2023 **full year** results

INVESTORS LIVE STREAMING PRESENTATION

eurotech

UNLEASHING THE POWER OF THE EDGE

disclaimer

eurotech

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 nor 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.

FY 2023 financial highlights

eurotech

- **Revenues flat YoY but Edge AIoT share growing to 41%**
  +79% at constant exchange rates
- **InoNet growing YoY on Revenues, GPM and EBITDA**
  Rev +14.9%, GPM +520bps, EBITDA margin from 4.8% to 11.3%
- **Gross Profit Margin @ 47.4% improving 240bps YoY**
  w/o InoNet GPM @48.9%
- **EBITDA margin still mid single digit**
  affected by OPEX grow to support mid-term strategy
- **Inventory down 3.7M€ at constant exchange rates**
  but Net Working Capital affected by payables reduction (8M€)
- **Net Financial Position chasing NWC**
  net debt @ 20.6M€

eurotech

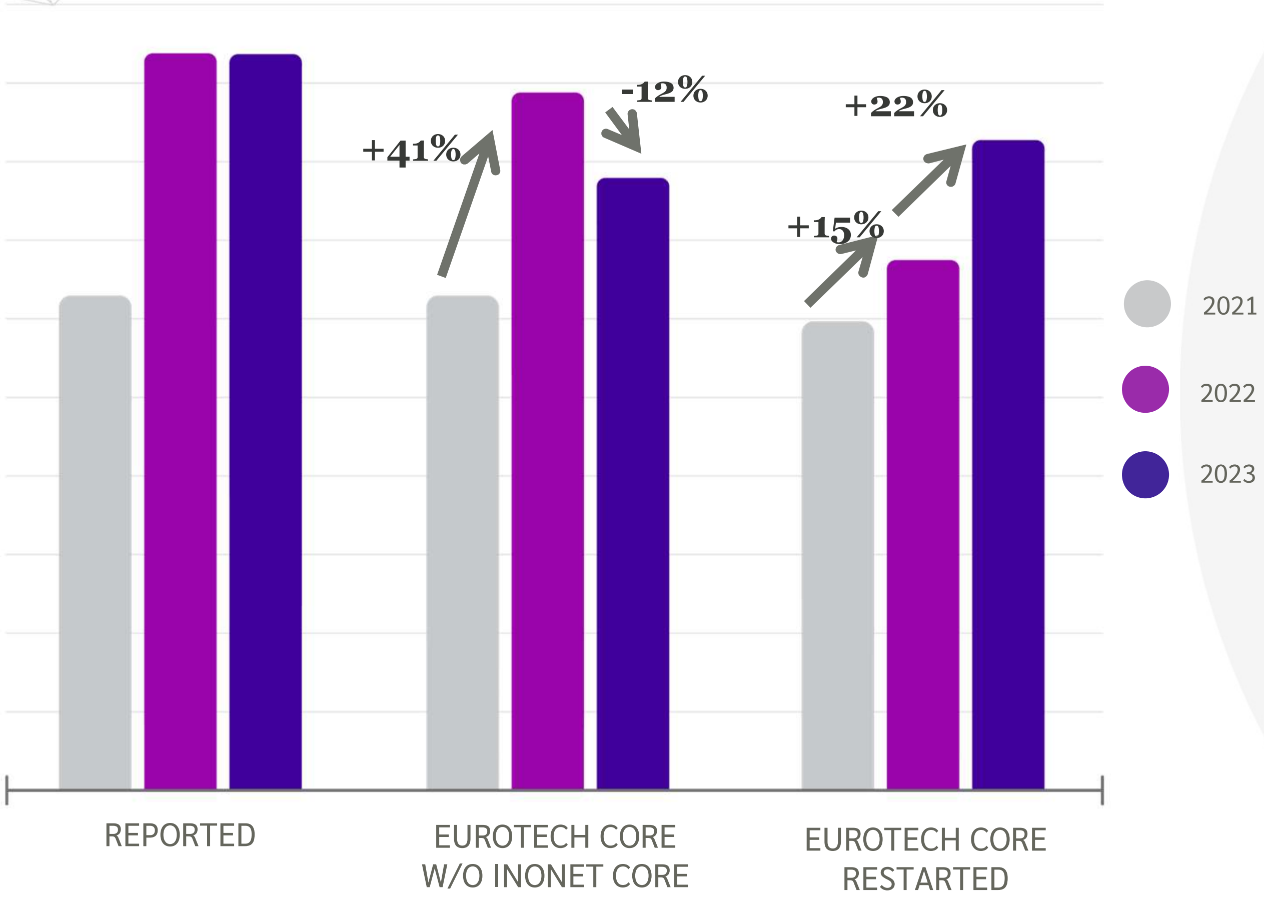
business
update

UNLEASHING THE POWER OF THE EDGE

#4

normalised revenue tells an organic growth story

eurotech



- **Restatements:**
  - **PPVs**
  - **Overstocking / Destocking**
  - **Delayed deliveries**
- InoNet core = revenues as a stand-alone company
- InoNet organic growth driven by ETH counted as ETH core

eurotech

InoNet promises coming true

ebitda growing 4x in 1 year

#FY23 revenues +15% YoY

organic growth

#new wins on ADAS

giving a better mix,
to the benefit of GPM

#GPM up ca. 520 bps YoY

thanks to a better mix, plus actions on prices vs customers & suppliers coming to fruition

