2024 **first quarter** results

INVESTORS LIVE STREAMING PRESENTATION

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UNLEASHING THE POWER OF THE EDGE

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Q1 2024 financial highlights

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- **Revenues @11.9M€ largely affected by phase-out of main customer on legacy embedded business in U.S. and destocking in Japan**
  -50% YoY at constant exchange rates
- **Gross Profit Margin @ 48.7% improving 180bps YoY**
  and better than 47.4% in FY23
- **Opex down 0.3M€ i.e. 3% YoY net of forex effects**
  but weak top line drove EBITDA into negative performance
- **Net Working Capital down 5.9M€** vs year end 2023
- **Net Financial Position improving 1.4M€** vs year end 2023
  chasing good performance of NWC

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business
update

#4

2024 still a year of transition

full steam on tasks we can control

As our peers,

- **suffering the global destocking** phenomena still ongoing, especially in Industrial
- **coping with longer ramp-up time of design-wins** in Europe

but

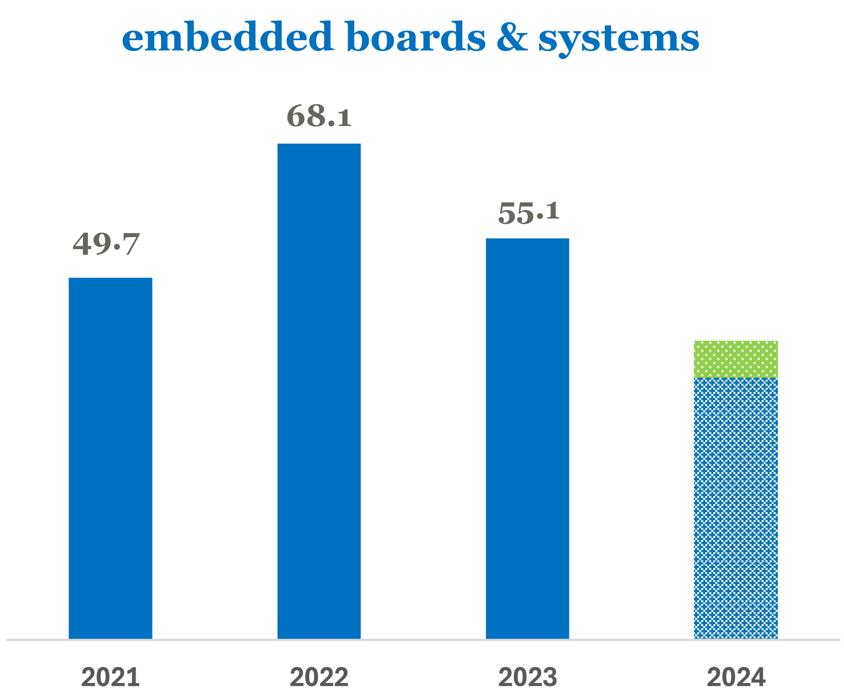
- facing mainly the **phase-out of main customer on legacy embedded business in U.S.**

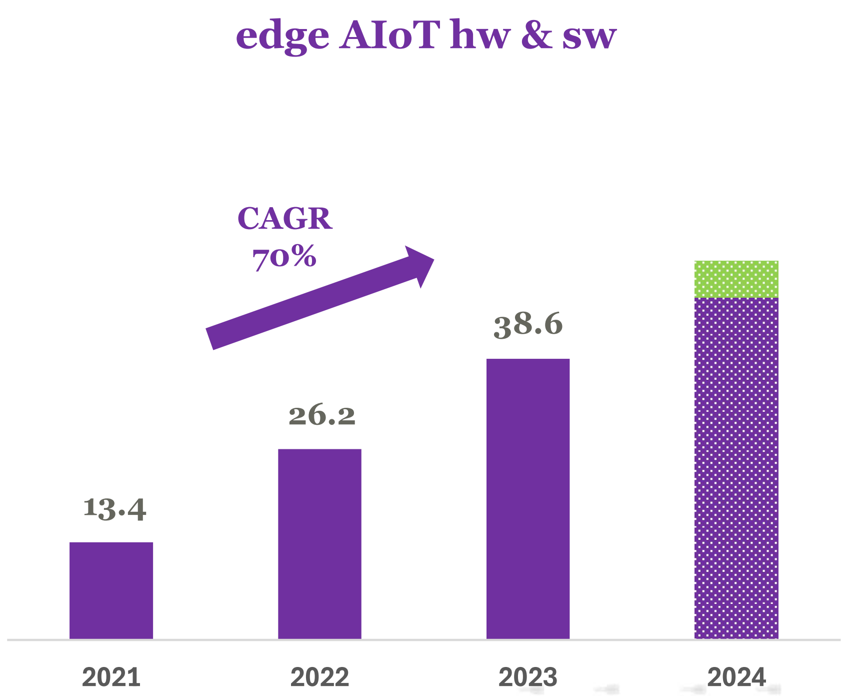
<u>Ongoing transformation includes:</u>

- **1M€ cost saving** from US reorganization **kicking in**
- Further opex costs adjustment in progress: **additional 3M€ savings over next 9 months**
- New products enabling **new channels to amplify go-to-market** bandwidth
- **Revamping US via M&A**
- Renewed commitment from Emera

