



Consolidated Interim Report 30 September 2021

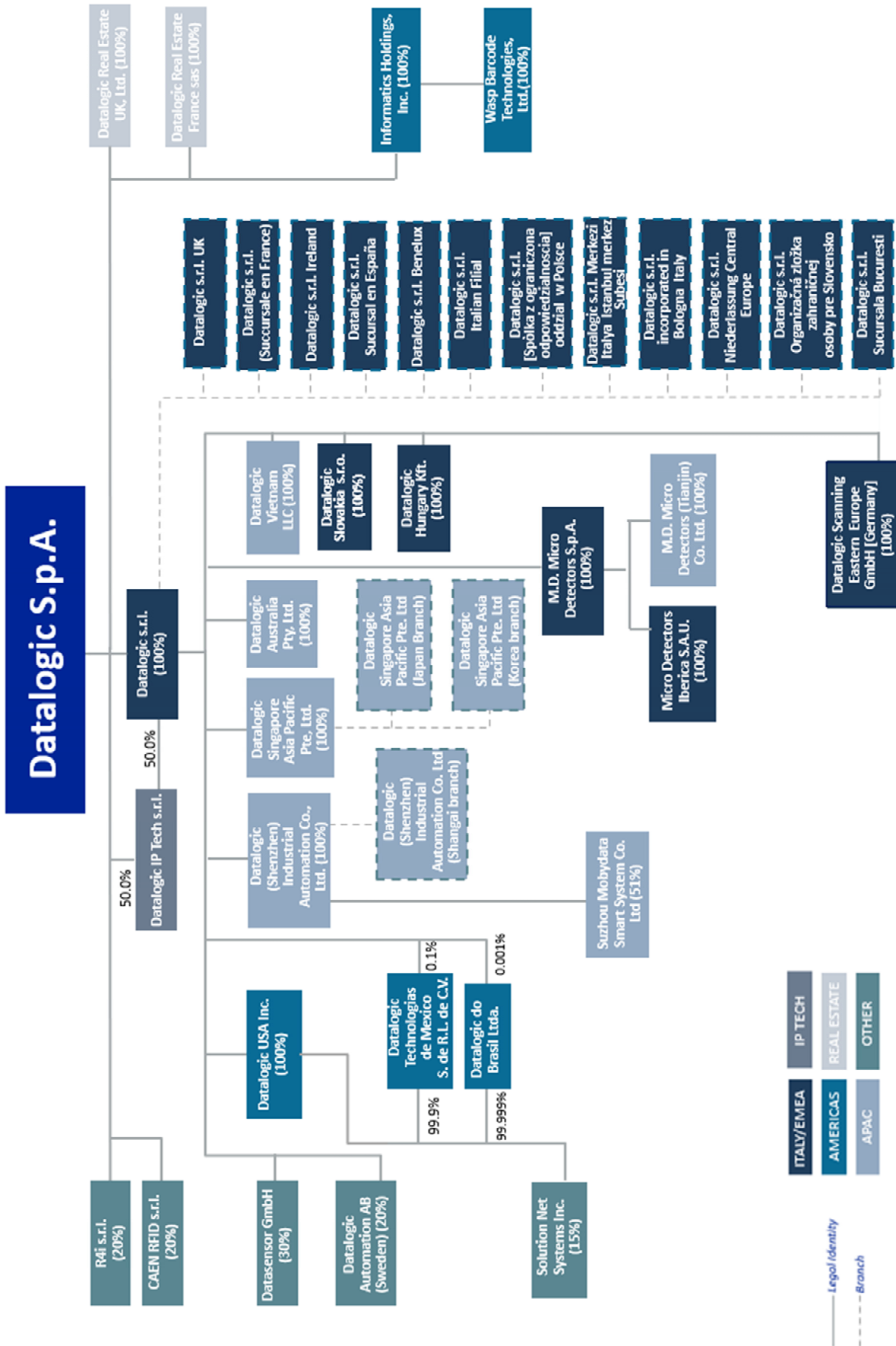
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DISCLAIMER

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 CORPORATE BODIES

Board of Directors ⁽¹⁾

Romano Volta	Executive Chairman ⁽²⁾
Valentina Volta	Chief Executive Officer ⁽²⁾
Angelo Manaresi	Independent Director
Chiara Giovannucci Orlandi	Independent Director
Filippo Maria Volta	Non-Executive Director
Vera Negri Zamagni	Independent Director
Roberto Pisa	Independent Director

Board of Statutory Auditors ⁽³⁾

Salvatore Fiorenza	Chairman
Elena Lancellotti	Statutory Auditor
Roberto Santagostino	Statutory Auditor
Ines Gandini	Alternate Statutory Auditor
Eugenio Burani	Alternate Statutory Auditor
Patrizia Cornale	Alternate Statutory Auditor

Audit and Risk, Remuneration and Appointments Committee

Angelo Manaresi	Chairman
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 at 31 December 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 at 31 December 2021.

(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 30 April 2019 and will remain in office until the Shareholders' Meeting held for the approval of the financial statements as at 31 December 2027.

Report on Operations



REPORT ON OPERATIONS

INTRODUCTION

This Consolidated Interim Report as at 30 September 2021 was drawn up pursuant to Art. 154 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 the global technological leader in the markets of automatic data capture and process automation. The Group is specialised 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 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 at 30 September 2021 and the comparison with respect to the same period a year earlier.

The income statement and balance sheet data as at 30 September 2021 include the balances of the MD Group consolidated from 1 March 2021.

	Nine months ended		30.09.2020	% on Revenues	Change	% change	% ch. net FX
	30.09.2021	% on Revenues					
Revenues	434,380	100.0%	347,051	100.0%	87,329	25.2%	28.0%
Adjusted EBITDA	66,155	15.2%	37,205	10.7%	28,950	77.8%	69.2%
EBIT	38,316	8.8%	8,194	2.4%	30,122	367.6%	321.5%
Net Profit/(Loss) for the period	30,924	7.1%	4,560	1.3%	26,364	578.2%	501.7%
Net financial position (NFP)	(38,039)		(39,871)		1,832		

As of 30 September 2021, the Group reported **revenues** at €434.4 million, increasing by €87.3 million, +25.2% (28.0% at constant exchange rates) compared to €347.1 million reported in the first nine months of 2020. Organic growth (net of the exchange rate effect and MD Group's acquisition) was 22.5%.

Despite the inflationary trends, which gradually worsened during the year, operating margins grew by approximately five percentage points compared to the same period of the previous year, closing on 30 September 2021 with an **Adjusted EBITDA margin** of 15.2% (10.7% as at 30 September 2020), equal to €66.2 million.

Net profit amounted to €30.9 million (7.1% of revenues), up by €26.4 million compared to €4.6 million in the same period of 2020 (1.3% of revenues), marking a gradual return of the Group to pre-pandemic results.

The Group closed on 30 September 2021 with a **Net Financial Debt** of €38.0 million after the acquisition of the MD Group, which generated a net financial outlay of €35.0 million. Net of the effects of the acquisition, the Group's Net Financial Debt would have been €3.1 million; at 30 September 2020 the Group's NFP was negative by €39.9 million, with a €37.0 million improvement on a like-for-like basis.

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 3 December 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.

- **EBIT (Earnings Before Interest, Taxes):** this indicator is defined as Profit/Loss for the period from continuing operations before financial expenses and income (including foreign exchange gains and losses and profits and losses from associated companies) and income taxes.
- **EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation):** this indicator is defined as Profit/Loss for the period from continuing operations before depreciation and amortisation of tangible and intangible assets and rights of use, financial income and expenses (including foreign exchange gains and losses and profits and losses from associated companies) and the income taxes.
- **Adjusted EBITDA:** this indicator is defined as Profit/Loss for the period from continuing operations before depreciation and amortisation of tangible and intangible assets and rights of use, financial income and expenses (including foreign exchange gains and losses and profits and losses from associated companies) and income taxes, as well as costs and revenues considered by the Management as non-recurring (see Annex 4)
- **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 Commercial Working Capital and Other Current Assets and Liabilities including short-term 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 Financial Debt):** this indicator is calculated in accordance with the provisions of "Consob Notice no. 5/21" of 29 April 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 recognised 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 period of the previous year:

	Nine months ended					
	30.09.2021		30.09.2020		Change	% change
Revenues	434,380	100.0%	347,051	100.0%	87,329	25.2%
Cost of goods sold	(240,767)	-55.4%	(186,994)	-53.9%	(53,773)	28.8%
Gross Operating Margin	193,613	44.6%	160,057	46.1%	33,556	21.0%
Research and Development expenses	(41,205)	-9.5%	(41,228)	-11.9%	23	-0.1%
Distribution expenses	(72,665)	-16.7%	(71,182)	-20.5%	(1,483)	2.1%
General and administrative expenses	(35,305)	-8.1%	(30,189)	-8.7%	(5,116)	16.9%
Other operating (expenses)/income	1,411	0.3%	1,881	0.5%	(470)	-25.0%
Total operating expenses and other costs	(147,764)	-34.0%	(140,718)	-40.5%	(7,046)	5.0%
Non-recurring costs and revenues	(4,563)	-1.1%	(7,675)	-2.2%	3,112	-40.5%
Amortisation and depreciation from acquisitions	(2,970)	-0.7%	(3,470)	-1.0%	500	-14.4%
EBIT	38,316	8.8%	8,194	2.4%	30,122	367.6%
Financial Income/(Expenses)	(2,034)	-0.5%	(1,622)	-0.5%	(412)	25.4%
Foreign exchange gains/(losses)	767	0.2%	(4,361)	-1.3%	5,128	n.a.
EBT	37,049	8.5%	2,211	0.6%	34,838	1575.7%
Taxes	(6,125)	-1.4%	2,176	0.6%	(8,301)	n.a.
Net Profit/(Loss) for the period from continuing operations	30,924	7.1%	4,387	1.3%	26,537	604.9%
Net Profit/(Loss) for the period from discontinued operations	-	0.0%	173	0.0%	(173)	-100.0%
Net Profit/(Loss) for the period	30,924	7.1%	4,560	1.3%	26,364	578.2%
Non-recurring costs and revenues	(4,563)	-1.1%	(7,675)	-2.2%	3,112	-40.5%
Amortisation of tangible assets and rights of use	(12,647)	-2.9%	(13,228)	-3.8%	581	-4.4%
Amortisation of intangible assets	(10,629)	-2.4%	(8,108)	-2.3%	(2,521)	31.1%
Adjusted EBITDA	66,155	15.2%	37,205	10.7%	28,950	77.8%

Consolidated revenues, amounting to €434.4 million, as at 30 September 2021 recorded overall growth of 25.2% (+ 28.0% net of the exchange rate effect and + 22.5% at organic level) compared to €347.1 million achieved in the first nine months of 2020, with performances continuing to register, at constant exchange rates, double-digit growth in all geographical areas for the third consecutive quarter.

The following table shows the breakdown by geographic area of Group revenues achieved as at 30 September 2021, compared to the same period of the previous year:

	Nine months ended						
	30.09.2021	%	30.09.2020	%	Change	% change	% ch. net FX
<i>Italy</i>	43,306	10.0%	31,117	9.0%	12,189	39.2%	39.2%
<i>EMEA (excluding Italy)</i>	200,651	46.2%	148,448	42.8%	52,203	35.2%	35.9%
Total EMEA	243,957	56.2%	179,565	51.7%	64,391	35.9%	36.5%
Americas	123,973	28.5%	112,322	32.4%	11,652	10.4%	17.6%
APAC	66,450	15.3%	55,165	15.9%	11,285	20.5%	21.4%
Total Revenues	434,380	100.0%	347,051	100.0%	87,329	25.2%	28.0%

EMEA region closed the period with an increase in revenues of 35.9% (+ 36.5% net of the exchange rate effect and + 27.5% at organic) compared to 30 September 2020, with widespread growth in all the countries of the area. The performance of the area is driven by Italy, the second largest market in the region, which saw an increase in turnover of 39.2% compared to 30 September 2020, followed by the Benelux countries which recorded growth of 67.7% in 2021, followed by Spain, which recorded an increase of 41.5%.

