

**Consolidated Interim
Management Report
at 31 March 2020**

*This document has been translated into English
for the convenience of readers outside Italy.
The original Italian document should be considered
the authoritative version.*

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www.eurotech.com

EUROTECH S.p.A.
Registered offices: Via Fratelli Solari 3/A, Amaro (Udine), Italy
Share capital: €8,878,946 fully paid in
Tax code and
Udine Company Register no.: 01791330309

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Corporate Bodies

Board of Directors	
Chairman	Patrizio Mapelli
Vice Chairman	Aldo Fumagalli ¹
Director	Roberto Siagri
Director	Marco Costaguta ¹
Director	Susanna Curti ^{1 5}
Director	Maria Grazia Filippini ^{1 2 3 4 5}
Director	Antongiulio Marti ^{1 3}
Director	Chiara Mio ^{1 2 3 4}
Director	Laura Rovizzi ^{1 2 4 5}

The Board of Directors currently in office was appointed by shareholders at the Annual General Meeting of 28 April 2020; it will remain in office until approval of the 2022 financial statements.

Board of Statutory Auditors	
Chairman	Fabio Monti
Statutory Auditor	Gaetano Rebecchini
Statutory Auditor	Daniela Savi
Substitute Statutory Auditor	Pietro Biagio Monterisi
Substitute Statutory Auditor	Luigina Zocco

The Board of Statutory Auditors currently in office was appointed by shareholders at the Annual General Meeting of 28 April 2020, and will remain in office until the approval of the 2022 financial statements.

Independent auditor
PricewaterhouseCoopers

The independent auditor was appointed for the period 2014-2022 by shareholders at the Annual General Meeting of 24 April 2014.

Corporate name and registered offices of the Parent Company
Eurotech S.p.A. Via Fratelli Solari, 3/A 33020 Amaro (UD), Italy Udine Company Register number 01791330309

¹ Non-executive Directors.

² Independent Directors pursuant to the Corporate Governance Code issued by the Italian Corporate Governance Committee for Listed Companies.

³ Member of the Control and Risks Committee.

⁴ Member of the Committee for transactions with related parties.

⁵ Member of the Remuneration and Appointments Committee

Performance highlights

Financial data

(€'000)	1Q 2020	%	1Q 2019	%	% change
OPERATING RESULTS					
SALES REVENUES	19,752	100.0%	25,505	100.0%	-22.6%
GROSS PROFIT MARGIN (*)	9,866	49.9%	12,181	47.8%	-19.0%
EBITDA (**)	1,695	8.6%	4,078	16.0%	-58.4%
EBIT (***)	821	4.2%	3,144	12.3%	-73.9%
PROFIT (LOSS) BEFORE TAXES	869	4.4%	3,073	12.0%	-71.7%
GROUP NET PROFIT (LOSS) FOR THE PERIOD	509	2.6%	2,955	11.6%	-82.8%

(*) Gross profit is the difference between revenues from sales of goods and services and use of raw materials.

(**) EBITDA, an intermediate figure, is earnings before amortisation, depreciation and impairment of non-current assets, financial income and expenses, the valuations of affiliates at equity and of income taxes for the period. This is a measure used by the Group to monitor and assess operating performance. Since the composition of EBITDA is not regulated by the reference accounting standards, the calculation criterion applied by the Group may not be consistent with that used by other companies and would therefore not be comparable.

(***) EBIT, or earnings before financial income and expenses, the valuations of affiliates at equity and income taxes for the period.

Statement of financial position data

€'000	at March 31, 2020	at December 31, 2019	at March 31, 2019
BALANCE SHEET AND FINANCIAL HIGHLIGHTS			
NET NON-CURRENT ASSETS	106,836	104,367	97,755
NET WORKING CAPITAL	17,527	14,890	20,954
NET INVESTED CAPITAL*	117,293	112,407	112,184
SHAREHOLDERS' EQUITY	127,671	124,656	106,729
NET FINANCIAL POSITION	(10,378)	(12,249)	5,455

(*) Non-current, non-financial assets, plus net working capital, minus non-current, non-financial liabilities.

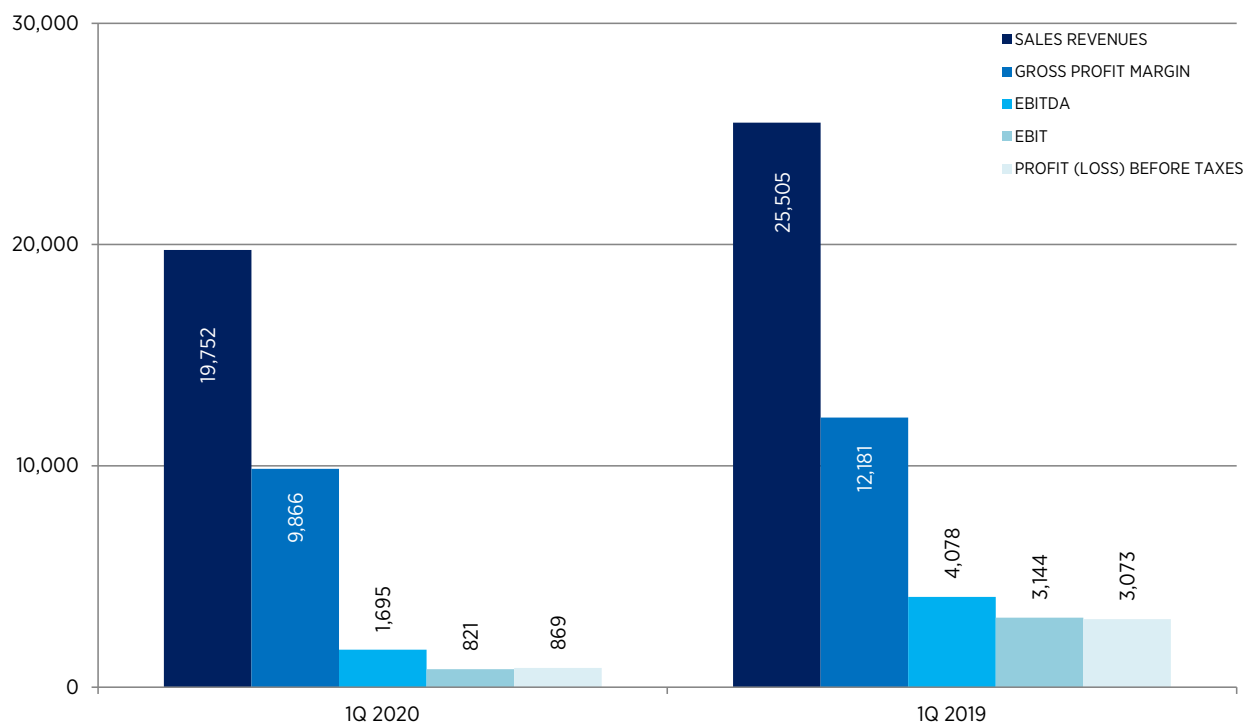
Number of employees

	at March 31, 2020	at December 31, 2019	at March 31, 2019
NUMBER OF EMPLOYEES	320	318	301

Revenues by business line

The only business line of the Group is the “NanoPC” line, which comprises a) miniaturised electronic modules and systems for the transport, logistics, defence, security, medical and industrial sectors; b) gateways, edge-computers and software platforms for the Internet of Things. c) high computing power computers “at the edge”, that is to say installed in proximity of plants or on board of vehicles and equipment (High Performance Edge Computer).

