consolidated interim management report

at 30 september 2024

AT 30 SEPTEMBER 2024

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.

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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	
Chairperson	Luca di Giacomo
Deputy Chairperson	Aldo Fumagalli [1] [3]
Director	Davide Albino Carando [1]
Director	Paul Chawla
Director	Michela Costa [1] [2] [3] [4] [5]
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 supplemented by the Annual General Meeting of 15 October 2024 with reference to the appointment of Director Davide Albino Carando; 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 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

3rd Q 2024	%	3rd Q 2023	%	% change	(€'000)		9M 2024	%	9M 2023	%	% change
					OPERATING RESULTS						
13,734	100.0%	22,112	100.0%	-37.9%	SALES REVENUES		42,995	100.0%	70,007	100.0%	-38.6%
7,731	56.3%	10,787	48.8%	-28.3%	GROSS PROFIT MARGIN	(*)	22,271	51.8%	33,085	47.3%	-32.7%
(183)	-1.3%	1,101	5.0%	-116.6%	EBITDA ADJ	(****)	(3,264)	-7.6%	3,799	5.4%	-185.9%
(581)	-4.2%	0	0.0%	n/a	Non recurring costs		(990)	-2.3%	0	0.0%	n/a
(764)	-5.6%	1,101	5.0%	-169.4%	EBITDA	(**)	(4,254)	-9.9%	3,799	5.4%	212.0%
(1,841)	-13.4%	(521)	-2.4%	253.4%	EBIT	(***)	(7,679)	-17.9%	(508)	-0.7%	-1411.6%
(2,232)	-16.3%	25	0.1%	n.s	PROFIT (LOSS) BEFORE TAXES		(7,805)	-18.2%	(163)	-0.2%	-4688.3%
(2,392)	-17.4%	(292)	-1.3%	n.s	GROUP NET PROFIT (LOSS) FOR THE PERIOD		(7,903)	-18.4%	(1,231)	-1.8%	-542.0%

(*) **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.

(****) **ADJ. EBITDA** is an intermediate figure, determined gross of non-recurring costs and revenues, before amortisation, depreciation and impairment of fixed assets, financial income and expenses, valuations of affiliates at equity 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.

Statement of financial position data

€'000	at September 30, 2024	at December 31, 2023	at September 30, 2023
BALANCE SHEET AND FINANCIAL HIGHLIGHTS			
NET NON-CURRENT ASSETS	97,036	98,717	102,892
NET WORKING CAPITAL	18,955	23,852	22,489
NET INVESTED CAPITAL*	109,504	115,888	117,139
SHAREHOLDERS' EQUITY	88,509	95,319	99,112
NET FINANCIAL POSITION	20,995	20,569	18,027

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

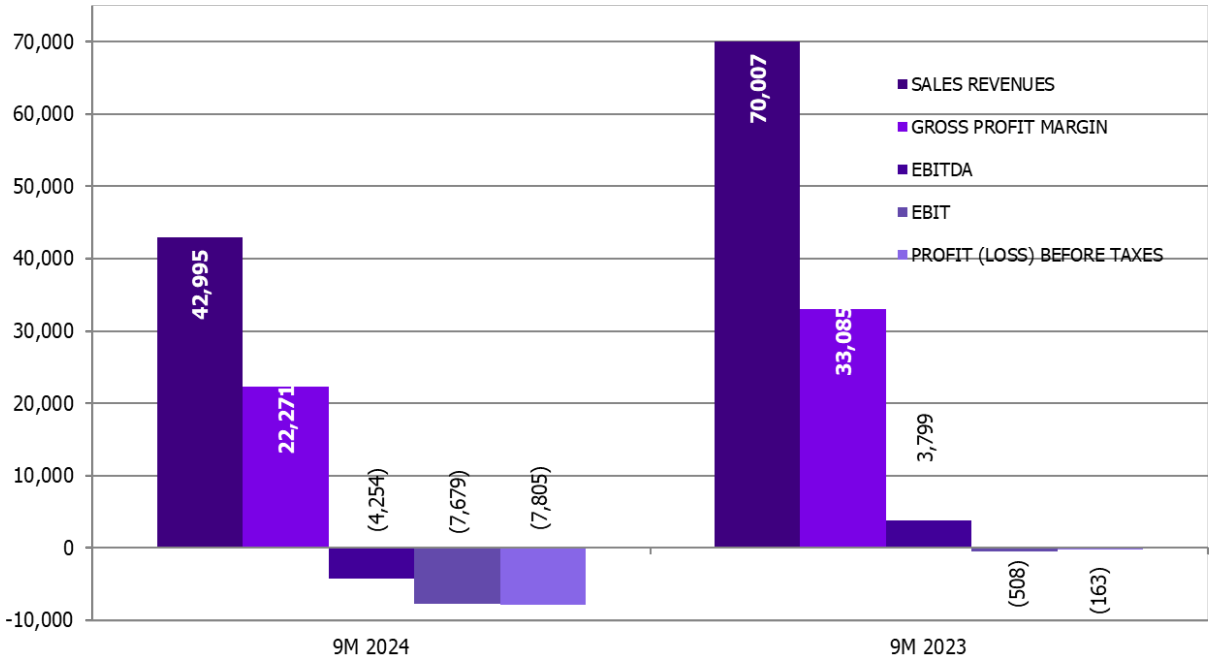
Number of employees

	at September 30, 2024	at December 31, 2023	at September 30, 2023
EMPLOYEES	374	393	393

Revenues by business line

The Group's only business line is 'Modules and Platforms', which consists of: a) modules and embedded electronic computing systems for the industrial, transport, medical, energy and water-light-gas distribution networks; b) low-power, high-performance Edge Computers for use in the Internet of Things (IoT) environment and for realising applications that make use of Artificial Intelligence (AI) algorithms; c) frameworks and software platforms for IoT applications.