company strategic pivoting is happening

Edge AIoT surpassing Legacy Embedded in 2024





our HW&SW value proposition again confirmed to be state-of-art

global PRs announcing 3 new products enabling go-to-market channels

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First Cybersecure

Ignition-ready IPC

ReliaCOR 40-13

Edge AI game-changers

NVIDIA | Preferred Partner

ReliaCOR 31-11 & ReliaCOR 33-11

powered by NVIDIA Jetson Orin

going forward…

- **Low visibility beyond the short term**: customers still releasing orders "last-minute“, but…
- … early **signs of a more promising second half** of the year
- Overall we expect **growth in Edge AIoT revenues** this year
- **Net reduction in total operating costs**, with a year-on-year benefit at the EBITDA level of **about €1 million**

- **Q2 improving significantly vs Q1**
  - revenues >> Q1
  - GPM in line with Q1
  - OPEX decreasing further vs Q1

finding the right balance

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Opex Reduction Plan

- **Goal: lowering the run-rate of total opex by ca. 3M€**
  - incremental to the net saving of 1M€ already coming to fruition
  - FY2025 opex down ca. 4M€ or 10% vs FY2023 opex
- **Timing: during next 9 months in sequential steps**
- **How: 2 main initiatives**
  - **#1. Doubling down on run-for-cash of embedded** business in US and Europe
  - **#2. Strong rationalization of Edge AIoT** business line with targeted interventions to redesign the organization after 2.5 year of intense transformation.

boosting US with a “tuck on” M&A

- **Time for an acquisition has come**
- Building on the **positive experience of InoNet**
- Focusing on finding a **"tuck on" target in the U.S.** i.e. a “InoNet like” company

- **Boosting the business transformation to Edge AIoT** in a short timeframe like InoNet allowed in Europe.

- to finance the acquisition, Eurotech will **find the necessary financial means through the most appropriate ways currently under consideration, including a capital increase**
- the above has **already found approval from** relative majority shareholder **Emera**.

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financial
update

Q1 - 2024

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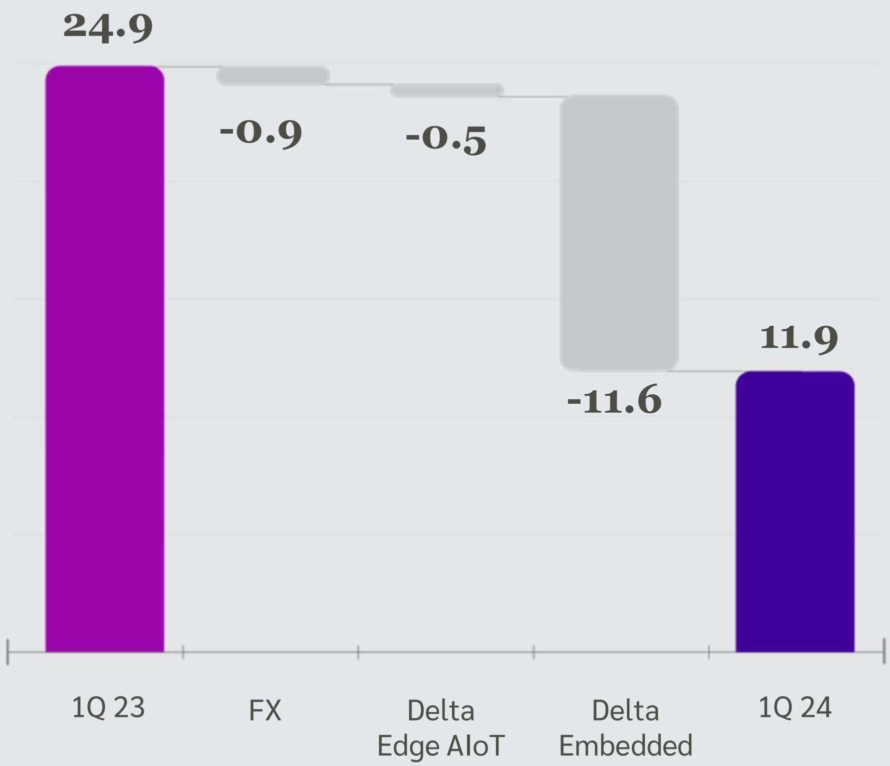
#12

