



DATALOGIC

EMPOWER YOUR VISION

Consolidated Half-Year Financial Report June 30, 2022

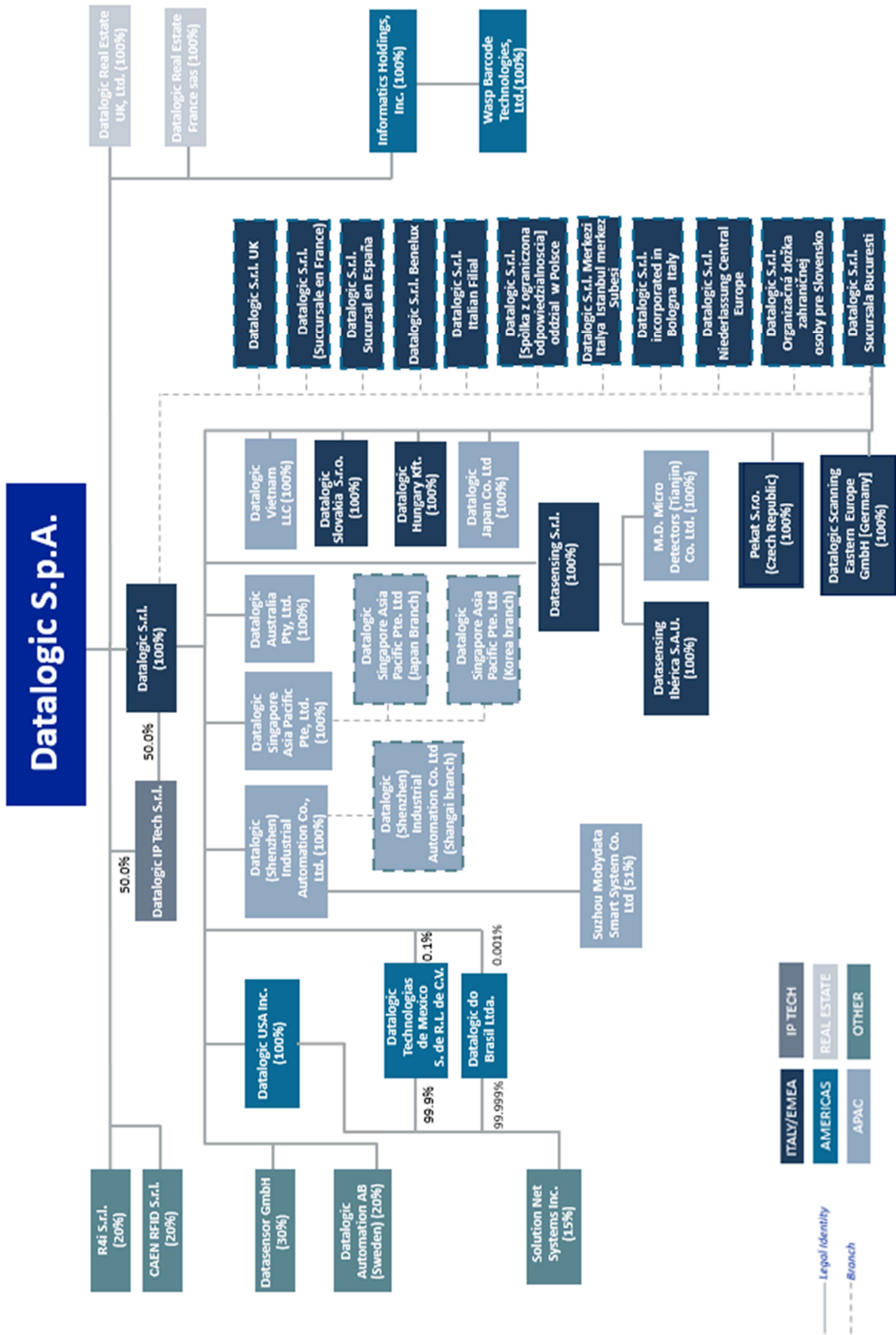
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DISCLAIMER

This document includes forward-looking statements, related to future events and Group operating, economic and financial results. These statements include risk and uncertainty elements as they depend on the occurrence of events and future developments. The actual results may deviate, even to a significant extent, from the expected outcome due to multiple factors, most of which are beyond the Group's control.

GROUP STRUCTURE



COMPOSITION OF THE CORPORATE BODIES

Board of Directors ⁽¹⁾

Romano Volta	Executive Chair ⁽²⁾
Valentina Volta	Chief Executive Officer ⁽²⁾
Angelo Manaresi	Independent Director
Chiara Giovannucci Orlandi	Independent Director
Filippo Maria Volta	Non-Executive Director
Vera Negri Zamagni	Independent Director
Maria Grazia Filippini	Independent Director
Pietro Todescato	Executive Director

Board of Statutory Auditors ⁽³⁾

Diana Rizzo	Chair
Elena Lancellotti	Statutory Auditor
Roberto Santagostino	Statutory Auditor
Giulia De Martino	Alternate Statutory Auditor
Eugenio Burani	Alternate Statutory Auditor
Patrizia Cornale	Alternate Statutory Auditor

Audit and Risk, Remuneration and Appointments Committee

Angelo Manaresi	Chair
Chiara Giovannucci Orlandi	Independent Director
Vera Negri Zamagni	Independent Director

Independent Auditor ⁽⁴⁾

Deloitte & Touche S.p.A.

(1) The Board of Directors will remain in office until the Shareholders' Meeting held for the approval of the financial statements as of December 31, 2023.

(2) Legal representative as regards third parties.

(3) The Board of Statutory Auditors will remain in office until the Shareholders' Meeting held for the approval of the financial statements as of December 31, 2024.

(4) Deloitte & Touche S.p.A. was appointed Independent Auditor for the nine-year period from 2019 to 2027 by the Shareholders' Meeting held on April 30, 2019 and will remain in office until the Shareholders' Meeting held for the approval of the financial statements as of December 31, 2027.

Report on Operations



REPORT ON OPERATIONS

INTRODUCTION

This Consolidated Half-Year Financial Report as of June 30, 2022 was drawn up pursuant to Art. 154-ter of T.U.F. (Consolidated Law on Finance) and was prepared in compliance with the International Accounting Standards (IAS/IFRS) endorsed by the European Union.

The amounts reported in the tables of the Report on Operations are expressed in thousands of Euro. The notes to the accounts are expressed in millions of Euro.

GROUP PROFILE

Datalogic S.p.A. and its subsidiaries ("Group" or "Datalogic Group") is a global technological leader in the markets of automatic data capture and process automation. The Group is specialized in the design and production of bar code readers, mobile computers, detection, measurement and security sensors, vision and laser marking systems and RFID. Its pioneering solutions contribute to increase the efficiency and quality of processes along the entire value chain in the Retail, Manufacturing, Transportation & Logistics and Healthcare sectors.

HIGHLIGHTS OF THE PERIOD

The following table summarises the Datalogic Group's key operating and financial results as of June 30, 2022 and the comparison with the same period a year earlier, whose results has been restated in compliance with accounting principle IAS 1 (for details refer to Annex 4 of this document).

The income statement and balance sheet figures as of June 30, 2022 include the balances of the Pekat Vision consolidated following the acquisition completed on March 21, 2022.

	30.06.2022	<i>% on Revenues</i>	30.06.2021 Restated	<i>% on Revenues</i>	Change	% Ch.	% Ch. net FX
Revenues	314,599	<i>100.0%</i>	290,076	<i>100.0%</i>	24,523	8.5%	3.7%
Adjusted EBITDA	34,256	<i>10.9%</i>	46,840	<i>16.1%</i>	(12,584)	-26.9%	-23.5%
Adjusted EBIT	19,218	<i>6.1%</i>	33,393	<i>11.5%</i>	(14,175)	-42.4%	-36.7%
EBIT	15,626	<i>5.0%</i>	27,693	<i>9.5%</i>	(12,067)	-43.6%	-36.7%
Net Profit/(Loss) for the period	9,097	<i>2.9%</i>	23,168	<i>8.0%</i>	(14,071)	-60.7%	-52.5%
Net financial position (NFP)	(71,883)		(18,198)		(53,685)		

As of June 30, 2022, the Group achieved **revenues** of €314.6 million, with a growth of 8.5% (3.7% at constant exchange rates) compared to €290.1 million recorded in the first half of 2021. Organic growth net of exchange rate effect was 1.9%.

The turnover for the sale of new products (Vitality Index) reached 16.5% of total turnover as of June 30, 2022, compared to 11.2% in the first half of 2021, sequentially improving for the fourth consecutive quarter.

Adjusted EBITDA margin at 10.9% (16.1% in the first half of 2021), continues to be significantly impacted by inflationary phenomena that have affected, starting from the second half of 2021, the cost of production and distribution, only partially offset by progressive sales price adjustments and higher volumes.

Adjusted EBIT stood, for the same dynamic, at 6.1% of revenues and amounted to €19.2 million (€33.4 million as of June 30, 2021).

Net profit for the period was €9.1 million (2.9% of revenues), compared to €23.2 million in the first half of 2021 (8.0% of revenues).

Net Debt as of June 30, 2022 was €71.9 million (€26.1 million as of December 31, 2021), with a change of €45.8 million, mainly due to working capital absorption, acquisitions of €16.0 million and dividend distributions of €16.9 million.

ALTERNATIVE PERFORMANCE INDICATORS (NON-GAAP MEASURES)

The management uses certain performance indicators, not identified as accounting measures under IFRS (*NON-GAAP measures*), to permit better assessment of the Group's performance. The measurement criterion applied by the Group might not be the same as that adopted by other groups and the indicators might not be comparable with their indicators. These performance indicators, determined according to provisions set out by Guidelines on performance indicators, issued by ESMA/2015/1415 and adopted by Consob with communication no. 92543 of December 3, 2015, refer only to the performance of the accounting period related to this Consolidated Half Year Financial Report and the comparative periods. The performance indicators must be considered as supplementary and do not supersede the information provided pursuant to the IFRS standards. The main indicators adopted are described below.

- **Special Items:** items resulting from non-recurring operations, restructuring activities, business reorganizations, fixed assets devaluation, additional costs linked to business acquisitions or disposals including also D&A from purchase price allocation and every other items not related to the ordinary course of business.
- **EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) or Gross Operating Margin:** this indicator is defined as the profit/(loss) for the period from continuing operations before depreciation and amortisation of tangible and intangible assets and rights of use, financial income/expenses and income taxes.
- **Adjusted EBITDA:** this indicator is defined as the profit/(loss) for the period from continuing operations before depreciation and amortisation of tangible and intangible assets and rights of use, financial income and expenses, income taxes and special Items.
- **EBIT (Earnings Before Interest, Taxes) or Operating Result:** this indicator is defined as the profit/(loss) for the period from continuing operations before financial income/expenses and income taxes.
- **Adjusted EBIT:** this indicator is defined as the profit/(loss) for the period from continuing operations before financial income/expenses, income taxes and special Items.
- **Net Trade Working Capital:** this indicator is calculated as the sum of Inventories and Trade Receivables, less Trade Payables.
- **Net Working Capital:** this indicator is calculated as the sum of Net Trade Working Capital and Other Current Assets and Liabilities including current Provisions for Risks and Charges.
- **Net Invested Capital:** this indicator is the total of Current and Non-Current Assets, excluding financial assets, less Current and Non-current Liabilities, excluding financial liabilities.
- **NFP (Net Financial Position or Net Debt):** this indicator is calculated in accordance with the provisions of "Notice no. 5/21" of April 29, 2021 issued by Consob and referring to ESMA Guideline 32-382-1138 of March 4, 2021.

- **Free Cash Flow:** this indicator is calculated as the cash flow from operating activities, net of investments in tangible and intangible assets (excluding right-of-use assets recognized over the period in accordance with IFRS 16) and financial and tax income and expenses for operating activities.

