Consolidated Interim Management Report

at 31 March 2021

EUROTECH

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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
Deputy Chairman	Aldo Fumagalli [1]
Director	Paul Chawla
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, with the exception of Director Chawla who was co-opted by the Board on 8 April 2021, was appointed by the Ordinary Shareholders' Meeting of 28 April 2020; it will remain in office until the approval of the financial statements for the financial year 2022.

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 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 2021	%	1Q 2020	%	% change
OPERATING RESULTS						
SALES REVENUES		12,880	100.0%	19,752	100.0%	-34.8%
GROSS PROFIT MARGIN	(*)	6,438	50.0%	9,866	49.9%	-34.7%
EBITDA ADJ	(****)	(707)	-5.5%	1,695	8.6%	-141.7%
Non recurring costs		(1,066)	-8.3%	0	0.0%	n/a
EBITDA	(**)	(1,773)	-13.8%	1,695	8.6%	-204.6%
EBIT	(***)	(2,840)	-22.0%	821	4.2%	n.s
PROFIT (LOSS) BEFORE TAXES		(2,889)	-22.4%	869	4.4%	n.s
GROUP NET PROFIT (LOSS) FOR THE PERIOD		(2,933)	-22.8%	509	2.6%	n.s

(*) 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 of income taxes for the period.
(***) EBITDA ADJ, an intermediate figure, is determined gross of non-recurring costs and revenues, 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 its operating performance, net of any non-recurring costs or revenues that therefore do not occur frequently in the ordinary course of business. 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.

Balance sheet data

€'000	at March 31, 2021	at December 31, 2020	at March 31, 2020
BALANCE SHEET AND FINANCIAL HIGHLIGHTS			
NET NON-CURRENT ASSETS	101,937	101,972	106,836
NET WORKING CAPITAL	11,313	15,827	17,527
NET INVESTED CAPITAL*	106,131	110,316	117,293
SHAREHOLDERS' EQUITY	116,429	118,864	127,671
NET FINANCIAL POSITION	(10,298)	(8,548)	(10,378)

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

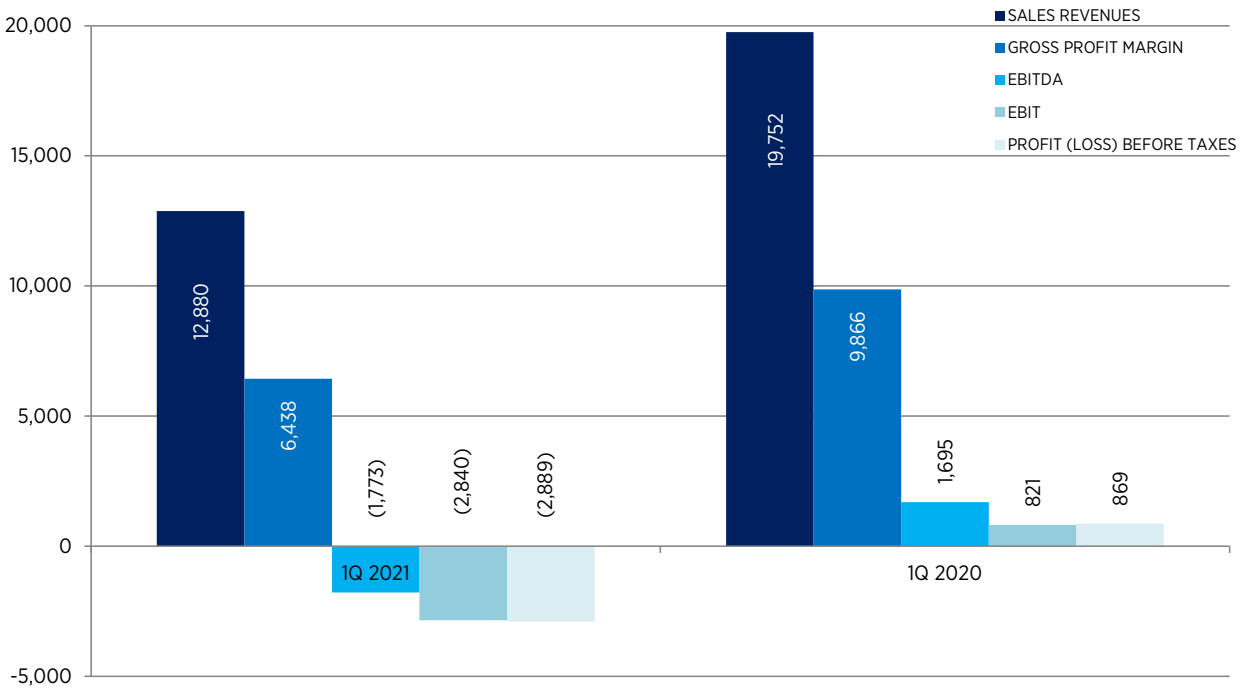
Number of employees

	at March 31, 2021	at December 31, 2020	at March 31, 2020
EMPLOYEES	324	323	320

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 performance computers "at the edge", that is to say installed in proximity of plants or on-board vehicles and equipment (High Performance Edge Computers).

Summary of 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.

