2022 first half results

INVESTORS LIVE STREAMING PRESENTATION
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our journey on the long run

**2022: transitioning**
- Strategy building blocks execution
- Embedded business sustaining double digit growth
- Creating and closing healthy Edge IoT pipeline
- Close 1st M&A deal

**2023: transforming**
- Edge IoT growing stronger than Embedded
- Sustainable re-occurring revenues growing double digit

**2024: Eurotech is a relevant player in edge IoT**
financial highlights

- Double digit growth confirmed: +30% YoY, +25% net of forex effect
- 4.0 M€ orders not delivered due to lack of components
- Gross Margin improving 330bps in Q2, with further growth expected in Q3
- OPEX growing YoY in line with Management estimates to roll-out strategy
- Cash flow impacted by 6M€ increase in inventory vs year-end 2021 to secure components for coming quarters
line of sight

- Order Backlog for the year allowing visibility @87M€
- Q3 still growing double digit YoY and >Q2
- Volume of Gateways shipped in FY2022 confirmed at +40% YoY
- SW revenues on track to reach 3.5M€ this year (50+% YoY)
- Availability of components and PPV getting better also thanks to actions taken

FYI: no revenues linked to Russia and Ukraine
Focus on improving GPM: we have reversed the trend and margins are coming back

Focus on finding components: Q3 and Q4 outlook is now improved

Talent recruiting taking extra effort, new hires joining in Q3 and Q4

New brand identity “unleashing the power of the edge” rolled out with new website and collaterals

Technology leadership confirmed by both Frost & Sullivan and Quadrant Knowledge Solutions
financial update

H1 2022
revenues growing double digit

# IoT trend confirmed in line with FY2021

# Growth driven by Embedded business

All values in € million
US and Japan growing more than EU

# US sustained by solid trend on legacy business

# Japan boosted by strong business with semiconductor equipment manufacturers

# Europe potential still not expressed, growth will come to fruition in H2
GPM up 330bps in Q2, further improving in Q3

**#PPV mitigation actions done**
- Increase selling prices
- Redesign for unavailable parts replacement
- Plan longer term / higher volume purchasing whenever possible

**#Mix improving factors**
- High-end products more impacted by shortage, shipments increasing since Q2
- Edge AI systems for Autonomous Driving coming back from Q3
- Software growing QoQ

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<tr>
<th>Quarter</th>
<th>Standard Market Conditions</th>
<th>PPVs Plus Change in Mix</th>
<th>Shortage Mitigation Actions Kicking-in Plus Mix Improving</th>
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EBITDA hit by low GPM and non-recurring OPEX for hiring

operational leverage still not active

All values in € million

UNLEASHING THE POWER OF THE EDGE
solid balance sheet

NFP impacted by 6.0M€ increase in inventory

All values in € million
key takeaways

H1
2022
key takeaways

Solid double-digit growth on revenues YoY

Order book for 2022 allows visibility @87M€

Gross Profit Margin improving with more to come in next quarters

Macro-economic scenario uncertain with technical recession in US and energy costs booming in EU

Components shortage mitigation actions kicking-in, watching out on scenario evolution

Lead generation on a good pace, also through new channels (especially Hyperscalers)
thank you