

Imagine. **Build.** Succeed.

STAR Conference London

Company Overview

23 October 2018

Presenters:

Roberto Siagri : CEO

Andrea Barbaro : IRM

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Quick Facts

Trusted top player in the Embedded Computers market – Standard/COTS/Custom

Capable of merging HPC technology with Embedded to create High Performance Embedded Computers (HPECs)

Strong vertical market competencies

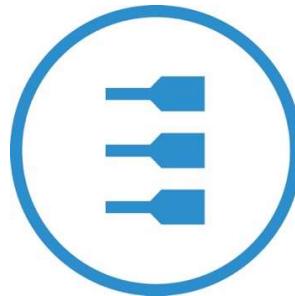
Behind the products of more than 20 Global 500

20+ Years of experience in distributed systems and M2M

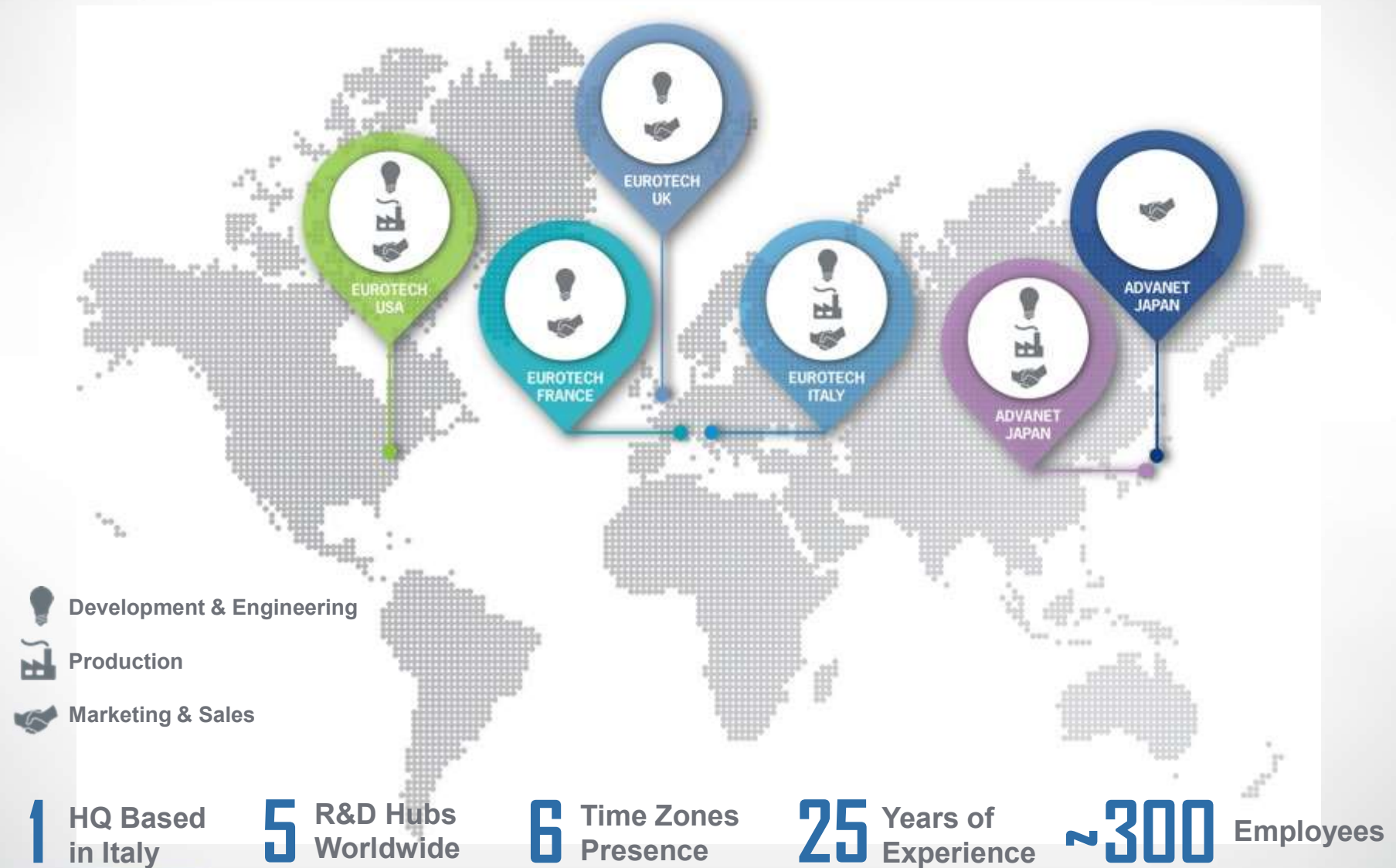
Leading innovator in OT-to-IT integration: Industrial IoT gateways, High Performance Edge-computers, Device Management SW framework and IoT integration SW platform