GROUP RECLASSIFIED ECONOMIC RESULTS

The following table shows the main economic components of the period compared with the same previous period:

	30.06.2022		30.06.2021 Restated		Change	% Ch.
Revenues	314,599	100.0%	290,076	100.0%	24,523	8.5%
Cost of goods sold	(184,460)	-58.6%	(156,385)	-53.9%	(28,075)	18.0%
Gross Operating Margin	130,139	41.4%	133,691	46.1%	(3,552)	-2.7%
Research and Development expenses	(30,332)	-9.6%	(28,130)	-9.7%	(2,202)	7.8%
Distribution expenses	(53,671)	-17.1%	(47,937)	-16.5%	(5,734)	12.0%
General and administrative expenses	(26,554)	-8.4%	(23,562)	-8.1%	(2,992)	12.7%
Other (Expenses) and Income	(364)	-0.1%	(669)	-0.2%	305	-45.6%
Total operating expenses and other costs	(110,921)	-35.3%	(100,298)	-34.6%	(10,623)	10.6%
Adjusted EBIT	19,218	6.1%	33,393	11.5%	(14,175)	-42.4%
Special Items - Other (Expenses) and Income	(1,112)	-0.4%	(3,212)	-1.1%	2,100	-65.4%
Special Items - D&A from acquisitions	(2,480)	-0.8%	(2,488)	-0.9%	8	-0.3%
EBIT	15,626	5.0%	27,693	9.5%	(12,067)	-43.6%
Financial income/(expenses)	(1,238)	-0.4%	(1,334)	-0.5%	96	-7.2%
Foreign exchange gains/(losses)	(3,294)	-1.0%	977	0.3%	(4,271)	n.a.
EBT	11,094	3.5%	27,336	9.4%	(16,242)	-59.4%
Taxes	(1,997)	-0.6%	(4,168)	-1.4%	2,171	-52.1%
Net Profit/(Loss) for the period	9,097	2.9%	23,168	8.0%	(14,071)	-60.7%
Special Items - Other (Expenses) and Income	(1,112)	-0.4%	(3,212)	-1.1%	2,100	-65.4%
Special Items - D&A from acquisitions	(2,480)	-0.8%	(2,488)	-0.9%	8	-0.3%
Depreciation of tangible assets and rights of use	(8,940)	-2.8%	(8,393)	-2.9%	(547)	6.5%
Amortisation of intangible assets	(6,100)	-1.9%	(5,054)	-1.7%	(1,046)	20.7%
Adjusted EBITDA	34,256	10.9%	46,840	16.1%	(12,584)	-26.9%

Consolidated revenues of €314.6 million as of June 30, 2022, with a growth of 8.5% compared to €290.1 million achieved in the first half of 2021; at constant exchange rates, revenues were increased by 3.7%.

The breakdown by geographical area of Group's revenues, compared with the same period of the previous year, is reported below:

	30.06.2022	%	30.06.2021	%	Change	% Ch.	% Ch. net FX
<i>Italy</i>	31,710	10.1%	29,302	10.1%	2,407	8.2%	8.2%
<i>EMEA1 (excluding Italy)</i>	138,443	44.0%	131,794	45.4%	6,649	5.0%	4.1%
Total EMEA1	170,153	54.1%	161,096	55.5%	9,056	5.6%	4.8%
Americas	96,822	30.8%	85,282	29.4%	11,540	13.5%	2.9%
APAC	47,624	15.1%	43,697	15.1%	3,927	9.0%	1.3%
Total Revenues	314,599	100.0%	290,076	100.0%	24,523	8.5%	3.7%

EMEA1 region closed the first half of 2022 with a 5.6% increase in revenues compared to the same period in 2021, thanks to Italy recording a growth of 8.2%, and to a very positive performances also in the sub-area UK and Nordics. **Americas** grew by 13.5%, while **APAC** by 9.0%. Both areas benefit of positive exchange rates effect (+2.9% and +1.3% the respective growths net of exchange rate effect).

Gross operating margin was €130.1 million (41.4% of revenues) compared to €133.7 million as of June 30, 2021 (46.1% of revenues), decreasing by 4.7 basis points compared with the first half of 2021, whose results were not yet impacted by inflation on production and logistics costs started in the second half of 2021.

Operating expenses were €110.9 million (€100.3 million as of June 30, 2021), slightly increasing by 0.7 basis points as a percentage of turnover from 34.6% to 35.3%, mainly driven by distribution expenses.

Research and development expenses were €30.3 million, reached an incidence on revenues of 9.6%, in line with June 30, 2021, whose incidence was 9.7%. Total Research and Development spending, gross of investments, amounted to €31.5 million (€29.3 million in the same period of the previous year) with a percentage on turnover of 10.0%, in line with the first half of 2021.

Distribution expenses were €53.7 million, increased by 12.0% compared to the first half of 2021 (€47.9 million in 2021) with a percentage on turnover increasing by 0.6 basis points, from 16.5% to 17.1%. The change in the period is driven by commercial and marketing activities, exhibitions, events and customers visits, limited for most of 2021 due to the pandemic.

General and Administrative Expenses were €26.6 million as of June 30, 2022, recorded a slight increase in the incidence on turnover of approximately 0.3 basis points, from 8.1% to 8.4%, mainly due to the increase in costs of utilities, EDP and depreciations.

Adjusted EBITDA was €34.3 million, with an **Adjusted EBITDA margin** at 10.9% of the turnover, decreasing by 5.2 basis points compared to 16.1% recorded in the first half of 2021. Despite inflation and supply constraints, the Group recovered operating margin in the second quarter of the year compared to the first quarter, thanks to actions on sales prices and improved volumes.

Adjusted EBIT, improving over the first quarter of 2022, amounted to €19.2 million, 6.1% on revenues (€33.4 million as of June 30, 2021, 11.5% on revenues), also due to slightly higher depreciation than in the previous period.

Net financial charges were €4.5 million, increasing by €4.2 million compared to June 30, 2021 driven by unfavorable trend in exchange rate differences mainly due to strong US Dollar.

Financial Income/(Expenses)	30.06.2022	30.06.2021	Change
Financial income/(expenses)	(857)	(908)	51
Foreign exchange differences	(3,294)	977	(4,271)
Fair value investments	(88)	102	(190)
Bank expenses	(571)	(608)	37
Dividends	177	114	63
Others	101	(34)	135
Total Net Financial Income/(Expenses)	(4,532)	(357)	(4,175)

Net profit for the period was €9.1 million (2.9% of revenues), compared to €23.2 million as of June 30, 2021 (8.0% of revenues).

ECONOMIC RESULTS BY DIVISION FOR THE PERIOD

Operating segments are identified based on the management reporting used by senior management to allocate resources and evaluate results. The operating segments are indicated below:

- **Datalogic** represents the Group's core business and designs and produces bar code readers, mobile computers, detection, measurement and security sensors, vision and laser marking and RFID systems that contribute to increase the efficiency and quality of processes in the areas of Retail, Manufacturing, Transportation & Logistics and Healthcare, along the entire value chain. As described in the Explanatory Notes, the newly acquired Pekat S.r.o. was included in this operating segment.
- **Informatics** sells and distributes products and solutions for the management of inventories and mobile assets tailored to small and medium-sized companies.

The tables illustrated below show the comparison of the Revenues and Adjusted EBITDA achieved during the period compared with the same period of the previous year.

REVENUES BY DIVISION

	30.06.2022	%	30.06.2021 Restated	%	Change	%	% Ch. net FX
Datalogic	306,655	97.5%	281,528	97.1%	25,127	8.9%	4.3%
Informatics	8,513	2.7%	8,976	3.1%	(463)	-5.2%	-13.7%
Eliminations	(569)		(428)		(141)		
Total Revenues	314,599	100.0%	290,076	100.0%	24,523	8.5%	3.7%

ADJUSTED EBITDA BY DIVISION

	30.06.2022	% on revenues	30.06.2021	% on revenues	Change	%
Datalogic	32,893	10.7%	45,565	16.2%	(12,672)	-27.8%
Informatics	1,423	16.7%	1,258	14.0%	165	13.1%
Eliminations	(60)		17		(77)	
Total Adjusted EBITDA	34,256	10.9%	46,840	16.1%	(12,584)	-26.9%

DATALOGIC DIVISION

Datalogic division reported **revenues** of €306.7 million as of June 30, 2022, increasing by 8.9% compared to the first half of 2021. **Adjusted EBITDA** of the division was €32.9 million, reaching 10.7% of the turnover (16.2% as of June 30, 2021).

Below is the breakdown of Datalogic Division's revenues by industry:

	30.06.2022	%	30.06.2021 Restated	%	Change	%	% ch. net FX
Retail	109,573	35.7%	102,086	36.3%	7,487	7.3%	1.5%
Manufacturing	88,261	28.8%	77,648	27.6%	10,613	13.7%	10.0%
Transportation & Logistics	46,494	15.2%	38,934	13.8%	7,560	19.4%	14.2%
Healthcare	8,292	2.7%	9,119	3.2%	(827)	-9.1%	-13.1%
Channel	54,034	17.6%	53,741	19.1%	294	0.5%	-2.7%
Total Revenues	306,655	100.0%	281,528	100.0%	25,127	8.9%	4.3%

▪ Retail

Retail sector, the main segment for the Group with 35.7% of divisional turnover (36.3% as of June 30, 2021) recorded an increase of 7.3% compared with the first half of 2021. The best performing area was Asia (+51.3%) followed by the Americas, ending the half-year with 31.6% growth.

▪ Manufacturing

Manufacturing sector achieved 13.7% growth in the first half of 2022, driven mainly by last year's acquisition of the MD Group (today Datasensing), which enabled the completion of the range of sensors and safety devices. Americas and EMEAI lead the sector's performance, recording growth of 41.3% and 17.4%, respectively; slightly down APAC, which recorded -4.8% compared to last year. The organic growth of the Manufacturing sector was 8.0%.

▪ Transportation & Logistics

Transportation & Logistics is an expanding sector globally, where the Group reported an overall growth of 19.4% (+14.2% at constant exchange rates) compared to the first half of the previous year, with double-digit performances in EMEAI (+29.7%) and Americas (+17.1%).

▪ Healthcare

Compared to the same period of 2021, Healthcare sector recorded a decrease of 9.1%, despite the positive results achieved in the EMEAI area (+10.7%), not fully offsetting the slowdown in other geographical areas.

▪ Channel

Sales through distribution channels to small and medium-sized customers were stable compared to the first half of 2021 (-2.7% at constant exchange rates), despite a positive performance in EMEAI (+9.9%) followed by APAC (+3.7%).

INFORMATICS DIVISION

Informatics Division recorded €8.5 million sales in the first half of 2022 (€9.0 million as of June 30, 2021) with a decrease of 5.2% compared to the same period of the previous year following the exit from the 'System ID' market, as a result of the company's strategic repositioning on higher value business segments, including the services segment with the offer of *Software as a Service (SaaS)*.

Adjusted EBITDA margin achieved in the first half of the year was in fact 16.7%, improving of 2.7 basis points compared to 14.0% in the first half of 2021.

GROUP RECLASSIFIED ECONOMIC RESULTS FOR THE SECOND QUARTER

The following table summarises the Datalogic Group's key operating and financial results of the second quarter of 2022 in comparison with the same quarter of the previous year:

	Quarter ended		30.06.2021 Restated	% on Revenues	Change	% Ch.	% Ch. net FX
	30.06.2022	% on Revenues					
Revenues	176,671	100.0%	155,710	100.0%	20,961	13.5%	7.5%
Adjusted EBITDA	22,504	12.7%	25,238	16.2%	(2,734)	-10.8%	-4.4%
Adjusted EBIT	14,744	8.3%	18,378	11.8%	(3,634)	-19.8%	-9.9%
EBIT	13,348	7.6%	14,760	9.5%	(1,412)	-9.6%	2.8%
Net Profit/(Loss) for the year	7,768	4.4%	14,232	9.1%	(6,464)	-45.4%	-32.6%

In the second quarter of 2022, revenues increased by €21.0 million, +13.5% (+7.5% at constant exchange rates) reaching €176.7 million, marking a record quarter for the Group.

Following is the breakdown by **geographical area** of the Group revenues recorded in the second quarter of 2022, compared with the same quarter of 2021:

	Quarter ended		30.06.2021 Restated	% on Revenues	Change	% Ch.	% Ch. net FX
	30.06.2022	% on Revenues					
<i>Italy</i>	17,261	9.8%	15,272	9.8%	1,988	13.0%	13.5%
<i>EMEA (excluding Italy)</i>	77,315	43.8%	65,022	41.8%	12,293	18.9%	17.5%
Total EMEA	94,576	53.5%	80,295	51.6%	14,281	17.8%	16.7%
Americas	56,044	31.7%	49,791	32.0%	6,253	12.6%	-0.1%
APAC	26,051	14.7%	25,623	16.5%	427	1.7%	-6.5%
Total Revenues	176,671	100.0%	155,710	100.0%	20,961	13.5%	7.5%

The best performing region is EMEA with a 17.8% increase in turnover (16.7% at constant exchange rates). Americas and APAC closed the quarter increasing respectively by 12.6% (in line with the previous year at constant exchange rates), and by 1.7% (-6.5% at constant exchange rates).

Adjusted EBITDA for the quarter was €22.5 million (12.7% of revenues), recorded a recovery of 4.2 basis points from the first quarter of the year when it was 8.5%, mainly thanks to volume's recovery and price actions, even though still lower than 2021, when the EBITDA margin was 16.2%.

Net profit for the quarter was €7.8 million (4.4% of turnover); €14.2 million in the second quarter of 2021 (9.1% of turnover).