Summary of the results



Information for shareholders

The ordinary shares of Eurotech S.p.A., the Parent Company of the Eurotech Group, have been listed in the STAR segment of Borsa Italiana (Milan Stock Exchange) since 30 November 2005.

Share capital of Eurotech S.p.A. as at 31 March 2020

Share capital	€8,878,946.00
Number of ordinary shares (without nominal unit value)	35,515,784
Number of savings shares	-
Number of Eurotech S.p.A. treasury shares	412,520
Stock market capitalisation (based on the share's average price in March 2020)	€180 million
Stock market capitalisation (based on the share's average price 31 March 2020)	€178 million

Performance of Eurotech S.p.A. shares

Relative performance EUROTECH S.p.A.
01.01.2020 - 31.03.2020

The line graph shows the share's performance based on daily relevant prices



The candle chart shows the share's daily maximum and minimum prices



The Eurotech Group

Eurotech is a global company with a strong international focus, which generates sales on three continents. It is a Group that has operating locations in Europe, North America and Japan, led and coordinated by the headquarters in Italy.

The technological paradigm followed by Eurotech is ‘pervasive computing’ and ‘ubiquitous computing’. The pervasive concept combines three key factors: miniaturisation of ‘smart’ devices, i.e. devices capable of processing information; their spread in the real world – inside buildings and equipment, on board vehicles, worn by people, and disseminated in the environment; and their ability to connect and communicate with each other in a network, from which comes ubiquity.

Within this overall vision, Eurotech conducts research and development activities with a view to building and marketing high performance and highly energy-efficient miniaturised computers that can be used in a variety of industrial spheres, that can be easily connected to one another and to the cloud through the new Internet of Things (IoT) paradigm and thus allowing the displacement of part of the computational load from the center (Cloud) to the periphery of the network (Edge). This shift, which also requires new layers of software to be implemented, leads to the birth of Edge Computers as an evolution of traditional Embedded Computers.

The Group’s offering is modular featuring different levels of hardware and software integration and it is structured as follows:

- base components: electronic processing and communication boards of both proprietary form factors and form factors complying with standards (SFF, PC/104, Com-Express, VME, CompactPCI, etc.);
- high and very high performance, low consumption processing and communications sub-systems (HPEC) for fixed and mobile applications built using basic components and third-party components (product families: BoltCOR, DynaCOR, etc.);
- ready-to-use devices and sensors built from components and sub-systems with the integration of specific software (the ReliaGATE and DynaGATE families for IoT Gateways, the BoltGATE family for Edge Computers, and the PCN and ReliaSENS family for intelligent sensors);
- software to integrate base components, sub-systems, and devices with the cloud also allowing for agile remote management: the ESF software framework and the EC software platform;
- solution design and product personalisation services in order to simplify their integration with customer products.

Eurotech offerings can be used in various application environments, both traditional and emerging. Eurotech is most active in the manufacturing, transport, medical, energy and defence sectors. What our customers share is a common need to find not just the right supplier, but a centre of technological competence and they recognise that Eurotech can be the partner to innovate their products as well as their way of doing business. Through our products, we seek to reduce the time-to-market and the total cost of ownership of our customers, who can then focus on their core businesses.

With the emergence of industry 4.0 and the spread of artificial intelligence and collaborative robotics, considerable processing power, which over time had shifted from the “periphery” to the “centre” (cloud computing), is now returning to the “periphery” (edge computing). The paradigm of edge computing is revitalising both the traditional sector of embedded computers and that of High Performance Computers (HPC). More and more embedded computers will be in demand at the periphery, provided they will be connected to the cloud and easily managed remotely. These connection and management functions are guaranteed by IoT software platforms. Eurotech, a step ahead of the market, developed an IoT platform for industrial IoT, marketed as the Everywhere Cloud and which has an innovative software counterpart on the edge side, the Everywhere Software Framework (ESF) which simplifies the remote management of Edge Computers or IoT Gateways also simplifying code development thanks to new no-code or low-code programming modes and allowing an easy integration of these new components with any existing

machinery or device. Moreover, thanks to the open innovation model adopted for its development, these components are becoming a de-facto standard.

Regarding HPCs, these instead must be re-shaped: they must begin to be miniaturised, just as personal computers became smaller in the 1990s, so that they can be used at the edge. Thus, HPCs will move from the “centre” to the “periphery”, becoming what are known today as HPECs (High Performance Edge Computers).

Thanks to the know-how acquired throughout the years on the design and development of HPCs with hot water, low pressure cooling, Eurotech is one of just a handful of companies that is able to offer very compact HPECs that are capable of operating in very small spaces typical of mobile applications and are ready to meet the current needs of industrial applications of at edge artificial intelligence.

In order to excel with its products and to guarantee the highest competitive advantage to its customers, a system of incremental and disruptive innovation has been activated, able to evolve the current products and intercept new latent requests that have not yet emerged in the market. Internal research activities are flanked by external relations thus creating a “network of knowledge” which fuels innovation and contributes to maintaining Eurotech’s technological leadership.

Eurotech has always sought to excel within the sector’s standards. It has understood that, to provide its customers with performing and future-proof solutions, excellence should not just be achieved through proprietary solutions, but rather as far as possible with state-of-the-art solutions that stay true to existing standards and, shouldn’t they exist, it must contribute to the formation of the same, as it is doing in the Internet of things domain (MQTT protocol and open-source Kura and Kapua projects within the Eclipse foundation).

Lastly, with a view to business sustainability and to be able to continuously adapt the business model to the market, the company has constantly focused on the technological development of its products, so as to evolve the offer adding increasingly integrated devices to the same, which are becoming easier to interconnect to networks and which also enable recurring revenue business models to be pursued.

Summary of performance in the first quarter of 2020 and business outlook

Introduction

The interim management statement of the Eurotech Group as at 31 March 2020, which has not been independently audited, and the statements for comparative periods were drawn up according to the IASs/IFRSs issued by the International Accounting Board and endorsed by the European Union.

The Group's results as at 31 March 2020 and comparable periods were prepared according to the IASs/IFRSs in force on the date of preparation and the statements drawn up according to Annex 3D of the Italian Issuers' Regulation no. 11971 of 14 May 1999, as amended and supplemented.

