consolidated interim management report

at 31 march 2023

AT 31 MARCH 2023

eurotech
UNLEASHING THE POWER OF THE EDGE

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

Date of issue: 15 May 2023
This report is available online
in the "Investors" section of
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

CONTENTS

Corporate Bodies **4**
Performance highlights **5**
Revenues by business line *6*
Summary of the results *6*
Information for shareholders **7**
The Eurotech Group **8**
Summary of performance in the first quarter of 2023 and business outlook **9**
Introduction *9*
Reporting policies *9*
Operating performance in the period *10*
Financial statements and explanatory notes **12**
Consolidated income statement *12*
Consolidated statement of comprehensive income *13*
Consolidated statement of financial position *14*
Consolidated statement of changes in shareholders' equity *15*
Net financial position *16*
Net working capital *16*
Cash flows *17*
A – Group business *18*
B – Scope of consolidation *18*
C – Revenues *19*
D – Costs of raw & ancillary materials and consumables used *21*
E – Costs for services *21*
F – Payroll costs *21*
G – Other provisions and costs *22*
H – Other revenues *22*
I – Depreciation, amortisation and impairment *22*
J – Financial income and expenses *23*
K – Income taxes *23*
L – Non-current assets *24*
M – Net working capital *25*
N – Net financial position *25*
O – Changes in shareholders' equity *26*
P – Significant events in the quarter *27*
Q – Events after 31 March 2023 ..... *27*
R – Risks and uncertainties *27*
S – Other information *27*
Statement of the Financial Reporting Manager **29**

Corporate Bodies

Board of Directors	
Chairperson	Luca di Giacomo
Deputy Chairperson	Aldo Fumagalli [1] [3]
Director	Paul Chawla
Director	Michela Costa [1] [2] [3] [4] [5]
Director	Marco Costaguta [1]
Director	Susanna Curti [1] [5]
Director	Alberta Gervasio [1]
Director	Simona Elena Pesce [1] [2] [3] [4] [5]
Director	Massimo Russo [1] [2] [4]

The Board of Directors currently in office was appointed by shareholders at the Annual General Meeting of 27 April 2023, and will remain in office until approval of the 2025 financial statements.

Board of Statutory Auditors	
Chairperson	Fabio Monti
Statutory Auditor	Laura Briganti
Statutory Auditor	Daniela Savi
Substitute Auditor	Clara Carbone
Substitute Auditor	Daniele Englaro

The Board of Statutory Auditors currently in office was appointed by shareholders at the Annual General Meeting of 27 April 2023, and will remain in office until approval of the 2025 financial statements.

Independent Auditor	
	Ernst & Young

The independent auditor was appointed for the period 2023-2031 by shareholders at the Annual General Meeting of 27 April 2023.

Corporate name and registered offices of the Parent Company	
	Eurotech S.p.A. Via Fratelli Solari 3/A 33020 Amaro (Udine), Italy Udine Company Register no. 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)		Q1 2023	%	Q1 2022	%	% change
OPERATING RESULTS						
SALES REVENUES		24,917	100.0%	17,429	100.0%	43.0%
GROSS PROFIT MARGIN	(*)	11,676	46.9%	7,131	40.9%	63.7%
EBITDA	(**)	1,603	6.4%	(997)	-5.7%	260.8%
EBIT	(***)	374	1.5%	(2,175)	-12.5%	117.2%
PROFIT (LOSS) BEFORE TAXES		189	0.8%	(2,416)	-13.9%	107.8%
GROUP NET PROFIT (LOSS) FOR THE PERIOD		143	0.6%	(2,381)	-13.7%	106.0%

(*) **Gross profit margin** 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.

Statement of financial position data

€'000	at March 31, 2023	at December 31, 2022	at March 31, 2022
BALANCE SHEET AND FINANCIAL HIGHLIGHTS			
NET NON-CURRENT ASSETS	105,454	107,513	99,165
NET WORKING CAPITAL	21,917	19,944	13,870
NET INVESTED CAPITAL*	121,027	120,936	105,786
SHAREHOLDERS' EQUITY	104,503	106,515	106,945
NET FINANCIAL POSITION	16,524	14,421	(1,159)

