

EUROTECH: CONSOLIDATED FINACIAL REPORT AS AT 30 JUNE 2025 APPROVED BY THE BOD

Revenues down 26.8% due to the slowdown in order intake in the second half of 2024. Orders up, with a book-to-bill ratio of over 1.2 on a trailing twelve months basis. Operating costs down €2.4 million in the half-year help to limit the impact of lower revenues on EBITDA.

Amaro (Italy), 11 September 2025

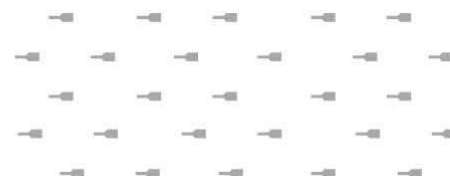
- Consolidated revenues of € 21.5 million (€ 29.3 million as at 30.06.2024, -26.8% at constant exchange rates)
- Consolidated gross profit of € 10.6 million and 49.3% of revenues (€ 14.5 million and 49.7% of revenues as at 30.06.2024)
- Consolidated EBITDA of € -5.3 million (€ -3.5 million as at 30.06.2024)
- Consolidated EBITDA adjusted of € -4.0 million (€ -3.1 million as at 30.06.2024)
- Consolidated EBIT of € -7.7 million (€ -5.8 million as at 30.06.2024)
- Group net income of € -7.6 million (€ -5.5 million as at 30.06.2024)
- Net debt of € 18.7 million (€ 20.4 million as at 31.12.2024)

The Board of Directors of Eurotech S.p.A. today examined and approved the results of first six months of 2025.

Trend of the period

The results for the first half of 2025 were heavily influenced by order intake in the second half of 2024, which in turn was closely linked to the crisis experienced by the industrial sector, particularly in Europe. Both the US and European regions saw a decline in revenue compared to the first half of 2024, while Japan held steady, even showing a recovery compared to the first quarter results.

Since February, we have seen a sharp reversal in the trend in order intake, with the order-to-sales ratio reaching and exceeding 1.2 on a rolling 12-month basis in June, July, and August. There were three main drivers behind this trend: the reactivation of the ADAS business in Germany, which had almost come to a standstill in the second half of 2024; a strong recovery in the railway business; and orders in Japan for new custom products placed by long-standing customers of the subsidiary Advanet.



The first margin was in line with both the first six months of last year and the first three months of 2025, with a performance that confirms a good mix of products sold.

Operating costs fell by 12.0% compared to the first half of 2024, or 16.5% net of non-recurring costs. This reduction is linked both to the reduction in the number of employees and to the use, during the period under review, of instruments such as solidarity contracts in Italy and similar instruments in Germany. The good work on costs made it possible to lower the break-even point by almost €5 million, thus limiting the impact on EBITDA of the lower turnover for the half-year.

Economic performance of the Eurotech Group

Consolidated revenues for the first half of 2025 amounted to €21.48 million, compared to €29.26 million in the first half of 2024. The decrease in turnover from one period to the next was 26.6%, an improvement on the 31.0% decrease recorded in the first quarter. At constant exchange rates, the reduction was 26.8%.

The **gross margin**, as a percentage of turnover, stood at 49.3% compared to 49.7% in the same period last year and 49.6% in the first quarter.

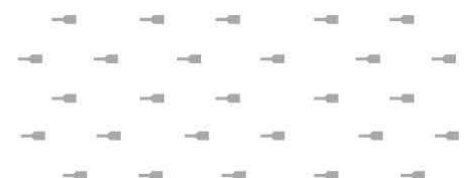
In the six months under review, **operating costs** before adjustments amounted to €17.69 million, compared to €20.11 million in the first half of 2024, a reduction of €2.42 million (-12.0%).

Non-recurring costs recorded in the first half of 2025 amounted to €1.24 million (€0.41 million in the first half of 2024): these relate to the Group's reorganization and efficiency improvement activities and mainly concern one-off costs incurred for workforce reduction and the termination of the contractual relationship with the previous CEO.

Adjusted EBITDA for the first six months amounted to €-4.05 million, compared to €-3.08 million in the same period of 2024.

Including non-recurring costs, **EBITDA** for the first six months of 2025 amounted to €-5.28 million, compared to €-3.49 million in 2024.

EBIT, or operating profit for the year, amounted to €-7.72 million, compared to €-5.84 million in the first six months of 2024.



In terms of the Group's **net profit**, the figure for the first half of the year was €-7.56 million, compared to €-5.51 million in the same period of 2024.

