



Consolidated Half-Year Financial Report June 30, 2023

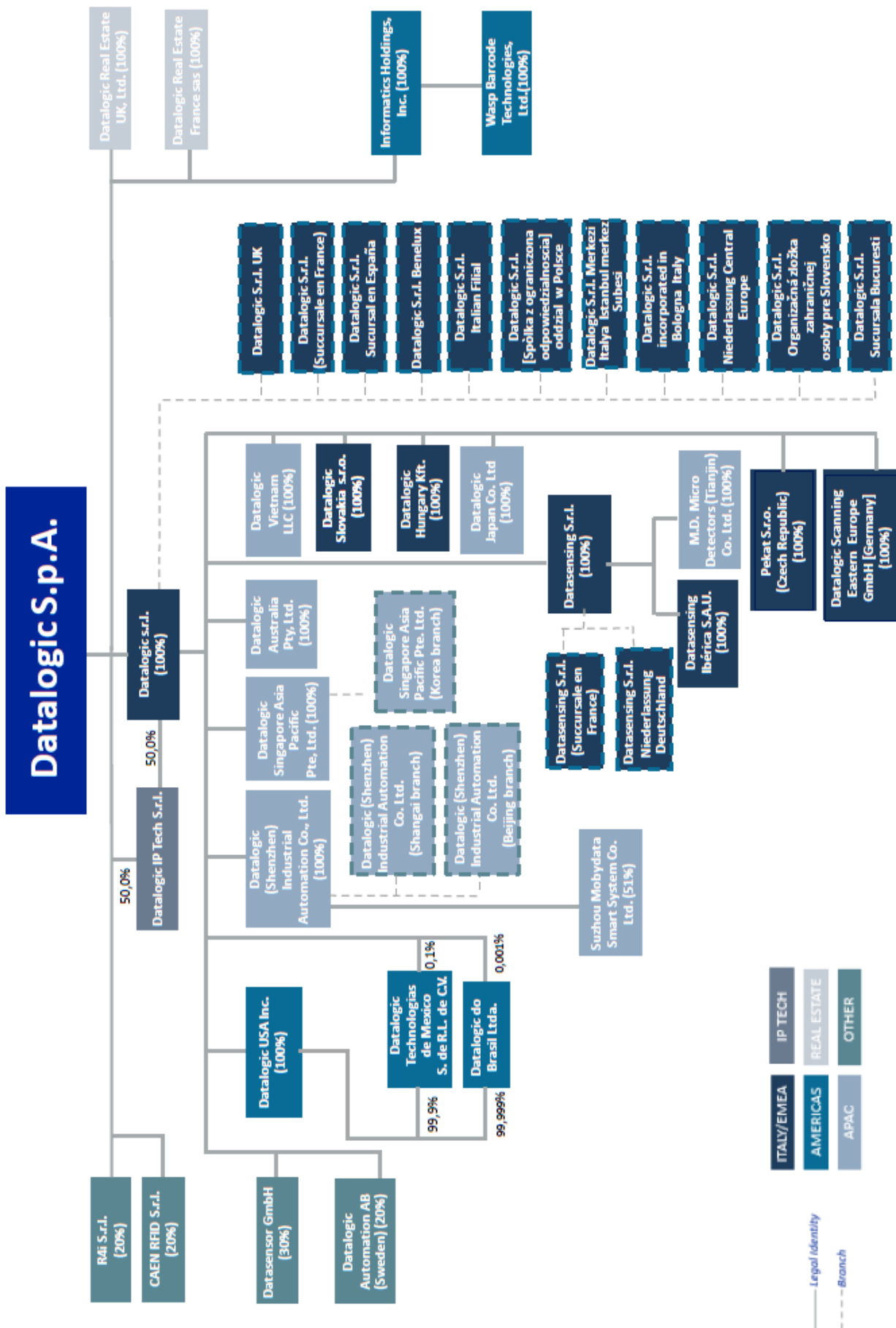
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DISCLAIMER

This document contains forward-looking statements relating to future events and operating, income and financial results of the Group. These forecasts have by nature an element of risk and uncertainty, as they depend on the materialisation of future events and developments. Actual results may differ even significantly from those disclosed due to a variety of factors, most of which beyond the Group's control.

GROUP STRUCTURE



COMPOSITION OF CORPORATE BODIES

Board of Directors ⁽¹⁾

Romano Volta	Executive Chairman ⁽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	Standing Auditor
Roberto Santagostino	Standing Auditor
Giulia De Martino	Alternate Auditor
Eugenio Burani	Alternate Auditor
Patrizia Cornale	Alternate Auditor

Control, Risks, Remuneration and Appointments Committee

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

Independent Auditors ⁽⁴⁾

Deloitte & Touche S.p.A.

(1) The Board of Directors will remain in office until the Shareholders' Meeting called to approve the financial statements at December 31, 2023.

(2) Legal representative before third parties.

(3) The Board of Statutory Auditors will remain in office until the Shareholders' Meeting called to approve the financial statements at December 31, 2024.

(4) Deloitte & Touche S.p.A. were appointed Independent Auditors 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 called to approve the financial statements at December 31, 2027.

Directors' Report on Operations

REPORT ON OPERATIONS

INTRODUCTION

This Consolidated Half-Year Financial Report at June 30, 2023 was prepared in accordance with Article 154-ter of the TUF (Consolidated Law on Finance) and was drawn up in compliance with the International Accounting Standards (IAS/IFRS) adopted by the European Union.

The amounts shown in the tables of the Directors' Report on Operations are expressed in Euro thousands, while the explanatory notes are expressed in Euro millions.

GROUP PROFILE

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

PERIOD HIGHLIGHTS

The following table summarises the Datalogic Group's key income and financial results at June 30, 2023 versus the same period of the prior year.

	30.06.2023	% on Revenue	30.06.2022 Restated	% on Revenue	Change	% chg.	% chg. net FX
Revenue	297,975	100.0%	314,599	100.0%	(16,624)	-5.3%	-5.0%
Adjusted EBITDA	33,011	11.1%	34,256	10.9%	(1,245)	-3.6%	-0.5%
Adjusted EBIT	16,954	5.7%	19,218	6.1%	(2,264)	-11.8%	-6.2%
EBIT	12,630	4.2%	15,311	4.9%	(2,681)	-17.5%	-10.5%
Profit/(Loss) for the period	12,121	4.1%	8,842	2.8%	3,279	37.1%	49.3%
Net financial position (NFP)	(25,101)		(71,883)		46,782		

The Group closed first half 2023 with sales **Revenue** of €298.0 million, down by 5.3% versus €314.6 million in first half 2022 (-5.0% at constant exchange rates).

Adjusted EBITDA came to €33.0 million (€34.3 million in first half 2022). As a percentage of sales, it grew from 10.9% to 11.1%.

Adjusted EBIT stood at 5.7% of revenue and amounted to €17.0 million (€19.2 million at June 30, 2022).

Net profit for the period amounted to €12.1 million, up in absolute terms and as a percentage of revenue versus the same period of the prior year.

Sales from new products (*Vitality Index*) in first half 2023 accounted for 6.5% of revenue (6.7% in the second quarter, down from 16.5% in first half 2022).

Net Financial Debt at June 30, 2023 stood at €25.1 million, an improvement of €16.9 million versus December 31, 2022 and of €46.8 million versus June 30, 2022.

ALTERNATIVE PERFORMANCE MEASURES (NON-GAAP MEASURES)

Management uses certain performance measures, not identified as accounting measures under IFRS (NON-GAAP measures), to provide a clearer picture of the Group's performance. The measurement criterion applied by the Group might not be the same as the one adopted by other Groups and the measures might not be comparable with theirs. These performance measures, determined according to provisions set out by the Guidelines on performance measures, issued by ESMA/2015/1415 and adopted by CONSOB with Communication no. 92543 of December 3, 2015, refer only to the performance of the period related to this Consolidated Half-Year Financial Report and the comparison periods. The performance measures must be considered as supplementary and do not supersede the information provided under the IFRS standards. The main measures adopted are described below.

- **Special Items:** income items arising from non-recurring events or transactions, restructuring activities, business reorganization, write-downs of fixed assets, ancillary expense from acquisitions of businesses or companies or their disposals, including amortisation resulting from the recognition of purchase price allocation, and any other event deemed by Management not to represent current business activity.
- **EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation):** profit/(loss) for the period from continuing operations before depreciation and amortisation of tangible and intangible fixed assets and rights of use, financials (including foreign exchange income and expense) and income tax.
- **Adjusted EBITDA:** profit/(loss) for the period from continuing operations before depreciation and amortisation of tangible and intangible fixed assets and rights of use, financials (including foreign exchange income and expense), income tax and Special Items, as defined above.
- **EBIT (Earnings Before Interest, Taxes) or Operating Result:** profit/(loss) for the period from continuing operations before financials (including foreign exchange income and expense) and income tax.
- **Adjusted EBIT or Operating Result:** profit/(loss) for the period from continuing operations before financials (including foreign exchange income and expense), income tax and Special Items, as defined above.
- **Net Trade Working Capital:** the sum of Inventory and Trade Receivables, less Trade Payables.
- **Net Working Capital:** the sum of Net Trade Working Capital and Other Current Assets and Liabilities including Provisions for Current Risks and Charges.
- **Net Invested Capital:** 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 Financial Debt):** calculated in accordance with the provisions of "Warning Notice no. 5/21" of April 29, 2021 issued by CONSOB and referring to ESMA guideline 32-382-1138 of March 4, 2021.
- **Cash Flow from Operations:** the sum of Adjusted EBITDA, changes in Net Trade Working Capital, expenditure in tangible and intangible fixed assets (excluding fixed assets under right of use recognised during the year according to IFRS 16), tax paid, financial expense/income, changes in Other Current Assets and Liabilities, and Special Items, as defined above, while excluding any other changes related to equity (such as dividend distributions and/or the purchase of treasury shares), to transactions of an extraordinary nature, the repayment and/or taking out of bank loans and/or other financial items in the NFP, and any other transaction that cannot be directly attributed to the company's business operations.

GROUP RECLASSIFIED INCOME RESULTS

The following table shows the main items of the income statement for the period versus the prior period, the results of which were restated as required by IAS 1 following certain reclassifications of cost items from operating costs to cost of goods sold and among the different uses of operating costs, as well as the effects of the purchase price allocation (PPA) of Pekat S.r.o., for details of which reference is made to Annex 4 of this document:

	30.06.2023		30.06.2022 Restated		Change	% chg.
Revenue	297,975	100.0%	314,599	100.0%	(16,624)	-5.3%
Cost of goods sold	(171,565)	-57.6%	(190,019)	-60.4%	18,454	-9.7%
Gross Operating Margin	126,410	42.4%	124,580	39.6%	1,830	1.5%
Research and Development expense	(30,844)	-10.4%	(29,926)	-9.5%	(918)	3.1%
Distribution expense	(52,211)	-17.5%	(47,730)	-15.2%	(4,481)	9.4%
Administrative and General expense	(26,152)	-8.8%	(27,342)	-8.7%	1,190	-4.4%
Other (expense) income	(249)	-0.1%	(364)	-0.1%	115	-31.6%
Total operating costs and other expense	(109,456)	-36.7%	(105,362)	-33.5%	(4,094)	3.9%
Adjusted EBIT	16,954	5.7%	19,218	6.1%	(2,264)	-11.8%
Special Items - Other (Expense) and Income	(1,947)	-0.7%	(1,112)	-0.4%	(835)	75.1%
Special Items - D&A from acquisitions	(2,377)	-0.8%	(2,795)	-0.9%	418	-15.0%
EBIT	12,630	4.2%	15,311	4.9%	(2,681)	-17.5%
Financials	2,125	0.7%	(1,238)	-0.4%	3,363	n.a.
Foreign exchange gains/(losses)	(152)	-0.1%	(3,294)	-1.0%	3,142	-95.4%
EBT	14,603	4.9%	10,779	3.4%	3,824	35.5%
Tax	(2,482)	-0.8%	(1,937)	-0.6%	(545)	28.1%
Profit/(Loss) for the period	12,121	4.1%	8,842	2.8%	3,279	37.1%
EBIT	12,630	4.2%	15,311	4.9%	(2,681)	-17.5%
Special Items - Other (Expense) and Income	1,947	0.7%	1,112	0.4%	835	75.1%
Special Items - D&A from acquisitions	2,377	0.8%	2,795	0.9%	(418)	-15.0%
Depreciation Tang. Fixed Assets and Rights of Use	8,175	2.7%	8,939	2.8%	(764)	-8.5%
Amortisation Intang. Fixed Assets	7,882	2.6%	6,099	1.9%	1,783	29.2%
Adjusted EBITDA	33,011	11.1%	34,256	10.9%	(1,245)	-3.6%

Consolidated revenue amounted to €298.0 million at June 30, 2023, down by 5.3% versus €314.6 million in first half 2022, with declines affecting all geographical areas. At constant exchange rates, the sales performance decreased by 5.0%.