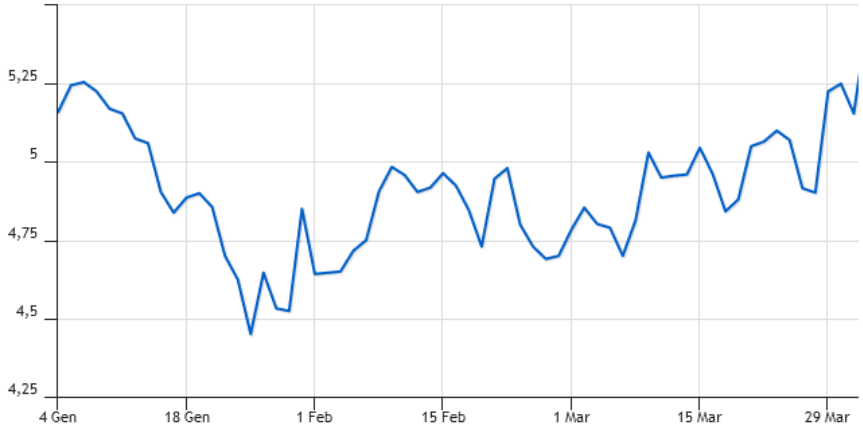
Share capital of Eurotech S.p.A. as at 31 March 2021

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	128,020
Stock market capitalisation (based on the share's average price in March 2021)	€184 million
Stock market capitalisation (based on the share's average price as at 31 March 2021)	€183 million

Performance of Eurotech S.p.A. shares

Relative performance EUROTECH S.p.A.
01.01.2021 – 31.03.2021

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 (ETH:IM) is a multinational 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 components and software platforms for IoT, Edge Gateways to enable the monitoring of assets and High-Performance Edge Computers (HPECs) for applications including Artificial Intelligence (AI). In order to offer increasingly complete solutions, Eurotech has partnered leading companies in their field of action, in this way creating a global ecosystem that allows to develop "best in class" solutions for the Industrial Internet of Things. For more information about Eurotech: www.eurotech.com.

Summary of performance in the first quarter of 2021 and business outlook

Introduction

The interim management statement of the Eurotech Group as at 31 March 2021, 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 2021 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 2021 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 2020, to which we expressly invite readers to refer, except for the adoption of new standards, amendments and interpretations in force as at 1 January 2021.

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;
- EBITDA ADJ is an interim result, determined before non-current revenues or expenses, amortisation, depreciation and write-downs of non-current assets, financial income and charges, valuations of affiliates using the equity method and income taxes for the period. This is a measure used by the Group to monitor and assess its operating performance, net of any non-recurring costs or revenues that therefore do not occur frequently in the ordinary course of business. 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 the valuation of affiliates at equity, financial income and expenses and income taxes for the period.

Operating performance in the period

Revenues trend in the first quarter of 2021 was weak, in line with the last three quarters of 2020 and with the forecasts made at the beginning of the year by Management.
On the order front, however, we are seeing an acceleration in order intake, particularly in the US area.
Despite this growth in the backlog and a positive recovery trend, the current results of the Group in the first quarter are impacted by a couple of factors that occurred at the beginning of the 2020 Covid-19 health emergency and both linked to decisions to optimise costs and re-prioritise the activities by some of our customers, specifically the cancellation of a couple of HPEC programs and the postponement of various proofs of concepts that should have led to design-wins in 2021.

With fewer standard products to sell through indirect channels, we benefited less than other peers from the economic recovery. However, we are seeing a significant growth of POCs (Proof Of Concept) in the Industrial IoT market thanks also to an intensification of collaboration and certification activities with our Partners.

The quarter was significantly affected by the lack of volumes and turnover for the reasons mentioned above and by non-recurring costs that had an impact of €1.07 million on the operating result.
In terms of the balance sheet, management's actions have made it possible to optimize working capital, which has been reduced by € 4.51 million compared to December 31, 2020, reaching its lowest level in the last five years at € 11.31 million and consequently generating operating cash flows of € 2.61 million and improving the net financial position by more than € 1.7 million compared to year-end 2020, creating an additional incentive to accelerate M&A-type activities.

Group Revenues in the first three months of 2021 amounted, in fact, to €12.88 million compared to €19.75 million in the first three months of 2020, a decrease of 30.7% at constant exchange rates and 34.8% at historical exchange rates. Considering the weight of the first three months as a percentage of the total annual turnover, historically the first quarter of the year cannot be considered representative of the performance of the whole year.

With reference to the localisation of the Group activities, the highest turnover in the quarter was generated in North America, accounting for 39.5% of the total (first quarter of 2020: 46.9%), followed by Japan with 35.0% (30.3% in the first quarter of 2020), while Europe covers the remaining 25.5% (22.8% in the first quarter of 2020).
A moderate recovery in orders in the first quarter of 2021, in particular in the US market, and the possibility of seizing some important opportunities both in terms of volumes and of customer significance in the coming quarters suggest that there could be a recovery in turnover starting from the second half of the year despite the fact that the supply chain risk coming from the shortage of electronic components may result in lower-than-expected production.
The first margin of the quarter under review in terms of percentage of turnover stood at 50.0%. The percentage is in line with the budget and also with that shown in the first quarter of 2020 (percentage of turnover of 49.9%). In absolute terms, the first margin stood at €6.44 million and was related to the trend in turnover.

