annual **report**

2025

AT 31 DECEMBER 2025

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: 16 March 2026
This report is available online
in the “Investors” section of the website
www.eurotech.com

EUROTECH S.p.A.
Registered office: Via Fratelli Solari 3/A, Amaro (Udine), Italy
Share capital: €14,906,386.25 fully paid in
Tax code and
Udine Company Register no. 01791330309

INDEX

Letter to shareholders

Dear Shareholders,

2025 marked the start of a phase of substantial transformation for Eurotech. Since taking on the role of Chief Executive Officer in June 2025, we have embarked on a decisive strategic and operational realignment path aimed at restoring the Group to structural profitability and strengthening its competitive position in the most promising technology markets.

In this process, we have received important confirmation from our customers and partners: Eurotech is internationally recognised for the quality, reliability and innovative content of its edge computing and Internet of Things solutions. Our technologies combine advanced hardware, software, cybersecurity and services for mission-critical applications, where reliability and operational continuity are essential.

The first half of 2025 was characterised by particularly challenging market conditions. The slowdown in the global industrial cycle, particularly the contraction in European manufacturing demand – most notably affecting the German market – and the destocking observed in Japan impacted revenue trends in the first half-year.

The Group reacted quickly, implementing cost rationalisation, organisational simplification and operational realignment measures. These actions began to produce concrete results already in the second half of the year. Revenues in the second half were significantly higher than in the first, also exceeding the levels recorded in the same period of 2024 and confirming the anticipated trend reversal. Further encouraging signs are evident in the trend in order intake and the gradual improvement in operating profitability, with EBITDA returning to growth in the second half of the year.

We are entering 2026 with a renewed execution discipline and a more focused strategic vision. In February 2026, we presented to the market the guidelines of the new Eurotech neXt business plan, which marks the transition from the recovery phase to a structural profitability phase, summarised in the message “From Recovery to Structural Profitability”.

The new strategic direction shifts the focus away from volume growth as the primary objective towards quality growth, prioritising projects with high technological value and sustainable margins. We have redefined our go-to-market model and focused our offer portfolio, concentrating our resources on industrial verticals with greater development potential: Transportation & Mobility, Aerospace & Defence, Energy & Grids and Industrial.

In these areas, we intend to strengthen Eurotech's positioning as a technological platform for end-to-end solutions and AI processing capacity distributed at the edge, developed in collaboration with a qualified ecosystem of technology partners and system integrators.

In support of this strategy, in the first quarter of 2026 we successfully completed a capital increase of €17.5 million, a transaction that reflects market confidence and the strong alignment of our relative majority shareholder, which confirmed a commitment of up to €11.4 million.

The new financial resources will be used to accelerate value creation for the Group: we will strengthen Research and Development activities, we will support the commercial execution of the new go-to-market model and we will develop high-value services along the entire cycle of life of our solutions. The objective is to invest in Eurotech's future growth and in the consolidation of our technological positioning, without using these resources to cover past inefficiencies.

Looking to the next few years, the path we have outlined is clear and measurable. Thanks to initiatives aimed at improving operational efficiency, containing structural costs and enhancing the mix of our offering, we expect to achieve a positive EBITDA as early as 2026. The business plan also indicates a gradual growth in revenues up to approximately €80 million by 2028, with the ambition of reaching €100 million by 2030, accompanied by a gradual improvement in operating profitability.

I would like to thank all Group employees for the commitment shown during this transformation phase, our technological and commercial partners for their ongoing collaboration and, above all, you as shareholders, for the trust and support you continue to place in us.

Eurotech is now entering a new phase in its industrial history: with a more solid foundation, a more focused strategy and a clear ambition to build sustainable growth in the edge computing and distributed intelligence global market.

Yours faithfully

16 March 2026

signed
Massimo Milan
CEO

Corporate information

Board of Directors	
President	Luca di Giacomo
Deputy Chairman	Aldo Fumagalli [1 3]
CEO	Massimo Milan
Director	Laura Amadesi [1 2 3 4 5]
Director	Davide Albino Carando [1]
Director	Michela Costa [1 2 3 4 5]
Director	Tiziana Olivieri [1 2 4 5]

The Board of Directors currently in place was appointed by the Ordinary Shareholders' Meeting of 27 April 2023, supplemented by the Ordinary Shareholders' Meeting of 15 October 2024 with reference to the appointment of the Director Davide Albino Carando, that of 28 April 2025 with reference to the Director Tiziana Olivieri and that of 15 October 2025 with reference to the Directors Massimo Milan and Laura Amadesi. It should also be noted that the Shareholders' Meeting of 28 April 2025 resolved to reduce the number of directors from nine to seven. The Board of Directors currently in office will remain in office until approval of the 2025 financial statements.

Board of Statury Auditors	
Chairman	Fabio Monti
Statutory Auditor	Laura Briganti
Statutory Auditor	Daniela Savi
Alternative Statutory Auditor	Clara Carbone
Alternative Statutory Auditor	Daniele Englaro

The Board of Statutory Auditors currently in office was appointed by Ordinary Shareholders' Meeting of 27 April 2023, and will remain in office until approval of the 2025 financial statements.

Independent Auditor	
	EY S.p.A.

The independent auditor was appointed for the period 2023-2031 by the Ordinary Shareholders' 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 (UD) Iscrizione al registro delle Imprese di Udine 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 Risk Committee
[4] Member of the Related-Party Transactions Committee
[5] Member of the Appointments and Remuneration Committee

Information for shareholders

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

Share capital of Eurotech S.p.A. at 31 December 2025

Share capital	€9,657,277.25
Number of ordinary shares (without nominal unit value)	38,629,109
Number of savings shares	-
Number of Eurotech S.p.A. ordinary treasury shares	253,606
Stock market capitalisation (based on the share's average price in 2025)	€34 million
Stock market capitalisation (based on the share's average price in December 2025)	€40 million
Stock market capitalisation (based on the share's relevant price at 31 December 2025)	€40 million

Following the share capital increase concluded in February 2026, the new share capital amounts to €14,906,386.25, consisting of 59,625,545 ordinary shares.

Performance of Eurotech S.p.A. shares

Relative performance of Eurotech S.p.A.
01/01/2025 – 31/12/2025

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

Management report

Introduction

The Eurotech Group's business and financial results for Financial Year 2025 and comparative periods have been drawn up according to the IFRSs issued by the International Accounting Standards Board and endorsed by the European Union. Unless otherwise stated, data are expressed in thousands of Euro.

The Eurotech Group

The Group has over 30 years of established experience in the design and manufacturing of embedded computers for specialised applications. This is a niche market characterised by high unit value and low volumes, in which the systems' ability to operate in hostile environments and to guarantee operational continuity and reliability in the long term is a fundamental requirement for industrial customers.

For over ten years, the Group has pioneered an evolution path towards Edge Computing and Industrial Internet of Things (IIoT), supported by significant investments in the development of software integrated with hardware, and a strategy strongly oriented towards open-source approach.

The current technological positioning among the main operators in the reference market is also confirmed by independent sector analyses, including the Professional User Rating – Engineering Solutions (PUR ES) 2025 report by techconsult (Heise Group), which recognises the Group among the leading providers of IoT platforms and solutions for the industrial edge.

The strengthening of the Group's competitive position is further reinforced by the strategic partnerships entered during 2025, including:

- collaboration with Intertrust to integrate advanced security technologies into edge solutions for energy infrastructures and Virtual Power Plants;
- the agreement with AxxonSoft for the development of video analytics solutions based on Edge AI;
- the Memorandum of Understanding with PNY Technologies Europe & MEA aimed at accelerating the development of high-performance solutions for Edge AI applications.

These partnerships further strengthen the Group's technological ecosystem and consolidate its role as a reference partner for highly reliable Edge and IoT solutions, capable of integrating industrial hardware, software platforms and advanced cybersecurity technologies for mission-critical applications.

The key factors that characterise Eurotech's offering in the Industrial IoT sector are the following:

- technologies that enable the overcoming of the traditional separation between Edge Operational Technology (OT) and Information Technology (IT) through integrated hardware–software solutions; this divide is widely recognised as one of the primary obstacles to the implementation of industrial IoT projects;
- Plug&Play connectivity to assets in the field, which speeds up implementation time and reduces integration costs;
- certified connectivity to the main cloud platforms, thanks to relationships with major IT operators, reducing integration times and risks in IoT projects;
- advanced Cybersecurity solutions, with technologies certified according to the most recent international standards (IEC 62443-4-1 and IEC 62443-4-2).

Today, the Group's offering is modular and envisages different hardware and software integration levels. It includes:

- embedded PCs, in the form of boards and subsystems, which represent Eurotech's historical offering and are mostly hardware solution products with integrated operating system;
- Industrial PC (IPC), which represent the main offering of InoNet Computer GmbH, the German subsidiary acquired in September 2022;

- Edge gateways, devices that enable communication between assets operating in the field and data platforms in the cloud, both public and private;
- Edge computers, rugged computing units installed in the field, close to the assets and dedicated to local processing of the data generated by the operating systems;
- Edge AI appliance, high-performance hardware-software integrated systems designed to securely execute artificial intelligence algorithms directly in the field, reducing the need to transfer large volumes of data to centralised infrastructures;
- software for the integration of Operational Technology and Information Technology, including the “Everyware Software Framework” (ESF) edge framework on the OT side and the "Everyware Cloud" (EC) integration platform on the IT side.

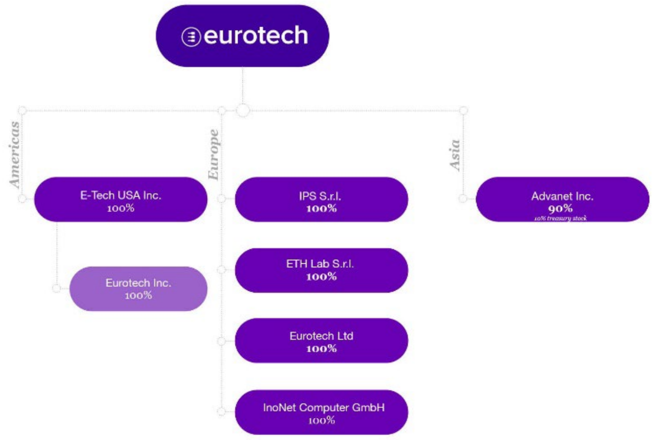
In this technological context, Eurotech solutions represent an enabling infrastructure for the development of Industrial AI and Physical AI applications, where data processing takes place directly near the assets and operational infrastructures.

The Group has historically been present in the industrial, transport and medical sectors. More recently, Eurotech's solutions have also allowed entry into new application areas, including the energy sector.
The recent “Eurotech neXt” strategic plan focuses on four vertical markets characterised by particularly promising size and growth rates:
- industrial,
- transport & offroad,
- renewable energy & energy-gas-water networks,
- defence & aerospace.

At 31 December 2025, the Eurotech Group consisted of the following companies:

Compnay name	Basiness activity	Share capital	Group share
Società Capogruppo			
Eurotech S.p.A.	It operates in the NanoPC segment focusing on the Edge Computer and “IoT" technology market, predominantly in the Italian and EMEA markets. In terms of organization, it performs the role of industrial holding coordinating all subsidiaries of the Eurotech Group	Euro 9,657,277.25	
Subsidiaries and consolidated companies on a line-by lines basis			
E-Tech USA Inc.	Holding company that controls 100% of Eurotech Inc.	USD 8,000,000	100.00%
EthLab S.r.l.	Company that provides services and performs research and development on behalf of the group	Euro 115,000	100.00%
Eurotech Inc.	It operates in the US market with a focus on the industrial, medical and transport sectors	USD 26,500,000	100.00%
Eurotech Ltd.	It operates mainly in the United Kingdom and in Northern Europe	GBP 33,333	100.00%
I.P.S. Sistemi Programmabili S.r.l. in liquidation	The Company was placed in liquidation	Euro 51,480	100.00%
InoNet Computer GmbH	It operates under the InoNet brand in the DATCH market, providing highly reliable, powerful and robust industrial PCs	Euro 250,000	100.00%
Advanet Inc.	It operates in the Japanese market with a focus on the industrial, medical and transport sectors	JPY 72,440,000	90.00% (1)

(1) For the purposes of consolidation, 100% is considered, since the company holds the remaining 10% in the form of treasury shares.



European Single Electronic Format (ESEF) requirements

Pursuant to Art. 4 of the Transparency Directive, starting from financial year 2021, the annual financial report is drawn up in XHTML format, in compliance with the European Single Electronic Format (ESEF). In addition, issuers preparing consolidated financial statements pursuant to IFRSs must mark them using the Inline XBRL. The Eurotech Group manages the ESEF using dedicated outsourced computer software that enables compliance with the regulations in effect.

Operating performance

(€'000) OPERATING RESULTS		FY 2025	%	FY 2024	%	% change
SALES REVENUES		55,377	100.0%	59,133	100.0%	-6.4%
GROSS PROFIT MARGIN	(*)	27,101	48.9%	29,989	50.7%	-9.6%
EBITDA ADJ	(****)	(1,272)	-2.3%	(3,708)	-6.3%	65.7%
Non recurring costs		(1,785)	-3.2%	(1,250)	-2.1%	-42.8%
EBITDA	(**)	(3,057)	-5.5%	(4,958)	-8.4%	38.3%
EBIT	(***)	(8,551)	-15.4%	(32,259)	-54.6%	73.5%
PROFIT (LOSS) BEFORE TAXES		(9,189)	-16.6%	(32,615)	-55.2%	71.8%
GROUP NET PROFIT (LOSS) FOR THE PERIOD		(9,272)	-16.7%	(36,155)	-61.1%	74.4%

(*) **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 write-downs 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.

(***) Operating Profit **(EBIT)** is stated before valuation of equity investments in affiliated companies accounted for using the equity method, financial income and charges and income taxes for the year.

(****) The **ADJ. EBITDA** incorporates the EBITDA structure just defined above and isolates the cost and/or revenue components considered non-recurring by management. 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 ADJ. 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 may not be comparable.

Scenario

The performance for the financial year was characterised by a two-speed trend: a first half strongly influenced by the order intake level recorded in the second half of 2024, in turn influenced by the weakness phase that the industrial sector has experienced, in particular in Europe and, partially, in the United States; and a second half-year when the recovery of orders led to a significant increase in turnover for the period, with the consequent activation of the operating leverage.

As a result of the significant reorganisation undertaken by the Group in 2024 and continued in 2025, the operational break-even threshold has progressively reduced. In this context, the second half of the financial year recorded a positive gross operating result.

Revenues
Consolidated revenues from sales (turnover) for financial year 2025 amounted to €55.38 million, down 6.4% compared to 2024, when they were €59.13 million. At constant exchange rates, and thus neutralising the effect of the different currency conversion ratio in the two periods, the decrease would have been slightly lower, equal to 4.9%.

Against the overall 6.4% reduction in turnover, the Edge AIoT business maintained in absolute terms the revenue level recorded in 2024. The decrease in turnover is therefore entirely attributable to the reduction in the traditional Embedded business, particular in the US market.

Compared to 2024, the Edge AIoT business increased its incidence on the Group's total turnover, accounting for 59.5% of total revenues (55.4% in 2024). This business shows a higher concentration in the European area, where the technological advantages of Eurotech solutions are currently more widely recognised. With regard to the Embedded business, Japan increased its contribution to the Group's revenues, while in the US area sales volumes recorded a reduction, mainly due to the loss of one-off sales of end-of-life products recorded in early 2024.

With reference to the breakdown of turnover by geographical area:
- America area: sales decreased by €2.22 million, or 36.6% compared to the same period in the previous year;
- Japan area: recorded an increase of 1.7% at historical exchange rates, or a growth of 5% at constant exchange rates; also considering intercompany turnover, the increase would be 9.6% at constant exchange rates;
- Europe area: the decrease in revenues was limited to 2.9% compared to the previous year.

Gross Profit Margin
The gross profit margin for the year amounted to €27.10 million, accounting for 48.9% of turnover, compared to 50.7% in the previous year and 47.4% in 2023.
Margin levels remained substantially in line with the Group's historical values. The trend is mainly influenced by the products and services mix sold as well as by the price trend of some electronic components which, in the last months of the year, showed increases. A further element with an impact on the overall profitability is represented by the contribution of the German subsidiary InoNet Computer GmbH, whose business model historically has lower margin levels than the average of the other Group companies.

Operating costs
Operating costs, excluding the positive effect linked to the capitalisation of development activities and net of non-recurring costs, decreased by €6.40 million (-17.1%) from €37.33 million in 2024 to €30.94 million in 2025, accounting for 55.9% of revenues (63.1% in 2024).
At constant exchange rates, the decrease in operating costs amounted to €6.00 million (-16.2%) and it is mainly attributable to the reduction in payroll costs and service costs.
Over the last two years, the Group has significantly streamlined its cost structure, successfully reducing its operating cost base and, as a result, lowering the operating break-even point.
Total operating costs, including non-recurring costs, amounted to €32.72 million compared to €38.58 million in 2024, with a reduction of 15.2% (14.2% at constant exchange rates).
In 2025, non-recurring costs amounted to €1.78 million and mainly refer to:
- payroll costs incurred to redefine the Group’s organisational structure;
- the costs related to the exit of the previous Chief Executive Officer in June 2025;
- minor components relating to services not related to ordinary operations.

In 2024, non-recurring costs amounted to €1.25 million and mainly referred to:
- payroll costs incurred for the efficiency of the organisational structure in the various Group companies;
- the costs for certain advisory services related to the financial optimisation process completed in September 2024;
- the costs incurred for the settlement of a legal dispute in the United States.

Payroll costs
The main operating cost item continues to be represented by payroll costs.
In 2025, this item amounted to €20.90 million compared to €23.78 million in 2024, down by €2.88 million or 12.2%. The incidence on revenues decreased from 40.2% in 2024 to 37.7% in 2025.
At constant exchange rates and net of non-recurring costs, the reduction in payroll costs amounted to €3.34 million and is attributable to the redesign and reorganisation of the Group's organisational structure, which included both voluntary redundancies and efficiency improvements implemented mainly in England, the United States and Italy, in response to the decline in orders recorded during the period.
Considering the cost levels recorded in 2023, the overall decrease in the last two years is equal to €5.5 million and exceeds €6.4 million net of non-recurring costs.
Non-recurring costs related to personnel amounted to €1.18 million in 2025, compared to €0.44 million in 2024.
In 2025, the workforce decreased across all main geographical areas, while still maintaining adequate engineering and commercial coverage in both the United States and the United Kingdom.
The number of employees at 31 December 2025 was 317 (361 at 31 December 2024), with an average of 328.1 during the year (372.4 in 2024).

Service costs
Service costs decreased from €12.92 million in 2024 to €10.43 million in 2025, down by €2.49 million. Compared to 2023, the overall reduction in the last two years amounts to €4.22 million.
The decrease in service costs is mainly due to the containment of expenses across the Group's departments and an increased use of in-house expertise rather than external resources. Net of non-recurring costs and of the exchange rate effect, this reduction amounted to €2.33 million.

Other operating costs
Other operating costs, net of non-recurring costs and at constant exchange rates, recorded a decline of €0.29 million, mainly due to lower leasing costs.

EBITDA
Earnings before amortisation, depreciation, write-downs of non-current assets, valuations of equity investments in associates, net financial charges and income tax net of non-recurring costs (Adjusted EBITDA) amounted to €-1.27 million compared to €-3.71 million in 2024, showing an improvement of €2.44 million.

EBITDA in 2025, including non-recurring income statement items, amounted to -€3.06 million (-€4.96 million in 2024).
EBITDA as a percentage of revenues was -5.5% in 2025, compared to -8.4% in 2024.
The improvement in operating margins mainly reflects the effects of the cost efficiency and structure reorganisation measures undertaken by the Group in 2024 and 2025.

EBIT
The operating result (EBIT) amounted to -€8.55 million compared to -€32.26 million in 2024, the latter a result strongly influenced by the impairment of the goodwill of €22.69 million linked to the cash generating unit (CGU) in the United States.
Amortisation/depreciation and write-downs of property, plant and equipment and intangible assets amounted to €5.21 million and €0.28 million, respectively. In 2024, these values were equal to €4.45 million and €22.85 million, respectively, mainly due to the aforementioned impairment of goodwill.
The values for 2025 include €0.3 million relating to the amortisation of intangible assets with a finite useful life (customer and brand list) and relative to InoNet’s acquisition.
EBIT as a percentage of revenues stood at -15.4% in 2025 compared to -54.6% in 2024.
The higher amortisation and depreciation is mainly linked to development projects capitalised and completed during the financial year, amounting to €5.79 million.
The write-downs recorded amounted to €0.28 million in 2025 and €0.16 million in 2024 (excluding goodwill impairment), and in both financial years relate to development costs for products and projects that attracted less market interest than initially anticipated.

Financial management
Net financial management in 2025 was negative for €0.64 million (-€0.36 million in 2024).
The result is mainly affected by the management of net interest, amounting to -€0.81 million (-€1.09 million in 2024) as well as the trend in other financial income and charges amounting to €0.08 million. Financial income includes €0.01 million (€0.62 million in 2024) relating to the fair value adjustments of payables relative to business combinations.
With regard to net exchange differences, a profit of €0.24 million was recorded in 2025, essentially in line with the profit of €0.27 million recorded in 2024.

Pre-tax result
The pre-tax result in 2025 amounted to -€9.19 million, compared to -€32.61 million in 2024, reflecting the operating trends and extraordinary components described above.

Net result
The Group consolidated net loss amounted to €9.27 million, compared to a loss of €36.15 million in 2024.

Breakdown by geographical area
The Group oversees a single business line called "Modules and Platforms", which is composed of:

- Embedded electronic computing modules and systems for the industrial, transport, medical and energy sectors;
- low-consumption, high-performance Edge Computers for Internet of Things (IoT) applications and systems that use Artificial Intelligence (AI) algorithms;
- framework and software platforms for IoT applications.

The segment reporting is presented based on the geographic area in which the various Group companies operate and whose relative performance are currently being monitored. The geographic areas identified within the Group are:

- North America,
- Europe,
- Asia.

The development in revenues and margins by individual geographic area and the relative changes in the periods under review are set out below.

(€' 000)	North America			Europe			Asia			Correction, reversal and elimination			Total		
	FY 2025	FY 2024	% YoY Change	FY 2025	FY 2024	% YoY Change	FY 2025	FY 2024	% YoY Change	FY 2025	FY 2024	% YoY Change	FY 2025	FY 2024	% YoY Change
Third party Sales	5,371	8,472		32,446	33,401		17,560	17,260		0	0		55,377	59,133	
Infra-sector Sales	58	173		4,454	5,677		784	12		(5,296)	(5,862)		0	0	
Total Sales revenues	5,429	8,645	-37.2%	36,900	39,078	-5.6%	18,344	17,272	6.2%	(5,296)	(5,862)	-9.7%	55,377	59,133	-6.4%
Gross profit	1,647	3,668	-55.1%	16,019	18,393	-12.9%	10,054	9,543	5.4%	(619)	(1,615)	-61.7%	27,101	29,989	-9.6%
Gross profit margin - %	30.3%	42.4%		43.4%	47.1%		54.8%	55.3%					48.9%	50.7%	
EBITDA													(3,057)	(4,958)	-161.7%
EBITDA margin - %													-5.5%	-8.4%	
EBIT													(8,551)	(32,259)	-126.5%
EBIT margin - %													-15.4%	-54.6%	

North America area's revenues, including infra-sector revenues, decreased by 37.2%, from €8.47 million in 2024 to €5.37 million in 2025. This reduction was mainly due to the effect of the decline in one-off sales of end-of-life products that had been achieved in the first two months of 2024.
The Europe area recorded a decrease of -5.6%, from €39.08 million to €36.90 million. This trend reflects the negative trend in order intake recorded in particular in the second half of 2024, which significantly affected turnover in the first half of 2025 (equal to -34.4% compared to the same period of the previous year). The recovery recorded in the second half-year (+25.2%) was not sufficient to fully offset the contraction in the first half of the financial year.
The European area also represents the market with the highest incidence of the Edge AIoT business, which constitutes approximately 98.1% of the total turnover in the area.

The Asia area, on the other hand, recorded an increase in revenues of 6.2%, from €17.27 million to €18.34 million. The growth is primarily driven by an increase in intragroup turnover, resulting from the initiation of the Group's vertical integration process in production activities.

The breakdown of revenues by type that, also in application of IFRS 15, provides information on disaggregated revenues, shows a decrease of 4.9% in industrial revenues compared to 2024 and a contraction in service revenues of 13.2% compared to 2024.

(€' 000) SALES BY TYPE	FY 2025	%	FY 2024	%	% change
Industrial revenues	46,501	84.0%	48,913	82.7%	-4.9%
Services revenues	8,876	16.0%	10,220	17.3%	-13.2%
TOTALE SALES AND SERVICE REVENUES	**55,377**	**100.0%**	**59,133**	**100.0%**	**-6.4%**

The breakdown of revenues by customer geographical area is shown below:

(€' 000) BREAKDOWN BY GEOGRAPHIC AREA	FY 2025	%	FY 2024	%	% change
European Union	28,130	50.8%	29,280	49.5%	-3.9%
United States	5,626	10.2%	7,984	13.5%	-29.5%
Japan	17,544	31.7%	17,235	29.1%	1.8%
Other	4,077	7.4%	4,634	7.8%	-12.0%
TOTAL SALES AND SERVICE REVENUES	**55,377**	**100.0%**	**59,133**	**100.0%**	**-6.4%**

Based on the turnover breakdown by customer geographical area, as shown in the table above, the European area, which continues to be the main area, and the Japanese area increased their share of significance from 49.5% and 29.1% in 2024 to 50.8% and 31.7% of the total in 2025, respectively.
The US remains the Group's third largest area. The USA area accounted for 10.2% of total annual turnover in 2025 compared to 13.5% in 2024.
With reference to the other geographical areas, in absolute term, turnover decreased by 12.0% but the incidence remained steady at around 7.4% (at 7.8% in 2024).

(€'000)	FY 2025	% of sales	FY 2024	% of sales	% change
Purchases of raw materials, semi-finished and finished products	23,746	42.9%	25,709	43.5%	-7.6%
Changes in inventories of raw materials	3,203	5.8%	1,890	3.2%	69.5%
Change in inventories of semi-finished and finished products	1,327	2.4%	1,545	2.2%	-14.1%
TOTAL COST OF MATERIALS	**28,276**	**51.1%**	**29,144**	**49.3%**	**-3.0%**

Consumption of raw and auxiliary materials and consumables – the components of which are shown in the table above – in the period under review shows a decrease lower than the reduction in turnover due to the mix of products sold, from €29.14 million in 2024 to €28.28 million in 2025. In the same period, there was a decrease in consumption of 3.04%, which was less than proportional to the decrease in turnover of 6.4%. The non-proportionality between changes in consumption and turnover is a direct consequence of the product mix sold, reflecting transactions with lower margins than in 2024 and a reduced volume of services provided during the financial year. Costs for raw and auxiliary materials and consumables as a percentage of revenues increased from 49.3% in 2024 to 51.1% in 2025.

The Group's operating costs are shown in the tables below before non-recurring costs and after non-recurring costs, grouped under a single heading:

(€'000)	FY 2025	% of sales	FY 2024	% of sales	% change
Service costs	10,426	18.8%	12,921	21.9%	-19.3%
- of which non recurrent costs	*607*	*1.1%*	*659*	*1.1%*	-7.9%
Rent and leases	670	1.2%	894	1.5%	-25.1%
Payroll	20,903	37.7%	23,784	40.2%	-12.1%
- of which non recurrent costs	*1,178*	*2.1%*	*437*	*0.7%*	169.6%
Accruals and other costs	721	1.3%	985	1.7%	-26.8%
- of which non recurrent costs	-	*0.0%*	*154*	*0.3%*	-100.0%
Cost adjustments for in-house generation of non-current assets	(2,088)	-3.8%	(3,202)	-5.4%	-34.8%
Operating costs net of cost adjustments	**30,632**	**55.3%**	**35,382**	**59.8%**	**-13.4%**

(€'000)	FY 2025	% of sales	FY 2024	% of sales	% change
Service costs	9,819	17.7%	12,262	20.7%	-19.9%
Rent and leases	670	1.2%	894	1.5%	-25.1%
Payroll	19,725	35.6%	23,347	39.5%	-15.5%
Accruals and other costs	721	1.3%	831	1.4%	-13.2%
assets	(2,088)	-3.8%	(3,202)	-5.4%	-34.8%
Operating costs net of non recurrent costs and of cost adjustments	**28,847**	**52.1%**	**34,132**	**57.7%**	**-15.5%**
- non recurrent costs	1,785	3.2%	1,250	2.1%	42.8%
Operating costs net of cost adjustments	**30,632**	**55.3%**	**35,382**	**59.8%**	**-13.4%**

The non-recurring costs that it was deemed appropriate to highlight separately in 2025 relate to the Group's reorganisation and relate in particular to one-off payroll costs linked to the reduction of the workforce (€1.18 million), costs related to the early termination of the previous Chief Executive Officer Paul Chawla and some residual service costs, to close a legal dispute in the United States (total €0.61 million).
Also in 2024 these non-recurring costs mainly related to the Group's reorganisation and in particular to payroll costs again linked to the reduction of the workforce, as well as some service costs incurred to facilitate and speed up this reorganisation, in addition to costs for the financial optimisation completed in September and the legal costs for a legal dispute.
As a percentage of revenues, operating costs, net of non-recurring costs and only cost adjustments for internal increases, decreased from 55.3% in 2024 to 51.8% in 2025. Also considering these non-recurring costs, the

operating costs amounted to a total of €30.63 million in 2025 and to €35.38 million in 2024, a decrease of 13.4%. The decrease in absolute terms is largely due to the reduction in the payroll and service costs. The most significant operating cost categories consist of the service costs supporting the various company activities, with particular reference to development and commercial costs, and of payroll costs.

The trend in service costs is shown below.

