HALF YEAR

CONSOLIDATED FINANCIAL STATEMENTS

AT 30 JUNE 2022

Antares Vision S.p.A.
Via del Ferro 16, Travagliato (BS), Italy

Authorised share capital Euro 171,806 subscribed and paid up for Euro 169,453
Brescia Companies Register, Tax Code and VAT no. 02890871201
Chamber of Commerce REA no. 000000523277

REPORT ON OPERATIONS

With this document, we submit the consolidated financial statements at 30 June 2022 (hereinafter also referred to as the "**Financial Statements**") of the group of companies ("**Antares Vision Group**" or the "**Group**") headed up by Antares Vision S.p.A. (the "**Parent Company**"), consisting of the statement of financial position, income statement, statement of other comprehensive income, statement of changes in shareholders' equity, cash flow statement and explanatory notes.

In it we explain our business activities, show the results, consolidated financial position and cash flow and point out the most significant facts that characterised the operations of Antares Vision Group during the first half of 2022; we also provide you with information about the main events that took place after the end of the period.

Please refer to the notes for an analysis of the Company's main risks and how they are managed.

Business activities

Antares Vision Group is a technological partner of excellence in digitalization and innovation for businesses and institutions, to guarantee the safety of products and people, the competitiveness of businesses and protection of the planet. It offers a unique and complete ecosystem to guarantee safety and quality, efficiency, sustainability and transparency through: product quality control (inspection systems and machines), product traceability along the supply chain (from raw materials to production, from distribution to the consumer), digitalization of production processes and an integrated management of production and supply chain data, also through the application of artificial intelligence and blockchain technology. Antares Vision Group is active in the Life Sciences sector (pharmaceuticals, biomedical devices and hospitals) and in FMCG (Fast-Moving Consumer Goods – consumer goods such as Food, Beverage and Cosmetics). Antares Vision Group confirms its leadership in the pharmaceutical market as a provider of track & trace solutions to the world's leading pharmaceutical companies (over half of the top 20 are customers of the Group), and as a provider of track & trace solutions for government authorities to fight against counterfeit medicines.

Corporate bodies

Board of Directors

The Shareholders' Meeting of Antares Vision S.p.A. held on 22 February 2021 (with effect from the starting date of trading on the Euronext Star Milan) appointed a Board of Directors consisting of nine members, which will remain in office for three years, i.e. up to the date of approval of the financial statements at 31 December 2023.

Board of Directors	
Office	**Name and surname**
Chairman and Chief Executive Officer	Emidio Zorzella*
Chief Executive Officer (CEO)	Massimo Bonardi*
Director with powers	Alioscia Berto*
Director	Fabio Forestelli**
Director	Martina Paola Alessandra Monico***
Director	Marco Claudio Vitale****
Director	Fiammetta Roccia***
Director	Cristina Spagna****
Director	Fabiola Mascardi****

** Executive*

*** Executive with powers in the subsidiary FT System S.r.l.*

**** Non-executive and non-independent*

***** Non-executive and independent*

Board of Statutory Auditors

The Shareholders' Meeting of Antares Vision S.p.A. held on 22 February 2021 (with effect from the starting date of trading on the Mercato Telematico Azionario) appointed a Board of Statutory Auditors consisting of three acting members and two alternate members, which will remain in office for three years, i.e. up to the date of approval of the financial statements at 31 December 2023.

Board of Statutory Auditors	
Office	**Name and surname**
Chairman	Enrico Broli
Acting Auditor	Germano Giancarli
Acting Auditor	Stefania Bettoni
Alternate Auditor	Paolo Belleri
Alternate Auditor	Ramona Corti

Board Committees

On 22 February 2021, subject to the starting date of trading on the Euronext Star Milan, the Board of Directors followed the recommendations of the Corporate Governance Code approved by Borsa Italiana S.p.A. and appointed a Control, Risks and Sustainability Committee consisting of three non-executive, independent directors, two of whom have adequate knowledge and experience in accounting, finance and risk management.

Control, Risks and Sustainability Committee *	
Office	**Name and surname**
Chairman	Marco Claudio Vitale**
Member	Cristina Spagna
Member	Fabiola Mascardi**

** The functions and duties regarding related-party transactions (RPT) have also been assigned to the Control, Risks and Sustainability Committee (CRSC).*

*** Director with adequate knowledge and experience in accounting, finance and risk management.*

On 22 February 2021, subject to the starting date of trading on Euronext Star Milan, the Board of Directors followed the recommendations of the Corporate Governance Code approved by Borsa Italiana S.p.A. and appointed a Nominations and Remuneration Committee consisting of three non-executive, independent directors, one of whom has adequate knowledge and experience in finance and remuneration policies.

Nominations and Remuneration Committee	
Office	**Name and surname**
Chairman	Cristina Spagna*
Member	Marco Claudio Vitale
Member	Fabiola Mascardi

** Director with adequate knowledge and experience in financial matters and remuneration policies.*

Supervisory Board

The Supervisory Board was appointed on 29 March 2021 and will remain in office until the date of the Shareholders' Meeting called to approve the financial statements at 31 December 2023.

Supervisory Board	
Office	**Name and surname**
Chairman	Francesco Menini
Internal Member	Martina Monico
Internal Member	Silvia Baresi

Independent auditors

On 22 February 2021 (with effect from the starting date of trading on the Euronext Star Milan) the Shareholders' Meeting of Antares Vision S.p.A. appointed EY S.p.A., with registered office in Via Lombardia 31, Rome, registered in the Companies Register of Rome, registration number, tax code and VAT number 00434000584 and under no. 70945 of the Register of Legal Auditors at the Ministry of Economy and Finance pursuant to art. 6 *et seq.* of Legislative Decree no. 39/2010, as amended by Legislative Decree no. 135/2016, as the company appointed to audit the accounts for the financial years from 2021 to 2029.

Scope of consolidation

At the half-year reporting date, the scope of consolidation was made up as follows:

SCOPE OF CONSOLIDATION					
Name	Headquarters	Currency	Direct parent company	Direct investment	Indirect investment
Antares Vision Inc.	New York, USA	USD	Antares Vision S.p.A.	100.00%	
Antares Vision North America LLC	New Jersey, USA	USD	Antares Vision Inc. America	100.00%	100.00%
Imago Technologies GmbH	Friedberg, Germany	EUR	Antares Vision S.p.A.	100.00%	
Antares Vision do Brasil Ltda	Sao Paulo, Brazil	BRL	Antares Vision S.p.A.	99.99%	
Legg System Ltda	Sao Paulo, Brazil	BRL	Antares Vision do Brasil ltda	99.99%	99.99%
T2 SOFTWARE	Sao Paulo, Brazil	BRL	Antares Vision do Brasil ltda	51.00%	50.99%
Pharmatrack Sistemas Ltda	Sao Paulo, Brazil	BRL	T2 SOFTWARE	73.00%	37.23%
Antares Vision France Sas	Rillieux-la-Pape, France	EUR	Antares Vision S.p.A.	100.00%	
Antares Vision Ireland Ltd	Galway, Ireland	EUR	Antares Vision S.p.A.	100.00%	
Antares Vision Rus OOO	Moscow, Russia	RUB	Antares Vision S.p.A.	100.00%	
Antares Vision Asia Pacific Ltd	Hong Kong	HKD	Antares Vision S.p.A.	100.00%	
Antares Vision (Shenzhen) International Trading Co., LTD	Shenzhen, China	CNY	Antares Vision Asia Pacific Ltd	100.00%	100.00%
FT System S.r.l.	Piacenza, Italy	EUR	Antares Vision S.p.A.	100.00%	
FT System North America LLC	Massachusetts, USA	USD	FT System S.r.l.	100.00%	100.00%
FT Hexagon	Challes les Eaux, France	EUR	FT System S.r.l.	100.00%	100.00%
Pen-Tec S.r.l.	Parma, Italy	EUR	FT System S.r.l.	100.00%	100.00%
Tecnel S.r.l.	Parma, Italy	EUR	FT System S.r.l.	100.00%	100.00%
Tradeticity d.o.o	Zagreb, Croatia	HRK	Antares Vision S.p.A.	82.80%	
Tradeticity Service d.o.o	Belgrade, Serbia	RSD	Tradeticity d.o.o	100.00%	82.80%
Convel S.r.l.	Vicenza, Italy	EUR	Antares Vision S.p.A.	100.00%	
Antares Vision Germany	Friedberg, Germany	EUR	Antares Vision S.p.A.	100.00%	
Innovative Marking Digital Solutions	London, UK	GBP	Antares Vision S.p.A.	70.00%	
Applied Vision Corporation	Ohio, USA	USD	Antares Vision Inc. America	100.00%	100.00%
rfXcel Corporation	Delaware, USA	USD	Antares Vision Inc. America	100.00%	100.00%
rfXcel Limited	UK	GBP	rfXcel Corporation	100.00%	100.00%
rfXcel LLC	Russia	RUB	rfXcel Corporation	100.00%	100.00%
Antares Vision India Private Limited	Mumbai, India	INR	Antares Vision S.p.A.	99.998%	
			FT System S.r.l.	0.002%	
Markirovka As a Service	Russia	RUB	Innovative Marketing Digital Solutions (IMDS) Uk Ltd	100.00%	70.00%
ACSIS, Inc.	USA	USD	Rfxcel Corporation	100.00%	
Antares Vision (Thailand) Co., LTD	Thailand	THB	Antares Vision Asia Pacific Ltd	49.00%	49.00%

Please refer to the notes for a more detailed description of the changes in the scope of consolidation compared with 31 December 2021 and at 30 June 2022.

Information on the shareholders and stock performance

The share capital at 30 June 2022 amounted to Euro 169,453, fully paid up, divided into 69,119,526 ordinary shares, 250,000 special shares and 1,189,590 performance shares, all without par value.

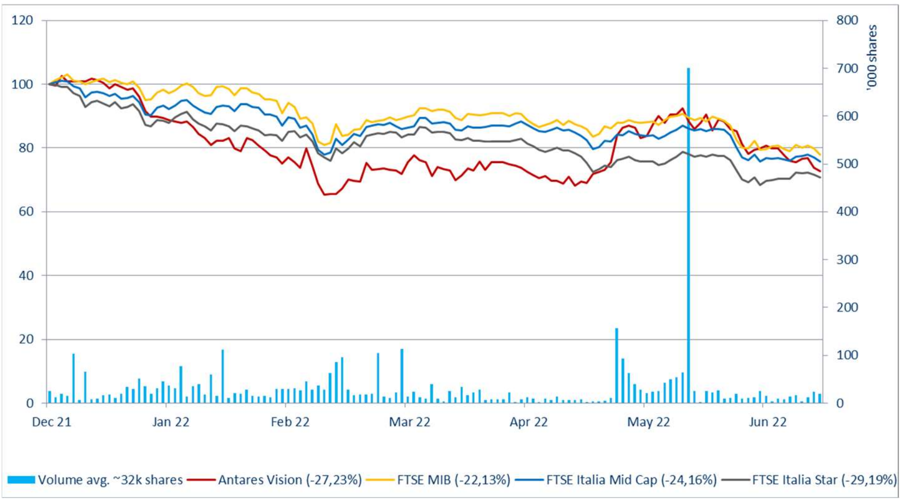
The shareholder structure is made up as follows:

STRUTTURA DELL'AZIONARIATO			
Shareholder	**Number of Ordinary Shares**	**% of Share Capital**	**% of Share Capital in terms of Voting Rights**
Regolo S.p.A.	35,037,802	50.69%	63.30%
Sargas S.r.l.	6,547,598	9.47%	11.83%
Capital Research and Management Company	5,529,017	8.00%	4.99%
Invesco Advisers	3,112,397	4.50%	2.81%
rfXcel management	668,198	0.97%	0.60%
Treasury Shares	33,916	0.05%	0.03%
Remaining Free Float	18,190,598	26.32%	16.43%

After its initial debut and listing in 2019 on the Euronext Growth multilateral trading system (AIM Italia at the admission date), since 14 May 2021, Antares Vision S.p.A. has been listed on the Euronext Star Milan market (Mercato Telematico Azionario, MTA, at the translisting date), a segment of the main board of the Italian Stock Exchange, which includes the shares of medium-sized companies that meet stringent requirements in terms of governance, transparency and liquidity.

In addition to FTSE All-Share Capped, FTSE Italia All-Share and FTSE Italia STAR indices, since 20 September 2021, its shares (ISIN IT000536660) have been included in the FTSE Italia Mid Cap index. This promotion in the index was decided by the FTSE Italia Index Series Technical Committee as part of the usual quarterly review of the basket and takes place in light of Antares Vision's compliance with rigorous free float and liquidity requirements. This index brings together the top 60 Italian companies by stock market capitalisation not included in the FTSE MIB index.

The stock's performance and trading volumes during the period are shown below.



Since June 2022[1], Antares Vision Group is a member of Euronext Tech Leaders, the new initiative for leading companies in the technology sector with a high growth potential. In other words, Antares Vision Group has become one of the 19 Italian companies chosen to be part of Euronext Tech Leaders among over 100 European leading companies in the Tech sector. This initiative aims to expand Euronext's existing offering to strengthen the European Tech sector and accelerate the growth of the next generation of technology leaders: the companies taking part in the project will become members of an exclusive network and will benefit from a series of services dedicated to technology companies, not to mention greater visibility at an international level. Euronext's rich Tech ecosystem brings together over 700 technology companies listed on the Euronext markets and a broad base of international investors who finance Tech companies with significant growth profiles.

Operating performance

In the first half of 2022, Antares Vision Group recorded a significant increase in terms of both turnover and orders, despite the numerous challenges: the persistence of the health emergency, the difficulties involved in procuring electronic components, higher logistics costs and the ongoing conflict in Ukraine. Despite this macroeconomic scenario, the Group continued its growth path in line with its business vision, as an enabler of innovation and digitalization, providing quality solutions to meet the emerging needs of markets, supply chains, governments and institutions, in line with consumption trends.

[1] *The relevant index will start in the fourth quarter of 2022*

Since 2021 the process of harmonising the technological solutions present in the Group has continued, having already seen the completion of integrated solutions to offer a complete and distinctive ecosystem. The development steps undertaken, resulting from synergy between technologies and business areas, can be summarised as follows:

- ***Inspection***: the inspection systems and machines for quality control have been further strengthened, expanding and integrating the technology portfolio, which can be used in each business area: (*i*) pharmaceuticals, where the multi-technological approach in automatic inspection controls has been extended to a greater variety of drugs to be inspected (liquids, lyophilisates, powders, solids and injectables); (*ii*) cosmetics, where the technological expertise developed in the pharmaceutical sector was borrowed, adapting the solutions to the specific needs of the market; (*iii*) beverage, where the completeness of the range in inspection technologies (leakage control, laser spectroscopy, vision systems) has made it possible to enter new market niches; *(iv)* food, where the presence of multiple technologies (x-rays and metal detectors for contaminant control, laser spectroscopy, hyperspectral, artificial vision, checkweigher), has led to a new "All-in-One" value proposition, only one machine capable of performing multiple quality checks.
- ***Track & Trace***: track & trace solutions have evolved towards an integrated offer with higher margins, through a more consistent presence in more profitable business models (Smart Data/SaaS and Services), supported by the continuous expansion of the machine pool that has been installed. The progressive achievement of the synergies deriving from the recently completed acquisitions will contribute to further increase profitability.
- ***Smart Data***: software platforms have been integrated to extract value from the primary data of Inspection and Track & Trace, making it possible to offer the value of production data to maximise efficiency and productivity (Digital Factory). Furthermore, the supply chain traceability platform has been supplemented and today collects end-to-end information all the way to the end-consumer (Supply Chain Transparency), thanks to the digital identity of the product.

From an operating point of view, the Group resumed full operations despite the climate of uncertainty, without recording any particular critical issues in terms of continuity of the production plants or particularly significant trends in production.

However, the saturation of logistics, the shortage of electronic components and the resulting inflationary pressure are starting to create a number of procurement problems and an impact on margins, even if it is fairly limited for the time being.

The shortage of electronic components led to the postponement of delivery of certain job orders which in turn had an impact on Equipment (Inspection and Track & Trace original equipment), which saw a 11% decrease compared with the first half of 2021. What's more, there is a slowdown in the implementation of track & trace solutions in Brazil, due to a regulatory change that no longer makes it mandatory, but leaves freedom of choice, for the implementation of serialisation and aggregation.

To manage the cost increases and lack of electronic components, the Group (i) began searching for new and alternative sources of supply on a timely basis, (ii) initiated and completed the re-engineering of certain products in order to reduce the quantity of electronic components, (iii) has managed to absorb the increase in costs thanks to the reduced incidence of these components on total costs, (iv) has and can continue to pass on inflation on components to customers and (v) has benefited from the greater incidence, as mentioned above, of sales in the Smart Data/SaaS and Services sector, which have higher margins.

In any case, possible delays in the delivery of components requires more careful planning of production in order to avoid or manage potential situations where finished product deliveries have to be postponed. Also from the logistical point of view, there are no significant cost impacts, as in most cases the transport costs are borne by the customers. However, greater attention is being paid to planning shipments following the saturation of logistics chains.

As regards the current scenario in Eastern Europe, the conflict between Russia and Ukraine has resulted in a severe blow to the recovery and led the global economy towards a slowdown in expected growth and increased inflation. Before the outbreak of the conflict, the macroeconomic scenario was reasonably optimistic, showing that it was on track for a strong, albeit intermittent, recovery.

In this context, it is undeniable that the conflict between Russia and Ukraine represents an element of concern above all because the outcomes and consequences of the crisis that this conflict is causing both on the fate of the world economy and on the Antares Vision Group's business are still unclear. The Group's exposure, also on a historical basis[2], is limited, both in terms of receivable balances (3.4%) and in terms of turnover (4% in the first half of 2022). The table below shows the turnover achieved by Group companies in the Russian Federation in the first half of 2022.

[2] *In 2019, turnover was Euro 4.5 million, about 4% of the Group's consolidated revenue. In 2020, turnover was Euro 23.4 million, about 19% of consolidated revenue; the peak in 2020 was due to pharmaceutical track & trace, which became a legal requirement from December 2020. Turnover in 2021 was slightly below 3% of consolidated revenue (Euro 5.2 million).*

TURNOVER IN RUSSIAN FEDERATION	
Name	**€/000**
Antares Vision Rus OOO	3,160
rfXcel Corporation	192
Antares Vision S.p.A.	48
Applied Vision Corporation	34
Total	**3,434**
Total %	*4.0%*

In terms of asset impairment, as explained in more detail in the section on the main balance sheet figures, at 31 December 2021 sensitivity analyses had already been carried out on the Business Plan (reducing profitability by up to 5% per year) and on the discount rate (increasing it by up to one percentage point) to take into account possible negative effects deriving from the Russian-Ukrainian conflict, without there being any indications of impairment.

However, it has to be said that, prior to these events, the Russian market was of great interest for implementation of the Group's track & trace solutions, which will most likely slow down over the coming months.

Also from the point of view of the sanctions regime, management, under the constant supervision of the Board of Directors and the control bodies, has worked to ensure full compliance with the restrictions, adopting a procedure that formalises and strengthens the operational best practices that have already been in place for some time.

Development Path

During the first half of 2022, Antares Vision Group continued on its development path through numerous innovative projects.

Group Projects

- ONE COMPANY project, which involves all the companies of the Group aimed at consolidating a corporate culture, as well as a strategy of go-to-market that leverages the synergy of all existing product lines, in order to create a single, distinctive value proposition, where the result is greater than the sum of the parts. The project resulted in a new business structure organised by business area and product unit, as well as a new system of corporate governance for the Group.

- AV GROUP PRODUCTION DATA MANAGEMENT (called DIGITAL FACTORY): continues as a project that makes it possible to collect data from inspection systems with the aim of monitoring the productivity and measuring the efficiency of production lines, also through preventive maintenance.

- AV GROUP VISION SOFTWARE: this artificial vision software integration project continues with the purpose of creating software interfaces that are common to the whole Group, which will make it possible to create a shared and transversal platform.

Life Sciences

- INSPECTION - the new automatic visual inspection machine for pre-filled syringes was created. It represents an innovation in the sector because it achieves the highest possible quality standards thanks to an advanced automatic visual inspection system that detects particle, cosmetic and liquid level defects. It also verifies the correct closure of the containers with a High Voltage technology which detects any leaks that would compromise sterility. This fast and smooth system, thanks to individually automated grippers and star-based guideless transport with vacuum, minimises the risk of breakages and scratches on the product.

- SMART WARD PLATFORM today renamed MEDICATION MANAGEMENT PLATFORM: the experimentation phase has been completed. The project, which is funded by the MISE, was developed in collaboration with the Research Centre for Advanced Technologies for Health and Well-Being of the IRCCS San Raffaele Hospital in Milan. The platform allows the logistical flow of drugs and medical devices in the hospital environment to be more efficient and traced, from the central pharmacy to the patient, thus reducing waste, errors in the administration of drugs and activities of little value for the patient. The tests were successful: the safety and efficiency indices improved by 100% compared with traditional logistics systems for drugs and medical devices in the hospital.

Food and Beverage

- THE TRACEABILITY PLATFORM PROJECT FOR THE AGRIFOOD market seeks to build a platform that is capable of guaranteeing the full traceability of food products. The project, funded by MISE, is in its second year of development and will end in 2023.

- RURALL: Antares Vision's commitment continues in the company which also involves BF S.p.A., Bluarancio S.p.A. and SDF S.p.A. for the creation of a digital infrastructure for precision agriculture and a complete traceability platform, "from farm to fork", to guarantee quality, efficiency, safety of food products and protect the entire Italian Agro-Food sector from counterfeiting, which is fundamental for the entire national economic system.

- ALL-IN-ONE: the All-In-One series has been developed thanks to the unique multi-technological portfolio on the market. It is revolutionary because it brings together several technologies for inspection in the Food sector in a single machine.

- ARTIFICIAL INTELLIGENCE IN GLASS QUALITY CONTROL: the quality control for the inspection of empty glass containers has been enhanced with the application of artificial intelligence algorithms, thanks to the collaboration with Orobix. In this way, performance will be improved both by reducing false rejects and by facilitating the programming and set up of the machine.

- NEURAL OCR continues as a project that will make it possible to build a prototype OCR system (Neural OCR) based on artificial intelligence for the verification of the codes required by law (expiration date, lot code, etc.). A first application has been installed on a tetrabrik production line at a strategic customer.

- T&T AV GROUP: the development project for the application of serialisation in the beverage sector saw the first installations on beer production lines, adapting the solutions to high speeds.

Rigid Containers

- Volcano Check (Polaris): the development of the system used for the detection of small cracks (controls) in bottles and glass jars continues without rotation of the container and minimum handling contact. Volcano Check will be able to significantly reduce time and costs, ensuring greater efficiency on the production line.

- Volcano On-Board (Volcano OB): this project, now completed, aims to combine the electronic cabinet and the optical groups in a single machine that does not require field wiring, ensuring better system reliability, reduced energy consumption and therefore lower production costs.

Supply Chain Transparency

The development projects focused on the end-to-end track & trace platform and supply chain transparency aim to offer complete visibility at every step of the supply chain, from the traceability of raw materials, of every single unit sold, of every logistical step up to the end-user, with integrated data management. Pursuing this goal, investments have been aimed at:

- rTS - Traceability System: the project to ensure harmonisation with the group's other platforms continues to offer a unique solution that integrates the best functionality of each one. In addition, specific functionalities are being developed that can respond to the needs of sectors such as food, beverage and cosmetics. The aim of offering a single technological platform to guarantee the transparency of products and supply chains through track & trace and data management, also by integrating with other production management systems, IoT and Blockchain. We are also proceeding with a rebranding process consistent with a Group strategy.

- rTH - Traceability Hub: the project, designed for government or public sector business partners, aims to create a single information hub for the end-to-end monitoring of imported products for origin, their digital identification or authentication, tracking them along the entire supply chain, acquisition of import records for import/tax/duty purposes. The regulations on serialisation and traceability are in continuous and rapid evolution and we are confident that the efforts made in developing this project will be amply rewarded by considerable opportunities in the future.

Some of these projects were partially included in capitalised development costs. For further details, please refer to the section of this report on R&D activities.

Alternative Performance Measures

Antares Vision Group uses certain alternative performance measures ("APMs") to monitor equity and financial trends and its operating performance. The APMs have been drawn up in compliance with ESMA/2015/1415 guidelines.

For a correct interpretation of these APMs please note the following:

- these indicators are based solely on historical data of Antares Vision Group and do not provide any indication of future trends;
- the APMs are not required by IFRS and, even though they are derived from the consolidated financial statements of Antares Vision Group, they have not been audited;
- the APMs should not be considered as being in lieu of the indicators required by IFRS;
- these APMs must be interpreted jointly with Antares Vision Group's financial information contained in the consolidated financial statements and accompanying notes;
- the definitions of the indicators used by Antares Vision Group, as they do not originate from the accounting principles of reference, may not be consistent with those adopted by other groups and hence may not be comparable;
- the APMs used by Antares Vision Group have been drawn up with continuity, defined and set out consistently for all periods covered by financial information included in this report on operations.

The APMs have been selected and set out in the report on operations because Antares Vision Group believes that:

- the Gross Profit, Value Added, EBITDA and EBIT, together with other profitability indicators, make it possible to show the changes in operating performance and provide useful information on Antares Vision Group's ability to sustain its indebtedness; these indicators are also commonly used by analysts and investors to assess company performance;

- net financial indebtedness, together with other indicators of the composition of assets and liabilities and of financial elasticity, lead to a better assessment of Antares Vision Group's overall financial strength and its ability to maintain a situation of structural equilibrium over time;
- the net trade working capital, net working capital and net invested capital make it easier to assess the Company's ability to meet short-term commercial obligations through current trade assets, as well as the consistency between the structure of its sources and applications of funds in terms of timing.

Main income statement figures

The consolidated income statement at 30 June 2022 is set out below, reclassified according to the criteria adopted for management accounting purposes and compared with the figures at 30 June 2021 (in thousands of Euro).

Note that the comparison is not immediately interpretable as it is influenced by:

- the acquisitions of Pen-tec and Tecnel, that took place in February 2021 through FT System S.r.l. and therefore included in the comparison for only 4 months;
- the acquisition of rfXcel in March 2021 through Antares Vision Inc. and therefore included in the comparison for only 3 months;
- the inclusion in the scope of consolidation of ACSIS, acquired on 18 February 2022 through rfXcel, and therefore not included in the comparative figures.

Antares Vision Consolidated P&L ('000,€)	0622 YTD	0621 YTD	Delta %
Sales[1]	85,413	75,530	13.1%
Capitalization of R&D	3,980	2,994	33.0%
Other Tax Credit	288	943	-69.4%
Tax Credit	563	323	74.2%
Value of Production	**90,245**	**79,790**	**13.1%**
Changes in Inventory Stock	-10,362	-104	9897.4%
Purchase	30,450	18,656	63.2%
Changes in work in progress	-48	-920	-94.8%
Cost of Goods Sold	**20,041**	**17,633**	**13.7%**
Margin % on Sales	*23.5%*	*23.3%*	
Commissions for agents	1,244	1,685	-26.2%
Installation Expenses	366	590	-38.1%
First Margin	**68,594**	**59,882**	**14.5%**
Margin % on Sales	*80.3%*	*79.3%*	
Third party assets	1,103	774	42.5%
Operating expenses	107	142	-25.0%
Services [1]	19,121	12,585	51.9%
Added Value	**48,264**	**46,381**	**4.1%**
Margin % on Sales	*56.5%*	*61.4%*	
Labour Cost	44,645	31,883	40.0%
Employees	40,557	28,618	41.7%
Professional Staff	4,088	3,265	25.2%
EBITDA	**3,619**	**14,498**	**-75.0%**
Margin % on Sales	*4.2%*	*19.2%*	
Provision	492	310	58.6%
Depreciation	4,435	2,761	60.6%
R&D intangible assets	2,815	1,548	81.8%
Tangible assets	1,620	1,212	33.6%
EBIT_RICL	**-1,309**	**11,427**	**-111.5%**
Margin % on Sales	*-1.5%*	*15.1%*	
Financial expenses	-3,384	3,330	-201.6%
Financial interest & commissions	2,029	1,381	46.9%
Exchange rates profit & loss	-2,005	-1,034	93.9%
Derivatives	-604	-250	141.6%
Warrants mark to market	-2,804	3,232	-186.8%
Extraordinary expenses [1]	1,097	8,882	-87.7%
PPA-GW Amortization	3,966	2,401	65.2%
EBT_RICL	**-2,988**	**-3,185**	**-6.2%**
Margin % on Sales	*-3.5%*	*-4.2%*	
Taxation	-1,140	-140	712.4%
Profit/(loss) third parties	-4	-338	-98.9%
NET PROFIT	**-1,844**	**-2,707**	**-31.9%**
Margin % on Sales	*-2.2%*	*-3.6%*	

EBT_RICL	**-2,988**	**-3,185**
PPA-GW Amortization	3,966	2,401
Extraordinary expenses [1]	1,097	8,882
Exchange rates profit & loss	-2,005	-1,034
Warrant	-2,804	3,232
EBT_RICL_ADJ	**-2,734**	**10,295**
Taxation adjusted	-209	2,759
Profit/(loss) third parties	-4	-338
Risultato netto ADJ	**-2,521**	**7,874**

[1] *Extraordinary items for the period and costs related to M&A have been reclassified below EBIT*

The figures shown here exclude a number of extraordinary items for the period, which have been reclassified below EBIT (“**EBIT_RECL**"). They consist of costs that the Antares Vision Group incurred for acquisitions (Euro 607 thousand) the net balance of extraordinary income and expenses (Euro 168 thousand). Subsequently, in order to provide a clearer representation of the net profit, it was normalised for the depreciation and amortisation deriving from the PPAs relating to the various acquisitions, the variation deriving from measurement of the warrants and the exchange differences leading to a negative **ADJ net result** of Euro 2.5 million compared with the positive result of Euro 7.9 million in the comparative period.

The first half of 2022 closes with a **value of production** (Euro 90.2 million) up by 13.1% compared with the same period last year (Euro 79.8 million). While influenced by the change in the scope of consolidation (around 3%), the result demonstrates how Antares Vision Group has managed to continue on its organic growth path (10%), despite the numerous challenges, thanks to its business vision.

The Group's consolidated net revenue came to Euro 85.4 million, up by 13.1% or 9.56% if measured organically (i.e. excluding ACSIS, acquired in February 2022) compared with the same period in 2021.

Revenue by geographical area (€m)	30/06/2022		30/06/2021		Change	
	Amount	%	Amount	%	Amount	Change %
Italy	11.9	14.0%	16.6	22.0%	(4.7)	-28.1%
Europe	29.5	34.5%	26.4	35.0%	3.1	11.6%
North & South America	33.0	38.7%	19.5	25.8%	13.5	69.3%
Asia & Oceania	6.7	7.9%	7.3	9.6%	(0.5)	-7.4%
Africa & Middle East	4.2	5.0%	5.7	7.6%	(1.5)	-26.4%
Total	**85.4**	**100.0%**	**75.5**	**100.0%**	**9.9**	**13.1%**

As regards the evolution of revenue on a geographical basis, the largest contribution, both in absolute terms (Euro 33.1 million compared with Euro 19.5 million) and in terms of growth (+69.3%, +55.7% without ACSIS) were produced by the Americas, driven by the United States, where the second phase of the rules on business combinations are expected to come into force in 2023. This trend more than compensated for the slowdown in the implementation of track & trace solutions in Brazil, due to a regulatory change that no longer makes it mandatory, but leaves freedom of choice, for the implementation of serialisation and aggregation.