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. at 30 September 2024

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	240,606
Stock market capitalisation (based on the share's average price in September 2024)	€37 million
Stock market capitalisation (based on the share's reference price at 30 September 2024)	€36 million

Performance of Eurotech S.p.A. shares

Relative performance EUROTECH S.p.A.
01.01.2024 – 30.09.2024

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 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.
For the past three years, Eurotech has been on an accelerating path toward Edge Computing and Industrial IoT, with major investments in its open-source software integrated with edge hardware, and in the differentiating OT cybersecurity certifications that characterize its portfolio. As a result, the historical embedded computer business is being conducted in a "run for cash" manner.
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 2024 we were present for the fifth 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 and IBM, 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 AND 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 PC (IPC), which represent the main offering of InoNet Computer GmbH, the German subsidiary acquired in September 2022;
- Edge gateways, i.e. devices with hardware and software integrated that enable communication between assets operating in the field and data platforms in the cloud, both public and private;
- Edge server, 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. high-performance systems with integrated hardware and software to safely and remotely process AI 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 future years: industrial automation, transport & offroad, medical, renewable energies & networks for energy-gas-water.

Summary of performance in the third quarter of 2024 and business outlook

Introduction

The interim management report of the Eurotech Group at 30 September 2024, which has not been independently audited, and the statements for comparative periods were drawn up according to the IAS/IFRS standards issued by the International Accounting Board and endorsed by the European Union.

The Group's results at 30 September 2024 and comparable periods were prepared according to the IAS/IFRS standards 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 the accounts at 30 September 2024 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 at 31 December 2023, to which express reference is made, except for the adoption of new standards, amendments and interpretations in force as of 1 January 2024.

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;
- **ADJ. EBITDA** is an intermediate figure, determined gross of non-recurring costs and revenues, before amortisation, depreciation and impairment of non-current assets, financial income and expenses, valuations of affiliates at equity 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;
- **EBITDA**, or earnings before amortisation, depreciation and impairment of non-current assets, the valuation of affiliates at equity, financial income and expenses and income taxes for the period;
- **EBIT**, or earnings before the valuation of affiliates at equity, financial income and expenses and income taxes for the period.

Operating performance in the period

Turnover of the first nine months of 2024 was €43.00 million compared to €70.01 million for the first nine months of 2023. The decrease at constant exchange rates is 37.2%, while at historical exchange rates the increase is 38.6%. This decrease is the consequence of both the market situation involving the Japanese and German subsidiaries in particular and the termination of business with a major customer in the American area.
The business area that mostly suffered a decrease in turnover was the traditional embedded business particularly as a result of the significant reduction in the US and for destocking of the historical customers in Japan.
As a result of this, turnover in the Edge AIoT business became the most significant. In fact, the contribution percentage of the Edge AIoT business in the first nine months is 59.8 percent of total revenue in the nine months of 2024, while it covered 39 percent of total revenue in the nine months of 2023.
In terms of absolute values, the Edge AIoT business did not grow from the previous year as a result of slowdowns in orders in Germany due to the crisis in the automotive and industrial sectors.

With reference to the **breakdown of revenues by geographical area** of the Group's activities, Europe is the most significant region after the inclusion of InoNet in the scope of consolidation, and accounts for 60.6% of the Group's revenue (in the nine months of 2023 it was 42.8%); despite a decrease of 13.1% in absolute value in the periods being compared; second place belongs to the Japanese area, which due to a 40.7% decline has limited its contribution to 24.7% of total revenues (in the nine months of 2023 it was 25.6%); in third place is the U.S. area that due to the lag between the phase-out of the legacy embedded business and the phase-in of new projects in the Edge AIoT area in engrained for only 14.6% of total revenue (in the nine months of 2023 it was 31.6%) with a 71.5% reduction in the area's revenue.

Gross profit in the period totalled €22.27 million, accounting for 51.8% of the turnover, well up compared to 47.3% in the first nine months of 2023. Compared to the first half of the year there is an improvement due to the effect of the product mix, which, however, will not remain constant in the last quarter of the year, consequently bringing the margin back to around 50%. The improvement in the first margin is the result of several factors: the normalization of component prices, which with few exceptions have not had value spikes, from the mix of products sold and the activities carried out, both on the purchase and sales sides, to increase product margins compared to the recent past.

Operating costs gross of adjustments and net of non-recurring costs (only accounted in 2024) amounted to €28.50 million in the first nine months of 2024, compared to €31.95 million in the first nine months of 2023. The decrease is the effect of actions taken at the end of 2023 regarding the reorganization in the United States and those cost containment actions implemented during 2024 that will continue next year.
At historical exchange rates, a total decrease of 10.8% is shown, which is limited to 9.2% when compared at constant exchange rates.

The **non-recurring costs**, only accounted in 2024, amounted to €0.99 million are related to the Group's reorganization activities and mainly concern one-time personnel costs related to the reduction of the workforce, some service costs incurred to facilitate and speed up this reorganization as well as financial optimization costs completed in September.

Adjusted EBITDA amounted to -€3.26 million (-7.6% of revenues) in the first nine months, compared to €3.80 million (5.4% of revenues) in 2023. Considering only the non-recurring costs of 2024, **EBITDA** for the first nine months of 2024 amounted to -€4.25 million; on the other hand, there is no change with reference to the first nine months of 2023 as there are no non-recurring costs.

Adjusted EBIT of the first nine months, i.e. the operating result for the period net of non-recurring costs and the effects arising as depreciation and amortization from the accounting of the "purchase price allocation" related to the business combination of InoNet Computer GmbH, was -€6.46 million (-15.0% of revenues), compared to -€0.19 million in 2023 (-0.3% of revenues). In addition to the above, this performance also reflects the depreciation and amortisation recognised in the income statement in the first nine months of 2024, deriving from operating assets becoming subject to depreciation and amortisation in that same period.
The effects of accounting for the "purchase price allocation" related to the business combination of InoNet Computer GmbH resulted in amortization on the higher values attributed to intangible assets (customer list and trademark) of €0.22 million in the first nine months of 2024 while it had been €0.32 million in the first nine months of 2023.
Operating income (**EBIT**) including both nonrecurring costs and amortization of the "purchase price allocation" amounted to -€7.68 million in the nine months of 2024 while it was -€0.51 million in the same period of 2023.

Financial management in the first nine months of 2024 was negative for €126 thousand, while it was positive for €345 thousand in the first nine months of 2023. For greater detail, please refer to the comments made in the Explanatory Note "J".

