



Consolidated Interim Report March 31, 2022

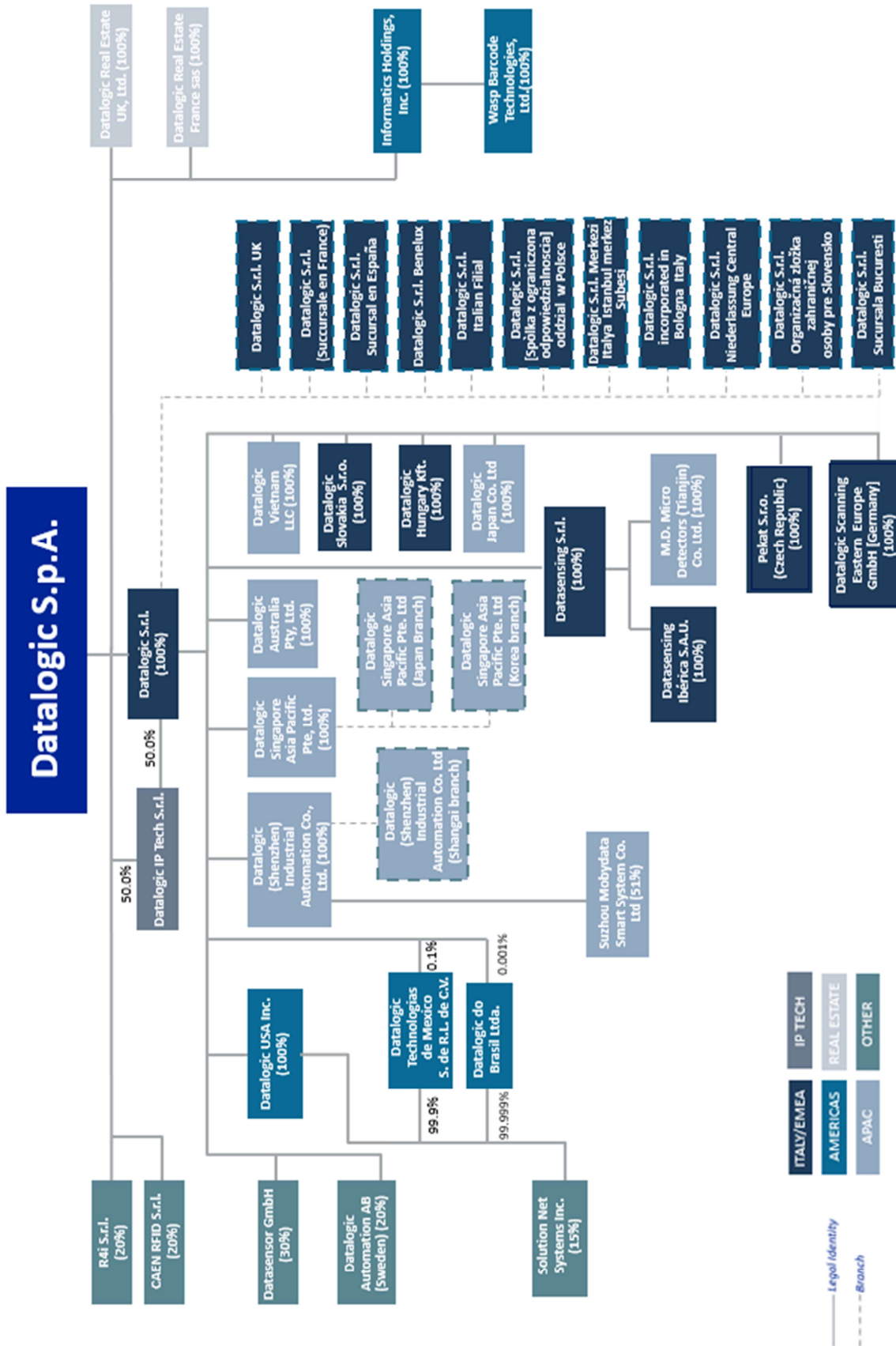
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DISCLAIMER

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

GROUP STRUCTURE



COMPOSITION OF THE CORPORATE BODIES

Board of Directors ⁽¹⁾

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

Board of Statutory Auditors ⁽³⁾

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

Audit and Risk, Remuneration and Appointments Committee

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

Independent Auditor ⁽⁴⁾

Deloitte & Touche S.p.A.

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

(2) Legal representative as regards third parties.

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

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

Report on Operations



REPORT ON OPERATIONS

INTRODUCTION

This Consolidated Interim Report as of March 31, 2022 was drawn up pursuant to art. 154-ter of T.U.F. (Consolidated Law on Finance) and was prepared in compliance with the International Accounting Standards (IAS/IFRS) endorsed by the European Union.

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

GROUP PROFILE

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

HIGHLIGHTS OF THE PERIOD

The following table summarises the Datalogic Group's key operating and financial results as of March 31, 2022 and the comparison with the same period a year earlier, whose results has been restated in compliance with accounting principle IAS 1 (for details refer to Annex 4 of this document).

	Quarter ended						
	31.03.2022	% on Revenues	31.03.2021 Restated	% on Revenues	Change	% Change	% Ch. Net FX
Revenues	137,928	100.0%	134,366	100.0%	3,562	2.7%	-0.6%
Adjusted EBITDA	11,752	8.5%	21,602	16.1%	(9,850)	-45.6%	-45.8%
Adjusted EBIT	4,474	3.2%	15,016	11.2%	(10,542)	-70.2%	-69.3%
EBIT	2,278	1.7%	12,934	9.6%	(10,656)	-82.4%	-81.7%
Net Profit/(Loss) for the period	1,329	1.0%	8,937	6.7%	(7,608)	-85.1%	-85.1%
Net financial position (NFP)	(77,663)		(30,936)		(46,727)		

The Group closed the first quarter of 2022 recording **revenues** of €137.9 million, achieving a growth of 2.7%, equal to €3.6 million, compared to €134.4 million reported in the first quarter of 2021 (-1.1% organic).

The trend confirmed the post-pandemic recovery in all geographies despite the severe constraints that remain on the supply chain and which continue to slow down the order fulfillment rate limiting volumes. The first quarter of 2022 also recorded a particularly positive trend, for the third consecutive quarter, of new products' sales (*Vitality Index*), which reached 14.7% of total turnover as of March 31, 2022 compared to 11.8% in the first quarter of 2021.

The **Adjusted EBITDA margin** equal to 8.5%, compared to 16.1% of the first quarter of 2021, continues to be significantly impacted by inflationary phenomena that have affected, starting from the second half of last year, the cost of production, as well as transport and logistics costs, which can only be partially offset by the improvement in price and sales mix.

The **Adjusted EBIT** amounted to 3.2% of revenues and was equal to €4.5 million (€15.0 million as at March 31, 2021). Operating profitability was affected both by gross operating margin erosion caused by inflationary effects, only partially offset by increase in sales, as well as by operating expenses trend, driven by the restart of commercial activities.

Net profit for the period amounted to €1.3 million (1.0% of revenues), compared to €8.9 million in the first quarter of 2021 (6.7% of revenues).

Net Debt as of March 31, 2022 was equal to €77.7 million (€26.1 million as of December 31, 2021). The change recorded in the first quarter of the year is mainly due to the acquisition of Pekat Vision for €16.0 million, as well as to the cash absorption of working capital as a result of limitations on the supply chain and the slowdown of sales' order fulfilment.

ALTERNATIVE PERFORMANCE INDICATORS (NON-GAAP MEASURES)

The management uses certain performance indicators, not identified as accounting measures under IFRS (*NON-GAAP measures*), to permit better assessment of the Group's performance. The measurement criterion applied by the Group might not be the same as that adopted by other groups and the indicators might not be comparable with their indicators. These performance indicators, in accordance with the provisions in the Guidelines on Alternative 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 accounting period that is the object of this Consolidated Interim Report on Operations and the periods it is compared to. The performance indicators must be considered as supplementary and do not supersede the information provided pursuant to the IFRS standards. The main indicators adopted are described below.

- **Special Items:** items resulting from non-recurring operations, restructuring activities, business reorganizations, fixed assets devaluation, additional costs linked to business acquisitions or disposals including also D&A from *purchase price allocation*, every other items not related to ordinary course of business.
- **EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) or Gross Operating Margin:** this indicator is defined as the profit/(loss) for the period from continuing operations before depreciation and amortization of tangible and intangible assets and rights of use, financial income/expenses and income taxes.
- **Adjusted EBITDA:** this indicator is defined as the profit/(loss) for the period from continuing operations before depreciation and amortization of tangible and intangible assets and rights of use, financial income and expenses, income taxes and of special items.
- **EBIT (Earnings Before Interest, Taxes) or Operating Result:** this indicator is defined as the profit/(loss) for the period from continuing operations before financial income/expenses and income taxes.
- **Adjusted EBIT:** this indicator is defined as the profit/(loss) for the period from continuing operations before financial income/expenses, income taxes and special items.
- **Net Trade Working Capital:** this indicator is calculated as the sum of Inventories and Trade Receivables, less Trade Payables.
- **Net Working Capital:** this indicator is calculated as the sum of Net Trade Working Capital and Other Current Assets and Liabilities including current Provisions for Risks and Charges.

- **Net Invested Capital:** this indicator is the total of Current and Non-Current Assets, excluding financial assets, less Current and Non-current Liabilities, excluding financial liabilities.
- **NFP (Net Financial Position or Net Debt):** this indicator is calculated in accordance with the provisions of “Notice no. 5/21” of April 29, 2021 issued by Consob and referring to ESMA Guideline 32-382-1138 of March 4, 2021.
- **Free Cash Flow:** this indicator is calculated as the cash flow from operating activities, net of investments in tangible and intangible assets (excluding right-of-use assets recognized over the period in accordance with IFRS 16) and financial and tax income and expenses for operating activities.