The **Americas** area, Group's second market, consolidated signs of a post-pandemic recovery, achieving a growth of 17.6% at constant exchange rates. The double-digit growth concerned the main regions of the market and markedly Latin America (+ 32.2% at constant exchange rates), where the acceleration of the economic recovery was less intense in the first part of the year, highly considerable also Canada's performance (+ 62.3% at constant exchange rates).

The **APAC** region grew by 20.5% (+21.4% at constant exchange rates) compared to the same period of 2020, thanks to China, the Group's largest market in the area, but with growth trends of more than thirty percentage points also in Japan and Korea.

Gross Operating Margin, equal to €193.6 million, or 44.6% on revenues, recorded a decrease of about 1.5 pts compared to 30 September 2020 (-1.0 pts on a like-for-like basis), reflects both the less favorable mix and inflationary effects as well as critical materials and logistics expenses resulting from the *shortage*, not yet fully offset by pricing and productivity in this phase of rapid post-pandemic economic recovery.

Operating expenses and other charges, amounting at €147.8 million, rose by 5.0% compared to €140.7 million recorded in the first nine months of 2020. The careful strategy of operating expenses' control defined in 2020, in response to the changed macroeconomic scenario, made it possible to achieve structural efficiencies, which allowed the Group to invest resources more selectively in strategic activities, continuing to support growth. This plan, associated with volumes' recovery, contributed to the 6.5% improvement in the incidence of operating expenses, whose ratio to turnover improved from 40.5% to 34.0%.

Research and Development expenses were €41.2 million, substantially unchanged with respect to 30 September 2020, reaching 9.5% on revenues, compared to 11.9% in the first nine months the previous year. Total Research and Development spending, including capital expenditures, amounted to €42.3 million, compared to €49.2 million in the same period of the previous year, reaching a 9.7% on revenues, thanks to a strategy of selectivity on investments, as well as to the conclusion of important product development projects in the mobile segment reached at the end of 2020.

Distribution expenses amounted to €72.7 million, up by 2.1% compared to the first nine months of 2020 (€71.2 million in 2020), with an incidence on revenues of 16.7% compared to 20.5% as at 30 September 2020, thanks to both the efficiencies achieved on the sales structure, result of the new sales organisation model whose implementation was completed at the end of 2020, and the postponement of commercial events and trade fairs that were still limited by Covid restrictions, at least for most of the first half of 2021.

Adjusted EBITDA amounted to €66.2 million, increased €29.0 million compared to the first nine months of 2020. **Adjusted EBITDA margin** as of 30 September 2021 reached 15.2% compared to 10.7% reported in the same period of the previous year, increasing for the fourth consecutive quarter, returning to pre-Covid-19 levels despite the increase of inflation caused by *shortages* and a less favourable sales mix, offset by the recovery in volumes, which allowed to partially absorb pricing pressures.

EBIT was €38.3 million, 8.8% on revenues, confirming the gradual return to pre-pandemic levels of operating profitability.

Net financial charges, negative by €1.3 million, improved by €4.7 million compared to the same period of last year, where it suffered the negative effects of exchange rate differences.

	Nine months ended		Change
	30.09.2021	30.09.2020	
Net Financial Income/(Expenses)	(1,337)	(1,610)	273
Foreign exchange differences	767	(4,361)	5,128
Fair Value investments	129	332	(203)
Bank expenses	(912)	(639)	(273)
Dividends	114	167	(53)
Others	(28)	128	(156)
Total Net Financial Income/(Expenses)	(1,267)	(5,983)	4,716

Net profit for the period amounted to €30.9 million, 7.1% on revenues (€4.6 million as at 30 September 2020, equal to 1.3% 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 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, along the entire value chain. As described in the explanatory notes, M.D. Micro Detectors S.p.A. and its subsidiaries, active in the design, production and sale of industrial sensors, have been included by the company management within 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 following tables compare the divisional Revenues and *Adjusted* EBITDA achieved in the first nine months of 2021 compared with the same period of the previous year:

REVENUES BY DIVISION

	Nine months ended						
	30.09.2021	%	30.09.2020	%	Change	%	% ch. net FX
Datalogic	421,564	97.0%	335,902	96.8%	85,662	25.5%	28.2%
Informatics	13,701	3.2%	12,059	3.5%	1,642	13.6%	20.1%
Intersegment adjustments	(885)	-0.2%	(910)	-0.3%	25		
Total Revenues	434,380	100.0%	347,051	100.0%	87,329	25.2%	28.0%

EBITDA BY DIVISION

	Nine months ended		30.09.2020	% on revenues	Change	%
	30.09.2021	% on revenues				
Datalogic	64,209	15.2%	37,075	11.0%	27,134	73.2%
Informatics	1,965	14.3%	32	0.3%	1,933	6040.6%
Adjustments	(19)		98		(117)	
Total Adjusted EBITDA	66,155	15.2%	37,205	10.7%	28,950	77.8%

DATALOGIC DIVISION

As at 30 September 2021, the **Datalogic division** reported **revenues** of €421.6 million, up 25.5% compared to 30 September 2020 (+28.2% at constant exchange rates). **Adjusted EBITDA** of the division was €64.2 million, 15.2% on revenues (11.0% as at 30 September 2020). Below is the breakdown of Datalogic Division's revenues by business sector:

	Nine months ended		30.09.2020	%	Change	%	% ch. net FX
	30.09.2021	%					
Retail	152,745	36.2%	143,379	42.7%	9,365	6.5%	9.5%
Manufacturing	117,257	27.8%	82,740	24.6%	34,517	41.7%	43.2%
Transportation & Logistics	59,271	14.1%	38,121	11.3%	21,150	55.5%	59.0%
Healthcare	12,335	2.9%	10,890	3.2%	1,445	13.3%	16.6%
Channel	79,956	19.0%	60,771	18.1%	19,185	31.6%	34.5%
Total Revenues	421,564	100.0%	335,902	100.0%	85,662	25.5%	28.2%

- **Retail**

The Retail sector, the main segment for the Group with 36.2% of divisional turnover (42.7% as at 30 September 2020), recorded an improved performance of 6.5% (+9.5% at constant exchange rates) compared to the same period of 2020. The sector recorded double-digit growth in APAC (+20.4% at constant exchange rates) and in EMEA of 11.2% (+12.2% at constant exchange rates), which offset the Americas more affected by the shortage. In this segment, the food sub sector, less impacted by the contraction in demand due to Covid, continues to consolidate growth trends since the end of the previous year, followed by a gradual and significant improvement in the non-food sub sector mainly in the Speciality Retail Stores and Department Stores.

- **Manufacturing**

The Manufacturing sector grew by 41.7% (43.2% at constant exchange rates, + 27.1% at organic level), with a highly positive trend in all geographical areas: EMEA +58.0% (+58.6% at constant exchange rates), Americas +29.0% (+36.7% at constant exchange rates), APAC +19.0% (+19.6% at constant exchange rates) driven by the recovery of investments in the Automotive sector followed by Packaging. The MD Group contributed approximately 16.1% to the growth of the sector in the period.

- **Transportation & Logistics**

The Transportation & Logistics sector recorded the best performances in the period, with an overall growth of 55.5% (+59.0% at constant exchange rates) compared to the first nine months of 2020, with double-digit increases in all areas, thanks to the award of new projects in the sub-segments Courier Express Parcel, Logistics and Airports.

- **Healthcare**

The Healthcare sector continued its positive and progressive growth trend, recording an increase of +13.3% compared to the first nine months of 2020 (+16.6% at constant exchange rates), with positive trends especially in EMEA and APAC in the hospital sectors, thanks to the *anti-microbial* and *disinfectant ready* solutions, and to pharmaceutical distribution.

- **Channel**

Sales through the distribution channel to small and medium-sized customers benefited from the post-pandemic economic recovery with an increase of 31.6% (34.5% at constant exchange rates) compared to the first nine months of 2020, with an excellent performance in EMEA (+45.2%), followed by the Americas (+20.7%). The APAC region was penalized, with a 7.9% drop.

INFORMATICS DIVISION

The **Informatics Division** reported €13.7 million sales in the first nine months of 2021 (€12.1 million as at 30 September 2020), with an increase of 13.6% compared to the same period of the previous year (+20.1% at constant exchange rates). The Adjusted EBITDA margin was 14.3%, compared to 0.3% in the first nine months of 2020. The division was able to take advantage of the first signs of recovery in the American market, continuing the positive performance started in the fourth quarter of 2020. The overall increase in volumes and a mix that sees growth in particular in the services segment (*SaaS*), combined with operating efficiencies, led to a gradual improvement in the division's profitability.

GROUP RECLASSIFIED ECONOMIC RESULTS FOR THE QUARTER

The following table summarises the Datalogic Group's key operating and financial results of the third quarter of 2021 in comparison with the same quarter of the previous year:

	3Q 2021	% on Revenues	3Q 2020	% on Revenues	Change	% change	% ch. net FX
Revenues	142,370	100.0%	116,637	100.0%	25,733	22.1%	21.6%
Adjusted EBITDA	19,315	13.6%	18,840	16.2%	475	2.5%	-2.0%
EBIT	10,100	7.1%	7,860	6.7%	2,240	28.5%	17.7%
Profit/(Loss) for the period	7,390	5.2%	4,573	3.9%	2,817	61.6%	44.1%

In the third quarter of 2021, revenues increased by €25.7 million, +22.1% (+14.8% at organic, and +21.6% net of the exchange rate effect), amounting at €142.4 million.

The following table shows the breakdown by **geographical area** of Group revenues achieved in the third quarter of 2021, compared with the same quarter of 2020:

	3Q 2021	%	3Q 2020	%	Change	%	% ch. net FX
<i>Italy</i>	14,185	10.0%	10,189	8.7%	3,995	39.2%	39.2%
<i>EMEA (excluding Italy)</i>	66,953	47.0%	50,539	43.3%	16,414	32.5%	32.1%
Total EMEA	81,138	57.0%	60,728	52.1%	20,410	33.6%	33.3%
Americas	38,337	26.9%	35,974	30.8%	2,362	6.6%	7.3%
APAC	22,895	16.1%	19,935	17.1%	2,960	14.8%	11.7%
Total Revenues	142,370	100.0%	116,637	100.0%	25,733	22.1%	21.6%

The region that achieved the best performance, even higher than the pre-pandemic scenario, was EMEA, which achieved growth of +33.6% (+21.8% net of the contribution of the MD acquisition) in the third quarter of 2021. Excellent signs of recovery also for APAC, which achieved growth of 11.7% at constant exchange rates, followed by Americas which, net of the exchange rate effect, recorded an increase of 7.3%.

Adjusted EBITDA, amounting to €19.3 million (13.6% of revenues), saw the partial recovery of the inflationary effects thanks to volumes and operational efficiencies that allowed to keep operating margin in line with expectations.

Net profit for the quarter was €7.4 million (5.2% of turnover) shows a significant recovery compared to the same quarter of 2020, when it was €4.6 million (3.9% of turnover).

