2024 **first half** results

INVESTORS LIVE STREAMING PRESENTATION

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UNLEASHING THE POWER OF THE EDGE

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H1 2024 financial highlights

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- **Revenues @ 29.3M€ largely affected by phase-out of main customer on legacy embedded business in U.S. and destocking in Japan**
  -37% YoY at constant exchange rates, improving from Q1
- **Gross Profit Margin @ 49.7% improving 310bps YoY**
  and better than 47.4% in FY23
- **Opex down 1.3M€ YoY, or 1.7M€ net of non-recurring costs** but weak top line drove EBITDA into negative performance
- **Net Working Capital down 3.5M€** vs year end 2023 as expected due to collection of receivables
- **Net Financial Position down 2.7M€** vs year end 2023 due to forex effects and R&D investments

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business
update

#4

2024: getting leaner to run faster

full steam on tasks we can control

As our peers:

- facing the global **weakness on Industrial Automation**
- suffering **destocking & softness hitting Japan**
- coping with **wait-and-see mood of customers**

but…

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

Ongoing transformation includes:

- **cost savings** from trimming Embedded organization
- **re-organisation** of Edge AIoT structure
- **new products enabling new channels** to amplify go-to-market bandwidth
- **revamping US via M&A**

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3.5M€ cost saving achieved in FY24

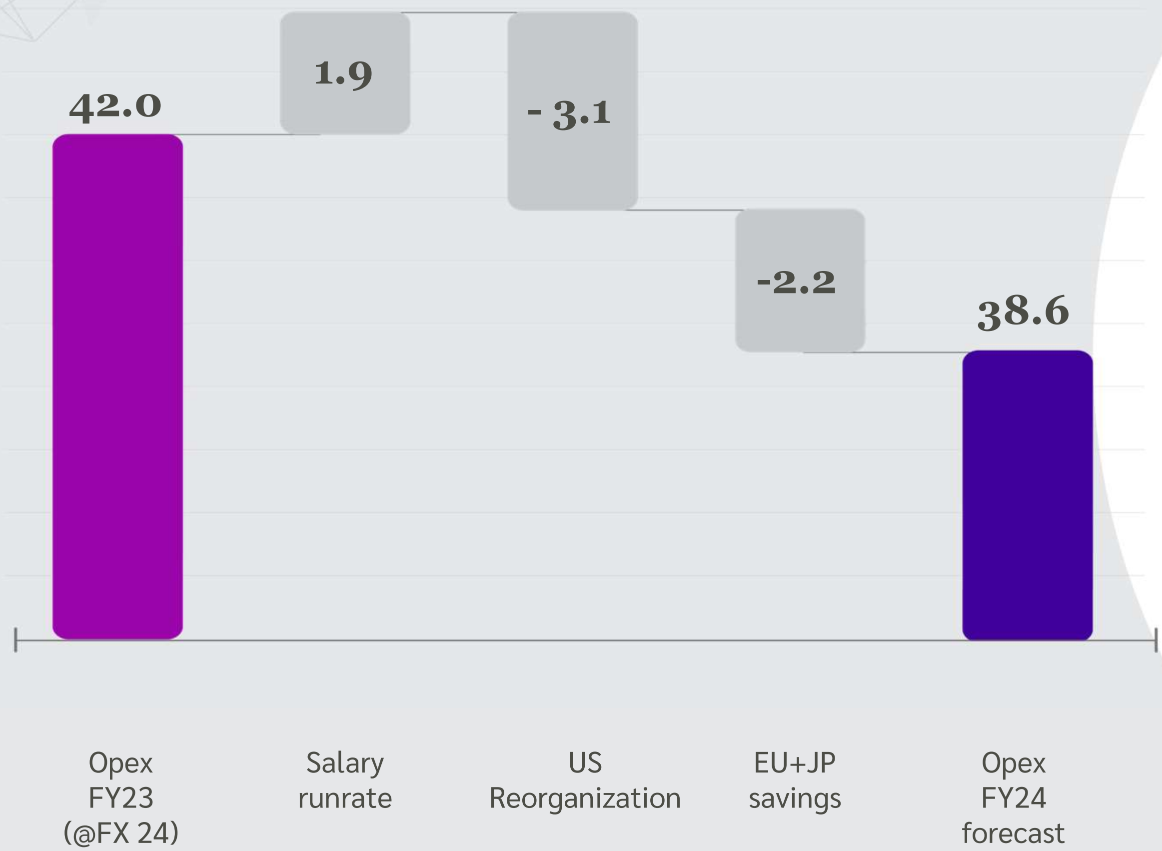
vs FY23 reported, @ constant exchange rates