3 months drop driven by legacy business

edge AIoT accounts for 63% of total revenues

All values in € million

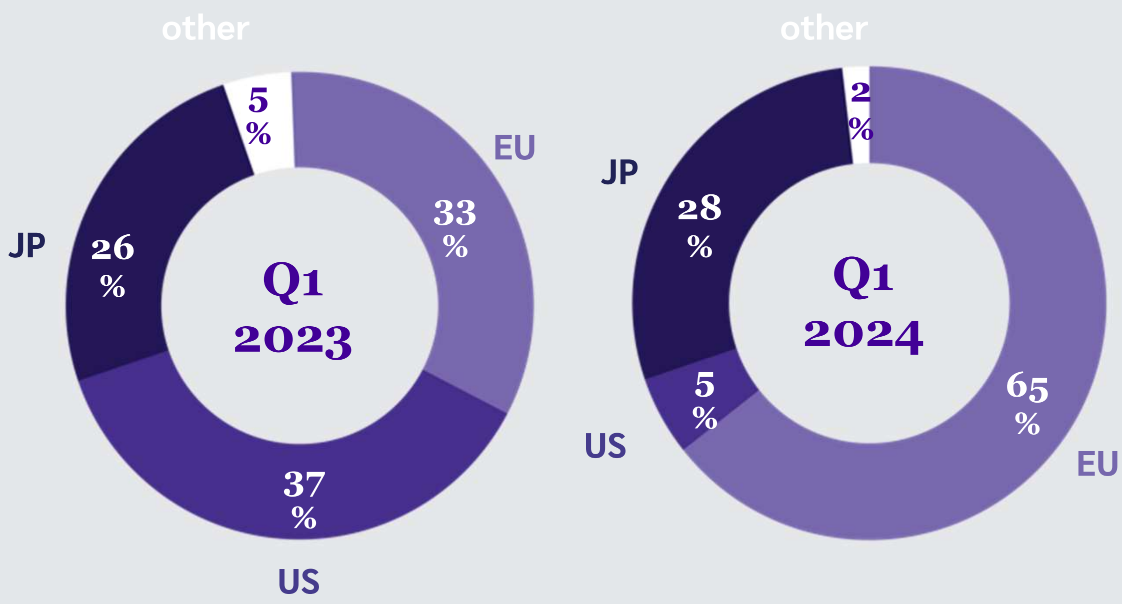


 # 90% of revenues decrease linked to phase out of US legacy embedded customer, not yet replaced by Edge AIoT growth

 # Edge AIoT slightly down due to different distribution of ADAS business in the quarters in 2024 vs 2023, but will keep growing in FY24

Europe is the first area

breakdown by end-customer location



Percentages total might not sum up to 100 because of rounding

#**US** suffering from mismatch between phase-out of main customer on embedded and phase-in of new Edge AIoT business

#**Europe** facing postponements of ramp-up of design wins in IoT, especially in Industrial Automation

#**Japan** facing destocking especially on customers supplying equipment into Industrial sector

