PRESS RELEASE

DATALOGIC (Star: DAL)

THE BOARD OF DIRECTORS APPROVES DRAFT STATUTORY AND CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020[1]

- **Revenues at €479.8 million, compared to €585.8 million in 2019**
- **Adjusted EBITDA amounts to €58.3 million, compared to €92.1 million in 2019; Adjusted EBITDA margin at 12.2%**
- **Net result at €13.9 million, compared to €50.3 million in 2019**
- **Net Financial Position positive by €8.2 million, compared to €13.4 million at 31 December 2019**
- **Results in the fourth quarter showed a gradual improvement thanks to a recovery in demand and a cost reduction plan: Adjusted EBITDA margin at 15.9% compared to 14.5% in 2019**
- **Acquisition of M.D. Micro Detectors S.p.A. completed**
- **Board of Directors proposes the Shareholders' Meeting a dividend, gross of withholdings, of 17-euro cents per share**

Bologna, 9 March 2021 - The Board of Directors of Datalogic S.p.A. (Borsa Italiana S.p.A.: DAL), company listed on the Star segment of the MTA (electronic equity market) organised and managed by Borsa Italiana S.p.A. ("Datalogic") and a global leader in the automatic data capture and industrial automation sectors, approved the draft Statutory and Consolidated Financial Statements at 31 December 2020.

The encouraging green shoots of recovery that have gradually materialised in most geographical areas in the second part of the year, with an acceleration in the final quarter, have been reflected in a gradual improvement in performance, which has enabled us to contain the decrease caused by the exceptionally negative and extraordinary global economic situation brought about by the Covid-19 pandemic. The Group closed 2020 with **Revenues** at €479.8 million which, albeit down -18.1% (-17.0% at constant exchange rates) with respect to the previous year, show a marked consolidation in the growth trend compared to the first part of the year. Thanks to the launch of some internal reorganisation projects aimed at optimising some strategic processes and functions, the Group protected its profit margin, recording an

[1] The comparative economic data at 31 December 2019 were restated, as envisaged by the accounting standard IFRS 5, following the classification of results of the investee Solution Net Systems Inc., Group operating segment, under discontinued operations.

Adjusted EBITDA of €58.3 million, with an Adjusted EBITDA margin of 12.2% and a **Net profit** of €13.9 million, equal to 2.9% of revenues.

The Chief Executive Officer of the Datalogic Group, Valentina Volta, said*: "Despite COVID-19 pandemic severely affected revenue downturn compared to prior year, the Group was able to keep a double-digit margin thanks to the efficiency on fixed costs. Even if in an extraordinary recessive market environment, we continued to invest in R&D protecting our product development plan, pursuing our growth strategy, also non-organic with the acquisition of M.D. Micro Detectors completed this month. The company operates in the industrial sensors market and in the Manufacturing industry. Beyond offering all the necessary support to our employees to ensure their maximum safety in all geographies, we closed 2020 with a positive net financial position, generating operating cash in the last quarter. Despite the uncertainty related to pandemic and the timing of vaccine is not yet resolved, we trust that 2021 will be for our Group a year of recovery with a growth in all geographies. The positive sales trend in APAC and EMEIA in the last quarter of the year as well as the double-digit growth of the booking in all geographies are encouraging signs of recovery. Nonetheless forecasting R&D investment rate on revenue in line with 2020, the Group believes to recover also on margins during 2021 keeping approximately half of the efficiency achieved in 2020.".*

	31.12.2020	*% on Revenues*	**31.12.2019 restated**	*% on Revenues*	**Change**	% change	**% ch. net FX**
Revenues	**479,828**	*100.0%*	**585,759**	*100.0%*	**(105,931)**	-18.1%	-17.0%
Adjusted EBITDA	**58,324**	*12.2%*	**92,077**	*15.7%*	**(33,753)**	-36.7%	-36.3%
EBIT	**18,407**	*3.8%*	**62,689**	*10.7%*	**(44,282)**	-70.6%	-70.7%
Net Profit/(Loss) for the year	**13,882**	*2.9%*	**50,281**	*8.6%*	**(36,399)**	-72.4%	-72.5%
Net financial position (NFP)	**8,218**		**13,364**		**(5,146)**		

Consolidated revenues amounted to €479.8 million, decreasing by 18.1% compared to €585.8 million in 2019, mainly as a result of the reduction in demand due to the spread of Covid-19 and, to a lesser extent, the price effect.

Gross Operating Margin was €219.9 million, 45.8% of Net Sales (49.2% at 31 December 2019), a decrease of 23.7% compared to €288.1 million reported in the previous year, primarily due to the contraction in volumes and the price and mix effect, only partially offset by a reduction in the costs of materials.

Operating and other costs, equal to €185.8 million, decreased by 14.7% compared to €217.9 million in 2019, due to a careful cost reduction plan implemented by the Management as a response to the economic situation. The actions adopted were aimed at making the cost structure more variable to minimise production inefficiencies linked to discontinuity of the activities and the low volumes, by executing structural efficiency plans combined with social safety net plans' adoption. Special attention was focussed on the adoption of flexibility tools to support growth as soon as demand recovers. Operating costs have been kept under control, both physiologically in the most intense phases of the pandemic, and through temporary and structural cost reduction plans. Discretionary investments were deferred, while investments in R&D and strategic activities were reinforced pursuing the Group's strategy focused on innovation.

