



MEMSCAP Q2 2022:

**NET PROFIT FROM CONTINUING OPERATIONS FOR THE 2ND QUARTER 2022
& QUARTERLY EBITDA OF 0.4 MILLION EUROS**

*Excluding US operations according to IFRS 5, Group's consolidated quarterly revenue at 2.3 million euros
(3.0 million euros including sales from discontinued operations)*

Finalisation of the FABLITE program expected in the 4th quarter of 2022

Grenoble (France) – July 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 second quarter ending June 30, 2022.

Restructuring of the US operations / Analysis of the consolidated income statement

As previously announced and as part of the progress of the FABLITE program, the MEMSCAP Group has initiated the restructuring phase of its US operations. This program is progressing according to the management's plans and should be completed in the 4th quarter of 2022.

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", revenue from the US operations was 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 second quarter of 2022 excluding US operations amounted to 2.3 million euros (2.4 million US dollars) compared to 2.0 million euros (2.4 million US dollars) for the second quarter of 2021. Including sales from discontinued operations, consolidated revenue amounted to 3.0 million euros (3.2 million US dollars) over the second quarter of 2022.

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

Market segments / Revenue (In million euros) – Non-audited	Q1 21 (Restated)	Q2 21 (Restated)	Q2 21 % (Restated)	Q1 22	Q2 22	Q2 22 %
Aerospace	0.9	1.4	71%	1.7	1.8	80%
Medical	1.2	0.6	27%	0.6	0.4	19%
Others	0.0	0.0	2%	0.0	0.0	1%
Total revenue from continuing operations	2.2	2.0	100%	2.3	2.3	100%
<i>Revenue from discontinued operations – IFRS 5 (US operations)</i>	<i>0.6</i>	<i>0.6</i>	<i>--</i>	<i>0.4</i>	<i>0.7</i>	<i>--</i>

(Any apparent discrepancies in totals are due to rounding. In accordance with IFRS 5, items related to the 2021 financial year were restated in order to present comparative information for discontinued operations.)

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

In million euros – Non-audited	Q1 21 (Restated)	Q2 21 (Restated)	Q1 22	Q2 22
Revenue from continuing operations	2.2	2.0	2.3	2.3
Cost of revenue	(1.1)	(1.2)	(1.4)	(1.4)
Gross margin	1.0	0.8	0.8	0.9
% of revenue	49%	39%	37%	38%
Operating expenses*	(0.8)	(0.7)	(0.8)	(0.9)
Operating profit / (loss)	0.3	0.1	0.0	(0.0)
Financial profit / (loss)	(0.0)	(0.0)	(0.1)	0.2
Income tax expense	(0.0)	(0.0)	0.0	(0.0)
Net profit / (loss) from continuing operations	0.3	0.0	(0.0)	0.1
Profit / (loss) after tax from discontinued operations	(0.4)	(0.1)	(0.4)	(0.3)
Net profit / (loss)	(0.1)	(0.1)	(0.4)	(0.1)

(Any apparent discrepancies in totals are due to rounding. In accordance with IFRS 5, items related to the 2021 financial year were restated in order to present comparative information for discontinued operations.)
* Net of research & development grants.



MEMSCAP
The Power of a Small World™



(In accordance with IFRS 5, items related to the 2021 financial year were restated to present comparative information for discontinued operations related to the Group's US operations.)

In the wake of the first quarter of 2022, consolidated sales for the second quarter of 2022 confirmed the strong recovery of the avionics business, up +0.4 million euros (+26%) compared to the second quarter of 2021.

The Group's gross margin rate stood at 38% of consolidated sales compared to 39% for the second quarter of 2021 and 37% for the first quarter of 2022.

The amount of operating expenses at 0.9 million euros for the second quarter of 2022 is up compared to previous quarters. This evolution resulted from an increased R&D activity.

The Group therefore reported consolidated operating earnings from continuing operations at the breakeven point for the second quarter of 2022 compared to a consolidated operating profit at 0.1 million euros for the second quarter of 2021. It should be noted that the net foreign exchange gain related to continuing operations, recorded in financial income, amounted to 0.2 million euros for this quarter. The Group thus posted a quarterly net profit from continuing operations of 0.1 million euros compared to net earnings from continuing operations at the break-even point for the second quarter of 2021.

EBITDA from continuing operations amounted to +0.4 million euros for the second quarter of 2022. On June 30, 2022, the Group reported available cash at 4.4 million euros (December 31, 2021: 5.3 million euros) including cash investments (Corporate bonds / investment securities) recorded under non-current financial assets for an amount of 1.0 million euros. In addition to this amount, the available unused credit lines amounted to 0.4 million euros on June 30, 2022.

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Analysis and perspectives

As previously mentioned, the Norwegian entity, including the avionics and medical businesses of the Group, will become the operational core of the MEMSCAP Group at the end of the restructuring phase of the US operations. These activities over the first two quarters of 2022 posted historically high levels of sales thanks to the renewed momentum of the avionics business.

The ongoing FABLITE program should lead to a significant improvement in the Group's operating profitability.

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Half-year 2022 revenue and earnings: August 31, 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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