



Introducing Eurotech

**Innovative
Global
Dependable**



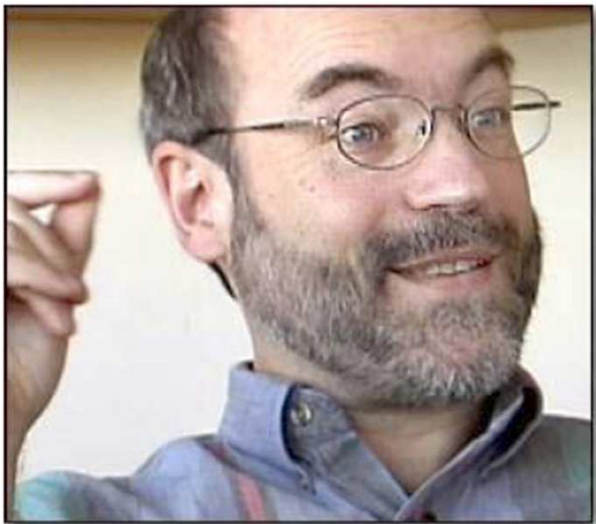
Background

THE BIG PICTURE

Once upon a time...

The inspiring idea

**Computers will be increasingly
miniaturised and interconnected**



Mark Weiser

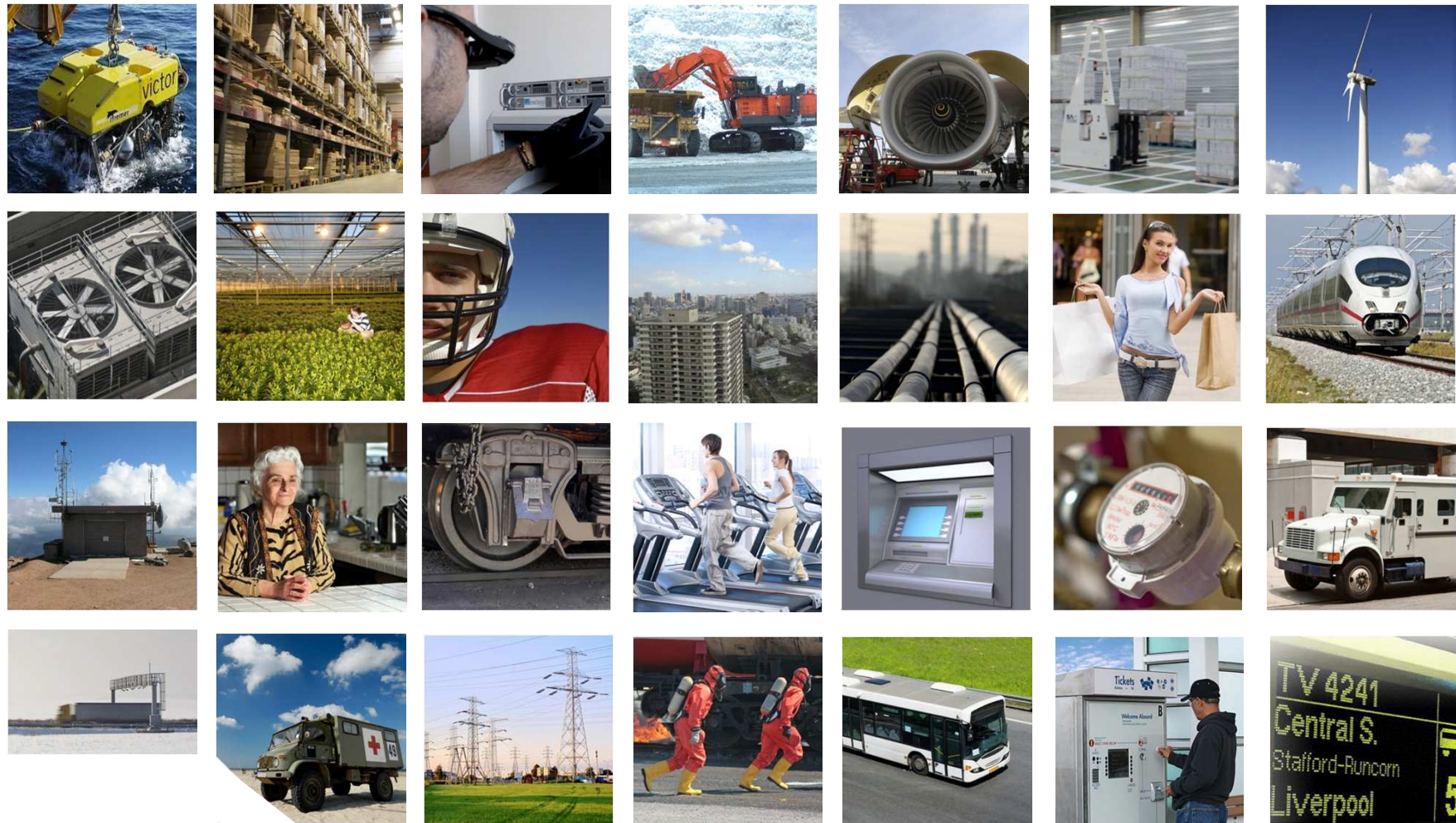
Chief Technologist, Xerox PARC

**“The most profound
technologies are those that
disappear. They weave
themselves into the fabric of
everyday life until they are
indistinguishable from it.”**

*"The Computer for the 21st Century",
Scientific American, Vol. 265 No.9, pp. 66-75, '91*

The Pervasive Computer

Machine-2-Machine / Internet of Things applications everywhere...





Internet of Things

**IN THE RIGHT PATH.
AT THE RIGHT TIME.**

A new Economy of Data is growing

Where logistics still rules...

- According to McKinsey, at least 80% of traditional businesses will be affected by the IoT paradigm. This is because a new “Economy of bits” is growing to complement and drive the traditional “Economy of atoms”.
- The great expansion of the old economy of atoms was driven by the availability of the logistics of goods. In the same way, the Cambrian explosion of the economy of bits, or economy of data as we might call it, will be driven by the availability of what we call the “logistics of data”.
- From the point of view of data logistics, as an express courier can serve many different customers in the world, virtually all vertical sectors are similar: from transport to medical, from agriculture to retail.

The new perspective of the Economy of Data

An example

*Specifications that counts
for the old economy of atoms*

*Specifications that counts
for the new economy of data*

Diameter (m)

Lenght (m)

Weight (kg)

Max thrust (kN)

Air flow (kg/s)



Sensors (type, #)

Data flow (TB/day)

What is the Driving Force?

Servitization

is happening in almost all industries on a global scale

(almost) all kind of businesses and
companies are going
DIGITAL
And
AS-A-SERVICE

servitization
INFRASTRUCTURE
DaaS
support
iPaaS
COST
outsourcing
new
business models
everything as a service
ORGANIZATIONS
PARTNER
OEMs
PRODUCT
CUSTOMER
services

“Software is Eating the World”



“Companies in every industry need to assume that a software revolution is coming...”

Marc Andreessen

SW platforms as logistics operators

The paradigm ahead

PHYSICAL WORLD



CYBER WORLD

Goods handling



Data handling

**Logistics infrastructures
used by national and
international operators**



**Software platforms
resident in the Cloud and
available as-a-service**

- Control over device data will be strategic
- Competition will be played on SW platforms

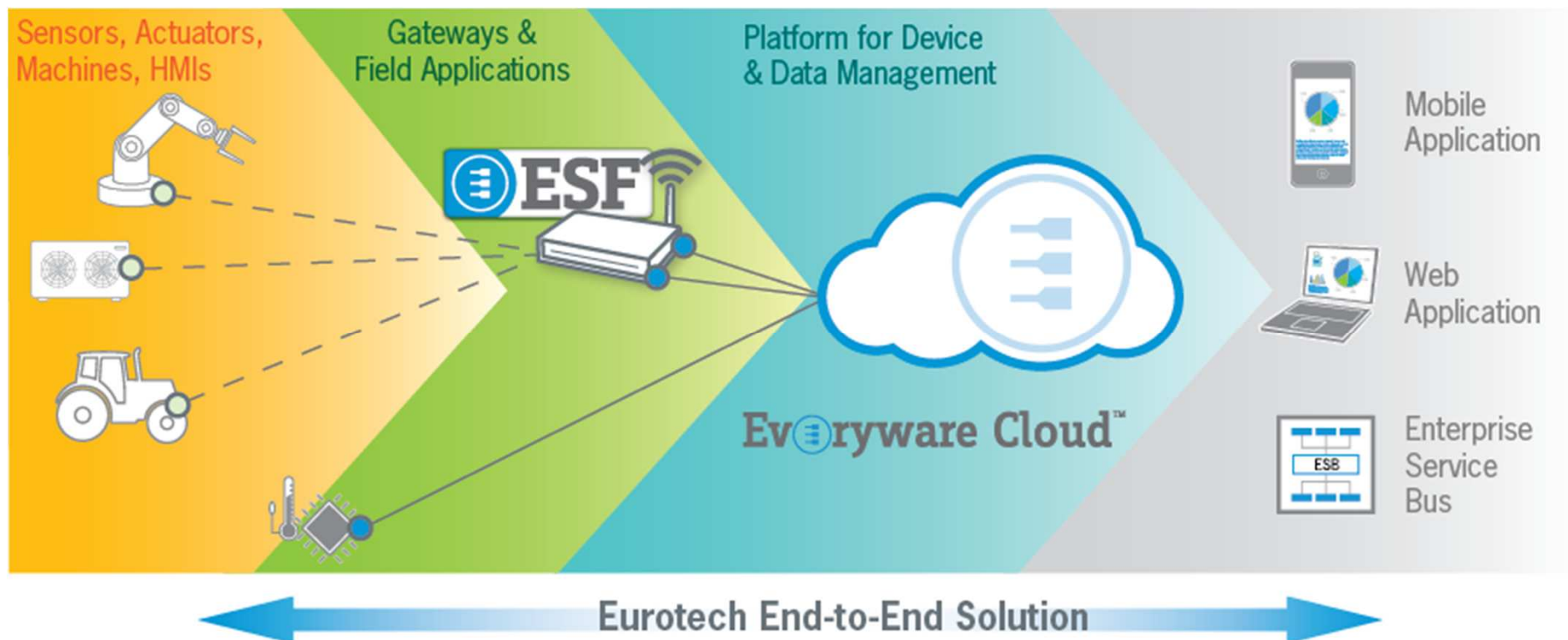
IoT is big. So where are we?