Reporting policies

The consolidated financial statements were drafted on the basis of financial statements as at 31 March 2020 prepared by the consolidated companies and adjusted, where necessary, to align them with the Group's IFRS-compliant accounting and classification policies.

The assessment and accounting policies and consolidation methods used to prepare the Consolidated Quarterly Report are consistent with those used in the Group Consolidated Annual Financial Report as at 31 December 2019, to which we expressly invite readers to refer, except for the adoption of new standards, amendments and interpretations in force as at 1 January 2020.

Taxes have been calculated based on the current best possible estimates. According to the criterion used for translation into Euro of accounts expressed in different currencies, statement of financial position items are translated at the exchange rate in effect on the final day of the accounting period, and income statement items are translated at the average exchange rate for the period. Differences arising from translation of the statement of financial position and income statements are posted to a Shareholders' Equity reserve.

Unless otherwise specified, the financial statements, tables and explanatory notes are expressed in thousands of Euro.

In accordance with Consob requirements, Income Statement figures are shown for the quarter under review and are compared with data for the same period in the previous financial year (FY). Restated Balance Sheet figures, which refer to the closing date of the quarter, are compared with the closing date of the previous FY. The format of the financial statements is the same as that used in the Half-Yearly Report and in the Annual Financial Statements.

The preparation of the financial statements and the related notes to the accounts required the use of estimates and assumptions, with particular reference to provisions for write-downs and risk reserves. Estimates are revised periodically, and any adjustment, following changes in the circumstances on which the estimate was based or in light of new information, is booked in the income statement. The use of estimates is an essential part of preparing the accounting statements and is not prejudicial to their overall reliability.

This document presents some alternative performance indicators to allow for better evaluation of the Group's economic and financial performance. These are as follows:

- Gross profit, or the difference between revenues from sale of products and services and consumption of raw materials;
- EBITDA, or earnings before amortisation, depreciation and write-downs of non-current assets, the valuation of affiliates at equity, financial income and expenses and income taxes for the period;
- EBIT, or earnings before the valuation of affiliates at equity, financial income and expenses and income taxes for the period.

Operating performance in the period

Revenues earned by the Group in the first three months of 2020 amounted to €19.75 million compared to €25.50 million in the first three months of 2019, a decrease of 22.6%.

With reference to the localisation of the Group activities, the highest turnover in the quarter was generated in North America, accounting for 46.9% of the total (60.0% in the first quarter of 2019), followed by Japan with 30.3% (21.1% in the first quarter of 2019), while Europe covers the remaining 22.8% (18.9% in the first quarter of 2019).

The first quarter reflected the impact of various effects, including those deriving from the stoppage of production activities at the beginning of the year in China following the health emergency linked to the spread of Coronavirus (Covid-19), the performance of orders collection in the second half of 2019 and the non-deliveries at the end of the quarter both because of the lockdown in Italy and the lockdown affecting some customers in European countries, which have prevented the deliveries to take place as planned.

After the extending of the Covid-19 pandemic, the Group companies in all geographical areas have continued to maintain contacts with customers and suppliers using telematic channels to continue with the supply of the products on order. From the point of view of internal organisation of the work, there was an immediate activation of procedures in all Group sites for the protection of staff who were unable to carry out their activities in smart-working mode. In spite of our willingness and our efforts, a reduction in production activities was experienced, especially in Europe, while product development activities and sales continued in smart-working mode, as did the support for customers and POC (Proof of Concept) conclusion activities, in particular in the IoT (Internet of Things) sector.

Gross profit in the first quarter under examination was of €9.87 million, accounting for 49.9% of turnover, compared to 47.8% in the first quarter of 2019 and in line with the gross profit figure estimated at budget level. Gross profit is always monitored first of all in order to achieve the planned profitability levels, but also because it measures both the alignment of the product mix sold with the strategy and the recognition of the innovation of our products by our customers.

In the quarter under review, operating costs gross of the applied adjustments amounted to €8.70 million, with an increase of 1.1% compared to the €8.61 million in the first quarter of 2019. At constant exchange rates, however, this would have shown a slight decrease of €79 thousand, equal to 0.9%. In particular, personnel costs had a greater impact on the total amount. In virtue of the fables model adopted, operating costs are essentially fixed and, as it was demonstrated last year, increasing turnover leads to the activation of a significant operating lever. This is demonstrated by the incidence of gross operating costs on revenues, which in percentage terms was 44.0% compared to 33.7% in the first quarter of 2019, remaining in line with the 43.8% achieved in the first quarter of 2018.

EBITDA for the first three months was a positive €1.70 million (8.6% of revenues) compared with €4.08 million in 2019 (16.0% of revenues), reflecting the trend of both gross profit and of operating costs and other revenues.

EBIT in the first three months of 2020 came to €0.82 million (4.2% of revenues), compared to €3.14 million in the first three months of 2019 (12.3% of revenues). In addition to the above, this performance

also reflects the depreciation and amortisation recognised in the income statement in the first quarter of 2020, deriving from operating assets becoming subject to depreciation in the quarter.

Net finance expense was positive for €48 thousand in the first three months of 2020, while in the first three months of 2019 it was negative for €71 thousand. For greater detail, readers should refer to the comments made in Note “J”.

The Group booked a pre-tax profit in the three months under review of €0.87 million, compared to €3.07 million in the first three months of 2019. The lower pre-tax result of €2.20 million, is the effect of the reduction in turnover.

In terms of Group net result, the tax burden on the Group’s various units determined a profit of €0.51 million in the quarter (compared to €2.95 million in the first three months of 2019). In addition to reflecting the changes in the pre-tax result, the performance derives from the different tax burden recorded overall on the Group’s units, while in 2019 the incidence of taxes was limited to the effect of the recognition of a part of prepaid taxes deriving from unrecognised tax losses in previous years.

