



PRESS RELEASE

**FAE TECHNOLOGY: BOARD OF DIRECTORS APPROVES
CONSOLIDATED HALF-YEAR FINANCIAL REPORT AT JUNE 30, 2024**

CONSOLIDATED REVENUES OF EURO 44.2 MILLION

CONSOLIDATED EBITDA OF EURO 5.8 MILLION

- **Value of production^{*}**: Euro 44.7million
- **Revenues^{*}**: Euro 44.2 million
- **EBITDA^{*}**: Euro 5.8 million (13.0% EBITDA margin)
- **EBIT^{*}**: Euro 4.7 million
- **Net Profit for the period**: Euro 3.0 million
- **Net Financial Debt**: Euro 8.3 million vs Euro 7.1 million at 31.12.2023

Gazzaniga (BG), September 27, 2024 – The Board of Directors of FAE Technology S.p.A. – Benefit company ("FAE Technology" or the "Company" or the "Group"), Tech company and parent of the Italian electronics sector Group of the same name, has today approved the consolidated half-year report at June 30, 2024, voluntarily subject to limited audit.

Gianmarco Lanza, Chairperson and Chief Executive Officer of **FAE Technology**, stated: *"The H1 2024 results mark the further growth of the Group and consolidates the progress of recent years. This growth has been driven organically, but supported also by the rapid integration of Elettronica GF, through which we have expanded our range of technologies and, recently of IpTronix, which will allow us to extend our scope of expertise also to highly and very-highly complex solutions. Thanks to our technological assets and know-how, we are ready to tap in to the opportunities available on the market".*

H1 2024 Consolidated financial highlights

The consolidated half-year financial report at June 30, 2024 of FAE Technology reports a **value of production of Euro 44.7 million**, with **revenues of Euro 44.2 million**. Revenues were driven by a significant increase in the Solutions business line, supported by engineering and prototyping activities and the sale of proprietary embedded solutions, in addition to the

* As per paragraph 32 of OIC 17 (Italian GAAP) issued by the Italian Accounting Organization, as the first Group consolidated financial statement are those at 31/12/2023, the comparative H1 2023 income statement has not been reported. The balance sheet is however comparable with the consolidated financial statements at 31/12/2023.



development of My Fast PCBA, the proprietary digital platform dedicated to fast prototyping.

Consolidated **EBITDA** was **Euro 5.8 million**, with a robust **EBITDA margin** of 13.0%. The result stems from the ongoing commercial and development activities, supported by the consolidation of the organizational structure, both managerial and technical, in order to complete the set of resources and expertise needed to ensure medium/long-term growth.

Consolidated **EBIT** was **Euro 4.7 million**, with an **EBIT margin** of **10.4%**, after amortization and depreciation of Euro 1.1 million.

The **consolidated net profit for the period** was **Euro 3.0 million**.

At June 30, 2024, the **consolidated net financial debt** was **Euro 8.3 million**, compared to Euro 7.1 million at December 31, 2023. The increase mainly concerns the signing of two new loans to update the production and technology layout.

Shareholders' Equity increased from Euro 18.2 million at December 31, 2023 to **Euro 21.4 million** at June 30, 2024, due to the net profit for the period and for the portion of share capital subscribed in relation to the exercise of the stock option plan between the end of June 2024 and the beginning of July 2024.

Significant events in H1 2024

Ray Ozzie supports FAE Technology to accelerate technological development

In March 2024, an agreement was signed with Ray Ozzie, previously Chief Technical Officer and Chief Software Architect at Microsoft between 2005 and 2010, and founder and CEO of Blues Wireless, who took on the role of Group Technology Advisor. The US entrepreneur and innovator is supporting the Group in extending its business model, particularly focusing on the opportunities on the edge computing and artificial intelligence markets. Ray Ozzie provides direct technology advisory to the company's management, in order to tap in to the increasing opportunities available on the market.

Lock-up releases and Next Stage investment

On January 8, 2024, following the authorization granted by Integrae SIM S.p.A., the early release of the Lock-Up undertaken on listing was authorized for the shareholder William Montalbano, and concerning the 120,000 ordinary shares held. The authorization of the Lock-Up release request facilitates also the increase in the company's free float.