During the year, despite the difficult market environment, research and development total spending, gross of capital expenditure, amounted to €63.0 million, essentially in line with the previous year, reaching 13.1% on Net Sales, compared to 10.8% in 2019, increasing by 2.3%. The investments policy in R&D was reviewed during the year, by balancing the achievement of efficiencies with the decision to maintain the strategic priorities of the technological *Roadmap*.

Research and development expenses decreased by 11.4%, to €52.0 million, but reached 10.8% on revenues compared to 10.0% in 2019, thanks to the balancing between efficiencies and strengthening of investments in development for pursuing strategic goals.

Distribution expenses amounted to €95.0 million, decreasing by 21.2% (€120.6 million in 2019), 19.8% of revenues, due to the reduction in volumes, but also thanks to a careful plan of efficiencies achieved in selling, distribution and marketing costs, also a result of the renewed sales organisation structure.

The **Adjusted EBITDA** was €58.3 million (€92.1 million in 2019). The **Adjusted EBITDA margin** at 31 December 2020 stood at 12.2% compared to 15.7% recorded in the previous year. Profit margin trends recorded in 2020, which grew constantly on a quarterly basis, reflected, both the contraction in volumes and the price effects of the Covid-19 scenario as well as the less favourable mix, and the benefits of the efficiencies reached in terms of fixed costs, which made it possible to protect profit margins, albeit in an extraordinary recessionary market context.

The **EBIT** amounted to €18.4 million, compared to €62.7 million in the previous year, as a result of the aforementioned trends and the non-recurring costs incurred primarily related to Group's internal reorganization initiatives in the changed economic scenario.

Net Financial Income (Expenses), negative by €6.4 million, worsened by €4.1 million compared to 2019, mainly due to the unfavourable trend in foreign exchange differences, accounted for mainly in the first quarter at the height of the pandemic, negative for €4.9 million (negative for €0.5 million at 31 December 2019).

Net profit for the year was €13.9 million (€50.3 million at 31 December 2019).

Net trade working capital at 31 December 2020 was €47.8 million, a drop of €27.3 million compared to 31 December 2019; the percentage incidence on Net Sales decreased from 12.3% in 2019 to 10.0% in 2020. The change compared to 31 December 2019 was determined by the reduction in account receivables by €11.6 million, the lower account payable exposure (€-9.0 million), due to the reduction in costs and volumes, as well as the decrease in inventories by €24.7 million, due to a careful stock management in an economically negative year caused by the pandemic.

Net Invested Capital amounted to €362.1 million (€390.8 million as at 31 December 2019), marking a decrease of €28.7 million, due to the reduction in net trade working capital of €23.8 million, as well as the decrease in fixed assets for €6.2 million, mainly due to the negative exchange rate effects, offset by the investments in research and development and in the reorganisation of the global footprint as part of the cost rationalisation project.

Net Financial Position at 31 December 2020 was positive for €8.2 million, compared to €13.4 million as at 31 December 2019. In the latter part of the year, thanks to the recovery in demand in all the main geographical areas, albeit with varying degrees of intensity, the Group started to generate cash flows from operations again, totalling €23.0 million, despite the general macroeconomic context. Thanks to careful working capital management and the cost reduction plan implemented in the first half of the year, the Group did not renounce to strategic investments to support growth. As of 31 December 2020, the Group had credit lines in place amounting to €314.4 million, of which €176.4 million unused, including €100.0 million long-term subscribed during the month of March 2020 in anticipation of possible investments and €76.4 million short-term.

PERFORMANCE BY GEOGRAPHICAL AREA

The following table shows the breakdown by **geographical area** of Group revenues achieved in 2020 compared with the previous year:

	31.12.2020	%	31.12.2019 restated	%	Change	%	% ch. net FX
Italy	*44,701*	*9.3%*	*49,282*	*8.4%*	*(4,581)*	*-9.3%*	*-9.3%*
EMEAI (excluding Italy)	*210,146*	*43.8%*	*257,856*	*44.0%*	*(47,710)*	*-18.5%*	*-18.3%*
Total EMEAI	254,846	53.1%	307,138	52.4%	(52,291)	-17.0%	-16.9%
Americas	151,174	31.5%	210,105	35.9%	(58,931)	-28.0%	-26.0%
APAC	73,808	15.4%	68,517	11.7%	5,291	7.7%	9.8%
Total Revenues	**479,828**	**100.0%**	**585,759**	**100.0%**	**(105,931)**	**-18.1%**	**-17.0%**

The restrictive measures adopted by Governments to deal with the pandemic and the resulting slowdown in the global economy affected the Group's performance throughout 2020, albeit at different levels of intensity and at different stages. The Asian region was affected mainly in the first quarter, while Europe and the Americas subsequently suffered from the gradual spread of the pandemic in the second and third quarters of the year, especially in the USA.

The **EMEAI** region closed at 31 December 2020 with a 17.0% decrease in revenues compared to 31 December 2019. Although the Group's main market in the first quarter of 2020 was affected by the expected weakness in the market, as well as by the completion of important roll-out contracts of fixed retail scanners, in the second quarter the decline recorded was more pronounced (-37.3%) due to the lock-down measures imposed by Governments in Europe. The third quarter registered the first signs of a recovery with a decrease that slowed to -17.4%, with a generally better performance in Italy with respect to other countries in the Euro area, while in the fourth quarter, the region closed with growth of 1.6% (2.3% at constant exchange rates), driven by Italy, which reached +12.4% compared to the same period of 2019 in the pre-Covid scenario.