ECONOMIC RESULTS BY DIVISION FOR THE SECOND QUARTER

The tables below show the trend in Revenues and Adjusted EBITDA by division achieved in the second quarter of 2022 compared to the same quarter of 2021:

REVENUES BY DIVISION

	Quarter ended		30.06.2021 Restated	%	Change	%	% Ch. net FX
	30.06.2022	%					
Datalogic	172,610	97.7%	151,411	97.2%	21,199	14.0%	8.2%
Informatics	4,404	2.5%	4,551	2.9%	(147)	(3.2%)	-14.0%
Eliminations	(343)		(252)		(91)		
Total Revenues	176,671	100.0%	155,710	100.0%	20,961	13.5%	7.5%

ADJUSTED EBITDA BY DIVISION

	Quarter ended		30.06.2021	% on Revenues	Change	%
	30.06.2022	% on Revenues				
Datalogic	21,891	12.7%	24,517	16.2%	(2,626)	-10.7%
Informatics	621	14.1%	713	15.7%	(92)	-12.9%
Eliminations	(8)		8		(16)	n.a.
Total Adjusted EBITDA	22,504	12.7%	25,238	16.2%	(2,734)	-10.8%

DATALOGIC DIVISION

In the second quarter of 2022, Datalogic Division reported a turnover of €172.6 million, increasing by 14.0% (+8.2% at constant exchange rates) compared to the same period of 2021. The geographic area that contributed most was EMEA1, where the division developed 54.8% of turnover in the second quarter of 2022, with a growth of 17.8% (+16.7% at organic level).

Division's Adjusted EBITDA was €21.9 million, 12.7% revenues (16.2% in the second quarter of 2021), although recovering from previous quarter, thanks to pricing and volumes, still suffer the increase of the material costs and logistic, caused by component shortages and inflation.

Below is the breakdown by industry of Datalogic Division's revenues:

	Quarter ended		30.06.2021 Restated	%	Change	%	% ch. net FX
	30.06.2022	%					
Retail	64,217	37.2%	52,153	34.4%	12,064	23.1%	15.0%
Manufacturing	48,200	27.9%	43,386	28.7%	4,814	11.1%	6.7%
Transportation & Logistics	25,682	14.9%	23,477	15.5%	2,205	9.4%	3.5%
Healthcare	4,085	2.4%	4,137	2.7%	(52)	-1.3%	-6.6%
Channel	30,426	17.6%	28,258	18.7%	2,168	7.7%	3.8%
Total Revenues	172,610	100.0%	151,411	100.0%	21,199	14.0%	8.2%

The second quarter of 2022 recorded a growth in all sectors except Healthcare (-1.3%). Retail and Manufacturing sectors represented, particularly in the second quarter of the year, the markets with the highest growth rates, where the Group reported turnover increases of 23.1% and 11.1%, respectively.

Transportation & Logistics sector increase by 9.4% (+3.5% at constant exchange rates) over the same quarter last year, thanks to EMEAI offsetting slowdowns in the US and Asian markets. Sales through the distributors recorded a positive performance compared to the same quarter of 2021 and equal to +7.7% driven by EMEAI.

INFORMATICS DIVISION

Informatics Division recorded a 3.2% (-14.0% at constant exchange rates) decrease in revenues in the second quarter of 2022. EBITDA amounted to €0.6 million at 14.1% of revenues (€0.7 million in the second quarter of 2021, 15.7% of revenues).

GROUP RECLASSIFIED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD

The following table shows the main financial and equity items as of June 30, 2022, compared with December 31, 2021.

	30.06.2022	31.12.2021	Change	Ch. %
Intangible assets	81,919	81,631	288	0.4%
Goodwill	224,930	193,497	31,433	16.2%
Tangible assets	118,052	118,918	(866)	-0.7%
Financial assets and investments in associates	11,742	12,335	(593)	-4.8%
Other non-current assets	53,257	50,889	2,368	4.7%
Fixed Assets	489,900	457,270	32,630	7.1%
Trade receivables	98,484	87,279	11,205	12.8%
Trade payables	(132,593)	(139,121)	6,528	-4.7%
Inventories	148,665	136,721	11,944	8.7%
Net Trade Working Capital	114,556	84,879	29,677	35.0%
Other current assets	31,661	29,309	2,352	8.0%
Other current liabilities and provisions for risks	(66,443)	(67,349)	906	-1.3%
Net Working Capital	79,774	46,839	32,935	70.3%
Other non-current liabilities	(47,404)	(44,923)	(2,481)	5.5%
Post-employment benefits	(6,938)	(7,088)	150	-2.1%
Non-current Provisions for risks	(4,414)	(4,314)	(100)	2.3%
Net Invested Capital	510,918	447,784	63,134	14.1%
Shareholders' Equity	(439,035)	(421,724)	(17,311)	4.1%
Net financial position (NFP)	(71,883)	(26,060)	(45,823)	175.8%

Net Invested Capital was €510.9 million (€447.8 million as of December 31, 2021), increased by €63.1 million, of which €32.9 million in Net Working Capital and €32.6 million in Fixed Assets.

Fixed assets, amounting to €489.9 million (€457.3 million as of December 31, 2021), increased by €32.6 million mainly due to exchange rate differences for €15.7 million and the provisional recognition of goodwill arising from the acquisition of Pekat Vision for approximately €15.8 million.

Net Trade Working Capital as of June 30, 2022 was €114.6 million, increasing by €29.7 million compared to December 31, 2021, from 14.2% to 18.4% on sales at the end of the first half of 2022. The change in the period was affected both by the stock increase, particularly raw materials and semi-finished goods, driven by shortage phenomena and longer sales' orders conversion due to the shortage itself, and from seasonality which led to a lower commercial exposure to suppliers of approximately €6.5 million and to an increase in trade receivables of €11.2 million, also driven by volumes recorded in the second quarter.

Net Financial Position as of June 30, 2022 was negative by €71.9 million. Cash flows, which brought about the change in consolidated Net Financial Position compared to December 31, 2021, are summarised as follows:

	30.06.2022	30.06.2021	Change
Net Financial Position (Net Debt) at the beginning of the period	(26,060)	8,218	(34,278)
Adjusted EBITDA	34,256	46,840	(12,584)
Change in net trade working capital	(31,887)	(15,748)	(16,138)
Other changes in net working capital	1,944	3,997	(2,052)
Net investments	(10,310)	(13,554)	3,245
Taxes	(2,368)	(2,983)	615
Net financial income (expenses)	(4,532)	(357)	(4,175)
Dividend distribution	(16,934)	(9,638)	(7,296)
Acquisitions	(15,994)	(34,972)	18,978
Change in Net Financial Position	(45,823)	(26,416)	(19,407)
Net Financial Position (Net Debt) at the end of the period	(71,883)	(18,198)	(53,685)

Cash generated from operations before changes in working capital during the first quarter of 2022 was absorbed, more than in the same period of the previous year, with a greater absorption mainly to a decrease in marginality and by working capital as illustrated above. The Group's equity and financial solidity made it possible to finalise the acquisition of Pekat Vision in the first quarter of 2022, which involved a financial outlay of approximately €16.0 million and investments of €10.3 million. Dividends of €16.9 million were also distributed in the first half of 2021.

As of June 30, 2022, the Net Debt/(Net Financial Position) is broken down as follows:

	30.06.2022	31.12.2021
A. Cash	100,348	106,068
B. Cash equivalents	13	12
C. Other current financial assets	2,407	2,207
D. Cash and cash equivalents (A) + (B) + (C)	102,768	108,287
E. Current financial debt	4,916	8,041
<i>E1. of which lease payables</i>	3,971	4,446
F. Current portion of non-current financial debt	107,331	62,888
G. Current financial debt (E) + (F)	112,247	70,929
H. Current Net Debt (Net Financial Position) (G) - (D)	9,479	(37,358)
I. Non-current financial debt	62,404	63,418
<i>I1. of which lease payables</i>	12,934	13,100
J. Debt instruments	-	-
K. Trade and other non-current payables	-	-
L. Non-current financial Debt (I) + (J) + (K)	62,404	63,418
M. Net Debt/(Net Financial Position) (H) + (L)	71,883	26,060

As of June 30, 2022, the Group had outstanding financial credit lines of approximately €253.0 million, of which approximately €200.0 million were committed. Unused and immediately available financial lines amount to €95.0 million.

Indirect debt subject to conditions as of June 30, 2022 is represented exclusively by the provision for Group post-employment benefits, amounting to €6.9 million.

SIGNIFICANT EVENTS DURING THE PERIOD

ACQUISITION OF PEKAT VISION

On March 21, 2022, the acquisition of the entire share capital of Pekat S.r.o., a company based in Brno in the Czech Republic, through the subsidiary Datalogic S.r.l., was finalized. Pekat Vision is a start-up that develops proprietary machine and deep learning algorithms in vision systems for process automation mainly in the Manufacturing and T&L sectors, with further potential in the Retail sector. Pekat solutions, highly innovative and performing, are interoperable and easily integrated with devices and platforms in different application areas. The acquisition, which took place for a consideration of €16.0 million, enables the Group to pursue its strategic objectives of growth and technological innovation, enhancing the Datalogic offer with cutting-edge solutions based on Artificial Intelligence (AI).

GOVERNANCE

On April 29, 2022, the Shareholders' Meeting appointed the new Board of Directors, to hold office for the financial years 2021-2023, and resolved to distribute an ordinary unit dividend of €0.30 per share, gross of legal withholdings, for a maximum total amount of €17.5 million.

The same Shareholders' Meeting also resolved to

- confirm, pursuant to and for the purposes of art. 2386, paragraph 1, of the Italian Civil Code and art. 15 of the Articles of Association, Maria Grazia Filippini as a Director of the Company, providing that she remains in office until the expiry of the term of office of the other current Directors and, therefore, until the date of the Shareholders' Meeting called to approve the financial statements as of December 31, 2023;
- set the number of members of the Board of Directors at eight and consequently appoint a new director of the Company, in the person of Mr. Pietro Todescato, providing that he remains in office until the expiry of the term of office of the other current Directors and, therefore, until the date of the Shareholders' Meeting called to approve the financial statements as of December 31, 2023;
- to appoint the Board of Statutory Auditors and the Chair of the Board of Statutory Auditors for a period of three financial years and therefore up to the date of the Shareholders' Meeting which will be called to approve the financial statements as of December 31, 2024, in the persons of: Diana Rizzo, Chair; Elena Lancellotti, Standing Auditor; Roberto Santagostino, Standing Auditor; Giulia De Martino, Alternate Auditor; Patrizia Cornale, Alternate Auditor; Eugenio Burani, Alternate Auditor.

RUSSIAN-UKRAINIAN CONFLICT

Socio-political tensions that resulted in a conflict between Russia and Ukraine on February 24, 2022, the developments of which at present are not yet predictable, led Western countries to enact economic sanctions against Russia. The Group does not have offices in the countries currently directly affected by the conflict, nor do these represent significant outlet or supply markets for the same. The potential effects of this event on the Group's economic and equity results are however subject to constant monitoring.

SUBSEQUENT EVENTS

Nothing to report.

BUSINESS OUTLOOK

First-half results, a strong backlog and the actions undertaken on pricing and supply chain, allow us to remain confident in achieving the results expected for the second half of 2022, where we expect to grow sales compared to the previous year, and keep operating margin substantially in line with that of the first half, despite higher uncertainties for the last quarter of the year due to macroeconomic scenarios, the continuing supply chain constraints and the reversal of the booking trends occurred in the last quarter.

SECONDARY LOCATIONS

The Parent Company has no secondary locations.