Similarly, on June 26, 2024, following the authorization granted by Integrae SIM S.p.A., the early release of the Lock-Up undertaken on listing of the shareholder GML Ventures S.r.l. was also authorized. The company is owned by Gianmarco Lanza and Luciana Giudici and concerns 373,854 ordinary shares. The request for the release of the Lock-Up is required for the simultaneous sale by the majority shareholder GML Ventures S.r.l. of the aforementioned 373,854 ordinary shares of FAE Technology, corresponding (at the time of sale) to 2.14% of the share capital, at a price of Euro 3.80 per share, in favor of NextStage AM, a French investment fund.



Through this transaction, NextStage AM, which has already been part of the Company's ownership structure since December 2023, further strengthens its position with medium to long-term investment purposes.

Exercise of Stock Options

On June 27, 2024, 180,000 new ordinary shares were allocated following the exercise of 180,000 options as part of the first tranche of the "2023-2028 Stock Option Plan" (the "**Plan**").

The Plan is intended for members of the Board of Directors, collaborators, consultants and employees (collectively the "**Beneficiaries**") of FAE Technology on the basis of their direct contribution to the effective creation of new value for the Company and shareholders over the medium term.

The above allocated shares are newly issued shares in execution of the divisible paid-in capital increase with exclusion of pre-emption rights approved by the Shareholders' Meeting on October 27, 2023 to service the Plan, and were allocated following the exercise of the options vested by the beneficiaries and exercised through the payment of the predefined price ("strike price") under the Plan.

The strike price that each Beneficiary paid to the Company in order to subscribe to each share is Euro 1.65, corresponding to the placement price of FAE Technology's shares on IPO, plus 10%.

Shares of FAE Technology ordinary shares subscribed under the Plan must be retained - and therefore may not be transferred, for consideration or free of charge, except with the Company's written consent - for a lock-up period of 90 days from the date the shares are credited.

FAE Technology's share capital is therefore Euro 568,476.25, corresponding to 17,615,875 ordinary shares with no par value. The Company published the press release regarding the change in share capital following the filing of the successful execution of the capital increase with the competent Companies Registration Office according to the legal deadlines.

Subsequent events

On September 24, 2024, the signing was announced of a binding agreement for the acquisition of the entire share capital of IpTronix S.r.l., an enterprise developing electronic solutions for more than 20 years and based in Rome. It was also announced that, simultaneous to the acquisition, Dario Pennisi, IpTronix founder and former manager heading the electronic development of the "Arduino" platform, will join FAE Technology as the Group's Chief Technology Officer.

Outlook

The commercial development and ongoing innovation and research activities, both in terms of products and production processes, ensures the Group's strong competitiveness in the segment and are a solid competitive advantage in support of long-term growth.



At the date of this report, considering the market conditions, the altered general economic conditions and the political and geopolitical environment, it is reasonable to expect lower growth in the second half of the year than in the first half, with a recovery expected from Q1 2025. General overhead cost management discipline and the ongoing streamlining of direct costs remain a management focus and, together with a revenue mix increasingly focused on engineering activities and the sale of proprietary solutions, shall facilitate the continued improvement of profitability.

The Company seeks to consistently build a diversified backlog by customer and segment type, to consolidate - also through acquisition-led growth - its market position and to introduce solutions placing it at the forefront of innovation and technological development. It may therefore confirm and strengthen on the one hand its role as a strategic partner for key customers, and on the other consistently improve profitability levels and the capacity to create value over the long-term.

In terms of the technology layout and innovation, the Company shall continue its investments focused on supporting digitalization processes and the development of the proprietary My Fast PCBA platform and the new digital platform dedicated to the refurbishment and disposal activities (My Smart Refurbishment), in addition to supporting the research and development of proprietary solutions in the embedded and edge computing segments which, together with Smart connectivity and sensors, will remain central to future growth.

The Group therefore certainly operates within a challenging market environment, which is consolidating from the robust growth rates seen in the recent past. It is well-equipped both from a technology assets and professional skills and expertise viewpoint to tap in to the opportunities that the rapidly changing industry is sure to offer. The digital transition and the ubiquity of electronics across all rapidly expanding sectors (for example the space economy) shall remain - beyond the short-term market outlook - a decisive focus for the development of the Italian and European economy over the next decade. The expected future growth shall be in line with the industry average, as we strive to deliver a stronger performance than competitors. The medium-term outlook remains substantially positive and focused on growth.

Meetings with the financial community

The company announces that it will participate at the Investor Access event, to be held in Paris on October 15 and 16, 2024.