For the **AMERICAS** area, the Group's second market, 2020 signed a decrease in demand, which reached a total of -28.0% in the year (-26.0% at constant exchange rates), reflecting not only the economic effects of the pandemic, but also the conclusion of important multi-year projects in the Transportation & Logistics sector. However, the fourth quarter of the year recorded the first positive reversal of the trend, with a reduction in the decrease with respect to the third quarter.

The **APAC** region, after an initial decrease in turnover in the first quarter of the year as a result of the pandemic, instead saw a substantial recovery, mainly led by China, reaching a 7.7% (9.8% at constant exchange rates) growth at 31 December 2020, with an especially positive performance in the second part of the year, in which it recorded double-digit growth.

PERFORMANCE BY DIVISION

	31.12.2020	%	31.12.2019 restated	%	Change	% Change	% ch. net FX
Datalogic	464,580	96.8%	568,128	97.0%	(103,548)	-18.2%	-17.2%
Informatics	16,434	3.4%	18,736	3.2%	(2,302)	-12.3%	-10.9%
Adjustments	(1,186)	-0.2%	(1,105)	-0.2%	(81)	7.4%	
Total Revenues	**479,828**	**100.0%**	**585,759**	**100.0%**	**(105,931)**	**-18.1%**	**-17.0%**

DATALOGIC DIVISION

At 31 December 2020, the **Datalogic** division recorded **revenues** of €464.6 million, decreasing by 18.2% compared to 31 December 2019. The **Adjusted EBITDA** of the division amounted to €57.4 million, marking an incidence on turnover of 12.4% (15.9% at 31 December 2019). Below is the breakdown by industry of the Datalogic division's revenues:

	31.12.2020	%	31.12.2019 restated	%	Change	%	% ch. net FX
Retail	198,257	42.7%	231,059	40.7%	(32,802)	-14.2%	-12.6%
Manufacturing	110,737	23.8%	117,656	20.7%	(6,919)	-5.9%	-5.0%
Transportation & Logistics	53,857	11.6%	74,419	13.1%	(20,562)	-27.6%	-26.9%
Healthcare	17,211	3.7%	17,663	3.1%	(452)	-2.6%	-1.6%
Channel	84,	18.2%	127,331	22.4%	(42,813)	-33.6%	-33.2%
Total Revenues	**464,580**	**100%**	**568,128**	**100.0%**	**(103,548)**	**-18.2%**	**-17.2%**

- **Retail**

  The Retail sector, the main segment of the Group, with 42.7% of the division turnover (40.7% at 31 December 2019), recorded a decrease of 14.2% (12.6% based on constant exchange rates) with respect to the previous year, with a generalised slowdown in all geographical areas, albeit more pronounced in the Americas (-20.8%); the APAC and EMEAI areas registered smaller decreases of 9.8% and 9.4% respectively compared to 2019. The sector was penalised by the conclusion of the roll-outs of fixed retail scanners in some Retail chains, which began in 2018 and was progressively completed in 2019, and the contraction in volumes determined in the Covid-19 scenario, which impacted the business through distributors and the development of new customers, especially in the United States and, to a lesser extent, in Europe. In general, the food sector suffered less than the retail sector as a whole due to the pandemic, but the capital expenditure in technological infrastructures in stores slowed considerably and tended to be limited to those for replacement, with a substantial stability of the demand for investment in the check-out area of this segment.

  The non-food sector, less relevant than the food sector for Datalogic, by contrast suffered more serious consequences from the closures related to various lockdowns in several countries.

- **Manufacturing**

  The Manufacturing sector experienced a smaller decrease compared to the other sectors, equal to 5.9% compared to 31 December 2019. The performance in 2020 was driven by the double-digit growth in APAC in the consumer electronics segment, which offset the still negative trend in the Americas and EMEAI, due mainly to the drop in the automotive sector and to the pandemic. The packaging sector also showed signs of slowdown, albeit small.

- **Transportation & Logistics**

  The Transportation & Logistics sector reported a decrease of 27.6% compared to 2019, with a negative performance, especially in North America, which reflects the unfavourable comparison with 2019, following the completion of long-term projects. In the second half of the year, signs of a recovery were recorded both in EMEAI and APAC, especially in China and South-East Asia, where Datalogic has been awarded significant airport projects.

- **Healthcare**

  The Healthcare sector managed to significantly contain the negative impact of the pandemic which obviously refocussed investments on the most urgent sectors, registering a slight decrease of 2.6%, in particular in the EMEAI and North America areas, at -5.7% and -6.0% respectively. The APAC area reported double-digit growth (+47.0%). The sector was highly appreciative of Datalogic's supply of products containing antimicrobial and disinfectant-ready plastics, perfectly satisfying the increased sanitation needs due to the pandemic.

- **Channel**

  Sales through the distribution channel to small and medium customers saw a more pronounced drop of 33.6% compared to 2019 in all geographical areas, mainly due to the slowdown in activities in the second quarter as a result of Covid-19, which had a more negative impact on small and medium businesses. Starting with the third quarter of the year, an improvement was recorded in the trend in both EMEAI and in the Americas, albeit still negative with respect to the previous period.

INFORMATICS DIVISION

The **Informatics division** recorded turnover of €16.4 million in 2020 (€18.7 million in 2019), marking a decrease of 12.3% compared to the previous year. Adjusted EBITDA amounted to €0.9 million, down by €0.6 million compared to 2019, following the reduction in volumes which affected the US market, especially in the segment of small and medium-sized companies.