The Chairman of the Board of Directors
(Mr Romano Volta)

Consolidated Financial Statements



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (€/000)	Notes	30.06.2022	31.12.2021
A) Non-current assets (1+2+3+4+5+6+7)		489,900	457,270
1) Tangible assets		101,573	101,780
Land	1	12,913	12,524
Buildings	1	53,497	52,649
Other assets	1	31,949	32,600
Assets in progress and payments on account	1	3,214	4,007
2) Intangible assets		306,849	275,128
Goodwill	2	224,930	193,497
Development costs	2	27,129	21,786
Other	2	37,067	39,703
Assets in progress and payments on account	2	17,723	20,142
3) Right-of-use assets	3	16,479	17,138
4) Equity investments in associates	4	460	530
5) Non-current financial assets		11,282	11,805
Equity investments	6	11,282	11,805
6) Trade and other receivables	7	792	821
7) Deferred tax assets	12	52,465	50,068
B) Current assets (8+9+10+11+12)		381,578	361,596
8) Inventories		148,665	136,721
Raw and ancillary materials and consumables	8	84,144	83,681
Work in progress and semi-finished products	8	26,153	19,865
Finished products and goods	8	38,368	33,175
9) Trade and other receivables		118,385	105,145
Trade receivables	7	98,484	87,279
<i>of which from associates</i>	7	2,804	2,435
<i>of which from related parties</i>	7	9	7
Other receivables, accrued income and prepaid expenses	7	19,901	17,866
10) Tax receivables	9	11,760	11,443
<i>of which to Parent Company</i>		1,807	1,807
11) Current financial receivables	6	2,407	2,207
12) Cash and cash equivalents		100,361	106,080
Total Assets (A+B)		871,478	818,866

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

LIABILITIES (€/000)	Notes	30.06.2022	31.12.2021
A) Total Shareholders' Equity (1+2+3+4+5+6)	10	439,035	421,724
1) Share capital	10	30,392	30,392
2) Reserves	10	144,798	119,668
3) Retained earnings (losses)	10	251,613	229,691
4) Profit/(Loss) for the period	10	8,843	38,913
5) Group Shareholders' Equity	10	435,646	418,665
Profit/Loss for the period of Minority interests	10	254	627
Shareholders' Equity of Minority interests	10	3,135	2,432
6) Minority interests		3,389	3,060
B) Non-current liabilities (7+8+9+10+11+12)		121,160	119,743
7) Non-current financial payables	11	62,404	63,418
8) Tax payables		864	793
9) Deferred tax liabilities	12	26,861	25,844
10) Post-employment benefits	13	6,938	7,088
11) Provisions for risks and charges, non-current	14	4,414	4,314
12) Other liabilities	15	19,679	18,286
C) Current liabilities (13+14+15+16)		311,283	277,399
13) Trade and other payables		187,735	190,566
Trade payables	15	132,593	139,121
of which to associates	15	72	156
of which to related parties		-	105
Other payables, accrued liabilities and deferred income	15	55,142	51,445
14) Tax payables	9	7,949	12,420
of which to Parent Company		3,450	3,450
15) Provisions for risks and charges, current	14	3,352	3,484
16) Current financial payables	11	112,247	70,929
Total Liabilities (A+B+C)		871,478	818,866

CONSOLIDATED INCOME STATEMENT

(€/000)	Notes	30.06.2022	30.06.2021 Restated
1) Revenues	16	314,599	290,076
Revenues from sale of products		292,971	271,477
Revenues from services		21,628	18,599
<i>of which to related parties and associates</i>		6,058	4,382
2) Cost of goods sold	17	184,497	156,524
<i>of which to related parties and associates</i>		146	311
Gross Operating Margin (1-2)		130,102	133,552
3) Other revenues	18	719	711
4) Research and development expenses	17	30,638	29,113
<i>of which to related parties and associates</i>		275	272
5) Distribution expenses	17	54,573	48,867
<i>of which to related parties and associates</i>		91	62
6) General and administrative expenses	17	28,902	27,113
<i>of which to related parties and associates</i>		98	110
<i>of which to Parent Company</i>		90	-
7) Other operating expenses	17	1,083	1,477
Total operating costs		115,195	106,570
Operating result		15,626	27,693
8) Financial income	19	20,160	9,684
9) Financial expenses	19	24,692	10,041
Financial income/(expenses) (8-9)		(4,532)	(357)
Profit/(Loss) before taxes from continuing operations		11,094	27,336
Income taxes	20	1,997	4,168
Profit/(Loss) for the period from continuing operations		9,097	23,168
Net Profit/(Loss) for the period		9,097	23,168
Basic earnings/(loss) per share (€)	21	0.16	0.40
Diluted earnings/(loss) per share (€)	21	0.16	0.40
Attributable to:			
Shareholders of the Parent Company		8,843	22,804
Minority interests		254	364

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€/000)	Notes	30.06.2022	30.06.2021 Restated
Net Profit/(Loss) for the period		9,097	23,168
Other components of the statement of comprehensive income:			
Other components of the statement of comprehensive income which will be subsequently reclassified to Profit/(Loss) for the period			
Profit/(Loss) on hedging financial instruments (cash flow hedge)	10	48	70
Profit/(Loss) due to translation of the accounts of foreign companies	10	25,950	7,589
Total other components of the Statement of comprehensive income which will be subsequently reclassified to Profit/(Loss) for the period		25,998	7,659
Other components of the Statement of comprehensive income which will not be subsequently reclassified to Profit/(Loss) for the period			
Actuarial gains (losses) on defined-benefit plans <i>of which tax effect</i>			
Profit/(Loss) from financial assets at FVOCI <i>of which tax effect</i>	10	(762) 9	835 (11)
Total other components of the Statement of comprehensive income which will not be subsequently reclassified to Profit/(Loss) for the period		(762)	835
Total profit/(loss) in the Statement of comprehensive Income		25,236	8,494
Total comprehensive Profit/(Loss) for the period		34,333	31,662
Attributable to:			
Shareholders of the Parent Company		33,975	31,298
Minority interests		358	364

CONSOLIDATED STATEMENT OF CASH FLOW

(€/000)	Notes	30.06.2022	30.06.2021 Restated
Profit/(Loss) before taxes		11,094	27,859
Depreciation of tangible assets and write-downs	1, 2	6,725	6,315
Amortisation of intangible assets and write-downs	1, 2	8,579	7,522
Depreciation of right-of-use assets	3	2,215	2,097
Losses (Gains) from sale of fixed assets	17, 18	6	115
Change in provisions for risks and charges	14	(32)	164
Financial Income/(Expenses)	19	4,532	357
Other non-monetary changes		637	3,900
Cash flow generated (absorbed) from operations before changes in working capital		33,756	48,329
Change in trade receivables	7	(12,291)	(18,491)
Change in inventories	8	(11,944)	(28,566)
Change in trade payables	15	(6,591)	31,300
Change in other current assets	7	(2,035)	(135)
Change in other current liabilities	15	3,506	6,713
Change in other non-current assets	6	106	278
Change in other non-current liabilities	5	1,393	(263)
Cash flow generated (absorbed) from operations after changes in working capital		5,901	39,165
Change in taxes		(6,272)	(2,983)
Interest paid		(1,380)	(1,603)
Interest collected		218	268
Cash flow generated (absorbed) from operations (A)		(1,533)	34,847
Increase in intangible assets	2	(7,076)	(7,561)
Decrease in intangible assets	2	13	-
Increase in tangible assets	1	(3,857)	(3,755)
Decrease in tangible assets	1	22	(63)
Cash paid for business acquisition, net of cash acquired		(15,994)	(34,972)
Change in investments and current and non-current financial assets	5	(293)	10,150
Cash flow generated (absorbed) from investments (B)		(27,185)	(36,201)
Payment of financial liabilities	11	(46,603)	(24,977)
New financial liabilities	11	90,000	15,000
Other changes in financial liabilities	11	(2,868)	280
Payments of financial liabilities for leasing		(2,285)	(2,081)
(Purchase)/sale of treasury shares	10	-	-
Dividend payment	10	(16,934)	(9,638)
Effect of change in cash and cash equivalents		1,692	(863)
Other changes		(4)	-
Cash flow generated (absorbed) from financial activity (C)		22,998	(22,279)
Net increase (decrease) in available cash (A+B+C)		(5,720)	(23,633)
Net cash and cash equivalents at beginning of period		106,080	137,451
Net cash and cash equivalents at end of period		100,361	113,818

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

Description	Share capital	Share premium reserve	Treasury shares	Translation reserve	Other reserves	Retained earnings	Group Profit (Loss)	Group Shareholders' Equity	Profit (Loss) of Minority interests	Minority interest capital and reserve	Minority interests	Profit (Loss)	Shareholders' Equity
01.01.2022	30,392	111,779	(26,096)	22,746	11,239	229,692	38,913	418,665	627	2,432	3,060	39,540	421,724
Allocation of earnings	-	-	-	-	-	38,913	(38,913)	-	(627)	627	-	(39,540)	-
Dividends	-	-	-	-	-	(16,934)	-	(16,934)	-	-	-	-	(16,934)
Share-based incentive plan	-	-	4,698	-	(4,933)	235	-	-	-	-	-	-	-
Other changes	-	-	-	-	233	(291)	-	(58)	-	(28)	(28)	-	(86)
Net Profit/(Loss) for the period	-	-	-	-	-	-	8,843	8,843	254	-	254	9,097	9,097
Other components of the Statement of comprehensive income	-	-	-	25,846	(714)	-	-	25,132	-	104	104	-	25,236
Total comprehensive Profit (Loss)	-	-	-	25,846	(714)	-	8,843	33,975	254	104	358	9,097	34,333
30.06.2022	30,392	111,779	(21,398)	48,592	5,825	251,613	8,843	435,646	254	3,135	3,389	9,097	439,035

Description	Share capital	Share premium reserve	Treasury shares	Translation reserve	Other reserves	Retained earnings	Restated Group Profit (Loss)	Restated Group Shareholders' Equity	Profit (Loss) of Minority interests	Minority interest capital and reserve	Minority interests	Profit (Loss) Restated	Shareholders' Equity Restated
01.01.2021	30,392	111,779	(21,899)	2,331	6,204	225,816	13,582	368,205	300	1,853	2,153	13,882	370,358
Allocation of earnings	-	-	-	-	-	13,582	(13,582)	-	(300)	300	-	(13,882)	-
Dividends	-	-	-	-	-	(9,638)	-	(9,638)	-	-	-	-	(9,638)
Share-based incentive plan	-	-	-	-	1,804	-	-	1,804	-	-	-	-	1,804
Other changes	-	-	-	-	-	18	-	18	-	101	101	-	119
Net Profit/(Loss) for the period	-	-	-	-	-	-	22,804	22,804	364	-	364	23,168	23,168
Other components of the Statement of comprehensive income	-	-	-	7,589	905	-	-	8,494	-	-	-	-	8,494
Total comprehensive Profit (Loss)	-	-	-	7,589	905	-	22,804	31,298	364	-	364	23,168	31,662
30.06.2021	30,392	111,779	(21,899)	9,920	8,913	229,778	22,804	391,687	364	2,254	2,618	23,168	394,305

Explanatory Notes



EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

The Datalogic Group is the global leader in the markets of automatic data capture and process automation. The Company is specialised in the design and production of bar code readers, mobile computers, sensor, measurement and security sensors, vision and laser marking and RFID systems.

Its pioneering solutions contribute to increase efficiency and quality of processes in the areas of Retail, Manufacturing, Transportation & Logistics, and Healthcare, along the entire value chain.

Datalogic S.p.A. (hereinafter "Datalogic", the "Parent Company" or the "Company") is a joint-stock company listed on Euronext STAR Milan of Borsa Italiana S.p.A. and is headquartered in Italy. The address of the registered office is Via Candini, 2 - Lippo di Calderara (BO).

This Consolidated Half-Year Financial Report as of June 30, 2022 includes the figures of the Parent Company and its subsidiaries (defined hereinafter as the "Group") and the minority interests in associated companies.

The publication of the Datalogic Group's Consolidated Half-Year Financial Report as of June 30, 2022 was authorised by resolution of the Board of Directors on August 4, 2022.

BASIS OF PRESENTATION

1) General criteria

This Consolidated Half-Year Financial Report was drawn up pursuant to Art. 154-ter of Italian Legislative Decree 58 (TUF) of February 24, 1998, as subsequently amended and supplemented, as well as to the Consob Issuer Regulation. These drafting criteria comply with IAS 34 "Interim Financial Statements" providing the abbreviated notes required by this international accounting standard, supplemented to provide additional information, as necessary.

This Consolidated Half-Year Financial Report must therefore be read together with the Consolidated Financial Statements as of December 31, 2021, which were prepared in accordance with the IFRS accounting standards, endorsed by the European Union, approved by the Board of Directors on March 10, 2022 and available in the Investor Relations section of the Group's website (www.Datalogic.com).

This Consolidated Half-Year Financial Report is drawn up in thousands of euros, which is the Group's functional and presentation currency.

2) Financial statements

The financial statements adopted are compliant with those required by IAS 1 and were used in the Consolidated Financial Statements for the year ended as of December 31, 2021, in particular:

- current and non-current assets, as well as current and non-current liabilities are disclosed separately in the Statement of Financial Position. Current assets, which include cash and cash equivalents, are those set to be realised, sold or used during the Group's normal operational cycle; current liabilities are those whose extinction is envisaged during the Group's normal operating cycle or in the 12 months after the end of the period;

- with regard to the Income Statement, cost and revenue items are disclosed based on grouping by function, as this classification was deemed more explanatory for understanding the Group's economic result;
- the Statement of Comprehensive Income presents the components that determine profit/(loss) for the period and the costs and revenues reported directly under shareholders' equity;
- the Statement of Cash Flow is presented using the "indirect method".

