

Imagine. **Build.** Succeed.

Company Overview

May 2020

Disclaimer

This presentation has been prepared by Eurotech S.p.A. (or “Eurotech”) and has to be read in conjunction with its oral presentation.

The information contained in this presentation does not purport to be comprehensive. Neither Eurotech nor any of its officers, employees, advisers or agents accepts any responsibility for/or makes any representation or warranty, express or implied, as to the truth, fullness, accuracy or completeness of the information in this presentation (or whether any information has been omitted from the presentation) or any other information relating to Eurotech, its subsidiaries or associated companies, whether written, oral or in a visual or electric form, transmitted or made available.

This document is confidential and is being provided to you solely for your information and may not be reproduced, further distributed to any other person or published, in whole or in part, for any purpose.

The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

This document is directed only at relevant persons. Other persons should not act or rely on this document or any of its contents.

No reliance may be placed for any purposes whatsoever on the information contained in this document or any other material discussed during this presentation, or on its completeness, accuracy or fairness.

The information in this document and any other material discussed at this presentation is subject to verification, completion and change.

The information and opinions contained in this document are provided as at the date of the presentation and are subject to change without notice.

Some of the information is still in draft form and will only be finalized.

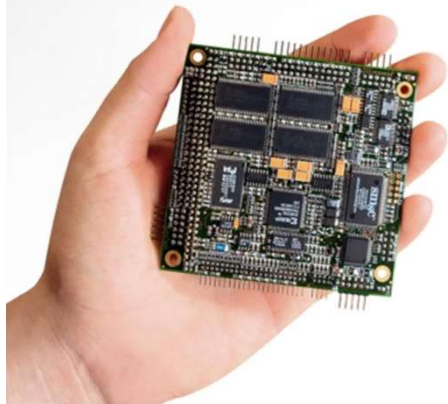
By attending the presentation you agree to be bound by the foregoing terms.

Trademarks or Registered Trademarks are the property of their respective owners.

Our heritage, built up since 1992

WHERE DO WE COME FROM?

Miniaturising the PC for demanding applications



 **EUROTECH**



ALSTOM



 **HITACHI MEDICAL CORPORATION**



 **MITSUBISHI HEAVY INDUSTRIES
MACHINERY SYSTEMS**



The present

WHO'S EUROTECH TODAY?

Product Offering Evolution

Solid Legacy Products

Bit Economy



Boards & Modules



Subsystems



BoltGATE 20-25 MVB Edition

Today's Wave

Data Economy



IoT



IoT gateways



IoT Edge Framework



IoT Platform

the Next AI Wave

Autonomy Economy



HPEC



DynaCOR 40-34



DynaCOR 50-35

Quick Facts

Eurotech has 25+ Years of experience in embedded computer for demanding industrial applications.

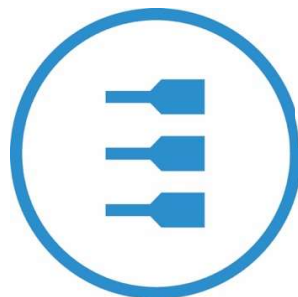
Focused on supporting customers in their Digital Transformation journey

Adding value by reducing TCO, TTM and Risks with reliable a future-proof products

Eurotech is a:

Trusted vendor-partner in the Embedded Computers market

Trusted technology provider in the Industrial IoT market



Eurotech is a Global Niche Player devoted to serve selected demanding customers.

Eurotech is behind successful products of more than 25 Global 500 companies

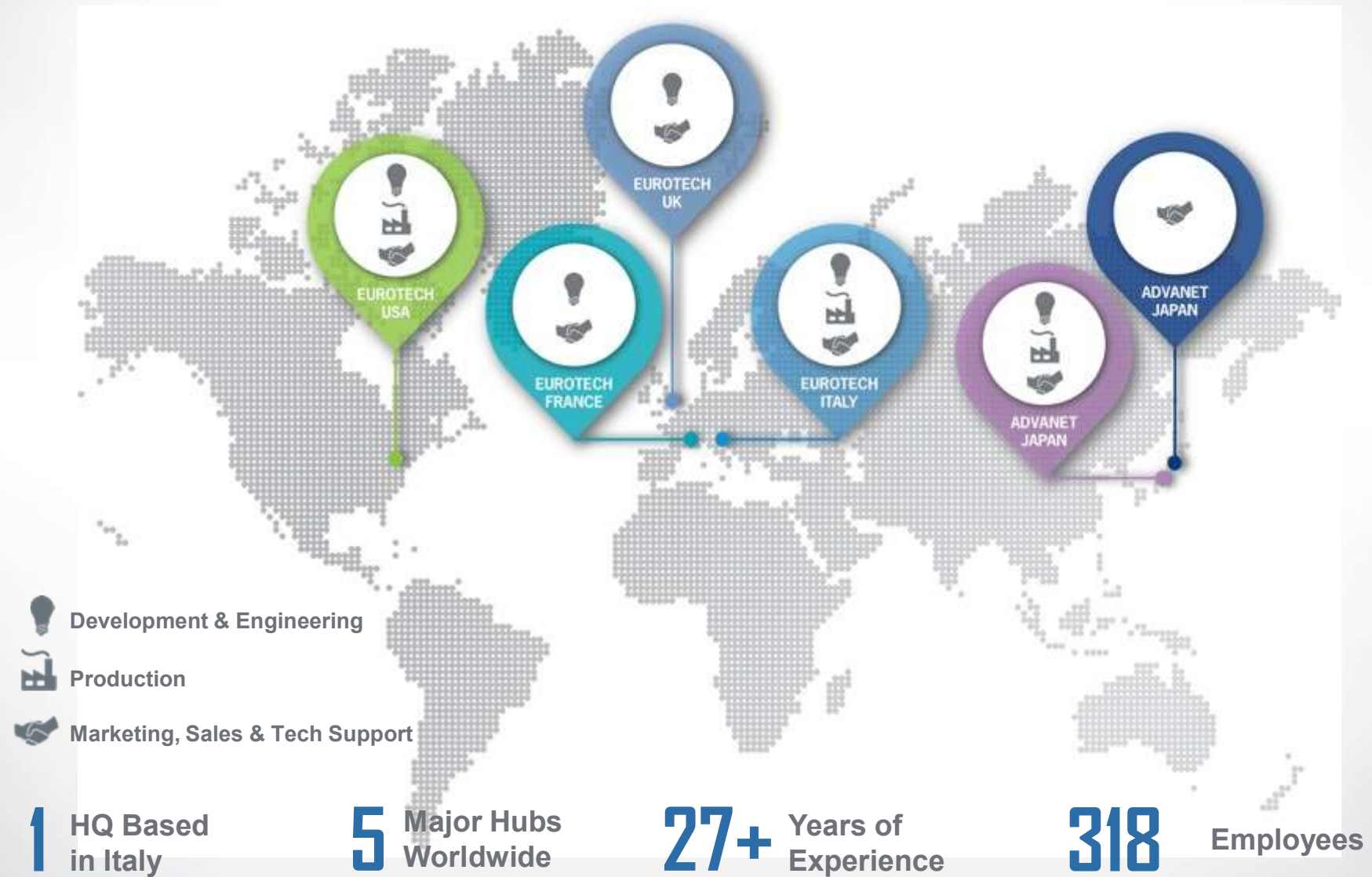


Eurotech is a Public Company, with over 80% free float. Listed since 2005 (Bloomberg: ETH:IM; Reuters: E5T.MI)

