



2024 full year results

INVESTORS LIVE STREAMING PRESENTATION



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FY 2024 financial highlights

- **Revenues down YoY on double-hit: major US customer phase-out plus capex freeze in Industrial Automation worldwide**
-35.7% at constant exchange rates
- **Gross Profit Margin @ 50.7% improving 330bps YoY**
confirming a good mix of products sold
- **EBITDA margin impacted by weak top line**
-5.0M€ or -3.7M€ adjusted of nonrecurring costs
- **Net OPEX down 4.5M€ YoY**
substantial achievement beating target set for the year
- **Net Working Capital improved by 9.2M€**
with positive impact on operating cash flow
- **Write-off of goodwill of US subsidiary Eurotech Inc.**
to take into account phase-out of major customer and downsizing of workforce



business update



UNLEASHING THE POWER OF THE EDGE

#4

despite 2024 headwinds, execution of strategy building blocks continued



products

— Edge AI

ReliaCOR 31-11 & 33-11 powered by NVIDIA Jetson Orin



— IPC

ReliaCOR 40-13: first Cybersecure Ignition-Ready Industrial PC



— Generative AI

Servers for edge inference and intensive LLM training & fine-tuning, powered by NVIDIA AI Enterprise



— Modular GW

ReliaGATE 15A-14: one highly configurable certified solution for a wide range of IoT applications



channels

— PNY

— Axxonsoft

Cybersecure Edge AIoT solutions leveraging video analytics for Critical Infrastructure

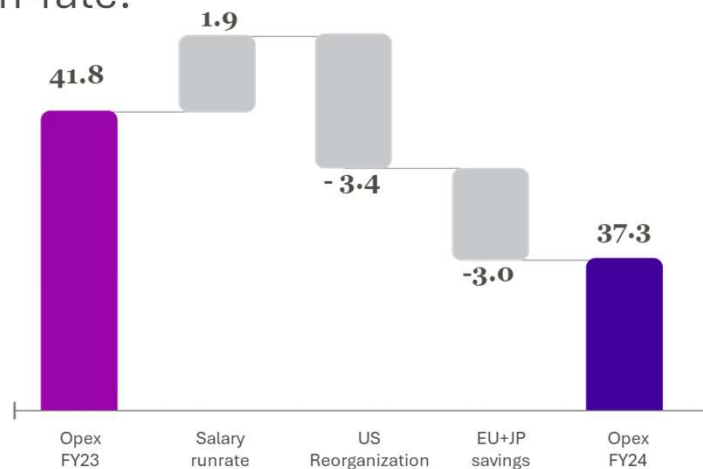


Opex optimization achieved

— 4.5M€ cost saving vs FY23 net of forex effects:

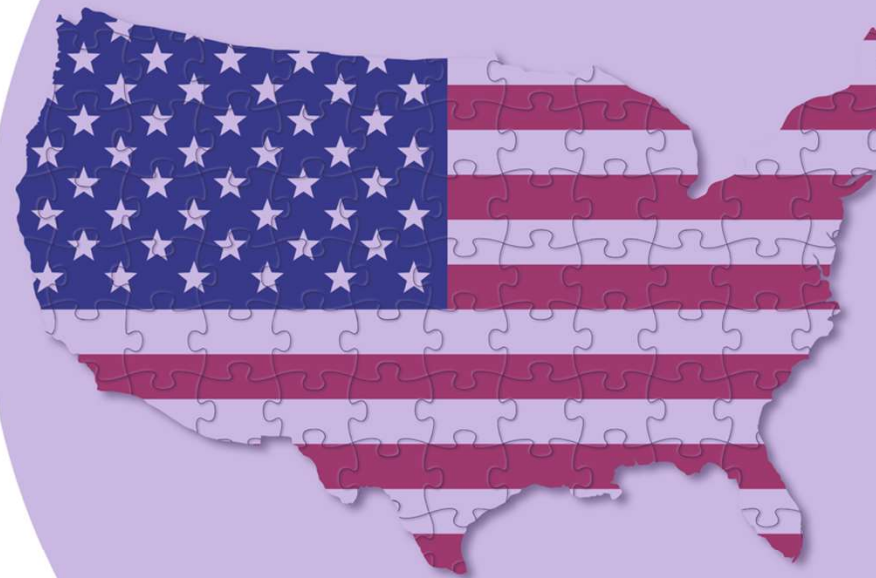
- Reduced external consultants on all activities where internal personnel is now available & trained
- Right-sized structure supporting legacy Embedded business
- Activated new cross-Country synergies