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

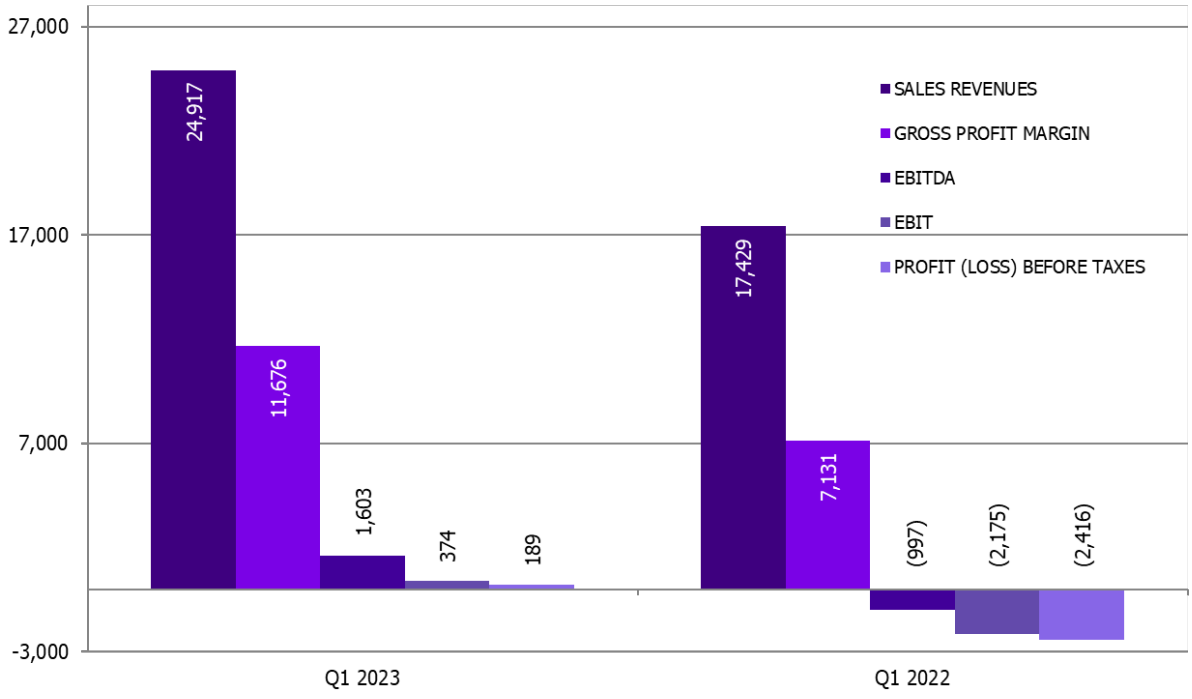
Number of employees

	at March 31, 2023	at December 31, 2022	at March 31, 2022
EMPLOYEES	397	398	319

Revenues by business line

The Group's only business line is the "NanoPC" line, which comprises a) miniaturised electronic modules and systems for the industrial automation, transport and off-road, medical, networks and energy, telecommunications sectors; b) Industrial PCs (IPC); c) Edge gateways, Edge-computers, Edge AI appliances and software platforms for the Internet of Things.

Summary of the results



Information for shareholders

The ordinary shares of Eurotech S.p.A., the Parent Company of the Eurotech Group since 30 November 2005, have been listed in the Euronext Star Milan segment of the Euronext Milan market organised and managed by Borsa Italiana S.p.A.

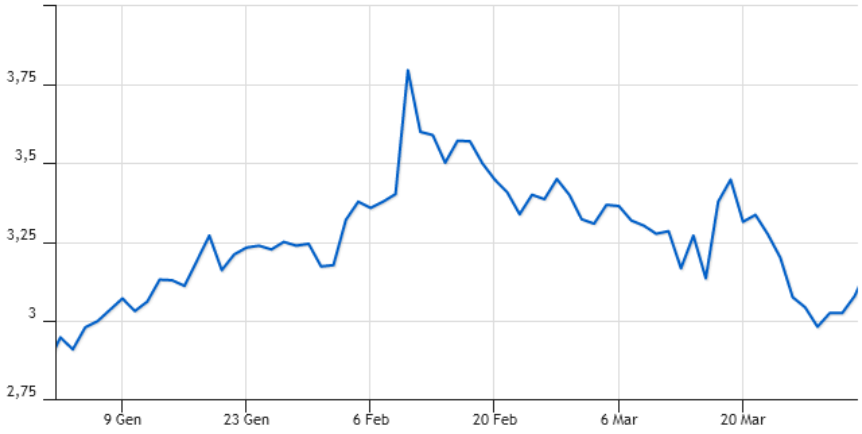
Share capital of Eurotech S.p.A. as at 31 March 2023

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. ordinary treasury shares	255,606
Stock market capitalisation (based on the share's average price in March 2023)	€109 million
Stock market capitalisation (based on the share's price at 31 March 2023)	€109 million

Performance of Eurotech S.p.A. shares

Relative performance EUROTECH S.p.A.
01.01.2023 – 31.03.2023

The line chart shows the share's performance based on daily reference 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 offices in Europe, North America and Japan, led and coordinated by its headquarters in Italy.

Eurotech has a long tradition of more than 30 years in the design and implementation of embedded computers for special applications, where the ability of computers to withstand hostile environments and the need for continuous and uninterrupted operations are determinant variables. This is a market niche characterised by high value and low volumes that over the years has allowed the company to maintain a gross profit above the sector average.
Over 10 years ago, with a visionary intuition, Eurotech understood that the technological paradigm was changing and it pioneered an evolutionary path towards Edge Computing and Industrial IoT, with significant investments in software integrated with hardware, focusing on the open-source approach.
Today, the result of that vision and those investments is a technological positioning among the leaders in the reference market, confirmed both by the awards received and by the mentions in the reports of sector analysts, including Gartner's prestigious Magic Quadrant for Industrial IoT Platforms, where in 2022 we are present for the fourth year in a row.
The factors that characterise Eurotech in the Industrial IoT sector are the following:

- Eurotech technology resolves the conflict between Operational Technology (OT) and Information Technology (IT) at the Edge, thanks to integrated solutions that combine hardware and software; this conflict is unanimously recognised as the number one obstacle to the execution of IoT projects by companies;
- leveraging its DNA and knowledge of the protocols on the OT side, Eurotech implemented a Plug & Play connectivity to field assets, which speeds up implementation times and reduces costs;
- thanks to relations with the big players in the IT sector such as Microsoft, Amazon, Red Hat, Eurotech is able to provide certified connectivity to all major cloud platforms, reducing integration time and risks to almost zero in a typical IoT project where these platforms are used;
- Eurotech's connection and integration technology was conceived and implemented by adopting the best Cybersecurity solutions and is certified according to the most recent international standards (IEC 62443-4-1 e IEC 62443-4-2).

Today, the Group's offering is modular, featuring different levels of hardware and software integration and it is structured as follows:

- embedded PCs in the form of boards and subsystems, which represent Eurotech's historical offering and are purely hardware products with only the integrated operating system;
- Industrial PCs (IPC), which are the main offering of InoNet Computer GmbH, the German subsidiary acquired in September 2022;
- Edge gateways, i.e. devices that enable communication between assets operating in the field and data platforms in the cloud, both public and private;
- Edge computers, i.e. rugged computing units located in the field, close to the assets and dedicated to local processing of the data they generate;
- Edge AI appliances, i.e. systems with integrated high-performance hardware and software to securely and remotely process Artificial Intelligence algorithms directly in the field, eliminating unnecessary and costly data transfers to centralised servers;
- software for the integration of Operational Technology and Information Technology: the "Everyware Software Framework" (ESF) edge framework on the OT side and the "Everyware Cloud" (EC) integration platform on the IT side;

The sectors in which the Group has historically developed most of its turnover are industry and transport, followed by the medical sector. More recently, the new offer of integrated hardware and software for industrial IoT applications has also made it possible to enter new sectors, such as energy. From a strategic point of view, the Group's current choice is to focus on four vertical markets combining larger size and higher growth rates in the next years: industrial automation, transport & offroad, medical, renewable energies & networks for energy-gas-water.