Financial statements and explanatory notes

The trend in operating performance can be seen in the restated consolidated income statement and is shown below, in both absolute amounts and percentage terms:

Consolidated Income statement

(€ '000)	Notes	1Q 2020 (b)	of which related parties	%	1Q 2019 (a)	of which related parties	%	change (b-a)	
								amount	%
Sales revenue	C	19,752	-	100.0%	25,505	252	100.0%	(5,753)	-22.6%
Cost of material	D	(9,886)		-50.1%	(13,324)		-52.2%	(3,438)	-25.8%
Gross profit		9,866		49.9%	12,181		47.8%	(2,315)	-19.0%
Services costs	E	(3,112)	-	-15.8%	(3,070)	(1)	-12.0%	42	1.4%
Lease & hire costs		(113)		-0.6%	(96)		-0.4%	17	17.7%
Payroll costs	F	(5,271)		-26.7%	(5,220)		-20.5%	51	1.0%
Other provisions and costs	G	(201)		-1.0%	(220)		-0.9%	(19)	-8.6%
Other revenues	H	526		2.7%	503		2.0%	23	4.6%
EBITDA		1,695		8.6%	4,078		16.0%	(2,383)	-58.4%
Depreciation & Amortization	I	(874)		-4.4%	(934)		-3.7%	(60)	-6.4%
EBIT		821		4.2%	3,144		12.3%	(2,323)	-73.9%
Finance expense	J	(324)		-1.6%	(391)		-1.5%	(67)	-17.1%
Finance income	J	372	1	1.9%	320	1	1.3%	52	16.3%
Profit before tax		869		4.4%	3,073		12.0%	(2,204)	-71.7%
Income tax	K	(360)		-1.8%	(118)		-0.5%	242	205.1%
Net profit (loss) of continuing operations before minority interest		509		2.6%	2,955		11.6%	(2,446)	-82.8%
Minority interest	O	0		0.0%	0		0.0%	0	n/a
Group net profit (loss) for period	O	509		2.6%	2,955		11.6%	(2,446)	-82.8%
Base earnings per share		0.015			0.086				
Diluted earnings per share		0.015			0.086				

Consolidated statement of comprehensive income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	1Q 2020	1Q 2019
<i>(€ '000)</i>		
Net profit (loss) before minority interest (A)	509	2,955
<i>Other elements of the statement of comprehensive income</i>		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Net profit/(loss) from Cash Flow Hedge	1	(4)
Tax effect	-	-
	1	(4)
Foreign balance sheets conversion difference	1,344	823
Exchange differences on equity investments in foreign companies	1,021	722
Tax effect	-	-
	1,021	722
<i>After taxes net other comprehensive income to be reclassified to profit or loss in subsequent periods (B)</i>	2,366	1,541
<i>After taxes net other comprehensive income not being reclassified to profit or loss in subsequent periods (C)</i>	-	-
Comprehensive net result (A+B+C)	2,875	4,496
Comprehensive minority interest	-	-
Comprehensive Group net profit (loss) for period	2,875	4,496

Consolidated statement of financial position

(€'000)	Notes	at March 31, 2020	of which related parties	at December 31, 2019	of which related parties
ASSETS					
Intangible assets		90,969		88,905	
Property, Plant and equipment		7,129		6,565	
Investments in other companies		165		162	
Deferred tax assets		7,802		7,981	
affiliates companies and other Group companies		91	91	89	89
Other non-current assets		680		665	
Total non-current assets	L	106,836		104,367	
Inventories		20,005		21,256	
Trade receivables		13,175		11,707	
Income tax receivables		140		269	
Other current assets		2,293		2,115	
Other current financial assets		110	17	108	15
Cash & cash equivalents		27,785		30,687	
Total current assets		63,508		66,142	
Total assets		170,344		170,509	
LIABILITIES AND EQUITY					
Share capital		8,879		8,879	
Share premium reserve		136,400		136,400	
Other reserves		(17,608)		(20,623)	
Group shareholders' equity	O	127,671		124,656	
Equity attributable to minority interest	O	-		-	
Total shareholders' equity	O	127,671		124,656	
Medium-/long-term borrowing		9,922		11,590	
Employee benefit obligations		2,720		2,604	
Deferred tax liabilities		3,177		3,097	
Other non-current liabilities		1,082		1,060	
Total non-current liabilities		16,901		18,351	
Trade payables		10,788		11,562	
Short-term borrowing		7,643		7,001	
Derivative instruments		43		44	
Income tax liabilities		445		1,182	
Other current liabilities		6,853		7,713	
Total current liabilities		25,772		27,502	
Total liabilities		42,673		45,853	
Total liabilities and equity		170,344		170,509	

Consolidated statement of changes in Equity

(€'000)	Notes	Share capital	Legal reserve	Share premium reserve	Conversion reserve	Other reserves	Cash flow hedge reserve	Actuarial gains/(losses) on defined benefit plans reserve	Exchange rate differences reserve	Treasury shares	Profit (loss) for period	Group shareholders' equity	Equity attributable to Minority interest	Total shareholders' equity
Balance as at December 31, 2019		8,879	1,776	136,400	14,224	(58,907)	(44)	(531)	4,650	(1,033)	19,242	124,656	-	124,656
2019 Result allocation		-	-	-	-	19,242	-	-	-	-	(19,242)	-	-	-
Profit (loss) as at March 31, 2020		-	-	-	-	-	-	-	-	-	509	509	-	509
<i>Comprehensive other profit (loss):</i>														
- Hedge transactions		-	-	-	-	-	1	-	-	-	-	1	-	1
- Foreign balance sheets conversion difference		-	-	-	1,344	-	-	-	-	-	-	1,344	-	1,344
- Exchange differences on equity investments in foreign companies		-	-	-	-	-	-	-	1,021	-	-	1,021	-	1,021
Total Comprehensive result		-	-	-	1,344	-	1	-	1,021	-	509	2,875	-	2,875
- Performance Share Plan		-	-	-	-	76	-	-	-	64	-	140	-	140
Balance as at March 31, 2020	0	8,879	1,776	136,400	15,568	(39,589)	(43)	(531)	5,671	(969)	509	127,671	-	127,671

(€'000)	Notes	Share capital	Legal reserve	Share premium reserve	Conversion reserve	Other reserves	Cash flow hedge reserve	Actuarial gains/(losses) on defined benefit plans reserve	Exchange rate differences reserve	Treasury shares	Profit (loss) for period	Group shareholders' equity	Equity attributable to Minority interest	Total shareholders' equity
Balance as at December 31, 2018		8,879	1,385	136,400	12,223	(63,924)	(20)	(425)	3,925	(2,085)	5,682	102,042	-	102,042
2018 Result allocation		-	391	-	-	5,291	-	-	-	-	(5,682)	-	-	-
Profit (loss) as at March 31, 2019		-	-	-	-	-	-	-	-	-	2,955	2,955	-	2,955
<i>Comprehensive other profit (loss):</i>														
- Hedge transactions	36	-	-	-	-	-	(4)	-	-	-	-	(4)	-	(4)
- Actuarial gains/(losses) on defined benefit plans for employees	17	-	-	-	-	-	-	-	-	-	-	-	-	-
- Foreign balance sheets conversion difference		-	-	-	823	-	-	-	-	-	-	823	-	823
- Exchange differences on equity investments in foreign companies	14	-	-	-	-	-	-	-	722	-	-	722	-	722
Total Comprehensive result		-	-	-	823	-	(4)	-	722	-	2,955	4,496	-	4,496
- Performance Share Plan	18	-	-	-	-	191	-	-	-	-	-	191	-	191
Balance as at March 31, 2019		8,879	1,776	136,400	13,046	(58,442)	(24)	(425)	4,647	(2,085)	2,955	106,729	-	106,729