The breakdown by geographical area of Group revenue for the period, versus the same period of the prior year, is shown in the table below:

	30.06.2023	%	30.06.2022	%	Change	% chg.	% chg. net FX
<i>Italy</i>	30,670	10.3%	31,727	10.1%	(1,058)	-3.3%	-3.3%
<i>EMEA (excluding Italy)</i>	133,337	44.7%	138,619	44.1%	(5,282)	-3.8%	-3.9%
Total EMEA	164,007	55.0%	170,347	54.1%	(6,340)	-3.7%	-3.8%
Americas	91,642	30.8%	96,177	30.6%	(4,534)	-4.7%	-5.4%
APAC	42,326	14.2%	48,075	15.3%	(5,750)	-12.0%	-8.7%
Total revenue	297,975	100.0%	314,599	100.0%	(16,624)	-5.3%	-5.0%

EMEA was down by 3.7% in first half 2023, with Italy down by 3.3%. **Americas** fell by 4.7%. **APAC** dropped by 12.0% versus the same period of 2022 (-8.7% at constant exchange rates).

Gross Operating Margin amounted to €126.4 million (42.4% of sales) versus €124.6 million at June 30, 2022 (39.6% of sales), improving by 2.8% as a percentage of sales versus first half 2022, thanks mainly to the positive effects of price, mix, and productivity, offsetting the decline in sales volumes.

Operating costs and other expense amounted to €109.5 million (€105.4 million at June 30, 2022), increasing as a percentage of sales by 3.2% from 33.5% to 36.7%, especially on research and development and distribution expense.

Research and Development expense, amounting to €30.8 million, increased by 3.1% versus June 30, 2022, with the percentage of revenue of 10.4% versus 9.5% in the same period of the prior year. Total monetary costs in R&D, before capitalisation of internal costs and without amortisation and depreciation (R&D Cash Out), amounted to €32.0 million (€30.9 million in the same period of the prior year), with a percentage of sales of 10.7% (9.8% in first half 2022).

Distribution expense amounted to €52.2 million and was up by 9.4% versus first half 2022 (€47.7 million in first half 2022), with the percentage of revenue increasing from 15.2% to 17.5%. The change from the same period of the prior year is related mainly to increased personnel expense and increased sales and marketing initiatives and participation in trade fairs and events as well as customer visits.

Administrative and General Expense amounted to €26.2 million at June 30, 2023, down by 4.4% versus first half 2022, basically unchanged as a percentage of sales (+0.1%) from 8.7% to 8.8%. Specifically, the costs of utilities and consulting services decreased.

Adjusted EBITDA came to €33.0 million, with an **Adjusted EBITDA margin** accounting for 11.1% of sales, up by 0.2% from 10.9% recorded in first half 2022, thanks to improved industrial margins and despite higher operating expense.

Adjusted EBIT stood at 5.7% of revenue and amounted to €17.0 million (€19.2 million at June 30, 2022).

Net Financials closed with a positive €2.0 million, improving by €6.5 million versus June 30, 2022, as a result of the gain earned from the transfer of the 15% minority interest still held in Solution Net Systems LLC (SNS), and of favourable foreign exchange differences in the current six-month period.

Net profit for the period amounted to €12.1 million, or 4.1% of revenue (€8.8 million at June 30, 2022, or 2.8% of revenue).

DIVISIONAL INCOME RESULTS FOR THE PERIOD

Operating segments are identified based on operating reports used at the highest decision-making level to allocate resources and assess results. The operating segments are shown below:

- **Datalogic** represents the Group's core business and designs and produces barcode readers, mobile computers, detection, measurement and safety sensors, vision and laser marking systems and RFID that help increase the efficiency and quality of processes in the Retail, Manufacturing, Transportation & Logistics and Healthcare segments, along the entire value chain.
- **Informatics** sells and distributes products and solutions for the management of inventories and mobile assets tailored to small and medium-sized companies.

The tables below show the comparison of Revenue and Adjusted EBITDA by Division in the period versus the same period of the prior year:

REVENUE BY DIVISION

	30.06.2023	%	30.06.2022	%	Change	% chg.	% chg. net FX
Datalogic	289,942	97.3%	306,655	97.5%	(16,713)	-5.5%	-5.2%
Informatics	8,249	2.8%	8,513	2.7%	(264)	-3.1%	-3.7%
Intersegment adjustments	(216)	-0.1%	(569)	-0.2%	353		
Total revenue	297,975	100.0%	314,599	100.0%	(16,624)	-5.3%	-5.0%

ADJUSTED EBITDA BY DIVISION

	30.06.2023	% on Revenue	30.06.2022	% on Revenue	Change	% chg.
Datalogic	31,483	10.9%	32,893	10.7%	(1,410)	-4.3%
Informatics	1,411	17.1%	1,423	16.7%	(12)	-0.8%
Intersegment adjustments	117		(60)		177	
Total Adjusted EBITDA	33,011	11.1%	34,256	10.9%	(1,245)	-3.6%

DATALOGIC DIVISION

At June 30, 2023, the **Datalogic** division reported sales **revenue** of €289.9 million, down by 5.5% (-5.2% at constant exchange rates) versus first half 2022. The geographical area that most affected the decline was APAC, down by 12.0%.

The division's **adjusted EBITDA** amounted to €31.5 million, equal to 10.9% of sales (10.7% at June 30, 2022).

To better align with its strategic goals and prioritize product and solution offerings, starting from the first quarter of the current year, Datalogic reviewed its operating model and introduced two new Market Segments, which feature distinct sales models, customers with varying purchasing needs, and different stakeholders: Data Capture and Industrial Automation.

Reflecting the new operating model, the revenue breakdown for the Datalogic Division is now presented by the new segments, in place of the previous breakdown by Industries:

	30.06.2023	%	30.06.2022	%	Change	% chg.	% chg. net FX
Data Capture	178,873	61.7%	190,677	62.2%	(11,804)	-6.2%	-6.1%
Industrial Automation	111,069	38.3%	115,977	37.8%	(4,909)	-4.2%	-3.6%
Total revenue	289,942	100.0%	306,655	100.0%	(16,713)	-5.5%	-5.2%

▪ Data Capture

The Data Capture segment, with 61.7% of divisional sales (62.2% at June 30, 2022), recorded a 6.2% decrease versus first half 2022, affecting all geographical areas: -14.0% APAC (-10.9% at constant exchange rates), -8.7% Americas, and -3.0% EMEA.

▪ Industrial Automation

The Industrial Automation segment declined by 4.2% in first half 2023 (-3.6% at constant exchange rates): up in the Americas (+3.5%), down in APAC and EMEA.

INFORMATICS DIVISION

The **Informatics Division** achieved sales of €8.2 million in first half 2023, down slightly from first half 2022.

The adjusted EBITDA margin in the first half of the year stood at 17.1%, improving by 0.4% versus 16.7% in the first half of the prior year.

GROUP RECLASSIFIED INCOME RESULTS FOR THE SECOND QUARTER

The following statement summarises the Datalogic Group's key income and financial results of second quarter 2023 versus the same quarter of the prior year:

	30.06.2023	Quarter ended		Change	% chg.	% chg. net FX
		% on Revenue	30.06.2022 Restated			
Revenue	148,308	100.0%	176,671	100.0%	(28,363)	-16.1%
Adjusted EBITDA	19,534	13.2%	22,504	12.7%	(2,970)	-13.2%
Adjusted EBIT	11,581	7.8%	14,744	8.3%	(3,163)	-21.5%
EBIT	8,708	5.9%	13,033	7.4%	(4,325)	-33.2%
Profit/(Loss) for the period	8,939	6.0%	7,513	4.3%	1,426	19.0%

In second quarter 2023, revenue dropped by €28.4 million, or by 16.1% (-14.6% at constant exchange rates), to reach €148.3 million.

The breakdown of Group revenue by **geographical area** in second quarter 2023 versus the same quarter of 2022 is shown below:

	30.06.2023	Quarter ended		Change	% chg.	% chg. net FX
		%	30.06.2022			
<i>Italy</i>	15,295	10.3%	17,317	9.8%	(2,022)	-11.7%
<i>EMEA (excluding Italy)</i>	62,246	42.0%	77,409	43.8%	(15,163)	-19.6%
Total EMEA	77,541	52.3%	94,726	53.6%	(17,184)	-18.1%
<i>Americas</i>	49,714	33.5%	55,549	31.4%	(5,835)	-10.5%
<i>APAC</i>	21,052	14.2%	26,396	14.9%	(5,344)	-20.2%
Total revenue	148,308	100.0%	176,671	100.0%	(28,363)	-16.1%

Sales in the second quarter dropped across all geographical areas, especially in APAC (-20.2%, -15.3% at constant exchange rates) and EMEA (-18.1%).

Adjusted EBITDA in the quarter came to €19.5 million (13.2% on revenue), up versus 12.7% recorded in second quarter 2022.

Net profit in the quarter stood at €8.9 million (6.0% of sales); €7.5 million in second quarter 2022 (4.3% of sales), improving as a percentage of sales versus the same period of the prior year.

DIVISIONAL INCOME RESULTS OF THE SECOND QUARTER

The tables below show the trend in Revenue and Adjusted EBITDA by division in second quarter 2023 versus the same quarter of 2022:

REVENUE BY DIVISION

	Quarter ended		Quarter ended		Change	%	% chg. net FX
	30.06.2023	%	30.06.2022 Restated	%			
Datalogic	144,224	97.2%	172,610	97.7%	(28,386)	-16.4%	-15.0%
Informatics	4,151	2.8%	4,404	2.5%	(253)	-5.7%	-3.6%
Intersegment adjustments	(67)		(343)		276		
Total revenue	148,308	100.0%	176,671	100.0%	(28,363)	-16.1%	-14.6%

ADJUSTED EBITDA BY DIVISION

	Quarter ended		Quarter ended		Change	% chg.
	30.06.2023	% on Revenue	30.06.2022	% on Revenue		
Datalogic	18,547	12.9%	21,891	12.7%	(3,344)	-15.3%
Informatics	954	23.0%	621	14.1%	333	53.6%
Adjustments	33		(8)		41	
Total Adjusted EBITDA	19,534	13.2%	22,504	12.7%	(2,970)	-13.2%

DATALOGIC DIVISION

In second quarter 2023, the Datalogic division reported sales of €144.2 million, down by 16.4% (-15.0% at constant exchange rates) versus the same quarter of 2022. Specifically, APAC (-20.2%) and EMEA (-18.2%) geographical areas both declined.