Summary of performance in the first quarter of 2023 and business outlook

Introduction

The interim management statement of the Eurotech Group as at 31 March 2023, which has not been independently audited, and the financial 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 2023 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 2023 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 2022, to which express reference is made, except for the adoption of new standards, amendments and interpretations in force as of 1 January 2023.

The calculation of taxes was carried out on the basis of the best possible estimate that can currently be carried out, also taking into consideration the tax benefit of tax-losses carried forward based on the expected results for the end of the year. 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 figures at 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 explanatory notes required the use of estimates and assumptions, with particular reference to provisions for impairment 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 impairment of fixed 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

The first quarter totalled a growth of 43.0% compared to the same period in 2022 (+45.6% at constant exchange rates). Of the total turnover generated in the first three months of the year, the contribution of the German company InoNet Computer GmbH ("InoNet"), acquired in September 2022, was €3.86 million; consequently, organic growth on a like-for-like basis, stood at 20.8% (+23.0% at constant exchange rates).

Total **consolidated revenues** for the quarter were €24.92 million, compared to €17.43 million in the three months of 2022. InoNet's revenues contribution in the period corresponds to 15.5% of the total turnover.

Although some difficulties remain in the procurement of particular electronic components, the non-delivery of planned orders was limited to less than €1 million, versus €3,5 million during the first quarter of 2022. This result is the effect of the 12- to 18- months planning done already at the end of 2021 with the main suppliers to secure as much as possible the electronic components deemed most at risk based on customer forecasts. Today we are witnessing a reduction in the delivery time of components that, for some items, are made available earlier than the initial planned delivery, which has the effect of temporarily accumulating stock in our inventory.

Although purchase prices have not returned to the level of two years ago, the ad-hoc negotiations entered into last year, also paying premium prices that had led to lower margins, were decidedly reduced, as the improvement in the gross profit margin demonstrates.

In fact, the first margin, as a percentage of turnover, on a like-for-like basis increased to 47.7% compared to 40.9% in the first quarter of 2022. With the integration of InoNet, which still operates with lower – albeit growing – margins, the overall **gross profit** stood at 46.9% of turnover.

In the three months under review, **operating costs** before adjustments amounted to €10.81 million, compared to €8.85 million in the first three months of 2022. The main effect (80% of the change) is due to the consolidation of InoNet and therefore the contribution of related costs, while the remainder is the effect of higher personnel costs and costs for services increased to support the Group's go-to market strategy.

EBITDA amounted to €1.60 million (6.4% of revenues), compared to €-0.99 million in 2022 (-5.7% of revenues).

EBIT, i.e. the operating result for the year, remained positive for €0.37 million (1.5% of revenues), compared to €-2.17 million in 2022 (-12.5% of revenues). In addition to the above, this performance also reflects the depreciation and amortisation recognised in the income statement in the first three months of 2022, deriving from operating assets becoming subject to depreciation and amortisation at the start of the year.

Finance expense was negative for €0.18 million in the first three months of 2023, while in the first three months of 2022 it was negative for €0.24 million. For greater detail, please refer to the comments made in Explanatory Note "J".

In terms of the Group's **net result**, the first quarter reported €0.14 million (0.6% of revenues), against €-2.38 million in the same period of 2022 (-13.9% of revenues).

As at 31 March 2023, the Group had a **net financial debt** of €16.5 million, compared to an amount of €14.4 million at 31 December 2022. The non-reduction in the net financial debt was mainly due to the €1.9 million increase in **net working capital**, which amounted to €21.9 million as at 31 March 2023, compared to €19.9 million as at 31 December 2022. The growth in working capital is mainly linked to the dynamics of purchases of components to maximise production from the existing order book. The ratio of net working capital to pro-forma revenues for the last 12 rolling months, i.e. considering the potential contribution of InoNet, stood at around 21%, in line with management's objectives.

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	Q1 2023 (b)	of which related parties	%	Q1 2022 (a)	of which related parties	%	change (b-a) amount	change (b-a) %
Sales revenue	C	24,917	2	100.0%	17,429	9	100.0%	7,488	43.0%
Cost of material	D	(13,241)		-53.1%	(10,298)		-59.1%	2,943	28.6%
Gross profit		**11,676**		**46.9%**	**7,131**		**40.9%**	**4,545**	**63.7%**
Services costs	E	(3,668)	(157)	-14.7%	(3,341)	(751)	-19.2%	327	9.8%
Lease & hire costs		(215)		-0.9%	(95)		-0.5%	120	126.3%
Payroll costs	F	(6,715)		-26.9%	(5,172)		-29.7%	1,543	29.8%
Other provisions and costs	G	(217)		-0.9%	(239)		-1.4%	(22)	-9.2%
Other revenues	H	742		3.0%	719		4.1%	23	3.2%
EBITDA		**1,603**		**6.4%**	**(997)**		**-5.7%**	**2,600**	**-260.8%**
Depreciation & Amortization	I	(1,229)		-4.9%	(1,178)		-6.8%	51	4.3%
EBIT		**374**		**1.5%**	**(2,175)**		**-12.5%**	**2,549**	**-117.2%**
Finance expense	J	(1,058)		-4.2%	(579)		-3.3%	479	82.7%
Finance income	J	873	-	3.5%	338	1	1.9%	535	158.3%
Profit before tax		**189**		**0.8%**	**(2,416)**		**-13.9%**	**2,605**	**-107.8%**
Income tax	K	(46)		-0.2%	35		0.2%	81	-231.4%
Net profit (loss) of continuing operations before minority interest		**143**		**0.6%**	**(2,381)**		**-13.7%**	**2,524**	**-106.0%**
Minority interest	**O**	**-**		**0.0%**	**-**		**0.0%**	**-**	**n/a**
Group net profit (loss) for period	**O**	**143**		**0.6%**	**(2,381)**		**-13.7%**	**2,524**	**-106.0%**
Base earnings per share		**0.004**			**(0.195)**				
Diluted earnings per share		**0.004**			**(0.195)**				

