



PRESS RELEASE

FAE TECHNOLOGY EXPANDS WITH ACQUISITION OF IPTRONIX

Binding agreement signed 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

Dario Pennisi, IpTronix founder and former hardware and firmware development manager at Arduino, will join FAE Technology as the Group's Chief Technology Officer

Chairperson and CEO Gianmarco Lanza: *"This transaction will enable us to further boost the Group's technological know-how"*

Gazzaniga (BG), September 24, 2024 – 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, announces the signing of a binding agreement for the acquisition of the entire share capital of IpTronix S.r.l. ("**IpTronix**" or the "**Target**"), an enterprise which develops highly and ultra-highly complex electronic solutions.

Headquartered in Rome, IpTronix for more than two decades has specialized in developing vision system solutions, FPGA systems, wireless communications and ultra-high complexity embedded software for areas including industrial control systems, embedded systems, digital signal processing, networking, telecommunications, and multimedia systems integration. IpTronix's customers include leading domestic and international players, and the company boasts close, long-term partnerships with leading silicon suppliers.

The transaction, which will be finalized no later than December 31, 2024, will also mark the entry of Dario Pennisi, IpTronix founder, into FAE Technology. Pennisi in fact, who previously headed the hardware and firmware development at Arduino from September 2018 to April 2023, will assume the position of Chief Technology Officer of the FAE Technology Group, also coordinating the activities of IpTronix in this role. Gianmarco Lanza, Chairperson and Chief Executive Officer of FAE Technology, will become the sole director of IpTronix. This decision seeks to maximize the synergies between the FAE Technology Group entities and the acquired company, while ensuring continuity and efficient governance.

Gianmarco Lanza, Chairperson and Chief Executive Officer of **FAE Technology**, underlined: *"The acquisition of IpTronix is part of the Group's growth trajectory, helping to boost its know-how in the vertical areas which the former leads. I am sure that Dario Pennisi joining our management team as CTO will allow us to develop the synergies between the various Group R&D centers, strengthening the product offer and the ability to tap into the best opportunities available on the*



market. The FAE Technology Group confirms its position as an emerging benchmark in the domestic and European Tech landscape".

Dario Pennisi, founder of **IpTronix**, stated: "*IpTronix today begins a new journey within the FAE Technology Group, of which I am honored to become the new CTO. The vision of sustainable growth and the energy of all the incredible people at the company are a guarantee for me that, together, we will be much more than the sum of the parts*".

IpTronix – Target profile

Founded in 2001 in Rome by Dario Pennisi, IpTronix inherited 12 years of experience in software programming and hardware design from qualified engineers. Since its inception, it has collaborated with leading silicon vendors, developing board support packages and reference designs to support the introduction to the market of innovative products. Over the years, IpTronix has worked on large-scale projects for the consumer market which meet the highest quality standards, developing for Pixelworks an SDK (Software Development Kit) for European TVs and supporting customers such as Philips, Thomson, Conrac, Liteon, Dell, Daewoo, Sim2, Vestel, and Beko.

Since its foundation, the company worked with FPGA (Field Programmable Gate Array) designs of all sizes and vendors. In addition, IpTronix is a long-standing partner of Altera, now part of Intel, working for customers such as Datalogic, Eizo, Albiral, Cobo, and Racing Force, for which it developed the Driver's Eye project used in F1, Formula E, Nascar, and other minor competitions.

In 2018, IpTronix began to work in the field of Software Defined Radio, developing various projects in the area of defense and intelligence, mainly for SigInt (Signal Intelligence), spoofing, jamming and spectrum surveillance applications, contributing significantly, among others, to the development of the ADRIAN (drone interception and neutralization system) project for ELT, among others.

Today, IpTronix specializes in FPGA, embedded, IoT and wireless communications system solutions, offering custom hardware and software design services and is recognized by the market as a benchmark for vision system solutions. Working with global suppliers to ensure advanced technologies at competitive costs, the company supports domestic and international customers by accompanying them through the most critical and complex phases of projects' lifecycle. The company also offers technical advisory and prototyping services and, through increasingly close partnerships with leading silicon vendors and distributors, contributes to the launch of new cutting-edge products, with a focus on time-to-market and ease of integration.

IpTronix currently has a team of 7 employees, including 6 engineers, alongside a comprehensive network of outside professionals distributed throughout Europe.

For FY 2023, the last filed financial statements, IpTronix had total revenues of €1.0 million, a net profit of €0.2 million, and net cash of €0.36 million.



Objectives of the acquisition, achievable synergies and effect of the transaction on the Group

The transaction allows FAE Technology to extend its expertise in the development and engineering of highly and very-highly complex advanced electronic solutions, expanding its offerings and diversifying its customer base.

IpTronix's business characteristics are complementary and perfectly integrated with those of the FAE Technology Group.

The acquisition will also allow the Group to consolidate its presence in Italy, bringing to three the total number of owned R&D centers, distributed between Bergamo, Faenza and Rome. With a total of about 50 electronic engineers engaged in R&D projects, FAE Technology will further strengthen its ability to provide innovative solutions to customers in high-tech sectors.

The integration of IpTronix's advanced expertise will also help accelerate the time-to-market of the solutions developed, developing the Group's ability to respond to global market needs with cutting-edge and tailored technologies. The strengthening of internal know-how and the operational synergies resulting from this acquisition represent a strategic step to position FAE Technology as an electronics industry leader, increasing the added value offered to its customers and industrial partners.

Terms and conditions of the transaction

The price was agreed at a total of €3.11 million, including €0.7 million as a contingent part. The price is broken down as follows: i) Euro 2,000,000.00 (the "**Price in Shares**") by offsetting the receivable held by the Target's shareholders (with respect to the payment in their favor of the Price in Shares) with the debt (of a corresponding amount) related to the subscription by the latter of a certain number of FAE Technology ordinary shares, as part of the exercise of the power pursuant to Article 2443 of the Civil Code for the capital increase resolved on October 27, 2023 by the Extraordinary Shareholders' Meeting of the Company; ii) Euro 0.41 million cash on the closing date; iii) a Euro 0.7 million cash earn-out based on IpTronix's FY25 results to be paid on 30/06/2026. At the same time, 90% of the shares will be subject to Lock-Up from 18 to 36 months.

The transaction is not considered a significant transaction as per Article 12 of the Euronext Growth Milan Issuers' Regulation.



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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.

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