The division's Adjusted EBITDA came to €18.5 million or 12.9% of sales, an improvement over both second quarter 2022 (12.7%) and first quarter 2023 (8.9% of sales).

The breakdown of Datalogic Division revenue by the new segments is shown below:

	Quarter ended		Quarter ended		Change	%	% chg. net FX
	30.06.2023	%	30.06.2022	%			
Data Capture	87,610	60.7%	107,215	62.1%	(19,605)	-18.3%	-16.9%
Industrial Automation	56,613	39.3%	65,394	37.9%	(8,781)	-13.4%	-11.9%
Total revenue	144,224	100.0%	172,610	100.0%	(28,386)	-16.4%	-15.0%

▪ Data Capture

The Data Capture segment, with 60.7% of divisional sales (62.1% in second quarter 2022), recorded an 18.3% decline versus second quarter 2022, affecting all geographical areas: -21.4% EMEA (-21.1% at constant exchange rates), -14.7% Americas (-12.8% at constant exchange rates), and -13.9% APAC (-8.6% at constant exchange rates).

▪ Industrial Automation

The Industrial Automation segment fell by 13.4% (-11.9% at constant exchange rates) in second quarter 2023, affected by all the geographical areas, APAC in particular (-25.5%).

INFORMATICS DIVISION

In second quarter 2023, the Informatics Division's revenue dropped by 5.7% (-3.6% at constant exchange rates). EBITDA came to €1.0 million, accounting for 23.0% of revenue (€0.6 million in second quarter 2022, 14.1% of revenue).

GROUP RECLASSIFIED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD

The following table shows the main financial and equity items at June 30, 2023 versus December 31, 2022.

	30.06.2023	31.12.2022	Change	% chg.
Intangible fixed assets	91,347	91,971	(624)	-0.7%
Goodwill	208,662	212,043	(3,381)	-1.6%
Tangible fixed assets	108,213	114,557	(6,344)	-5.5%
Financial assets and investments in associates	8,645	8,679	(34)	-0.4%
Other fixed assets	55,414	56,975	(1,561)	-2.7%
Fixed Assets	472,281	484,225	(11,944)	-2.5%
Trade receivables	66,009	91,299	(25,290)	-27.7%
Trade payables	(108,589)	(112,054)	3,465	-3.1%
Inventory	124,459	129,824	(5,365)	-4.1%
Net Trade Working Capital	81,879	109,069	(27,190)	-24.9%
Other current assets	34,777	32,681	2,096	6.4%
Other liabilities and provisions for current risks	(66,596)	(71,605)	5,009	-7.0%
Net Working Capital	50,060	70,145	(20,085)	-28.6%
Other non-current liabilities	(49,357)	(49,440)	83	-0.2%
Post-employment benefits	(5,925)	(6,163)	238	-3.9%
Provisions for non-current risks	(5,472)	(5,193)	(279)	5.4%
Net Invested Capital	461,587	493,574	(31,987)	-6.5%
Equity	(436,486)	(451,567)	15,081	-3.3%
Net financial position (NFP)	(25,101)	(42,007)	16,906	-40.2%

Net Invested Capital, at €461.6 million (€493.6 million at December 31, 2022), shows an overall decrease of €32.0 million, of which €20.1 million in Net Working Capital and €11.9 million in Fixed Capital.

Fixed Assets, amounting to €472.3 million (€484.2 million at December 31, 2022), decreased by €11.9 million, attributable mainly to a decrease in Tangible Fixed Assets, due to depreciation for the period (€6.1 million), as well as translation differences of €3.5 million (€3.4 million of which recognized on goodwill).

Net Trade Working Capital at June 30, 2023 amounted to €81.9 million and decreased by €27.2 million versus December 31, 2022, with the percentage of sales decreasing from 16.7% at December 31, 2022 to 12.8% at June 30, 2023. The change in the period is affected by a decrease in trade receivables of €25.3 million and a decrease in inventory of €5.4 million, partly offset by a decrease in trade payables of €3.5 million.

The **Net Financial Position** at June 30, 2023 stood at a negative €25.1 million. The cash flows that led to the change in the consolidated Net Financial Position versus December 31, 2022 are detailed below.

	30.06.2023	30.06.2022	Change
Net financial position (Financial debt) beginning of period	(42,007)	(26,060)	(15,947)
Adjusted EBITDA	33,011	34,256	(1,245)
Change in net trade working capital	27,190	(31,887)	59,077
Other changes in net working capital and special items	(9,016)	1,356	(10,372)
Net expenditure	(12,971)	(10,310)	(2,661)
Tax paid	(4,605)	(2,368)	(2,237)
Net financial income (expense)	(1,850)	(4,532)	2,682
Cash Flow from Operations	31,760	(13,484)	45,244
Dividend distribution	(17,034)	(16,934)	(100)
Sale (Purchase) of treasury shares	(5,314)	-	(5,314)
Disinvestments (investments) of financial assets	3,823	-	3,823
Acquisitions	-	(15,994)	15,994
Other changes	3,672	588	3,084
Change in Net Financial Position	16,906	(45,823)	62,730
Net financial position (financial debt) end of period	(25,101)	(71,883)	46,783

Cash Flow from Operations at June 30, 2023 closed at a positive €31.8 million, improving by €45.2 million versus a negative €13.5 million in first half 2022. The positive change is basically attributable to the cash generation of Net Working Capital, which typically absorbs cash flows in the first half of the year, and it was still affected in 2022 by supply chain challenges and delays in order fulfilment that had negatively impacted inventory and trade payables. At €25.1 million, the Net Financial Position is at its lowest level ever in the past two years and since the beginning of the components crisis.

At June 30, 2023, the Net Financial Debt is shown below:

	30.06.2023	31.12.2022
A. Cash	88,069	107,469
B. Cash equivalents	-	13
C. Other current financial assets	-	-
D. Liquid assets (A) + (B) + (C)	88,069	107,482
E. Current financial debt	4,768	36,612
<i>E1. of which lease payables</i>	3,866	4,164
F. Current portion of non-current financial debt	14,406	33,810
G. Current Financial Debt (E) + (F)	19,174	70,422
H. Net Current (F) Financial Debt (G)-(D)	(68,895)	(37,060)
I. Non-current financial debt	93,996	79,067
<i>I1. of which lease payables</i>	8,586	11,962
J. Debt instruments	-	-
K. Trade and other non-current payables	-	-
L. Non-Current Financial Debt (I) + (J) + (K)	93,996	79,067
M. Total Net Financial Debt/(Net Financial Position) (H) + (L)	25,101	42,007

At June 30, 2023, the Group had outstanding financial credit lines of approximately €290.0 million, of which approximately €200.0 million committed. Undrawn and readily available financial lines amounted to €190.0 million.

Indirect and conditional debt at June 30, 2023 is represented exclusively by the Group's provision for post-employment benefits of €5.9 million.

SIGNIFICANT EVENTS IN THE PERIOD

On April 3, 2023, a transaction was finalized to transfer the 15% minority interest still held in Solution Net Systems LLC (SNS) by the subsidiary Datalogic USA Inc..

RECLASSIFICATION OF INCOME STATEMENT ITEMS

Starting from the first quarter of the current year, to provide a clearer picture of Group performance, certain costs related mainly to installations, previously shown in distribution expense, have been classified in cost of goods sold; additionally, certain quality-related expense has been itemized and allocated based on the intended purpose.

Comparative figures have been consistently restated; reference is made to the table in Annex 4 of this document for details of the amounts.

GOVERNANCE

On April 27, 2023, the Shareholders' Meeting approved the Financial Statements at December 31, 2022, and reviewed the Group's Consolidated Financial Statements at December 31, 2022, and resolved to distribute an ordinary unit dividend, gross of tax, of 30 Euro cents per share, for a maximum total amount of €17.0 million.

The same Meeting also resolved to:

- set, pursuant to and for the purposes of Article 20 of the Bylaws, in the amount of €2.5 million, the maximum global annual compensation to be granted to all the members of the Board of Directors, including those holding strategic responsibilities for the current year (2023) and for the portion of the following year (2024), until the date of approval of the Company's 2023 financial statements, with the explicit exclusion of compensation plans based on financial instruments approved by the Shareholders' Meeting, leaving to the discretion of the Board itself any decision regarding the allocation of the above maximum global amount among the different Directors;
- approve the 2023 remuneration policy set out in section one of the Report on Remuneration Policy and on Compensation Paid and to vote in favour of compensation paid in 2022 set out in section two of the Report;
- authorize the Board of Directors, pursuant to and in accordance with Article 2357 et seq. of the Italian Civil Code and Article 132 of Legislative Decree no. 58 of February 24, 1998, to carry out transactions involving the purchase of the Company's treasury shares, on one or more occasions, within 18 months from the date of this resolution, concurrently revoking, for the portion unexecuted as of the date of the Shareholders' Meeting, the authorization to the Board of Directors to purchase the Company's treasury shares resolved by the Shareholders' Meeting on April 29, 2022.

RUSSIAN-UKRAINIAN CONFLICT

The socio-political tensions that escalated into a conflict between Russia and Ukraine on February 24, 2022, the developments of which are unpredictable to date, have led Western countries to impose economic sanctions on Russia. The Group has no offices in the countries currently directly affected by the conflict, nor do they represent significant outlet or supply markets for it. The ongoing conflict has triggered inflationary pressure, which has persisted since last year and into 2023, impacting mainly energy and certain commodity prices, and contributing to market volatility, leading to an increase in interest rates.

The potential effects of this situation on the Group's income and financial results are constantly monitored.

Since the outbreak of the conflict and the adoption of sanctions by the EU against Russia, a cross-functional working group has been established to assess and ascertain (including monitoring of "Denied Parties"), from a technical point of view, which Datalogic products and which business partner relationships could potentially be subject to sanctions. Following entry into force of the ninth European sanctions package, the Group companies have suspended all sales and post-sales activities with Russia (trade with Belarus had already been blocked) and have implemented control systems in order to prevent business transactions with sanctioned countries.

SUBSEQUENT EVENTS

On July 1, 2023, Pietro Todescato, a key management personnel, left the Group due to age limit. Mr. Todescato will continue to serve as a director of Datalogic S.p.A..

Our sincere appreciation goes to Mr. Todescato for his innovative contributions to the Group's development and growth.

BUSINESS OUTLOOK

The macroeconomic outlook for 2023 is anticipated to be marked by ongoing uncertainty, as persistent inflationary pressure, restrictive monetary policies, and continued geopolitical tensions are expected to hinder both investment and consumption.

Due to the continued uncertainty surrounding the timing of demand recovery in the Group's main markets of operation, the Group's expectations for the second half of the year indicate lower sales compared to the prior year.

Notwithstanding the prolonged and uncertain scenario on the demand side, which has exceeded initial expectations, the company remains committed to sustaining solid levels of investment in research and development as well as in commercial facilities, thanks to improved industrial margins and reduced debt.

SECONDARY LOCATIONS

The Parent Company has no secondary locations.