In the three months under review, operating costs gross of adjustments and net of non-recurring costs amounted to €7.94 million, down by 8.7% compared to €8.70 million in the first quarter of 2020 (at constant exchange rates, the reduction stood at 5%).
The reduction in gross operating costs, as indicated above, for a total of €0.74 million is attributable for €0.33 million to the exchange rate effect due to an appreciation of the Euro against USD and Yen and for the remaining €0.41 million to lower travel costs in the first quarter of 2021 compared to those incurred in 2020, as well as further savings in variable costs arising from the lower turnover.
In detail, personnel costs had the greatest impact on the amount of operating costs. They stood at €4.98 million, a slight decrease of 1.5% compared to the previous year if considered at constant exchange rates (-5.6% at historical exchange rates). By virtue of the fabless model adopted, operating costs are substantially fixed and the turnover trend is the fundamental variable for the activation of the operating leverage. The percentage of gross operating costs net of non-recurring costs on revenues stood at 61.7% compared to 44.0% in the first quarter of 2020. This percentage, standing at 70%, becomes even higher if non-recurring costs are being considered.

Non-recurring costs, represented in the income statement of the first quarter of 2021 alone, amounted to €1.066 thousand and refer entirely to the economic agreement resulting from the conclusion of the relationship between the Company and the Chief Executive Officer Roberto Siagri, on 23 March, which was extensively described in a separate communication following the event.
Therefore, also considering these non-recurring costs, the operating costs would amount to a total of €9.01 million.

EBITDA ADJ, in the first three months, amounted to -€0.71 million (-5.5% of revenues) compared to €1.69 million in 2020 (8.6% of revenues), reflecting the trend in the first margin as well as in operating costs and other revenues. In consideration of non-recurring costs, EBITDA was therefore -€1.77 million.

EBIT ADJ, net of non-recurring costs, in the first three months of 2021 came to -€1.74 million (-13.8% of revenues), compared to €0.82 million in the first three months of 2020 (4.2% 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 2021, deriving from operating assets becoming subject to depreciation in the quarter. Operating result (EBIT), including non-recurring costs, amounted to -€2.84 million.

Finance expense was negative for €49 thousand in the first three months of 2021, while in the first three months of 2020 it was positive for €48 thousand. For greater detail, readers should refer to the comments made in Note "J".

The Result before taxes during the three months of reference is negative for €2.89 million, while it was positive for €0.87 million in the first three months of 2020. The lower pre-tax result is directly due to the reduction in turnover.

In terms of Group net result, the tax burden on the Group's various units determined a loss of €2.93 million in the quarter (compared to a profit of €0.51 million in the first three months of 2020). In addition to reflecting changes in the pre-tax result, the trend derives from the overall different tax burden on the Group's companies and from the fact that no deferred tax assets were recognised on the estimated tax losses for the quarter.

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 2021 (b)	of which related parties	%	1Q 2020 (a)	of which related parties	%	change (b-a) amount	change (b-a) %
Sales revenue	C	12,880	1	100.0%	19,752	-	100.0%	(6,872)	-34.8%
Cost of material	D	(6,442)		-50.0%	(9,886)		-50.1%	(3,444)	-34.8%
Gross profit		**6,438**		**50.0%**	**9,866**		**49.9%**	**(3,428)**	**-34.7%**
Services costs	E	(3,634)	(186)	-28.2%	(3,112)	-	-15.8%	522	16.8%
- of which non recurrent		(1,066)		-8.3%	-		0.0%	1,066	n/a
Lease & hire costs		(113)		-0.9%	(113)		-0.6%	0	0.0%
Payroll costs	F	(4,978)		-38.6%	(5,271)		-26.7%	(293)	-5.6%
Other provisions and costs	G	(285)		-2.2%	(201)		-1.0%	84	41.8%
Other revenues	H	799		6.2%	526		2.7%	273	51.9%
EBITDA		**(1,773)**		**-13.8%**	**1,695**		**8.6%**	**(3,468)**	**204.6%**
Depreciation & Amortization	I	(1,067)		-8.3%	(874)		-4.4%	193	22.1%
EBIT		**(2,840)**		**-22.0%**	**821**		**4.2%**	**(3,661)**	**445.9%**
Subsidiaries management	L	0		0.0%	0		0.0%	0	n/a
Finance expense	J	(585)		-4.5%	(324)		-1.6%	261	80.6%
Finance income	J	536	1	4.2%	372	1	1.9%	164	44.1%
Profit before tax		**(2,889)**		**-22.4%**	**869**		**4.4%**	**(3,758)**	**432.5%**
Income tax	K	(44)		-0.3%	(360)		-1.8%	(316)	-87.8%
Net profit (loss) of continuing operations before minority interest		**(2,933)**		**-22.8%**	**509**		**2.6%**	**(3,442)**	**n.s.**
Minority interest	O	**-**		**0.0%**	**-**		**0.0%**	**-**	**n/a**
Group net profit (loss) for period	O	**(2,933)**		**-22.8%**	**509**		**2.6%**	**(3,442)**	**n.s.**
Base earnings per share		**(0.083)**			**0.015**				
Diluted earnings per share		**(0.083)**			**0.015**				