— Actual effort has been 6.4M€ considering FY23 run-rate:



M&A as a catalyst for transformation in US

- M&A is a pillar of our strategy since day 1
- We successfully completed one acquisition in Germany
- We are pursuing a similar success in US
- **We want to buy access to market, plus a fab for “made in USA”**
 - Size: 15-20M\$ revenues
 - Margins: profitable
 - Vertical markets: Industrial Automation, Medical, Energy & Grids
 - With go-to-market channel, i.e. distributors and/or system integrators
 - With a fab for systems assembly (like InoNet)
 - With products fitting our strategic direction
- **We have a short list of candidates, we are focusing on one** we prefer due to best match with selection criteria
- **Financing will be through the Capital Increase** approved by Shareholders on Oct. 15th 2024



renewed commitment from controlling shareholder Emera

- **Emera is committed** and supports our strategic direction
- **Emera is providing the financial means to cross the short-term market weakness**
 - 2.5M€ injected in Sept 2024 as future capital increase
 - 6.0M€ pledged in Jan 2025
 - Available at company disposal throughout FY25 in the form of payments on account of future capital increase
 - 2.5M€ delivered in Q1
 - **To give peace of mind to management team to keep focusing on strategy execution**



2025 focus where cybersecurity is relevant

Cybersecurity is now a requirement rather than an option

US: IoT Cybersecurity Improvement Act

EU: NIS2, RED, Cyber Resilience Act, Machinery Directive

Most impacted verticals:

- **Smart Grids (Power, Oil/Gas, Water)**
- **Smart Infrastructure**
- **Smart Transportation**
- **Industrial Automation for NIS2 mandatory upgrades**

We will leverage channels & products activated in 2024

road ahead: Q1 still weak, then improving

- **Q1 still affected by factors seen in Q4:** German economy with foot on brakes; US customer who phased-out not replaced yet; last tail of destocking in Japan
- **Q2 better than Q1**
- **Still low visibility on H2, but good chances for a restart** of German market
- **Japanese subsidiary Advanet with record booking of NRE** (engineering services) for new custom products for its customer base: this is the preamble for a new phase of volume production ramp-up in 2026 and 2027
- **Too early to say where FY25 will land, moderate growth is a probable scenario** depending on how H2 will unfold

financial update

FY 2024



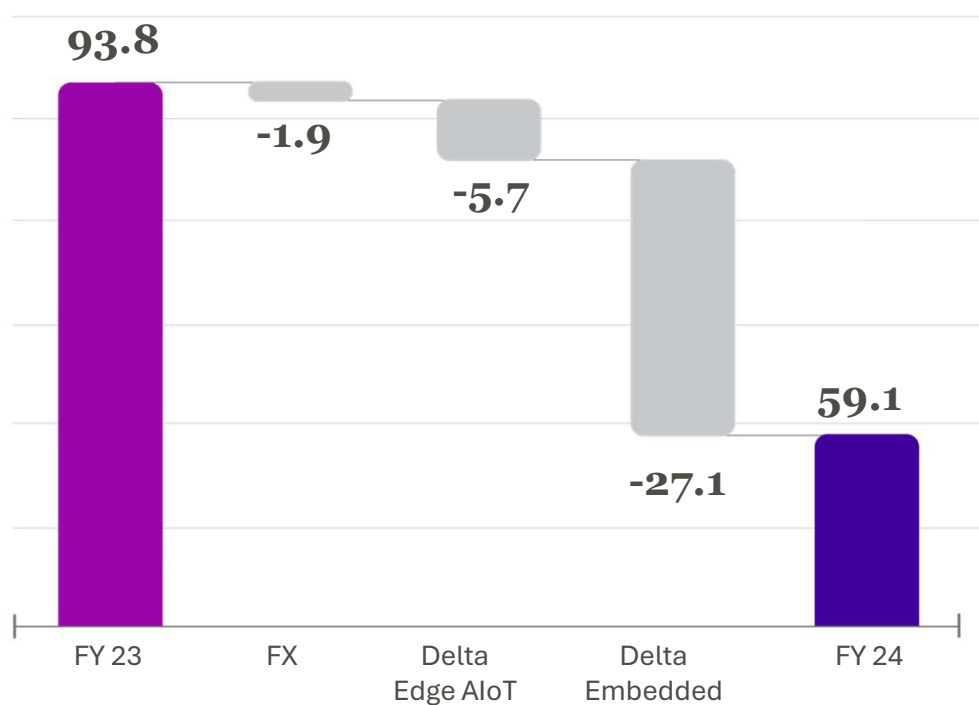
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#11