Chairman of the Board of Directors
(*Romano Volta*)

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (Euro/000)	Notes	30.06.2023	31.12.2022
A) Non-current assets (1+2+3+4+5+6+7)		472,281	484,225
1) Tangible fixed assets		96,052	98,799
Land	1	12,704	12,740
Buildings	1	52,007	52,449
Other assets	1	26,867	29,825
Fixed assets under construction and advances	1	4,474	3,785
2) Intangible fixed assets		300,009	304,014
Goodwill	2	208,662	212,043
Development costs	2	35,855	27,209
Other	2	39,940	43,206
Fixed assets under construction and advances	2	15,552	21,556
3) Right of use fixed assets	3	12,161	15,758
4) Investments in associates	4	560	560
5) Non-current financial assets	6	8,085	8,119
6) Trade and other receivables	7	809	768
7) Deferred tax assets	12	54,605	56,207
B) Current assets (8+9+10+11+12)		313,314	361,286
8) Inventory		124,459	129,824
Raw and ancillary materials and consumables	8	59,800	62,503
Work in progress and semi-finished products	8	22,899	25,864
Finished products and goods	8	41,760	41,457
9) Trade and other receivables		87,837	109,845
Trade receivables	7	66,009	91,299
<i>of which associates</i>	7	<i>1,551</i>	<i>2,861</i>
<i>of which related parties</i>	7	<i>11</i>	<i>11</i>
Other receivables, accrued income and prepaid expense	7	21,828	18,546
10) Tax receivables	9	12,949	14,135
<i>of which Parent Company</i>		<i>1,807</i>	<i>1,807</i>
11) Current financial receivables		-	-
12) Cash and cash equivalents	5	88,069	107,482
Total Assets (A+B)		785,595	845,511

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

LIABILITIES (Euro/000)	Notes	30.06.2023	31.12.2022
A) Total Equity (1+2+3+4+5+6)	10	436,486	451,567
1) Share capital	10	30,392	30,392
2) Reserves	10	122,914	132,266
3) Retained earnings (losses)	10	267,779	255,840
4) Profit (loss) for the period	10	12,111	29,550
5) Group Equity	10	433,196	448,048
Profit (loss) for the period attributable to non-controlling interests	10	10	576
Share capital attributable to non-controlling interests	10	3,280	2,943
6) Equity attributable to non-controlling interests		3,290	3,519
B) Non-current liabilities (7+8+9+10+11+12)		154,750	139,863
7) Non-current financial payables	11	93,996	79,067
8) Tax payables		-	-
9) Deferred tax liabilities	12	28,925	28,680
10) Provisions for post-employment and retirement benefits	13	5,925	6,163
11) Provisions for non-current risks and charges	14	5,472	5,193
12) Other liabilities	15	20,432	20,760
C) Current liabilities (13+14+15+16)		194,359	254,081
13) Trade and other payables		163,569	166,713
Trade payables	15	108,589	112,054
of which associates	15	121	101
of which related parties		0	24
Other payables, accrued expense and deferred income	15	54,980	54,659
14) Tax payables	9	8,650	13,478
of which Parent Company		2,013	2,013
15) Provisions for current risks and charges	14	2,966	3,468
16) Current financial payables	11	19,174	70,422
Total Liabilities (A+B+C)		785,595	845,511

CONSOLIDATED INCOME STATEMENT

(Euro/000)	Notes	30.06.2023	30.06.2022 Restated
1) Revenue	16	297,975	314,599
Revenue from sale of products		275,519	292,971
Revenue from services		22,456	21,628
<i>of which related parties and associates</i>		<i>3,709</i>	<i>6,058</i>
2) Cost of goods sold	17	171,668	190,056
<i>of which related parties and associates</i>		<i>157</i>	<i>146</i>
Gross contribution margin (1-2)		126,307	124,543
3) Other revenue	18	1,063	719
4) Research and development expense	17	31,872	30,547
<i>of which related parties and associates</i>		<i>361</i>	<i>275</i>
5) Distribution expense	17	53,042	48,632
<i>of which related parties and associates</i>		<i>93</i>	<i>91</i>
6) Administrative and general expense	17	28,514	29,690
<i>of which related parties and associates</i>		<i>98</i>	<i>98</i>
7) Other operating expense	17	1,312	1,083
Total operating costs		114,740	109,951
EBIT		12,630	15,311
8) Financial income	19	16,616	20,160
9) Financial expense	19	14,643	24,692
Financials (8-9)		1,973	(4,532)
Profit/(Loss) before tax from continuing operations		14,603	10,779
Income tax	20	2,482	1,937
Profit/(Loss) for the period		12,121	8,842
Basic earnings/(loss) per share (€)	22	0.21	0.15
Diluted earnings/(loss) per share (€)	22	0.21	0.15
<i>Attributable to:</i>			
<i>Shareholders of the Parent Company</i>		<i>12,111</i>	<i>8,588</i>
<i>Non-controlling interests</i>		<i>10</i>	<i>254</i>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro/000)	Notes	30.06.2023	30.06.2022 Restated
Profit/(Loss) for the period		12,121	8,842
Other items of the statement of comprehensive income:			
Other items of the statement of comprehensive income that will later be reclassified to Profit/(Loss) for the period			
Profit/(Loss) on cash flow hedges (CFH)	10	41	48
Profit (loss) from the translation of financial statements of foreign companies	10	(5,437)	25,950
Total other items of the statement of comprehensive income that will later be reclassified to Profit/(Loss) for the period		(5,396)	25,998
Other items of the statement of comprehensive income that will not later be 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	29 (1)	(762) 9
Total other items of the statement of comprehensive income that will not later be reclassified to Profit/(Loss) for the period		29	(762)
Total profit/(loss) of the statement of comprehensive income		(5,367)	25,236
Comprehensive profit/(loss) for the period		6,754	34,078
Attributable to:			
Shareholders of the Parent Company		6,982	33,720
Non-controlling interests		(228)	358

CONSOLIDATED STATEMENT OF CASH FLOWS

(Euro/000)	Notes	30.06.2023	30.06.2022 Restated
Profit/(Loss) before tax		14,603	10,779
Depreciation of tangible fixed assets and write-downs	1	6,105	6,725
Amortisation of intangible fixed assets and write-downs	2	10,229	8,894
Depreciation of ROU fixed assets	3	2,097	2,215
Losses (Gains) from sale of fixed assets	17, 18	(88)	6
Change in provisions for risks and charges	14	(228)	(32)
Change in provision for obsolescence	8	832	1,463
Financials	19	(1,973)	4,532
Monetary effect foreign exchange gains/(losses)		(689)	122
Other non-monetary changes		31	515
Cash flow generated (absorbed) from operations before changes in working capital		30,919	35,219
Change in trade receivables	7	24,272	(12,291)
Change in final inventory	8	4,299	(13,407)
Change in trade payables	15	(2,999)	(6,591)
Change in other current assets	7	(3,401)	(2,035)
Change in other current liabilities	15	707	3,506
Change in other non-current assets	6	(55)	106
Change in other non-current liabilities	5	(160)	1,393
Cash flow generated (absorbed) from operations after changes in working capital		53,582	5,901
Change in tax assets and liabilities		(4,142)	(6,272)
Interest paid		(1,723)	(1,380)
Interest collected		197	218
Cash flow generated (absorbed) from operations (A)		47,914	(1,533)
Increase in intangible fixed assets	2	(9,612)	(7,076)
Decrease in intangible fixed assets	2	-	13
Increase in tangible fixed assets	1	(3,584)	(3,857)
Decrease in tangible fixed assets	1	225	22
Cash flow from business combinations, net of cash acquired		-	(15,994)
Change in investments and current and non-current financial assets	5	3,823	(293)
Cash flow generated (absorbed) from investments (B)		(9,148)	(27,185)
Payment of financial payables	11	(56,189)	(26,603)
New financial payables	11	25,000	70,000
Other changes in financial payables	11	(1,452)	(2,868)
Payments of financial liabilities from leases		(2,248)	(2,285)
(Purchase) sale of treasury shares	10	(5,314)	-
Dividend payment	10	(17,034)	(16,934)
Effect of change in cash and cash funds		(942)	1,692
Other changes		0	(4)
Cash flow generated (absorbed) from financing activities (C)		(58,179)	22,998
Net increase (decrease) in cash (A+B+C)		(19,414)	(5,719)
Net cash and cash equivalents at beginning of period		107,482	106,080
Net cash and cash equivalents at end of period		88,069	100,361

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Description	Share capital	Share premium res.	Treasury shares	Translation reserve	Other Reserves	Retained earnings	Group Profit (Loss)	Group Equity	Profit (Loss) of non-controlling interests	Share capital and reserves attributable to non-controlling interests	Equity attributable to non-controlling interests	Profit (Loss)	Equity
01.01.2023	30,392	111,779	(22,191)	39,331	3,347	255,840	29,550	448,048	576	2,943	3,519	30,126	451,567
Allocation of profit	-	-	-	-	-	29,550	(29,550)	-	(576)	576	-	(30,126)	-
Dividends	-	-	-	-	-	(17,034)	-	(17,034)	-	-	-	-	(17,034)
Treasury shares	-	-	(5,314)	-	-	-	-	(5,314)	-	-	-	-	(5,314)
Share-based incentive plan	-	-	-	-	420	-	-	420	-	-	-	-	420
Other changes	-	-	-	-	671	(577)	-	94	-	-	-	-	94
Profit/(Loss) for the period	-	-	-	-	-	-	12,111	12,111	10	-	10	12,121	12,121
Other items of the statement of comprehensive income	-	-	-	(5,199)	70	-	-	(5,129)	-	(238)	(238)	-	(5,367)
Total comprehensive Profit (Loss)	-	-	-	(5,199)	70	-	12,111	6,982	10	(238)	(228)	12,121	6,754
30.06.2023	30,392	111,779	(27,505)	34,132	4,508	267,779	12,111	433,196	10	3,280	3,290	12,121	436,486

Description	Share capital	Share premium res.	Treasury shares	Translation reserve	Other Reserves	Retained earnings	Group Profit (Loss)	Group Equity	Profit (Loss) of non-controlling interests	Share capital and reserves attributable to non-controlling interests	Equity attributable to non-controlling interests	Profit (Loss)	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 profit	-	-	-	-	-	38,913	(38,913)	-	(627)	627	-	(39,540)	-
Dividends	-	-	-	-	-	(16,934)	-	(16,934)	-	-	-	-	(16,934)
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based incentive plan	-	-	4,698	-	(4,933)	235	-	-	-	-	-	-	-
Other changes	-	-	-	-	233	(291)	-	(58)	-	(28)	(28)	-	(86)
Profit/(Loss) for the period	-	-	-	-	-	-	8,588	8,588	254	-	254	8,842	8,842
Other items of the statement of comprehensive income	-	-	-	25,846	(714)	-	-	25,132	-	104	104	-	25,236
Total comprehensive Profit (Loss)	-	-	-	25,846	(714)	-	8,588	33,720	254	104	358	8,842	34,078
30.6.2022 Restated	30,392	111,779	(21,398)	48,592	5,825	251,613	8,588	435,391	254	3,135	3,389	8,842	438,780

Explanatory Notes

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

Datalogic is a global technological leader in the automatic data capture and process automation markets. The Company is specialised in the design and production of barcode readers, mobile computers, detection, measurement and safety sensors, vision and laser marking systems and RFID.

Its pioneering solutions help 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 registered office is in Via Candini 2, Lippo di Calderara (BO).

This Consolidated Half-Year Financial Report for June 30, 2023 includes the figures of the Parent Company and its subsidiaries (defined hereinafter as "Group") and the relevant shares in associates.

The publication of this Consolidated Half-Year Financial Report at June 30, 2023 of the Datalogic Group was authorised by resolution of the Board of Directors dated August 2, 2023.

BASIS OF PRESENTATION

1) General criteria

This Consolidated Half-Year Financial Report was prepared pursuant to Article 154-ter of Legislative Decree no. 58 of February 24, 1998 (TUF) as subsequently amended and supplemented, as well as to the CONSOB Issuer Regulation. The criteria for the preparation of the Statement are in accordance with the requirements of IAS 34 "Interim Financial Reporting", providing the summary information notes required by the above standard, supplemented if the case to provide a greater level of information where deemed necessary.