Consolidated statement of comprehensive income

(€ '000)	1Q 2021	1Q 2020
Net profit (loss) before minority interest (A)	**(2,933)**	**509**
Other elements of the statement of comprehensive income		
Other comprehensive income to be reclassified to profit or loss insubsequent periods:		
Net profit/(loss) from Cash Flow Hedge	18	1
Tax effect	-	-
	18	1
Foreign balance sheets conversion difference	*(1,147)*	*1,344*
Exchange differences on equity investments in foreign companies	1,598	1,021
Tax effect	-	-
	1,598	*1,021*
After taxes net other comprehensive income to be reclassified to profit or loss in subsequent periods (B)	**469**	**2,366**
After taxes net other comprehensive income not being reclassified to profit or loss in subsequent periods (C)	**-**	**-**
Comprehensive net result (A+B+C)	**(2,464)**	**2,875**
Comprehensive minority interest	**-**	**-**
Comprehensive Group net profit (loss) for period	**(2,464)**	**2,875**

Consolidated statement of financial position

(€'000)	Notes	at March 31, 2021	*of which related parties*	at December 31, 2020	*of which related parties*
ASSETS					
Intangible assets	L a	87,045		86,775	
Property, Plant and equipment	L b	6,163		6,468	
Investments in other companies		538		533	
Deferred tax assets		7,508		7,478	
affiliates companies and other Group companies		60	60	57	57
Other non-current assets		623		661	
Total non-current assets	L	**101,937**		**101,972**	
Inventories		17,635		17,393	
Trade receivables		9,071	1	16,441	1
Income tax receivables		907		900	
Other current assets		1,951		1,665	
Other current financial assets		125	0	125	1
Cash & cash equivalents		40,725		41,222	
Total current assets		**70,414**		**77,746**	
Total assets		**172,351**		**179,718**	
LIABILITIES AND EQUITY					
Share capital		8,879		8,879	
Share premium reserve		136,400		136,400	
Other reserves		(28,850)		(26,415)	
Group shareholders' equity	O	**116,429**		**118,864**	
Equity attributable to minority interest	O	**-**		**-**	
Total shareholders' equity	O	**116,429**		**118,864**	
Medium-/long-term borrowing		21,790		23,874	
Employee benefit obligations		2,928		2,918	
Deferred tax liabilities		3,128		3,166	
Other non-current liabilities		1,003		1,342	
Total non-current liabilities		**28,849**		**31,300**	
Trade payables		10,411	32	10,647	345
Short-term borrowing		8,759		8,901	
Derivative instruments		63		81	
Income tax liabilities		332		810	
Other current liabilities		7,508		9,115	
Total current liabilities		**27,073**		**29,554**	
Total liabilities		**55,922**		**60,854**	
Total liabilities and equity		**172,351**		**179,718**	

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, 2020		**8,879**	**1,776**	**136,400**	**11,457**	**(39,574)**	**(81)**	**(640)**	**1,197**	**(682)**	**132**	**118,864**	**-**	**118,864**
2020 Result allocation		-	-	-	-	132	-	-	-	-	(132)	-	-	-
Profit (loss) as at March 31, 2021		-	-	-	-	-	-	-	-	-	(2,933)	(2,933)	-	(2,933)
Comprehensive other profit (loss):														
- Hedge transactions		-	-	-	-		18	-	-	-	-	18	-	18
- Actuarial gains/(losses) on defined benefit plans for employees		-	-	-	-	-	-	-	-	-	-	-	-	-
- Foreign balance sheets conversion difference		-	-	-	(1,147)	-			-	-	-	(1,147)	-	(1,147)
- Exchange differences on equity investments in foreign companies		-	-	-	-	-	-	-	1,598	-	-	1,598	-	1,598
Total Comprehensive result		**-**	**-**	**-**	**(1,147)**	**-**	**18**	**-**	**1,598**	**-**	**(2,933)**	**(2,464)**	**-**	**(2,464)**
- Performance Share Plan		-	-	-	-	29	-	-	-	-	-	29	-	29
Balance as at March 31, 2021	**O**	**8,879**	**1,776**	**136,400**	**10,310**	**(39,413)**	**(63)**	**(640)**	**2,795**	**(682)**	**(2,933)**	**116,429**	**-**	**116,429**

(€'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
Comprehensive other profit (loss):														
- 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	**O**	**8,879**	**1,776**	**136,400**	**15,568**	**(39,589)**	**(43)**	**(531)**	**5,671**	**(969)**	**509**	**127,671**	**-**	**127,671**

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 2021, breaking it down by due date and comparing it with the situation at 31 March 2020 and 31 December 2020:

(€'000)		at March 31, 2021	at December 31, 2020	at March 31, 2020
Cash & cash equivalents	A	(40,725)	(41,222)	(27,785)
Cash equivalent	**B=A**	**(40,725)**	**(41,222)**	**(27,785)**
Other current financial assets	C	(125)	(125)	(110)
Derivative instruments	D	63	81	43
Short-term borrowing	E	8,759	8,901	7,643
Short-term financial position	**F=C+D+E**	**8,697**	**8,857**	**7,576**
Short-term net financial position	**G=B+F**	**(32,028)**	**(32,365)**	**(20,209)**
Medium/long term borrowing	H	21,790	23,874	9,922
Medium-/long-term net financial position	**I=H**	**21,790**	**23,874**	**9,922**
(NET FINANCIAL POSITION) NET DEBT pursuant to CONSOB instructions	J=G+I	(10,238)	(8,491)	(10,287)
Medium/long term borrowing allowed to affiliates companies and other Group	K	(60)	(57)	(91)
(NET FINANCIAL POSITION) NET DEBT	L=J+K	(10,298)	(8,548)	(10,378)

These figures take into account the application, as from 1 January 2019, of the new standard IFRS 16 "Leases", which establishes a new method for recognising lease contracts (Right of Use) which must be recognised under financial liabilities.
The improvement in the net financial position compared to 31 December 2020 was due to the reduction in net working capital, which made it possible to generate cash in the quarter despite the results for the period.

Net working capital

The Group's net working capital as at 31 March 2021, compared with the situation at 31 March 2020 and 31 December 2020, is as follows:

(€'000)	at March 31, 2021 (b)	at December 31, 2020 (a)	at March 31, 2020	Changes (b-a)
Inventories	17,635	17,393	20,005	242
Trade receivables	9,071	16,441	13,175	(7,370)
Income tax receivables	907	900	140	7
Other current assets	1,951	1,665	2,293	286
Current assets	**29,564**	**36,399**	**35,613**	**(6,835)**
Trade payables	(10,411)	(10,647)	(10,788)	236
Income tax liabilities	(332)	(810)	(445)	478
Other current liabilities	(7,508)	(9,115)	(6,853)	1,607
Current liabilities	**(18,251)**	**(20,572)**	**(18,086)**	**2,321**
Net working capital	**11,313**	**15,827**	**17,527**	**(4,514)**

Cash flows

(€'000)		at March 31, 2021	at December 31, 2020	at March 31, 2020
Cash flow generated (used) in operations	A	2,610	3,388	(304)
Cash flow generated (used) in investment activities	B	(1,135)	(5,092)	(1,712)
Cash flow generated (absorbed) by financial assets	C	(2,208)	13,456	(1,196)
Net foreign exchange difference	D	236	(1,217)	310
Increases (decreases) in cash & cash equivalents	E=A+B+C+D	(497)	10,535	(2,902)
Opening amount in cash & cash equivalents		**41,222**	**30,687**	**30,687**
Cash & cash equivalents at end of period		**40,725**	**41,222**	**27,785**

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, 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 2021 are as follows:

Company name	Registered offices	Share capital	Group share
Parent company			
Eurotech S.p.A.	Via Fratelli Solari 3/A – Amaro (UD, Italy)	€ 8,878,946	
Subsidiaries consolidated line-by-line			
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)	€ 26,500,000	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)

(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.

Affiliates consolidated on equity basis		
Rotowi Technologies S.p.A. in liquidation (formerly U.T.R.I. S.p.A.)	Via del Follatolo, 12 – Trieste, Italy	21.31%

Other smaller companies valued at fair value		
Kairos Autonomi Inc.	Sandy – UT (USA)	19.00%
Interlogica S.r.l.	Mestre (VE)	10.00%

No changes took place with regard to subsidiaries and affiliates in the period as at 31 March 2021 compared with 31 December 2020.

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 2021	As of March 31, 2021	Average 2020	As of December 31, 2020	Average 3M 2020	As of March 31, 2020
British pound sterling	0.87393	0.85209	0.88970	0.89903	0.86225	0.88643
Japanese Yen	127.80571	129.91000	121.84576	126.49000	120.09734	118.90000
USA Dollar	1.20485	1.17250	1.14220	1.22710	1.10266	1.09560

C - Revenues

Revenues earned by the Group in the first quarter of 2021 amount to €12.88 million (€19.75 million in the first three months of 2020), a decrease of €6.87 million (34.8%) compared to the same period of last year. At constant exchange rates, the decrease would be 30.7%. The decrease mainly reflects the trend in order intake during the first half of 2020, which was decidedly lower than expected due to the effects of the Covid-19 pandemic. During the entire year 2020, orders collected were lower than expected and this, based on the cycle of converting orders into revenue, had an impact on the 2021 turnover.

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 of the business units by geographical area, the same can be further detailed as follows:

(€' 000)	North America			Europe			Asia			Correction, reversal and elimination			Total		
	1Q 2021	1Q 2020	% YoY Change	1Q 2021	1Q 2020	% YoY Change	1Q 2021	1Q 2020	% YoY Change	1Q 2021	1Q 2020	% YoY Change	1Q 2021	1Q 2020	% YoY Change
Third party Sales	5,093	9,259		3,279	4,507		4,508	5,986		0	0		12,880	19,752	
Infra-sector Sales	96	104		1,130	1,059		13	140		(1,239)	(1,303)		0	0	
Total Sales revenues	5,189	9,363	-44.6%	4,409	5,566	-20.8%	4,521	6,126	-26.2%	(1,239)	(1,303)	4.9%	12,880	19,752	-34.8%

All geographical areas experienced a reduction in the quarters under review.