Net financial debt

Pursuant to the CESR Recommendation of 10 February 2005, the following table shows the Group's net financial debt at 31 March 2020, breaking it down by due date and comparing it with the situation at 31 March 2019 and 31 December 2019:

(€'000)		at March 31, 2020	at December 31, 2019	at March 31, 2019
Cash & cash equivalents	A	(27,785)	(30,687)	(12,193)
Cash equivalent	B=A	(27,785)	(30,687)	(12,193)
Other current financial assets	C	(110)	(108)	(105)
Derivative instruments	D	43	44	24
Short-term borrowing	E	7,643	7,001	11,476
Short-term financial position	F=C+D+E	7,576	6,937	11,395
Short-term net financial position	G=B+F	(20,209)	(23,750)	(798)
Medium/long term borrowing	H	9,922	11,590	6,342
Medium-/long-term net financial position	I=H	9,922	11,590	6,342
(NET FINANCIAL POSITION) NET DEBT pursuant to CONSOB instructions	J=G+I	(10,287)	(12,160)	5,544
Medium/long term borrowing allowed to affiliates companies and other Group	K	(91)	(89)	(89)
(NET FINANCIAL POSITION) NET DEBT	L=J+K	(10,378)	(12,249)	5,455

It is highlighted that, from 1 January 2019, the new standard IFRS 16 "Leases" was adopted, which establishes a new method for recognising lease contracts (Right of Use) which must be recognised under financial liabilities. Following the adoption of the new standard, in the compared periods, as at 31 March 2019 net debt would have been of €1.17 million, as at 31 December 2019 the net financial position would have been of €16.25 million and as at 31 March 2020, again the net financial position would have been of €14.90 million.

Net working capital

The Group's net working capital as at 31 March 2020, compared with the situation as at 31 March 2019 and 31 December 2020, is as follows:

(€'000)	at March 31, 2020 (b)	at December 31, 2019 (a)	at March 31, 2019	Changes (b-a)
Inventories	20,005	21,256	23,396	(1,251)
Trade receivables	13,175	11,707	17,181	1,468
Income tax receivables	140	269	573	(129)
Other current assets	2,293	2,115	2,564	178
Current assets	35,613	35,347	43,714	266
Trade payables	(10,788)	(11,562)	(15,259)	774
Income tax liabilities	(445)	(1,182)	(622)	737
Other current liabilities	(6,853)	(7,713)	(6,879)	860
Current liabilities	(18,086)	(20,457)	(22,760)	2,371
Net working capital	17,527	14,890	20,954	2,637

Cash flows

(€'000)		at March 31, 2020	at December 31, 2019	at March 31, 2019
Cash flow generated (used) in operations	A	(304)	20,909	(785)
Cash flow generated (used) in investment activities	B	(1,712)	(4,307)	(894)
Cash flow generated (absorbed) by financial assets	C	(1,196)	844	525
Net foreign exchange difference	D	310	45	151
Increases (decreases) in cash & cash equivalents	E=A+B+C+D	(2,902)	17,491	(1,003)
Opening amount in cash & cash equivalents		30,687	13,196	13,196
Cash & cash equivalents at end of period		27,785	30,687	12,193

A – Eurotech Group business

The Group's business activities are grouped into a single business line, which includes both special-purpose miniaturised computers, and SW platforms for IoT integration.

The business line is represented by modules, systems and platforms currently targeting the transport, industrial, medical, security, defence and logistics markets.

Activity in this line is carried out by Eurotech S.p.A. and I.P.S. Sistemi Programmabili S.r.l., which mainly operate in Italy, and Eurotech Inc. (USA), which mainly operate in the US, Eurotech Ltd (United Kingdom), which mainly operates in the UK, Eurotech France S.A.S. (France), which mainly operates in France, and Advanet Inc. (Japan), which mainly operates in Japan. Our products are marketed under the trademarks Eurotech, Dynatem, IPS and Advanet.

Eurotech shares (ETH.MI) have been listed on the STAR segment of Borsa Italiana (the Milan Stock Exchange) since 30 November 2005.

B – Basis of consolidation

The companies included in the basis of consolidation on a line-by-line basis as at 31 March 2020 are as follows:

Company name	Registered offices	Share capital	Group share
<i>Parent company</i>			
Eurotech S.p.A.	Via Fratelli Solari 3/A - Amaro (UD, Italy)	€ 8,878,946	
<i>Subsidiary companies consolidated line-by-line</i>			
Aurora S.r.l.	Via Fratelli Solari 3/A - Amaro (UD, Italy)	€ 10,000	100.00%
EthLab S.r.l.	Via Dante, 300 - Pergine Valsugana (TN)	€ 115,000	100.00%
Eurotech Inc.	Columbia, MD (USA)	USD26,500,000	100.00%
Eurotech Ltd.	Cambridge (UK)	GBP 33,333	100.00%
E-Tech USA Inc.	Columbia, MD (USA)	USD8,000,000	100.00%
Eurotech France S.A.S.	Vénissieux (France)	€ 795,522	100.00%
I.P.S. Sistemi Programmabili S.r.l.	Via Piave, 54 - Caronno Varesino (VA)	€ 51,480	100.00%
Advanet Inc.	Okayama (Japan)	JPY72,440,000	90.00% (1)
<i>Affiliates consolidated on equity basis</i>			
Rotowi Technologies S.p.A. in liquidation (formerly U.T.R.I. S.p.A.)	Via del Follatolo, 12 - Trieste, Italy		21.31%

(1) Officially, the Group owns 90% of the company, but as Advanet holds 10% of the share capital in the form of treasury shares, it is fully consolidated.

Other smaller companies valued at fair value

Kairos Autonomi Inc.	Sandy, UT (USA)	19.00%
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No changes took place with regard to subsidiaries and affiliates in the period as at 31 March 2020 compared with 31 December 2019.

The exchange rates used to convert the financial statements of foreign companies into the Eurotech Group's reference currency (euro) are presented in the following table and correspond to those issued by the Italian Foreign Exchange Bureau:

Currency	Average 3M 2020	As of March 31, 2020	Average 2019	As of December 31, 2019	Average 3M 2019	As of March 31, 2019
British pound sterling	0.86225	0.88643	0.87777	0.85080	0.87251	0.85830
Japanese Yen	120.09734	118.90000	122.00577	121.94000	125.08349	124.45000
USA Dollar	1.10266	1.09560	1.11948	1.12340	1.13577	1.12350

C - Revenues

Revenues earned by the Group in the first quarter of 2020 amount to €19.75 million (€25.50 million in the first three months of 2019), a decrease of €5.75 million (22.6%) on the same period of last year. At constant exchange rates, the decrease would be 24.6%. The decrease reflects not only the performance of orders collection at the end of 2019, but also the effects deriving from the slowdown due to the effects of the Covid-19 pandemic. In addition to having an impact on revenues, at present these effects have also slowed down orders collection both from large and medium-small customers, who are still trying to best understand the evolution of the global economic scenario.