Eurotech is a member of the UN Global Compact, supporting a sustainable economy



Global Footprint

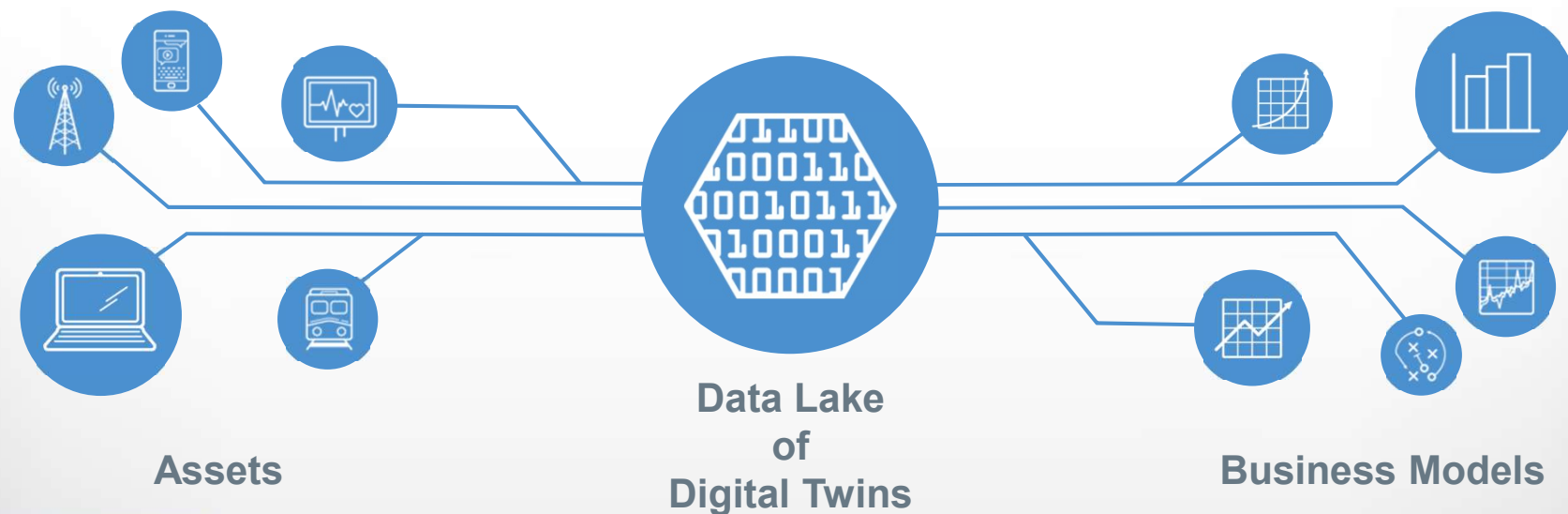


The future ahead

WHERE ARE WE GOING?

THE VISION

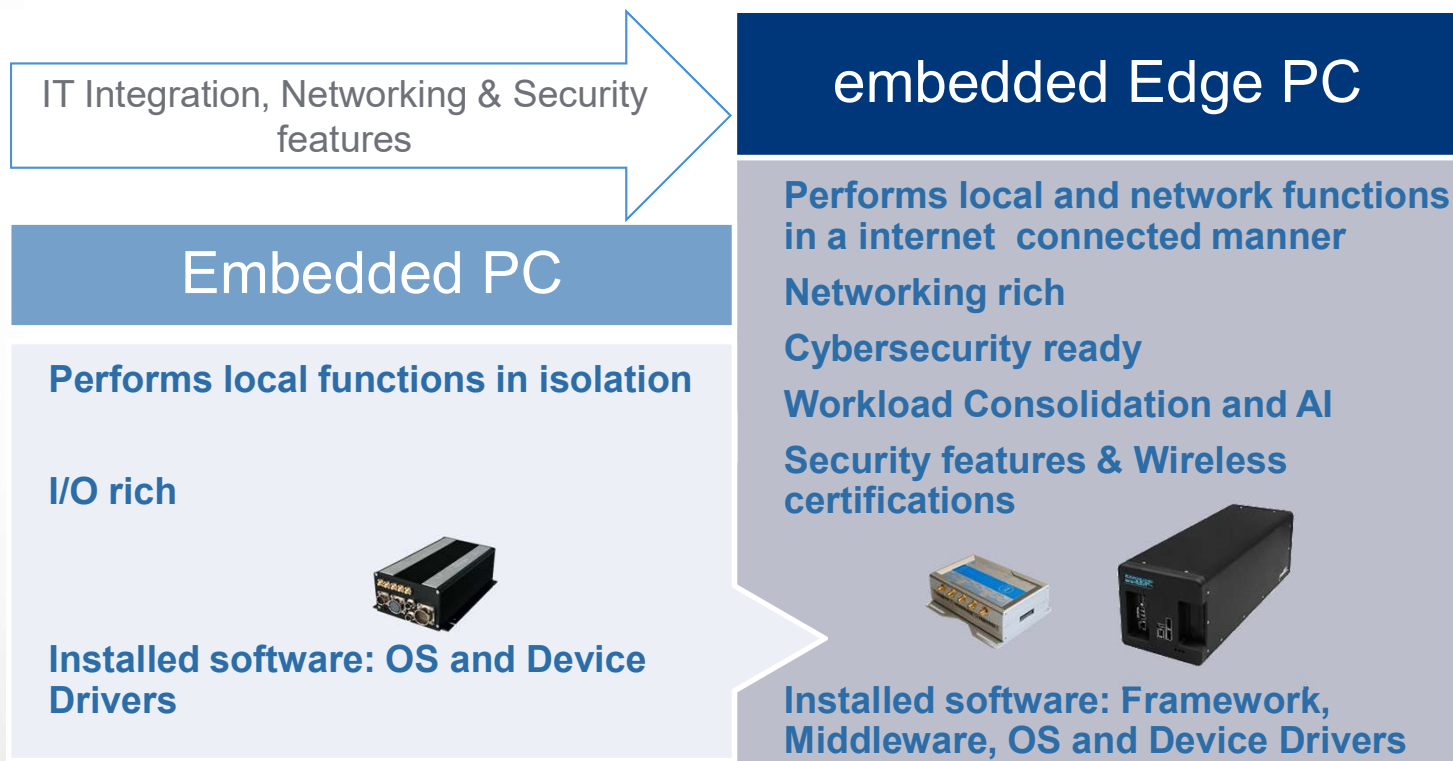
- The Digital Economy is about connecting assets to business models, so
 - data are the new goods
 - hardware is necessary, but software rules.
- The Digital Twins of Assets will enable the transition from the Product Economy to the Service Economy