The North American business area's revenues totalled €5.19 million in the first three months of 2021 compared with €9.36 million in the first three months of 2020, recording a decrease (-44.6% compared with 2020). The delay in the intake of orders in 2020 led to a reduction in turnover, which is expected to increase during the second half of the year due to the orders that the area has collected to date as a result of the recovery of the US economy.
The European business area also recorded a €1.16 million decrease in revenues, from €5.57 million in the first quarter of 2020 to €4.41 million in the first quarter of 2021. This reduction is due in particular to the lower turnover generated by one customer as the result of a Covid-related cancellation of a research project within the customer site which could not be replaced in the short term with other opportunities. This area continues to focus on opportunities in the transport sector, products linked to HPEC (High Performance Embedded Computer) technologies and the Industry 4.0 paradigm, which are expected to accelerate as a result of the funds made available at European level.
Finally, the Asian business area decreased by 26.2% from €6.13 million to €4.52 million, due to fluctuations in orders from its main local customers over the various quarters of the year.
With reference to the intake of orders in the first quarter of 2021 for the current year, the American area proved to be the most active one and therefore should show a recovery in the short term.

Revenues by customer geographical area

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

(€' 000)	1Q 2021	%	1Q 2020	%	% change
BREAKDOWN BY GEOGRAPHIC AREA					
European Union	2,316	18.0%	3,510	17.8%	-34.0%
United States	4,617	35.8%	8,991	45.5%	-48.6%
Japan	4,552	35.3%	5,988	30.3%	-24.0%
Other	1,395	10.8%	1,263	6.4%	10.5%
TOTAL SALES AND SERVICE REVENUES	**12,880**	**100.0%**	**19,752**	**100.0%**	**-34.8%**

With reference to the breakdown by customer's geographical area reported in the table, revenues in the US decreased by 48.6% but the incidence on total turnover in the first three months of 2021 confirmed this to be the most important area, representing 35.8% of total revenues.
The Japan area was confirmed as the second most important area in terms of customers with 35.3% despite a decrease of 24.0% compared to the first quarter of 2020.
In Europe, again with reference to customer location, turnover decreased by 34.0%, maintaining a constant incidence on the total turnover, which in 2021 was 18.0%.
The other geographical areas made up the remaining 10.8% of total turnover, increasing both in terms of absolute value and in percentage terms compared to the first three months of 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 €9.89 million in the first three months of 2020 to €6.44 million in the first three months of 2021. In the period under review there was thus a variation of €3.44 million (34.8%), in line with the decrease of turnover. The operating margin of the 2021 first quarter, in percentage, was the same as in the first quarter of 2020. The mix of products sold was therefore in line with that sold in the quarter of the previous year.

As a percentage of revenues, consumption of raw & auxiliary materials and consumables stood at 50.0% in the first three months of 2021 compared to 50.1% in the first three months of 2020.

E – Service costs

Net of non-recurring costs, the costs for services showed a reduction of €0.54 million, or 17.5%, from €3.11 million to €2.57 million and the percentage on revenues increased from 15.8% in the first three months of 2020 to 19.9% in the first three months of 2021.
The increase in costs for services was determined by non-recurring costs that amounted to €1.07 million and were related to the economic agreement resulting from the conclusion of the relationship between Eurotech S.p.a. and the former Chief Executive Officer.
The reduction in costs for services is due in part to the exchange rate differential, which accounted for €0.10 million and the rest by the reduction in variable costs due to the trend in turnover and lower travel costs incurred in the first quarter of 2021 compared to the same quarter of 2020.
The Group continued, even in this period of health emergency and uncertainties, to invest particularly on the business 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. The purpose of these investments is to support 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.

F – Payroll costs

Payroll costs went from €5.27 million (26.7% of revenues) to €4.98 million (38.6% of revenues) in the reporting period. At the end of the first quarter of 2021, although the number of employees increased by 1 compared to the end of 2020 and by 4 compared to the 320 employees at the end of the first quarter of 2020, the decrease of €0.29 million is due to the different exchange rate used for the translation of foreign quarterly statements (€0.22 million) and to the lower incidence of costs related to the performance share plan, the final economic effects of which will be completed within the first half of the year. Wages and Salaries in fact included €29 thousand relating to the pro-rata temporis portion of the cost of the Share Performance Plan in place (in the first quarter of 2020, the amount recorded under costs was €140 thousand).

The table below shows the number of Group employees:

EMPLOYEES	at March 31, 2021	at December 31, 2020	at March 31, 2020
Manager	10	9	8
Clerical workers	292	291	290
Line workers	22	23	22
TOTAL	**324**	**323**	**320**

G – Other provisions and costs

At 31 March 2021, this item included a provision for doubtful accounts of €5 thousand (€5 thousand in the first three months of 2020), and refers to provisions made to address any uncollectable receivables from customers.
In addition, a provision of €113 thousand was made against a tax recovery that is expected to be completed shortly. The incidence of the item other provisions and other costs on revenues increased both as a result of the increase in absolute value (€84 thousand) and as a result of the 2.2% decrease in turnover (first three months of 2020: 1.0%).