(€'000)	FY 2025	%	FY 2024	%	% change
Industrial services	3,540	34.0%	4,587	35.5%	-22.8%
Commercial services	1,376	13.2%	2,015	15.6%	-31.7%
General and administrative costs	5,510	52.8%	6,319	48.9%	-12.8%
Total costs of services	**10,426**	**100.0%**	**12,921**	**100.0%**	**-19.3%**
% impact on sales	**18.8%**		**21.9%**		

Service costs decreased from €12.92 million in 2024 to €10.43 million in 2025. As a percentage of revenues, this item stood at 18.8% (2024: 21.9%). At constant exchange rates, the decrease would have been €2.33 million. Non-recurring costs of €0.61 million are included (2024: €0.66 million).

Industrial service costs were down 22.8%, from €4.59 million in 2024 to €3.54 million in 2025. These costs are directly linked to both the quantity of products sold and their mix.

Costs for commercial services, incurred in support of the product portfolio in the various reference markets, decreased by 31.7% due to cost containment measures for marketing and sales expenses; these costs amounted to €1.38 million in 2025 (2024: €2.01 million), a decrease of €0.63 million.

General and administrative costs decreased by 12.8% compared to the previous year, from €6.32 million in 2024 to €5.51 million in 2025.

Leasing costs increased from €0.89 million in 2024 to €0.67 million in 2025. The decrease is due to lower costs incurred to use third-party assets for activities related to the IoT business area, following implemented technological improvements and lower rental costs. Leasing costs concern lease and rental contracts which, in terms of duration and/or amount, fall under the exemptions envisaged by IFRS 16 accounting standard. Their percentage of revenues was 1.2% (2024: 1.5%).

Payroll costs including non-recurring costs decreased by 12.1%, equal to €2.88 million. The reduction is the effect of the company reorganisation and of the actions taken in the various geographical areas to correlate payroll costs with sales trends.
The following table shows the payroll costs:

(€'000)	FY 2025	%	FY 2024	%	% change
Wages, salaries and Social Security contributions	19,777	94.6%	22,712	95.5%	-12.9%
Costs of defined benefit plans	504	2.4%	556	2.3%	-9.4%
Other costs	622	3.0%	516	2.2%	20.5%
Total personnel expenses	**20,903**	**100.0%**	**23,784**	**100.0%**	**-12.1%**
% impact on sales	**37.7%**		**40.2%**		

In 2025 payroll costs as a percentage of revenues stood at 37.7%, compared to 40.2% in 2024.

As shown in the table below, the number of Group employees at the end of the years under review decreased from 361 in 2024 to 317 in 2025. The net number of employees decreased by 44 units due to both voluntary redundancies and the general reorganisation of the Group structure. In terms of average number of employees, the values went from 372.4 in 2024 to 328.1 in 2025.

In the table below, staff of the management team and who is responsible for managing the individual subsidiaries (managers) has been extrapolated from the "employees" item.

EMPLOYEES	Average 2025	at December 31, 2025	Average 2024	at December 31, 2024
Manager	9.5	8	10.5	10
Clerical workers	225.3	218	260.9	255
Line workers	93.3	91	101.0	96
TOTAL	**328.1**	**317**	**372.4**	**361**

Total accrual and other costs are as follows:

(€'000)	FY 2025	FY 2024
Doubful debt provision	26	119
Other Provisions	0	171
Other costs	695	695
Total accruals and other costs	**721**	**985**

The "doubtful debt provision" item refers to provisions made during the years under review to cover any trade receivables that cannot be collected.
Provisions recorded only in 2024 mainly refer to the settlement of a legal dispute and in a limited part to the allocation to the product guarantee provision, which was adjusted to reflect the related risk.
This item's incidence on revenues is 1.3%, while it was 1.7% in 2024.

(€'000)	FY 2025	%	FY 2024	%	% change
Government grants	101	21.3%	1	0.2%	n.s.
Sundry revenues	373	78.7%	434	99.8%	-14.1%
Total other revenues	**474**	**100.0%**	**435**	**100.0%**	**9.0%**
% impact on sales	**0.9%**		**0.7%**		

The "Other income" item increased in the period under review, from €0.43 million in 2024 to €0.47 million in 2025. The difference of €0.04 million is mainly due to higher operating grants for the 2025 finacial year, related to certain grants received by the parent company under Regional Law No. 2/1992 for activities carried out with a view to the internationalisation of businesses.

As a percentage of revenues, this item increased from 0.7% in 2024 to 0.9% in 2025.

(€'000)	FY 2025	%	FY 2024	%	% change
Amortisation of intangile assets	3,427	62.4%	2,663	9.8%	28.7%
Amortisation of property, plant and equipment	1,785	32.5%	1,783	6.5%	0.1%
Write-down of fixed assets	282	5.1%	22,855	83.7%	-98.8%
Total amortisation and depreciation	**5,494**	**100.0%**	**27,301**	**100.0%**	**-79.9%**
% impact on sales	**9.9%**		**46.2%**		

Amortisation and depreciation increased from €4.45 million in 2024 to €5.21 million in 2025.
The item amortisation of intangible assets includes both in 2024 and in 2025 €0.30 million relating to the amortisation of intangible assets with a finite useful life identified as a result of the InoNet PPA.

Write-downs of non-current assets made during the year amounted to €0.28 thousand and all relate to development projects and products whose value is no longer recoverable, while in 2024 they amounted to €22.86 million and related to €22.69 million inclusive of the write-off of the goodwill of the CGU Eurotech Inc. and €0.16 million for the write-downs on some development projects and products.

The percentage of amortisation, depreciation and write-downs of revenues dropped from 46.2% in 2024 (financial year characterised by the significant impairment of the American CGU attributable to Eurotech Inc.) to 9.9% in 2025.

€'000	FY 2025	FY 2024	change %
Exchange-rate losses	730	1,239	-41.1%
Interest expenses	731	1,012	-27.8%
Interest expenses on lease liabilities	84	95	-11.6%
Other finance expenses	147	251	-41.4%
Financial charges	**1,692**	**2,597**	**-34.8%**
Exchange-rate gains	966	1,512	-36.1%
Interest income	8	19	-57.9%
Gain on derivatives	25	86	-70.9%
Other finance income	55	624	-91.2%
Financial incomes	**1,054**	**2,241**	**-53.0%**
Net financial income	**(638)**	**(356)**	**79.2%**
% impact on sales	**-1.2%**	**-0.6%**	

The "financial charges" item decreased compared to the previous year, from €2.60 million in 2024 to €1.69 million in 2025, due to the different impact of exchange losses related to the trend of foreign currencies (US dollar, Japanese yen and pound sterling) and the charges relating to the management of interest expense.

Financial income, mainly due to the trend in exchange rate differences, decreased from €2.24 million in 2024 to €1.05 million in 2025.

Net charges from financial management as a percentage of revenues is -1.2% in 2025 compared to 0.6% in 2024.

(€'000)	FY 2025	% of sales	FY 2024	% of sales	% change
Pre-tax result	(9,189)	-16.6%	(32,615)	-55.2%	-71.8%
Income taxes	(83)	-0.1%	(3,540)	-6.0%	-97.7%
Income taxes as a percentage of profit before taxes (effective tax rate)	**-0.9%**		**-10.9%**		

The pre-tax result went from a loss of €32.61 million in 2024 to a loss of €9.19 million in 2025. The incidence of income taxes on the pre-tax result in the period in question reflects the tax trends of the various companies included in the scope of consolidation.
The 2024 financial year also reflected the write-down of part of the deferred tax assets recognised in previous years against tax losses carried forward. With regard to the 2025 financial year, for Group companies reporting a tax loss for the year, it was decided not to recognise any further deferred tax assets beyond those already recorded in the financial statements of the individual companies, primarily Eurotech S.p.A. and Eurotech Inc..

The table below breaks down the income taxes sustained by Group companies for both years under review, distinguishing between current tax and deferred tax assets and liabilities, and between taxes due under Italian law and those due under foreign law.

(€'000)	FY 2025	% of sales	FY 2024	% of sales	% change
IRES (Italian corporate income tax)	187	0.3%	-	0.0%	N/A
IRAP (Italian Regional business tax)	-	0.0%	-	0.0%	N/A
Foreign current income taxes	469	0.8%	114	0.2%	311.4%
Total current income tax	**656**	**1.2%**	**114**	**0.2%**	**475.4%**
Net (prepaid) deferred taxes: Italy	(25)	0.0%	1,549	2.6%	-101.6%
Net (prepaid) deferred taxes: Non-italian	(490)	-0.9%	1,277	2.2%	-138.4%
Net (prepaid) deferred taxes	**(515)**	**-0.9%**	**2,826**	**4.8%**	**-118.2%**
Previous years taxes	(58)	-0.1%	600	1.0%	-109.7%
Previous years taxes	**(58)**	**-0.1%**	**600**	**1.0%**	**N/A**
TOTAL INCOME TAXES	**83**	**0.1%**	**3,540**	**6.0%**	**-97.7%**

The parent company Eurotech S.p.A. operates in a national tax consolidation scheme for Italian companies of the Group.

The Group's net result for 2025 shows a loss for the year of €9.27 million compared to a loss for 2024 of €36.15 million.

Statement of financial position

Non-current assets

(€'000)	at December 31, 2025	at December 31, 2024	Changes
Intangible assets	55,938	62,425	(6,487)
Property, Plant and equipment	6,897	8,367	(1,470)
Investments in affiliate companies	4	4	-
Investments in other companies	137	152	(15)
Deferred tax assets	1,973	1,647	326
Other non-current assets	416	480	(64)
Total non-current assets	**65,365**	**73,075**	**(7,710)**

The “Non-current assets” item decreased from €73.07 million in the financial year 2024 to €65.36 million in 2025.
The change of €7.71 million was mainly attributable to the different translation ratio of foreign currency financial statements (mainly due to the depreciation of the yen against the euro), as well as to the investments made and amortisation and depreciation of values, and partly to the change in intangible assets resulting from the final allocation of the InoNet PPA.

Specifically, with reference to the change in the period, the exchange rate effect had a negative impact of €5.18 million: in fact, if the values at constant exchange rates had been compared, net of the impairment of goodwill, the decrease would have amounted to €1.31 million.

The Group’s main investments break down as follows:

(€'000)	at December 31, 2025	at December 31, 2024	Changes
Intangible assets	2,196	3,217	(1,021)
Property, plant and equipment	795	3,032	(2,237)
TOTAL MAIN INVESTMENTS	**2,991**	**6,249**	**(3,258)**

Investments in intangible assets mainly refer to the development of new products, while investments in property, plant and equipment relate to a greater extent to the renewal of long-term lease contracts in Japan and the acquisition of new production and laboratory equipment.

Current assets

(€'000)	at December 31, 2025	at December 31, 2024	Changes
Inventories	11,918	17,141	(5,223)
Trade receivables	13,929	12,405	1,524
Income tax receivables	568	934	(366)
Other current assets	1,361	1,498	(137)
Other current financial assets	17	115	(98)
Derivative instruments	4	29	(25)
Cash & cash equivalents	6,455	6,170	285
Total current assets	**34,252**	**38,292**	**(4,040)**

The "Current assets" item decreased from €38.29 million in 2024 to €34.25 million in 2025. The change is mainly attributable to the reduction in the value of inventories and receivables for income taxes partially offset by the increase in trade payables and in cash and cash equivalents. Compared to 31 December 2024, the end of the 2025 financial year showed a reduction in inventories of €5.22 million (-43.8%) used to meet customer requests following an accumulation phase to manage the long procurement lead times in previous years, in addition to reflecting a write-down of obsolete codes amounting to €1.48 million. For the changes in cash and cash equivalents, please refer to the consolidated cash flow statement.

Net working capital

Net working capital, which comprises current assets net of cash and cash equivalents and non-financial current liabilities, underwent the following changes in the reporting period:

(€'000)	31, 2025 (b)	31, 2024 (a)	Changes (b-a)
Inventories	11,918	17,141	(5,223)
Trade receivables	13,929	12,405	1,524
Income tax receivables	568	934	(366)
Other current assets	1,361	1,498	(137)
Current assets	**27,776**	**31,978**	**(4,202)**
Trade payables	(9,384)	(9,040)	(344)
Trade payables from affiliates companies	(209)	(399)	190
Income tax liabilities	(879)	(953)	74
Other current liabilities	(7,576)	(6,902)	(674)
Current liabilities	**(18,048)**	**(17,294)**	**(754)**
Net working capital	**9,728**	**14,684**	**(4,956)**

Net working capital decreased by €4.96 million. This decrease derives from the decline in current assets, as well as an increase in items relating to current liabilities. More specifically, there was a significant decrease in inventories and an increase in trade receivables, as well as a small increase in trade payables and other current liabilities. Net working capital as a percentage of turnover is 17.6%, whereas at the end of 2024 it had been

24.8%. The trend in net working capital, therefore, is mostly linked to various trends that have characterized inventory management.

Net financial position

At 31 December 2025, the Group had a net financial debt of €16.80 million, compared to an amount of €20.40 million at 31 December 2024.
This improvement is mainly attributable to payments totalling €7 million made by the relative majority shareholder, Emera S.r.l., in connection with a future capital increase to support operational activities, as well as to an improvement in working capital.

Financial liabilities relating to lease and rental contracts accounted for in compliance with the provisions of IFRS 16 amounted to €4.26 million at 31 December 2024; at 31 December 2025, the remaining higher financial liabilities recognised amounted to €3.44 million.

The net financial position (net financial debt) is determined in accordance with the definitions of CONSOB notice no. 5/21 of 29 April 2021, i.e. the Guidelines of the European Securities and Markets Authority (ESMA) issued on 15 July 2020 and in force as from 5 May 2021.
The following table shows the breakdown of the net financial position under these guidelines.

(€'000)		at December 31, 2025	at December 31, 2024
Cash	A	6,455	6,170
Cash equivalents	B	-	-
Other current financial assets	C	21	144
Cash equivalent	**D=A+B+C**	**6,476**	**6,314**
Current financial debt	E	3,934	6,808
Current portion of non-current financial debt	F	7,667	2,240
Other current financial liabilities	G	101	115
Short-term financial position	**H=E+F+G**	**11,702**	**9,163**
Short-term net financial position	**I=H-D**	**5,226**	**2,849**
Non current financial debt	J	11,574	17,551
Debt instrument	K	-	-
Medium-/long-term net financial position	**M=J+K+L**	**11,574**	**17,551**
(NET FINANCIAL POSITION) NET DEBT ESMA	**N=I+M**	**16,800**	**20,400**

Existing financial liabilities of €15.79 million, plus current account overdrafts which at the end of the 2025 financial year amounted to €3.93 thousand, combine to form total debt toward banks of €19.73 million (€22.34 million at the end of 2024), of which €10.73 million is payable in the short term.

At 31 December 2025, short-term financial liabilities (pursuant to IAS 1.65) included the medium-to-long-term portion (€1.42 million) of an existing loan with respect to which the Group had not met all the contractual conditions at year-end. The entire loan, whose residual amount was €1.80 million, was reclassified as falling due in the short term.

Following the balance sheet date, Eurotech has formally requested from the relevant bank a “covenant holiday” following the failure to meet two of the three financial covenants set out in the loan agreement and calculated as at 31 December 2025, as well as a recalculation of the financial covenants for the remaining years of the loan's repayment schedule. The bank has informed that it has approved the temporary suspension for 2025 and the restructuring of these measures for subsequent years.

The other current financial liabilities relate to debt arising from business combinations, which is expected to be settled by the end of the following financial year.

(€'000)		2025	2024
Cash flow generated (used) in operations	A	205	4,277
Cash flow generated (used) in investment activities	B	(2,122)	(4,959)
Cash flow generated (absorbed) by financial assets	C	2,780	(4,182)
Net foreign exchange difference	D	(578)	(394)
Increases (decreases) in cash & cash equivalents	E=A+B+C+D	285	(5,258)
Opening amount in cash & cash equivalents		**6,170**	**11,428**
Cash & cash equivalents at end of period		**6,455**	**6,170**

Operating activities are slightly cash-generating, due to the reduction in net working capital, compared to a generation of €4.28 million in 2024.

The investment activity relates to the investments made in developing new products in the form of Internet of Things (IoT) platforms, as well as embedded systems and modules, and investments for the replacement of industrial, commercial and hardware equipment.

Finally, cash flows from financial activities was affected by payments for a total of €7 million for future share capital increase made by the reference shareholder Emera S.r.l., as well as the repayment of short-term portions of medium-term loans and the reduction in the use of credit lines (net of new loans). With regard to this last point, it should be noted that, during the first few months of 2026, the shareholder Emera S.r.l. made further payments totalling €2 million.

Intragroup relations and transactions with related parties

Within the scope of transactions aimed at routine management of the business of the Eurotech Group and constant promotion of new production and commercial synergies, the Group companies maintain reciprocal commercial relations whereby they sell and purchase products and services. Among the main transactions, it should be noted that a) against the recognition of royalties, the Group companies use trademarks held by the Parent Company, and that b) the Parent Company provides the subsidiaries with administrative, tax, corporate, business and strategic consulting services.
Relations between Group companies are governed by market conditions, taking into account the quality of the goods and services provided. The outstanding balances at the reporting date are not supported by guarantees, do not generate interest (excluding financial relations) and are settled in cash. No warranties, whether given or received, exist in relation to related-party receivables and payables.
Following the evaluation of the financial position of related parties and the analysis of the market in which they operate, at 31 December 2025 the Group made no allocation to a doubtful debt provision for sums owed by related parties, except for the €447 thousand write-down already made in 2010 on the receivable from the affiliated company in liquidation Rotowi Technologies S.p.A. (formerly UTRI S.p.A.).

Relations with related parties include transactions arising in the course of normal business and financial relationships with companies in which the Directors of the Parent Company or its subsidiaries have senior positions. These transactions are regulated under market conditions.
During the 2025 financial year, the relative majority shareholder Emera S.r.l., pertaining to the Directors Fumagalli and Carando, made payments to Eurotech for a future capital increase for a total amount of €7 million, to allow the Company immediate flexibility to act on its short- and medium-term financial needs in related to the implementation of its strategy.
Information on related-party transactions, as required by CONSOB communication no. 6064293 of 28 July 2006, are described in the explanatory notes to the Consolidated Financial Statements.

There were no atypical or unusual transactions during the year 2025, as defined by CONSOB in its communication no. 6064293 of 28 July 2006.

The table below shows information on equity investments held in the Parent Company and its subsidiaries by members of the management and supervisory bodies, general managers and managers with strategic responsibilities as well as spouses not legally separated and children, directly or through subsidiaries, trust companies or third parties, taken from the shareholders' register, notifications received and other information acquired by the members of the management and supervisory bodies, general managers and managers with strategic responsibilities, pursuant to Art. 79 of CONSOB Regulation No. 11971/99 as subsequently amended.

				at December 31, 2025				
Name	Nomination	Company	Possessory title	Share at January 1 or appointment	Share acquired in the period	Share disposed in the period	Share at the end of the period	of which shares at the end of the period indirectly
di Giacomo Luca	President3	Eurotech	-	-	-	-	-	-
Fumagalli Aldo (*)	Director and Vice President	Eurotech	-	-	-	-	-	-
Carando Davide Albino (*)	Director	Eurotech	Proprietà	45,000	-	-	45,000	45,000
Amadesi Laura	Director from 07.07.2025	Eurotech	-	-	-	-	-	-
Chawla Paul (**)	Director up to 05.06.2025	Eurotech	Ownership	126,150	-	-	126,150	-
Costa Michela	Director	Eurotech	-	-	-	-	-	-
Milan Massimo	Director from 05.06.2025	Eurotech	-	-	-	-	-	-
Olivieri Tiziana	Director from 15.04.2025	Eurotech	-	-	-	-	-	-
Pesce Simona	Director up to 07.07.2025	Eurotech	-	-	-	-	-	-
Russo Massimo	Director up to 27.03.2025	Eurotech	-	-	-	-	-	-
Monti Fabio	President of Board of Statutory Auditors	Eurotech	-	-	-	-	-	-
Savi Daniela	Statutory Auditor	Eurotech	-	-	-	-	-	-
Briganti Laura	Statutory Auditor	Eurotech	-	-	-	-	-	-
	Strategic Managers	Eurotech	Ownership	41,000	57,000	(24,000)	74,000	-

(*) As previously indicated, Emera S.r.l. is the Eurotech's reference shareholder with a shareholding of 24,725%, and it is linked to the directors Fumagalli and Carando.
(**) Shares owned at the end of office

Treasury shares of the Parent Company owned by the Parent Company or subsidiaries

The Parent Company Eurotech S.p.A. held 253,606 treasury shares at the end of the reporting period. In 2025, 70,000 treasury shares were purchased and 57,000 of them were assigned as a result of retention share plans:

	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 2025	**240,606**	**60**	**0.68%**	**662**	**2.75**
Purchases	70,000	18	0.20%	63	0.90
Sales	-	-	0.00%	-	
Assignment-Performance share Plan	(57,000)	(14)	-0.16%	(157)	2.75
Status as at 31 December 2025	**253,606**	**64**	**0.71%**	**568**	**2.24**

Investments and research & development

At 31 December 2025, technical investments (property, plant and equipment) in equipment, machinery and instruments amounted to €263 thousand, investments in property and other assets amounted to €532 thousand, investments to purchase user, software and know-how licenses amounted to €95 thousand.
During the period, the Group invested in industrial research & development and technological innovation for new products and for improving the current products and processes.
Research resulted in the development of new products/applications in the field of computers and Embedded systems (limited to Japan), high-integration and low-consumption computers, network appliances, software platforms and supercomputers. Research also led to improvements in the quality of products, the creation of new products, reduced manufacturing costs and a resulting increase in company competitiveness. During the period development costs for new products were recognised for €2.09 million: 8.8% of said costs relate to the development of new hardware products based on the new ultra-low power architecture; 83.3% of said costs relate to software projects in the Edge computing segment and in the Internet of Things platforms; the remaining approximately 7.9% was used for a range of purposes in both hardware and software, including projects launched in previous years.

Main risks and uncertainties to which the Group is exposed

Risks related to the Russia-Ukraine conflict

The conflict between Russia and Ukraine, ongoing for over 4 years, continues to have relevant consequences at global level not only due to the serious humanitarian crisis that has ensued, but also due to the economic impacts that are difficult to predict.
The Eurotech Group does not have commercial relations with Ukraine and Russia and does not have raw material suppliers or production sites located in these countries. However, a potential escalation of the conflict cannot be excluded, which may indirectly affect other neighbouring countries and international market dynamics,

potentially impacting procurement costs and supply chains. The situation is closely monitored in order to assess and react promptly to any changes in the context.

Risks related to the conflict between Israel and Palestine

With reference to the conflict in the Middle East between Israel and Palestine, which began in October 2023, there are no direct implications for the Group, as there are no significant commercial relations in the affected area. However, elements of uncertainty linked to the international geopolitical context remain, which could reflect on some international market dynamics.
At the date of preparation of these financial statements, these potential effects were considered marginal for the Group. However, the situation continues to be monitored in order to assess any impacts deriving from possible developments.

Risks related to geopolitical tensions in the Middle East/Iran area

In the first months of the year following the close of the financial year, additional geopolitical tensions emerged in the Middle East, particularly concerning the situation involving Iran. At the date of these financial statements, no significant direct impacts on the Group’s operations have been identified, also due to the lack of direct commercial relationships in this geographical area.
However, the evolution of the international geopolitical context could have indirect effects on the prices of raw materials, energy and global supply chains. In particular, any increases in energy costs could indirectly reflect on supply chain costs. The Group continues to carefully monitor these trends in order to promptly assess any effects on its operating activities.

Risks connected to general economic conditions

The global macro-economic scenario in 2025 was influenced not only by the continuing consequences of the conflicts in Europe and the Middle East, but also by the performance of the reference market and by the trend in inflation, the dynamics of interest rates, and the volatility of the financial markets. In addition to these factors, there is the risk associated with the political and economic instability of some countries, which could affect the balance of international markets and the prospects for economic growth.
The long-term business plan prepared by management, which envisages growth in revenues in the coming years, was prepared on the basis of assumptions considered reasonable and prudent in light of the information available at the date of preparation of the financial statements. However, the occurrence of less favourable macroeconomic scenarios could lead to deviations from the forecasts formulated.

The Group's presence in various regions of the world however enables it to diversify risk and to benefit from any positive situations arising in some regions in relation to or before other regions.
The Group's presence in sectors such as industry and transportation, which are more affected by reduced consumption, may generate losses and risks of loss, above all in a scenario of considerable weakness of overall economic conditions.
Furthermore, leaving aside slow economic growth or recession, other economic conditions such as fluctuating raw material prices or their reduced availability or reduced spending on infrastructure may negatively affect the markets in which the Group operates, and may, in combination with other factors, have a significant impact on the Group's business outlook, operating performance and/or financial situation.

Risks related to protectionism policies

The Group purchases and sells products outside the local areas of the individual subsidiaries. Recent protectionist policies of some non-European countries (mainly United States) in which the Group operates and sells its products, which intend to protect domestic production activities from foreign countries' competition through the application of duties, could result in an increase in costs and the consequent reduction in margins but also have a significant impact on the growth prospects of the Group's business, determining negative effects on the economic results and consequently on its own financial situation.
In particular, sales of products in the US account for approximately 10% of the Group’s turnover; consequently, the application of import duties in that country is limited to purchases related to that turnover. Furthermore, under current regulations, the sectors in which the company operates are not those subject to the highest tariffs; therefore, should the company have to bear these duties and the increased cost not be passed on to the customer, the impact remains limited.

Risks connected to exchange rate and interest rate fluctuations

The Eurotech Group operates at global level and has invested in countries such as the US, Japan and the UK, deriving cash flows from these countries that are not consistent. In addition, foreign subsidiaries operate on their respective core markets with their respective functional currencies. Owing to these considerations, exchange rate hedging operations are not carried out, despite the fact that the consolidated financial statements are constantly affected by exchange rate fluctuations when the financial statements of companies outside the Eurozone are translated.
The Group is exposed through medium-term, variable-rate loans, particularly in Europe, while exposure in the Yen area is more contained. The Group uses hedging instruments to mitigate the effects of interest rate variations on loans (mainly Interest Rate Swaps – IRS).
Steep exchange rate or interest rate fluctuations may have an impact on the Group’s business performance and financial results.
For more information, please refer to the explanatory notes to the consolidated financial statements.

Risks connected to liquidity and required financial resources

In consideration of the existing net financial position, the Group expects to fulfil the obligations deriving from maturing financial payables through the liquidity available, through the flows deriving from operations, through the use of existing credit lines and/or the renewal or refinancing of bank loans. The Group may also, where necessary, source additional equity from the market.
The Group believes that the ability to generate positive operating cash flows is strictly related to the achievement of a turnover higher than that recorded in the last two years. In this context, management will continue to maintain careful control over margins and operating costs, adapting the organisational structure to the evolution of the level of activity.
Despite the measures adopted by the Group to maintain adequate levels of working capital and liquidity, any further decline in sales volumes or delays in turnover growth could negatively affect the Group companies' ability to generate cash flows. In these circumstances the Group may find it necessary to arrange further loans and/or to refinance existing debt, including in less favourable market conditions, with a possible reduction in available financing sources and an increase in relative costs. Any difficulties in raising such financial resources could have a negative effect on the Group’s business outlook, as well as on its operational results and the financial position.
With reference to the Group's equity and financial structure, it should also be noted that Emera S.r.l., the Company's reference shareholder, committed on 5 February 2025 and 11 September 2025 to make payments in multiple tranches during 2025 and 2026 for a future capital increase in favour of Eurotech S.p.A. for a total maximum amount of €12.5 million.
In fulfilment of this commitment, at 31 December 2025, €7 million had been paid, in addition to a further €2 million paid in January 2026, for a total of €9 million.
This commitment allowed the Group to source new financial resources, supporting both the implementation of

strategic plans and the coverage of short- to medium-term liquidity needs, without increasing exposure to the banking system and at the same time strengthening the Company's capital structure.
It should also be noted that, as communicated during the 2024 financial year, on 15 October 2024 the Shareholders' Meeting of Eurotech S.p.A. granted the Board of Directors the power to increase the share capital, also in several tranches, up to a maximum amount of €20 million.
At the date of this report, also by virtue of the Board resolutions of 23 January 2025 and 27 January 2026, as well as the communications of 27 February 2026, the capital increase transaction was successfully completed, bringing in new financial resources to the Company with new financial resources totalling €9.2 million.
These elements were considered by the Board of Directors in assessing the Group's ability to support the strategic development lines envisaged in its business plans.
All these factors were taken into account by the Directors when assessing the feasibility of the strategic development plans set out in the new business plan, confirming the Group’s ability to ensure that its cash requirements are fully met for a period of at least the next twelve months from the balance sheet date.

Risks connected to management

The Group’s success largely depends on the skills and capabilities of certain Executive Directors and other management members to efficiently run the Group and the individual local entities. Any loss of the professional contribution of one or more Executive Directors or other key resources without adequate replacement, as well as any difficulty in attracting and retaining qualified resources, could have negative effects on the Group’s ability to achieve its future plans.

Risks connected to competitiveness in the sectors in which the Group operates

The markets in which the Group operates are highly competitive, in particular regarding product quality, technological innovation, reliability of solutions and the ability to provide customer support.
The Group’s success depends on the ability to maintain and build its market share and to expand into new segments through the development and marketing of innovative products characterised by high qualitative standards, able to guarantee sustainable profitability levels.
In recent years, competitive pressure has increased, particularly in terms of price, especially in the embedded boards and modules sector and, in part, in software, while it is relatively less intense in the integrated systems segments.
If the Group is not able to maintain adequate innovation and competitiveness levels with respect to the main market operators, this could lead to a reduction in market share, with consequent negative effects on the Group's profitability and economic and financial results.