GROUP DIVISIONAL ECONOMIC RESULTS FOR THE QUARTER

The following tables show the breakdown of divisional Revenues and Adjusted EBITDA achieved in the third quarter of 2021, compared with the same period of 2020:

REVENUES BY DIVISION

	3Q 2021	%	3Q 2020	%	Change	%	% ch. net FX
Datalogic	138,104	97.0%	112,716	96.6%	25,388	22.5%	22.0%
Informatics	4,723	3.3%	4,195	3.6%	528	12.6%	12.9%
Intersegment adjustments	(457)		(274)		(183)		
Total Revenues	142,370	100.0%	116,637	100.0%	25,733	22.1%	21.6%

EBITDA BY DIVISION

	3Q 2021	% on revenues	3Q 2020	% on revenues	Change	%
Datalogic	18,644	13.5%	18,664	16.6%	(20)	-0.1%
Informatics	707	15.0%	113	2.7%	594	525.7%
Adjustments	(36)		63		(99)	n.a.
Total Adjusted EBITDA	19,315	13.6%	18,840	16.2%	475	2.5%

DATALOGIC DIVISION

In the third quarter of 2021, the Datalogic Division reported a turnover of €138.1 million, a total increase of 22.5% (+22.0% at constant exchange rates) compared to the same quarter of 2020. The geographical area that made the greatest contribution to this was EMEA, where the division achieved 57.0% of turnover in the third quarter of 2021, compared to 52.1% in the same period of 2020, an increase of 4.9 percentage points.

The Adjusted EBITDA of the division was a positive €18.6 million, unchanged with respect to the same quarter of 2020. Despite the inflationary pressure induced by the shortage and the increase in logistics costs, EBITDA as a percentage of revenues was 13.5%.

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

	3Q 2021	%	3Q 2020 Restated	%	Change	%	% ch. net FX
Retail	50,976	36.9%	44,476	39.5%	6,499	14.6%	14.7%
Manufacturing	41,051	29.7%	28,051	24.9%	13,000	46.3%	44.9%
Transportation & Logistics	20,172	14.6%	15,843	14.1%	4,329	27.3%	26.4%
Healthcare	4,369	3.2%	3,917	3.5%	452	11.5%	11.4%
Channel	21,535	15.6%	20,428	18.1%	1,107	5.4%	5.3%
Total Revenues	138,104	100.0%	112,716	100.0%	25,388	22.5%	22.0%

▪ Retail

The Retail sector recorded an overall increase of 14.6% (+ 14.7% at constant exchange rates) compared to the same quarter last year, with an increase of 18.0% in the Americas (+18.9% at constant exchange rates), in EMEAI +12.7% and APAC (+12.2%).

▪ **Manufacturing**

The Manufacturing sector recorded growth of 46.3% compared to the same quarter of 2020. The recovery in all areas was particularly strong in EMEAI (+ 69.2%), while APAC, which had already recorded particularly positive results compared to the other regions in the second quarter of 2020, increased by 20.5%. The Americas area recorded growth of 18.3% (+ 19.3% at constant exchange rates).

▪ **Transportation & Logistics**

The Transportation & Logistics sector recorded an increase of 27.3% compared to the third quarter of 2020, with a positive performance in EMEAI +52.2%, Americas + 3.4%, while APAC recorded a slight decrease -2.4%.

▪ **Healthcare**

The Healthcare sector increased by 11.5% (+11.4% at constant exchange rates) compared to the same period of comparison, with more significant results in the Americas.

▪ **Channel**

Sales through the channel recorded a positive performance compared to the same quarter of 2020 and equal to + 5.4%, especially in EMEAI and APAC, which offset less remarkable performances in the Americas.

INFORMATICS DIVISION

The Informatics Division recorded an increase in revenues in the third quarter of 2021 of 12.6% (+ 12.9% at constant exchange rates). The improvement in divisional margins continues, with an EBITDA of €0.7 million at 15.0% of revenues (€0.1 million in the third quarter of 2020, 2.7% of revenues).

GROUP RECLASSIFIED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD

The following table shows the main financial and equity items as at 30 September 2021 compared with 31 December 2020.

	30.09.2021	31.12.2020	Change	Ch. %
Intangible assets	60,939	59,175	1,764	3.0%
Goodwill	206,684	171,372	35,312	20.6%
Tangible assets	105,777	103,406	2,371	2.3%
Financial assets and investments in associates	10,145	8,723	1,422	16.3%
Other non-current assets	53,869	42,265	11,604	27.5%
Fixed Assets	437,414	384,941	52,473	13.6%
Trade receivables	82,538	66,563	15,975	24.0%
Trade payables	(122,918)	(97,006)	(25,912)	26.7%
Inventories	139,977	78,271	61,706	78.8%
Net Trade Working Capital	99,597	47,828	51,769	108.2%
Other current assets	32,019	28,274	3,745	13.2%
Other current liabilities and provisions for risks	(76,445)	(53,708)	(22,737)	42.3%
Net Working Capital	55,171	22,394	32,777	146.4%
Other non-current liabilities	(35,217)	(33,958)	(1,259)	3.7%
Post-employment benefits	(7,060)	(6,862)	(198)	2.9%
Non-current Provisions for risks	(4,592)	(4,375)	(217)	5.0%
Net Invested Capital	445,716	362,140	83,576	23.1%
Shareholders' Equity	(407,677)	(370,358)	(37,319)	10.1%
Net financial position (NFP)	(38,039)	8,218	(46,257)	-562.9%

Net Invested Capital, at €445.7 million (€362.1 million as at 31 December 2020), increased overall by €83.6 million, of which €52.5 million on fixed assets and €32.8 million on Net Working Capital.

Fixed assets increased (€437.4 million at 30 September 2021) overall by €52.5 million, mainly attributable to the acquisition of the MD Group, represented for €26.6 million by intangible assets, of which €25.6 million for the recognition of Goodwill, €2.6 million by tangible assets and exchange rate effects for €13.3 million.

Net Trade Working Capital as of 30 September 2021 amounted to €99.6 million, with an increase of €51.8 million compared to 31 December 2020, of which €7.9 million as a result of the change in the consolidation area due to the acquisition of the MD Group.

The incidence on turnover of Net Trade Working Capital rose from 10.0% as at 31 December 2020 to 17.6% in 2021 and, on a like-for-like basis, to 17.1%, decreasing by approximately 1 percentage point compared to 30 September 2020 in which it was 18.0%. The change in the period is impacted by the increase in inventories necessary to deal with both the increase in demand and the *shortages* of some electronic and plastic components that are affecting various sectors globally in 2021. The inventories' increase is reflected in a greater commercial exposure to suppliers by €25.9 million, partially offset by the increase in trade receivables of €16.0 million, consequent to volumes recovery.

Net Financial Position as of 30 September 2021 was negative by €38.0 million. The change in the period of €46.3 million is mainly due to the cash absorbed by the MD acquisition for €35.0 million. Compared to the first nine months of 2020, the cash flow from operations improved by €29.2 million thanks to the recovery of volumes and margins, combined with the selectivity of investments.

Cash flows, which brought about the change in consolidated Net Financial Position as at 30 September 2021, are summarised as follows:

	30.09.2021	30.09.2020	Change
Net Financial Position (Net Financial Debt) at the beginning of the period	8,218	13,365	(5,147)
Adjusted EBITDA	66,156	37,205	28,951
Change in net trade working capital	(43,247)	(13,507)	(29,740)
Other changes in net working capital	4,835	(7,705)	12,540
Net investments	(17,735)	(37,015)	19,280
Change in taxes	(9,191)	(548)	(8,643)
Net financial income (expenses)	(1,267)	(8,126)	6,859
Dividend distribution	(9,638)	(17,007)	7,369
Sale (Purchase) of treasury shares	(1,197)	(6,786)	5,589
Change in consolidation area - Disposals (Acquisitions)	(34,972)	253	(35,225)
Change in Net Financial Position	(46,257)	(53,236)	6,980
Net Financial Position (Net Financial Debt) at the end of the period	(38,039)	(39,871)	1,833

The operating cash generated in the period with respect to 30 September 2020 was subject to greater absorption by working capital as a result of more procurement of inventories to manage *shortages* and the acceleration in demand, but it was able to benefit from the more selective approach to investments and the lower negative impact of financial management.

As at 30 September 2021, the net financial debt is broken down as follows:

	30.09.2021	31.12.2020
A. Cash	96,927	137,440
B. Cash equivalents	12	11
C. Other current financial assets	2,159	12,189
D. Cash and cash equivalents (A) + (B) + (C)	99,098	149,640
E. Current financial debt	4,562	4,906
<i>E1. Lease payables</i>	3,422	3,375
F. Current portion of non-current financial debt	70,787	52,860
G. Current financial debt (E) + (F)	75,349	57,766
H. Current Net Financial Debt (Financial Position) (G) - (D)	(23,749)	(91,874)
I. Non-current financial debt	61,788	83,656
<i>I1. Lease payables</i>	7,009	5,763
J. Debt instruments	-	-
K. Trade and other payables	-	-
L. Non-current financial Debt (I) + (J) + (K)	61,788	83,656
M. Net Financial Debt/(Net Financial Position) (H) + (L)	38,039	(8,218)

Indirect debt subject to conditions as at 30 September 2021 is represented exclusively by the provision for Group employee severance indemnity, amounting to €7,060 thousand.

SIGNIFICANT EVENTS OF THE PERIOD

On 1 March 2021, the acquisition of the entire share capital of M.D. Micro Detectors S.p.A. from Gruppo Finmasi was completed, through the subsidiary Datalogic S.r.l. M.D. Micro Detectors S.p.A. is a company with registered office in Italy operating in the design, production and sale of industrial sensors. The acquisition was completed for a consideration of approximately €37 million, gross of the cash acquired.

On 29 April 2021, the Shareholders' Meeting appointed the new Board of Directors, to hold office for the financial years 2021-2023, and resolved to distribute an ordinary unit dividend of €0.17 per share, after legal withholdings, for an overall amount of €9.6 million.

On 5 August 2021, Datalogic S.p.A., holding company of the Datalogic Group, signed with a pool of banks, led by Unicredit S.p.A., along with Banco BPM and BNL-BNP Paribas among financing banks, a "Roller-Coaster" loan of €100 million, at a fixed interest rate, for a seven years term aimed at optimising the existing credit lines to support growth and investments. The loan will enable Datalogic to further reduce cost of debt by simplifying its medium/long-term debt structure and extending its duration. In addition, as part of the Group's renewed commitment to Corporate Social Responsibility matters, the loan agreement is linked, for the first time in Datalogic's history, to multi-years ESG strategic targets over energy transition and social responsibility. Datalogic Group was assisted in the transaction by the law firm White&Case.

SUBSEQUENT EVENTS

Nothing to report.

BUSINESS OUTLOOK

The Group closed the third quarter of the year with outstanding financial results. Revenues for the first nine months grew by 25.2% compared to the same period of the last year, with double-digit performance across all geographies. Operating income (Adjusted EBITDA %) improved by 4.5 points compared to the first nine months of 2020, despite inflation challenges induced by component shortages and rising logistics costs.

The strong economic recovery driven by government expansionary policy and the generalized easing of the pandemic allows the Group to record unprecedented growth on orders' intake in all areas beyond 30%, higher not only than previous year, but also to the years prior to the pandemic. The backlog also strengthened with a triple-digit growth in all areas compared to the same period of 2020 and 2019.

The extremely positive trend on the top line is, however, limited by the shortage of components and materials that is significantly impacting the sector, with the dual effect of temporarily limiting production output, and, consequently, turnover as well as operating margins affected by the increase in logistics and component costs.

The Group is adopting strategies to mitigate the risks impacting the supply chain through alternative and diversified supply strategies, at the same time responding to the inflationary pressure with some targeted and continuous commercial actions.

