STAR Conference - Milan

COMPANY UPDATE

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UNLEASHING THE POWER OF THE EDGE

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strategy
overview

Eurotech core

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unleashing the Power of the Edge

MISSION: we **connect valuable assets** to the cloud & **enable edge AI** in mission-critical applications

VISION: becoming **the simplest and safest edge** to install & use

strategic path towards becoming...

a leading Edge AIoT player

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- **gain relevant market share** (>3-5%) in Integrated HW/SW for EDGE AIoT:
  - Gateways
  - Edge Servers
  - Edge AI Systems
- **with integrated SW** as a unique selling point
  - Edge SW framework (ESF)
  - Cloud SW platform (EC)
- **focusing on 4 market verticals**
  - Industrial Automation
  - Energy & Grids
  - Transportation & Offroad
  - Medical
- **leveraging Hyperscalers sponsorship** to win with the top Global OEMs & Large System Integrators
- **building channels** with OT Integrators and ISVs
- ... and **using M&A to accelerate** our penetration.

Open source means agnosticity and no lock-in for our customers

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Middleware for IoT Gateways

esf kura

Modular IoT Integration Platform

ec Kapua

ECLIPSE FOUNDATION

eclipse iot

Plug-to-play. Field-to-cloud.

simplicity delivered in mass deployments & throughout the lifecycle

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vertical markets

1

INDUSTRIAL

TRANSPORTATION

ENERGY

MEDICAL

edge gateway
edge server
edge AI device

esf

Everyware Software Framework

3

ec

Everyware Cloud

AWS IoT Core

AWS IoT SiteWise

Azure IoT Hub

2

... and many more...

1 **Plug-n-Play** Field Protocols for Device Connection & Virtualisation

2 Certified Multi Cloud Connectivity with **ZERO-TOUCH PROVISIONING**

3 Advanced Device Management for **Lifecycle Management of fleets of products installed**

AWS Secure Zero-Touch Provisioning

a smartphone-like experience

from this…

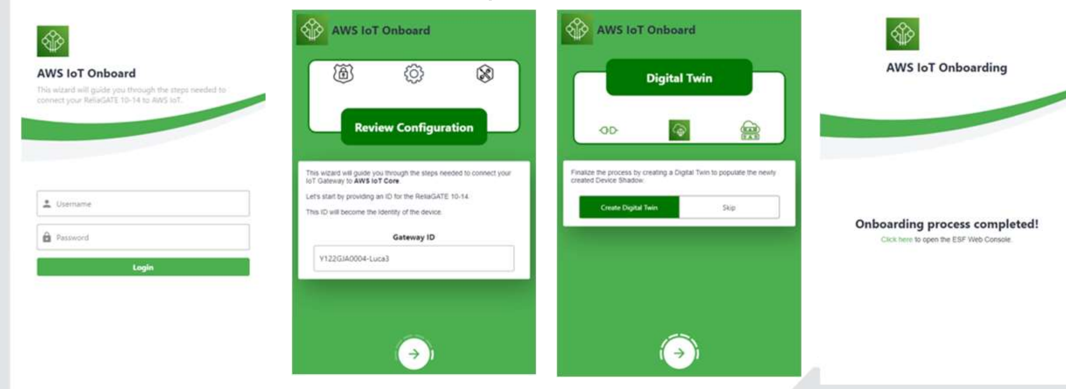
1. Download AWS IoT Greengrass
2. Install AWS IoT Greengrass
3. Follow link to instruction
4. Configure AWS IoT Greengrass nucleus
5. Create the AWS IoT Thing
6. Create the certificate from a private key in an HSM
7. Create a CSR for the AWS IoT Thing
8. Create a Certificate for the AWS IoT Thing
9. Create policy for IoT Thing and attach it to certificate
10. Import the AWS IoT Thing Certificate into the HSM
11. Update the AWS IoT Greengrass Core configuration