Europe saw a recovery in all reference areas (Euro 29.5 million compared with Euro 26.4 million, +11.6%), after the decline last year, due to a sharp reduction in sales in Eastern Europe.

Revenue from Russia (part of Eastern Europe) during the period amounted to Euro 3.4 million, 4% of the total, mostly realised by Antares Vision Russia on the completion of existing contracts. As already specified in the section dedicated to management performance, it is clear that the Group's exposure is limited, although before the outbreak of the conflict, the Russian market was an area of considerable interest for the implementation of track & trace solutions, which will most likely slow down over the coming months.

Our technological solutions (Inspection, Track & Trace and Smart Data) have been showing considerable growth in the first half of the year, with the exception of Inspection in the Life Sciences segment.

Revenues by Technological Solutions -1H 2022 vs.1H 2021 (Euro m)

	1H 2022	%	1H 2021	%	Change %
Life Science					
Inspection	11.0	21.0%	14.1	30.9%	-22.0%
T&T (L1-L4)	35.2	67.0%	29.0	63.6%	21.4%
Smart Data	6.3	12.0%	2.5	5.5%	149.0%
Total Life Science	**52.5**	**100.0%**	**45.6**	**100.0%**	**15.2%**

	1H 2022	%	1H 2021	%	Change %
FMCG					
Inspection	28.1	85.6%	27.3	91.0%	3.2%
T&T (L1-L4)	2.2	6.5%	2.0	6.8%	5.4%
Smart Data	2.6	7.9%	0.6	2.1%	304.3%
Total FMCG	**32.9**	**100.0%**	**29.9**	**100.0%**	**9.8%**

	1H 2022	%	1H 2021	%	Change %
Antares Vision Group					
Inspection	39.2	45.9%	41.3	54.7%	-5.2%
T&T (L1-L4)	37.4	43.7%	31.1	41.1%	20.3%
Smart Data	8.9	10.4%	3.2	4.2%	180.4%
Total Antares Vision Group	**85.4**	**100.0%**	**75.5**	**100.0%**	**13.1%**

In line with the new classification for "Technological Solutions", we have made a more readable, simple and effective reclassification of revenues by product in the "Business Model" with the following subdivision:

- *Life Cycle Services*: includes all professional after-sales services for 24/7 assistance and plant maintenance, regulated by long-term renewable contracts (recurring revenues)
- *SaaS/Smart Data*: includes (i) the Level 4 software of the Track & Trace technology solution, (ii) the software provided through a service of cloud computing or on premises (iii) software based on data consumption, in this specific case on the number of managed serials and on the transactions carried out in the execution of specific applications. The service is regulated through long-term renewable contracts (recurring revenues)
- *Equipment*: this consists of hardware, software and commissioning (capex) for machines that carry out inspection checks (both integration kits and stand-alone modules) and that activate traceability processes

both in the production line (serialisation and aggregation modules) and in distribution centres (warehouse modules).

At the level of business model, in the first half of 2022, the considerable growth in SaaS/Smart Data services (respectively +30% and +144%) confirm the positioning of Antares Vision Group in data management through digitalisation and, more generally, in the generation of recurring and higher margin revenues, which in 1H 2022 represent 44% of total turnover with a overall growth of +73%. In 1H 2021 the same revenues accounted for 29% of turnover, 31% in FY 2021.

Revenues by business model - 1H 2022 vs.1H 2021 (Euro m)

	1H 2022	%	1H 2021	%	Change %
Life Cycle Services	*17.5*	*20.5%*	*13.5*	*17.8%*	*29.9%*
SaaS	*20.1*	*23.5%*	*8.2*	*10.9%*	*144.3%*
Recurring Business	37.5	43.9%	21.7	28.7%	73.3%
Equipment	47.9	56.1%	53.9	71.3%	-11.1%
Antares Vision Group	**85.4**	**100.0%**	**75.5**	**100.0%**	**13.1%**

The shortage of electronic components led to the postponement of delivery of certain job orders which in turn had an impact on Equipment (Inspection and Track & Trace original equipment), which saw a 11% decrease compared with 1H 2021 The decline recorded in Equipment is due to both Inspection and Track & Trace; however, we must highlight how Track & Trace recorded a turnaround in the second quarter with growth of +5.2% compared with a decrease of -34% in 1Q 2022.

Gross Operating Profit and **Value Added,** equal to Euro 68.6 million and Euro 48.3 million respectively, have increased by +14.5% and +4.1% compared with 30 June 2021.

In terms of profit margins on sales:

- there has been an improvement in the Gross Operating Margin (80.3% vs. 79.3%), which is the result of (*i*) the gradual transformation of Track & Trace from an original equipment business to a recurring business with high margins (represented by Smart Data/SaaS and Services), (*ii*) less use of external resources in installation processes to the advantage of internal staff, and (*iii*) a lower proportion of agents' commissions thanks to higher direct sales through local subsidiaries;
- a decrease in Value Added (56.5% vs. 61.4%) due to a higher proportion of costs for services, mainly of a fixed nature, which means that they arise more or less constantly throughout the year, as opposed to sales which take place mainly in the second half of the year, with a positive effect due to operating leverage.

The **Adjusted Gross Operating Profit (EBITDA)** is equal to Euro 3.6 million compared with Euro 14.5 million in the first half of 2021 (-75%), equal to 4.2% of sales (19.2% in 1H 2021). The reduction in margins derives from an increase in the break-even point following the recent acquisitions, which resulted in higher fixed costs. As mentioned above, the Group expects to absorb these costs during the rest of the year, thanks to the higher sales expected in the second half of the year. In particular, the cost of labour increased to Euro 44.7 million compared with Euro 31.9 million in the previous period.

The Group's expectation for the second half of 2022 and for the near future is to continue along the path of rising profitability; this will be achieved thanks to: (i) a gradual introduction in the FMCG sector of Track & Trace solutions, which will lead to an increase in the weight of high-margin recurring revenue, given that the Antares Vision Group's business model was initially characterised as an Original Equipment Manufacturer (OEM), subsequently as recurring business models (Services and Smart Data/SaaS); (ii) an improvement in the profitability of the acquired companies, thanks to revenue synergies and lower overhead costs; (iii) continuous growth in Smart Data/SaaS and Services sales in the Life Sciences field; (iv) constant growth of the markets for quality control and track & trace; (v) continuous geographical expansion; (vi) stabilisation of the cost of personnel and services.

The **Adjusted Operating Result (EBIT_RECL)** is negative for Euro 1.3 million compared with a positive figure of Euro 11.4 million in 1H 2021, with a negative impact on turnover of 1.5% (positive for 15.1% in 1H 2021). This result was affected by higher amortisation due to the capitalisation of development costs.

The financial component (positive for Euro 3.4 million) benefits from a positive balance of gains and losses on exchange rates for Euro 2 million, from the fair value adjustment of derivatives of Euro 0.6 million, from the recognition of income of Euro 2.8 million euro deriving from the fair value measurement of the warrants, which more than offset the interest and financial charges of Euro 2 million.

All this, together with extraordinary items (Euro 1.1 thousand) and the effect of the PPAs (Euro 3.7 million), resulted in a negative result of Euro 3 million before tax and Euro 1.8 million euro after tax and third parties' result.

Lastly, as mentioned previously, to provide a clearer representation of the net profit, it was normalised for:

- extraordinary items (net of the theoretical tax effect),
- the effect of the warrants,
- the effect of the PPAs (net of the theoretical tax effect),
- exchange differences (net of the theoretical tax effect),

leading to a negative **Adjusted Net Result** of Euro 2.5 million, versus a positive figure of Euro 7.8 million in the corresponding period of 2021.

Orders and revenue guidance

Antares Vision Group expects double-digit growth in revenue and an improvement in profitability in 2022, even if inflationary pressures are beginning to show some negative effects; also thanks to the orders in the first half of 2022, which grew by 31%, Antares Vision Group is confident in confirming its forecasts for turnover, with an increase in consolidated net sales, excluding the acquisitions made during the year, between +12% and +18% compared with the actual figures for 2021.

To date, the greatest challenge is represented by the procurement of electronic components and logistics to complete and deliver the orders received and the backlog accumulated to date. There is great determination and commitment on the part of the entire management team to find solutions to ensure that delivery deadlines are kept.

The organic growth forecasts provided at the time that the 2021 results were announced already discounted the uncertainties related to the conflict in Ukraine and the consequent sanctions against Russia. For Antares Vision Group, Russia is a market with good business potential, but it is now likely to slow down.

Main balance sheet figures

The statement of financial position is set out below, reclassified by sources and applications at 30 June 2022 and 31 December 2021 (in thousands of Euro).

Antares Vision Consolidated BS ('000,€)	0622 YTD	1221 YTD	Delta %
Real Estate & Right of use	24,877	23,552	5.6%
Financial Assets	7,304	7,342	-0.5%
Net Tangible Assets	3,253	2,986	8.9%
Net Intangible Assets	237,613	214,072	11.0%
Total Fixed Assets	**273,047**	**247,952**	**10.1%**
% Incid. On NIC	*78.0%*	*82.8%*	
Inventory Raw Material	36,934	24,112	53.2%
Inventory Finished Goods	5,855	6,411	-8.7%
Inventory WIP	7,239	7,052	2.7%
Total Inventory [1]	**50,027**	**37,575**	**33.1%**
Trade Receivables [2]	79,119	63,932	23.8%
Trade Payables	-17,878	-18,675	-4.3%
Advances from Clients	-30,551	-20,283	50.6%
Trade Net Working Capital	**80,717**	**62,550**	**29.0%**
% Incid. On NIC	*23.0%*	*20.9%*	
Other Current Assets	36,048	26,537	35.8%
Other Current Liabilities	-29,090	-25,391	14.6%
Net Working Capital [3]	**87,675**	**63,697**	**37.6%**
% Incid. On NIC	*25.0%*	*21.3%*	
Severance Indemnity Fund (TFR)	-6,979	-8,634	-19.2%
Other Funds	-937	-965	-2.9%
Bad Debt	-2,553	-2,713	-5.9%
Net Invested Capital [3]	**350,253**	**299,338**	**17.0%**
% Incid. On NIC	*100.0%*	*100.0%*	
Net Equity	291,285	272,399	6.9%
Net Equity	**291,285**	**272,399**	**6.9%**
% Incid. On TSoF	*83.2%*	*91.0%*	
Long Term loans + Leasing	147,432	145,418	1.4%
Bank Loans	130,956	126,871	3.2%
Leasing	11,795	11,059	6.6%
Other financial debts	4,682	7,488	-37.5%
Net Cash	-88,465	-118,479	-25.3%
Net Financial Debt [3]	**58,967**	**26,939**	**118.9%**
% Incid. On TSoF	*16.8%*	*9.0%*	
Total Source of Financing [3]	**350,253**	**299,338**	**17.0%**
% Incid. On TSoF	*100.0%*	*100.0%*	

[1] Compared with the value of Inventories shown in the Statement of Financial Position in the Notes to the Financial Statements, Advances to suppliers on inventories are excluded and are classified here under Other current assets

[2] The value is shown here gross of the allowance for doubtful accounts, which is shown in the item Write-downs

[3] For the sake of clarity of presentation, the comparative as of 12/31/2021 has been restated following the reclassification of the liability recorded by FT System for the price adjustment related to the acquisition of Pen-tec and Tecnel from Other current liabilities to Borrowings

Total fixed assets show a significant increase (25.1 million euro, +10.1%) mainly influenced by:

- the inclusion of ACSIS in the scope of consolidation, which took place in February 2022 and generated a difference between the price paid and the shareholders' equity of the company acquired of US$ 13 million (Euro 11.4 million at the exchange rate on the date of acquisition); the PPA carried out during the period resulted in the allocation of the difference of US$ 4.1 million (Euro 3.6 million) to Technologies, US$ 3.1 million (Euro 2.7 million) to the Customer List, offset by the related provision for deferred taxes of US$ 2 million dollars (Euro 1.7 million at the local tax rate of 27%) and a residual value of Goodwill of US$ 7.7 million (Euro 6.8 million)[3];
- the exchange rate effect on goodwill already recognized as at 31 December 2021 which resulted in an increase of Euro 7.4 million;
- investments in intangible assets, mainly for development costs (Euro 4.9 million as higher capitalisations and the consequent positive exchange rate effect for Euro 117 thousand and Euro 272 thousand as a positive exchange rate effect on the capitalisations of previous years), partially offset by the increase in accumulated amortisation due to the charge for the period and implementation of the new ERP (SAP S/4HANA) and the new PLM (Euro 706 thousand), the latter still in progress and therefore not yet subject to amortisation;
- the investments in strategic partnerships for Euro 250 thousand with a view to carrying out highly innovative technological projects financed by the European Union through the NextGenerationEU programme.

It should be remembered that at the end of the previous year, the Board of Directors of Antares Vision Group carried out specific procedures to control the recoverable value of intangible assets with an indefinite useful life recognised in the consolidated balance sheet of Antares Vision Group, in accordance with the provisions of IAS 36, showing that the recoverable amount of the group of assets under analysis was well above its carrying amount. In light of the conflict between Russia and Ukraine, the directors have carried out sensitivity analyses on the Business Plan (reducing its profitability by up to 5% per year) and on the discount rate (increasing it up to one percentage point) to take into account possible negative effects deriving from this crisis. Also following this sensitivity, the recoverable value of the group of assets under analysis was significantly higher than its book value.

The Directors believe that they have no additional or substantially modifying elements with respect to the assessments carried out and that no indicators of impairment arose during the half year.

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[3]*At the exchange rate ruling on 30 June 2022, Technologies are worth Euro 4 million, the Customer List Euro 3 million, the provision for deferred taxes Euro 1.9 million and the residual value allocated to goodwill Euro 7.4 million.*

With regard to the acquisition of ACSIS which took place in February 2022, the Directors estimate that the recoverable value of the assets acquired coincides with the price paid as this represents the best indication of fair value available at the reporting date. The Directors do not have any other elements that could modify the basis on which the purchase price was established.

The Directors will systematically monitor the financial position and income data, at least annually, to assess the need to adjust the forecasts and promptly reflect any further impairment.

Net operating working capital increased by 29%, a change linked to a certain extent to the working capital of ACSIS from its date of inclusion in the scope of consolidation, but mainly to the increase in inventories (+ Euro 12,452 thousand) and trade receivables (+ Euro 15,187 thousand), partially offset by the rise in advances from customers (+ Euro 10,268 thousand) following the significant increase in sales, as well as orders from customers (which always generate advance payments). Overall, net working capital increased by 37.6% as a result of the mark-to-market adjustment to positive derivatives (Euro 4,344 thousand), the allocations of deferred tax assets and liabilities to the various accounting items, as well as the balance of current taxation.

Provisions were released for a total of Euro 1,842 thousand. Contributions to this result came from the reduction in the severance indemnity provision of Euro 1,655 thousand (-19.2%), accounted for in accordance with IAS 19 - Employee Benefits and influenced by the economic assumptions connected to the current macroeconomic scenario (particularly from the increase in the discount rate[4]), and the fair value adjustment of negative derivatives of Euro 5 thousand compared with Euro 565 thousand at 31 December 2021. Write-downs include the provision for doubtful accounts which was increased by Euro 401 thousand in accordance with IFRS 9.

Shareholders' equity amounts to Euro 291,285 thousand, an increase of 6.9% compared with 31 December 2021, reflecting the result for the period (not adjusted for extraordinary items) which was negative for Euro 1,844 thousand. Reserves have been affected by the application of IAS 19 - Employee Benefits (Euro 1,771 thousand due to the significant increase in the discount rate[5] linked to the economic assumptions of the current macroeconomic scenario) and the accounting treatment of hedging derivatives (Euro 3,702 thousand). Accounting for the Stock Option Plans resulted in an increase in shareholders' equity of Euro 201 thousand. Please refer to the statement of changes in shareholders' equity, included in the notes, for a more detailed discussion of the changes that have affected shareholders' equity.

[4] *From 0.98% to 3.22% as detailed in the explanatory notes*
[5] *From 0.98% to 3.22% as detailed in the explanatory notes*

Main financial figures

The following is the consolidated net financial position at 30 June 2022 compared with 31 December 2021 (in thousands of euro). The statement reflects the provisions of the ESMA32-382-1138 guideline on disclosure obligations, aimed at greater uniformity of disclosure obligations at European level.

Net financial position (euro thousand)		30/06/2022	31/12/2021
Cash at banks	(***)	*62,115*	*77,887*
Cash on hand		*250*	*445*
Cash and banks	A	62,365	78,332
Cash equivalents	B	-	-
Securities immediately available for sale		*37,485*	*40,147*
Positive derivatives		*4,344*	*-*
Other financial assets	C	41,829	40,147
Cash and cash equivalents	**D=A+B+C**	**104,194**	**118,479**
Current lease liabilities		*-1,702*	*-1,683*
Other financial payables	(**)	*-11,385*	*-460*
Current financial debt *(including debt instruments, but excluding the current portion of non-current financial debt)*	E	-13,087	-2,143
Current portion of non-current financial debt	F	-3,561	-5,747
Current financial debt	**G=E+F**	**-16,648**	**-7,890**
Net current financial debt	**H=G-D**	**87,546**	**110,589**
Non-current loans and borrowings		*-127,395*	*-128,151*
Non-current lease liabilities		*-10,092*	*-9,376*
Financial liability of warrants (fair value measurement)		*-4,682*	
Non-current financial payables	I	-142,169	-137,527
Debt instruments including negative derivative instrument	J	-5	-565
Other non-current payables	K	-	-
Non-current financial debt	**L=I+J+K**	**-142,174**	**-138,092**
Net financial position (*)	**M=H+L**	**-54,628**	**-27,503**

(*) The difference with respect to the Net financial position shown in the section on Capital management of the Explanatory Notes is due to a different classification of company credit cards

(**) At 30 June 2022, the item includes the amounts not yet redeemed by the previous shareholders of rfXcel following the sale of the company to Antares Vision Group. At 31 December 2021 the item included the payable recorded for the price adjustment relating to the acquisition of Pen-tec and Tecnel, which was paid in April 2022

(***) At 30 June 2022, the item includes the amounts not yet redeemed by the previous shareholders of rfXcel following the sale of the company to Antares Vision Group, which have a corresponding financial debt as a contra-entry.

It is also considered appropriate to provide the financial position net of the effect of derivatives and the fair value of the warrants ("**Adjusted net financial position**"):

Adjusted net financial position (euro thousand)		30/06/2022	31/12/2021
Net financial position		**-54,628**	***-27,503***
Derivative effect neutralisation		-4,339	565
	(****)	**-58,967**	**-26,939**
Warrant *fair value*		4,682	7,486
Adjusted net financial position		**-54,285**	**-19,452**

(****) The difference at 31 December 2021 compared with what is shown in the reclassified Statement of Financial Position is due to the price adjustment relating to the acquisition of Pen-Tec and Tecnel. This adjustment was paid in April 2022

The net financial position is negative for Euro 54,628 thousand compared with a negative balance of Euro 27,503 thousand at 31 December 2021. The adjusted net financial position, i.e. net of the effect of the valuation of the warrants at market value (as there will not be any real cash outflow) and the fair value measurement of derivatives, is negative for Euro 54,285 thousand (negative for Euro 19,452 at 31 December 2021).

The change in the adjusted net financial position compared with the same period last year is mainly influenced by:

- Euro 3.6 million of positive EBITDA
- the acquisition of ACSIS Inc. ("ACSIS") which took place on 3.6 February 2022 through rfXcel Corp. ("rfXcel") for an Enterprise Value of US$ 12 million (Euro 10.6 million at the exchange rate on the date of acquisition, including a shareholder loan for US$ 8.8 million (Euro 7.7 million) acquired from rfXcel), in addition to cash of US$ 3 million[6] (Euro 2.6 million). The financial resources for this transaction were made available through an increase in capital of US$ 15 million from the Parent Company to Antares Vision Inc. ("**AVUS**") and subsequently from AVUS to rfXcel. Following the price adjustment formalised in April 2022, the carrying amount of the investment is equal to US$ 6.3 million (Euro 6.0 million at the exchange rate ruling on 30 June 2022). During the first half of 2022, the Purchase Price Allocation was carried out, the results of which are described in detail in the Business Combinations section of the notes;
- an increase in net working capital (excluding the effect of the acquisition of ACSIS) for an amount of Euro 19.1 million, as described above;
- the investments in intangible assets, mainly for development costs (Euro 4.9 million) and implementation of the new ERP (SAP S/4HANA) and the new PLM (Euro 706 thousand);

[6] *Amount net of debt-like items related to the acquisition for US$ 0.5 million.*

- the investments in strategic partnerships for Euro 250 thousand with a view to carrying out highly innovative technological projects financed by the European Union through the NextGenerationEU programme;
- the fair value adjustment of financial assets available for sale (negative for Euro 561 thousand, relating to the Parent Company for Euro 288 thousand and to FT System for Euro 273 thousand);
- the payment of mortgage interest for an equivalent post-hedging amount of Euro 1.4 million (Euro 1.1 million, net of the effect of derivatives);
- the extinction of a derivative financial instrument, initially stipulated to offset changes in the interest rate on a bank loan repaid in advance, which resulted in collecting income of Euro 328 thousand.

Among the events that took place during the half year which have a neutral effect on the net financial position, the following are worth noting:

- payment to the Parent Company of a Euro 10 million bank loan, of which Euro 6.6 million was used to repay the previous loan from the same bank. This transaction formed part of a broader debt refinancing strategy initiated during the second half of 2021 that involved taking out new bank loans (with an average duration of 5 years, a maturity of between 7 and 8 years and a fixed average post-hedging cost of around 1.7%)[7] and the placement of Euro 40 million of unsecured and non-convertible bonds with Pricoa Capital Group (the so-called "US Private Placement”). This made it possible to provide the Group with considerable liquidity (at a weighted average cost of 2% and a weighted average duration of 6.4 years[8]) to invest in its future development plans. Antares Vision Group is required to comply with financial covenants in line with market practice and there is full compliance at the date of preparation of this document;
- payment to the Parent Company of a subsidised loan of Euro 1.7 million and a bank loan of Euro 0.2 million relating to the third Structural Adjustment Loan (SAL) of the Smart Ward Platform R&D project, now renamed Medication Management Platform. On the occasion of the previous SALs, the Parent Company had already received Euro 3.3 million as a subsidised loan and Euro 0.4 million in the form of a bank loan;
- the partial disinvestment of Euro 2.1 million in the bond fund held by FT System which resulted in a corresponding inflow of cash;
- payment of the price adjustments linked to the acquisition of Pen-tec which took place in April 2022 for Euro 460 thousand and recorded under other payables of a financial nature at 31 December 2021;

[7] *Figures calculated at the date each loan was taken out, including a Euro 20 million line of credit that is still to be used as of 30 June 2022*
[8] *Figures calculated at the date each loan was taken out, including a Euro 20 million line of credit that is still to be used as of 30 June 2022*

- recognition of a payable of a financial nature of US$ 11.8 million (Euro 11.4 million) which includes the sums not yet redeemed by the previous shareholders of rfXcel following the sale of the company to Antares Vision Group, which is offset by AVUS's cash on hand and at banks. According to American law, on the fifth anniversary of the closing, if these funds have not yet been requested by the rightful owners, Antares Vision Group will have to notify the state of the last known address of the rightful owner and the related funds will have to be transferred to this State, becoming *de facto* state property.

Significant events

Acquisition of ACSIS Inc.

On 18 February 2022 Antares Vision Group completed the acquisition of ACSIS Inc. ("**ACSIS**”) for an Enterprise Value of US$ 12 million, through rfXcel, (Euro 10.6 million at the exchange rate on the date of acquisition, including a shareholder loan for US$ 8.8 million (Euro 7.7 million) acquired from rfXcel), in addition to cash of US$ 3 million[9] (Euro 2.6 million). Founded in 1996, ACSIS offers innovative software solutions and services to companies with complex warehouse, distribution and packaging management. The company offers multinationals software to manage track and trace data, optimise inventory management through their supply chains, and seamlessly manage the integration of information to their ERP systems. For over 20 years, ACSIS has provided solutions and services to several Fortune 1000 manufacturing companies, with complex, regulated procurement chains. The main customers of ACSIS include DuPont, Cintas, BIMBO, Hershey and Coca-Cola. This acquisition will allow Antares Vision to further strengthen its solutions for end-to-end digitalization of the supply chain and, in particular, to reduce the impacts of the supply chain in terms of sustainability. Furthermore, the operation allows the Group to expand its presence in new industrial sectors and to broaden the customer portfolio. The financial resources for this transaction were made available through an increase in capital of US$ 15 million from the Parent Company to AVUS and subsequently from AVUS to rfXcel. The Purchase Price Allocation ("**PPA**") was carried out during the half-year under review and is explained in greater detail in the notes in the section on Business Combinations.

Approval of the Merger Plan for the absorption of Convel S.r.l. by Antares Vision S.p.A.

On 20 June 2022, pursuant to art. 2505, second paragraph, of the Italian Civil Code, the Board of Directors of the Parent Company approved the absorption by Antares Vision S.p.A. of its subsidiary Convel S.r.l., a company specialising in automated inspection in the pharmaceutical industry ("**Convel**" or the "**Company being merged**"). On the same date, Convel's Board of Directors also approved the merger plan. The merger arises from the need to

[9] *Amount net of debt-like items related to the acquisition for US$ 0.5 million.*

concentrate in the Parent Company the activities carried out independently by Convel (which already fall within the corporate purpose of Antares Vision S.p.A. and carried on by it), also to rationalise the Group. The objectives that the Group intends to achieve through the merger plan and the corporate reorganisation are: (a) to consolidate production and commercial activities in the field of inspection machines for the pharmaceutical sector; (b) to optimise the management of resources and intra-group economic-financial flows deriving from the activities currently carried on by the individual companies; (c) to allow greater flexibility of internal processes; (d) to hold down operating costs by achieving economies of scale and maximising synergies in the various activities to avoid duplicating or overlapping certain corporate and administrative functions. The company being merged is - and will be on the date of completion of the merger deed - directly and wholly owned by Antares Vision S.p.A. and, therefore, pursuant to art. 2505 of the Italian Civil Code, the simplified merger procedure can be applied which does not need the explanatory report of the administrative bodies of the company participating in the merger (art. 2501-quinques of the Italian Civil Code) and the expert report on the fairness of the share exchange ratio (art. 2501-sexies of the Italian Civil Code). Furthermore, as no Antares Vision S.p.A. shares are due to the shareholders of Convel, it is not necessary to determine an exchange ratio or the procedures for assigning the shares, nor the date from which these shares will participate in the profits. The merger ends with the cancellation of the share capital of the company being merged. It is currently expected that the merger will be submitted for approval by the administrative body of Antares Vision S.p.A. in September 2022 - pursuant to art. 2505, second paragraph, of the Italian Civil Code - and to Convel's shareholders' meeting, without prejudice to the right of the shareholders of the Parent Company who represent at least 5% of the share capital to request within 8 days from the registration of the merger plan in the pertinent Companies Registers that the decision approving the merger be adopted by the Company's Shareholders' Meeting.

Starting from the effective date of the merger, i.e. from 1 January 2023, Antares Vision will take over all of the legal relationships - debit and credit - currently in the name of Convel. There are no particular advantages in favour of the directors of the companies participating in the merger[10].

[10] It should be noted that Antares Vision and Convel are related parties, the latter being wholly owned by the former. However, pursuant to art. 3.1.g) of the Procedure for Related-Party Transactions applied by Antares Vision and of art.14, paragraph 2, of the Regulations for Related-Party Transactions approved by Consob resolution no. 17221 of 12.3.2010 as subsequently amended, the rules on related-party transactions do not apply, as Convel does not have significant interests in other related parties of the Company. Moreover, Antares Vision has exercised the right to derogate from the disclosure requirements referred to in arts. 70, paragraph 6, and 71, paragraph 1, of the Regulation adopted by Consob with resolution 11971 of 1999 in its current version, so it does not envisage publication of an information document on the merger.

Establishment of Antares Vision (Thailand) Co., Ltd

Antares Vision (Thailand) Co., Ltd ("**AV Thailand**") was founded in June 2022 with Antares Vision Asia Pacific holding 49% of the share capital. Shareholder agreements were signed with the two majority partners from which emerges a situation of factual control, so the company has been included in the scope of line-by-line consolidation from 30 June 2022, even if it is still dormant. The purpose of setting up AV Thailand is to strengthen the Group's presence in the local market and ensure greater coverage in terms of technical and commercial support.

Other partnerships

In June 2022, the Parent Company signed important agreements as the technological partner of two national research centres financed by the European Union through NextGenerationEU, one in the agrifood sector and the other in the biomedical sector; the purposes of these agreements fully reflect the Antares Vision Group's commitment to contribute to innovation, R&D and sustainability, to bring about constant improvement in the economic, technological and scientific competitiveness of our country in the world. The projects are part of the programme of the Italian Ministry of University and Research within the National Recovery and Resilience Plan - PNRR.

The National Research Centre for Agricultural Technologies - Agritech has been created with the aim of giving greater impetus to cutting-edge research in the technological field with particular reference to technologies for agriculture and nutrition in line with the priorities of the European research agenda and with the contents of the National Research Plan.

The Centre will act as a hub for the Research Programme established by the Ministry of University and Research concerning the presentation of proposals for the strengthening of research structures and creation of "national champions" for R&D on certain Key Enabling Technologies to be funded under the National Recovery and Resilience Plan promoted by the European Union - NextGenerationEU.

The project is based on the use of enabling technologies for the sustainable development of agri-food production, with the aim of favouring adaptation to climate change, reducing the environmental impact in agrifood, the development of marginal areas, safety, traceability and the typical nature of supply chains.

The Antares Vision Group's participation forms part of an *équipe* of Italian excellence made up of 28 universities, 5 research centres and 17 other companies united by the ambition to combine the best scientific skills to make the Italian agri-food industry more competitive and sustainable.

The National Centre for the Development of Gene Therapy and Drugs using RNA-based Technology carries out research in areas of strategic importance for the country for the production of therapies and the design of procedures for human health, integrating the development of therapies with their targeted administration (known as "precision delivery). It aims at the creation and renewal of research infrastructures and laboratories, the creation and development of research programmes and activities to favour the birth and growth of entrepreneurial initiatives with a higher technological content (innovative start-ups and spin-offs from research), aimed at enhancing the research results in the specified areas. The Centre focuses its activities in areas of high innovative value such as gene therapy applied to the treatment of cancer or hereditary diseases and RNA-based technologies, integrating skills in the field of advanced biocomputing and smart nanomaterials. The Centre has the ambition and the ability to become an excellence and a point of reference for Europe in order to make our country competitive in the development of state-of-the-art drugs. In addition to Antares Vision, it sees the participation of several universities, hospitals and research institutes, as well as leading companies that are leaders in the life sciences and biomedical sectors.

Membership of the Lifestyle-Tech Competence Centre (Lugano)

On 25 May 2022 Antares Vision Group announced its membership of the Lifestyle-Tech Competence Centre based in Lugano, an innovation hub that combines the skills of industrial companies and the academic world with the aim of transforming innovative projects into market opportunities. The Antares Vision Group's participation forms part of the Group's strategy aimed at accelerating technological innovation and digitalization through collaboration with partners of excellence for investment in research and development.

In particular, membership provides for the funding of a Feasibility Project, based on a project by Innosuisse (Swiss Agency for the Promotion of Innovation) in collaboration with the University of Applied Sciences and Arts of Italian Switzerland - SUSPI, aimed at developing a complete track & trace platform. The platform will be able to collect, manage and process supply chain data, from the raw material to the end-consumer.