The institutional presentation will be made available on the day of the event in the Investor Relations/Presentations section of the website <https://fae.technology/investor-relations/>.

The Company, pursuant to Article 17 of the Euronext Growth Milan Issuers' Regulation, will update the 2024 corporate events calendar, indicating the date on which the event will be held, which is available in the Investor Relations/Financial Calendar section of the website <https://fae.technology/investor-relations/>.



The half-year financial report at June 30, 2024 shall be made available to the public at the registered offices of FAE Technology and in the Investor Relations/Financial Statements and periodic reports section <https://fae.technology/investor-relations/>, according to the timeframe established by the applicable regulation, and also on the website <https://www.borsaitaliana.it/>, in the Shares/Documents section.

For the dissemination of regulated information FAE Technology uses the 1INFOSDIR dissemination system (www.1info.it), operated by Computershare S.p.A., with registered office in Milan, Via Lorenzo Mascheroni No. 19 and authorized by Consob.

This Press Release is available in the Investors Relations/Press Releases section of the website <https://fae.technology/> and at www.1info.it.

FAE Technology S.p.A. - Benefit Company is a Tech company and parent of the Italian electronics sector Group of the same name. Founded in 1990 in Gazzaniga (BG) by Francesco Lanza, who began by producing a small series of electronic boards, FAE Technology has been led since 2008 by his son Gianmarco Lanza, Chairperson and Chief Executive Officer. The Group, through several dedicated and integrated assets, can very rapidly enable electronic innovation in the various sectors in which it plays a central role, including e-mobility, the Internet of things (IoT), industrial automation 4.0 and aerospace. FAE Technology is known for its focus on innovation - promoting open innovation and shared research at the "Kilometro Rosso" hub - and on sustainability and corporate social responsibility, becoming a Benefit Company on May 13, 2022. The Group benefits from strategic partnerships and memberships with major sector players, in addition to renowned universities and research centers, including the "Senseable City Lab" at MIT (Massachusetts Institute of Technology) in Boston. In the second half of 2023, Elettronica G.F., a leading player in the supply of microprocessor-based proprietary electronic systems such as panel PCs, SOMs and Single Board Computers for various application areas, joined FAE Technology. In 2023, the Group reported consolidated revenues of Euro 71.6 million, and the parent company FAE Technology continued on its strong growth trajectory, with revenues in 2023 up 56.5% on 2022 to Euro 61.7 million.

ISIN FAE Ordinary Shares IT0005500688 - ISIN Warrants WFAE25 IT0005500639



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Annexes:

The main financial statements of the Company are presented below, concerning the consolidated half-year financial report at June 30, 2024, compared where possible with the comparative figures in thousands of Euro, and specifically:

- H1 2024 Reclassified Consolidated Income Statement;
- Reclassified Consolidated Balance Sheet at 30.06.2024 (vs Reclassified Consolidated Balance Sheet at 31.12.2023);
- Consolidated Net Financial Debt at 30.06.2024 (vs Consolidated Net Financial Debt at 31.12.2023).

Consolidated Financial Highlights

The Group's H1 2024 reclassified consolidated income statement at June 30, 2024, follows:

Reclassified Income Statement	H1 2024	% (*)
(in Euro thousands)		
Revenues from sales	44,206	98.9%
Change in inventories	(9)	0.0%
Other revenues and income	522	1.2%
Value of Production	44,720	100.0%
Costs of raw materials, supplies and goods net of changes Inventories	(27,594)	-61.7%
Service costs	(4,871)	-10.9%
Rent, lease and similar costs	(507)	-1.1%
Personnel expense	(5,716)	-12.8%
Other operating costs	(211)	-0.5%
EBITDA (**)	5,820	13.0%
Amortisation, depreciation and write-downs	(1,148)	-2.6%
Provisions	(0)	0.0%
EBIT (***)	4,672	10.4%
Financial income and (expense)	(315)	-0.7%
EBT	4,357	9.7%
Income taxes	(1,314)	-2.9%
Net profit for the period	3,043	6.8%

(*) Margin on the value of production

(**) EBITDA indicates the operating result before income taxes, financial income and expenses, amortization and depreciation and provisions for risks and charges. EBITDA is not indicated as an accounting measure under Italian GAAP and therefore should not be considered as an alternative measure to assess the company operating performance. As the composition of EBITDA is not regulated by the applicable accounting standards, the criterion used by the company for its calculation may not be uniform with that adopted by other companies and/or groups and therefore may not be comparable.