In terms of the Group's **net result**, the figure for the first nine months was -€7.90 million (-18.4% of revenues), while it was -€1.23 million in the same period of 2023 (-1.8% of revenues).

At 30 September 2024, the Group had a **net financial debt** of €21.00 million, compared to a net debt of €20.57 million at 31 December 2023. The higher debt is the effect of investments made, partially offset by the net repayment of loans payable and net of a payment of €2.5 million received from the relative majority shareholder Emera S.r.l. on account of future capital increase. **Net working capital** amounted to €18.96 million at 30 September 2024, compared to €23.85 million at 31 December 2023. The decrease in working capital is related both to the trend in collections and payments and to the trend in inventories required to generate turnover in the fourth quarter. It should be noted, however, that the values of both net working capital and net financial debt improved compared to the values recorded at the end of June. The ratio of net working capital to pro forma turnover for the last 12 rolling months stood at 28.4%.

With reference to the trend in the third quarter alone, turnover amounted to €13.73 million, down 37.9% compared to the same period last year (-37.4% at constant exchange rates). This decrease is the result of the reduction in traditional embedded business recorded in both the American and Japanese areas, and in part also the contraction of business in the German area.
The gross profit of the third quarter rose to 56.3% of turnover as a result of a one-time sale of high-margin products and services, while net of that sale the margin would remain around 50%, which is a value in line with the historical margin of the Eurotech Group and also with the one expected in the full year 2024. The improvement of percentage margin, net of what has just been indicated, in any case reflects an improvement over Q3 2023 of 120 bps that is the combined effect of 3 factors: 1)

better product mix; 2) actions taken at the supply chain level; and 3) improvement actions relative to InoNet's first margin.
Third-quarter recurring operating costs are down from both the average of previous individual quarters and the point in time quarters, and further reductions will be seen in future quarters as a result of actions already put in place. In fact, operating costs in the third quarter amounted to €9.38 million compared to the average of the previous quarters of €10.06 million with a reduction of 6.8%.
Despite the actions taken at the cost level, the level of sales was not sufficient to reach a breakeven at the EBITDA ADJ level, which was negative for -€0.18 million, with a -1.3% impact on sales. EBITDA including nonrecurring costs, which amounted to €0.58 million in the quarter, amounted to -€0.76 million a ratio of -5.6% to sales.

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	9M 2024 (b)	of which non recurrent	of which related parties	%	9M 2023 (a)	of which related parties	%	change (b-a) amount	change (b-a) %
Sales revenue	C	42,995		3	100.0%	70,007	5	100.0%	(27,012)	-38.6%
Cost of material	D	(20,724)			-48.2%	(36,922)		-52.7%	(16,198)	-43.9%
Gross profit		**22,271**			**51.8%**	**33,085**		**47.3%**	**(10,814)**	**-32.7%**
Services costs	E	(10,037)	(548)	(576)	-23.3%	(11,009)	(465)	-15.7%	(972)	-8.8%
Lease & hire costs		(684)			-1.6%	(599)		-0.9%	85	14.2%
Payroll costs	F	(18,005)	(395)		-41.9%	(19,461)		-27.8%	(1,456)	-7.5%
Other provisions and costs	G	(768)	(47)		-1.8%	(880)		-1.3%	(112)	-12.7%
Other revenues	H	2,969			6.9%	2,663		3.8%	306	11.5%
- of which non recurrent						0				
EBITDA		**(4,254)**	**(990)**		**-9.9%**	**3,799**		**5.4%**	**(8,053)**	**212.0%**
Depreciation & Amortization	I	(3,321)			-7.7%	(4,307)		-6.2%	(986)	-22.9%
Asset impairment	I	(104)			-0.2%	0		0.0%	104	n/a
EBIT		**(7,679)**	**(990)**		**-17.9%**	**(508)**		**-0.7%**	**(7,171)**	**n.s.**
Finance expense	J	(2,043)			-4.8%	(2,145)		-3.1%	(102)	-4.8%
Finance income	J	1,917			4.5%	2,490		3.6%	(573)	-23.0%
Profit before tax		**(7,805)**	**(990)**		**-18.2%**	**(163)**		**-0.2%**	**(7,642)**	**n.s.**
Income tax	K	(98)			-0.2%	(1,068)		-1.5%	(970)	-90.8%
Net profit (loss) of continuing operations before minority interest		**(7,903)**	**(990)**		**-18.4%**	**(1,231)**		**-1.8%**	**(6,672)**	**n.s.**
Minority interest	**O**	**-**			**0.0%**	**-**		**0.0%**	**-**	**n/a**
Group net profit (loss) for period	**O**	**(7,903)**	**(990)**		**-18.4%**	**(1,231)**		**-1.8%**	**(6,672)**	**n.s.**
Base earnings per share		**(0.224)**				**(0.035)**				
Diluted earnings per share		**(0.224)**				**(0.035)**				

(€ '000)	3rd Qtr 2024	of which non recurrent	%	3rd Qtr 2023	of which non recurrent	%
Sales revenue	13,734		100%	22,112		100%
Cost of material	(6,003)		-43.7%	(11,325)		-51.2%
Gross profit	**7,731**		**56.3%**	**10,787**		**48.8%**
Services costs	(3,113)	(432)	-22.7%	(3,602)		-16.3%
Lease & hire costs	(210)		-1.5%	(213)		-1.0%
Payroll costs	(5,739)	(213)	-41.8%	(6,409)		-29.0%
Other provisions and costs	(169)	64	-1.2%	(349)		-1.6%
Other revenues	885		6.4%	887		4.0%
- of which non recurrent			0.0%			0.0%
EBITDA	**(615)**		**-4.5%**	**1,101**		**5.0%**
Depreciation & Amortization	(1,058)		-7.7%	(1,622)		-7.3%
Asset impairment	(19)		-0.1%	0		0.0%
EBIT	**(1,692)**		**-12.3%**	**(521)**		**-2.4%**
Finance expense	(640)		-4.7%	(735)		-3.3%
Finance income	249		1.8%	1,281		5.8%
Profit before tax	**(2,083)**		**-15.2%**	**25**		**0.1%**
Income tax	(160)		-1.2%	(317)		-1.4%
Net profit (loss) of continuing operations before minority interest	**(2,243)**		**-16.3%**	**(292)**		**-1.3%**
Minority interest	**0**		**0.0%**	**0**		**0.0%**
Group net profit (loss) for period	**(2,392)**		**-17.4%**	**(292)**		**-1.3%**