It's about enabling new business models...

- Eurotech mission in IoT landscape is to simplify the access to and use of M2M technologies for companies who want to change their business model and exploit the new paradigm of Internet of Things.
- The first visible wave of IoT is addressing either the increase of efficiency in the use of distributed assets or the creation of brand new services: dynamic routing of busses according to presence of absence of potential passengers at bus stops is an example of efficiency increase; on demand sharing of our car is an example of a new service created thanks to the IoT technologies.
- But there's a second, less visible wave of IoT that is aiming at transforming the existing business models to bring them into the era of “servitization”: appliances provided as-a-service, rather than sold, and billed monthly on the energy bill is a good example of such business model transformation.

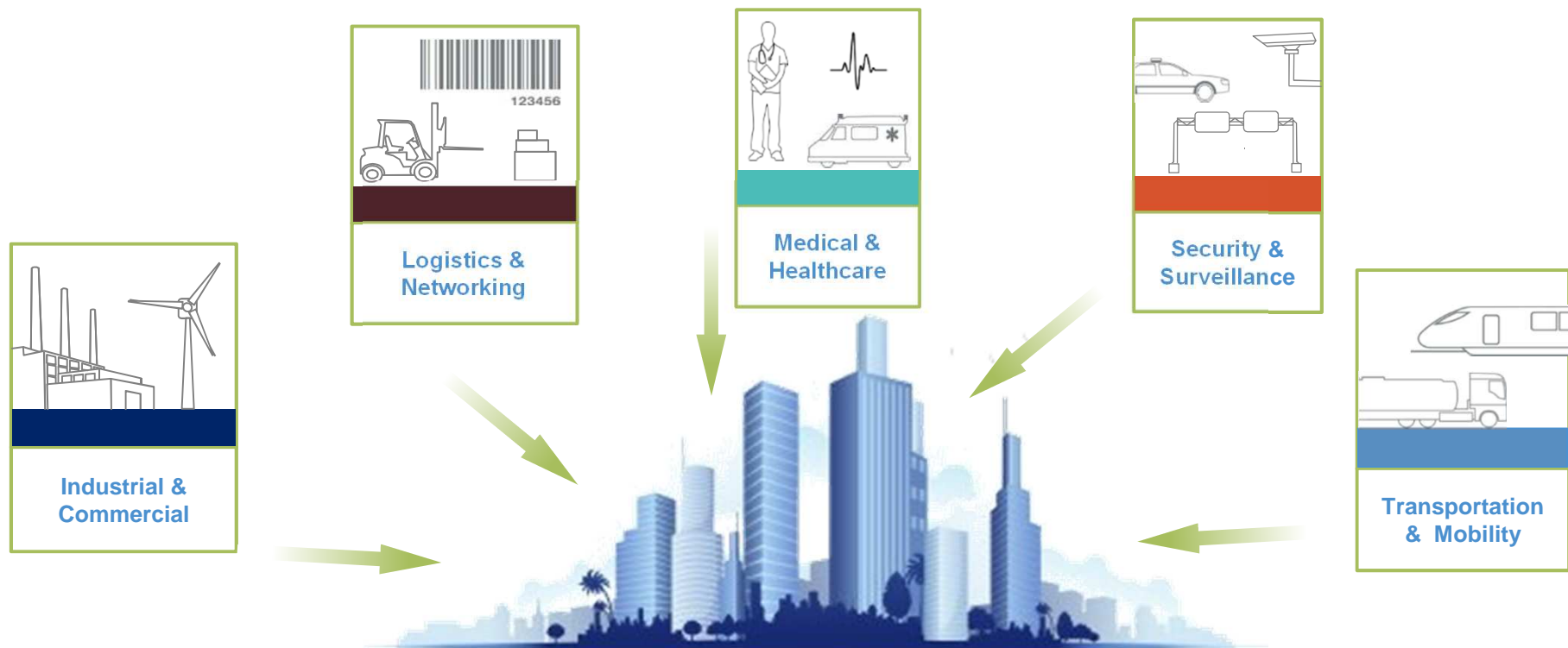
Eurotech vision: "FedExing Data"

Transforming Bits of Data at the Edge of the Network into Actionable Information in the Business Users' Hands



Eurotech's Competitive Landscape

Internet of Things. Smart Cities. Big Data.



Eurotech's product portfolio is a fundamental element for the development of complex technology architectures such as Smart Cities, whose criticality lies in simplifying the collection of data and their analysis (Open Data and Big Data).



COMPANY SNAPSHOT

Eurotech Overview

Quick Facts Sheet

Founded in	1992
Public Listing on	November 30, 2005
Stock Tickers	Bloomberg: ETM:IM; Reuters: E5T.MI
Sales FY 2014	63.9 M€
President & CEO	Roberto Siagri
Headquarters	Amaro (UD) - Italy
Direct Global Presence	Italy, United Kingdom, France, Japan, USA
Product Development Locations	Amaro (Italy), Brescia (Italy), Columbia (MD,USA), Huntsville (AL, USA), Mission Viejo (CA,USA), Okayama (Japan)
Manufacturing Locations	Amaro (Italy), Okayama (Japan), Columbia (MD, USA)
Worldwide Employees	365

(as at December 31st, 2014)

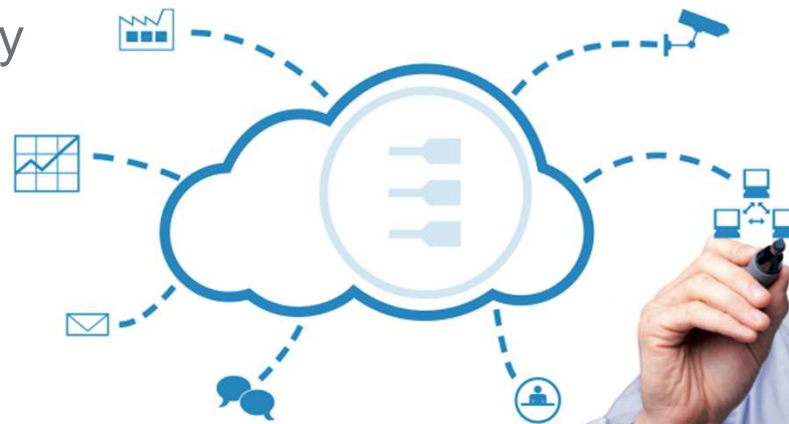
Eurotech's Pillars

- Technological background: **Embedded Computing**
Pervasive Computing
- Core competences: **Miniaturization, Ruggedization, Low-power,**
Interconnection of devices, Data logistics
- Focus on higher value-add for Customers
 - **Selling enabling platforms, not just components**
 - **Eurotech as Partner for Innovation rather than just Supplier**
- Fabless
 - **No constraints on product development**
 - **No inertia on business development**

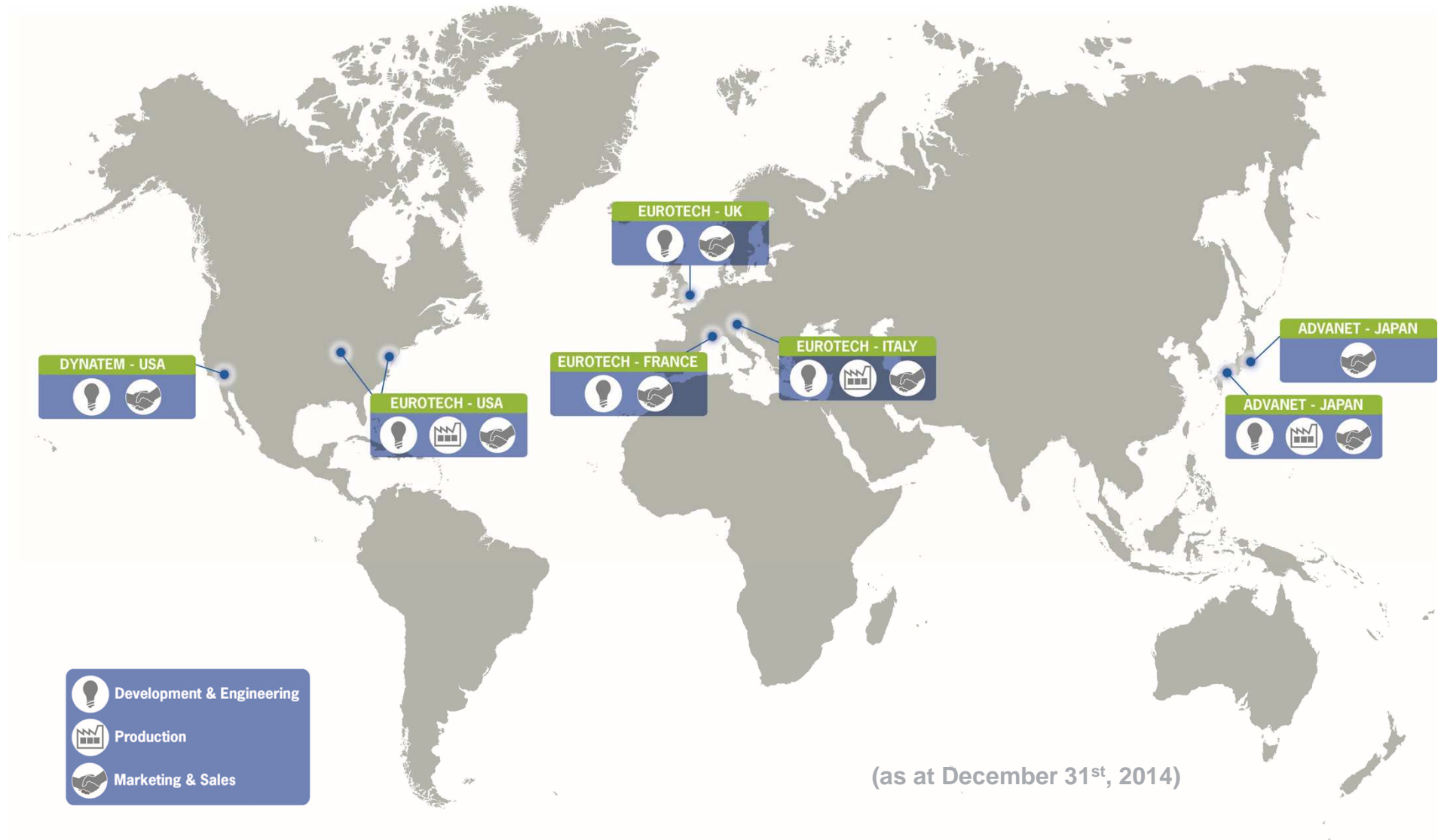
Eurotech's Essence

In few words...