Consolidated statement of comprehensive income

(€ '000)	Q1 2023	Q1 2022
Net profit (loss) before minority interest (A)	**143**	**(2,381)**
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	(23)	74
Tax effect	-	-
	(23)	74
Foreign balance sheets conversion difference	*(1,688)*	*(1,986)*
Exchange differences on equity method	-	-
Exchange differences on equity investments in foreign companies	(1,148)	714
Tax effect	-	-
	(1,148)	*714*
After taxes net other comprehensive income to be reclassified to profit or loss in subsequent periods (B)	**(2,859)**	**(1,198)**
Items not to be reclassified to profit or loss in subsequent periods:		
Actuarial gains/(losses) on defined benefit plans for employees	-	-
Tax effect	-	-
	-	-
After taxes net other comprehensive income not being reclassified to profit or loss in subsequent periods (C)	**-**	**-**
Comprehensive net result (A+B+C)	**(2,716)**	**(3,579)**
Comprehensive minority interest	**-**	**-**
Comprehensive Group net profit (loss) for period	**(2,716)**	**(3,579)**

Consolidated statement of financial position

(€'000)	Notes	at March 31, 2023	*of which related parties*	at December 31, 2022	*of which related parties*
Intangible assets	L a	91,841		93,620	
Property, Plant and equipment	L b	7,236		7,425	
Investments in other companies		546		549	
Deferred tax assets		5,229		5,301	
Medium/long term borrowing allowed to affiliates companies and other Group companies		65	65	66	66
Other non-current assets		537		552	
Total non-current assets	**L**	**105,454**		**107,513**	
Inventories		29,676		26,854	
Trade receivables		15,590	1	19,906	8
Income tax receivables		1,559		749	
Other current assets		2,933		2,274	
Other current financial assets		136		139	3
Derivative instruments		182		205	
Cash & cash equivalents		16,053		18,110	
Total current assets		**66,129**		**68,237**	
Non-current assets classified as held for sale		**-**		**-**	
Total assets		**171,583**		**175,750**	
LIABILITIES AND EQUITY					
Share capital		8,879		8,879	
Share premium reserve		136,400		136,400	
Other reserves		(40,776)		(38,764)	
Group shareholders' equity	**O**	**104,503**		**106,515**	
Equity attributable to minority interest	**O**	**-**		**-**	
Total shareholders' equity	**O**	**104,503**		**106,515**	
Medium-/long-term borrowing		17,222		15,785	
Employee benefit obligations		2,501		2,504	
Deferred tax liabilities		2,847		2,952	
Other non-current liabilities		931		999	
Business combination liabilities		900		900	
Total non-current liabilities		**24,401**		**23,140**	
Trade payables		17,812	228	19,780	117
Short-term borrowing		14,838		16,256	
Income tax liabilities		1,601		1,449	
Other current liabilities		8,428		8,610	
Total current liabilities		**42,679**		**46,095**	
Total liabilities		**67,080**		**69,235**	
Total liabilities and equity		**171,583**		**175,750**	

Consolidated statement of changes in shareholders' 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, 2022		**8,879**	**1,776**	**136,400**	**5,998**	**(49,878)**	**205**	**(445)**	**5,829**	**(703)**	**(1,546)**	**106,515**	**-**	**106,515**
2022 Result allocation		-	-	-	-	(1,546)	-	-	-	-	1,546	-	-	-
Profit (loss) as at March 31, 2023		-	-	-	-	-	-	-	-	-	143	143	-	143
Comprehensive other profit (loss):														
- Hedge transactions		-	-	-	-		(23)	-	-	-	-	(23)	-	(23)
- Actuarial gains/(losses) on defined benefit plans for employees		-	-	-	-	-	-	-	-	-	-	-	-	-
- Foreign balance sheets conversion difference		-	-	-	(1,688)	-			-	-	-	(1,688)	-	(1,688)
- Exchange differences on equity investments in foreign companies		-	-	-	-	580	-	-	(1,148)	-	-	(568)	-	(568)
Total Comprehensive result		**-**	**-**	**-**	**(1,688)**	**580**	**(23)**	**-**	**(1,148)**	**-**	**143**	**(2,136)**	**-**	**(2,136)**
- Performance Share Plan		-	-	-	-	124	-	-	-	-	-	124	-	124
Balance as at March 31, 2023	**O**	**8,879**	**1,776**	**136,400**	**4,310**	**(50,720)**	**182**	**(445)**	**4,681**	**(703)**	**143**	**104,503**	**-**	**104,503**