**Public Company, in the STAR segment of Borsa Italiana
(Bloomberg: ETH:IM; Reuters: E5T.MI)**

Member of the UN Global Compact



Global Footprint



THE VISION: Pervasive & Ubiquitous Computing

Computers will be increasingly miniaturised and interconnected

They weave themselves into the fabric of everyday life until they are indistinguishable from it

**IoT
is how**

Computer's Ubiquity

(Cloud Computing)

and

Pervasiveness

(Embedded PCs)

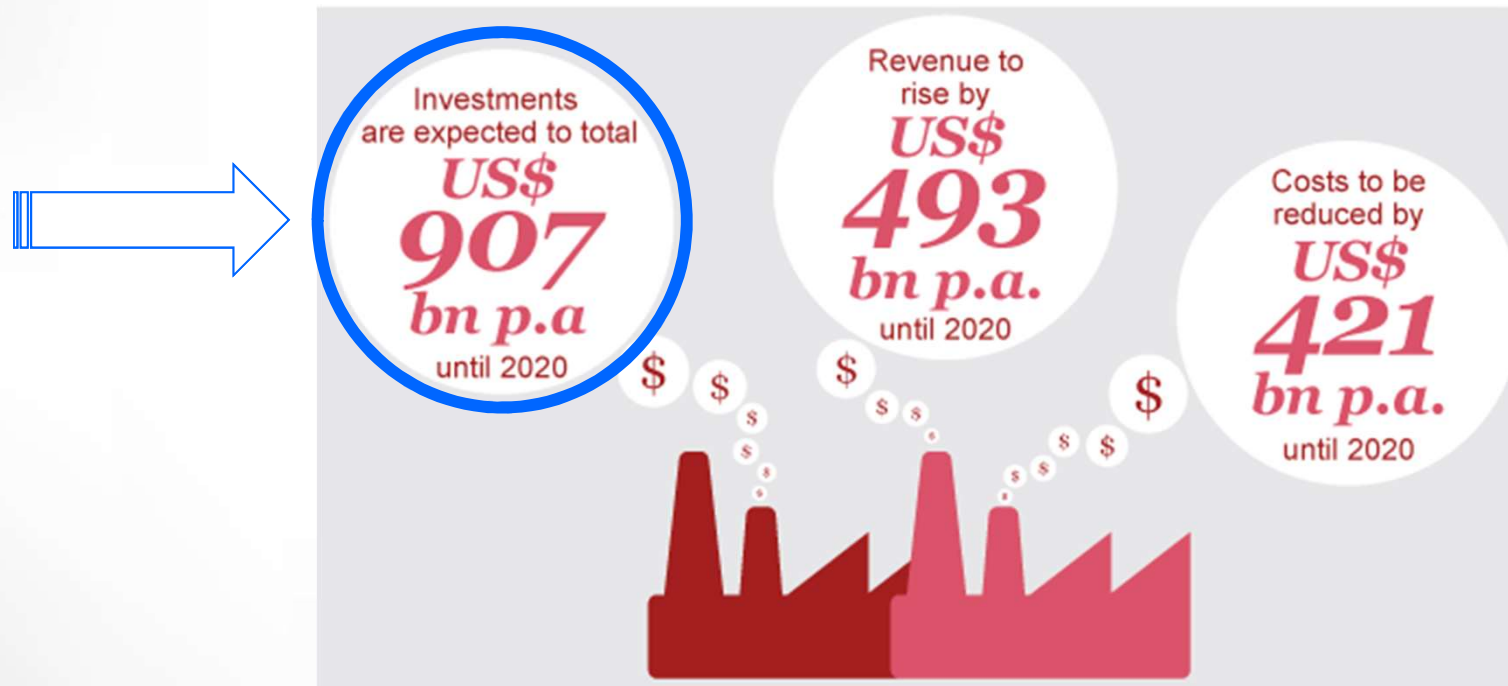
**are merging to enter
into the real world.**

While cloud computing isn't going away, the first signs that it's becoming "yesterday's" technology are here. The next thing is called "edge computing"

Peter Levine - partner at Andreessen Horowitz.