EDGE Computers: the on-going transformation

Due to Data Gravity, Reliability and Resilience
Computing activities move at the Edge and Datacenters go Mobile

EMBEDDED PC VS embedded EDGE PC



THE TREND

By 2023...

... more than 50% of all worldwide GDP is predicted to be driven by products and services from digitally transformed industries

... more than 50% of all ICT (information and communications technology) spending will go toward digital transformation and innovation, which is up from 27% in 2018

... more than 50% of new enterprise infrastructure deployed will be at the edge rather than corporate data centers, up from less than 10% today. And, by 2024, the number of apps at the edge will increase 800%.

(IDC FutureScape: Worldwide IT Industry 2020 Predictions)

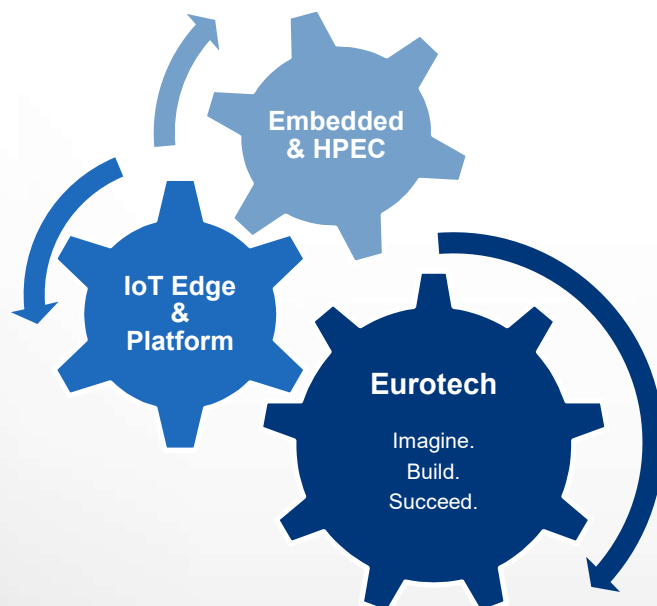
THE MISSION

Addressing the needs
of an Interconnected Planet

- Embedded & Edge Computing
- Industrial Internet of Things
- HPEC for AI at the Edge

Enabling our customers to focus
on their core competencies and
business model evolution during
digital transformation

- Faster Time to Market
- Lower Total Cost of Ownership



Bridging between assets and business applications

EUROTECH POSITIONING IN THE IOT LANDSCAPE

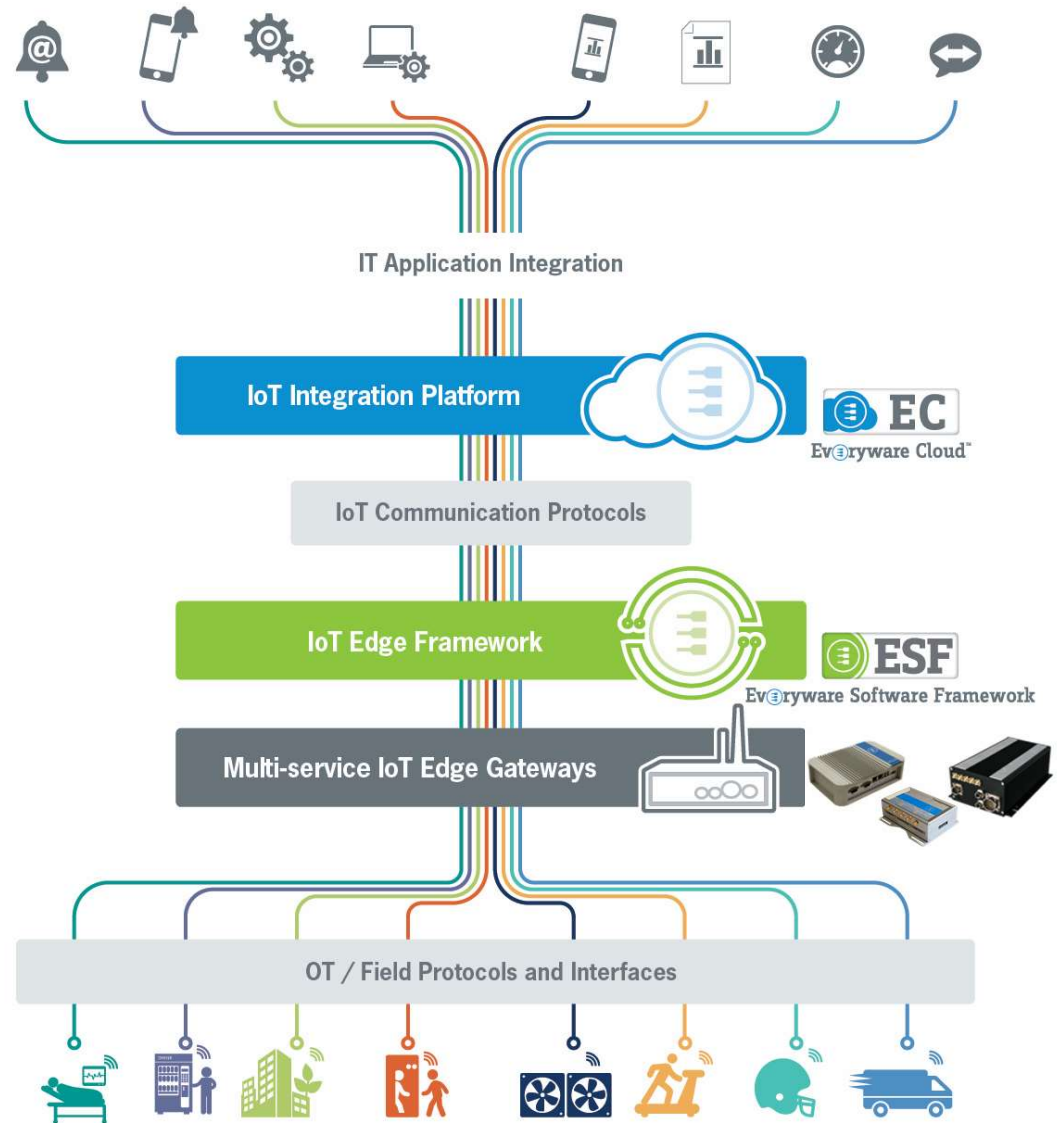
Industrial Internet of Things (IIoT)

