company update

Milan, 16 September 2022

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progress on our journey

2021: repositioning

- New strategy & new organisation kick-off
- Order book back to solid growth

2022: transforming

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

2023: transitioning

2024: Eurotech is a relevant player in Edge AIoT

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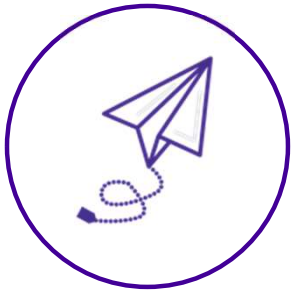
business
progress



line of sight

- Order Backlog for the year allowing **visibility @87M€**
- InoNet to add about 4M€
- **Q3** still **growing double digit YoY and >Q2**
- **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

business update

key achievements in H1 2022

- **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

- **Autonomous driving business coming back:** 5.2M€ orders received in Q1, 3.6M€ billing in 2022
- **21 new IoT customers in Pilot and POC stage**

business update

- **Talent recruiting taking extra effort,** new hires joining in Q3
- **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

breaking news

Il Sole 24 ORE

Eurotech rompe il digiuno: acquistata la tedesca InoNet

Digitale

Prima operazione di M&A dal 2007: l'azienda porta in dote 17,5 milioni di ricavi

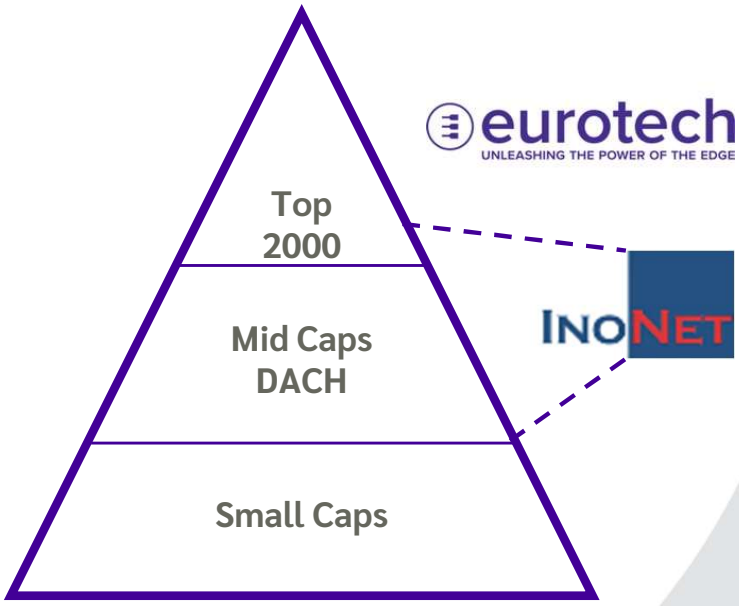
Matteo Meneghello

Eurotech ritorna sul sentiero dell'M&A dopo anni di digiuno (l'ultima operazione risale al 2007) con un'acquisizione da 10 milioni di eu-

milioni da corrispondere in denaro e un earn out fino a un massimo di 300mila azioni Eurotech -, utilizzando le disponibilità liquide del Gruppo, pari a 21,3 milioni al 30 giugno 2022. «InoNet ci permette di avere una presenza diretta in Germania, che finora era un tassello mancante nel nostro footprint - spiega Paul Chawla, ceo di Eurotech -. Condividiamo un dna simile per quel che riguarda l'aiutare i clienti a risolvere problemi complessi. L