3) New accounting standards, amendments and IFRS interpretations applied by the Group

On January 1, 2022, the following amendments to the accounting standards currently in force entered into effect:

- **Amendments to IFRS 3 Business Combinations:** the purpose of the amendments is to update the reference in IFRS 3 to the revised Conceptual Framework, without this leading to changes in the provisions of the principle.
- **Amendments to IAS 16 Property, Plant and Equipment:** the purpose of the amendments is not to allow the amount received from the sale of assets produced in the test phase of the asset to be deducted from the cost of tangible assets. These sales revenues and the related costs will therefore be recognised in the income statement.
- **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets:** the amendment clarifies that in the estimate of the possible cost of a contract, all costs directly attributable to the contract must be considered. Consequently, the assessment of the possible cost of a contract includes not only the incremental costs (such as, for example, the cost of the direct material used in the processing), but also all the costs that the company cannot avoid since it has stipulated the contract (such as, for example, the portion of depreciation of the machinery used to fulfil the contract obligations).
- **Annual Improvements 2018-2020:** the amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

The adoption of these amendments had no impact on the Group's consolidated financial statements.

4) New accounting standards issued but still not in force

At the reporting date of this Consolidated Half-Year Financial Report, some accounting criteria were issued but are not yet applicable, as described in the Group Consolidated Financial Statements as of December 31, 2021, to which reference is made. The Group intends to adopt these standards and interpretations, if applicable, when they will enter into force.

5) Use of estimates and assumptions

The preparation of the IFRS-compliant Consolidated Half-Year Financial Report requires Directors to apply accounting standards and methodologies that, in some cases, are based on valuations and estimates, which in turn refer to historic experience and assumptions based on specific circumstances at any given time. The application of such estimates and assumptions affects the amounts related to revenues, costs, assets and liabilities, as well as contingent liabilities disclosed and any relevant information. The actual amounts of accounting items, for which these estimates and

assumptions have been used, might be different from those reported due to the uncertainty characterising the assumptions and conditions on which estimates are based.

6) Consolidation area

This Consolidated Half-Year Financial Report as of June 30, 2022 includes the income statement and balance sheet data of Datalogic S.p.A. and all the companies that it directly or indirectly controls.

The list of equity investments included in the consolidation area is included in Annex 2 of the Explanatory Notes, with an indication of the methodology used.

As of June 30, 2022, there was a change in the scope of consolidation due to the acquisition, on March 21, 2022, of the entire share capital of the company Pekat S.r.o.

7) Translation criteria of foreign currency financial statements

The exchange rates used to determine the countervalue in Euro of financial statements expressed in foreign currency of subsidiaries (currency for 1 Euro) are shown hereunder:

Currency (ISO Code)	Quantity of currency for 1 Euro			
	June 2022	June 2022	December 2021	June 2021
	Final exchange change	Average exchange rate for the period	Final exchange change	Average exchange rate for the period
US Dollar (USD)	1.04	1.09	1.13	1.21
British Pound Sterling (GBP)	0.86	0.84	0.84	0.87
Swedish Krona (SEK)	10.73	10.48	10.25	10.13
Singapore Dollar (SGD)	1.45	1.49	1.53	1.61
Japanese Yen (JPY)	141.54	134.31	130.38	129.87
Australian Dollar (AUD)	1.51	1.52	1.56	1.56
Hong Kong Dollar (HKD)	8.15	8.56	8.83	9.36
Chinese Renminbi (CNY)	6.96	7.08	7.19	7.80
Brazilian Real (BRL)	5.42	5.56	6.31	6.49
Mexican Peso (MXN)	20.96	22.17	23.14	24.33
Hungarian Forint (HUF)	397.04	375.13	369.19	357.88
Czech crown (CZK)	24.74	24.65	n.a.	n.a.

BUSINESS COMBINATION

On March 21, 2022, the acquisition of the entire share capital through the subsidiary Datalogic S.r.l. of the company Pekat S.r.o. was completed.

Pekat S.r.o. is a company based in Brno in the Czech Republic that develops machine learning and deep learning algorithms for applications in the supply chain and industrial automation areas.

The following table shows preliminary fair value as of June 30, 2022 of the assets and liabilities of the acquisition, the preliminary goodwill deriving from the transaction and the net cash used for the acquisition:

Provisional PPA as of June 30, 2022	Book value	Fair value
Tangible assets	7	7
Intangible assets	384	384
Other non-current receivables	-	-
Inventories	-	-
Trade and other current receivables	77	77
Cash and cash equivalents	6	6
Financial liabilities	-	-
Liabilities for defined employee benefits	-	-
Deferred tax liabilities	-	-
Trade payables	(63)	(63)
Other payables	(191)	(191)
Net assets at acquisition date	221	221
% pertaining to Group	100%	100%
Group net assets	221	221
Consideration	16,000	16,000
Goodwill at acquisition date	15,779	15,779
Net cash used in acquisition:		
Cash and cash equivalents of acquiree	[A]	6
Payments made to the seller	[B]	16,000
Consideration		15,994
Net cash used in acquisition	[A] - [B]	15,994

Since the acquisition is a business combination, the Group has recognised it using the purchase method, in its accounting, pursuant to the revised IFRS 3. The cost of an acquisition is measured as the sum of the consideration transferred, measured at fair value on the acquisition date.

The preliminary goodwill emerging from this transaction amounted to €15,779 thousand. It should be noted that for the purposes of preparing this Consolidated Half-Year Financial Report, the accounting for the above-mentioned business combination was carried out on a provisional basis as the activities aimed at determining the fair value of assets, liabilities or contingent liabilities are in progress. As envisaged by IFRS 3, any possible adjustments shall be recognised within 12 months from the acquisition date.

SEGMENT DISCLOSURE

Operating segments are identified based on the management reporting used by senior management to allocate resources and evaluate results. Sales transactions amongst the operating segments indicated hereunder are executed at arm's length conditions, based on the Group transfer pricing policies. For 2022, the operating segments are identified as follows:

- **Datalogic**, which represents the Group's core business, designs and produces bar code scanners, mobile computers, detection, measurement and security sensors, vision and laser marking and RFID systems that contribute to increase the efficiency and quality of processes in the areas of Retail, Manufacturing, Transportation & Logistics and Healthcare. The newly acquired Pekat S.r.o. was included in this operating sector.
- **Informatics** sells and distributes products and solutions for the management of inventories and mobile assets tailored to small and medium-sized companies.

The **Financial information related to segments** as of June 30, 2022 and June 30, 2021 is as follows:

<i>Segment economic position</i>	Datalogic Business	Informatics	Adjustments	Total Group 30.06.2022
Revenues	306,655	8,513	(569)	314,599
Adjusted EBITDA	32,893	1,423	(60)	34,256
<i>% Revenues</i>	<i>10.73%</i>	<i>16.72%</i>		<i>10.89%</i>
EBIT	14,466	1,220	(60)	15,626

<i>Segment economic position</i>	Datalogic Business	Informatics	Adjustments	Total Group 30.06.2021 Restated
Revenues	281,528	8,976	(428)	290,076
Adjusted EBITDA	45,565	1,258	17	46,840
<i>% Revenues</i>	<i>16.18%</i>	<i>14.01%</i>		<i>16.15%</i>
EBIT	26,575	1,101	17	27,693

The **Equity information related to operating sectors** as of June 30, 2022 and December 31, 2021 is as follows.

<i>Segment financial position</i>	Datalogic Business	Informatics	Adjustments	Total Group 30.06.2022
Total Assets	875,436	26,937	(30,895)	871,478
Total Liabilities	431,506	7,464	(6,527)	432,443
Shareholders' Equity	443,930	19,473	(24,368)	439,035

<i>Segment financial position</i>	Datalogic Business	Informatics	Adjustments	Total Group 31.12.2021
Total Assets	824,658	24,891	(30,683)	818,866
Total Liabilities	395,093	7,784	(5,735)	397,142
Shareholders' Equity	429,565	17,107	(24,948)	421,724

INFORMATION ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

Note 1. Tangible assets

Tangible assets as of June 30, 2022 amounted to €101,573 thousand. Over the period, investments of €3,829 thousand and depreciation and amortisation of €6,725 thousand were recognised, while translation differences of balances shown in foreign currencies were positive for the amount of €2,682 thousand. The following is a breakdown of tangible assets as of June 30, 2022, compared with December 31, 2021.

	30.06.2022	31.12.2021	Change
Land	12,913	12,524	389
Buildings	53,497	52,649	848
Other assets	31,949	32,600	(651)
Assets in progress and payments on account	3,214	4,007	(793)
Total	101,573	101,780	(207)

Other assets as of June 30, 2022 include the following categories: industrial equipment and moulds (€12,649 thousand), plant and machinery (€9,044 thousand), office furniture and machines (€6,274 thousand), general plants related to buildings (€2,464 thousand), light constructions (€484 thousand), commercial equipment and *demo rooms* (€658 thousand), maintenance on third-party assets (€312 thousand), and motor vehicles (€64 thousand).

The balance of “Assets in progress and payments on account”, equal to €3,214 thousand, is composed primarily of €2,067 thousand for moulds under construction, €868 thousand for self-built equipment and production lines, €123 thousand for improvements to owned properties and €95 thousand for improvements to third-party buildings.

Note 2. Intangible assets

Intangible assets as of June 30, 2022 amounted to €306,849 thousand. In the first half of 2022, the following were recognised: investments of €7,063 thousand, goodwill from acquisitions following the provisional accounting of the purchase price allocation inherent in the acquisition of Pekat Vision of €15,779 thousand, and depreciation and amortisation of €8,580 thousand, while exchange rate effects were positive and amounted to €17,075 thousand. The following is a breakdown of intangible assets as of June 30, 2022, compared with December 31, 2021:

	30.06.2022	31.12.2021	Change
Goodwill	224,930	193,497	31,433
Development costs	27,129	21,786	5,343
Other	37,067	39,703	(2,636)
Assets in progress and payments on account	17,723	20,142	(2,419)
Total	306,849	275,128	31,721

Goodwill

Goodwill, amounting to €224,930 thousand, shows an overall increase of €31,433 thousand in the first half of 2022, €15,654 of which can be attributed to translation differences and 15,779 to goodwill recognized upon first consolidation of the newly acquired Pekat S.r.o. following the provisional accounting of the Purchase Price Allocation.

	30.06.2022	31.12.2021	Change
Datalogic CGU	210,573	180,101	30,472
Informatics CGU	14,357	13,396	961
Total	224,930	193,497	31,433

Goodwill has been allocated to the CGUs (Cash Generating Units) represented by the individual companies and/or sub-groups to which they refer. The estimated recoverable value of each cash generating unit (CGU), associated with each Goodwill being measured, is estimated through the corresponding value in use. In accordance with IAS 36, the Datalogic Group estimates value in use by discounting operating cash flows at a rate equal to the weighted average cost of debt and capital (Weighted Average Cost of Capital or "WACC") in order to determine the Enterprise Value.

As of June 30, 2022, the absence of impairment indicators that could cause a reduction in the value of reported assets was assessed and confirmed, as required by IAS 36, taking into account both internal and external sources of information.

Development costs, Other intangible assets and Assets in progress and payments on account

Development costs, amounting to €27,129 thousand as of June 30, 2022, consists of product development projects; the change for the period of €5,343 is determined by investments of €9,462 thousand in projects previously recorded as assets in progress and depreciation for the period of €4,121 thousand.

The "Other" item, amounting to €37,067 thousand, consists of intangible assets acquired through business combinations carried out by the Group and software licences as detailed below:

	30.06.2022	31.12.2021	Change
Patents	8,663	9,056	(394)
Know-how	5,647	6,307	(660)
Customer list	12,292	12,742	(450)
Licences	-	440	(440)
Software	10,466	11,158	(693)
Total	37,067	39,703	(2,636)

Assets in progress and payments on account, equal to €17,723 thousand, are related, in the amount of €17,274 thousand, to the capitalisation of costs for ongoing product development projects (€19,955 thousand as of December 31, 2021) as well as, for the amount of €449 thousand, to software implementations that are not yet completed. The change for the period is represented by €8,159 thousand from the reclassification of ongoing projects under 'Development Costs' and new investments for the period of €5,740 thousand.

Note 3. Right-of-use assets

Over the period, net investments amounted to €1,503 thousand, and depreciation to €2,215 thousand, while the exchange rate effects were positive for €53 thousand. Below is a breakdown of the item as of June 30, 2022 and December 31, 2021.

	30.06.2022	31.12.2021	Change
Buildings	14,284	14,989	(705)
Vehicles	1,998	1,974	24
Office equipment	197	175	22
Total	16,479	17,138	(659)

Note 4. Equity investments in associates

The non-controlling interests held by the Group, details of which can be found in Annex 2, amounted to €460 thousand as of June 30, 2022.

Note 5. Financial assets and liabilities by category

The following table provides a breakdown of “Financial assets and liabilities”, reported according to IFRS 9.