(€'000)	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, 2021	**8,879**	**1,776**	**136,400**	**10,284**	**(39,731)**	**(6)**	**(621)**	**4,074**	**(211)**	**(10,408)**	**110,436**	**-**	**110,436**
2021 Result allocation	-	-	-	-	(10,408)	-	-	-	-	10,408	-	-	-
Profit (loss) as at March 31, 2022	-	-	-	-	-	-	-	-	-	(2,381)	(2,381)	-	(2,381)
Comprehensive other profit (loss):													
- Hedge transactions	-	-	-	-		74	-	-	-	-	74	-	74
- Actuarial gains/(losses) on defined benefit plans for employees	-	-	-	-	-	-	-	-	-	-	-	-	-
- Foreign balance sheets conversion difference	-	-	-	(1,986)	-			-	-	-	(1,986)	-	(1,986)
- Exchange differences on equity investments in foreign companies	-	-	-	-	-	-	-	714	-	-	714	-	714
Total Comprehensive result	**-**	**-**	**-**	**(1,986)**	**-**	**74**	**-**	**714**	**-**	**(2,381)**	**(3,579)**	**-**	**(3,579)**
- Performance Share Plan	-	-	-	-	88	-	-	-	-	-	88	-	88
Balance as at March 31, 2022	**8,879**	**1,776**	**136,400**	**8,298**	**(50,051)**	**68**	**(621)**	**4,788**	**(211)**	**(2,381)**	**106,945**	**-**	**106,945**

Net financial position

The table below shows the composition of the Group's net financial position as at 31 March 2023, compared to the similar position as at 31 March 2022 and 31 December 2022, calculated as defined by CONSOB notice no. 5/21 of 29 April 2021, which refers to the Guidelines of the European Securities and Markets Authority (ESMA), issued on 15 July 2020 and effective from 5 May 2021.

(€'000)		at March 31, 2023	at December 31, 2022	at March 31, 2022
Cash	A	(16,053)	(18,110)	(24,343)
Cash equivalents	B	-	-	-
Other current financial assets	C	(318)	(344)	(123)
Cash equivalent	**D=A+B+C**	**(16,371)**	**(18,454)**	**(24,466)**
Current financial debt	E	2,241	2,241	90
Current portion of non-current financial debt	F	12,597	14,015	7,739
Short-term financial position	**G=E+F**	**14,838**	**16,256**	**7,829**
Short-term net financial position	**H=G+D**	**(1,533)**	**(2,198)**	**(16,637)**
Non current financial debt	I	17,222	15,785	15,542
Debt instrument	J	-	-	-
Trade payables and other non-current payables	K	900	900	-
Medium-/long-term net financial position	**L=I+J+K**	**18,122**	**16,685**	**15,542**
(NET FINANCIAL POSITION) NET DEBT ESMA	**M=H+L**	**16,589**	**14,487**	**(1,095)**
Medium/long term borrowing allowed to affiliates companies and other Group companies	N	(65)	(66)	(64)
(NET FINANCIAL POSITION) NET DEBT	**O=M+N**	**16,524**	**14,421**	**(1,159)**

The consolidated net financial position as at 31 March 2023 amounted to a net financial debt of €16.52 million, compared to a net financial debt of €14.42 million as at 31 December 2022. With reference to liquidity, which amounted to €16.05 million, in the period in question €0.4 million was used for operating cash, €1.01 million was used for investments and €0.20 million for repayment of loans.

Net working capital

The Group’s net working capital as at 31 March 2023, compared with the situation as at 31 March 2022 and 31 December 2022, is as follows:

(€'000)	at March 31, 2023 (b)	at December 31, 2022 (a)	at March 31, 2022	Changes (b-a)
Inventories	29,676	26,854	20,420	2,822
Trade receivables	15,590	19,906	12,179	(4,316)
Income tax receivables	1,559	749	870	810
Other current assets	2,933	2,274	2,869	659
Current assets	**49,758**	**49,783**	**36,338**	**(25)**
Trade payables	(17,812)	(19,780)	(15,149)	1,968
Income tax liabilities	(1,601)	(1,449)	(334)	(152)
Other current liabilities	(8,428)	(8,610)	(6,985)	182
Current liabilities	**(27,841)**	**(29,839)**	**(22,468)**	**1,998**
Net working capital	**21,917**	**19,944**	**13,870**	**1,973**

Cash flows

(€'000)		at March 31, 2023	at December 31, 2022	at March 31, 2022
Cash flow generated (used) in operations	A	(363)	(1,608)	(4,913)
Cash flow generated (used) in investment activities	B	(1,084)	(13,396)	(460)
Cash flow generated (absorbed) by financial assets	C	(201)	1,605	(2,068)
Net foreign exchange difference	D	(409)	(195)	80
Increases (decreases) in cash & cash equivalents	E=A+B+C+D	(2,057)	(13,594)	(7,361)
Opening amount in cash & cash equivalents		**18,110**	**31,704**	**31,704**
Cash & cash equivalents at end of period		**16,053**	**18,110**	**24,343**

A – Group business

Eurotech is a Group that has historically been active in the research, development and marketing of miniaturised computers for special applications, characterised by adverse operating conditions and/or a demand for high reliability. Over the last ten years Eurotech evolved its offering towards solutions with integrated hardware and software for the Internet of Things, consisting of intelligent devices (Edge gateways, Edge servers, Edge AI) and a software platform for connectivity and integration with the cloud, both public and private.
The Group's activities are represented in a single sector (called "NanoPC") which consists of: a) embedded computing modules and systems for industrial, transport, medical, energy and grids; b) Industrial PCs (IPC); c) Edge computers featuring low power consumption and high performances, to be used both in Internet of Things (IoT) solutions and to create applications where Artificial Intelligence (AI) algorithms are used; d) software frameworks and platforms for IoT applications.

Activity in this line is carried out by Eurotech S.p.A., which mainly operates in Europe, Eurotech Inc. (USA), which mainly operates in the US, Eurotech Ltd (U.K.), which mainly operates in the UK, InoNet computer GmbH, which mainly operates in Germany, and Advanet Inc. (Japan), which mainly operates in Japan. Our products are marketed under the trademarks Eurotech, Dynatem, Advanet e InoNet.