- Behind the products of more than 20 Global 500 companies
- One of the world top players in the Embedded Computers market
- 20+ Years of experience in “M2M” and distributed systems
- True global footprint spanning over 3 continents
- Member of the UN Global Compact
- Strong vertical market competences:
 - Industrial & Logistics
 - Transportation & Mobility
 - Defense & Security
 - Medical & Healthcare

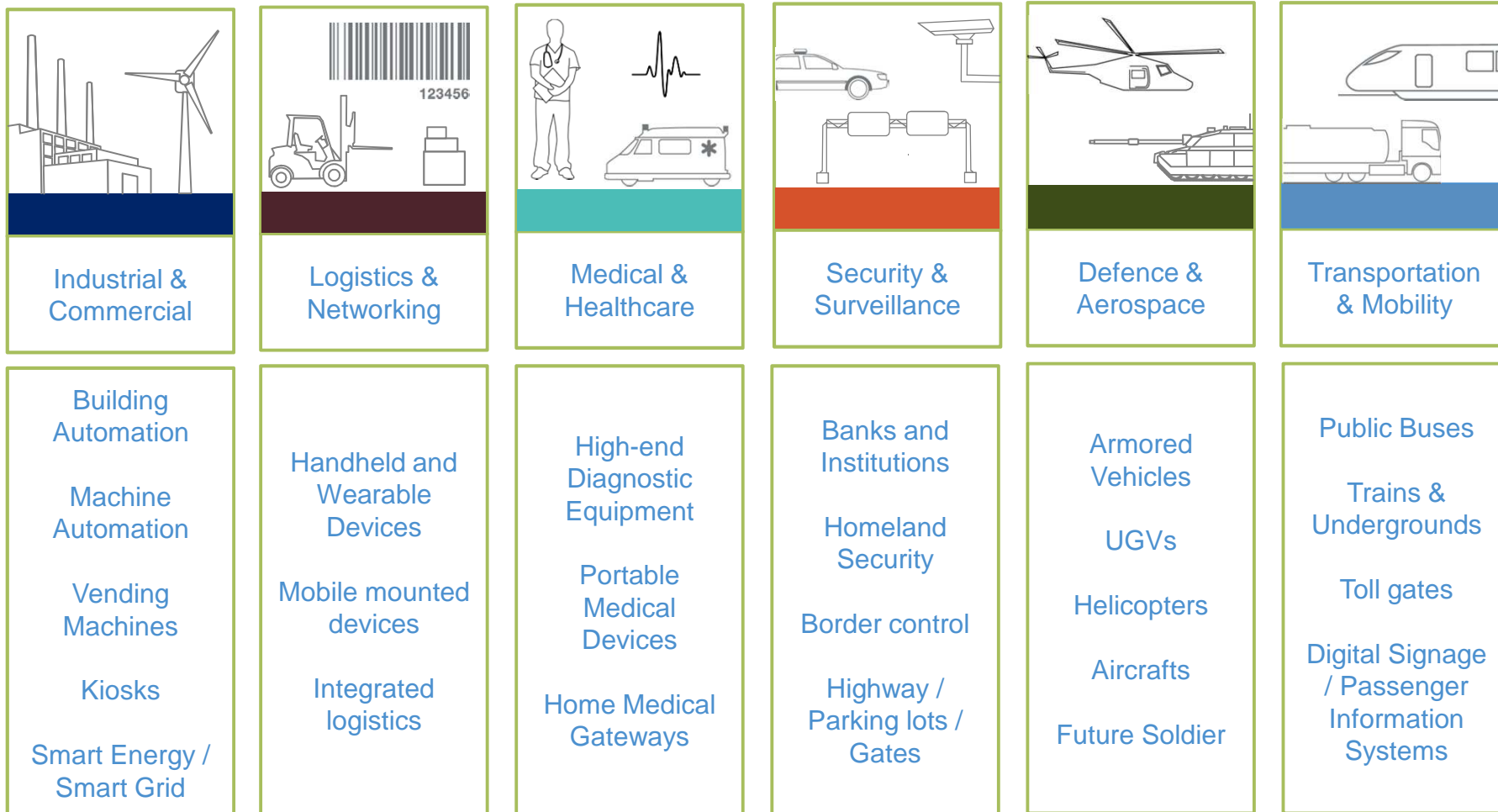


Eurotech's Global Footprint



Eurotech's Proven Expertise

Cross fertilization between vertical markets



Some of our Customers

THALES



VARIAN
medical systems

GENERAL DYNAMICS



BAE SYSTEMS



GENDEX®



ALSTOM



ZOE
Medical



JOHN DEERE



HITACHI MEDICAL CORPORATION



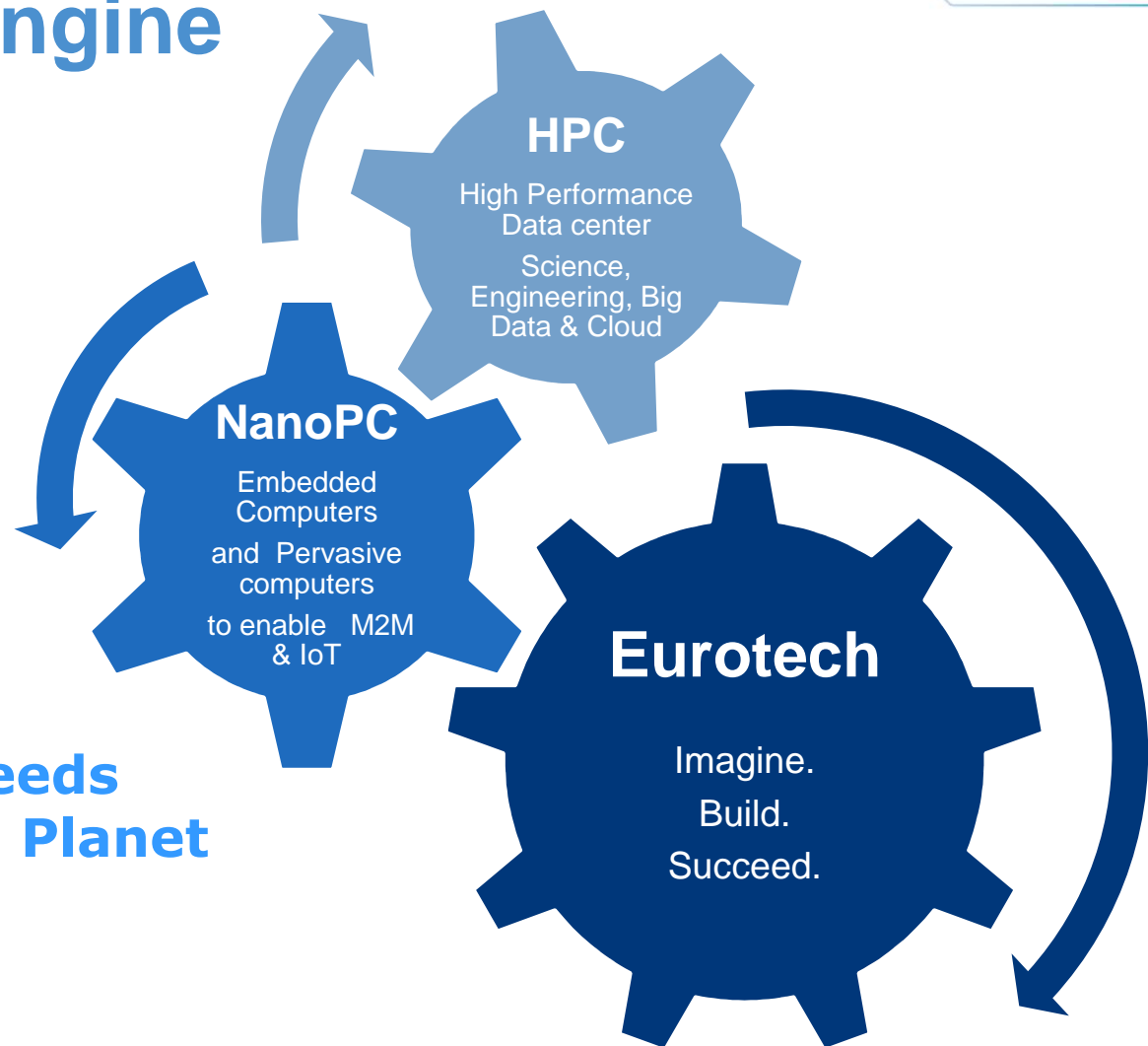
MITSUBISHI HEAVY INDUSTRIES, LTD.