Financial assets

	Financial assets at amortised cost	Financial assets at FV through the Profit and Loss	Financial assets at FV through OCI	30.06.2022
Non-current financial assets	792	1,672	9,610	12,074
Financial assets - Equity investments	-	1,672	9,610	11,282
Other receivables	792	-	-	792
Current financial assets	218,746	2,407	-	221,153
Trade receivables	98,484	-	-	98,484
Other receivables	19,901	-	-	19,901
Financial assets - Loans	-	2,407	-	2,407
Cash and cash equivalents	100,361	-	-	100,361
Total	219,538	4,079	9,610	233,227

	Financial assets at amortised cost	Financial assets at FV through Profit and Loss	Financial assets at FV through OCI	31.12.2021
Non-current financial assets	821	1,301	10,504	12,626
Financial assets - Equity investments	-	1,301	10,504	11,805
Other receivables	821	-	-	821
Current financial assets	211,225	2,207	-	213,432
Trade receivables	87,279	-	-	87,279
Other receivables	17,866	-	-	17,866
Financial assets - Loans	-	2,207	-	2,207
Cash and cash equivalents	106,080	-	-	106,080
Total	212,046	3,508	10,504	226,058

Financial liabilities

	Derivatives	Financial liabilities at amortised cost	30.06.2022
Non-current financial liabilities	-	82,083	82,083
Financial payables	-	62,404	62,404
Other payables	-	19,679	19,679
Current financial liabilities	-	299,982	299,982
Trade payables	-	132,593	132,593
Other payables	-	55,142	55,142
Current financial payables	-	112,247	112,247
Total	-	382,065	382,065

	Derivatives	Financial liabilities at amortised cost	31.12.2021
Non-current financial liabilities	-	81,704	81,704
Financial payables	-	63,418	63,418
Other payables	-	18,286	18,286
Current financial liabilities	-	261,495	261,495
Trade payables	-	139,121	139,121
Other payables	-	51,445	51,445
Current financial payables	-	70,929	70,929
Total	-	343,199	343,199

The fair value of financial assets and financial liabilities is determined according to methods that can be classified in the various levels of the fair value hierarchy as defined by IFRS 13. In particular, the Group has adopted internal valuation models that are generally used in finance and based on prices supplied by market operators, or prices taken from active markets.

Fair value - hierarchy

All the financial instruments measured at fair value are classified in the three categories defined below:

Level 1: market prices;

Level 2: valuation techniques (based on observable market data);

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

Assets measured at fair value	Level 1	Level 2	Level 3	30.06.2022
Financial assets - Equity investments	9,610	-	1,672	11,282
Financial assets - Other	-	-	2,407	2,407
Total	9,610	-	4,079	13,689

Note 6. Financial assets and current financial receivables

Financial assets include the following:

	30.06.2022	31.12.2021	Change
Non-current financial assets	11,282	11,805	(523)
Current financial assets	2,407	2,207	200
Total	13,689	14,012	(323)

The change in the item "Non-current financial assets" is detailed below:

	30.06.2022	30.06.2021
As of January 1	11,805	7,823
Investments (Divestments)	195	430
Change in consolidation area	-	3
Profits/losses recognised in OCI	(771)	834
Gains/(losses) recognised in the Income Statement	(18)	(3)
Exchange rate adjustments	71	24
As of June 30,	11,282	9,111

Non-current financial assets amounted to €11,282 thousand and by €9,435 thousand are related to the 1.2% in the share capital investment in a Japanese company, namely Idec Corporation, while the remainder balance relates to investments in equity instruments of other companies by €438 thousand and investment funds by €1,409 thousand.

"Current financial assets" equal to €2,407 thousand relates to the investment in a capital convertible financial instrument issued by the company AWM Smart Shelf.

Note 7. Trade and other receivables

The following is a breakdown of "Trade and other receivables" as of June 30, 2022, compared with December 31, 2021:

	30.06.2022	31.12.2021	Change
Trade receivables	88,754	80,389	8,365
Contract assets - Invoices to be issued	10,660	7,105	3,556
Bad debt provisions	(3,743)	(2,657)	(1,086)
Net trade receivables	95,671	84,837	10,834
Receivables from associates	2,804	2,435	369
Receivables from related parties	9	7	2
Sub-total - Trade receivables	98,484	87,279	11,205
Other receivables - current accrued income and prepaid expenses	19,901	17,866	2,035
Other receivables - non-current accrued income and prepaid expenses	792	821	(29)
Sub-total - Other receivables - accrued income and prepaid expenses	20,693	18,687	2,006
Less: non-current portion	792	821	(29)
Trade and other receivables – current	118,385	105,145	13,240

Trade receivables

"Trade receivables" which amounted to €98,484 thousand as of June 30, 2022, showed an increase of €11,205 thousand compared to December 31, 2021. As of June 30, 2022, trade receivables factored without recourse amounted to €38,885 thousand (compared to €33,052 thousand as of December 31, 2021). Trade receivables from associates arise from commercial transactions carried out at arm's length conditions.

Other receivables - accrued income and prepaid expenses

The details of the "Other receivables - accrued income and prepaid expenses" are shown below.

	30.06.2022	31.12.2021	Change
Other current receivables	3,233	1,763	1,470
Other non-current receivables	792	821	(29)
VAT receivables	12,514	12,632	(118)
Accrued income and prepaid expenses	4,154	3,471	683
Total	20,693	18,687	2,006

The increase in "Other current receivables" is mainly attributable to advances, guarantee deposits and INAIL receivables related to Italian companies.

"VAT credit" equal to €12,514 thousand relates to usual trade operations.

"Accrued income and prepaid expenses" item is mainly composed of the recognition of insurance contracts and hardware and software licenses, the change in the period is attributable to contractual renewals of license contracts.

Note 8. Inventories

Inventories amounting to €148,665 thousand show an increase of €11,944 thousand in the period. The change in the period is determined by the shortage of critical components and by the supply's policies implemented to manage the increased demand, and the lengthening of the order fulfillment.

	30.06.2022	31.12.2021	Change
Raw, ancillary materials and consumables	84,144	83,681	463
Work in progress and semi-finished products	26,153	19,865	6,288
Finished products and goods	38,368	33,175	5,193
Total	148,665	136,721	11,944

Inventories are disclosed net of an obsolescence provision totalling €12,240 thousand as of June 30, 2022 (€10,777 thousand as of December 31, 2021).

Note 9. Tax payables and receivables

	30.06.2022	31.12.2021	Change
Tax receivables	11,760	11,443	317
<i>of which to Parent Company</i>	<i>1,807</i>	<i>1,807</i>	-
Tax payables	(7,949)	(12,420)	4,471
<i>of which to Parent Company</i>	<i>(3,450)</i>	<i>(3,450)</i>	-
Total	3,811	(977)	4,788

As of June 30, 2022, the net balance of "Tax receivables and payables" was positive and equal to €3,811 thousand, showing a change of €4,788 thousand compared to December 31, 2021. The change in the period is due to the settlement of withholding tax liabilities as well as advance payments from Italian companies.

LIABILITIES AND SHAREHOLDERS' EQUITY

Note 10. Shareholders' Equity

The composition of the Shareholders' Equity as of June 30, 2022 is shown below:

	30.06.2022	31.12.2021	Change
Share capital	30,392	30,392	-
Share premium reserve	111,779	111,779	-
Treasury shares held in portfolio	(21,398)	(26,096)	4,698
Share capital and reserves	120,773	116,075	4,698
Translation reserve	48,592	22,746	25,846
Other reserves	5,825	11,239	(5,414)
Retained earnings	251,613	229,691	21,922
Profit for the period	8,843	38,913	(30,070)
Total Group Shareholders' equity	435,646	418,664	16,982
Profit/Loss for the period of Minority interests	254	627	(373)
Shareholders' Equity of Minority interests	3,135	2,433	702
Total consolidated Shareholders' Equity	439,035	421,724	17,311

Share capital

As of June 30, 2022, the share capital of €30,392 thousand represents the share capital fully subscribed and paid in by the Parent Company Datalogic S.p.A. It comprises a total number of ordinary shares of 58,446,491, of which 1,735,853 are held as treasury shares for a value of €21,398 thousand, for which the outstanding shares as of that date amounted to 56,710,638. The shares have a nominal value of €0.52 each.

Other Reserves

As of June 30, 2022, there was a change in the 'Treasury share reserve' of €4,698 thousand following the completion of the 2019-2021 share-based incentive plan for which vested rights assignment to the beneficiaries has been initiated.

'Translation reserve' marks an incremental change of €25,846 thousand in the first half of the year, in particular due to the effects of the US dollar trend, currency to whom the Group is mainly exposed.

Note 11. Financial payables

“Financial payables” as of June 30, 2022 amounted to €174,651 thousand, recording an increase of €40,304 thousand as detailed below.

	30.06.2022	31.12.2021	Change
Bank borrowings	157,018	113,206	43,812
Lease financial payables	16,905	17,546	(641)
Payables to factoring companies	430	2,537	(2,107)
Other financial liabilities	192	998	(806)
Bank overdrafts	106	60	46
Total	174,651	134,347	40,304

The change in the "Bank borrowings" for the period is a result of the draw down of credit lines of €90,000 thousand, of which €55,000 thousand are long-term on 'Roller Coaster' and 'RCF' loans and €35,000 thousand on short-term 'Hot Money' lines. Loans and credit lines repaid during the six-month period totalled €46,603 thousand.

	30.06.2022	30.06.2021
As of January 1	113,206	130,753
Increases	90,000	15,000
Change in consolidation area	-	1.544
Decreases for borrowing repayments	(46,603)	(24,477)
Other changes	415	280
As of June 30,	157,018	123,100

The breakdown of financial payables divided between current and non-current portion is shown below:

	30.06.2022	31.12.2021	Change
Non-current financial payables	62,404	63,418	(1,014)
Current financial payables	112,247	70,929	41,318
Total	174,651	134,347	40,304

Covenants

Some loan agreements require the Group to comply with financial covenants, measured on a half-yearly basis as of June 30 and December 31, summarised in the following table:

Financing	Company	Covenants	Frequency	Reference financial statements
Club Deal	Datalogic S.p.A.	NFP/EBITDA 2.75	Half-year	Consolidated
RCF	Datalogic S.p.A.	NFP/EBITDA 2.75	Half-year	Consolidated
Roller Coaster	Datalogic S.p.A.	NFP/EBITDA 3.00	Half-year	Consolidated

As of June 30, 2022, all requirements under the covenants had been met.

Note 12. Net deferred taxes

Deferred tax assets and liabilities derive both from positive components already posted to the Income statement, the taxation of which is deferred in application of current tax regulations, and from differences of a temporary nature between the value of the assets and liabilities posted to the Consolidated Financial Statements and their relative value for tax purposes.

Deferred tax assets are recorded in accordance with the assumptions of the future recoverability of the temporary differences from which they originated, i.e. on the basis of strategic plans of an economic and tax nature.

The temporary differences that generate deferred tax assets are mainly represented by tax losses and taxes paid in foreign countries, provisions for risks and charges and exchange rate differences. Deferred tax liabilities are mainly attributable to temporary differences for exchange rate differences and statutory and tax differences of the amortisation/depreciation of tangible and intangible assets, as well as to fair value measurements of assets as part of business combinations carried out by the Group.

	30.06.2022	31.12.2021	Change
Deferred tax assets	52,465	50,068	2,397
Deferred tax liabilities	(26,861)	(25,844)	(1,017)
Net deferred taxes	25,604	24,224	1,380

The change in deferred taxes is linked to the release of deferred taxes recognised on income and charges that have become fiscally relevant in the period.

Deferred tax assets include assets related to receivables for taxes paid foreign countries, the recoverability of which is subject to time limits. Estimates of taxable income are periodically reviewed in order to verify the recoverability of assets recorded in the balance sheet.

Note 13. Post-employment and retirement benefits

The breakdown of changes in the "Post-employment and retirement benefits" item as of June 30, 2022 and June 30, 2021 is shown below:

	30.06.2022	30.06.2021
As of January 1	7,088	6,862
Accruals	1,789	928
Payments	(1,175)	(1,110)
Change in consolidation area	-	469
Receivable from INPS (Social Security Agencies)	(766)	(77)
Other movements	2	13
As of June 30	6,938	7,085

Note 14. Provisions for risks and charges

As of June 30, 2022, the “Provisions for risks and charges” amounted to €7,766 thousand (€7,798 thousand as of December 31, 2021) and are represented by the best estimate of the contingent liabilities to which the Group is exposed in relation to contractual obligations for product warranties, as well as contingent liabilities of a tax, labour law and agents’ supplementary indemnity nature, as illustrated below.

	31.12.2021	Increases	(Uses) and (Releases)	Currency exchange differences	30.06.2022
Product warranty provision	6,844	105	(165)	3	6,787
Other provisions	954	20	(2)	7	979
Total	7,798	125	(167)	10	7,766

The “**Product warranty provision**” covers the estimated cost of repairing products sold up to June 30, 2022 and covered by a warranty period; said provision amounted to €6,787 thousand (of which €3,866 thousand long-term).

The “**Others**” item as of June 30, 2022 amounted to €979 thousand and is composed primarily of allocations made against agents’ supplementary indemnity and for contingent liabilities of a fiscal and labour law nature.