H – Other revenues

Other revenues shows an increase from €526 thousand in the first three months of 2020 to €799 thousand in the first three months of 2021.
Other revenues include the capitalisations of development costs for new solutions featuring highly integrated standard modules and systems for €784 thousand (€496 thousand in the first three months of 2020), miscellaneous income of €15 thousand (€30 thousand in the first three months of 2020).

I - Depreciation, amortisation and impairment

The value of amortisation, depreciation and impairment increased by €193 thousand, from €874 thousand in the first quarter of 2020 to €1.067 thousand in the first quarter of 2021. This item includes depreciation and amortisation of €314 thousand due to the application of IFRS 16 (€351 thousand in 2020).

J – Financial income and expenses

Financial expenses rose from €0.32 million for the first three months of 2020 to €0.58 million for the first three months of 2021. This increase is mainly attributable to higher 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 €164 thousand, from €0.37 million for the first three months of 2020 to €0.54 million for the first three months of 2021.

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

- foreign exchange losses: €0.45 million as at 31 March 2021 (3.5% as a percentage of revenues), compared with €0.22 million as at 31 March 2020 (1.1% as a percentage of revenues);
- foreign exchange gains: €0.54 million as at 31 March 2021 (4.2% as a percentage of revenues), compared with €0.37 million as at 31 March 2020 (1.9% as a percentage of revenues);
- miscellaneous interest expenses: €95 thousand as at 31 March 2021 (0.7% as a percentage of revenues), compared with €95 thousand as at 31 March 2020 (0.5% as a percentage of revenues).

€'000	1Q 2021	1Q 2020	change %
Exchange-rate losses	453	222	104.1%
Interest expenses	82	83	-1.2%
Interest expenses on lease liabilities	13	12	8.3%
Expenses on derivatives	14	7	100.0%
Other finance expenses	23	-	n/a
Financial charges	**585**	**324**	**80.6%**
Exchange-rate gains	536	366	46.4%
Interest income	2	5	-60.0%
Other finance income	(2)	1	-300.0%
Financial incomes	**536**	**372**	**44.1%**

K – Income taxes

Income taxes at 31 March 2021 were globally negative for €44 thousand (of which €63 thousand for current taxes and €19 thousand for net deferred tax assets), compared to the negative impact of €360 thousand at 31 March 2020 (of which €98 thousand for current taxes and €262 thousand for net deferred tax liabilities), recording a positive change of €316 thousand.

L – Non-current assets

The net reduction in non-current assets compared to 31 December 2020 amounted to €35 thousand. Net investments in property, plant and equipment and intangible assets of about €1.17 million are partially offset by depreciation and amortisation for €1.07 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 CONSTRUCTION & ADVANCES	TOTAL INTANGIBLE ASSETS
OPENING BALANCE (A)	**3,607**	**69,219**	**9,412**	**4,537**	**86,775**
Changes as at March 31, 2021					
- Purchases	-	-	114	898	1,012
- Amortisation and impairment in period (-)	(464)	-	(151)	-	(615)
- Other changes	2,006	36	528	(2,697)	(127)
Total changes (B)	**1,542**	**36**	**491**	**(1,799)**	**270**
CLOSING BALANCE (A+B)	**5,149**	**69,255**	**9,903**	**2,738**	**87,045**

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, 2021		at December 31, 2020	
Cash generating units	**Goodwill**	**Trademark with an indefinite useful life**	**Goodwill**	**Trademark with an indefinite useful life**
Advanet Inc.	42,927	8,152	44,088	8,372
Eurotech Inc. (ex Applied Data Systems e ex Arcom Inc.)	20,926	-	19,998	-
Eurotech Ltd. (ex Arcom Ltd.)	5,126	-	4,857	-
Eurotech France S.a.s.	186	-	186	-
Other	90	-	90	-
TOTAL	**69,255**	**8,152**	**69,219**	**8,372**

b – Property, plant and equipment

The table below shows their 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 CONSTRUCTION & ADVANCES	RIGHT OF USE ASSETS	TOTAL PROPERTY, PLANT & EQUIPMENT
OPENING BALANCE (A)	**2,094**	**227**	**412**	**718**	**33**	**2,984**	**6,468**
Changes as at March 31, 2021							
- Purchases	52	10	31	61	4	18	176
- Disposals	-	-	-	-	-	-	-
- Amortisation and impairment in period (-)	(15)	(10)	(45)	(64)	-	(318)	(452)
- Other changes	(1)	(2)	(7)	(4)	-	(15)	(29)
Total changes (B)	**36**	**(2)**	**(21)**	**(7)**	**4**	**(315)**	**(305)**
CLOSING BALANCE (A+B)	**2,130**	**225**	**391**	**711**	**37**	**2,669**	**6,163**

M – Net working capital

Net working capital decreased by €4.51 million, from €15.83 million at 31 December 2020 to €11.31 million of 31 March 2021; this performance is due to the different trend of the collection and payment flows, as is usually the case over the various quarters.
The negative change in current assets of €6.83 million is mainly due to the reduction in trade receivables of €7.37 million following the payments received and the lower turnover generated in the quarter, only partially offset by an increase in inventories of €0.24 million and in other current assets of €0.29 million.
The decrease in current liabilities was €2.32 million, and consisted of a reduction in both payables to suppliers for €0.24 million, income tax payables for €0.48 million and sundry payables for a total of €1.61 million.