GROUP RECLASSIFIED ECONOMIC RESULTS

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

	Quarter ended					
	31.03.2022		31.03.2021 Restated		Change	% Change
Revenues	137,928	100.0%	134,366	100.0%	3,562	2.7%
Cost of goods sold	(80,022)	-58.0%	(70,845)	-52.7%	(9,177)	13.0%
Gross Operating Margin	57,906	42.0%	63,521	47.3%	(5,615)	-8.8%
Research and Development expenses	(14,352)	-10.4%	(13,740)	-10.2%	(612)	4.5%
Distribution expenses	(25,577)	-18.5%	(22,981)	-17.1%	(2,596)	11.3%
General and administrative expenses	(13,245)	-9.6%	(11,508)	-8.6%	(1,737)	15.1%
Other (expenses) and income	(257)	-0.2%	(277)	-0.2%	20	-7.1%
Total operating expenses and other costs	(53,432)	-38.7%	(48,506)	-36.1%	(4,926)	10.2%
Adjusted EBIT	4,474	3.2%	15,016	11.2%	(10,542)	-70.2%
Special items – other (costs) and revenues	(748)	-0.5%	(968)	-0.7%	220	-22.7%
Special items - D&A from acquisitions	(1,448)	-1.0%	(1,114)	-0.8%	(334)	30.0%
EBIT	2,278	1.7%	12,934	9.6%	(10,656)	-82.4%
Financial income/(expenses)	(698)	-0.5%	(769)	-0.6%	71	-9.1%
Foreign exchange gains/(losses)	(884)	-0.6%	(196)	-0.1%	(688)	350.9%
EBT	696	0.5%	11,969	8.9%	(11,273)	-94.2%
Taxes	633	0.5%	(3,032)	-2.3%	3,665	n.a.
Net Profit/(Loss) for the period	1,329	1.0%	8,937	6.7%	(7,608)	-85.1%
Special items – other (costs) and revenues	(748)	-0.5%	(968)	-0.7%	220	-22.7%
Special items - D&A from acquisitions	(1,448)	-1.0%	(1,114)	-0.8%	(334)	30.0%
Depreciation of tangible assets and rights of use	(4,406)	-3.2%	(4,125)	-3.1%	(281)	6.8%
Amortization of intangible assets	(2,871)	-2.1%	(2,462)	-1.8%	(409)	16.6%
Adjusted EBITDA	11,752	8.5%	21,602	16.1%	(9,850)	-45.6%

Consolidated revenues, equal to €137.9 million, as of March 31, 2022 recorded a 2.7% growth compared to €134.4 million reported in the first quarter of 2021, with a remarkable performance in APAC and in Americas offsetting the underperformance of EMEAI. At constant exchange rates, sales trend was substantially flat, with a decrease of -0.6%, while on a like-for-like basis revenues showed a decrease of -1.1% compared to the first quarter of 2021, when MD Group was consolidated starting from March.

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

	31.03.2022	%	31.03.2021 Restated	%	Change	% Change
Italy	14,449	10.5%	14,030	10.4%	419	3.0%
EMEA (excluding Italy)	61,129	44.3%	66,772	49.7%	(5,643)	-8.5%
Total EMEA	75,577	54.8%	80,801	60.1%	(5,224)	-6.5%
Americas	40,778	29.6%	35,491	26.4%	5,287	14.9%
APAC	21,573	15.6%	18,074	13.5%	3,499	19.4%
Total Revenues	137,928	100.0%	134,366	100.0%	3,562	2.7%

EMEA ended the first quarter of 2022 with revenues decreased by 6.5% compared to the same period of 2021, despite the positive contribution from the Italian market, reporting a 3.0% increase, mainly driven by MD acquisition.

Americas consolidated its sequential post-pandemic recovery, growing by 14.9% over the period, a performance driven by the United States and Mexico.

APAC grew by 19.4% compared to the first quarter of 2021, confirming the Group's expansion into the Asia-Pacific market, with a performance led by China, the first largest market in the area (+12.0% compared to the first quarter of 2021), followed by Japan (+43.7%) in sound growth.

Gross Operating Margin, equal to €57.9 million (42.0% on revenues), €63.5 million as of March 31, 2021 (47.3% of the revenues), decreased by 5.3 pts compared to the first quarter of 2021, when the inflationary effects on the costs of materials and logistics expenses, also caused by shortage phenomena, had not reached the intensity seen in the second half of the year.

Operating costs and other charges, equal to €53.4 million (€48.5 million as of March 31, 2021), recorded a 2.6% increase as a percentage of turnover, from 36.1% to 38.7%, mainly affecting general and distribution expenses.

Research and Development expenses, amounting to €14.4 million, substantially in line with March 31, 2021 (+€0.6 million), reached an incidence on revenues of 10.4%, compared to 10.2% in the same quarter of the previous year. Total Research and Development spending, gross of investments, amounted to €14.8 million (€14.4 million in the same period of the previous year) with a percentage on turnover of 10.7%, in line with the first quarter of 2021.

Distribution expenses, equal to €25.6 million, increased by 11.3% compared to the first quarter of 2021 (€23.0 million in 2021) with a percentage on turnover increasing by 1.4, from 17.1% to 18.5%. The change in the period is due to the commercial and marketing activities, as well as to trade fairs, events and visits to customers, which the pandemic had substantially limited for most of 2021.

General and Administrative Expenses equal to €13.2 million as of March 31, 2022, recorded a slight increase in the incidence on turnover of approximately 1 pts, from 8.6% to 9.6%, due to the increase in *utilities*, *EDP* and in depreciation.

Adjusted EBITDA amounted to €11.8 million, with an **Adjusted EBITDA margin** at 8.5% of the turnover, decreasing 7.6 pts compared to 16.1% recorded in the first quarter of 2021, but by 3.3 pts compared to the fourth quarter of 2021, as a consequence of inflation and supply chain constraints that characterized the second half of 2021 and still in place, albeit partly offset by price increases and sales mix.

Adjusted EBIT amounted to 3.2% of revenues and was equal to €4.5 million (€15.0 million at March 31, 2021). Operating profitability was affected both by gross operating margin erosion caused by inflationary effects, only partially offset by increase in sales, as well by operating expenses trend, driven by the restart of commercial activities

Net financial charges, negative for €1.6 million, worsen by €0.6 million compared to March 31, 2021 following an unfavourable trend in exchange rate differences.

Financial Income/(Expenses)	Quarter ended		Change
	31.03.2022	31.03.2021	
Financial income/(expenses)	(413)	(452)	39
Foreign exchange differences	(884)	(196)	(688)
Bank expenses	(309)	(279)	(30)
Others	24	(38)	62
Total Net Financial Income/(Expenses)	(1,582)	(965)	(617)

Net profit for the period amounted to €1.3 million, equal to 1.0% of revenues (€8.9 million as of March 31, 2021, or 6.7% of revenues).

GROUP ECONOMIC RESULTS BY DIVISION FOR THE PERIOD

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

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

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

REVENUES BY DIVISION

	Quarter ended		31.03.2021 Restated	%	Change	%	% Ch. net FX
	31.03.2022	%					
Datalogic	134,045	97.2%	130,118	96.8%	3,927	3.0%	-0.2%
Informatics	4,108	3.0%	4,423	3.3%	(315)	-7.1%	-13.3%
Eliminations	(225)	-0.2%	(175)	-0.1%	(50)		
Total Revenues	137,928	100.0%	134,366	100.0%	3,562	2.7%	-0.6

ADJUSTED EBITDA BY DIVISION

	Quarter ended		31.03.2021	% on revenues	Change	%
	31.03.2022	% on revenues				
Datalogic	11,002	8.2%	21,048	16.2%	(10,046)	-47.7%
Informatics	802	19.5%	545	12.3%	257	47.2%
Eliminations	(52)		9		(61)	
Total Adjusted EBITDA	11,752	8.5%	21,602	16.1%	(9,850)	-45.6%

DATALOGIC DIVISION

Datalogic division reported revenues of €134.0 million as of March 31, 2022, with an increase of 3.0% compared to the first quarter of 2021. **Adjusted EBITDA** of the division amounted to €11.0 million, reaching 8.2% of the turnover (16.2% as of March 31, 2021). Below is the breakdown of Datalogic Division's revenues by business sector:

	Quarter ended		31.03.2021	% Restated	Change	%
	31.03.2022	%				
Retail	45,356	33.8%	49,933	38.4%	(4,577)	-9.2%
Manufacturing	40,061	29.9%	34,262	26.3%	5,799	16.9%
Transportation & Logistics	20,812	15.5%	15,457	11.9%	5,355	34.7%
Healthcare	4,207	3.1%	4,982	3.8%	(775)	-15.6%
Channel	23,608	17.6%	25,484	19.6%	(1,876)	-7.4%
Total Revenues	134,045	100.0%	130,118	100.0%	3,927	3.0%

- **Retail**

The Retail sector, the Group's core segment accounting for 33.8% of divisional sales (38.4% as of March 31, 2021), declined by 9.2% compared to the first quarter of 2021. The best performing region is Asia (+69.1%), which further accelerates the growth already seen in the last quarter of 2021. A very positive trend was also recorded in the Americas, which consolidated a steady increase in turnover in 2021, closing the quarter with a 9.7% growth.

- **Manufacturing**

The Manufacturing sector recorded a 16.9% growth in the first quarter of 2022, mainly driven by the acquisition of MD Group occurred last year, that allowed the completion of the range of sensors and safety devices. EMEAI and the Americas led the sector's performance, recording growth of 21.2% and 40.2% respectively, while APAC was substantially stable.

- **Transportation & Logistics**

The Transportation & Logistics sector is a rapidly expanding segment at global level, driven in particular by the growth of the *e-commerce*. In this segment, the Group recorded an overall growth of 34.7% (+30.3% at constant exchange rates) compared to the first quarter of the previous year, with double-digit increases in AMERICAS (+61.0%) and EMEAI (+31.3%) thanks to new projects in the sub-segments *Courier Express Parcel*, 3PL, Logistics and Airport, where Datalogic's data collection, tracking and sorting systems meet the needs of logistics and supply chain automation.

- **Healthcare**

Compared to the same period of 2021, the Healthcare sector recorded a decrease of 15.6%, despite of the good result achieved in the EMEAI area (+14.9%) which fails to compensate for the slowdown in the Americas. Datalogic

has strengthened its presence in the sector by further developing its range of technological devices in the healthcare sector, to guarantee the protection of drugs and the health of patients, mainly with *bed-side care* devices in the hospital sector as well as *check-out* devices in the pharma distribution.

- **Channel**

Sales through the distribution channel to the small and medium-sized customers recorded a decrease of 7.4% compared to the first quarter of 2021, despite the good performance in APAC (+63.3%) followed by AMERICAS (+18.0%).

INFORMATICS DIVISION

The **Informatics Division** has achieved a turnover of €4.1 million in the first quarter of 2022 (€4.4 million as of March 31, 2021) with a decrease of 7.1% compared to the same period of the previous year following the exit from the 'System ID' market, as a result of the company's strategic repositioning on higher value business segments, including the services segment with the offer of *Software as a Service (SaaS)*. The Adjusted EBITDA margin achieved in the first quarter of the year was 19.5%, with an improvement of 7.2 pts compared to 12.3% in the first quarter of the previous year, thus a significant improvement in the division's profitability.