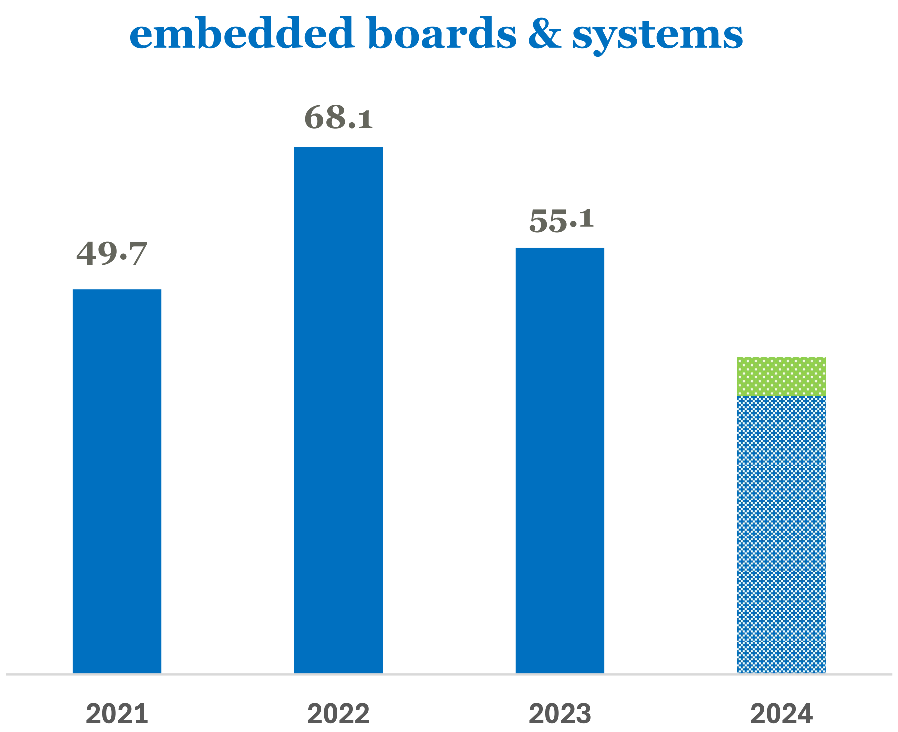
#EBITDA margin @ 11%

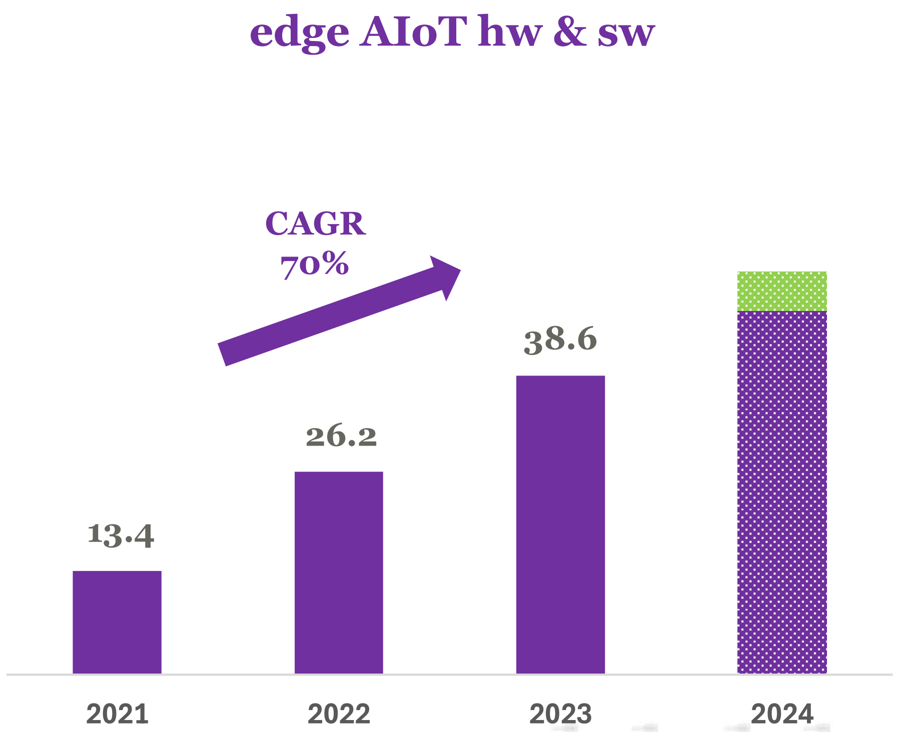
with good prospects to keep it going forward

company strategic pivoting is happening

eurotech

Edge AIoT surpassing Legacy Embedded in 2024





recap of FY23 journey business wise

hardware

- IEC certified Edge AI HW family

software

- AWS Greengrass + ESF = Everyware GreenEdge
- Zero-Touch Provisioning (ZTP)

channels

- AWS
- OT system integrators

focus points FY24

business imperatives

accelerate edge AI (shorter time-to-market) in security, asset monitoring, end-of-line inspection, and automatic optical inspection applications

round 2 of channel play: moving on to the next big partner, replicating AWS success

keep momentum in ADAS: hot topic in Europe thanks to EU regulations imposing assisted driving systems (L2/L3) on board of both cars and trucks

cost control: until visibility grows and uncertainty goes away, tight monitoring of costs is king

bumpy road ahead

- Overstocking during component shortage followed by Destocking has **accelerated the phase-out of legacy embedded business in US**
  - Japan affected by destocking but not phasing out from legacy embedded business
- We have taken the opportunity to **cut OPEX linked to the legacy embedded business**
- **We start FY24 with a lower visibility vs FY23 because customers are back to last-minute order releasing**
- **Some IoT projects won are ramping up with a slower pace,** especially in H1
- **Visibility changing on a weekly basis, we saw an acceleration in last 4 weeks**
- **Too early to say how the year will progress,** H2 is more optimistic