THE ESSENCE OF THE STRATEGY

The Eurotech Engine



**Addressing the needs
of an interconnected Planet**

&

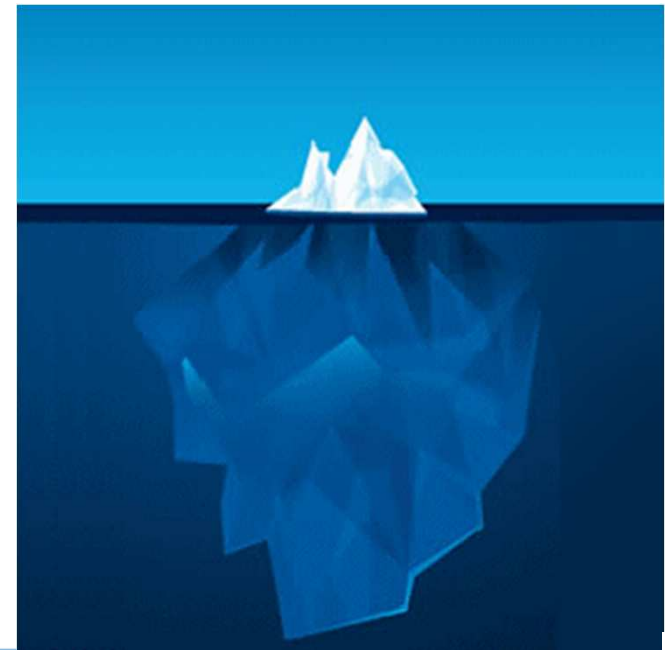
**Re-starting
a double digit growth path**

The Essence of our Selling Proposition

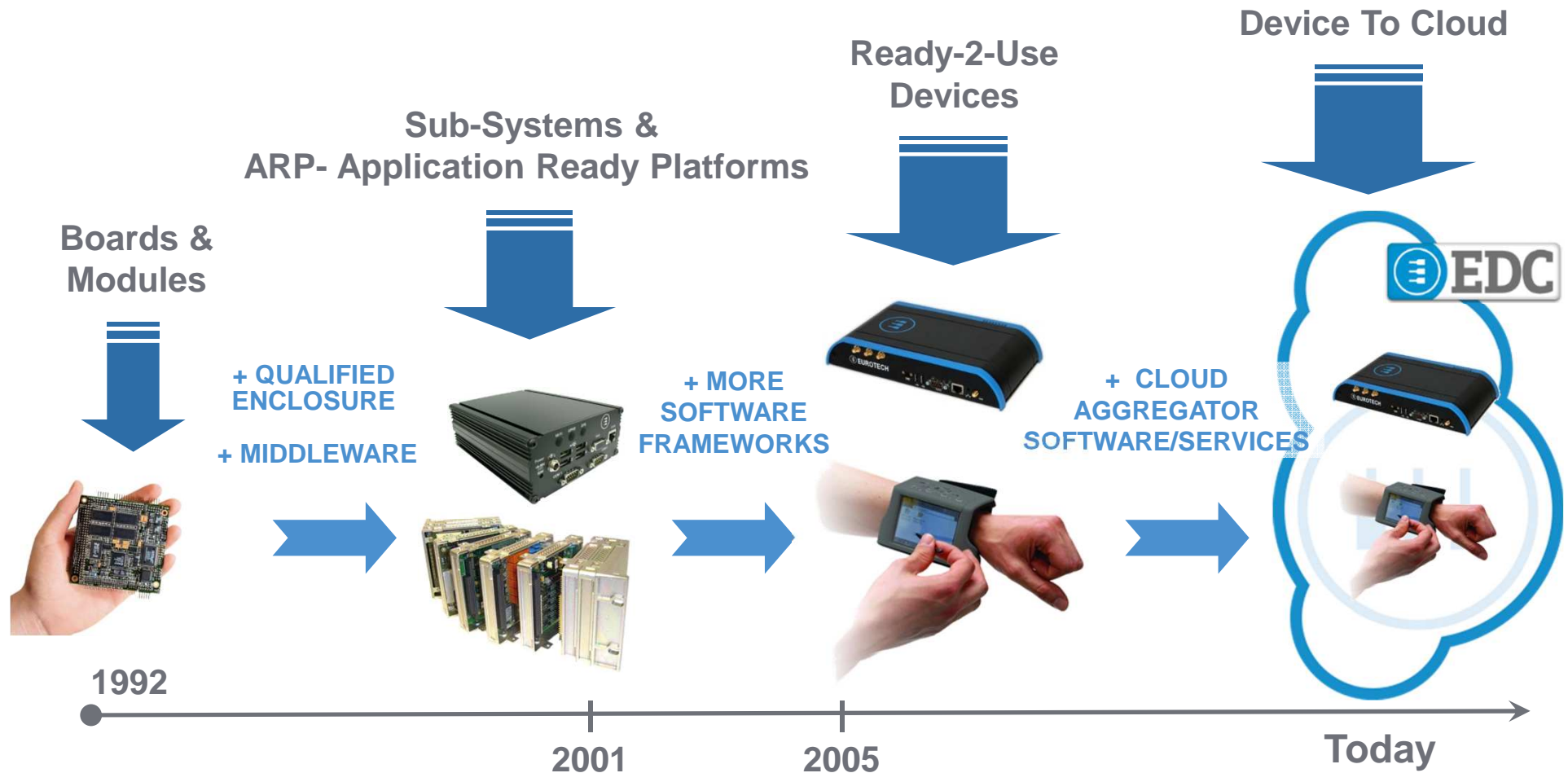
**Faster
Time to Market**



**Lower
Total Cost of Ownership**



Strategic evolution of our Offering: Custom → Standard → as-a-Service



Increasing market demand coverage

Boards: few standard products, many custom



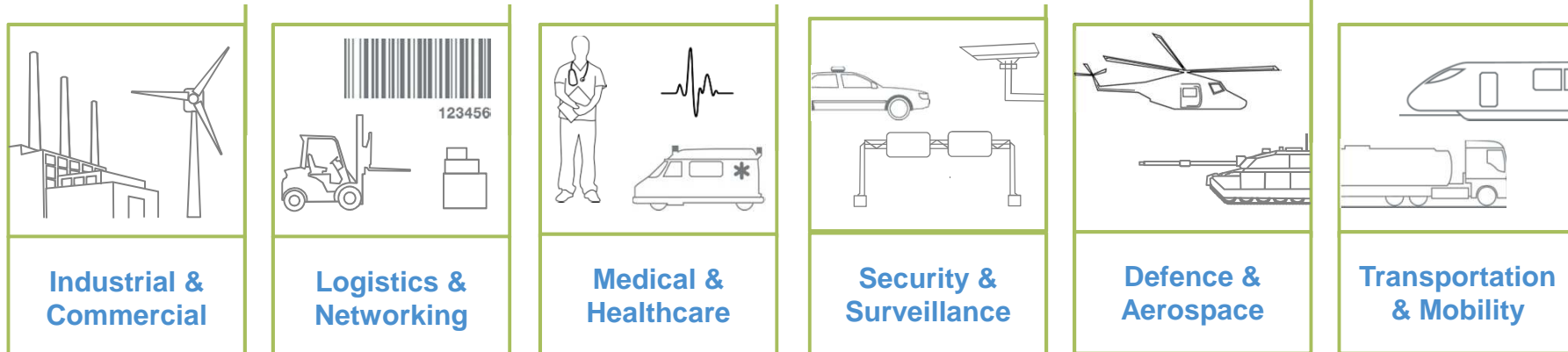
Systems: few modular standard products, few custom



M2M/IoT sw platform: one modular standard product



Appliances linked to the M2M/IoT platform



Adding recurring revenues

Monthly fee per device connected

- The traditional business of embedded computers with OEMs will continue to be an important part of our P&L in the short and medium term
- It will be increasingly backed up by the M2M/IoT business that, in addition to the non-recurring revenues related to the HW, will have a recurring revenue stream from the services provided by our integration SW platforms.





New business

M2M / IOT

Background: IoT is starting now

Just moving from the top of the hype towards maturity:
a blue ocean of opportunities is in sight.

While IoT has matured significantly and expanded massively in the last couple of years, we've barely scratched the surface.

Source:
Verizon
State of the Market
The Internet of Things 2015

IoT: what are we talking about?

Not all IoT is really IoT

- **Verizon:**
 - IoT refers to M2M technology enabled by secure network connectivity and cloud infrastructure, to reliably transform data into useful information for people, businesses and institutions.
- **Bosch:**
 - IoT is the next generation of the internet. It is a global system of IP-connected computer networks, sensors, actuators, machines, and devices. Merging this physical world with the virtual world of internet and software enables companies and consumers to create and enjoy new services that are founded on web-based business models.
- **McKinsey:**
 - IoT refers to the networking of physical objects through the use of embedded sensors, actuators, and other devices that can collect or transmit information about the objects. The data amassed from these devices can then be analyzed to optimize products, services, and operations.
- **Glodman sachs:**
 - IoT connects devices such as everyday consumer objects and industrial equipment onto the network, enabling information gathering and management of these devices via software to increase efficiency, enable new services, or achieve other health, safety, or environmental benefits.

The qualifiers of IoT

What is needed to define a solution as "IoT"

It's about **SENSING** the real world

A connected asset must be able to sense something about its surroundings, this might be location, proximity, altitude, temperature, vibration, humidity, light levels, or motion. If it doesn't sense something, it's not IoT.

It's about **DATA** **LOGISTICS**

The data processed from a connected asset must be transferred to a central location or processing application automatically — either at a set time, or when a condition is met or a threshold passed. Without connectivity, it's not IoT.

It's about **ACTIONABLE** **DATA**

IoT isn't just about gathering data; it's about using it to make better decisions — that's the value of IoT. Regardless of whether the output is manual or highly automated, analysis of the data must be integrated into business processes. If the data is not actionable, by you or a third party, it's not IoT.

Good Reasons for IoT Solutions

What Businesses and Organizations are looking for ...

- More **efficiency**
- **Improve** products and services
- Open up **new** business **opportunities**
- Increase **agility**
- Build the ability to **scale**





Componentization

The encapsulation of complexity

“The rate of evolution of any system is dependent upon the organization of its subsystems”

Herbert Simon, Theory of Hierarchy and Componentization

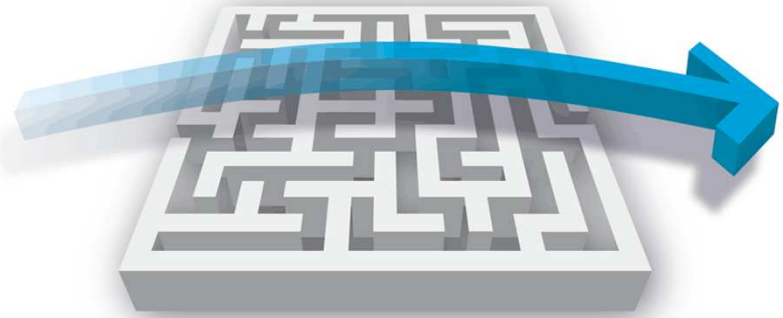
Value follow simplicity

Innovation = Solving the Complexity Problem

simplicity

or

simplicity



Eurotech's Approach

WHERE IS THE INNOVATION?