Consolidated statement of comprehensive income

(€ '000)	9M 2024	9M 2023
Net profit (loss) before minority interest (A)	**(7,903)**	**(1,231)**
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	(58)	(57)
Foreign balance sheets conversion difference	*(1,040)*	*(5,804)*
Exchange differences on equity investments in foreign companies	(500)	(655)
After taxes net other comprehensive income to be reclassified to profit or loss in subsequent periods (B)	**(1,598)**	**(6,516)**
After taxes net other comprehensive income not being reclassified to profit or loss in subsequent periods (C)	-	-
Comprehensive net result (A+B+C)	**(9,501)**	**(7,747)**
Comprehensive minority interest	-	-
Comprehensive Group net profit (loss) for period	**(9,501)**	**(7,747)**

Consolidated statement of financial position

(€'000)	Notes	at September 30, 2024	*of which related parties*	at December 31, 2023	*of which related parties*
ASSETS					
Intangible assets	L a	85,235		85,827	
Property, Plant and equipment	L b	6,640		7,185	
Investments in affiliate companies		4		4	
Investments in other companies		143		544	
Deferred tax assets		4,528		4,655	
Other non-current assets		486		502	
Total non-current assets	**L**	**97,036**		**98,717**	
Inventories		20,568		21,887	
Trade receivables		11,007	-	19,883	1
Income tax receivables		1,480		1,206	
Other current assets		1,436		2,151	
Other current financial assets		115		143	
Derivative instruments		44		102	
Cash & cash equivalents		7,155		11,428	
Total current assets		**41,805**		**56,800**	
Total assets		**138,841**		**155,517**	
LIABILITIES AND EQUITY					
Share capital		8,879		8,879	
Share premium reserve		136,400		136,400	
Other reserves		(56,770)		(49,960)	
Group shareholders' equity	**O**	**88,509**		**95,319**	
Equity attributable to minority interest	**O**	**-**		**-**	
Total shareholders' equity	**O**	**88,509**		**95,319**	
Medium-/long-term borrowing		17,699		13,481	
Employee benefit obligations		2,401		2,382	
Deferred tax liabilities		3,173		3,400	
Other non-current liabilities		913		899	
Business combination liabilities		-		740	
Total non-current liabilities		**24,186**		**20,902**	
Trade payables		8,408	331	11,668	137
Short-term borrowing		10,406		18,021	
Income tax liabilities		594		1,779	
Other current liabilities		6,534		7,701	
Business combination liabilities		204		-	
Total current liabilities		**26,146**		**39,296**	
Total liabilities		**50,332**		**60,198**	
Total liabilities and equity		**138,841**		**155,517**	

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 shareholder s' equity	Equity attributable to Minority interest	Total shareholder s' equity
Balance as at December 31, 2023		**8,879**	**1,776**	**136,400**	**375**	**(51,270)**	**102**	**(543)**	**3,380**	**(662)**	**(3,118)**	**95,319**	**-**	**95,319**
2023 Result allocation		-	-	-	-	(3,118)	-	-	-	-	3,118	-	-	-
Profit (loss) as at September 30, 2024		-	-	-	-	-	-	-	-	-	(7,903)	(7,903)	-	(7,903)
Comprehensive other profit (loss):														
- Hedge transactions	30	-	-	-	-		(58)	-	-	-	-	(58)	-	(58)
- Actuarial gains/(losses) on defined benefit plans for employees		-	-	-	-		-	-	-		-	-	-	-
- Foreign balance sheets conversion difference		-	-	-	(1,040)	-			-	-	-	(1,040)	-	(1,040)
- Exchange differences on equity investments in foreign companies		-	-	-	-		-	-	(500)	-	-	(500)	-	(500)
Total Comprehensive result		**-**	**-**	**-**	**(1,040)**	**-**	**(58)**	**-**	**(500)**	**-**	**(7,903)**	**(9,501)**	**-**	**(9,501)**
- Performance Share Plan	31	-	-	-	-	191	-	-	-	-	-	191	-	191
- Future capital increase payment					-	2,500	-			-		2,500		2,500
Balance as at September 30, 2024		**8,879**	**1,776**	**136,400**	**(665)**	**(51,697)**	**44**	**(543)**	**2,880**	**(662)**	**(7,903)**	**88,509**	**-**	**88,509**

(€'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 shareholder s' equity	Equity attributable to Minority interest	Total shareholder s' equity
Balance as at December 31, 2022(*)	**8,879**	**1,776**	**136,400**	**5,998**	**(49,878)**	**205**	**(445)**	**5,829**	**(703)**	**(1,619)**	**106,442**	**-**	**106,442**
2022 Result allocation	-	-	-	-	(1,619)	-	-	-	-	1,619	-	-	-
Profit (loss) as at December 31, 2023	-	-	-	-	-	-	-	-	-	(1,231)	(1,231)	-	(1,231)
Comprehensive other profit (loss):													
- Hedge transactions	-	-	-	-		(57)	-	-	-	-	(57)	-	(57)
- Actuarial gains/(losses) on defined benefit plans for employees	-	-	-	-	(41)	-	-	-	41	-	-	-	-
- Foreign balance sheets conversion difference	-	-	-	(5,804)	-			-	-	-	(5,804)	-	(5,804)
- Exchange differences on equity investments in foreign companies	-	-	-	-	-	-	-	(655)	-	-	(655)	-	(655)
Total Comprehensive result	**-**	**-**	**-**	**(5,804)**	**(41)**	**(57)**	**-**	**(655)**	**41**	**(1,231)**	**(7,747)**	**-**	**(7,747)**
- Performance Share Plan	-	-	-	-	344	-	-	-	-	-	344	-	344
- Other changes and transfers				-	-	-			-		-		-
Balance as at December 31, 2023	**8,879**	**1,776**	**136,400**	**194**	**(51,194)**	**148**	**(445)**	**5,174**	**(662)**	**(1,231)**	**99,039**	**-**	**99,039**

