



MEMSCAP – Q3 2021:

QUARTERLY SALES UP 22%

Quarterly sales at 2.9 million euros

Confirmation of the avionics business recovery

Operating income at the breakeven point

Quarterly EBITDA at 0.3 million euros / Cumulative 9-month EBITDA exceeding 0.8 million euros

Available liquidities up at 5.0 million euros as of September 30, 2021

Grenoble (France) - October 26, 2021 - 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 third quarter ending September 30, 2021.

Analysis of the consolidated income statement

Consolidated revenue for the third quarter of 2021 was 2.9 million euros (3.4 million US dollars) compared to 2.4 million euros (2.8 million US dollars) for the third quarter of 2020, thus a significant increase of 22%.

Consolidated revenue distribution by market segment, over the third quarter of 2021, is as follows:

<i>Market segments / Revenue (M€) – Non-audited</i>	Q1 2021	Q2 2021	Q3 2021	Q3 2020	Var. Q3 21 vs. Q3 20 (M€)	Var. Q3 21 vs. Q2 21 (M€)
Aerospace	0.9	1.4	1.4	0.7	+0.7	-0.0
Optical communications / Adaptive optics	0.5	0.5	0.5	0.6	-0.1	+0.0
Medical / Biomedical	1.3	0.6	0.7	0.9	-0.2	+0.2
Others	0.1	0.2	0.3	0.2	+0.1	+0.1
Total	2.7	2.7	2.9	2.4	+0.5	+0.3

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

MEMSCAP's consolidated earnings for the third quarter of 2021 are given within the following table:

<i>In million euros – Non-audited</i>	Q1 2021	Q2 2021	Q3 2021	Q3 2020
Revenue	2.7	2.7	2.9	2.4
Standard products*	2.2	2.0	2.1	1.5
Custom products	0.6	0.6	0.8	0.9
Cost of revenue	(2.0)	(1.9)	(2.1)	(1.8)
Gross margin	0.8	0.8	0.9	0.6
% of revenue	28%	30%	29%	24%
Operating expenses**	(0.9)	(0.8)	(0.9)	(0.8)
Operating profit / (loss)	(0.1)	(0.0)	(0.0)	(0.2)
Financial profit / (loss)	(0.0)	(0.0)	(0.0)	(0.1)
Income tax expense	(0.0)	(0.0)	(0.0)	(0.0)
Net profit / (loss)	(0.1)	(0.1)	(0.1)	(0.3)

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

* Including the dermo-cosmetic segment.

** Net of research & development grants.



MEMSCAP
The Power of a Small World™



The consolidated revenue for the third quarter of 2021 confirmed the recovery of the Group's avionics business previously affected by the Covid-19 pandemic. The avionics business posted quarterly sales of 1.4 million euros (an increase of +0.7 million euros compared to the third quarter of 2020) and represented 49% of the Group's quarterly revenue. Quarterly sales from the medical business amounted to 0.7 million euros (25% of the Group's quarterly revenue) in line with the planification of the sales over the fiscal year and high volumes of deliveries in the first quarter of 2021. Over the first 9 months of the fiscal year 2021, sales of the medical business amounted to 2.6 million euros compared to 2.1 million euros over the same period of the previous fiscal year, an increase of more than 22%. Consolidated sales from the optical communications and other activities were stable at 0.8 million euros over this quarter.

For the third quarter of 2021, the Group's gross margin rate stood at 29% of consolidated sales compared to 24% for the third quarter of 2020.

Operating expenses were at 0.9 million euros for the third quarter of 2021 compared to 0.8 million euros for the third quarter of 2020.

As a result, the Group posted an operating income at the breakeven point for the third quarter of 2021 compared to an operating loss of 0.2 million euros for the third quarter of 2020.

Considering the financial income and the change in deferred tax over the period, the Group's net loss amounted to 0.1 million euros over the quarter, compared with a net consolidated profit at 0.3 million euros for the third quarter of 2020.

EBITDA was to 0.3 million euros for the third quarter of 2021. Cumulative 9-month EBITDA amounted to 0.8 million euros at the end of September 2021 versus 0.5 million euros at the end of September 2020.

Finally, the Group's available liquidities continued to increase and amounted to 5.0 million euros as of September 30, 2021 vs 4.2 million euros as of September 30, 2020.

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Analysis and perspectives

The third quarter of 2021 confirmed the recovery of the Group's avionics business. MEMSCAP posted an EBITDA of more than 0.8 million euros for the first 9 months of the year and increased its available liquidities which stood at 5 million euros as of September 30, 2021.

The potential impact of the pandemic remains very uncertain based on the current available information. MEMSCAP will continue to regularly assess the impact of the Covid-19 pandemic on its business.

MEMSCAP pursues its strategy focused on avionics, medical and optical communications segments as well as increasing the flexibility of its production capabilities.

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Q4 2021 Earnings: January 26, 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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MEMSCAP is listed on Euronext Paris™ - Segment C - ISIN: **FR0010298620 - MEMS**.

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