financial
update

FY 2023

UNLEASHING THE POWER OF THE EDGE

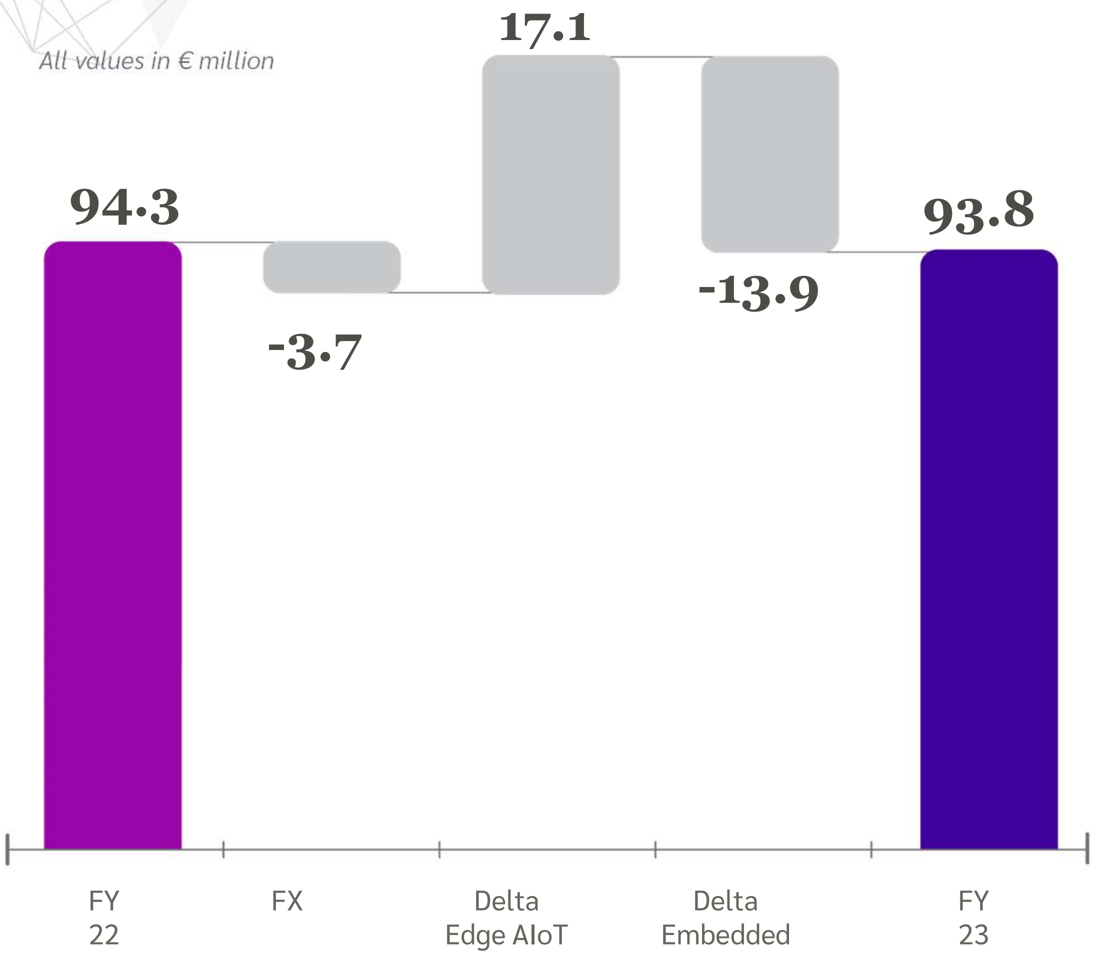
eurotech

12 months growth driven by Edge AIoT

eurotech

transformation journey progressing with a steady pace

All values in € million



#Edge AIoT

growing organically 20%