The growth rate of orders' intake and the exceptionally solid backlog make it possible to increase the guidance on the revenues' growth between 20% and 22%, with an improvement in the EBITDA margin of between 2 and 3 percentage

points compared to 2020, assuming that the pandemic crisis, the shortage of supplies and the subsequent inflation will not be further exacerbated.

SECONDARY LOCATIONS

The Parent Company has no secondary locations.

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

Consolidated Financial Statements



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (€/000)	Notes	30.09.2021	31.12.2020
A) Non-current assets (1+2+3+4+5+6+7+8)		437,414	384,941
1) Tangible assets		95,570	94,358
Land	1	10,443	10,066
Buildings	1	49,425	48,192
Other assets	1	31,620	32,725
Assets in progress and payments on account	1	4,082	3,375
2) Intangible assets		267,623	230,547
Goodwill	2	206,684	171,372
Development costs	2	22,464	22,108
Other	2	20,713	24,417
Assets in progress and payments on account	2	17,762	12,650
3) Right-of-use assets	3	10,207	9,048
4) Equity investments in associates	4	479	900
5) Financial assets		9,666	7,823
Equity investments	6	9,666	7,823
6) Non-current financial receivables		-	-
7) Trade and other receivables	7	841	1,164
8) Deferred tax assets	12	53,028	41,101
B) Current assets (9+10+11+12+13+14+15)		353,632	322,748
9) Inventories		139,977	78,271
Raw and ancillary materials and consumables	8	85,887	37,633
Work in progress and semi-finished products	8	20,779	15,012
Finished products and goods	8	33,311	25,626
10) Trade and other receivables		102,081	82,833
Trade receivables	7	82,538	66,563
<i>of which from associates</i>	7	2,312	1,313
<i>of which from related parties</i>	7	-	7
Other receivables, accrued income and prepaid expenses	7	19,543	16,270
11) Tax receivables	9	12,476	12,004
<i>of which from Parent Company</i>		1,424	641
12) Financial assets		-	10,152
Other	6	-	10,152
13) Current financial receivables	6	2,159	2,037
14) Financial assets - Derivative instruments	6	-	-
15) Cash and cash equivalents		96,939	137,451
Total Assets (A+B)		791,046	707,689

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

LIABILITIES (€/000)	Notes	30.09.2021	31.12.2020
A) Total Shareholders' Equity (1+2+3+4+5+6)	10	407,677	370,358
1) Share capital	10	30,392	30,392
2) Reserves	10	114,377	98,415
3) Retained earnings (losses)	10	229,664	225,816
4) Profit/(Loss) for the period	10	30,443	13,582
5) Group Shareholders' Equity	10	404,876	368,205
Profit/Loss for the period Minority interests	10	481	300
Shareholders' Equity Minority interests	10	2,320	1,853
6) Minority interests		2,801	2,153
B) Non-current liabilities (7+8+9+10+11+12+13)		108,657	128,851
7) Non-current financial payables	11	61,788	83,656
8) Non-current financial liabilities		-	-
9) Tax payables		898	1,671
10) Deferred tax liabilities	12	17,331	16,217
11) Post-employment benefits	13	7,060	6,862
12) Provisions for risks and charges, non-current	14	4,592	4,375
13) Other liabilities	15	16,988	16,070
C) Current liabilities (14+15+16+17+18)		274,712	208,480
14) Trade and other payables		176,562	139,181
Trade payables	15	122,918	97,006
of which to associates	15	59	194
of which to related parties		-	50
Other payables, accrued liabilities and deferred income	15	53,644	42,175
15) Tax payables	9	18,965	7,681
of which to Parent Company		7,733	1,700
16) Provisions for risks and charges, current	14	3,836	3,852
18) Current financial payables	11	75,349	57,766
Total Liabilities (A+B+C)		791,046	707,689

CONSOLIDATED INCOME STATEMENT

(€/000)	Notes	30.09.2021	30.09.2020
1) Revenues	16	434,380	347,051
Revenues from sale of products		405,791	318,386
Revenues from services		28,589	28,665
<i>of which to related parties and associates</i>		7,259	4,209
2) Cost of goods sold	17	241,054	188,849
<i>of which to related parties and associates</i>		532	431
Gross Operating Margin (1-2)		193,326	158,202
3) Other revenues	18	3,265	3,234
4) Research and development expenses	17	42,079	41,382
<i>of which to related parties and associates</i>		408	404
5) Distribution expenses	17	73,401	74,479
<i>of which to related parties and associates</i>		39	45
6) General and administrative expenses	17	40,844	35,930
<i>of which to related parties and associates</i>		257	176
7) Other operating expenses	17	1,950	1,451
Total operating costs		158,275	153,242
Operating result		38,316	8,194
8) Financial income	19	14,025	31,658
9) Financial expenses	19	15,292	37,641
Financial income/(expenses) Net (8-9)		(1,267)	(5,983)
10) Profits from associates		-	-
Profit/(Loss) before taxes from continuing operations		37,049	2,211
Income taxes	20	6,125	(2,176)
Profit/(Loss) for the period from continuing operations		30,924	4,387
Net Profit/(Loss) from discontinued operations		-	173
Net Profit/(Loss) for the period		30,924	4,560
Basic earnings/(loss) per share (€)	21	0.55	0.08
Diluted earnings/(loss) per share (€)	21	0.56	0.08

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€/000)	Notes	30.09.2021	30.09.2020
Net Profit/(Loss) for the period		30,924	4,560
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	(183)	151
Profit/(Loss) due to translation of the accounts of foreign companies	10	14,265	(11,888)
Profit/(Loss) from financial assets at FVOCI	10	1,273	(1,519)
<i>of which tax effect</i>		(13)	16
Total other components of the statement of comprehensive income which will be subsequently reclassified to profit/(loss) for the period		15,355	(13,256)
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>			
Total other components of the statement of comprehensive income which will not be subsequently reclassified to profit/(loss) for the period			
Total profit/(loss) of Comprehensive Income Statement		15,355	(13,256)
Total comprehensive Profit/(Loss) for the period		46,279	(8,696)
Attributable to:			
Shareholders of the Parent Company		45,798	(9,045)
Minority interests		481	349

CONSOLIDATED STATEMENT OF CASH FLOW

(€/000)	Notes	30.09.2021	30.09.2020
Profit/(Loss) before taxes		37,049	2,211
Depreciation of tangible assets and write-downs	1	9,514	9,123
Amortisation of intangible assets and write-downs	2	10,633	8,108
Depreciation of right-of-use assets	3	3,135	4,105
Losses (Gains) from sale of fixed assets	17, 18	18	(27)
Change in provisions for risks and charges	14	38	(230)
Change in bad debt provisions	7	18	1,168
Change in employee benefits reserve	13	(271)	(168)
Other non-monetary changes		5,255	6,465
Cash flow generated (absorbed) from operations before changes in working capital		65,389	30,755
Change in trade receivables	7	(9,539)	12,472
Change in final inventories	8	(56,530)	19,148
Change in trade payables	15	22,804	(46,295)
Change in other current assets	6, 7	(2,511)	4,705
Change in other current liabilities	15	10,126	(3,567)
Change in other non-current assets	6, 7	323	87
Change in other non-current liabilities	15	918	(930)
Cash flow generated (absorbed) from operations after changes in working capital		30,980	16,376
Change in taxes		(5,551)	(548)
Interest paid		(2,319)	(2,366)
Interest collected		279	411
Cash flow generated (absorbed) from operations (A)		23,389	13,873
Increase in intangible assets	2	(10,641)	(15,002)
Decrease in intangible assets	2	-	-
Increase in tangible assets	1	(5,846)	(17,961)
Decrease in tangible assets	1	41	70
Cash paid for business acquisition, net of cash acquired		(34,972)	-
Change in investments and non-current financial assets	4	(29)	(28)
Change in investments and current financial assets		10,030	9,090
Cash flow generated (absorbed) from investments (B)		(41,417)	(23,831)
Change in financial payables	11	(7,394)	(28,431)
Repayment of lease financial payables	11	(2,947)	(4,190)
(Purchase)/sale of treasury shares	10	(1,197)	(6,786)
Dividend payment	10	(9,638)	(17,007)
Effect of change in cash and cash equivalents		(1,308)	(1,900)
Cash flow generated (absorbed) from financial activity (C)		(22,484)	(58,314)
Net increase (decrease) in available cash (A+B+C)		(40,512)	(68,273)
Net cash and cash equivalents at beginning of period		137,451	151,841
Net cash and cash equivalents at end of period		96,939	83,568

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	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	2,153	13,882	370,358
Allocation of earnings						13,582	(13,582)		(300)	300	(13,882)	
Dividends						(9,638)		(9,638)				(9,638)
Treasury shares			(1,197)					(1,197)				(1,197)
Stock Grants					1,804			1,804				1,804
Other changes						(96)		(96)		167		71
Profit/(Loss) for the period							30,443	30,443	481	2,320	30,924	30,924
Other components of comprehensive income				14,265	1,090			15,355				15,355
Total comprehensive Profit (Loss)				14,265	1,090		30,443	45,798	481	2,320	30,924	46,279
30.09.2021	30,392	111,779	(23,096)	16,596	9,098	229,664	30,443	404,876	481	2,320	30,924	407,677

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	Shareholders' Equity of Minority interests	Profit (Loss)	Shareholders' Equity
01.01.2020	30,392	111,779	(15,113)	26,550	5,756	192,885	50,069	402,318	212	1,853	50,281	404,171
Allocation of earnings						50,069	(50,069)		(212)	212	(50,281)	
Dividends						(17,007)		(17,007)				(17,007)
Treasury shares			(6,786)					(6,786)				(6,786)
Stock grants					405			405				405
Other changes										(39)		(39)
Profit/(Loss) for the period							4,211	4,211	349	349	4,560	4,560
Other components of comprehensive income				(11,888)	(1,368)			(13,256)				(13,256)
Total comprehensive Profit (Loss)				(11,888)	(1,368)		4,211	(9,045)	349	349	4,560	(8,696)
30.09.2020	30,392	111,779	(21,899)	14,662	4,793	225,947	4,211	369,885	349	2,163	4,560	372,048

Explanatory Notes



EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

The Datalogic Group is the global leader in the markets of automatic data capture and process automation. The Group is specialised 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 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 in the STAR segment of the Italian Stock Exchange managed by Borsa Italiana S.p.A., with its registered office in Italy. The address of the registered office is Via Candini, 2 - Lippo di Calderara (BO).

This Consolidated Interim Report as at 30 September 2021 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 the Consolidated Interim Report as at 30 September 2021 of the Datalogic Group was authorised by resolution of the Board of Directors dated 11 November 2021.

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 24 February 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 at 31 December 2020, 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 9 March 2021 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 on 31 December 2020, in particular:

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

- realised, sold or used during the Group's normal operational cycle; current liabilities are those whose extinction is envisaged during the Group's normal operating cycle or in the 12 months after the reporting date;
- with regard to the Income Statement, cost and revenue items are disclosed based on grouping by function, as this classification was deemed more meaningful for comprehension of the Group's business 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, interpretations and amendments adopted by the Group*

On 1 January 2021, the following amendments to the accounting standards currently in force entered into effect:

- On 28 May 2020, the IASB issued an amendment entitled "**Covid-19 Related Rent Concessions (Amendment to IFRS 16)**". The document permits lessees to recognise Covid-19 related rent reductions without having to measure, through the analysis of contracts, whether the definition of lease modification of IFRS 16 is complied with.
- On 28 May 2020, the IASB published an amendment entitled "**Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)**". The amendments allow for the temporary exemption of the IFRS 9 application until 1 January 2023.
- On 27 August 2020, the IASB published, in light of the reform on interbank interest rates such as the IBOR, the document "Interest Rate Benchmark Reform — Phase 2" which contains amendments to the following standards:
 - IFRS 9 Financial Instruments;
 - IAS 39 Financial Instruments: Recognition and Measurement;
 - IFRS 7 Financial Instruments: Disclosures;
 - IFRS 4 Insurance Contracts; and
 - 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 Consolidated Interim Report, some accounting standards illustrated in the Consolidated Financial Statements as at 31 December 2020, 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.