Other significant events

The first half of 2022 saw the exercise of 5,006 warrants, corresponding to 963 ordinary shares with a consequent increase in capital of Euro 2 and in the share premium reserve of Euro 94. As a result of this exercise, there are still 2,490,400 warrants outstanding at the date of preparation of this document.

Information relating to Sustainability and People

Antares Vision Group is the natural enabler of a sustainable transition and a circular economy and, in line with its corporate mission, it contributes through technology to ensure transparency in information, safety for people, the quality of each product, the protection of typical elements of supply chains and a reduction in environmental impact.

As a further commitment to achieve, maintain and share concrete and transparent sustainability objectives, starting from 31 December 2021, Antares Vision Group is preparing a Consolidated Non-Financial Report on an annual basis, subject to review by an independent auditing firm, pursuant to Legislative Decree 254/2016.

Sustainability and actions aimed at mitigating climate changes

The issues of climate change and its impacts are a priority in all economic, political and social areas, as well as a necessary driver in business and investment decisions.

Consequently, the market needs new metrics, new performance indicators and transparent information with respect to the economic-financial repercussions of the risks involved in climate change. In this sense, climatic impact becomes an integral element of annual reports oriented towards comprehensive corporate reporting, i.e. a convergence between financial and non-financial information.

The European Securities and Markets Authority (ESMA) has observed that it is essential that all issuers consider climate-related topics in their communications to the market, ensuring consistency of information disclosed in the directors' report, the non-financial report, financial statements and, where applicable, a prospectus. In particular, ESMA highlights that, if material, climate change risk must be considered when preparing financial statements and during the audit, assuming a longer time horizon than is usually considered for financial risk. ESMA also mentions that, in addition to the information required by the individual IFRS, according to paragraph 112 (c) of IAS 1, information on climate risk, if material, has to be provided in the notes to the financial statements.

In this context, Antares Vision Group is not particularly exposed to the risks associated with climate change, given the nature of its business, nor does it operate in sectors that are particularly vulnerable to climate and environmental risks[11].

[11] *Economic activities considered to be characterised by acute physical risks are those exposed to earthquake or flood zones because their production plants or strategic suppliers are located there. Economic activities exposed to transition risks are, for example, those operating in the single-use food plastic sector, companies operating in the energy sector with low investments in renewables or in support of the energy transition, automotive companies entirely focused on vehicles with internal combustion engines.*

In April 2021, the European Commission published a proposal for a Corporate Sustainability Reporting Directive (CSRD) which would amend existing reporting requirements, supplementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board and allowing greater disclosure and alignment of information at a European level.

The TCFD guidelines suggest the classification of climatic and environmental risks into two macro categories:

- physical risk indicates the financial impact of climate change, including more frequent extreme weather events and gradual climate changes, as well as environmental degradation, i.e. air, water and soil pollution, water stress, biodiversity loss and deforestation. Physical risk is therefore classified as "acute" if caused by extreme events such as droughts, floods and storms, and "chronic" if caused by progressive changes such as increased temperatures, rising sea levels, water stress, loss of biodiversity, change in land use, habitat destruction and scarcity of resources. For example, this kind of risk can lead directly to physical damage or a drop in productivity, or indirectly to subsequent events such as an interruption of production chains.
- transition risk relates to the process of transition towards a low-emission and more environmentally sustainable economy. This type of risk could translate into:
    - legal risks, i.e. risks deriving from legislative or policy impositions aimed at triggering the change (such as carbon tax and plastic tax);
    - technology risks, i.e. risks related to necessary technological innovations leading to technical obsolescence and a need for more capital to invest in R&D and in renovating and converting the structure into technologies that are compatible with the transition;
    - market risks, i.e. risks related to changes in the propensity for green consumption with a consequent decrease in demand for products that are not compatible with the transition;
    - reputation risks, i.e. risks involving the relationship of trust between consumer and business, which becomes an element of differentiation in the consumer's decision-making.

These risk factors inevitably have an impact on economic activities, potentially undermining their business model in the medium to long term.

Antares Vision Group's business involves production processes with a low impact on the territory in terms of consumption of natural resources, production of industrial waste and the emission of polluting substances. In certain cases of exceptional climatic events, or in the presence of serious breakdowns or malfunctioning in the plants, Antares Vision Group's industrial production could cause damage to third parties, accidents and/or environmental damage, in addition to a slowdown in activities, exposing the Group to obligations involving compensation and/or reclamation, as well as to liability, possibly even of a criminal nature. Antares Vision Group strives to prevent this type of risk by adopting measures deemed adequate by its management and in line with industry practices.

Antares Vision Group is actively engaged in pursuing a sustainable business model both as a technological enabler, in guaranteeing the quality and safety, efficiency and sustainability of products and supply chains, and in pursuing the objectives of the United Nations 2030 Agenda and of the Sustainable Development Goals (SDGs). When drafting its first Sustainability Report (Non-Financial Report), Antares Vision Group carried out a consistency analysis of its business model, strategic objectives and projects implemented and planned, which led to the identification of those SDGs that are considered priorities as a reflection of Antares Vision Group's contribution and commitment, together with the underlying targets and actions.

The strategic guidelines of Antares Vision Group are consistent with the objective of providing a contribution to sustainable development by making the production systems of essential goods such as those of the food chain and pharmaceuticals more efficient. This is also consistent with the macro-trends and scenarios of the sector, which are subject to regulatory changes aimed at improving people's lives and reducing the impact of consuming natural resources.

The positive environmental impacts of the business model and solutions developed by Antares Vision Group, in particular Digital Factory and Supply Chain Transparency, concern the efficient use of natural resources, the adoption of the principles of a circular economy in the use of materials and the monitoring of supply chains and the total life cycle of the products.

The same solutions offered in the food and pharmaceutical sectors are available and applicable to any consumer product in order to guarantee quality, safety, originality and hence sustainability, thanks to the indissoluble link between healthy people, healthy societies and a healthy planet.

Lastly, in the context of growth and reinforcement of its competitive positioning, investments in R&D are inherent to its business and the various acquisitions, already carried out or potential, at national and international level, allow Antares Vision Group not only to expand its portfolio of technologies and solutions, but also to access human resources and specific skills, so as to strengthen its profile, also with a view to mitigating technology risk.

Commitment to the environment

Antares Vision Group has decided to join the worldwide #PlasticFree campaign, the #IoSonoAmbiente project promoted by the Ministry of the Environment and with the "Join the Antares Vision Green Side" initiative launched in November 2019, it has considerably anticipated the banning of all disposable plastic products such as cutlery, plates, straws, sticks and containers. The elimination of plastic bottles is already underway, both through the use of stainless steel bottles supplied to employees (who in 2022, in just 6 months, have saved 1,538 kg of plastic corresponding to 38,764 half-litre bottles) and in the automatic hot drink dispensers that use only eco-sustainable cups.

As part of the #paperless campaign, as early as January 2020 Antares Vision Group replaced the packaging of the documentation supplied with the machinery with an eco-sustainable version. In addition, the format of the new machine manuals is specifically designed for digital consultation in order to reduce the use of the paper version over time. To reduce paper waste and raise awareness of all employees to reduce printed paper, the Group introduced the Follow Me tool, which allows further verification to avoid needless printing. For every 10,000 sheets of paper saved, a tree will be planted in the area immediately outside the headquarters.

Separate waste collection has been strengthened with the creation of a new equipped area. A mapping of the type of waste, its quantity and disposal method was carried out last year; these are mainly packaging materials consisting of paper, cardboard, plastic and wood, which in 2021 were destined 72% for recovery. At the same time, achievable margins for improvement have been identified; the adoption of adequate measures will make it possible to achieve 95% of separate waste collection.

Lastly, it should be noted that the Parent Company has ISO 14001:2015 Certification, which attests compliance with the requirements for environmental management systems by all its divisions and production activities. This certification is voluntary and represents an internationally valid recognition of the application and maintenance of high technical and quality standards.

People

Antares Vision Group recognises the centrality of human resources as a key success factor within a framework of mutual loyalty and trust between employer and employee.

At 30 June 2022, Antares Vision Group had 1,118 employees (1,090 on a like-for-like basis), which compares with 1,004 persons at 31 December 2021 (+11.4%, +8.6% on a like-for-like basis) and 949 at 30 June 2021 (+17.8%, +14.9% on a like-for-like basis).

Company	Apprentices	Production workers	Office workers	Middle managers	Executives	Total at 30/06/2022	Total as at 31/12/2021	Total at 30/06/2021
Antares Vision S.p.A.	22		388	29	7	446	416	394
Imago Technologies			26			26	25	22
Antares Vision do Brasil			58			58	55	46
T2 SOFTWARE			11			11	10	9
Antares Vision North America			45			45	45	44
Antares Vision France			24			24	24	30
Antares Vision Ireland			2			2	2	2
Antares Vision Russia			56			56	42	31
FT System	7	26	103	4	3	143	136	138
FT Hexagone			9			9	9	9
FT North America			17			17	16	15
Antares Vision Asia Pacific			10			10	6	6
Antares Vision GmbH			9			9	9	10
Tradeticity d.o.o.			4			4	4	4
Tradeticity Services d.o.o.			28			28	23	19
Convel		4	16			20	16	16
Applied Vision			70			70	67	65
rfXcel Corporation			53			53	45	44
rfXcel LTD			5			5	5	4
rfXcel LLC			6			6	5	6
Pen-Tec		3	8	1		12	10	9
Tecnel		2	4			6	5	6
Antares Vision India			23			23	22	20
Markirovka As a Service			7			7	7	-
TOTAL ON A LIKE-FOR-LIKE BASIS	29	35	982	34	10	1,090	1,004	949
ACSIS, Inc.			28			28		
TOTAL	29	35	1,010	34	10	1,118		

This trend is shown in the following table which shows the number of employees per individual company, with a separate indication of the entities that joined the Group during the period in question and excluding entities without employees[12]. Being well aware that human capital increasingly represents a competitive advantage, the Shareholders' Meeting of the Parent Company has approved two stock option plans (the "First Stock Option Plan" and the "**Second Stock Option Plan**", together the "Plans")[13] to be implemented through the free assignment of a maximum number of options (the "**Options**") for the subscription and/or paid assignment of Ordinary Shares to executive directors, top management and key employees whose performances, given their roles and functions, are more likely to influence the company's results in accordance with the guidelines already approved by the Shareholders' Meeting of 20 May 2020.

The Plans aim to establish a level of remuneration that are in line with national and international best practices,

[12] *These are Antares Vision Inc., Legg System, Pharmatrack Sistemas Ltda, Antares Vision (Shenzhen) International Trading, Innovative Marketing Digital Solutions (IMDS) Uk Ltd and Antares Vision (Thailand) Co., Ltd.*
[13] *The First Stock Option Plan was approved by the Shareholders' Meeting of Antares Vision S.p.A. held on 20 May 2020. The Second Stock Option Plan was approved by the Shareholders' Meeting of Antares Vision S.p.A. held on 24 March 2021.*

increasing the already strong retention of resources considered key by Antares Vision, by programming medium-long term objectives aimed at improving performance with a view to a progressive and ever greater creation of value, which can translate into a direct benefit for the shareholders.

With reference to the First Stock Option Plan:

- during the 2020 financial year, the first tranche corresponding to 108,000 options was assigned to executive directors and 225,000 options to top management and key employees. Of the latter, a total of 79,078 options were cancelled due to the lack of some of the vesting conditions envisaged in the plan. The effect on the income statement of the remaining options was Euro 34 thousand;
- during the first half of 2021, the second tranche was assigned in favour of top management and key employees, corresponding to 333,000 options, of which 51,753 were cancelled during the first half of 2022 due to the lack of some of the vesting conditions envisaged in the plan. The effect on the income statement of the remaining options was Euro 74 thousand. It should be remembered that at the time of assignment, the executive directors waived the options assigned to them as part of the second vesting cycle for a total of 108,000 options in favour of the employees of the Group.
- assignment of the third tranche in favour of top management and key employees is currently in progress, as the executive directors have renounced the options assigned to them as part of the third vesting cycle. The assignment will be completed by the end of 2022 and has therefore not yet produced any accounting effects.

With reference to the Second Stock Option Plan:

- the first tranche was assigned during the first half of 2021 with 425,000 options going to employees and directors who have been delegated powers, consultants and similar persons of the Parent Company and the Group. Of these, 78,583 options have been cancelled due to the lack of some of the vesting conditions envisaged in the plan. The effect on the income statement was Euro 93 thousand.
- assignment of the second tranche is currently in progress in favour of employees and directors with delegated powers, consultants and comparable subjects of the Parent Company or the Group. The assignment will be completed by the end of 2022 and has therefore not yet produced any accounting effects

Antares Vision Group also pays considerable attention to the observance of laws and regulations on the protection of safety in the workplace and advance assessment of all possible sources of risk for workers' health.

In order to ensure the greatest possible transparency and fairness in its actions, it has decided to summarise the lines of conduct and shared values in the Model 231, which is available for consultation by employees.

The Parent Company has ISO 45001:2018 Certification, which attests compliance with the requirements for safety and health at work management systems by all its divisions and production activities. Furthermore, following the entry into force of Legislative Decree 81/2008 that superseded Legislative Decree 626/94, external consultants have been hired to carry out the surveys required by law, also by carrying out periodic analyses of the workplaces and instrumental measurements, whose results confirm full compliance with the legal standards.

Equal consideration is given to laying down measures to manage any emergency situations. With regard to the health emergency caused by the spread of Covid-19, Antares Vision Group reacted immediately by following all of the updates by the competent Authorities in real time, applying them rigorously while guaranteeing 100% operations and business continuity. The efforts made to cope with the situation in the best possible way resulted in protecting the safety of staff and visitors from when they entered the premises through access management using Track My Health, the innovative solution developed by Antares Vision Group, which is integrated and scalable. In full respect for privacy, it checks everyone's body temperature on entry and ensures that they are wearing a face mask. It also counts how many people there are, making it possible to restrict the number automatically within a set limit.

Following the experience gained during the health emergency, the Parent Company entered into an agreement with its employees which provides for remote working for a maximum of 2 days per week (8 days per month) in accordance with art. 18 *et seq.* of Law 81/2017, putting the emphasis on organisational flexibility and helping employees to maintain a balance between life and work, while at the same time favouring an increase in productivity.

The corporate welfare project is continuing, with a dedicated platform, which includes initiatives to promote the well-being and quality of life of employees and their families.

Research and development

During the first half of 2022, Antares Vision Group continued its research and development activity and the related costs incurred were mostly charged to the income statement. Those that were capitalised and recorded under capitalised development costs at 30 June 2022 amount to Euro 3,980 thousand in total. Below there is a description of the most important projects, divided by company. Management believes that these projects will have a successful outcome which should increase turnover and have a positive impact on the results of Antares Vision Group.

Antares Vision S.p.A.

The Parent Company has directed its efforts by continuing to develop the following innovative projects:

- The TFP project for the Agrifood market seeks to build a platform that is capable of guaranteeing the full traceability of food products, by building on Antares Vision Group's experience in the pharmaceutical industry, starting from the very beginning – farming – all the way to the end-consumer, thus providing the latter with full visibility of the history and genuineness of the product, "from farm to fork", leading to disposal of the packaging and, if possible, its recycling. With this project, Antares Vision Group seeks to evolve and extend its inspection, traceability and Big Data Analytics technologies to create an ecosystem of products and services targeting the agrifood market, and more in general, the consumer goods market. The top quality segments of the food market are highly interested in being able to use such a platform to address growing consumer awareness of the issues of food quality and sustainability. The platform in the works is consistent with the circular economy models that are currently being debated, to maintain high standards of living while fully respecting the environment.

- Adapting serialisation solutions for the beverage market: the technological crossing project continues through the application of tracking solutions in the beverage sector. Specifically, a project has begun that sees the installation on beer production lines, adapting the solutions to high speeds.

FT System (*FOOD & BEVERAGE*)

The Parent Company has combined its projects with those of FT System, the most recent of which are the first results of the synergies created following FT System's inclusion in the Group. The following is a brief description of the most representative projects.

- RoboQCS: the aim of the ROBO-QCS (Quality Control System) project is to create a container quality verification system (weight-volume, measurement of the capping torque, Co_2 concentration) placed on the inspection line, through a robot that picks up the containers and performs quality tests on them in a fully automated, non-destructive manner; after testing, the containers can be placed back on the production line as they are intact and fit to be marketed.

  FOOD: the aim of the project is to identify the factors that could impair the airtight sealing of the container. Errors in setting the sealing temperature, incorrect selection of the adhesive sealing material, less-than-perfect planarity of surfaces in contact in the sealing area and the presence of foreign matter might cause leaks, including microscopic ones, that cannot be immediately identified, as they do not cause evident spills of liquids or other substances.

- Production data management [DIGITAL FACTORY] continues the project that makes it possible to collect data from inspection systems with the aim of monitoring the productivity and measuring the efficiency of production lines, also through preventive maintenance In fact, inspection systems often analyse and eliminate faulty containers and produce the data relating to the analyses, corresponding to the point of the line where they are installed, but lack a data centralisation system that makes it possible to improve the operational management of the customer's production. The project aims to implement new communication protocols and open "doors" on the data inside local databases in order to be accessible to centralisation software outside the individual machines.

- AV GROUP vision software: this artificial vision software integration project continues with the purpose of creating intra-group software interfaces, which will make it possible to create a shared and transversal platform.

- AV GROUP T&T: this aims to set up inspection systems that they can manage and/or provide information relating to codes (barcode, datamatrix, QR Code) read on containers (bottles, cartons, cash registers, etc.) for product Track & Trace. The systems currently produced by FT System have an architecture that does not allow the communication of information for tracking the containers; their main objective is to eliminate faulty samples, not to follow those that are compliant. Thanks to a process of comparison and integration with Antares Vision Group's systems, which began with the acquisition of FT System in 2019, it will be possible to apply product tracking also in the beverage field.

- Neural OCR continues as a project that will make it possible to build a prototype OCR system (Neural OCR) based on artificial intelligence for the verification of the codes required by law (expiration date, lot code, etc.). A first application has been installed on a tetrabrik production line at a strategic customer.

Applied Vision (RIGID CONTAINERS)

Applied Vision concentrated on the following projects:

- Volcano Check (Polaris): the development of the system used for the detection of small cracks (controls) in bottles and glass jars continues without rotation of the container and minimum handling contact. Rotating and/or handling of merchandise has many disadvantages to the overall throughput of the production line, causing high rates of container deterioration and slower speed of goods through the line. Volcano Check will be able to significantly reduce time and costs, ensuring greater efficiency on the production line.

- Volcano On-Board (Volcano OB): this project aims to combine the electronic cabinet and the optical groups in a single machine that does not require field wiring, ensuring better system reliability, reduced energy consumption and therefore lower production costs.

Rfxcel (SUPPLY CHAIN TRANSPARENCY)

The development projects focused on the end-to-end track & trace platform and rfXcel's supply chain transparency aim to offer complete visibility at every step of the supply chain, from the traceability of raw materials, of every single unit sold, of every logistical step up to the end-user, with integrated data management.
Pursuing this goal, investments have been aimed at:

- rTS - rfXcel Traceability System, a system initially developed for pharmaceutical applications, now being adapted for new sectors, such as food & beverage and the consumer goods market, which are very much interested in guaranteeing complete visibility of their products' supply chain. The advantages are innumerable: tracing the origin and authenticity of the products, guaranteeing their safety and allowing efficient management of stocks or recalls.

- rTH - rfXcel Traceability Hub, aimed at government or public sector business partners. The project aims to create a single information hub for the end-to-end monitoring of imported products for origin, their digital identification or authentication, tracking them along the entire supply chain, acquisition of import records for import/tax/duty purposes. The regulations on serialisation and traceability are in continuous and rapid evolution and we are confident that the efforts made in developing this project will be amply rewarded by considerable opportunities in the future.

Own shares and shares in Parent Companies

On 22 April 2022, the Shareholders' Meeting of the Parent Company renewed the authorisation for the purchase and disposal of treasury shares for a period of 18 months from the date of the resolution, subject to revocation of the authorisation approved by the Shareholders' Meeting of 24 March 2021.

The purpose of the buyback plan is to use any treasury shares:

- as an efficient way to invest any excess liquidity generated by the core business;

- to implement incentive plans in whatever form they are structured, or to make bonus issues to shareholders or fulfil obligations deriving from warrants, convertible financial instruments that involve mandatory conversion or which are exchangeable for shares (based on existing transactions or transactions still to be resolved or implemented);
- in operations connected with the core business or of projects consistent with the strategic lines that the Antares Vision Group intends to pursue, which could be suitable for share exchanges in order to integrate operations with potential strategic partners;
- to intervene, in compliance with current regulations, also through intermediaries, to limit anomalous movements in prices and to regularise the trend in trading and prices at times of momentary distortions caused by excessive volatility or insufficient liquidity.

The main features of the plan are the following:

- purchases can be made on one or more occasions within 18 months from the date of the resolution, up to a maximum amount of treasury shares which, taking into account the shares held from time to time by the Parent Company and its subsidiaries, is not more than 2% of the Parent Company's share capital and, in any case, in compliance with the legal limits[14], at a unit price not lower than a minimum of 10% and no higher than a maximum of 10% with respect to the reference price that the security posted on the trading day prior to each individual transaction;
- purchases can be made on regulated markets according to operating methods established in the organisation and management regulations of the markets and agreed with Borsa Italiana S.p.A., which in any case allow respect for equal treatment of shareholders, as well as in compliance with any other applicable legislation, or in different ways, where permitted by art. 132, paragraph 3, of the aforementioned Legislative Decree 58 of 24 February 1998, or by other legal or regulatory provisions applicable from time to time at the time of the transaction, in any of the following ways: (i) public purchase or exchange offer, pursuant to art. 144-bis, paragraph 1a), of Consob Regulation 11971/1999 ibidem, following a resolution of the Board of Directors in compliance with current legislation; (ii) purchases made in a way that does not allow a direct matching of purchase orders with specific sales orders, in compliance with the provisions of article 132 of TUF and art. 144-bis, paragraph 1b), of the Issuers' Regulations, or (iii) any other way provided for by the law, as assessed from time to time in relation to the best implementation of the shareholders' mandate in this sense;
- purchases, even in several tranches, must be made within the limits of the distributable profits and/or available reserves resulting from the latest financial statements approved by the Parent Company at the

[14] *In any case, according to the operating methods envisaged in Regulation (EU) no. 596/2014, of the related EU and national legislation for implementation and of the market practices in force at the time as established by the competent Supervisory Authorities in compliance with art. 13 of Regulation (EU) no. 596/2014.*

time of the transaction, establishing a reserve for treasury shares and, in any case, proceeding with the necessary accounting entries in the manner and within the limits of the law;

- only fully paid-up shares may be purchased;
- the administrative body, pursuant to art. 2357-ter of the Italian Civil Code, may dispose at any time, in whole or in part, on one or more occasions, even before having exhausted the purchases, of the treasury shares purchased on the basis of this resolution or in any case in the portfolio of the Parent Company, through their alienation on the market, in blocks or otherwise outside the market, accelerated book building, or the transfer of any real and/or personal rights relating to them (including, but not limited to, securities lending), with the power to establish, in compliance with the provisions of law and regulations[15] the terms, methods and conditions of the deed of disposal of treasury shares deemed most appropriate in the interest of Antares Vision Group. It is understood that such transactions may take place at the price or value or, in any case, according to criteria and conditions, which will result congruous and in line with the transaction, also taking into account the trend of the market and share prices and/or the development prospects of the issuer or the economic convenience of completing the transaction in relation to the market scenario or the transaction (including integration) to be carried out having regard to the actual implementation methods used.

Lastly, the Shareholders' Meeting explicitly clarified that, in application of the so-called "whitewash" referred to in art. 44-bis, paragraph 2, Consob Regulation 11971/1999, the treasury shares purchased in execution of the authorisation resolution will not be excluded from the ordinary share capital (i.e. they will be included in it) if, as a result of the purchase of treasury shares, it is determined that a shareholder exceeds the thresholds for the purposes of art. 106 of the Consolidated Law on Finance.

It should be noted that at the date of preparation of this document, Antares Vision Group held 33,916 treasury shares equal to 0.05% of the share capital for a total of Euro 342 thousand.

[15] *In any case, according to the operating methods envisaged in Regulation (EU) no. 596/2014, of the related EU and national legislation for implementation and of the market practices in force at the time as established by the competent Supervisory Authorities in compliance with art. 13 of Regulation (EU) no. 596/2014.*

Information related to risks and uncertainties pursuant to art. 2428, para. 3, item 6-bis, of the Italian Civil Code

The Parent Company has stipulated derivative contracts for the management and hedging of the main financial risks to which it is exposed. The following table shows the main characteristics of these derivatives, leaving it to the explanatory notes to provide details on the risks being hedged, the technical characteristics of the derivatives and their accounting treatment.

Financial instrument	Counterparty	Main transaction	Risk covered	Accounting policy
Interest Rate Swap	Iccrea Bancaimpresa	Bank borrowing	Interest rate risk	Speculative
Interest Rate Swap	Iccrea Bancaimpresa	Leasing	Interest rate risk	Speculative **
Interest Rate Swap	Unicredit	Leasing	Interest rate risk	Speculative **
Interest Rate Swap	Intesa Sanpaolo	Bank borrowing	Interest rate risk	Hedging
Interest Rate Swap	BNL	Bank borrowing	Interest rate risk	Hedging
Flexible forward	Mediobanca	Intercompany loan	Exchange rate risk	Hedging
Flexible forward	Mediobanca	Intercompany loan	Exchange rate risk	Hedging
Total				

*** Although the purpose is hedging, not all of the requirements for hedge accounting envisaged by IFRS 9 are met, so the usual accounting treatment of derivative instruments for speculative purposes was applied.*

Business Outlook

As part of its positioning and in line with its mission as a Group, the evolution and growth of the business consistently pursue the path followed to date thanks to the following growth drivers:

- Track & Trace regulations in the pharmaceutical and other emerging sectors to reduce counterfeiting and grey markets. From recent sources (2020), which have significantly updated the counterfeiting numbers, it is estimated that the profits from the sales of counterfeit medicines are between Euro 150 and 200 billion globally[16] and that losses for the pharmaceutical industry are around Euro 10 billion in Europe alone[17]. Within the pandemic scenario, illicit trade has continued to grow with estimates of an increase of up to 25% between 2019 and 2020 globally[18]. The OECD reckons that this illicit market represents about 1% of global imports[19], entailing costs for European governments in terms of lost revenue of Euro 1.7 billion[20]. These economic costs, combined with the need to protect the health of the population, continue to push government organisations and manufacturing companies to take steps to combat this

[16] *Source: Gartner, Serialization Regulatory Outlook for Anticounterfeiting and Fake Medicines Across the Healthcare Value Chain, March 2020*
[17] *Source: OECD/EUIPO, Trade in Counterfeit Pharmaceutical Products, Illicit Trade, 2020*
[18] *Source: OECD/EUIPO, Global Trade in Fakes, 2021*
[19] *Source: OECD, Illicit Trade, Trade in Counterfeit Pharmaceutical Products made available in May 2020*
[20] *Source: OECD, Illicit Trade, Trade in Counterfeit Pharmaceutical Products made available in May 2020*

phenomenon, such as the introduction of regulations and the implementation of new technologies. If by 2020 60% of the countries in the world have already planned or implemented forms of regulation for the traceability of pharmaceutical products, the adoption of these solutions is still being expanded, even to those developing countries where cases of counterfeiting are most frequent. [21] Furthermore, alongside the offer of solutions to satisfy the regulations, Track & Trace platforms are implemented to manage government hubs. As happened in Bahrain, thanks to a dedicated solution developed by rfXcel, Antares Vision Group foresees a potential evolution in the implementation of new government hubs around the world, committed to the fight against counterfeiting of medicines and other products;

- collaborations and partnerships of a commercial nature, such as the well-established partnership with IMA that sees the Group engaged in several innovation projects also with the application of artificial intelligence, both at the research and innovation level with the signing in June 2022 of two technological projects financed by the European Union through the NextGenerationEU programme, to which a third one, currently being formalised, will be added for a total value of approximately Euro 900 million. The development of Brand Protection solutions also continues, through strategic partnerships such as the one with Edgyn, a leader in this sector. Through the integration of Edgyn's innovative authentication and traceability technologies along the entire Antares Vision Group supply chain, the partnership aims to create a global point of reference with the most innovative solution for product authentication and brand protection for the pharmaceutical industry.
- synergies and intra-group cross selling, already commenced in practice and further strengthened with the implementation of the new internal organisation, by business area and product unit. Continuing to pursue the entrepreneurial vision that sees the enabling of digitalization paths and an integrated and transversal management of data along the supply chain, today our value proposition to guarantee TRUSTPARENCY is a valid solution to the new demands of the markets, supply chains and consumers, after the pandemic crisis, consistent with technological and consumer macro-trends.

Technological and consumer trends

The last few years have been characterized by a highly uncertain and unstable macroeconomic and geopolitical scenario. A new paradigm is spreading, one that has changed perceptions, actions and behaviours:

- **79% of the population** is changing its shopping preferences based on criteria such as **social responsibility, inclusiveness or environmental impact** (Deloitte);

[21] *Source: Gartner, Serialization Regulatory Outlook for Anticounterfeiting and Fake Medicines Across the Healthcare Value Chain, March 2020*

- **39% of the most mature companies in their digital transformation process have been able to successfully react to the changes brought about by the pandemic**, compared with 12% of the less advanced ones (Deloitte);
- **92% of supply chain executives expect to adopt new business models within 5 years**, with the challenge of mitigating the risks associated with low **visibility, collaboration and sharing** of resources with its commercial partners (Gartner).

The results from various research sources (from Gartner, to Deloitte, to digital observatories) have shown how those who have been able to react promptly to change have managed to seize opportunities for growth and innovation, relying heavily on investments in innovation and digitalization:Gartner predicts for 2022 the fastest growth rate of IT budgets in the last decade, 3.6% up on 2021 levels.

In this context, it is clear how the need to ensure TRUSTPARENCY™ and to guarantee the dissemination of safer, traceable and certified products by origin can be extended to all production chains throughout the world.

Borrowing on its experience in the Life Sciences sector, Antares Vision Group has for some time already started diversifying the business through strategic acquisitions such as those in FT System, Applied Vision, Pen-tec, Tecnel, and the most recent ones in Packital and Ingg. Vescovini, which are active in the Inspection Solutions segment in the Food & Beverage sectors.

Antares Vision Group has therefore been able to respond to consumers' growing sensitivity about the quality and genuineness of food and respect for the environment, tracing the entire life cycle of the product from "farm to fork", up to the time that the packaging is disposed of and, hopefully, recycled.

Concrete examples are the TFP traceability project in the Agrifood sector explained in the section on R&D activities and the Agritech foundation already mentioned in the section on Significant Events. Then there is the partnership agreement signed in July 2021 with BF S.p.A. (the most important Italian agro-industrial group), Bluarancio S.p.A. (an Information Technology company leader in the construction and management of platforms for the Italian agricultural sector) and SDF S.p.A. (among the world's leading manufacturers of tractors, harvesting machines and diesel engines) for the start-up of RurAll S.p.A.

All these projects are geared to making the entire Italian Agro-Food sector more efficient, guaranteeing quality and protecting it from counterfeiting, given that the sector is fundamental for the whole national economy and, consequently, for all consumers.