Risks connected to customers

In some regions, the Group operates with a relatively limited number of customers. Consequently, the loss or significant reduction in the volume of business with one or more significant customers could have a negative impact on the Group's revenues from sales and profitability.
In many cases, these customers do not represent the product end customers, but integrate the Group's solutions within their own offerings. Therefore, any commercial difficulties or the failure of customers' products that integrate the Group's solutions could have a negative impact on sales volumes and margins.
The economic conditions of the end markets where the Group's customers operate may also affect the demand for the products supplied. Some of these markets are characterised by high competition, rapid technological change and a certain volatility in demand. The Group’s exposure to economic cycles and fluctuations in demand could therefore have a negative effect on revenues and the financial situation.
Lastly, the decision by some customers to insource production or technological activities currently performed by the Group could lead to a reduction in supply volumes, negatively impacting revenues and profitability.

Risks connected to environmental policy

The Eurotech Group's activities and products have to comply with national, community and international environmental legislation. This legislation is becoming increasingly stringent in the countries where the Group operates.
The potential risk to which the Group is subject relates to the processing of electric and/or electronic parts that, pursuant to new legislation, could become unusable in production or separately saleable.
The consequent disposal of such products, or of others that have become obsolete due to technological advances, incurs increasingly high costs.
In order to comply with legislation in force, the Eurotech Group envisages having to continue to sustain costs that may rise in future years.

Risks connected to relations with employees and suppliers

Workforce
In some of the countries in which the Group operates, employees are subject to specific work regulations and/or collective labour agreements that guarantee them, including by means of local and national representatives, the right to be consulted on certain corporate decisions, including any interventions for the reduction of the workforce.
These regulations and collective agreements could affect the Group's degree of flexibility in the redefinition or strategic repositioning of its activities. Any decisions not shared with workers' representatives could also lead to difficulties in the management of human resources and industrial relations.

Supply chain and suppliers
The Group acquires raw materials and components from numerous suppliers and depends in part on the services and products supplied by external companies.
In the sectors where the Group operates, close collaboration between manufacturers and suppliers is common. Although this model can generate economic benefits, particularly in terms of cost efficiency and supply chain optimisation, it also entails a certain degree of dependence on suppliers.
Any suppliers' operational or financial difficulties, deriving from both internal factors and external conditions, could therefore have negative repercussions on the continuity of supplies and, consequently, on the Group's business prospects, economic results and financial situation.
The Group continuously monitors the development of its supply chain and maintains relationships with a diversified supplier base to mitigate procurement risks and ensure the continuity of production activities.

Availability of electronic components
The price and availability of the electronic components used by the Group depend on many factors, largely beyond control and difficult to predict.
In the past, supply-side tensions have led to procurement difficulties and an increase in the cost of components, with negative consequences on the Group's economic results.
A potential escalation of these tensions could create additional challenges in securing components within the timeframes required by production processes. In order to mitigate these risks, the Group implements proactive procurement planning and continuous supply chain monitoring.

Risks connected to development activity

The Group conducts major research and development activities that can last for more than 24 months. Development activities believed to be capable of producing future benefits in terms of revenues are posted as intangible assets. Not all development activities may lead to production at a level that allows for complete recoverability of the posted asset. When products related to capitalised development activities do not achieve the success expected, the impact on expected Group revenues and profits is determined, as well as whether the asset has to be written down.

Risks connected to the capacity to enrich the product portfolio and offer innovative products

The Group's activity success depends to a large extent on the ability to maintain and strengthen its market share in the segments in which it operates, as well as to expand into new markets through the development and marketing of innovative products characterised by high qualitative standards and adequate profitability levels.
In particular, if the Group is unable to develop and bring to market solutions that are technologically competitive with those of its main competitors in terms of price, quality, functionality or performance, or if delays occur in the development and launch of new products, this could lead to a reduction in its market share.
These circumstances could have negative effects on the Group's growth prospects, as well as on its economic results and financial situation.
To mitigate this risk, the Group continues to invest in research and development and in the strengthening of its technological skills, in order to maintain an adequate level of innovation in the product portfolio.

Risks and uncertainties connected to goodwill and assets with an indefinite life

The Group carries out impairment tests on goodwill and other intangible assets with an indefinite useful life (trademarks), at least annually and during the course of the year if there are indications of loss in value. Among the indicators considered, the Group closely monitors the performance of the markets in which it operates, as well as trends in production factor costs, exchange rates and interest rates, which may affect business profitability and the recoverability of investments made. It also tracks the performance of its share price on the Italian stock exchange, with particular attention to market capitalisation, which is lower than the carrying amount of net assets reported in the Group's financial statements at year-end. The test requires an estimate of the value in use of the cash-generating unit to which the goodwill and other intangible assets with an indefinite useful life are attributed, based in turn on the estimated expected cash flows of the unit and on the discounting of these flows at an appropriate rate.

In view of the general macroeconomic picture and the key sectors in which the Group operates, there is intrinsic uncertainty in estimating the cash flows used to test the assets for impairment, as well as some of the parameters that make up the discount rate. This uncertainty could give rise to the risk of failure to impair goodwill and intangible assets with an indefinite useful life, due to possible overestimation of future cash flows in the application of some of the parameters that make up the discount rate.
Lastly, the Group strategic development is influenced by the evolution of technologies, applications and, more generally, the sectors and markets in which the Group operates, offering solutions (products and services) that are frequently updated. It follows that goodwill originating from acquisitions made in markets, sectors and periods other than those envisaged in the annually updated business plans could lead to potential impairment losses also deriving from qualitative analyses regarding the Group strategic development, even before the precise identification of the expected cash flows in one of the Group entities, an aspect affected by the cash-generating units.

Risks connected with the performance of the Group's operating results

This risk factor brings out the risks connected with investment in the Company's share capital in consideration of the performance of the Group's operating result in recent years and of current conditions in certain markets.
It is difficult to foresee the Group's future performance in consideration of the sectors in which it operates. It is however evident that every external event, such as a significant drop in one of the major relevant markets, the volatility of financial markets and the resulting deterioration of the capital market, the increase in cost of raw materials, unfavourable interest and exchange rate fluctuation, government policies, etc., might have a negative

impact on the sectors in which the Group operates and negatively affect its prospects and activity, as well as affect its operating and financial results. The profitability of the Group's activities is also subject to risks tied to the fluctuation of interest rates, solvency and ability of the commercial counterparties to finance themselves, as well as to the overall economic conditions of the countries where the Group operates.
The Group constantly monitors the evolution of the reference markets and adopts risk management policies aimed at mitigating the effects of any adverse economic conditions.

Cybersecurity Risk

The risk of cybersecurity is represented by the possibility that cyber-attacks compromise company information systems, with the main consequences being the theft of sensitive information (including company know-how), the interruption of services provided with both economic and reputational consequences.
The consequences deriving from a cyber-attack could concern:

- the loss of confidentiality, i.e. the intentional or accidental disclosure of confidential information, which may result in losses for the Eurotech Group in terms of competitive advantage, damage to its image and reputation, and legal and economic impacts (e.g. sanctions) due to failure to compliance with regulatory and/or contractual obligations;
- the loss of integrity and availability of the information and systems supporting the business, which may result in a loss of profit due to the non-provision of services and/or damage to company assets.

In order to mitigate these risks, the Group adopts IT security measures and procedures for monitoring and protecting information systems, in line with industry best practices and applicable security standards.

Disclosure on the environment and personnel

Although the Group does not carry out activities that could impact local areas or the environment, it has always tried to operate in line with national and international best practice, in accordance with the approaches of risk prevention and reducing and minimising environmental impacts.
Eurotech is increasingly committed to responding to the challenges posed by climate change to improve the Group's resilience and seize the opportunities arising from the transition to a sustainable and low-carbon economy. To achieve these objectives, the initial step involves identifying the risks and opportunities related to the climate and their impacts. For the type of business in which the Group operates, the impact of climate change is currently very marginal but despite this, there is increasing attention to assessing its potential effects in the individual development processes of the Group.

The Eurotech Group has always paid close attention and been highly committed to the topic of employee safety, spreading a culture of safety within the organisation, minimising risk exposure in every activity and conducting activities to control, prevent and protect against risk exposure.
There have been no major work-related accidents at the Eurotech Group, and there is currently no risk of work-related illness.

Disclosure on sovereign exposure

Pursuant to CONSOB Communication No. DEM/11070007 of 5 August 2011 (a continuation of ESMA document 2011/266 of 28 July 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.

Regulatory simplification process based on CONSOB resolution No. 18079/2012

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.

Events after the reporting date

In January 2026, against the commitment made in September 2025 by the relative majority shareholder Emera S.r.l. to support the Group's cash needs for a total amount of €6.5 million, an additional payment was made for a future share capital increase of €2 million.
This payment brought the total amounts paid by the shareholder Emera S.r.l. between 2025 and early 2026 to €9 million.
Following the resolution of the Board of Directors of 27 January 2026, Eurotech S.p.A. launched a share capital increase for a total of €17.5 million, in execution of the mandate granted by the Shareholders' Meeting on 15 October 2024. This transaction is part of the Company's capital strengthening, following the capital increase of €2.5 million completed in June 2025.
In the period between 2 February 2026 and 24 February 2026, the capital increase was fully subscribed, with the issue of 20,996,436 ordinary shares.
As part of the transaction, the relative majority shareholder Emera S.r.l. converted €8.3 million of the total €9 million paid into a future capital increase account.
Furthermore, in the early months of 2026, the Group formally requested a temporary suspension ("covenant holiday") from a bank regarding the verification of financial covenants relating to the 2025 financial year. The bank has announced that it has approved the temporary suspension for 2025 and the restructuring of these parameters for subsequent years. This agreement allows the original loan repayment schedule to be maintained in accordance with the terms of the contract.
The events described above contributed to the strengthening of the Group's equity and financial structure, supporting the execution of the strategic plan and the activity development prospects.
At the date of this report, no other significant events occurred after the end of the financial year.

Report on corporate governance and ownership structure

The Report on Corporate Governance and Ownership Structure pursuant to Article 123-bis, paragraphs 1 and 2 of Italian Legislative Decree No. 58 of 24 February 1998, as amended, is included in a separate report from the Management Report, published together with the latter on Eurotech's website (www.eurotech.com, Investors section).

Off-statement of financial position agreements

The information required by Art. 2427, paragraph 1(9) of the Italian Civil Code is hereby given that the Group has no agreements not disclosed in the Statement of financial position.

Subsidiaries created and regulated according to the law of countries outside the European Union

The Board of Directors hereby declares that conditions for listing exist pursuant to Art. 36 of CONSOB Regulation No. 16191/2007 (the "Stock Market Regulation"). In this regard, note that at 31 December 2025 the subsidiaries created and regulated under the laws of countries outside the European Union, pursuant to Art. 36, paragraph 2 of the above Regulation, are the US companies Eurotech Inc. and E-Tech USA Inc., the Japanese company Advanet Inc. and the British company Eurotech Ltd. and that the requirements set out in paragraph 1 of said article are met for these subsidiaries.
In accordance with Art. 15, paragraph 1 of CONSOB Regulation No. 16191/2007 (as amended by CONSOB Resolution No. 20249 of 28 December 2017, effective from 3 January 2018) it is acknowledged that the information flows provided by the Extra-EU subsidiaries, set forth in the aforementioned legislation, are adequate to regularly provide the Parent Company with the economic, equity and financial data necessary for the preparation of the consolidated financial statements. Specifically, it should be noted that at 31 December 2025 the subsidiaries to which these provisions apply are those listed previously.

Competitive scenario, outlook and future growth strategy

The international macroeconomic and geopolitical context remains characterised by elements of high volatility and uncertainty, which continue to influence the dynamics of supply chains, industrial investments and technological demand.

In this scenario, however, management believes that it has the operating and financials levers necessary to implement the business plan, supported by the recently completed capital strengthening and the gradual improvement in commercial dynamics.

For the year 2026, operations will be oriented towards the completion of the transition from the stabilisation phase to a condition of structural profitability (*From Recovery to Structural Profitability*).

The management action may benefit from the effects of the recent capital increase of €17.5 million, successfully concluded, whose resources are intended to support the acceleration of the value creation process through investments in Research & Development, the strengthening of the of go-to-market activities and the expansion of services along the life cycle of the solutions offered.

At the operational level, the Group expects to focus on improving the offer mix and further strengthening the cost discipline, favouring quality and growth sustainability.

In the commercial area, the strategy will be aimed at consolidating the Group's positioning as an end-to-end integrated technology platform – including Hardware, Edge AI, Software and Cybersecurity – in the following four vertical markets characterised by high development potential: Industrial, Transportation & Mobility, Energy & Grids and Aerospace & Defence.

In light of these strategic guidelines, and the completion of the rationalisation initiatives undertaken, management expects moderate revenue growth for 2026, accompanied by a return to a positive EBITDA and the recovery of operating cash generation.

Within this context, the Group intends to continue executing its business plan with discipline, with the objective of progressively strengthening its competitive position in its reference markets and generating sustainable value over the medium to long term.

Consolidated financial statements at 31 December 2025 prepared according to international accounting standards

Consolidated statement of financial position

(€'000)	Notes	at December 31, 2025	of which related parties	at December 31, 2024	of which related parties
ASSETS					
Intangible assets	1	55,938		62,425	
Property, Plant and equipment	2	6,897		8,367	
Investments in affiliate companies	3	4		4	
Investments in other companies	3	137		152	
Deferred tax assets	31	1,973		1,647	
Other non-current assets	4	416		480	
Total non-current assets		**65,365**		**73,075**	
Inventories	5	11,918		17,141	
Trade receivables	6	13,929		12,405	
Income tax receivables	7	568		934	
Other current assets	8	1,361		1,498	
Other current financial assets	10	17		115	
Derivative instruments	34	4		29	
Cash & cash equivalents	9	6,455		6,170	
Total current assets		**34,252**		**38,292**	
Total assets		**99,617**		**111,367**	
LIABILITIES AND EQUITY					
Share capital		9,657		8,879	
Share premium reserve		138,122		136,400	
Other reserves		(95,064)		(84,615)	
Group shareholders' equity	**12**	**52,715**		**60,664**	
Equity attributable to minority interest	**12**	**-**		**-**	
Total shareholders' equity	**12**	**52,715**		**60,664**	
Medium-/long-term borrowing	14	11,574		17,551	
Employee benefit obligations	15	1,938		2,331	
Deferred tax liabilities	31	2,865		3,164	
Other non-current liabilities	17	775		1,200	
Total non-current liabilities		**17,152**		**24,246**	
Trade payables	18	9,384		9,040	
Trade payables from affiliates companies	18	209	209	399	399
Short-term borrowing	14	11,601		9,048	
Income tax liabilities	7	879		953	
Other current liabilities	19	7,576		6,902	
Business combination liabilities	20	101		115	
Total current liabilities		**29,750**		**26,457**	
Total liabilities		**46,902**		**50,703**	
Total liabilities and equity		**99,617**		**111,367**	

Consolidated income statement

(Migliaia di Euro)	Notes	FY 2025	of which non recurrent	of which related parties	FY 2024	of which non recurrent	of which related parties
Revenues from sales of products and services	21	55,377		-	59,133		3
Other revenues	27	474			435		
Cost of materials	22	(28,276)			(29,144)		
Service costs	24	(10,426)	(607)	(195)	(12,921)	(659)	(873)
Lease & hire costs	23	(670)			(894)		
Payroll costs	25	(20,903)	(1,178)		(23,784)	(437)	
Other provisions and other costs	26	(721)	-		(985)	(154)	
Cost adjustments for in-house generation of non-current assets	28	2,088			3,202		
Depreciation & amortisation	29	(5,212)			(4,446)		
Asset impairment	29	(282)	-		(22,855)	-	
Operating profit		**(8,551)**	**(1,785)**		**(32,259)**	**(1,250)**	
Finance expense	30	(1,692)			(2,597)		
Finance income	30	1,054			2,241		
Profit before taxes		**(9,189)**			**(32,615)**		
Income tax	31	(83)			(3,540)		
Net profit (loss)		**(9,272)**			**(36,155)**		
Minority interest		**-**			**-**		
Group net profit (loss) for period		**(9,272)**			**(36,155)**		
Base earnings (losses) per share	**13**	**(0.251)**			**(1.025)**		
Diluted earnings (losses) per share	**13**	**(0.251)**			**(1.025)**		

Consolidated statement of comprehensive income

(€'000)	Notes	FY 2025	FY 2024
Net profit (loss) before minority inerest (A)		**(9,272)**	**(36,155)**
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	34	(25)	(73)
Foreign balance sheets conversion difference		(3,063)	(2,562)
Exchange differences on equity investments in foreign companies	12	(2,782)	1,231
After taxes net other comprehensive income to be reclassified to profit or loss in subsequent periods (B)		***(5,870)***	***(1,404)***
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial gains/(losses) on defined benefit plans for employees	15	158	30
After taxes net other comprehensive income not being reclassified to profit orloss in subsequent periods (C)		***158***	***30***
Comprehensive net result (A+B+C)		**(14,984)**	**(37,529)**
Comprehensive minority interest		**-**	**-**
Comprehensive Group net profit (loss) for period		**(14,984)**	**(37,529)**

Consolidated statement of changes in shareholders' equity

(€'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, 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 December 31, 2024	-	-	-	-	-	-	-	-	-	(36,155)	(36,155)	-	(36,155)
Comprehensive other profit (loss):													
- Hedge transactions	-	-	-	-		(73)	-	-	-	-	(73)	-	(73)
- Actuarial gains/(losses) on defined benefit plans for employees	-	-	-	-		-	30	-		-	30	-	30
- Foreign balance sheets conversion difference	-	-	-	(2,562)	-			-	-	-	(2,562)	-	(2,562)
- Exchange differences on equity investments in foreign companies	-	-	-	-		-	-	1,231	-	-	1,231	-	1,231
Total Comprehensive result	**-**	**-**	**-**	**(2,562)**	**-**	**(73)**	**30**	**1,231**	**-**	**(36,155)**	**(37,529)**	**-**	**(37,529)**
- Performance Share Plan	-	-	-	-	387	-	-	-	-	-	387	-	387
- Future capital increase payment				-	2,500	-			-		2,500		2,500
Change in consolidation area	-	-	-	-	(13)	-	-	-	-	-	(13)	-	(13)
Balance as at December 31, 2024	**8,879**	**1,776**	**136,400**	**(2,187)**	**(51,514)**	**29**	**(513)**	**4,611**	**(662)**	**(36,155)**	**60,664**	**-**	**60,664**

(€'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, 2024	**8,879**	**1,776**	**136,400**	**(2,187)**	**(51,514)**	**29**	**(513)**	**4,611**	**(662)**	**(36,155)**	**60,664**	**-**	**60,664**
2024 Result allocation	-	-	-	-	(36,155)	-	-	-	-	36,155	-	-	-
Profit (loss) as at December 31, 2025	-	-	-	-	-	-	-	-	-	(9,272)	(9,272)	-	(9,272)
Comprehensive other profit (loss):													
- Hedge transactions	-	-	-	-	-	(25)	-	-	-	-	(25)	-	(25)
- Actuarial gains/(losses) on defined benefit plans for employees	-	-	-	-	(22)	-	180	-		-	158	-	158
- Foreign balance sheets conversion difference	-	-	-	(3,063)	-			-	-	-	(3,063)	-	(3,063)
- Exchange differences on equity investments in foreign companies	-	-	-	-		-	-	(2,782)	-	-	(2,782)	-	(2,782)
Total Comprehensive result	**-**	**-**	**-**	**(3,063)**	**(22)**	**(25)**	**180**	**(2,782)**	**-**	**(9,272)**	**(14,984)**	**-**	**(14,984)**
Performance Share Plan	-	-	-	-	51	-	-	-	157	-	208	-	208
Buyback of Treasury stock									(63)		(63)		(63)
Increase of capital	778		1,722	-	(2,610)	-					(110)		(110)
Future capital increase payment				-	7,000	-			-		7,000		7,000
Balance as at December 31, 2025	**9,657**	**1,776**	**138,122**	**(5,250)**	**(83,250)**	**4**	**(333)**	**1,829**	**(568)**	**(9,272)**	**52,715**	**-**	**52,715**

Consolidated cash flow statement

CONSOLIDATED CASH FLOW STATEMENT (€'000)	Notes	at December 31, 2025	of which related parties	at December 31, 2024	of which related parties
CASH FLOWS GENERATED BY OPERATIONS:					
Group net profit (loss) for period		**(9,272)**		**(36,155)**	
Adjustments to reconcile reported net profit with cash & cash equivalents generated (used) in operations:					
Depreciation & amortization intangible assets, property, plant and	29	5,494		27,301	
Interest income	30	(8)		(19)	
Interest expenses	30	815		1,107	
Income taxes of the period	31	83		-	
Stock Grant expenses	16	208		387	
Provision for (use of) long-term employee severance indemnities	15	(235)		(21)	
Provision for (use of) risk provision	17	(425)		301	
(Provision for) / use of deferred tax asset / Provision for (use of) deferred tax liability	31	(481)		2,873	
Changes in current assets and liabilities					
Trade receivables	6	(2,250)		7,295	(1)
Other current assets	8	521		1,086	
Inventories and contracts in process	5	4,328		4,618	
Trade payables	18	531	(190)	(2,262)	(264)
Other current liabilities	19	896		(2,234)	
Total adjustments and changes		**9,477**		**40,432**	
Cash flow generated (used) in operations		**205**		**4,277**	
CASH FLOW FROM INVESTMENT ACTIVITIES:					
Sales of tangible and intangible assets	1/2	278		34	
Interest income	30	8		19	
Purchase of intangible fixed assets	1	(2,196)		(3,217)	
Purchase of tangible fixed assets	2	(389)		(2,237)	
Achivement from investments in other companies	30	-		-	
Decreases (Increases) other financial assets	8	98		28	
Net (investments) Divestments in long-term investments and non-current assets		79		14	
Cash flow generated (used) in investment activities		**(2,122)**		**(4,959)**	
CASH FLOW FROM FINANCING ACTIVITIES:					
Other changes in shareholders' equity	12	6,827		2,487	
Loans taken	14	1,711		450	
Interest paid		(815)		(1,107)	
(Repaid) loans short and medium/long term	14	(4,943)		(6,012)	
Cash flow generated (absorbed) by financial assets		**2,780**		**(4,182)**	
Net foreign exchange difference		(578)		(394)	
Increases (decreases) in cash & cash equivalents		**285**		**(5,258)**	
Opening amount in cash & cash equivalents	9	**6,170**		**11,428**	
Cash & cash equivalents at end of period	9	**6,455**		**6,170**	

Explanatory notes to financial statements

A – Corporate information

The publication of the consolidated financial statements of the Eurotech Group for the financial year ended 31 December 2025 was authorised by resolution of the Board of Directors on 16 March 2026. The Parent Company Eurotech S.p.A. is a joint-stock company incorporated and domiciled in Italy. The Group has its registered office in Amaro (UD), Italy.
Eurotech is a group active in the research, development, and marketing of miniaturised computers and high-performance computers featuring high computing capacity. Moreover, within this business line it provides complete solutions or blocks of solutions and products for the Internet of Things through intelligent devices and an intelligent proprietary connectivity and communications platform. For more information, see Note G.

B – Reporting policies and IFRS compliance

The consolidated financial statements were prepared in accordance with IFRS accounting standard issued by the International Accounting Standards Board (IASB) and approved by the European Commission pursuant to Article 6 of (EC) Regulation No. 1606/2002 of the European Parliament and the Council of 19 July 2002 by 31 December 2025, as well as to the measures enacted to implement Art. 9 of Italian Legislative Decree No. 38/2005. IFRS include all international accounting standards that have been revised (IAS) and all the interpretations of the International Financial Reporting Interpretation Committee (IFRIC), formerly the Standing Interpretations Committee (SIC).
The consolidated financial statements are based on recognition at cost, except for derivative financial instruments and for the equity investments in other companies recognised at fair value, as well as in compliance with the general principles of going concern, economic accrual, consistent presentation and comparability of information.
The Group applied the content of CONSOB Resolution No. 15519 of 27 July 2006 on the subject of financial statements.

The accounting standards adopted are the same as those used at 31 December 2024, albeit with regard to the updates to the reference framework that came into force on 1 January 2025, described below, which did not have significant impacts for the Group, as they regulate non-existent or insignificant cases.

The accounting standards, amendments and interpretations applicable to the financial statements at 31 December 2025 are briefly described below.

IAS 21 – Effects of Changes in Foreign Exchange Rates

The amendments to IAS 21 *Effects of Changes in Foreign Exchange Rates* specify how an entity should consider whether a currency is convertible and how it should determine the spot exchange rate when convertibility is absent. The amendments also require the disclosure of information that allows users of the financial statements to understand how a currency that cannot be converted into another currency affects, or is expected to affect, the entity's economic result, financial position and cash flows.

The amendments had no significant impact on the Group's financial statements.

The IFRS accounting standards, amendments and interpretations already issued but not yet in force are briefly described below and therefore they will be adopted by the Group, if applicable, when they come into force.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the income statement, including specific totals and subtotals. In addition, entities will have to classify all costs and revenues in the income statement within four categories: operations, investment, financing, income taxes and discontinued operations, where the first three categories are new.

The standard also requires disclosure on the basis of the new definition of management-defined performance measures (MPMs), subtotals of costs and revenues, and includes new provisions for the aggregation and disaggregation of information on the basis of the roles identified in the “Primary Financial Statements” (PFS) and the explanatory notes.

In addition, amendments have been introduced to IAS 7 Statement of Cash Flows, which include a change in the starting point for determining cash flows from operating activities on the basis of the indirect method – from profit or loss to operating profit or loss – and the removal of the option to classify cash flows from dividends and interest. In addition, consequential changes were made to many other accounting standards.

IFRS 18, and the amendments to the other standards, are effective for financial years beginning on or after 1 January 2027, but early application is permitted subject to disclosure. IFRS 18 will apply retrospectively.

The Group is currently working to identify the impacts that the changes will have on the financial statements and on the explanatory notes to the financial statements. Information on the expected effects will be provided as soon as it becomes available.

IFRS 19 Subsidiaries without Public Accountability: Disclosure

In May 2024, the IASB issued IFRS 19, which allows eligible entities to opt for reduced disclosure requirements while continuing to apply the recognition, measurement and presentation provisions set out in the other IFRS accounting standards. To be eligible, at the end of the financial year, an entity shall be a subsidiary as defined in IFRS 19, cannot have public accountability and shall have a parent company (ultimate or intermediate) that prepares the consolidated financial statements, available to the public, prepared in accordance with IFRS accounting standards.

IFRS 19 will become effective for financial years beginning on or after 1 January 2027, with early application permitted.

As the Group’s shares are publicly listed, the Group is not eligible for the application of IFRS 19.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7, called Amendments to the Classification and Measurement of Financial Instruments (the “Amendments”). The Amendments include:

- a clarification according to which a financial liability is derecognised on the “settlement date” and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled through electronic payment systems before the settlement date;
- additional guidance on how to assess contractual cash flows for financial assets with environmental, social and governance (ESG) or similar characteristics;
- clarifications on the characteristics of a “non-recourse” feature and which are the characteristics of the instruments contractually linked;
- the introduction of disclosure requirements for financial instruments with contingent characteristics and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The Amendments are effective for annual periods beginning on or after 1 January 2026, with early adoption permitted only for the classification of financial assets and related disclosures.

The Group does not expect the amendments to have a significant effect on its financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11
In July 2024, the IASB issued nine amendments of limited scope as part of the periodic maintenance of the IFRS. The amendments include clarifications, simplifications, corrections or changes aimed at improving consistency in the following standards: IFRS *1 First-time Adoption of International Financial Reporting Standards*, IFRS *7 Financial Instruments: Disclosures* and the related *Guidance on implementing* IFRS 7, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements* and IAS 7 *Statement of Cash Flows*.

The amendments will take effect for financial years beginning on or after 1 January 2026. Early adoption is permitted, provided that appropriate disclosure is made.

These amendments are not expected to have a significant impact on the Group's financial statements.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7
In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7, *Contracts Referencing Nature-dependent Electricity*. The amendments apply exclusively to contracts that refer to this type of electricity and:

- clarify the application of the own-use requirements for contracts falling within the scope of application;
- modify the requirements for the designation of a hedged item in a cash flow hedge relationship for the contracts in question;
- introduce new disclosure requirements to allow investors to understand the effects of these contracts on a company's financial performance and cash flows.

The amendments will be effective for financial years beginning on or after 1 January 2026. Early adoption is permitted, but adequate disclosure shall be given.
The amendments relating to the own-use exception shall be applied retrospectively, while those relating to hedge accounting shall be applied prospectively to the new hedging relationships designated from the date of first application. In addition, the amendments to the disclosure required by IFRS 7 shall be implemented together with the amendments to IFRS 9. If an entity does not restate comparative information, it may not submit comparative information.

The Group does not expect these amendments to have a significant impact on its financial statements.

The consolidated financial statements were drafted in Euro, rounding amounts to the nearest thousand unless otherwise indicated. They consist of the Statement of financial position, Income statement, Statement of comprehensive income, Statement of changes in shareholders' equity, Cash flow statement, and the following Explanatory Notes to the Consolidated Financial Statements.

The data used for consolidation have been taken from the income statements and statements of financial position prepared by the Directors of individual subsidiaries. These figures have been appropriately amended and restated as necessary to align them with international accounting policies and with uniform Group-wide classification policies.

From year to year Eurotech is increasingly committed to responding to the challenges posed by climate change to improve the Group's resilience and seize the opportunities arising from the transition to a sustainable and low-carbon economy. To achieve these objectives, the initial step involves identifying the risks and opportunities related to the climate and their impacts. For the type of business in which the Group operates, the impact of climate change is currently very marginal but despite this, there is increasing attention to assessing its potential effects in the individual development processes of the Group.