Moreover, following the approval of the Consolidated Financial Statements as at 31 December 2020, amendments were made to the following standards, which were not yet in force:

- On 12 February 2021, the IASB published two amendments called "Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2" and "Definition of Accounting Estimates - Amendments to IAS 8". The amendments are aimed at improving disclosure on accounting policies in order to provide more useful information to investors and other primary users of financial statements, as well as to help companies distinguish between changes in accounting estimates and changes in accounting policies. The amendments will apply from 1 January 2023.

- On 31 March 2021, the IASB published an amendment called “Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)”, extending the period of application of the amendment to IFRS 16 on the accounting treatment of the concessions granted to tenants due to Covid-19, issued in 2020.
- On 7 May 2021, the IASB published an amendment entitled “Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction”. The document clarifies how deferred taxes on certain transactions that may generate assets and liabilities of the same amount, such as leases and dismantling obligations, must be accounted for. The amendments will apply from 1 January 2023.

The directors do not expect the adoption of these amendments to have any significant impact on the Group’s consolidated financial statements.

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 characterising the assumptions and conditions on which estimates are based.

6) Consolidation area

This Consolidated Interim Report on Operations as at 30 September 2021 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 at 30 September 2021, there was a change in the consolidation area due to the acquisition of the entire share capital of M.D. Micro Detectors S.p.A. and its subsidiaries M.D. Micro Detectors Tianjin Co. Ltd. and Micro Detectors Iberica S.A.U. on 1 March 2021.

7) Translation criteria of items in foreign currency

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

Currency (ISO Code)	Quantity of currency for 1 Euro			
	September 2021	September 2021	December 2020	September 2020
	Spot exchange rate	Average exchange rate for the period	Spot exchange rate	Average exchange rate for the period
US Dollar (USD)	1.1579	1.1962	1.2271	1.1250
British Pound Sterling (GBP)	0.8605	0.8636	0.8990	0.8851
Swedish Krona (SEK)	10.1683	10.1528	10.0343	10.5582
Singapore Dollar (SGD)	1.5760	1.6020	1.6218	1.5635
Japanese Yen (JPY)	129.6700	129.8320	126.4900	120.9108
Australian Dollar (AUD)	1.6095	1.5770	1.5896	1.6627
Hong Kong Dollar (HKD)	9.0184	9.2912	9.5142	8.7273
Chinese Renminbi (CNY)	7.4847	7.7376	8.0225	7.8659
Brazilian Real (BRL)	6.2631	6.3764	6.3735	5.7100
Mexican Peso (MXN)	23.7439	24.0772	24.4160	24.5232
Hungarian Forint (HUF)	360.1900	356.5018	363.8900	348.1272

BUSINESS COMBINATION

On 1 March 2021, the acquisition was completed, through the subsidiary Datalogic S.r.l., of the entire share capital of M.D. Micro Detectors S.p.A. and its subsidiaries by the Gruppo Finmasi.

M.D. Micro Detectors S.p.A., is a company with registered office in Italy operating in the design, production and sale of industrial sensors.

The following table shows preliminary fair value as at 30 September 2021 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 at 30 September 2021	Amounts acquired	Fair value
Tangible assets	2,595	2,595
Intangible assets	985	985
Other receivables	342	342
Inventories	5,176	5,176
Trade and other receivables	7,312	7,312
Cash and cash equivalents	2,028	2,028
Financial liabilities	(1,667)	(1,667)
Liabilities for defined employee benefits	(469)	(469)
Trade payables	(3,108)	(3,108)
Other payables	(1,954)	(1,954)
Net assets at acquisition date	11,240	11,240
% pertaining to Group	100%	100%
Group net assets	11,240	11,240
Acquisition cost		37,000
Goodwill at acquisition date		25,760
Net cash used in acquisition:		
Cash and cash equivalents of acquiree	[A]	2,028
Payments made to the seller	[B]	37,000
Acquisition cost		37,000
Net cash used in acquisition	[A] - [B]	34,972

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

The preliminary goodwill emerging from this transaction amounted to €25,760 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 recognised within 12 months from the acquisition date.

SEGMENT DISCLOSURE

Operating segments are identified based on the management reporting used by senior management to allocate resources and evaluate results. Sales transactions amongst the operating segments indicated hereunder are executed at arm's length conditions, based on the Group transfer pricing policies. From the year 2020, following the sale of the Solution Net Systems Inc. division, the operating segments are 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 M.D. Micro Detectors S.p.A. and its subsidiaries, active in the design, production and sale of industrial sensors, were included by the company management within 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 **income statement information related to operating segments** as at 30 September 2021 and 30 September 2020 are as follows (€/000):

<i>Segment economic position</i>	Datalogic Business	Informatics	Adjustments	Total Group 30.09.2021
Revenues	421,564	13,701	(885)	434,380
EBITDA	64,209	1,965	(19)	66,155
<i>% Revenues</i>	<i>15.23%</i>	<i>14.34%</i>		<i>15.23%</i>
EBIT	36,590	1,743	(17)	38,316

<i>Segment economic position</i>	Datalogic Business	Informatics	Adjustments	Total Group 30.09.2020
Revenues	335,902	12,059	(910)	347,051
EBITDA	37,075	32	98	37,205
<i>% Revenues</i>	<i>11.04%</i>	<i>0.27%</i>		<i>10.72%</i>
EBIT	8,435	(339)	98	8,194

The **equity information related to operating segments** as at 30 September 2021 and 31 December 2020 are as follows:

<i>Segment financial position</i>	Datalogic Business	Informatics	Adjustments	Total Group 30.09.2021
Total Assets	796,906	23,600	(29,460)	791,046
Total Liabilities	376,076	7,382	(89)	383,369
Shareholders' Equity	420,830	16,218	(29,371)	407,677

<i>Segment financial position</i>	Datalogic Business	Informatics	Adjustments	Total Group 31.12.2020
Total Assets	713,680	20,043	(26,034)	707,689
Total Liabilities	332,641	5,827	(1,136)	337,332
Shareholders' Equity	381,039	14,216	(24,897)	370,358

INFORMATION ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

Note 1. Tangible assets

Over the period, net investments of €5,788 thousand were recorded, contributions resulting from acquisitions for €2,594 thousand and depreciation of €9,514 thousand were recognised, while the exchange rate effects were positive for €2,344 thousand. Details of the item as at 30 September 2021 and 31 December 2020 are as follows:

	30.09.2021	31.12.2020	Change
Land	10,443	10,066	377
Buildings	49,425	48,192	1,233
Other assets	31,620	32,725	(1,105)
Assets in progress and payments on account	4,082	3,375	707
Total	95,570	94,358	1,212

In addition to the recognition of exchange rate differences of €1,205 thousand, the increase in the item “Buildings” is mainly represented by the contribution from the acquisition of the company M.D. Micro Detectors S.p.A. and its subsidiaries (€581 thousand).

The “Other assets” item as at 30 September 2021 includes the following categories: industrial equipment and moulds (€12,199 thousand), plant and machinery (€9,423 thousand), office furniture and machines (€6,534 thousand), general plants related to buildings (€2,079 thousand), light constructions (€565 thousand), commercial equipment and *demo rooms* (€527 thousand), maintenance on third-party assets (€275 thousand), and motor vehicles (€17 thousand). Overall, the contribution from the acquisition amounts to €1,923 thousand.

The balance of item “Assets in progress and payments on account”, equal to €4,082 thousand, is composed primarily of €2,950 thousand for moulds under construction, €851 thousand for equipment and production lines built in house and €256 thousand for improvements to owned buildings.

Note 2. Intangible assets

Over the period, net investments totalling €10,617 thousand were recognised, and amortisation totalling €10,633 thousand, while the exchange rate effects were positive for €10,323 thousand. Details of the item as at 30 September 2021 and 31 December 2020 are shown below.

	30.09.2021	31.12.2020	Change
Goodwill	206,684	171,372	35,312
Development costs	22,464	22,108	356
Other	20,713	24,417	(3,704)
Assets in progress and payments on account	17,762	12,650	5,112
Total	267,623	230,547	37,076

Goodwill

“Goodwill”, totalling €206.684 thousand, consisted of the following items:

	30.09.2021	31.12.2020	Change
Datalogic CGU	193,521	158,794	34,727
Informatics CGU	13,164	12,578	586
Total	206,684	171,372	35,313

The change in the “Goodwill” item, compared to 31 December 2020, is due to translation differences in the amount of €9,553 thousand, and to €25,760 thousand from goodwill that emerged in the first consolidation of the MD Group following the accounting for the provisional *Purchase Price Allocation* (PPA) attributed to 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.

As at 30 September 2021, the Directors deemed that assumptions underlying the impairment tests carried out with reference to the aforementioned CGUs as at 31 December 2020 and the related long-term Business plans, were still valid. Therefore, no impairment indicators were reported with reference to recognised goodwill. In conducting this evaluation, Directors took account of results achieved as at 30 September 2021 and estimated for the entire year 2021.

As reported in the disclosure relating to the consolidated financial statements as at 31 December 2020, the forecast plans prepared by the Management and used for the purposes of the impairment test at that date took into account the changed reference context following the spread of the Covid-19 pandemic, as well as the actions adopted and planned by the Group to address the short and medium-term uncertainties arising as a result of the same. In particular, in consideration of the aforementioned context of uncertainty, the Directors proceeded to develop multi-scenario forecast assumptions, sensitivity analysis and stress tests, which did not highlight any areas of attention with reference to the recoverable value of the assets recognised.

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

The “**Development costs**” item, which totalled €22,464 thousand at 30 September 2021, is composed of product development projects, of which €958 thousand deriving from the change in the consolidation area as a result of the inclusion of the acquired company M.D. Micro Detectors S.p.A. and its subsidiaries.

The “**Other**” item, amounting to €20,713 thousand (of which €46 thousand from the contribution of the acquired company), consists primarily of intangible assets acquired through business combinations carried out by the Group in previous years, and software implementations. The details are shown below:

	30.09.2021	31.12.2020	Change
Patents	9,875	10,275	(400)
Know-how	967	1,675	(708)
Licences	777	1,714	(937)
Software	9,094	10,753	(1,659)
Total	20,713	24,417	(3,704)

The “Assets in progress and payments on account” item, equal to €17,762 thousand, is attributable, in the amount of €16,759 thousand, to the capitalisation of costs for product development projects that are currently under way, and, in the amount of €1,003 thousand, to software implementations that are not yet completed.

Note 3. Right-of-use assets

Over the period, net investments amounted to €3,596 thousand, and depreciation to €3,135 thousand, while the exchange rate effects were positive for €150 thousand. Details of the item as at 30 September 2021 and 31 December 2020 are as follows:

	30.09.2021	31.12.2020	Change
Buildings	8,133	6,716	1,417
Vehicles	1,960	2,214	(254)
Office equipment	114	118	(4)
Total	10,207	9,048	1,159

Note 4. Equity investments in associates

The non-controlling interests held by the Group as at 30 September 2021 amounted to €479 thousand. During the period, the equity investment equal to 40% of the share capital in the company Specialvideo S.r.l. was sold for a consideration of €200 thousand, after having collected a dividend of €200 thousand, determining a capital gain of approximately €40 thousand.