This Consolidated Half-Year Financial Report should therefore be read in conjunction with the Consolidated Annual Financial Report at December 31, 2022, prepared in accordance with IFRS accounting standards adopted by the European Union, approved by the Board of Directors on March 9, 2023, 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 euro, which is the Group's "functional" and "presentation" currency.

2) Reporting formats

The reporting formats adopted are compliant with those required by IAS 1 and were used in the Consolidated Annual Financial Report for the year ended December 31, 2022, in particular:

- current and non-current assets, as well as current and non-current liabilities are shown separately in the Statement of Financial Position. Current assets, which include cash and cash equivalents, are those intended

- to be realized, sold or consumed in the Group's normal operating cycle; current liabilities are those expected to be settled in the Group's normal operating cycle or in the twelve months following the end of the period;
- with regard to the Income Statement, cost and revenue items are shown based on grouping by function, as this classification was deemed more explanatory for understanding the Group's results of operations;
- the Statement of Comprehensive Income shows the items that determine profit/(loss) for the period, considering income and expense recognised directly in equity;
- the Statement of Cash Flows is presented using the "indirect method".

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

The following IFRS international accounting standards, amendments and interpretations have been applied for the first time by the Group as of January 1, 2023:

- On May 18, 2017, the IASB published **IFRS 17 – Insurance Contracts**, intended to supersede **IFRS 4 - Insurance Contracts**. The standard was applied as of January 1, 2023. The aim of the new standard is to ensure that an entity provides relevant information that faithfully represents the rights and obligations deriving from insurance contracts issued. The IASB developed the standard to eliminate the inconsistencies and weaknesses of the existing accounting standards, providing a single principle-based framework to take account of all types of insurance contracts, including reinsurance contracts that an insurer holds.

The new standard also sets out reporting and disclosure requirements in order to improve comparability between entities from the same sector.

The new standard measures an insurance contract based on a General Model or a simplified version, called the Premium Allocation Approach ("PAA").

Additionally, on December 9, 2021, the IASB published "**Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information**". The amendment is a transition option related to comparative information on financial assets presented at the date of initial application of IFRS 17. The amendment was applied as of January 1, 2023, together with the application of IFRS 17, to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and to improve the usefulness of comparative information for financial statement readers.

The adoption of this standard and its amendment had no effects on the Group's consolidated financial statements.

- On May 7, 2021, the IASB published "**Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**". The document clarifies how entities should account for deferred tax on certain transactions that can generate assets and liabilities of equal amounts, such as leases and decommissioning provisions. The amendments were applied as of January 1, 2023.

The adoption of this amendment had no effects on the Group's consolidated financial statements.

- On February 12, 2021, the IASB published "**Disclosure of Accounting Policies-Amendments to IAS 1 and IFRS Practice Statement 2**" and "**Definition of Accounting Estimates-Amendments to IAS 8**". The amendments are intended to improve accounting policy disclosures so that they provide more useful information to investors and other primary users of financial statements, as well as to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments were applied as of January 1, 2023. The adoption of these amendments had no effects on the Group's consolidated financial statements.

4) IFRS accounting standards, amendments and interpretations not yet endorsed by the European Union

At the date of this document, the competent bodies of the European Union have not yet completed the endorsement process required for the adoption of the amendments and the standards described below.

- On May 23, 2023, the IASB published "**Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules**". The document provides temporary relief from the recognition and disclosure requirements for deferred tax assets and liabilities related to the Pillar Two Model Rules and envisages specific disclosure requirements for entities affected by the related International Tax Reform.
The document envisages the immediate application of temporary relief, while the disclosure requirements will apply only to annual financial statements that began on or after January 1, 2023, but not to interim financial statements with a closing date prior to December 31, 2023. The Directors do not expect the Group's consolidated financial statements to be materially affected by the adoption of this amendment.
- On May 25, 2023, the IASB published "**Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements**". The document requires an entity to provide additional information on reverse factoring arrangements that will enable financial statement users to assess how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of such arrangements on the entity's exposure to liquidity risk. The amendments will apply as of January 1, 2024, but early application is permitted. The Directors do not expect the Group's consolidated financial statements to be materially affected by the adoption of this amendment.

5) Use of estimates and assumptions

The preparation of the Consolidated Half-Year Financial Report requires the Directors to apply accounting standards and methods that, in certain cases, are based on valuations and estimates based on historical experience and assumptions that are evaluated from time to time according to the specific cases. The application of these estimates and assumptions affects the amounts of revenue, expense, assets and liabilities and their disclosure, as well as the disclosure of contingent liabilities. The results of financial statement items for which the above estimates and assumptions were used may differ from those shown owing to the uncertainty surrounding the assumptions and conditions on which the estimates are based.

6) Consolidation scope

This Consolidated Half-Year Financial Report at June 30, 2023 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 investments included in the consolidation scope appears in Annex 2 of the Explanatory Notes, with an indication of the methodology used.

7) Translation criteria of foreign currency financial statements

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

Currency (ISO Code)	Quantity of currency for 1 Euro			
	June 2023	June 2023	December 2022	June 2022
	Final exchange rate	Average exchange rate for the period	Final exchange rate	Average exchange rate for the period
US Dollar (USD)	1.09	1.08	1.07	1.09
British Pound Sterling (GBP)	0.86	0.88	0.89	0.84
Swedish Krona (SEK)	11.81	11.33	11.12	10.48
Singapore Dollar (SGD)	1.47	1.44	1.43	1.49
Japanese Yen (JPY)	157.16	145.76	140.66	134.31
Australian Dollar (AUD)	1.64	1.60	1.57	1.52
Hong Kong Dollar (HKD)	8.52	8.47	8.32	8.56
Chinese Renminbi (CNY)	7.90	7.49	7.36	7.08
Brazilian Real (BRL)	5.28	5.48	5.64	5.56
Mexican Peso (MXN)	18.56	19.65	20.86	22.17
Hungarian Forint (HUF)	371.93	380.85	400.87	375.13
Czech Crown (CZK)	23.74	23.69	24.12	24.65

SEGMENT DISCLOSURE

Operating segments are identified based on operating reports used at the highest decision-making level to allocate resources and assess results. Transfers amongst the operating segments indicated hereunder are executed at arm's length conditions, based on the Group transfer pricing policies. For first half 2023, the operating segments are identified as follows:

- **Datalogic**, the Group's core business, designs and produces barcode readers, mobile computers, detection, measurement and safety sensors, vision and laser marking systems and RFID that help increase the efficiency and quality of processes in the *Data Capture* and *Industrial Automation* areas in which it operates.
- **Informatics** sells and distributes products and solutions for the management of inventories and mobile assets tailored to small and medium-sized companies.

The **income information related to operating segments** at June 30, 2023 and June 30, 2022 is the following:

<i>Divisional income position</i>	Datalogic Business	Informatics	Adjustments	Total Group 30.06.2023
Revenue	289,942	8,249	(216)	297,975
Adjusted EBITDA	31,483	1,411	117	33,011
<i>% Revenue</i>	<i>10.86%</i>	<i>17.11%</i>		<i>11.08%</i>
EBIT	11,201	1,311	116	12,628

<i>Divisional income position</i>	Datalogic Business	Informatics	Adjustments	Total Group 30.06.2022 Restated
Revenue	306,655	8,513	(569)	314,599
Adjusted EBITDA	32,893	1,423	(60)	34,256
<i>% Revenue</i>	<i>10.73%</i>	<i>16.72%</i>		<i>10.89%</i>
EBIT	14,151	1,220	(60)	15,311

The **equity information related to operating segments** at June 30, 2023 and at December 31, 2022 is the following.

<i>Divisional financial position</i>	Datalogic Business	Informatics	Adjustments	Total Group 30.06.2023
Total Assets	789,265	27,423	(31,093)	785,595
Total Liabilities	350,249	7,076	(8,216)	349,109
Equity	439,016	20,347	(22,877)	436,486

<i>Divisional financial position</i>	Datalogic Business	Informatics	Adjustments	Total Group 31.12.2022
Total Assets	848,979	28,416	(31,884)	845,511
Total Liabilities	392,016	8,666	(6,738)	393,944
Equity	456,963	19,750	(25,146)	451,567

INFORMATION ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

Note 1. Tangible fixed assets

Tangible fixed assets at June 30, 2023 amounted to €96,052 thousand. During the period, net expenditure of €3,442 thousand and depreciation of €6,105 thousand was recognised, while exchange rate effects closed with a negative €89 thousand. The breakdown of the item at June 30, 2023 and at December 31, 2022 is shown below.

	30.06.2023	31.12.2022	Change
Land	12,704	12,740	(36)
Buildings	52,007	52,449	(442)
Other assets	26,867	29,825	(2,958)
Fixed assets under construction and advances	4,474	3,785	689
Total	96,052	98,799	(2,747)

The “Other assets” item at June 30, 2023 includes the following categories: industrial equipment and moulds (€11,617 thousand), plant and machinery (€6,205 thousand), office furniture and machines (€5,341 thousand), generic plant related to buildings (€2,411 thousand), lightweight constructions (€240 thousand), commercial equipment and demo rooms (€582 thousand), leasehold improvements (€369 thousand), and motor vehicles (€102 thousand).

The balance of “Fixed assets under construction and advances”, equal to €4,474 thousand, is composed primarily of moulds under construction and equipment and production lines built in house, and of improvements to owned buildings.

Note 2. Intangible fixed assets

Intangible fixed assets at June 30, 2023 amounted to €300,009 thousand. During the period, net expenditure of €9,612 thousand and amortisation of €10,229 thousand was recognised, while exchange rate effects closed with a negative €3,388 thousand. The breakdown of the item at June 30, 2023 and at December 31, 2022 is shown below:

	30.06.2023	31.12.2022	Change
Goodwill	208,662	212,043	(3,381)
Development costs	35,855	27,209	8,646
Other	39,940	43,206	(3,266)
Fixed assets under construction and advances	15,552	21,556	(6,004)
Total	300,009	304,014	(4,005)

Goodwill

“Goodwill”, equal to €208,662 thousand, is allocated to the CGUs identified by Management as shown below.

	30.06.2023	31.12.2022	Change
Datalogic CGU	194,825	197,989	(3,164)
Informatics CGU	13,837	14,054	(217)
Total	208,662	212,043	(3,381)

The change from the end of the prior year is attributable to translation differences.

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

At June 30, 2023, in accordance with IAS 36, it was assessed and confirmed that there were no indicators that could lead to an impairment of the recorded assets, taking account of both internal and external information sources.

Development costs, Other intangible fixed assets and Fixed assets under construction and advances

“**Development costs**”, amounting to €35,855 thousand at June 30, 2023, consists of product development projects.

“**Other**”, amounting to €39,940 thousand, consists primarily of intangible assets acquired through business combinations carried out by the Group, and software licences as detailed below:

	30.06.2023	31.12.2022	Change
Patents	4,674	5,710	(1,036)
Know-how	13,874	14,483	(609)
Customer portfolio	11,393	11,843	(450)
Licences	1,163	1,662	(499)
Software	8,836	9,508	(672)
Total	39,940	43,206	(3,266)

“**Fixed assets under construction and advances**”, amounting to €15,552 thousand (€21,556 thousand at December 31, 2022), is attributable mainly to the capitalization of costs for product development projects currently under way.

Note 3. Right of use fixed assets

Net negative changes of €1,393 thousand were recorded during the period and depreciation of €2,097 thousand, while exchange rate effects closed with a negative €107 thousand. The breakdown of the item at June 30, 2023 and at December 31, 2022 is shown below.