Going concern
The Directors of the Group have analysed various internal and external factors also in view of the existing geopolitical situation, to identify risks on going concern. To this end: the business plan approved by the Parent Company was assessed on the basis of the plans prepared by the individual subsidiaries; the effect of order trends compared to the previous year was reviewed; the current financial resources were evaluated, also with respect to the share capital increase recently completed in the first months of 2026, and the credit facilities granted by

the banks in the various countries where it operates were examined, as they enable the investments necessary to support corporate strategies of the new Plan; and the economic context in which the Group operates was taken into account.
The assumptions adopted in the updated 2026-2030 business plan highlighted the need to continue to make use of the financial support of banks and shareholders, in order to support the planned investments and in general the needs identified by management. The analysis carried out by the company management, which examined the treasury situation of the Parent Company and of the Group companies over a time horizon of at least 12 months from the approval of these Financial Statements, considered the existing financial resources, as well as the credit lines granted and partially used by the Group companies, did not identify the presence of significant uncertainties regarding the adoption of the going concern assumption for a period of at least 12 months from the reporting date, highlighting the availability of sufficient financial resources to meet the commitments undertaken both for company operations and for existing loans.

C – Discretionary evaluations and relevant accounting estimates

The preparation of the Group's financial statements requires all directors to make subjective assessments, estimates and assumptions that may affect the value of revenues, expenses, assets, liabilities, their disclosure and contingent liabilities at the reporting date. However, uncertainties about such assumptions and estimates may produce effects, that may require significant adjustments to the accounting value of said assets and/or liabilities.

The estimates at year-end are reviewed periodically and could lead to significant adjustments in the carrying value of the assets and liabilities within the subsequent financial period. The main estimates are used to recognise:

Write-down of non-financial assets
The Group periodically tests non-financial assets for any indicators of impairment.

In particular, goodwill and other intangible assets with an indefinite useful life (trademarks) are tested for impairment at least once a year as well as whenever during the year, indicators are identified that the asset may be impaired.
On the other hand, other non-financial assets are tested for impairment when there are indications that the book value may not be recovered.
The test consists of comparing the carrying amount with its recoverable amount, identified as the higher of fair value less selling costs and the estimated value in use of the assets, if separately identifiable, or of the cash-generating unit to which the asset belongs. The value in use is determined by discounting the expected cash flows from the unit using a rate that takes into account the specific risk of the asset concerned.
The expected cash flows are estimated on the basis of the most recent information available at the valuation date and on the basis of assumptions on the performance of future variables (sales prices, purchase costs, growth rates and interest rates). The directors' key assumptions are subsequently subject to sensitivity analyses.
At 31 December 2025, the book value of goodwill was €39.23 million (2024: €43.32 million). Further details are provided in Note 1.

Deferred tax assets
Deferred tax assets are recognised against temporary differences and tax losses carried forward, to the extent that it is likely that there will be large future taxable profits against which such temporary differences can be absorbed and such losses can be utilised. Consequently, the directors are required to make a significant discretionary evaluation to determine the amount of deferred tax assets that can be posted.

At 31 December 2025, the unrecognised tax losses carried by the Parent Company and the Aid to Economic Growth (Aiuto alla Crescita Economica – ACE) on the basis of the tax consolidation scheme were estimated at €64.6 million (2024: €59.2 million), which can be carried forward indefinitely. In the Group as a whole, unrecognised tax losses and ACE amounted to €70.1 million (2024: €63.7 million), which can be carried forward indefinitely.

Development costs
Development costs are recognised as assets on the basis of the accounting standard described in Note E. The recognition of development assets is based on the Directors' assessment of the technical and economic feasibility of the project, normally when the project itself has reached a certain stage in the development plan and it is likely that the asset will generate future economic benefits. In order to determine the amounts to be recognised as assets, Directors need to make assumptions about expected future cash flows from development projects, discount rates to be applied and periods in which benefits will accrue.

Other items subject to estimates
Estimates are also used to recognise provisions for risks on receivables, for inventory obsolescence and slow movement or impairment, amortisation and depreciation, employee benefits, defined benefit plans, manager and employee incentive plans, user rights, derivative instruments, taxes and provisions for risks and charges, to determine any total costs of jobs and the respective state of progress, in order to record deferred tax assets and allocate the purchase price of business acquisitions.

D – Scope of consolidation

The consolidated financial statements include the annual financial statements of the Parent Company, Eurotech S.p.A., and the Italian and foreign subsidiaries in which Eurotech directly or indirectly (through subsidiaries and affiliates) exercises control since it holds valid rights giving it the current capacity to manage significant assets, i.e. the assets that significantly affect returns of the investee.
The companies included in the scope of consolidation on a line-by-line basis at 31 December 2025 are as follows:

Company name	Registered offices	Share capital	Group Share
Parent Company			
Eurotech S.p.A.	Via Fratelli Solari, 3/A – Amaro (UD) Italy	Euro 9,657,277.25	
Subsidiaries consolidated line by line			
EthLab S.r.l.	Via Dante, 300 – Pergine Valsugana (TN) Italy	Euro 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%
I.P.S. Sistemi Programmabili S.r.l. in liquidation	Via Piave, 54 – Caronno Varesino (VA) Italy	Euro 51,480	100.00%
InoNet Computer GmbH	Taufkirchen (Germany)	Euro 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 Inc. 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 - Italy	40.00%
Rotowi Technologies S.p.A. in liquidation (ex 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%

The changes with regard to subsidiaries and affiliates compared with 31 December 2024 are as follows:

- in July 2025, the company Eurotech France S.A.S. was liquidated. Note that the Company's financial results up to July 2025 have been included in the consolidated accounts.

The change in the scope of consolidation has not had a significant impact on the Group's balance sheet, profit or loss, or cash flows. It is therefore not necessary to provide further information, as the transactions in question have not had a material effect on these consolidated financial statements.

The Consolidated Financial Statements at 31 December 2025 did not contain significant transactions or unusual events.

E – Accounting standards and policies

Accounting basis

The Consolidated Financial Statements consist of the Consolidated Income Statement, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Shareholders' Equity, the Consolidated Cash Flow Statement and the related Explanatory Notes to the Consolidated Financial Statements. In the Statement of Financial Position, assets and liabilities are classified according to the "current/non-current" criterion, with specific separation of the assets held for sale and the liabilities associated with assets held for sale, if any. Current assets, including cash and cash equivalents, are those held to be realised, sold or consumed within the normal operating cycle of the Group or within the twelve months following the end of the year. Current liabilities are those whose extinction is expected within the normal operating cycle of the Group or within the twelve months after the end of the financial year.
The Income Statement is classified based on the nature of income components, while the Cash Flow Statement is presented using the indirect method.

Consolidation policies

The Financial Statements of the subsidiaries used for the consolidation are drawn up using the same accounting standards as for the Parent Company; any consolidation adjustments are carried out to make consistent the items affected by the application of different accounting standards. All intragroup balances and transactions, including any unrealised profits deriving from relationships between Group companies, are completely derecognised. The portion pertaining to the Group of unrealised profits and losses with affiliates is derecognised.

Subsidiaries are fully consolidated from the acquisition date, i.e. the date at which the Group acquires control, and cease to be consolidated on the date at which control is transferred outside the Group.

Losses are attributed to minority interests, if there are any, even when this gives rise to a negative balance for minority shareholdings.

Changes in the equity interest of the Parent Company in a subsidiary that do not involve the acquisition/loss of control are booked as equity transactions. Specifically, in the case of acquisitions of minority interests, the difference between the price paid and the book value of the portion of the net assets purchased is posted directly to shareholders' equity.

If the Parent Company loses control of a subsidiary, it:

- derecognises the subsidiary's assets (including any goodwill) and liabilities;
- derecognises cumulative exchange rate differences recognised in shareholders' equity;
- recognises the fair value of the payment received;
- recognises the fair value of any equity interest retained in the former subsidiary;
- recognises any profit or loss in the income statement;

- restates the portion held by the Parent Company of the components previously posted to the statement of comprehensive income to the income statement or to retained earnings, as appropriate.

Conversion of foreign currency items and financial statements denominated in currencies other than Euro

The Consolidated Financial Statements are presented in Euro, which is the functional and presentation currency used by the Group. Each Group entity determines its own functional currency, which is used to value the items in the individual financial statements.

Transactions in foreign currency are initially recognised at the exchange rate (in relation to the functional currency) in force at the transaction date. Monetary assets and liabilities denominated in foreign currency are converted to the functional currency at the exchange rate in force at the reporting date. All exchange rate differences are posted to the income statement, except for differences deriving from loans in foreign currency that form part of a net investment in a foreign company, which are recognised directly in shareholders' equity until the net investment is planned and expected to be disposed of, at which time it is recognised in the income statement. Taxes and tax receivables attributable to exchange rate differences on these loans are also posted directly to shareholders' equity. Non-monetary items valued at historic cost in foreign currency are translated using the exchange rates in force at the date at which the transaction is initially recognised. Non-monetary items posted at fair value in foreign currency are converted using the exchange rate in force at the date of calculation of this value.

Any goodwill deriving from the acquisition of a foreign operation, and any changes in fair value that change the book values of the assets and liabilities deriving from the acquisition of this foreign operation, are booked as assets and/or liabilities of the foreign operation. These values are therefore expressed in the functional currency of the foreign operation and are translated at the exchange rate in force at the reporting date.

The functional currency used by the US subsidiaries Eurotech Inc. and E-Tech USA Inc. is the US dollar; the functional currency used by the UK subsidiary Eurotech Ltd. is the UK pound; and the functional currency used by the Japanese subsidiary Advanet Inc. is the Japanese yen.

At the reporting date, the assets and liabilities of these subsidiaries were translated to the presentation, or functional, currency of the Eurotech Group (Euro) at the exchange rate in force on this date, while the income statement was converted using the average exchange rate for the year. The translation differences deriving from the application of a different exchange rate between the economic figures are shown separately in a specific consolidated shareholders' equity reserve. When a foreign company is disposed of, the cumulative exchange rate differences recognised in shareholders' equity relating to that particular foreign company are posted to the income statement.

The schedule below shows the exchange rates used, as issued by the Italian Foreign Exchange Bureau:

Currency	Average 2025	As of December 31, 2025	Average 2024	As of December 31, 2024
British pound sterling	0.85679	0.87260	0.84662	0.82918
Japanese Yen	169.04345	184.09000	163.85191	163.06000
USA Dollar	1.12998	1.17500	1.08238	1.03890

Accounting policies

The accounting standards and policies applied to draft the Consolidated Financial Statements at 31 December 2025 are shown below.

Intangible assets

Intangible assets acquired separately are initially capitalised at cost, while assets acquired through business combinations are booked at fair value at the acquisition date. After initial recognition, intangible assets are booked net of accumulated amortisation and accumulated value losses. Intangible assets produced in-house, except for development costs, are not capitalised and are reported in the income statement in the year in which they are incurred. The useful life of intangible assets is valued as definite or indefinite.
Intangible assets with a definite useful life are amortised throughout their useful life and submitted to congruence tests whenever there are indications of possible impairment. The period and method of amortisation to be applied are re-examined at the end of each financial year or more frequently as necessary. Changes in the expected useful life and the methods with which future economic benefits related to intangible assets are achieved by the Group, are posted by modifying the period or method of amortisation and treated as modifications of the accounting estimates. Amortisation allowances of intangible assets with definite useful life are reported in the income statement in the cost category matching the function of the intangible asset.
Intangible assets with indefinite useful life are submitted at least annually to any impairment testing on an individual or cash-generating unit (hereinafter also "CGU") basis. No amortisation is reported for these assets.

Profits or losses arising from the sale of an intangible asset are measured as the difference between the net proceeds of the sale and the book value of the intangible asset and are recognised in the income statement when the asset is derecognised.

Business combinations and goodwill

Business combinations are booked using the purchase method. The purchase cost is measured as the sum of the payment made at fair value at acquisition date and the amount of any minority interest in the acquiree measured at fair value. For every business combination, the acquirer must value any minority interest in the acquiree at fair value or in proportion to the share of the minority interest in the identifiable net assets of the acquiree. Acquisition costs are paid and classified in administrative expenses.
When the Group acquires a business, it classifies or designates the financial assets acquired or liabilities assumed in accordance with the contractual terms and financial conditions and other pertinent conditions existing at acquisition date. This includes establishing whether an embedded derivative must be separated from the primary contract.
If the business combination is carried out in more than one step, the acquirer recalculates the fair value of the equity interest previously held and valued using the equity method, and recognises any resulting profit or loss in the income statement.
Any potential payment is recognised by the acquirer at fair value at acquisition date. Changes in the fair value of the potential payment classified as an asset or liability is recognised, pursuant to IFRS 9, in the income statement or the statement of comprehensive income. If the potential payment is classified in shareholders' equity, its value shall not be recalculated until its extinction is booked against shareholders' equity.
Goodwill is initially valued at cost, calculated as the excess between the sum of the payment made and the amount recognised for minority interests, and the identifiable assets acquired and liabilities assumed by the Group. If the payment is less than the fair value of the net assets of the acquired subsidiary, the difference is posted to the income statement.
After initial recognition, goodwill is valued at the reduced cost of the accumulated impairment losses. For the purposes of the impairment test, goodwill recognised in a business combination is allocated, at acquisition date, to every CGU expected to benefit from the combination, aside from the fact that the other assets or liabilities of the acquired entity are assigned to these units.

If goodwill is allocated to a CGU and the entity sells part of the assets of this unit, the goodwill associated with the asset sold must be included in the book value of the asset when calculating the gain or loss deriving from the disposal. The goodwill associated with the asset sold is calculated on the basis of the relative values of the asset sold and the portion retained by the CGU.

Research and development costs

Research costs are recognised in the income statement at the time they are incurred.

Development costs incurred with reference to a specific project are only recognised as assets when the Group can demonstrate (a) that it is technically practicable to complete the intangible asset so as to make it available for use or for sale; (b) that it intends to complete said asset for use or for sale; (c) the way in which it will probably generate future benefits; (d) the availability of technical, financial and all other resources needed to complete the asset; and (e) its ability to reliably determine the costs attributed to the asset throughout its development.
Capitalised development costs are amortised over the period in which all future expected revenues will occur.
During the development period, the asset is re-examined annually to verify potential impairment. After the initial recognition, development costs are assessed at cost, minus any other amortisation or accumulated losses. Amortisation of the asset begins as soon as development is completed and the asset becomes available for use. If future economic benefits are no longer available, they will be written down in the year in which this occurs.
All other development costs are reported in the income statement in the period they are incurred.

Patents and trademarks

Patents have been granted by the competent body for a minimum of ten years with renewal option by the Group if the patent continues to produce utility over time.
Trademarks acquired separately are initially recognised at cost inclusive of ancillary charges. Trademarks acquired through business combinations are recognised at their fair value measured at the acquisition date.
Following initial recognition, trademarks are recorded at cost, net of accumulated amortisation and any accumulated impairment losses.
Trademarks with a definite useful life recognised in the statement of financial position are amortised over a period of between 8 and 12 years and subject to impairment testing whenever a loss of value is indicated. Its useful life is reviewed on an annual basis.
Trademarks with an indefinite useful life are not amortised but are subject to impairment testing at least annually.

Registration costs in other countries of trademarks and patents developed internally are recorded in the income statement when they are incurred.

Other intangible assets

The other intangible assets acquired or produced internally are recognised as assets in accordance with the provisions of IAS 38 – *Intangible assets*.
Intangible assets with a definite useful life recognised within a business combination, such as customer relationships and order portfolios, are initially recognised at fair value at the date of acquisition, separately from goodwill, if this value can be reliably determined. After initial recognition, they are recognised net of related accumulated amortisation and of any impairment determined in the same way as for property, plant and equipment.
Useful life is re-assessed annually, and any changes are applied prospectively as necessary.

Gains or losses arising from the sale of an intangible asset are measured as the difference between the net revenues from the sale and the book value of the intangible asset and they are recognised in the income statement when the asset is derecognised.

Property, plant and equipment

The value of property, plant and equipment is stated at purchase cost, including any direct ancillary charges for making the asset suitable for the use for which it was intended, increased, where relevant and in the case of current obligations, by the current value of the estimated cost for disposal or removal of the asset. If significant portions of these property, plant and equipment have different useful lives, these components are booked separately. Land, whether the site of buildings or free from construction, is not depreciated since it is considered to have an unlimited life.

Property, plant and equipment are listed net of respective accumulated depreciation and any impairment determined according to the methods described below. Depreciation is calculated on a straight-line basis, according to the estimated life of the asset for the company, which is re-examined annually and adjusted for changes on a case-by-case basis. The main technical depreciation rates used are based on the useful life of each individual item:

Buildings	33 years
Plant and machinery	from 7 to 10 years
Industrial and commercial equipment	from 4 to 6 years
Production equipment	from 4 to 6 years
Furniture and fixtures	from 7 to 10 years
Electronic office equipment	from 3 to 5 years
Automobiles and motor vehicles	from 4 to 5 years

The book value of property, plant and equipment is tested for impairment if events or situational changes indicate that the carrying value cannot be recovered. If there is such an indication and if the carrying value exceeds the estimated realisable value, the assets are written down to reflect their realisable value. The realisable value of property, plant and equipment is the higher of its net selling price and value in use.

In determining value in use, estimated future cash flows are discounted to their current value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. For assets that do not generate cash flows independently, the realisable value is determined in relation to the cash-generating unit to which the asset belongs. Impairment is booked in the income statement under amortisation, depreciation and write-downs. The initial value is reinstated if the causes of impairment in previous financial years are no longer valid.

At the time of the sale or when future economic benefits no longer exist on the use of an asset, it is derecognised from the statement of financial position and related losses or gains (calculated as the differences between the sale price and the carrying value) are reported in the income statement in the year of its derecognition.

The residual value of the asset, useful life and methods applied are reviewed annually and adjusted if necessary at the end of every financial year.

Financial charges incurred for investments in assets for which there is generally a certain period of time to make the asset ready for use or sale (qualifying assets, pursuant to IAS 23 – *Borrowing Costs*) are capitalised and depreciated throughout the useful life of the class of assets to which they refer. All other financial charges are recognised in the income statement as they are incurred.

Equity investments in affiliates

Equity investments in affiliates, in which the Eurotech Group has significant influence, even if not as a controlling interest, are valued using the equity method. The income statement reflects the Group share of the results of the associate. Equity investments in an associate are booked in the income statement at cost, increased by subsequent changes pursuant to acquisition of the Group share in the net assets of the associate, according to the equity method. Goodwill relating to the associate is included in the book value of the equity investment and is not subject to amortisation.

The Group share of the profits of the associate is recognised in the income statement. This share represents the profits of the associate attributable to shareholders, and therefore profits net of tax and the portions payable to the other shareholders of the associate.

If an associate enters adjustments directly in shareholders' equity, the Group recognises its share and posts it, where applicable, in its statement of changes in shareholders’ equity. Gains and losses arising from transactions between the Group and the associate are derecognised in proportion to the investment in the associate.

If the Group share of losses exceeds the carrying value of the equity investment, the latter is derecognised and the surplus is recorded in a special reserve in the amount in which the Group has legal or implicit obligations toward the subsidiary to cover its losses or, in any event, to make payments on its behalf.

After applying the equity method, the Group assesses whether it is necessary to recognise a further impairment of its equity investment in the associate. The Group makes this assessment at every reporting date if there is evidence of impairment of the equity investment in the associate. If this is the case, the Group calculates the impairment as the difference between the recoverable value of the associate and the carrying value of the associate in its statement of financial position, recognising this difference in the income statement and classifying it under “Group share of the results of affiliates”.

When significant influence over the associate has been lost, the Group calculates and recognises any residual equity investment at fair value. Any difference between the carrying value of the equity investment at the date of loss of significant influence and the fair value of the residual investment and of the payments received must be posted to the income statement.

Affiliates end their financial year on the same date as the Group; when the accounting policies used do not comply with those used by the Group, they are adjusted at year-end to make them the same as those used by Group for transactions and events of the same nature and occurring in similar circumstances.

Equity investments in other companies

Financial assets constituting equity investments in companies that are not affiliates or joint ventures (generally with a percentage ownership of less than 20%) are called investments in other companies and form part of the category of financial assets measured at fair value, that normally corresponds, upon first recognition, to the consideration paid for the transaction, including the directly attributable transaction costs.

Changes after measurement at fair value are recognised in the income statement (FVPL) or if an option provided for by the standard is exercised, in the statement of comprehensive income (FVOCI) under “Reserve instruments at FVOCI”. For equity investments measured at FVOCI, impairment is never recognised in the income statement, nor are the accumulated profits or losses recorded upon the disposal of the equity investments; the dividends distributed by the investee are recognised in the income statement only when:

- the Group obtains the right to receive the dividend payment;
- it is probable that the financial benefits resulting from the dividend will accrue to the Group;
- the amount of the dividend can be accurately measured.

Other non-current assets

Receivables and other long-term financial assets held until expiration date are booked at cost, represented by the fair value of the initial amount given in exchange, increased by applicable transaction costs. The initial carrying value is subsequently adjusted to take account of capital refunds and any write-downs or amortisation of the difference between the repayment value and the initial posted value. Amortisation is charged according to the effective internal interest rate, which is the rate that equalises, at the time of their initial recognition, the current value of expected cash flows and the initial posted value (amortised cost method).

Inventories

Inventories, except for contracts in progress, are stated at the lower of the purchase or production cost and the estimated realisable value represented by the amount that the company expects to obtain from their sale in the course of normal operations or from their use in production.

The cost of raw materials and finished products is calculated by applying the average weighted purchase cost for each transaction, including all ancillary purchase charges.

The production cost of finished and semi-finished products comprises the direct cost of raw materials and labour plus a portion of general production expenses calculated according to standard production capacity, excluding any financial charges.

Obsolete and/or slow-moving inventories are written down, through the registration of a specific fund, based on their current potential use or on future realisation. The write-down is reversed in subsequent periods if the reason for maintaining it no longer exists.

Financial assets

The Group classifies financial assets on the basis of the categories identified by IFRS 9:
- financial assets measured at amortised cost;
- assets measured at fair value through other comprehensive income (FVOCI);
- assets measured at fair value through profit or loss (FVTPL).

Financial assets measured at amortised cost
The financial assets that meet the following requirements are classified in this category: (i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. It mainly involves trade receivables and loans. With the exception of trade receivables that do not contain a significant financial component, the other receivables and loans are initially recognised at their fair value in the financial statements. On the other hand, trade receivables that do not contain a significant financial component are recognised at the price defined for the relative transaction (determined in accordance with the provisions of the IFRS 15 "Revenue from Contracts with Customers"). When the assets are subsequently measured, those belonging to that category are measured at amortised cost, using the effective interest rate. Any doubtful debt provision is determined with the forward looking approach through a three-stage model: 1) recognition of the expected losses in the first 12 months from initial recognition of the credit assuming that the credit risk has not increased; 2) recognition of the lifetime expected credit losses if the credit risk increases significantly from the initial recognition of the credit; interest is calculated on the gross carrying amount; 3) recognition of any other lifetime expected credit losses when the loss occurs; the interest is recognised on a net basis (the amortised cost is revised since the Internal Rate of Return changes as there is a change in the cash flows due to the occurrence of the trigger event).

Financial assets measured at fair value through other comprehensive income (FVOCI)
The financial assets that meet the following requirements are classified in this category: (i) the asset is held within a business model whose objective is achieved by collecting the contractual cash flows that come from sale of the asset itself; and (ii) the contractual terms of the asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. Capital instruments are also classified in this category (equity investments in which the Group does not have either control or significant influence) for which the Group applies the option given from the principle of measuring those instruments at fair value with an impact on the comprehensive income.
These assets are initially recognised in the financial statements at their fair value; upon subsequent measurement, the measurement made upon recognition is updated, and any variations in fair value are recognised under the Other comprehensive income. Any write-downs for impairment, interest income or profits or loss for exchange rate differences are recognised in the Income statement.

Financial assets measured at fair value through profit and loss (FVTPL)
All financial assets that do not meet the requirements, in terms of business model or cash flow characteristics, for measurement at amortised cost or at fair value through other comprehensive income are classified in this category. They mainly include derivative instruments; this category also includes listed and non-listed capital instruments that the Group has not irrevocably decided to classify as FVOCI upon initial recognition or during transition. The assets that belong to this category are classified as current or non-current assets in accordance with their maturity date, and recognised at fair value upon initial recognition. Upon subsequent measurement, the profit and loss resulting from changes in fair value are accounted for in the consolidated income statement in the period in which they are recognised.

Impairment
The measurement of impairment of the financial assets measured at amortised cost is carried out on the basis of a model based on the expected losses on the receivables. According to that model, the financial assets are classified at stage 1, stage 2 or stage 3 according to their credit quality compared to initial disbursement. More specifically:
Stage 1: includes (i) the newly acquired credit exposures; (ii) the exposures that have not undergone significant impairment of the credit risk compared to the date of initial recognition and (iii) the exposures with low credit risk;
Stage 2: includes the credit exposures that have undergone significant impairment of the credit risk compared to the date of initial recognition, even though they are not impaired;
Stage 3: includes the impaired credit exposures.
For exposures that belong to stage 1, the overall impairment equals the expected loss calculated on a time period of up to one year. For exposures that belong to stages 2 or 3, the overall impairment equals the expected loss calculated on a time period equal to the entire duration of the relative exposure.
The criteria to determine the write-downs to make to the receivables is based on discounting the expected principal and interest flows to present values. In order to determine the current value of the flows, the basic elements are the identification of the estimated collections, the date of collection and the discount rate to apply. More specifically, the loss amount is obtained as the difference between the carrying amount and the current value of the estimated cash flows, discounted at the original interest rate of the financial asset.
These assets are classified as current assets apart from those with maturity of more than 12 months, which are included under non-current assets.

Derivatives
Derivative instruments entered by the Group aim at managing the exposure to interest rate risk mainly relating to loan contracts.
On the date of entering into the contract, the derivative instruments are initially accounted for at fair value, and if the derivative instruments are not accounted for as hedging instruments, the changes in fair value recognised after first recognition are treated as operating components or financial components of the profit/loss for the year in relation to the nature of the instrument. On the other hand, if the derivative instruments meet the requirements to be classified as hedging instruments, the subsequent changes in fair value are accounted for by following the specific criteria provided by IFRS 9 indicated below. For each derivative financial instrument

identified as a hedging instrument, its relationship with the hedged position is recorded, including the risk management objectives, the hedging strategy and the assessment of the effectiveness of the hedge. The effectiveness of each hedge will be checked both when taking out each derivative instrument and during its life. Hedging is generally considered to be “effective” if, both at the beginning and during its life, the changes in the fair value for fair value hedges or the expected future cash flows for cash flow hedges of the hedged element are substantially offset by the changes in fair value of the hedging instrument.
When the hedge relates to changes in fair value of assets or liabilities recorded on the financial statements (fair value hedge), both the changes in fair value of the hedging instrument and the changes in the hedged position are charged to the Income statement.
If the hedging aims to neutralise the risk of changes in future cash flows originating from the future execution of transactions considered to be highly probable at the reporting date (cash flow hedge), the changes in fair value of the derivative instrument recorded after the first recognition are accounted for as components of the comprehensive profit or loss, to the extent of the effective amount only. When the financial effects caused by the hedged positions become manifest, the reserve is reversed back to the Income statement among the operational components. If the hedge is not perfectly effective, the change in fair value of the hedging instrument, with respect to the ineffective potion, will be immediately recorded on the Income statement. If, during the life of a derivative instrument, there is no longer an expectation that the transaction the hedge was set up for will occur, the portion of “reserves” relating to that instrument will be immediately reversed back to that year’s Income statement. On the other hand, if the derivative instrument is sold or can no longer be classified as an effective hedging instrument, the portion of “reserves” representing the changes in fair value of the instrument, which had been recognised up to that point, is maintained as a component of the comprehensive profit or loss and reversed back to the Income Statement following the above-mentioned classification criteria, at the same time as occurrence of the economic effects of the transaction originally hedged. The fair value of listed instruments in public markets is determined by referring to the closing prices for the period. The fair value of unlisted instruments is measured by referring to financial measurement techniques: the fair value of interest rate swaps is measured by discounting back the expected cash flows, while the fair value of the forward exchange rates is calculated on the basis of the market exchange rates on the applicable date and the expected rate differentials between the currencies involved.
The financial assets and liabilities measured at fair value are classified in the three hierarchical levels described below, on the basis of the relevance of the (input) information used to calculate their fair value. More specifically:
Level 1: financial assets and liabilities whose fair value is calculated on the basis of listed prices (not amended) on active markets for identical assets and liabilities;
Level 2: financial assets and liabilities whose fair value was calculated on the basis of other input besides the listed prices mentioned in Level 1, but that can be directly or indirectly observed (mainly: market exchange rates on the applicable date, the expected rate differentials between the currencies involved and volatility of the applicable markets, interest rates and the price of commodities);
Level 3: financial assets and liabilities whose fair value is calculated on the basis of input data that is not based on observable market data.
Financial assets are removed from the statement of financial position when the right to receive the cash flows from the instrument has come to an end, and the company has essentially transferred all the risks and benefits relating to the instrument and the relative control.

Treasury shares

Treasury shares purchased are deducted from shareholders' equity according to the relative purchase cost. The purchase, sale, issue or cancellation of the company’s own equity instruments does not entail recognition of any gain or loss in the income statement.

Cash and cash equivalents

Cash and cash equivalents include ready cash, i.e., values that are either available on demand or which can be quickly liquidated, will give good results and do not have collection costs. For the purposes of the consolidated cash flow statement, cash was represented gross of bank overdrafts at the reporting date.