B – Scope of consolidation

The companies included in the scope of consolidation on a line-by-line basis as at 31 March 2023 are as follows:

Company name	Registered offices	Share capital	Group share
Parent company			
Eurotech S.p.A.	Via Fratelli Solari 3/A – Amaro (Udine, Italy)	€ 8,878,946	
Subsidiaries consolidated line-by-line			
Aurora S.r.l.	Via Fratelli Solari 3/A – Amaro (Udine, Italy)	€ 10,000	100.00%
EthLab S.r.l.	Via Dante, 300 – Pergine Valsugana (TN)	€ 115,000	100.00%
Eurotech Inc.	Columbia – MD (USA)	USD 26,500,000	100.00%
Eurotech Ltd.	Cambridge (UK)	GBP 33,333	100.00%
E-Tech USA Inc.	Columbia – MD (USA)	USD 8,000,000	100.00%
Eurotech France S.A.S.	Vénissieux (France)	€ 795,522	100.00%
I.P.S. Sistemi Programmabili S.r.l. in liquidation	Via Piave, 54 – Caronno Varesino (VA)	€ 51,480	100.00%
InoNet Computer GmbH	Taufkirchen (Germany)	€ 250,000	100.00%
Advanet Inc.	Okayama (Japan)	JPY 72,440,000	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 at equity		
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 2023 compared with 31 December 2022.

The exchange rates used to translate 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 2023	As of March 31, 2023	Average 12M 2022	As of December 31, 2022	Average 3M 2022	As of March 31, 2022
British pound sterling	0.88309	0.87920	0.85276	0.88693	0.83641	0.84595
Japanese Yen	141.98062	144.83000	138.02739	140.66000	130.46359	135.17000
USA Dollar	1.07301	1.08750	1.05305	1.06660	1.12168	1.11010

C – Revenues

Revenues earned by the Group in the first quarter of 2023 amounted to €24.92 million (€17.43 million in the first three months of 2022), an increase of €7.49 million (43.0%) compared to the same period of last year. At constant exchange rates, total turnover would show an increase of 45.6%, while organic growth alone was 23.0%. The increase is the result of both the orders collected last year and the change in the scope of consolidation due to the inclusion of InoNet for the entire 2023 period.

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		
	Q1 2023	Q1 2022	% YoY Change	Q1 2023	Q1 2022	% YoY Change	Q1 2023	Q1 2022	% YoY Change	Q1 2023	Q1 2022	% YoY Change	Q1 2023	Q1 2022	% YoY Change
Third party Sales	9,625	6,889		8,871	3,410		6,421	7,130		0	0		24,917	17,429	
Infra-sector Sales	33	334		1,506	1,228		0	9		(1,539)	(1,571)		0	0	
Total Sales revenues	9,658	7,223	33.7%	10,377	4,638	123.7%	6,421	7,139	-10.1%	(1,539)	(1,571)	2.0%	24,917	17,429	43.0%

The North American business area's revenues totalled €9.66 million in the first 3 months of 2023 versus €7.22 million in the first 3 months of 2022, reporting an increase of 33.7%. This growth is due to the orders collected in 2022 mainly from consolidated customers. In 2023, as also in 2022, revenues in the American area are affected by a high concentration of turnover on a small number of long-standing customers.
In the European business area, there was a strong increase in turnover due to both the organic growth and the consolidation of InoNet. The total increase was 123.7%, from €4.64 million in the first quarter of 2022 to €10.38 million in the first quarter of 2023. Net of InoNet, turnover would have grown by 37.9%. The area continues to focus on opportunities related to the transport sector and the emerging energy transformation sector, as well as products related to High Performance Edge Computing technologies for enabling Artificial Intelligence.
Finally, the Asian business area decreased by 10.1% from €7.14 million to €6.42 million, due to the fluctuation of orders from its main local customers over the different quarters of the year, maintaining a positive outlook for the coming quarters.

Revenues by customer geographical area

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

(€' 000) BREAKDOWN BY GEOGRAPHIC AREA	Q1 2023	%	Q1 2022	%	% change
European Union	8,101	32.5%	2,623	15.0%	208.8%
United States	9,204	36.9%	6,493	37.3%	41.8%
Japan	6,402	25.7%	7,086	40.7%	-9.7%
Other	1,210	4.9%	1,227	7.0%	-1.4%
TOTAL SALES AND SERVICE REVENUES	**24,917**	**100.0%**	**17,429**	**100.0%**	**43.0%**

With reference to the values by geographic area of the customer reported in the table, the revenues of the US area increased by 41.8% and the area's incidence on the total turnover for the first three months of 2023 was 36.9%.

As regards the Europe area, again referring to the location of customers, the level of turnover increased by 208.8% due to the turnover contributed by the recently acquired German company, whose turnover is mainly directed at the German market. As a percentage of total turnover, this amounted to 32.5%.
Revenues from the Japanese region decreased by 9.7% compared to the first quarter of 2022 and accounted for 25.7% of total turnover.
The other geographic areas completed the remaining 4.9% of total sales, with a decrease in both absolute value and percentage terms compared to the first three months of 2022.

D – Costs of raw & ancillary materials and consumables used

Costs of raw & ancillary materials and consumables used, which are closely related to turnover, show a less than proportional growth in the periods being considered compared to revenues, increasing from €10.30 million in the first three months of 2022 to €13.24 million in the first three months of 2023. In the period under review there was thus a variation of €2.94 million (28.6%). Compared to the same period of last year, lower extra costs of components (PPV) were accounted for, which last year, even though they were being charged back to customers, had a dilutive effect on the percentage margin, which was thus lower than the standard values recorded historically.

As a percentage of revenues, consumption of raw & ancillary materials and consumables stood at 46.9% in the first three months of 2023 compared to 40.9% in the first three months of 2022. Compared to 2022, the consolidation of InoNet also negatively affected total margins due to a lower first-margin level than that characteristic of Eurotech.