	30.06.2023	31.12.2022	Change
Buildings	10,075	13,590	(3,515)
Vehicles	1,957	1,997	(40)
Office equipment	129	171	(42)
Total	12,161	15,758	(3,597)

Note 4. Investments in associates

The non-controlling investments held by the Group, details of which are found in Annex 2, at June 30, 2023 amounted to €560 thousand, unchanged versus the prior period.

Note 5. Financial assets and liabilities by category

The table below provides a breakdown of “Financial assets and liabilities” under IFRS 9.

Financial assets

	Financial assets at amortized cost	Financial assets at FV through profit and loss	Financial assets at FV through OCI	30.06.2023
Non-current financial assets	809	3,793	4,292	8,894
Non-current financial assets and investments	-	3,793	4,292	8,085
Other receivables	809	-	-	809
Current financial assets	175,906	-	-	175,906
Trade receivables	66,009	-	-	66,009
Other receivables	21,828	-	-	21,828
Financial assets - Loans	-	-	-	-
Cash and cash equivalents	88,069	-	-	88,069
Total	176,715	3,793	4,292	184,800

	Financial assets at amortized cost	Financial assets at FV through profit and loss	Financial assets at FV through OCI	31.12.2022
Non-current financial assets	768	3,818	4,301	8,887
Non-current financial assets and investments	-	3,818	4,301	8,119
Other receivables	768	-	-	768
Current financial assets	217,327	-	-	217,327
Trade receivables	91,299	-	-	91,299
Other receivables	18,546	-	-	18,546
Financial assets - Loans	-	-	-	-
Cash and cash equivalents	107,482	-	-	107,482
Total	218,095	3,818	4,301	226,214

"Cash and cash equivalents" amounted to €88,069 thousand. Details are found in the Net Financial Debt schedule in the Directors' Report on Operations.

Financial liabilities

	Derivatives	Financial liabilities at amortized cost	30.06.2023
Non-current financial liabilities	-	114,428	114,428
Financial payables	-	93,996	93,996
Other payables	-	20,432	20,432
Current financial liabilities	-	182,743	182,743
Trade payables	-	108,589	108,589
Other payables	-	54,980	54,980
Current financial payables	-	19,174	19,174
Total	-	297,171	297,171

	Derivatives	Financial liabilities at amortized cost	31.12.2022
Non-current financial liabilities	-	99,827	99,827
Financial payables	-	79,067	79,067
Other payables	-	20,760	20,760
Current financial liabilities	-	237,135	237,135
Trade payables	-	112,054	112,054
Other payables	-	54,659	54,659
Current financial payables	-	70,422	70,422
Total	-	336,962	336,962

The fair value of financial assets and financial liabilities is determined according to methods classifiable in the various levels of the fair value hierarchy as envisaged by IFRS 13. Specifically, the Group uses internal valuation models generally used in financial practice, based on prices provided by market participants or quotations recorded on active markets.

Fair value - hierarchy

All the financial instruments measured at fair value are classified in the three categories shown 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	30.06.2023
Non-current financial assets and investments	4,292	-	3,793	8,085
Total	4,292	-	3,793	8,085

Note 6. Financial assets and current financial receivables

Financial assets include the following:

	30.06.2023	31.12.2022	Change
Non-current financial assets	8,085	8,119	(34)
Current financial assets	-	-	-
Total	8,085	8,119	(34)

Non-current financial assets amounted to €8,085 thousand and refer for €4,292 thousand to the investment in the share capital of the Japanese company Idec Corporation, €2,207 thousand to the investment in a financial instrument convertible into capital issued by AWM Smart Shelf, and €1,512 thousand to investment funds. The changes during the period include the transfer of the 15% stake still held in Solution Net Systems LLC (SNS) by the subsidiary Datalogic USA Inc..

Note 7. Trade and other receivables

The breakdown of the item at June 30, 2023 and at December 31, 2022 is shown below:

	30.06.2023	31.12.2022	Change
Trade receivables	60,610	84,880	(24,270)
Contract assets - Invoicesto be issued	6,395	6,385	10
Bad debt provisions	(2,593)	(2,838)	245
Net trade receivables	64,412	88,427	(24,015)
Receivables from associates	1,551	2,861	(1,310)
Receivables from related parties	11	11	-
Sub-total - Trade receivables	66,009	91,299	(25,290)
Other receivables - current accrued income and prepaid expense	21,828	18,546	3,282
Other receivables - non-current accrued income and prepaid expense	809	768	41
Sub-total - Other receivables - accrued income and prepaid expense	22,637	19,314	3,323
Less: non-current portion	809	768	41
Trade and other receivables - current	87,837	109,845	(22,008)

Trade receivables

"Trade receivables" amounted to €66,009 thousand at June 30, 2023, down by €25,290 thousand versus December 31, 2022. At June 30, 2023, trade receivables factored without recourse amounted to €31,306 thousand (€29,877 thousand at December 31, 2022). Trade receivables from associates arise from commercial transactions carried out at normal market conditions.

Other receivables - accrued income and prepaid expense

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

	30.06.2023	31.12.2022	Change
Other current receivables	3,104	1,639	1,465
Other non-current receivables	809	768	41
VAT receivables	14,913	12,972	1,941
Accrued income and prepaid expense	3,811	3,935	(124)
Total	22,637	19,314	3,323

The "VAT receivable" of €14,913 thousand refers to normal commercial transactions. The difference refers to the changed ratio of offsetting tax and social security receivables and payables in the six-month period.

The "Accrued income and prepaid expense" item is composed mainly of the recognition of insurance contracts and hardware and software licenses.

Note 8. Inventory

Inventory amounted to €124,459 thousand, down by €5,365 thousand during the period.

	30.06.2023	31.12.2022	Change
Raw and ancillary materials and consumables	59,800	62,503	(2,703)
Work in progress and semi-finished products	22,899	25,864	(2,965)
Finished products and goods	41,760	41,457	303
Total	124,459	129,824	(5,365)

Inventory is shown net of an obsolescence provision totalling €13,244 thousand at June 30, 2023 (€12,387 thousand at December 31, 2022).

Note 9. Tax receivables and payables

	30.06.2023	31.12.2022	Change
Tax receivables	12,949	14,135	(1,186)
<i>of which Parent Company</i>	<i>1,807</i>	<i>1,807</i>	
Tax payables	(8,650)	(13,478)	4,828
<i>of which Parent Company</i>	<i>(2,013)</i>	<i>(2,013)</i>	
Total	4,299	657	3,642

At June 30, 2023, the net balance of "Tax Receivables and Payables" was positive and equal to €4,299 thousand versus a positive 657 thousand at December 31, 2022, marking a positive change of €3,642 thousand.

LIABILITIES AND EQUITY

Note 10. Equity

The composition of Equity at June 30, 2023 is shown below.

	30.06.2023	31.12.2022	Change
Share capital	30,392	30,392	-
Share premium reserve	111,779	111,779	-
Treasury shares held in portfolio	(27,505)	(22,191)	(5,314)
Share capital and reserves	114,666	119,980	(5,314)
Translation reserve	34,132	39,331	(5,199)
Other reserves	4,508	3,347	1,161
Retained earnings	267,779	255,840	11,939
Profit for the period	12,111	29,550	(17,439)
Total Group equity	433,196	448,048	(14,852)
Profit (loss) for the period attributable to non-controlling interests	10	576	(566)
Share capital attributable to non-controlling interests	3,280	2,943	337
Total consolidated equity	436,486	451,567	(15,081)

Share capital

At June 30, 2023, the share capital of €30,392 thousand represents the fully subscribed and paid-up share capital of the Parent Company Datalogic S.p.A.. It comprises ordinary shares for a total of 58,446,491, of which 2,431,202 held as treasury shares for a value of €27,505 thousand, therefore the outstanding shares at that date amounted to 56,015,289.

	Number of shares	Share capital	Share cancellation reserve	Treasury shares held in portfolio	Treasury share reserve	Share premium reserve	Total
01.01.2023	56,779,438	30,392	2,813	(22,191)	29,651	79,315	119,980
Purchase of treasury shares	(764,149)			(5,314)	5,314	(5,314)	(5,314)
30.06.2023	56,015,289	30,392	2,813	(27,505)	34,965	74,001	114,666

Other Reserves

At June 30, 2023, the "Reserve for treasury shares held in portfolio" decreased by €5,314 thousand, due to the purchase of treasury shares.

The "Translation reserve" decreased by €5,199 thousand, due mainly to the effects of the trend of the U.S. dollar, the functional currency of a number of the Group's main investees; part of the change is attributable to the gains/losses generated by the monetary elements that are an integral part of the net investment in foreign operations, and refers to the effect of period-end foreign exchange valuation related to receivables for loans in U.S. dollars granted by the parent company Datalogic S.p.A. to the Group company Datalogic Hungary; there is no specified settlement or repayment plan, and the repayment is not expected to occur in the foreseeable future.

With regard to the change in the "Share-based incentive plan reserve", it should be noted that said change refers to the allocation for the period for the Performance Shares Plan 2022-2024 approved by the Shareholders' Meeting on April 29, 2022.

At June 30, 2023, "Other reserves", including the "Share-based incentive plan reserve", amounted to €4,508 thousand (€3,347 thousand at December 31, 2022).

Note 11. Financial payables

"Financial payables" at June 30, 2023 amounted to €113,170 thousand, decreasing by €36,319 thousand as detailed below.

	30.06.2023	31.12.2022	Change
Bank loans	99,816	130,915	(31,099)
Financial payables from leases	12,452	16,126	(3,674)
Payables to factoring companies	655	2,229	(1,574)
Other financial payables	190	53	137
Bank overdrafts	57	166	(109)
Total	113,170	149,489	(36,319)

The change in "Bank loans" for the period is a result of the payment of instalments falling due and the repayment of credit lines totalling €56,189 thousand and the granting of the last portion of the credit line of €25,000 thousand under the long-term loan named "Roller Coaster". The movements are shown below:

	2023	2022
At January 1	130,915	113,206
Increases	25,000	70,000
Decreases for borrowing repayments	(56,189)	(26,603)
Other changes	90	415
At June 30	99,816	157,018

"Financial payables from leases" decreased by €3,674 thousand.

The breakdown of financial payables, divided into current and non-current portions, is shown below:

	30.06.2023	31.12.2022	Change
Non-current financial payables	93,996	79,067	14,929
Current financial payables	19,174	70,422	(51,248)
Total	113,170	149,489	(36,319)

At June 30, 2023, the Group had credit lines in place for a total of approximately €290.0 million, of which €190.0 million undrawn, including €100.0 million long-term and €90.0 million short-term.

Covenants

Certain loan agreements require the Group to comply with financial covenants, measured on a half-year basis at June 30 and December 31, summarized in the following table:

Loan	Company	Covenants	Frequency	Reference financial statements	
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

At June 30, 2023, all covenants were met.

Note 12. Net deferred tax

Deferred tax assets and deferred tax liabilities result both from positive items already recognised in the income statement and subject to deferred taxation under current tax regulations and temporary differences between recorded assets and liabilities and their relevant taxable value.

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

Temporary differences generating deferred tax assets consist mainly of tax losses and tax paid abroad, provisions for risks and charges, and foreign exchange adjustments. Deferred tax liabilities are attributable mainly to temporary differences in exchange rate adjustments and statutory and tax differences in the amortisation/depreciation schedules of tangible and intangible fixed assets and fair value measurements of assets as part of business combinations carried out by the Group.

	30.06.2023	31.12.2022	Change
Deferred tax assets	54,605	56,207	(1,602)
Deferred tax liabilities	(28,925)	(28,680)	(245)
Net deferred tax	25,680	27,527	(1,847)

Deferred tax assets amounted to €54,605 thousand and included foreign tax credits attributable mainly to the subsidiary Datalogic USA Inc.

