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UNLEASHING THE POWER OF THE EDGE

2022 **first half** results

INVESTORS LIVE STREAMING PRESENTATION

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our journey on the long run

2022: transitioning

- Strategy building blocks execution
- Embedded business sustaining double digit growth
- Creating and closing healthy Edge IoT pipeline
- Close 1st M&A deal

2023: transforming

- Edge IoT growing stronger than Embedded
- Sustainable re-occurring revenues growing double digit

2024: Eurotech is a relevant player in edge IoT

financial highlights

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- **Double digit growth confirmed: +30% YoY**, +25% net of forex effect
- **4.0 M€** orders **not delivered** due to lack of components
- **Gross Margin improving 330bps in Q2,** with further growth expected in Q3
- **OPEX growing YoY in line with Management estimates** to roll-out strategy
- **Cash flow impacted by 6M€ increase in inventory** vs year-end 2021 to secure components for coming quarters

line of sight

- Order Backlog for the year allowing **visibility @87M€**
- **Q3** still **growing double digit YoY and >Q2**
- Volume of **Gateways shipped in FY2022** confirmed at **+40% YoY**
- **SW revenues on track to reach 3.5M€ this year** (50+% YoY)
- **Availability of components and PPV getting better** also thanks to actions taken

- *FYI: no revenues linked to Russia and Ukraine*

business update

- **Focus on improving GPM:** we have reversed the trend and **margins are coming back**
- **Focus on finding components:** Q3 and Q4 outlook is now improved
- **Talent recruiting taking extra effort**, new hires joining in Q3 and Q4
- **New brand identity *“unleashing the power of the edge”*** rolled out **with new website** and collaterals
- **Technology leadership confirmed** by both Frost & Sullivan and Quadrant Knowledge Solutions

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financial
update

H1
2022

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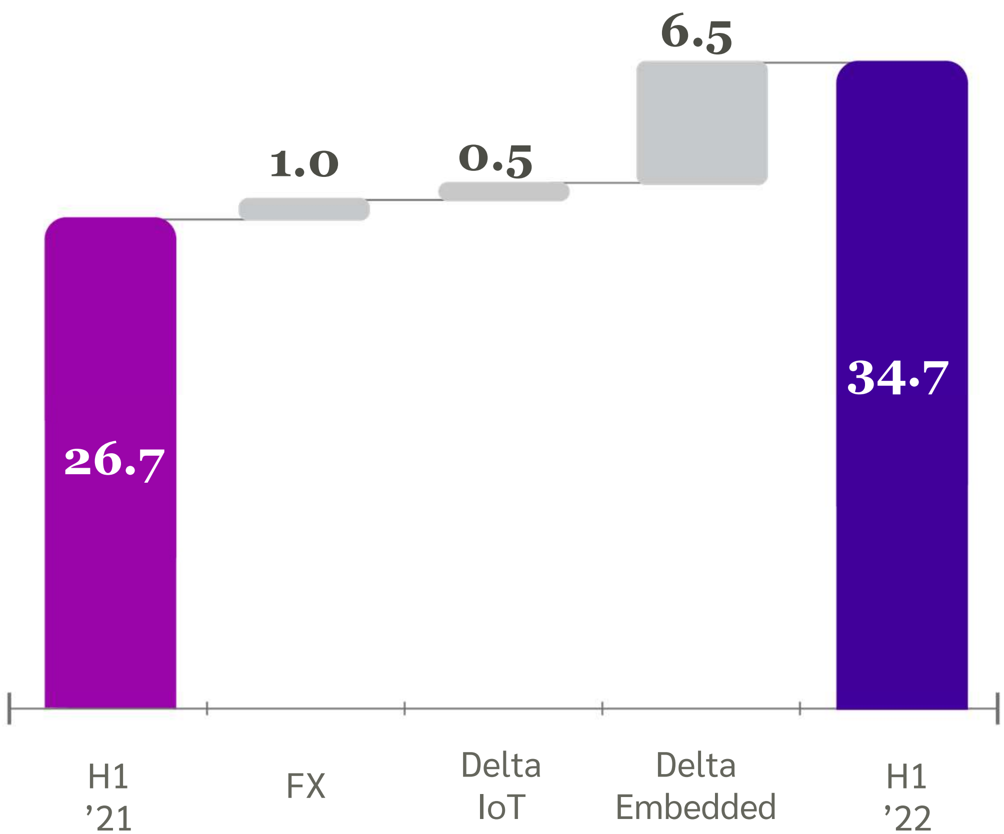
revenus growing double digit