Financial liabilities

Financial liabilities, including financial payables, trade payables, other payables and other liabilities besides the derivative instruments, are initially recognised at fair value, and afterwards measured at the amortised cost not including the repayments of principal already made.
The payables and other liabilities are classified as current liabilities unless the Group has the contractual right to discharge its obligations at least twelve months following the reporting date. Financial liabilities are eliminated when they are discharged or when the specific obligation in the contract has been fulfilled, cancelled or expired.
Certain Group loans require compliance with clauses set on contractually identified financial metrics, which are normally measured at the end of the financial year. When the clause of a long-term loan agreement is violated either at the end of or before the end of the financial year, resulting in the liability becoming payable on demand, the Group does not have the unconditional right to defer its settlement for at least 12 months from that date, and classifies that liability as current. This is true even if the lender has agreed, after the end of the financial year and before the authorisation to publish the financial statements, not to demand payment as a result of the violation.

Reverse factoring transactions
In order to guarantee facilitated access to credit for its suppliers, the Parent Company has implemented factoring agreements, generally in the form of reverse factoring agreements. On the basis of the contractual structures in place, the supplier can assign, at its own discretion, the receivables owed from the Parent Company to a financial institution and collect the amount before it falls due; the supplier can also grant further extensions, agreed between the supplier and the Parent Company, to the payment terms provided for in the invoice. The extensions granted can be interest-bearing or non-interest bearing. Since the primary obligation is with the supplier, the relations between the parties stay the same and are therefore still classified under trade liabilities.

Factoring transactions
The Parent Company has entered into agreements for the assignment of trade receivables on a recourse basis, which do not involve the substantive transfer of all risks – a condition necessary to allow the receivables assigned to be written off. The assignment of receivables therefore results in the recognition of a corresponding financial liability to the factoring company.

Derecognition of financial assets and liabilities

Financial assets
A financial asset (or where applicable, part of a financial asset or part of a group of similar assets) is derecognised from the financial statements when:

- rights to receive the cash flows from the asset are extinguished;
- the Group holds the right to receive cash flows from the asset, but has undertaken a contractual obligation to pay for them in full and immediately to a third party;
- the Group has transferred the right to receive cash flows from the asset and (a) has essentially transferred all the risks and benefits of ownership of the financial asset or (b) has not transferred nor retained the risks and benefits of the asset, but has transferred its control.

If the Group has transferred the rights to receive cash flows from an asset and has neither transferred nor held all the risks and benefits or has not lost control of them, the asset is recognised in the Group financial statements to the extent of its residual involvement in the asset. Residual involvement, which takes the form of a guarantee

on the transferred asset, is valued at the lesser of the initial book value of the asset and the maximum value of the amount that the Group could be required to pay.
If the residual involvement takes the form of an option issued and/or acquired on the transferred asset (including the options regulated by cash or similar), the amount of Group involvement corresponds to the amount of the transferred asset that the Group can re-acquire; however, in the case of a put option issued on an asset measured at fair value (including options regulated in cash or with similar dispositions), the measure of residual involvement of the Group is limited to the lesser between the fair value of the transferred asset and the strike price of the option.

Financial liabilities
A financial liability is derecognised from the financial statements when the obligation underlying the liability is extinguished, voided or completed.
If an existing financial liability is replaced by another by the same lender, at substantially different conditions, or the conditions of an existing liability are essentially changed, this exchange or change is treated like an accounting elimination of the original liability and a new liability is recorded, posting to the income statement any differences between the book values.

Employee benefits

Benefits guaranteed to employees, paid concurrent to or subsequent to the cessation of the employment relationship through defined-benefit plans or other long-term benefits (retirement indemnity) are recognised in the period when this right vests.

The Group implemented defined-benefit and/or defined-contribution pension plans, based on conditions and local practices in the countries where the Group operates.

Liabilities related to defined-benefit plans, net of any activities to service the plan, are determined based on actuarial assumptions and are recognised on an accrual basis consistent with the employment services necessary to obtain the benefits. The liabilities are valued by actuarial staff. Gains and losses arising from the actuarial calculation relating to the defined-benefit plan are fully recognised in the statement of comprehensive income in the period in which they occur. These actuarial gains and losses are immediately classified as retained earnings and are not reclassified in the income statement in the following reporting periods.

Pursuant to amendments to employee severance indemnities under Italian Law No. 296 of 27 December 2006 (2007 Budget Law) and following decrees and regulations, the employee severance indemnities of Italian companies accrued as of 1 January 2007 or the date employees choose the option they will exercise are included in the defined-benefit plan category, both in the event of option for supplementary pension and option for allocation to the treasury fund at INPS. The accounting treatment of employee severance indemnities is now similar to that used for other types of pension scheme contributions.

Provisions for risks and charges

Provisions for risks and charges are allocated to cover losses or liabilities of a stated nature or of a certain or probable existence, the amount or date of which was not identified at year-end. Provisions are recognised when there is a current obligation (legal or implicit) arising from a past event that necessitates an amount of resources to meet the obligation and a reliable estimate can be made of the amount of the obligation. When the Group believes that a provision to the reserve for risks and charges is partly or totally repaid, e.g. in the case of risks covered by insurance policies, the indemnity is only recognised as a separate item in the assets if, and only if, it is virtually certain. In this case, the cost of the provision in the income statement is stated net of the amount recognised for indemnity.
Provisions are booked at the representative value of the best estimate of the amount that the company would pay to extinguish the obligation, or to transfer it to third parties at the reporting date. If the effect of time-

discounting the value of the cash is significant, provisions are determined by time-discounting expected future cash flows at a pre-tax discount rate that reflects the current market evaluation of the cost of money in relation to the time. When time-discounting is performed, the increase in the provision due as time passes is recognised as a financial charge.

Liabilities for decommissioning

An accrual for decommissioning expenses was made against costs that some foreign operations will incur in future periods for the decommissioning, demolition, dismantling and removal of some fixed assets at the end of their useful life. A credit to the plant and machinery entry was stated as a contra entry.

Decommissioning costs are carried at the present value of expected costs needed to settle the obligation, by using estimated cash flows and a pre-tax discount rate that reflects the specific risks related to the liabilities for decommissioning.

The unwinding of the discount is recognised in the income statement as it occurs. Estimated cash flows are revised annually and adjusted as appropriate. Any change in cost estimates or in the discount rate applied is used to reduce the costs of the asset.

Grants

Grants made by public bodies are recognised at fair value when it is reasonably certain that they will be received and the conditions provided for obtaining them are met.

If grants relate to cost components, they are recognised as other revenues but are consistently spread out over the periods so that they refer to the costs they are intended to offset. If the grant is related to any activity or development activity whose value is recognised as a fixed asset, it directly reduces the value of the fixed assets.

Operating grants (granted in order to provide immediate self-financing to the business or as compensation for expenses and losses incurred in a prior financial year) are fully recognised in the income statement at the time when the conditions for posting are met.

Leases

A contract, or part thereof, is classified as a lease if, in exchange for a consideration, it confers the right to control the use of a specified asset for a period of time, therefore, if along the entire period of use of the asset, the following rights can be exercised:

a) the right to obtain substantially all the economic benefits deriving from the use of the asset; and
b) the right to decide on the use of the asset.

In the event of a change in the terms and conditions of the contract, a new assessment is carried out to determine whether the contract is or contains a lease.

The Group does not apply these rules to:

- leases of intangible assets;
- short-term leases (duration of less than or equal to 12 months);
- leases in which the underlying asset is of modest value (assets with a unit value of less than or equal to €5 thousand).

Once it has been verified whether a contract is a lease, the asset consisting of the right of use and the liability of the lease are recognised at the effective date of the contract.

The initial measurement of the right-of-use asset is at cost, which includes:

a) the amount of the initial measurement of the lease liability;
b) the payments made for the lease on or before the effective date, net of any lease incentives received; and
c) the initial direct costs incurred by the lessee.

The initial measurement of the lease liability takes place at the current value of the payments due for the lease and not yet paid at that date. The payments due for the lease are discounted using the implicit rate resulting from the contract if easily identifiable, otherwise the marginal loan rate, or the interest rate that should be paid,

in a similar cost-effective context and for a loan with a duration and with similar guarantees, to obtain an asset of similar value to the leased asset.
The lease term is determined as the non-cancellable period of the lease, to which both the following periods must be added:

a) periods covered by a lease extension option, if there is a reasonable certainty that the option will be exercised; and
b) periods covered by the lease termination option, if there is a reasonable certainty that the option will not be exercised.

The duration of the lease is redetermined in the event of a change in the non-cancellable period of the lease.
After the initial recognition date, the asset is valued by applying the appropriate cost model. Assets consisting of the right of use are amortised from the effective date until the end of the lease term.
After the effective date, the lease liability is measured:

a) by increasing the book value to take into account interest on the lease liability;
b) by decreasing the book value to take into account the payments made for the lease;
c) by restating the book value to take into account any new valuations or amendments to the lease or a revision of payments due for the lease.

Interest on the lease liability and the variable payments due for the lease, not included in the measurement of the lease liability, are recognised in the income statement of the year in which the event or circumstance that triggers the payments occurs.
In the financial statements, right-of-use assets are shown under property, plant and equipment, lease liabilities under financial liabilities, the interest expense on lease liabilities is recognised as financial expense and separately from the amortisation portion of the asset consisting of the right of use.
With reference to the commitments corresponding to leases of less than 12 months and excluded from accounting pursuant to IFRS 16, these are of negligible amount.

Assignment of stock grants to employees

The Group granted incentive plans based on instruments representing capital, on the basis of which the Group receives services from its employees, consultants or directors with delegation of authority in exchange for stock grants (units). The fair value of the services received is recognised as a labour cost. The total amount of the cost is determined based on the fair value of the granted units and a shareholders' equity reserve is its contra entry.
The total cost is recognised throughout the vesting period, which is the period during which all service conditions established for accrual of the rights must be met. The Group reviews the estimates based on the number of options expected to accrue on the basis of the accrual, and not the market, conditions on every reporting date.
The effect of any changes from the original estimates is recognised in the consolidated income statement with contra entry in shareholders' equity.

Revenues and costs

Recognition of revenues

Revenues from contracts with customers are recognised on the basis of the temporary transfer of control of the goods and/or services to the customer. If the transfer of control is made while the item is being built or when the services are being provided, the revenues are recognised "over time", i.e. as the activity gradually progresses (as in the case of orders of significant value contracted with specific customers for limited production and customised according to predefined milestones); on the other hand, if control is not transferred while the item is being built or the services are being given, the revenues are recognised "at a point in time", i.e. at the time of final delivery of the item or upon completion of provision of the services (as with most of the Eurotech Group's revenues from the sale of goods and services). In order to assess progress of the contracts "over time", the Group has chosen the progress percentage criteria measured with the cost-to-cost method. When it is probable that

the total costs of the contract for its entire life exceed the total revenues corresponding to the total life, the potential loss is recognised immediately in the Income statement.
The portion of fees held back by the principal, or in any case subject to repetition in accordance with the contractual clauses since they are subject to fulfilling obligations after delivery are not acquired.

Interest

Interest income and expenses are recognised on an accrual basis, based on interest accrued on the net value of related assets and liabilities using the effective interest rate (the rate that discounts all future cash flows based on the expected useful life of the financial instrument to equal the net book value of the financial asset).

Dividends

Dividends are reported when the shareholders' right to receive payment is established.

Income taxes

Current tax assets and liabilities for the period and for all prior periods are carried at the amount expected to be recovered or to be paid to the tax authorities pursuant to tax legislation in force. Tax rates and fiscal provisions used to calculate the amount are as issued or substantially issued at the reporting date of 31 December 2025.
Current taxes relating to elements recognised directly in shareholders' equity are recognised directly in shareholders' equity and not in the income statement.

Deferred tax liabilities are calculated using the liability method on temporary differences at the reporting date between tax amounts related to assets and liabilities and the amounts recognised in the financial statements.
Deferred tax liabilities are recognised with regard to all taxable temporary differences, except for:

- when deferred tax assets arise from initial posting of goodwill or an asset and liability in a transaction, which is not a business combination and which, at the time of the transaction, does not have an effect on income in the financial year calculated for the financial statements, nor on the income or loss calculated for tax purposes;
- with reference to taxable temporary differences associated with equity investments in subsidiaries, affiliates and joint ventures, in the event that recharging temporary differences can be controlled and it is likely that it will not take place in the foreseeable future.

Deferred tax assets are recognised against deductible temporary differences and tax losses carried forward to the extent that the company is likely to earn taxable income in the future, which can make applicable the use of deductible temporary differences and tax losses carried forward, unless:

- the deferred tax asset related to temporary deductible differences arises from the initial recognition of an asset or liability in a transaction that is a business combination and which, at the time of the transaction, does not influence the profit for the year calculated for the financial statements or income or loss calculated for tax purposes;
- in the case of taxable temporary differences associated with equity investments in subsidiaries, affiliates and joint ventures, tax assets are recognised in the amount that temporary differences might be used in the immediate future and that there is adequate taxable income against which the temporary differences can be used.

The recoverability of deferred tax assets is reviewed at each reporting date; they are recognised to the extent that it is more likely than not that sufficient income will be earned in the foreseeable future to allow all or part of this credit to be used.

Since certain Group companies reported tax losses in previous years, the Group recognises a deferred tax asset resulting from tax losses or unused tax credits only to the extent that the temporary taxable differences are sufficient or there is also convincing documentary evidence of sufficient future taxable income.

Deferred tax assets and liabilities are recognised based on the tax rates expected to be applied during the year when these activities are realised or these liabilities extinguished, taking into account the rates in force and those issued or allocated at year-end.
Deferred tax assets and liabilities related to items posted to shareholders' equity are directly recognised in shareholders' equity and not in the income statement.
Deferred tax assets and deferred tax liabilities are offset if there is a legal right to offset current tax assets and liabilities and deferred income taxes referring to the same taxable object and the same tax authorities.

G – Segment reporting

For management purposes, the Group considers only one business sector as relevant: the "Modules and Platforms" sector. Thus, the disclosure is provided for the sole identified sector, broken down on a geographical basis. The geographical areas are produced in relation to the various group entities and based on the criteria with which they are currently monitored by top management.
The Group's geographical areas are defined according to the localisation of Group assets and operations. They are: Europe, North America and Asia.
Management monitors the gross profit margin of the individual business units separately for the purposes of resources allocation and performance assessment.

(€' 000)	North America			Europe			Asia			Correction, reversal and elimination			Total		
	FY 2025	FY 2024	% YoY Change	FY 2025	FY 2024	% YoY Change	FY 2025	FY 2024	% YoY Change	FY 2025	FY 2024	% YoY Change	FY 2025	FY 2024	% YoY Change
Third party Sales	5,371	8,472		32,446	33,401		17,560	17,260		0	0		55,377	59,133	
Infra-sector Sales	58	173		4,454	5,677		784	12		(5,296)	(5,862)		0	0	
Total Sales revenues	5,429	8,645	-37.2%	36,900	39,078	-5.6%	18,344	17,272	6.2%	(5,296)	(5,862)	-9.7%	55,377	59,133	-6.4%
Gross profit	1,647	3,668	-55.1%	16,019	18,393	-12.9%	10,054	9,543	5.4%	(619)	(1,615)	-61.7%	27,101	29,989	-9.6%
Gross profit margin - %	30.3%	42.4%		43.4%	47.1%		54.8%	55.3%					48.9%	50.7%	
EBITDA													(3,057)	(4,958)	-161.7%
EBITDA margin - %													-5.5%	-8.4%	
EBIT													(8,551)	(32,259)	-126.5%
EBIT margin - %													-15.4%	-54.6%	

The sales performance by region set out in the table above shows an increase in Asia and a decrease in Europe and North America.

The table below shows assets and investments in the Group's individual business areas at 31 December 2025 and 31 December 2024.

(€'000)	North America		Europe		Asia		Correction, reversal and elimination		Total	
Assets and liabilites	31/12/2025	FY 2025	31/12/2025	FY 2025	31/12/2025	FY 2025	31/12/2025	FY 2025	31/12/2025	FY 2025
Segment assets	4,445	5,660	70,279	75,080	52,613	60,429	-27,861	-29,958	99,476	111,211
Investments in subsidiaries non consolidated, associate & other companies	137	126	4	30	0	0	0	0	141	156
Total assets	**4,582**	**5,786**	**70,283**	**75,110**	**52,613**	**60,429**	**-27,861**	**-29,958**	**99,617**	**111,367**
Segment liabilities	1,447	1,734	37,222	39,804	12,865	14,706	-4,632	-5,541	46,902	50,703
Total liabilities	**1,447**	**1,734**	**37,222**	**39,804**	**12,865**	**14,706**	**-4,632**	**-5,541**	**46,902**	**50,703**
Other segment information										
Investments in tangible assets	0	6	227	393	568	2,633	0	0	795	3,032
Investments in intangible assets	0	0	2,016	3,110	180	107	0	0	2,196	3,217
Depreciation & amortisation	132	321	3,944	2,995	1,236	1,051	182	22,934	5,494	27,301

H – Breakdown of key entries of the statement of financial position

1 – Intangible assets

The following table shows the changes in the historical cost and accumulated amortisation of intangible assets in the previous and in the reporting period:

(€ '000)	DEVELOPMENT COSTS	GOODWILL	SOFTWARE TRADEMARKS PATENTS	ASSETS UNDER CONSTRUCTION & ADVANCES	OTHER INTANGIBLE ASSETS	TOTAL INTANGIBLE ASSETS
Purchase or production cost	21,567	76,500	25,191	3,486	25,602	152,346
Previous years' impairment	(1,433)	(9,679)	(7,996)	(81)	-	(19,189)
Previous years' amortisation	(15,823)	-	(7,629)	-	(23,878)	(47,330)
OPENING BALANCE 2024	**4,311**	**66,821**	**9,566**	**3,405**	**1,724**	**85,827**
Purchases / Additions	-	-	23	3,194	-	3,217
Disposals / Divestitures	(1,320)	-	(3)	(4)	-	(1,327)
Other changes	140	597	192	5	(718)	216
Impairment in period	(71)	(22,693)	-	(91)	-	(22,855)
Transfers	1,575	-	-	(1,575)	-	-
Amortisation in period	(1,981)	-	(530)	-	(152)	(2,663)
Reversal of cumulative amortisation	1,320	-	3	-	-	1,323
Other changes in cumulative impairment	(10)	(1,402)	(447)	1	-	(1,858)
Other changes in cumulative amortisation	(132)	-	(47)	-	724	545
TOTAL CHANGES 2024	**(479)**	**(23,498)**	**(809)**	**1,530**	**(146)**	**(23,402)**
Purchase or production costs	21,962	77,097	25,403	5,106	24,884	154,452
Impairment	(1,514)	(33,774)	(8,443)	(171)	-	(43,902)
Cumulative amortisation	(16,616)	-	(8,203)	-	(23,306)	(48,125)
CLOSING BALANCE 2024	**3,832**	**43,323**	**8,757**	**4,935**	**1,578**	**62,425**

(€ '000)	DEVELOPMENT COSTS	GOODWILL	SOFTWARE TRADEMARKS PATENTS	ASSETS UNDER CONSTRUCTION & ADVANCES	OTHER INTANGIBLE ASSETS	TOTAL INTANGIBLE ASSETS
Purchase or production cost	21,962	77,097	25,403	5,106	24,884	154,452
Previous years' impairment	(1,514)	(33,774)	(8,443)	(171)	-	(43,902)
Previous years' amortisation	(16,616)	-	(8,203)	-	(23,306)	(48,125)
OPENING BALANCE 2025	**3,832**	**43,323**	**8,757**	**4,935**	**1,578**	**62,425**
Purchases / Additions	301	-	95	1,800	-	2,196
Disposals / Divestitures	(636)		(77)	(126)	-	(839)
Other changes	(175)	(7,708)	(1,859)	(19)	(2,542)	(12,303)
Impairment in period	(282)	-	-	-	-	(282)
Transfers	5,792	-		(5,792)	(177)	(177)
Amortisation in period	(2,794)	-	(482)	-	(151)	(3,427)
Reversal of cumulative amortisation	529		77	-	-	606
Transfers amortisation	-	-	-	-	106	106
Decreases in cumulative impairment	105	-	-	126	-	231
Other changes in cumulative impairment	60	3,611	708	-	-	4,379
Other changes in cumulative amortisation	100	-	386	-	2,537	3,023
TOTAL CHANGES 2025	**3,000**	**(4,097)**	**(1,152)**	**(4,011)**	**(227)**	**(6,487)**
Purchase or production costs	27,244	69,389	23,562	969	22,165	143,329
Impairment	(1,631)	(30,163)	(7,735)	(45)	-	(39,574)
Cumulative amortisation	(18,781)	-	(8,222)	-	(20,814)	(47,817)
CLOSING BALANCE 2025	**6,832**	**39,226**	**7,605**	**924**	**1,351**	**55,938**

The decrease in intangible assets is mainly the cumulative effect of investments, which for the year amounted to €2,196 thousand, amortisation amounting to €3,427 thousand, write-downs amounting to €282 thousand, the change in exchange rates (shown in the item related to other changes) which decreased assets by a net amount of €4,901 thousand.

Investments made refer primarily to recognition of development costs by the Group companies and to the costs incurred for the purchase of software.
The other changes refer to the exchange differences accrued on the values expressed in foreign currency (and in particular for goodwill and trademarks that include the value defined when allocating the price of the related acquisitions), in addition to the reversal of intangible assets entirely amortised during the previous year.

The Trademarks item includes the valuation of the "InoNet" trademark following the acquisition of the company of the same name and subject to amortisation, and the "Advanet" trademark, which was recognised at the time of the acquisition of the Group of the same name and continues to be defined by the Directors as an asset with an indefinite life, as its use for commercial and production purposes is deemed to have no defined time limits, taking into account its characteristics and positioning in the Japanese market. As a result, this value is not subject to amortisation but is subject at least annually to an impairment test.

Goodwill refers to the higher value recognised on the whole when fully-consolidated subsidiaries were acquired, in excess of the fair value of the assets and liabilities acquired from time to time. Goodwill is not subject to amortisation but is tested for impairment at least annually.
While no write-downs were made for 2025 following the results of the impairment test, in 2024 it was deemed necessary to impair by €22,693 thousand the value of the goodwill impairment in the income statement allocated to the CGU Eurotech Inc..

Development costs are relative to internal activities carried out by the Group during the year. These fixed assets with a definite useful life are amortised on a straight-line basis based on the life cycle of the products developed, which is estimated at three to five years, beginning from the date of completion of the relevant development project. This asset is subject to impairment tests whenever loss of value is indicated. The Directors, on the basis of existing and prospective opportunities, consider the recognised values to be reasonably recoverable. During the financial year, as a result of the analyses performed, write-downs of €282 thousand were recorded (€162 thousand in 2024).

The “software, trademarks, patents and licences” item mainly includes the costs incurred to implement what became the Group’s new single information system. Software is amortised on a straight-line basis over three financial years. The increase during the year is mainly due to costs incurred for the purchase of several additional software licenses.

The “assets in progress” item of €924 thousand is entirely made up of development costs (internal payroll costs, materials and services) related to new products in the Internet of Things area, and to the NanoPC modules and systems, which were still in the project stage at year-end or for which production had not yet been launched.

Carrying value of goodwill and the trademarks allocated to each of the cash-generating units:

In order to carry out the annual impairment test, the posted individual goodwill and trademarks with an indefinite useful life acquired through business combinations were allocated to their respective cash-generating units, corresponding to the legal entity or Group of companies to which they refer to test for impairment.

(€ '000)	at December 31, 2025		at December 31, 2024	
Cash generating units	**Goodwill**	**Trademark with an indefinite useful life**	**Goodwill**	**Trademark with an indefinite useful life**
Advanet Inc.	30,293	5,752	34,200	6,494
InoNet Computer GmbH	5,221	-	5,221	-
Group CGU Eurotech	3,712			
Eurotech Ltd. (*)	-	-	3,812	-
Other (*)	-	-	90	-
TOTAL	**39,226**	**5,752**	**43,323**	**6,494**

(*) Eurotech CGU Group (Eurotech S.p.A., Eurotech Inc and Eurotech Ltd) from the 2025 financial year onwards.

The recoverable values of the individual CGUs were calculated according to the higher of their value in use, determined using the discounted cash flow (DCF) method and their respective fair value. The projected discounted cash flows set out in the 2026-2030 consolidated operating and financial plan, approved by Parent Company directors by resolution of 27 January 2026 (hereinafter the "Plan"), were used to calculate the relative value, while the cash flows beyond the specified time horizon as set out in the Plan, and for the purposes of calculating terminal value were extrapolated using the perpetual annuity method, based on normalised flows of the fifth year of the approved plan. The plans were prepared in the respective functional currencies, and the consequent recoverable values were uniformly compared with the carrying values in foreign currency allocated to the various cash-generating units.

The growth rate “g” used to calculate terminal value was between 1.6% and 2.0%, depending on the expected long-term average inflation rate in the different markets (in 2024, it was considered to be between 1.2% and 2.0%). The discount rate (WACC – Weighted Average Cost of Capital) applied to prospective cash flows is different depending on the different percentages of the main business lines in the Plan in the various years, so it was weighted. The WACC therefore varies within a range of 6.57% to 12.27% calculated according to the country where the individual companies operate, and to the debt structure over the various years of each company, and it was determined net of tax effects.
The key parameters used for impairment tests are as follows:

	JAP	GER	UK	Gruppo CGU Eurotech
Risk free	1.68%	2.67%	4.59%	from 3.40% to 3.82%
Total Market Premium	5.10%	5.40%	5.40%	from 5,31% to 5,42%
Beta unlevered	from 1.07 to 1.09	1.08	from 1.09 to 1.11	from 0.96 to 1.00
WACC	6.57%	10.63%	11.84%	10.84%
g rate	1.60%	2.00%	1.90%	2.00%

Based on of the new organisational structure outlined in the business plan subsequently approved in 2026, management has revised the scope of the cash-generating units (CGUs). Indeed, given the Group’s new operational structure, the increasing level of integration between the various companies and the emerging synergies, the CGUs previously identified as Eurotech S.p.A., Eurotech Ltd and Eurotech Inc. (Eurotech-branded companies) have been consolidated into a single group of CGUs (“Eurotech CGU Group”). This consolidation reflects the way in which the entities operate, characterised by shared infrastructure, integrated production chains and progressively interdependent cash flows, in line with the interactions envisaged by the new plan and already being implemented, as well as with the way in which these entities are monitored.

In line with this change, the goodwill previously allocated to Eurotech Ltd has been reallocated to the new CGU group. Prior to the consolidation, the changed organisational structure made it appropriate to carry out a preliminary assessment of the recoverability of goodwill based on the previous scope, thus treating the subsidiary as a stand-alone entity. Subsequently, following the consolidation, the assessment was updated by evaluating the goodwill consolidated into the new configuration, namely the new CGU group.

With reference to the test on the consolidated financial statements, for the CGUs Advanet Inc., InoNet Computer GmbH, Eurotech Ltd. (*stand-alone*) and the Eurotech CGU group, the impairment test was carried out by comparing the carrying amount, corresponding to the net invested capital allocated to the CGU, or the CGU group (including goodwill and intangible assets) as at 31 December 2025, and the recoverable amount of the CGU (or CGU group) determined using the value-in-use approach, calculated by applying the Unlevered Discounted Cash Flow (“UDCF”) method.

The discounting rates for the calculation of the value in use were estimated in the reference currency of the CGU (and of the plan), and in particular:

- the rates of return of government bonds with 10-year maturity of the relevant countries (Japan, UK and Germany) in the six-month time period prior to 31 December 2025, were used as risk-free benchmarks;

- the market risk premium was identified for each CGU in consideration of the value of the reference country, based on the data provided by the analyses and related findings presented by Fernandez in the 2025 report "Survey: Market Risk Premium used for 54 countries in 2025";
- the unlevered beta used, which is specific for the Board&Systems and IoT business lines, corresponds for all CGUs considered to the average value observed for the listed companies operating in the various main business lines (including the same Eurotech), from source S&P Capital IQ. For calculation of the WACC for the CGUs, this beta factor was considered in the re-levered version, taking into consideration the leverage effect resulting from the average ratio of debt to market capitalisation of the sector, and the tax rate of the CGU's country of reference;
- with regard to the values related to the IoT business line, on all CGUs and in line with what was done last year, an additional Risk Premium of 3.5% was included in the WACC calculation to reflect the generic riskiness of a business that is not yet in a mature stage; A specific premium of 3.5% was also applied to the InoNet Computer GmbH CGU, compared with the 3.0% used in 2024, to reflect an updated risk profile aligned with market conditions and the degree of uncertainty associated with the IoT segment;
- the financial market structure, determined on the basis of the average of the financial structures observed for the reference listed companies.

The WACC used for each CGU was calculated taking into account the specific weighting between the Board&Systems business line and the IoT business line, based on their contribution to the Gross Profit of the CGU in the plan's reference horizon.
Compared to 31 December 2024, the WACCs thus calculated showed an increase in all CGUs which were equal to 0.41% for the UK, 0.73% for Germany and 0.75% for Japan; the differences are mainly attributable to the performance of risk free rates and unlevered beta.

For the new CGU Group, similar considerations to those described above have been applied, subject to specific adjustments regarding certain parameters used in determining the discount rate (WACC), such as:

- the risk-free rate has been weighted according to the geographical distribution of the revenues of the companies belonging to the new CGU Group for 2025;
- the market risk premium was estimated as the average of the equity premiums of the countries in which the CGU Group companies operate, weighted by 2025 revenues for each country;
- the tax rate used is 24.06%, determined by weighting the tax rates of the countries in which the companies of the CGU Group operate based on the EBIT of the final year of the explicit plan.

The WACC applied was therefore determined by weighting the gross margin of the B&S and IoT business units based on the plan’s reference horizon

As mentioned in the previous paragraphs, the application of long-term growth assumptions have been slightly revised compared to the previous year, using a value between 1.6% and 2.0% depending on the country of reference, to better reflect the updated long-term inflation forecast.
Taking account of the assumptions underlying the 2026-2030 operating and financial plans and the use of the main parameters identified for the single markets of reference, the values in use coming from the impairment tests performed showed no need to reduce the value of goodwill allocated to the various CGUs or the group of CGU (CGUs Advanet Inc., Eurotech Ltd., InoNet Computer GmbH and the Eurotech CGU Group) nor to the trademarks with indefinite life allocated to the Advanet Inc. CGU.
The recoverability of the values of intangible assets related to the acquisition of the various CGUs or group of CGUs appears to be conditional upon on the occurrence of possible changes in the key assumptions used to estimate them.