Deferred tax liabilities at June 30, 2023 amounted to €28,925 thousand and refer mainly to temporary differences related to asset amortisation/depreciation schedules, as well as tax adjustments resulting from the consolidation processes of recent acquisitions made by the Group.

Note 13. Provisions for post-employment and retirement benefits

The breakdown of changes in "Provisions for post-employment and retirement benefits" at June 30, 2023 and at June 30, 2022 is shown below:

	2023	2022
At January 1	6,163	7,088
Amount allocated in the period	1,292	1,789
Utilizations	(1,134)	(1,175)
Receivable from INPS	(391)	(766)
Other movements	-	2
Exchange rate adjustments	(5)	-
At June 30	5,925	6,938

Note 14. Provisions for risks and charges

"Provisions for risks and charges" at June 30, 2023, amounted to €8,438 thousand (€8,661 thousand at December 31, 2022), represented by the best estimate of the contingent liabilities to which the Group is exposed in relation to

contractual obligations for product warranties and long-term incentive and retention plans for personnel (middle management and key people), as well as contingent liabilities of a tax, labour law and supplementary agents' indemnity nature, as shown below.

	31.12.2022	Increases	(Utilizations) (Releases)	Exchange differences	30.06.2023
Product warranty provision	7,169	-	(471)	(2)	6,696
Provision for staff incentive and retention plans	531	608	-	(11)	1,128
Other provisions	961	-	(353)	6	614
Total	8,661	608	(824)	(7)	8,438

The "**Product warranty provision**" covers the estimated cost of repairing products sold up to June 30, 2023 and covered by a warranty period; said provision amounted to €6,696 thousand (of which €3,964 thousand long-term).

"**Provision for staff incentive and retention plans**" refers to the estimated bonuses to be paid to staff based on long-term incentive and retention plans accrued at June 30, 2023.

"**Other provisions**" at June 30, 2023 amounted to €614 thousand and consisted mainly of provisions for supplementary agent's indemnity and for contingent liabilities of a fiscal and labour law nature.

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

	30.06.2023	31.12.2022	Change
Provisions for risks and charges, current portion	2,966	3,468	(502)
Provisions for risks and charges, non-current portion	5,472	5,193	279
Total	8,438	8,661	(223)

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

	30.06.2023	31.12.2022	Change
Trade payables	105,005	108,363	(3,357)
Contractual liabilities - customer advances	3,463	3,566	(104)
Trade payables	108,468	111,929	(3,461)
Payables to associates	121	101	20
Payables to related parties	-	24	(24)
Total trade payables	108,589	112,054	(3,465)
Other current payables	33,329	33,603	(274)
Current accrued expense and deferred income	21,651	21,056	595
Non-current accrued expense and deferred income	20,432	20,760	(328)
Total Other payables - accrued expense and deferred income	75,412	75,419	(7)
Less: non-current portion	20,432	20,760	(328)
Current portion	163,569	166,713	(3,144)

Trade payables

"Trade payables" amounted to €108,589 thousand, down by €3,465 thousand versus the end of the prior year.

Other current payables

	30.06.2023	31.12.2022	Change
Payables to employees	22,351	21,078	1,273
Payables to welfare and social security entities	6,708	7,130	(422)
Other payables	2,035	2,850	(815)
VAT payables	2,235	2,545	(310)
Total	33,329	33,603	(274)

"Other current payables" amounting to €33,329 thousand at June 30, 2023, consists mainly of "Payables to employees" for the fixed and variable components of salaries and holiday entitlements, as well as the related "Payables to welfare and social security entities".

Accrued expense and deferred income

"Accrued expense and deferred income", amounting to €42,083 thousand at June 30, 2023 (€41,816 thousand at December 31, 2022), is composed mainly of deferred revenue related to the Ease of Care long-term maintenance contracts.

INFORMATION ON THE INCOME STATEMENT

Note 16. Revenue

Revenue classified by type is shown in the following table:

	30.06.2023	30.06.2022	Change
Revenue from sale of products	275,519	292,971	(17,452)
Revenue from services	22,456	21,628	828
Total revenue	297,975	314,599	(16,624)

At June 30, 2023, consolidated net revenue amounted to €297,975 thousand, down by 5.3% versus €314,599 thousand in the same period of 2022. The Group's revenue, classified by recognition method and business segment, is broken down as follows:

Revenue broken down by recognition method	Datalogic	Informatics	Adjustments	30.06.2023
Revenue from sale of goods and services - point in time	258,637	4,484	(216)	262,905
Revenue from sale of goods and services - over time	31,305	3,765	-	35,070
Total	289,942	8,249	(216)	297,975

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

The Group recognises revenue for the sale of goods and services at a specific point in time when control of the assets has been transferred to the customer, usually at the same time as the delivery of the good or provision of the service. Instead, revenue recognition takes place over time, based on the status of performance of contractual obligations, when the performance does not create an asset that has an alternative use for the Group and the Group has the collectible right to payment for the completed performance up to the date considered.

Revenue broken down by type	Datalogic	Informatics	Adjustments	30.06.2023
Sale of goods	271,469	4,266	(216)	275,519
Sale of services	18,473	3,983	-	22,456
Total	289,942	8,249	(216)	297,975

Revenue 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

Note 17. Cost of goods sold and operating costs

The following table shows the trends of cost of goods sold and operating costs at June 30, 2023, versus the same period of the prior year, before special items.

	30.06.2023	30.06.2022 Restated	Change
Cost of goods sold	171,668	190,056	(18,388)
Operating costs	114,740	109,952	4,788
Research and development expense	31,872	30,547	1,325
Distribution expense	53,042	48,632	4,410
Administrative and general expense	28,514	29,690	(1,176)
Other operating expense	1,312	1,083	229
Total	286,408	300,007	(13,599)

Cost of goods sold

Cost of goods sold at June 30, 2023 was €171,668 thousand. The absolute change is -9.7%; the percentage of sales improved by 2.8% to 57.6% from 60.4% in the first half of last year.

Operating costs

"**Operating Costs**", amounting to €114,740 thousand, rose by €4,788 thousand (+4.4%) in first half 2023 versus the same period of 2022, deteriorating the percentage of sales by 3.6% from 34.9% to 38.5%, as a result mainly of the increase in distribution expense.

"**Research and development expense**" at June 30, 2023 amounted to €31,872 thousand, increasing by 4.3% versus the same period of the prior year, accounting for 10.7% of sales (9.7% in the first half of the prior year). The detail items showing the largest increase are related to external consulting in connection with ongoing product development projects, and to higher amortisation and depreciation.

"**Distribution expense**" amounted to €53,042 thousand, up versus the same period of 2022 (+9.1%). The percentage of sales increased from 15.5% to 17.8%; the change is related mainly to increased personnel expense, increased sales and marketing initiatives and participation in trade fairs and events as well as customer visits.

"**Administrative and general expense**" amounted to €28,514 thousand at June 30, 2023, falling by 4.0% versus the comparison period, while the percentage on sales was basically in line, rising from 9.4% to 9.6%.

"**Other operating expense**", amounting to €1,312 thousand, increased versus the first half of the prior year and consisted mainly of non-income tax and duties and other operating costs.

Costs by type

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

	30.06.2023	30.06.2023 Restated	Change
Purchases	124,829	137,620	(12,791)
Personnel expense	94,071	90,923	3,148
Amortisation, depreciation and write-downs	18,435	17,838	597
Goods receipt and shipment expense	10,691	17,488	(6,797)
Travel and meetings expense	6,247	3,541	2,706
EDP expense	3,861	3,323	538
Consumables and R&D material	3,771	3,732	39
Marketing expense	3,460	2,224	1,236
R&D technical consultancies	2,972	2,027	945
Legal, tax and other consulting	2,010	2,632	(622)
Utilities	1,859	1,933	(74)
Building expense	1,339	1,125	214
Royalties	1,161	1,555	(394)
Fees	1,094	887	207
Expense for plant and machinery and other assets	960	879	81
Telephone expense	946	946	(0)
Sundry service costs	815	840	(25)
Directors' fees	785	1,173	(388)
Quality certification expense	708	664	44
Vehicle expense	646	586	60
Repairs and warranty provision accrual	628	999	(371)
Insurance	623	569	54
Installations	608	1,008	(400)
Recruitment fees	581	857	(276)
Non-warranty repairs	530	716	(186)
Entertainment expense	525	297	228
Audit fees	410	548	(138)
Subcontracted work	378	403	(25)
Other	1,464	2,674	(1,210)
Total cost of goods sold and operating costs	286,408	300,007	(13,599)

Purchases decreased by €12,791 thousand (-9.3%) versus the same period of 2022, improving the percentage of sales by 1.9%.

Personnel expense of €94,071 thousand (€90,923 thousand in first half 2022) increased by €3,148 thousand versus the prior period (+3.5%), with the percentage of sales deteriorating versus the same period of 2022, from 28.9% to 31.6%.

The detailed breakdown of personnel expense is as follows:

	30.06.2023	30.06.2022	Change
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Wages and salaries	70,794	70,454	340
Social security charges	14,784	14,433	351
Post-employment benefits	1,290	1,375	(85)
Retirement benefits and the like	969	1,003	(34)
Other personnel costs	6,234	3,658	2,576
Total	94,071	90,923	3,148

"Travel and meetings expense" and "Marketing expense", amounting to €6,247 thousand and €3,460 thousand, respectively, were up by a total of €3,942 thousand versus the same period of the prior year, as a result of increased business initiatives and participation in trade fairs and events as well as customer visits.

The item "amortisation, depreciation and write-downs", amounting to €18,435 thousand, increased by €597 thousand, due to continued increased expenditure incurred in recent years.

"Goods receipt and shipment expense", amounting to €10,691 thousand, fell sharply by €6,797 thousand versus the same period of the prior year; the percentage of sales was in fact 3.6%.

"Technical consulting R&D", amounting to €2,972 thousand, increased significantly (+46.6%) due to ongoing research projects.

Note 18. Other revenue

At June 30, 2023, "Other revenue" amounted to €1,063 thousand, increasing by €344 thousand versus €719 thousand in the same period of the prior year, thanks to public grants received for research projects. Other revenue is broken down as follows:

	30.06.2023	30.06.2022	Change
Grants to Research and Development expense	372	8	364
Miscellaneous income and revenue	484	601	(117)
Rents	60	51	9
Gains from disposal of fixed assets	113	13	100
Contingent assets	33	22	11
Other	0	24	(24)
Total	1,063	719	344

Note 19. Financials

	30.06.2023	30.06.2022	Change
Financial income/(expense)	(983)	(857)	(126)
Foreign exchange differences	(152)	(3,294)	3,142
Fair Value investments	7	(88)	95
Bank expense	(871)	(571)	(300)
Dividends	168	177	(9)
Other	3,804	101	3,703
Total net financials	1,973	(4,532)	6,505

Financials ended with a positive €1,973 thousand, improving by €6,505 thousand versus a negative €4,532 thousand in the same period of the prior year, thanks to the favourable trend in exchange rate differences and to the gain earned from the transfer of the minority interest in Solution Net Systems LLC (SNS).

Note 20. Tax

The Group's tax burden at June 30, 2023 is €2,482 thousand as shown below.

	30.06.2023	30.06.2022 Restated	Change
Pre-tax profit/(loss)	14,603	10,779	3,824
Tax income (expense) - for current tax	387	1,218	(831)
Tax income (expense) - for deferred and prepaid tax	2,095	719	1,376
Total Tax	2,482	1,937	545
Tax rate	17.0%	18.0%	-1.0%

The tax rate at June 30, 2023 reflects the distribution of the profit of the period among the various geographical areas in which the Group operates.

