is facing simultaneous problems of scarcity and oversupply, resulting in a reshuffling of capital expenditure (capex) to increase capacity (which, however, remains significant for the period). The high level of interest rates and the continuing geopolitical uncertainty had a major impact on the cyclical component of demand for industrial investments.

The outlook for the global A&D industry grew from USD 795.92 bn in 2022 to USD 855.62 bn in 2023, with a compound annual growth rate (CAGR) of 7.5%; it continues to be positive for 2024 and growth estimates are confirmed to exceed USD 1 trillion in 2027 with a CAGR of 5.9%. These growth forecasts were, in the first quarter of 2024, partly mitigated by a significant reduction in revenues and orders as a result of the overstocking that has been affecting the industry for several quarters now, particularly in the automotive end market.

As far as the aerospace sector is concerned, Euroconsult's latest study predicts significant growth in the space economy market driven mainly by the explosion of commercial satellite constellations. In fact, the number of satellites launched in the period 2022-31 is expected to grow by about 4 times compared to 2012-21. The outlook for the defence industry is very positive. In the course of 2023, the Russian-Ukrainian conflict was joined by a new war front in the Middle East that started with the Gaza war between the State of Israel and Hamas that began on 7 October 2023 as a response to Hamas' attack on Israel. Increasing geopolitical tensions have led NATO countries to reconsider their defence investments, which are now expected to converge towards the target of 2% of GDP.

In this context, the Group's growth process continues in 2024 with Consolidated Sales Revenues of 6,479 thousand Euro, up 2.7% from 6,311 thousand Euro in 1Q 2023. Growth in the first quarter, boosted by the positive contribution of the companies acquired in 2022 (CBL Electronics S.r.l. and Campera S.r.l.), was driven by the Aerospace & Defence end market (+38% vs. Q1 2023) and the Industrial and Communication end market (+360% vs. Q1 2023), which collectively offset the contraction of the Automotive end market (-38% vs. Q1 2023).



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The Group aims to consolidate its leadership in mission critical applications through:

- the evolution of the RETE methodology: the increasing complexity of chips and systems coupled with the growth of performance and reliability requirements are driving the need for post Silicon Analysis Maintenance & Optimisation - to have visibility within critical performance, reliability and safety throughout the chip lifecycle. Silicon Lifecycle management closes the loop by analysing chip data collected through sensors and monitors and optimising production activities at various process stages. The RETE methodology evolves to uniquely meet these needs by introducing DfSLM (Design for Silicon Lifecycle Management). This evolution is supported by Eles on the partnership with the Fraunhofer Institute for Electronic Nano Systems ENAS and globally distributed reliability laboratories and several pi-lota projects initiated with the group's main customers;
- the offer of expertise to support major players in the Aerospace & Defence and space economy by focusing on the group's growing involvement in major European investment programmes;
- the integration of the acquired companies, developing significant revenue and cost synergies and establishing the Group as an aggregating pole in the high-tech world;
- growth in established markets through:
 - the expansion of the offer in both the SEMI and A&D sectors, supported by the NETWORK methodology;
 - the development of new geographical areas with particular reference to the Middle Eastern and Indian markets;
 - the consolidation of partnerships launched during 2023 with particular reference to Fraunhofer and ProteanTecs;
 - development of existing customers;
 - acquisition of new customers.

The Board of Directors approves the independence criteria for directors

In compliance with the amendments made by notice No. 43747 published on 17 November 2023 by Borsa Italiana S.p.A. to Article 6-bis of the Euronext Growth Milan Issuers' Regulations, which came into force on 4 December 2023, the Board of Directors, considering the elimination of the burden placed on Euronext Growth Advisor to assess the independence requirements of candidates for the office of independent director for companies already admitted to Euronext Growth Milan, has acknowledged the need to repeal the procedure previously adopted. As a result of the above, the Board has defined the quantitative and qualitative criteria on the basis of which to assess the significance, also of an economic nature, of relationships potentially relevant for the purposes of assessing the independence of Directors (the "Policy"). The 'Policy' is available on the website www.eles.com in the [governance#Documents](#) section.