Business Apps (IT)

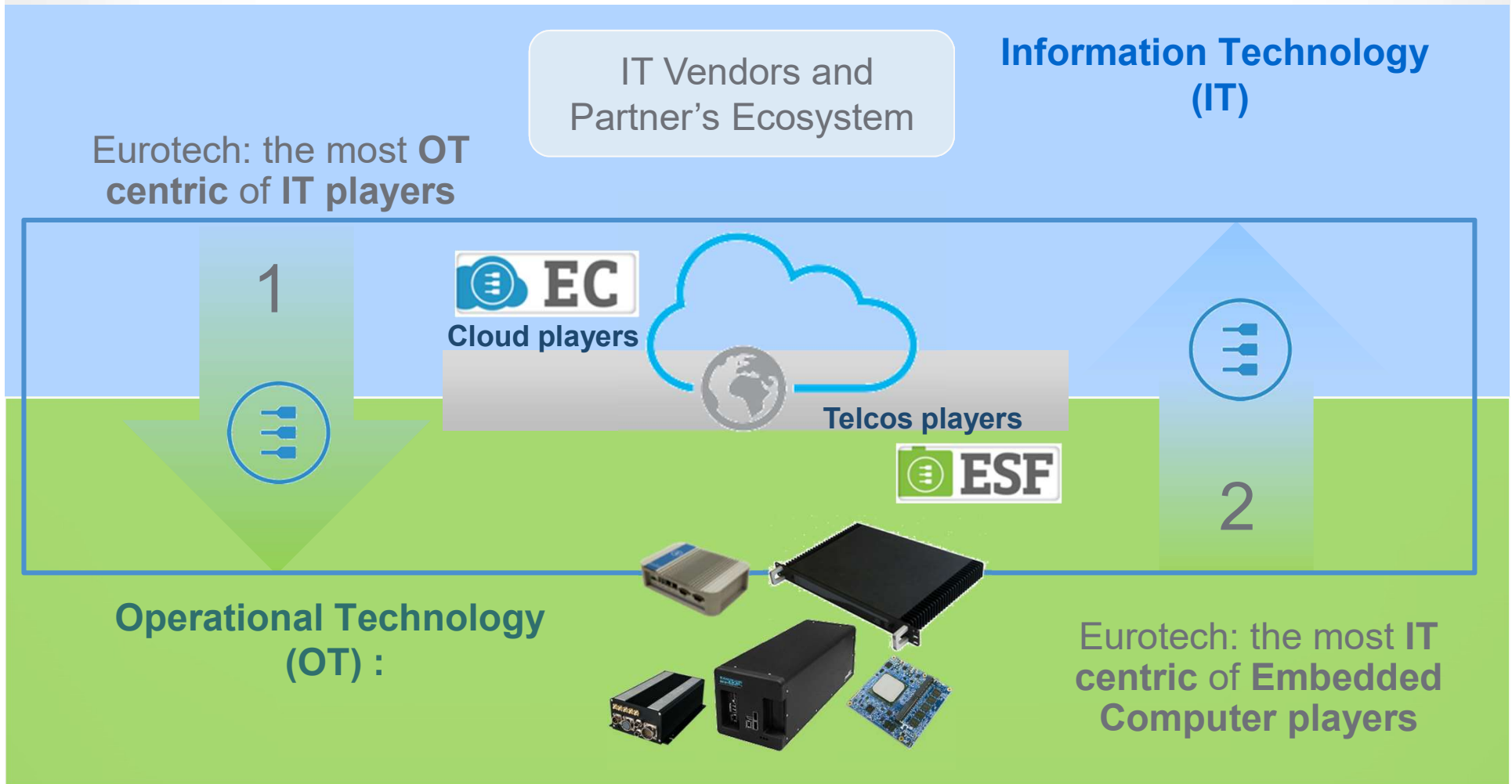
FedExing Data

Bringing the App Economy
into
the Industrial Landscape

Assets (OT)



Eurotech Hybrid Positioning to lead way to the 4th Industrial Revolution



Eurotech position among IoT players

Crisp Research view on both IT side (Platform) and OT side (Edge)

IoT Platform:



IoT Edge:



Quelle: Crisp Research AG, 2018 - IoT Edge Technologies

Covering both OT and IT sides enables us to play the Co-opetition game

With IT players: we can complement the offering of IoT Platform providers with our IoT Edge (i.e. gateways + ESF)



With OT players: we can complement the offering of gateway providers with our ESF edge framework and our IoT SW Platform



CASE STUDIES

WHAT CAN CUSTOMERS DO WITH OUR IOT TECHNOLOGY?