GROUP RECLASSIFIED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD

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

	31.03.2022	31.12.2021	Change	Ch. %
Intangible assets	81,172	81,631	(459)	-0.6%
Goodwill	212,764	193,497	19,267	10.0%
Tangible assets	116,937	118,918	(1,981)	-1.7%
Financial assets and investments in associates	11,431	12,335	(904)	-7.3%
Other non-current assets	53,213	50,889	2,324	4.6%
Fixed Assets	475,517	457,270	18,247	4.0%
Trade receivables	84,497	87,279	(2,782)	-3.2%
Trade payables	(115,299)	(139,121)	23,822	-17.1%
Inventories	156,774	136,721	20,053	14.7%
Net Trade Working Capital	125,972	84,879	41,093	48.4%
Other current assets	31,073	29,309	1,764	6.0%
Other current liabilities and provisions for risks	(70,161)	(67,349)	(2,812)	4.2%
Net Working Capital	86,884	46,839	40,045	85.5%
Other non-current liabilities	(45,230)	(44,923)	(307)	0.7%
Post-employment benefits	(6,909)	(7,088)	179	-2.5%
Non-current Provisions for risks	(4,277)	(4,314)	37	-0.9%
Net Invested Capital	505,985	447,784	58,201	13.0%
Shareholders' Equity	(428,322)	(421,724)	(6,598)	1.6%
Net financial position (NFP)	(77,663)	(26,060)	(51,603)	198.0%

Net Invested Capital, amounting to €506.0 million (€447.8 million as of December 31, 2021), increased by €58.2 million, of which €40.0 million in Net Working Capital and €18.2 million in Fixed Assets.

Fixed assets, amounting to €475.5 million (€457.3 million as of December 31, 2021) marks an overall increase of €18.2 million mainly due to translation differences for €4.5 million, and the preliminary recognition of goodwill arising from the acquisition of Pekat Vision for approximately €15.8 million.

Net Trade Working Capital as of March 31, 2022, equal to €126.0 million, increased by €41.1 million compared to December 31, 2021. As a percentage on turnover, it rose from 14.2% as of December 31, 2021 to 20.9% at the end of the first quarter of 2022. The change in the period was affected both by the increase in inventories, especially raw materials and semi-finished goods, necessary to deal with the *shortage* of some electronic components that has impacted several sectors at a global level since 2021, and by the slowdown of sales order conversion caused by *shortage* itself. Seasonality of purchases combined with inflation in costs determined a lower exposure towards supplier of about €23.8 million.

Net Financial Position as of March 31, 2022 was negative by €77.7 million. Change in consolidated Net Financial Position compared to December 31, 2021 is following reported:

	31.03.2022	31.03.2021	Change
Net Financial Position (Net Debt) at the start of the period	(26,060)	8,218	(34,278)
Adjusted EBITDA	11,752	21,602	(9,850)
Change in net trade working capital	(41,083)	(16,541)	(24,542)
Other changes in net working capital	1,746	2,021	(274)
Net investments	(4,030)	(7,381)	3,351
Change in taxes	(2,406)	(2,914)	508
Net financial income (expenses)	(1,582)	(969)	(613)
Business acquisition	(16,000)	(34,972)	18,972
Change in Net Financial Position	(51,603)	(39,154)	(12,449)
Net Financial Position (Net Debt) at the end of the period	(77,663)	(30,936)	(46,727)

Cash generated from operations before changes in working capital during the first quarter of 2022 was absorbed, more than in the same period of the previous year, by working capital due to an increase in inventories as a result of the shortage as described above. The Group's equity and financial solidity made it possible the acquisition of Pekat Vision in the first quarter of 2022 for a consideration of approximately €16.0 million.

As of March 31, 2022, the Net Financial Debt is detailed as follows:

	31.03.2022	31.12.2021
A. Cash	76,223	106,068
B. Cash equivalents	12	12
C. Other current financial assets	2,252	2,207
D. Cash and cash equivalents (A) + (B) + (C)	78,487	108,287
E. Current financial debt	4,737	8,041
<i>E1. of which Lease payables</i>	4,000	4,446
F. Current portion of non-current financial debt	87,709	62,888
G. Current financial debt (E) + (F)	92,446	70,929
H. Current Net Financial Debt (Financial Position) (G) - (D)	13,959	(37,358)
I. Non-current financial debt	63,704	63,418
<i>I1. of which Lease payables</i>	13,053	13,100
J. Debt instruments	-	-
K. Trade and other payables	-	-
L. Non-current financial Debt (I) + (J) + (K)	63,704	63,418
M. Net Financial Debt/(Net Financial Position) (H) + (L)	77,663	26,060

As of March 31, 2022, the Group has outstanding credit lines of 247.0 million, of which €200.0 million Committed. The outstanding credit lines unused and immediately available amounted to €108.0 million.

Indirect indebtedness subject to conditions as of March 31, 2022 is represented exclusively by the provision for Group post-employment benefit, amounting to €6.9 million.

SIGNIFICANT EVENTS DURING THE PERIOD

ACQUISITION OF PEKAT VISION

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

GOVERNANCE

On April 29, 2022, the Shareholders' Meeting appointed the new Board of Directors, to hold office for the financial years 2021-2023, and resolved to distribute an ordinary unit dividend of €30 cents per share, gross of legal withholdings, for an overall amount of €17.5 million.

The same Shareholders' Meeting also resolved to

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

RUSSIAN-UKRAINIAN CONFLICT

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

SUBSEQUENT EVENTS

Nothing to report.

BUSINESS OUTLOOK

Macroeconomic expectations for 2022 continue to be strongly influenced by exogenous factors of uncertainty, primarily due to the still uncertain timing of the resolution of the war in Ukraine and tensions on the availability of supplies of production materials and the consequent increase in the prices of components and raw materials.

The high demand in the sector characterized by the persistent double-digit growth of the company's booking and the actions taken both on the supply chain and on pricing allow to continue to be confident in the recovery, forecast in the second half of the year, in terms of growth both in sales and profitability.

SECONDARY LOCATIONS

The Parent Company has no secondary locations.

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

Consolidated Interim Report



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (€/000)	Notes	31.03.2022	31.12.2021
A) Non-current assets (1+2+3+4+5+6+7)		475,517	457,270
1) Tangible assets		100,467	101,780
Land	1	12,614	12,524
Buildings	1	52,726	52,649
Other assets	1	32,186	32,600
Assets in progress and payments on account	1	2,941	4,007
2) Intangible assets		293,936	275,128
Goodwill	2	212,764	193,497
Development costs	2	20,753	21,786
Other	2	38,165	39,703
Assets in progress and payments on account	2	22,254	20,142
3) Right-of-use assets	3	16,470	17,138
4) Equity investments in associates	4	530	530
5) Non-current financial assets		10,901	11,805
Equity investments	6	10,901	11,805
6) Trade and other receivables	7	790	821
7) Deferred tax assets	12	52,423	50,068
B) Current assets (8+9+10+11+12)		350,831	361,596
8) Inventories		156,774	136,721
Raw and ancillary materials and consumables	8	95,599	83,681
Work in progress and semi-finished products	8	25,910	19,865
Finished products and goods	8	35,265	33,175
9) Trade and other receivables		104,831	105,145
Trade receivables	7	84,497	87,279
<i>of which from associates</i>	7	<i>2,283</i>	<i>2,435</i>
<i>of which from related parties</i>	7	<i>13</i>	<i>7</i>
Other receivables, accrued income and prepaid expenses	7	20,334	17,866
10) Tax receivables	9	10,739	11,443
<i>of which to Parent Company</i>	9	<i>1,807</i>	<i>1,807</i>
11) Current financial receivables		2,252	2,207
12) Cash and cash equivalents		76,235	106,080
Total Assets (A+B)		826,348	818,866

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

LIABILITIES (€/000)	Notes	31.03.2022	31.12.2021
A) Total Shareholders' Equity (1+2+3+4+5+6)	10	428,322	421,724
1) Share capital	10	30,392	30,392
2) Reserves	10	125,140	119,668
3) Retained earnings (losses)	10	268,378	229,691
4) Profit (loss) for the period	10	1,371	38,913
5) Group Shareholders' Equity	10	425,281	418,665
Profit (Loss) for the period of Minority interests	10	(41)	627
Shareholders' Equity of Minority interests	10	3,082	2,432
6) Minority interests		3,041	3,060
B) Non-current liabilities (7+8+9+10+11+12)		120,120	119,743
7) Non-current financial payables	11	63,704	63,418
8) Tax payables		809	793
9) Deferred tax liabilities	12	26,164	25,844
10) Post-employment benefits	13	6,909	7,088
11) Provisions for risks and charges, non-current	14	4,277	4,314
12) Other liabilities	15	18,257	18,286
C) Current liabilities (13+14+15+16)		277,906	277,399
13) Trade and other payables		171,525	190,566
Trade payables	15	115,299	139,121
<i>of which to associates</i>	15	151	156
<i>of which to related parties</i>	15	112	105
Other payables, accrued liabilities and deferred income	15	56,226	51,445
14) Tax payables	9	10,696	12,420
<i>of which to Parent Company</i>	9	3,450	3,450
15) Provisions for risks and charges, current	14	3,239	3,484
16) Current financial payables	11	92,446	70,929
Total Liabilities (A+B+C)		826,348	818,866

CONSOLIDATED INCOME STATEMENT

(€/000)	Notes	31.03.2022	31.03.2021 Restated
1) Revenues	16	137,928	134,366
Revenues from sale of products		127,891	124,717
Revenues from services		10,037	9,649
<i>of which to related parties and associates</i>		2,514	1,796
2) Cost of goods sold	17	80,040	70,869
<i>of which to related parties and associates</i>		80	158
Gross Operating Margin (1-2)		57,888	63,497
3) Other revenues	18	204	337
4) Research and development expenses	17	14,505	13,791
<i>of which to related parties and associates</i>		138	136
5) Distribution expenses	17	26,069	23,652
<i>of which to related parties and associates</i>		47	21
6) General and administrative expenses	17	14,779	12,843
<i>of which to related parties and associates</i>		140	61
7) Other operating expenses	17	461	614
Total operating costs		55,814	50,900
Operating result		2,278	12,934
8) Financial income	19	5,246	7,637
9) Financial expenses	19	6,828	8,602
Financial income/(expenses) (8-9)		(1,582)	(965)
Profit/(Loss) before taxes from continuing operations		696	11,969
Income taxes	20	(633)	3,032
Profit/(Loss) for the period from continuing operations		1,329	8,937
Net Profit/(Loss) for the period		1,329	8,937
Basic earnings/(loss) per share (€)	21	0.02	0.16
Diluted earnings/(loss) per share (€)	21	0.02	0.16