QUARTERLY PERFORMANCE

	4Q 2020	*% on Revenues*	4Q 2019 Restated	*% on Revenues*	Change	% change	% ch. net FX
Revenues	**132,777**	*100.0%*	**144,350**	*100.0%*	**(11,573)**	-8.0%	-5.4%
Gross operating margin (Adjusted EBITDA)	**21,119**	*15.9%*	**20,942**	*14.5%*	**177**	0.8%	-4.4%
Operating result (EBIT)	**10,213**	*7.7%*	**12,738**	*8.8%*	**(2,525)**	-19.8%	-30.2%
Net Profit/(Loss) for the period	**9,322**	*7.0%*	**10,603**	*7.3%*	**(1,281)**	-12.1%	-24.5%

In the fourth quarter of 2020 Group's **revenues** reached €132.8 million (€144.4 million in the fourth quarter of 2019), albeit down 8.0% (-5.4% at constant exchange rates) with respect to the fourth quarter of 2019 in the pre-Covid scenario; the recovery trend showed in the third quarter of the year was consolidated in all geographical areas.

The positive effects of the cost reduction plan and the partial recovery of the markets enabled a full recovery in profit margins in the fourth quarter of the year, with an **Adjusted EBITDA** of €21.1 million, equal to 15.9% of revenues, increasing by 0.8% compared to the fourth quarter of 2019 in which it was 14.5%.

Net profit for the quarter was €9.3 million, equal to 7.0% of revenues, essentially in line with the fourth quarter of 2019, in which it was €10.6 million, equal to 7.3% of revenues.

ECONOMIC FINANCIAL PERFORMANCE OF DATALOGIC S.P.A.

The year 2020 closed with revenues of €28.1 million and a net profit of €19.9 million.

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SIGNIFICANT EVENTS DURING THE YEAR

COVID-19 DISCLOSURE

As previously reported, 2020 was characterised by the spread of the Covid-19 pandemic, which severely influenced global macroeconomic performance and, also due to the restrictive measures adopted by the various Governments, resulted in a contraction in demand in all the main geographic areas.

Since the beginning of the health emergency, the Group adopted the necessary measures to minimise the risk of contagion to safeguard safety of its employees, such as remote working, applying social distancing measures, adopting individual protective equipment and sanitation procedures for facilities, while ensuring business continuity and complying with the extraordinary legal measures imposed in the different jurisdictions.

The effects of the pandemic on the Group's economic performance started in the first quarter and worsened, due to the restrictions imposed, in the second and third quarters in Europe and the United States respectively, which represent the Group's main markets, while the fourth quarter of the year showed signs of a recovery throughout all areas. The fall in demand in the middle two quarters of 2020 was associated with two phenomena that contributed to the decline in turnover: the prolonged and alternating periods of restrictions of activities, as well as the cancellation of events and fairs as a result of the pandemic that partially delayed the ramp-up in launch of some key products. In addition, reduced mobility made the expansion in the customer base more complex, especially in the newer markets like North America.

In response to the emergency, which caused a negative situation throughout 2020, the Group adopted an action plan in March aimed at mitigating, as much as possible, the impact of the crisis and the consequent reduction in sales on results and on the financial position.

In this context, the Group, first and foremost, made use of social safety nets and other forms of support for workers, then, as part of continuing emergency management, implemented additional targeted cost reduction plans, which made it possible to make a sizeable part of the fixed costs flexible, reducing them in proportion with the decline in turnover.

Over the course of the pandemic, the initially temporary measures were subsequently structured into a careful cost reduction plan even structural, which started to produce its first effects towards the end of the first half, containing the impact of the production inefficiencies consequent to the discontinuity of activities and low volumes.

In this context, the Group has also accelerated some medium and long-term reorganization processes, with a special focus on optimising the sales structure, the industrial footprint and the offices, as well as the product development process, with projects already partially launched in the second half of 2020.

Despite the severity of the economic crisis caused by the pandemic, the Group never had to face financial tension or potential liquidity risks in 2020. Cash generation, albeit having been inevitably impacted, overall, by the significant effects of the drop in volumes, especially in the lockdown phases, nonetheless managed to maintain during the quarters a trend essentially in line with previous years. The Group continues to exhibit a solid equity and financial structure, which has made it possible, also in 2020, to avoid sacrificing investments in strategic initiatives and product development, which continue to be in line with the pre-Covid levels.

The Group closed 2020 with a positive net financial position, with 56.1% of credit lines available and unused, of which more than half long-term for supporting growth and investments.

Although the health emergency has still not been fully resolved at global level, it is believed that the vaccine campaigns and the management of new waves of the pandemic with more localised restrictions, as well as economic support and stimulus measures from Governments, are laying the foundations for the start of a moderate economic recovery, despite a scenario of heightened uncertainty continuing to persist.

At the date of drafting of this Report, the Group witnessed a recovery in orders intake with respect to the corresponding period in the previous year in all regions, accompanied, conversely, by shortages in some critical components that are affecting the sector. The Group operates under conditions of production continuity by carefully using alternative supply channels and the continuous re-planning of activities and resources in order to minimise potential inefficiencies.

Taking account of the above-mentioned scenario which is, at the same time, showing signs of recovery and uncertainty, in drawing up this Annual Financial Report, the Directors updated the estimates to evaluate assets and liabilities in the financial statements, in order to reflect any impacts on these from the Covid-19 pandemic. The results achieved, owing to the current situation of uncertainty, could differ from those reported, in particular with reference to the following: financial assets measured at fair value; measurement of the Stock Grant plan; impairment of non-financial assets, recoverability of capitalised development costs and deferred tax assets.