THE BUSINESS IDEA TODAY (since 2008): FedEx-ing Data

Zillion of Data produced every day have to be collected at the Edge and made available, in real time, to Business Applications through IoT infrastructures



Edge Computing is the New Black in Embedded Computing

“Edge Computing” is opening a new era of technology innovation and growth.
It represents an amalgam of
‘field’ hardware, software, networking, security and IT integration

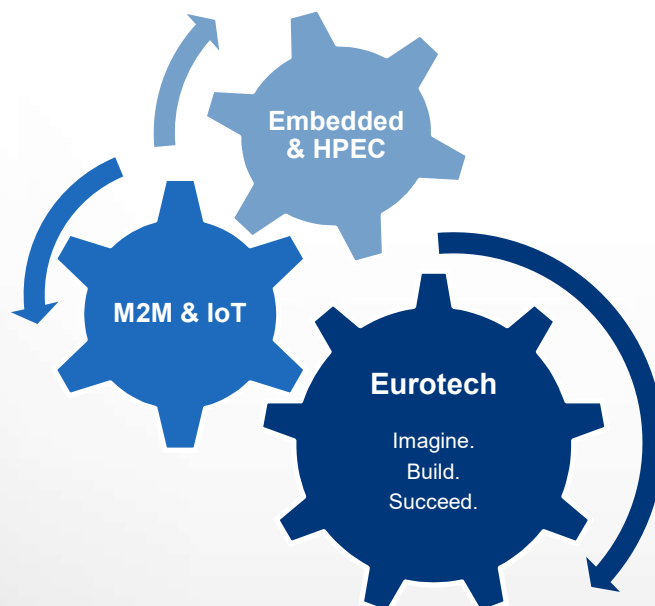
THE MISSION

Addressing the needs
of an Interconnected Planet

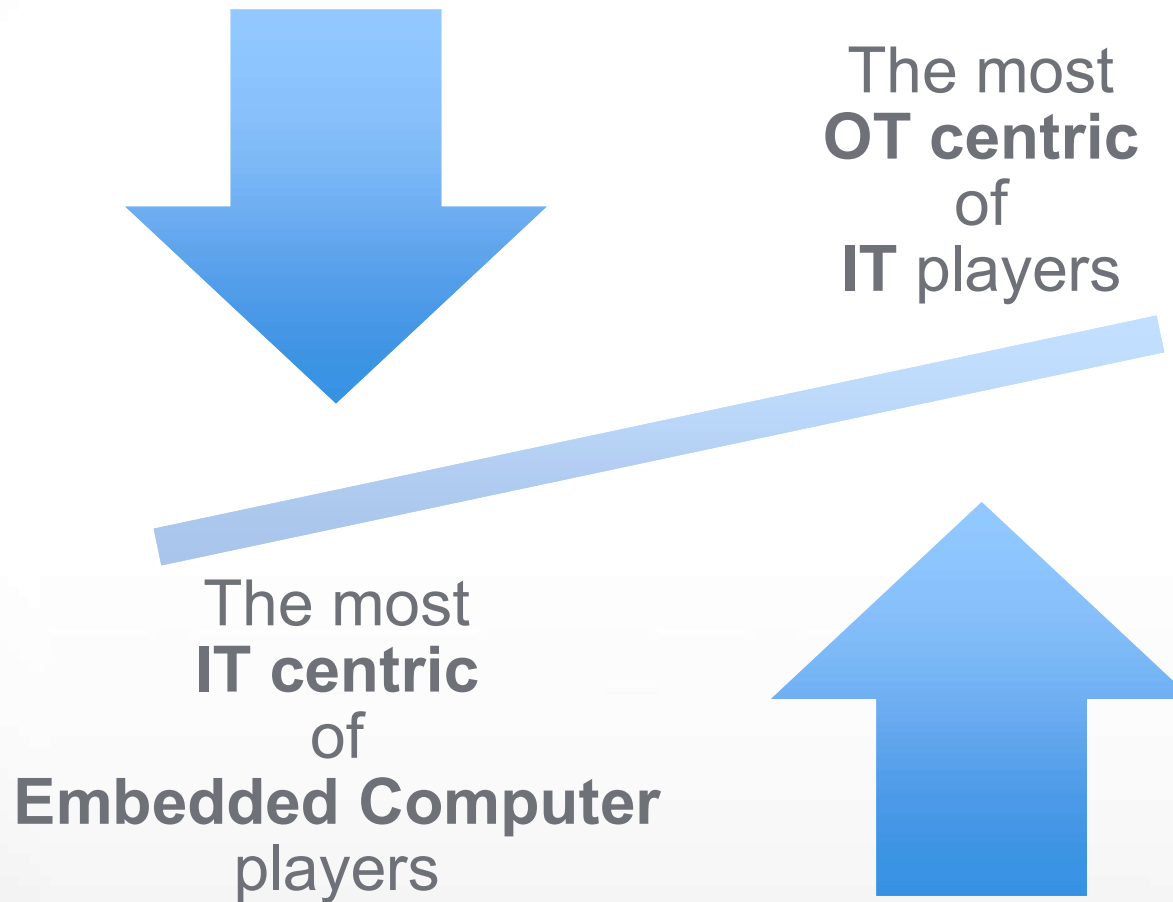
- Intelligent Autonomous Machines
- Machine to Machine
- Human to Machine