Attributable to:

Shareholders of the Parent Company	1,370	8,713
Minority interests	(41)	224

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€/000)	Notes	31.03.2022	31.03.2021 Restated
Net Profit/(Loss) for the period		1,329	8,937
Other components of the statement of comprehensive income:			
Other components of the Statement of comprehensive income which will be subsequently reclassified to profit/(loss) for the period:			
Profit/(Loss) on derivative financial instruments (cash flow hedge)	10	27	38
Profit/(Loss) due to translation of the accounts of foreign companies	10	6,377	11,542
Total other components of the Statement of comprehensive income which will be subsequently reclassified to profit/(loss) for the period		6,404	11,580
Other components of the Statement of comprehensive income which will not be subsequently reclassified to profit/(loss) for the period			
Actuarial gains (losses) on defined-benefit plans <i>of which tax effect</i>			
Profit/(Loss) from financial assets at FVOCI <i>of which tax effect</i>	10	(868) 10	(357) 4
Total other components of the Statement of comprehensive income which will not be subsequently reclassified to profit/(loss) for the period		(868)	(357)
Total profit/(loss) in the Statement of Comprehensive Income		5,537	11,223
Total comprehensive profit/(loss) for the period		6,866	20,160
Attributable to:			
Shareholders of the Parent Company		6,841	19,936
Minority interests		24	224

CONSOLIDATED STATEMENT OF CASH FLOW

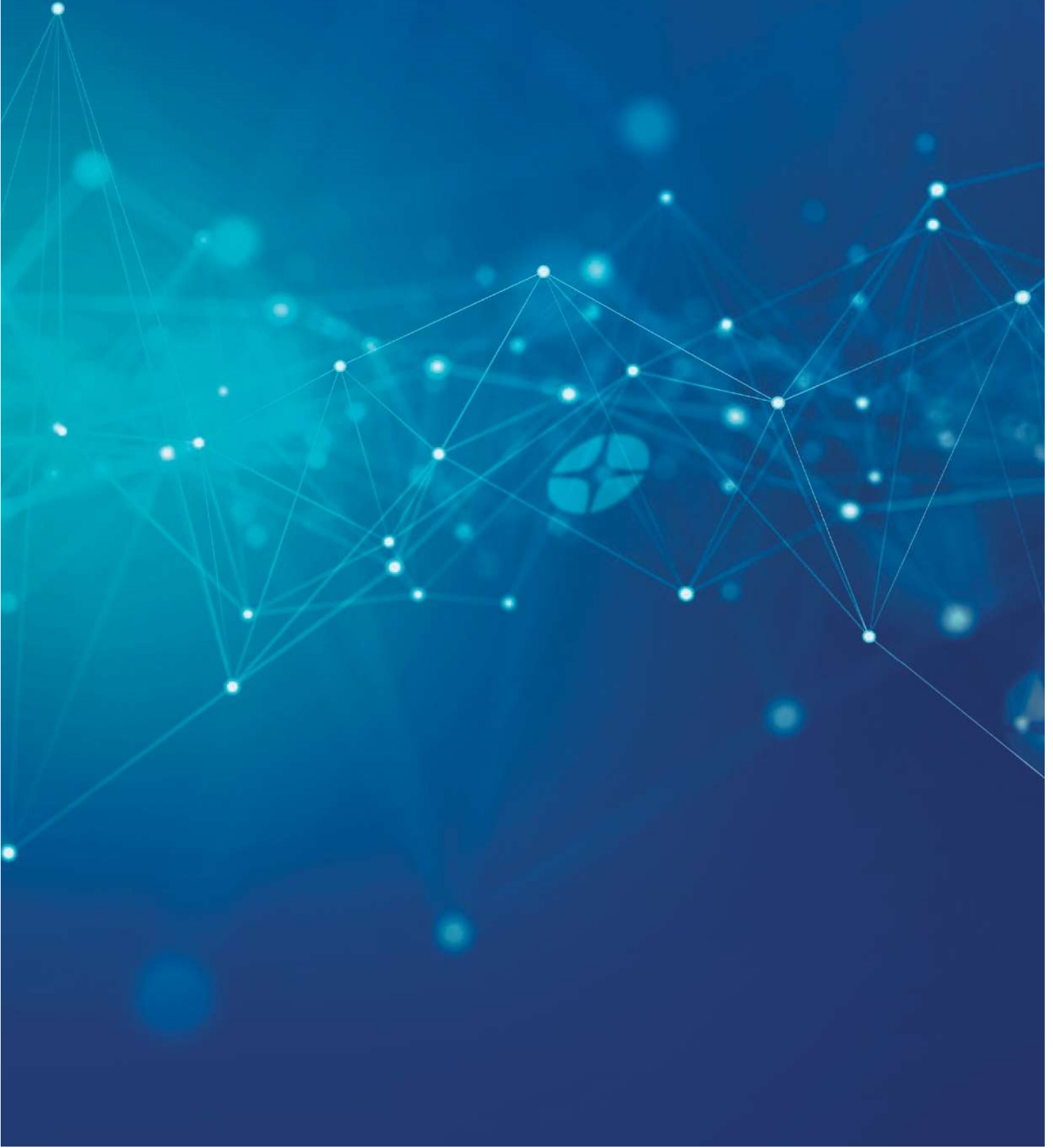
(€/000)	Notes	31.03.2022	31.03.2021 Restated
Profit/(Loss) before taxes		696	12,099
Depreciation of tangible assets and write-downs	1, 2	3,334	3,083
Amortization of intangible assets and write-downs	1, 2	4,306	3,571
Depreciation of right-of-use assets	3	1,088	1,047
Losses (Gains) from sale of fixed assets	17, 18	(8)	40
Change in provisions for risks and charges	14	(282)	(339)
Financial Income/(Expenses)	19	1,582	965
Other non-monetary changes		680	847
Cash flow generated (absorbed) from operations before changes in working capital		11,396	21,313
Change in trade receivables	7	2,820	(7,959)
Change in inventories	8	(20,048)	(14,240)
Change in trade payables	15	(23,850)	5,543
Change in other current assets	7	(2,465)	(91)
Change in other current liabilities	15	4,713	2,815
Change in other non-current assets	6	31	(56)
Change in other non-current liabilities	5	(29)	(323)
Cash flow generated (absorbed) from operations after changes in working capital		(27,433)	7,002
Change in taxes		(2,396)	(2,914)
Interest paid		(671)	(765)
Interest collected		27	28
Cash flow generated (absorbed) from operations (A)		(30,473)	3,351
Increase in intangible assets	2	(3,343)	(3,903)
Decrease in intangible assets	2	13	-
Increase in tangible assets	1	(1,301)	(1,859)
Decrease in tangible assets	1	15	-
Cash paid for business acquisition, net of cash acquired		(16,000)	(34,972)
Change in investments and current and non-current financial assets	5	21	7,212
Cash flow generated (absorbed) from investments (B)		(20,595)	(33,522)
Payment of financial liabilities	11	(11,096)	(11)
New financial liabilities	11	35,000	1,544
Other changes in financial liabilities	11	(2,941)	-
Change in lease financial payables		(493)	(1,137)
Dividend payment		-	-
Effect of change in cash and cash equivalents		752	(887)
Other changes		-	2,538
Cash flow generated (absorbed) from financial activity (C)		21,222	2,047
Net increase (decrease) in available cash (A+B+C)		(29,846)	(28,124)
Net cash and cash equivalents at beginning of period		106,080	137,452
Net cash and cash equivalents at end of period		76,235	109,328

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

Description	Share capital	Share premium reserve	Treasury shares	Translation reserve	Other reserves	Retained earnings	Group Profit (Loss)	Group Shareholders' Equity	Profit (Loss) of Minority interests	Minority interest capital and reserve	Shareholders' Equity of Minority interests	Profit (Loss)	Shareholders' Equity
01.01.2022	30,392	111,779	(26,096)	22,746	11,239	229,692	38,913	418,665	627	2,432	3,060	39,540	421,724
Allocation of earnings	-	-	-	-	-	38,912	(38,912)	-	(627)	627	-	(39,540)	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based incentive plan	-	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	(226)	-	(226)	-	(42)	(42)	-	(268)
Net Profit/(Loss) for the year	-	-	-	-	-	-	1,370	1,370	(41)	3,017	2,976	1,329	4,387
Other components of the Statement of comprehensive income	-	-	-	6,313	(841)	-	-	5,472	-	65	65	-	5,537
Total comprehensive Profit (Loss)	-	-	-	6,313	(841)	-	1,370	6,842	(41)	3,082	3,041	1,329	9,924
31.03.2022	30,392	111,779	(26,096)	29,059	10,398	268,378	1,370	425,281	(41)	3,082	3,041	1,329	428,322

Description	Share capital	Share premium reserve	Treasury shares	Translation reserve	Other reserves	Retained earnings	Group Profit (Loss)	Group Shareholders' Equity	Profit (Loss) of Minority interests	Minority interest capital and reserve	Shareholders' Equity of Minority interests	Profit (Loss)	Shareholders' Equity
01.01.2021	30,392	111,779	(21,899)	2,331	6,204	225,816	13,582	368,205	300	1,853	2,153	13,882	370,358
Allocation of earnings	-	-	-	-	-	13,582	(13,582)	-	(300)	-	300	(13,882)	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based incentive plan	-	-	-	-	474	-	-	474	-	-	-	-	474
Other changes	-	-	-	-	-	-	-	-	-	97	97	-	97
Net Profit/(Loss) for the year	-	-	-	-	-	-	8,713	8,713	224	2,026	2,250	8,937	8,937
Other components of the Statement of comprehensive income	-	-	-	11,542	(319)	-	-	11,223	-	-	-	-	11,223
Total comprehensive Profit (Loss)	-	-	-	11,542	(319)	-	8,713	19,936	224	2,026	2,250	8,937	20,160
31.03.2021	30,392	111,779	(21,899)	13,873	6,359	239,398	8,713	388,615	224	2,026	2,250	8,937	391,089

Explanatory Notes



EXPLANATORY NOTES TO THE INTERIM REPORT

GENERAL INFORMATION

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

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

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

This Consolidated Interim Report as of March 31, 2022 includes the figures of the Parent Company and its subsidiaries (defined hereinafter as the "Group"), as well as its minority interests in associates.