All values in € million

#IoT trend confirmed in line with FY2021

#Growth driven by Embedded business

US and Japan growing more than EU

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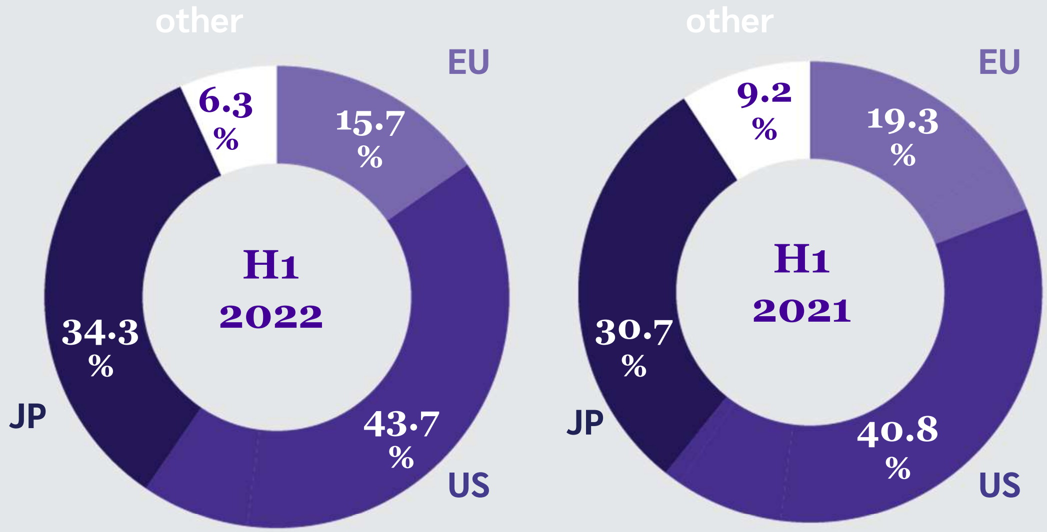

#US sustained by solid trend on legacy business

#Japan boosted by strong business with semiconductor equipment manufacturers

Europe potential still not expressed, growth will come to fruition in H2

GPM up 330bps in Q2, further improving in Q3

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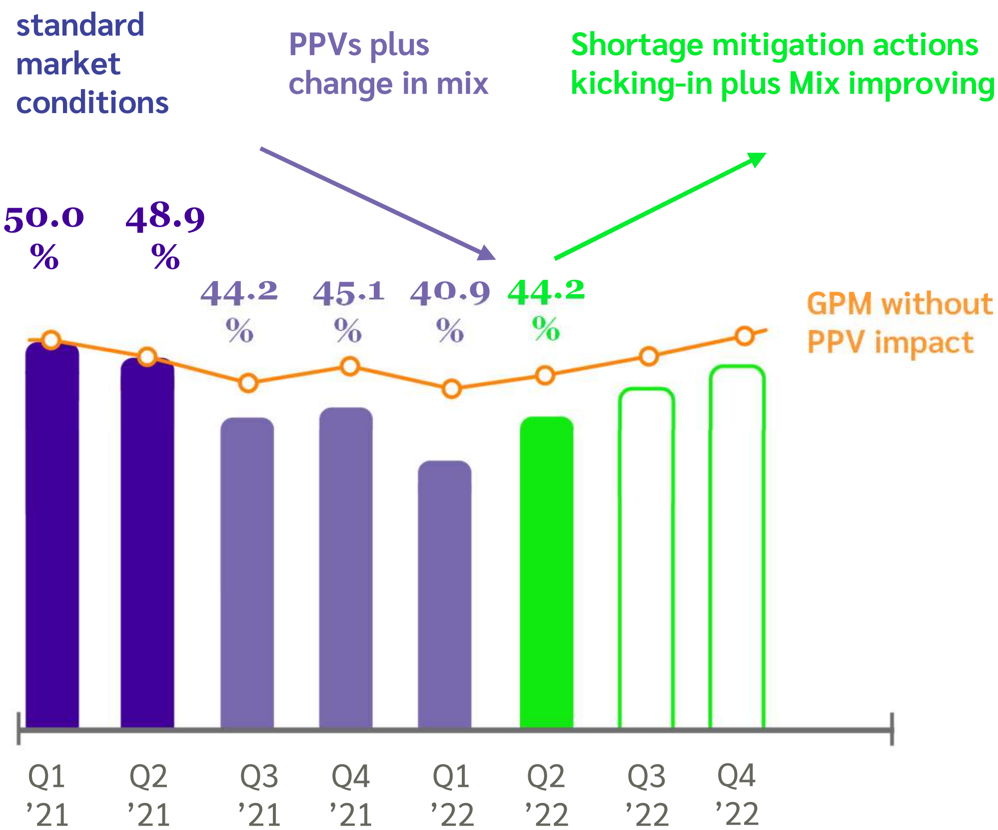