OTHER EVENTS IN THE YEAR

In the first part of 2020, a reorganisation of the sales function was launched to ensure coverage of the various types of end-user and partner customers, as well as of geographical areas.

In March 2020, the Group subscribed an agreement for additional credit lines, totalling €100 million, still unused at the date of this report, aimed at supporting growth and investments.

On 27 May 2020, the Group finalised an investment in a financial instruments issued by AWM Smart Shelf Inc., a company with registered office in California, specialised in artificial intelligence and computer vision, which operates in the Retail sector (both food and non-food) with self-checkout solutions (AWM Frictionless™), Automated Inventory Intelligence (Aii®), collection of demographic data and monitoring of the consumer behaviour, as well as the Retail Analytics Engine (RAE) software for in-store analysis and reporting.

On 4 June 2020, the Shareholders' Meeting resolved to distribute an ordinary unit dividend, gross of legal withholdings, of 30 cents per share, for an overall amount of €17.0 million.

On 24 July 2020, a majority stake equivalent to 85% of the share capital of Solution Net Systems Inc. was sold to Architect Equity, an American investment fund. The investee, a non-core division of the Group, is specialised in supplying and installing integrated solutions for the postal segment and distribution centres in the Retail sector. Simultaneously with the sale, an exclusive commercial agreement was signed with the company for the supply of Datalogic products, for the three-year period 2020-2023.

On 16 December 2020, the subsidiary Datalogic S.r.l. transferred 3.9% of the shares held in Datalogic IP Tech S.r.l. to the parent company Datalogic S.p.A., for a consideration of €2.8 million.

SUBSEQUENT EVENTS

On 1 March 2021, the acquisition of the entire share capital of M.D. Micro Detectors S.p.A., through the subsidiary Datalogic S.r.l., from Finmasi Group was completed.

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 roughly €37 million, subject to price adjustment.

The acquisition will enable the Datalogic Group to bolster its presence, in Italy and abroad, in the industrial automation market through the integration, in its own product portfolio, of inductive and ultrasonic sensors that are applied in a range of industrial sectors including electronics, pharmaceuticals, logistics and automotive. The highly innovative content of M.D. Micro Detectors, combined with Datalogic's product portfolio and distribution structure, represents a growth project whose objective is to create the main Italian hub in the sensors for industrial automation.

The Datalogic Group met its financial commitments deriving from the acquisition by using existing credit lines.

BUSINESS OUTLOOK

Encouraging signs of a recovery have gradually showed in the majority of geographical areas, which have recorded a positive trend in orders' intake in all areas. Following the recovery in Asia which started already in the first half of the year, in the third quarter, the European markets, and partially the American ones, had already recorded a reversal in the trend in all main segments, which was then confirmed and consolidated also in the final quarter of the year, although the financial performances still do not fully reflect this improvement in progress. The limited mobility caused by the restrictions continued to make it difficult to access new customers, particularly in the United States. These trends exacerbated the suffering of the Group's North American activities with respect to European and Asian ones.

In this unprecedented context, however, thanks to its solid equity and financial position, it has nonetheless demonstrated its ability to quickly react to the changed scenario, not only by adopting measures aimed at protecting both business and profit in the short-term emergency context, but in a medium-term perspective, it accelerated and launched reorganization projects aimed at optimizing certain strategic processes and functions, by continuing to invest for growth, focusing on innovation of its offering of products and services, following emerging market trends. The results of these actions allowed net operating profitability to return, in the fourth quarter, to the levels of the corresponding period of the previous year, prior to Covid-19.

The signs of market recovery show, in this phase, a gradual strengthening in all geographical areas, corroborated by a significantly improved trend in order intake with respect to the first part of 2019.

Despite high levels of uncertainty continuing to persist, determined by the continued Covid emergency and the shortage of some components in the short-term, in a context of demand recovery, in 2021, Datalogic expects to see a gradual recovery in Revenues and an improvement in the profit margin levels with respect to 2020.

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At the Shareholders Meeting scheduled for 29 April 2021, the Board of Directors will propose to distribute an ordinary unit dividend, gross of legal withholdings, of €0.17 per share, for a maximum amount of approximately €9,935,903, with coupon detachment on 24 May 2021 (record date 25 May 2021) and payment from 26 May 2021.

The call notice of the Shareholders' Meeting and the associated supporting documentation will be provided within the legal terms.

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The Board of Directors also approved the Report on corporate governance and ownership structures and the consolidated non-financial statement pursuant to Legislative Decree 254/2016. The reports will be made available to the public according to the terms and methods set out in the relevant legislation in force.

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The Board of Directors, having received the opinion of the Control, Risks, Remuneration and Appointments Committee, also resolved to make some changes to the performance targets of the 2019-2021 performance share assignment plan called “Piano di Performance Shares 2019-2021” approved by the company's Shareholders' Meeting on 30 April 2019 (the “**Plan**”), as part of the powers conferred by the company's Shareholders' Meeting and in compliance with the provisions of the Plan regulation, in order to take account of the unexpected and exceptional effects of the Covid-19 pandemic and for the purposes of conserving the Plan's incentive value. The amendments to the performance objectives are reported in the new version of the information document relating to the Plan prepared by the Board of Directors pursuant to art. 114-*bis* of Legislative Decree no. 58 of 24 February 1998, as subsequently amended, (the “**TUF** - Consolidated Law on Finance”) and art. 84-*bis* of Consob Regulation no. 11971 of 14 May 1999, as subsequently amended, (the “**Issuers' Regulation**”) which is provided to the public at the company's registered office, on the authorised storage mechanism “eMarketSTORAGE”, managed by Spafid Connect S.p.A., as well as on the company's website www.datalogic.com.