- Got rid of external consultants on all activities where internal personnel is now available & trained
- Right-sized structure supporting legacy Embedded business
- Activated new cross-Country synergies

- **FY24 opex down 3.5M€ vs FY23 reported**
- **On track to 4M saving on run-rate FY25**

total opex reduction @5.3M€

considering full 2023 run-rate



- **US opex down 3.1M€**
- **EU+JP opex down 2.2M€**
- **Total opex reduction @5.3M** vs full impact of 2023 new hires & talent retention actions

All values in € million
Non-recurring costs excluded

new products opening new channels

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differentiated with cybersecurity and pre-integrated software

	Gen AI	*Edge AI*	*Consolidated Edge: HW + SW*
New products developed	LLM machines pre-integrated with NVIDIA inference software	NVIDIA Orin family devices IEC cybersecure certified	40-13 IEC cybersecure certified & Ignition Ready
New partners /channels	NVIDIA	NVIDIA METROPOLIS	inductive automation

going forward...

- **H2 revenues improving vs H1**
  - order intake in next 60 days will rule final result
- **H2 GPM in line with H1**

- Customers still releasing orders "last-minute“, but...
  - noticeable **increase in customer interest in discussing new business** in the past 4-5 months
  - **growing number of bid requests** compared to the first quarter
  - an increase in the order book should materialize in the months ahead
- We are **accelerating in shorter time-to-market initiatives**
- Positive signals for a **resumption of growth in 2025**

Capital Increase asked to Shareholders to finance M&A

- **Why now?**
  - **To be ready** as discussions accelerate
  - **To be credible** when contacting targets

- **Time is now from a strategic perspective**
  - Edge HW market is consolidating
  - It’s the right time in our transformation journey

- Focused on finding **a "tuck-on" we can afford and easily integrate**
- Building on the **positive experience of InoNet**

financial
update

H1 - 2024

UNLEASHING THE POWER OF THE EDGE

6 months drop driven by legacy business

edge AIoT accounts for 57% of total revenues

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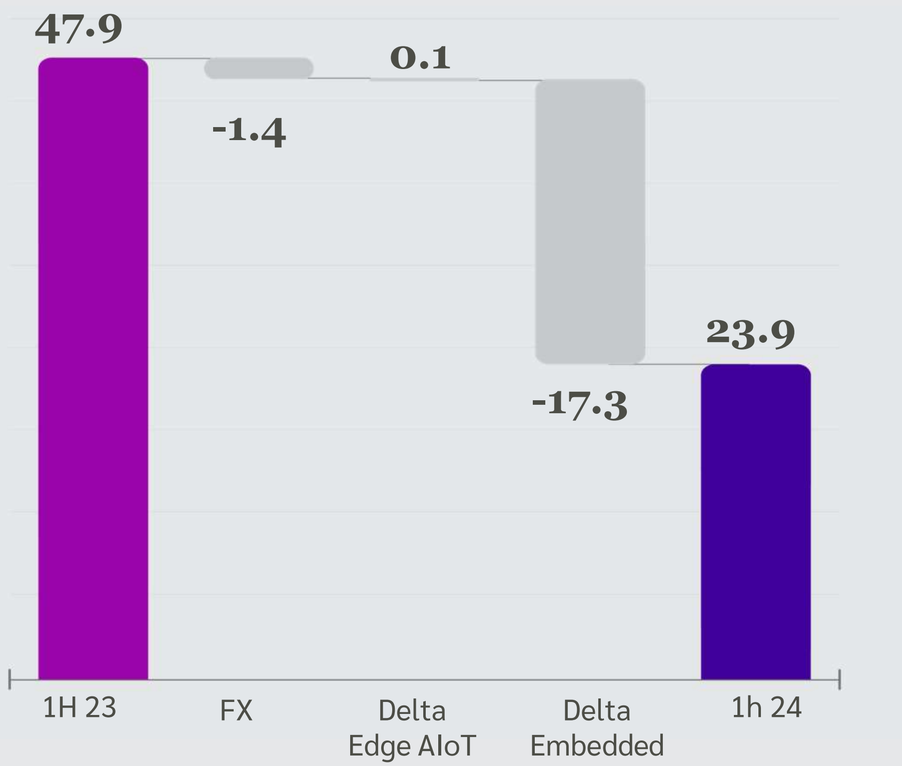
All values in € million