For operating purposes, the Group is organised in a single business line, also known as business segment, called "NanoPC".

Based on the criteria for monitoring activities currently used, a disclosure on a geographical basis is provided, in terms of the location of the Group's various companies.

The Group's geographical areas are defined according to the localisation of Group assets and operations. The areas identified within the Group are: Europe, North America and Asia.

Revenues by business region

As specifically regards the breakdown of revenues by geographical area of the business units, the same can be further detailed as follows:

	North America			Europe			Asia			Correction, reversal and elimination			Total		
	1Q 2020	1Q 2019	% YoY Change	1Q 2020	1Q 2019	% YoY Change	1Q 2020	1Q 2019	% YoY Change	1Q 2020	1Q 2019	% YoY Change	1Q 2020	1Q 2019	% YoY Change
Third party Sales	9,259	15,300		4,507	4,817		5,986	5,388		0	0		19,752	25,505	
Infra-sector Sales	104	153		1,059	1,916		140	255		(1,303)	(2,324)		0	0	
Total Sales revenues	9,363	15,453	-39.4%	5,566	6,733	-17.3%	6,126	5,643	8.6%	(1,303)	(2,324)	43.9%	19,752	25,505	-22.6%

The North American business area's revenues totalled €9.36 million in the first three months of 2020 compared with €15.45 million in the first three months of 2019, recording a decrease (-39.4% compared with 2019). The order book had already demonstrated a different distribution of turnover in 2020 between the quarters compared to 2019. However, the quarter also suffered from a delay in orders and some delays in deliveries triggered by delays in the supply of Chinese-origin components following the lockdown due to Covid-19 in the first two months of the year in that area. The development of new opportunities continues, also in new sectors, to offer products of all product lines and in particular of the HPEC and IoT ones.

The European business area also recorded a decrease in revenues, from €6.73 million in the first quarter of 2019 to €5.57 million in the first quarter of 2020. This reduction is due to some deliveries not taking place within the end of the quarter due to the effect of partial closures in March both of the Italian plant and of some customer companies. In spite of this, growth trends remain positive thanks to the opportunities in the transport sector, products linked to HPEC (High Performance Embedded Computer) technologies and the Industry 4.0 paradigm, which could probably experience an acceleration at this particular time of global – and in particular European – economic crisis.

Lastly, the Asian business area registered an increase of 8.6%, from €5.64 million to €6.13 million, due to effect of business trends experienced by the local main customers, which always show a certain fluctuation in orders over the quarters.

Revenues by customer geographical area

The following table shows the geographical breakdown of revenues based on customer location:

(€' 000)	1Q 2020	%	1Q 2019	%	% change
BREAKDOWN BY GEOGRAPHIC AREA					
European Union	3,510	17.8%	4,094	16.1%	-14.3%
United States	8,991	45.5%	14,981	58.7%	-40.0%
Japan	5,988	30.3%	5,390	21.1%	11.1%
Other	1,263	6.4%	1,040	4.1%	21.4%
TOTAL SALES AND SERVICE REVENUES	19,752	100.0%	25,505	100.0%	-22.6%

With reference to the figures by geographical area of customers reported in the table, revenues in the US decreased by 40.0% but the incidence on total turnover in the first three months of 2020 confirmed this to be the most important area, representing 45.5% of total revenues.

Showing an increase of 11.1% compared to the first quarter of 2019, Japan remains the second most important area, accounting for 30.3% of the Group's revenues.

In Europe, again with reference to customer location, turnover decreased by 14.3%, with an increase, however, of the incidence on total turnover which is of 17.8% in 2020.

D – Costs of raw & auxiliary materials and consumables used

Costs of raw & auxiliary materials and consumables used, which relate strictly to turnover, fell from €13.32 million in the first three months of 2019 to €9.89 million in the first three months of 2020. In the period under review there was thus a variation of €3.44 million (25.8%), higher than the decrease in turnover, which was 22.6%. This different incidence has highlighted a gross profit of almost two percentage points higher compared to that of the first quarter in 2019. The gross profit trend is strictly correlated to the different product mix sold in the quarters in question.

As a percentage of revenues, consumption of raw & auxiliary materials and consumables fell from 52.2% in the first three months of 2019 to 50.1% in the first three months of 2020.

E – Service costs

Costs for services, in spite of a reduction in turnover, remain essentially stable, determining an increase in absolute value of €42 thousand. The total amount of this cost item is of €3.11 million and its incidence on revenues rose from 12.0% in the first three months of 2019 to 15.8% in the first three months of 2020. In addition to referring to ordinary operations, the costs pertain to the investments the Group has planned to make with particular reference to the product line of the IoT platforms for applications in the industry and in services in addition to developments linked to the HPEC product line and those correlated to traditional embedded products line. These investments are aimed at supporting on the one hand the research and development area to maintain a product portfolio in line with the technological innovations proposed by the producers of raw materials and components, and on the other the sales and marketing divisions which must give visibility to the existing product range.

F – Payroll costs

In the period under review, payroll costs increased from €5.22 million (20.5% of revenues) to €5.27 million (26.7% of revenues), in line with the plan. At the end of the first quarter of 2020, the number of employees had increased by two units compared to the end of the year. This was due to the planned increase in the workforce to expand those skills necessary to implement the strategic vision the Group is pursuing. Compared to 31 March 2019, the increase is of 19 units.

Wages and Salaries also includes €140 thousand relating to the pro rata temporis portion of the cost of the Share Performance Plan in place (in the first quarter of 2019, the amount recorded under costs was €191 thousand).

The table below shows the number of Group employees:

EMPLOYEES	at March 31, 2020	at December 31, 2019	at March 31, 2019
Manager	8	10	7
Clerical workers	290	285	275
Line workers	22	23	19
TOTAL	320	318	301

G - Other provisions and costs

At 31 March 2020, this item included a provision for doubtful accounts of €5 thousand (€55 thousand in the first three months of 2019), and refers to provisions made for the possibility of uncollectable trade receivables.

Other provisions and costs as a percentage of revenues were 1.0%, in line with last year.

H - Other revenues

The item other revenues shows a slight increase from €503 thousand in the first three months of 2019 to €526 thousand in the first three months of 2020.

Other revenues comprise the capitalisation of development costs for new solutions featuring highly integrated standard modules and systems for €496 thousand (€443 thousand in the first three months of 2019) and miscellaneous income of €30 thousand (€60 thousand in the first three months of 2019).

I - Depreciation, amortisation and impairment

The value of amortisation, depreciation and impairment charges decreased by €60 thousand, from €934 thousand in the first quarter of 2019 to €874 thousand in the first quarter of 2020. This item includes depreciation and amortisation of €351 thousand due to the application of IFRS 16 (€351 thousand also in 2019).