In this regard, some sensitivity analyses were prepared in order to assess the volatility of the results obtained as a result of the change in some parameters considered in the valuation exercise, such as WACC and g-rate, WACC and EBITDA reduction over the Plan horizon. The sensitivity analyses carried out showed potential impairment losses in the event of a worsening of the above parameters; in particular, all other conditions being equal, the WACC that would determine an impairment should be equal or higher than 7.5% for Advanet Inc., 13.2% for the

Eurotech CGUs Group and 17.3% for InoNet Computer GmbH, instead higher than 13.4% for Eurotech Ltd. stand alone .

Recognising that, depending on the growth stage of the individual companies, terminal values are significant (even exceeding 90% of the value in use), scenarios involving significant reductions in EBITDA values were analysed, assuming all other financial factors remained constant. The sensitivity analyses indicated potential reductions in value for the Eurotech CGU Group should, with all other test conditions remaining constant, EBITDA over the plan horizon fall by more than 14.4%, for the Advanet Inc. CGU by more than 13.7% and for the InoNet Computer GmbH CGU by more than 40.4%. Based on the preliminary test carried out on the capital employed of Eurotech Ltd, the sensitivity analysis indicates that a reduction in EBITDA of more than 15.7% would be required to trigger a potential impairment.

In the preparation of the 2nd level test with reference to the Group as a whole, the WACC approach for the reference CGUs is confirmed, in line with the consideration of the Group’s reference countries as a whole: the risk-free rate was determined as a weighted average (in consideration of 2025 revenues) of the yields of the six months prior to 31 December 2025 of 10-year Government Bonds of the countries in which the Group operates. For countries for which the Government Bonds were not liquid, a nominal risk-free rate was used, calculated as the sum of the 10-year Government Bond yield of countries with a AAA rating (US) re-expressed to consider the inflation differential between the reference country and the US, and the risk premium of the specific country, determined by the spread between the Credit Default Swaps (CDSs) of the reference country and the US CDSs (AAA rating), a methodology supported by an external consulting firm and consistent with that adopted last year. At a general level, the Directors also considered in their assessments that the current external indicators (and in particular the stock market performance of the Eurotech share and the company's capitalisation), also in relation to the capital increase recently completed, are decidedly better than those that could be analysed at the end of the year. Consequently, as noted several times, it is believed that there were no further risks of impairment of the net assets compared to what already considered in the execution of the impairment test at the reporting date, both with reference to the assumptions adopted in the preparation of future cash flows and in the identification of the appropriate discount rates.
In evaluating the recoverability of the book values upon testing for impairment, there was no additional impairment found since the total recoverable value was higher than the book value of the asset. The value of the existing orders, orders included in the portfolio, ongoing opportunities, stakeholder relations and products currently in the portfolio, as well as products developed, particularly in recent years for the IoT market, are regarded by the Directors as important factors to justify the current amounts considered, even taking into account the external indicators and therefore not changing the amounts posted. In addition, among the qualitative elements that are considered in the identification of impairment indicators, the Directors evaluated the evolution of the Group's strategic choices for each of the CGUs identified (or group CGU), also with reference to the expected development of the IoT business line, which in some geographical areas is expected to have a predominant value with respect to the Board&Systems business line.

As regards the sensitivity analysis for the second-level test, all other things being equal, the WACC above which a write-down would occur is 12.5%, whilst, again all other things being equal, EBITDA would be expected to fall by more than 20.3%.

2 – Property, plant and equipment

The following table shows the development of historical cost and accumulated depreciation and the valuation of property, plant and equipment in the previous period and in the period under review:

(€ '000)	LAND AND BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL & COMMERCIAL EQUIPMENT	OTHER ASSETS	ASSETS UNDER CONSTRUCTION & ADVANCES	RIGHT OF USE ASSETS	TOTAL PROPERTY, PLANT & EQUIPMENT
Purchase of production cost	2,178	4,615	5,608	5,766	2	8,397	26,566
Previous year's depreciation	(597)	(4,312)	(5,347)	(5,312)	-	(3,813)	(19,381)
OPENING BALANCE 2024	**1,581**	**303**	**261**	**454**	**2**	**4,584**	**7,185**
Purchases / Additions	-	292	283	155	1,507	795	3,032
Disposals / Divestitures	-	(719)	(1,126)	(1,617)	-	(3,535)	(6,997)
Other changes	(1)	(107)	(1)	61	-	14	(34)
Transfers	-	-	-	(5)	-	5	-
Depreciation in period	(59)	(83)	(145)	(251)	-	(1,245)	(1,783)
Reversal of cumulative depreciation	-	719	1,126	1,617	-	3,505	6,967
Transfers amortisation	-	-	-	6	-	(6)	-
Other changes in cumulative amortisation	-	99	(5)	(67)	-	(30)	(3)
TOTAL CHANGES 2024	**(60)**	**201**	**132**	**(101)**	**1,507**	**(497)**	**1,182**
Purchase or production cost	2,177	4,081	4,764	4,360	1,509	5,676	22,567
Cumulative depreciation	(656)	(3,577)	(4,371)	(4,007)	-	(1,589)	(14,200)
CLOSING BALANCE 2024	**1,521**	**504**	**393**	**353**	**1,509**	**4,087**	**8,367**

(€ '000)	LAND AND BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL & COMMERCIAL EQUIPMENT	OTHER ASSETS	ASSETS UNDER CONSTRUCTION & ADVANCES	RIGHT OF USE ASSETS	TOTAL PROPERTY, PLANT & EQUIPMENT
Purchase of production cost	2,177	4,081	4,764	4,360	1,509	5,676	22,567
Previous year's depreciation	(656)	(3,577)	(4,371)	(4,007)	-	(1,589)	(14,200)
OPENING BALANCE 2025	**1,521**	**504**	**393**	**353**	**1,509**	**4,087**	**8,367**
Purchases / Additions	-	-	263	126		406	795
Disposals / Divestitures	-	(177)	(20)	(456)	(2)	(875)	(1,530)
Other changes	(4)	(245)	(201)	(122)	(168)	(142)	(882)
Transfers	-	1,308	21	187	(1,339)	-	177
Depreciation in period	(59)	(297)	(180)	(185)	-	(1,064)	(1,785)
Reversal of cumulative depreciation	-	162	20	366	-	706	1,254
Transfers amortisation	-	-	-	(106)	-	-	(106)
Other changes in cumulative amortisation	1	222	182	113	-	89	607
TOTAL CHANGES 2025	**(62)**	**973**	**85**	**(77)**	**(1,509)**	**(880)**	**(1,470)**
Purchase or production cost	2,173	4,967	4,827	4,095	-	5,065	21,127
Cumulative depreciation	(714)	(3,490)	(4,349)	(3,819)	-	(1,858)	(14,230)
CLOSING BALANCE 2025	**1,459**	**1,477**	**478**	**276**	**-**	**3,207**	**6,897**

The "Land and buildings" item amounting to €1,459 thousand includes the value of the building (located in Amaro — UD, inclusive of land and improvement costs) in which the Parent Company's production site is located and the value of the Parent Company's property in Amaro (UD) inclusive of land (used as offices).
The increases of €1,308 thousand in plant and machinery is the effect of the reclassification of assets in progress of the production line acquired in Japan in 2024 for the production of electronic boards which came into operation at the start of January 2025; the increases of €263 thousand in industrial and commercial equipment and €126 thousand in other assets refer mainly to equipment replacement and new assets required to make the operations of the individual Group companies more efficient and effective.
Right-of-use assets includes mainly leases, in accordance with IFRS 16. Leases refer to the rents of industrial and commercial buildings as well as office areas and leases of office machines. During the year, some contracts were extended, new ones were signed, some were closed and others were replaced with a new contract. These assets, concerning the "Right of use", are depreciated on a straight line basis for the duration of the contract, taking account of the renewal/termination options. Depreciation recognised with reference to the “Rights of use” assets during the year amounted to a total of €1,064 thousand.

The “other changes” item refers to exchange differences accrued on the opening balances of the values at cost and accumulated depreciation.

3 – Equity investments in affiliates and other companies

The table below shows changes in equity investments in affiliates and other companies in the reporting period:

(€'000)	at December 31, 2025 INITIAL VALUE	DECREASES	OTHER	EOP VALUE	% OWNERSHIP
Investments in non-consolidated subsidiaries:					
Insulab S.r.l.	4	-		4	40.00%
Rotowi Technologies S.r.l. in liquidazione (ex U.T.R.I. S.p.A.)	-	-	-	-	21.32%
TOTAL INVESTMENTS IN ASSOCIATE COMPANIES	**4**	**-**	**-**	**4**	
Investments in other companies (valuation at fair value on the Profit&Loss):					
Consorzio Ecor' IT	2	-	-	2	
Consorzio Aeneas	5	-	-	5	
Consorzio Ditedi	19	-	-	19	7.69%
Kairos Autonomi	125	-	(14)	111	19.00%
Others	1	(1)		-	
TOTAL INVESTMENTS IN OTHER COMPANIES	**152**	**(1)**	**(14)**	**137**	

At 31 December 2025, the Eurotech Group held a 40% interest in connection with the company Insulab S.r.l. and 21.32% in Rotowi Technologies S.p.A. (formerly UTRI S.p.A.), following subsequent purchases of shares in 2007 and 2008. In 2010, this affiliate had submitted a debt restructuring plan pursuant to Art. 182-bis of the Italian Financial Law, which had already resulted in an assessment of the non-recoverability of the value recorded as the only long-term interest in relation to the associate.

The closing dates of the financial statements and the financial years of the affiliate coincide with those of the Parent Company.

The table below shows the values of the assets, liabilities, revenues and annual results of equity investments in affiliates at 31 December 2024, as operating and financial information for year-end 2025 is not yet available.

(€'000)	At December 31, 2025 Rotowi Tech.	Insulab S.r.l.	TOTAL	At December Rotowi Tech.	At December Insulab S.r.l.
Share of the Associate's balance sheet:	(*)			(*)	
Current assets	172	465	637	172	160
Non current assets	0	6	6	0	5
Current liabilities	(554)	(423)	(977)	(554)	(156)
Non current liabilities	(245)	(11)	(256)	(245)	(1)
Net assets	**(627)**	**37**	**(590)**	**(627)**	**8**
Revenue	0	695	695	0	190
Profit (Loss)	(3)	29	26	(3)	(2)
Carrying amount of the investment	**-**	**4**	**4**	**-**	**4**
Reserve for losses on equity interests in affiliates	-	-	-	-	-

(*) FY2020

4 – Other non-current assets

The table below shows the breakdown of other non-current assets at 31 December 2025 and 31 December 2024:

(€'000)	at December 31, 2025	at December 31, 2024
Other non-current receivables	416	480
TOTAL OTHER NON CURRENT ASSETS	**416**	**480**

Other non-current receivables mainly comprise security deposits that do not accumulate interest; they are in line with the previous year. The decrease is essentially due to an exchange rate effect on the values expressed in JPY.

5 – Inventories

The table below shows the breakdown of inventories at 31 December 2025 and 31 December 2024:

(€'000)	at December 31, 2025	at December 31, 2024
Raw & auxiliary materials and consumables - gross	11,137	13,873
Inventory write-down provision	(3,738)	(2,524)
Raw & auxiliary materials and consumables - net	**7,399**	**11,349**
Work in process and semi-finished goods - gross	596	366
Inventory write-down provision	(74)	(101)
Work in process and semi-finished goods	**522**	**265**
Finished poducts and goods for resale - gross	7,214	8,298
Inventory write-down provision	(3,341)	(2,783)
Finished products and goods for resale - net	**3,873**	**5,515**
Advances	**124**	**12**
TOTAL INVENTORIES	**11,918**	**17,141**

Inventories at 31 December 2025 amounted to €11,918 thousand (€17,318 thousand at 31 December 2024), net of inventory write-down provisions totalling €7,153 thousand. The provision increased by €1,745 thousand due to effect of allocations made to adjust the value of the components and the finish products held by the Group, which have a risk of technical obsolescence and slow movement and net of utilisations following specific scrapping's.

The following table shows the changes in inventory write-down provision in the periods under review:

(€'000)	at December 31, 2025	at December 31, 2024
OPENING BALANCE	**5,408**	**4,984**
Provisions	2,949	1,275
Other changes	(169)	82
Utilisation	(1,035)	(933)
CLOSING BALANCE	**7,153**	**5,408**

The “other changes” item refers to changes in the write-down provisions due to foreign exchange differences.
The raw materials inventory write-down provision of €3,738 thousand refers to obsolete or slow moving materials, whose full posted value some Group companies do not expect to recover. The net increase for the year amounted to €1,214 thousand.
The semi-finished products write-down provision of €74 thousand, which covers the risk of slow movement of work in progress and semi-finished products, decreased by €27 thousand.
The finished products write-down provision of €3,341 thousand, which covers the risk of slow turnover in certain standard and custom finished products, increased by €558 thousand.

6 – Trade receivables

The table below shows the breakdown of trade receivables and the respective doubtful debt provision at 31 December 2025 and 31 December 2024:

(€'000)	at December 31, 2025	at December 31, 2024
Trade receivables - customers	14,620	13,091
Trade receivables - realted paties	-	3
Doubtful debt provision	(690)	(689)
TOTAL TRADE RECEIVABLES	**13,930**	**12,405**

Trade receivables falling due within 12 months are normally non-interest bearing and generally fall due at 90/120 days on average.
Net trade receivables increased by €1,525 thousand compared to the 31 December 2024. The value of bank receipts presented subject to collection amounted to €960 thousand.

Receivables are shown net of a doubtful debt provision of €690 thousand. Changes in doubtful debt provision in the years under review were as follows:

(€'000)	at December 31, 2025	at December 31, 2024
OPENING BALANCE	**689**	**648**
Provisioning	26	119
Other changes	(25)	5
Utilisation	0	(83)
CLOSING BALANCE	**690**	**689**

Provisions of €26 thousand made during the financial year were necessary to adjust the value of receivables based on their expected losses.
There were no utilisations in 2025, while in 2024 the utilisation of the doubtful debt provision is the result of uncollectable receivables partially or totally covered by the relevant provision and the cancellation of the provision as no longer necessary.
Group policy is to specifically identify the receivables to be written down, and the allocations made therefore reflect a specific write-down. The "other changes" item includes the effect of translating financial statements in foreign currency.

At 31 December 2025, trade receivables were as follows:

€ '000	Total	Not overdue	< 30 days	30 - 60 days	60 - 90 days	90 - 180 days	Over 180 days
2025	14,620	13,276	561	45	228	222	288
2024	13,094	10,483	2,045	203	15	36	312

Receivables over 180 days on the basis of the original maturity represent 2.0% of trade receivables at 31 December 2025, an amount slightly lower than the 2.4% recorded in 2024.
There are no unexpired receivables, which provide for a deferred payment of more than 12 months.

7 – Tax receivables and payables

Tax receivables represent receivables from individual governments for direct taxation (IRES and income taxes in various countries), which should be recovered within the following year, as well as receivables for withholdings made by the US companies following payment of interest charges on intragroup loans and dividends distributed to the Parent Company by Advanet Inc. Compared to 31 December 2024, the value decreased by €366 thousand, from €934 thousand in 2024 to €568 thousand in 2025.

Tax payables are made up of current taxes relating to the year still to liquidate and represent the amounts that the companies shall pay to the tax authorities of the respective countries. These payables are calculated according to the tax rates currently in force in each country. Foreign tax payables amounted to €879 thousand (2024: €953 thousand), while there were no Italian tax payables, as was also the case for 2024.

Tax payables and receivables are offset if there is a legal right to do so.

8 – Other current assets

The table below shows the breakdown of other current assets at 31 December 2025 and 31 December 2024:

(€'000)	at December 31, 2025	at December 31, 2024
Advance payments to suppliers	122	186
Tax receivables	538	397
Other receivables	72	45
Accrued income and prepaid expenses	629	870
TOTAL OTHER CURRENT ASSETS	**1,361**	**1,498**

Tax receivables comprise mainly receivables for indirect tax (VAT). VAT receivables do not bear interest and are generally settled with the competent tax authority on a monthly basis.

Prepaid expenses relate to costs borne in advance for bank charges, maintenance fees, utilities, services and insurance. Note that there are no prepaid expenses with a duration of more than one year.

9 – Cash and cash equivalents

The table below shows the breakdown of cash and cash equivalents at 31 December 2025 and 31 December 2024:

(€'000)	at December 31, 2025	at December 31, 2024
Bank and post office deposits	6,447	6,162
Cash and valuables in hand	8	8
TOTAL CASH & CASH EQUIVALENTS	**6,455**	**6,170**

Bank deposits are mainly on demand and remuneration is limited. The fair value of cash and cash equivalents was €6,455 thousand (€6,170 thousand at 31 December 2024). The item shows an increase compared to 31 December 2024 of €285 thousand to be attributed to the management of working capital and to the payments made by shareholders for future capital increase of €7 million. For further details, please refer to the Cash Flow Statement.

10 – Other financial assets

The recorded amount of €17 thousand (2023: €115 thousand) refers entirely to the residual value of an insurance policy after surrender, while the amount relating to 2024 included the entire value of the policy for €84 thousand and to an investment of liquidity in low-risk funds for €31 thousand.

11 – Net financial position

The table below shows the Group's net financial position at 31 December 2025 and 31 December 2024:

(€'000)		at December 31, 2025	at December 31, 2024
Cash	A	6,455	6,170
Cash equivalents	B	-	-
Other current financial assets	C	21	144
Cash equivalent	**D=A+B+C**	**6,476**	**6,314**
Current financial debt	E	3,934	6,808
Current portion of non-current financial debt	F	7,667	2,240
Other current financial liabilities	G	101	115
Short-term financial position	**H=E+F+G**	**11,702**	**9,163**
Short-term net financial position	**I=H-D**	**5,226**	**2,849**
Non current financial debt	J	11,574	17,551
Debt instrument	K	-	-
Medium-/long-term net financial position	**M=J+K+L**	**11,574**	**17,551**
(NET FINANCIAL POSITION) NET DEBT ESMA	**N=I+M**	**16,800**	**20,400**

The consolidated net financial position at 31 December 2025 amounted to a net debt of €16.80 million, compared to €20.40 million at 31 December 2024. The adoption of the IFRS 16 accounting standard meant the recognition by Group companies of financial liabilities for rights of use at 31 December 2024 equal to €3.44 million (€4.26 million at 31 December 2024).

At the date of this report, in relation to an existing loan subject to covenants, Eurotech has obtained from the lending bank a "covenant holiday" for 2025 and a recalculation of the financial parameters for the remaining years of the loan's repayment schedule. Consequently, in the next financial report, the portion of the loan currently provisionally reclassified as short-term will be presented as medium- to long-term.
Pursuant to IAS 1.65, at 31 December 2025, short-term financial liabilities included the medium-/long-term portion (€1.40 million) of one existing loan with respect to which the Group had not met all the contractual conditions at year-end. The entire loan, whose residual amount was €1.80 million, was reclassified as falling due in the short term.
The parent company requested from the bank that had granted a loan subject to financial covenants a 'covenant holiday' for 2025 and a recalculation of the financial covenants for the remaining years of the loan's repayment schedule, in order to bring these covenants into line with the figures set out in the recently approved new 2026–2030 business plan. The bank has announced that it has approved the temporary suspension for 2025 and the restructuring of these measures for subsequent years

The renegotiated covenants define targets not to be exceeded with reference to the ratio between EBITDA and financial charges, net financial position and EBITDA and finally net financial position and Shareholders' equity.

The following table shows the reconciliation between the statement of financial position for liabilities arising from financing activities and the cash flow statement (IAS 7).

(€'000)	at January 1, 2025	Cash flows	Fair value changes	Exchange differences	Other non monetary transactions	at December 31, 2025
Short and Medium-/long-term borrowing	26,599	(2,826)	-	(598)	-	23,175
Other current financial assets	(115)	98		-	-	(17)
Derivative instruments	(29)	-	25	-	-	(4)
Total Liabilities arising from financing activities	**26,455**	**(2,728)**	**25**	**(598)**	**-**	**23,154**

(€'000)	at January 1, 2024	Cash flows	Fair value changes	Exchange differences	Other non monetary transactions	at December 31, 2025
Short and Medium-/long-term borrowing	31,502	(4,767)	-	(136)	-	26,599
Medium/long term borrowing allowed to affiliates companies and other Group companies	-	-	-	-	-	-
Other current financial assets	(143)	28		-	-	(115)
Derivative instruments	(102)	-	73	-	-	(29)
Total Liabilities arising from financing activities	**31,257**	**(4,739)**	**73**	**(136)**	**-**	**26,455**

12 – Shareholders' equity

The table below shows the breakdown of shareholders' equity at 31 December 2025 and 31 December 2024:

(€'000)	at December 31, 2025	at December 31, 2024
Share capital	9,657	8,879
Share premium reserve	138,122	136,400
Other reserves	(95,064)	(84,615)
Group shareholders' equity	**52,715**	**60,664**
Equity attributable to minority interest	**-**	**-**
Total shareholders' equity	**52,715**	**60,664**

The share capital at 31 December 2025 was made up of 38,629,109 ordinary shares, wholly subscribed and paid up, with no nominal value. On 23 June 2025, in partial execution of the mandate to increase the share capital granted to it by the Extraordinary Shareholders' Meeting of 15 October 2024, pursuant to Art. 2443 of the Italian Civil Code, the Board of Directors resolved to issue 3,113,325 new ordinary shares, fully subscribed by the shareholder Emera S.r.l., thereby increasing the share capital by €0.78 million. Furthermore, it should be noted that, following the completion of the capital increase in early 2026, the total number of the Company's ordinary shares as at the date of this document amounts to 59,625,545, representing a share capital of €14.91 million.

The balance of the Issuer's legal reserve at 31 December 2025 was €1,776 thousand.

The share premium reserve, which pertains entirely to the Parent Company, amounts to €138,122 thousand. This includes an increase of €1,722 thousand during the period, resulting from the conversion into share capital and share premium of the €2,500 thousand shareholder contribution made in 2024.

The "Other Reserves" item, which at 31 December 2025 was a negative €95,064 thousand, includes, in addition to the balance of the statutory reserve discussed above, different types of reserves as indicated in the statement of changes of the shareholders' equity in addition to the result for the year. The various reserves that make up the aggregate item are commented below.

The negative translation reserve of €5.250 thousand is generated by inclusion in the consolidated financial statements of the statement of financial positions and income statements of US subsidiaries Eurotech Inc. and E-Tech USA Inc., as well and of UK subsidiary Eurotech Ltd. and Japanese subsidiary Advanet Inc.

The “Other reserves” item was negative by €83.250 thousand and consisted of the Parent Company’s surplus reserve, formed by losses carried forward, allocations of retained earnings from prior years as well as other reserves of different origin. The change for the year is attributable to the allocation of the 2024 result, the recognition of the Performance Share plans as described in the Note 16 and the payments for future capital increase for €7 million, paid during the year by the majority shareholder Emera S.r.l., and the utilisation of the reserve to increase the share capital and the share premium reserve net of the costs incurred for the same capital increase.

The cash flow hedge reserve, which includes cash flow hedge transactions pursuant to IFRS 9, was positive for €4 thousand and decreased by €25 thousand.
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 foreign operations are recognised, was positive by €1,829 thousand. This reserve was decreased by €2,782 thousand during the year.

The reserve for actuarial gains and losses on defined benefit plans stands at a negative €333 thousand. The increase for the year, amounting to €180 thousand, is attributable to the accounting treatment of the plans as described in note 15.
The reserve for treasury shares stands at a negative €568 thousand.

The Parent Company Eurotech S.p.A. held 253,606 treasury shares at the end of the year (in 2024 the number of treasury shares was 240,606).

	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 2025	**240,606**	**60**	**0.68%**	**662**	**2.75**
Purchases	70,000	18	0.20%	63	0.90
Sales	-	-	0.00%	-	
Assignment-Performance share Plan	(57,000)	(14)	-0.16%	(157)	2.75
Status as at 31 December 2025	**253,606**	**64**	**0.71%**	**568**	**2.24**

During the financial year, 70,000 treasury shares were purchased and 57,000 shares were allocated based on the Performance Share plan.

For further information on changes in equity, please refer to the statement of changes in equity.

At the date of this report and for all comparative periods shown, there are no minority interests in the Group.

Following the resolution of the Shareholders' Meeting of 15 October 2024, which authorised the Board of Directors to increase the share capital for a maximum amount of €20 million (including any share premium), to be carried out, also in divisible form, in one or more tranches over the following two years, either with pre-emptive rights for shareholders or, where permitted, with exclusion of such rights pursuant to Article 2441, paragraphs 4 and/or 5, of the Italian Civil Code, the Board has, as of the date of this report, completed the capital increase, comprising €2.5 million in June and €17.5 million on 26 February 2026. This increase is aimed at supporting the growth and development process of the Eurotech Group and therefore at finding the financial resources necessary for the achievement of the strategic objectives of the Company's business plan.

13 – Basic and diluted earnings (losses) per share

Diluted earnings per share are calculated taking into account the potentially dilutive effect of convertible financial instruments, share options and other instruments that may lead to the issue of new ordinary shares. In particular, the calculation of diluted earnings per share at 31 December 2025 reflects the share capital increase carried out on 23 June 2025, the purchase of treasury shares and the impact of the assignment of the shares as part of the EUROTECH S.p.A. 2022-2024 Performance Share Plan.

The table below shows earnings for the period and information on the shares used to calculate basic and diluted earnings per share.

	at December 31, 2025	**at December 31, 2024**
Net income (loss) attributable to parent company shareholders	(9,272,000)	(36,155,000)
Weighted average number of ordinary shares including own shares	37,144,949	35,515,784
Own shares	(218,968)	(240,606)
Weighted average number of ordinary shares except own shares	36,925,981	35,275,178
Weighted average number of ordinary shares except own shares for share diluted	36,925,981	35,275,178
Net income (loss):		
- per share	**(0.251)**	**(1.025)**
- per share diluted	**(0.251)**	**(1.025)**

14 – Borrowings

The table below shows the breakdown of medium- to long-term financial payables at 31 December 2025:

TYPE (€'000)	COMPANY	BALANCE ON 31.12.2024	BALANCE ON 31.12.2025	SHORT TERM within 12 months	Total Medium and long-term	Mid term Over 12 months	Long term Over 5 years
CURRENT OUTSTANDINGS - (a)		**6,767**	**3,934**	**3,934**	**-**	**-**	**-**
Lease liabilities		4,261	3,446	868	2,578	1,520	1,058
TOTAL OTHER FINANCINGS - (b)		**4,261**	**3,446**	**868**	**2,578**	**1,520**	**1,058**
Unsecured loans	Eurotech S.p.A.	11,990	11,955	5,833	6,122	6,122	-
Unsecured loans	Advanet Inc.	2,791	3,110	908	2,202	2,202	-
Mortgage loan	Eurotech S.p.A.	790	730	58	672	234	438
TOTAL BANK DEBT - (c)		**15,571**	**15,795**	**6,799**	**8,996**	**8,558**	**438**
TOTAL OTHER FINANCING AND BANK DEBT - [(b) + (c)]		**19,832**	**19,241**	**7,667**	**11,574**	**10,078**	**1,496**
TOTAL DEBT - [(a) + (b) + (c)]		**26,599**	**23,175**	**11,601**	**11,574**	**10,078**	**1,496**

Bank overdrafts

Bank overdrafts are not backed by unsecured or secured warranties and include uses with the technical form of "subject to collection" and non-recourse liquidations. The amount, which includes financial liabilities to factoring companies for the assignment of receivables with recourse amounting to €0.1 million, totals €3,934 thousand (€6,767 thousand in 2024).

Other loans

Other loans refer to:

- a residual payable of €3,446 thousand (of which €2,578 thousand was medium-term) for leases accounted for in accordance with IRS 16. The amount related to the payable over five years amounted to €1,058 thousand.

Bank loans

Bank loans refer mainly to:
- some loans granted between 2021 and 2025 to Advanet Inc. by three local banks for a total remaining amount of €1,888 thousand, of which €636 thousand are due within 12 months, to boost the Japanese company's working capital;
- a loan granted to Advanet in 2025 by a Japanese bank to support liquidity uses for the purchase of production machinery for a total outstanding amount of €1,222 thousand (of which €950 thousand in the medium-long term);
- some loans granted to the Parent Company by various banks in recent years for a total residual amount of €1,016 thousand (of which €156 thousand medium- to long-term) mainly to support the Group R&D investments or to boost the working capital of the Parent Company;
- some loans granted to the Parent Company by various banks in 2020, against the so-called "Cura Italia" loans for a total residual amount of €6,253 thousand (of which €3,700 thousand medium- to long-term)

guaranteed by the Government or by SACE to support the investments and to boost the working capital of the Parent Company;

- two loans granted to the Parent Company by two banks at the end of 2022, against the "Sostegno Italia" loans for a total residual amount of €2,994 thousand (of which €957 thousand medium- to long-term) guaranteed by the Government or by SACE to boost the working capital of the Parent Company;
- a FRIE loan granted to the Parent Company in 2022, for residual €730 thousand (of which €672 thousand is medium-long term and includes the amount of €438 thousand over 5 years) to support the liquidity used for the purchase of the building of the registered office;
- a loan granted to the Parent Company by a bank at the end of 2023 covering "internationalisation" for a total residual amount of €1,692 thousand (of which €1,309 thousand medium- to long-term) guaranteed by the Government or SACE to support investments aimed at sustaining the Parent Company's internalisation.