#75% of revenues decrease linked to phase out of US legacy embedded customer

#20% of revenues decrease linked to destocking in Japan

#Edge AIoT slightly up and will keep growing in FY24

Europe is the first area

breakdown by end-customer location

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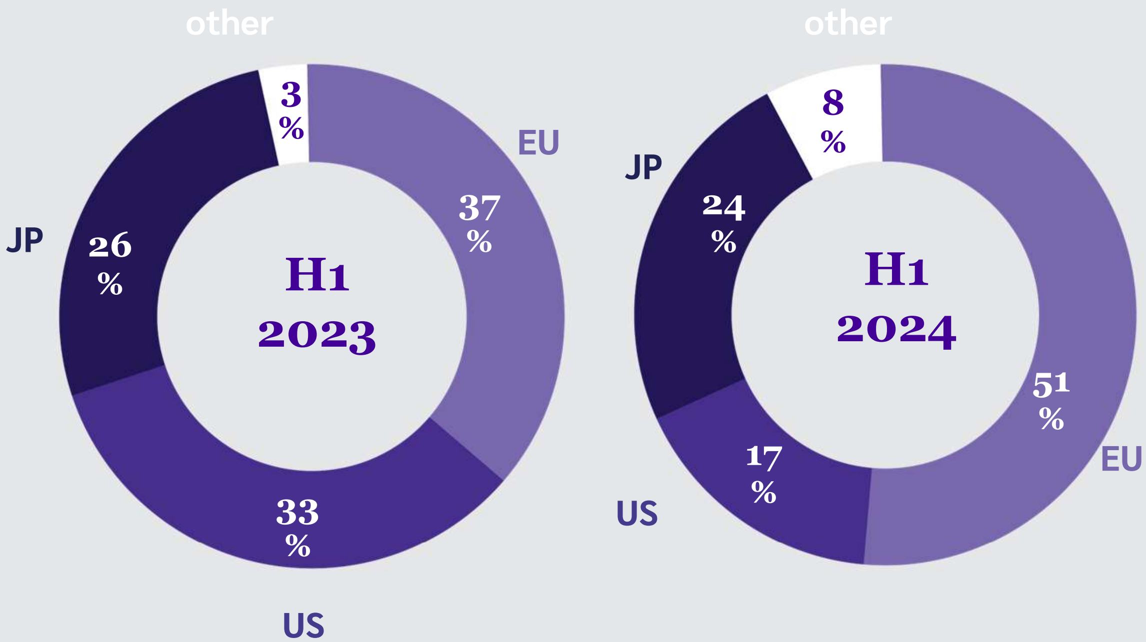