(***) EBIT indicates the result before income taxes and financial income and expenses. EBIT therefore represents the operating result before the remuneration of both debt and equity capital. EBIT is not indicated as an accounting measure under Italian GAAP and therefore should not be considered as an alternative measure to assess the company operating performance. As the composition of EBIT is not regulated by the applicable accounting standards, the criterion used by the company for its calculation may not be uniform with that adopted by other companies and/or groups and therefore may not be comparable.

Consolidated balance sheet highlights

The reclassified consolidated balance sheet according to the Group's sources and uses at June 30, 2024, compared with that at December 31, 2023, is as follows:

Reclassified Balance Sheet	30/06/2024	31/12/2023	Change %
(in Euro thousands)			
Intangible assets	5,105	4,676	9%
Property, plant and equipment	6,817	6,136	11%
Financial assets	391	371	5%
Net Fixed Assets	12,312	11,184	25%
Inventories	20,519	18,945	8%
Trade receivables	16,218	12,097	34%
Trade payables	(19,391)	(15,839)	22%
Commercial working capital	17,346	15,203	65%
Other current assets	262	205	28%
Other current liabilities	(2,889)	(2,448)	18%
Tax receivables	7,288	5,288	38%
Tax payables	(2,490)	(1,387)	80%
Prepayments and accrued income	1,192	658	81%
Accrued expenses and deferred income	(1,349)	(1,514)	-11%
Net working capital (*)	19,360	16,004	309%
Provisions for risks and charges	(90)	(85)	6%
Post-employment benefits	(1,884)	(1,778)	6%
Net capital employed (uses) (**)	29,698	25,324	347%
Net financial debt - Current financial debt	3,176	5,940	100%
Net financial debt - Current portion of non-current financial debt	2,128	2,146	-1%
Net financial debt - Non-current financial debt	5,563	5,032	11%
Total financial debt	10,867	13,119	-17%
Cash and cash equivalents	(2,526)	(5,984)	-58%
Other financial receivables	(1)	-	0%
Net financial debt (***)	8,340	7,135	-75%
Share capital	563	563	0%
Reserves	17,753	14,373	24%
Net Profit	3,043	3,253	-6%
Shareholders' Equity	21,359	18,189	17%
Total sources	29,698	25,324	-58%

(*) Net Working Capital is calculated as the sum of inventories, trade receivables, trade payables, other current assets, other current liabilities, tax receivables and payables, and net accruals and deferrals. Net Working Capital is not identified as an accounting measure by the applicable accounting standards. The criteria applied by the Company may not be uniform with those adopted by other companies, and therefore the values may not be comparable with those determined by the latter.

(**) Net Capital Employed is calculated as Net Working Capital, Net Fixed Assets and Non-current Liabilities (provision for risks and charges and post-employment benefits). Capital employed is not identified as an accounting measure by the applicable accounting standards. The criteria applied by the Company may not be uniform with those adopted by other companies, and therefore the values may not be comparable with those determined by the latter.

(***) It is noted that the Net Financial Debt is calculated as the sum of cash and cash equivalents, non-current financial liabilities, and was determined in accordance with the "Guidance on Disclosure Requirements under the Prospectus Regulation" (ESMA32-382-1138) published by ESMA (European Securities and Markets Authority).

Consolidated Net Financial Debt

The Group Consolidated Net Financial Debt at June 30, 2024, compared with December 31, 2023, follows:

Net financial debt (in Euro thousands)	30/06/2024	31/12/2023	Change %
A Available liquidity	2,526	5,984	-58%
B Cash and cash equivalents	-	-	0%
C Other current financial assets	1	-	0%
D Liquidity (A+B+C)	2,527	5,984	-58%
E Current financial debt	3,176	5,940	-47%
F Current portion of non-current financial debt	2,128	2,146	-1%
G Current financial debt (E+F)	5,304	8,086	-34%
H Net current financial debt (G-D)	2,777	2,103	32%
I Non-current financial debt	5,563	5,032	11%
J Debt instruments	-	-	0%
K Trade payables and other non-current payables	-	-	0%
L Non-current debt (I+J+K)	5,563	5,032	11%
M. Total financial debt (H) + (L)	8,340	7,135	17%