InoNet is a mid-range industrial PC and Edge AI company with a focus on DACH

customer segmentation



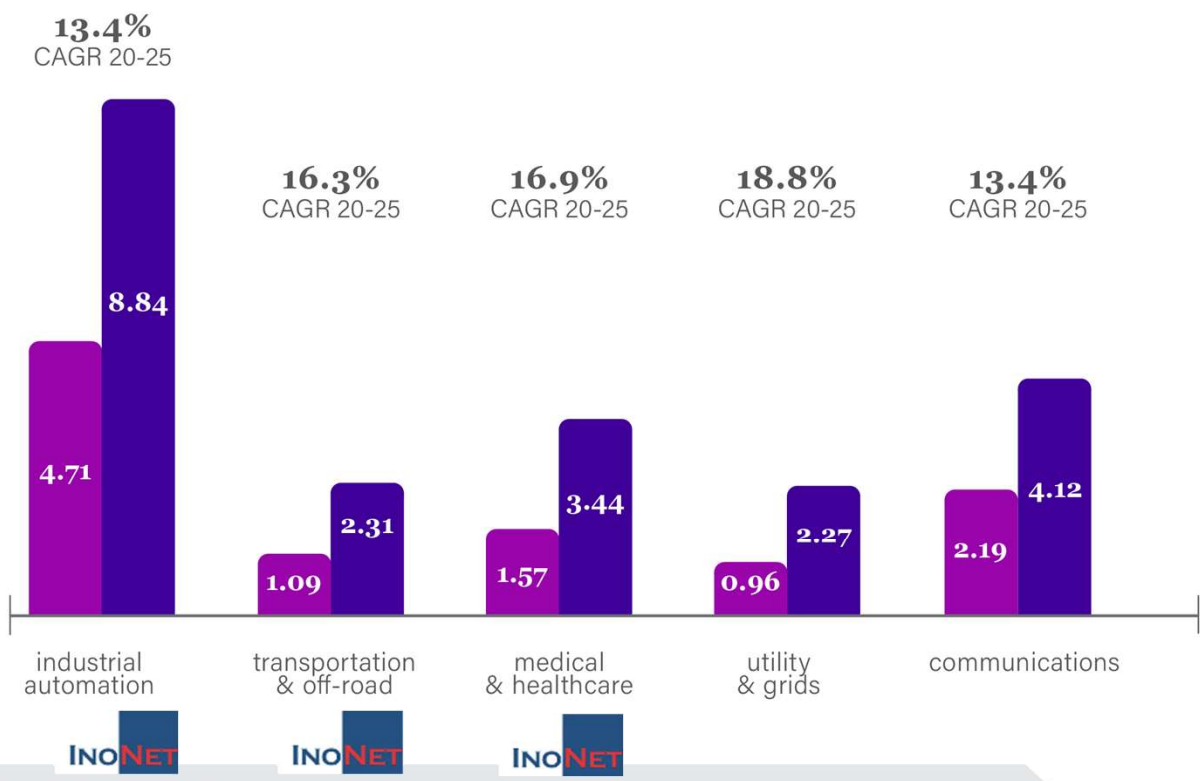
- Developer & manufacturer of industrial servers, industrial PCs and Edge AI
- 97% of its business in DACH
- Headquarter: Taufkirchen, close to Munich, Germany
- Founded 1998
- Employees: 80 (avg. 2022)
- Annual growth: 10-15%

InoNet typical products

quality and performance

- mild ruggedisation
- **outstanding reliability**
- **high sustained performance** in real operating conditions
- **high standardisation** with 20% customised configuration

