



MEMSCAP Q1 2022:

LAUNCH OF THE RESTRUCTURING OF THE US OPERATIONS IN THE FRAME OF THE FABLITE PLAN

*Excluding US operations according to IFRS 5, Group's consolidated quarterly revenue at 2.3 million euros
Operating and net earnings excluding US operations according to IFRS 5 at the break-even point
Positive EBITDA at 0.2 million euros excluding US activities according to IFRS 5*

Grenoble (France) – April 27, 2022 – 07:30 AM.

MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announced its earnings for the first quarter ending March 31, 2022.

Launch of the restructuring of the US operations / Analysis of the consolidated income statement

As part of the progress of the Fablite plan, the MEMSCAP Group has initiated the restructuring phase of the US operations.

Several options are considered, including the possibility of the sale of the US industrial operations. In accordance with IFRS 5 “Non-current assets held for sale and discontinued operations”, revenue from the US operations is excluded from revenue from continuing operations and included in the consolidated income statement via the loss after tax from discontinued operations.

Consolidated revenue for the first quarter of 2022 excluding US operations amounted to 2.3 million euros (2.6 million US dollars) compared to 2.2 million euros (2.6 million US dollars) for the first quarter of 2021.

Consolidated revenue distribution by market segment, over the first quarter of 2022 and presented in accordance with IFRS 5, is as follows:

<i>Market segments / Revenue (In million euros) – Non-audited</i>	Q1 21	%	Q1 22	%
Aerospace	0.9	42%	1.7	74%
Medical	1.2	57%	0.6	25%
Others	0.0	1%	0.0	1%
Total revenue from continuing operations	2.2	100%	2.3	100%
<i>Revenue from US operations (Discontinued operations) – IFRS 5</i>	<i>0.6</i>	<i>--</i>	<i>0.4</i>	<i>--</i>

(Any apparent discrepancies in totals are due to rounding.)

MEMSCAP’s consolidated earnings for the first quarter of 2022, and presented in accordance with IFRS 5, are given within the following table:

<i>In million euros – Non-audited</i>	Q1 21	Q1 22
Revenue from continuing operations	2.2	2.3
Cost of revenue	(1.1)	(1.4)
Gross margin	1.0	0.8
<i>% of revenue</i>	<i>49%</i>	<i>37%</i>
Operating expenses*	(0.8)	(0.8)
Operating profit / (loss)	0.3	0.0
Financial profit / (loss)	(0.0)	(0.1)
Income tax expense	(0.0)	0.0
Net profit / (loss) from continuing operations	0.3	(0.0)
Profit / (loss) after tax from discontinued operations	(0.4)	(0.4)
Net profit / (loss)	(0.1)	(0.4)

(Any apparent discrepancies in totals are due to rounding.)

* Net of research & development grants.

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(The following financial data are restated according to IFRS 5 – Excluding US operations)

Consolidated sales for the first quarter of 2022 confirmed the recovery of the avionics business, up +0.8 million euros (+87%) compared to the first quarter of 2021. The evolution of the business volumes relating to the medical business (down -0.7 million euros) resulted in particular from the annual delivery schedules marked by high delivery levels in the first quarter of 2021.

The Group's gross margin rate stood at 37% of consolidated sales compared to 49% for the first quarter of 2021, notably resulting from the change in the sales mix during the first quarter of 2022.

The amount of operating expenses at 0.8 million euros for the first quarter of 2022 was similar to the first quarter of 2021.

The Group therefore reported consolidated operating and net earnings from continuing operations at the breakeven point for the first quarter of 2022 compared to consolidated operating and net profit from continuing operations at 0.3 million euros for the first quarter of 2021.

EBITDA from continuing operations amounted to +0.2 million euros for the first quarter of 2022 compared to +0.5 million euros for the first quarter of 2021.

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Analysis and perspectives

At the end of the restructuring phase of the US operations, the Norwegian entity, including the avionics and medical businesses of the Group, will become the operational core of the MEMSCAP Group. Its activities in the first quarter of 2022 posted the highest level of quarterly sales since the second quarter of 2018, i.e. 14 consecutive quarters, thanks to the momentum of the avionics business.

These ongoing restructuring operations should lead to a significant improvement in the Group's operating profitability.

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MEMSCAP general shareholders' meeting: May 31, 2022.

Q2 2022 earnings: July 27, 2022.

About MEMSCAP

MEMSCAP is the leading provider of innovative micro-electro-mechanical systems (MEMS)-based solutions. MEMSCAP's products and solutions include components, component designs (IP), manufacturing and related services.

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