… to Zero-touch AWS IoT Secure Provisioning

1. commission

2. provision

3. connect



Cybersecurity by desing & certified

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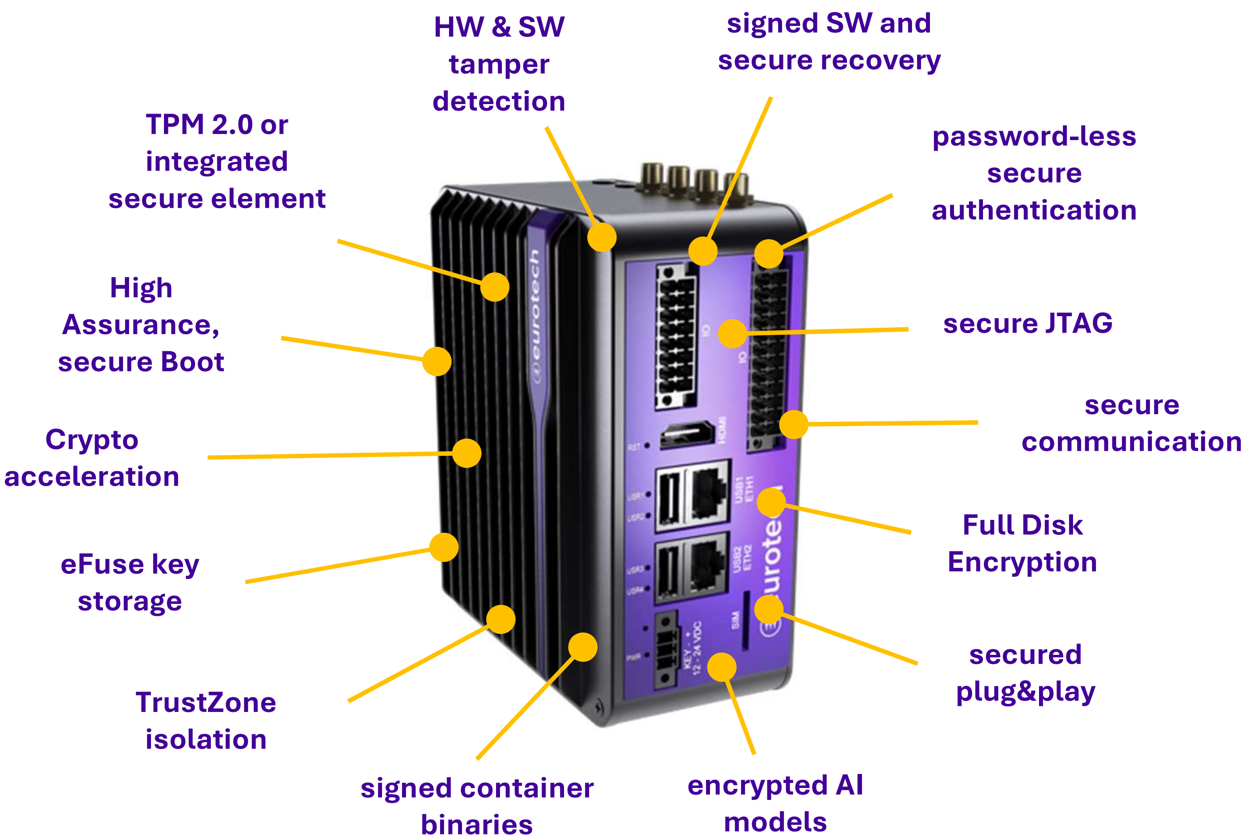
our differentiation: HW and SW co-designed with a threat model in mind



business
update

despite 2024 headwinds, execution of strategy building blocks continued

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products

- Edge AI — ReliaCOR 31-11 & 33-11 powered by NVIDIA Jetson Orin

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

Ignition READY

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

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

channels

- PNY
- Axxonsoft

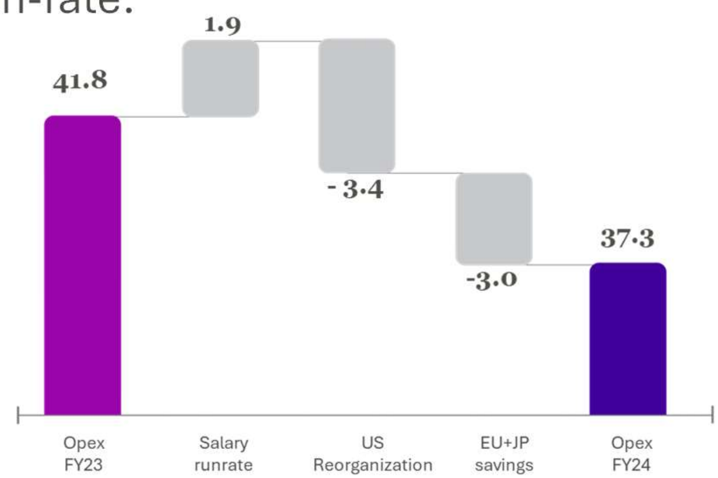
Cybersecure Edge AIoT solutions leveraging video analytics for Critical Infrastructure