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OTHER RESOLUTIONS OF THE BOARD OF DIRECTORS

The Board of Directors also resolved to submit to the Shareholders' Meeting for approval, pursuant to Article 13 of Legislative Decree No. 39/2010, the reasoned proposal, to be prepared by the Board of Statutory Auditors, for the appointment of the three-year statutory audit of the financial statements for the financial years 2024-2026 and the limited audit of the half-yearly reports for the half-year periods ending 30 June 2024, 30 June 2025 and 30 June 2026.

The Board of Directors also resolved to propose that the Shareholders' Meeting authorise the Board of Directors to proceed with transactions to purchase and dispose of treasury shares pursuant to Articles 2357 et seq. of the Italian Civil Code, subject to revocation of the previous authorisation granted by the Ordinary Shareholders' Meeting on 14 June 2023.

The Board of Directors also resolved to submit to the next Shareholders' Meeting the proposal regarding the amendments to Articles 20 and 23 of the Articles of Association.

In particular, with reference to the amendment to Article 20, please note that this provision, in its second paragraph, states that: *'Those who are entitled to vote may be represented at the Shareholders' Meeting in accordance with the law, by means of a proxy issued in accordance with the procedures provided for by the regulations in force'*. In order to facilitate the holding of shareholders' meetings in the context of the COVID-19 pandemic, the legislature approved Decree-Law No. 18 of 17 March 2020 on *'Measures to strengthen the National Health Service and provide economic support for families, workers and businesses in connection with the COVID-19 epidemiological emergency'*, converted into law with amendments by Law No. 27 of 24 April 2020 (the *'Decree-Law on Cure Italy'*). Article 106 of the D.L. Cura Italia recognised for all companies with shares listed or admitted to trading on a multilateral trading system, for the period of the pandemic emergency, the possibility, also by way of derogation from the statutory provisions, to provide that those entitled to attend the shareholders' meeting *"exclusively through the designated representative pursuant to Article 135-undecies of Legislative Decree 24 February 1998, no. 58"* to whom *'proxies or sub-delegations may also be granted pursuant to Article 135-novies of Legislative Decree No. 58 of 24 February 1998'*. These provisions apply to all Shareholders' Meetings held by 31 December 2024, by virtue of the extension to that date provided for by Law No. 21/2024, effective as of 27 March 2024. In addition, Article 11 of Law No. 21/2024 provides for a new Article 135-undecies.1 of the TUF (entitled *"Participation in Shareholders' Meetings through the Designated Representative"*) pursuant to which: *"The bylaws may provide that participation in the shareholders' meeting and the exercise of voting rights shall be made exclusively through the representative designated by the company pursuant to Article 135-undecies. TUF)*, the option of establishing that the participation and exercise of voting rights in the shareholders' meeting for the entitled persons shall take place exclusively through the granting of proxies to the designated representative.

Therefore, the Board of Directors proposed to amend the wording of Article 20 of the Bylaws to expressly provide for the possibility for the Company to hold shareholders' meetings with the participation of shareholders exclusively through the so-called "designated representative" pursuant to Article 135-undecies.1 of the TUF.



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With reference, instead, to the amendment of Article 23, it should be noted that, pursuant to Article 6-bis of the Euronext Growth Milan Issuers' Regulations ("**EGM Issuers' Regulations**"), as in force until 4 December 2023, each Euronext Growth Milan issuer had to appoint and maintain at least one independent director, chosen among the candidates previously identified or positively evaluated by the Euronext Growth Advisor ("**EGA**"). The Chairman announced that Borsa Italiana has amended, effective as of 4 December 2023, inter alia, art. 6-bis of the EGM Rules for Issuers, eliminating the aforesaid burden on the EGA in the phase following admission to trading (thus maintaining it only at the time of the IPO when the EGA is only required to assess the possession of the independence requirements), aligning the regulation with what is currently provided for companies listed on the regulated market, where the assessment of the existence of the independence requirements for directors must be carried out by the Board of Directors of the issuer at the time of the appointment and then annually.