Enabling our customers to focus
on their core competencies

- Faster Time to Market
- Lower Total Cost of Ownership



Eurotech Positioning in the 4th Industrial Revolution



Bridging between OT and IT

IT

Apps

IT tools (IT integration)

Everyware Cloud™

IoT Platform

Everyware Software Framework

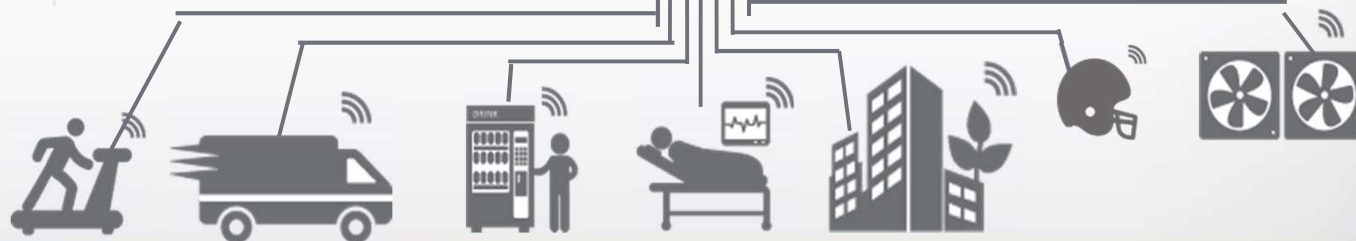
IoT Gateway

Real World Interfaces (OT integration)

EUROTECH

OT

EUROTECH



Why Eurotech can succeed

Becoming one of the major player in the I-IoT

- We have understood the essence of this Industrial Revolution
- We have the critical components for the success of an I-IoT implementation
- We have created an ecosystem using open-innovation
- We have a flexible freemium revenues model
- We have design wins with major players that prove the technology
- We have partnerships with leading IT and OT vendors