growing 79% in total

#InoNet accelerating

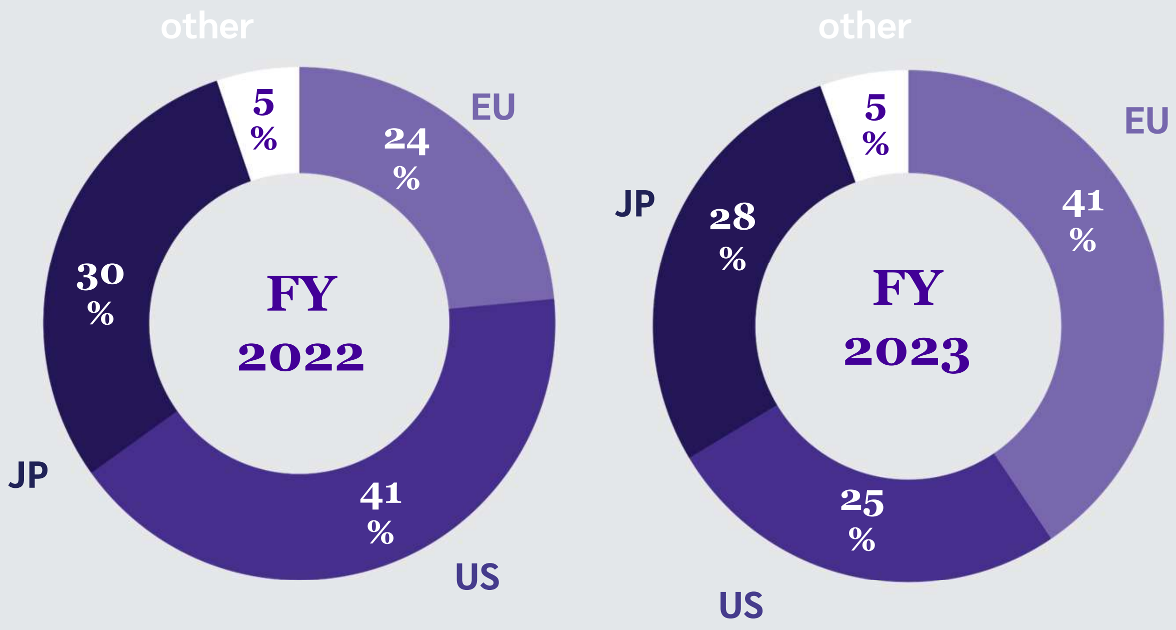
Edge AIoT growth in EU

#Legacy embedded

business impacted by **destocking**

Europe pushed by InoNet consolidation

breakdown by end-customer location



Percentages total might not sum up to 100 because of rounding