a tough year for our top line

facing a number of headwinds simultaneously

All values in € million

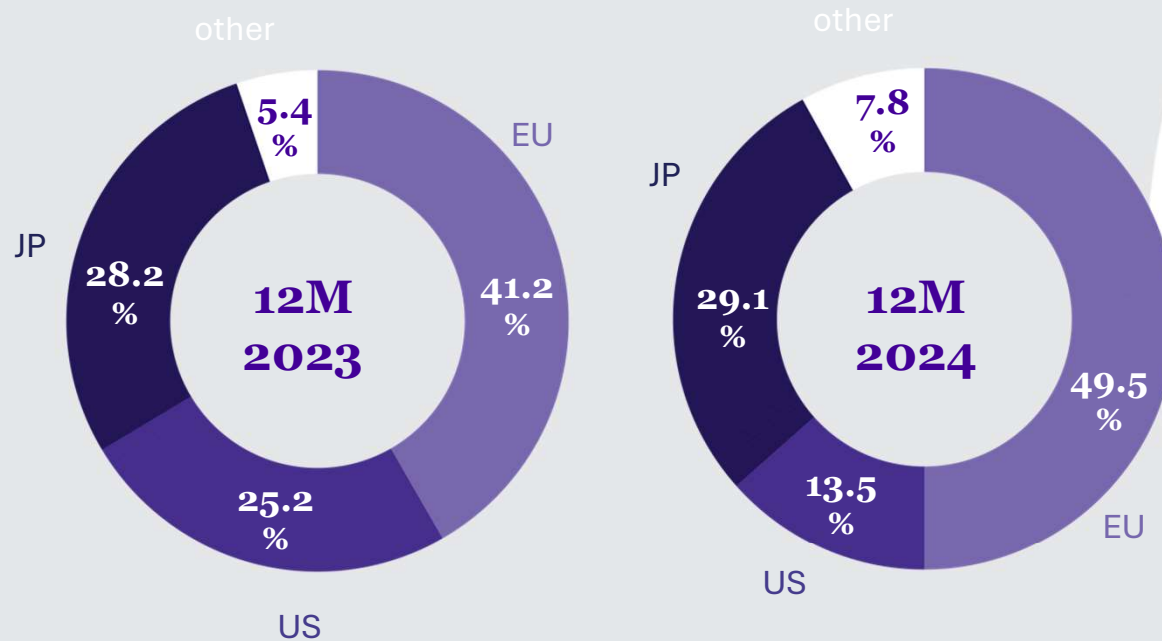


Legacy embedded business impacted by US customer phase-out plus destocking in Japan

Edge AIoT more resilient but contracting mainly due to economic crisis in Germany