Real Time Assets Monitoring



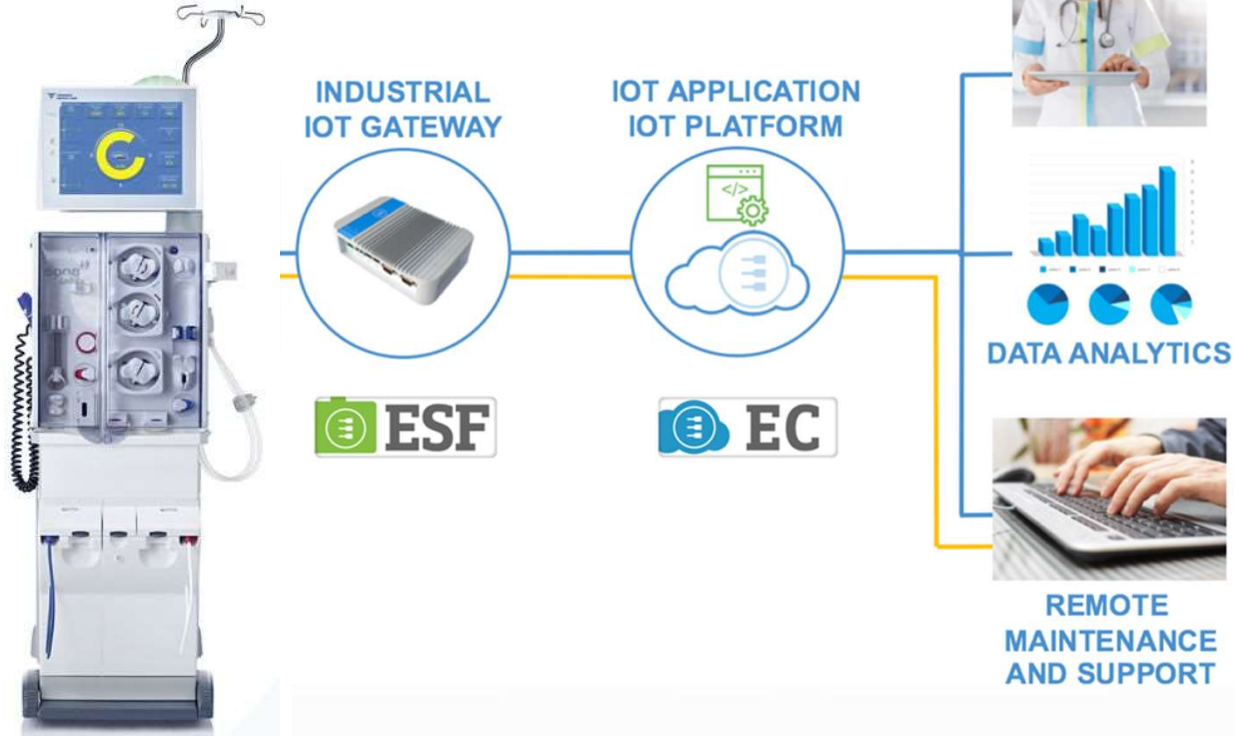
Application:

- On board diagnostics
- Data collection for optimization and predictive maintenance
- Remote access and maintenance
- On premise device management and data integration

Key Success Factors:

- Railway certified hardware
- End-to-end security
- On-premise IoT Cloud Platform
- Data Flow Programming

Remote Maintenance and Services



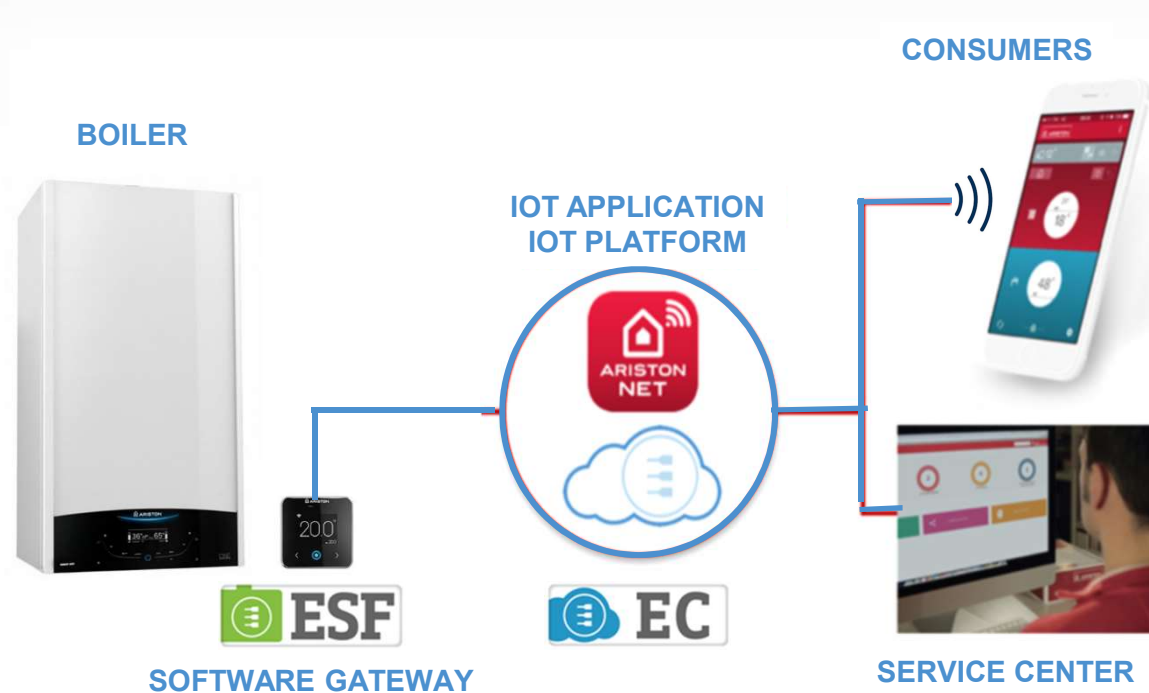
Application:

- 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:

- End-to-end security
- Open & Standard
- Device Provisioning
- Remote Access VPN

Connected Products



Application:

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

Key Success Factors:

- ESF hardware abstraction
- Remote device mgmt.
- Real time data
- End-to-end security

The Datacenter Goes Mobile

EUROTECH'S POSITIONING IN THE AI LANDSCAPE

Software rules but Hardware is still a necessity

Decentralization of Data production will push Intelligence at the Edge.
AI is moving from traditional Data Centers into the real world,
forcing demand of High Performance Edge Computers (HPEC).



Data Center Technology
is going Mobile

i.e. Deep Learning at the edge



Data Center Software Layers
Move at the Edge



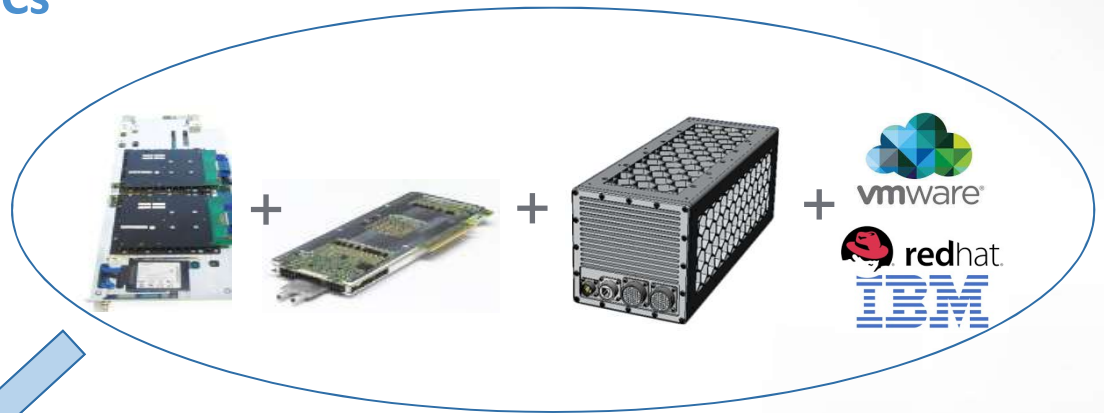
Eurotech HPEC
a “nano Data Center”