J - Financial income and expenses

Financial expenses went from €0.39 million for the first three months of 2019 to €0.32 million for the first three months of 2020. This decrease is mainly attributable to lower exchange rate losses linked to the performance of the American dollar, the Japanese yen and the pound sterling.

Financial income, again due to exchange rates, rose by €52 thousand, from €0.32 million for the first three months of 2019 to €0.37 million for the first three months of 2020.

The absolute value and percentage on revenues of the main financial income and expense item were as follows:

- foreign exchange losses: €0.22 million as at 31 March 2020 (1.1% as a percentage of revenues), compared with €0.24 million as at 31 March 2019 (1.0% as a percentage of revenues);
- foreign exchange gains: €0.37 million as at 31 March 2020 (1.9% as a percentage of revenues), compared with €0.31 million as at 31 March 2019 (1.2% as a percentage of revenues);
- miscellaneous interest expenses: €95 thousand as at 31 March 2020 (0.5% as a percentage of revenues), compared with €113 thousand as at 31 March 2019 (0.4% as a percentage of revenues).

€'000	1Q 2020	1Q 2019	change %
Exchange-rate losses	222	243	-8.6%
Interest expenses	83	102	-18.6%
Interest expenses on lease liabilities	12	11	9.1%
Expenses on derivatives	7	4	75.0%
Other finance expenses	-	31	n/a
Financial charges	324	391	-17.1%
Exchange-rate gains	366	312	17.3%
Interest income	5	7	-28.6%
Other finance income	1	1	0.0%
Financial incomes	372	320	16.3%

K - Income taxes

Income taxes at 31 March 2020 were negative as a whole for €360 thousand (of which €98 thousand for current taxes and €262 thousand for net deferred tax assets), compared with a negative impact of €118 thousand at 31 March 2019 (of which €113 thousand for current taxes and €5 thousand for net deferred tax assets), representing a negative change of €242 thousand.

L - Non-current assets

The positive change in non-current assets between 31 December 2019 and 31 March 2020 of € 2.47 million was primarily due to increase in foreign exchange rate changes as well as the combined effect of an increase in fixed assets and a reduction in deferred tax assets.

Net investments of about €1.70 million in property, plant and equipment and intangible assets are partially offset by depreciation and amortisation for €0.87 million. The increase in property, plant and equipment for €0.85 million is due to the effect of the preliminary purchase agreed on 10 February 2020 by the Parent Company for the purchase of the building for the office at the registered office in Amaro. As indicated in the contract, the definitive contract will be signed by 31 January 2021 for an overall purchase price of €1.2 million. The increase is the net value between the purchase price and the net book value relating to the building which, following the application of the IFRS 16 financial standard, had a net book value of €0.40 million as at 31 December 2019.

The other most significant increases are related to intangible assets and are largely linked to software costs and to projects to develop new products for a total amount equal to €0.71 million.

a - Intangible assets

The table below shows the breakdown and main changes in intangible fixed assets during the period:

(€ '000)	DEVELOPMENT COSTS	GOODWILL	SOFTWARE TRADEMARKS PATENTS	ASSETS UNDER CONSTRUCTI ON & ADVANCES	TOTAL INTANGIBLE ASSETS
OPENING BALANCE (A)	3,690	72,980	9,005	3,230	88,905
<i>Changes as at March 31, 2020</i>					
- Purchases	14	-	-	701	715
- Amortisation and impairment in period (-)	(383)	-	(34)	-	(417)
- Other changes	1,449	1,516	229	(1,428)	1,766
Total changes (B)	1,080	1,516	195	(727)	2,064
CLOSING BALANCE (A+B)	4,770	74,496	9,200	2,503	90,969

The carrying value of goodwill and trademarks with an indefinite useful life allocated to each of the cash-generating units is as follows:

(€ '000)	at March 31, 2020		at December 31, 2019	
	Goodwill	Trademark with an indefinite useful life	Goodwill	Trademark with an indefinite useful life
Cash generating units				
Advanet Inc.	46,902	8,906	45,733	8,684
Eurotech Inc. (ex Applied Data Systems e ex Arcom Inc.)	22,391	-	21,838	-
Eurotech Ltd. (ex Arcom Ltd.)	4,927	-	5,133	-
Eurotech France S.a.s.	186	-	186	-
Other	90	-	90	-
TOTAL	74,496	8,906	72,980	8,684

b - Property, plant and equipment

The table below shows the breakdown and main changes in property, plant and equipment assets during the period:

(€ '000)	LAND AND BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL & COMMERCIAL EQUIPMENT	OTHER ASSETS	ASSETS UNDER CONSTRUCTI ON & ADVANCES	RIGHT OF USE ASSETS	TOTAL PROPERTY, PLANT & EQUIPMENT
OPENING BALANCE (A)	1,048	244	392	833	35	4,013	6,565
<i>Changes as at March 31, 2020</i>							
- Purchases	4	-	60	30	-	886	980
- Disposals	-	-	-	2	-	-	2
- Amortisation and impairment in period (-)	(10)	(8)	(38)	(51)	-	(351)	(458)
- Other changes	-	4	9	7	(33)	53	40
Total changes (B)	(6)	(4)	31	(12)	(33)	588	564
CLOSING BALANCE (A+B)	1,042	240	423	821	2	4,601	7,129

M – Net working capital

Net working capital increased by €2.64 million, from €14.89 million at 31 December 2019 to €17.53 million of 31 March 2020; this performance is due to the different trend of the collection and payment flows, as is usually the case over the various quarters.

The positive change of €0.27 million in current assets was mainly due to the increase in trade receivables of €1.47 million, only partially offset by a reduction in warehouse inventory of €1.25 million.

On the other hand, current liabilities decreased by €2.37 million, with a reduction in both payables to suppliers for €0.77 million and sundry payables for a total of €1.60 million.

N – Net financial position

The consolidated net financial position as at 31 March 2020 amounted to a net cash of €10.38 million, compared a net financial position with net cash of €12.25 million as at 31 December 2019. The application of the IFRS 16 accounting standard, applied by the company from 1 January 2019, entailed the recognition by Group companies of financial liabilities for rights of use as at 31 March 2020 equal to €4.52 million, which, added to the net financial position, resulted in a pre-IFRS 16 net cash position of €14.9 million.

With regard to liquidity, which totalled €27.79 million, the change is due to the use of the same to support current operations and relative disbursements, also with regard to tax, maintaining a “virtuous” approach at this stage of the pandemic, respecting the periodical deadlines of tax commitments.

See also financial cash flows, as indicated on page 18.

Medium-/long-term financial liabilities include principal on bank loans and finance leases falling due beyond 12 months.

Short-term financial liabilities mainly consist of current account overdrafts, the current portion of mortgage loans, and payables to other lenders falling due by 31 March 2021.