It should also be noted that the aforementioned amendments will be outlined in section I of the report on the policy on remuneration and compensation paid, prepared by the Board of Directors pursuant to art. 123-*ter* of TUF and art. 84-*quater* of the Issuers' Regulation, presented for approval to the company's Shareholders' Meeting called on 29 April 2021 and which will be made available to the public according to the legal terms and methods.

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It is hereby stated that the audit of the draft financial statements has still not been finalised and that the independent auditors' report will therefore be provided within the legal terms. Lastly, it should be noted that the income statement and the statement of financial position attached represent reclassified statements and, as such, are not audited by the independent auditors.

Finally, it should be noted that the Annual Financial Report (pursuant to art. 154 ter of the TUF - Consolidated Law on Finance) of Datalogic S.p.A. will be made available to the public at the company's registered office, at Borsa Italiana S.p.A. and at the authorised storage mechanism “eMarket STORAGE”, managed by Spafid Connect S.p.A., as well as on the company's website www.datalogic.com (Investor Relations section) according to the applicable legal and regulatory terms.

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The Manager in charge of drawing up the Company’s accounting statements, Laura Bernardelli, hereby declares, pursuant to paragraph 2, art. 154-bis of the Consolidated Law on Finance, that the accounting disclosure contained in the press release corresponds to the documented results and accounting records.

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It should also be noted that this press release contains forward-looking statements concerning the intentions, beliefs or current expectations of the Group in relation to the financial results and other aspects of the Group's activities and strategies. Readers of this press release must not place undue reliance on these forward-looking statements as the final results could differ materially from those contained in said forecasts as a result of a multitude of factors, the majority of which are outside the Group's control.

Datalogic Group

Datalogic is a global leader in the automatic data capture and process automation markets, specializing in the design and production of bar code readers, mobile computers, sensors for detection, measurement and safety, RFID vision, and laser marking systems. Datalogic solutions help increase the efficiency and quality of processes in the retail, manufacturing, transportation and logistics, and healthcare industries along the entire value chain.
The world's leading players in these industries use Datalogic products, certain of the attention to the customer and of the quality of the products that the Group has been offering for 48 years.
Today Datalogic Group, headquartered in Bologna (Italy), employs approximately 2,826 staff worldwide, distributed in 30 countries, with manufacturing and repair facilities in the U.S.A, Brazil, Italy, Slovakia, Hungary, Vietnam. In 2020, Datalogic had a turnover of 479.8 million Euros and invested about 52 million Euros in research and development, with an asset of about 1,200 patents in multiple jurisdictions.
Datalogic S.p.A. is listed in the STAR segment of the Italian Stock Exchange since 2001 as DAL.MI. Find more information about Datalogic at www.datalogic.com.
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RECLASSIFIED CONSOLIDATED INCOME STATEMENT AS AT 31 DECEMBER 2020[1]

	31.12.2020		31.12.2019 Restated		Change	% Ch.
Revenues	**479,828**	**100.0%**	**585,759**	**100.0%**	**(105,931)**	**-18.1%**
Cost of goods sold	(259,880)	-54.2%	(297,616)	-50.8%	37,736	-12.7%
Gross Operating Margin	**219,948**	**45.8%**	**288,143**	**49.2%**	**(68,195)**	**-23.7%**
Research and Development expenses	(52,039)	-10.8%	(58,740)	-10.0%	6,701	-11.4%
Distribution expenses	(95,014)	-19.8%	(120,621)	-20.6%	25,607	-21.2%
General and administrative expenses	(41,183)	-8.6%	(43,637)	-7.4%	2,454	-5.6%
Other operating (expenses)/income	2,398	0.5%	5,130	0.9%	(2,732)	-53.3%
Total operating and other costs	**(185,838)**	**-38.7%**	**(217,868)**	**-37.2%**	**32,030**	**-14.7%**
Non-recurring costs/revenues and write-downs	(11,249)	-2.3%	(2,728)	-0.5%	(8,521)	312.4%
Amortisation from acquisitions	(4,454)	-0.9%	(4,857)	-0.8%	403	-8.3%
EBIT	**18,407**	**3.8%**	**62,689**	**10.7%**	**(44,282)**	**-70.6%**
Financial income/(expenses)	(1,502)	-0.3%	(987)	-0.2%	(515)	52.2%
Foreign exchange gains/(losses)	(4,925)	-1.0%	(1,388)	-0.2%	(3,537)	254.8%
Profit/(Loss) before taxes (EBT)	**11,980**	**2.5%**	**60,314**	**10.3%**	**(48,334)**	**-80.1%**
Taxes	1,731	0.4%	(11,616)	-2.0%	13,347	n.a.
Net Profit/(Loss) for the year from continuing operations	**13,711**	2.9%	**48,698**	8.3%	(34,987)	-71.8%
Profit/(loss) for the year from discontinued operations	**171**	**0.0%**	**1,583**	**0.3%**	**(1,412)**	**-89.2%**
Net Profit/(Loss) for the year	**13,882**	**2.9%**	**50,281**	**8.6%**	**(36,399)**	**-72.4%**
Non-recurring costs/revenues and write-downs	(11,249)	-2.3%	(2,728)	-0.5%	(8,521)	312.4%
Depreciation of tangible and right of use assets	(17,577)	-3.7%	(16,663)	-2.8%	(914)	5.5%
Amortisation of intangible assets	(11,091)	-2.3%	(9,997)	-1.7%	(1,094)	10.9%
Adjusted EBITDA	**58,324**	**12.2%**	**92,077**	**15.7%**	**(33,753)**	**-36.7%**

(1) Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) or Gross Operating Margin: is a performance indicator not defined under IFRS. However, the management uses it to monitor and assess the company's operating performance, as it is not influenced by volatility due to the various valuation criteria used to determine taxable income, by the total amount and nature of the capital involved or by the related depreciation and amortisation policies. Datalogic defines it as Profit/loss for the year from continuing operation before depreciation of tangible and right of use assets and amortisation of intangible assets, non-recurring costs/revenues, financial income and expenses and taxes.