High Performance Edge Computers

the High Performance side of Embedded Computers

Market sectors impacted by HPECs

- Autonomous Vehicles
- High-End Robotics
- Data Fusion
- Micro Data-Center



Nano Data Center

High Perf CPU Board
+
Hot Water Liquid Cooling Technology
+
Rugged Embedded Enclosures
+
VMware or IBM-RedHat SW Stacks

We spent last 10 years to get ready for this

RATIONALE FOR GROWTH

Becoming a successful player for the Digital Transformation

- We have understood the essence of the 4th Industrial Revolution
- We have the critical components for the success of an Industrial IoT implementation and for AI at the edge
- We have design wins with major players that prove our SW & HW technologies
- We have created a self-sustaining ecosystem using open-innovation and co-opetition
- We have a flexible revenues model (non-recurring + recurring)
- We are creating our indirect sales channel with leading IT and OT vendors

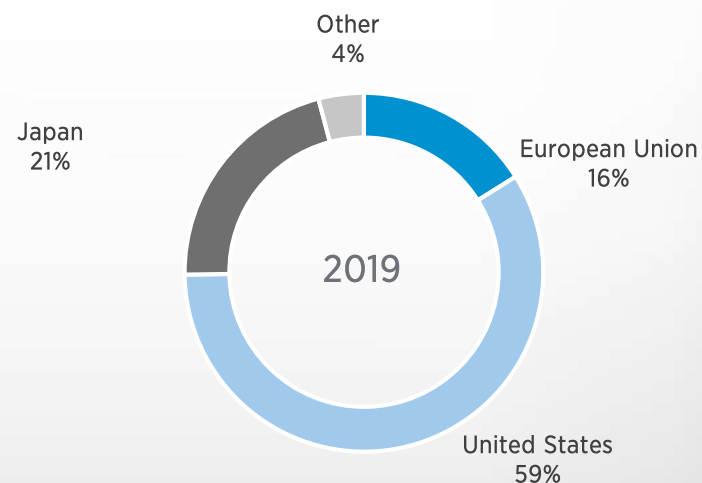
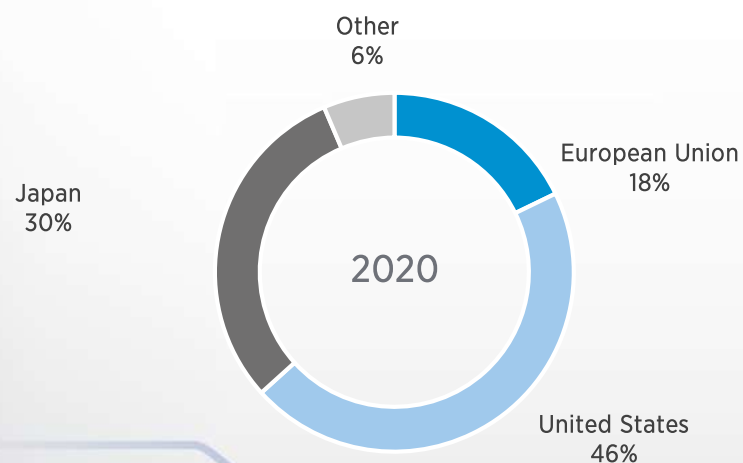
ANNEX

FINANCIAL HIGHLIGHTS

Q1 2020

REVENUES BY GEOGRAPHIC AREA

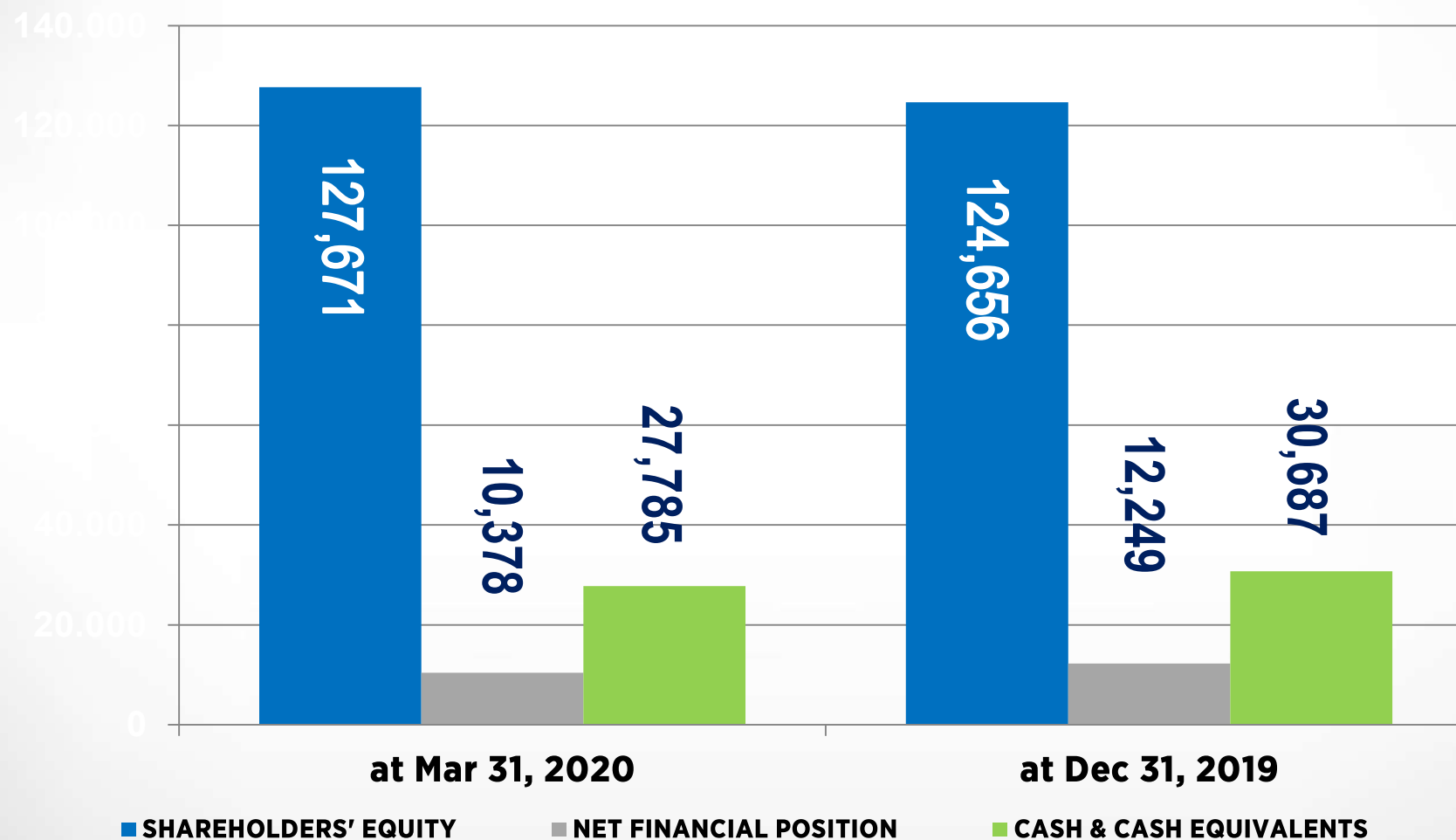
€'000	3M 2020	%	3M 2019	%	var. %
BREAKDOWN BY GEOGRAPHIC AREA					
European Union	3.510	17,8%	4.094	16,1%	-14,3%
United States	8.991	45,5%	14.981	58,7%	-40,0%
Japan	5.988	30,3%	5.390	21,1%	11,1%
Other	1.263	6,4%	1.040	4,1%	21,4%
TOTAL SALES AND SERVICE REVENUES	19.752	100,0%	25.505	100,0%	-22,6%