IEC IEC 62443

ISA

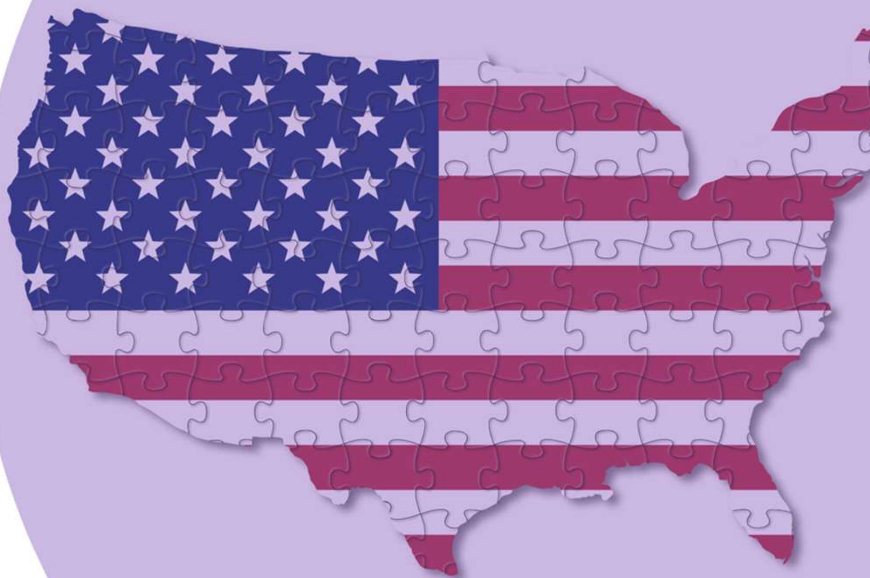
Opex optimization achieved

- **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 in 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

FY 2024 financial highlights

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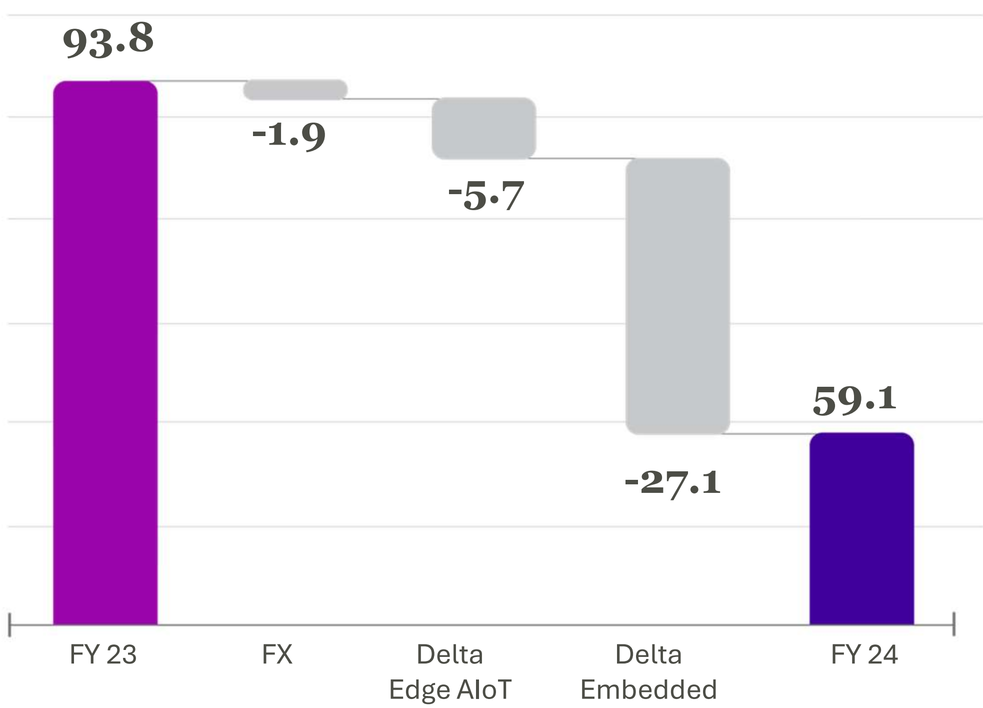
- **Revenues down YoY on double-hit: major US customer phase-out plus capex freeze in Industrial Automation worldwide**
  -35.7% at constant exchange rates
- **Gross Profit Margin @ 50.7% improving 330bps YoY**
  confirming a good mix of products sold
- **EBITDA margin impacted by weak top line**
  -5.0M€ 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

