

IQE plc

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION (EU) NO 596/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("MAR").

Cardiff, UK
23 January 2025

Pre-close Trading Update

- ***FY24 revenue and Adj. EBITDA expected to exceed expectations***
- ***Positive impact of cost actions evidenced***

IQE plc (AIM: IQE, "IQE" or the "Group"), the leading global supplier of compound semiconductor wafer products and advanced material solutions, provides a pre-close Trading Update for the financial year ended 31 December 2024.

Revenue for the period is expected to be at £118m, combined with focused cost control and improved operational performance, the Group expects Adjusted EBITDA to be at least £7.5m, exceeding expectations* and subject to external review.

Strategic review and Proposed Financing

As announced in November 2024, IQE is undertaking a Strategic Review which the Board believes will better unlock significant unrealised value within the Group. At this stage, the strategic review is focused on its Taiwan operations covering all strategic options, including IPO or a full sale. While the review remains at an early stage, the Board is encouraged by the positive levels of interest from its partners and the broader recognition that the Group is a technical leader across a variety of strategically important vertical markets, with a well-invested asset base.

In addition, the Group is pleased to say it is in the final stages of concluding its proposed convertible loan note and that it has received strong support from shareholders. This process is expected to conclude shortly and an announcement will be made accordingly. A circular will be sent to shareholders providing further details and seeking their approval in due course.

Mark Cubitt, Executive Chair of IQE, commented:

"I am pleased that the business performance in 2024 will show revenue and adjusted EBITDA ahead of expectations. Amid ongoing macro headwinds, Jutta and the leadership team have taken effective action to refocus the Group on its core strengths and improve operational performance, resulting in an encouraging financial picture. I am really pleased by the reaction from our staff, customers and shareholders to the announcement of the strategic review and the resulting positive engagement. In addition, the proposed financing will provide IQE with greater resilience as we continue to strengthen key customer relationships and expand further into emerging high growth areas"

**As communicated on 18 November 2024, the group expected revenue to be around £115m and Adjusted EBITDA of at least £5m for the financial year ended 31 December 2024.*

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ABOUT IQE

<http://iqep.com>

IQE is the leading global supplier of advanced compound semiconductor wafers and materials solutions that enable a diverse range of applications across:

- Smart Connected Devices
- Communications Infrastructure
- Automotive and Industrial
- Aerospace and Security

As a scaled global epitaxy wafer manufacturer, IQE is uniquely positioned in this market which has high barriers to entry. IQE supplies the global market and is enabling customers to innovate at chip and OEM level. By leveraging the Group's intellectual property portfolio including know-how and patents, it produces epitaxy wafers of superior quality, yield and unit economics.

IQE is headquartered in Cardiff UK, with employees across manufacturing locations in the UK, US and Taiwan, and is listed on the AIM Stock Exchange in London.

This announcement is issued on behalf of the Company by Jutta Meier, Interim CEO & Chief Financial Officer.

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