O – Changes in equity

The share capital as at 31 March 2020 was made up of 35,515,784 ordinary shares, wholly subscribed and paid up, with no nominal value.

The balance of the Issuer's legal reserve at 31 March 2020 amounted to €1.78 million.

The share premium reserve, which relates entirely to the Parent Company, is recorded for a total amount of €136.4 million.

The positive translation reserve of €15.57 million was generated by inclusion in the interim management statement of the statements of financial position and income statements of US subsidiaries Eurotech Inc. and E-Tech USA Inc., UK subsidiary Eurotech Ltd. and Japanese subsidiary Advanet Inc.

The item “other reserves” was negative for €39.59 million and consisted of the Parent Company's extraordinary reserve, formed by losses carried forward, allocations of retained earnings from prior years, and other miscellaneous reserves. The change in the year is attributable to the allocation of the 2019 results and to the booking of Eurotech's Performance Share Plan for the period described in a specific section of the 2019 Consolidated Financial Statements.

The cash flow hedge reserve, which includes cash flow hedge transactions pursuant to IAS 39, was negative for €43 thousand and decreased by €1 thousand gross of the tax effect, which was not recognised due to absence of the relative prerequisites.

The foreign exchange reserve in which – based on IAS 21 – foreign exchange differences relating to intragroup foreign-currency loans that constitute part of a net investment in a foreign shareholding are recognised, was positive by €5.67 thousand and increased by €1.02 million gross of the related tax effect, not yet recorded due to the absence of the prerequisites.

The Parent Company Eurotech S.p.A. held 412,520 treasury shares at the end of the reporting period. As at 31 December 2019 the number of treasury shares was 440,020 and the decrease is due to the allocation of shares following the Share Performance Plan as detailed in the consolidated financial statements as at 31 December 2019. At the date of preparation of this report, the treasury shares held were 349,520.

P – Significant events in the quarter

The major events of the quarter were announced in the press releases listed below (the complete text can be consulted at the Group website on page www.eurotech.com on page <http://www.eurotech.com/it/news>):

- 19/02/2020 Eurotech awarded by Frost & Sullivan for Everyware Cloud, for the IoT Integration Platform for the management of data and devices
- 21/02/2020 Eurotech becomes part of the Amazon Web Services Partner Network to speed up the development and implementation of IoT projects
- 13/03/2020 Letter of the Chief Executive Officer
- 20/03/2020 Open letter on the Coronavirus (COVID-19) situation
- 25/03/2020 Update of the operational status of the Italian plant
- 31/03/2020 Eurotech extends its modular IoT Edge Gateway range for the railway sector with BoltGATE 20-31

Other than those discussed in previous paragraphs, no other particularly significant events occurred in the quarter.

Q – Events after 31 March 2020

For events following 31 March, the reader may refer to the press releases listed below (the complete text can be consulted at the Group website www.eurotech.com on page <http://www.eurotech.com/it/news>):

- 02/04/2020 A compact data logger with 100Gbs interfaces, 123TB storage and 64Gb/s writing speed for the high-performance acquisition of data
- 07/04/2020 Eurotech presents DynaGATE 20-30, a new Multi-service IoT Edge Gateway certified for Automotive applications
- 09/04/2020 Eurotech presents a new rugged COM Express module based on the Intel Atom E3900 processor
- 14/04/2020 Update on the operational status of the Group following Coronavirus
- 20/04/2020 Eurotech launches CPU-162-24, a COM Express Type 6 module with high-performance Intel Xeon E3-1500 v6 processors
- 28/04/2020 Resolutions taken by the Ordinary Shareholders' Meeting on 28 April 2020: a new Board of Directors and a new Board of Statutory Auditors are appointed

R - Risks and uncertainties

Please refer to the paragraphs “Main risks and uncertainties to which the Group is exposed” and “Financial risk management: objectives and criteria” in the 2019 Consolidated Financial Statements, in which the risks to which the Eurotech Group is subject are explained.

S - Other information

We also specify that:

- group intercompany transactions take place at market prices and are eliminated during the consolidation process;
- group companies’ related-party transactions form part of the normal course of business and are settled under arm’s length conditions;
- pursuant to CONSOB communication no. 15519/2005, there were no non-recurring economic components in the consolidated quarterly results as at 31 March 2020;
- pursuant to CONSOB communication no. DEM/6064296 of 28 July 2006, there were no atypical and/or unusual transactions carried out in the first quarter of 2020;
- at 31 March 2020, the company held 412,520 treasury shares for a total value of €969 thousand. The changes were as follows:

	No. of shares	Face value of a share (Thousand of Euro)	% share capital	Carrying value (Thousand of Euro)	Average unit value
Status as at 1 January 2020	440,020	110	1.24%	1,033	2.35
Purchases	-	-	0.00%	-	
Sales	-	-	0.00%	-	
Assignment-Performance share Plan	(27,500)	(7)	-0.08%	(65)	2.35
Status as at 31 March 2020	412,520	103	1.16%	969	2.35

- as regards the requirements of Article 150, paragraph 1, of Italian Legislative Decree no. 58 of 24 February 1998, no members of the Board of Directors have executed transactions with Group companies in situations of potential conflict of interest;
- pursuant to Article 3 of Consob Resolution no. 18079 of 20 January 2012, Eurotech has adopted the simplification procedure set out in Articles 70, paragraph 8, and 71, paragraph 1-bis, of the Regulation adopted by Consob with Resolution no. 11971 of 14 May 1999 as amended and supplemented. It therefore opts to derogate from the requirement to publish the information documents set out in Attachment 3B of this Consob Regulation for significant transactions such as mergers, spin-offs, capital increases via contributions in kind, acquisitions and sales.

Amaro, 14 May 2020

On behalf of the Board of Directors

Signed Roberto Siagri
Chief Executive Officer

Declaration of the Financial Reporting Manager

Amaro, 14 May 2020

DECLARATION

PURSUANT TO ARTICLE 154 BIS, PARAGRAPH 2 - PART IV, TITLE III, CHAPTER II, SECTION V-BIS, OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998: "CONSOLIDATED ACT ON MEASURES RELATING TO FINANCIAL INTERMEDIATION PURSUANT TO ARTICLES 8 AND 21 OF LAW NO. 52 OF 6 FEBRUARY 1996"

I, Sandro Barazza,

Financial Reporting Manager of Eurotech S.p.A., with reference to the Consolidated Interim Management Statement as at 31 March 2020 approved by the company's Board of Directors on 14 May 2020,

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in compliance with the matters set forth under ex - Article 154 bis, part IV, title III, chapter II, section V-bis of the Legislative Decree no. 58 of 24 February 1998, to the best of my knowledge, the Consolidated Interim Management Statement at 31 March 2020 corresponds to the accounting entries.

The Financial Reporting Manager
Signed Sandro Barazza