Percentages total might not sum up to 100 because of rounding

#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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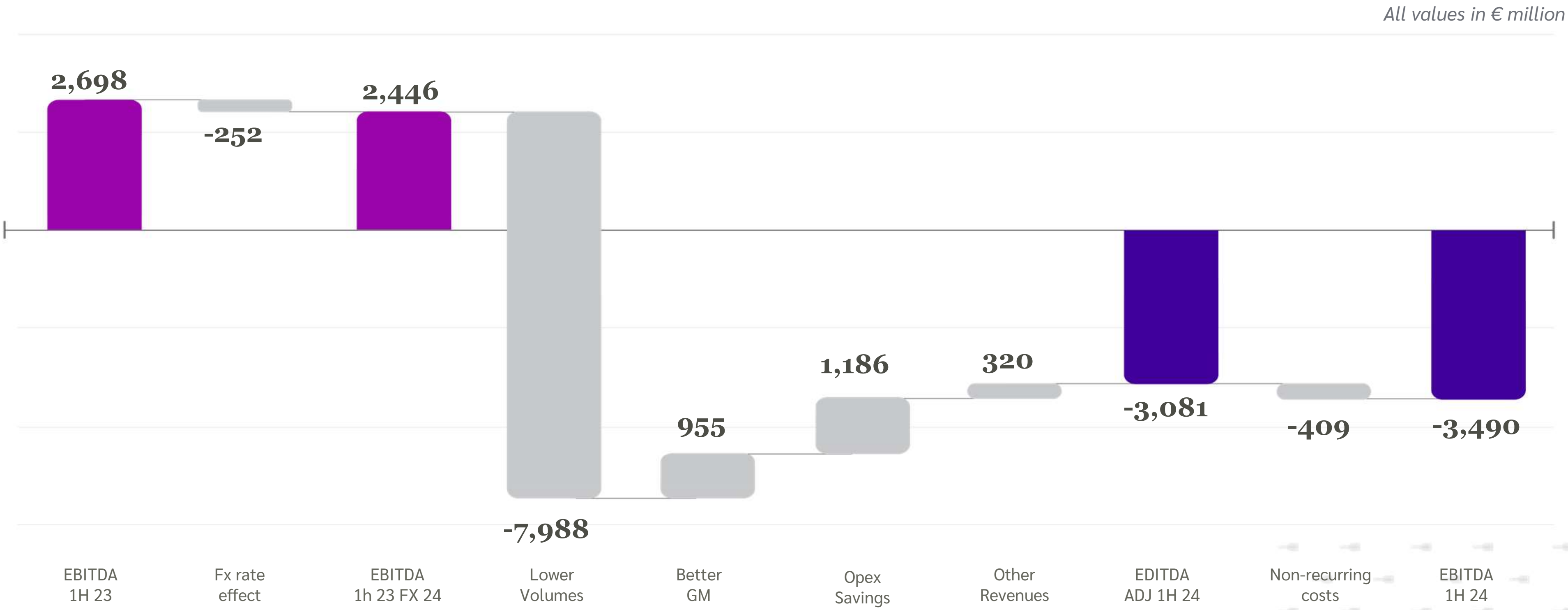
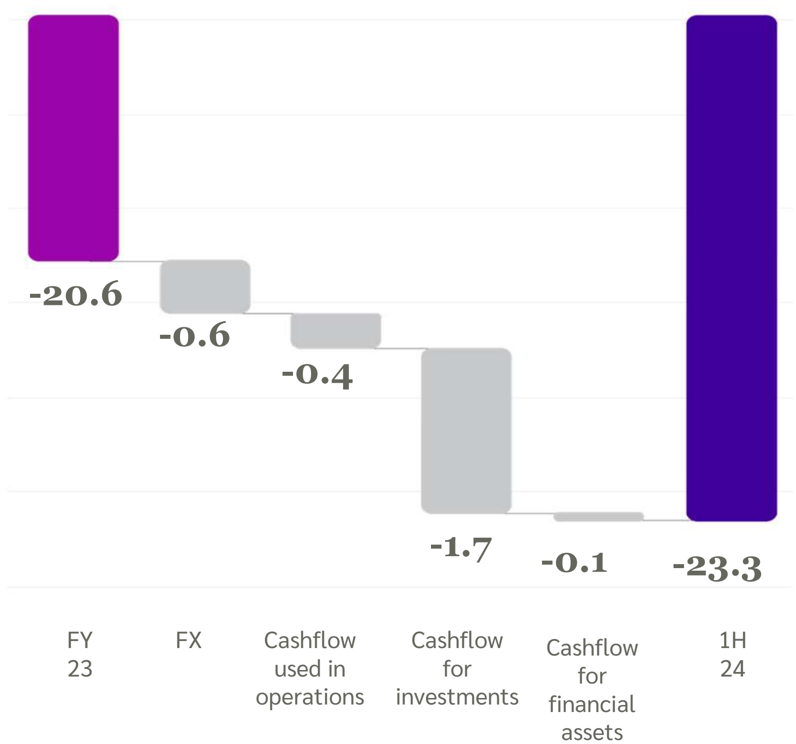
better GM and OPEX savings only partly compensated Sales decline