E – Costs for services

Costs for services increased by €0.33 million in the quarters in comparison, equal to 9.8%, from €3.34 million to €3.67 million and the percentage of revenues went from 19.2% in the first three months of 2022 to 14.7% in the first three months of 2023.
This increase in costs for services is due for 71.8% to the change in the scope of consolidation and is only marginally related to higher production costs and ancillary costs linked to the activation of the new company strategy.
In addition, the Group continued to invest particularly on the business line of IoT software platforms for industrial applications in addition to developments linked to the Edge Computers product 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 in the sector, including those proposed by manufacturers of electronic components..

F – Payroll costs

Payroll costs rose from €5.17 million (29.7% of revenues) to €6.72 million (26.9% of revenues) in the reporting period. The increase of €1.54 million is due to the higher costs deriving from the different scope of consolidation (€1.24 million), the higher average cost of wages and, to a marginal extent, to

the higher incidence of costs associated with the various share performance plans. Wages and Salaries in fact included €124 thousand relating to the pro-rata temporis portion of the cost of the Share Performance Plan in place (in the first quarter of 2022, the amount recorded under costs was €88 thousand).
At the end of March 2023, the number of employees decreased by 1 unit compared to the end of 2022, while it rose by 78 units compared to March 2022 due to the effect of both the 74 units brought in by InoNet and the 4 units resulting from new hires, which, however, are still lower than the number planned for the entire year 2023.

The table below shows the number of Group employees:

EMPLOYEES	at March 31, 2023	at December 31, 2022	at March 31, 2022
Manager	11	11	9
Clerical workers	324	325	288
Line workers	62	62	22
TOTAL	**397**	**398**	**319**

G – Other provisions and costs

As at 31 March 2023, this item included a provision for doubtful accounts of €15 thousand (€5 thousand in the first three months of 2022), and refers to provisions made to address any non-collectable receivables from customers.
The ratio of the item other provisions and costs to revenues decreased both in absolute amount (€22 thousand) and as a result of the increase in revenues i.e. 0.9% (first three months of 2022: 1.4%).

H – Other revenues

The other revenues item shows a slight increase from €719 thousand in the first three months of 2022 to €742 thousand in the first three months of 2023.
Other revenues include the capitalisations of development costs for new solutions featuring highly integrated standard modules and systems for €706 thousand (€675 thousand in the first quarter of 2022) and miscellaneous income for €36 thousand (€44 thousand in the first three months of 2022).

I – Depreciation, amortisation and impairment

Depreciation, amortisation and impairment increased by €51 thousand, from €1,178 thousand in the first quarter of 2022 to €1,229 thousand in the first quarter of 2023. This item includes depreciation and amortisation of €331 thousand due to the application of IFRS 16 (€303 thousand in 2022).

J – Financial income and expenses

Financial expenses increased by Euro 0.48 million compared to the period under comparison. There was not only an increase in exchange losses, but also higher interest expenses on loans due to higher interest rates.

Financial income, again due to exchange rates, increased by €0.53 thousand from €0.34 million in the first three months of 2022 to €0.97 million in the first three months of 2023.

The absolute value and percentage of revenues relating to the main components of the financial income and expenses item were as follows:

- foreign exchange losses: €0.84 million as at 31 March 2023 (3.4% as a percentage of revenues) compared to €0.48 million as at 31 March 2022 (2.8% as a percentage of revenues);
- foreign exchange gains: €0.85 million as at 31 March 2023 (3.4% as a percentage of revenues), compared with €0.34 million as at 31 March 2022 (1.9% as a percentage of revenues);
- miscellaneous interest expenses: €221 thousand as at 31 March 2023 (0.9% as a percentage of revenues) compared to €72 thousand as at 31 March 2022 (0.4% as a percentage of revenues).

€'000	Q1 2023	Q1 2022	change %
Exchange-rate losses	837	482	73.7%
Interest expenses	195	63	209.5%
Interest expenses on lease liabilities	26	9	188.9%
Expenses on derivatives	-	7	n/a
Other finance expenses	-	18	n/a
Financial charges	**1,058**	**579**	**82.7%**
Exchange-rate gains	850	338	151.5%
Interest income	3	-	n/a
Gain on derivatives	20	-	n/a
Financial incomes	**873**	**338**	**158.3%**

K – Income taxes

Income taxes as at 31 March 2023 were globally negative for €46 thousand (of which €76 thousand for current taxes and €31 thousand for net deferred tax assets), compared to the positive impact of €35 thousand as at 31 March 2022 (of which €11 thousand for current taxes and €46 thousand for net deferred tax assets), recording a negative change of €81 thousand.

L – Non-current assets

The net decrease in non-current assets compared to 31 December 2022 amounted to €2.06 million and was mainly due to changes in the exchange rates of property, plant and equipment and intangible assets, which generated a negative effect of €1.85 million.
Net investments in property, plant and equipment and intangible assets amounted to €0.37 million and were partly offset by amortisation and depreciation of €1.23 million.

a – Intangible assets

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

(€ '000)	DEVELOPMENT COSTS	GOODWILL	SOFTWARE TRADEMARKS PATENTS	ASSETS UNDER CONSTRUCTION & ADVANCES	TOTAL INTANGIBLE ASSETS
OPENING BALANCE (A)	**6,259**	**75,771**	**8,803**	**2,787**	**93,620**
Changes as at March 31, 2023					
- Purchases	41	-	39	700	780
- Amortisation and impairment in period (-)	(636)	-	(112)	-	(748)
- Other changes	143	(1,539)	(244)	(171)	(1,811)
Total changes (B)	**(452)**	**(1,539)**	**(317)**	**529**	**(1,779)**
CLOSING BALANCE (A+B)	**5,807**	**74,232**	**8,486**	**3,316**	**91,841**

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, 2023		at December 31, 2022	
Cash generating units	**Goodwill**	**Trademark with an indefinite useful life**	**Goodwill**	**Trademark with an indefinite useful life**
Advanet Inc.	38,505	7,312	39,647	7,529
Inonet Computer Gmbh	8,113	-	8,113	-
Eurotech Inc. (ex Applied Data Systems e ex Arcom Inc.)	22,557	-	22,997	-
Eurotech Ltd. (ex Arcom Ltd.)	4,967	-	4,924	-
Other	90	-	90	-
TOTAL	**74,232**	**7,312**	**75,771**	**7,529**