(*) Restated due to the final Purchase Price Allocation of InoNet. Effect on Shareholders' Equity is Euro 73 thousand

Net financial position

The table below shows the composition of the Group's net financial position at 30 September 2024, compared to those at 30 September 2023 and 31 December 2023, 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 September 30, 2024	at December 31, 2023	at September 30, 2023
Cash	A	7,155	11,428	12,416
Cash equivalents	B	-	-	-
Other current financial assets	C	159	245	291
Cash equivalent	**D=A+B+C**	**7,314**	**11,673**	**12,707**
Current financial debt	E	8,035	4,547	2,241
Current portion of non-current financial debt	F	2,371	13,474	12,483
Other current financial liabilities	G	204	-	-
Short-term financial position	**H=E+F+G**	**10,610**	**18,021**	**14,724**
Short-term net financial position	**I=H-D**	**3,296**	**6,348**	**2,017**
Non current financial debt	J	17,699	13,481	15,110
Debt instrument	K	-	-	-
Medium-/long-term net financial position	**L=J+K**	**17,699**	**14,221**	**16,010**
(NET FINANCIAL POSITION) NET DEBT ESMA	**M=I+L**	**20,995**	**20,569**	**18,027**

Consolidated net financial debt at 30 September 2024 amounted to €21.00 million compared to €20.57 million at 31 December 2023. This result was impacted by operating performance as well as the payment made in the amount of €2.5 million on account of future capital increase by the relative majority shareholder Emera S.r.l..

With reference to cash, which amounted to €7.15 million, in the period under review there was an operating cash generation of €0.7 million, €2.9 million was used for investments including €3.3 million for repayment of financial liabilities offset by the assumption of new short-term loans of €0.4 million and the payment on account of future capital increase already mentioned.

During the second quarter of 2024, the Parent company defined with almost all of its financial institutions, a financial optimization that resulted in a moratorium on principal repayments for the period from June 2024 and December 2025 and an extension of the original term of the loans by 24 months. The financial optimization ended on 11th of September, after obtaining the extension of the guarantees provided by the entities that originally granted them and the signing of the amending addenda to the loan agreements. This transaction enabled Eurotech to achieve a reduction in loan instalment disbursements of €3.6 million in 2024 and €4.1 million in 2025.

Net working capital

The Group's net working capital at 30 September 2024, compared with the balances at 30 September 2023 and 31 December 2023, is as follows:

(€'000)	at September 30, 2024 (b)	at December 31, 2023 (a)	at September 30, 2023	Changes (b-a)
Inventories	20,568	21,887	26,447	(1,319)
Trade receivables	11,007	19,883	13,315	(8,876)
Income tax receivables	1,480	1,206	1,976	274
Other current assets	1,436	2,151	4,830	(715)
Current assets	**34,491**	**45,127**	**49,074**	**(10,636)**
Trade payables	(8,408)	(11,668)	(14,974)	3,260
Trade payables from affiliates companies	0	(127)	(82)	127
Income tax liabilities	(594)	(1,779)	(1,591)	1,185
Other current liabilities	(6,534)	(7,701)	(9,938)	1,167
Current liabilities	**(15,536)**	**(21,275)**	**(26,585)**	**5,739**
Net working capital	**18,955**	**23,852**	**22,489**	**(4,897)**

Cash flows

(€'000)		at September 30, 2024	at September 30, 2023	at December 31, 2023
Cash flow generated (used) in operations	A	683	1,463	981
Cash flow generated (used) in investment activities	B	(2,910)	(4,357)	(3,112)
Cash flow generated (absorbed) by financial assets	C	(1,617)	(3,464)	(2,186)
Net foreign exchange difference	D	(429)	664	(2,365)
Increases (decreases) in cash & cash equivalents	E=A+B+C+D	(4,273)	(5,694)	(6,682)
Opening amount in cash & cash equivalents		**11,428**	**18,110**	**18,110**
Cash & cash equivalents at end of period		**7,155**	**12,416**	**11,428**

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 devices) 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 "Modules and Platforms") which consists of: a) embedded computing modules and systems for industrial, transport, medical, energy and communication sectors; b) 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; c) software frameworks and platforms for IoT applications.

Activity in this line is carried out by Eurotech S.p.A. in Italy, and Eurotech Inc. (USA), which mainly operates 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) operating mainly in Japan and InoNet Computer GmbH operating mainly in Germany and in the German-speaking areas. Our products are marketed under the Eurotech, Advanet and InoNet trademarks.

B – Scope of consolidation

The line-by-line consolidated companies in the scope of consolidation at 30 September 2024 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	EUR 8,878,946	
Subsidiaries consolidated line-by-line			
Aurora S.r.l. in liquidation	Via Fratelli Solari 3/A – Amaro (Udine) - Italy	EUR 10,000	100.00%
EthLab S.r.l.	Via Dante, 300 – Pergine Valsugana (TN) - Italy	EUR 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.	Lyon (France)	EUR 795,522	100.00%
I.P.S. Sistemi Programmabili S.r.l. in liquidation	Via Fratelli Solari 3/A – Amaro (UD) – Italy	EUR 51,480	100.00%
InoNet Computer GmbH	Taufkirchen (Germany)	EUR 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		
Insulab S.r.l.	Viale Umberto I, 24/C – Sassari	40.00%
Rotowi Technologies S.p.A. in liquidation (formerly U.T.R.I. S.p.A.)	Via Carlo Ghega, 15 – Trieste, Italy	21.31%

Other smaller companies valued at fair value		
Kairos Autonomi Inc.	Sandy – UT (USA)	19.00%

At 30 September 2024, there were the following changes in subsidiaries and affiliates compared to 31 December 2023:

- 23 July 2024 Withdrawal from the company Interlogica S.r.l., obtaining reimbursement of the value entered at the time of entry into the

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 9M 2024	As of September 30, 2024	Average 12M 2023	As of December 31, 2023	Average 9M 2023	As of September 30, 2023
British pound sterling	0.85135	0.83543	0.86979	0.86905	0.87072	0.86458
Japanese Yen	164.28635	159.82000	151.99027	156.33000	149.65146	158.10000
USA Dollar	1.08713	1.11960	1.08127	1.10500	1.08329	1.05940

