



April 2, 2024

Dear Data I/O Shareholder:

In 2023 we saw continued revenue growth and return to profitability for Data I/O. Our multiyear focus on automotive electronics continues to pay off. Automotive and industrial automation continue to represent the largest, fastest growing and most attractive market segments for our programming technologies. Demonstrating our leadership position in the markets we serve, we had over 23 new customer wins during 2023 worldwide across all segments. In operations, we saw a moderation of inflationary pressures, and improved supply chain stability, allowing us to resume more normal inventory planning.

For 2024, we are focusing on disciplined growth across our business. This means we will continue to focus on top line growth, combined with focus on spending control in all areas. We are planning for double-digit bookings growth consistent with the long-term automotive semiconductor growth rate forecast by analysts and reflecting the benefits from an ever increasing installed base of systems. We are focused on growth in new regions benefiting from a broader distribution of capital spending in manufacturing worldwide. Our research and development will be focused on delivering new capabilities in programming, handling, security and connectivity to our target markets worldwide. Our service team will continue to be the best in the industry and provide the support and confidence our customer's demand.

We will continue to be disciplined in our spending. With the hiring of Gerry Ng as CFO, we will focus on spending and inventory control as we support customers. Data I/O will remain a diligent steward of capital, even as we look for inorganic opportunities to grow faster.

We appreciate your continued support of Data I/O.

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony Ambrose".

Anthony Ambrose, CEO

A handwritten signature in black ink, appearing to read "Sally Washlow".

Sally Washlow, Chair