Open Source Strategy

To be a de-facto standard → Market Acceptance and Recognition

The Freemium Model → Subscription



2.5

million
lines of code



30*

projects



290+

developers



1.5M

annual
visitors

Contributed by Eurotech



Middleware for IoT Gateways



ORACLE®



Microsoft

Contributed jointly by Eurotech and Red Hat



Modular IoT Integration Platform



BOSCH



Ecosystem Strategy

Selected Partnerships with Key Players

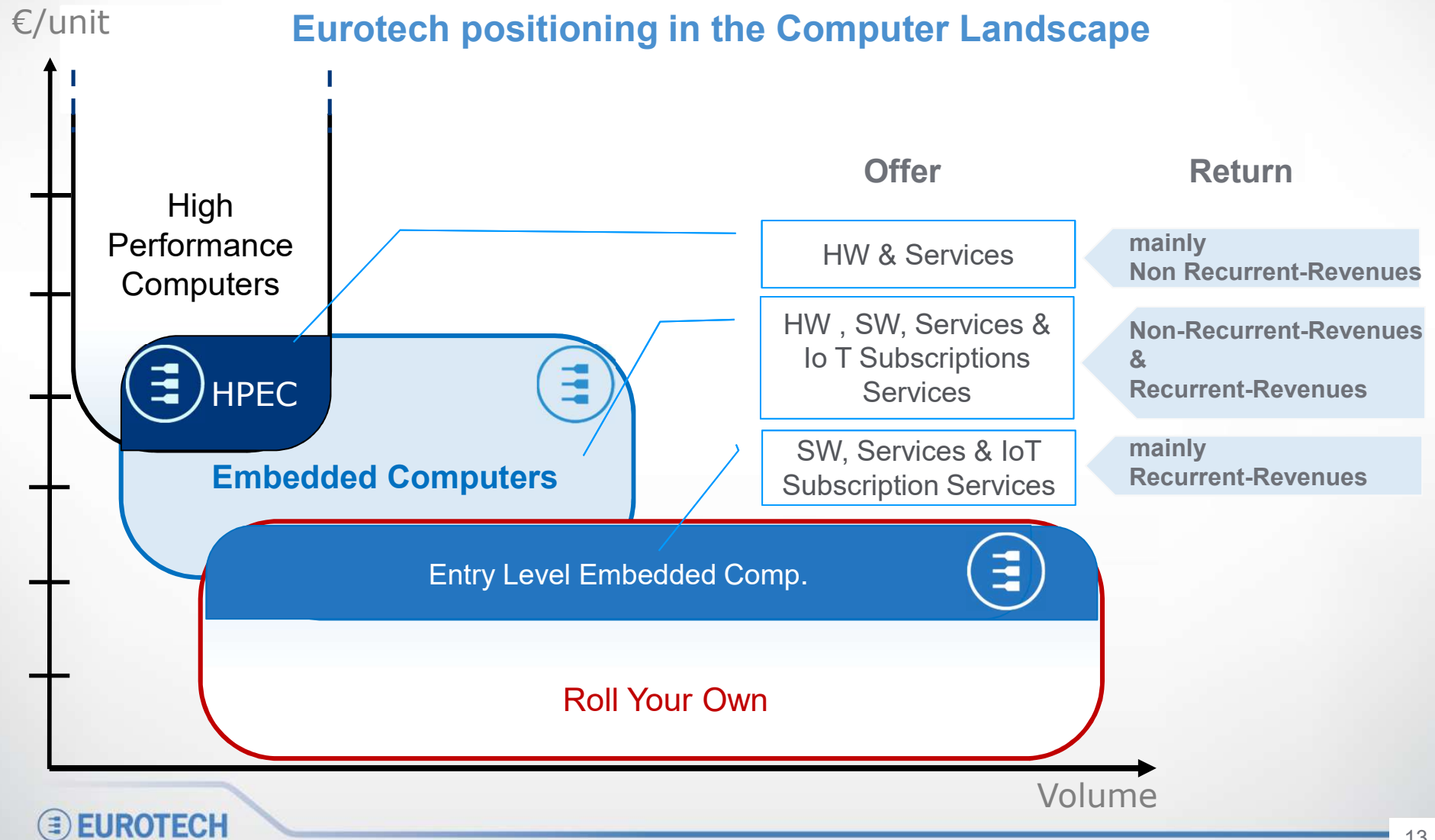
The Cloudera logo, featuring the word "cloudera" in a dark blue, lowercase, sans-serif font.The VMware logo, featuring the word "vmware" in a black, lowercase, sans-serif font.The Software AG logo, featuring a blue stylized "S" icon followed by the word "software" in a blue, lowercase, sans-serif font, and "AG" in a smaller, blue, uppercase, sans-serif font.The A4EON logo, featuring the word "A4EON" in a blue, stylized, uppercase font, with "an ASUS assoc. co." in a smaller, blue, lowercase font below it.The Hitachi High-Tech logo, featuring the words "Hitachi High-Tech" in a green, italicized, sans-serif font, with "HITACHI" in a black, uppercase, sans-serif font below it.

“No single company can build the **IoT** itself...We believe in openness for the internet of things – open ecosystems and open collaboration and partnership.”

Volkmar Denner, CEO **Bosch**

Price/Volume Landscape & Revenue model

The Layers Model: HPEC, Embedded PC and IoT enablement



COTS Embedded PC and IoT TAM

SAM is 20% of the TAM → SOM is 4% of the SAM

2018



2017



Industrial IoT TAM : ~500 B\$ in 2020

80% of the Market is not for us! of the remaining 20% (SAM), 80% is not for us, that point to a SOM of 4% (20B\$ in 2020)