The publication of this Consolidated Interim Report as of March 31, 2022 of the Datalogic Group was authorized by resolution of the Board of Directors dated May 12, 2022.

BASIS OF PRESENTATION

1) General criteria

This Consolidated Interim Report was drawn up pursuant to Art. 154-ter of Legislative Decree no. 58 (T.U.F.) of February 24, 1998 and following amendments and supplements, as well as to the Consob's Issuer Regulation. These drafting criteria comply with IAS 34 "Interim Financial Statements" providing the abbreviated notes required by this international accounting standard, supplemented to provide additional information, as necessary.

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

This Consolidated Interim Report is drawn up in thousands of Euro, which is the Group's "functional" and "presentation" currency.

2) Financial statements

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

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

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

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

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

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

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

4) New accounting standards issued but still not in force

As at the date of preparation of this Interim Report, some accounting standards illustrated in the Consolidated Financial Statements as of December 31, 2021, to which reference should be made, had been issued but have not yet entered into force. The Group intends to adopt these standards and interpretations, if applicable, when they will enter into force.

5) Use of estimates and assumptions

The preparation of the Consolidated Interim Report in application of the IFRS requires the directors to apply accounting principles and methodologies which, in certain circumstances, are based on valuations and estimates based on historical experience and assumptions that are assessed from time to time according to specific circumstances. The application of such estimates and assumptions affects the amounts related to revenues, costs, assets and liabilities, as well as contingent liabilities disclosed and any relevant information. The actual amounts of accounting items, for which these

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

6) Consolidation area

This Consolidated Interim Report as of March 31, 2022 includes the income statement and balance sheet data of Datalogic S.p.A. and all the companies that it directly or indirectly controls.

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

As of March 31, 2022, there was a change in consolidation area due to the acquisition, on March 21, 2022, of the entire share capital of the company Pekat S.r.o.

7) Translation criteria of items in foreign currency

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

Currency (ISO Code)	Quantity of currency for 1 Euro			
	March 2022	March 2022	December 2021	March 2021
	Final exchange change	Average exchange rate	Final exchange change	Average exchange rate
US Dollar (USD)	1.11	1.12	1.13	1.21
British Pound Sterling (GBP)	0.84	0.84	0.84	0.87
Swedish Krona (SEK)	10.33	10.48	10.25	10.12
Singapore Dollar (SGD)	1.50	1.52	1.53	1.61
Japanese Yen (JPY)	135.17	130.46	130.38	127.81
Australian Dollar (AUD)	1.48	1.55	1.56	1.56
Hong Kong Dollar (HKD)	8.69	8.76	8.83	9.35
Chinese Renminbi (CNY)	7.04	7.12	7.19	7.81
Brazilian Real (BRL)	5.30	5.87	6.31	6.60
Mexican Peso (MXN)	22.09	23.00	23.14	24.53
Hungarian Forint (HUF)	369.77	364.60	369.19	361.21
Czech crown (CZK)	24.37	24.65	n.a.	n.a.

BUSINESS COMBINATION

On March 21, 2021, the acquisition of the entire share capital through the subsidiary Datalogic S.r.l. of the company Pekat S.r.o. was completed.

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

The following table shows preliminary fair value as of March 31, 2022 of the assets and liabilities of the acquisition, the preliminary goodwill deriving from the transaction and the net cash used for the acquisition:

Provisional PPA as of March 31, 2022	Book value	Fair value
Tangible assets	13	13
Intangible assets	250	250
Other non-current receivables	-	-
Inventories	5	5
Trade and other current receivables	71	71
Cash and cash equivalents	-	-
Financial liabilities	-	-
Liabilities for defined employee benefits	-	-
Deferred tax liabilities	-	-
Trade payables	(27)	(27)
Other payables	(68)	(68)
Net assets at acquisition date	243	243
% pertaining to Group	100%	100%
Group net assets	243	243
Acquisition cost	16,000	16,000
Goodwill at acquisition date	15,757	15,757
Net cash used in acquisition:		
Cash and cash equivalents of acquiree	[A]	-
Payments made to the seller	[B]	16,000
Acquisition cost		16,000
Net cash used in acquisition	[A] - [B]	16,000

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

The preliminary goodwill emerging from this transaction amounted to €15,757 thousand. It should be noted that for the purposes of preparing this Consolidated Interim Report, the accounting for the above-mentioned business combination was carried out on a provisional basis as the activities aimed at determining the fair value of assets, liabilities or contingent liabilities are in progress. As envisaged by IFRS 3, any possible adjustments shall be recognized within 12 months from the acquisition date.

SEGMENT DISCLOSURE

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

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

The **financial information related to operating segments** as of March 31, 2022 and March 31, 2021 is as follows:

<i>Segment economic position</i>	Datalogic Business	Informatics	Adjustments	Total Group 31.03.2022
Revenues	134,045	4,108	(225)	137,928
EBITDA	11,002	802	(52)	11,752
<i>% Revenues</i>	<i>8.21%</i>	<i>19.52%</i>		<i>8.52%</i>
EBIT	1,654	677	(53)	2,278

<i>Segment economic position</i>	Datalogic Business	Informatics	Adjustments	Total Group 31.03.2021 Restated
Revenues	130,118	4,423	(175)	134,366
EBITDA	21,048	545	9	21,602
<i>% Revenues</i>	<i>16.18%</i>	<i>13.32%</i>		<i>16.08%</i>
EBIT	12,474	451	9	12,934

The **equity information related to operating segments** as of March 31, 2022 and December 31, 2021 is as follows:

<i>Segment financial position</i>	Datalogic Business	Informatics	Adjustments	Total Group 31.03.2022
Total Assets	831,487	25,148	(30,287)	826,348
Total Liabilities	396,712	7,232	(5,918)	398,026
Shareholders' Equity	434,775	17,916	(24,369)	428,322

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

INFORMATION ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

Note 1. Tangible assets

Tangible fixed assets as of March 31, 2022 amounted to €100,467 thousand. During the period were recognized net investment amounting to €1,294 thousand, €13 thousand deriving from acquisitions and depreciation for €3,334 thousand, while exchange rate effects were positive for €714 thousand. The breakdown of the item as of March 31, 2022 and December 31, 2021 is as follows:

	31.03.2022	31.12.2021	Change
Land	12,614	12,524	90
Buildings	52,726	52,649	77
Other assets	32,186	32,600	(414)
Assets in progress and payments on account	2,941	4,007	(1,066)
Total	100,467	101,780	(1,313)

“Other assets” item as of March 31, 2022 includes the following categories: industrial equipment and moulds (€12,984 thousand), plant and machinery (€8,895 thousand), office furniture and machines (€6,225 thousand), general plants related to buildings (€2,539 thousand), light constructions (€520 thousand), commercial equipment and demo rooms (€654 thousand), maintenance on third-party assets (€333 thousand), and motor vehicles (€36 thousand).

The balance of item “Assets in progress and payments on account”, equal to €2,941 thousand, is composed primarily of €1,829 thousand for moulds under construction, €868 thousand for equipment and production lines built in house and €115 thousand for improvements to owned buildings.

Note 2. Intangible assets

Intangible fixed assets as of March 31, 2022 amounted to €293,936 thousand. During the period, the following were recognized: net investments for €3,329 thousand, the preliminary purchase price allocation related to the acquisition of Pekat Vision for €15,757 thousand and amortization for €4,305 thousand, while the exchange rate effects were positive for €3,785 thousand. The breakdown of the item as of March 31, 2022 and December 31, 2021 is as follows:

	31.03.2022	31.12.2021	Change
Goodwill	212,764	193,497	19,267
Development costs	20,753	21,786	(1,033)
Other	38,165	39,703	(1,538)
Assets in progress and payments on account	22,254	20,142	2,112
Total	293,936	275,128	18,808

Goodwill

“Goodwill”, equal to €212,764 thousand, is allocated to the CGUs identified by the Management as illustrated below.

	31.03.2022	31.12.2021	Change
Datalogic CGU	199,152	180,101	19,051
Informatics CGU	13,612	13,396	216
Total	212,764	193,497	19,267

The change with respect to the end of the previous year is to be attributed to €3,510 thousand in translation differences and €15,757 thousand in goodwill arising on the first-time consolidation of Pekat S.r.o. following the provisional accounting of the Purchase Price Allocation (PPA) and included in the Datalogic CGU.

This Goodwill has been allocated to the *CGUs (Cash Generating Units)* represented by the individual companies and/or sub-groups to which they refer.

The estimated recoverable value of each *CGU*, associated with each *Goodwill* item measured, consists of its corresponding value in use. Value in use is calculated by discounting the future cash flows that are expected to be generated by the CGU – during production and at the time of its disposal – to present value using a discount rate, based on the *Discounted Cash Flow method*.

The cash flows of the individual CGUs are estimated based on forward-looking plans prepared by Management. These plans represent the best estimate of foreseeable operating performance, based on business strategies and growth indicators in the sector to which the Group belongs and in its reference markets.

The assumptions used for the purposes of impairment were approved by the Board of Directors and the Audit and Risk, Remuneration and Appointments Committee of Datalogic S.p.A. on February 17, 2022.

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

The “**Development costs**” item, amounting to €20,753 thousand, as of March 31, 2022, is composed of specific product development projects.

The “**Other**” item, amounting to €38,165 thousand, consists primarily of intangible assets acquired through business combinations carried out by the Group and software licences as detailed below:

	31.03.2022	31.12.2021	Change
Patents	8,711	9,056	(345)
Know-how	5,858	6,307	(449)
Customer list	12,517	12,742	(225)
Licences	87	440	(353)
Software	10,992	11,158	(166)
Total	38,165	39,703	(1,538)

The “Assets in progress and payments on account” item, equal to €22,254 thousand, is attributable, in the amount of €21,926 thousand, to the capitalization of costs for product development projects that are currently underway (€19,955 thousand as of December 31, 2021) as well as, in the amount of €328 thousand, to software implementations that are not yet completed.

Note 3. Right-of-use assets

During the period, were recognized net investments of €404 thousand and depreciation of €1,086 thousand, while exchange rate effects were positive for €14 thousand. The breakdown of the item as of March 31, 2022 and December 31, 2021 is as follows:

	31.03.2022	31.12.2021	Change
Buildings	14,422	14,989	(567)
Vehicles	1,835	1,974	(139)
Office equipment	213	175	38
Total	16,470	17,138	(668)

Note 4. Equity investments in associates

The non-controlling equity investments held by the Group, details of which are provided in Appendix 2, totalled €530 thousand as of March 31, 2022, unchanged with respect to the previous period.