InoNet brings new customers in 3 of our 5 target verticals



Source: adapted from MEC, VDC, IoT Analytics

InoNet creates a strong platform

to migrate IPCs to the double-digit growing Edge AI market

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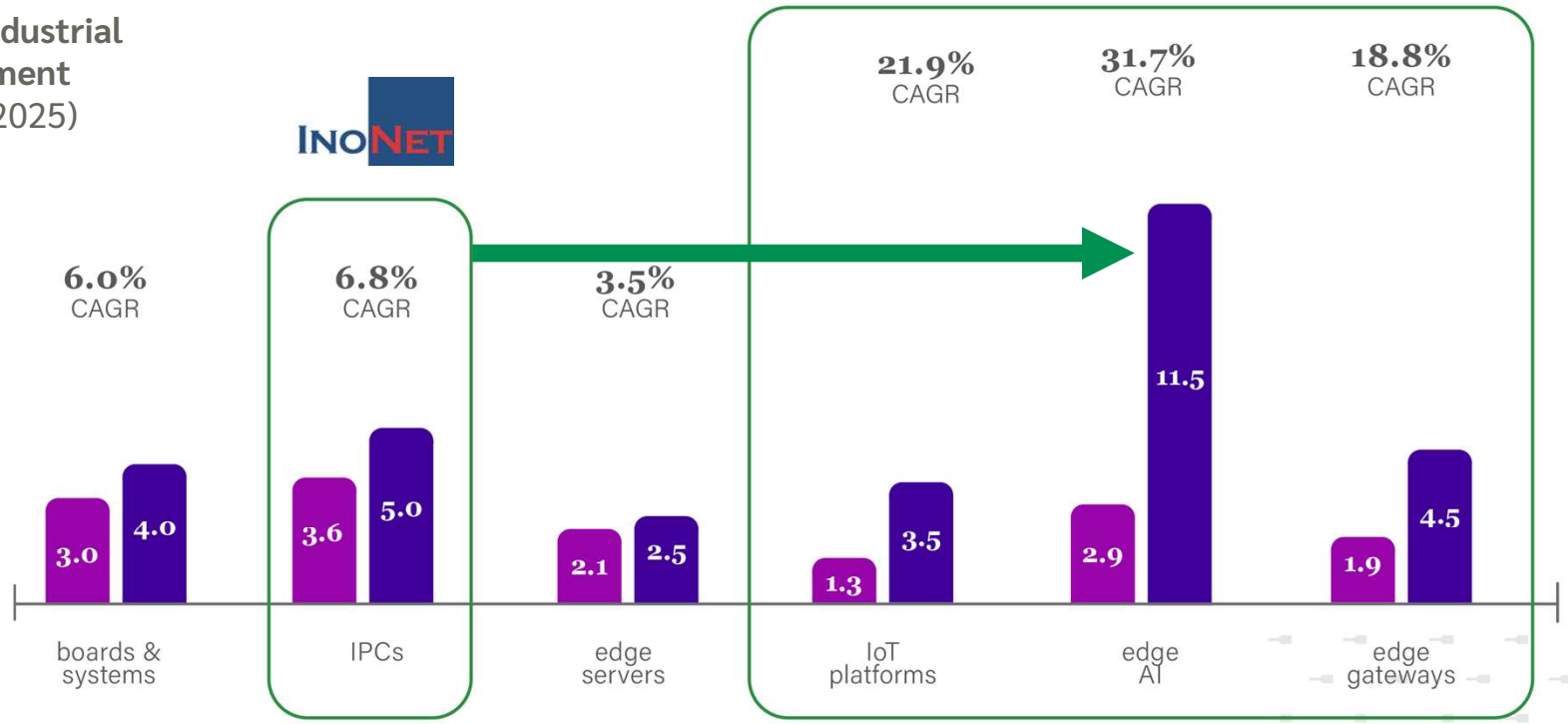
Global market of Industrial IoT by product segment
(in US $Bn - 2020 / 2025)



Source: adapted from MEC, VDC, IoT Analytics

Eurotech and InoNet have a good strategic fit

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high Complementarity between Eurotech and InoNet

		Eurotech	InoNet
Sales	Global 2000 customers	**High**	Low
	Mid Cap customers	Low	**High**
Products	IPCs	No	**Yes**
	Edge Gateways	**Yes**	No
	Edge AI	**Yes**	**Yes**
	Edge Software	**Yes**	No
Footprint	USA	**Yes**	No
	Japan	**Yes**	No
	DACH	No	**Yes**
	Rest of EU	**Yes**	No
Channels to market	Direct to OEMs	**Yes**	**Yes**
	System Integrators	**Yes**	No
	Hyperscalers	**Yes**	No
	Technology Partners	**Yes**	No
Operations	Assembly, configuration & test	**Yes**	**Yes**

what does InoNet bring to the marriage

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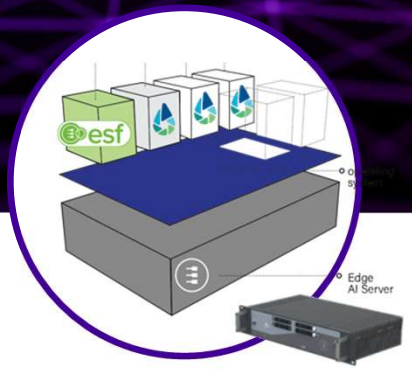
brings us relevance
in the global
IPC / Edge AI market



accelerates our journey
of bringing AI to the edge in
turn-key appliances

brings us
relevance in DACH
area

what does Eurotech bring to the marriage

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global reach

channels & go to market strategy

software suite

cybersecurity approach & know-how

InoNet respects the M&A criteria we set

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All 4 core requirements have been fulfilled

- Accelerate vertical penetration
- Complement our portfolio
- Accelerate scaling
- Bring accretive revenues