2018

Industrial IoT
Technology
Spend

~\$228B

Value
Delivered by
Industrial I

~\$486B

Cumulative
Net Value
delivered

~\$499B

2017

Industrial IoT
Technology
Spend

~\$152B

Value
Delivered by
Industrial IoT

~\$281B

Cumulative
Net Value
delivered

~\$331B

Source.: Eurotech elaboration on Gartner, Forecast Analysis: Internet of Things — Services, Worldwide, 2016 Update, Gartner IoT Global Forecast & Analysis 2015-25
WikiBon – Projected Value Delivered by Industrial Internet 2012-20



**Thank
You!**

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ANNEX

INDUSTRIAL IOT USE CASES

Connected Product

BOILER WITH SENSYS



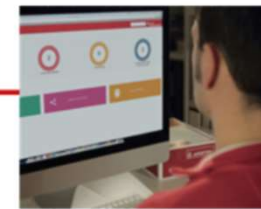
GATEWAY



IOT APPLICATION IOT PLATFORM



CONSUMER



SERVICE CENTER



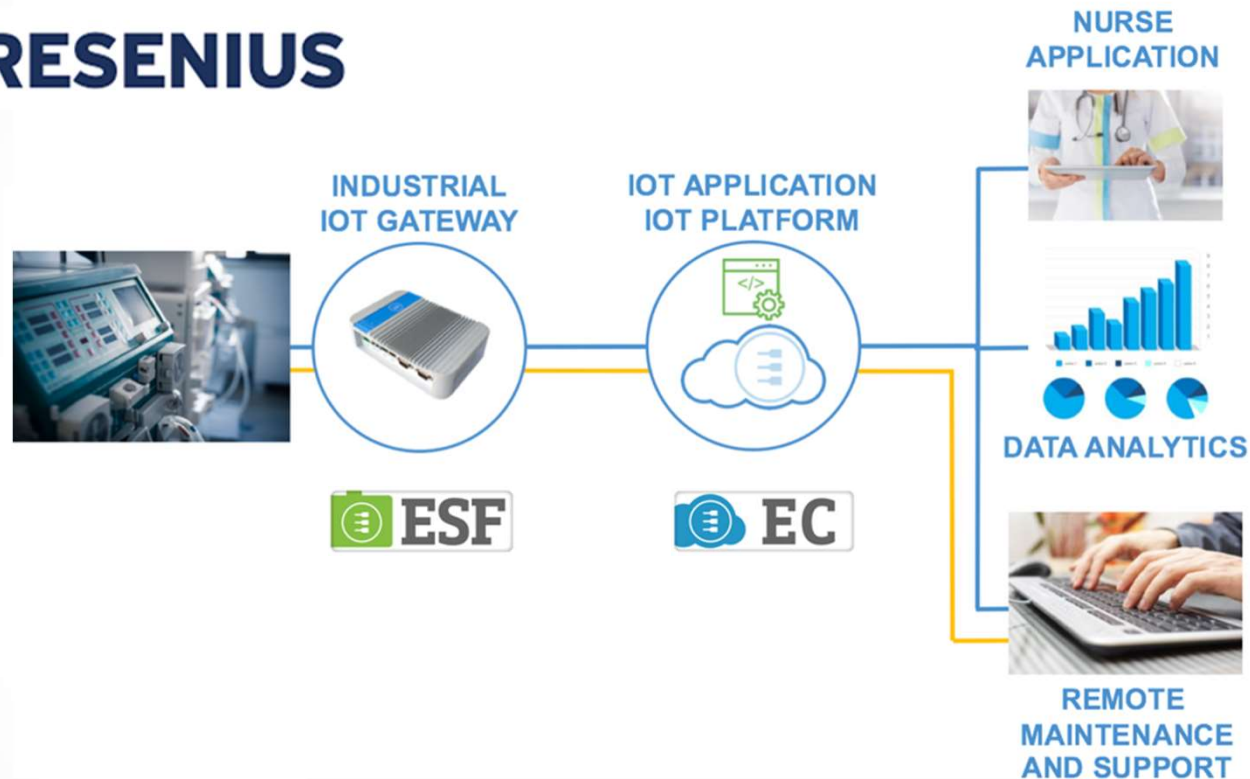
Application:

- End users to remote control their own thermo-devices
- For technical assistance operators to perform remote diagnostics
- Valuable data for R&D, Service, Marketing departments to develop & sell new products and services

Key Success Factors:

- Service-oriented business model
- Open and industry standards based
- ESF hardware abstraction, Java/OSGi
- Remote device & embedded app. mgmt.
- Real time data
- M2M / IoT know how in Eurotech
- Eurotech worldwide footprint