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 result for the period, profit and/or loss, attributable to Shareholders of the Parent Company by the weighted average number of shares outstanding during the reporting period. For the purpose of calculating diluted EPS, the weighted average number of shares outstanding is adjusted by assuming the conversion of all potential shares with dilutive effects (such as the share-based incentive plan), while the Group's net result is adjusted for the after-tax effects of conversion.

	30.06.2023	30.06.2022 Restated
Profit/(Loss) for the period attributable to the shareholders of the parent	12,111	8,588
Average number of shares (thousands)	56,683	56,451
Basic earnings/(loss) per share	0.21	0.15
Profit/(Loss) for the period attributable to the shareholders of the parent	12,111	8,588
Average number of shares (thousands) - Diluted effect	57,019	56,451
Diluted earnings/(loss) per share	0.21	0.15

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

For the definition of "Related Parties", reference is made not only to IAS 24, approved by EC Regulation no. 1725/2003, but also to the Procedure for Related-Party Transactions approved by the Board of Directors on November 4, 2010 (last amended on June 23, 2021) available on the Company website www.datalogic.com. The parent company of the Datalogic Group is Hydra S.p.A..

Intercompany transactions are carried out as part of the ordinary operations and at normal market conditions. Additionally, there are related-party transactions carried out again in the ordinary course of business and at normal market conditions, of an immaterial amount pursuant to and for the purposes of the "RPT Procedure", attributable mainly to Hydra S.p.A. or to entities subject (with Datalogic S.p.A.) to common control or to persons exercising administrative and management functions at Datalogic S.p.A. (including entities controlled by them and close family members).

Related-party transactions refer mainly to commercial and property transactions (instrumental and non-instrumental premises for the Group leased or rented out), consulting services, and participation in tax consolidation. None of them are of particular economic or strategic importance to the Group, since receivables, payables, revenue, and expense from related parties do not have a material percentage impact on the total amounts of the financial statements.

Pursuant to Article 5, paragraph 8, of the CONSOB Regulations, it should be noted that, over the period 01.01.2023 – 30.06.2023, the Company's Board of Directors did not approve any transaction of greater significance, as set out by Article 3, paragraph 1, letter b) of the CONSOB Regulations, or any related-party transactions of a lesser significance that had a significant impact on the Group's equity position or results.

	Parent Company	Company controlled by Chairman of B.o.D.	Companies not consolidated on a line-by-line basis	30.06.2023
Investments	-	-	560	560
Trade receivables - accrued income and prepaid expense	-	11	1,551	1,562
Receivables from tax consolidation	1,807	-	-	1,807
Financial receivables	-	-	-	-
Payables from tax consolidation	2,013	-	-	2,013
Trade payables - accrued expense and deferred income	-	-	121	121
Financial payables	-	-	-	-
Commercial and service costs	-	617	89	706
Trade revenue	-	-	3,709	3,709
Other revenue	-	-	5	5

HEADCOUNT

	30.06.2023	30.06.2022	Change
Datalogic	2,955	2,946	9
Informatics	69	70	(1)
Total	3,024	3,016	8

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

Annexes

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ANNEX 1

Certification of the Consolidated Half-Year Financial Report pursuant to Article 81-ter of CONSOB Regulation no. 11971 of May 14, 1999 as subsequently amended and supplemented

1. The undersigned Valentina Volta, as CEO, and Alessandro D'Aniello, as the Manager responsible for the preparation of the Company's financial reports of Datalogic S.p.A., certify, also taking account of the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of February 24, 1998:
 - the adequacy of the characteristics of the Company and
 - the effective application of the administration and accounting procedures for the preparation of the Consolidated Half-Year Financial Report during the first half of 2023.
2. The assessment of the adequacy of the administrative and accounting procedures for the preparation of the Consolidated Half-Year Financial Report at June 30, 2023 was based on a specific process defined by Datalogic S.p.A. consistent with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which groups together a set of general principles of reference generally accepted at the international level.
3. Moreover, the following is certified:
 - 3.1 The Consolidated Half-Year Financial Report:
 - a) was prepared in accordance with the International Financial Reporting Standards endorsed by the European Union pursuant to EC Regulation no. 1606/2002 of the European Parliament and Council of July 19, 2002;
 - b) corresponds to the books and accounting records;
 - c) provides a true and fair view of the financial position, the results of operations and the cash flows of the Issuer and of the companies included in the consolidation scope.
 - 3.2 The Consolidated Half-Year Financial Report contains a reliable analysis of all the significant events that took place in the first half of the year and their relevant effect, together with a description of the main risks and uncertainties for the second half of the year. The Consolidated Half-Year Financial Report also includes a reliable analysis of the significant transactions with related parties.

Lippo di Calderara di Reno, August 2, 2023

The Chief Executive Officer

Valentina Volta

The Manager responsible for the preparation
of the Company's financial reports

Alessandro D'Aniello

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ANNEX 2

CONSOLIDATION SCOPE

The Consolidated Interim Management Statement includes the interim statements of the Parent Company and of the companies in which it directly and/or indirectly has control or significant influence. The statements of the subsidiaries were duly adjusted, where necessary, to make them consistent with the Parent Company's Accounting Standards. The companies included in the consolidation scope at June 30, 2023, consolidated on a line-by-line basis, are shown hereunder:

Company name	Registered office	Share capital		Total equity (Euro/thousands)	Profit (loss) for the period (Euro/thousands)	% Ownership
Datalogic S.p.A.	Bologna – Italy	€	30,392,175	351,940	12,662	
Datalogic Real Estate France Sas	Courtabeuf Cedex – France	€	2,227,500	4,015	92	100%
Datalogic Real Estate UK Ltd.	Redbourn - United Kingdom of Great Britain	GBP	3,500,000	4,938	28	100%
Datalogic IP Tech S.r.l.	Bologna – Italy	€	65,677	30,495	(5,580)	100%
Informatics Holdings, Inc.	Plano, Texas - USA	USD	1,568	20,106	974	100%
Wasp Barcode Technologies Ltd	Redbourn - United Kingdom of Great Britain	GBP	0	240	(21)	100%
Datalogic (Shenzhen) Industrial Automation Co. Ltd.	Shenzhen - China	CNY	2,136,696	6,036	625	100%
Datalogic Hungary Kft	Balatonboglár - Hungary	HUF	3,000,000	2,903	2,801	100%
Datalogic S.r.l.	Bologna – Italy	€	10,000,000	138,933	(3,963)	100%
Datalogic Slovakia S.r.o.	Trnava - Slovakia	€	66,388	6,246	1,765	100%
Datalogic USA Inc.	Eugene OR - Usa	USD	100	263,351	7,928	100%
Datalogic do Brazil Ltda.	Sao Paulo - Brazil	BRL	20,257,000	913	153	100%
Datalogic Tecnologia de Mexico S.r.l.	Colonia Cuauhtemoc - Mexico	MXN	0	(452)	5	100%
Datalogic Scanning Eastern Europe GmbH	Langen - Germany	€	25,000	3,704	(123)	100%
Datalogic Australia Pty Ltd	Mount Waverley (Melbourne) - Australia	AUD	3,188,120	1,474	89	100%
Datalogic Vietnam LLC	Vietnam	USD	3,000,000	28,457	1,943	100%
Datalogic Singapore Asia Pacific Pte Ltd.	Singapore	SGD	3	4,170	644	100%
Datasensing S.r.l.	Modena - Italy	€	2,500,000	19,914	(713)	100%
M.D. Micro Detectors (TIANJIN) CO., LTD.	Tianjin - China	CNY	13,049,982	1,228	2	100%
Datasensing Ibérica, S.A.U.	Barcelona - Spain	€	120,000	1,446	70	100%
Datalogic Japan Co., Ltd.	Tokyo - Japan	JPY	9,913,000	69	(64)	100%
PEKAT s.r.o.	Brno - Czech Republic	CKZ	202,020	(298)	(336)	100%
Suzhou Mobydata Smart System Co. Ltd	Suzhou, JiangSu - China	CNY	161,224	6,609	18	51%

Companies consolidated by the equity method at June 30, 2023 are as follows:

Company name	Registered office	Share capital		Total equity (Euro/thousands)	Profit (loss) for the period (Euro/thousands)	% Ownership
		€				
Datasensor GmbH (*)	Otterfing - Germany	€	150,000	0	2	30%
CAEN RFID S.r.l. (***)	Viareggio LU - Italy	€	150,000	781	25	20%
R4I S.r.l. (***)	Benevento - Italy	€	131,250	238	(40)	20%
Datalogic Automation AB (**)	Malmö, Sweden	SEK	100,000	1,661	790	20%

(*) figures at December 31, 2021

(**) figures at June 30, 2022

(***) figures at December 31, 2022

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ANNEX 3

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES (NON-GAAP MEASURES)

Below is a reconciliation of EBIT and Adjusted EBIT at June 30, 2023 versus June 30, 2022.

	30.06.2023		30.06.2022		Change
Adjusted EBIT	16,954	5.69%	19,218	6.11%	(2,264)
Special Items - Other Expense and (Income)	1,947	0.65%	1,112	0.35%	835
Special Items - D&A from acquisitions	2,377	0.80%	2,795	0.89%	(418)
Total	4,324	1.45%	3,907	1.24%	417
EBIT	12,630	4.2%	15,311	4.9%	(2,681)

Below is a reconciliation of EBITDA and Adjusted EBITDA at June 30, 2023 versus June 30, 2022.

	30.06.2023		30.06.2022		Change
Adjusted EBITDA	33,011	11.08%	34,256	10.89%	(1,245)
Cost of goods sold	103	0.03%	37	0.01%	66
Research and Development expense	65	0.02%	-	0.00%	65
Distribution expense	381	0.13%	452	0.14%	(71)
Administrative and General expense	1,398	0.47%	623	0.20%	775
Other (expense) income	-	0.00%	-	0.00%	-
Total	1,947	0.65%	1,112	0.35%	835
EBITDA	31,064	10.43%	33,144	10.54%	(2,080)

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ANNEX 4

RESTATEMENT 2022

Comparative results at June 30, 2023 have been restated following reclassifications of a number of items in order to ensure full comparability of 2022 results with those of 2023, as well as the purchase price allocation (PPA) related to the acquisition of Pekat S.r.o. on March 21, 2022, the final accounting for which took place in the fourth quarter of 2022, as prescribed by IFRS 3 revised and IAS 1.

Restatement Income Statement 2022

(Euro/000)	30.06.2022	Restatement	30.06.2022 Restated
1) Revenue	314,599		314,599
Revenue from sale of products	292,971		292,971
Revenue from services	21,628		21,628
2) Cost of goods sold	184,497	5,559	190,056
Gross Operating Margin (1-2)	130,102	(5,559)	124,543
3) Other revenue	719		719
4) Research and development expense	30,638	(91)	30,547
5) Distribution expense	54,573	(5,941)	48,632
6) Administrative and general expense	28,902	788	29,690
7) Other operating expense	1,083		1,083
Total operating costs	115,195	(5,244)	109,951
EBIT	15,626	(315)	15,311
8) Financial income	20,160		20,160
9) Financial expense	24,692		24,692
Financials (8-9)	(4,532)		(4,532)
Profit/(Loss) before tax from continuing operations	11,094	(315)	10,779
Income tax	1,997	(60)	1,937
Profit/(Loss) for the period	9,097	(255)	8,842
Basic earnings/(loss) per share (€)	0.16		0.15
Diluted earnings/(loss) per share (€)	0.16		0.15
<i>Attributable to:</i>			
<i>Shareholders of the Parent Company</i>	<i>8,843</i>		<i>8,588</i>
<i>Non-controlling interests</i>	<i>254</i>		<i>254</i>