On the other hand, the rationale behind the acquisition of rfXcel in March 2021 and the very recent acquisition of ACSIS in February 2022 is to further strengthen innovative end-to-end software solutions. The latter in particular offers innovative software solutions and services to multinationals with particularly complex and regulated supply chains with an important business in managing the traceability of reusable packaging (used several times in the life cycle in the supply chain), such as baskets, crates and pallets.

Going concern

Based on the economic results and cash generation achieved in recent years, as well as the financial resources available at 30 June 2022, management believe that, as things stand, there are no significant uncertainties, such as to raise doubts about the Group's capacity to continue in business as a going concern.

Travagliato, 7 September 2022

The Board of Directors

Emidio Zorzella	Massimo Bonardi	Alioscia Berto
Marco Claudio Vitale	Martina Monico	Fabio Forestelli
Cristina Spagna	Fiammetta Roccia	Fabiola Mascardi

The signed document has been filed at the registered office of the Parent Company

Declaration pursuant to art. 81-ter of Consob regulation no. 11971 of 14 May 1999 and subsequent amendments and additions

The undersigned Emidio Zorzella, as Chairman of the Board of Directors and Chief Executive Officer and Alioscia Berto, as the Manager responsible for preparing the accounting and corporate documents of Antares Vision S.p.A., taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58, confirm:

- the adequacy in relation to the characteristics of the company e
- the effective application of the administrative and accounting procedures for the preparation of the Consolidated Financial Statements during the first half of 2022.

No significant aspects emerged in this regard.

They also confirm that:

- the consolidated financial statements:

  a) have been prepared in compliance with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

  b) agree with the balances shown in the books of account and accounting entries;

  c) are suitable for providing a true and fair view of the assets and liabilities, results and financial position of the issuer and of the group of companies included in the consolidation.

- The report on operations includes a reliable analysis of important events that took place during the first half of the year and their impact on the consolidated financial statements.

Travagliato (Brescia), 7 September 2022

Chairman of the Board of Directors

Emidio Zorzella

Manager in charge of preparing the accounting and corporate documents

Alioscia Berto

CONSOLIDATED FINANCIAL STATEMENTS

Statement of financial position	Notes	30/06/2022	31/12/2021
Assets			
Non-current assets			
Property, plant and equipment and right-of-use assets	1	28,129,942	26,538,178
Goodwill	2	160,681,352	145,859,266
Other intangible assets	3	94,108,575	83,489,469
Investments in associates, joint ventures and other companies	4	7,304,227	7,341,702
Non-current financial assets	5	4,902,859	235,277
Deferred tax assets	6	17,507,421	14,964,705
Total non-current assets		**312,634,376**	**278,428,597**
Current assets			
Inventories	7	52,006,074	38,182,503
Trade receivables	8	76,574,642	61,785,590
of which with related parties		*1,770,970*	*1,995,151*
Other receivables	9	11,654,525	10,730,526
Other current financial assets	10	37,484,866	40,145,623
Cash and banks	11	62,364,822	78,332,432
Total current assets		**240,084,930**	**229,176,674**
Total assets		**552,719,306**	**507,605,272**
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	12	169,453	169,451
Other reserves	12	280,920,789	260,533,370
FTA reserve	12	-15,250,613	-15,250,613
Retained earnings	12	27,156,008	14,479,590
Profit/(loss) for the period	12	-1,843,787	12,395,990
Total shareholders' equity	**12**	**291,151,850**	**272,327,788**
Capital and reserves attributable to minority interests	12	136,757	119,960
Profit/(loss) attributable to minority interests	12	-3,850	-48,730
Total shareholders' equity attributable to minority interests	**12**	**132,908**	**71,230**
Total shareholders' equity	**12**	**291,284,758**	**272,399,018**
Non-current liabilities			
Non-current loans and borrowings	13	132,077,497	128,150,631
Non-current lease liabilities	14	10,092,437	9,376,093
Other non-current financial liabilities	15	4,674	566,764
Retirement benefit obligations	16	6,979,430	8,633,983
Deferred tax liabilities	17	21,001,517	17,583,213
Other non-current liabilities	18	174,156	329,207
Total non-current liabilities		**170,329,711**	**164,639,891**
Current liabilities			
Current loans and borrowings	19	4,003,191	5,989,703
Current lease liabilities	20	1,702,246	1,683,212
Other current financial liabilities	21	11,384,726	459,780
Current provisions for risks and charges	22	936,662	964,618
Contract liabilities	23	2,341,514	2,721,242
Trade payables	24	17,878,286	18,674,613
of which with related parties		*421,652*	*833,425*
Other payables	25	52,858,212	40,073,195
Total current liabilities		**91,104,838**	**70,566,363**
Total shareholders' equity and liabilities		**552,719,306**	**507,605,272**

Income statement	Notes	June 2022	June 2021
Revenue	26	85,453,240	74,969,751
of which with related parties		*92,851*	*798,854*
Other income	27	813,837	1,532,148
Changes in finished and semi-finished	28	-1,530,831	-424,476
Raw materials and consumables	29	-18,740,414	-17,374,375
of which with related parties		*-458,486*	*-374,372*
Personnel costs	30	-40,585,876	-28,636,000
Amortisation and depreciation	31	-8,644,931	-5,309,318
Capitalised development costs	32	3,980,427	2,993,833
Sales and marketing costs	33	-3,371,003	-2,809,739
Service costs	34	-22,891,290	-23,975,498
of which with related parties		*-174,058*	*-76,340*
Other operating expenses	35	-1,360,122	-1,181,768
Operating profit/(loss)		**-6,876,964**	**-215,442**
Financial charges	36	-2,152,611	-5,202,632
Financial income	37	3,667,787	954,063
Foreign exchange gains and losses	38	2,004,887	1,033,811
Income (charges) on investments	39	-298,356	244,765
Profit/(loss) before tax		**-3,655,257**	**-3,185,434**
Income taxes	**40**	**1,807,620**	**140,359**
Net profit/(loss)		**-1,847,637**	**-3,045,075**
Profit/(loss) attributable to minority interests		-3,850	-338,111
Total comprehensive profit/(loss) after tax		**-1,843,787**	**-2,706,965**
Earnings per share			
- Basic, profit attributable to the ordinary shareholders of the Parent Company	41	-0.03	-0.04
- Diluted, profit attributable to the ordinary shareholders of the Parent Company	41	-0.07	-0.04

Statement of other comprehensive income	June 2022	June 2021
Profit/(loss)	**-1,847,637**	**-3,045,075**
Other components of comprehensive income that will subsequently be reclassified to profit/(loss):		
Differences on translation of foreign financial statements	14,993,224	1,353,708
Total other components of comprehensive income that will subsequently be reclassified to profit/(loss) after tax	**14,993,224**	**1,353,708**
Other components of comprehensive income that will not subsequently be reclassified to profit/loss:		
Revaluation of defined-benefit plans	2,330,343	627,872
Tax effect	-559,282	-150,689
Cash flow hedge reserve	4,871,664	-
Tax effect	-1,169,199	-
Total other components of comprehensive income that will not subsequently be reclassified to profit/(loss) after tax	**5,473,526**	**477,183**
Total other comprehensive income after tax	**20,466,750**	**1,830,891**
Total other comprehensive income after tax	**18,619,113**	**-1,214,184**
Attributable to:		
Shareholders of the Parent Company	18,610,679	-1,060,529
Minority shareholders	8,434	-153,655

Cash flow statement (indirect method)	30/06/2022	30/06/2021
PROFIT/(LOSS)	(1,847,637)	(3,045,076)
Income tax	(1,807,620)	(140,359)
Financial income	(3,667,787)	(954,063)
Financial charges	2,152,611	5,202,632
Depreciation and impairment loss on property, plant and equipment	1,619,647	1,212,496
Amortisation and impairment loss on intangible assets	6,781,516	3,948,856
Employee severance indemnities	(137,621)	(491,684)
Other non-monetary movements	(2,123,884)	1,338,457
Income taxes paid	(3,159,816)	(397,810)
(Increase)/decrease in inventories	(13,910,663)	(3,454,482)
(Increase)/decrease in trade receivables	(13,844,060)	(268,800)
(Increase)/decrease in other non-financial assets	(725,054)	4,462,612
Increase/decrease in trade payables	(1,486,291)	2,279,815
Increase/(decrease) in other non-financial liabilities	12,832,224	1,819,531
NET CASH FLOWS FROM OPERATING ACTIVITIES	**(19,324,436)**	**11,512,125**
Investing activities:		
Purchases of property, plant and equipment, net of disposals	(340,990)	(703,888)
Purchases of intangible assets, net of disposals	(5,540,016)	(3,387,148)
Purchases of investments in associates, joint ventures and other companies	(250,000)	(150,000)
Purchases of current financial assets	2,920,579	(4,544,431)
Business combinations, net of cash and banks acquired	(10,920,027)	(109,858,956)
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(14,130,454)**	**(118,644,423)**
Financing activities:		
New loans and borrowings	11,912,013	101,165,750
Repayments of loans and borrowings	(7,351,769)	(115,457,099)
Repayments of other financial liabilities (*)	10,381,844	(1,345,362)
Other increases in capital	96	118,171,954
CASH FLOWS FROM FINANCING ACTIVITIES	**14,942,184**	**102,535,243**
NET CHANGE IN CASH AND BANKS (*)	**(18,512,706)**	**(4,597,055)**
EXCHANGE DIFFERENCE ON CASH AND BANKS	**2,545,096**	**246,291**
Cash and banks at beginning of period	78,332,432	96,044,433
Cash and banks at end of period (*)	62,364,822	91,693,669

(*) Cash and bank and Other financial liabilities include the amounts not yet redeemed by the previous shareholders of rfXcel ncludeg the sale of the company to Antares Vision Group. Please refer to the Explanatory Notes for further details

Statement of changes in consolidated shareholders' equity

Shareholders' equity	31/12/2021	Allocation of prior year's profit/(loss)	Issue and exercise of warrants	Quotation net of ancillary charges	Other increases in capital	Share buyback	Business combinations	Stock options	Other comprehensive income	Other changes	Result for the period	30/06/2022
Share capital	169,451		2									169,453
Other reserves	260,533,370	(280,428)	94	-	-	-	-	201,003	20,466,750	-	-	280,920,789
Share premium reserve	*209,466,890*		*94*									*209,466,984*
Legal reserve	*98,798*											*98,798*
Extraordinary reserve	*49,961,986*	*(280,428)*										*49,681,558*
Reserve for translation of current year's equity	*6,428,341*								*14,993,224*			*21,421,565*
OCI reserve	*(1,024,125)*								*5,473,526*			*4,449,401*
Stock option plan reserve	*605,767*							*201,003*				*806,770*
Other reserves	*(5,004,288)*											*(5,004,288)*
FTA reserve	(15,250,613)											(15,250,613)
Retained earnings	14,479,590	12,676,418										27,156,008
Profit/(loss) for the year	12,395,990	(12,395,990)									(1,843,787)	(1,843,787)
Total shareholders' equity	**272,327,788**	**-**	**96**	**-**	**-**	**-**	**-**	**201,003**	**20,466,750**	**-**	**(1,843,787)**	**291,151,850**
Capital and reserves attributable to minority interests	119,960	(48,730)								65,528		136,758
Profit/(loss) attributable to minority interests	(48,730)	48,730									(3,850)	(3,850)
Total minority interests	**71,230**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**65,528**	**(3,850)**	**132,908**
Total shareholders' equity	**272,399,018**	**-**	**96**	**-**	**-**	**-**	**-**	**201,003**	**20,466,750**	**65,528**	**(1,847,637)**	**291,284,758**

Shareholders' equity	31/12/2020 (*)	Allocation of prior year's profit/(loss)	Issue and exercise of warrants	Quotation net of ancillary charges	Other increases in capital	Share buyback	Business combinations	Stock options	Other comprehensive income	Other changes	Profit/(loss)	31/12/2021
Share capital	143,074	-	293	24,480	1,604	-	-	-	-	-	-	169,451
Other reserves	129,829,967	6,071,370	11,915	111,645,247	6,807,334	(342,272)	-	505,357	7,709,791	(1,705,339)	-	260,533,370
Share premium reserve	91,002,394	-	11,915	111,645,247	6,807,334	-	-	-	-	-	-	209,466,890
Legal reserve	98,798	-	-	-	-	-	-	-	-	-	-	98,798
Extraordinary reserve	43,890,616	6,071,370	-	-	-	-	-	-	-	-	-	49,961,986
Reserve for translation of current year's equity	(1,259,971)	-	-	-	-	-	-	-	7,688,312	-	-	6,428,341
OCI reserve	(1,045,603)	-	-	-	-	-	-	-	21,479	-	-	(1,024,125)
Stock option plan reserve	100,410	-	-	-	-	-	-	505,357	-	-	-	605,767
Other reserves	(2,956,677)	-	-	-	-	(342,272)	-	-	-	(1,705,339)	-	(5,004,288)
FTA reserve	(15,250,613)	-	-	-	-	-	-	-	-	-	-	(15,250,613)
Retained earnings	2,391,647	12,087,943	-	-	-	-	-	-	-	-	-	14,479,590
Profit/(loss) for the year	18,159,313	(18,159,313)	-	-	-	-	-	-	-	-	12,395,990	12,395,990
Total shareholders' equity	**135,273,388**	**-**	**12,208**	**111,669,727**	**6,808,938**	**(342,272)**	**-**	**505,357**	**7,709,791**	**(1,705,339)**	**12,395,990**	**272,327,788**
Capital and reserves attributable to minority interests	375,077	(43,762)								(211,355)		119,960
Profit/(loss) attributable to minority interests	-43,762	43,762									(48,730)	(48,730)
Total minority interests	**331,315**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(211,355)**	**(48,730)**	**71,230**
Total shareholders' equity	**135,604,703**	**-**	**12,208**	**111,669,727**	**6,808,938**	**(342,272)**	**-**	**505,357**	**7,709,791**	**(1,916,694)**	**12,347,260**	**272,399,018**

(*) comparative figure restated following recognition of the Purchase Price Allocation of Applied Vision

EXPLANATORY NOTES

Corporate Information

The core business of Antares Vision and its subsidiaries (referred to jointly as "**Antares Vision Group**" or the "**Group**") is the production, installation and maintenance of inspection systems for quality control ("Inspection"), tracking solutions to fight counterfeiting and control of the supply chain ("Track & Trace") and Smart Data Management in all the most demanding industrial sectors, from pharmaceuticals to biomedical devices, from food & beverage to cosmetics and luxury goods.

The Parent Company, Antares Vision S.p.A. (also referred to as the "**Parent Company**") is incorporated and based in Italy, with registered office in Via del Ferro 16, Travagliato, Province of Brescia (BS).

On 14 May 2021, trading in the Parent Company's ordinary shares and warrants began on the STAR segment of the Euronext Milan (called Mercato Telematico Azionario or MTA when the Company was admitted to trading), organised and managed by Borsa Italiana S.p.A., by translisting from the Euronext Growth (previously known as the Alternative Investment Market or AIM) where it had been listed since 18 April 2019.

Lastly, on 22 February 2021 (with effect from the start of trading on the MTA now called Euronext Milan) the Shareholders' Meeting of Antares Vision S.p.A. appointed EY S.p.A., with registered office in Via Lombardia 31, Rome, registered in the Companies Register of Rome, registration number, tax code and VAT number 00434000584 and under no. 70945 of the Register of Legal Auditors at the Ministry of Economy and Finance pursuant to art. 6 et seq. of Legislative Decree no. 39/2010, amended by Legislative Decree no. 135/2016, as the firm appointed to audit the accounts for the financial years from 2021 to 2029.

Declaration of compliance with International Accounting Standards

The consolidated financial statements have been drawn up in compliance with the International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB), as interpreted by the International Financial Reporting Committee (IFRIC) and implemented by the European Union (EU), in particular in compliance with the IAS 34 – Interim Financial Reporting.

The consolidated financial statements consist of the statement of financial position, income statement, statement of other comprehensive income, statement of changes in shareholders' equity and the statement of cash flows, as well as these explanatory notes, together with the directors' report on operations.

It includes the figures of Antares Vision S.p.A. and of its subsidiaries.

The consolidated financial statements have been drawn up on a going-concern basis and on the basis of the historical cost principle, except for financial derivative instruments, financial assets represented by shares or bonds in portfolio and potential proceeds, which are recognised at fair value. The reporting currency is the Euro. Unless indicated otherwise, all amounts are expressed in Euro units.

Financial statements

Antares Vision has adopted the following financial statements:

- a statement of financial position that shows current and non-current assets and current and non-current liabilities separately;
- an income statement that classifies costs based on their nature;
- a statement of other comprehensive income, that shows revenue and cost items that are not recognised in the profit or loss for the period as requested or permitted by IFRS;
- a statement of cash flows that shows the cash flows from operations, financing and investing activities using the indirect method;
- a statement of changes in shareholders' equity.

An asset is current when:

- it is assumed that it will be realised, or that it is being held for sale or consumption, during the normal operating cycle;
- it is held mainly for trading purposes;
- it is assumed that it will be realised within twelve months from the period end; or
- it consists of cash or cash equivalents, unless it is forbidden to trade or use it to settle a liability for at least twelve months from the period end.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled within its normal operating cycle;
- it is held mainly for trading purposes;
- it has to be settled within twelve months from the period end; or
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months from the period end.

The contractual terms of the liability, which could entail its extinction by issuing equity instruments at the counterparty's discretion, do not affect its classification.
Antares Vision classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified under non-current assets and liabilities.

Using these statements permits the best possible representation of the assets and liabilities, results and financial position of Antares Vision Group.
Lastly, with reference to the Consob Resolution no. 15519 of 27 July 2006, any transactions and balances with related parties are shown on the face of the financial statements.

Consolidation principles

The consolidated financial statements include the half year financial statements of Antares Vision S.p.A. and its subsidiaries at 30 June 2022.

Control occurs when Antares Vision Group is exposed or entitled to variable returns, deriving from its relationship with the entity it has invested in and, at the same time, it has the ability to affect these returns by exercising its power over the entity.
Specifically, Antares Vision Group controls a subsidiary if, and only if, Antares Vision Group has:

- power over the investee (i.e. valid rights that currently give it the ability to control the key business activities of the investee);
- exposure or entitlement to variable returns, deriving from its relationship with the investee;
- the ability to exercise its power over the investee to affect the amount of its returns.

Generally speaking, it is assumed that a majority of the voting rights gives control. To support this assumption or when Antares Vision Group holds less than a majority of the voting (or equivalent) rights, Antares Vision Group considers all significant facts and circumstances to establish whether or not it controls the investee, including:

- contractual agreements with other holders of voting rights (including shareholders' agreements);
- rights arising from contractual agreements;
- voting rights and potential voting rights of Antares Vision.

Antares Vision Group reconsiders whether or not it has control of a subsidiary if facts and circumstances indicate that there have been changes in one or more of the three significant elements for the definition of control. Consolidation of a subsidiary begins when Antares Vision Group gains control and ceases when Antares Vision Group loses control.

The assets, liabilities, revenue and costs of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date on which Antares Vision Group obtains control until the date on which Antares Vision Group no longer exercises control over the company.

The profit (loss) for the period and each of the other components of the Statement of Other Comprehensive Income are allocated to the shareholders of the parent company and to minority interests, even if this means that the minority interests have a negative balance. When necessary, appropriate adjustments are made to the financial statements of the subsidiaries in order to ensure compliance with Antares Vision Group's accounting policies. All assets and liabilities, shareholders' equity, revenue, costs and intra-group cash flows relating to transactions between Antares Vision Group entities are completely eliminated on consolidation.

Scope of consolidation

In addition to the Parent Company Antares Vision S.p.A., the entities included in the scope of consolidation at 30 June 2022 are as follows:

SCOPE OF CONSOLIDATION								
Name	Headquarters	Currency	Direct parent company	Direct investment	Indirect investment	Shareholders' equity (in euro)	Profit/(loss) (in euro)	Consolidation method
Antares Vision Inc.	New York, USA	USD	ANTARES VISION S.P.A.	100.00%		199,815,639	5,456,362	Line-by-line consolidation
Antares Vision North America LLC	New Jersey, USA	USD	Antares Vision Inc. America	100.00%	100.00%	909,111	(1,217,361)	Line-by-line consolidation
Imago Technologies GmbH	Friedberg, Germany	EUR	ANTARES VISION S.P.A.	100.00%		7,143,007	76,942	Line-by-line consolidation
Antares Vision do Brasil Ltda	Sao Paulo, Brazil	BRL	ANTARES VISION S.P.A.	99.99%		(1,340,064)	88,144	Line-by-line consolidation
Legg System Ltda	Sao Paulo, Brazil	BRL	Antares Vision do Brasil Ltda	99.99%	99.99%	19,049	3,686	Line-by-line consolidation
T2 SOFTWARE	Sao Paulo, Brazil	BRL	Antares Vision do Brasil Ltda	51.00%	50.99%	421,403	25,184	Line-by-line consolidation
Pharmatrack Sistemas Ltda	Sao Paulo, Brazil	BRL	T2 SOFTWARE	73.00%	37.23%	76,114	(861)	Line-by-line consolidation
Antares Vision France Sas	Rillieux-la-Pape, Franc	EUR	ANTARES VISION S.P.A.	100.00%		(570,739)	(1,416,149)	Line-by-line consolidation
Antares Vision Ireland Ltd	Galway, Ireland	EUR	ANTARES VISION S.P.A.	100.00%		(45,064)	(53,126)	Line-by-line consolidation
Antares Vision Rus OOO	Moscow, Russia	RUB	ANTARES VISION S.P.A.	100.00%		(886,444)	(642,611)	Line-by-line consolidation
Antares Vision Asia Pacific Ltd	Hong Kong	HKD	ANTARES VISION S.P.A.	100.00%		(1,031,203)	(444,917)	Line-by-line consolidation
Antares Vision (Shenzhen) International Trading Co., LTD	Shenzhen, China	CNY	Antares Vision Asia Pacific Ltd	100.00%	100.00%	566,887	(140)	Line-by-line consolidation
FT System S.r.l.	Piacenza, Italy	EUR	ANTARES VISION S.P.A.	100.00%		21,015,830	117,322	Line-by-line consolidation
FT System North America LLC	Massachusetts, USA	USD	FT System S.r.l.	100.00%	100.00%	527,929	(348,217)	Line-by-line consolidation
FT Hexagon	Challes les Eaux, Fran	EUR	FT System S.r.l.	100.00%	100.00%	205,905	(32,533)	Line-by-line consolidation
Pen-Tec S.r.l.	Parma, Italy	EUR	FT System S.r.l.	100.00%	100.00%	3,323,332	(20,085)	Line-by-line consolidation
Tecnel S.r.l.	Parma, Italy	EUR	FT System S.r.l.	100.00%	100.00%	2,051,784	10,257	Line-by-line consolidation
Tradeticity d.o.o	Zagreb, Croatia	HRK	ANTARES VISION S.P.A.	82.80%		149,249	3,566	Line-by-line consolidation
Tradeticity Service d.o.o	Belgrade, Serbia	RSD	Tradeticity d.o.o	100.00%	82.80%	(197,329)	(1,426)	Line-by-line consolidation
Convel S.r.l.	Vicenza, Italy	EUR	ANTARES VISION S.P.A.	100.00%		4,296,149	(56,209)	Line-by-line consolidation
Antares Vision Germany	Friedberg, Germany	EUR	ANTARES VISION S.P.A.	100.00%		(180,700)	(360,946)	Line-by-line consolidation
Innovative Marketing Digital Solutions (IMDS) Uk Ltd	London, UK	GBP	ANTARES VISION S.P.A.	70.00%		(8,323)	-	Line-by-line consolidation
Applied Vision Corporation	Ohio, USA	USD	Antares Vision Inc. America	100.00%	100.00%	52,851,327	1,395,783	Line-by-line consolidation
rfXcel Corporation	Delaware, USA	USD	Antares Vision Inc. America	100.00%	100.00%	44,205,444	4,144,233	Line-by-line consolidation
rfXcel Limited	UK	GBP	rfXcel Corporation	100.00%	100.00%			
rfXcel LLC	Russia	RUB	rfXcel Corporation	100.00%	100.00%	(*)	(*)	
Antares Vision India Private Limited	Mumbai, India	INR	ANTARES VISION S.P.A.	99.998%		171,848	(121,611)	Line-by-line consolidation
			FT System S.r.l.	0.002%				
Markirovka As a Service	Russia	RUB	Innovative Marketing Digital Solutions (IMDS) Uk Ltd	100.00%	70.00%	(118,467)	(28,907)	Line-by-line consolidation
ACSIS, Inc.	USA	USD	rfXcel Corporation	100.00%		(3,168,398)	(146,275)	Line-by-line consolidation
Antares Vision (Thailand) Co., LTD	Thailand	THB	Antares Vision Asia Pacific Ltd	49.00%	49.00%	92,465	(16,290)	Line-by-line consolidation

(*) Value of the sub-consolidation headed up by rfXcel Corporation

The scope of consolidation at 30 June 2022 has changed compared with 31 December 2021 due to the transactions explained below.

On 18 February 2022, Antares Vision Group completed the acquisition of ACSIS Inc. (“ACSIS”), through rfXcel, for an enterprise value of USD 12 million (10,6 milioni di euro al tasso di cambio alla data di acquisizione, comprensivo di un prestito soci per 8,8 milioni di dollari (7,7 milioni di euro) acquisito da rfXcel) oltre ad una cassa netta di 3 milioni di dollari[22] (2,6 milioni di euro). Founded in 1996, ACSIS offers innovative software solutions and services to companies with complex warehouse, distribution and packaging management. The company offers multinationals software to manage track and trace data, optimise inventory management through their supply chains, and seamlessly manage the integration of information to their ERP systems. For over 20 years, ACSIS has provided solutions and services to a number of Fortune 1000 manufacturing companies with complex, regulated supply chains. The main customers of ACSIS include DuPont, Cintas, BIMBO, Hershey and Coca-Cola. This acquisition will allow Antares Vision to further strengthen the solutions for end-to-end digitalization of the supply chain and, in particular, to reduce its impacts in terms of sustainability. The deal also makes it possible to expand the company's presence in new industrial sectors and broaden the customer portfolio. The financial resources for this transaction were made available through an increase in capital of US$ 15 million from the Parent Company to AVUS and subsequently from AVUS to rfXcel. The Purchase Price Allocation ("**PPA**") was carried out during the half-year under review and is explained in greater detail in the Notes in the section on Business Combinations.

Antares Vision (Thailand) Co., Ltd ("**AV Thailand**”) was founded in June 2022 with Antares Vision Asia Pacific holding 49% of the share capital. Shareholder agreements were signed with the two majority partners from which emerges a situation of de facto control, so the company has been included in the scope of line-by-line consolidation from 30 June 2022, even if it is still dormant. The purpose of setting up AV Thailand is to strengthen the Group's presence in the local market and ensure greater coverage in terms of technical and commercial support.

[22] *Importo al netto di Debt-Like Items legati all’acquisizione per 0,5 milioni di dollari.*

The investments in associates, joint ventures and other companies are as follows:

INVESTMENTS IN ASSOCIATES, JOINT VENTURES AND OTHER COMPANIES				
Name	Operating headquarters	Equity investment %	Classification	Book value
OROBIX SRL	BERGAMO, ITALY	37.5%	Associate	2,871,357
RURALL S.P.A.	MILAN, ITALY	25.0%	Associate	1,500,000
SIEMPHARMA SRL	APRILIA (LT), ITALY	30.0%	Joint Venture	2,019,056
SHENZHEN ANTARUIXIN LLC	SHENZHEN, CHINA	40.0%	Joint Venture	269,542
NEURALA	BOSTON (USA)	0.4%	Other companies	244,255
HUMANS GARDEN	ADRO (BS), ITALY	10.0%	Other companies	150,000
FOUNDATIONS (*)	n.a.	n.a.	Other companies	250,000
OTHER INVESTMENTS	n.a.	n.a.	Other companies	17
Total				7,304,227

(*) These are the investments in the National Research Centre for Agricultural Technologies - Agritech (Euro 50,000) and the National Centre for the Development of Gene Therapy and Drugs using RNA-based Technology (Euro 200,000), both of them acquired in June 2022.

Please refer to Note 4 for a more detailed discussion of these investments, also with reference to the innovative investments in the National Research Centre for Agricultural Technologies - Agritech and in the National Centre for the Development of Gene Therapy and Drugs based on RNA Technology.

Subsidiaries with significant minority interests

There are no subsidiaries with significant minority interests for which disclosure must be provided based on IFRS 12.

Translation of financial statements in foreign currencies

The assets and liabilities of Group companies that have a functional currency other than the Euro are translated into Euro at the exchange rate ruling on the reporting date, while the revenue and expenses in each statement of comprehensive income or separate income statement are translated at the average exchange rates. Exchange rate differences arising on translation of foreign currency financial statements are recognised in the statement of other comprehensive income and booked to "Other reserves" under shareholders' equity. On disposal of a foreign operation, the portion of the statement of other comprehensive income relating to the foreign operation is recognised in the income statement.

Goodwill arising from the acquisition of a foreign operation and adjustments to the fair value of the carrying amounts of assets and liabilities arising from the acquisition of that foreign operation are recorded as assets and liabilities of the foreign operation and are therefore expressed in the functional currency of the foreign operation and translated at the year-end exchange rate.

The exchange rates used to translate into Euro the financial statements of foreign subsidiaries prepared in local currency are shown in the following table:

EXCHANGE RATES				
Currency	Actual exchange rate at 30/06/2022	Average exchange rate at 30/06/2022	Actual exchange rate at 31/12/2021	Average exchange rate at 30/06/2021
Euro	1	1	1	1
US Dollar	1.0387	1.094	1.1326	1.2057
Brazilian Real	5.4229	5.5579	6.3101	6.4917
Hong Kong Dollar	8.1493	8.5601	8.8333	9.3574
Russian Rouble	57.5957	84.8254	85.3004	89.6054
Croatian kuna	7.5307	7.5414	7.5156	7.5508
Serbian dinar	116.8255	117.5347	117.6165	117.5498
Chinese yuan	6.9624	7.0827	7.1947	7.785
Indian rupee	82.113	83.3249	84.2292	88.9893
GBP	0.8582	0.8422	0.8403	n.a.
Thai Baht	36.754	36.928	n.a.	n.a.

Accounting policies

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is determined as the sum of the consideration transferred, measured at fair value at the acquisition date, and the amount of the minority interest in the acquired company. For each business combination, Antares Vision Group defines whether to measure the minority interest in the acquired company at fair value or in proportion to the minority interest in the acquiree's identifiable net assets. Acquisition costs are expensed during the year and classified as administrative expenses.

Goodwill is initially recognised at cost represented by the excess of the total amount paid and the amount recorded for minority interests with respect to the net identifiable assets acquired and liabilities assumed by Antares Vision Group. If the fair value of the net assets acquired exceeds the total amount paid, Antares Vision again checks whether it has correctly identified all of the assets acquired and all of the liabilities assumed. It also reviews the procedures used to determine the amounts to be recognised at the acquisition date. If the new valuation still shows that the fair value of the net assets acquired exceeds the consideration, the difference is recognised in the income statement as a gain.

After initial recognition, goodwill is measured at cost, net of accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated, from the acquisition date, to each cash-generating unit (CGU) of Antares Vision Group that is expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity are assigned to those units.

Fair value measurement

Fair value is the price that would be received for the sale of an asset, or paid for the transfer of a liability, in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the sale of the asset or transfer of the liability takes place in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal market or the most advantageous market must be accessible for Antares Vision Group.