Remote Maintenance and Services



Application:

- Connect machines to the internet in a nonintrusive way
- Provide nurses with access to machine status
- Provide manufacturers access to machine logs
- Enable remote maintenance with less field visits

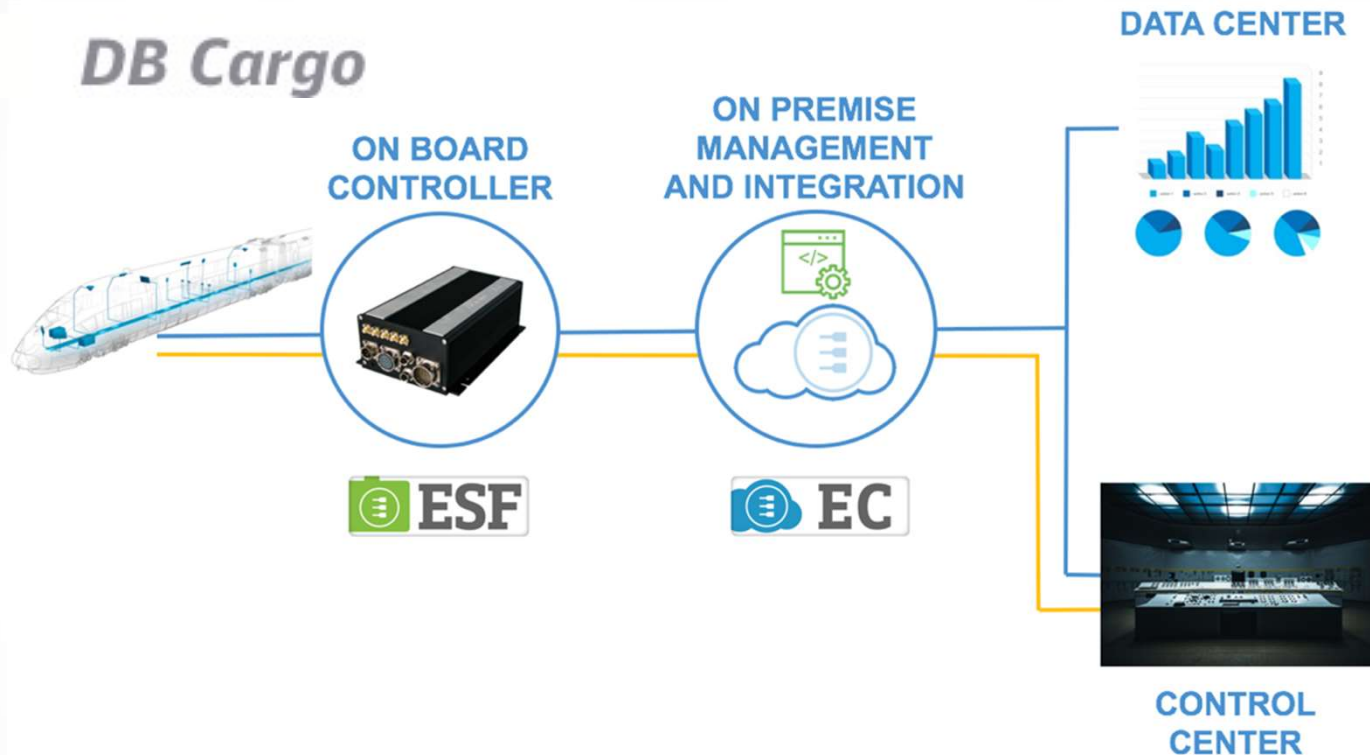
Key Success Factors:

- Open Standard Connectivity
- Device Provisioning
- Remote Access VPN
- Onboarding and Data Acquisition App
- Port/IP Forwarding
- Cellular Connectivity

Real Time Asset Monitoring



DB Cargo



Application:

- On board diagnostics
- Data collection for optimization and predictive maintenance
- Remote access and maintenance
- Railway certified hardware with MVB interface
- On premise device management and data integration

Key Success Factors:

- Open Standard Connectivity
- Modular Field Access Drivers
- Data Flow Programming
- Portable IoT Edge Middleware
- On-premise IoT Cloud Platform