In order to manage interest rate risk, unsecured loans taken out prior to 2023 were entered into on a fixed-rate basis or were fully or partially covered by IRSs. Those taken out in 2023 are at floating rate and subject to the market.
At 31 December 2025, the parent company had assessed it would not comply with two of the financial covenants set forth in a loan agreement and therefore proceeded to reclassify the relative medium/long-term portion as a current financial liability, for an amount of €1.4 million. The request for a “covenant holiday” has been accepted by the bank and, as a result, the loan will retain the original repayment schedule of the credit facility granted in 2026.
At 31 December 2025 all bank loans out are denominated in euro apart from the loans granted to the Japanese subsidiary, which are in Japanese yen.

15 – Employee benefits

The table below shows the breakdown of employee benefits at 31 December 2025 and 31 December 2024:

(€'000)	**at December 31, 2025**	**at December 31, 2024**
Employees' leaving indemnity	323	343
Foreing Employees' leaving indemnity	1,615	1,988
TOTAL EMPLOYEES' BENEFITS	**1,938**	**2,331**

Defined-benefit plans

The Group has defined-benefit pension plans both in Italy and Japan, and these require contributions to a separately managed fund.
As a result, the expected return of the assets servicing the defined-benefit plan was not booked to the income statement. The interest on the net liabilities of the defined-benefit plan (not including the plan assets) was, however, booked to the income statement. Interest is calculated using the discount rate used to measure the net assets or liabilities of the pension plan.
In addition, the past service cost (not vested) can no longer be deferred to the future vesting period. All past service costs are instead recognised in the income statement at the date of the plan's amendment, or at the date of recognition of the related restructuring costs, or cessation of the employment relationship, whichever is earlier.

The table below shows the breakdown of defined-benefit plans at 31 December 2025 and 31 December 2024:

(€ '000)	Italy at December 31, 2025	Italy 31.12.2024	Japan at December 31, 2025	Japan 31.12.2024
Projected benefit obligation at the beginning of the period	**343**	**330**	**1,988**	**2,052**
Current Service cost		20	156	169
Interest cost	8	5	30	25
Other changes			(228)	(93)
Pensions paid	(21)	(20)	(158)	(113)
Recognized actuarial gains or losses	(7)	8	(173)	(52)
Projected benefit obligation at the end of the period	**323**	**343**	**1,615**	**1,988**

The defined-benefits plans in force in Italy refer exclusively to the employee severance indemnity accrued prior to 1 January 2007 and retained in the company; the related liabilities are valued on the basis of actuarial techniques. Pension plans in Japan are also considered as such and consequently the company valued the relative liability pursuant to IAS 19.

Pursuant to the Italian "2007 Budget Law", employee severance indemnity accrued as of 1 January 2007 or as of the option date to exercise by the employees are included in the category of defined-benefit plans, both in the event of option for supplementary retirement and option for allocation to the Treasury Fund at INPS. The accounting treatment of employee severance indemnities is now similar to that used for other types of pension scheme contributions.

The key assumptions used in determining the current value of defined-benefit plans are described below:

	Italy at December 31, 2025	Italy at December 31, 2024	Japan at December 31, 2025	Japan at December 31, 2024
Discount Rate	3.41%	3.41%	2.60%	1.20%
Expected rates of future wages and salary increases	2.00%	2.00%	1.00%	1.00%
Expected rates of staff turnover	4.29%	3.63%	2.00%	1.00%
Duration	13	15	19	19

The following table summarises the change in the present value of the defined-benefit plans at the end of the period.

(€ '000)	Italy at December 31, 2025	Italy 31.12.2024	Japan at December 31, 2025	Japan 31.12.2024
Liabilities at start of period	**343**	**330**	**1,988**	**2,052**
Cost relating to present service	-	20	156	169
Finance expense	8	5	30	25
Other changes	-	-	(228)	(93)
Benefits paid out	(21)	(20)	(158)	(113)
Actuarial loss (gain) reconised	(7)	8	(173)	(52)
Liabilities at end of period	**323**	**343**	**1,615**	**1,988**

The following is the reconciliation of the current value of the obligation and the liability booked and the summary of the cost components recorded in the income statement.

(€ '000)	Italy at December 31, 2025	Italy 31.12.2024	Japan at December 31, 2025	Japan 31.12.2024
Projected benefit obligation	**323**	**343**	**1,615**	**1,988**
Provisions for pensions charged to balance sheet	**323**	**343**	**1,615**	**1,988**
Current Service cost	-	20	156	169
Interest cost	8	5	30	25
Recognized actuarial gains or losses	(7)	8	(173)	(52)
Costs charged to income statement	**1**	**33**	**13**	**142**

During 2025, the Group also allocated a share of no less than 0.12% of the annual turnover of Eurotech S.p.A., equal to 0.03% of the Group's turnover, to an employee welfare plafond for an amount of no less than €17 thousand.

16 – Share-based payments

“EUROTECH S.p.A. 2021-2023 Performance Share Plan” (hereinafter “PSP 2021”)
On 11 June 2021, the Shareholders’ Meeting of the Company approved adoption of an incentive plan solely for individuals who have a directorship position and/or an employment contract and/or a freelance collaboration or consultancy agreement with Eurotech S.p.A. or one of its subsidiaries and who have key functions in the Group organisation chart; the plan is called “EUROTECH S.p.A. 2021-2023 Performance Share Plan".
The PSP 2021 provides that the beneficiaries identified by the Company’s Board of Directors be assigned the right (known as Unit) to receive Eurotech S.p.A. shares free of charge (up to a maximum of 500,000 ordinary shares) provided that the Performance Objectives have been achieved on the respective Assignment Date and that the Relationship with the Company or with one of the Subsidiaries has been constant. The Objectives defined annually by the Board of Directors shall be:

a) up to two objectives shall be linked to the economic-financial performance of the Group in the medium-long term;

b) an objective shall be linked to the trend of the market price of the Shares in the medium-long term (Total Shareholder Return).

The assigned Units are subject to a Vesting period of 3 (three) years during which the assigned Units may not vest, except in the case of termination in the event of Good Leaver (for example: dismissed by the company not for just cause, death, the Beneficiary’s retirement and loss of the condition of Subsidiary by the employer company of the Beneficiary). Subsequently, a portion equal to 20% of the vested shares will be subject to a lock-up period of 2 (two) years.

With reference to the first cycle of the plan, which concerned the years 2021-2023, the 2021 allocation of 440,142 units was cancelled due to the non-achievement of the targets, as already highlighted in the Financial Statements at 31 December 2023.

Also with reference to the second cycle of the plan, which concerned the years 2022-2024, the 2022 allocation of 454,612 units was cancelled due to the non-achievement of the targets, as already highlighted in the 2024 Financial Statements.

With reference to the third cycle of the plan in which 500,000 units were allocated in 2023, the time period considered concerns the years 2023-2025 and the objectives identified (with target levels other than minimum and maximum) independent from each other are:

- i the sum of the Group's consolidated EBITDA over the 3 years;
- ii the consolidated turnover of the Group at the end of the 2025 financial year;
- iii the performance of the Total Shareholder Return of the Eurotech Shares compared to the Total Shareholder Return of the shares of the companies belonging to the FTSE Italia STAR index.

The first two objectives are "non-market based" components (with a weight of 60% of the total rights assigned) while the third objective is a "market base" component (with a weight of40% of the total rights assigned) linked the measurement of Eurotech performance in terms of TSR relative to the FTSE Italia STAR index. As at the date of these financial statements, the “non-market-based” targets have not been met, whilst the effects linked to the TSR-based targets will continue to have financial implications into the 2026 financial year. As at 31 December 2025, no shares had been granted in relation to the cycle in question.

At the end of 2025, 500,000 units relating to the third cycle were cancelled due to the non-achievement of the pre-established targets even if technically the economic effect of the accounting will continue in 2026.

	Year 2025			Year 2024		
	No. Units granted	Value of the assign units (€'000)	Value of the units for the period (€'000)	No. Units granted	Value of the assign units (€'000)	Value of the units for the period (€'000)
Performance Share Plan 2021						
Nr. Unit at the begining of the period	500,000	1,136	20	954,612	2,577	157
Nr. Unit Granted during period	-	-	-	-	-	-
Nr. Unit Cancelled during period	(500,000)	(1,136)	-	(454,612)	(1,441)	(393)
Nr. Unit assigned during period	-	-	-	-	-	-
Nr. Unit Outstanding at the end of the period	-	-	20	500,000	1,136	(236)

The amount recognised in the income statement for the financial year as the cost relating to the employees covered by the scheme totals €20,000. The corresponding amount has been recognised directly in equity.

"EUROTECH S.p.A. 2022 Incentive Plan" (hereinafter referred to as "PSP 2022")

On 28 April 2022, the Shareholders' Meeting of the Company approved adoption of an incentive plan solely for individuals who have a directorship and/or an employment relationship with Eurotech S.p.A. or one of its Subsidiaries; the plan is called "EUROTECH S.p.A. 2022 Incentive Plan".

The PSP 2022 provides that the beneficiaries identified by the Company's Board of Directors be assigned the right (known as Unit) to receive Eurotech S.p.A. shares free of charge provided that on the Assignment Date they maintain a relationship with the Company or one of its Subsidiaries. The Units assigned are subject to a retention period lasting 3 (three) years starting from the respective Assignment Date; during the Retention Period, the assigned Units cannot accrue unless the contract is terminated as a good leaver (for example: dismissed by the company not for just cause, death, the Beneficiary's retirement and loss of the condition of Subsidiary by the employer company of the Beneficiary). Subsequently, a portion equal to 20% of the vested shares will be subject to a lock-up period of 1 (one) year.

During 2025, the conditions for the early cancellation of 56,000 units and the distribution of 57,000 shares were met. At the reporting date, the Company had recorded a cost of €112 thousand in the income statement, whose contra entry was recognised in shareholders' equity.

	Year 2025			Year 2024		
	No. Units granted	Value of the assign units (€'000)	Value of the units for the period (€'000)	No. Units granted	Value of the assign units (€'000)	Value of the units for the period (€'000)
Performance Share Plan 2022						
Nr. Unit at the begining of the period	261,000	758	112	218,000	675	195
Nr. Unit Granted during period	-	-	-	58,000	131	42
Nr. Unit Cancelled during period	(56,000)	(143)	-	(15,000)	(48)	-
Nr. Unit assigned during period	(57,000)	(173)	-	-	-	-
Nr. Unit Outstanding at the end of the period	148,000	442	112	261,000	758	237

"EUROTECH S.p.A. 2025-2027 Retention Plan" (hereinafter "PRE 2025-2027")

On 29 April 2024, the Shareholders' Meeting of the Company approved adoption of an incentive plan solely for individuals who have a directorship and/or a permanent employment relationship with Eurotech S.p.A. or its Subsidiaries; the plan is called "EUROTECH S.p.A. 2025-2027 Retention Plan".

The PRE 2025-2027 provides that the beneficiaries identified by the Company's Board of Directors be assigned the right (known as Unit) to receive Eurotech S.p.A. shares free of charge provided that on the Assignment Date they maintain a relationship with the Company or one of its Subsidiaries. The Units assigned are subject to a retention period lasting 3 (three) years starting from the respective Assignment Date; during the Retention Period, the assigned Units cannot accrue unless the contract is terminated as a good leaver (for example: dismissed by the company not for just cause, death, the Beneficiary's retirement and loss of the condition of Subsidiary by the employer company of the Beneficiary). Subsequently, a portion equal to 20% of the vested shares will be subject to a lock-up period of 1 (one) year.

During 2025, the year in which the program was launched, 260,579 units were assigned and 20,087 units were cancelled. At the reporting date, the Company had recorded a cost of €43 thousand in the income statement, whose contra entry was recognised in shareholders' equity.

	Year 2025		
	No. Units granted	Value of the assign units (€'000)	Value of the units for the period (€'000)
Performance Share Plan 2022			
Nr. Unit at the begining of the period	-	-	-
Nr. Unit Granted during period	260,579	185	43
Nr. Unit Cancelled during period	(20,087)	(15)	-
Nr. Unit assigned during period	-	-	-
Nr. Unit Outstanding at the end of the period	240,492	170	43

"EUROTECH S.p.A. 2024-2026 Performance Share Plan" (hereinafter "PSP 2024")
On 29 April 2024, the Shareholders' Meeting of the Company approved adoption of an incentive plan solely for individuals who have a directorship and/or a permanent employment relationship with Eurotech S.p.A. or its Subsidiaries; the plan is called "EUROTECH S.p.A. 2024-2026 Performance Share Plan".
The PSP 2024 provides that the beneficiaries identified by the Company's Board of Directors be assigned the right (known as Unit) to receive Eurotech S.p.A. shares free of charge (up to a maximum of 500,000 ordinary shares for each of the three Plan cycles) provided that the Performance Objectives have been achieved on the respective Assignment Date and that the Relationship with the Company or with one of the Subsidiaries has been constant. The Objectives defined annually by the Board of Directors:

a) up to two objectives shall be linked to the economic-financial performance of the Group in the medium-long term;
b) an objective shall be linked to the trend of the market price of the Shares in the medium-long term (Total Shareholder Return).

The assigned Units are subject to a Vesting period of 3 (three) years during which the assigned Units may not vest, except in the case of termination in the event of Good Leaver (for example: dismissed by the company not for just cause, death, the Beneficiary's retirement and loss of the condition of Subsidiary by the employer company of the Beneficiary). Subsequently, a portion equal to 20% of the vested shares will be subject to a lock-up period of 2 (two) years.
With reference to the first cycle of this plan which saw an allocation in 2025 with effect from 31 December 2024 of 449,000 units, the time period considered concerns the years 2024-2026 and the objectives identified (with target levels other than minimum and maximum) independent from each other are:

i the sum of the Group's consolidated EBITDA over the 3 years;
ii the consolidated turnover of the Group at the end of the 2026 financial year;
iii the performance of the Total Shareholder Return of the Eurotech Shares compared to the Total Shareholder Return of the shares of the companies belonging to the FTSE Italia STAR index.

The first two objectives are "non-market based" components (with a weight of 60% of the total rights assigned) while the third objective is a "market base" component (with a weight of 40% of the total rights assigned) linked the measurement of Eurotech performance in terms of TSR with reference to the FTSE Italia STAR index.

In 2025, 449,000 units were allocated and 179,800 were cancelled. At the reporting date, the Company had recorded a cost of €34 thousand in the income statement, whose contra entry was recognised in shareholders' equity.

	Year 2025		
	No. Units granted	Value of the assign units (€'000)	Value of the units for the period (€'000)
Performance Share Plan 2024			
Nr. Unit at the begining of the period	-	-	-
Nr. Unit Granted during period	449,000	336	34
Nr. Unit Cancelled during period	(179,800)	(134)	-
Nr. Unit assigned during period	-	-	-
Nr. Unit Outstanding at the end of the period	269,200	202	34

17 – Provisions for risks and charges

The table below shows the breakdown of the provisions for risks and charges at 31 December 2025 and 31 December 2024:

(€'000)	at December 31, 2025	at December 31, 2024
Selling agents' commission fund	29	30
Guarantee reserve	475	478
Busting depreciable asset	271	356
Risk reserves	-	336
TOTAL FUNDS FOR COSTS AND FUTURE RISKS	**775**	**1,200**

Selling agents' commission provision

The “selling agents' commission provision” is allocated based on the amounts envisaged by legislation and collective economic agreements regarding situations of interruption in the mandate given to agents. The effect of discounting the share of liabilities that will be liquidated beyond the next year is not expected to be significant.

Guarantee provision

The "Guarantee provision" is allocated based on the expectations of the charges to be incurred for the fulfilment of the contractual warranty on products sold at year-end.

Asset disposal provision

The "asset disposal provision" was allocated in response to an obligation for future costs that the Japanese, German and English (only with reference to 2024) companies of the Group will incur in future years for the disposal, demolition, disassembly, and removal of a number of assets, and improvements to leased property, at the end of their useful lives or of the lease contract.

Other risks provision

The "other risks provision" is allocated on the basis of expected costs to be incurred for risks related to tax issues or legal disputes not yet settled or to costs to be incurred but whose amount has not yet been defined at the end of the period. During the year, the provision was fully used. It amounted to €336 thousand, of which €148 thousand related to a legal case settled and subscribed in 2025 and €188 thousand to cover the costs that were then incurred for a specific customer order.

The table below shows the changes in the provision for risks and charges in the years under review:

SELLING AGENTS' COMMISSION FUND

(€'000)	at December 31, 2025	at December 31, 2024
JANUARY 1,	30	27
Provision	-	3
Utilization	(1)	-
RESERVE AT THE END OF THE PERIOD	**29**	**30**

GUARANTEE RESERVE

(€'000)	at December 31, 2025	at December 31, 2024
JANUARY 1,	478	508
Provision	30	166
Other	(31)	7
Utilization	(2)	(203)
RESERVE AT THE END OF THE PERIOD	**475**	**478**

BUSTING DEPRECIABLE ASSET

(€'000)	at December 31, 2025	at December 31, 2024
JANUARY 1,	356	364
Provision	4	-
Other	(29)	(8)
Utilization	(60)	-
RESERVE AT THE END OF THE PERIOD	**271**	**356**

The item other changes includes the reduction of the provision for exchange rates adjustments of €29 thousand in 2025 and €8 thousand in 2024.

GENERIC RISK

(€'000)	at December 31, 2025	at December 31, 2024
JANUARY 1,	336	-
Provision	-	336
Other	-	-
Utilization	(336)	-
RESERVE AT THE END OF THE PERIOD	**-**	**336**

18 – Trade payables

The table below shows the composition of trade payables at 31 December 2025 and 31 December 2024:

(€'000)	at December 31, 2025	at December 31, 2024
Third parties	9,384	9,040
Related companies	209	399
TOTAL TRADE PAYABLES	**9,593**	**9,439**

Trade payables at 31 December 2025 amounted to €9,593 thousand, increased by €154 thousand compared to 31 December 2024. Trade payables are non-interest bearing and, on average, are settled 90-120 days after invoice date.

19 – Other current liabilities

The table below shows the breakdown of other current liabilities at 31 December 2025 and 31 December 2024:

(€'000)	at December 31, 2025	at December 31, 2024
Social contributions	680	741
Other	3,737	4,834
Advances from customers	663	138
Grants advances	941	651
Other tax liabilities	921	53
Accrued expanses	634	485
TOTAL OTHER CURRENT LIABILITIES	**7,576**	**6,902**

Social security payables

Social security payables refer to amounts due for social security contributions accrued and pertaining to the year.

Advances for contributions

Advances for contributions refer to prepayments made upon requests for contributions that were already accounted for and to be accounted for.

Other tax liabilities

This item includes VAT liabilities of €314 thousands as well as withholding tax liabilities of €607 thousands.

Other payables

The table below shows the breakdown of other payables at 31 December 2025 and 31 December 2024.

(€'000)	at December 31, 2025	at December 31, 2024
Employees	1,227	661
Vacation pay	869	1,018
Directors	523	558
Statutory auditors	74	78
Other	1,044	2,519
TOTAL OTHER PAYABLES	**3,737**	**4,834**

Amounts payable to employees refer to salaries and wages for the month of December 2025 and payable in the following month. The difference compared to the previous year is mainly linked to the recognition to employees of the geographical areas that have achieved the local objectives, of the bonuses and variable remuneration that the previous year had been achieved in a marginal manner. Liabilities for holidays and leaves of absence refer to holidays and leaves accrued and not used by employees at the reporting dates. These recent payables include related contributions.
Payables to directors also include the outstanding balance relating to the agreement signed on 5 June 2025 with the parent company's former Chief Executive Officer, which is due to be settled in April 2026.

Accrued expenses and deferred income

The "accrued expenses and deferred income" item refers to the suspension of revenues that will have an economic recognition in future years. In particular, some revenues from services relating to the IoT business line will be recognised in 2026.

20 – Warranties

The Eurotech Group has no contingent liabilities at 31 December 2025. At 31 December 2024 they amounted to €6 thousand deriving from sureties granted by a number of credit institutions to Group companies.

I – Breakdown of key income statement items

21 – Sales and service revenues

The breakdown of revenues by type that, also in application of IFRS 15, provides information on disaggregated revenues, shows a decrease in both industrial (with a decrease of 4.9% compared to 2024) and service revenues (a reduction of 13.2% compared to 2024).

(€' 000) SALES BY TYPE	FY 2025	FY 2024
Industrial revenues	46,501	48,913
Services revenues	8,876	10,220
TOTALE SALES AND SERVICE REVENUES	**55,377**	**59,133**

The breakdown of revenues by customer geographical area is shown below:

(€' 000) BREAKDOWN BY GEOGRAPHIC AREA	FY 2025	FY 2024
European Union	28,130	29,280
United States	5,626	7,984
Japan	17,544	17,235
Other	4,077	4,634
TOTAL SALES AND SERVICE REVENUES	**55,377**	**59,133**

Based on the turnover breakdown by customer geographical area, the European area remains the most significant with 50.8% of the total, despite a decrease in the absolute value of 3.9%.
Japan area remains the second most important area, with a year-on-year increase of 1.8% and a consolidated turnover share of 31.7%, up from 29.1% in 2024.
The US remains the Group's third largest area. The USA area accounted for 10.2% of total annual turnover in 2025 compared to 13.5% in 2024.
With reference to the other geographical areas, the absolute value of contraction was 12.0%, accounting for 7.4% compared to 7.8% in the previous year.

22 – Costs of raw & auxiliary materials and consumables

(€'000)	FY 2025	FY 2024
Purchases of raw materials, semi-finished and finished products	23,746	25,709
Changes in inventories of raw materials	3,203	1,890
Change in inventories of semi-finished and finished products	1,327	1,545
TOTAL COST OF MATERIALS	**28,276**	**29,144**

The costs of raw and auxiliary materials and consumables show a decrease that is more than proportional to the reduction in turnover. This is due to the activities carried out to improve the efficiency of the supply chain as well as the different mix of products sold. The write-downs made on inventory also affected the value of the item.

23 – Other operating costs

(€'000)	FY 2025	FY 2024
Service costs	10,426	12,921
- of which non recurrent costs	*607*	*659*
Rent and leases	670	894
Payroll	20,903	23,784
- of which non recurrent costs	*1,178*	*437*
Accruals and other costs	721	985
- of which non recurrent costs	-	*154*
Cost adjustments for in-house generation of non-current assets	(2,088)	(3,202)
Operating costs net of cost adjustments	**30,632**	**35,382**

In 2025, the Group allocated no less than 0.12% of the annual turnover of Eurotech S.p.A., equal to 0.03% of the Group's turnover, for activities in support of the national and international community amounting to no less than €17 thousand. Adjustments to costs for internal development relate to development costs capitalised during the financial year, principally by the Parent Company. This item is discussed in note “28 – Adjustments to costs for internal development”.

24 – Service costs

(€'000)	FY 2025	FY 2024
Industrial services	3,540	4,587
Commercial services	1,376	2,015
General and administrative costs	5,510	6,319
Total costs of services	**10,426**	**12,921**

In the periods considered, service costs recorded a decrease of €2,495 thousand.
If compared at constant exchange rates, the decrease is €2,906 thousand and if, on the other hand, non-recurring administrative costs are excluded, which include €607 thousand for 2025 and €659 thousand for 2024 due to costs not relating to ordinary operations, the decrease becomes €2,335 thousand.
The reduction was transversal across all types of services and all geographical areas.

25 – Payroll costs

(€'000)	FY 2025	FY 2024
Wages, salaries and Social Security contributions	19,777	22,712
Costs of defined benefit plans	504	556
Other costs	622	516
Total personnel expenses	**20,903**	**23,784**

Payroll costs decreased by €2,881 thousand in the period under review.
At constant exchange rates, the decrease would have been €2,598 thousand. Net of non-recurring costs and at constant exchange rates, the reduction was €3,339 thousand.
The "Wages and salaries" item includes €1,178 thousand of non-recurring costs related to the reorganisation continuing at Group level in 2025 (€437 thousand in 2024).

The impact of accounting for the pro-rata temporis portion of the relative cost of the Performance Share Plans commented on in Note 16 was €209 thousand compared to €387 thousand in 2024.

As shown in the table below, the exact and average number of Group employees decreased at the end of the periods under review.

EMPLOYEES	Average 2025	at December 31, 2025	Average 2024	at December 31, 2024
Management	4.7	4	5.0	5
Clerical workers	230.1	222	266.4	260
Line workers	93.3	91	101.0	96
TOTAL	**328.1**	**317**	**372.4**	**361**

26 – Other provisions and costs

(€'000)	FY 2025	FY 2024
Doubtful debt provision	26	119
Other Provisions	0	171
Other costs	695	695
Total accruals and other costs	**721**	**985**

The amounts in the "doubtful debt provision" item refer to provisions made to the respective reserve to represent receivables at their realisable value.
No losses on receivables were recognised in either 2025 or 2024.

27 – Other revenues

(€'000)	FY 2025	FY 2024
Government grants	101	1
Sundry revenues	373	434
Total other revenues	**474**	**435**

Sundry revenues mainly refer to insurance reimbursements, contingent assets and use of provisions for risks.
With regard to the item 'grants', the amount recognised in 2024 relates to a grant received by the Parent Company under Regional Law No. 2/1992 in respect of certain activities carried out for the purpose of business internationalisation.

28 – Cost adjustments for internally generated non-current assets

At 31 December 2025, cost adjustments for internally generated non-current assets (equal to €2,088 thousand) is related to the cost incurred internally for the development of new circuit boards for a high-performance, low-consumption processor (€187 thousand); the cost incurred by the Parent Company and subsidiary Eurotech Inc. for new Cloud platform products (€1,740 thousand); the costs pertaining to other new development projects (€164 thousand).
Total adjustments for internally generated non-current assets comprise payroll costs for €1,195 thousand (2024: €971 thousand), service costs for €806 thousand (2024: €2,094 thousand) and material costs for €87 thousand (2024: €136 thousand).

29 – Depreciation, amortisation and write-downs

(€'000)	FY 2025	FY 2024
Amortisation of intangile assets	3,427	2,663
Amortisation of property, plant and equipment	1,785	1,783
Write-down of fixed assets	282	22,855
Total amortisation and depreciation	**5,494**	**27,301**

Amortisation of intangible assets relates mainly to development costs and, to a lesser extent, the software licenses.
Depreciation of property, plant and equipment amounts to €1,785 thousand (€1,783 thousand in 2024), of which €1,064 thousand refers to the depreciation of the right of use of some capital goods (€1,161 thousand in 2024).

Write-downs in 2025 relate entirely to development costs referring to projects and products deemed no longer recoverable, while in 2024, in addition to write-downs of €162 thousand for development costs, the most relevant portion of €22,693 thousand related to the impairment of goodwill of CGU Eurotech Inc..

30 – Financial income and charges

€'000	FY 2025	FY 2024
Exchange-rate losses	730	1,239
Interest expenses	731	1,012
Interest expenses on lease liabilities	84	95
Other finance expenses	147	251
Financial charges	**1,692**	**2,597**
Exchange-rate gains	966	1,512
Interest income	8	19
Gain on derivatives	25	86
Other finance income	55	624
Financial incomes	**1,054**	**2,241**

The financial management performance is influenced by the trend in exchange rates and their management. In 2025, the exchange rate difference was positive €236 thousand (2024: positive effect of €273 thousand). Exchange rate performance is influenced by the booking of realised and unrealised gains and losses on the main foreign currents in which the Group operates (USD, GBP and JPY).
The interest expense was down due to less use of lines of credit.
Financial income mainly refers to income on derivative instruments and the adjustment of debt for business combinations for €14 thousand. The liability for business combinations or earn-outs was restated in relation to the fluctuation of the market value of the Eurotech share, as the amount is payable in Parent Company's shares (2024: €115 thousand).

31 – Income taxes for the year

Income taxes were negative for €83 thousand in 2025, while they were also negative for €3,540 thousand in 2024.

(€'000)	FY 2025	FY 2024
Pre-tax result	(9,189)	(32,615)
Income taxes	(83)	(3,540)
Income taxes as a percentage of profit before taxes (effective tax rate)	**-0.9%**	**-10.9%**

The table below shows the breakdown in income taxes, distinguishing current taxes from deferred tax assets and liabilities and taxes related to Italian legislation from foreign taxes of Group companies:

(€'000)	FY 2025	FY 2024
IRES (Italian corporate income tax)	187	-
IRAP (Italian Regional business tax)	-	-
Foreign current income taxes	469	114
Total current income tax	**656**	**114**
Net (prepaid) deferred taxes: Italy	(25)	1,549
Net (prepaid) deferred taxes: Non-italian	(490)	1,277
Net (prepaid) deferred taxes	**(515)**	**2,826**
Previous years taxes	(58)	600
Previous years taxes	**(58)**	**600**
TOTAL INCOME TAXES	**83**	**3,540**

Taxes at 31 December 2025 amounted to a total of €83 thousand (of which €656 thousand for current taxes, including €70 thousand for the write-down of receivable from foreign affiliates, €515 thousand for net deferred taxes and €58 thousand for tax refunds from previous years) compared to total taxes of €3,540 thousand at 31 December 2024 (of which €114 thousand for current taxes and €2,826 thousand for net deferred tax assets and €600 thousand for the write-down of receivables for foreign withholding taxes), recording a change of €3,527 thousand.
In 2025, no new deferred tax assets were recognised on tax losses.

The Group incurred tax losses and ACE benefits in the past years, and for some companies in 2025 – arising from the Parent Company and the subsidiaries EthLab S.r.l., I.P.S. Sistemi Programmabili S.r.l., and Eurotech Ltd. – against which no deferred tax assets, for a total of €64,6 million (2024: €59.2 million) were recognised, to be reported within the deadlines applicable in each country to offset future taxable profits of the related companies. No deferred tax assets have been recognised in respect of these losses as the conditions do not exist at this time for them to be used to offset taxable profits in a reasonably foreseeable period of time.