The breakdown of provisions for risks is shown below, broken down into current and non-current portions:

	30.06.2022	31.12.2021	Change
Provisions for risks and charges, current	3,352	3,484	(132)
Provisions for risks and charges, non-current	4,414	4,314	100
Total	7,766	7,798	(32)

Note 15. Trade payables and other payables, accrued liabilities and deferred income

	30.06.2022	31.12.2021	Change
Trade payables	128,862	135,427	(6,566)
Contractual liabilities - customer advances	3,659	3,433	227
Trade payables	132,521	138,860	(6,339)
Payables to associates	72	156	(84)
Payables to related parties	-	105	(105)
Total Trade payables	132,593	139,121	(6,528)
Other current liabilities	34,124	33,091	1,033
Accrued liabilities and deferred income - current	21,018	18,354	2,664
Accrued liabilities and deferred income - non-current	19,679	18,286	1,393
Total Other payables - accrued liabilities and deferred income	74,821	69,731	5,090
Less: non-current portion	19,679	18,286	1,393
Current portion	187,735	190,566	(2,831)

Trade payables

Trade payables amounted to €132,593 thousand, decreasing by €6,528 thousand compared to the previous year.

Other current liabilities

	30.06.2022	31.12.2021	Change
Payables to employees	22,027	20,402	1,625
Payables to pension and social security	6,901	7,028	(127)
Other payables	2,183	2,525	(342)
VAT payables	3,013	3,136	(123)
Total	34,124	33,091	1,033

The item “Other current liabilities”, amounting to €34,124 thousand as of June 30, 2022, is mainly represented by “Payables to employees” for the fixed and variable component of remuneration, for holidays, as well as the related “Payables to pension and social security” for the related social security contributions. The change in the period is mainly attributable to unused holiday entitlements and currency exchange effects.

Accrued liabilities and deferred income

The item “Accrued liabilities and deferred income”, amounting to €40,697 thousand as of June 30, 2022 is mainly composed of deferred revenues related to the *Ease of Care* multi-year maintenance contracts. The increase for the year of €4,057 thousand (€36,640 thousand as of December 31, 2021) is due to the execution of new contracts especially related to American companies.

INFORMATION ON THE INCOME STATEMENT

Note 16. Revenues

Revenues divided by type are shown in the following table:

	30.06.2022	30.06.2021 Restated	Change
Revenues from sale of products	292,971	271,477	21,494
Revenues from services	21,628	18,599	3,029
Total Revenues	314,599	290,076	24,523

As of June 30, 2022, consolidated net revenues amounted to €314,599 thousand, with a growth of 8.5% compared with €290,076 thousand in the same period of 2021. The Group's revenues, classified by recognition method and business segment, are broken down as follows:

Revenues broken down by recognition method	Datalogic	Informatics	Adjustments	30.06.2022
Revenues from sale of goods and services - point in time	275,958	5,142	(569)	280,531
Revenues from sale of goods and services - over the time	30,697	3,371	-	34,068
Total	306,655	8,513	(569)	314,599

Revenues broken down by recognition method	Datalogic	Informatics	Adjustments	30.06.2021 Restated
Revenues from sale of goods and services - point in time	256,354	6,480	(428)	262,407
Revenues from sale of goods and services - over the time	25,173	2,496	-	27,669
Total	281,528	8,976	(428)	290,076

The Group recognises revenues from the sale of goods and services in a specific moment, i.e. when the control of the assets has been transferred to the customer, generally upon delivery of the goods or the rendering of the service. Revenue is recognised over time instead, based on the stage of completion of the contractual obligations, when the service does not create an asset that has an alternative use for the Group and the Group has the right to payment of the completed service until the date in question.

Revenues broken down by type	Datalogic	Informatics	Adjustments	30.06.2022
Sale of goods	288,720	4,820	(569)	292,971
Sale of services	17,935	3,693	-	21,628
Total	306,655	8,513	(569)	314,599

Revenues broken down by type	Datalogic	Informatics	Adjustments	30.06.2021 Restated
Sale of goods	265,765	6,140	(428)	271,477
Sale of services	15,763	2,836	-	18,599
Total	281,528	8,976	(428)	290,076

Note 17. Cost of goods sold and operating expenses

The following table shows the trends in cost of goods sold and operating costs as of June 30, 2022, compared with the same period of the previous year, including non-recurring costs and expenses.

	30.06.2022	30.06.2021 Restated	Change
Cost of goods sold	184,497	156,524	27,973
Operating expenses	115,195	106,570	8,625
Research and development expenses	30,638	29,113	1,525
Distribution expenses	54,573	48,867	5,706
General and administrative expenses	28,902	27,113	1,789
Other operating expenses	1,083	1,477	(394)
Total	299,692	263,094	36,598

Cost of goods sold

Cost of goods sold as of June 30, 2022 amounted to €184,497 thousand with a change for the period of 17.9% following the increase in volumes particularly in the second quarter of the year. The incidence on turnover increased from 54.0% to 58.6%, as a result of inflationary phenomena that progressively led to a higher cost of supply of materials and components, as well as the increase in transportation and logistics costs.

Operating expenses

Operating expenses, amounting to €115,195 thousand, increased by €8,625 thousand (+8.1%) in the period compared to the same period in 2021, with the incidence on turnover substantially unchanged from 36.7% to 36.6%.

“Research and development expenses”, which amounted to €30,638 thousand as of June 30, 2022, showed an increase of €1,525 thousand compared with the same period of the previous year, accounting for 9.7% of turnover (10.0% during the first half of the previous year). The increase in the period is mainly attributable to technical consulting services due to ongoing development projects and amortisation of intangible assets arising from acquisitions.

“Distribution expenses” amounted to €54,573 thousand, increasing compared to the same period of 2021 by €5,706 thousand (+11.7%). The incidence on turnover increased from 16.8% to 17.3%, with the increase for the period driven particularly by marketing expenses, business travel and visits to customers, trade fairs and commercial events, which were still contained in the same period of the previous year due to the pandemic. Expenses for installation services in the T&L segment and logistics and shipping costs also increased.

“General and administrative expenses” amounted to €28,902 thousand as of June 30, 2022, an increase of €1,789 thousand compared with the same half of 2021, with an improvement of the incidence on turnover from 9.3% to 9.2%.

“Other operating expenses”, amounting to €1,083 thousand, decreased compared to the same period of the previous year and primarily consist of non-income taxes and duties and other operating costs.

Breakdown of costs by nature

The following table provides the details of total costs (cost of goods sold and total operating costs) by nature:

	30.06.2022	06.30.20201 Restated	Change
Purchases	145,710	148,687	(2,977)
Change in inventories	(8,090)	(32,966)	24,876
Personnel costs	90,923	87,685	3,238
Amortisation, depreciation and write-downs	17,524	15,935	1,589
Goods receipt and shipment expenses	17,488	15,241	2,247
Consumables and R&D material	3,732	3,219	513
Travel and meetings expenses	3,541	1,593	1,948
EDP expenses	3,323	2,576	747
Legal, tax and other advisory consultancies	2,632	3,679	(1,047)
Marketing expenses	2,224	1,102	1,122
R&D technical consultancies	2,027	1,123	904
Utilities	1,934	1,036	898
Royalties	1,555	1,461	94
Directors' remuneration	1,173	1,070	103
Building expenses	1,125	1,150	(25)
Installations	1,008	320	688
Repairs and warranty provision accrual	999	1,294	(295)
Telephone expenses	946	883	63
Commissions	887	779	108
Expenses for plant and machinery and other assets	880	724	156
Recruitment Fees	857	517	340
Sundry service costs	839	811	28
Repairs not under warranty	716	508	208
Quality certification expenses	664	664	-
Vehicle expenses	586	410	176
Insurance	569	449	120
Audit Fees	548	525	23
Subcontracted work	403	510	(107)
Entertainment expenses	297	184	113
Others	2,672	1,925	747
Total Cost of goods sold and operating costs	299,692	263,094	36,598

Costs for purchases and changes in inventories are up €21,899 thousand (+18.9%) compared to the same period in 2021. The incidence on turnover is 43.7%, up from the first half of 2021 when it was 39.9%, due to the increase in material and procurement costs.

Personnel costs, amounting to €90,923 thousand (€87,685 thousand in the first half of 2021) show a change of €3,238 thousand compared to the previous year (+3.7%), although improving in terms of incidence on turnover, they are down by 1.3 basis points compared to the same period in 2021, from 30.2% to 28.9%. The change in the period is attributable to the change in the consolidation area of approximately €1,600 thousand, as well as to foreign exchange effects, offset by a lower impact of the variable compensation component. The detailed breakdown of personnel costs is as follows:

	30.06.2022	30.06.2021	Change
Wages and salaries	70,454	67,637	2,817
Social security charges	14,433	13,847	586
Post-employment benefits	1,375	1,353	22
Severance indemnities and similar benefits	1,003	835	168
Other labour costs	3,658	4,013	(355)
Total	90,923	87,685	3,238

The item **“amortisation, depreciation and write-downs”**, amounting to €17,524 thousand, increased by €1,589 thousand, due to the higher investments made in recent years as well as the change in consolidation area and the amortisation of intangible assets recognised as a result of purchase price allocations.

“Goods receipt and shipment expenses”, equal to €17,488 thousand, increased by €2,247 thousand compared to the same period of the previous year. The incidence on turnover was 5.6% (5.3% in the first half of 2021). The performance can be attributed to the increase of transportation and logistics expenses in the current economic environment.

“Travel and meeting expenses” and **“Marketing expenses”**, respectively €3,541 thousand and €2,224 thousand, are increased overall by €3,070 thousand compared to the same period of the previous year, following the resumption of *site visits* to customers, events and trade fairs, suspended for most of 2021 due to the pandemic.

“Utilities”, equal to €1,934 thousand, up by €898 thousand compared to the same period of the previous year, reflect the increase in the cost of energy caused by inflationary phenomena.

“Consumables and R&D material”, **“R&D technical consultancies”**, overall increased by €1,417 thousand compared to the same period of the previous year in relation to the development of ongoing R&D projects.

Note 18. Other revenues

As of June 30, 2022, **“Other revenues”** amounted to €719 thousand, in line with the same period of the previous year and is mainly represented by indemnities and reimbursements. Below is the breakdown of other revenues:

	30.06.2022	30.06.2021	Change
Grants to Research and Development expenses	8	49	(41)
Miscellaneous income and revenues	601	510	91
Rents	51	13	38
Income on disposal of fixed assets	13	79	(66)
Contingent assets	22	28	(6)
Others	24	32	(8)
Total	719	711	8

Note 19. Financial Income/(Expenses)

	30.06.2022	30.06.2021	Change
Financial income/(expenses)	(857)	(908)	51
Foreign exchange differences	(3,294)	977	(4,271)
Fair Value investments	(88)	102	(190)
Bank expenses	(571)	(608)	37
Dividends	177	114	63
Others	101	(34)	135
Total Net Financial income/(expenses)	(4,532)	(357)	(4,175)

Net financial income/(Expenses) was negative by €4,532 thousand, worsening by €4,175 thousand compared to the same period in the previous year, the change in the period is mainly determined by the unfavourable trend in currency exchange differences due to the appreciation of the US dollar against the euro.

Note 20. Taxes

Taxes as of June 30, 2022 amounted at €1,997 thousand, with a Tax Rate of 18%, compared with 15.3% recorded in the first half of 2021 as shown below.

	30.06.2022	30.06.2021 Restated	Change
Profit/(Loss) before taxes	11,094	27,336	-16,242
Tax income (expenses) - for current taxes	1,217	13,220	-12,003
Tax income (expenses) - for deferred and advance taxes	780	(9,052)	9,832
Total Taxes	1,997	4,168	-2,171
Tax rate	18.0%	15.3%	2.8%

The tax rate as of June 30, 2022 reflects the annual effective tax rate expected for the entire financial year.

Note 21. Earnings/loss per share

Earnings/loss per share

As required by IAS 33, information on data used to calculate the earning/loss per share is provided below. Basic EPS is calculated by dividing the profit and/or loss for the period, attributable to the Shareholders of the Parent Company, by the weighted average number of ordinary shares outstanding during the reference period. For the purposes of calculation of diluted EPS, the weighted average number of outstanding shares is determined assuming translation of all potential shares with a dilutive effect (such as the stock-based incentive plan), and the Group's net profit is adjusted for the post-tax effects of translation.