C – Revenues

Revenues earned by the Group in the first nine months of 2024 amounted to €43.00 million (€70.01 million in the first nine months of 2023), a decrease of €27.01 million or 38.6% compared to the same period of the previous year. At constant exchange rates, the decrease would be 37.2%. The trend remains affected by the factors already highlighted during the first half of the year: the lag between the phase-out of the legacy embedded business in the United States, which was accelerated by destocking, and the phase-in of new projects in the Edge AIoT area, which lagged due to the difficulty in staffing related to the "talent war" in technology experienced in the post-pandemic period. In addition, the Japanese area continues to be impacted by the destocking of major customers, whereas in the early months of last year it had benefited from the opposite phenomenon of product accumulation by these. Finally, the European area has been adversely affected by longer ramp-up times for Edge AIoT projects underway with customers in the area, who are showing cautious and wait-and-see behaviour in allocating their annual budgets as well as by a slowdown in the German economy, which has affected InoNet's revenue performance.

For operating purposes, the Group is organised in a single business line, also known as business segment, called “Modules and Platforms”.
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: North America , Europe and Asia.

Revenues by geographic business area

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

(€' 000)	North America			Europe			Asia			Correction, reversal and elimination			Total		
	9M 2024	9M 2023	% YoY Change	9M 2024	9M 2023	% YoY Change	9M 2024	9M 2023	% YoY Change	9M 2024	9M 2023	% YoY Change	9M 2024	9M 2023	% YoY Change
Third party Sales	6,298	22,100		26,057	29,971		10,640	17,936		0	0		42,995	70,007	
Infra-sector Sales	152	599		4,475	1,854		12	560		(4,639)	(3,013)		0	0	
Total Sales revenues	6,450	22,699	-71.6%	30,532	31,825	-4.1%	10,652	18,496	-42.4%	(4,639)	(3,013)	54.0%	42,995	70,007	-38.6%

The North American business area’s revenues totalled €6.45 million in the first nine months of 2024 and €22.70 million in the first nine months of 2023, decreased by 71.6%. This reduction is the effect of the phase-out of the legacy embedded business with the area's main customer, which has not yet been fully compensated by the development of the Edge AIoT business Unlike in 2023 and previous years, the US business area's revenues are no longer affected by a high concentration of revenue on a small number of customers.
The Europe business area recorded the smallest decline limiting itself to -4.1% and going from €31.82 million in the first nine months of 2023 to €30.53 million in the first nine months of 2024. This trend is a consequence of the extended ramp-up time of Edge AIoT projects underway with customers in the area, who are showing cautious and wait-and-see behaviour in the allocation of their annual budgets at a time when the entire industrial automation industry is experiencing a downturn of about 20% and where the contingent situation of contraction in the German market has been highlighted.
Finally, the Asia business area shows a decrease of 42.4% from €18.50 million to €10.65 million, due to both the destocking of major customers (which reduced orders to the bare minimum) and the different distribution of orders from its main local customers in the different quarters of the year.

Revenues by customer geographic area

The following table shows the breakdown of revenues by customer geographic area:

(€' 000) BREAKDOWN BY GEOGRAPHIC AREA	9M 2024	%	9M 2023	%	% change
European Union	25,867	60.2%	28,434	40.6%	-9.0%
United States	5,925	13.8%	20,013	28.6%	-70.4%
Japan	10,615	24.7%	17,339	24.8%	-38.8%
Other	588	1.4%	4,221	6.0%	-86.1%
TOTAL SALES AND SERVICE REVENUES	**42,995**	**100.0%**	**70,007**	**100.0%**	**-38.6%**

With reference to the values by customer geographic area shown in the table, revenues in the European area are the most significant (60.2%) of Group revenues, although there was a 9.0% reduction compared to the first nine months of 2023.
Due to the strong reduction in the United States, the Japanese area becomes the second most significant area continuing to account for almost a quarter of Group sales (24.7%). The reduction in the periods being compared is 38.8% due to both the exchange rate effect and the reduction in the industrial market in that area. The real reduction at constant exchange rates is 32.8%.
The United States is the third most significant area due to the effect of a sharp reduction, as otherwise commented, of 70.4% and its impact on total sales in the first nine months of 2024 was 13.8% compared to 28.6% in the nine months of 2023.
Other geographic areas completed the remaining 1.4% of total sales (6.0% as of September 30, 2023), with a decrease in both absolute value and percentage terms compared to the first nine months of 2023, particularly supplies in the Asian region.

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 €36.92 million in the first nine months of 2023 to €20.72 million in the first nine months of 2024. In the period under review there was thus a change of 16.20 million equal to 43.9%). There continued to be a decreasing incidence of component extra costs (PPV), which in previous years had led to a strong dilution of the percentage margin. Furthermore, the product mix resulted in a particularly high margin in the third quarter, which will not be repeated in the following quarters.

As a percentage of revenues, costs of raw & auxiliary materials and consumables used stood at 48.2% in the first nine months of 2024, compared to 52.7% in the first nine months of 2023.

E – Costs for services

The costs for services decreased in the period under comparison by €972 thousand, or 8.8%, from €11.01 million to €10.04 million, and the percentage on revenues decreased from 15.7% in the first nine months of 2023 to 23.3% in the first nine months of 2024.
It should be noted that non-recurring costs were incurred in 2024, which amounted to €548 thousand in the first nine months of 2024 and referred to costs incurred both to optimise the costs of the operating structures of the individual legal entities and to complete the financial optimisation of the rescheduling of the maturities of medium- and long-term loans concluded in September 2024.
While the various entities of the group continue to optimise the costs of their local operating structures, the Eurotech Group continues to make constant investments particularly in the business line of IoT platforms for applications in industry and infrastructure, as well as in developments related to the Edge Computer product line. These investments are aimed at supporting the research and development area to keep the product portfolio in line with the technological innovations proposed by raw material and component manufacturers and at the forefront of customer demands.