N – Net financial position

The consolidated net financial position as at 31 March 2021 amounted to a net cash of €10.30 million, compared a net financial position with net cash of €8.55 million as at 31 December 2020. The figures shown include financial payables for rights of use, in application of the IFRS 16 accounting standard, amounting to €2.68 million, which added to the net financial position, result in a pre-IFRS16 net cash position of €12.98 million.
As regards liquidity, which amounted to €40.72 million, the change compared to the end of 2020 is the effect of its use to support current operations and collections received for trade receivables.
See also financial cash flows, as indicated on page 17.

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 2022.

O – Changes in equity

The share capital as at 31 March 2021 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 2021 amounted to €1.78 million.

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

The positive translation reserve of €10,31 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 €39,41 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 2020 results and to the booking of Eurotech's Performance Share Plan for the period described in a specific section of the 2020 Consolidated Financial Statements.

The cash flow hedge reserve, which includes cash flow hedge transactions pursuant to IAS 39, was negative for €63 thousand and decreased by €18 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 €2.79 thousand and increased by €1.60 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 128.020 treasury shares at the end of the reporting period. As at 31 December 2020 the number of treasury shares was 290,520 and the decrease by 162,500 is fully due to the allocation of shares following the Share Performance Plan as detailed in the consolidated financial statements as at 31 December 2020. At the date of preparation of this report, the treasury shares held were 89,920; their reduction is due to the most recent allocation of 38,100 shares to the beneficiaries of the Group.

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 Grou website www.eurotech.com on the page www.eurotech.com/it/news.

27/01/2021 Eurotech's BoltGATE 20-31 is granted the IoT Excellence Award 2020
16/02/2021 Eurotech awarded by Frost And Sullivan for its ability to create an ecosystem of partners to simplify the implementation of IoT
24/03/2021 Resignation of the Chief Executive Officer of Eurotech S.p.A., Roberto Siagri. The process for the change in leadership of Eurotech has begun

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

Q – Events after 31 March 2021

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):

02/04/2021 Advanet and NEC announce the joint development of two new ExpEther™ boards
06/04/2021 Eurotech announces a partnership with GlobalSign to improve the security of IoT projects with the certification of the integrity of the devices
08/04/2021 The Board of Directors appoints Paul Chawla as Chief Executive Officer of Eurotech S.p.A.. The company will propose a share-based incentive plan to the Shareholders' Meeting
08/04/2021 Eurotech announces the BoltCOR 32-18, a rugged, fanless and ventless 2U server for AI and GPU-accelerated Edge applications
08/04/2021 Eurotech announces the BoltCOR 10-31, a rugged, fanless system for Edge AI and Machine Vision applications
13/04/2021 Eurotech collaborates with Infineon Technologies, Microsoft and GlobalSign for an integrated "chain of trust" solution for the management of digital identities of the IoT devices
15/04/2021 Eurotech presents the BoltGATE 10-12, IoT Gateway and Edge computer for the automotive and railway sectors
22/04/2021 Eurotech announces the DynaCOR 40-36, a rugged HPEC system for 5G and AI applications in the transport sector
27/04/2021 Eurotech joins the O-RAN Alliance to accelerate the development and implementation of 5G applications and networks in the field
29/04/2021 Eurotech and Exosite announce a partnership to enable customers to continuously monitor assets in Industrial IoT applications

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 2020 Consolidated Financial Statements, in which the risks to which the Eurotech Group is exposed 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. 15519/2006, it should be noted that the consolidated quarterly report as at 31 March 2021 highlights non-recurring economic items, i.e. income items generated by events whose occurrence is non-recurring or by transactions or events that do not occur frequently in the ordinary course of business;
- 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 2021;
- at 31 March 2021, the company held 128,020 treasury shares for a total value of €301 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 2021	**290,520**	**73**	**0.80%**	**682**	**2.35**
Purchases	-	-	0.00%	-	
Sales	-	-	0.00%	-	
Assignment-Performance share Plan	(162,500)	(41)	-0.46%	(382)	2.35
Status as at 31 March 2021	**128,020**	**32**	**0.36%**	**301**	**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 2021

On behalf of the Board of Directors

Signed Paul Chawla
Chief Executive Officer

Declaration of the Financial Reporting Manager

Amaro, 14 May 2021

DECLARATION

PURSUANT TO ART. 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 2021 approved by the company's Board of Directors on 14 May 2021,

STATE

in compliance with the matters set forth under Article 154-*bis*, part IV, title III, chapter II, section V-*bis* of Legislative Decree no. 58 of 24 February 1998, to the best of my knowledge, the Consolidated Interim Management Statement as at 31 March 2021 corresponds to the accounting entries.

The Financial Reporting Manager
Signed Sandro Barazza

www.eurotech.com