	30.06.2022	30.06.2021 Restated
Group profit/(loss) for the period	9,097	23,168
Average number of shares (thousands)	56,451	57,904
Basic earnings/(loss) per share	0.16	0.40
Group profit/(loss) for the period	9,097	23,168
Average number of shares (thousands) - Diluted effect	56,451	58,644
Diluted earnings/(loss) per share	0.16	0.40

TRANSACTIONS WITH SUBSIDIARIES THAT ARE NOT CONSOLIDATED LINE BY LINE, ASSOCIATES AND RELATED PARTIES

For the definition of “Related parties”, see both IAS 24, approved by EC Regulation no. 1725/2003, and the Procedure for Transactions with Related Parties approved by the Board of Directors on November 4, 2010 (most recently amended on June 23, 2021), available on the Company’s website www.datalogic.com. The parent company of the Datalogic Group is Hydra S.p.A.

Intercompany transactions are executed as part of the ordinary operations and at arm's length conditions. Furthermore, there are other relationships with related parties, always carried out as part of ordinary operations and at arm’s length conditions, of an immaterial amount and in accordance with the “**Procedure for Transactions with Related Parties**”, chiefly with Hydra S.p.A. or entities under joint control (with Datalogic S.p.A.), or with individuals that carry out the coordination and management of Datalogic S.p.A. (including entities controlled by the same and close relatives).

Related-party transactions refer chiefly to commercial and real estate transactions (instrumental and non-instrumental premises for the Group under lease or leased) and advisory activities as well as to companies joining the scope of tax consolidation. None of these assumes particular economic or strategic importance for the Group since receivables, payables, revenues and costs referred to the related parties are not a significant proportion of the total amount of the financial statements.

Pursuant to Art. 5, paragraph 8, of the Consob Regulations, it should be noted that, over the period 01.01.2022 – 30.06.2022, the Company's Board of Directors did not approve any relevant transaction, as set out by Art. 3, paragraph 1, letter b) of the Consob Regulations, or any transaction with minority related parties that had a significant impact on the Group’s equity position or profit/(loss).

	Parent Company	Company controlled by Chair of B.o.D.	Companies not consolidated on a line-by-line basis	30.06.2022
Equity investments	-	-	460	460
Trade receivables and other, accrued income, prepaid expenses	-	9	2,804	2,813
Receivables pursuant to tax consolidation	1,807	-	-	1,807
Financial receivables	-	-	-	-
Payables pursuant to tax consolidation	3,450	-	-	3,450
Trade payables and other, accrued liabilities, deferred income	-	-	72	72
Financial payables	-	-	-	-
Commercial and service costs	90	581	29	700
Revenues and other operating revenues	-	-	6,058	6,058
Other revenues	-	-	65	65

NUMBER OF EMPLOYEES

	30.06.2022	30.06.2021	Change
Datalogic	2,946	2,929	17
Informatics	70	75	(5)
Total	3,016	3,004	12

The Chairman of the Board of Directors
(Mr Romano Volta)

Annexes

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ANNEX 1

Certification of Consolidated Half-Year Financial Report pursuant to Art. 81-ter of CONSOB Regulation no. 11971 of 14 May 1999 and following amendments and supplements

1. The undersigned, Ms Valentina Volta, as Chief Executive Officer, and Mr Alessandro D'Aniello, as Manager in charge of drawing up Datalogic S.p.A.'s accounting statements, and also taking account of provisions set forth by Art. 154-bis, par. 3 and 4, of Italian Legislative Decree no. 58 of February 24, 1998, hereby certifies:
 - the adequacy of the information on Company operations and
 - the actual application of the administrative and accounting procedures for the formation of the condensed half-year financial statements, during the first half of 2022.
2. The assessment of the adequacy of the administrative and accounting procedures for the formation of the Consolidated Half-Year Financial Report as of June 30, 2022 is based on a procedure defined by Datalogic S.p.A. in compliance with the Internal Control – Integrated Framework model, issued by the Committee of Sponsoring Organisations of the Treadway Commission, which is the reference framework generally accepted at international level.
3. We also certify that:
 - 3.1. The Consolidated Half-Year Financial Report:
 - a) were prepared in accordance with international accounting standards (IFRS), recognised in the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and the Council of 19 July 2002;
 - b) correspond to the accounting records;
 - c) provide a true and fair view of the financial position, the results of operations and the cash flows of the issuer and of the other companies included in the consolidation.
 - 3.2 The Consolidated Half-Year Financial Report includes references to key events, which occurred in the first six months of the financial year, and their impact on the condensed half-year financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The Half-Year Financial Report includes also a reliable analysis on information on significant transactions with related parties.

Lippo di Calderara di Reno, August 4, 2022

Chief Executive Officer

Valentina Volta

Manager in charge of drawing up
the accounting statements

Alessandro D'Aniello

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ANNEX 2

CONSOLIDATION AREA

The Consolidated Half-Year Financial Report includes interim reports of the Parent Company and the companies that are directly and/or indirectly controlled by the Parent Company or on which the latter has a significant influence. Reports of subsidiaries were duly adjusted, as necessary, to render them consistent with the accounting criteria of the Parent Company. The companies included in the consolidation area as of June 30, 2022, consolidated on a line-by-line basis, are disclosed hereunder:

Company	Registered office	Share capital		Total Shareholders' Equity (€/000)	Profit/loss for the period (€/000)	% Ownership
Datalogic S.p.A.	Bologna – Italy	€	30,392,175	358,741	28,185	
Datalogic Real Estate France Sas	Courtabeuf Cedex – France	€	2,227,500	3,893	59	100%
Datalogic Real Estate UK Ltd.	Redbourn - United Kingdom of Great Britain	GBP	3,500,000	4,688	29	100%
Datalogic IP Tech S.r.l.	Bologna – Italy	€	65,677	36,224	(1,251)	100%
Informatics Holdings, Inc.	Plano, Texas - USA	USD	1,568	19,219	792	100%
Wasp Barcode Technologies Ltd	Redbourn - United Kingdom of Great Britain	GBP	0	254	13	100%
Datalogic (Shenzhen) Industrial Automation Co. Ltd.	Shenzhen - China	CNY	2,136,696	5,522	806	100%
Datalogic Hungary Kft	Balatonboglár - Hungary	HUF	3,000,000	(3,198)	(4,948)	100%
Datalogic S.r.l.	Bologna – Italy	€	10,000,000	150,240	8,082	100%
Datalogic Slovakia S.r.o.	Trnava - Slovakia	€	66,388	2,176	629	100%
Datalogic USA Inc.	Eugene, OR - USA	USD	100	247,655	3,357	100%
Datalogic do Brazil Comercio de Equipamentos e Automacao Ltda.	Sao Paulo - Brazil	BRL	20,257,000	444	102	100%
Datalogic Tecnologia de Mexico S.r.l.	Colonia Cuauhtemoc - Mexico	MXN	0	(396)	(9)	100%
Datalogic Scanning Eastern Europe GmbH	Langen - Germany	€	25,000	3,995	38	100%
Datalogic Australia Pty Ltd	Mount Waverley (Melbourne) - Australia	AUD	3,188,120	1,398	77	100%
Datalogic Vietnam LLC	Vietnam	USD	3,000,000	26,639	3,359	100%
Datalogic Singapore Asia Pacific Pte Ltd.	Singapore	SGD	3	3,434	255	100%
Datasensing S.r.l.	Modena - Italy	€	2,500,000	17,812	998	100%
M.D. Micro Detectors (TIANJIN) CO., LTD.	Tianjin - China	CNY	13,049,982	1,310	(32)	100%
Micro Detectors Ibérica, S.A.U.	Barcelona - Spain	€	120,000	1,564	399	100%
Datalogic Japan Co., Ltd.	Tokyo - Japan	JPY	9,900,000	25	(48)	100%
PEKAT s.r.o.	Brno - Czech Republic	CKZ	202,000	27	(194)	100%
Suzhou Mobydata Smart System Co. Ltd.	Suzhou, JiangSu - China	CNY	161,224	6,810	519	51%

The following companies were consolidated using the equity method as of June 30, 2022:

Company	Registered office		Share capital	Total Shareholders' Equity (€/000)	Profit/loss for the period (€/000)	% Ownership
Datasensor GmbH (*)	Otterfing - Germany	€	150,000	1	10	30%
CAEN RFID S.r.l. (***)	Viareggio LU - Italy	€	150,000	756	(114)	20%
R4I S.r.l. (***)	Benevento - Italy	€	131,250	279	(108)	20%
Datalogic Automation AB (**)	Malmö, Sweden	SEK	100,000	1,273	500	20%

(*) data as of December 31, 2020

(**) data as of June 30, 2021

(***) data as of December 31, 2021

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ANNEX 3

RECONCILIATION OF ALTERNATIVE PERFORMANCE INDICATORS (NON-GAAP MEASURES)

The following table shows the reconciliation between EBIT and Adjusted EBIT as of June 30, 2022 compared with June 30, 2021:

	30.06.2022		30.06.2021 Restated		Change
Adjusted EBIT	19,218	6.11%	33,393	11.44%	(14,175)
Special Items - Other expenses and (income)	1,112	0.35%	3,212	1.10%	(2,100)
Special Items - D&A from acquisitions	2,480	0.79%	2,488	0.85%	(8)
Total	3,592	1.14%	5,700	1.95%	(2,108)
EBIT	15,626	5.0%	27,693	9.5%	(12,067)

The following table shows the reconciliation between the EBITDA and *the Adjusted* EBITDA as of June 30, 2022, compared with June 30, 2021.

	30.06.2022		30.06.2021 Restated		Change
Adjusted EBITDA	34,256	10.89%	46,840	16.15%	(12,584)
Cost of goods sold	37	0.01%	140	0.05%	(103)
Research and Development expenses	-	0.00%	779	0.27%	(779)
Distribution expenses	452	0.14%	630	0.22%	(178)
General and administrative expenses	623	0.20%	1,567	0.54%	(944)
Other (expenses) and income	-	0.00%	97	0.03%	(97)
Total	1,112	0.35%	3,212	1.11%	(2,100)
EBITDA	33,144	10.54%	43,628	15.04%	(10,484)

The alternative performance indicators previously illustrated are adjusted for income components arising from non-recurring events or transactions, restructuring activities, business reorganisation, write-downs of fixed assets, ancillary expenses related to acquisitions of businesses or companies or their disposals including amortisation resulting from the recognition of the *purchase price allocation*, any other event not representative of normal business activities.

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ANNEX 4

RESTATEMENT 2021

The comparative results as of June 30, 2021 have been restated following the definitive accounting of the *purchase price allocation* (PPA) related to the acquisition of the MD Group which took place in the fourth quarter of 2021, as required by the accounting standards IFRS 3 revised and IAS 1, as well as the reclassifications of some balance sheet items in order to ensure full comparability of the 2021 results with those of 2022.

INCOME STATEMENT RESTATEMENT

The table below shows the reconciliation between the Income Statement presented in the Half-Year Financial Report as of June 30, 2021 and the Income Statement restated at the same date.

(€/000)	30.06.2021	Restatement	30.06.2021 Restated
1) Revenues	292,010	(1,934)	290,076
Revenues from sale of products	273,411	(1,934)	271,477
Revenues from services	18,599	-	18,599
2) Cost of goods sold	158,458	(1,934)	156,524
Gross Operating Margin (1-2)	133,552	-	133,552
3) Other revenues	711	-	711
4) Research and development expenses	28,909	204	29,113
5) Distribution expenses	48,567	300	48,867
6) General and administrative expenses	27,094	19	27,113
7) Other operating expenses	1,477	-	1,477
Total operating costs	106,047	523	106,570
Operating result	28,216	(523)	27,693
8) Financial income	9,684	-	9,684
9) Financial expenses	10,041	-	10,041
Financial income/(expenses) (8-9)	(357)	-	(357)
Profit/(Loss) before taxes from continuing operations	27,859	(523)	27,336
Income taxes	4,325	(157)	4,168
Profit/(Loss) for the period from continuing operations	23,534	(366)	23,168
Net Profit/(Loss) for the period	23,534	(366)	23,168
Basic earnings/(loss) per share (€)	0.41	(0.01)	0.40
Diluted earnings/(loss) per share (€)	0.40	-	0.40
<i>Attributable to:</i>			
Shareholders of the Parent Company	23,164	(360)	22,804
Minority interests	370	(6)	364

RESTATEMENT OF SEGMENT DISCLOSURE

GROUP REVENUES BY GEOGRAPHICAL AREA

	30.06.2021	Restatement	30.06.2021 Restated
<i>Italy</i>	29,121	181	29,302
<i>EMEA (excluding Italy)</i>	133,698	(1,904)	131,794
Total EMEA	162,819	(1,722)	161,096
Americas	85,637	(354)	85,282
APAC	43,555	142	43,697
Total Revenues	292,010	(1,934)	290,076

DATALOGIC DIVISION REVENUES BY BUSINESS SEGMENT

	30.06.2021	Restatement	30.06.2021 Restated
Retail	101,769	317	102,086
Manufacturing	76,206	1,442	77,648
Transportation & Logistics	39,099	(165)	38,934
Healthcare	7,966	1,153	9,119
Channel	58,420	(4,679)	53,741
Total Revenues	283,460	(1,932)	281,528