**We enable the Internet of Things scenarios
exploiting the Cloud Infrastructure**

decoupling

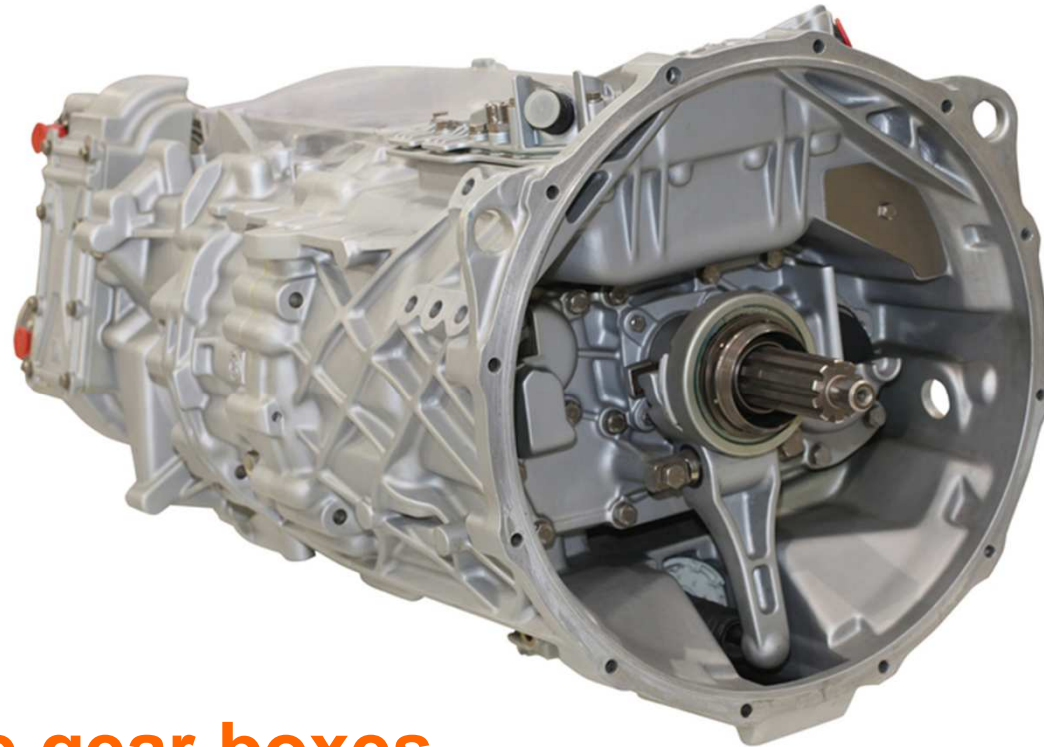
distributed data Producers (the "Things")

and

**distributed data Consumers (the Business Apps,
... and ultimately Human Beings)**

Encapsulating Complexity

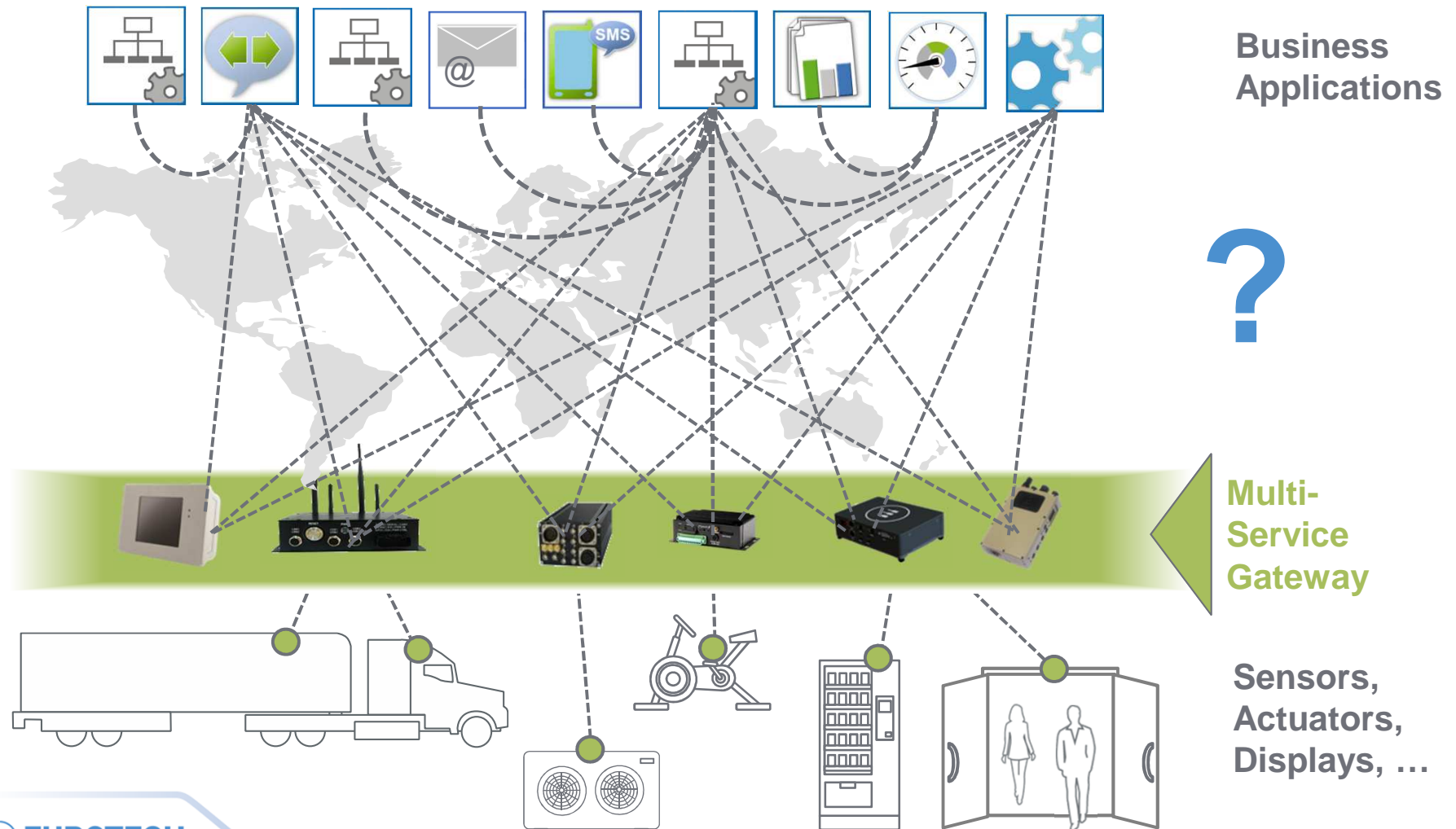
When you need transmission gears,
are you building them from scratch?



No, you use gear boxes...
Off-the-shelf products from experienced suppliers !