#PPV mitigation actions done

- Increase selling prices
- Redesign for unavailable parts replacement
- Plan longer term / higher volume purchasing whenever possible

#Mix improving factors

- High-end products more impacted by shortage, shipments increasing since Q2
- Edge AI systems for Autonomous Driving coming back form Q3
- Software growing QoQ

EBITDA hit by low GPM and non-recurring OPEX for hiring

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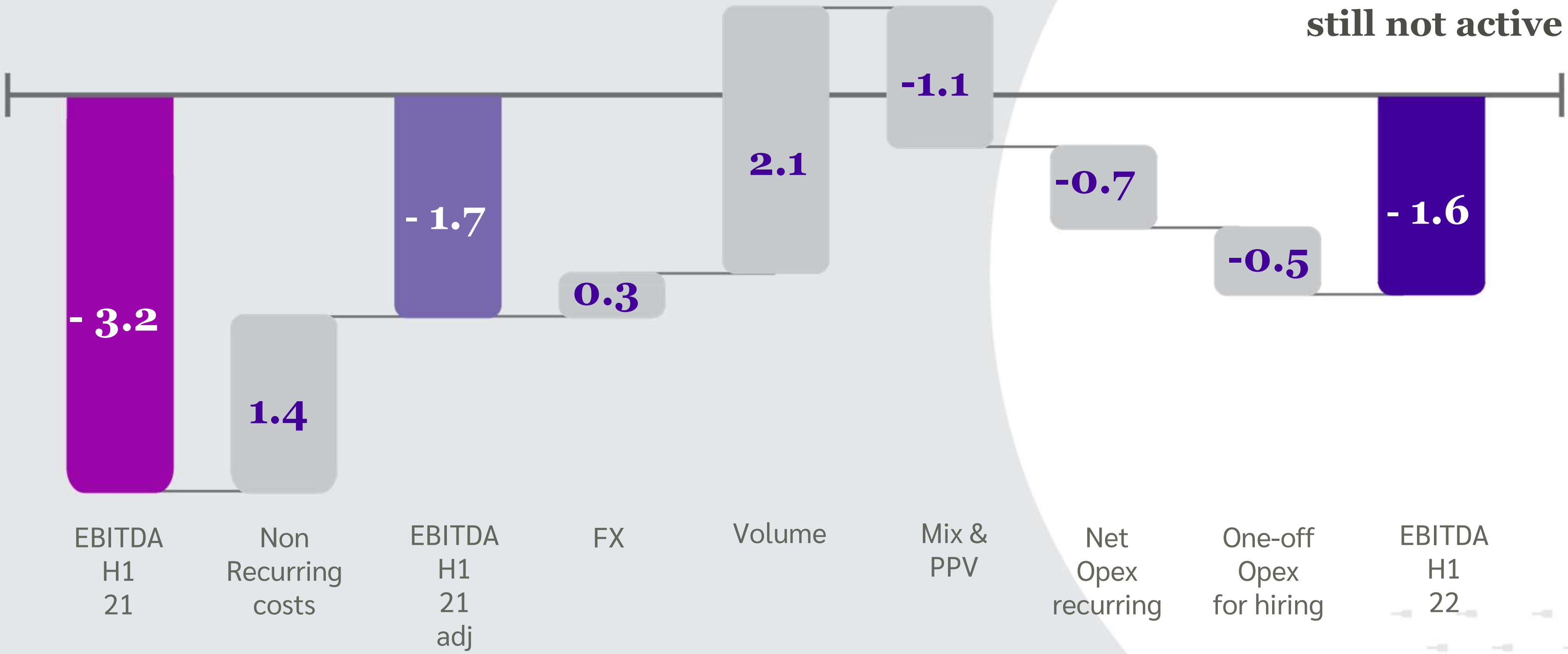
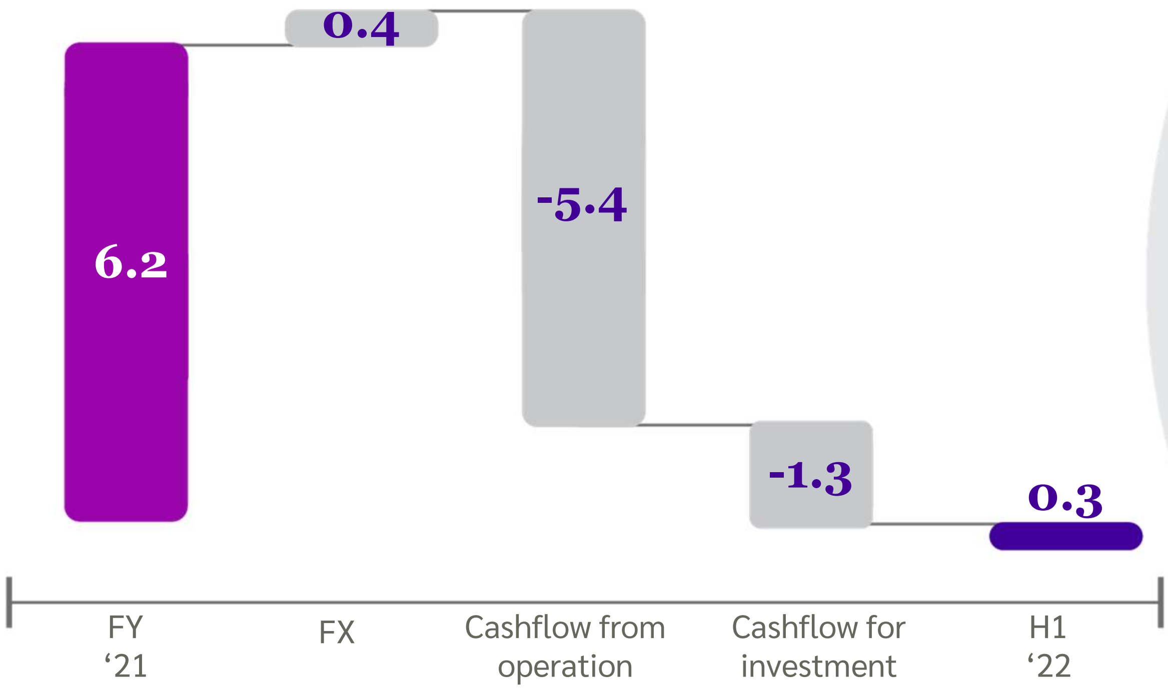
operational leverage
still not active