Balance sheet and financial situation of the Eurotech Group

As of June 30, 2025, the Group had **net financial debt** of €18.70 million, compared to €20.40 million as of December 31, 2024. The reduction in net financial debt during the half-year was mainly due to three factors: operating cash flow of €0.2 million, supported by a reduction in working capital; cash used of €2.6 million for investments and repayment of interest related to borrowings; a payment of €5.0 million for a future capital increase made in several tranches by the relative majority shareholder Emera S.r.l..

Net working capital decreased by €5.17 million, from €14.68 million at December 31, 2024, to €9.52 million at June 30, 2025. The reduction in working capital is due to both a decrease in current assets and an increase in current liabilities: in particular, while trade receivables decreased by €2.90 million and inventories decreased by €0.63 million, trade payables and payables to affiliates increased by a total of €1.21 million. Net working capital as a percentage of revenues for the last twelve rolling months was 18.5%, compared to 24.8% at December 31, 2024, and 27.0% at June 30, 2024.

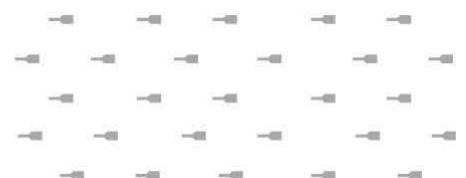
The Group's **shareholders' equity** amounted to €56.0 million (€60.7 million at December 31, 2024).

Foreseeable evolution of operations

At the end of August, the total value of orders received had already reached the figure recorded for the entire 2024 financial year, strengthening visibility on revenue performance in the coming periods.

As a result of this trend, turnover in the second half of the year will be significantly higher than in the first half. Furthermore, revenues in the second half of 2025 are expected to exceed those recorded in the second half of 2024. This performance will enable a reversal of the EBITDA trend, which will be positive in the second half of the year.

The rationalization and redesign of the operating structure will continue in the second half of the year, with a particular focus on opportunities for vertical integration at the operational level between the subsidiaries and the parent company. The goal is to achieve a further



reduction in the run-rate of operating costs, so as to maximize performance in the second half of the year and lower the break-even point for next year.

The Manager in charge of drawing up the corporate accounting documents, Sandro Barazza, hereby certifies, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documented results, books and accounting records of the company.

Eurotech

Eurotech (ETH:IM) is a multinational company that designs, develops and delivers Edge Computers and Internet of Things (IoT) solutions complete with services, software and hardware to system integrators and enterprises. By adopting Eurotech's solutions, customers have access to components and software platforms for IoT, Edge Gateways to enable asset monitoring, and high-performance Edge Computer for applications including Artificial Intelligence (Edge AI). To offer more and more complete solutions Eurotech has activated partnerships with leading companies in their field of action, thus creating a global ecosystem that allows it to create "best in class" solutions for the Industrial Internet of Things. [More information: www.eurotech.com](http://www.eurotech.com)

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ANNEXES - ACCOUNTING SCHEDULES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(€ '000)	H1 2025 (b)	of which non recurrent	of which related parties	%	H1 2024 (a)	of which non recurrent	of which related parties	%	change (b-a) amount	%
Sales revenue	21,483		-	100.0%	29,261		3	100.0%	(7,778)	-26.6%
Cost of material	(10,895)			-50.7%	(14,721)			-50.3%	(3,826)	-26.0%
Gross profit	10,588			49.3%	14,540			49.7%	(3,952)	-27.2%
Services costs	(6,020)	(569)	(171)	-28.0%	(6,924)	(116)	(525)	-23.7%	(904)	-13.1%
Lease & hire costs	(351)			-1.6%	(474)			-1.6%	(123)	-25.9%
Payroll costs	(10,899)	(568)		-50.7%	(12,053)	(182)		-41.2%	(1,154)	-9.6%
Other provisions and costs	(422)	(99)		-2.0%	(663)	(111)		-2.3%	(241)	-36.3%
Other revenues	1,821			8.5%	2,084			7.1%	(263)	-12.6%
EBITDA	(5,283)	(1,236)		-24.6%	(3,490)	(409)		-11.9%	(1,793)	-51.4%
Depreciation & Amortization	(2,435)			-11.3%	(2,263)			-7.7%	172	7.6%
Asset impairment	0			0.0%	(85)			-0.3%	(85)	-100.0%
EBIT	(7,718)	(1,236)		-35.9%	(5,838)	(409)		-20.0%	(1,880)	-32.2%
Finance expense	(955)			-4.4%	(1,403)			-4.8%	(448)	-31.9%
Finance income	454			2.1%	1,668			5.7%	(1,214)	-72.8%
Profit before tax	(8,219)	(1,236)		-38.3%	(5,573)	(409)		-19.0%	(2,646)	-47.5%
Income tax	655			3.0%	62			0.2%	(593)	n.s.
Net profit (loss) of continuing operations before minority interest	(7,564)	(1,236)		-35.2%	(5,511)	(409)		-18.8%	(2,053)	-37.3%
Minority interest	-			0.0%	-			0.0%	-	n/a
Group net profit (loss) for period	(7,564)	(1,236)		-35.2%	(5,511)	(409)		-18.8%	(2,053)	-37.3%