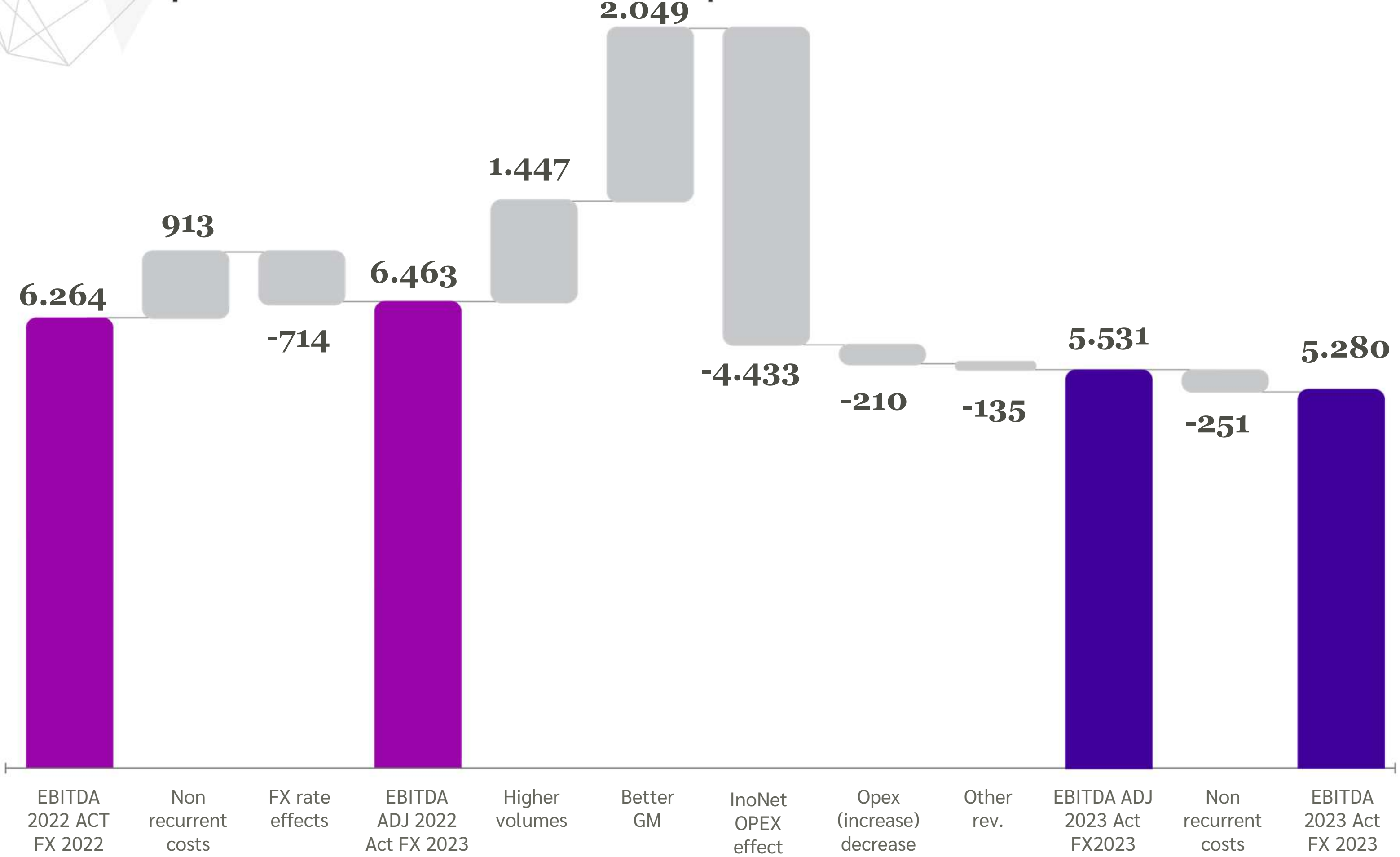
#**US** traditional embedded business impacted by **destocking**

#**Europe** boosted by **strong growth on Edge AIoT** and **InoNet consolidation**

#**Japan** facing some **destocking** but offsetting with new projects ramping up