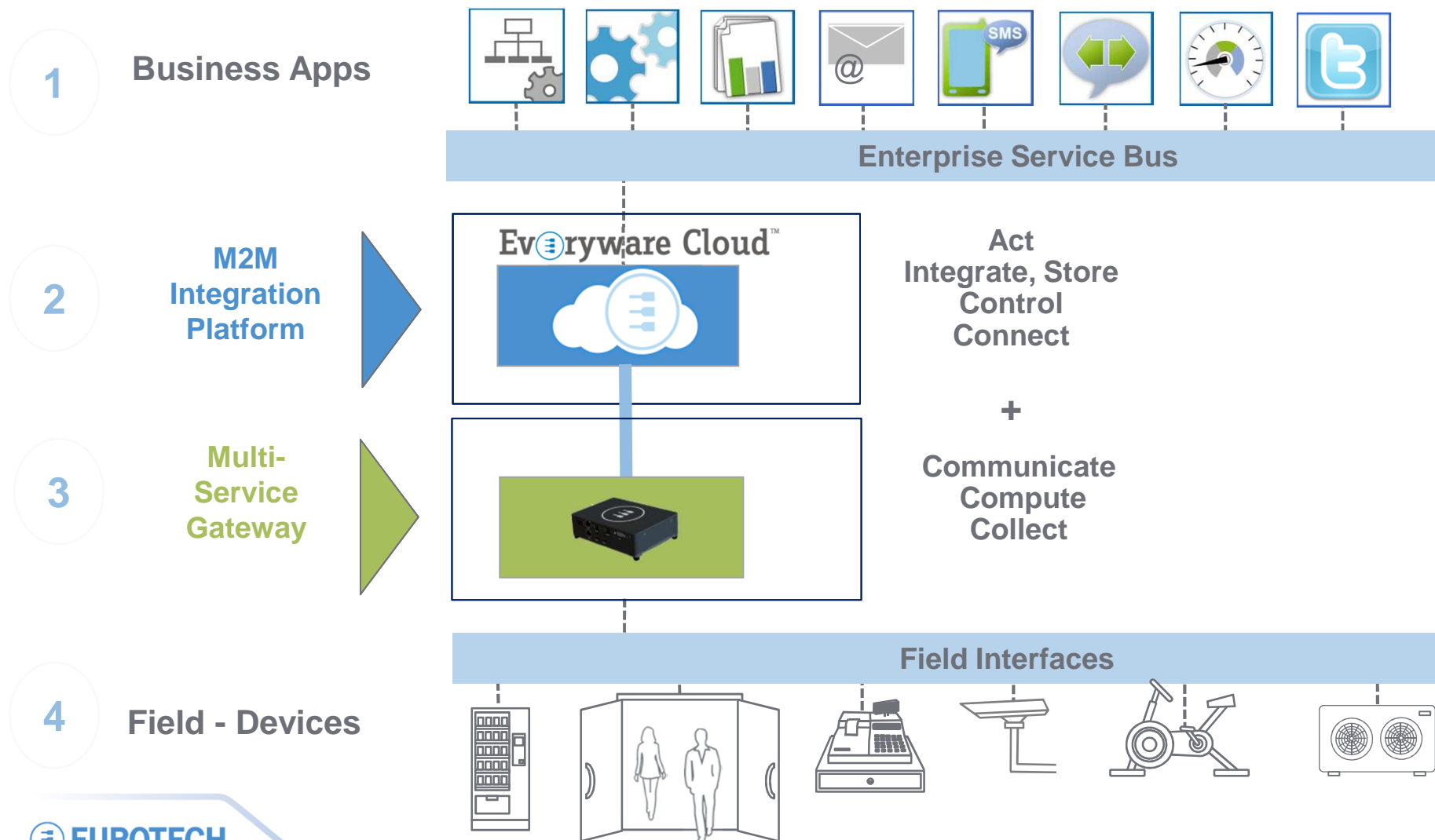
Encapsulating Complexity

Central Complexity in M2M / IoT Infrastructures



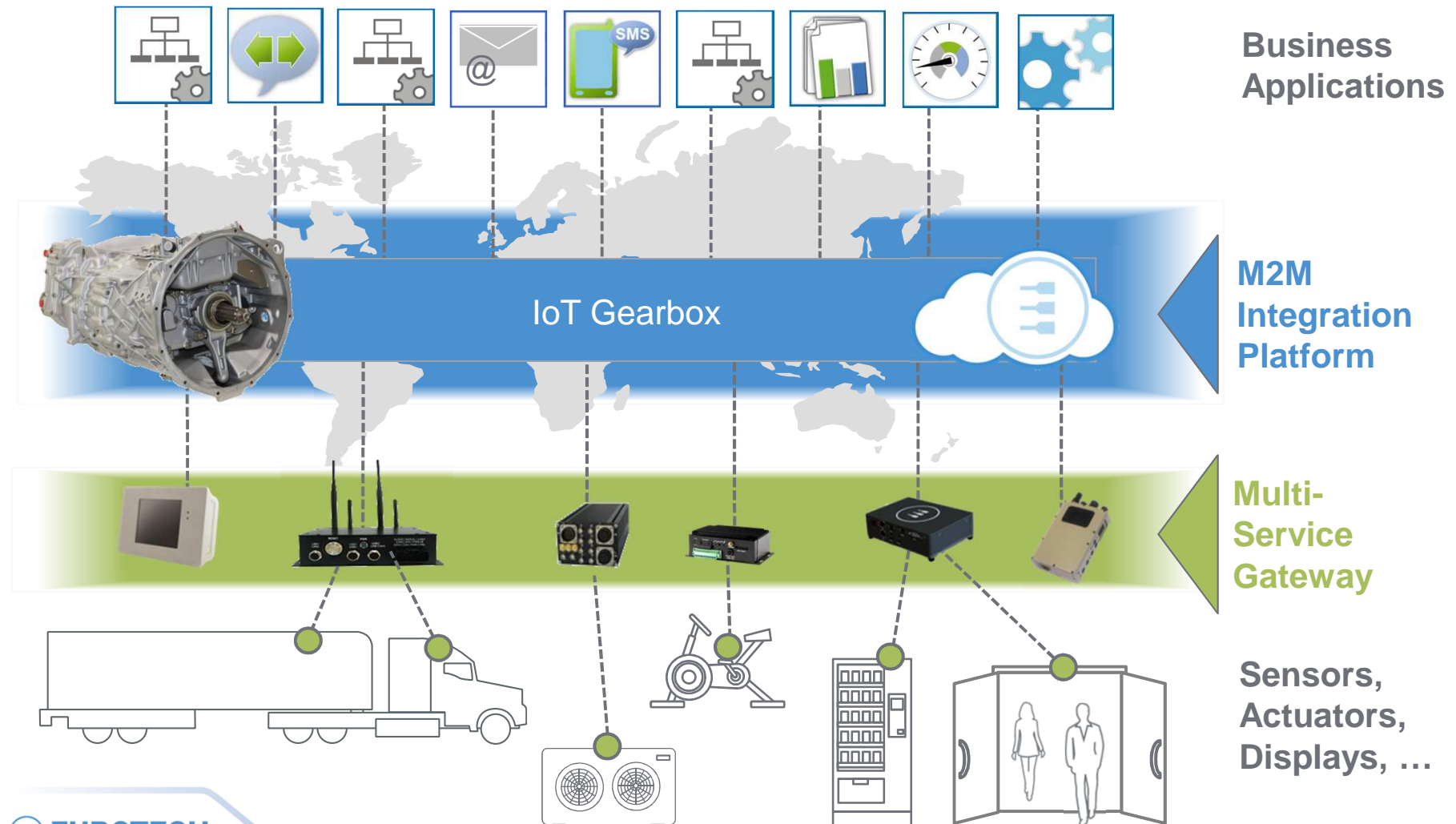
Recipe: Divide and Conquer

Ingredients: Four Layers with 2 Architectural Components



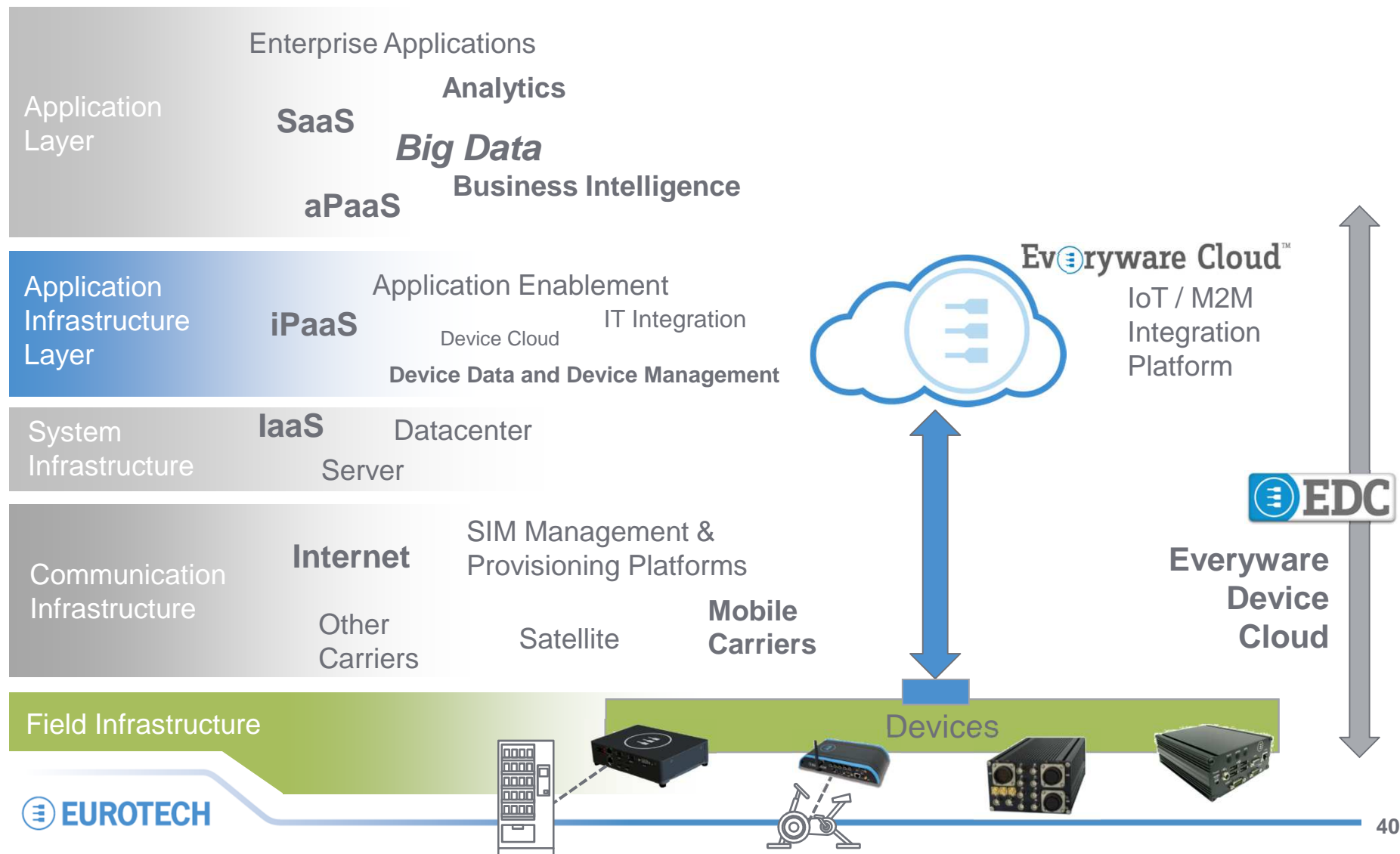
Complexity tamed

Everyware Cloud = Gearbox for the Internet of Things



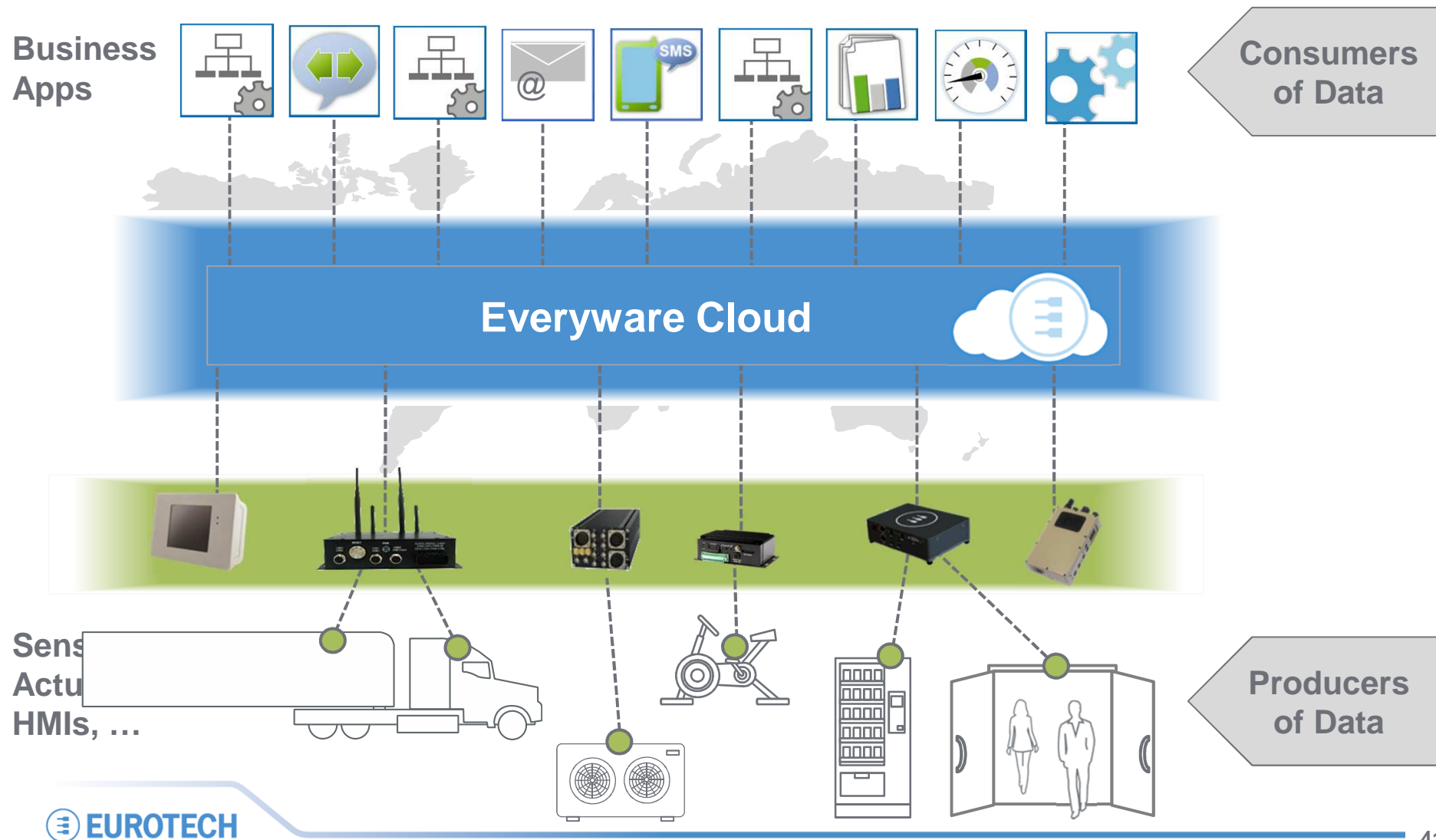
The Internet of Things

Eurotech Building Blocks: Enabling IoT and Big Data