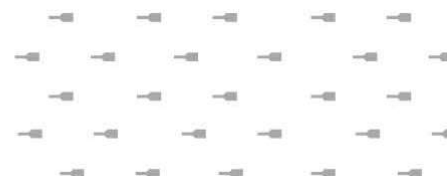
REVENUES BREAKDOWN BY END-CUSTOMER LOCATION

(€' 000)	H1 2025	%	H1 2024	%	% change
BREAKDOWN BY GEOGRAPHIC AREA					
European Union	10,526	49.0%	15,056	51.5%	-30.1%
United States	1,304	6.1%	4,867	16.6%	-73.2%
Japan	7,882	36.7%	7,026	24.0%	12.2%
Other	1,771	8.2%	2,312	7.9%	-23.4%
TOTAL SALES AND SERVICE REVENUES	21,483	100.0%	29,261	100.0%	-26.6%



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€'000)	at June 30, 2025	of which related parties	at December 31, 2024	of which related parties
ASSETS				
Intangible assets	60,886		62,425	
Property, Plant and equipment	7,759		8,367	
Investments in affiliate companies	4		4	
Investments in other companies	138		152	
Deferred tax assets	2,177		1,647	
Other non-current assets	455		480	
Total non-current assets	71,419		73,075	
Inventories	16,515		17,141	
Trade receivables	9,501		12,405	
Income tax receivables	693		934	
Other current assets	1,789		1,498	
Other current financial assets	12		115	
Derivative instruments	11		29	
Cash & cash equivalents	6,414		6,170	
Total current assets	34,935		38,292	
Total assets	106,354		111,367	
LIABILITIES AND EQUITY				
Share capital	9,657		8,879	
Reserves	(84,169)		(48,460)	
Share premium reserve	138,122		136,400	
Net profit (loss) for period	(7,564)		(36,155)	
Other reserves	(91,733)		(84,615)	
Group shareholders' equity	56,046		60,664	
Equity attributable to minority interest	-		-	
Total shareholders' equity	56,046		60,664	
Medium-/long-term borrowing	16,278		17,551	
Employee benefit obligations	2,242		2,331	
Deferred tax liabilities	3,011		3,164	
Other non-current liabilities	940		1,200	
Total non-current liabilities	22,471		24,246	
Trade payables	10,297		9,040	
Trade payables from affiliates companies	349	349	399	399
Short-term borrowing	8,740		9,048	
Income tax liabilities	733		953	
Other current liabilities	7,603		6,902	
Business combination liabilities	115		115	
Total current liabilities	27,837		26,457	
Total liabilities	50,308		50,703	
Total liabilities and equity	106,354		111,367	

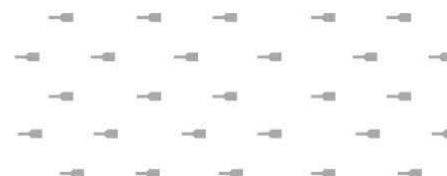


STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(€'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 shareholders	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 June 30, 2025	-	-	-	-	-	-	-	-	-	(7,564)	(7,564)	-	(7,564)
Comprehensive other profit (loss):													
- Hedge transactions	-	-	-	-		(18)	-	-	-	-	(18)	-	(18)
- Actuarial gains/(losses) on defined benefit plans for employees	-	-	-	-	(22)	-	22	-	-	-	-	-	-
- Foreign balance sheets conversion difference	-	-	-	679	-			-	-	-	679	-	679
- Exchange differences on equity investments in foreign companies	-	-	-	-		-	-	(2,728)	-	-	(2,728)	-	(2,728)
Total Comprehensive result	-	-	-	679	(22)	(18)	22	(2,728)	-	(7,564)	(9,631)	-	(9,631)
Performance Share Plan	-	-	-	-	114	-	-	-	-	-	114	-	114
Increase of capital	778		1,722	-	(2,601)	-			-		(101)		(101)
Future capital increase payment				-	5,000	-			-		5,000		5,000
Balance as at June 30, 2025	9,657	1,776	138,122	(1,508)	(85,178)	11	(491)	1,883	(662)	(7,564)	56,046	-	56,046