EBITDA margin in mid-single digit

GM improvement offset by opex increase linked to InoNet consolidation



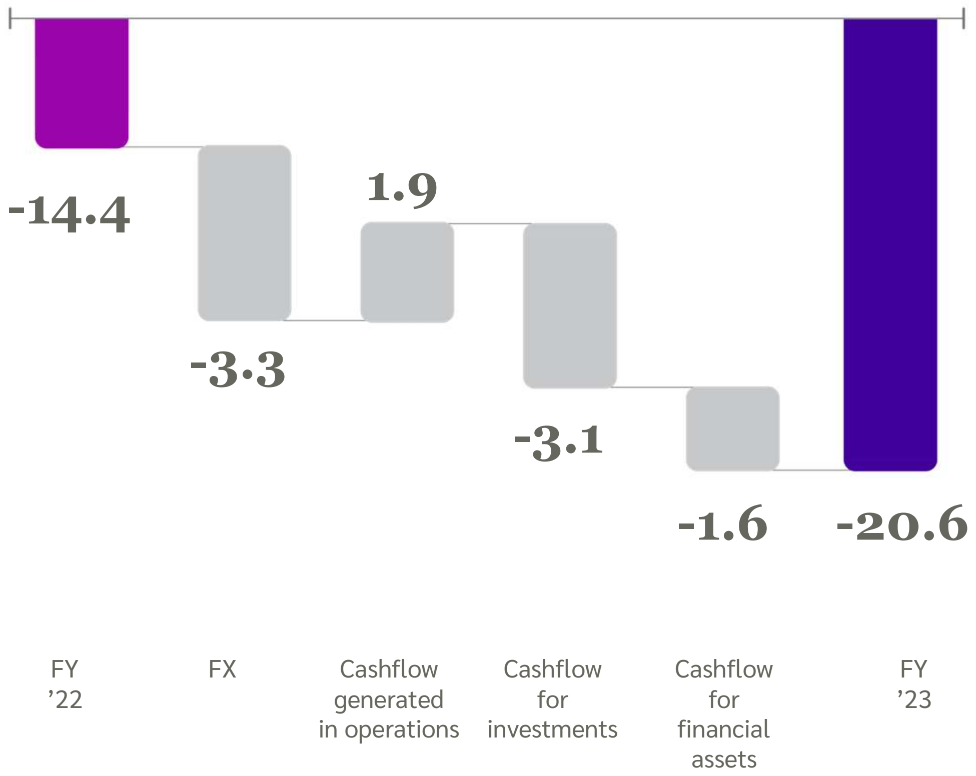
All values in € million

balance sheet normalizing after component shortage effects

eurotech

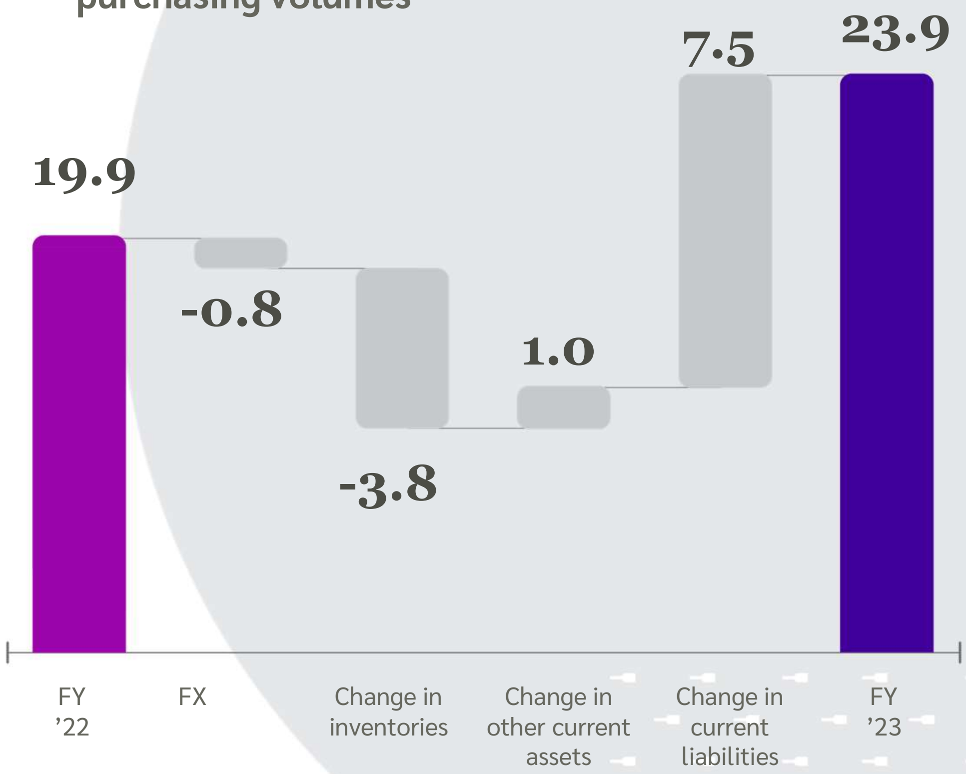
All values in € million

Half of NFP decrease linked to forex effects



Finally extracting cash parked in extra inventory

Payables reduction linked to normalization of purchasing volumes



key
takeaways

FY 2023

UNLEASHING THE POWER OF THE EDGE

key takeaways

Edge AIoT revenues @41% growing 20% organically

InoNet synergies coming true, EBITDA growing 4x YoY

GPM improving 240bps YoY

Inventory down 3.8M€ and trade payables normalising, long tail of component shortage ending

EBITDA in mid-single digit as we continued to invest to build the right organisation

Lower visibility than the past on how the year will progress especially on H1; **H2 more optimistic**