F – Payroll costs

Payroll costs went from €19.46 million (27.8% of revenues) to €18.00 million (41.9% of revenues) in the reporting period and includes non-recurring costs of €395 thousand.. The decrease at historical exchange rates and net of non-recurring costs was €1.85 million, while at constant exchange rates the decrease would have been €1.46 million.
Wages and Salaries also include €191 thousand relating to the pro rata temporis portion of the cost of the Share Performance Plan in place (in the first nine months of 2023, the amount recorded under costs was €344 thousand).
At the end of September 2024, the number of employees decreased by 19 units compared to the end of 2023 mainly as a result of the reorganisation carried out at the end of 2023 and has decreased by 19 since September 2023.

The table below shows the number of Group employees:

EMPLOYEES	at September 30, 2024	at December 31, 2023	at September 30, 2023
Manager	10	11	12
Clerical workers	259	276	274
Line workers	105	106	107
TOTAL	**374**	**393**	**393**

G – Other provisions and costs

At 30 September 2024, this item included a provision for doubtful accounts of €112 thousand (€216 thousand in the first nine months of 2023), and refers to provisions made for the possibility of non-collectable trade receivables.
Other provisions and costs on revenues decrease in absolute value (€112 thousand) mainly due to lower provisions for risks of €143 thousand and residually due to higher operating costs. As a result, the percentage to revenues amounted to 1.8% (first nine months of 2023: 1.3%).

H – Other revenues

The item other revenues shows an increase from €2.66 million in the first nine months of 2023 to €2.97 million in the first nine months of 2024.
Other revenues comprise the capitalisation of development costs for new solutions featuring highly integrated standard modules and systems for €2.62 million (€2.48 million in the first nine months of 2023) and other income of €0.35 million (€0.18 million in the first nine months of 2023).

I – Depreciation, amortisation and impairment

Depreciation, amortisation and impairment decrease by €0.88 million, from €4.31 million in the first nine months of 2023 to €3.43 million in the first nine months of 2024.
The item includes write-downs of €0.10 million, only in 2024, related to product development projects that were capitalized but were later deemed not to have an adequate market outlook entirely.
This item includes depreciations of €0.96 million (€1.03 million in 2023) due to the application of IFRS 16 and amortisation due to the InoNet price allocation (with reference to trademark and customer list) of €224 thousand (€325 thousand in 2023).

J – Financial income and expenses

Financial expenses fell from €2.14 million in the first nine months of 2023 to €2.04 million in the first nine months of 2024 mainly due to exchange rate losses and the increase in interest expense.

Financial income, again due to exchange rates, decreased by €0.57 million from €2.49 million in the first nine months of 2023 to €1.92 million in the first nine months of 2024.

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: €0.99 million at 30 September 2024, equal to 2.3% of revenues, compared to €1.36 million at 30 September 2023, with a percentage of revenues of 1.9%;

- foreign exchange gains: €1.29 million at 30 September 2024, equal to 3.0% of revenues, compared to €2.41 million at 30 September 2023, with a percentage of revenues of 3.4%;
- miscellaneous interest expenses: €778 thousand at 30 September 2024, equal to 2.0% of revenues, compared to €709 thousand at 30 September 2023, with a percentage of revenues of 1.1%.

€'000	9M 2024	9M 2023	change %
Exchange-rate losses	993	1,358	-26.9%
Interest expenses	778	709	9.7%
Interest expenses on lease liabilities	78	78	0.0%
Other finance expenses	194	-	n/a
Financial charges	**2,043**	**2,145**	**-4.8%**
Exchange-rate gains	1,294	2,411	-46.3%
Interest income	11	2	450.0%
Gain on derivatives	70	72	-2.8%
Other finance income	542	5	n/a
Financial incomes	**1,917**	**2,490**	**-23.0%**
Net financial income	**(126)**	**345**	**-136.5%**
% impact on sales	**-0.3%**	**0.5%**	

K – Income taxes

Income taxes at 30 September 2024 were negative overall in the amount of €98 thousand (of which €190 thousand for current taxes and €92 thousand for net deferred tax assets) compared to a negative impact of €1.068 thousand at 30 September 2023 (of which €1.254 thousand for current taxes and €186 thousand for net deferred tax liabilities), recording lower taxes of €970 thousand.

L – Non-current assets

The net decrease in non-current assets compared to 31 December 2023 amounted to €1.68 million and was mainly due to changes in the exchange rates of property, plant and equipment and intangible assets, which generated a total negative effect of €1.08 million as well as a reduction in the value of investments in other companies by €0.40 million following the withdrawal from the company Interlogica S.r.l..
Net investments in property, plant and equipment and intangible assets amounted to €3.37 million and were partly offset by amortisation and depreciation of €3.42 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	OTHER INTANGIBLE ASSETS	TOTAL INTANGIBLE ASSETS
OPENING BALANCE (A)	**4,311**	**66,821**	**9,566**	**3,405**	**1,724**	**85,827**
Changes as at September 30, 2024						
- Purchases	-	-	23	2,584	-	2,607
- Disposals / Divestitures	-	-	(1)	(4)	-	(5)
- Amortisation and impairment in period (-)	(1,484)	-	(404)	(104)	(114)	(2,106)
- Other changes	1,512	(921)	(165)	(1,519)	5	(1,088)
Total changes (B)	**28**	**(921)**	**(547)**	**957**	**(109)**	**(592)**
CLOSING BALANCE (A+B)	**4,339**	**65,900**	**9,019**	**4,362**	**1,615**	**85,235**

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 September 30, 2024		at December 31, 2023	
Cash generating units	**Goodwill**	**Trademark with an indefinite useful life**	**Goodwill**	**Trademark with an indefinite useful life**
Advanet Inc.	34,894	6,626	35,673	6,774
InoNet Computer GmbH	5,221	-	5,221	-
Eurotech Inc. (ex Applied Data Systems e ex Arcom Inc.)	21,912	-	22,201	-
Eurotech Ltd. (ex Arcom Ltd.)	3,783	-	3,636	-
Other	90	-	90	-
TOTAL	**65,900**	**6,626**	**66,821**	**6,774**

In 2024, the decrease in values with indefinite useful life is entirely (€1.07 million) attributable to the effect of different foreign exchange ratios.