CONDENSED CASH FLOW STATEMENT

(€'000)		at June 30, 2025	at June 30, 2024
Cash flow generated (used) in operations	A	191	(366)
Cash flow generated (used) in investment activities	B	(1,616)	(2,055)
Cash flow generated (absorbed) by financial assets	C	2,492	(2,818)
Net foreign exchange difference	D	(823)	(556)
Increases (decreases) in cash & cash equivalents	E=A+B+C+D	244	(5,795)
Opening amount in cash & cash equivalents		6,170	11,428
Cash & cash equivalents at end of period		6,414	5,633

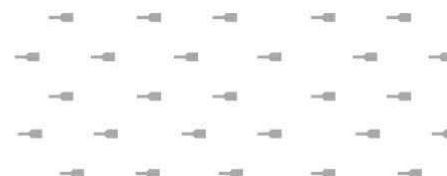


NET FINANCIAL POSITION

(€'000)		at June 30, 2025	at December 31, 2024	at June 30, 2024
Cash	A	6,414	6,170	5,633
Cash equivalents	B	-	-	-
Other current financial assets	C	23	144	181
Cash equivalent	D=A+B+C	6,437	6,314	5,814
Current financial debt	E	4,261	6,808	8,249
Current portion of non-current financial debt	F	4,479	2,240	10,336
Other current financial liabilities	G	115	115	341
Short-term financial position	H=E+F+G	8,855	9,163	18,926
Short-term net financial position	I=H-D	2,418	2,849	13,112
Non current financial debt	J	16,278	17,551	10,177
Debt instrument	K	-	-	-
Trade payables and other non-current payables	L	-	-	-
Medium-/long-term net financial position	M=J+K+L	16,278	17,551	10,177
(NET FINANCIAL POSITION) NET DEBT ESMA	N=I+M	18,696	20,400	23,289

NET WORKING CAPITAL

(€'000)	2025 (b)	31, 2024 (a)	2024	Changes (b-a)
Inventories	16,515	17,141	21,798	(626)
Trade receivables	9,501	12,405	14,377	(2,904)
Income tax receivables	693	934	1,454	(241)
Other current assets	1,789	1,498	1,918	291
Current assets	28,498	31,978	39,547	(3,480)
Trade payables	(10,297)	(9,040)	(11,733)	(1,257)
Trade payables from affiliates companies	(349)	(399)	(348)	50
Income tax liabilities	(733)	(953)	(837)	220
Other current liabilities	(7,603)	(6,902)	(6,314)	(701)
Current liabilities	(18,982)	(17,294)	(19,232)	(1,688)
Net working capital	9,516	14,684	20,315	(5,168)



CASH-FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT (€'000)	at June 30, 2025	of which related parties	at June 30, 2024	of which related parties
CASH FLOWS GENERATED BY OPERATIONS:				
Group net profit (loss) for period	(7,564)		(5,511)	
Adjustments to reconcile reported net profit with cash & cash equivalents generated (used) in operations:				
Depreciation & amortization intangible assets, property, plant and	2,435		2,348	
Interest income	(3)		(2)	
Interest expenses	416		566	
Income taxes of the period	-		(238)	
Stock Grant expenses	114		37	
Provision for (use of) long-term employee severance indemnities	(89)		(147)	
Provision for (use of) risk provision	(260)		58	
(Provision for) / use of deferred tax asset / Provision for (use of) deferred tax liability	365		(207)	
Changes in current assets and liabilities				
Trade receivables	2,529	(2)	4,917	(1)
Other current assets	21		(26)	
Inventories and contracts in process	198		(510)	
Trade payables	1,365	(32)	600	(264)
Other current liabilities	664		(2,251)	
Total adjustments and changes	7,755		5,145	
Cash flow generated (used) in operations	191		(366)	
CASH FLOW FROM INVESTMENT ACTIVITIES:				
Sales of tangible and intangible assets	82		4	
Interest income	3		2	
Purchase of intangible fixed assets	(1,617)		(1,793)	
Purchase of tangible fixed assets	(226)		(342)	
Decreases (Increases) other financial assets	103		33	
Net (investments) Divestments in long-term investments and non-current	39		41	
Cash flow generated (used) in investment activities	(1,616)		(2,055)	
CASH FLOW FROM FINANCING ACTIVITIES:				
Other changes in shareholders' equity	4,899		-	
Loans taken	2,069		450	
Interest paid	(416)		(566)	
(Repaid) loans short and medium/long term	(4,060)		(2,702)	
Cash flow generated (absorbed) by financial assets	2,492		(2,818)	
Net foreign exchange difference	(823)		(556)	
Increases (decreases) in cash & cash equivalents	244		(5,795)	
Opening amount in cash & cash equivalents	6,170		11,428	
Cash & cash equivalents at end of period	6,414		5,633	