Note 5. Financial assets and liabilities by category

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

Financial assets

	Financial assets at amortized cost	Financial assets at FV through the Income Statement	Financial assets at FV through OCI	31.03.2022
Non-current financial assets	790	1,635	9,266	11,691
Financial assets - Equity investments	-	1,635	9,266	10,901
Other receivables	790	-	-	790
Current financial assets	181,066	2,252	-	183,318
Trade receivables	84,497	-	-	84,497
Other receivables	20,334	-	-	20,334
Financial assets - Loans	-	2,252	-	2,252
Cash and cash equivalents	76,235	-	-	76,235
Total	181,856	3,887	9,266	195,009

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

Financial liabilities

	Derivatives	Financial liabilities at amortized cost	31.03.2022
Non-current financial liabilities	-	81,961	81,961
Financial payables	-	63,704	63,704
Other payables	-	18,257	18,257
Current financial liabilities	-	263,971	263,971
Trade payables	-	115,299	115,299
Other payables	-	56,226	56,226
Current financial payables	-	92,446	92,446
Total	-	345,932	345,932

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

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

Fair value - hierarchy

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

Level 1: market prices;

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

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

Assets measured at fair value	Level 1	Level 2	Level 3	31.03.2022
Financial assets - Equity investments	9,266	-	1,635	10,901
Financial assets - Other	-	-	2,252	2,252
Total	9,266	-	3,887	13,153

Note 6. Financial assets and current financial receivables

The financial assets include the following:

	31.03.2022	31.12.2021	Change
Non-current financial assets	10,901	11,805	(903)
Current financial assets	2,252	2,207	45
Total	13,153	14,012	(858)

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

	2022	2021
As of January 1	11,805	7,823
Investments (Divestments)	195	224
Change in consolidation area	-	3
Profits/losses recognized in OCI	(1,115)	(357)
Exchange rate adjustments	16	34
As of March 31	10,901	7,727

Non-current financial assets amounted to €10,901 thousand and included €9,092 thousand for 1.2% investment in the share capital of the Japanese company Idec Corporation, listed on the Tokyo Stock Exchange, whose change during the period is related to exchange rate and fair value adjustments, and the investment in the company Point Mobile Co., Ltd.

The item "Current financial assets" equal to €2,252 thousand consists of current financial receivables represented by the investment in a financial instrument convertible into capital issued by the company AWM Smart Shelf.

Note 7. Trade and other receivables

The breakdown of the item as of March 31, 2022 and December 31, 2021 is as follows:

	31.03.2022	31.12.2021	Change
Trade receivables	76,042	80,389	(4,347)
Contract assets - Invoices to be issued	8,846	7,105	1,741
Bad debt provisions	(2,687)	(2,657)	(30)
Net trade receivables	82,201	84,837	(2,636)
Receivables from associates	2,296	2,435	(139)
Receivables from related parties	-	7	(7)
Sub-total - Trade receivables	84,497	87,279	(2,782)
Other receivables - current accrued income and prepaid expenses	20,334	17,866	2,468
Other receivables - non-current accrued income and prepaid expenses	790	821	(31)
Sub-total - Other receivables - accrued income and prepaid expenses	21,124	18,687	2,437
Less: non-current portion	790	821	(31)
Trade and other receivables - current	104,831	105,145	(314)

Trade receivables

“Trade receivables”, which amounted to €84,497 thousand as of March 31, 2022, show a decrease of €2,782 thousand compared to December 31, 2021. As of March 31, 2022, trade receivables sold to Factoring without recourse amounted to €26,625 thousand (compared to €33,052 thousand as of December 31, 2021). Trade receivables from associates arise from commercial transactions carried out at arm’s length conditions.

Other receivables - accrued income and prepaid expenses

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

	31.03.2022	31.12.2021	Change
Other current receivables	2,241	1,763	478
Other non-current receivables	790	821	(31)
VAT receivables	13,705	12,632	1,073
Accrued income and prepaid expenses	4,388	3,471	917
Total	21,124	18,687	2,437

The “VAT receivables” equal to €13,705 thousand relates to normal trade operations. The increase is due to the greater volume of exports during the period.

The “Accrued income and prepaid expenses” item is mainly composed of the recognition of insurance contracts and hardware and software licenses. The amount shows an increase of €917 thousand compared to December 31, 2021, but in line with the same period of the previous year in which it was equal to €4,346 thousand.

Note 8. Inventories

Inventories amounting to €156,774 thousand show an increase of €20,053 thousand in the period. The increase in the period is the result of the Group's higher supply aimed driven by a growing demand, as well as the management of raw material and component *shortages*, which lead to longer times in sales' orders fulfilment.

	31.03.2022	31.12.2021	Change
Raw and ancillary materials and consumables	95,599	83,681	11,918
Work in progress and semi-finished products	25,910	19,865	6,045
Finished products and goods	35,265	33,175	2,090
Total	156,774	136,721	20,053

Inventories are disclosed net of an obsolescence provision totalling €11,687 thousand as of March 31, 2022 (€10,777 thousand as of December 31, 2021).

Note 9. Tax payables and receivables

	31.03.2022	31.12.2021	Change
Tax receivables	10,739	11,443	(704)
<i>of which to Parent Company</i>	<i>1,807</i>	<i>1,807</i>	-
Tax payables	(10,696)	(12,420)	1,724
<i>of which to Parent Company</i>	<i>(3,450)</i>	<i>(3,450)</i>	-
Total	43	(977)	1,020

As of March 31, 2022 the net balance of "Tax receivables and payables" was positive and equal to €43 thousand, showing a change of €1,020 thousand compared to December 31, 2021. The change in the period is mainly due to the payment of tax advances.

LIABILITIES AND SHAREHOLDERS' EQUITY

Note 10. Shareholders' Equity

The composition of the Shareholders' Equity as of March 31, 2022 is shown below:

	31.03.2022	31.12.2021	Change
Share capital	30,392	30,392	-
Share premium reserve	111,779	111,779	-
Treasury shares held in portfolio	(26,096)	(26,096)	-
Share capital and capital reserves	116,075	116,075	-
Translation reserve	29,059	22,746	6,313
Other reserves	10,398	11,239	(841)
Retained earnings	268,378	229,692	38,686
Profit for the period	1,371	38,913	(37,542)
Total Group shareholders' equity	425,281	418,665	6,616
Profit/Loss for the period of Minority interests	(41)	627	(668)
Shareholders' Equity of Minority interests	3,082	2,432	650
Total consolidated Shareholders' Equity	428,322	421,724	6,598

Share capital

As of March 31, 2022, the share capital of €30,392 thousand represents the share capital fully subscribed and paid in by the Parent Company Datalogic S.p.A. It comprises a total number of ordinary shares of 58,446,491, of which 2,000,000 are held as treasury shares for a value of €26,096 thousand, for which the outstanding shares as of that date amounted to 56,446,491. The shares have a nominal value of €0.52 each.

Other Reserves

As of March 31, 2022, the breakdown of the main changes in other reserves were as follows:

- increase in the translation reserve of €6,313 thousand;
- decrease in financial assets reserve, measured at FVOCI of €868 thousand;
- increase in the cash flow hedge reserve of €27 thousand.

Note 11. Financial payables

The "Financial payables" as of March 31, 2022 amounted to €156,150 thousand, recording an increase of €21,803 thousand as detailed below.

	31.03.2022	31.12.2021	Change
Bank borrowings	138,362	113,206	25,156
Lease financial payables	17,053	17,546	(493)
Payables to factoring companies	647	2,537	(1,890)
Other financial liabilities	53	998	(945)
Bank overdrafts	35	60	(25)
Total	156,150	134,347	21,803

The change in the item "Bank borrowings" for the period is detailed below:

	2022	2021
As of January 1	113,206	130,753
Increases	35,000	-
Decreases for borrowing repayments	(10,126)	(11)
Other changes	282	408
As of March 31	138,362	132,694

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

	31.03.2022	31.12.2021	Change
Non-current financial payables	63,704	63,418	286
Current financial payables	92,446	70,929	21,517
Total	156,150	134,347	21,803

Covenants

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

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

As of December 31, 2021, all covenants were complied with.

Note 12. Net deferred taxes

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

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

	31.03.2022	31.12.2021	Change
Deferred tax assets	52,423	50,068	2,355
Deferred tax liabilities	(26,164)	(25,844)	(320)
Net deferred taxes	26,259	24,224	2,035

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

Note 13. Post-employment and retirement benefits

The breakdown of changes in the “Post-employment benefits” item as of March 31, 2022 and March 31, 2021 is shown below:

	2022	2021
As of January 1	7,088	6,862
Accrual	857	443
Payments	(725)	(440)
Change in consolidation area	-	460
Receivable from INPS	(304)	(66)
Other movements	(7)	14
As of March 31	6,909	7,273

Note 14. Provisions for risks and charges

As of March 31, 2022, the “Provisions for risks and charges” amounted to €7,516 thousand (€7,798 thousand as of December 31, 2021) and are represented by the best estimate of the contingent liabilities to which the Group is exposed in relation to contractual obligations for product warranties, as well as contingent liabilities of a tax, labour law and agents’ supplementary indemnity nature, as illustrated below.

	31.12.2021	Increases	(Uses) and (Releases)	31.03.2022
Product warranty provision	6,844	87	(378)	6,553
Other provisions	954	9	-	963
Total	7,798	96	(378)	7,516

The “**Product warranty provision**” covers the estimated cost of repairing products sold up to March 31, 2022 and covered by a warranty period; said provision amounted to €6,553 thousand (of which €3,747 thousand long-term).

The “**Others**” item as of March 31, 2022 amounted to €963 thousand and is composed primarily of allocations made against agents’ supplementary indemnity and for contingent liabilities of a fiscal and labour law nature.

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

	31.03.2022	31.12.2021	Change
Provisions for risks and charges, current	3,239	3,484	(245)
Provisions for risks and charges, non-current	4,277	4,314	(37)
Total	7,516	7,798	(282)

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

	31.03.2022	31.12.2021	Change
Trade payables	111,545	135,427	(23,882)
Contractual liabilities - customer advances	3,491	3,433	58
Trade payables	115,036	138,860	(23,824)
Payables to associates	151	156	(5)
Payables to related parties	112	105	7
Total Trade payables	115,299	139,121	(23,822)
Other current liabilities	36,614	33,091	3,523
Current accrued liabilities and deferred income	19,612	18,354	1,258
Non-current accrued liabilities and deferred income	18,257	18,286	(29)
Total Other payables - accrued liabilities and deferred income	74,483	69,731	4,752
Less: non-current portion	18,257	18,286	(29)
Current portion	171,525	190,566	(19,041)

Trade payables

Trade payables amounted to €115,299 thousand, down by €23,822 thousand compared to the end of the previous year.