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020[2]

	31.12.2020	31.12.2019	Change	Ch. %
Intangible assets	59,175	50,471	8,704	17.2%
Goodwill	171,372	186,126	(14,754)	-7.9%
Tangible assets	103,406	99,355	4,051	4.1%
Financial assets and investments in associates	8,723	10,241	(1,518)	-14.8%
Other non-current assets	42,265	44,906	(2,641)	-5.9%
Total Fixed Assets	**384,941**	**391,099**	**(6,158)**	**-1.6%**
Trade receivables	66,563	78,203	(11,640)	-14.9%
Trade payables	(97,006)	(106,029)	9,023	-8.5%
Inventories	78,271	102,921	(24,650)	-24.0%
Net Trade Working Capital	**47,828**	**75,095**	**(27,267)**	**-36.3%**
Other current assets	28,274	49,345	(21,071)	-42.7%
Other current liabilities and provisions for risks	(53,708)	(78,219)	24,511	-31.3%
Net Working Capital	**22,394**	**46,221**	**(23,827)**	**-51.6%**
Other non-current liabilities	(33,958)	(34,571)	613	-1.8%
Post-employment benefits	(6,862)	(7,026)	164	-2.3%
Non-current Provisions for risks	(4,375)	(4,916)	541	-11.0%
Net Invested Capital	**362,140**	**390,807**	**(28,667)**	**-7.3%**
Shareholders' Equity	**(370,358)**	**(404,171)**	**33,813**	**-8.4%**
Net financial position (NFP)	**8,218**	**13,364**	**(5,146)**	**-38.5%**

(2) The reclassified equity and financial analysis show the aggregations used by the Management to evaluate the Group's equity-financial performance. These are measures generally adopted in financial disclosure practice, which can be immediately related to the accounting data in the primary financial statements which, however, are not identified as accounting measurements in the IFRS.

CONSOLIDATED NET FINANCIAL POSITION AS AT 31 DECEMBER 2020[3]

	31.12.2020	**31.12.2019**
A. Cash and bank deposits	137,440	151,829
B. Other cash equivalents	11	12
b1. restricted cash	*11*	*12*
C. Securities held for trading	-	-
D. Cash and cash equivalents (A) + (B) + (C)	**137,451**	**151,841**
E. Current financial receivables	**12,189**	**31,200**
e1. other current financial receivables	*10,152*	*31,200*
e2. financial receivables	*2,037*	-
F. Bank overdrafts	31	221
G. Current portion of non-current debt	52,860	47,421
H. Other current financial liabilities	4,875	6,457
h2. lease payables	*3,375*	*4,589*
h3. current financial liabilities	*1,500*	*1,868*
I. Current financial debt (F) + (G) + (H)	**57,766**	**54,099**
J. Current net financial debt/(Current net financial position) (I) - (E) - (D)	**(91,874)**	**(128,942)**
K. Non-current bank borrowing	77,893	110,106
L. Bonds	-	-
M. Other non-current liabilities	5,763	5,472
m2. lease payables	*5,763*	*5,472*
N. Non-current financial debt (K) + (L) + (M)	**83,656**	**115,578**
O. Net Financial Debt/(Net Financial Position) (J) + (N)	**(8,218)**	**(13,364)**

(3) NFP (Net Financial Position) or Net Financial Debt: this indicator is calculated based on provisions set out by Consob Communication no. 15519 of 28 July 2006. This indicator includes also "Other financial assets" represented by temporary cash investments and financial liabilities for operating leases resulting from the application of the new IFRS 16 accounting standard.

RECONCILIATION OF ALTERNATIVE PERFORMANCE INDICATORS (NON-GAAP MEASURES)

The following table shows the reconciliation between EBITDA and Adjusted EBITDA as at 31 December 2020, compared with 31 December 2019.

	31.12.2020		31.12.2019 Restated		Change
Adjusted EBITDA	**58,324**	**12.16%**	**92,076**	**15.72%**	**(33,752)**
Cost of goods sold	3,325	0.69%	384	0.07%	2,941
Research and Development expenses	95	0.02%	0	0.00%	95
Distribution expenses	4,268	0.89%	842	0.14%	3,426
General and administrative expenses	3,524	0.73%	1,503	0.26%	2,021
Other operating (expenses)/income	37	0.01%		0.00%	37
Non-recurring costs/revenues and write-downs	**11,249**	**2.34%**	**2,729**	**0.47%**	**8,520**
EBITDA	**47,075**	**9.81%**	**89,347**	**15.25%**	**(42,272)**

Non-recurring costs and revenues are shown hereunder.