ANNEX

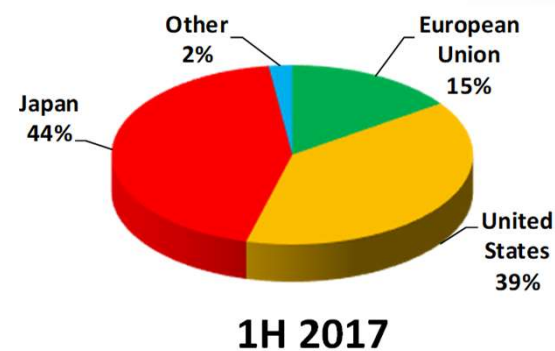
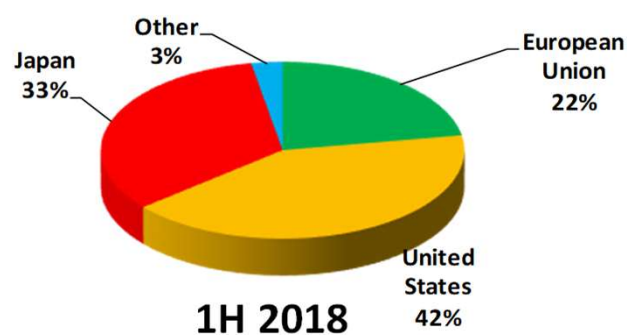
FINANCIAL HIGHLIGHTS

1H2018

REVENUES BY GEOGRAPHIC AREA

30 June 2018-2017 (€/000)

BREAKDOWN BY GEOGRAPHIC AREA	1H 2018	%	1H 2017	%	var. %
European Union	8,327	22.3%	3,367	15.3%	147.3%
United States	15,511	41.6%	8,536	38.8%	81.7%
Japan	12,446	33.3%	9,638	43.8%	29.1%
Other	1,038	2.8%	462	2.1%	124.7%
TOTAL SALES AND SERVICE REVENUES	37,322	100.0%	22,003	100.0%	69.6%



CONSOLIDATED INCOME STATEMENT

OPERATING RESULTS €'000	1H 2018	%	1H 2017	%	1H 2018 adjusted	%	1H 2017 adjusted	%
SALES REVENUES	37,322	100.0%	22,003	100.0%	37,322	100.0%	22,003	100.0%
GROSS PROFIT	18,034	48.3%	9,873	44.9%	18,034	48.3%	9,873	44.9%
EBITDA	3,629	9.7%	(4,398)	-20.0%	3,629	9.7%	(4,398)	-20.0%
EBIT	2,681	7.2%	(6,854)	-31.2%	2,681	7.2%	(5,637)	-25.6%
PROFIT (LOSS) BEFORE TAXES	2,610	7.0%	(7,878)	-35.8%	2,610	7.0%	(6,661)	-30.3%
GROUP NET PROFIT (LOSS) FOR THE PERIOD	1,913	5.1%	(7,017)	-31.9%	1,913	5.1%	(6,226)	-28.3%

CONSOLIDATED BALANCE SHEET

(€'000)	at Jun 30, 2018	at Dec 31, 2017
ASSETS		
Intangible assets	83,356	79,968
Property, Plant and equipment	2,368	2,436
Investments in affiliates companies	0	0
Investments in other companies	131	144
Deferred tax assets	1,335	1,283
Medium/long term borrowing allowed to affiliates companies and other Group companies	86	83
Other non-current assets	630	618
Total non-current assets	87,906	84,532
Inventories	20,301	17,821
Contracts in progress	816	412
Trade receivables	14,177	15,623
Income tax receivables	217	204
Other current assets	1,845	1,782
Other current financial assets	97	95
Cash & cash equivalents	8,333	6,745
Total current assets	45,786	42,682
Total assets	133,711	127,242

(€'000)	at Jun 30, 2018	at Dec 31, 2017
LIABILITIES AND EQUITY		
Share capital	8,879	8,879
Share premium reserve	136,400	136,400
Other reserves	(49,174)	(54,582)
Group shareholders' equity	96,105	90,697
Equity attributable to minority interest	0	0
Total shareholders' equity	96,105	90,697
Medium-/long-term borrowing	1,848	1,844
Employee benefit obligations	2,385	2,343
Deferred tax liabilities	2,974	2,816
Other non-current liabilities	739	688
Total non-current liabilities	7,946	7,691
Trade payables	13,451	13,088
Short-term borrowing	9,507	10,720
Derivative instruments	6	9
Income tax liabilities	704	262
Other current liabilities	5,992	4,775
Total current liabilities	29,660	28,854
Total liabilities	37,606	36,545
Total liabilities and equity	133,711	127,242