All assets and liabilities for which the fair value is measured or shown in the financial statements are categorised according to the fair value hierarchy, as follows:

- Level 1 - (unadjusted) prices listed in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs other than listed market prices included in Level 1 that are directly or indirectly observable for the asset or liability;
- Level 3 - measurement techniques for which inputs are not observable for the asset or liability.

The consolidated financial statements show financial assets and liabilities and derivative instruments at fair value. For these items, Antares Vision Group determines whether transfers have occurred between levels of the hierarchy by reviewing the categorisation (based on the lowest level input, which is significant for fair value measurement in its entirety) at each reporting date.

Specifically:

- the warrants issued by the Parent Company at the time of the Parent Company's listing on the Euronext Growth and subsequently admitted to trading on the Euronext Milan are recorded under non-current loans and borrowings fall under the Level 1 hierarchy as their fair value is directly observable from official market prices;
- the derivative instruments held by the Parent Company to hedge interest rates and the EUR/USD exchange rate fall under the Level 2 hierarchy as they are determined using valuation techniques that make reference to variables that are observable on active markets. The reference value is the mark-to-market by which the value of the derivative is systematically adjusted on the basis of current market prices;
- the insurance policies and securities held by the Parent Company fall under the Level 2 hierarchy as they are determined using valuation techniques that make reference to variables that are observable on active markets;

- All of the other financial assets and liabilities recognised in these consolidated financial report fall under the Level 3 hierarchy as their fair value is determined with reference to variables that are not observable on the market.

Non-current assets held for sale

Antares Vision classifies non-current assets and disposal groups as held for sale if their carrying amount will be recovered principally through a sale transaction instead of through continuing use. Non-current assets and disposable groups classified as held for sale are measured at the lower of their carrying amount and their fair value, net of selling costs. Selling costs are the additional costs directly attributable to the sale, excluding financial charges and taxes.

The condition for classification as held for sale is considered to be met only when the sale is highly probable and the disposable asset or group is available for immediate sale in its current condition. The actions required to conclude the sale should indicate that it is unlikely that there will be significant changes to the sale or that the sale may be cancelled. Management must have committed itself to the sale, the completion of which should be envisaged within one year from the date of classification.

The depreciation of property, plant and equipment and the amortisation of intangible assets ceases at the moment they are classified as available for sale.

Assets and liabilities classified as held for sale are shown separately in the financial statements as current assets or liabilities.

Property, plant and equipment and right-of-use assets

Property, plant and equipment

Property, plant and equipment are recognised at historical cost, including directly attributable ancillary charges, and shown net of accumulated depreciation and impairment losses. Property, plant and equipment assets acquired through a business combination are recognised at fair value at the acquisition date through the Purchase Price Allocation process.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The depreciation rates applied, which are the same as last year, are summarised below:

- Temporary buildings and constructions: from 3% to 10%
- Plant and machinery: from 10% to 20%
- Industrial and commercial equipment: from 10% to 33%

- Other fixed assets:
  - Vehicles and internal means of transport: from 15% to 30%
  - Office furniture and machines and IT systems: from 12% to 30%

Land is not depreciated.

Ordinary maintenance costs are charged to the income statement for the period in which they are incurred. Costs that increase the value or extend the useful life of a fixed asset are capitalised and depreciated over the residual useful life of the fixed assets to which they refer.

The carrying amount of an item of property, plant and equipment and any significant component initially recognised is derecognised on disposal (i.e. on the date the acquirer obtains control) or when no future economic benefits are expected from its use or disposal. The gain or loss that arises when the asset is derecognised (calculated as the difference between the net carrying amount of the asset and the consideration received) is recognised in the income statement at the time that the asset is eliminated.

At least once a year and, in any case, at the end of each financial year, Antares Vision Group ascertains that there are no indicators of impairment of property, plant and equipment. If such indicators exist, Antares Vision Group estimates the recoverable value of the assets in question to determine the amount of any write-down. The recoverable amount is the higher of the price that would be obtained from a sale and the value in use calculated by discounting prospective cash flows, net of tax. If the reasons for the write-down no longer apply, the asset is written up to the value it would have had if the write-down had never taken place. Write-downs and write-ups are charged to the income statement for the period.

Right-of-use asset

IFRS 16 was issued in January 2016 and replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases in accordance with a single accounting model similar to accounting for finance leases under IAS 17.

The standard includes two exemptions from recognition for lessees: leases of 'low value' assets (e.g. personal computers) and short-term leases (i.e. leases with a rental period of 12 months or less). At the commencement date of a lease, the lessee recognises a rental liability (i.e. the lease liability) and an asset representing the right of use of the underlying asset during the lease term (i.e. the right-of-use asset). Lessees are required to recognise interest expense on the lease liability and depreciation on the right-of-use asset separately.

Lessees are also required to reconsider the amount of the lease liability when certain events occur (e.g. a change in the lease term or a change in future lease payments resulting from a change in an index or rate used to determine such payments). The lessee will generally recognise the difference from re-measurement of the lease liability as an adjustment to the right-of-use asset.

Right-of-use assets are classified according to the nature of the asset involved in the lease contract. This means that, in these consolidated financial statements, rights of use for properties are included in property, plant and equipment and rights of use for motor vehicles are included in Other assets.

Goodwill

Goodwill represents the difference between the purchase price and the value of the assets and liabilities acquired through a business combination.

Making use of the option provided by IFRS 1, Antares Vision Group has not applied IFRS 3 to acquisitions made prior to the date of first-time application of international accounting standards. Consequently, the goodwill arising from these transactions has not been restated.

Goodwill represents an intangible asset with an indefinite useful life. It is not amortised but subjected to an impairment test at least once a year, or more frequently if there are signs of impairment.

Goodwill is initially recognised at cost represented by the excess of the total amount paid and the amount recognised for minority interests over the net identifiable assets acquired and liabilities assumed by the Parent Company. If the fair value of the net assets acquired exceeds the total consideration paid, Antares Vision Group again checks whether it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedures used to determine the amount to be recognised at the acquisition date. If the new valuation still shows that the fair value of the net assets acquired exceeds the consideration, the difference is recognised in the income statement as a gain.

After initial recognition, goodwill is measured at cost, net of accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated, from the acquisition date, to each Antares Vision Group cash-generating unit that is expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity are assigned to those units.

If goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of that unit, the goodwill associated with the asset disposed of is included in the carrying amount of the asset when determining the gain or loss on disposal. The goodwill associated with the divested business is determined on the basis of the relative values of the divested business and the portion of the cash-generating unit retained.

As explained better in the Business Combinations section of this document, the PPA of ACSIS, a company acquired on 18 February 2022 through rfXcel, was carried out during the first half of 2022.

The difference between the price paid, already including the price adjustment, and the shareholders' equity of the acquired company was US$ 13 million (Euro 11.4 million at the exchange rate on the date of acquisition); the PPA involved allocating this difference to Technologies for US$ 4.1 million (Euro 3.6 million) and to the Customer List for US$ 3.1 million (Euro 2.7 million), offset by the related provision for deferred taxes of US$ 2 million (Euro 1.7 million, at the local tax rate of 27%), leaving a residual value of Goodwill of US$ 7.7 million (Euro 6.8 million)[23].

Other intangible assets

Intangible assets acquired separately are initially recognised at cost, while those acquired through business combinations are recognised at fair value at the acquisition date. After initial recognition, intangible fixed assets are recognised at cost net of accumulated amortisation and impairment losses, if any. Intangible assets produced internally, with the exception of development costs, are not capitalised and are recognised in the income statement in the period they are incurred.

Intangible assets with a finite useful life are amortised over their useful life and are subject to impairment testing whenever there are indications of a possible impairment. The period and method of amortisation of an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or in the manner in which the future economic benefits associated with the asset will be realised are recognised through a change in the period or method of amortisation, as appropriate, and they are considered changes in accounting estimates.

No intangible assets with an indefinite useful life other than goodwill have been recorded in these consolidated financial statements.

[23] *At the exchange rate ruling on 30 June 2022, Technologies are worth Euro 4 million, the Customer List Euro 3 million, the provision for deferred taxes Euro 1.9 million and the residual value allocated to goodwill Euro 7.4 million.*

Research costs are charged to the income statement in the period they are incurred. Development costs incurred in relation to a given project are recognised as intangible assets when Antares Vision Group is able to demonstrate:

- the technical possibility that the intangible asset will be completed, making it available for use or sale;
- the company's intention to complete the asset and its ability and intention to use or sell it;
- the way in which the asset will generate future economic benefits;
- the availability of resources to complete the asset;
- the ability to reliably assess the cost attributable to the asset during development.

After initial recognition, development activities are valued at cost less accumulated amortisation or impairment losses. Development activities are amortised over the period of expected benefits.

Amortisation is calculated on a straight-line basis over the estimated useful life of the intangible asset. The amortisation rates applied, which are the same as last year, are summarised below:

- Development costs: 20%
- Patents: 20%

An intangible asset is derecognised on disposal (i.e. when the buyer obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.

Antares Vision Group periodically ascertains that there are no indicators of impairment of intangible fixed assets. If such indicators exist, Antares Vision Group estimates the recoverable value of the assets in question to determine the amount of any write-down. The recoverable amount is the higher of the price that would be obtained from a sale and the value in use calculated by discounting prospective cash flows, net of tax. If the reasons for the write-down no longer apply, the asset is written up to the value it would have had if the write-down had never taken place. Write-downs and write-ups are charged to the income statement. Goodwill is never written up.

Investments in associates, joint ventures and other companies

An associate is a company over which Antares Vision Group has considerable influence. Significant influence means the power to participate in determining the financial and operating policies of the investee without having control or joint control.

These include:

- Orobix, a company based in Bergamo that operates in artificial intelligence systems, of which the Parent Company holds 37.5%, is a case in point;
- the investment in RurAll, an entrepreneurial project launched by the Parent Company together with three partners in July 2021 with the aim of carrying out projects aimed at making the entire Italian Agro-Food sector more efficient, guaranteeing quality and protecting it from counterfeit products. The 25% shareholding is recorded in the Consolidated financial statements at Euro 1,500,000, paid in for Euro 375,000.

A joint venture is a joint control agreement in which the jointly controlling parties have rights to the net assets of the agreement. Joint control is defined as the contractual sharing of control of an agreement, which only exists when decisions on the relevant assets require the unanimous consent of all parties sharing control.

These circumstances include:

- the investment in Shenzhen Antaruixin Limited Liability Company, 40%-owned by AV (Shenzhen) International Trading Co., Ltd ("**AV Shenzhen**"), which is in turn 100%-owned by Antares Vision Asia Pacific;
- the investment in Siempharma that the Parent Company has held since January 2019, initially for 10% and increased to 30% during the course of 2021.

The considerations made to determine significant influence or joint control are similar to those necessary to determine control over subsidiaries. Antares Vision Group's investments in associates and joint ventures are valued using the equity method.

The financial statements of the associates and the joint ventures are prepared with the same year-end as those of Antares Vision Group. Where necessary, the financial statements are adjusted to bring them in line with the accounting standards of Antares Vision Group.

Under the equity method, the investment in an associate or joint venture is initially recognised at cost. The carrying amount of the investment is increased or decreased to recognise the investor's share of the investee's profits and losses realised after the acquisition date.

The statement of profit or loss for the period reflects the Group's share of the associate or joint venture's result for the period. Any changes in the other components of comprehensive income relating to these investee companies are presented as part of the Group's comprehensive income statement. If an associate or joint venture recognises a change directly to shareholders' equity, the Group recognises its share, where applicable, in the statement of changes in shareholders' equity. Unrealised gains and losses deriving from transactions between the Group and associates or joint ventures are eliminated in proportion to the investment in the associates or joint ventures.

The Group's aggregate share of the result for the year of associates and joint ventures is recognized in the statement of profit or loss for the period after the operating profit/(loss) and represents the result net of taxes and of the portions due to the other shareholders of the associate or joint venture.

Subsequent to the application of the equity method, Antares Vision Group assesses whether it is necessary to recognise an impairment of its investment in associates or joint ventures. At each reporting date, both interim and annual, Antares Vision Group assesses whether there is objective evidence that the investments in associates or joint ventures have suffered an impairment. In this case, Antares Vision Group calculates the amount of the loss as the difference between the recoverable amount of the associate or joint venture and its carrying amount in the financial statements, recording this difference in the income statement.

In the consolidated financial statements, the value of these investments has been adjusted according to the equity method. As a result of this valuation:

- the investment in the associate Orobix is recorded for an amount of Euro 2,871,357 following the recognition of the portion of the result of the period pertaining to Antares Vision Group, negative for Euro 162,454;
- the investment in the associate Rurall is recorded for an amount of Euro 1,500,000, called up for an amount of Euro 375,000, not adjusted to reflect the portion of the result at 31 December 2021[24] because the company is still non-operational and in the startup phase;
- the investment in the joint venture Siempharma is recorded for an amount of Euro 2,019,056. The effect on the income statement was positive for Euro 4,079, represented by the portion of the profit for the period attributable to Antares Vision Group;

[24] *At 31 December 2021, RurAll reported a loss for the year of 31,482 euros*

- participation in the joint venture Shenzhen Antaruixin Limited Liability Company is recognised in the financial statements of AV (Shenzhen) at an amount of CNY 1,876,664, following the recognition of the portion of the profit for the period attributable to Antares Vision Group, negative for CNY 991,442. In the consolidated financial statements, this adjustment translates into an equity investment recognised at a value of Euro 269,542 due to the recognition of the portion of the profit for the period pertaining to Antares Vision Group, negative for Euro 142,399, as well as a positive exchange rate effect of Euro 13,299.

Investments in other companies include:

- the investment in Neurala for Euro 244,255;
- the investment in Humans Garden for Euro 150,000;
- the investment in the National Research Centre for Agricultural Technologies - Agritech for Euro 50,000;
- the investment in the National Centre for the Development of Gene Therapy and Drugs using RNA-based Technology for Euro 200,000, both made in June 2022.

More information is provided in Note 4.

Deferred tax assets and liabilities

Deferred tax liabilities are allocated according to the global liability allocation method. They are calculated on all temporary differences arising between the tax base of an asset or liability and its carrying amount in the consolidated financial statements, with the exception of goodwill that is not deductible for tax purposes and those differences from investments in subsidiaries that are not expected to be reversed in the foreseeable future. They are also calculated on the temporary differences arising on the initial recognition of an asset or liability in a transaction that does not represent a business combination and which does not affect either the financial result or the tax result at the time of the transaction.

Deferred tax assets on tax losses and unused tax credits that can be carried forward are recognised to the extent that future taxable income is likely to be available, against which they can be recovered.

Current and deferred tax assets and liabilities are offset when income taxes are applied by the same tax authority and when there is a legal right of offset. Deferred tax assets and liabilities are determined at the tax rates that are expected to apply in the respective jurisdictions of the countries in which Antares Vision Group operates in the periods in which the temporary differences will be realised or extinguished.

Inventories

Inventories are valued at the lower of cost and net realisable value.

The costs incurred to bring each asset to its current location and condition are recognised as follows:

- raw materials: purchase cost calculated using the weighted average cost method;
- finished and semi-finished products: direct cost of materials and labour plus a share of general production expenses, defined on the basis of normal production capacity, excluding financial charges.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Trade receivables, other receivables and other financial assets

Initial recognition

The classification of financial assets at the time of initial recognition depends on the characteristics of the contractual cash flows of the financial assets and on the business model that Antares Vision Group uses for their management. With the exception of trade receivables that do not contain a significant financing component or for which Antares Vision Group has applied the practical expedient, Antares Vision Group initially evaluates a financial asset at its fair value, plus transaction costs in the case of a financial asset not at fair value through profit or loss.

Trade receivables that do not contain a significant financing component, such as receivables falling due within 12 months, are valued at the transaction price defined in accordance with IFRS 15 and described in the paragraph "Revenues from customer contracts".

In order for a financial asset to be classified and measured at amortised cost or at fair value recognised in other comprehensive income (FVOCI), it must generate cash flows that depend solely on the principal and interest on the amount of principal to be returned ("SPPI test”). Financial assets whose cash flows do not meet the above requirements are classified and measured at fair value through profit or loss.

Subsequent measurement

Financial assets classified and measured at amortised cost, including trade receivables, are held as part of a business model whose objective is to hold financial assets with a view to collecting their contractual cash flows. These assets are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the Income Statement when the asset is derecognised, modified or revalued.

Financial assets that are classified and measured at fair value through other comprehensive income ("FVOCI") are held as part of a business model whose objective is achieved through the collection of contractual cash flows and through the sale of financial assets. For assets from debt instruments measured at FVOCI, interest income, exchange rate differences and impairment losses, together with write-backs, are recognised in the income statement and calculated in the same way as financial assets measured at amortised cost. Other changes in fair value are recognised in OCI. At the time of elimination, the cumulative change in fair value recognised in OCI is reclassified to the income statement.

Financial instruments at fair value with changes through profit or loss ("FVT PL") are recognised in the statement of financial position at fair value and net changes in fair value are recognised in the income statement. This category includes derivatives and listed equity investments that Antares Vision Group has not irrevocably chosen to classify at FVOCI. Dividends on equity investments are recognised as other income in the income statement when the right to payment has been established.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset are extinguished, or when Antares Vision Group has transferred to a third party the right to receive cash flows from the asset or has assumed the contractual obligation to pay them in full and without delay and (a) has transferred substantially all the risks and rewards of ownership of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

In cases where Antares Vision Group has transferred the rights to receive cash flows from an asset but has neither transferred nor retained substantially all the risks and benefits or has not lost control over it, the asset continues to be recognised in the Group's financial statements to the extent of its residual involvement in the asset. In this case, Antares Vision Group also recognises an associated liability. The transferred asset and the associated liability are valued to reflect the rights and obligations that remain with the Group.

Impairment

Antares Vision Group records a write-down for expected credit losses (ECLs) for all financial assets represented by debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due under the contract and all of the cash flows that Antares Vision Group expects to receive, discounted at an approximation of the original effective interest rate. Expected cash flows will include cash flows arising from the enforcement of collateral held or other credit guarantees that are an integral part of the contractual terms.

For trade receivables and contract assets, Antares Vision Group applies a simplified approach to the calculation of expected losses. In other words, Antares Vision Group does not monitor the changes in credit risk, but fully records the expected loss at each reference date.

Cash and banks

Cash and banks include cash on hand and short-term demand deposits, highly liquid deposits with a maturity of three months or less, which are readily convertible into a given amount of money and subject to insignificant risk or changes in value.

For the purposes of the consolidated cash flow statement, cash and cash equivalents are represented by cash as defined above, net of bank overdrafts as these are considered an integral part of the Group's liquidity management.

Trade payables and other financial liabilities

Initial recognition

Financial liabilities are classified on initial recognition as financial liabilities at fair value through profit or loss or as loans and borrowings.

All financial liabilities are initially recognised at fair value plus directly attributable transaction costs in the case of loans, borrowings and payables.

Subsequent measurement

For subsequent measurement purposes, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss (FVTPL);
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss include liabilities held for trading and financial liabilities initially recognised at fair value through profit or loss. Liabilities held for trading are all liabilities assumed with the intention of extinguishing or transferring them in the short term. This category also includes derivative financial instruments taken out by Antares Vision Group that are not designated as hedging instruments and warrants. Gains or losses on liabilities held for trading are recognised in the income statement.

After initial recognition, loans are measured at amortised cost using the effective interest rate method. Gains and losses are recorded in the income statement when the liability is extinguished, as well as through the amortisation process. The amortised cost is calculated by recording the discount or premium on the acquisition and the fees or costs that are an integral part of the effective interest rate. Amortisation at the effective interest rate is included in financial charges in the income statement.

Derecognition

A financial liability is derecognised when the obligation underlying the liability is extinguished, cancelled or fulfilled. Where an existing financial liability is replaced by another from the same lender, under substantially different conditions, or the conditions of an existing liability are substantially changed, this exchange or change is treated as a derecognition of the original liability, accompanied by the recognition of a new liability, with any differences between the carrying amounts recognised in the income statement.

Provisions for risks and charges

Provisions for risks and charges are made when Antares Vision Group has to meet a current obligation (legal or implicit) resulting from a past event, it is probable that resources will be disbursed to meet this obligation and it is possible to make a reliable estimate of its amount. When Antares Vision Group believes that a provision for risks and charges will be partly or fully reimbursed, the indemnity is recognised separately under assets if, and only if, it is more or less certain. In this case, the cost of any provision is presented in the income statement net of the amount recognised for compensation.

If the effect of the value of money over time is significant, provisions are discounted using a discount rate that reflects, where appropriate, the risks specific to the liabilities. When the liability is discounted, the increase in the provision due to the passage of time is recognised as a financial expense.

A provision for product guarantees is recognised when the product is sold or a service has been provided to the customer. Initial recognition is based on past experience. The estimated warranty costs are reviewed annually.

Severance indemnity

The employee severance indemnity recorded by Italian companies corresponds to the liability accrued in favour of employees in accordance with current legislation.

The Italian companies belonging to Antares Vision are not required to pay severance indemnity to the INPS Treasury Fund under Law no. 296 of 27 December 2006 because none of them exceeded the limit of 50 employees during 2006 or their first year of activity.

The portion not allocated to supplementary pension funds is therefore considered a defined benefit plan and it is subject to actuarial valuation. The portions allocated to supplementary pension funds are considered a defined contribution plan.

Share-based payments

Some directors and employees of the Group receive part of their remuneration in the form of share-based payments, which means that some employees provide services in exchange for shares ("equity-settled transactions"). The cost of transactions settled with equity instruments is determined by the fair value at the date on which the assignment is made using an appropriate valuation method, as explained in greater detail in Note 42.

This cost, together with the corresponding increase in equity, is recognised under personnel costs (Note 30) for the options assigned to employees and under service costs (Note 34) for the options assigned to the directors over the period during which the conditions for achievement of the objectives and/or provision of the service are satisfied. The cumulative costs recognised for these transactions at the closing date of each financial period up to the vesting date are commensurate with the expiry of the vesting period and the best estimate of the number of equity instruments that will actually vest. The cost or revenue in the statement of profit or loss for the period represents the change in the cumulative cost recognised at the beginning and end of the half-year.

The service or performance conditions are not taken into consideration when defining the fair value of the plan at the grant date. However, the probability that these conditions will be met is taken into account in defining the best estimate of the number of capital instruments that will vest. Market conditions are reflected in the fair value at the grant date. Any other condition linked to the plan, which does not involve a service obligation, is not considered as a vesting condition. The non-vesting conditions are reflected in the fair value of the plan and entail the immediate recognition of the cost of the plan, unless there are also service or performance conditions.

No cost is recognised for rights that do not vest as the performance and/or service conditions are not met. When the rights include a market condition or a non-vesting condition, these are treated as if they had vested regardless of whether the market conditions or other non-vesting conditions to which they are subject are complied with or not, it being understood that all the other performance and/or service conditions must be met.

If the conditions of the plan are changed, the minimum cost to be recognised is the fair value at the grant date without the change of plan, on the assumption that the original conditions of the plan are satisfied. In addition, there is a cost for each change that involves an increase in the total fair value of the payment plan, or that is in any case favourable for the employees; this cost is valued with reference to the date of the change. When a plan is cancelled by the entity or the counterparty, any residual element of the plan's fair value is immediately charged to the income statement.

Translation of foreign currency items

Monetary assets and liabilities denominated in foreign currency are recorded at the spot exchange rate at the year-end, with the related exchange gains and losses recognised in the income statement. If the translation gives rise to a net gain, a reserve for the corresponding amount must not be distributed until it has been realised.

Revenue from contracts with customers

Antares Vision is involved in providing inspection systems for quality control, tracking solutions for anti-counterfeiting, supply chain control and smart data management. Gradual diversification of the business in recent years has led to a rising proportion of the service component, also through the Software as a Service (SaaS) model. Revenue from contracts with customers follow IFRS 15 - Revenue Recognition, which requires analysing the contracts according to a 5-step model which involves:

- identifying the contract with the customer;
- identifying the performance obligations included in the contract;
- establishing the price of the transaction;
- allocating the price to the performance obligations;
- recognising the revenue when the company satisfies the performance obligation.

Revenue from contracts with customers is recognised for an amount that reflects the consideration that Antares Vision Group expects to receive on fulfilment of the performance obligation.

<u>Supply of goods</u>

In the event that two performance obligations are recognised in the contract, the revenue relating to the supply of the asset is recognized with the transfer of the asset when the ownership or possession of the asset is transferred to the buyer, so generally on shipment, and the revenue relating to the installation service is recognised on completion of the installation. If it is not possible to identify two performance obligations in the contract, one for the supply of the goods and the other for the installation, the revenue is recognized once the installation is completed.

SaaS

The SaaS contracts involve a commitment by Antares Vision Group to make proprietary software available to the customer, as well as to provide implementation services, a subscription service for support and maintenance, and other professional services") With regard to the implementation and professional services, the revenue is recognised "at a point in time" when the service has been completed. As regards the subscription service, which includes a significant part of the revenue deriving from long-term subscription contracts (3-7 years), as well as the revenue for use of the licence for the period defined in the contract, the revenue is recognised "over time" for the duration of the contract.

Other types of services (other than SaaS)

In the case of services, such as after-sales technical assistance, the revenue is recognised at a point in time when the service has been completed.

Government grants

Government grants are recognised when there is reasonable certainty that they will be received and that all of the conditions have been met. Grants related to cost components are recognised as revenues, but they are allocated over the years so as to match the costs they are intended to offset. A grant related to an asset is recognised as income on a straight-line basis over the expected useful life of the asset in question.

Where Antares Vision Group receives a non-monetary grant, the asset and the grant are recorded at nominal value and released to the income statement on a straight-line basis over the expected useful life of the asset.

Income taxes

Current tax assets and liabilities for the year are valued at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate the amount are those in force at the reporting date in the countries where Antares Vision Group operates and generates its taxable income.

Current taxes relating to items recognised directly in shareholders' equity are also recognised in shareholders' equity and not in the income statement. Management periodically assesses the position taken in the tax return in cases where tax rules are subject to interpretation and adjusts the provisions, where appropriate.

Other taxes not related to income, such as property taxes, are included in operating expenses.

Costs, revenues, assets and liabilities are normally recognised net of indirect taxes, such as value added tax. If the tax applied to the purchase of goods or services is non-deductible, it is recognised as part of the purchase cost of the asset or part of the cost recognised in the income statement. Trade receivables and payables include the applicable indirect tax.

The net amount of indirect taxes to be recovered or paid to the tax authorities is included in the balance sheet under receivables or payables.

Earnings per share

Basic earnings per share is obtained as the ratio between the Group's profit reported in the consolidated financial report and the weighted average number of shares outstanding during the period, net of any treasury shares.

Diluted earnings per share is the ratio between the Group's earnings reported in the consolidated financial statements and the weighted average number of shares outstanding, taking into account the effects of all potential ordinary shares (e.g. those not yet subscribed) with a dilutive effect.

<u>Accounting standards issued and entered into force in 2022</u>

Amendments to IFRS 16 "Leases: Covid-19-Related Rent Concessions beyond 30 June 2021"

On 28 May 2020, the IASB published an amendment to IFRS 16. The amendment allows a lessee not to apply the requirements of IFRS 16 to the accounting effects of contractual changes for reductions in lease payments granted by the lessors as a direct consequence of the Covid-19 epidemic. The amendment introduces a practical expedient whereby a lessee may choose not to assess whether the lease fee reductions represent contractual changes. A lessee who chooses to use this expedient accounts for these reductions as though they were not contractual changes for the purposes of IFRS 16. The changes were to be applicable until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the application period of the practical expedient until 30 June 2022. The amendments apply to financial years starting on or after 1 April 2021. The Group has not received any concessions on lease payments related to Covid-19, but plans to apply the practical expedient should this situation occur within the permitted application period.

Amendments to IFRS 3 - "Business Combinations"

In May 2020, the IASB published the amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments aim to replace references to the Framework for the Preparation and Presentation of Financial Statements, published in 1989, with references to the Conceptual Framework for Financial Reporting published in March 2018 without a significant change in the requirements of the standard. The Board also added an exception to the IFRS 3 measurement principles to avoid the risk of potential "day after" gains or losses arising from liabilities and contingent liabilities that would fall within the scope of IAS 37 or IFRIC 21 Levies, if contracted separately. At the same time, the Board decided to clarify that the existing guidance in IFRS 3 for contingent assets will not be impacted by the update of the references to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for financial years starting on 1 January 2022 and will apply prospectively. There are no material impacts for Antares Vision Group.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB published Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from the sale of products sold during the period when the asset is being brought to the place or condition necessary for it to operate in the manner for which it was designed by management. Instead, an entity has to record any revenue from the sale of such products in the income statement, along with the cost of producing them.

The amendment is effective for financial years starting on or after 1 January 2022 and must be applied retrospectively to items of Property, plant and equipment made available for use on or after the start date of the period prior to the period in which the entity applies this change for the first time. These amendments have not had any material impacts for Antares Vision Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB published amendments to IAS 37 to specify which costs must be considered by an entity in assessing whether a contract is onerous or loss-making. The amendment provides for the application of the "directly related cost approach". Costs that refer directly to a contract for the supply of goods or services include both incremental costs and the costs directly attributed to the contractual activities. General and administrative expenses are not directly related to a contract and are excluded unless they are explicitly recharged to the counterparty on the basis of the contract.

The amendments are effective for financial years starting on or after 1 January 2022.

This change did not have any impacts for Antares Vision Group.

Annual Improvements 2018-2020 Cycle

IFRS 1 First-time Adoption of International Financial Reporting Standards* – *Subsidiary as a first-time adopter

As part of the 2018-2020 annual improvements of IFRS, the IASB has published an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. This amendment allows a subsidiary that chooses to apply paragraph D16 (a) of IFRS 1 to account for the accumulated translation differences on the basis of the amounts accounted for by the parent company, considering the date of transition to IFRS by the parent company. This change also applies to associates or joint ventures that choose to apply paragraph D16 (a) of IFRS 1.

The amendment is effective for the financial years starting on 1 January 2022 or later; earlier application is permitted.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of the 2018-2020 process of annual improvements to IFRS, the IASB has published an amendment to IFRS 9. This amendment clarifies the fees that an entity should include when deciding whether the conditions of a new or modified financial liability are substantially different from those of the original financial liability. These fees only include those paid or received between the borrower and the lender, including fees paid or received by the borrower or lender on behalf of others. An entity applies this amendment to financial liabilities that are modified or exchanged after the date of the first period in which the entity first applies the amendment.

The amendment is effective for financial years starting on or after 1 January 2022 and early application is permitted. There are no material impacts for Antares Vision Group with respect to this amendment.

Accounting standards issued but not yet entered into force

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current

In January 2020, the IASB published amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The changes clarify:

- what is meant by the right to defer the settlement deadline
- that the right of deferral must exist at the end of the reporting period
- the classification is not impacted by the likelihood with which the entity will exercise its right of deferral
- only if an embedded derivative in a convertible liability is itself an equity instrument does the liability's maturity have no impact on its classification.

The amendments will be effective for financial years starting on 1 January 2023 or later, and are to be applied retrospectively. Antares Vision Group is currently evaluating the impact that the amendments will have on the current situation should existing loan agreements have to be renegotiated.

Annual Improvements 2018-2020 Cycle

On 18 May 2017, the IASB issued a new standard and on 25 June 2020 published amendments to IFRS 4, which was issued in 2004.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies

On 12 February 2021, the IASB issued an amendment to this standard in order to support companies in choosing which accounting standards to communicate in their financial statements. The amendment will be effective for financial years starting on 1 January 2023 and earlier application is permitted.