Therefore, the Board of Directors proposed to amend Article 23 of the Articles of Association, expunging the references to the identification/positive evaluation of candidates for the office of independent director carried out by the EGA.

CONVOCAZIONE OF THE SHAREHOLDERS' MEETING

The Company's Board of Directors resolved to convene the Shareholders' Meeting in ordinary and extraordinary session, in first call, on 13 June 2024 and, if necessary, in second call, on 14 June 2024.

The notice of call of the Shareholders' Meeting, the illustrative reports of the Board of Directors and further documentation will be made available to the public on the Company's website and on the electronic channel of Borsa Italiana in the time and manner required by law.

Attachments to the press release (not yet audited)

- Consolidated Profit and Loss Account as of 31 December 2023, prepared in accordance with International Accounting Standards (IAS/IFRS).
- Consolidated Balance Sheet as at 31 December 2023, prepared in accordance with International Accounting Standards (IAS/IFRS).
- Cash Flow Statement, prepared in accordance with International Financial Reporting Standards (IAS/IFRS).
- ELES S.p.A. Income Statement as of 31 December 2023, prepared in accordance with Italian GAAP (OIC).
- ELES S.p.A. Balance Sheet as of 31 December 2023, prepared in accordance with Italian GAAP (OIC).
- Cash Flow Statement, prepared in accordance with Italian GAAP (OIC).



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Consolidated Income Statement at 31 December 2023

PROFIT & LOSS (Euro/1000)	31.12.2023	%	31.12.2022	%
Sale revenues	32.785	100,0	26.087	100,0
Other revenues	873	2,7	840	3,2
Total Revenues	33.657	102,7	26.927	103,2
Material purchase & Changes in inventories	(11.769)	(35,9)	(11.861)	(45,5)
Service costs	(6.899)	(21,0)	(5.805)	(22,3)
Other operational costs	(1.200)	(3,7)	(510)	(2,0)
Personnel cost	(8.738)	(26,7)	(5.234)	(20,1)
EBITDA	5.051	15,4	3.516	13,5
Write-downs and depreciations	(2.569)	(7,8)	(2.017)	(7,7)
Accruals to provisions	(334)	(1,0)	(298)	(1,1)
EBIT	2.148	6,6	1.201	4,6
Financial revenues	189	0,6	46	0,2
Financing costs	(945)	(2,9)	(226)	(0,9)
Profits/Losses on exchange rates	(74)	(0,2)	(17)	(0,1)
EBT	1.317	4,0	1.004	3,8
Taxes	(517)	(1,6)	(351)	(1,3)
Net Profit of the Group	799	2,4	653	2,5



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Consolidated Balance Sheet at 31 December 2023

BALANCE SHEET (Euro/1000)	31.12.2023	31.12.2022	Δ%
Tangible assets	7.600	7.065	7,6
Intangible assets	10.275	9.160	12,2
Financial assets	434	452	(4,0)
Fixed assets	18.309	16.677	9,8
Inventory	10.671	10.032	6,4
Trade receivables	10.909	11.014	(0,9)
Trade payables	(7.579)	(7.910)	(4,2)
Operating working capital	14.001	13.135	6,6
Employee benefits	(1.226)	(1.104)	11,0
Provisions for non-current risks and charges	(440)	(613)	(28,3)
Deferred tax receivables	1.130	984	14,9
Deferred tax liabilities	(546)	(563)	(3,0)
Net claims/liabilities	(592)	(30)	>100%
Other current assets/liabilities	(1.673)	(1.326)	26,2
Net invested	30.636	28.485	7,6
Net Equity	(26.935)	(20.597)	30,8
Current financial assets	7.680	2.755	>100%
Current Debt	(7.618)	(5.714)	33,3
Long Term Debt	(10.788)	(13.392)	(19,4)
Cash and cash equivalents	7.026	8.462	(17,0)
Net financial position	(3.701)	(7.888)	(53,1)
Total sources	(30.636)	(28.486)	7,5