EU area consolidates first place

breakdown by end-customer location



Percentages total might not sum up to 100 because of rounding

Europe consolidating first place despite weakness in Germany

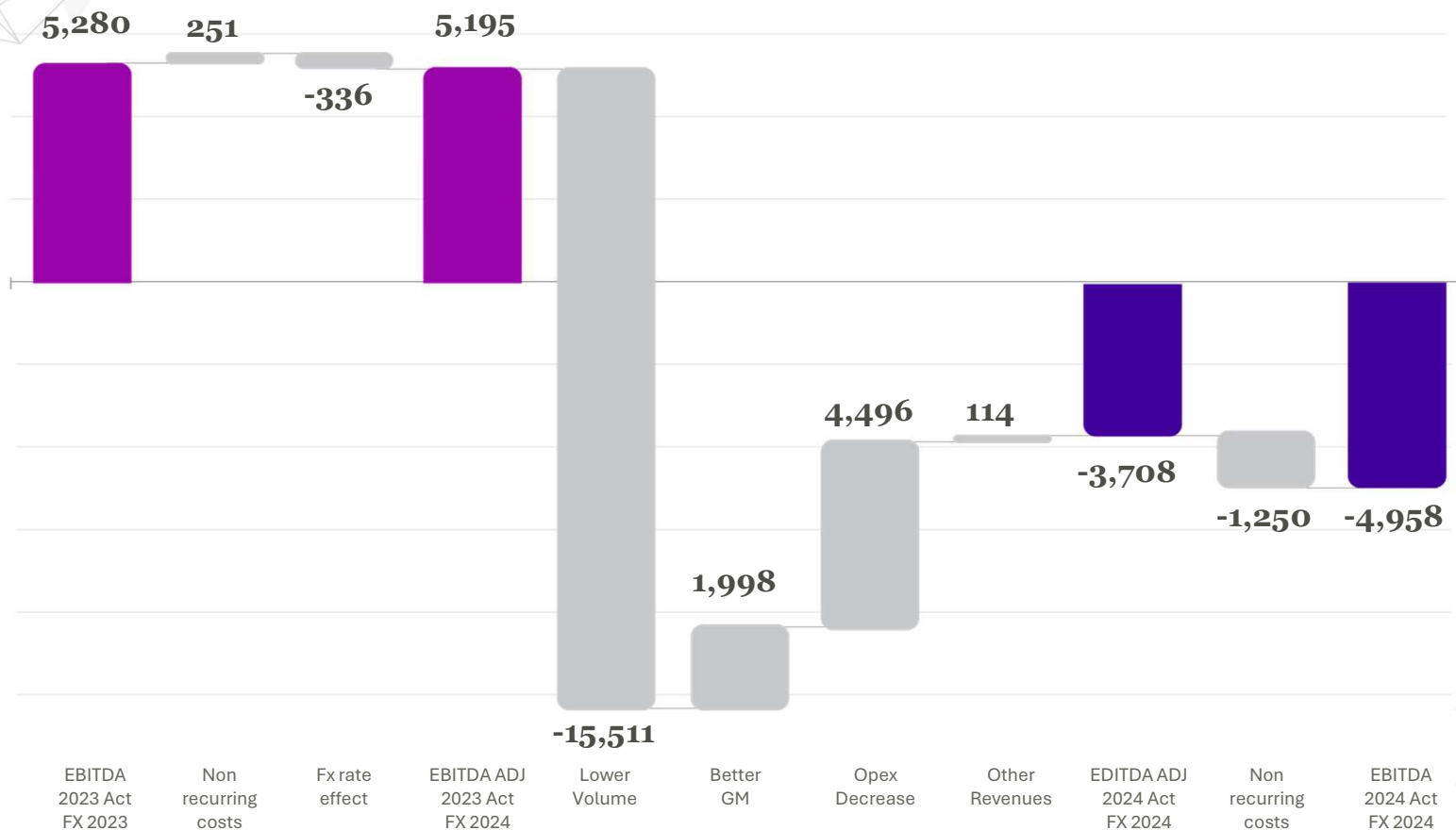
US shrinking following traditional embedded business reduction