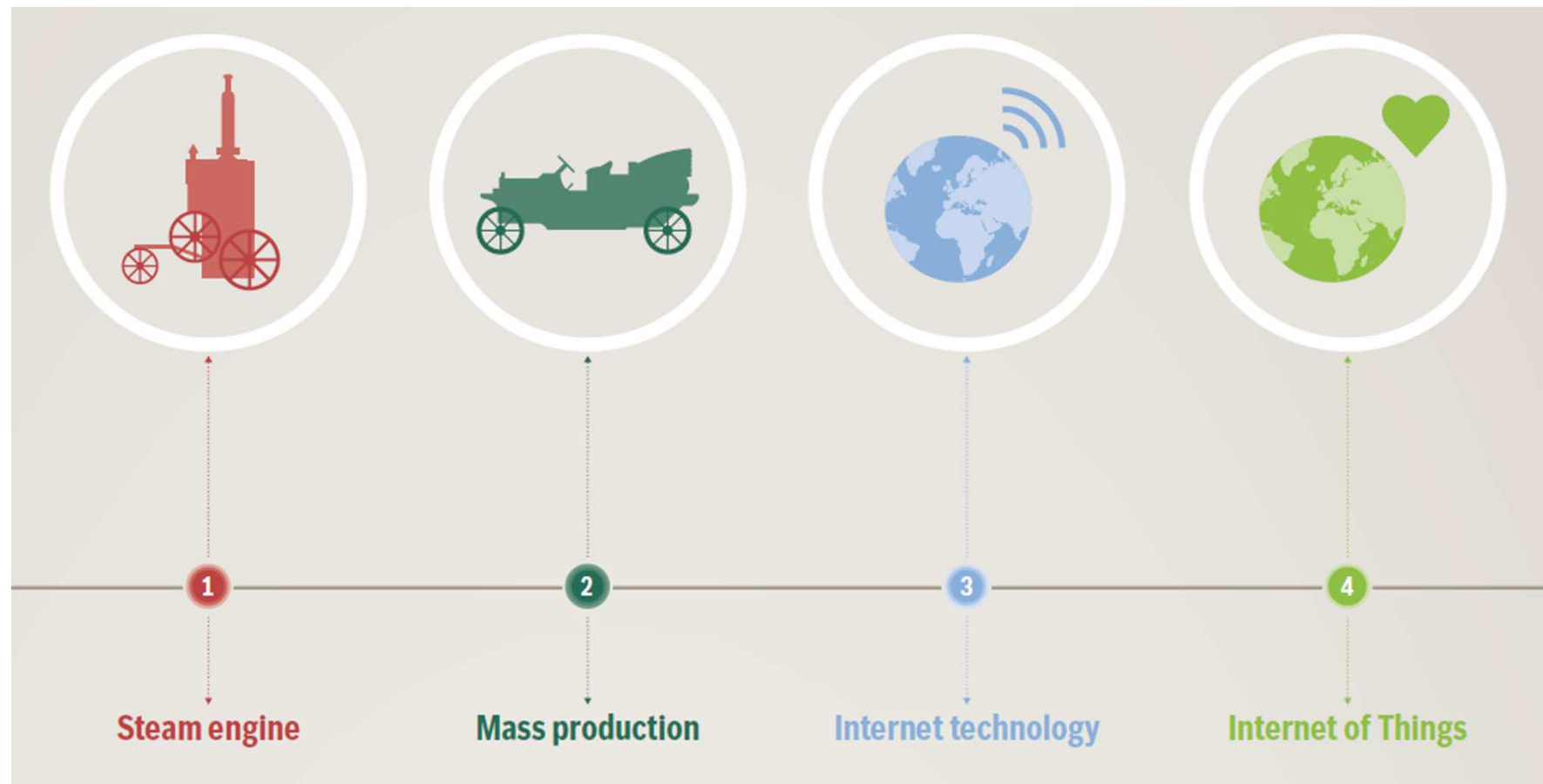
The full picture

Building a bridge between Real World and Business Apps



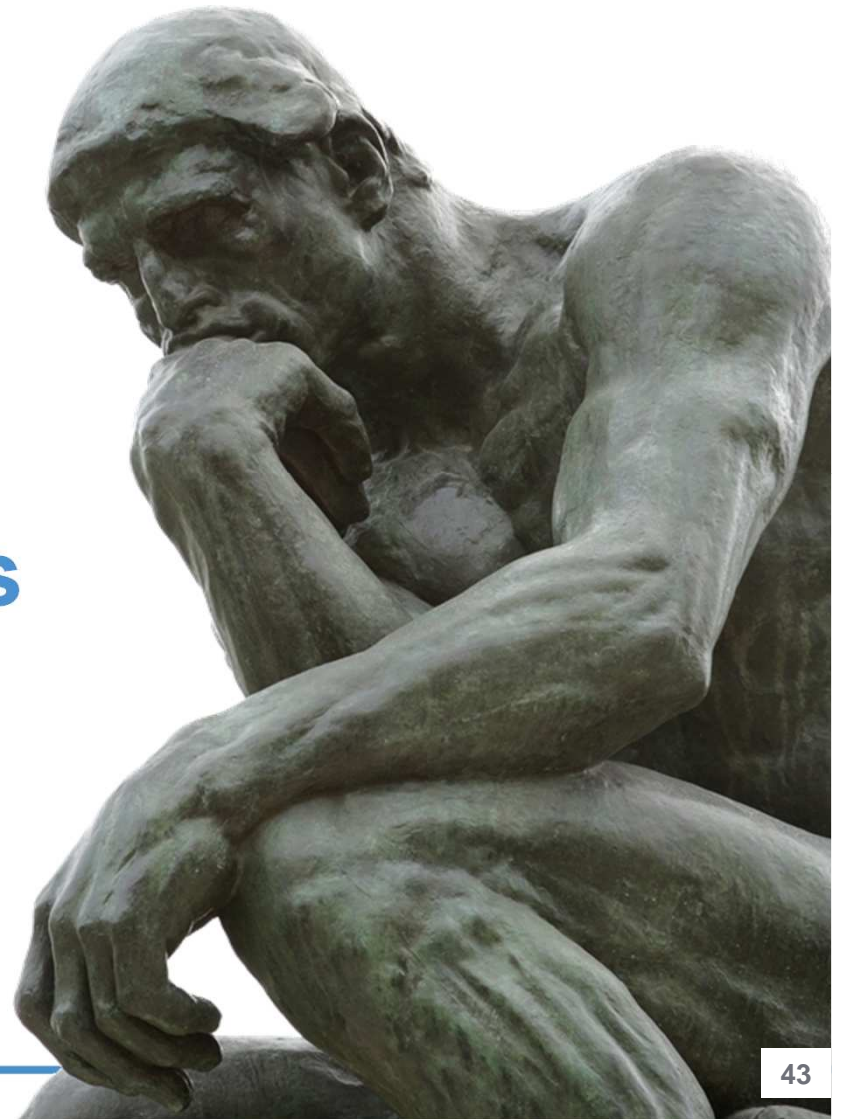
The Dawn of a New Smart World

Transforming Bits of Data at the Edge of the Network into Actionable Information & Knowledge in the Users' hands will bring about the biggest change in the industry since the steam engine



Re-Thinking

- **Products**
- **Value Add**
- **Business Model**
- **Business Processes**



Eurotech's Value Proposition

Some Voices....