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)	**1,635**	**362**	**273**	**483**	**-**	**4,672**	**7,425**
Changes as at March 31, 2023							
- Purchases	9	32	41	36	2	269	389
- Disposals	-	-	-	-	-	(61)	(61)
- Amortisation and impairment in period (-)	(15)	(23)	(43)	(64)	-	(336)	(481)
- Other changes	(1)	15	8	11	53	(122)	(36)
Total changes (B)	**(7)**	**24**	**6**	**(17)**	**55**	**(250)**	**(189)**
CLOSING BALANCE (A+B)	**1,628**	**386**	**279**	**466**	**55**	**4,422**	**7,236**

M – Net working capital

Net working capital increased by €1.98 million, from €19.94 million as at 31 December 2022 to €21.92 million as at 31 March 2023; this performance is due to the different trend of the collection and payment flows, as is usually the case over the various quarters.
Current assets decreased slightly by €25 thousand mainly due to the increase in inventories of €2.82 million as well as the increase in other current assets of €1.47 million and the decrease in trade receivables of €4.32 million.
The decrease in current liabilities is much greater than the decrease in current assets and amounted to €2.00 million, mainly with a decrease in trade payables of €1.97 million and a reduction in other current liabilities for a total of €0.03 million.

N – Net financial position

Consolidated net financial debt as at 31 March 2023 amounted to €16.52 million compared to €14.42 million as at 31 December 2022. The figures shown include financial liabilities for rights of use, in application of the IFRS 16 accounting standard, amounting to €4.65 million, which when subtracted from the net financial debt give a pre-IFRS16 debt of €11.87 million.
With reference to liquidity, which amounted to €16.05 million, in the period under review, as shown in the cash flow statement, operating cash was used in the amount of €0.4 million, while €1.08 million was used for investments and €0.2 million for the repayment of loans.
The trend in cash flows from operations is the result of the use of cash to support current operations and is due to the expected trends mainly due to the decrease in inventories, there should be an improvement in the coming quarters.
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 2024.

O – Changes in shareholders' equity

The share capital as at 31 March 2023 was made up of 35,515,784 ordinary shares, wholly subscribed and paid in, with no nominal value.

The balance of the Issuer's legal reserve as at 31 March 2023 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 €4,31 million was generated by inclusion in the interim management statement of the statements of financial position and the income statements of US subsidiaries Eurotech Inc. and E-Tech USA Inc., UK subsidiary Eurotech Ltd. and Japanese subsidiary Advanet Inc.

The "other reserves" item was negative for €50.72 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 2022 result, to the reclassification of the exchange difference reserve, the booking of the Eurotech's Performance Share Plans for the period described in a specific section of the 2022 Consolidated Financial Statements.

The cash flow hedge reserve, which includes cash flow hedge transactions pursuant to IAS 39, was positive for €182 thousand and decreased by €23 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 €4.68 thousand and decreased by €1.15 million gross of the related tax effect, not yet recorded due to the absence of the prerequisites.

Treasury shares held by the parent company Eurotech S.p.A. at the end of the period totalled 255,606, the same number as at 31 December 2022.

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's website www.eurotech.com (Investors/news section):

11/01/2023 Eurotech back in the IoT elite: included in Gartner's Magic Quadrant for Industrial IoT platforms
09/02/2023 Eurotech improves its position as a "Best in Class" company in the PAC report on open source platforms for Industrial IoT
14/02/2023 Eurotech's DynaCOR 40-36 wins the "Best in Show" award at Embedded World 2023
14/03/2023 Liquidity at Silicon Valley Bank transferred to the new Silicon Valley Bridge Bank N.A.
15/03/2023 Shareholders' agreement concerning Eurotech
15/03/2023 Eurotech announces a new range of AI edge systems compliant with the IEC 62443 cybersecurity standard

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

Q – Events after 31 March 2023

There are no significant events after 31 March.

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 2022 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. DEM/6064296 of 28 July 2006, there were no atypical and/or unusual transactions carried out in the first quarter of 2023;
- as at 31 March 2023 the company held 255,606 treasury shares for a total value of €211 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 2023	**255,606**	**64**	**0.72%**	**703**	**2.75**
Purchases	-	-	0.00%	-	
Sales	-	-	0.00%	-	
Assignment-Performance share Plan	-	-	0.00%	-	
Status as at 31 March 2023	**255,606**	**64**	**0.72%**	**703**	**2.75**

- pursuant to CONSOB Communication no. DEM/11070007 of 5 August 2011, relating to disclosure in financial reports of the exposure of listed companies to sovereign debt, note that the Group does not hold sovereign debt securities;
- 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 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. Therefore, it 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, 15 May 2023

On behalf of the Board of Directors

Signed by Mr. Paul Chawla
Chief Executive Officer

Statement of the Financial Reporting Manager

Amaro, 15 May 2023

S T A T E M E N T

PURSUANT TO ART. 154-*BIS*, PARAGRAPH 2 – PART IV, TITLE III, CHAPTER II, SECTION V-BIS OF ITALIAN LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998: "CONSOLIDATED ACT ON MEASURES RELATING TO FINANCIAL INTERMEDIATION PURSUANT TO ARTICLES 8 AND 21 OF ITALIAN 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 2023 approved by the company's Board of Directors on 15 May 2023,

S T A T E

in compliance with the matters set forth under Article 154-*bis*, part IV, title III, chapter II, section V-*bis* of Italian Legislative Decree no. 58 of 24 February 1998, to the best of my knowledge, the Consolidated Interim Management Statement as at 31 March 2023 corresponds to the accounting entries.

The Financial Reporting Manager
Signed by Sandro Barazza

eurotech.com