Japan facing destocking but keeping second place

EBITDA in negative territory

overall result driven by drop in revenues despite improvement in GM & opex

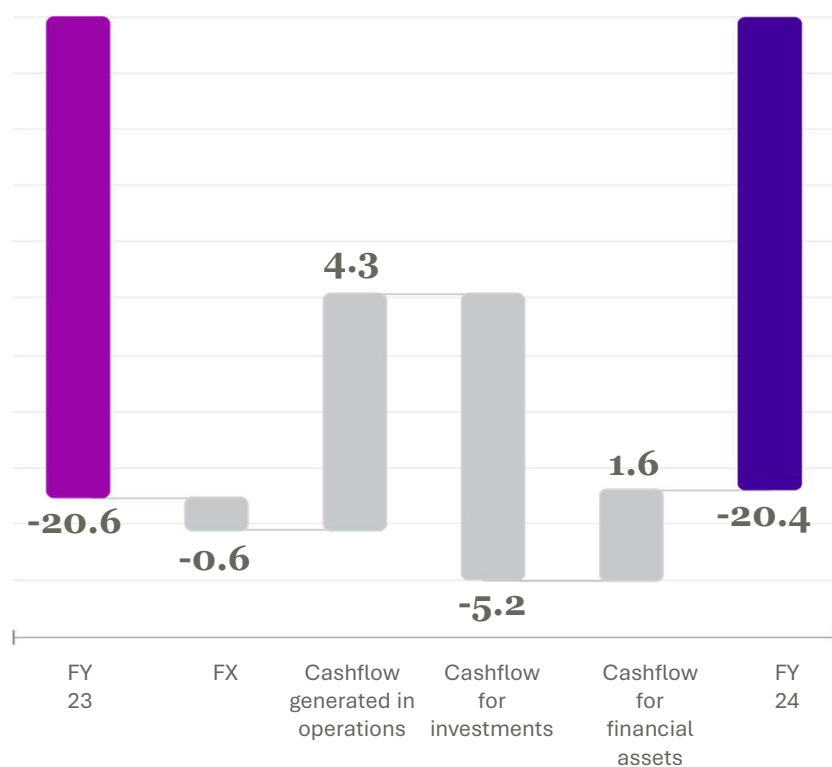
All values in € thousand



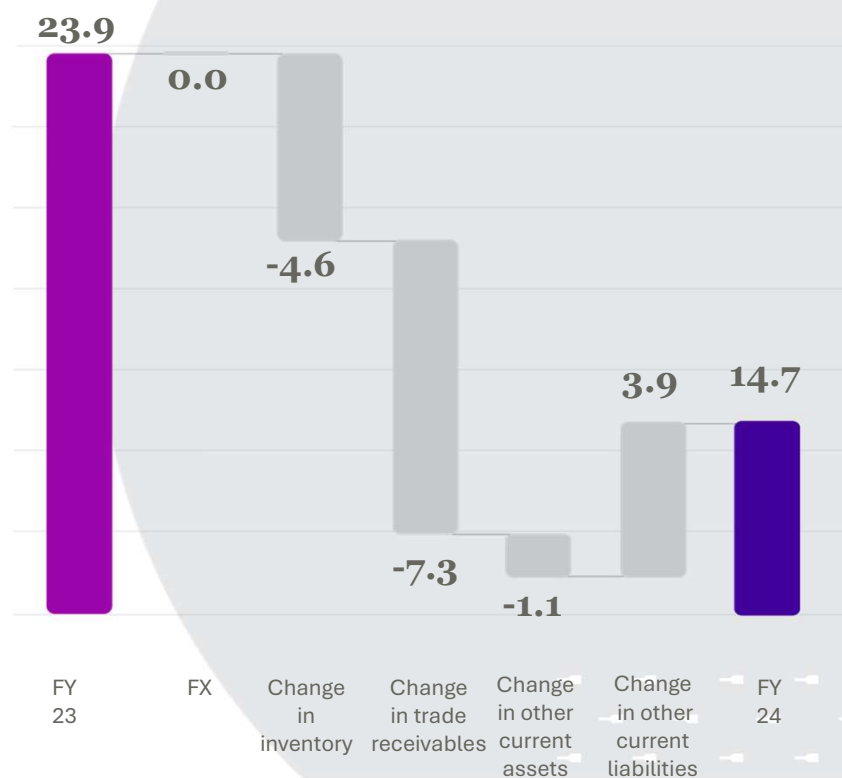
balance sheet under control

All values in € million

NFP stable thanks to NWC management

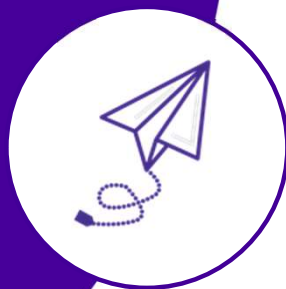


Extracting cash parked in inventory
Receivable reduction mostly linked to sales volumes



key takeaways

FY 2024



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#16

key takeaways



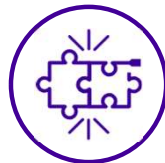
Revenues down 36% impacted by combination of US customer phase-out plus global Industrial Automation slow down



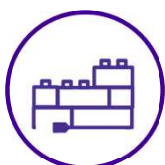
GPM improving 330bps YoY and **Net Opex down 4.5M€ YoY**



NWC improved b 9.2M€ to the benefit of operating cash flow



Short list on US M&A, focus on one preferred target – no LOI yet



Controlling shareholder Emera renewed its commitment providing the financial means to cross short-term market weakness



Weak Q1 in sight, but Q2 better than Q1; still low visibility on **H2 with chances for a restart of growth**