- **Gartner / Cool Vendors in IT/OT Alignment Report**

“However, they should also favor providers, such as Eurotech, that offer open-standards-based platforms, and can support on-premises deployment models to minimize vendor lock-in issues and maintain strategic agility.”

- **Eclipse Foundation / M. Milinkovich**

“I just got the full Eclipse Kura demo and I was blown away. Very cool stuff.”

- **VDC Research Group**

“With two decades of embedded/M2M experience, existing capabilities, and investments, we expect Eurotech to differentiate itself versus other traditional embedded board vendors as the company moves up the value chain.”

- **Harbor Research, White Paper**

“Eurotech has organized a novel combination of tools and technologies that work together in unprecedented ways to solve more complex business problems than previous generations of intelligent device networking technology and enterprise applications have been able.”

Eurotech M2M Solutions

M2M Solutions and Enterprise IT/OT Integration

Gartner.

COOL VENDOR

Cool Vendors in IT/OT Alignment and Integration, 2013
Published: 23 April 2013

Analyst(s): Kristian Steenstrup, Geoff Johnson, Earl Perkins, Massimo Pezzini, W. Roy Schulte

The rising interest among CIOs and the significance of IT/OT integration are supporting a wave of innovative vendors that are helping to ease the integration headaches of the disparate IT and OT architectures.

Key Findings

- A key aspect of IT/OT integration is network infrastructure. A standardized and customized open-source solution will help with monitoring IT and OT operations, and can be a great facilitator of IT/OT integration.
- When looking at MOM to integrate IT and OT, a distributed data grid (or "data fabric") paradigm can be somewhat similar to that implemented by IMDGs.
- When working in a heterogeneous OT environment, a solution that allows for a wide variety of OT devices can be ideal. Some of the techniques and approaches used for application integration issues can also enable data exchanges between OT and IT systems.
- OT security requirements expand beyond the IT security policy and operational management to include physical security needs for critical infrastructure protection.

Recommendations

- Enterprises should leverage the open-source management practices and disciplines that are common to both environments — such as reusing prior developments and sharing any enhancements made — back into the open-source community for IT and OT contributors.
- Engineers and software developers designing systems, or systems of systems, that include devices or business applications requiring high-volume/low-latency standards-based communication should consider the RTI Connex product family.
- Integration managers should look at cloud-based integration platforms supporting vendor-neutral technologies to optimize costs, accelerate time to deployment, and reduce vendor lock-in for integration of OT systems with enterprise applications.



Gartner 2013
Cool Vendor

CW 100 for 2012, 2013, 2014

CONNECTED
WORLD
MAGAZINE

VDC Research
Insights to the Connected World

Vendor Spotlight

EUROTECH

Harbor Research

white paper | **Eurotech Re-Invents Embedded Connected Computing for M2M 2.0**

HITACHI
Inspire the Next

EUROTECH
Imagine. Build. Succeed.

ORACLE
JAVA EMBEDDED

Hardware and Software
Engineered to Work Together

Eurotech, Hitachi and Oracle
together ensure successful and deterministic development and deployment of M2M solutions for a broad range of vertical markets.

Eurotech M2M Technical Building Blocks Focus on a Multi-Service Gateway Approach and Standards-Compliant Software Elements

Providing a competitive advantage to customers and partners by leveraging industry standards and years of experience in challenging machine-to-machine (M2M) projects.

Overview

M2M projects present many challenges, even with hardware designed exactly to customer specifications. Success can be best assured when these three major conditions are met:

- Effective implementation of the customer's business logic on the device side
- Scalable and affordable methods for optimum device and data management
- Simple integration of distributed devices into different enterprise applications by effectively separating the producers and consumers of data

Eurotech assumes a strong foundation for M2M applications by relying on leading industry partners (Oracle's Java Embedded Technologies, Hitachi's EdgeX/OSGi platforms) to provide the technology basis for device, network, and service abstraction as well as efficient development.

That foundation, combined with Eurotech's long experience in delivering sophisticated M2M projects, enabled us to specifically design M2M Multi-Service Gateways and a cloud-based M2M Integration Platform. These two pillars ensure successful and deterministic development and deployment of M2M solutions for a broad range of vertical markets.

Eurotech's Everywhere Software Framework (ESF)

Features & Benefits


- Efficient application development
- Programming resources availability
- 100% Java
- Cloud ready
- Modular, leveraging OSGi
- Maximum investment protection
- Device independent

Consumers of Data

Producers of Data

Figure 1: Distributed Systems Architecture Overview.

ORACLE



To accomplish great things,
we must not only act, but also dream;
not only plan, but also believe.

Anatole France



www.eurotech.com



ANNEX

**FINANCIAL HIGHLIGHTS
FY 2014**

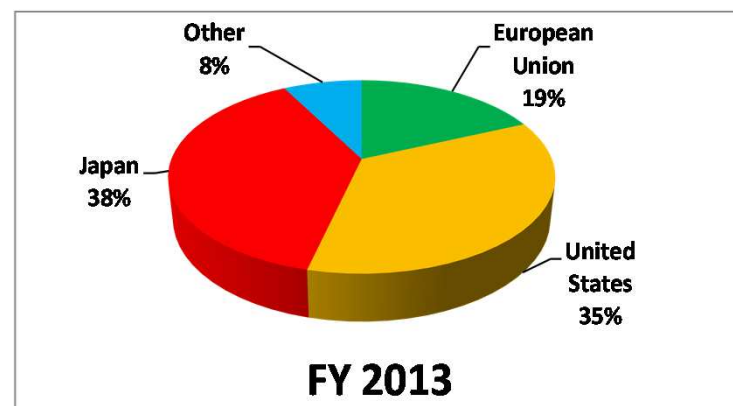
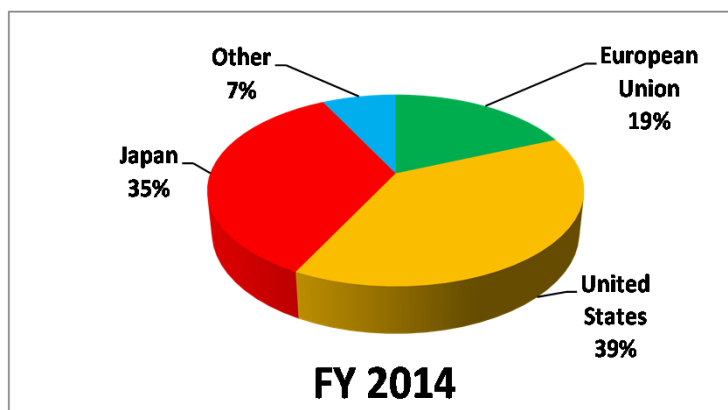
CONSOLIDATED INCOME STATEMENT

OPERATING RESULTS €'000	FY 2014	%	FY 2013	%	FY 2014 adjusted	%	FY 2013 adjusted	%
SALES REVENUES	63.898	100,0%	66.106	100,0%	63.898	100,0%	66.106	100,0%
GROSS PROFIT	30.751	48,1%	32.809	49,6%	30.751	48,1%	32.809	49,6%
EBITDA	(3.619)	-5,7%	449	0,7%	(3.619)	-5,7%	449	0,7%
EBIT	(8.993)	-14,1%	(11.927)	-18,0%	(6.603)	-10,3%	(2.693)	-4,1%
PROFIT (LOSS) BEFORE TAXES	(8.281)	-13,0%	(11.387)	-17,2%	(5.891)	-9,2%	(2.153)	-3,3%
PROFIT FROM DISCONTINUED OPERATIONS	0	0,0%	21.395	32,4%	0	0,0%	21.395	32,4%
GROUP NET PROFIT (LOSS) FOR THE PERIOD	(8.922)	-14,0%	8.240	12,5%	(7.477)	-11,7%	16.232	24,6%

REVENUES BY GEOGRAPHIC AREA

31 December 2014-2013 (€/000)

BREAKDOWN BY GEOGRAPHIC AREA	FY 2014	%	FY 2013	%	var. %
European Union	11.939	18,7%	12.204	18,5%	-2,2%
United States	24.790	38,8%	23.343	35,3%	6,2%
Japan	22.366	35,0%	25.370	38,4%	-11,8%
Other	4.803	7,5%	5.189	7,8%	-7,4%
TOTAL SALES AND SERVICE REVENUES	63.898	100,0%	66.106	100,0%	-3,3%



CONSOLIDATED BALANCE SHEET

(€'000)	at Dec 31st, 2014	at Dec 31st, 2013	(€'000)	at Dec 31st, 2014	at Dec 31st, 2013
ASSETS			LIABILITIES AND EQUITY		
Intangible assets	83.735	83.233	Share capital	8.879	8.879
Property, Plant and equipment	3.391	3.518	Share premium reserve	136.400	136.400
Investments in affiliates companies	730	607	Other reserves	(43.292)	(37.180)
Investments in other companies	286	248	Group shareholders' equity	101.987	108.099
Deferred tax assets	1.231	1.397	Equity attributable to minority interest	0	0
Other non current financial assets	0	2.342	Total shareholders' equity	101.987	108.099
Other non-current assets	547	535	Medium-/long-term borrow ing	2.756	2.729
Total non-current assets	89.920	91.880	Employee benefit obligations	1.924	1.699
Inventories	15.295	14.156	Deferred tax liabilities	5.109	6.023
Contracts in progress	79	0	Other non current financial liabilities	0	118
Trade receivables	19.846	18.673	Other non-current liabilities	909	884
Income tax receivables	215	268	Total non-current liabilities	10.698	11.453
Other current assets	1.659	2.404	Trade payables	15.272	14.677
Receivables from affiliates companies	0	0	Short-term borrow ing	7.930	12.319
Other current financial assets	2.570	101	Derivative instruments	52	159
Cash & cash equivalents	14.104	27.995	Income tax liabilities	507	1.657
Total current assets	53.768	63.597	Other current liabilities	7.242	7.113
Total assets	143.688	155.477	Other current financial liabilities	0	0
			Total current liabilities	31.003	35.925
			Total liabilities	41.701	47.378
			Total liabilities and equity	143.688	155.477