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 amortised cost	Financial assets at FV through profit or loss	Financial assets at FV through OCI	31.12.2020
Non-current financial assets	1,164	947	6,876	8,987
Financial assets - Investments		947	6,876	7,823
Other receivables	1,164			1,164
Current financial assets	220,284	12,189	-	232,473
Trade receivables	66,563			66,563
Other receivables	16,270			16,270
Financial assets - Other		10,152		10,152
Financial assets - Loans		2,037		2,037
Cash and cash equivalents	137,451			137,451
Total	221,448	13,136	6,876	241,460

	Financial assets at amortised cost	Financial assets at FV through profit or loss	Financial assets at FV through OCI	30.09.2021
Non-current financial assets	841	1,311	8,355	10,507
Financial assets - Investments		1,311	8,355	9,666
Other receivables	841			841
Current financial assets	199,020	2,159	-	201,179
Trade receivables	82,538			82,538
Other receivables	19,543			19,543
Financial assets - Loans		2,159		2,159
Cash and cash equivalents	96,939			96,939
Total	199,861	3,470	8,355	211,686

Financial liabilities

	Derivatives	Financial liabilities at amortised cost	31.12.2020
Non-current financial liabilities	-	99,726	99,726
Financial payables		83,656	83,656
Other payables		16,070	16,070
Current financial liabilities	-	196,947	196,947
Trade payables		97,006	97,006
Other payables		42,175	42,175
Short-term financial payables		57,766	57,766
Total	-	296,673	296,673

	Derivatives	Financial liabilities at amortised cost	30.09.2021
Non-current financial liabilities	-	78,776	78,776
Financial payables		61,788	61,788
Other payables		16,988	16,988
Current financial liabilities	-	251,911	251,911
Trade payables		122,918	122,918
Other payables		53,644	53,644
Short-term financial payables		75,349	75,349
Total	-	330,687	330,687

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).

	Level 1	Level 2	Level 3	30.09.2021
Assets measured at fair value				
Financial assets - Investments	8,355		1,311	9,666
Financial assets - Other	-		2,159	2,159
Total	8,355		3,470	11,825

Note 6. Financial assets

The financial assets include the following:

	30.09.2021	31.12.2020	Change
Non-current financial assets	9,666	7,823	1,843
Current financial assets	2,159	12,189	(10,030)
Total	11,825	20,012	(8,187)

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

	2021	2020
As at 1 January	7,823	9,465
Investments (Divestments)	524	859
Change in consolidation area	3	-
Profits/losses recognised in OCI	1,273	(2,073)
Exchange rate adjustments	43	(110)
At 30 September	9,666	8,141

The item mainly comprises the 1.2% investment in the share capital of Japanese company Idec Corporation, listed on the Tokyo Stock Exchange. The change in the period relates to exchange rate and *fair value* adjustments. During the year, an investment was made in Point Mobile Co., Ltd. for €207 thousand, whose valuation as at 30 September 2021 was €200 thousand.

The item "Current financial assets" mainly consists of investments in company liquidity, the change in which compared to 31 December 2020 relates to disinvestments made in the first quarter.

Note 7. Trade and other receivables

Details of trade and other receivables item as at 30 September 2021 and 31 December 2020 are as follows:

	30.09.2021	31.12.2020	Change
Trade receivables	74,592	64,440	10,152
Contract assets	8,287	3,068	5,219
Bad debt provision	(2,653)	(2,262)	(391)
Net trade receivables	80,226	65,246	14,980
Receivables from associates	2,312	1,313	999
Receivables from related parties	-	7	(7)
Sub-total - Trade receivables	82,538	66,563	15,975
Other receivables - current accrued income and prepaid expenses	19,543	16,270	3,273
Other receivables - non-current accrued income and prepaid expenses	841	1,164	(323)
Sub-total - Other receivables - accrued income and prepaid expenses	20,384	17,434	2,950
Less: non-current portion	841	1,164	(323)
Trade and other receivables - current	102,081	82,833	19,248

Trade receivables

“Trade receivables” as at 30 September 2021 amounted to €82,538 thousand, an increase of €15,975 thousand compared to 31 December 2020, of which €6,734 thousand due to the change in the consolidation area as a result of the acquisition of the MD Group. The recovery in demand and the rapid growth in turnover led to a progressive increase in commercial exposure to customers. As at 30 September 2021, trade receivables factored without recourse amounted to €28,361 thousand (compared to €30,349 thousand at 31 December 2020). Trade receivables from associates arise from commercial transactions carried out at arm’s length conditions.

Receivables are shown net of the related bad debt provision equal to €2,653 thousand as at 30 September 2021, equal to 3.4% of Trade Receivables, in line with the previous year.

Other receivables - accrued income and prepaid expenses

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

	30.09.2021	31.12.2020	Change
Other receivables - current	3,111	1,702	1,409
Other receivables - non-current	841	1,164	(323)
VAT receivables	12,368	11,324	1,044
Accrued income and prepaid expenses	4,064	3,244	820
Total	20,384	17,434	2,950

The item “Other current receivables”, amounting to €3,111 thousand, recorded an increase of €1,409 thousand mainly due to advances to suppliers of production companies for the management of the *shortage* that is impacting the supply chain.

The “VAT credit” amounting to €12,368 thousand as at 30 September 2021 relates to commercial transactions; the increase is due to the higher turnover in the period.

The “Accrued income and prepaid expenses” item is mainly composed of the recognition of insurance contracts and hardware and software licenses. The increase in the period is mainly due to the change in the consolidation area following the acquisition of the MD Group.

Note 8. Inventories

Inventories, amounting to €139,977 thousand, increased during the period by €61,706 thousand, of which €5,897 thousand as a result of the change in the consolidation area. The increase in the period is the result of greater procurement by the Group to deal with the rapid growth in demand after the pandemic crisis in a market context where the supply chain is significantly impacted by the shortage of electronic and plastic components.

	30.09.2021	31.12.2020	Change
Raw and ancillary materials and consumables	85,887	37,633	48,254
Work in progress and semi-finished products	20,779	15,012	5,767
Finished products and goods	33,311	25,626	7,685
Total	139,977	78,271	61,706

Inventories are posted net of an obsolescence provision that totalled €11,104 thousand as at 30 September 2021 (€10,187 thousand as at 31 December 2020). Movements in the obsolescence provision as at 30 September 2021 and 30 September 2020 are reported below:

	2021	2020
As at 1 January	10,187	10,121
Exchange rate effects	161	(157)
Provisions	299	2,864
Change in consolidation area	1,281	
Releases	(824)	(1,737)
At 30 September	11,104	11,091

Note 9. Tax payables and receivables

	30.09.2021	31.12.2020	Change
Tax receivables	12,476	12,004	472
<i>of which to Parent Company</i>	<i>1,424</i>	<i>641</i>	<i>783</i>
Tax payables	(18,965)	(7,681)	(11,284)
<i>of which to Parent Company</i>	<i>(7,733)</i>	<i>(1,700)</i>	<i>(6,033)</i>
Total	(6,489)	4,323	(10,812)

As at 30 September 2021, the net balance of “Tax receivables and payables” was negative and equal to €6,489 thousand, marking a change of €10,812 thousand compared to 31 December 2020, when the net balance was a credit and equal to €4,323 thousand. The change in the period is mainly due to the recognition of income tax payables relating to the year 2021, which the lower profitability of 2020, resulting from the crisis induced by the Covid-19 pandemic, had contained.

LIABILITIES AND SHAREHOLDERS' EQUITY

Note 10. Shareholders' Equity

The Shareholders' Equity is made up as follows.

	30.09.2021	31.12.2020	Change
Share capital	30,392	30,392	-
Share premium reserve	111,779	111,779	-
Treasury shares held	(23,096)	(21,899)	(1,197)
Share capital and capital reserves	119,075	120,272	(1,197)
Translation reserve	16,596	2,331	14,265
Other reserves	9,098	6,204	2,894
Retained earnings	229,664	225,816	3,848
Profit for the period	30,443	13,582	16,861
Total Group shareholders' equity	404,876	368,205	36,671
Profit (Loss) for the period of Minority interests	481	300	181
Shareholders' Equity of Minority interests	2,320	1,854	466
Total consolidated Shareholders' Equity	407,677	370,358	37,319

Share capital

Movements in share capital as at 30 September 2021 and 31 December 2020 are reported below:

	Number of shares	Share capital	Share cancellation reserve	Treasury shares held in portfolio	Treasury share reserve	Share premium reserve	Total
01.01.2021	57,692,360	30,392	2,813	(21,899)	31,382	77,584	120,272
Purchase of treasury shares	(67,000)			(1,195)	1,195	(1,195)	(1,195)
Purchase/sale expenses				(2)			(2)
30.09.2021	56,625,360	30,392	2,813	(23,096)	32,577	76,389	119,075

	Number of shares	Share capital	Share cancellation reserve	Treasury shares held in portfolio	Treasury share reserve	Share premium reserve	Total
01.01.2020	57,298,154	30,392	2,813	(15,113)	24,595	84,371	127,058
Purchase of treasury shares	(606,663)			(6,787)	6,787	(6,787)	(6,787)
Assignment of Stock Grants	869						
Purchase/sale expenses				1			1
31.12.2020	56,692,360	30,392	2,813	(21,899)	31,382	77,584	120,272

As at 30 September 2021, the share capital of €30,392 thousand represents the share capital fully subscribed and paid in by the Parent Company Datalogic S.p.A. It comprises a total number of ordinary shares of 58,446,491, of which 1,821,131 are held as treasury shares for a value of €23,096 thousand, for which the outstanding shares as at that date amounted to 56,625,360. In addition, 507,220 shares were allocated to the Stock Grant plan. The shares have a nominal value of €0.52 each.

Other Reserves

As at 30 September 2021, the breakdown of the main changes in other reserves were as follows:

- increase in the translation reserve of €14,265 thousand;
- negative change in the cash flow hedge reserve, amounting to €183 thousand;
- decrease in financial assets reserve, measured at FVOCI, amounting to €1.273 thousand;
- positive change in the Stock Grant reserve, amounting to €1,804 thousand

With reference to changes in the stock grant reserve, these changes were related to the recognition of the medium/long-term share-based incentive plan, approved by the Shareholders' Meeting on 30 April 2019. Should present performance targets be achieved, the rights to receive Company's shares were assigned to the beneficiaries by the Directors on 25 June 2019 (grant date).

The above-mentioned increase in Shareholders' Equity was recognised, for the portion pertaining to the year, based on the measurement at fair value of the entire plan, carried out by a primary expert.

Note 11. Financial payables

The “Financial payables” as at 30 September 2021 amounted to €137,137 thousand, recording a decrease of €4,285 thousand as detailed below.

	30.09.2021	31.12.2020	Change
Bank borrowings	125,566	130,753	(5,187)
Lease financial payables	10,431	9,138	1,293
Payables to factoring companies	1,071	1,500	(429)
Bank overdrafts	69	31	38
Total	137,137	141,422	(4,285)

The change in the item “Bank borrowings” in the period is due to the change in the consolidation area for €1,544 thousand following the acquisition of the MD Group, as well as the repayment of instalments falling due and the taking out of new loans or the drawdown of existing lines as detailed below.

	2021	2020
As at 1 January	130,753	157,527
Increases	18,000	-
Change in consolidation area	1,544	-
Decreases for borrowing repayments	(24,853)	(24,077)
Recalculation of amortised cost	122	214
At 30 September	125,566	133,664

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

	30.09.2021	31.12.2020	Change
Non-current financial payables	61,788	83,656	(21,868)
Current financial payables	75,349	57,766	17,583
Total	137,137	141,422	(4,285)

As at 30 September 2021, the Group had credit lines in place for a total of €386.0 million, of which €256.0 million unused, including €182.0 million long-term and €74.0 million short-term. On 5 August, the Group signed a new 7-year “Roller-Coaster” loan with a pool of banks for a total of €100 million at a fixed rate.