CONSOLIDATED INCOME STATEMENT

€'000	3M 2020	%	3M 2019	%
OPERATING RESULTS				
SALES REVENUES	19,752	100.0%	25,505	100.0%
GROSS PROFIT	9,866	49.9%	12,181	47.8%
EBITDA	1,695	8.6%	4,078	16.0%
EBIT	821	4.2%	3,144	12.3%
PROFIT (LOSS) BEFORE TAXES	869	4.4%	3,073	12.0%
GROUP NET PROFIT (LOSS) FOR THE PERIOD	509	2.6%	2,955	11.6%

EQUITY, CASH AND NET DEBT



CONSOLIDATED BALANCE SHEET

at Mar 31, 2020 at Dec 31, 2019

at Mar 31, 2020 at Dec 31, 2019

(€'000)

ASSETS

Intangible assets	90,969	88,905
Property, Plant and equipment	7,129	6,565
Investments in other companies	165	162
Deferred tax assets	7,802	7,981
Medium/long term borrowing allowed to affiliates companies	91	89
Other non-current assets	680	665
Total non-current assets	106,836	104,367
Inventories	20,005	21,256
Contracts in progress	0	0
Trade receivables	13,175	11,707
Income tax receivables	140	269
Other current assets	2,293	2,115
Other current financial assets	110	108
Cash & cash equivalents	27,785	30,687
Total current assets	63,508	66,142
Total assets	170,344	170,509

(€'000)

LIABILITIES AND EQUITY

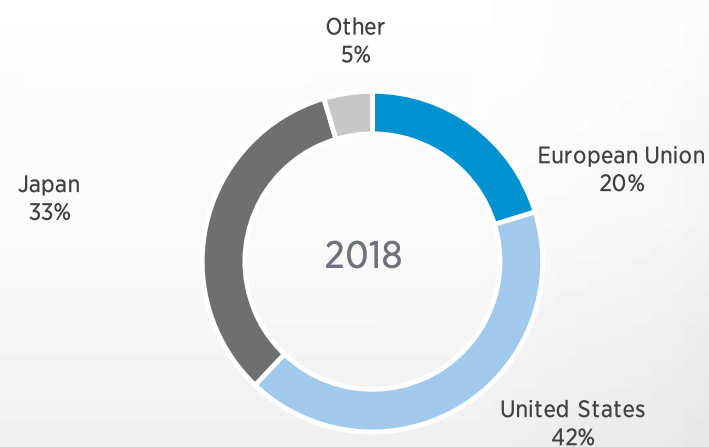
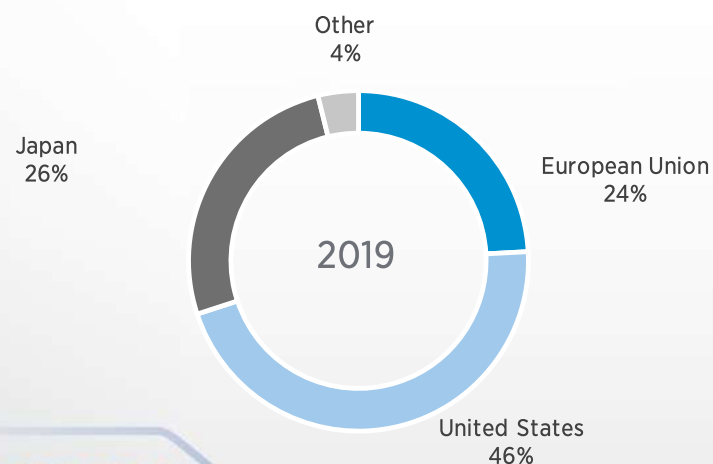
Share capital	8,879	8,879
Share premium reserve	136,400	136,400
Other reserves	(17,608)	(20,623)
Group shareholders' equity	127,671	124,656
Equity attributable to minority interest	0	0
Total shareholders' equity	127,671	124,656
Medium-/long-term borrowing	9,922	11,590
Employee benefit obligations	2,720	2,604
Deferred tax liabilities	3,177	3,097
Other non-current liabilities	1,082	1,060
Total non-current liabilities	16,901	18,351
Trade payables	10,788	11,562
Short-term borrowing	7,643	7,001
Derivative instruments	43	44
Income tax liabilities	445	1,182
Other current liabilities	6,853	7,713
Total current liabilities	25,772	27,502
Total liabilities	42,673	45,853
Total liabilities and equity	170,344	170,509