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Consolidated Financial Statement at 31 December 2023

CONSOLIDATION STATEMENT OF CASH FLOWS (euro/1000)	31.12.2023	31.12.2022
Profit for the period	798	656
Adjustment for Amortisation	2.503	2.007
Change in Inventories	(768)	(1.156)
Adjustment for employee benefits	388	333
Change in Trade and other receivables	82	(2.985)
Change in current assets	164	792
Change in Tax	879	129
Change in Trade and other payables	(334)	316
Change in Provision	(43)	299
Change in current liabilities	(537)	363
Change in employee benefits	(239)	(569)
Change in DTL	(28)	(51)
Other changes in net working capital	33	129
Cash flows from operating activities	2.897	247
Acquisition of intangible assets	(2.824)	(2.415)
Acquisition of property, plan and equipment	(1.298)	(691)
Acquisition of financial fixed assets	0	0
Acquisition of subsidiaries net of cash and cash equivalents	0	(153)
Acquisition of non-current assets	18	21
Acquisition of current assets	(5.147)	0
Cash Flow from investing activities	(9.251)	(3.237)
Financial liability	(711)	3.593
Dividends paid	0	0
Other Change in Equity	5.628	(14)
Share capital increase	0	0
Cash Flow from Financing activities	4.918	3.580
Cash Flow from financing activities	(1.436)	(194)
Cash and cash equivalents at 01 Jan. 2019	8.462	8.656
Cash and cash equivalents at 31 Dec. 2019	7.026	8.462
Increase (decrease) in cash and cash equivalents	(1.436)	(194)



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Eles S.p.A. Income statement at 31 December 2023

PROFIT & LOSS				
(Euro/1000)	31.12.2023	%	31.12.2022	%
Sale revenues	22.619	100,0	21.217	100,0
Other revenues	710	3,1	767	3,6
Total Revenues	23.328	103,1	21.984	103,6
Material purchase & Changes in inventories	(10.380)	(45,9)	(10.342)	(48,7)
Service costs	(4.785)	(21,2)	(4.796)	(22,6)
Personnel cost	(4.069)	(18,0)	(3.952)	(18,6)
Other operational costs	(785)	(3,5)	(385)	(1,8)
EBITDA	3.309	14,6	2.509	11,8
Write-downs and depreciations	(2.559)	(11,3)	(2.258)	(10,6)
Accruals to provisions	(334)	(1,5)	(285)	(1,3)
EBIT	416	1,8	(33)	(0,2)
Financial revenues	167	0,7	46	0,2
Financing costs	(341)	(1,5)	(128)	(0,6)
Profits/Losses on exchange rates	(73)	(0,3)	(12)	(0,1)
EBT	169	0,7	(128)	(0,6)
Taxes	(76)	(0,3)	146	0,7
Net Profit	92	0,4	19	0,1



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Eles S.p.A. Balance Sheet at 31 December 2023

BALANCE SHEET	31.12.2023	31.12.2022	Δ%
(Euro/1000)			
Tangible assets	5.234	5.298	(1,2)
Intangible assets	8.044	6.622	21,5
Financial assets	397	397	0,0
Partecipation	2.829	2.761	2,5
Fixed assets	16.504	15.079	9,5
Inventory	9.050	8.769	3,2
Trade receivables	7.415	6.204	19,5
Trade payables	(5.134)	(6.091)	(15,7)
Operating working capital	11.330	8.882	27,6
Employee benefits	(517)	(529)	(2,2)
Provisions for non-current risks and charges	(421)	(343)	22,9
Deferred tax receivables	143	171	(16,0)
Deferred tax liabilities	(17)	(19)	(8,1)
Net claims/liabilities	(1.367)	358	(482,1)
Other current assets/liabilities	(2.179)	(362)	>100%
Net invested	25.656	23.599	8,7
Net Equity	(28.054)	(21.454)	30,8
Current financial assets	9.005	2.373	>100%
Current Debt	(3.607)	(2.463)	46,4
Long Term Debt	(8.085)	(9.365)	(13,7)
Cash and cash equivalents	5.085	7.311	(30,4)
Net financial position	2.398	(2.145)	(211,8)
Total sources	(25.656)	(23.599)	8,7