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

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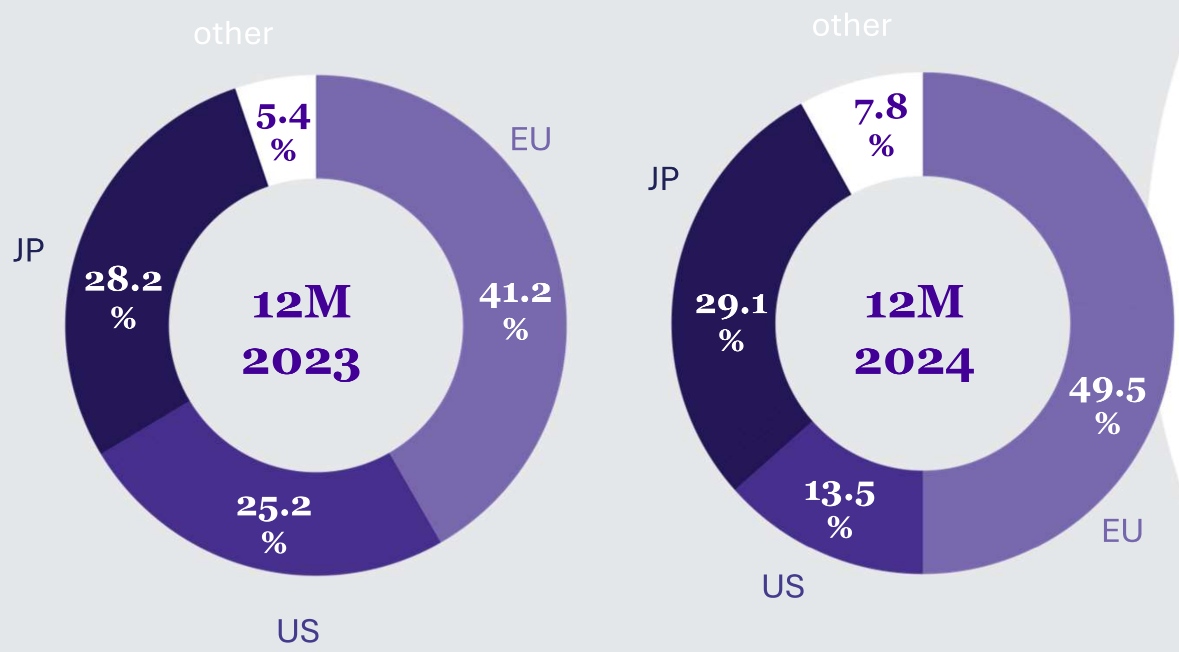
breakdown by end-customer location