Other current liabilities

	31.03.2022	31.12.2021	Change
Payables to employees	24,671	20,402	4,269
Payables to pension and social security	6,250	7,028	(778)
Other payables	2,081	2,525	(444)
VAT payables	3,612	3,136	476
Total	36,614	33,091	3,523

The item “Other current liabilities”, amounting to €36,614 thousand as of March 31, 2022, is mainly represented by “Payables to employees” for the fixed and variable component of remuneration, for holidays, as well as the related “Payables to pension and social security” for the related social security contributions. The change for the year in amounts due to employees of €4,269 thousand is represented by higher payables for the variable salary component relating to the year 2021, which will be settled in the second quarter of 2022.

Accrued liabilities and deferred income

The item “Accrued liabilities and deferred income”, amounting to €37,869 thousand as of March 31, 2022 is mainly composed of deferred revenues related to the *Ease of Care* multi-year maintenance contracts. The increase for the year of €1,229 thousand (€36,640 thousand as of December 31, 2021) is due to the signing of new contracts.

INFORMATION ON THE INCOME STATEMENT

Note 16. Revenues

Revenues divided by type are shown in the following table:

	Quarter ended 31.03.2022	31.03.2021 Restated	Change
Revenues from sale of products	127,891	124,717	3,174
Revenues from services	10,037	9,649	388
Total Revenues	137,928	134,366	3,562

As of March 31, 2022, consolidated net revenues amounted to €137,928 thousand, up 2.7% compared with €134,366 thousand in the same period of 2021. The Group's revenues, classified by recognition method and business segment, are broken down as follows:

Revenues broken down by recognition method	Datalogic	Informatics	Adjustments	31.03.2022
Revenues from sale of goods and services - point in time	121,118	2,497	(225)	123,390
Revenues from sale of goods and services - over the time	12,927	1,611	-	14,538
Total	134,045	4,108	(225)	137,928

Revenues broken down by recognition method	Datalogic	Informatics	Adjustments	31.03.2021 Restated
Revenues from sale of goods and services - point in time	120,015	3,203	(175)	123,043
Revenues from sale of goods and services - over the time	10,103	1,220	-	11,323
Total	130,118	4,423	(175)	134,366

The Group recognizes revenues from the sale of goods and services in a specific moment, when the control of the assets has been transferred to the customer, generally upon delivery of the goods or the rendering of the service.

Revenue is recognized over time instead, based on the stage of completion of the contractual obligations, when the service does not create an asset that has an alternative use for the Group and the Group has the right to payment of the completed service until the date in question.

Revenues broken down by type	Datalogic	Informatics	Adjustments	31.03.2022
Sale of goods	125,706	2,410	(225)	127,891
Sale of services	8,339	1,698	-	10,037
Total	134,045	4,108	(225)	137,928

Revenues broken down by type	Datalogic	Informatics	Adjustments	31.03.2021 Restated
Sale of goods	121,817	3,075	(175)	124,717
Sale of services	8,301	1,348	-	9,649
Total	130,118	4,423	(175)	134,366

Note 17. Cost of goods sold and operating expenses

The following table shows the trends of cost of goods sold and operating costs as of March 31, 2022, compared with the same period of the previous year, including *special items*.

	Quarter ended		Change
	31.03.2022	31.03.2021 Restated	
Cost of goods sold	80,040	70,869	9,171
Operating expenses	55,814	50,900	4,914
Research and development expenses	14,505	13,791	714
Distribution expenses	26,069	23,652	2,417
General and administrative expenses	14,779	12,843	1,936
Other operating expenses	461	614	(153)
Total	135,854	121,769	14,085

Cost of goods sold

The **cost of goods sold** as of March 31, 2022 was equal to €80,040 thousand. The change of 12.9% in the period, and the decrease of 5.3 percentage points in incidence of revenues, which rose from 52.7% to 58.0%, is due to inflationary phenomena that have progressively led to higher costs for materials and components, also due to transport and logistics costs.

Operating expenses

"**Operating expenses**", amounting to €55,814 thousand, saw an increase of €4,914 thousand (+9.7%) in the first quarter of 2022 compared to the same period of 2021, worsening the impact on turnover by 2.6 percentage points from 37.9% to 40.5%, particularly as a result of the increase in general and distribution expenses.

"**Research and development expenses**" as of March 31, 2022 amounted to €14,505 thousand, substantially in line with the same quarter of the previous year, representing 10.5% of turnover (10.3% in the first quarter of the previous year).

"**Distribution expenses**" amounted to €26,069 thousand, increasing compared the same period of 2021 (+10.2%). The percentage on turnover increased from 17.6% to 18.9%, following the resumption of business travel and visits to customers, trade fairs and commercial events which in the same period of the previous year had been suspended due to the pandemic.

"**Administrative and general expenses**" amount to €14,779 thousand as of March 31, 2022, a worse percentage on turnover from 9.6% to 10.7%, in particular due to the increase in costs for utilities and EDP, as well as higher depreciation on ICT implementations.

"**Other operating expenses**", amounting to €461 thousand, are decreasing with respect to the first quarter of the previous year and primarily consist of non-income taxes and duties and other operating costs.

Breakdown of costs by nature

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

	Quarter ended		Change
	31.03.2022	31.03.2021 Restated	
Material Costs	76,348	71,955	4,393
Change in inventories	(18,998)	(18,658)	(339)
Personnel costs	44,523	41,453	3,070
Amortization, depreciation and write-downs	8,725	7,701	1,024
Goods receipt and shipment expenses	8,547	6,896	1,651
Consumables and R&D material	1,878	1,755	123
EDP expenses	1,610	1,281	329
Legal, tax and other advisory consultancies	1,512	1,199	313
Travel and meetings expenses	1,432	740	692
Utilities	1,060	538	522
Marketing expenses	1,057	489	568
R&D technical consultancies	1,021	399	622
Royalties	672	625	47
Directors' remuneration	577	445	132
Building expenses	548	532	16
Installations	469	153	316
Telephone expenses	467	362	105
Sundry service costs	464	401	63
Audit Fees	436	352	84
Quality certification expenses	424	299	125
Expenses for plant and machinery and other assets	417	370	47
Commissions	379	324	55
Recruitment fees	307	340	(33)
Insurance	304	222	82
Vehicle expenses	255	175	80
Repairs not under warranty	247	133	114
Repairs and warranty provision accrual	194	185	9
Subcontracted work	150	161	(11)
Entertainment expenses	139	67	72
Others	690	877	(187)
Total Cost of goods sold and operating costs	135,854	121,769	14,085

Material Costs and changes in inventories increased by €4,054 thousand (+7.6%) compared to the same period of 2021, while the percentage on turnover was 41.6%, a slight increase compared to the first quarter of 2021 when it was 39.7%, following the increase in materials and procurement costs.

Personnel costs, amounting to €44,523 thousand (€41,453 thousand in the first quarter of 2021), recorded an increase of €3,070 thousand compared to the previous year (+7.4%), with the percentage on turnover increasing slightly by 1.4 percentage points compared to the same period of 2021, from 30.9% to 32.3%.

The trend is due to negative exchange rate for approximately €1,000 thousand, consolidation area variance for €1,600 thousand and higher costs for wages and salaries for approximately €1,800 thousand, of which €865 thousand related to *temporary staff*. The detailed breakdown of labour costs is as follows:

	Quarter ended		Change
	31.03.2022	31.03.2021	
Wages and salaries	34,169	31,923	2,246
Social security charges	7,292	6,699	593
Post-employment benefits	815	662	153
Severance indemnities and similar benefits	423	378	45
Other labour costs	1,824	1,791	33
Total	44,523	41,453	3,070

The item **"amortization, depreciation and write-downs"**, amounting to €8,725 thousand, increased by €1,024 thousand, due to increased investment in recent years and to the change in the consolidation area.

"Goods receipt and shipment expenses", equal to €8,547 thousand, increased by €1,651 thousand compared to the same period of the previous year. The percentage on turnover was 6.2% (5.1% in the first quarter of 2021). The trend is attributable to the higher cost of transport and logistics as a result of the economic downturn, which was also caused by problems of reduced capacity.

"Travel and meeting expenses" and **"Marketing expenses"**, respectively equal to €1,432 thousand and €1,057 thousand, are overall an increase of €1,260 thousand compared to the same period of the previous year, following the resumption of site visits to customers, events and trade fairs, suspended for most of 2021 due to the pandemic.

"Utilities", equal to €1,060 thousand, up by €522 thousand compared to the same period of the previous year, reflect the increase in the cost of energy.

"R&D technical consultancy" and **"Quality Certification Expenses"**, respectively equal to €1,021 thousand and €424 thousand, are overall an increase of €747 thousand compared to the same period of the previous year due to the phasing of ongoing R&D projects.

Note 18. Other revenues

As of March 31, 2022, Other revenues amounted to €204 thousand, down by €133 thousand compared to the same period of the previous year in which they amounted to €337 thousand.

Below is the breakdown of other revenues:

	Quarter ended		Change
	31.03.2022	31.03.2021	
Miscellaneous income and revenues	152	256	(104)
Rents	20	7	13
Income on disposal of fixed assets	10	31	(21)
Grants	8	-	8
Others	14	17	(3)
Contingent assets	-	26	(26)
Total	204	337	(133)

Note 19. Financial Income/(Expenses)

	Quarter ended		Change
	31.03.2022	31.03.2021	
Financial income/(expenses)	(413)	(452)	39
Foreign exchange differences	(884)	(196)	(688)
Bank expenses	(309)	(279)	(30)
Others	24	(38)	62
Total Net Financial Income/(Expenses)	(1,582)	(965)	(617)

Net financial income/(expenses) was negative for €1,582 thousand, worsening of €617 thousand compared with the same period of the previous year, when they were negative by €965 thousand, primarily due to the unfavorable trend in exchange rate differences.

Note 20. Taxes

The tax charge as of March 31, 2022 was positive for €633 thousand as illustrated below.

	Quarter ended		Change
	31.03.2022	31.03.2021 Restated	
Profit/(Loss) before taxes	696	11.969	(11.273)
Current Taxes Income (Expense)	(704)	(2.732)	2.028
Deferred Taxes Income (Expense)	1.337	(300)	1.637
Total	633	(3.032)	3.665
Tax Rate	-90,9%	25,3%	-116,2%

The tax rate as of March 31, 2022 reflects the distribution of net income for the period across the various geographical areas in which the Group operates, against a significantly lower taxable income than in the comparative period.