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

On 12 February 2021 the IASB published an amendment to this standard in order to introduce a new definition of accounting estimate and clarify the distinction between changes in accounting estimates, changes in accounting standards and errors. The amendment will be effective for financial years starting on 1 January 2023 and earlier application is permitted..

Amendments to "IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

On 7 May 2021 the IASB published an amendment to this standard, which requires companies to recognize deferred tax assets and liabilities on particular transactions which, at the time of initial recognition, give rise to equivalent temporary differences (taxable and deductible) - transactions relating to leasing contracts are one example.

The amendment will be effective for financial years starting on 1 January 2023 and earlier application is permitted.

Use of estimates

Preparing the consolidated financial statements of Antares Vision Group requires the directors to make discretionary assessments, estimates and assumptions that affect the values of revenues, costs, assets and liabilities and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could lead to outcomes that will require a significant future adjustment to the carrying amount of such assets or liabilities.

In applying the accounting policies of Antares Vision Group, the directors made decisions based on the following discretionary assessments (excluding those involving estimates) that have a significant effect on the amounts recorded in the financial statements.

Lease term and incremental borrowing rate

Antares Vision Group determines the lease term as the non-cancellable period of the lease to which must be added the periods covered by the option to extend the lease, if there is reasonable certainty of exercising this option, and the periods covered by the option to terminate the lease if there is reasonable certainty of not exercising this option.

Antares Vision Group has the possibility, for some of its leases, to extend the lease or terminate it early. Antares Vision Group applies its own judgement in assessing whether there is reasonable certainty of exercising the renewal options. Having said this, Antares Vision considers all the factors observed that may result in an economic incentive to exercise the renewal options or to terminate the contract. After the effective date, Antares Vision Group reviews the estimates of the lease term in the event of a significant event or significant change in circumstances under its control that could affect the ability to exercise (or not to exercise) the renewal or early cancellation option (for example, investments in improvements to leased assets or significant specific changes to the leased asset).

Antares Vision Group cannot easily determine the interest rate implicit in the lease, so it uses the incremental borrowing rate to measure the lease liability. The incremental borrowing rate is the interest rate that the lessee would have to pay for a loan, with a similar duration and similar security, needed to obtain an asset of similar value to the right-of-use asset in a similar economic context. The incremental borrowing rate therefore reflects what Antares Vision Group would have had to pay, and this requires an estimate to be made when no observable data exist or when rates need to be adjusted to reflect the terms and conditions of the lease. Antares Vision Group estimates the marginal lending rate using observable data (such as market interest rates) if available, while making specific considerations about the conditions of the investee company.

Impairment of non-financial assets

An impairment loss occurs when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the value in use is based on a DCF model that involves discounting cash flows, which in turn derive from the budgets of the individual cash-generating units, excluding restructuring activities to which Antares Vision Group has not yet committed itself or significant future investments that will increase the results of the activity included in the cash-generating unit being assessed. The recoverable amount depends considerably on the discount rate used in the cash flow discounting model, as well as the expected future cash flows and the growth rate used for the extrapolation. The key assumptions used to determine the recoverable amount for the various cash-generating units are provided below in these explanatory notes.

Provision for expected losses on trade receivables

Trade receivables are adjusted by the allowance for doubtful accounts to take account of their recoverable value. Determining the amount of write-downs requires the Directors to make subjective assessments based on the documentation and information available regarding the solvency of customers, as well as experience and historical trends in collections.

Defined benefit plans

The cost of defined benefit pension plans and other post-employment benefits and the present value of the defined benefit obligation are determined using actuarial valuations. Actuarial valuation involves processing various assumptions that may differ from actual future developments. These assumptions include determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation and its long-term nature, these estimates are extremely sensitive to changes in assumptions. All assumptions are reviewed annually.

Fair value of financial instruments

When the fair value of a financial asset or liability recognised in the statement of financial position cannot be measured based on prices in an active market, the fair value is determined using various measurement techniques, including the discounted cash flow model. The inputs included in this model are inferred from observable markets, where possible, but where this is not possible, a certain degree of estimation is required to define the fair value. The estimates include considerations of variables such as liquidity risk, credit risk and volatility. Changes in assumptions about these elements could have an impact on the fair value of financial instruments.

Development costs

Antares Vision Group capitalises costs related to projects for the development of new products. The initial capitalisation of costs is based on the fact that the directors' opinion on the technical and economic feasibility of the project is confirmed, usually when the project has reached a precise stage in the development plan.

Write-downs of inventories

Inventories that show signs of being obsolete and slow-moving are systematically assessed and, if their recoverable value is lower than their purchase or production cost, they are written down. Write-downs are calculated on the basis of management's assumptions and estimates, derived from experience and historical results.

Share-based payments

Estimating the fair value of share-based payments means having to choose the most appropriate valuation model, which depends on the terms and conditions under which such instruments are granted. It also means identifying the data needed to feed the valuation model, including assumptions about the exercise period of the options, volatility and return on the shares.

Share-based payments include the Stock Option Plans reserved for executive directors, top management and key employees whose performance is more likely to influence the company's results, considering the positions that they hold and the functions that they perform (see Note 42 for details).

The valuation model used was Black & Scholes (which takes its name from Fischer Black and Myron Scholes, experts in financial mathematics, who developed it in 1973). The Black & Scholes valuation method is based on the construction of a portfolio of underlying assets and a certain number of options, in such a way that the expected return as a whole is insensitive to fluctuations in the price of the asset and is equivalent to the risk-free rate. The Black & Scholes valuation method determines possible prices for the underlying assets on maturity, as well as their respective probabilities of occurrence, assuming that they are distributed according to a normal distribution (or to be precise, a "log-normal distribution").

Income taxes

Deferred tax assets are recognised for unused tax losses, to the extent that it is probable that there will be sufficient taxable income in the future to allow such losses to be reabsorbed. Fairly complex estimates have to be made by management to determine the amount of tax assets that can be recognised on the basis of future taxable profits, their timing and the tax planning strategies that can be applied.

Deferred tax assets can be used to offset future taxable income, in some cases without time limits, in others within a maximum of 5 years. In light of analyses and the Business Plan, the directors estimate that it will be possible to make full use of the deferred tax assets within the time limit set by each local legislation.

Disclosure on business combinations

The Purchase Price Allocation ("**PPA**") relating to the acquisition of ACSIS Inc. ("**ACSIS**"), completed on 18 February 2022 through rfXcel for an Enterprise Value of US$ 12 million, was carried out during the first half of 2022.

The difference between the price paid, already including the price adjustment, and the shareholders' equity of the acquired company was US$ 13 million (Euro 11.4 million at the exchange rate on the date of acquisition); the PPA involved allocating this difference to Technologies for US$ 4.1 million (Euro 3.6 million) and to the Customer List for US$ 3.1 million (Euro 2.7 million), offset by the related provision for deferred taxes of US$ 2 million (Euro 1.7 million, at the local tax rate of 27%), leaving a residual value of Goodwill of US$ 7.7 million (Euro 6.8 million)[25].

ACSIS	USD	EUR
Consideration paid	6,283,680	5,534,332
Goodwill already recorded	3,570,854	3,145,019
Shareholders' equity	- 3,130,990	- 2,757,610
Difference	**12,985,525**	**11,436,960**
Customer list	3,101,700	2,731,813
Deferred tax provision for the customer list (at 27%)	837,459	737,589
Know-how	4,143,300	3,649,199
Deferred tax provision for the technologies (at 27%)	1,118,691	985,284
Residual goodwill	**7,696,675**	**6,778,822**

[25] *At the exchange rate ruling on 30 June 2022, Technologies are worth Euro 4 million, the Customer List Euro 3 million, the provision for deferred taxes Euro 1.9 million and the residual value allocated to goodwill Euro 7.4 million.*

The useful life of Technologies and the Customer List has been estimated at 10 years. This had an impact on the income statement at 30 June 2022 of US$ 266 thousand (Euro 243 thousand) for higher depreciation and amortisation and US$ 72 thousand (Euro 66 thousand) of lower taxes due to the corresponding release of the deferred tax provision.

The value of the business combination in question is shown below, net of the net financial position acquired, which was negative for US$ 6.1 million (Euro 5.4 million). Financial liabilities include US$ 823 thousand (Euro 725 thousand) of lease liabilities and US$ 8.8 million (Euro 7.7 million) for a loan to the company by the previous shareholders of ACSIS, which was repaid at the time of the acquisition through an intercompany loan from rfXcel.

ACSIS	USD	EUR
Consideration paid	6,283,680	5,534,332
Cash and cash equivalents acquired	3,464,659	3,051,488
Financial debts	9,579,578	8,437,183
Business combinations, without the net financial position acquired	**12,398,599**	**10,920,027**

Segment reporting

IFRS 8 requires that information be provided by segment, using the same bases on which internal management reports are prepared. Antares Vision Group operates as a single business sector, all as part of the same cash-generating unit (CGU), as it offers an integrated inspection, tracking and data management solution for the protection of consumer products (whether pharmaceuticals, consumer products, cosmetics or luxury goods), so internal reports do not generally contain details based on sector segmentation.

Capital management

For the purposes of managing the capital of Antares Vision Group, it was decided that this includes the issued share capital, special shares, the share premium reserve, warrants and all capital reserves attributable to the shareholders of the Parent Company. The main objective of capital management is to maximise shareholder value. Antares Vision Group monitors equity using a gearing ratio, consisting of the ratio of net debt to total capital plus net debt. Antares Vision Group includes in net debt interest-bearing loans, borrowings, trade and other payables, less cash and cash equivalents, short-term deposits and current financial assets.

CAPITAL MANAGEMENT		
Description	**30/06/2022**	**31/12/2021**
Interest bearing loans and other loans (**)	147,875,371	145,198,584
Other non current financial liabilities	4,674	566,764
Other current financial liabilities	11,384,726	459,780
Cash and cash equivalents (**)	-62,364,822	-78,332,432
Current securities available for sale	-37,484,866	-40,145,623
Other financial assets	-4,343,793	-
Net medium and long-term financial position (*)	**55,071,289**	**27,747,073**
Trade and other payables	70,736,498	58,747,807
Net debt	**125,807,787**	**86,494,880**
Shareholders' equity	291,151,850	272,327,788
Total capital	**291,151,850**	**272,327,788**
Capital and net debt	**416,959,637**	**358,822,668**
Gearing ratio	*30.2%*	*24.1%*

(*) The difference from the Net Financial Position shown in the Report on Operations is due to a different classification of corporate credit cards

(**) The amounts not yet redeemed by the previous shareholders of rfXcel following the sale of the company to Antares Vision Group have been booked in the Cash and Cash equivalents with a contra-entry to payables of a financial nature.

The gearing ratio is 30.2%, compared with 24.1% in the comparative period. This result derives from the combined effect of several factors, the most significant of which are:

- the acquisition of ACSIS, as explained in detail in the section on business combinations;
- investments in intangible assets, mainly development costs (Euro 4.9 million) and implementation of the new ERP (SAP S/4HANA) and the new PLM (Euro 706 thousand);
- investments in strategic partnerships for Euro 250 thousand with a view to carrying out highly innovative technological projects financed by the European Union through the NextGenerationEU programme;
- the fair value adjustment of financial assets available for sale (negative for Euro 561 thousand[26], relating to the Parent Company for Euro 288 thousand and to FT System for Euro 273 thousand);

[26] *Net effect deriving from a positive adjustment for Euro 78,845 with a contra-entry to financial income and a negative effect of Euro 639,601 with a contra-entry to financial charges.*

- the payment of mortgage interest for an equivalent post-hedging amount of Euro 1.4 million (Euro 1.1 million, net of the effect of derivatives);
- the extinction of a derivative financial instrument, initially stipulated to offset changes in the interest rate on a bank loan and held in the portfolio as a speculative instrument, which resulted in collecting income of Euro 328 thousand;
- the higher proportion of trade and other payables.

which more than offset the positive effects on shareholders' equity generated mainly by the components of other comprehensive income, as shown in the statement of changes in shareholders' equity.

It should be remembered that in the second half of 2021 Antares Vision Group launched a bank debt refinancing strategy by taking out new bank loans (with an average duration of 5 years, a *maturity* of between 7 and 8 years and a fixed average post-hedging cost of around 1.7%[27]) and the placement of Euro 40 million of unsecured and non-convertible bonds with Pricoa Capital Group (the so-called "US Private Placement"*)*. This made it possible to provide the Group with considerable liquidity (at a weighted average cost of 2% and a weighted average duration of 6.4 years[28]) to invest in its development plans. Antares Vision Group is required to comply with financial covenants in line with market practice and there is full compliance at the date of preparation of this document.

STATEMENT OF FINANCIAL POSITION

Non-current assets

1. **Property, plant and equipment and right-of-use assets**

During the first half of 2022, Antares Vision Group's investments in property, plant, machinery and right-of-use assets reached a total of Euro 28,129,942 which compares with Euro 26,538,178 at 31 December 2021. The effect of including ACSIS in the scope of consolidation was Euro 802,602.

This item, which only includes assets with a finite life, shows the following changes:

[27] *Figures calculated at the date each loan was taken out, including a Euro 20 million line of credit that is still to be used as of 30 June 2022*
[28] *Figures calculated at the date each loan was taken out, including a Euro 20 million line of credit that is still to be used as of 30 June 2022*

PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS						
Description	**Land and buildings (including right-of-use assets)**	**Plant and machinery**	**Industrial and commercial equipment**	**Other fixed assets (including right-of-use assets)**	**Fixed assets under construction and advances**	**Total**
Historical cost 31/12/2021	26,562,604	595,140	2,757,351	4,392,769	122,852	34,430,715
Accumulated amortisation 31/12/2021	-4,265,928	-425,837	-974,650	-2,226,123		-7,892,537
Carrying amount 31/12/2021	**22,296,676**	**169,303**	**1,782,701**	**2,166,646**	**122,852**	**26,538,178**
Increases	1,809,300	24,990	174,154	144,667	30,559	2,183,671
Increases in historical cost due to expansion of the scope of consolidation	1,698,324	127,656	178,698			2,004,678
Increases in accumulated depreciation due to expansion of the scope of consolidation	-962,832	-60,546	-178,698			-1,202,076
Exchange rate effect (historical cost)	996,834	27,301	43,995	15,820		1,083,950
Exchange rate effect (accumulated depr./amort.)	-83,975	-5,637	-38,537	-12,631		-140,780
Elimination of historical cost		-11,106		-849,427		-860,533
Elimination of accumulated depr./amort.		11,106		131,395		142,501
Depreciation for the period	-1,392,272	-47,767	-30,758	-148,850		-1,619,647
Total changes	**2,065,379**	**65,998**	**148,855**	**-719,026**	**30,559**	**1,591,765**
Historical cost 30/06/2022	31,067,061	763,981	3,154,198	3,703,829	153,411	38,842,481
Accumulated amortisation 30/06/2022	-6,705,007	-528,680	-1,222,642	-2,256,209		-10,712,538
Carrying amount 30/06/2022	**24,362,054**	**235,301**	**1,931,555**	**1,447,621**	**153,411**	**28,129,942**

Land and buildings show the value of the land and buildings owned by the Group, that of buildings held under finance leases in compliance with IFRS 16, and the right of use of long-term lease, rent and rental contracts that fall within the scope of application of this standard, increased by the value of any improvements made to the assets in accordance with the standards.

The change in the scope of consolidation led to an increase of Euro 735,492 (net carrying amount), represented by the right of use of the building where ACSIS has its offices, determined in application of IFRS 16. In addition to this, there is also the value of the right of use of the building where Antares Vision Asia Pacific is based.

Plant and machinery now has a net carrying amount of Euro 235,301, after depreciation of Euro 47,767 and an increase of Euro 67,110 deriving from ACSIS.

Industrial and commercial equipment now has a net carrying amount of Euro 1,931,555. Compared with last year's balance of Euro 1,782,701, new investments were made for Euro 174,154.

Other fixed assets, which at 30 June 2022 have a balance of Euro 1,447,621, include vehicles and cars, furniture and fittings and electronic and office machines.

Assets under construction and advances include advances paid to suppliers for the upgrade and extension of buildings still in progress.

2. Goodwill

Goodwill amounts to Euro 160,681,352 and is made up as follows:

GOODWILL												
Description	FT System	T2 Sofware	Tradeticity	Convel	Applied Vision	rfXcel	Pen-Tec	Tecnel	Antares Vision India	ACSIS	Others	Total
Amount at 31/12/2021	**45,297,868**	**72,983**	**1,073,329**	**12,322,155**	**13,881,138**	**67,689,959**	**4,034,310**	**1,129,256**	**253,549**	**-**	**104,719**	**145,859,266**
Change for new acquisitions	-	-	-	-	-	-	-	-	-	6,778,822	-	6,778,822
Exchange rate effect	-	11,940	-	-	1,254,875	6,119,271	-	-	-	631,089	26,088	8,043,264
Amount at 30/06/2022	45,297,868	84,923	1,073,329	12,322,155	15,136,013	73,809,230	4,034,310	1,129,256	253,549	7,409,911	130,807	160,681,352

Amounts of goodwill expressed in foreign currency are converted at the period-end exchange rate.

IFRS 3 establishes how an enterprise must account for the effects of a Business Combination and requires goodwill to be determined as the difference between the acquisition cost incurred by the acquiring enterprise and the acquirer's interest in the sum of the fair value of assets and liabilities acquired, contingent liabilities assumed and intangible assets recognised in the Business Combination.

The determination of goodwill is therefore the result of a preliminary PPA and represents the excess of the acquisition cost over the present value of the assets and liabilities acquired.

The Business Combinations section explains the results of the PPA carried out on ACSIS, which was acquired on 18 February 2022 through rfXcel.

Impairment test

IAS 36 "Impairment of Assets" requires the assessment of the existence of losses in value (impairment) of property, plant and equipment and intangible fixed assets and equity investments in the presence of indicators that suggest that this problem may exist. In the case of goodwill, this assessment is made at least once a year. The recoverability of the amounts recorded is verified by comparing the carrying amount recorded in the financial statements with the higher of the net sale price, if there is an active market, and the value in use of the asset. The value in use is defined on the basis of the discounting of the expected cash flows from the use of the asset, or from an aggregation of assets (cash generating unit or CGU), as well as the expected disposal value at the end of its useful life. The CGUs are identified in line with the organisational and business structure of the Group, as homogeneous aggregations that generate autonomous cash flows, deriving from the continuous use of the assets attributable to them.

At the year end on 31 December 2021, the Board of Directors of Antares Vision Group carried out specific procedures to check the recoverable amount of intangible assets with an indefinite useful life (only goodwill) recognised in the consolidated statement of financial position at the same date and will update this assessment by the end of the current year.

The scope of analysis includes all intangible assets with an indefinite useful life recorded in Antares Vision Group's consolidated financial statements.

The directors have established that the activities subject to analysis constitute a single CGU. The Directors adopted this approach based on the following considerations:

- Antares Vision Group provides track & trace and inspection solutions, as well as smart data management and assistance and maintenance services, across all its target markets;
- within Antares Vision Group, there are more and more cross-selling mechanisms, also thanks to the growth in solutions on offer;
- starting from 2020, remuneration mechanisms for management and employees were implemented based on the consolidated results and the Group's strategic objectives;
- each acquisition made by Antares Vision Group provides for the subsequent integration of the business acquired from a strategic and commercial point of view.

The relevant grouping for control therefore includes all of the net operating assets in the consolidated financial statements.

With reference to the consolidated financial statements at 31 December 2021 regarding the main assumptions used in carrying out the impairment test, note that the recoverable value obtained by discounting forecast cash flows and comparing it with shareholders' equity, after deducting net financial debt, resulted in headroom equal to 246% of the recoverable value.

In support of the impairment test described, some sensitivity analyses were carried out on the variation of the WACC and the g rate, with the following results:

- Assuming an increase in the WACC of 0.25 percentage points, the headroom would have been 232% of the recoverable value;
- Assuming a decrease in the g rate of 0.25 percentage points, the headroom would have been 235% of the recoverable value;
- Assuming a combined effect of an increase in the WACC of 0.25 percentage points and a decrease in the g rate of 0.25 percentage points, the headroom would have been 221% of the recoverable value.

In light of the conflict between Russia and Ukraine, the directors have carried out sensitivity analyses on the Business Plan (reducing its profitability by up to 5% per year) and on the discount rate (increasing it by up to half a percentage point) to take into account possible negative effects deriving from this crisis. Also following that sensitivity analysis, the headroom would have been equal to 199% of the recoverable value.

In examining the possible impairment indicators and developing its own assessments, management also took into consideration, among other things, the indications of value that can be inferred from the stock market capitalisation of Antares Vision and from the multipliers expressed by the prices of other companies in the sector. These analyses shown that at 31 December 2021 the recoverable value of the group of assets under review is higher than its carrying amount in the consolidated financial statements of Antares Vision Group.

After 31 December 2021 and up to the date of preparation of this document, no factor was found to suggest that the results of the test might vary if more recent data or forecasts were used.

3. Other intangible assets

The composition and changes in other intangible assets are shown below:

OTHER INTANGIBLE ASSETS								
Description	**Development costs**	**Industrial patent rights and use of intellectual property**	**Concessions, licences, trademarks and similar rights**	**Customer list**	**Know-how**	**Other intangible assets**	**Fixed assets under construction and advances**	**TOTAL**
Historical cost 31/12/2021	17,076,406	375,137	2,795,126	50,750,637	23,745,890	408,578	3,515,609	98,667,384
Accumulated amortisation 31/12/2021	- 5,541,493	- 286,800	- 1,095,411	- 5,608,057	- 2,357,988	- 288,166	-	- 15,177,914
Carrying amount 31/12/2021	**11,534,914**	**88,337**	**1,699,715**	**45,142,581**	**21,387,902**	**120,412**	**3,515,609**	**83,489,469**
Increases	4,882,726	13,665					732,722	5,629,114
Reclassifications	3,009,593						- 3,009,593	-
Increases in historical cost due to expansion of the scope of consolidation			107,172					107,172
Increases in accumulated amortisation due to expansion of the scope of consolidation			- 100,840					- 100,840
Adjustments tofair value generated by PPAs				2,731,813	3,649,199			6,381,011
Exchange rate effect (historical cost)	389,308		118,522	3,622,469	1,925,307	49,690		6,105,297
Exchange rate effect (accumulated depr./amort.)	- 28,298		- 8,825	- 376,597	- 185,231	- 33,084		- 632,035
Elimination of historical cost						- 395,821		- 395,821
Elimination of accumulated depr./amort.						306,724		306,724
Depreciation for the period	- 2,494,933	- 37,069	- 235,331	- 2,707,347	- 1,258,915	- 47,921		- 6,781,516
Total changes	**5,758,397**	**- 23,404**	**- 119,302**	**3,270,338**	**4,130,359**	**- 120,412**	**- 2,276,871**	**10,619,106**
Historical cost 30/06/2022	25,358,034	388,802	3,020,820	57,104,919	29,320,396	62,447	1,238,738	116,494,156
Accumulated amortisation 30/06/2022	- 8,064,723	- 323,869	- 1,440,407	- 8,692,000	- 3,802,135	- 62,447	-	- 22,385,581
Carrying amount 30/06/2022	**17,293,311**	**64,933**	**1,580,413**	**48,412,918**	**25,518,261**	**-**	**1,238,738**	**94,108,575**

Other intangible assets only include assets with a finite life and at 30 June 2022 they amounted to Euro 94,108,575 (Euro 83,489,469 at 31 December 2021).

The PPA was carried out on ACSIS during the half year, which resulted in an increase in the Customer List of Euro 2,731,813 and in Technologies of Euro 3,649,199. As a result of the trend in the dollar, a positive exchange rate effect of Euro 3,622,469 was generated on the customer list and one of Euro 1,925,307 on the Technologies identified during the previous PPAs carried out on Applied Vision and rfXcel.

Development costs amount to Euro 17,293,311, net of accumulated amortisation. In addition to the investments of previous years, during the first half of 2022 development costs were capitalised for Euro 4,882,726 relating to:

- the Parent Company for Euro 2,234,589;
- FT System for Euro 452,615;
- to Applied Vision for Euro 464,974 plus a positive exchange rate effect of Euro 27,755;
- to rfXcel for Euro 1,730,549 plus a positive exchange rate effect of Euro 92,134.

Additional costs of Euro 3,009,593 capitalised during the previous year have also been transferred to this item under Fixed assets in process of formation, being are linked to projects that were still underway at the time and have now been completed.

The development costs in question were recognised under Intangible assets once it was verified that there was reasonable certainty that the expected future economic benefits would arise.

Industrial patent rights and intellectual property rights amount to Euro 64,933, net of accumulated amortisation.

Concessions, licences, trademarks and similar rights increased from Euro 1,699,715 at 31 December 2021 (Euro 1,580,413 at 30 January 2022) to Euro 1,580,413 at 30 June 2022. The change in the period is due for Euro 6,332 (net book value) to the inclusion of ACSIS in the scope of consolidation, for Euro 109,697 to the net exchange rate effect and for Euro 235,331 to amortisation for the period.

Fixed assets in process of formation and advances, equal to Euro 1,238,738, mainly include the costs that the Parent Company is incurring for implementation of the new ERP (SAP S/4HANA) and the new PLM.

4. Investments in associates, joint venture and other companies

The equity investments shown in the consolidated financial statements at 30 June 2022 amount to Euro 7,304,227, held by the Parent Company for Euro 7,034,685 and by AV Shenzhen for Euro 269,542.

Their composition and changes are as follows:

INVESTMENTS IN ASSOCIATES, JOINT VENTURES AND OTHER COMPANIES									
	ASSOCIATES		*JOINT VENTURE*		OTHER COMPANIES				
Description	OROBIX	RURALL	SIEMPHARMA	SHENZHEN ANTARUIXIN	NEURALA	HUMANS GARDEN	FOUNDATIONS	OTHERS	TOTAL
Amount at 31/12/2021	3,033,811	1,500,000	2,014,977	398,642	244,255	150,000	-	17	7,341,702
Acquisitions	-	-	-	-	-	-	250,000	-	250,000
Disposals	-	-	-	-	-	-	-	-	-
Fair value adjustment (*)	- 162,454	-	4,079	- 142,399	-	-	-	-	- 300,774
Foreign exchange effect (**)	-	-	-	13,299	-	-	-	-	13,299
Amount at 30/06/2022	**2,871,357**	**1,500,000**	**2,019,056**	**269,542**	**244,255**	**150,000**	**250,000**	**17**	**7,304,227**

(*) in the case of financial statements in foreign currencies, the fair value adjustment is translated into euro at the year-end exchange rate. The effects on the income statement are shown in Note 39.Income/(charges) on investments are translated at the average exchange rate for the year.

(**) exchange rate effect generated by the conversion at the end-of-period exchange rate compared with the value of the investment at the beginning of the period

Orobix S.r.l. is a company based in Bergamo that operates in artificial intelligence systems. Antares Vision S.p.A. acquired 37.5% of its share capital in December 2019 through an increase in capital. The investment is valued according to the equity method and is recorded for an amount of Euro 2,871,357 following the recognition of the portion of the result for the period pertaining to Antares Vision Group, negative for Euro 162,454.

In July 2021 the Parent Company signed an agreement with three strategic partners (BF S.p.A., the most important Italian agro-industrial group, Bluarancio S.p.A., Information Technology leader in the construction and management of platforms for the Italian agricultural sector, and SDF S.p.A., one of the world's leading manufacturers of tractors, harvesting machines and diesel engines) for the start-up of RurAll S.p.A., a recently established company jointly owned by the partners in equal shares. The projects are geared to making the entire Italian Agro-Food sector more efficient, guaranteeing quality and protecting it from counterfeiting, given that the sector is fundamental for the entire national economy and, consequently, for all consumers. The shareholding, equal to 25%, is recorded in the Consolidation financial statements at Euro 1,500,000, paid in for Euro 375,000. At 30 June 2022 RurAll is still in the start-up phase without operations, so no adjustments have been made to the fair value, postponing the related assessments to the next financial statements[29].

Siempharma S.r.l. (an investment under joint control as there are shareholders' agreements to that effect) operates in the design and marketing of packaging machines. The Parent Company first bought 10% of its share capital on 28 January 2019 and then an additional 20% on 27 September 2021. The effect of applying the equity method in the income statement for the first half of 2022 was positive for Euro 4,079, this being the portion of the result for the period attributable to Antares Vision Group.

The joint ventures also include Shenzhen Antaruixin Limited Liability Company, held 40% by AV Shenzhen, which is in turn wholly owned by Antares Vision Asia Pacific. This investment is measured according to the equity method and is recorded at a value of Euro 269,542 (CNY 1,876,664), following recognition of the portion of the

[29] *At 31 December 2021, Rurall reported a loss for the year of 31,482 euros*

result for the period attributable to Antares Vision Group, negative for Euro 142,399 (CNY 991,442), as well as a positive exchange rate effect of Euro 13,299.

Neurala is an innovative start-up based in Boston, operating in artificial intelligence applied to vision technology for inspection. The investment allows Antares Vision Group to continue its progress in Artificial Intelligence, which began when it entered the share capital of Orobix. Neurala's research team has created the Lifelong-Deep Neural Network™ technology, which reduces the data requirements for developing AI models and enables continuous learning "in the cloud" or "on the premises". Neurala's AI can only be trained on specific categories of inspection problems with product images that are considered "acceptable" or "good", unlike traditional deep learning approaches that typically need examples of both good and bad products. In this way, the learning process is faster than with traditional approaches, reducing the time, costs and skills required to build and maintain customised artificial intelligence solutions applied to vision technologies in manufacturing. The investment is shown at the purchase cost of Euro 244,255.

Humans Garden is an agricultural company based in Adro, of which Antares Vision Group acquired 10% of the share capital in March 2021. It is an entrepreneurial project of sustainable agriculture that values social and economic cooperation, enhancement of the territory and innovation as the driving force of its ideas through the construction of high-tech greenhouses to produce genuine food with a low environmental impact.

The investments in other companies include the National Research Centre for Agricultural Technologies - Agritech (Euro 50,000) and the National Centre for the Development of Gene Therapy and Drugs using RNA-based Technology (Euro 200,000), both of them acquired in June 2022.

The National Research Centre for Agricultural Technologies - Agritech was created with the aim of giving greater impetus to frontier research in the technological field, with particular reference to technologies for agriculture and nutrition in line with the priorities of the European research agenda and with the National Research Plan.

Agritech will act as a hub for the Research Programme established by the Ministry of University and Research concerning the presentation of proposals for the strengthening of research structures and creation of "national champions" for R&D on certain Key Enabling Technologies to be funded under the National Recovery and Resilience Plan promoted by the European Union - NextGenerationEU.

The project is based on the use of enabling technologies for the sustainable development of agri-food production, with the aim of favouring adaptation to climate change, reducing the environmental impact in agrifood, the development of marginal areas, safety, traceability and the typical nature of supply chains.

The Antares Vision Group's participation forms part of an *équipe* of Italian excellence made up of 28 universities, 5 research centres and 17 other companies united by the ambition to combine the best scientific skills to make the Italian agri-food industry more competitive and sustainable.

The National Centre for the Development of Gene Therapy and Drugs using RNA-based Technology carries out research in areas of strategic importance for the country for the production of therapies and the design of procedures for human health, integrating the development of therapies with their targeted administration (known as "precision delivery"). It aims at the creation and renewal of research infrastructures and laboratories, the creation and development of research programmes and activities to favour the birth and growth of entrepreneurial initiatives with a higher technological content (innovative start-ups and spin-offs from research), aimed at enhancing the research results in the specified areas. The Centre focuses its activities in areas of high innovative value such as gene therapy applied to the treatment of cancer or hereditary diseases and RNA-based technologies, integrating skills in the field of advanced biocomputing and smart nanomaterials. The Centre has the ambition and the ability to become an excellence and a point of reference for Europe in order to make our country competitive in the development of state-of-the-art drugs. In addition to Antares Vision Group, it sees the participation of several universities, hospitals and research institutes, as well as leading companies that are leaders in the life sciences and biomedical sectors.