ANNEX

FINANCIAL HIGHLIGHTS FY 2019

REVENUES BY GEOGRAPHIC AREA

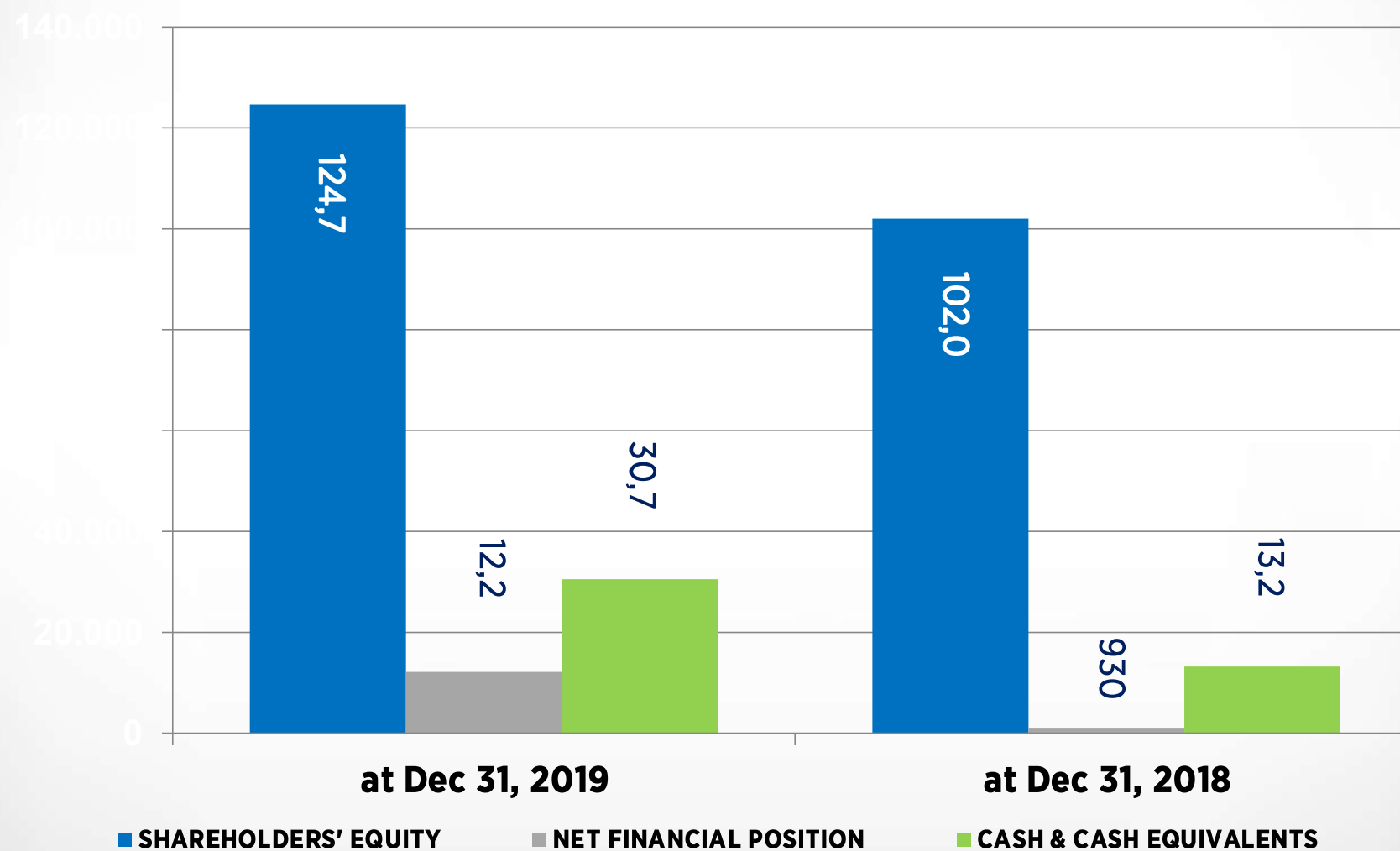
€'000	12M 2019	%	12M 2018	%	var. %
BREAKDOWN BY GEOGRAPHIC AREA					
European Union	24.632	24,2%	16.048	20,3%	53,5%
United States	46.669	45,8%	33.061	41,8%	41,2%
Japan	26.752	26,2%	26.326	33,3%	1,6%
Other	3.920	3,8%	3.648	4,6%	7,5%
TOTAL SALES AND SERVICE REVENUES	101.973	100,0%	79.083	100,0%	28,9%



CONSOLIDATED INCOME STATEMENT

€'000	12M 2019	%	12M 2018	%
OPERATING RESULTS				
SALES REVENUES	101,973	100.0%	79,083	100.0%
GROSS PROFIT	51,951	50.9%	37,556	47.5%
EBITDA	20,535	20.1%	8,128	10.3%
EBIT	16,611	16.3%	5,844	7.4%
PROFIT (LOSS) BEFORE TAXES	16,125	15.8%	5,624	7.1%
GROUP NET PROFIT (LOSS) FOR THE PERIOD	19,242	18.9%	5,682	7.2%

EQUITY, CASH AND NET DEBT



CONSOLIDATED BALANCE SHEET

at Dec 31, 2019 at Dec 31, 2018

(€'000)

ASSETS

Intangible assets	88,905	85,369
Property, Plant and equipment	6,565	2,579
Investments in other companies	162	160
Deferred tax assets	7,981	3,025
Medium/long term borrowing allowed to affiliates companies	89	87
Other non-current assets	665	654
Total non-current assets	104,367	91,874
Inventories	21,256	21,998
Contracts in progress	0	86
Trade receivables	11,707	13,808
Income tax receivables	269	298
Other current assets	2,115	2,183
Other current financial assets	108	104
Cash & cash equivalents	30,687	13,196
Total current assets	66,142	51,673
Total assets	170,509	143,547

at Dec 31, 2019 at Dec 31, 2018

(€'000)

LIABILITIES AND EQUITY

Share capital	8,879	8,879
Share premium reserve	136,400	136,400
Other reserves	(20,623)	(43,237)
Group shareholders' equity	124,656	102,042
Equity attributable to minority interest	0	0
Total shareholders' equity	124,656	102,042
Medium-/long-term borrowing	11,590	4,312
Employee benefit obligations	2,604	2,465
Deferred tax liabilities	3,097	3,035
Other non-current liabilities	1,060	782
Total non-current liabilities	18,351	10,594
Trade payables	11,562	14,411
Short-term borrowing	7,001	8,125
Derivative instruments	44	20
Income tax liabilities	1,182	1,571
Other current liabilities	7,713	6,784
Total current liabilities	27,502	30,911
Total liabilities	45,853	41,505
Total liabilities and equity	170,509	143,547