Covenants

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

Loan	Company	Covenants	Frequency	Reference financial statements
Club Deal	Datalogic S.p.A.	NFP/EBITDA 2.75	Half-year	Consolidated
E.I.B.	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 at 30 June 2021, all requirements under the covenants had been met.

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 amortisation/depreciation schedules of tangible and intangible assets.

	30.09.2021	31.12.2020	Change
Deferred tax assets	53,028	41,101	11,927
Deferred tax liabilities	(17,331)	(16,217)	(1,114)
Net deferred taxes	35,697	24,884	10,813

Change in deferred taxes is mainly due to the release of deferred taxes recognised on incomes which has become taxable over the year, represented by gains on exchange rates and dividends from investee companies, as well as exchange rate effects.

The increase in deferred tax assets compared to the previous year is due to the revaluation of some patents by the subsidiary Datalogic IP Tech Srl pursuant to art. 110, par. 1 - 7 of Law Decree 104/2020 (the so-called "August Decree", hereinafter also "Revaluation Law"), converted with amendments by Law 126/2020. This revaluation, permitted by the national accounting standards adopted by the subsidiary, was eliminated in the preparation of these consolidated financial statements, determining the recognition of deferred tax assets of €10,218 thousand.

Deferred tax assets include assets related to receivables for taxes paid abroad, the recoverability of which is subject to time limits. The Management of the Group reviewed the estimates of taxable income, based on the information currently available, in order to check the recoverability of the assets posted in the balance sheet. After having completed these analyses, the Directors believe that, at the present time, there are no recoverability risks.

Note 13. Post-employment and retirement benefits

The breakdown of changes in the “Post-employment benefits” as at 30 September 2021 and 30 September 2020 is shown below:

	2021	2020
As at 1 January	6,862	7,026
Accrual	1,385	1,374
Payments	(1,379)	(863)
Change in consolidation area	460	-
Receivable from INPS	(271)	(680)
Other movements	3	-
At 30 September	7,060	6,858

Note 14. Provisions for risks and charges

As at 30 September 2021, the “Provisions for risks and charges” amounted to €8,428 thousand (€8,227 thousand as at 31 December 2020) 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.

	31.12.2020	Increases	(Uses) / (Releases)	Change in consolidation area	Exchange diff.	30.09.2021
Product warranty provision	7,225	104	(22)	5	3	7,315
Other provisions	1,003	440	(480)	163	(13)	1,113
Total	8,227	544	(502)	168	(10)	8,428

The “**Product warranty provision**” covers the estimated cost of repairing products sold up to 30 September 2021 and covered by a warranty period; said provision amounts to €7,315 thousand (of which €4,088 thousand long-term).

The “**Others**” item as at 30 September 2021 amounts to €1,113 thousand and is composed primarily of allocations made against agents’ supplementary indemnity and contingent tax liabilities. The Group is currently involved in some minor disputes, the risk of which has been assessed by the Group’s experts as possible, and no allocations were made in relation to them, as provided for by IAS 37.

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

	30.09.2021	31.12.2020	Change
Provisions for risks and charges, current	3,836	3,852	(16)
Provisions for risks and charges, non-current	4,592	4,375	217
Total	8,428	8,227	201

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

	30.09.2021	31.12.2020	Change
Trade payables	119,907	95,455	24,453
Contractual liabilities - customer advances	2,952	1,307	1,644
Trade payables	122,859	96,762	26,097
Payables to associates	59	194	(135)
Payables to related parties	-	50	(50)
Total Trade payables	122,918	97,006	25,912
Other current liabilities	35,603	26,369	9,234
Current accrued liabilities and deferred income	18,041	15,806	2,235
Non-current accrued liabilities and deferred income	16,988	16,070	918
Total Other payables - accrued liabilities and deferred income	70,632	58,245	12,387
Less: non-current portion	16,988	16,070	918
Current portion	176,562	139,181	37,381

Trade payables

Trade payables amounted to €122,918 thousand, increased by €25,912 thousand compared to the end of the previous year. The amount relating to the acquisition of the MD Group is equal to €4,575 thousand. The increase in the period is due to the recovery in volumes, but also to the greater supplies necessary to deal with the shortage of critical components.

Other current liabilities

	30.09.2021	31.12.2020	Change
Payables to employees	22,988	15,177	7,811
Payables to pension and social security	6,478	5,808	670
Other payables	2,491	2,167	324
VAT payables	3,646	3,217	429
Total	35,603	26,369	9,234

The item "Other current liabilities", amounting to €35,603 thousand as at 30 September 2021, is mainly represented by "Payables to employees" for the fixed and variable component of remuneration, for holidays, as well as the related "Payables to pension and social security" for the related social security contributions. The change in the period of "Payables to employees" and "Payables to pension and social security" of €8,481 thousand is represented by €1,376 thousand in the change in the consolidation area for the acquisition of the MD Group and by €7,105 thousand by higher payables for the variable remuneration component, which in the year 2020, the pandemic crisis had contained significantly, in addition to the use of holiday entitlements during *lock-down* periods.

Accrued liabilities and deferred income

The item "Accrued liabilities and deferred income", amounting to €35,029 thousand as at 30 September 2021, is mainly composed of deferred revenues pertaining to the year related to multi-annual *Ease of Care* maintenance contracts. The increase in the period equal to €3,153 thousand (€31,876 thousand at 31 December 2020) is due to the signing of new contracts.

INFORMATION ON THE INCOME STATEMENT

Note 16. Revenues

Revenues classified by type are shown in the following table:

	Nine months ended		Change
	30.09.2021	30.09.2020	
Revenues from sale of products	405,791	318,386	87,405
Revenues from services	28,589	28,665	(76)
Total Revenues	434,380	347,051	87,329

In the first nine months of 2021, consolidated net revenues amounted to €434,380 thousand, increasing by 25.2% compared to €347,051 thousand in the same period of 2020. The Group's revenues, classified by recognition method and business segment, are broken down as follows:

Revenues broken down by recognition method	Datalogic	Informatics	Adjustments	30.09.2021
Revenues from sale of goods and services - point in time	385,261	9,342	(885)	393,718
Revenues from sale of goods and services - over time	36,303	4,359		40,662
Total	421,564	13,701	(885)	434,380

Revenues broken down by recognition method	Datalogic	Informatics	Adjustments	30.09.2020
Revenues from sale of goods and services - point in time	306,878	8,583	(910)	314,551
Revenues from sale of goods and services - over time	29,024	3,476		32,500
Total	335,902	12,059	(911)	347,051

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

Revenues broken down by type	Datalogic	Informatics	Adjustments	30.09.2021
Sale of goods	397,427	9,248	(884)	405,791
Sale of services	24,137	4,453	(1)	28,589
Total	421,564	13,701	(885)	434,380

Revenues broken down by type	Datalogic	Informatics	Adjustments	30.09.2020
Sale of goods	310,756	8,538	(908)	318,386
Sale of services	25,146	3,521	(2)	28,665
Total	335,902	12,059	(910)	347,051

Note 17. Cost of goods sold and operating expenses

The following table shows the trends of cost of goods sold and operating costs as at 30 September 2021, compared with the same period of the previous year, including non-recurring costs and revenues.

	Nine months ended		Change
	30.09.2021	30.09.2020	
Cost of goods sold	241,054	188,849	52,205
Operating expenses	158,274	153,242	5,033
Research and development expenses	42,079	41,382	697
Distribution expenses	73,401	74,479	(1,078)
General and administrative expenses	40,844	35,930	4,915
Other operating expenses	1,950	1,451	499
Total	399,328	342,091	57,238

Cost of goods sold

The **Cost of Sales** as at 30 September 2021 amounted to €241,054 thousand and, compared to the first nine months of 2020, recorded an increase of 27.6%, with an increase of approximately 1 percentage point in the incidence on revenues that went from 54.4% in the first nine months of 2020 to 55.5%. The change compared to the same period of the previous year was affected by both the less favourable mix and the inflationary phenomena that gradually determined a higher cost in the procurement of materials and components during the year, especially due to transport and logistics costs.

Operating expenses

Operating expenses amounted to €158,274 thousand, albeit slightly increasing by €5,033 thousand (+3.3%) compared to the same period of 2020, improve the incidence on turnover of 7.8% that reached 36.4% compared to 44.2%, thanks to the operational efficiencies of a structural nature achieved in some internal reorganisation processes aimed at optimising the sales structure and of research and development.

“Research and development expenses” as at 30 September 2021 amounted to €42,079 thousand, in line with the same period of the previous year, with a percentage impact on turnover of 9.7% (11.9% in the first nine months of the previous year). The performance of the period reflects not only operating efficiencies resulting from the strategy of investment selectivity in a rapidly evolving market context, but also the completion of some development projects in the mobile segment.

“Distribution expenses” totalled €73,401 thousand (16.9% of revenues) and decreased compared to the same period of 2020 (-1.4%), partly thanks to the operating efficiencies of the new organisational model of the sales structure completed at the end of 2020, in part following the postponement of trade fairs and commercial events that have still not fully resumed due to the current pandemic situation.

“Administrative and general expenses” amounted to €40,844 thousand as at 30 September 2021, improving the impact on turnover by approximately 1 percentage point, from 10.4% to 9.4%.

“Other operating expenses”, totalling €1,950 thousand, were slightly increasing compared to the same period of the previous year and are principally represented by taxes other than income tax and by other operating costs.

Breakdown of costs by type

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

	Nine months ended		Change
	30.09.2021	30.09.2020	
Purchases	237,333	129,078	108,255
Change in inventories	(59,483)	15,495	(74,978)
Personnel costs	129,710	116,860	12,850
Amortisation, depreciation and write-downs	23,278	21,336	1,943
Goods receipt and shipment expenses	23,976	12,696	11,280
Legal, tax and other advisory consultancies	5,710	4,544	1,166
Consumables and R&D material	4,826	5,138	(312)
EDP expenses	4,121	4,131	(10)
Repairs and warranty provision accrual	3,513	1,851	1,662
Travel and meetings expenses	2,728	3,412	(685)
Royalties	2,116	2,238	(122)
Marketing expenses	1,969	3,099	(1,130)
R&D technical consultancies	1,884	3,005	(1,121)
Utilities	1,646	1,434	212
Directors' remuneration	1,632	840	792
Building expenses	1,473	1,941	(468)
Telephone expenses	1,400	1,848	(448)
Sundry service costs	1,228	1,201	27
Commissions	1,174	822	352
Expenses for plant and machinery and other assets	1,073	1,087	(14)
Quality certification expenses	981	3,285	(2,304)
Recruitment Fees	939	355	584
Audit Fees	723	684	39
Insurance	723	609	114
Subcontracted work	702	143	559
Vehicle expenses	677	579	98
Entertainment expenses	377	439	(62)
Others	2,899	3,941	(1,042)
Total Cost of goods sold and operating costs	399,328	342,091	57,237

Costs for purchases and the change in inventories increased by €33,277 thousand (+23.0%) compared to the same period of 2020 following the recovery in volumes after the pandemic crisis. The impact on turnover was equal to 40.9%, a slight decrease compared to 30 September 2020 when it was 41.7%.

Personnel costs of €129,710 thousand (€116,860 thousand in the first nine months of 2020) recorded an increase of €12,850 thousand compared to the previous period (+11.0%), but with an incidence on turnover of 29.9%, decreasing by -3.8% compared to the first nine months of 2020 when it was 33.7%.

