

Eurotech: update on the impact of pandemic on the business of the Group

Amaro (Italy), July 23, 2020 – Eurotech's Board of Directors has analyzed some preliminary operating data for the second quarter and the first six months of the year, which are still affected by the global pandemic. In particular, the Group's economic performance was affected by the continuing crisis in the United States where, as is well known, contagion data are still on the rise and where lockdowns and assembly restrictions have been established or reintroduced in several countries.

While all Eurotech Group subsidiaries worldwide are fully operational, there is still an impact on business development in the form of a slowdown in the collection of new orders, particularly from new customers or for new projects with traditional customers, as already highlighted in the communication of the first quarter 2020 results.

The widespread climate of uncertainty about the duration of the pandemic, fears of its possible exacerbation and the possible medium-term impact of the health crisis on the economic and business environment is not favouring the investment decisions of potential new customers with whom the group has ongoing negotiations. The maturation time for opportunities to become orders is extended and the forecast is uncertain.

Based on the preliminary operating data available, it is estimated that revenues in the first half of 2020 could be about 32% lower than in the first half of 2019, mainly due to the pandemic in the US and partly in Europe, with a consequent impact on margins. The company will provide the final figures, which will be audited, at the time of approval of the half-yearly report, which is expected to be published on 4 September 2020.

Looking at the target market and its possible evolution in the medium term, the Board of Directors noted that the digital transformation remains an important weapon for companies to counteract the negative effects of the pandemic, and as soon as the world scenario shows greater stability, the investments that are pending today are likely to be activated.

Eurotech's Board of Directors and management continue to believe that the strategy in place is such that the Group will be able to benefit from the evolution of the scenario in the medium term. The offer of technologies for the Industrial Internet of Things and for Artificial Intelligence at the Edge has untapped potential, which could realistically allow Eurotech to return to a growth path in 2021.

About Eurotech

Eurotech (ETH:IM) is a multinational company that designs, develops and supplies Edge Computers and Internet of Things (IoT) solutions – complete with services, software and hardware – to system integrators and enterprises. By adopting Eurotech solutions, customers have access to IoT building blocks and software platforms, to Edge Gateway to enable asset monitoring and to High Performance Edge Computers (HPEC) conceived also for Artificial Intelligence (AI) applications. To offer increasingly complete solutions, Eurotech has activated partnerships with leading companies in their field of action, thus creating a global ecosystem that allows it to create "best in class" solutions for the Industrial Internet of Things. For more information about Eurotech: www.eurotech.com.

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