5. Non-current financial assets

Non-current financial assets amount to Euro 4,902,859 (Euro 235,277 at 31 December 2021) and relate to security deposits paid to guarantee contracts in force for Euro 559,066 and derivatives for Euro 4,343,793, the latter all belonging to the Parent Company. The effects of the change in scope during the period are negligible.

The following table summarises the derivatives that Antares Vision S.p.A. has in place to manage and hedge the main financial risks to which it is exposed, explaining their technical characteristics, the risk being hedged, the accounting policy and the mark-to-market adjustment at the end of the period.

Financial instrument	Counterparty	Main transaction	Risk covered	Accounting policy	Contract expiry date	Acquired interest rate	Currency	Notional in currency	Mark to market * at 30/06/2022
Interest Rate Swap	Iccrea Bancaimpresa	Leasing	Interest rate risk	Speculative **	1/2/2026	0.450%	Euro	2,365,977	59,141
Interest Rate Swap	Unicredit	Leasing	Interest rate risk	Speculative **	1/12/2026	0.800%	Euro	2,634,907	129,836
Interest Rate Swap	Intesa Sanpaolo	Bank borrowing	Interest rate risk	Hedging	29/9/2028	0.200%	Euro	30,000,000	1,984,616
Interest Rate Swap	BNL	Bank borrowing	Interest rate risk	Hedging	30/9/2029	0.095%	Euro	30,000,000	1,931,946
Flexible forward	Mediobanca	Intercompany loan	Exchange rate risk	Hedging	30/12/2022	1.14080	Dollari US	709,448	51,515
Flexible forward	Mediobanca	Intercompany loan	Exchange rate risk	Hedging	29/12/2023	1.16050	Dollari US	2,826,374	186,739
Total									**4,343,793**

** Mark to market means the present value of the future cash flows of the transaction at the reference date, calculated on the basis of the discount factors relating to each flow and taken from the interest rate curve and the volatility curve existing on financial markets at the above date*

*** Although the purpose is hedging, not all of the requirements for hedge accounting envisaged by IFRS 9 are met, so the usual accounting treatment of derivative instruments for speculative purposes was applied.*

The main effects are represented by the derivatives that the Parent Company has taken out to hedge changes in the interest rate on two bank loans as part of the refinancing strategy being applied from September 2021.

Note that derivatives that have a negative mark-to-market adjustment at the end of the period are shown under Other non-current financial liabilities, as commented on in Note 15.

6. <u>Deferred tax assets</u>

Deferred tax assets amount to Euro 17,507,421 (Euro 14,964,705 at 31 December 2021) and represent the temporary differences between the balance sheet amounts recorded in the financial statements of the individual Antares Vision Group companies and the corresponding amounts recognised for tax purposes, at the tax rates that are expected to apply when these differences reverse, including the effects on non-current taxes deriving from first-time adoption of IFRS.

The composition and nature of this item is as follows:

DEFERRED TAX ASSETS										
Description	Temporary differences separate financial statements	Deferred tax assets on tax losses	Tax effect of elimination of unrealised profits	Deferred tax assets IFRS 15	Deferred tax assets IFRS 16	Deferred tax assets IAS 19	Deferred tax assets IAS 38	Deferred tax assets IFRS 2	Other deferred tax assets	Total
Amount at 31/12/2021	**870,331**	**5,686,669**	**566,128**	**5,870,612**	**27,383**	**559,359**	**124,940**	**168,959**	**1,090,324**	**14,964,705**
Change during the period	-259,864	3,025,336	-210,517	2,148,071	404,410	-554,556	-124,940	-136,778	-1,748,447	2,542,716
Amount at 30/06/2022	**610,467**	**8,712,005**	**355,611**	**8,018,683**	**431,793**	**4,803**	**-**	**32,181**	**(658,123)**	**17,507,421**

The application of IFRS entailed the allocation of deferred tax assets which at 30 June 2022 amounted to Euro 8,487,460, attributable for Euro 8,018,683 to IFRS 15, mainly coming from rfXcel, Euro 431,793 to IFRS 16, Euro 4,803 to IAS 19 and Euro 32,181 to IFRS 2.

Deferred tax assets on losses of the companies belonging to Antares Vision Group are attributable to the Parent Company for Euro 6,439,249, to Antares Vision do Brasil for Euro 736,357 and to Antares Vision Asia Pacific for Euro 119,726.

The Board of Directors considers this loss to be temporary, so the conditions for recognising deferred tax assets are deemed to have been met. The valuation was carried out following the general principle of prudence and is based on a Business Plan prepared and approved in 2021, that considered it possible to make full use of the deferred tax assets to offset future taxable income in the current year and the next two years. However, especially following the slowdown in the implementation of track & trace solutions in Brazil due to a regulatory change that no longer makes it mandatory, but leaves freedom of choice for the implementation of serialisation and aggregation, a new Business Plan is currently being prepared. However, it is believed that the full use of deferred tax assets is not compromised, but only deferred over a longer period of time.

Specifically, the tax loss recorded by Antares Vision S.p.A. is mainly generated by the effects deriving from first-time application of IAS/IFRS in 2021. These include the decreases linked to the deferral of revenues (IFRS 15), already taxed in previous years, and to the costs incurred for the translisting accounted for as a reduction of shareholders' equity as required by IAS 32. So it is obvious that the tax loss was generated by completely extraordinary trends. It should be noted that the option for the national tax consolidation was exercised on 28 February 2022. It involves FT System and Convel, in addition to the Parent Company as the consolidating company and took effect from fiscal year 2021.

This item also includes the temporary differences generated by elimination of the unrealised intragroup profits which at the end of the half year generated deferred tax assets of Euro 355,611; it also includes the temporary differences of Euro 610,467 generated by application of local tax provisions shown in the separate financial statements of the individual companies belonging to the Group. Lastly, in Other deferred tax assets, there is an amount of Euro 519,634 that refers to the temporary difference between the tax value and the carrying amount of the implicit goodwill generated by the acquisition of the minority interest in AVNA.

Current assets

7. Inventories

Inventories at 30 June 2022 amount to Euro 52,006,074 (Euro 38,182,503 at 31 December 2021), measured at the lower of purchase or production cost and estimated realisable value based on market trends.

The balance is made up as follows:

INVENTORIES					
Description	Raw materials, ancillary and consumables	Work in progress and semi-finished goods	Finished products and goods	Advances for stocks	Total inventories
Amount at 31/12/2021	**24,112,461**	**7,052,083**	**6,410,699**	**607,261**	**38,182,503**
Change during the period	12,821,579	186,708	- 635,330	1,371,405	13,744,361
Effect of the change in the scope of consolidation - ACSIS	-	-	79,209	-	79,209
Amount at 30/06/2022	36,934,040	7,238,791	5,854,578	1,978,665	52,006,074

The increase in this item, due for Euro 79,209 to the inclusion of ACSIS in the scope of consolidation, is a direct consequence of the increase in orders from customers (+31% in the first half of 2022), but to a certain extent it is also affected by the inflationary dynamics of purchases of materials made in advance mainly due to the shortage of electronic components.

Inventories are shown net of the provision for obsolete and slow-moving goods. There were the following changes in the provision during the period:

INVENTORY PROVISION			
Description	Raw materials, ancillary and consumables	Finished products and goods	Total inventory provision
Amount at 31/12/2021	**870,226**	**517,878**	**1,388,104**
Provisions	144,937	107,570	252,508
Uses/releases	- 1,206	- 85,000	- 86,206
Amount at 30/06/2022	**1,013,957**	**540,448**	**1,554,406**

8. Trade receivables

Trade receivables are all due within 12 months and have therefore been recorded at their estimated realisable value, without having to measure them at amortised cost or discount them.

The estimated realisable value corresponds to the difference between the nominal value and the allowance for doubtful accounts based on a review of individual receivable balances, taking into account past experience, specific by business and geographical area, to estimate the expected loss as required by IFRS 9.

The changes in trade receivables are shown below:

TRADE RECEIVABLES			
Description	Trade receivables	Provision for credit risks	Total trade receivables
Amount at 31/12/2021	**63,933,347**	**2,147,757**	**61,785,590**
Change during the period	13,971,199	370,907	13,600,292
Effect of the change in the scope of consolidation - ACSIS	1,218,595	29,834	1,188,760
Amount at 30/06/2022	**79,123,141**	**2,548,498**	**76,574,642**

At 30 June 2022, this item amounts to Euro 76,574,642 (net of a provision for doubtful accounts of Euro 2,548,498, and compares with a balance of Euro 61,785,590 the previous year (net of a provision of Euro 2,147,757).

The increase during the first half of 2022 is attributable to the expansion of the scope of consolidation for Euro 1,188,760. Net of this effect, trade receivables are affected on the one hand by the increase in sales recorded during the half year in question, and on the other by the greater impact (mainly for rfXcel) on the credit component of government counterparties which provide for longer payment terms, but with a high degree of solvency.

Antares Vision Group carefully evaluates the solvency of its customers, constantly monitoring credit exposure and activating immediate debt collection procedures with counterparties for past due accounts. It is rarely necessary to take legal action.

Lastly, there are no situations of commercial dependence or significant concentration with individual customers; the receivables portfolio is also well distributed by geographical area, which mitigates any country risk.

9. Other receivables

Other receivables amount to Euro 11,654,525 and compare with Euro 10,730,526 at 31 December 2021. This item is made up as follows:

OTHER RECEIVABLES				
Description	**Tax receivables**	**Advances to suppliers**	**Other**	**Total other receivables**
Amount at 31/12/2021	5,013,855	1,414,143	4,302,528	10,730,526
Change during the period	787,115	181,076	- 243,137	725,054
Effect of the change in the scope of consolidation - ACSIS	-	-	198,945	198,945
Amount at 30/06/2022	**5,800,970**	**1,595,219**	**4,258,336**	**11,654,525**

Tax receivables have gone from Euro 5,013,855 on 31 December 2021 to Euro 5,800,970 on 30 June 2022.

This amount refers to the Parent Company for Euro 2,930,730, to Antares Vision do Brasil for Euro 861,509 and to AVUS for Euro 1,583,086 and includes payments made as an advance on income taxes and the VAT credit.

Advances to suppliers include receivables for payments made in advance to suppliers, attributable to the Parent Company for Euro 462,214, to FT System for Euro 210,121 and to Antares Vision Asia Pacific for Euro 115,868.

Other receivables have gone from Euro 4,302,528 at 31 December 2021 to Euro 4,258,366 at 30 June 2022. It mainly includes accrued income and prepaid expenses, attributable to the Parent Company for Euro 2,937,488 and to rfXcel for Euro 758,733. It is also affected by the inclusion of ACSIS in the scope of consolidation for Euro 198,945.

10. Other current financial assets

Other current financial assets amount to Euro 37,484,866 (Euro 40,145,623 at 31 December 2021, attributable to the Parent Company for Euro 33,755,266 and to FT System for Euro 3,729,600.

The change during the period, negative for Euro 2,660,757, is due to:

- the fair value adjustment of securities and insurance policies held by the Parent Company, negative for Euro 287,689 (of which Euro 78,845 recognised under financial income and Euro 366,534 recognised under financial charges);

- the fair value adjustment of the bond fund held by FT System, negative for Euro 273,067, after the disinvestments during the half year for Euro 2,100,000;

As already indicated in the section on fair value measurement, other current financial assets fall under the Level 3 hierarchy as their fair value is determined with reference to variables that are not observable on the market.

11. Cash and banks

The balance of cash and banks recorded at nominal value amounts to Euro 62,364,822, which compares with Euro 78,332,432 last year.

The composition of this item is shown below:

CASH EQUIVALENTS AND SHORT TERM DEPOSITS				
Description	**Bank and postal deposits**	**Cash and cash equivalents**	**Prepaid payment cards**	**Total**
Amount at 31/12/2021	**77,883,976**	**359,939**	**88,517**	**78,332,432**
Changes during the period	-18,820,031	-193,493	-5,573	-19,019,098
of which: exchange rate effect	*2,545,096*	-	-	*2,545,096*
Effect of the change in the scope of consolidation - ACSIS	3,051,048	440	-	3,051,488
Amount at 30/06/2022	**62,114,992**	**166,886**	**82,944**	**62,364,822**

The change in this item, which benefits from a positive exchange rate effect of Euro 2,545,096, is linked to the joint effect of:

- the acquisition of ACSIS Inc. ("**ACSIS**") which took place on 18 February 2022 through rfXcel Corp. ("**rfXcel**") for an enterprise value of US$ 12 million (Euro 10.6 million at the exchange rate on the date of acquisition), including cash of US$ 3.5 million[30] (Euro 3.1 million). The financial resources for this transaction were made available through an increase in capital of US$ 15 million from the Parent Company to Antares Vision Inc. ("**AVUS**") and subsequently from AVUS to rfXcel. Further details are provided in the Business Combinations section of this document;

- the investments in intangible assets, mainly for development costs (Euro 4.9 million) and implementation of the new ERP (SAP S/4HANA) and the new PLM (Euro 706 thousand);

- the investments in strategic partnerships for Euro 250 thousand with a view to carrying out highly innovative technological projects financed by the European Union through the NextGenerationEU programme;

- the payment of mortgage interest for an equivalent post-hedging amount of Euro 1.4 million (Euro 1.1 million, net of the effect of derivatives);

[30] *Gross of debt-like items related to the acquisition for US$ 0.5 million.*

- the extinction of a derivative financial instrument, initially stipulated to offset changes in the interest rate on a bank loan and held in the portfolio as a speculative instrument, which resulted in collecting income of Euro 328 thousand;
- payment to the Parent Company of a Euro 10 million bank loan, of which Euro 6.6 million was used to repay the previous loan from the same bank. This transaction formed part of a broader debt refinancing strategy initiated during the second half of 2021 that involved taking out new bank loans (with an average duration of 5 years, a maturity of between 7 and 8 years and a fixed average post-hedging cost of around 1.7%[31]) and the placement of Euro 40 million of unsecured and non-convertible bonds with Pricoa Capital Group (the so-called "US Private Placement"). This made it possible to provide the Group with considerable liquidity (at a weighted average cost of 2% and a weighted average duration of 6.4 years[32]) to invest in its development plans. Antares Vision Group is required to comply with financial covenants in line with market practice and there is full compliance at the date of preparation of this document;
- payment to the Parent Company of a subsidised loan of Euro 1.7 million and a bank loan of Euro 0.2 million relating to the third Structural Adjustment Loan (SAL) of the Smart Ward Platform (SWP) R&D project, now renamed Medication Management Platform. On the occasion of the previous SALs, the Parent Company had already received Euro 3.3 million as a subsidised loan and Euro 0.4 million in the form of a bank loan;
- payment of the price adjustments linked to the acquisition of Pen-tec which took place in April 2022 for Euro 460 thousand and recorded under Other payables of a financial nature at 31 December 2021;
- re-crediting to AVUS of the amounts not yet redeemed by the previous shareholders of rfXcel following the sale of the company to Antares Vision Group. This amount is classified as a short-term component as according to American law the funds can be redeemed by their rightful owners any time within 5 years and on the fifth anniversary of the closing, if they have not yet been requested, Antares Vision Group will have to notify the state of last known address of the rightful owner and the related funds will have to be transferred to this state, becoming de facto state property.

[31] *Figures calculated at the date each loan was taken out, including a Euro 20 million line of credit that is still to be used as of 30 June 2022*
[32] *Figures calculated at the date each loan was taken out, including a Euro 20 million line of credit that is still to be used as of 30 June 2022*

Shareholders’ equity

12. Share capital and reserves

Shareholders' equity at 30 June 2022 amounts to Euro 291,151,850 (Euro 291,284,758 including minority interests) and compares with the amount of Euro 272,327,788 (Euro 272,399,018 including minority interests) of the previous year.

The share capital at 30 June 2022 amounts to Euro 169,453, fully paid up (Euro 169,451 at 31 December, paid up for Euro 168,144). The share premium reserve shown under Other reserves had a value at the end of the year of Euro 209,466,984 (Euro 209,466,890 at 31 December 2021). The slightest changes in the share capital and in the share premium reserve are entirely linked to the exercise of the warrants issued in April 2019 by the Parent Company on the occasion of the business combination with Alp.I S.p.A. in favour of the latter's shareholders with a view to listing Antares Vision S.p.A. on what was then the AIM (now Euronext Growth).

Please refer to Note 13 below for a more detailed discussion on the issue of warrants and how they are exercised and to the summary statement of changes in consolidated shareholders' equity included in the consolidated financial statements for more information on the other changes in shareholders' equity.

The reconciliation between the profit and shareholders' equity of the Parent Company and the consolidated profit and shareholders' equity is shown in the table below:

	30/06/2022		31/12/2021	
	Shareholders’ equity	of which: result for the period	Shareholders’ equity	of which: result for the period
Shareholders' equity and profit for the period of the Parent Company (IFRS)	**253,865,204**	**(1,176,235)**	**249,890,810**	**(280,428)**
Surplus of shareholders' equity in the financial statements, including the results for the period, compared with the book value of investments in consolidated companies	26,231,490	1,412,354	31,413,427	18,178,690
Foreign currency translation reserve	21,421,565	-	6,428,341	-
Elimination of the effects of transactions carried out between consolidated companies	(1,930,714)	(645,087)	(1,570,811)	(202,003)
Effect of the application of international accounting standards	(8,435,695)	(1,430,969)	(13,833,979)	(5,300,268)
Effect of application of IFRS 15	(6,553,145)	(1,217,912)	(14,903,034)	(5,652,308)
Effect of application of IFRS 16/IAS 17	(373,885)	(15,739)	1,599,423	420,372
Employee Severance Fund discounting effect	(1,069,287)	(197,318)	(530,368)	(68,332)
Effect of application of IFRS 3	(439,378)	-	(439,378)	(439,378)
Shareholders' equity and result for the period as reported in the Group's financial statements	291,151,850	(1,839,937)	272,327,788	12,395,990
Minority interest in shareholders' equity and result	132,908	(3,850)	71,230	(48,730)
Consolidated shareholders' equity and result	**291,284,758**	**(1,843,787)**	**272,399,018**	**12,347,260**

Non-current liabilities

13. Non-current loans and borrowings

At 30 June 2022, non-current loans and borrowings amount to Euro 132,077,497 (Euro 128,150,631 at 31 December 2021), almost entirely attributable to the Parent Company (Euro 131,495,099).

Their composition and changes are shown below:

NON-CURRENT LOANS AND BORROWINGS			
Description	**Medium/long-term loans (share over 12 months)**	**Warrants**	**Total non-current loans and financing**
Amount at 31/12/2021	**120,664,413**	**7,486,218**	**128,150,631**
Change during the period	6,731,132	- 2,804,266	3,926,866
Amount at 30/06/2022	**127,395,545**	**4,681,952**	**132,077,497**
of which: over 5 years	*72,596,981*	*-*	*72,596,981*

As can be seen from the table, non-current loans and borrowings consist of payables to banks falling due beyond 12 months (the portion falling due within the next financial year is classified under current loans and borrowings as explained in Note 19) and the financial liability generated by the issue of warrants in conjunction with the listing of Antares Vision S.p.A..

The increase in medium/long-term loans is due to the payment to the Parent Company of a Euro 10 million bank loan, of which Euro 6.6 million was used to repay the previous loan from the same bank. This transaction formed part of a broader debt refinancing strategy initiated during the second half of 2021 that involved taking out new bank loans (with an average duration of 5 years, a maturity of between 7 and 8 years and a fixed average post-hedging cost of around 1.7%[33]) and the placement of Euro 40 million of unsecured and non-convertible bonds with Pricoa Capital Group (the so-called "US Private Placement"). This made it possible to provide the Group with considerable liquidity (at a weighted average cost of 2% and a weighted average duration of 6.4 years[34]) to invest in its development plans.

With regard to the bond loan and certain of the bank loans, Antares Vision Group is required to comply with financial covenants on a consolidated basis, in line with market practice. At the reporting date, up to the date of preparation of this document, the covenants have all been amply met.

[33] *Figures calculated at the date each loan was taken out, including a Euro 20 million line of credit that is still to be used as of 30 June 2022*

[34] *Figures calculated at the date each loan was taken out, including a Euro 20 million line of credit that is still to be used as of 30 June 2022*

The first half of 2022 also saw payment to the Parent Company of a subsidised loan of Euro 1.7 million and a bank loan of Euro 0.2 million relating to the third Structural Adjustment Loan (SAL) of the Smart Ward Platform R&D project, now renamed Medication Management Platform. On the occasion of the previous SALs, the Parent Company had already received Euro 3.3 million as a subsidised loan and Euro 0.4 million in the form of a bank loan.

As for the inclusion of ACSIS in the scope of consolidation, note that the loan granted by the previous shareholders to the company was acquired by rfXcel at the time of the acquisition, thus generating an intercompany item which has been appropriately eliminated in these consolidated financial statements.

Non-current loans and borrowings also include the adjustment of the financial liability represented by the warrants.

In this regard, it should be noted that the Shareholders' Meeting of Antares Vision S.p.A. held on 5 February 2019 approved an increase in capital, with the exclusion of pre-emption rights pursuant to article 2441, paragraph 5, of the Italian Civil Code, to service the exercise of the warrants, in a divisible manner, for a maximum nominal amount of Euro 3,255.60 through the issue of up to 1,356,500 conversion shares. The regulation for the exercise and conversion of warrants was updated by the Board of Directors of the Parent Company on 28 April 2021 on the occasion of the translisting to Euronext STAR Milan.

Warrant holders can decide whether to exercise their warrants in total or in part by asking to subscribe shares at the subscription price (Euro 0.10 per share), provided that the average monthly price is higher than the strike price (Euro 9.50 per share). On exercise, warrant holders will be assigned conversion shares on the basis of the exercise ratio calculated according to the following formula:

(average monthly price - strike price) / (average monthly price - subscription price)

If the acceleration condition in the above formula occurs, the average monthly price will be replaced by the acceleration price (Euro 13 per share). The expiration date of the warrants is the first of the following dates to take place: (*i*) the first trading day after 5 years from 18 April 2019 (the date of the business combination with Alp.I without any conversion and (*ii*) the first trading day after 30 calendar days have passed from the date of publication of the acceleration notice. Since these are financial instruments that, once exercised, may give the right to delivery of a variable number of shares, they do not fall within the definition of equity instruments in IAS 32, paragraph 16. As a result, they must be classified as a financial liability offset by a corresponding change in shareholders' equity. Subsequent adjustments to the financial liability will be booked to the income statement.

The table below shows the changes in this item. The change of Euro 2,804,266 has been recorded under financial income:

NON-CURRENT LOANS AND BORROWINGS			
Description	**no. Warrants**	**Price**	**Financial liabilities**
Amount at 31/12/2021	**2,495,406**	**3.0000**	**7,486,218**
Changes during the period	- 5,006		- 2,804,266
Amount at 30/06/2022	**2,490,400**	**1.8800**	**4,681,952**

14. Non-current lease liabilities

Non-current lease liabilities amount to Euro 10,092,437 (Euro 9,376,093 at 31 December 2021). The increase is almost entirely attributable to the change in the scope of consolidation, which at the date of acquisition of ACSIS led to higher financial liabilities for Euro 725,228 relating to the rental contract for the offices where the company acquired is based.

In accordance with IFRS 16, Antares Vision Group assesses when signing a contract whether it can be classified as a lease, i.e.:

- whether it confers an exclusive right to use an asset;
- whether a period within which the right of use can be exercised is identified;
- whether a fee is fixed for the enjoyment of that right.

Assets identified in this way are recorded at cost, including all initial direct expenses, and they are depreciated on a straight-line basis from the effective date until the end of the useful life of the asset underlying the contract or until expiry of the lease, whichever comes first. At the same time as the right of use is recorded under assets, Antares Vision Group enters the present value of the payments due, including the price of any purchase option, under lease liabilities. The value of the liabilities decreases as a result of payments made and can change if the contractual terms are amended. The discount rate used to determine the value of the liabilities is the incremental borrowing rate.

With regard to rental contracts for buildings and offices, since it is extremely likely, from a strategic point of view, that they will be extended, the duration has been calculated taking into account the optional period indicated in the contract.

Contracts with a total duration of 12 months or less have been excluded from application of the standard, as have contracts for which the unit value of the underlying assets does not exceed Euro 5,000. The related fees are therefore recognised as costs over the duration of the contract. At 30 June 2022 the amount of these fees was equal to Euro 61,092.

15. Other non-current financial liabilities

At 30 June 2022, other non-current financial liabilities amounted to Euro 4,674 (Euro 566,764 at 31 December 2021) linked to a derivative financial instrument that the Parent Company had initially subscribed to hedge interest rate fluctuations on a bank loan repaid early as part of the bank refinancing strategy initiated in September 2021. The accounting treatment of this derivative, which at the end of the period had a negative mark-to-market adjustment, follows the typical rules of instruments held for speculative purposes as the requirements for hedge accounting under IFRS 9 were not met.

Their composition and changes are shown below:

Strumento finanziario	Operazione principale	Rischio coperto	Politica di contabilizzazione	Data di decorrenza del contratto	Data di scadenza del contratto	Tasso acquistato	Valuta	Nozionale in valuta	Mark to market * al 30/06/2022
Interest Rate Swap	Finanziamento passivo bancario	Rischio di tasso di interesse	Speculativa	31/3/2019	31/3/2023	0,020%	Euro	4.444.444	- 4.674
Totale									- 4.674

** Per mark to market si intende il valore attuale dei flussi di cassa futuri dell'operazione alla data di riferimento, calcolato sulla base dei fattori di sconto riferibili a ciascun flusso e desunti dalla curva dei tassi di interesse e dalla curva di volatilità esistente sui mercati finanziari alla suddetta data*

Note that derivatives that have a positive mark-to-market adjustment at the end of the period are shown under non-current financial assets, as commented on in Note 5.

16. Retirement benefit obligations

Retirement benefit obligations are shown in the consolidated financial statements at 30 June 2022 for Euro 6,979,430 which compares with the balance of Euro 8,633,983 at 31 December 2021.

This item consists of the severance indemnity (TFR) recognised for the benefit of employees of the Group's Italian companies. The change during the year is represented by the provision for the year, net of disbursements made to employees and to supplementary pension funds, and the effect of discounting the liability that existed at the reference date. In detail, this discounting led to a significant decrease in the net liability for pension funds for Euro 2,213,184, determined in particular by the increase in the discount rate (from 0.98% to 3.22%) and in the inflation rate (from 1.75% to 2.10%), a consequence of the current macroeconomic scenario.

In fact, in application of IAS 19, paragraphs 67-69, the "accrued benefits" method was used for the valuation of severance indemnities using the "Projected Unit Credit" (PUC) criterion. This method is characterised by valuations that express the average present value of severance indemnities accrued on the basis of the service that the employee has rendered up to the time when the valuation was made and can be summarised in the following steps:

- projection for each employee in the payroll at the valuation date of the severance indemnities already set aside and of the future severance indemnities that will be accrued until the assumed time of payment, projecting the employee's remuneration;
- determination for each employee of the probable severance indemnity payments to be made by the Group in the event of termination of employment due to dismissal, resignation, disability, death and retirement, as well as in the event of advance payments requested by the employee;
- discounting to the valuation date of each probable payment;
- re-proportioning, for each employee, of the probable services and discounted on the basis of period of service accrued at the valuation date compared with the equivalent overall period of service at the assumed date of liquidation.

The individual demographic assumptions adopted were as follows:

DEMOGRAPHIC ASSUMPTIONS	
Death	RG48 mortality tables published by the State General Accounting Office
Disability	INPS tables broken down by age and gender
Retirement	100% upon attainment of the AGO (compulsory state pension) requirements adjusted for Legislative Decree no. 4/2019

The technical bases used are listed below:

ECONOMIC ASSUMPTIONS		
Description	**30/06/2022**	**31/12/2021**
Annual discount rate	3.22%	0.98%
Annual inflation rate	2.10%	1.75%
Annual rate of increase in severance indemnity (T.F.R.)	3.08%	2.81%
Real annual salary increase rate	1.00%	1.00%

The annual frequency of advances and turnover shown in the table below are based on Antares Vision Group's past experience and the results of a benchmarking analysis with similar companies:

TURNOVER AND ADVANCES HYPOTHESIS		
Description	**30/06/2022**	**31/12/2021**
Frequency of advances	1.50%	1.50%
Frequency of turnover	2.50%	2.50%

The following is a reconciliation of the IAS 19 valuations at the beginning of the period and at 30 June 2022:

IAS 19 EVALUATIONS RECONCILIATION						
Description	**ANTARES VISION**	**FT SYSTEM**	**CONVEL**	**PEN-TEC**	**TECNEL**	**TOTAL**
Defined Benefit Obligation (DBO) beginning of period	**5,888,876**	**2,270,960**	**114,472**	**151,197**	**181,636**	**8,607,140**
Service Cost	560,190	187,318	21,336	14,533	7,787	791,164
Interest Cost	28,602	11,078	527	741	890	41,838
Benefits paid	- 49,439	- 74,226	- 13,957	-	-	- 137,621
Adjustments	- 54,122	54,122	-	-	-	-
Expected DBO end of period	**6,374,107**	**2,449,254**	**122,378**	**166,471**	**190,312**	**9,302,521**
A(G)/L from experience	36,707	80,616	- 2,299	- 3,538	- 666	110,821
A(G)/L from change of demographic assumptions	-	-	-	-	-	-
A(G)/L from discount rate exchange	- 1,677,582	- 667,383	- 31,977	- 35,883	- 23,678	- 2,436,502
Defined Benefit Obligation (DBO) end of period	**4,733,233**	**1,862,487**	**88,102**	**127,050**	**165,968**	**6,976,840**

The following is the sensitivity analysis carried out for each material assumption at the end of the year, showing the effects that could have come from changes in actuarial assumptions that are reasonably possible:

SENSITIVITY ANALYSIS OF THE MAIN EVALUATION PARAMETERS					
Description	**ANTARES VISION DBO 30/06/2022**	**FT SYSTEM DBO 30/06/2022**	**CONVEL DBO 30/06/2022**	**PEN-TEC DBO 30/06/2022**	**TECNEL DBO 30/06/2022**
Turnover rate +1%	4,743,776	1,865,775	88,514	127,414	166,013
Turnover rate -1%	4,719,535	1,858,151	87,596	126,638	165,928
Inflation rate +0.25%	4,872,728	1,918,064	90,780	130,226	168,064
Inflation rate -0.25%	4,599,445	1,809,180	85,537	123,992	163,918
Discount rate +0.25%	4,568,196	1,796,777	84,975	123,376	163,330
Discount rate -0.25%	4,907,585	1,931,901	91,411	130,905	168,682

The following is the sensitivity analysis carried out for each material assumption at the end of the year, showing the effects that could have come from changes in actuarial assumptions that are reasonably possible:

SERVICE COST AND DURATION					
Description	**ANTARES VISION**	**FT SYSTEM**	**CONVEL**	**PEN-TEC**	**TECNEL**
Service cost in the future	992,013	300,338	30,304	24,444	14,990
Duration	21.8	21.3	21.2	18.9	12.5

Lastly, as required by IAS 19, the estimated future disbursements of the plan are indicated below:

FUTURE DISBURSEMENTS					
Years	**ANTARES VISION**	**FT SYSTEM**	**CONVEL**	**PEN-TEC**	**TECNEL**
1	236,263	98,011	4,495	15,607	8,559
2	262,683	96,749	5,793	6,866	9,126
3	323,361	108,570	7,058	7,795	9,685
4	412,768	120,150	8,299	8,717	10,267
5	375,868	131,469	9,508	9,608	10,819

17. Deferred tax liabilities

Deferred taxes are determined in relation to all taxable temporary differences between the values of consolidated assets and liabilities, compared with the values recorded for tax purposes in the financial statements of consolidated companies.