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Eles S.p.A. Financial Statement at 31 December 2023

CASH FLOW STATEMENT Eles S.p.A. (euro/1000)	31/12/2023	31/12/2022
Net profit (loss) for the year	92.400	18.737
Income taxes	(76)	(146)
Interest expense/ (Interest income)	149	84
(Gains) / Losses on disposal of fixed assets	0	(6)
1. Profit (loss) for the year before income taxes, interest, dividends and gains / losses on disposal of assets	165	(50)
<i>Adjustments to non-monetary items which were not offset by the net working capital</i>		
Allocations to provisions	653	603
Amortisation/depreciation of non-current assets	2.559	2.258
Write-downs for permanent impairments of financial assets and derivatives without cash effect	0	0
Other adjustments to other non-monetary items	71	77
2. Cash flow before the change in net working capital	3.448	2.888
<i>Changes in net working capital</i>		
Change in inventories - decrease (increase)	(352)	(1.604)
Change in trade receivables - decrease (increase)	301	(868)
Change in trade payables - increase (decrease)	(782)	(443)
Change in accrued income and prepaid expenses - decrease (increase)	(13)	(13)
Change in accrued liabilities and deferred income - increase (decrease)	14	484
Other changes in net working capital	(1.363)	742
3. Cash flow after the change in net working capital	1.252	1.187
Interest collected/ (paid)	(230)	(95)
(Income taxes paid)	0	0
(Use of provisions)	(492)	(489)
A) CASH FLOW FROM OPERATIONS	531	604
Investing activities		
<i>Property, plant and equipment</i>		
(Investments)	(404)	(395)
Proceeds from disposal of assets	0	6
<i>Intangible assets</i>		
(Investments)	(3.511)	(2.391)
Proceeds from disposal of assets		
<i>Financial assets</i>		
(Investments)	(68)	(1.708)
Proceeds from disposal of assets		



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<i>Financial assets (not fixed)</i>		
(Investments)	(5.147)	0
Proceeds from disposal of assets		
B) CASH FLOW FROM INVESTING ACTIVITIES	(9.132)	(4.488)
Financing activities		
<i>Third parties</i>		
Increase (decrease) payable to banks	0	0
Loan new	2.500	5.713
Loan repayments	(2.637)	(2.676)
<i>Equity</i>	0	
Acquisition of minority interests	0	
Distribution of reserves and profits carried forward	0	0
Increase equity	0	4
Dividends paid out	6.512	0
Cash generated by financing activities	6.375	3.041
C) CASH FLOW FROM FINANCING ACTIVITIES	6.375	3.041
Increase (decrease) in cash and cash equivalents (A±B±C)	(2.226)	(843)

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Eles S.p.A. (Eles), established in 1988, designs and manufactures semiconductor test solutions (SOC, MEMS and Memories). Eles produces universal equipment (so-called test systems) and related reliability test support services, having developed a co-engineering process with its customers aimed at ensuring a so-called "ZERO DEFECTS" microelectronic product. In addition, the Company is active in the so-called test application sector by providing its customers with the applications necessary to proceed with the various test solutions that can be carried out through the equipment it manufactures, as well as a series of services related to the processing of data acquired during the test activities and phases. Eles counts among its customers multinational semiconductor companies and manufacturers of electronic modules for the automotive and I&D Sector. In addition to internal growth through penetration into new markets, further diversification of the customer base and improvement of the solutions already offered to customers, Eles' strategy includes growth through acquisitions aimed at faster business development in foreign countries.

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