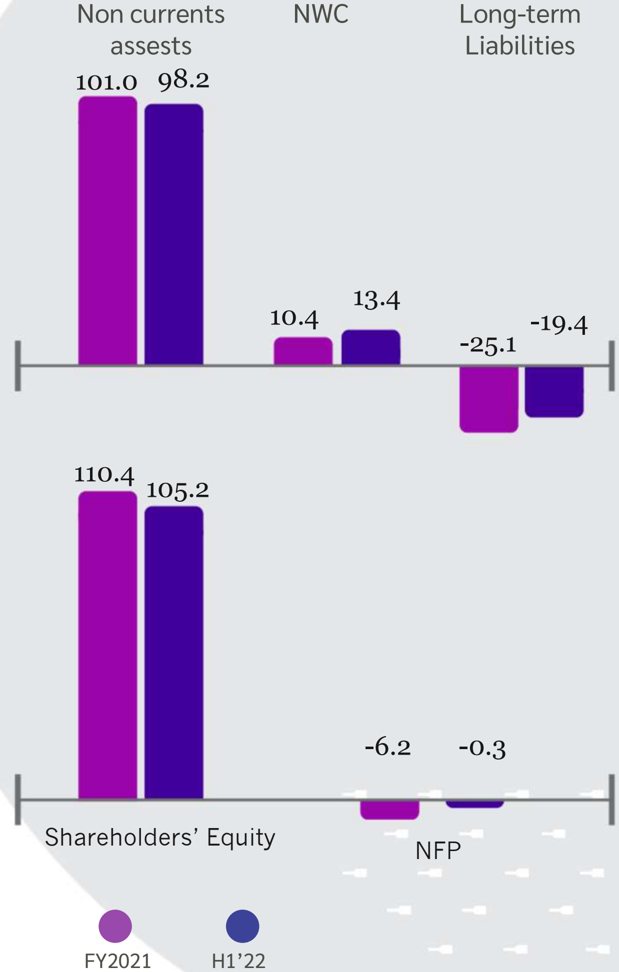
All values in € million

solid balance sheet

NFP impacted by 6.0M€ increase in inventory



All values in € million



key
takeaways

H1
2022

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key takeaways

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Solid double-digit growth on revenues YoY

Macro-economic scenario uncertain with technical recession in US and energy costs booming in EU

Order book for 2022 allows **visibility @87M€**

Components shortage mitigation actions kicking-in, watching out on scenario evolution

Gross Profit Margin improving with more to come in next quarters

Lead generation on a good pace, also through new channels (especially Hyperscalers)

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q&a

ready to take questions

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thank

you