b – Property, plant and equipment

The table below shows the breakdown of property, plant and equipment and their main changes 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)	**1,581**	**303**	**261**	**454**	**2**	**4,584**	**7,185**
Changes as at September 30, 2024							
- Purchases	-	297	246	92	35	118	788
- Disposals	-	-	-	-	-	(24)	(24)
- Amortisation and impairment in period (-)	(44)	(60)	(101)	(156)	-	(957)	(1,318)
- Other changes	(1)	(4)	(5)	(15)	-	34	9
Total changes (B)	**(45)**	**233**	**140**	**(79)**	**35**	**(829)**	**(545)**
CLOSING BALANCE (A+B)	**1,536**	**536**	**401**	**375**	**37**	**3,755**	**6,640**

M – Net working capital

Net working capital decreased by €4.90 million from €23.85 million at 31 December 2023 to €18.96 million at 30 September 2024.
This decrease is mainly due to the reduction in current asset and to the actual different trend of collection and payment flows as generally occurs during the quarters.
The net decrease in current assets of €10.64 million is mainly due to the decrease in trade receivables of €8.88 million but also to the decrease in inventories of €1.32 million and in other current assets of €0.72 million.
The decrease in current liabilities, which does not offset the decrease in current assets, amounted to €5.74 million and is the combined effect of a decrease of the reduction in all its elements: trade payables for €3.26 million and in other current liabilities and income tax payables for a total of €1.17 million and €1.18 million, respectively.

N – Net financial position

Consolidated net financial debt at 30 September 2024 amounted to €21.00 million compared to a net debt of €20.57 million at 31 December 2023. The figures shown include financial liabilities for rights of use, in application of the IFRS 16 accounting standard, amounting to €3.91 million and a business combination debt of €0.20 million, which when subtracted from the net financial debt give a pre-IFRS 16 debt of €16.88 million.
With reference to cash, which amounted to €7.15 million, in the period under review, as can be inferred from the cash flow statement, there was operational cash generation of €0.68 million, while €4.53 million was used for investments, of which €4.57 million for the repayment of financial liabilities and related interests, partly offset by the receipt of a payment on account of a future capital increase from the relative majority shareholder Emera S.r.l. in the amount of €2.5 million.

See also financial cash flows, as indicated on page 20.

During the second quarter of 2024, the Parent company defined with almost all of its financial institutions, a financial optimization that resulted in a moratorium on principal repayments to be made

in the period from June 2024 and December 2025 and an extension of the original term of the loans by 24 months. The financial optimization was concluded on September the 11th 2024 after obtaining the extension of the guarantees provided by the institutions that originally granted them and the signing of the amending addenda to the original loan agreements.
The values represented in the financial statements represent the maturities under the new agreements reached, which enabled Eurotech to obtain a reduction in loan instalment disbursements of €3.6 million in 2024 and €4.1 million in 2025.

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 30 September 2025.

O – Changes in shareholders' equity

The share capital at 30 September 2024 was made up of 35,515,784 ordinary shares, fully subscribed and paid up, with no nominal value.

The balance of the Issuer's legal reserve at 30 September 2024 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 €0.19 million was generated by inclusion in the interim management report 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 €51.70 million and consisted of the Parent Company's extraordinary reserve, formed by losses carried forward, allocations of retained earnings from prior years, the reserve for payments on account of future capital increase in the amount of €2.5 million and other miscellaneous reserves. The change in the year is attributable to the allocation of the 2023 result and to the booking of the Eurotech's Performance Share Plans for the period described in a specific section of the 2023 Consolidated Financial Statements and to payments on account of future capital increase of €2.5 million paid in August.

The cash flow hedge reserve, which includes cash flow hedge transactions pursuant to IAS 39, was positive for €44 thousand and decreased by €58 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 intra-group foreign-currency loans that constitute part of a net investment in a foreign shareholding are recognised, was positive by €2.88 million and decreased by €0.50 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 240,606, and have not changed compared to the number of shares held at 31 December 2023.

P – Significant events in the quarter

The major events of the quarter were announced in the press releases (the complete text can be consulted at the Group's website www.eurotech.com on the page http://www.eurotech.com/category/news/).

07.03.2024 Delvitech and Eurotech: a partnership to take quality control to the next level

07.30.2024 Maximizing digital transformation results with Everyware GreenEdge available on the AWS Marketplace: a complete Edge AI and IoT solution to harness the potential from software to the edge

08.07.2024 Eurotech: Board of Directors appoints director Davide Carando by co-optation

09.04.2024 Eurotech launches a wide range of generative AI servers based on NVIDIA AI Enterprise

09.10.2024 Eurotech maintains leadership in 2024 IoT platform ranking

09.12.2024 Eurotech: the Board of Directors approved to ask the Shareholders' Meeting for authorization for a capital increase of up to €20 million over 2 years

No significant events occurred during the quarter.

Q – Events after 30 September 2024

10/15/2024 Eurotech: resolutions of the Ordinary and Extraordinary Shareholders' Meeting:
- Confirmed, following co-option, Mr Davide Albino Carando as a member of the board of directors.
- Granted the board of directors a proxy to increase the share capital by up to €20 million.

No significant events occurred after the approval of the quarterly report.

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 2023 Consolidated Financial Statements and the Consolidated Financial Report at 30 June 2024, which illustrate the risks to which the Eurotech Group is exposed.

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 at 30 September 2024 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, relating only to the first nine months of 2022;
- pursuant to CONSOB communication no. DEM/6064296 of 28 July 2006, in the first nine months of 2024 there were no atypical and/or unusual transactions carried out;
- at 30 September 2024, the company held 240,606 treasury shares for a total value of €211 thousand. The detailed Corporate Governance report is provided with the annual financial statements;
- 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, 14 November 2024

On behalf of the Board of Directors

Signed by Mr. Paul Chawla
Chief Executive Officer

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Statement of the Financial Reporting Manager

Amaro, 14 November 2024

STATEMENT

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 Report at 30 September 2024 approved by the Company's Board of Directors on 14 November 2024,

STATE

in accordance with the provisions of the second paragraph of Article 154-*bis*, Part IV, Title III, Chapter II, Section V-*bis*, of Italian Legislative Decree no. 58 of 24 February 1998, that to the best of my knowledge, the Consolidated Interim Management Report at 30 September 2024 corresponds to the accounting entries.

The Financial Reporting Manager
Signed by Sandro Barazza

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