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

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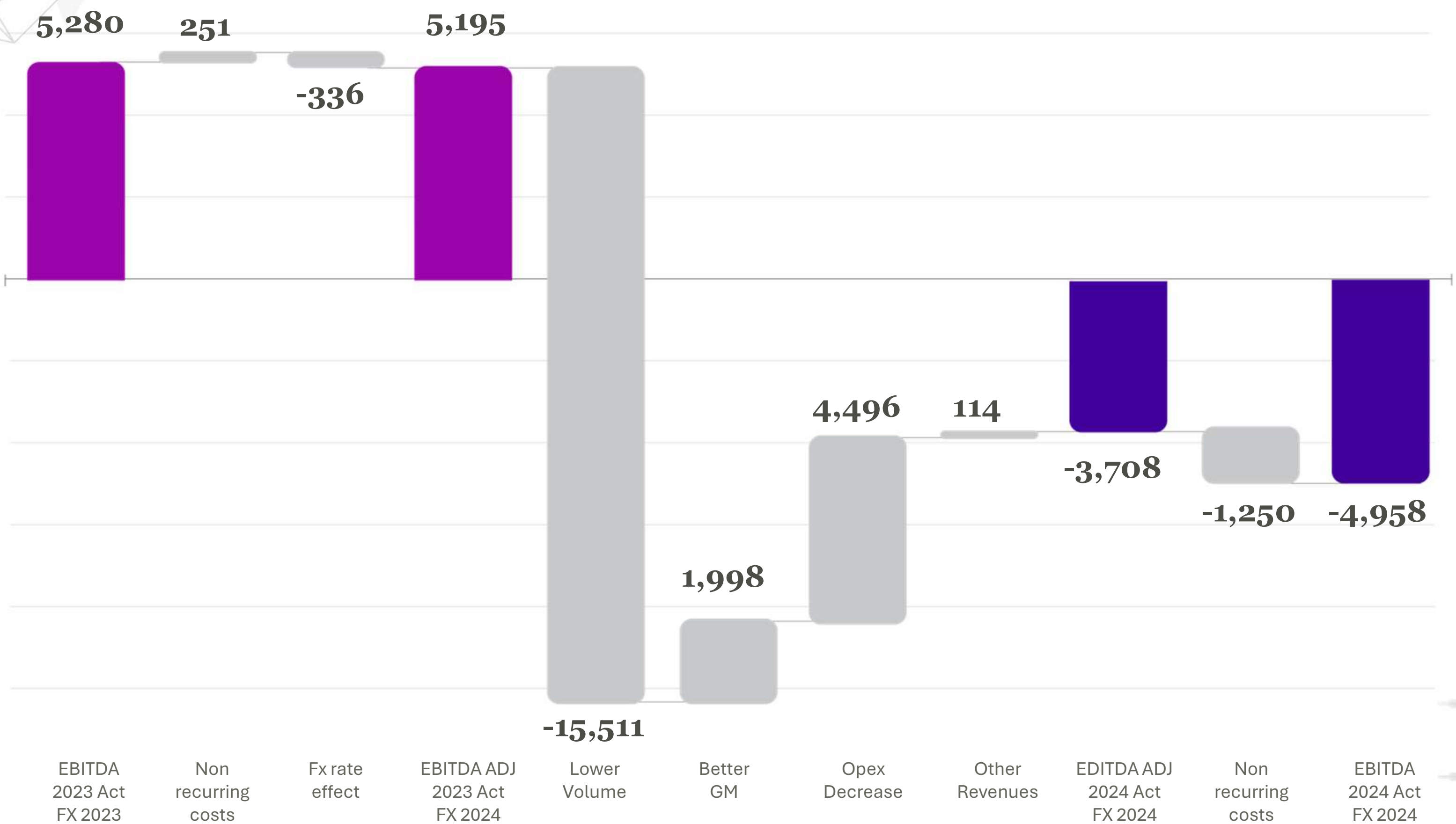
overall result driven by drop in revenues despite improvement in GM & opex

All values in € thousand



balance sheet under control

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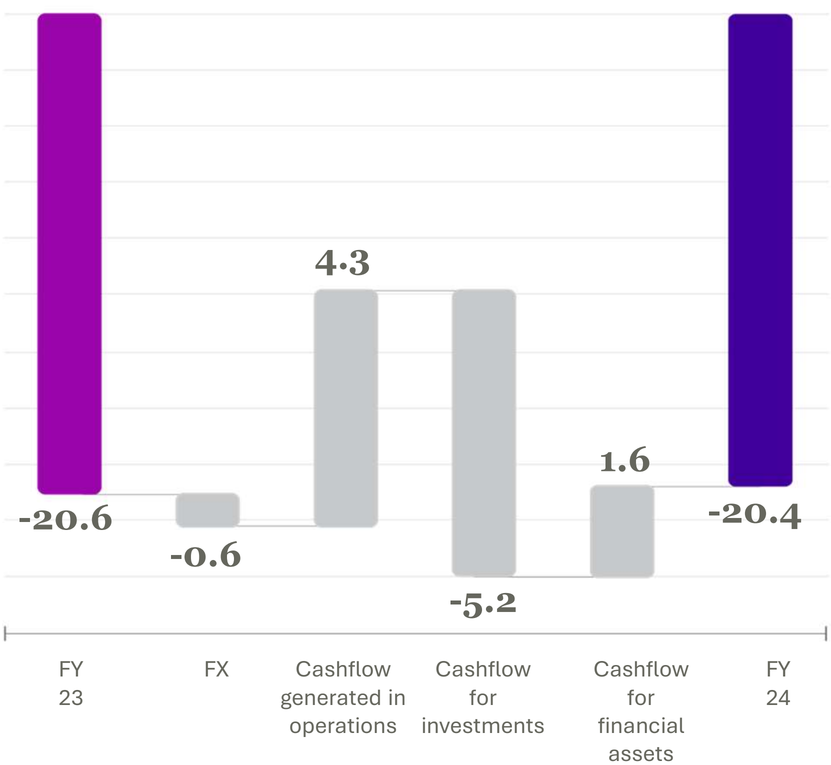
All values in € million

NFP stable thanks to NWC management



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