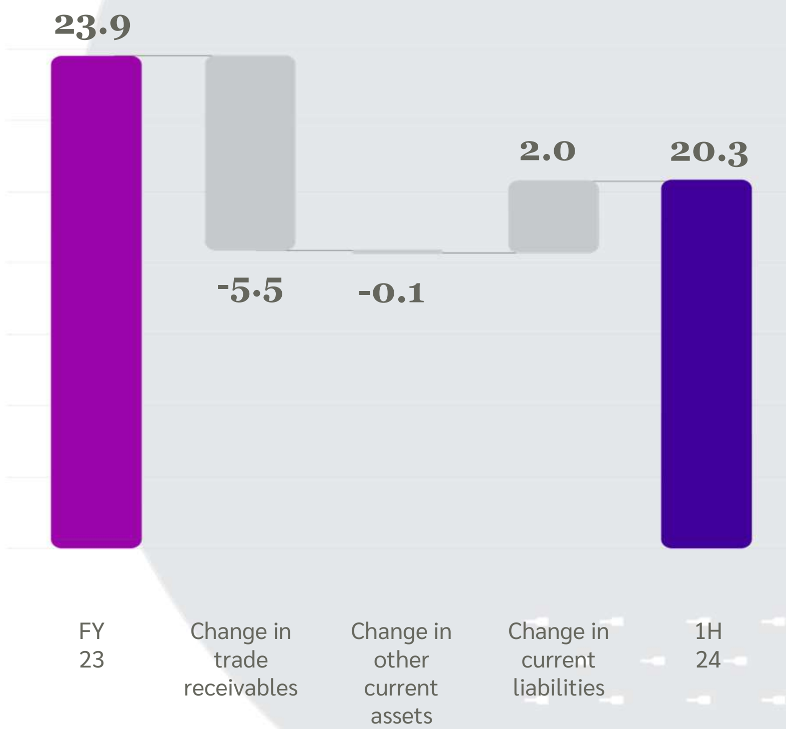
balance sheet normalizing after component shortage effects

All values in € million

NFP down 2.7M€ vs year end 2023, mainly for forex effects and investments



NWC down 3.5M€ vs year end 2023 driven by collection of trade receivables



key
takeaways

key takeaways

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Q2 better than Q1, yet H1 still weak YoY due to legacy business while **Edge AIoT is flat YoY**

Low visibility still the new normal, but customers interest & bid requests growing in past 4-5 months

GPM improving 310bps YoY, **Opex down 1.7M€** YoY and will be down 3.5M€ on FY24 vs FY23

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

Action plan to lower opex announced in May is on track, 4M€ savings on run-rate in 2025 confirmed

Emera committed to support Eurotech journey, injected 2.5M€ in anticipation of a coming capital increase to enable M&A