Plus… add channels & distribution bandwidth

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workstreams on synergies activation

creating plug & play Edge AI devices

integrating complementary capabilities

IPC

ec

esf

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EDGE SW STACK & SECURITY

waterview
your eye on climate change

THIRD PARTY AI

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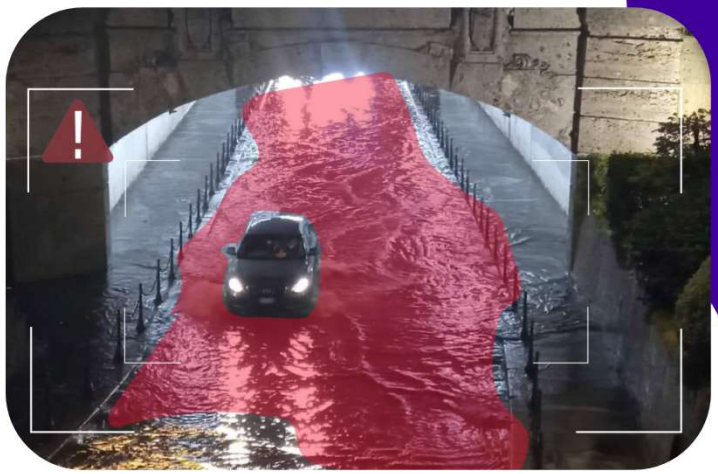
We are already using InoNet's IPCs for our Edge AI devices ***going to market now***

CliCK

Climate Camera Kit

EARLY DETECTION OF WILDFIRES

EARLY DETECTION OF FLOODING IN UNDERPASSES



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waterview
Your eye on climate change

ec

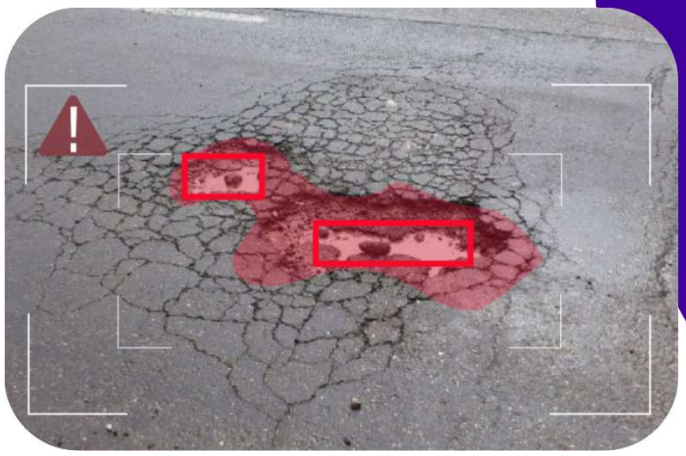
esf

UNLEASHING THE POWER OF THE EDGE

TraCK

Transportation Camera Kit

SNOW BLOCKS AND ICED JUNCTION DETECTION



ROAD HOLES AND HIGHWAY JOINT MISALIGNMENT LOCALIZATION

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waterview
Your eye on climate change

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UNLEASHING THE POWER OF THE EDGE

growth initiative on autonomous driving

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InoNet mid-range products complement our high-end offering

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INONET

UNLEASHING THE POWER OF THE EDGE

upgrading edge AI offering with cybersecurity certification

... not just certified gateways

IEC 62443-4-1

secure product development process

IEC 62443-4-2

certified secure gateway

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Q1 2023

cybersecurity certified edge AI device

IEC 62443-4-2

bring Eurotech steroids to InoNet

boost top line, optimize purchasing costs

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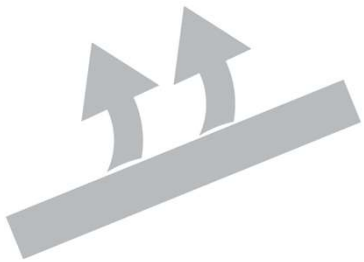
1.

Grow InoNet IPCs biz in DACH via LSIs and Hyperscalers

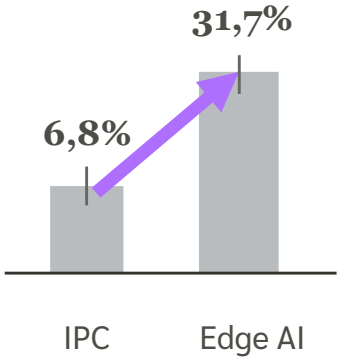


2.

Use InoNet Customer Channel to sell ETH gateways

3.

Move InoNet's IPC biz to Edge AI in DACH



4.

Leverage ETH size to improve purchasing power

why Eurotech

- ☑ we have **top class EDGE technology**
- ☑ we are **long term** committed
- ☑ we aim at **growing double digit** …

  by leveraging secular trends and using **M&A to accelerate**
- ☑ with **solid margins** …

  because of our **differentiation** in high reliability & ruggedized applications and our **innovation** in Edge software
- ☑ with more **re-occurring** and **sticky type of revenues** …

  selling **integrated HW & SW**

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UNLEASHING THE POWER OF THE EDGE
thank
you