At 31 December 2025, there were no deferred tax liabilities, posted or unposted, for taxes on the undistributed earnings of some subsidiaries or affiliates because there are no assumptions regarding distribution.
The reconciliation of income taxes applicable to the Group's pre-tax profit, using the rate in force, with the effective rate for the year ended 31 December 2025, is as follows:

(€/000)		FY 2025		FY 2024
Pre-tax result		**(9,189)**		**(32,615)**
Theoretical income tax rate	**24%**		**24%**	
Theoretical corporate income tax		**(2,205)**		**(7,828)**
Effect of foreign rates		171		172
Impact of taxes relating to prior periods		(58)		600
Non-taxed income and non-deductible expenses		157		7,004
Interest deductible in future periods		-		-
Impact of tax losses		-		-
Impact of permanent differences and unrecognized temporary differences		(235)		1,077
Impact of temporary differences not recognized in previous years		-		-
Effect of change in tax rates		-		-
DTA not recognises		2,066		2,536
Allowance for Corporate Equity		-		(59)
R&D credit		-		-
Other current taxes		-		-
Local taxes trough profit or loss		187		38
Total income taxes through profit or loss		**83**		**3,540**
Current taxes		656		114
Total defferred taxes		(514)		2,830
		(58)		600

Deferred tax assets at 31 December 2025 amounted to €1,973 thousand (€1,647 thousand at 31 December 2024), while deferred tax liabilities amounted to €2,865 thousand (€3,164 thousand at 31 December 2024) and can be detailed as follows:

(€/000)	Sundry impairment losses	Product warranty	Employees' leaving indemnity	Carry forward tax losses	R&D credit	Other tempory differences	Transfer of taxes	Total
31.12.2023	**662**	**54**	**708**	**2,430**	**474**	**1,846**	**(1,519)**	**4,655**
Changes in 2024								
- Through profit or loss	(662)	(43)	(3)	(1,732)	(444)	(1,402)	-	(4,286)
- Other changes	-	-	-	-	-	-	1,362	1,362
-Exchange rate differences	-	-	(29)	-	(30)	(25)	-	(84)
31.12.2024	**-**	**11**	**676**	**698**	**-**	**419**	**(157)**	**1,647**
Changes in 2025								
- Through profit or loss	289	15	(34)	-	-	34	-	304
- Other changes	-	-	-	-	-	-	136	136
-Exchange rate differences	-	5	(77)	-		(42)	-	(114)
31.12.2025	**289**	**31**	**565**	**698**	**-**	**411**	**(21)**	**1,973**

(€/000)	Business combination	R&D costs	Unrealised foreign exchange gains or losses	Other temporary differences	Transfer of taxes	Total
31.12.2023	**(3,269)**	**(67)**	**(1,494)**	**(89)**	**1,519**	**(3,400)**
Changes in 2024						
- Through profit or loss	177	23	1,494	(100)	-	1,594
- Other changes		-	-		(1,362)	(1,362)
- Exchange rate differences		4	-	-	-	4
31.12.2024	**(3,092)**	**(40)**	**-**	**(189)**	**157**	**(3,164)**
Changes in 2025						
- Through profit or loss	333	24	-	73	-	430
- Other changes		-	-		(136)	(136)
- Exchange rate differences		5	-	-	-	5
31.12.2025	**(2,759)**	**(11)**	**-**	**(116)**	**21**	**(2,865)**

J – Other information

32 – Related-party transactions

Name	Location	Currency	% of ownership 31.12.2025	% of ownership 31.12.2024
Subsidiaries				
I.P.S. Sistemi Programmabili S.r.l. (2)	Italy	Euro	100.00%	100.00%
ETH Lab S.r.l.	Italy	Euro	100.00%	100.00%
Eurotech France S.A.S. (3)	France	Euro	-	100.00%
Eurotech Ltd.	UK	GBP	100.00%	100.00%
E-Tech Inc.	United States	USD	100.00%	100.00%
Eurotech Inc.	United States	USD	100.00%	100.00%
InoNet Computer GmbH	Germany	Euro	100.00%	100.00%
Advanet Inc.	Japan	Yen	90.00% (1)	90.00% (1)
Affiliated companies				
Insulab S.r.l.	Italy		40.00%	40.00%
Rotowi Technologies S.p.A. in liquidation (ex U.T.R.I. S.p.A.) (2)	Italy		21.32%	21.32%

(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.
(2) Company in liquidation
(3) Company dissolved during the 2025 financial year following its placement into liquidation

The following schedule shows related-party transactions (in the period in which they were related), not derecognised on consolidation.

RELATED PARTIES	Revenues to related parties	Interest to related parties	Purchases from related parties	Financial receivables to related parties	Receivables from related parties	Payables from related parties
Other related parties						
Insulab S.r.l.	-	-	195	-	-	209
Total	**-**	**-**	**195**	**-**	**-**	**209**
Total with related parties	**-**	**-**	**195**	**-**	**-**	**209**
% impact on line item	**0.0%**	**0.0%**	**0.5%**	**0.0%**	**0.0%**	**2.2%**

The following is information on equity investments held in the company and its subsidiaries by members of the management and supervisory bodies, general managers and managers with strategic responsibilities, as well as by their spouses not legally separated and their minor children, directly or via companies controlled, trustee companies or via an interposed third party, as shown by the shareholder register, notifications received and other information acquired from the members of the management and supervisory bodies, general managers, and strategically accountable managers in compliance with the requirements of Art. 79 of CONSOB Issuers' Regulation No. 11971/99 as subsequently amended and Annex 3C of the same regulation.

Name	Nomination	Company	Possessory title	Share at January 1 or appointment	Share acquired in the period	Share disposed in the period	Share at the end of the period	of which shares at the end of the period indirectly
				at December 31, 2025				
di Giacomo Luca	President3	Eurotech	-	-	-	-	-	-
Fumagalli Aldo (*)	Director and Vice President	Eurotech	-	-	-	-	-	-
Carando Davide Albino (*)	Director	Eurotech	Proprietà	45,000	-	-	45,000	45,000
Amadesi Laura	Director from 07.07.2025	Eurotech	-	-	-	-	-	-
Chawla Paul (**)	Director up to 05.06.2025	Eurotech	Ownership	126,150	-	-	126,150	-
Costa Michela	Director	Eurotech	-	-	-	-	-	-
Milan Massimo	Director from 05.06.2025	Eurotech	-	-	-	-	-	-
Olivieri Tiziana	Director from 15.04.2025	Eurotech	-	-	-	-	-	-
Pesce Simona	Director up to 07.07.2025	Eurotech	-	-	-	-	-	-
Russo Massimo	Director up to 27.03.2025	Eurotech	-	-	-	-	-	-
Monti Fabio	President of Board of Statutory Auditors	Eurotech	-	-	-	-	-	-
Savi Daniela	Statutory Auditor	Eurotech	-	-	-	-	-	-
Briganti Laura	Statutory Auditor	Eurotech	-	-	-	-	-	-
	Strategic Managers	Eurotech	Ownership	41,000	57,000	(24,000)	74,000	-

(*) As previously indicated, Emera S.r.l. is the Eurotech's reference shareholder with a shareholding of 24,725%, and it is linked to the directors Fumagalli and Carando.
(**) Shares owned at the end of office

The remuneration accrued by executives with strategic responsibilities in 2025 is as follows:

Type	Fix Salary	Variable companesation not equity	Non-monetary benefit	Fair value of equity compensation
	at December 31, 2025			
Strategic Managers	434	5	21	65

The above amounts are included in the Income Statement for the year ended 31 December 2025.

33 – Financial risk management: objectives and criteria

The Group's financial instruments, other than derivative contracts, include bank loans in the various technical forms, financial leases, short-term and at-sight bank deposits. These instruments are intended to finance Group operations. The Group has several other receivable and payable financial instruments at its disposal, such as trade receivables and payables arising from operations and liquidity. The Group had also transactions in derivatives, mainly swap or collar transactions on interest rates. The objective is to manage interest rate risks caused by Group transactions and by its sources of finance.

In accordance with Group policies, no speculative derivatives have been entered into.

The main risks generated by Group financial instruments are interest rate risks, exchange risks, liquidity risks and credit risks. The Board of Directors has reviewed and agreed to the policies for managing these risks, as summarised below.

Interest rate risk

The Group's exposure to the risk of interest rate fluctuations mainly involves medium-term obligations taken on by the Group, featuring variable interest rates linked to various indices. In previous years, the Group signed interest rate swap contracts providing for recognition of a variable rate against payment of a fixed rate. The remaining contract, which now has only a residual value, is therefore intended to hedge against changes in the interest rates applicable to a single outstanding loan. Group policy is to maintain between 30% and 60% of its loans at a fixed rate. At 31 December 2025, approximately 21.9% of the Group's loans were at fixed rates (in 2024, the percentage was around 10.8%). As for the loan in place at the Japanese company, it was taken up at fixed rate since it is more advantageous than those at variable rate.

Exchange rate risk

In view of the significant investment transactions in the US, Japan and the UK, with substantial foreign currency cash flows from business and financial operations, the Group's financial statements could be significantly affected by changes in the USD/EUR, JP¥/EUR and GBP/EUR exchange rates. During the year, no foreign exchange hedges were executed because of the uneven USD, GBP and JP¥ flows, particularly taking into account that the individual subsidiaries tend to operate in their respective functional currencies in their respective core markets.

About 47.8% of sales of goods and services (2024: 48.8%) and 38.3% (2024: 37.3%) of the cost of goods purchases and the operating costs of the Group are denominated in a different currency from the functional currency used by the Parent Company to draw up these Consolidated Financial Statements.

Product and component price risk

The Group's exposure to the risk of fluctuations in the prices of products and components is considered immaterial. The Group's business model is characterised by a high level of technology and know-how, which translates into high sales margins (40–60%) and a relatively low proportion of materials and components purchased from third parties in the final price of products. Consequently, profitability is only marginally affected by changes in procurement prices, even when taking into account the possibility of absorbing such changes within margins or passing them on, where necessary, to selling prices.

Credit risk

The Group trades only with known and reliable customers. The Group's policy is to check the creditworthiness grade of customers that request extended payment arrangements. In addition, the balance of receivables is monitored during the year so that the amount of non-performing positions is not significant. The maximum exposure to risk is shown in Note 6. Only some receivables of the main customers are insured.
Financial assets, recorded by trading date, are recognised in the financial statements net of write-downs calculated according to the risk of counterparty default, taking into account the information available on the customer's level of solvency and historical data.
With regard to credit concentration risk, in the periods prior to 2024 the Group recorded instances where its largest customer accounted for more than 15% of total revenue. In the two-year period 2024–2025, this concentration has eased, as only one customer accounts for slightly more than 10% of the Group's revenue.

Credit risk concerning other Group financial assets, which include cash and cash equivalents and financial instruments, presents a maximum risk equal to the book value of these assets in the event of insolvency of the counterparty.

Liquidity risk

Liquidity risk is related to the difficulty of obtaining financial resources at acceptable economic conditions, necessary for current operations and therefore to meet commitments. The considerations already expressed in the paragraph relating to the assessments regarding the adoption of the going concern assumption are also referred to.

The cash flows, loan requirements and liquidity of the Group companies, albeit monitored at Group level, are managed locally.

The challenging economic and financial backdrop of the markets requires special focus on liquidity risk management, and in this sense particular attention is paid to actions aimed at generating financial resources through operations and maintaining an adequate level of available liquidity in order to have an effective financial balance. The Group therefore plans to respond to the requirements of financial payables falling due and planned investments through cash flows from business operations, available cash and the use of overdrafts, the renewal or refinancing of bank loans, and the raising of own funds on the market.

The credit lines are adequate and are used on average between 70% and 80% of the total.

Group policy states that no more than 40% of loans must fall due within 12 months.

At 31 December 2025, 32.5% of Group financial payables will accrue within one year (2024: 11.6%), based on the balances of the original plans.

The risk that the Group will have difficulty meeting its legal commitments for financial liabilities is related to the trend in turnover and any timely corrective actions, taking into account the current net financial position and working capital structure, can be considered moderate. The Group systematically controls liquidity risk by analysing a specific reporting system and the economic environment; the uncertainties that are a periodic feature of the financial markets require a particular focus on liquidity risk management. With this in mind, initiatives have been taken to generate financial resources with business operations and to maintain an adequate level of available liquidity, to ensure a normal level of operations and to respond to the strategic decisions of the next few years. The Group plans to meet its financial requirements relating to maturing debt and planned investments through cash flows generated by its operating activities, existing liquidity – including that resulting from the capital increase completed in early 2026 – as well as through the possible use of new bank loans, the restructuring or refinancing of existing loans, and other forms of funding.

Reference is also made to what is indicated in the paragraph “Events after the reporting date”, where it is noted that at the end of January 2026, Emera S.r.l., as reference shareholder made a contribution of €2 million for a future share capital increase, in line with a commitment signed in September 2025. Furthermore, following the completion of a capital increase for a total of €17.5 million, which allowed the shareholder Emera to convert €8.3 million of contribution made between 2025 and 2026, the Company received €9.2 million in available funds. This inflow of liquidity allows the Group to have new financial resources available to meet its short-medium term liquidity requirements, without increasing exposure to credit institutions and at the same time strengthening the Group's capital structure.

Below is the detailed table of gross debt with an indication of the relative due dates:

€ '000	Less 12 months	over 1 and within 3 years	over 3 and within 5 years	> 5 years	Total
Borrowings	10,733	6,391	2,167	438	19,729
Trade payables and other liabilities	16,960	-	-	-	16,960
Contratti per beni in leasing	868	788	732	1,058	3,446
Business combination liabilities	101	-	-	-	101
Total as of December 31, 2023	**28,662**	**7,179**	**2,899**	**1,496**	**40,236**

Capital management
The aim of Group capital management is to ensure that adequate levels of the capital indicators are maintained in order to sustain the business and achieve maximum value for shareholders.
The Group manages the capital structure and modifies it according to changes in economic conditions. Group policy does not currently include the distribution of dividends. To maintain or upgrade the capital structure, the Group may reimburse capital or issue new securities.
No change was made to the objectives, policies, or procedures during the years 2024 and 2025.
The Group will periodically verify its capital using a debt/capital ratio, i.e. the ratio of net debt to total equity plus net debt. Currently, given the decidedly unstable global financial situation, it is not easy to obtain financing from lending institutions, although the parameters set by management policy remain valid.
Group policies should aim to maintain the debt/capital ratio at between 20% and 40%. Group net debt includes interest-bearing loans and payables for equity investments, net of cash and cash equivalents. Capital includes the capital attributable to Parent Company shareholders, net of undistributed net profits. In addition, as also indicated above in relation to the shareholders' resolution of 15 October 2024, which provided for a capital increase of up to €20 million to support the Group's strategic plans, in 2025 the share capital was already increased by €2.5 million and in February 2026 a further increase of €17.5 million was completed.

(€'000)	at December 31, 2025	at December 31, 2024
Other current and non current financial assets	(17)	(115)
Derivative instruments	(4)	(29)
Borrowing	23,175	26,599
Cash & cash equivalents	(6,455)	(6,170)
Net financial position	**16,699**	**20,285**
Group Equity	52,715	60,664
Group Equity	**52,715**	**60,664**
EQUITY AND NET FINANCIAL POSITION	**69,414**	**80,949**
Net financial position on Equity	**31.7%**	**33.4%**

34 – Financial Instruments

Measurement of fair value and relative hierarchical valuation levels
All financial instruments recognised at fair value are classified within the following three categories:
Level 1: market price
Level 2: valuation techniques (based on observable market data)

Level 3: valuation techniques (not based on observable market data).

The fair value of derivatives and of loans obtained has been calculated by discounting expected cash flows to present value applying prevailing interest rates. The fair value of the other financial assets was calculated by using market interest rates. As IFRS 13 requires, for each of the financial assets and liabilities the company analysed the effect of their measurement at fair value. The measurement process refers to Level 3 of the fair value hierarchy, except for trading in derivatives as described in greater detail hereunder, and revealed no considerable differences compared to the book values at 31 December 2025 and on the respective comparison figures.

At 31 December 2025, the Group held the following financial instruments measured at fair value:

(€'000)	Notional value at December 31, 2025	Fair value at December 31, 2025 (debit)	Fair value at December 31, 2025 (credit)	Notional value at December 31, 2024	Fair value at December 31, 2024 (debit)	Fair value at December 31, 2024 (credit)
Contracts Interest Rate Swap (IRS)	375	4	0	1,380	29	0

It should be noted that all assets and liabilities that are measured at fair value at 31 December 2025 are classified in hierarchical level 2 of fair value measurement. In addition, during 2025 there were no transfers from Level 1 to Level 2 or Level 3, or vice versa.

Financial instruments by category

As required by IFRS 7, the financial instruments are listed by category below:

At 31/12/2025

(€'000)	Financial assets at fair value through profit or loss	Financial assets at fair value through equity	Financial assets and receivables carried at amortized cost	Total
Asstes as per balance sheet				
Derivative financial instruments		4		**4**
Trade and other receivables exluding pre-payments	-	-	13,929	**13,929**
Investments in other companies	141	-	-	**141**
Other current financial assets	17	-	-	**17**
Cash & cash equivalents	-	-	6,455	**6,455**
Total	**158**	**4**	**20,384**	**20,546**

(€'000)	Financial liabilities at fair value through profit or loss	Financial liabilities at fair value through equity	financial liabilities carried at amortized cost	Total
Liabilities as per balance sheet				
Borrowings (excluding finance lease liabilities	-	-	19,748	**19,748**
Finance lease liabilities	-	-	3,446	**3,446**
Derivative financial instruments		-	-	**-**
Trade and other payables exluding non-financial liabilities	-	-	9,593	**9,593**
Total	**-**	**-**	**32,787**	**32,787**

At 31/12/2024

(€'000)	Financial assets at fair value through profit or loss	Financial assets at fair value through equity	Financial assets and receivables carried at amortized cost	Total
Asstes as per balance sheet				
Derivative financial instruments		29		**29**
Trade and other receivables exluding pre-payments	-	-	12,405	**12,405**
Investments in other companies	156	-	-	**156**
Other current financial assets	31	-	80	**111**
Cash & cash equivalents	-	-	6,170	**6,170**
Total	**187**	**29**	**18,655**	**18,871**

(€'000)	Financial liabilities at fair value through profit or loss	Financial liabilities at fair value through equity	financial liabilities carried at amortized cost	Total
Liabilities as per balance sheet				
Borrowings (excluding finance lease liabilities	-	-	23,172	**23,172**
Finance lease liabilities	-	-	3,427	**3,427**
Derivative financial instruments		-	-	**-**
Trade and other payables exluding non-financial liabilities	-	-	9,439	**9,439**
Total	**-**	**-**	**36,038**	**36,038**

The fair value of the financial assets and liabilities does not significantly differ from the book values.

Interest rate risk

Interest on financial instruments classified as variable-rate instruments is recalculated periodically during the financial year. Interest on financial instruments classified as fixed-rate instruments is kept constant until the maturity date of the instruments concerned.

Hedging

Cash flow hedges

At 31 December 2025, the Group held an IRS contract (of a notional contractual value of €375 thousand); the contract is designated as interest rate risk hedging instrument (simple hedging relation).

	Due date	Fixed rate	Floating rate	Market value (€'000) *(€'000)*
Interest rate swap contracts				
Euro 375.000,00	30 September 2026	-0.14%	Euribor 3 months	4
TOTAL				**4**

The accounting treatment of these financial instruments entailed a decrease in shareholders' equity of €25 thousand such that the cash flow hedge reserve amounted to a positive value of €4 thousand.

35 – Non-recurring costs and revenues

In 2025, several Group companies incurred costs that they considered to be non-recurring, compared to ordinary operations. The amount is €1.79 million and is related to payroll costs of €1.18 million incurred with reference to the reorganisation of the workforce in the various geographical areas impacted, for €0.61 million mainly relating to the economic agreement resulting from the termination of the relationship between Eurotech S.p.A. and the previous CEO defined on 5 June 2025.
In 2024, on the other hand, non-recurring costs related for €0.43 million to payroll costs related to the reorganisation of the Group structure, for €0.15 million to provisions made for extraordinary legal disputes and for €0.66 million to service costs related to legal expenses for a lawsuit settled in 2025, to costs incurred for the purposes of the reorganisation and to costs related to the financial optimisation completed in September 2024.
For both years, these non-recurring costs were shown separately in the financial statements as well as in the note specifically referring to the income statement item to which they refer.

(€'000)	FY 2025	FY 2024
Service costs	607	659
Payroll	1,178	437
Accruals and other costs	-	154
Non-recurrent costs	**1,785**	**1,250**

36 – Contingent liabilities

There are no significant contingent liabilities to report except for what is stated in Note 20.

37 – Information requested on the basis of Italian Law No. 124/2017

With reference to the requirements under Italian Law No. 124/2017, Art. 125, the grants received by the companies governed by Italian law only that belong to the Group are presented on the basis of the "cash method":

COMPANY	LENDING INSTITUTION	PROJECT DESCRIPTION	RECEIVED AMOUNT
Eurotech S.p.A.:			
	Regione Friuli Venezia Giulia	L.R. 2/1992 - Internalization of the companies	100
GRANTS RECEIVED			**100**

38 – Events after the reporting period

At the end of January 2026, against the commitment of €6.5 million signed in September 2025 to support the cash requirements of the Group, the relative majority shareholder Emera S.r.l. made a contribution of €2 million for a future capital increase, bringing the total contributions made between 2025 and 2026 at €9 million.
Following the Board resolution of 27 January 2026, Eurotech initiated –and completed to date – a capital increase of €17.5 million, in fulfilment of the Shareholders' Meeting resolution of 15 October 2024, and following the €2.5 million capital increase already carried out in June 2025. The increase was completed between 2 February and 24 February, allowing the issuance of 20,996,436 ordinary shares. Within this share capital increase, the relative majority shareholder Emera S.r.l. was able to convert an amount of €8.3 million against the €9 million actually paid.
Furthermore, during the first few months of 2026, the Parent Company requested a temporary suspension ("covenant holiday") from a bank regarding the verification of financial covenants for the 2025 financial year. The bank has announced that it has approved the temporary suspension for 2025 and the restructuring of these parameters for subsequent years. This agreement allows the original loan repayment schedule to be maintained in accordance with the terms of the contract.

No further significant have been identified after the closing of the Consolidated Financial Statements at 31 December 2025.

Amaro, 16 March 2026

On behalf of the Board of Directors
The Chief Executive Officer
Mr Massimo Milan

Annex I – Information provided pursuant to Art. 149-duodecies of the CONSOB Issuers' Regulation

The table below has been prepared in accordance with Art. 149-*duodecies* of the CONSOB Issuers' Regulation and shows the amounts paid in 2025 for the auditing services.

(€)	Service provider	Eurotech Group entity	2025 fees
Audit			
	EY S.p.A.	Parent company - Eurotech S.p.A.	148,000
	EY S.p.A.	Subsidiaries	73,000
	Network EY	Subsidiaries	68,900
Other services			
	Network EY	Subsidiaries	1,167
TOTAL			**291,067**

.

Certification of the Consolidated Financial Statements pursuant to Art. 154-bis of Italian Legislative Decree of 24 February 1998, No. 58

Amaro, 16 March 2026

1. We the undersigned, Massimo Milan, as Chief Executive Officer, and Sandro Barazza, as Financial Reporting Manager of Eurotech S.p.A., hereby attest, pursuant to Art. 154-bis, paragraphs 3 and 4 of Italian Legislative Decree No. 58 of 24 February 1998, to:
   - the adequacy in relation to the characteristics of the company and
   - the actual implementation of administrative and accounting procedures for the drafting of the financial statements during the financial year 2025.

2. The assessment of the adequacy of the administrative and accounting procedures for the drafting of the Consolidated Financial Statements at 31 December 2025 is based on a model defined by Eurotech in line with the CoSO framework (document in the CoSO Report) and also takes into account the document "Internal Control over Financial Reporting – Guidance for Smaller Public Companies", both prepared by the Committee of Sponsoring Organizations of the Treadway Commission that represent a generally accepted reference framework on the international level.

3. We furthermore attest that:

   3.1 the Consolidated Financial Statements at 31 December 2025:
   - were prepared in compliance with the international accounting standards recognised in the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council, dated 19 July 2002;
   - correspond to the results in the corporate books and accounting records;
   - provide a fair and true representation of the assets, liabilities, financial position and profit or loss of the Issuer and of all its consolidated companies.

   3.2 The management report includes a fair review of the development and performance of the business and the situation of Eurotech as the Issuer and of all its consolidated companies, together with a description of the principal risks and uncertainties that they face.

Chief Executive Officer
Massimo Milan

Financial Reporting Manager
Sandro Barazza

EY
Shape the future
with confidence

EY S.p.A.
Viale Appiani, 20/b
31100 Treviso

Tel: +39 0422 358811
Fax: +39 0422 433026
ey.com

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Eurotech S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Eurotech Group (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated cash flows statement for the year then ended, and the explanatory notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standard Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Eurotech S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

EY S.p.A.
Sede Legale: Via Meravigli, 12 – 20123 Milano
Sede Secondaria: Via Lombardia, 31 – 00187 Roma
Capitale Sociale Euro 3.000.000 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998

A member firm of Ernst & Young Global Limited

Shape the future
with confidence

Key Audit Matter	Audit Response
Assessment of the recoverability of intangible assets with an indefinite useful life	
The consolidated financial statements include, within Intangible assets, goodwill of euro 39,226 thousand, allocated to the Group's various cash generating units (CGU), or group of CGUs, and brand asset with an indefinite useful life of euro 5,752 thousand. The processes and methods for assessing and determining the recoverable value of each CGU, or group of CGUs, in terms of value in use, sometimes are based on complex assumptions which, by their nature, involve recourse to the judgement of the directors, in particular with reference to the forecast of future cash flows included in the 2026-2030 plans drawn up for each of the CGU, the determination of the normalized cash flows at the basis of the terminal value's estimation, the determination of long-run growth rates and discount rates applied to future cash flows. Considering the required judgment and the complexity of the assumptions used in estimating the recoverable amount of goodwill, we considered that this issue represents a key audit matter. Disclosure in the consolidated financial statements relating to the valuation of goodwill is reported in Note "H-1 Intangible assets", which describes the process for determining the recoverable amount of each CGU, or group of CGUs, as well as the valuation assumptions used and the sensitivity analyses to changes in the main assumptions adopted, as well as in paragraph "C - Discretionary evaluations and relevant accounting estimates" and in paragraph "E - Accounting standards and policies".	Our audit procedures related to the key audit matter included, among others: • the analysis of the process and key controls put in place by the Group in connection to the valuation of the recoverable amount of goodwill and brand asset; • the assessment of the adequacy of the CGU identification, the allocation of the carrying amounts of the assets and liabilities to the individual CGU, or group of CGUs, and the comparison with the value in use arising from the impairment test; • the analysis of the reasonableness of the main assumptions adopted for future cash flow forecasts, by obtaining information from Management and by comparing historical forecasts with actual data; • verification of the mathematical accuracy of the model adopted to determine the value in use of the CGU, or group of CGUs, including the methodology used to estimate terminal value; • verification of the determination of long-term growth rates and discount rates. Our procedures were performed with the support of our experts in valuation techniques, who performed an independent recalculation and carried out sensitivity analyses on key assumptions to determine changes in assumptions that could significantly impact the valuation of the recoverable amount. Lastly, we assessed the adequacy of the information provided in the explanatory notes to the consolidated financial statements in relation to intangible assets.
Assessment of the conditions for the recognition and measurement of development costs	
Development costs recognized under intangible assets as of December 31, 2025, amounted to a total of euro 6,832 thousand.	Our audit procedures related to the key audit matter included, among others:

Key Audit Matter	Audit Response
The assumptions for the initial recognition of these assets and the recoverability assessments are based on complex assumptions that by their nature involve recourse to the judgment of the directors as they are influenced by multiple factors, including the time horizon of the product business plans and the ability to predict the commercial success of the technologies. Considering the required judgment and the complexity of the assumptions used, we consider that this issue represents a key audit matter. The financial statements relating to the assumptions and estimates applied for the recognition and measurement of development costs are reported in paragraphs " C - Discretionary evaluations and relevant accounting estimates" and "E - Accounting standards and policies", as well as in Note "H-1 - Intangible assets".	• the understanding of the process applied to recognize development costs and the process of assessing their recoverability; • for a sample of development projects, we have carried out: I. validity procedures aimed at verifying internal and external costs recognized during the year; II. analysis of the reasonableness of the main assumptions at the basis of the product sales forecasts; III. analysis of the documentation supporting the technical feasibility and marketability of the products related to the development activity, in line with the sales forecasts that can be deduced from the economic-financial plan for the period 2026-2030 as well as the orders already acquired; IV. analysis of amortization criteria and estimated useful life of development assets. Lastly, we assessed the information provided in the explanatory notes to the financial statements with reference to the key audit matter.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standard Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Eurotech S.p.A. or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Shape the future
with confidence

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Shape the future
with confidence

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The Shareholders of Eurotech S.p.A., in the general meeting held on April 27, 2023, engaged us to perform the audits of the consolidated financial statements for each of the years ending December 31, 2023 to December 31, 2031.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Eurotech S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the consolidated financial statements as of December 31, 2025, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements as at December 31, 2025 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2025 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML.

Shape the future with confidence

Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-*bis*) and e-*ter*) of Legislative Decree n. 39 dated 27 January 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Eurotech S.p.A. are responsible for the preparation of the Report on Operations (Management Report) and of the Report on Corporate Governance and Ownership Structure of Eurotech Group as at December 31, 2025, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations (Management Report) and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the [consolidated] financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations (Management Report) and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998;
- issue a statement on any material misstatement in the Report on Operations (Management Report) and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998.

In our opinion, the Report on Operations (Management Report) and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998 are consistent with the consolidated financial statements of Eurotech Group as at December 31, 2025.

Furthermore, in our opinion, the Report on Operations (Management Report) and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-ter), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Treviso, March 31, 2026

EY S.p.A.
Signed by: Maurizio Rubinato, Auditor

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

eurotech.com