	31.12.2020	31.12.2019 restated	Change
Covid-19	3,802	-	3,802
Reorganisation	6,528	1,466	5,062
Other	919	1,263	(344)
Total	**11,249**	**2,729**	**8,520**

Non-recurring costs and revenues relate to income and expenses recognised and incurred in relation to some reorganisation processes targeted at the optimisation of the sales structure, of the industrial footprint and the offices. These processes involved an assessment of the existing organisational structure in the aforementioned areas, as well as the execution of the plans to implement the new model, which involved, among others, also some change to internal processes, information systems and the managerial control model.

The costs relating to the management of the Covid-19 emergency mainly concerned the extraordinary costs incurred for the modification of the supply and distribution flows in the lockdown phases, as well as expenses for the sanitation and purchase of safety devices in the workplace, penalties for the cancellation of trade fairs and events and internal personnel costs for emergency management.

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 following the reorganisation of the commercial function launched in 2020, in which some revenue allocation criteria to geographical areas and business segments have been partially redefined to ensure coverage of the various types of end-user and partner customers, as well as geographical areas.

REVENUES BY GEOGRAPHICAL AREA

	31.12.2019 Reported (*)	*Restatement*	31.12.2019 Restated
Italy	*47,995*	*1,287*	*49,282*
EMEAI (excluding Italy)	*261,608*	*(3,752)*	*257,856*
Total EMEAI	309,563	(2,425)	307,138
Americas	208,825	1,280	210,105
APAC	67,371	1,146	68,517
Total Revenues	**585,759**		**585,759**

** Comparison data related to 2019 were restated following the classification of the investee Solution Net Systems under discontinued operations.*

REVENUES BY BUSINESS SEGMENT

	31.12.2019 Reported	*Restatement*	31.12.2019 Restated
Retail	265,672	34,613	231,059
Manufacturing	157,356	39,700	117,656
Transportation & Logistics	75,049	630	74,419
Healthcare	20,004	2,341	17,663
Channel	50,047	(77,284)	127,331
Total Revenues	**568,128**		**568,128**

As part of the reorganisation of the commercial function, the revenue allocation criteria were partially modified, assigning sales to the end-users of partner 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 rationale 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.

RECLASSIFIED STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT OF THE PARENT COMPANY DATALOGIC S.p.A. AS AT 31 DECEMBER 2020[1]

	31.12.2020	31.12.2019	Change	Ch. %
Intangible assets	8,705	7,911	794	10.0%
Tangible assets	22,164	23,578	(1,414)	-6.0%
Financial assets and investments in associates	196,700	194,620	2,080	1.1%
Other non-current assets	1,122	1,018	104	10.2%
Total Fixed Assets	**228,691**	**227,127**	**1,564**	**0.7%**
Trade receivables	10,166	9,495	671	7.1%
Trade payables	(6,190)	(5,768)	(422)	7.3%
Net Trade Working Capital	**3,976**	**3,727**	**249**	**6.7%**
Other current assets	2,417	101,906	(99,489)	-97.6%
Other current liabilities and provisions for risks	(6,586)	(12,477)	5,891	-47.2%
Net Working Capital	**(193)**	**93,156**	**(93,349)**	**-100.2%**
Other non-current liabilities	(1,811)	(3,147)	1,336	-42.5%
Post-employment benefits	(646)	(633)	(13)	2.1%
Net Invested Capital	**226,041**	**316,503**	**(90,462)**	**-28.6%**
Shareholders' Equity	**(349,685)**	**(353,548)**	**3,863**	**-1.1%**
Net financial position (NFP)	**123,644**	**37,046**	**86,598**	**233.8%**

(1) The reclassified equity and financial analysis show the aggregations used by the Management to evaluate the Group's equity-financial performance. These are measures generally adopted in financial disclosure practice, which can be immediately related to the accounting data in the primary financial statements which, however, are not identified as accounting measurements in the IFRS.

	31.12.2020		31.12.2019		Change	Ch. %
Revenues	**28,066**	**100.0%**	**30,745**	**100.0%**	**(2,679)**	**-8.7%**
Cost of goods sold	(1,659)	-5.9%	(1,579)	-5.1%	(80)	5.1%
Gross Operating Margin	**26,407**	**94.1%**	**29,166**	**94.9%**	**(2,759)**	**-9.5%**
Research and Development expenses	(574)	-2.0%	(558)	-1.8%	(16)	2.9%
Distribution expenses	(1,069)	-3.8%	(896)	-2.9%	(173)	19.3%
General and administrative expenses	(23,732)	-84.6%	(23,322)	-75.9%	(410)	1.8%
Other operating (expenses)/income	1,822	6.5%	256	0.8%	1,566	611.1%
Total operating and other costs	**(23,553)**	**-83.9%**	**(24,520)**	**-79.8%**	**967**	**-3.9%**
Non-recurring costs/revenues and write-downs	(1,178)	-4.2%	(1,302)	-4.2%	124	-9.5%
EBIT	**1,677**	**6.0%**	**3,344**	**10.9%**	**(1,668)**	**-49.9%**
Financial Income/(Expenses)	17,819	63.5%	101,198	329.2%	(83,379)	-82.4%
Foreign exchange gains/(losses)	(1,034)	-3.7%	2,039	6.6%	(3,073)	-150.7%
Profit/(Loss) before taxes (EBT)	**18,462**	**65.8%**	**106,581**	**346.7%**	**(88,120)**	**-82.7%**
Taxes	1,443	5.1%	(1,541)	-5.0%	2,984	-193.6%
Profit/(Loss) for the year	**19,905**	70.9%	**105,040**	341.6%	**(85,136)**	-81.1%