Note 21. Earnings/loss per share**Earnings/loss per share**

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

	31.03.2022	31.03.2021 Restated
Group profit/(loss) for the period	1,329	8,937
Average number of shares (thousands)	56,446	56,476
Basic earnings/(loss) per share	0.02	0.16
Group profit/(loss) for the period	1,329	8,937
Average number of shares (thousands) - Diluted effect	56,887	57,156
Diluted earnings/(loss) per share	0.02	0.16

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

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

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

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

Pursuant to art. 5, paragraph 8, of the Consob Regulations, it should be noted that, over the period 01.01.2022 – 31.03.2022, the Company's Board of Directors did not approve any relevant transaction, as set out by art. 3, paragraph 1, letter b) of the Consob Regulations, or any transaction with minority related parties that had a significant impact on the Group’s equity position or profit/(loss).

	Parent Company	Company controlled by Chair of BoD	Companies not consolidated on a line-by-line basis	31.03.2022
Equity investments	-	-	530	530
Trade receivables and other, accrued income, prepaid expenses	-	13	2,283	2,296
Receivables pursuant to tax consolidation	1,807	-	-	1,807
Financial receivables	-	-	-	-
Payables pursuant to tax consolidation	3,450	-	-	3,450
Trade payables and other, accrued liabilities, deferred income	110	2	151	263
Financial payables	-	-	-	-
Commercial and service costs	90	286	23	399
Revenues and other operating revenues	-	-	2,514	2,514
Other revenues	-	-	36	36

NUMBER OF EMPLOYEES

	31.03.2022	31.03.2021	Change
Datalogic	2,809	2,920	(111)
Informatics	66	76	(10)
Total	2,875	2,996	(121)

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

Annexes

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ANNEX 1

STATEMENT PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 2, LEGISLATIVE DECREE N. 58/1998

INTERIM REPORT ON OPERATION AS OF MARCH 31, 2022

The undersigned Mr. Alessandro D'Aniello, as Manager in charge of drawing up Datalogic S.p.A.'s accounting statements, hereby certifies that, pursuant to the provision set out by paragraph 2 of Art. 154 bis, of Legislative Decree no. 58 of 24 February 1998, the Consolidated Interim Report as of March 31, 2022 is consistent with the documentary results, the books and accounting records.

Lippo di Calderara di Reno (BO), May 12, 2022

Manager in charge of drawing up
Company's accounting statements

Alessandro D'Aniello

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CONSOLIDATION AREA

The Consolidated Interim Report includes interim reports of the Parent Company and the companies that are directly and/or indirectly controlled by the Parent Company or on which the latter has a significant influence. Reports of subsidiaries were duly adjusted, as necessary, to render them consistent with the accounting criteria of the Parent Company. The companies included in the scope of consolidation as of March 31, 2022, consolidated on a line-by-line basis, are disclosed hereunder:

Company	Registered office	Share capital		Total Shareholders' Equity (€/000)	Profit/loss for the period (€/000)	% Ownership
Datalogic S.p.A.	Bologna – Italy	€	30,392,175	347,117	(14)	
Datalogic Real Estate France Sas	Courtabeuf Cedex – France	€	2,227,500	3,860	26	100%
Datalogic Real Estate UK Ltd.	Redbourn - United Kingdom of Great Britain	GBP	3,500,000	4,696	(31)	100%
Datalogic IP Tech S.r.l.	Bologna – Italy	€	65,677	35,887	(1,588)	100%
Informatics Holdings, Inc.	Plano, Texas - USA	USD	1,568	17,666	459	100%
Wasp Barcode Technologies Ltd	Redbourn - United Kingdom of Great Britain	GBP	0	250	5	100%
Datalogic (Shenzhen) Industrial Automation Co. Ltd.	Shenzhen - China	CNY	2,136,696	5,518	858	100%
Datalogic Hungary Kft	Balatonboglár - Hungary	HUF	3,000,000	876	(720)	100%
Datalogic S.r.l.	Bologna – Italy	€	10,000,000	167,479	(1,751)	100%
Datalogic Slovakia S.r.o.	Trnava - Slovakia	€	66,388	4,542	97	100%
Datalogic USA Inc.	Eugene, OR - USA	USD	100	231,021	2,496	100%
Datalogic do Brazil Comercio de Equipamentos e Automacao Ltda.	Sao Paulo - Brazil	BRL	20,257,000	427	72	100%
Datalogic Tecnologia de Mexico S.r.l.	Colonia Cuauhtemoc - Mexico	MXN	0	(376)	(9)	100%
Datalogic Scanning Eastern Europe GmbH	Langen - Germany	€	25,000	3,973	16	100%
Datalogic Australia Pty Ltd	Mount Waverley (Melbourne) - Australia	AUD	3,188,120	1,404	57	100%
Datalogic Vietnam LLC	Vietnam	USD	3,000,000	23,160	1,528	100%
Datalogic Singapore Asia Pacific Pte Ltd.	Singapore	SGD	3	3,093	128	100%
Datasensing S.r.l.	Modena - Italy	€	2,000,000	17,678	863	100%
M.D. Micro Detectors (TIANJIN) CO., LTD.	Tianjin - China	CNY	13,049,982	1,329	2	100%
Micro Detectors Ibérica, S.A.U.	Barcelona - Spain	€	120,000	1,324	158	100%
Datalogic Japan Co., Ltd.	Tokyo - Japan	JPY	9,900,000	72	(1)	100%
PEKAT s.r.o.	Brno - Czech Republic	CKZ	202,000	246	-	100%
Suzhou Mobydata Smart System Co. Ltd.	Suzhou, JiangSu - China	CNY	161,224	6,101	(84)	51%

The following companies were consolidated using the equity method as of December 31, 2021:

Company	Registered office		Share capital	Total Shareholders' Equity (€/000)	Net Profit (loss) for the year (€/000)	% Ownership
Datasensor GmbH (*)	Otterfing - Germany	€	150,000	12	10	30%
CAEN RFID S.r.l. (***)	Viareggio LU - Italy	€	150,000	870	(233)	20%
R4I S.r.l. (***)	Benevento - Italy	€	131,250	387	(43)	20%
Datalogic Automation AB (**)	Malmö, Sweden	SEK	100,000	1,374	517	20%

(*) data as of December 31, 2019

(**) data as of June 30, 2021

(***) data as of December 31, 2020

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ANNEX 3

RECONCILIATION OF ALTERNATIVE PERFORMANCE INDICATORS (NON-GAAP MEASURES)

The following table shows the reconciliation between EBIT and Adjusted EBIT as of March 31, 2022, compared with March 31, 2021.

	31.03.2022	31.03.2021 Restated		Change	
Adjusted EBIT	4,474	3.24%	15,016	11.18%	(10,542)
Special Items - other costs and (revenues)	748	0.54%	968	0.72%	(220)
Special items - D&A from acquisitions	1,448	1.05%	1,114	0.83%	334
Total	2,196	1.59%	2,082	1.55%	114
EBIT	2,278	1.7%	12,934	9.6%	(10,656)

The following table shows the reconciliation between EBITDA and Adjusted EBITDA as of March 31, 2022, compared with March 31, 2021.

	31.03.2022	31.03.2021 Restated		Change	
Adjusted EBITDA	11,752	8.52%	21,602	16.08%	(9,850)
Cost of goods sold	18	0.01%	24	0.02%	(6)
Research and Development expenses	-	0.00%	-	0.00%	-
Distribution expenses	267	0.19%	596	0.44%	(329)
General and administrative expenses	463	0.34%	347	0.26%	116
Other expenses and (income)	-	0.00%	-	0.00%	-
Total	748	0.54%	968	0.72%	(220)
EBITDA	11,004	7.98%	20,634	15.36%	(9,630)

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RESTATEMENT 2021

The comparative results as of March 31, 2021 have been restated following the definitive accounting of the *purchase price allocation* (PPA) related to the acquisition of the MD Group which took place in the fourth quarter of 2021, as required by the accounting standards IFRS 3 revised and IAS 1, as well as the financial statements reclassifications to ensure full comparability of the 2021 results with those of 2022.

RESTATEMENT INCOME STATEMENT

The table below shows the reconciliation between the Income Statement presented in the Consolidated Interim Report as of March 31, 2021 and the restated Income Statement as of March 31, 2021.

(€/000)	31.03.2021	Restatement	31.03.2021 Restated
1) Revenues	135,413	(1,047)	134,366
Revenues from sale of products	125,764	(1,047)	124,717
Revenues from services	9,649	-	9,649
2) Cost of goods sold	71,916	(1,047)	70,869
Gross Operating Margin (1-2)	63,497	-	63,497
3) Other revenues	337	-	337
4) Research and development expenses	13,740	51	13,791
5) Distribution expenses	23,577	75	23,652
6) General and administrative expenses	12,838	5	12,843
7) Other operating expenses	614	-	614
Total operating costs	50,769	131	50,900
Operating result	13,064	(131)	12,934
8) Financial income	7,637	-	7,637
9) Financial expenses	8,602	-	8,602
Financial income/(expenses) (8-9)	(965)	-	(965)
Profit/(Loss) before taxes from continuing operations	12,099	(131)	11,969
Income taxes	3,070	(38)	3,032
Profit/(Loss) for the period from continuing operations	9,029	(93)	8,937
Net Profit/(Loss) for the period	9,029	(93)	8,937
Basic earnings/(loss) per share (€)	0.16	-	0.16
Diluted earnings/(loss) per share (€)	0.16	-	0.16
<i>Attributable to:</i>			
Shareholders of the Parent Company	8,803	(91)	8,713
Minority interests	226	(2)	224

RESTATEMENT OF SEGMENT DISCLOSURE

REVENUES BY GEOGRAPHICAL AREA

	31.03.2021	Restatement	31.03.2021 Restated
<i>Italy</i>	14,050	(20)	14,030
<i>EMEA (excluding Italy)</i>	67,334	(562)	66,772
Total EMEA	81,384	(583)	80,801
Americas	36,011	(520)	35,491
APAC	18,018	56	18,074
Total Revenues	135,413	(1,047)	134,366

REVENUES BY BUSINESS SEGMENT

	31.03.2021	Restatement	31.03.2021 Restated
Retail	49,647	286	49,933
Manufacturing	33,153	1,109	34,262
Transportation & Logistics	15,479	(22)	15,457
Healthcare	4,571	411	4,982
Channel	28,313	(2,829)	25,484
Total Revenues	131,163	(1,045)	130,118