EBITDA margin negative due to volume decrease

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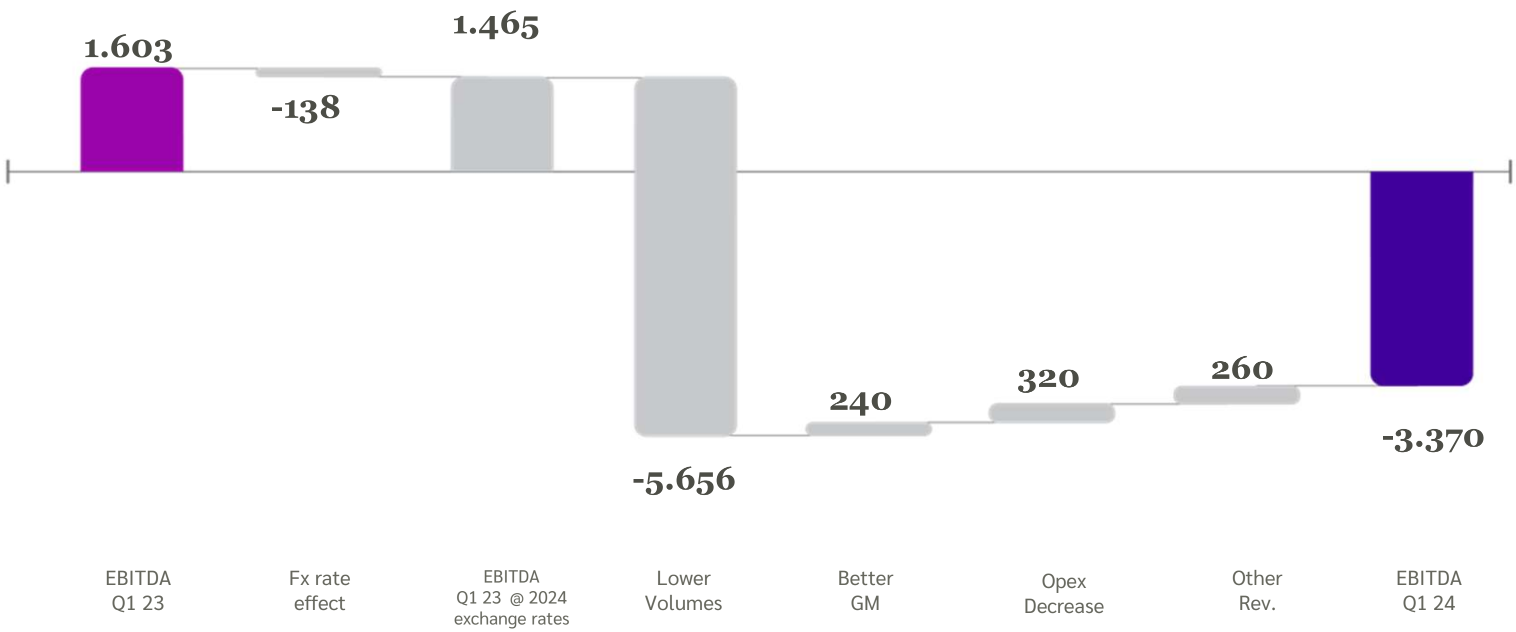
rising first margin and falling operating costs only partly compensated Ebitda decline

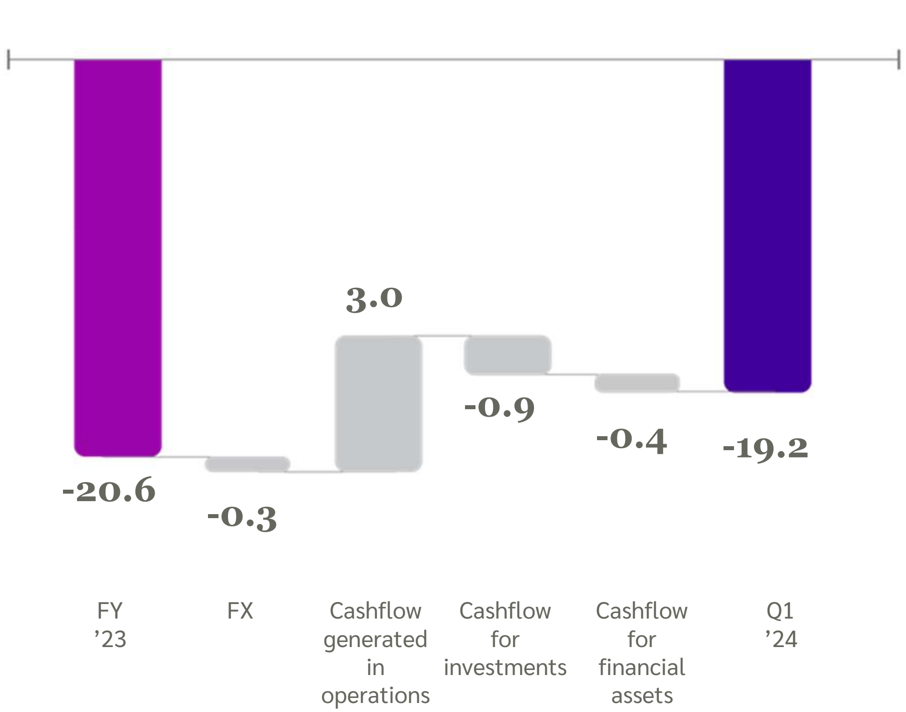


All values in € million

balance sheet normalizing after component shortage effects

All values in € million

NFP improving 1.4M€ vs year end 2023 thanks to NWC reduction



NWC down 5.9M€ vs year end 2023 by virtue of the normalization of material purchases

key takeaways

Q1 - 2024

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key takeaways

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Weak start of the year, yet historically **first quarter not representative of FY results**

Lower visibility than the past on how the year will progress, but **H2 more optimistic**

GPM improving 180bps YoY, **Opex down 3%** YoY and **on track for 1M€ savings in FY2024**

Actively **searching a tuck-on, InoNet-like acquisition in US** to boost transformation towards Edge AIoT

9 months plan to lower opex by 3M€ through tuning of organization after 2.5 years of intense transformation

Emera ready to support Eurotech in collecting the financial means to enable M&A through the most appropriate ways, including a capital increase