The change in the period is attributable for € 5,775 thousand to the change in the consolidation area following the acquisition of the MD Group and, for the residual part, to the variable component of remuneration which, in 2020, was significantly lower due to the pandemic crisis. In the comparison period, the Group had recourse to social safety net as well as to the use of holiday entitlements which the first nine months of 2021 had not benefited from.

The detailed breakdown of labour costs is as follows:

	Nine months ended		Change
	30.09.2021	30.09.2020	
Wages and salaries	100,545	89,554	10,991
Social security charges	20,329	18,225	2,104
Post-employment benefits	1,964	1,572	392
Severance indemnities and similar benefits	1,238	1,290	(52)
Other labour costs	5,634	6,219	(585)
Total	129,710	116,860	12,850

The item “**amortisation, depreciation and write-downs**”, amounting to €23,278 thousand, increased by €1,943 thousand, due to higher investments incurred in the last few years and the consolidation of the MD Group.

“**Goods receipt and shipment expenses**”, amounting to €23,976 thousand, increased by €11,280 thousand compared to the same period of the previous year, with the percentage impact on turnover increasing slightly, standing at 6.0% (4.0% in the first nine months of 2020). The trend is attributable to the higher cost of transport and logistics.

“**Quality Certification Expenses**”, amounting to €981 thousand, decreased by €2,304 thousand compared to 2020, following the lower number of certifications required in the first nine months of 2021 for the completion of the various product development projects concluded at the end of 2020.

Expenses for “**R&D technical advisory services**” amounted to €1,884 thousand, down by €1,121 thousand compared to the previous year due to the different stages of development of the ongoing projects.

The “**Travel and meetings expenses**” item, amounting to €2,728 thousand, recorded a 20.1% decrease, with a better percentage incidence on turnover compared to the previous period (-0.4%), as a result of the restrictions imposed by the pandemic, which are still limiting *site visits* to customers, events and trade fairs.

Note 18. Other revenues

	Nine months ended		Change
	30.09.2021	30.09.2020	
Grants to Research and Development expenses	2,505	1,232	1,273
Miscellaneous income and revenues	427	1,855	(1,428)
Rents	20	26	(6)
Income on disposal of fixed assets	207	29	178
Contingent assets	55	52	3
Others	51	(40)	11
Total	3,265	3,234	31

The change in the “**Grants to Research and Development expenses**” item compared to the first nine months of 2020 is mainly due to the recognition of the tax credit for R&D activities.

Note 19. Financial Income/(Expenses)

	Nine months ended		Change
	30.09.2021	30.09.2020	
Financial income/(expenses)	(1,337)	(1,610)	273
Foreign exchange differences	767	(4,361)	5,128
Fair Value investments	129	332	(203)
Bank expenses	(912)	(639)	(273)
Dividends	114	167	(53)
Others	(28)	128	(156)
Total Net Financial Income/(Expenses)	(1,267)	(5,983)	4,716

Financial Income/(Expenses) was negative for €1,267 thousand, an improvement of €4,716 thousand compared to a negative result of €5,983 thousand reported in the same period of 2020, due primarily to the favourable trend in exchange rate differences.

Note 20. Taxes

	Nine months ended		Change
	30.09.2021	30.09.2020	
Profit/(Loss) before taxes from continuing operations	37,049	2,211	34,838
Income taxes	13,242	(69)	13,311
Deferred taxes	(7,117)	(2,107)	(5,010)
Total	6,125	(2,176)	8,301
Tax Rate	16.5%	-98.4%	114.9%

The tax rate as at 30 September 2021, equal to 16.5%, reflects the distribution of the profit of the period among the various geographical areas in which the Group operates. The tax burden of the first nine months of 2020 was positive mainly due to the effects relating to the taxation of dividends, for the benefits related to tax concessions (*Patent box*) and for the tax losses recorded in the period. Deferred taxes for 2021 include the increase in deferred tax assets relating to the revaluation of some patents by the subsidiary Datalogic IP Tech S.r.l. as described above.

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 (namely the Share Plan), and the Group's net profit is adjusted for the post-tax effects of translation.

	Nine months ended	
	30.09.2021	30.09.2020
Group profit/(loss) for the period	30,924	4,560
Average number of shares (thousands)	56,331	56,887
Basic earnings/(loss) per share	0.55	0.08
Group profit/(loss) for the period	30,924	4,560
Average number of shares (thousands) - Diluted effect	55,567	56,713
Diluted earnings/(loss) per share	0.56	0.08

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 4 November 2010 (most recently amended on 24 July 2015), 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 January 1, 2021 – September 30, 2021, 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 Chairman of B.o.D.	Companies not consolidated on a line-by-line basis	30.09.2021
Equity investments	-	-	479	479
Trade receivables and other, accrued income, prepaid expenses	-	-	2,312	2,312
Receivables pursuant to tax consolidation	1,424	-	-	1,424
Payables pursuant to tax consolidation	7,733	-	-	7,733
Trade payables and other, accrued liabilities, deferred income	-	-	59	59
Operating expenses	73	886	278	1,236
Revenues and other operating revenues	-	-	7,259	7,259
Other revenues	-	-	148	148

NUMBER OF EMPLOYEES

	30.09.2021	30.09.2020	Change
Datalogic	2,934	2,776	158
Informatics	75	74	1
Total	3,009	2,850	159

The Chairman 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 OPERATIONS AT 30 SEPTEMBER 2021

The undersigned Ms. Laura Bernardelli, as Manager in charge of drawing up Datalogic S.p.A.'s accounting statements, hereby certifies that, pursuant to the provisions set out by paragraph 2 of Art. 154 bis, of Legislative Decree no. 58 of 24 February 1998, the Consolidated Interim Report on Operations as at 30 September 2021 is consistent with the documentary results, the books and accounting records.

Lippo di Calderara di Reno (BO), 11 November 2021

Manager in charge of drawing up
the Company's accounting statements

Laura Bernardelli

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ANNEX 2

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 consolidation area as at 30 September 2021, 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	346,532	6,061	
Datalogic Real Estate France Sas	Courtabeuf Cedex – France	€	2,227,500	3,831	64	100%
Datalogic Real Estate UK Ltd.	Redbourn - England	GBP	3,500,000	4,603	63	100%
Datalogic IP Tech S.r.l.	Bologna – Italy	€	65,677	36,103	10,172	100%
Informatics Holdings, Inc.	Plano, Texas - USA	USD	1,568	15,565	1,126	100%
Wasp Barcode Technologies Ltd	Redbourn - England	GBP	0	236	18	100%
Datalogic (Shenzhen) Industrial Automation Co. Ltd.	Shenzhen - China	CNY	2,136,696	4,209	386	100%
Datalogic Hungary Kft	Balatonboglar - Hungary	HUF	3,000,000	2,525	252	100%
Datalogic S.r.l.	Bologna – Italy	€	10,000,000	171,202	29,123	100%
Datalogic Slovakia S.r.o.	Trnava - Slovakia	€	66,388	2,499	975	100%
Datalogic USA Inc.	Eugene, OR - USA	USD	100	221,556	1,810	100%
Datalogic do Brazil Comercio de Equipamentos e Automacao Ltda.	Sao Paulo - Brazil	BRL	20,257,000	220	131	100%
Datalogic Tecnologia de Mexico S.r.l.	Colonia Cuauhtemoc - Mexico	MXN	0	(343)	(29)	100%
Datalogic Scanning Eastern Europe GmbH	Langen - Germany	€	25,000	3,940	61	100%
Datalogic Australia Pty Ltd	Mount Waverley (Melbourne) - Australia	AUD	3,188,120	1,166	112	100%
Datalogic Vietnam LLC	Vietnam	USD	3,000,000	17,548	3,915	100%
Datalogic Singapore Asia Pacific Pte Ltd.	Singapore	SGD	3	2,627	538	100%
M.D. Micro Detectors S.p.A.	Modena - Italy	€	2,000,000	12,670	1,552	100%
M.D. Micro Detectors (TIANJIN) CO., LTD.	Tianjin - China	CNY	13,396,013	1,183	222	100%
Micro Detectors Ibérica, S.A.U.	Barcelona - Spain	€	120,000	1,116	186	100%
Suzhou Mobydata Smart System Co. Ltd.	Suzhou, JiangSu - China	CNY	161,224	5,612	983	51%

The following companies were consolidated using the equity method as at 30 September 2021:

Company	Registered office		Share capital	Total Shareholders' Equity (€/000)	Profit/loss for the period (€/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	1,119	639	20%

(*) data as at 31 December 2019

(**) data as at 30 June 2020

(***) data as at 31 December 2020

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ANNEX 3

RESTATEMENT OF SEGMENT DISCLOSURE

As envisaged by the International Accounting Standards on segment reporting, in the event of a reorganisation of the business segments, the comparative periods are restated to allow a like-for-like comparison. Below are the restated results for 2020 following the reorganisation of the commercial function launched in the first quarter and finalised in the fourth quarter of 2020, in which some revenue allocation logics to business segments have been partially redefined to ensure coverage of the various types of end-user and partner customers.

REVENUES BY BUSINESS SEGMENT

	30.09.2020 Reported	Restatement	30.09.2020 Restated
Retail	142,652	727	143,379
Manufacturing	81,461	1,279	82,740
Transportation & Logistics	38,530	(409)	38,121
Healthcare	11,679	(789)	10,890
Channel	61,580	(809)	60,771
Total Revenues	335,902		335,902

As part of the reorganisation of the commercial function, the revenue allocation criteria were partially modified, assigning sales to the end-users of partners' customers, and previously classified in the Industries, according to a criterion of predominance of turnover as communicated by the distribution network, to the Channel sector. This category includes revenues not directly attributable to the other identified segments. The new approach allows for an even more accurate measurement of the performance of the individual sectors, to which only the revenues relating to direct sales made to end-user customers based on their respective segment are attributed. The *ratio* behind the change in approach is guided by the desire to make the measurement of market trends of the individual sectors more accurate and prompter in order to strengthen the effectiveness and timeliness of the strategic decisions of *go to market*.

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ANNEX 4

RECONCILIATION OF ALTERNATIVE PERFORMANCE INDICATORS (NON-GAAP MEASURES)

The following table shows the reconciliation between EBITDA and Adjusted EBITDA as at 30 September 2021, compared with 30 September 2020.

	30.09.2021		30.09.2020		Change
Adjusted EBITDA	66,155	15.23%	37,205	10.72%	28,952
Cost of goods sold	287	0.07%	1,855	0.53%	(1,568)
Research and Development expenses	874	0.20%	102	0.03%	772
Distribution expenses	736	0.17%	3,297	0.95%	(2,561)
General and administrative expenses	2,569	0.59%	2,323	0.67%	246
Other (expenses) and income	97	0.02%	98	0.03%	(1)
Non-recurring costs, revenues and write-downs	4,563	1.05%	7,675	2.21%	(3,112)
EBITDA	61,592	14.18%	29,530	8.51%	32,064

Non-recurring costs and revenues are shown hereunder.

	30.09.2021	30.09.2020	Change
Covid-19	-	2,702	(2,702)
Reorganisation	3,996	3,888	108
Other	567	1,086	(519)
Total	4,563	7,675	(3,112)

Non-recurring costs and revenues refer to income and charges recognised and incurred in relation to some reorganisation processes targeted at the optimisation of the sales structure, of the industrial *footprint* and the offices, as well as “M&A” e “Post M&A Integration” activities. These processes involved an *assessment* of the organisational structures, as well as the execution of the plans to implement the new model, which involved, among other things, also some modifications to internal processes, information systems and the management control model.

