

Eurotech: agreement for the sale of Parvus Corporation to Curtiss-Wright Corporation

Amaro (Italy) – October 1st, 2013. Eurotech, a leading provider of embedded products and technology and of high energy efficient supercomputers, today announces it has signed an agreement with Curtiss-Wright Controls, Inc. – a segment of Curtiss-Wright Corporation – for the sale of 100% of the share capital of Parvus Corporation, the American fully-owned subsidiary of the Eurotech Group specialized in embedded computers and COTS subsystems for the US Defence market.

The consideration for the transaction has been set by the parties at USD 38 million (equal to approx. €28.1 at current exchange rates), net debt free. This amount will be subject to adjustments based on the working capital as at September 30th, 2013. Positive adjustments in favour of Eurotech will have a cap of USD 300 thousand. The collection of the consideration, net of escrow deposit for 18 months to cover contractual warranties, will be USD 35 million at the closing date, which is today October 1st 2013, while the adjustment based on the working capital will take place within 150 days from that date.

According to the US GAAP, in 2012 Parvus had revenues equal to USD 20.19 million and EBITDA equal to USD 4.86 million. Eurotech S.p.A. acquired Parvus Corporation in 2003 for a counter value of USD 2.26 million (equal to €1.95 million) and in 2002 Parvus had revenues equal to USD 3.55 million and EBITDA equal to USD 254 thousand.

The proceeds of the transaction will be used for investment and development of the strategic activities of the Group, the support of the ordinary activities and possible uses for operations of external growth.

Roberto Siagri, President and CEO of Eurotech S.p.A., said: “This transaction allows us to focus on our strategic directions of Pervasive Computers and Low-power Supercomputers (Green HPCs), and at the same time it gives us the opportunity to accelerate investments to faster expand our presence in the market. With our M2M solutions, our Xentinel SaaS platform for security and surveillance and our EDC integration platform we can count on an innovative value proposition for the Internet of Things and the Smart Cities scenarios, while with our Aurora and G-station solutions we can address the markets of Green HPCs and High Performance Embedded Computers (HPEC) for both fixed and mobile applications. Thanks to the ready-to-use devices available in our catalogue and to the combination of HW and SW platforms, Eurotech is able today to provide its customers with sophisticated solutions to implement asset monitoring projects, where “asset” can be virtually anything that can be digitally identified. It’s a fact that the Internet of Things is emerging more and more strongly as the new paradigm for building distributed systems and therefore is shaping new ways of thinking about the processes of monitoring and control of distributed assets. Around this massive digitization is being born a new world of applications and a market with a size and a variety of opportunities never seen before. Just think that by 2015, there are those who estimate that there will be 25 billion smart devices connected to the internet that will produce an enormous amount of data that will need to be collected and processed. In order for all of this to produce positive effects in terms of economic development and sustainability you will need to have solutions that simplify and reduce the costs of the implementation of these new applications, and this is exactly what we have achieved with our products that interconnect smart devices with each other and with the Cloud infrastructure.”

Lincoln International served as the exclusive financial advisor to Eurotech throughout the sale process.

Note: the disposal transaction turns out to be significant according to the parameters laid down in Annex 3b of Consob Regulation no. 11971/1999, in this regard Eurotech S.p.A. announces that the Board of Directors of the Company on February 1, 2013 has made use of the derogation from the preparation of the Information Document (opt-out), as allowed by Consob with resolution no. 18214 of May 9, 2012.

About Eurotech

Eurotech (ETH.MI) is a global company that integrates hardware, software, services and expertise to deliver embedded computing platforms and sub-systems to leading OEMs, system integrators and enterprise customers for successful and efficient deployment of their products and services. Drawing on concepts of minimalist computing, Eurotech lowers power draw, minimizes physical size and reduces coding complexity to bring sensors, embedded platforms, sub-systems, ready-to-use devices and high performance computers to market, specializing in defense, transportation, industrial and medical segments. By combining domain expertise in wireless connectivity as well as communications protocols, Eurotech architects platforms that simplify data capture, processing and transfer over unified communications networks. Learn more about Eurotech at www.eurotech.com.

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