At 30 June 2022 the deferred taxes recognised on the liabilities side of the statement of financial position amounted to Euro 21,001,517 compared with a balance of Euro 17,583,213 at 31 December 2021.

ACSIS's PPA carried out in the half year resulted in the recognition of deferred tax liabilities for Euro 1,722,873 at the date of inclusion in the scope of consolidation, which was followed by releases for the period for Euro 65,644 and a negative exchange rate effect for Euro 156,900.

The deferred tax liabilities relating to PPAs carried out in previous years amounted to Euro 14,797,921, after releases of the period for Euro 1,056,698 and a negative exchange rate effect of Euro 901,983.

Lastly, deferred tax liabilities of Euro 1,101,551 related to the derivatives that the Parent Company has in place to hedge interest rate and exchange rate risk are recorded as explained in the related notes.

18. Other non-current liabilities

At 30 June 2022, other non-current liabilities amount to Euro 174,156, compared with the balance of Euro 329,207 at 31 December 2021. They mainly refer to advances from customers that are expected to become definitive beyond 12 months.

Current liabilities

19. Current loans and borrowings

Current loans and borrowings amount to Euro 4,003,191 compared with Euro 5,989,703 last year.

The movements and composition of this item are shown below:

CURRENT LOANS AND BORROWINGS			
Description	**Medium/long-term loans (share within 12 months)**	**Credit cards**	**Total current loans and financing**
Amount at 31/12/2021	**5,746,787**	**242,916**	**5,989,703**
Change during the period	- 2,186,512	200,000	- 1,986,512
Amount at 30/06/2022	**3,560,275**	**442,916**	**4,003,191**

This item includes the portion due within 12 months of the medium/long-term loans of the Parent Company for Euro 3,347,154 and of rfXcel for Euro 192,548.

As described in greater detail in Note 13, from September 2021, the Parent Company's bank debt was renegotiated through the disbursement of new bank loans, partially used to pay off the existing loans whose pre-amortisation period had ended or was nearing the end.

The change in this item derives from:

- payment to the Parent Company of a Euro 10 million bank loan, of which Euro 6.6 million was used to repay the previous loan from the same bank, making it possible to benefit from a new pre-amortisation period;

payment to the Parent Company of a subsidised loan of Euro 1.7 million and a bank loan of Euro 0.2 million relating to the third Structural Adjustment Loan (SAL) of the Smart Ward Platform (SWP) R&D project, now renamed Medication Management Platform. The amount of Euro 442,916 refers to the balance due on corporate credit cards.

20. Current lease liabilities

Current lease liabilities amount to Euro 1,702,246 (Euro 1,683,212 at 31 December 2021), which is the portion due within 12 months of payables to leasing companies following the application of IFRS 16. Please refer to the explanation of non-current lease liabilities given in Note 14.

21. Other current financial liabilities

At June 2022 other current financial liabilities amount to Euro 11,384,726, compared with Euro 459,780 last year.

At 31 December 2021, this item consisted entirely of the financial liability recognised by FT System for the increase in the purchase price for 100% of Pen-tec and 100% of Tecnel, paid during the period.

The balance at 30 June 2022 is entirely attributable to AVUS and includes the amounts not yet redeemed by the previous shareholders of rfXcel following the sale of the company to Antares Vision Group. They are shown in this item because according to American law, on the fifth anniversary of the closing, if these funds have not yet been requested by the rightful owners, Antares Vision Group will have to notify the state of the last known address of the rightful owner and the related funds will have to be transferred to this State, becoming *de facto* state property.

22. Current provisions for risks and charges

At 30 June 2022, current provisions for risks and charges amount to Euro 936,662 and compare with the balance of Euro 964.618 at 31 December 2021. Its composition and changes are shown below:

CURRENT PROVISIONS FOR RISKS AND CHARGES				
Description	**Products warranty fund**	**Fund for ongoing disputes**	**Provision for agents' severance indemnity**	**Total**
Amount at 31/12/2021	**863,859**	**56,860**	**43,899**	**964,618**
Uses of the period	- 291,307	-	-	- 291,307
Provisions for the period	233,561	426	8,602	242,589
Exchange rate effect	20,762	-	-	20,762
Amount at 30/06/2022	**826,875**	**57,286**	**52,501**	**936,662**

The provision for product warranties relates to the estimated charges for servicing and repairs to be carried out under warranty on machinery already delivered; the calculation was made on the basis of historical trends and resulted in an adjustment of the provision for Euro 233,561 after uses during the period of Euro 291,307 and an exchange rate effect of Euro 20,762.

This item also includes the provision for agents' severance indemnity of Euro 52,501 and other contingent liabilities estimated at Euro 57,286.

When carrying out its analyses, management is advised by its consultants and experts in legal and tax matters. The Group makes provision for a liability in the event of disputes when it deems it probable that a financial outlay will occur and when the amount of the resulting losses can be reasonably estimated. The provisions set aside are reviewed at each reporting date and adjusted to show the best current estimate.

23. Contract liabilities

First-time adoption of IFRS 15 led to a deferral of revenue compared with Italian accounting standards due to the fact that they can only be recognised after the two performance obligations inherent in contracts with customers have been met: delivery of the goods and installation.

This deferral generated an FTA Reserve at 1 January 2018 of Euro 15,250,613. The value recorded under Contract liabilities reflects the value of the goods (net of their cost of sales) delivered to the customer, but for which installation has not yet been completed. The changes are reported below:

CONTRACTUAL LIABILITIES	
Description	**Contract liabilities**
Amount at 31/12/2021	**2,721,242**
Changes during the period	- 379,728
Amount at 30/06/2022	**2,341,514**

24. Trade payables

At 30 June 2022, the balance of trade payables is equal to Euro 17,878,286 (Euro 18,674,613 at 31 December 2021), all with a duration of less than 12 months.

TRADE PAYABLES	
Description	**Trade payables**
Amount at 31/12/2021	**18,674,613**
Changes during the period	-1,486,231
Effect of the change in the scope of consolidation - ACSIS	689,965
Amount at 30/06/2022	**17,878,346**

The effect of including ACSIS in the scope of consolidation was Euro 689,965. The decrease is linked to the typical seasonality of the business which sees a higher volume of turnover (and therefore costs and trade payables) in the latter part of the year.

25. Other payables

Other payables amount to Euro 52,858,212 compared with Euro 40,073,195 at 31 December 2021. The increase in this item is affected for Euro 2,124,109 by the inclusion of ACSIS in the scope of consolidation.

The composition of this item is shown below:

OTHER PAYABLES							
Description	**Advances from customers**	**Payables to personnel**	**Payables to social security institutions**	**Tax payables**	**Accrued expenses and deferred income**	**Other payables**	**Total**
Value as at 31/12/2021	**20,031,189**	**6,228,263**	**3,038,335**	**7,634,041**	**3,048,062**	**93,305**	**40,073,195**
Changes during the period	9,089,615	1,708,539	- 71,496	- 1,156,521	1,167,238	- 76,468	10,660,907
Effect of the change in the scope of consolidation - ACSIS	1,337,773	669,987	-	102,356	-	13,993	2,124,109
Value as at 30/06/2022	**30,458,577**	**8,606,789**	**2,966,839**	**6,579,876**	**4,215,300**	**30,830**	**52,858,212**

Advances from customers relate to amounts collected from customers as an advance on sales still to be completed. They increased by Euro 10,427,388, of which Euro 1,337,773 due to the inclusion of ACSIS in the scope of consolidation and Euro 9,089,615 to higher advances from customers due to the significant increase in orders, which grew by 31% in the first half of 2022.

Payables to personnel include amounts due at the end of the period for wages and salaries. At 30 June 2022, they were affected by the inclusion of ACSIS in the scope of consolidation for Euro 669,987.

Payables to social security institutions amount to Euro 2,966,839 (Euro 3,038,335 at 31 December 2021) and are attributable for Euro 1,808,618 to the Parent Company. This item includes payables to INPS and INAIL of Italian companies and those to local social security institutions of foreign companies.

Tax payables include direct taxes due, net of any advances paid, and the amounts withheld from employees' salaries. At 30 June 2022, this item amounted to Euro 6,579,876 and was affected by the inclusion of ACSIS in the scope of consolidation for Euro 102,356.

Accrued expenses and deferred income mainly include the portions of revenues on assistance contracts which were already invoiced at the end of the pertain, but without pertaining to it. They are attributable to the Parent Company for Euro 3,678,747.

INCOME STATEMENT

26. Revenue

Revenue at 30 June 2022 amounts to Euro 85,453,240. The figure is affected for Euro 2,673,166 by the change in the scope of consolidation which took place on 18 February 2022 following the acquisition of ACSIS[35].

REVENUE	
Description	**Revenue**
Amount at 30/06/2021	74,969,751
Amount at 30/06/2022	85,453,240
of which related to ACSIS	*2,673,166*
Change	10,483,489
Change on a like-for-like basis	*7,810,323*

This item has seen an increase of 14% compared with the previous period (+10.4% excluding the revenues of ACSIS).

[35] Bear in mind that the comparative figures include the revenue of Pen-tec, Tecnel and rfXcel from their date of acquisition, which means that the figures are not directly comparable. In the six-month period under review, Pen-tec generated revenue of Euro 1,548,848, which compares with Euro 1,387,634 for the period from February 2021 (date of its inclusion in the scope of consolidation) to June 2021. Tecnel generated revenue of Euro 585,784, which compares with Euro 377,956 for the period from February 2021 (date of its inclusion in the scope of consolidation) to June 2021. rfXcel generated revenue of Euro 16,794,363, which compares with Euro 7,082,986 for the period from March 2021 (date of its inclusion in the scope of consolidation) to June 2021.

The breakdown of revenue by geographical area is shown in the following table:

Revenue by geographical area	30/06/2022	30/06/2021
Italy	11,926,550	16,594,358
Europe	29,521,337	25,844,289
North & South America	33,034,896	19,508,349
Asia & Oceania	6,742,460	7,278,184
Africa & Middle East	4,227,997	5,744,571
Total	**85,453,240**	**74,969,751**

The largest contribution, both in absolute terms (Euro 33 million compared with 19.5 million) and in terms of growth (+69.3%, +55.6% excluding ACSIS) came from the Americas, driven by the United States, followed by Europe (Euro 29.5 million compared with 25.8 million), up by 14.2%.

Revenue for the half year from Russia (part of Eastern Europe) amounted to Euro 3,434,002 (4% of the total), mostly made by Antares Vision Russia to finish existing contracts. It is clear that the Group's exposure is limited[36], although before the outbreak of the conflict the Russian market was an area of considerable interest for the implementation of track & trace solutions, which are very likely to slow down over the coming months.

In this context, it is undeniable that the conflict between Russia and Ukraine is an element of attention.

From the point of view of the sanctions' regime, management, under the constant supervision of the Board of Directors and the control bodies, has worked to ensure full compliance with the restrictions, adopting a procedure that formalises and strengthens the operational best practices that have already been in place for some time.

27. Other income

At 30 June 2022, other income amounts to Euro 813,837, compared with Euro 1,532,148 in the previous period.

The composition and changes of the item are shown below:

OTHER INCOME			
Description	Operating grants	Other revenues	Total
Amount at 30/06/2021	1,266,695	265,453	1,532,148
Amount at 30/06/2022	701,148	112,689	**813,837**
Change	-565,547	-152,764	-718,311

[36] *On a historical basis: in 2019 turnover was Euro 4.5 million, approximately 4% of the Group's consolidated revenue; in 2020, turnover was Euro 23.4 million, approximately 19% of consolidated revenue (the peak in 2020 was due to pharmaceutical track & trace, which became a legal requirement from December 2020); in 2021, turnover was Euro 5.2 million, slightly less than 3% of the Group's consolidated revenue.*

Operating grants, relating almost exclusively to the Parent Company (Euro 617,087), include the amounts pertaining to the year of the tax credit for R&D activities, appropriately deferred for the portion of costs capitalised in accordance with the cost-income matching principle. The decrease from the previous period can be attributed to the higher incidence of contribution related to development costs (subject to deferral over 5 years) compared to the contribution related to research costs.

28. Change in finished and semi-finished products

The change in finished and semi-finished products is a decrease of Euro 1,530,831, compared with a decrease of Euro 424,476 in the previous period.

The change in inventories of finished products is a decrease of Euro 1,578,335 due to the sales made shortly before the end of the period.

The change in inventories of semi-finished products and work in progress, on the other hand, is an increase of Euro 47,504.

29. Raw materials and consumables

Raw materials and consumables amount to Euro 18,740,414, compared with Euro 17,374,375 at 30 June 2021.

RAW MATERIALS AND CONSUMABLES	
Description	**Raw materials and consumables**
Amount at 30/06/2021	17,374,375
Amount at 30/06/2022	**18,740,414**
of which related to ACSIS	*371,898*
Change	1,366,039
Change on a like-for-like basis	*994,141*

The increase (+7.9%) is mainly due to the inclusion of ACSIS in the scope of consolidation (Euro 371,898, or 72.8% of the increase) and the Group's decision to buy materials, as a conscious investment, in view of the higher orders expected in the second half of the year.

Inflationary tensions have begun to show their first negative effects, albeit limited for the time being thanks to the growing proportion of services in Antares Vision Group's portfolio.

30. Personnel costs

Personnel costs amounted to Euro 40,585,876 compared with Euro 28,636,000 at 30 June 2021.

Changes in this item are shown below:

TOTAL PERSONNEL COSTS	
Description	**TOTAL PERSONNEL COSTS**
Amount at 30/06/2021	28,636,000
Amount at 30/06/2022	**40,585,876**
of which related to ACSIS	*1,332,277*
Change	11,949,876
Change on a like-for-like basis	*10,617,599*

The increase in personnel costs (+41.7%), attributable for 4.7% (Euro 1,332,277) to the inclusion of ACSIS in the scope of consolidation, is consistent with the hiring policy implemented by the Group with a view to giving Antares Vision Group the human capital needed to cope with the expected level of growth.

31. Amortisation and depreciation

At 30 June 2022, the balance of amortisation and depreciation amounts to Euro 8,644,931 compared with Euro 5,309,318 in the previous period.

Looking at the figures in greater detail, amortisation amounts to Euro 6,781,516 (Euro 3,579,111 at 30 June 2021), depreciation amounts to Euro 1,619,647 (Euro 1,557,087 at 30 June 2021) and write-downs come to Euro 243,768 (euro 277,245 at 30 June 2021).

AMORTISATION AND DEPRECIATION				
Description	**Amortisation intangible assets**	**Depreciation property, plant and equipment**	**Write-downs**	**Total**
Amount at 30/06/2021	3,948,856	1,212,496	147,966	5,309,318
Amount at 30/06/2022	6,781,516	1,619,647	243,768	**8,644,931**
of which related to ACSIS	*243,127*	*7,249*	*763*	*251,139*
Change	2,832,660	407,151	95,802	3,335,613
Change on a like-for-like basis	*2,589,533*	*399,902*	*95,039*	*3,084,475*

Regarding amortisation, as already extensively illustrated in the previous paragraphs, the PPAs carried out on the occasion of the various acquisitions, including that of ACSIS which was performed in the six-month period in question, resulted in the recognition of intangible assets represented by the Customer List and Technologies, which generated amortisation of Euro 2,707,347 and Euro 1,258,915 respectively. There is also higher amortisation as a result of the investments in development costs (Euro 2,494,933) and proprietary software (Euro 208,947). Depreciation is mostly on buildings for Euro 1,392,272 (Euro 834,086 at 30 June 2021) and on furniture and fittings and electronic office machines for a total of Euro 148,850 (Euro 296,044 at 30 June 2021). The effect of expanding the scope of consolidation is negligible.

Write-downs include the write-down of trade receivables which, as specified in Note 8, was calculated on the basis of a review of the individual balances, taking into consideration past experience that is specific to each business and geographical area, as required by IFRS 9.

The Company makes a careful assessment of customers' solvency, constantly monitors credit exposure and initiates immediate debt collection procedures with counterparties for past due accounts.

The composition of customers is such that there are no situations of commercial dependence: receivables are well distributed by geographical area and customer group.

32. Capitalised development costs

Capitalised development costs amount to Euro 3,980,427, of which Euro 2,234,589 attributable to the Parent Company, Euro 453,452 to FT System, Euro 410,680 to Applied Vision and Euro 881,706 to rfXcel.

In the context of development and strengthening of its competitive positioning, investments in research (fully expensed to the income statement) and in development (capitalised) are inherent to Antares Vision Group's activity and allow the Group to constantly expand the portfolio of technologies and solutions used through the use of human resources and specific skills. Capitalised development costs shown in this item are internal costs incurred during the year that meet the conditions of IAS 38 for capitalisation, being linked to innovative projects from which Antares Vision expects to benefit in terms of higher future revenue.

33. Sales and marketing costs

At 30 June 2022, sales and marketing costs amount to Euro 3,371,003, an increase compared with the figure of Euro 2,809,739 in the previous period.

SALES AND MARKETING COSTS	
Description	**Sales and marketing costs**
Amount at 30/06/2021	2,809,739
Amount at 30/06/2022	**3,371,003**
of which related to ACSIS	*72,020*
Change	561,264
Change on a like-for-like basis	*489,244*

This item includes the cost of promotions, advertising and trade fairs, entertainment expenses and the commission paid to foreign agents, sales representatives and business promoters, which Antares Vision Group uses to gain contracts in particular markets and geographical areas.

The increase compared with the previous period mainly derives from the increase in sales during the half-year, which led to an increase in agents' commissions, from the international trade fairs and exhibitions that the Group attended after the suspensions caused by Covid-19, and only minimally from the inclusion of ACSIS in the scope of consolidation (Euro 72,020).

34. Service costs

Service costs amount to Euro 22,891,290, of which Euro 950,936 deriving from the inclusion of ACSIS in the scope of consolidation.

Changes in this item are shown in the following table:

SERVICE COSTS	
Description	**SERVICE COSTS**
Amount at 30/06/2021	23,975,498
Amount at 30/06/2022	**22,891,290**
of which related to ACSIS	*950,936*
Change	-1,084,208
Change on a like-for-like basis	*-2,035,144*

The reduction in this item, equal to Euro 1,084,208 (-4.5%), or 2,035,144 (-8.5%) excluding the effect caused by ACSIS, is linked to the exceptional nature of the prior period, which included in this item the costs associated with the various acquisitions and the translisting to the Euronext STAR Milan, as IFRS 3 does not allow them to be capitalised.

Similarly, in the first half of 2022, the professional fees and ancillary costs incurred by rfXcel for the acquisition of ACSIS were included in this item (Euro 444.322).

35. Other operating expenses

Other operational expenses amount to Euro 1,360,122 with the following changes during 2022:

OTHER OPERATING EXPENSES	
Description	OTHER OPERATING EXPENSES
Amount at 30/06/2021	1,181,768
Amount at 30/06/2022	**1,360,122**
of which related to ACSIS	*1,053*
Change	178,354
Change on a like-for-like basis	*177,301*

The breakdown is shown in the following table:

OTHER OPERATING EXPENSES					
Description	Accruals to provisions	Taxes not on income for the year	Other operating expenses	Losses and capital losses	Total
Amount at 30/06/2021	146,017	138,559	893,071	4,121	1,181,768
Amount at 30/06/2022	233,561	105,392	994,632	26,537	**1,360,122**
Change	87,544	- 33,167	101,561	22,416	178,354

The allocation for product warranties was recorded under provisions; the calculation was made on the basis of historical trends and resulted in an adjustment of the provision for Euro 233,561 after uses during the period of Euro 291,307 and an exchange rate effect of Euro 20,762.

Taxes other than income taxes amount to Euro 105,392, a decrease of Euro 33,167 compared with the previous period.

Sundry operating expenses increased by Euro 101,561 compared with the previous period; they are represented by season tickets, membership fees and other operating expenses and at 30 June 2022 they include donations that the Parent Company made during the period for Euro 105,560 to various social or cultural associations.

36. Financial charges

Financial charges amount to Euro 2,152,611, compared with Euro 5,202,632 in the same period last year.

FINANCIAL CHARGES	
Description	**Financial charges**
Amount at 30/06/2021	5,202,632
Amount at 30/06/2022	**2,152,611**
Changes during the period	-3,050,021

The change in the scope of consolidation did not have any effect.

The following are included in this item:

- interest on loans and leases for Euro 1,174,462, relating almost exclusively to the Parent Company;
- the fair value adjustment of securities in portfolio for Euro 639,601, of which Euro 366,534 pertaining to the Parent Company and Euro 273,067 to FT System;
- the fair value adjustment of derivatives for Euro 81,164 as they have to be accounted for as speculative instruments, given that they do not satisfy all of the requirements for hedge accounting under IFRS 9.

At 30 June 2021, this item included Euro 3,232,138 for the fair value adjustment of the warrants issued by the Parent Company and still in circulation at the end of the half year. In the first half of 2022, the adjustment was positive and was therefore recognised in financial income, as explained in Note 37.

37. Financial income

The changes in financial income, which at 30 June 2022 amount to Euro 3,667,787, are shown in the following table:

FINANCIAL INCOME	
Description	**Financial income**
Amount at 30/06/2021	954,063
Amount at 30/06/2022	**3,667,787**
Changes during the period	2,713,724

The effect of the change in scope is negligible.

The following are included in this item:

- The fair value adjustment of the warrants issued by the Parent Company at the same time as the listing on the Euronext Growth market (called the AIM at the time the negotiations commenced) and still in circulation at the end of the half year. As already mentioned in Note 13 on non-current loans and borrowings, to which reference should be made, since these are financial instruments whose exercise gives the right to a variable number of shares, the difference of Euro 2,804,266 with respect to the value of the financial liability at 31 December 2021 has to be shown in the income statement;
- the positive effect deriving from the fair value adjustment of securities and insurance policies held by the Parent Company for Euro 78,845;
- the fair value adjustment of derivative instruments subscribed by the Parent Company to hedge fluctuations in interest rates for Euro 254,976. The technical characteristics, risks covered, accounting policy and mark-to-market adjustment at the end of the period are explained in Note 5 as regards positive derivatives and in Note 15 as regards negative derivatives;
- the positive effect of Euro 348,722 deriving from the extinction of a derivative, initially taken out to offset changes in the interest rate on a bank loan that was repaid in advance.

38. Foreign exchange gains and losses

Foreign exchange gains and losses show a positive net balance of Euro 2,004,887 (positive for Euro 1,033,811 at 30 June 2021) and include the exchange differences generated on the payment of foreign currency assets and liabilities or by their translation at rates that are different from those at which they were translated at the time of initial recognition.

The most significant effects come from the strengthening of the US dollar which entailed the recognition by Antares Vision North America and AVUS of exchange gains of 252,067 and Euro 259,991 respectively, deriving from trade or financial payables that these companies owe to the Parent Company. Similarly, the performance of the Brazilian real led to the recognition by Antares Vision do Brasil of exchange gains equal to Euro 1,270,695 deriving from both trade and financial payables that the company owes to the Parent Company.

The effect of the change in the scope of consolidation on the inclusion of ACSIS is negligible.

39. Income (charges) on investments

At 30 June 2022 this item has a negative balance of Euro 298,356 compared with a positive balance of Euro 244,765 in the previous period and includes the adjustment of the value of the investments according to the equity method. More in detail:

- the result for the period attributable to the Group deriving from the 37.5% stake in Orobix was negative for Euro 162,454;
- the result for the period attributable to the Group deriving from the 30% stake in Siempharma was positive for Euro 4,079;
- the result for the period attributable to the Group deriving from the 40% stake that AV Shenzhen holds in Shenzhen Antaruixin Limited Liability Company was negative for CNY 991.442, corresponding to Euro 139,981 at the average exchange rate at 30 June 2022[37].

40. Income taxes

Income taxes at 30 June 2022 are positive for Euro 1,807,620 due to the recognition of deferred tax assets of Euro 2,649,746. In the prior period they were positive for Euro 140,359.

At 30 June 2022, there are no temporary differences or carry-forward tax losses on which deferred tax assets or liabilities have not been recognised.

	30/06/2022	%	30/06/2021	%
Profit before taxes	- 3,655,257		- 3,185,434	
Theoretical taxes	- 1,019,817	27.90%	- 888,736	27.90%
Different IRAP taxable effect	- 25,961	0.71%	- 63,513	1.99%
Income elements that do not go towards forming the tax base	- 352,846	9.65%	- 265,658	8.34%
Deduction of own invested capital (ACE)	- 1,266,091	34.64%	- 776,366	24.37%
Non-deductible costs	1,639,215	-44.85%	950,367	-29.83%
Tax neutrality effect of fair value measurement of equity instruments	2,804,266	-76.72%	775,713	-24.35%
Tax neutrality effect of the application of the equity method to investments	-	0.00%	- 40,080	1.26%
Reversal of deferred tax assets	- 7,791	0.21%	244,002	-7.66%
Effect of other foreign legislation	36,645	-1.00%	- 76,088	2.39%
Total	**1,807,620**	**-49.5%**	**- 140,359**	**4.4%**

[37] *As mentioned in Note 4, the corresponding fair value adjustment to investments in associates, joint ventures and other companies is made at the spot exchange rate at the end of the period and equals Euro 142,399.*

41. **Earnings per share (basic and diluited)**

Basic earnings per share is the ratio between the Group's profit reported in the consolidated financial statements and the weighted average number of shares outstanding during the period, net of any treasury shares.

Diluted earnings per share is the ratio between the Group's earnings reported in the consolidated financial statements and the weighted average number of shares outstanding, taking into account the effects of all potential ordinary shares (e.g. those not yet subscribed) with a dilutive effect.

EARNINGS PER SHARE		
Description	**30/06/2022**	**30/06/2021**
Profit attributable to the ordinary shareholders of the Parent Company	- 1,843,787	- 2,706,965
Dilution	- 2,804,266	3,232,138
Total post-dilution profit	- 4,648,053	525,173
		-
Weighted average number of ordinary shares	69,091,358	60,915,570
Weighted average potential ordinary shares	46,915	601,421
Weighted average potential ordinary shares	69,138,273	61,516,990
Earning per Share (EPS)	**- 0.03**	**- 0.04**
Earnings per Share (EPS) diluted (theoretical) (*)	**- 0.07**	**0.01**
Earnings per Share (EPS) diluted (*)	**- 0.07**	**- 0.04**

(*) as per IAS 33 EPS diluted cannot be higher then EPS

OTHER INFORMATION

Share-based payments

Stock Option Plans

On 20 May 2020, the Shareholders' Meeting of Antares Vision S.p.A. approved the guidelines of a share-based incentive plan called the "2020-2022 Stock Option Plan" (the "**First Stock Option Plan**") reserved for executive directors and employees of the Parent Company and of the companies controlled by it. The Shareholders' Meeting of Antares Vision S.p.A. on 24 March 2021 approved a second share-based incentive plan (the "**Second Stock Option Plan**" and, together with the First Stock Option Plan, the "**Stock Option Plans**"), reserved for the executive directors of the Parent Company and key employees of the Parent Company and of the companies controlled by it. Stock Option Plans consist of assigning to specific beneficiaries identified by name a certain number of options that vest and gave the right to acquire/or subscribe shares of the Parent Company on the achievement of specific and predetermined objectives (the “Objectives”) and the purchase/subscription of shares at a pre-established price, taking into account the average of the closing prices recorded in the last month prior to the date of assignment of the options.

The Objectives to which vesting of the options is subject are:

- consolidated turnover and EBITDA;
- quantitative and qualitative objectives assigned individually to each beneficiary according to the role that they fill.

For each of the objectives illustrated above, weighting and target result levels are established. On reaching the minimum level (equal to 70%) for each of the turnover, EBITDA and individual quantitative objectives, the number of options vest will be the sum of the percentages of achievement of each quantitative and qualitative objective, weighted by the assigned weight. Below this minimum threshold of 70%, no option will vest. The vesting of the options presupposes a constant relationship with the Parent Company or subsidiaries during the vesting period. Termination of the relationship during the vesting period entails the loss of options, except for some specific cases. For employees, the vesting period is 36 months starting from the assignment of each of the 3 annual tranches. For executive directors, the vesting period is 48 months starting from the assignment of each cycle of each of the 3 annual tranches. However, it should be noted that the executive directors of the Parent Company have waived the options associated with the third vesting cycle of the first tranche and the second and third tranche so that they can be assigned to the employees of the Group. This decision was made by the directors involved having regard not only to the functions of the Plan and the structure of their respective remuneration, but also to their capacity as shareholders of Antares Vision S.p.A. (albeit indirectly, as they personally hold shares in Regolo S.p.A., the parent company of Antares Vision S.p.A.), which is such as to ensure and in any case to incentivise adequate alignment with the interests of the Group and the shareholders in general.

The valuation model used was Black & Scholes. The Black & Scholes valuation method is based on the construction of a portfolio of underlying assets and a certain number of options, in such a way that the expected return as a whole is insensitive to fluctuations in the price of the asset and is equivalent to the risk-free rate. The Black & Scholes valuation method determines possible prices for the underlying assets on maturity, as well as their respective probabilities of occurrence, assuming that they are distributed according to a normal distribution (or to be precise, a "lognormal distribution").

At 30 June 2022 the cost of share-based payment transactions amounts to Euro 201 thousand. The amount in shareholders' equity under other reserves is Euro 807 thousand.

Changes during the year

The following table shows the number and weighted average exercise prices (WAEP) of options during the year:

	30/06/2022		31/12/2021	
Stock Option Plans	**Number**	**PMPE**	**Number**	**PMPE**
outstanding at the beginning of the period	1,063,000	2.31	333,000	2.24
1st tranche of SOP I	*312,000*	*2.24*	*333,000*	*2.24*
2nd tranche of SOP I	*333,000*	*2.48*	-	-
1st tranche of SOP II	*418,000*	*2.22*	-	-
granted during the period	-	-	758,000	2.33
1st tranche of SOP I	-	-	-	-
2nd tranche of SOP I	-	-	*333,000*	*2.48*
1st tranche of SOP II	-	-	*425,000*	*2.22*
cancelled during the period	188,414	2.30	28,000	2.23
1st tranche of SOP I	*58,078*	*2.24*	*21,000*	*2.24*
2nd tranche of SOP I	*51,753*	*2.48*	-	-
1st tranche of SOP II	*78,583*	*2.22*	*7,000*	*2.22*
exercised during the period	-	-	-	-
expired during the period	-	-	-	-
outstanding at the end of the period	874,586	2.31	1,063,000	2.31
1st tranche of SOP I	*253,922*	*2.24*	*312,000*	*2.24*
2nd tranche of SOP I	*281,247*	*2.48*	*333,000*	*2.48*
1st tranche of SOP II	*339,417*	*2.22*	*418,000*	*2.22*
exercisable at the end of the period	-	-	-	-

The tables below list the information fed into the models used to develop the plans and the corresponding tranches.

	FIRST STOCK OPTION PLAN			SECOND STOCK OPTION PLAN
	I TRANCHE		*II TRANCHE*	*I TRANCHE*
	Directors	**Employees**	**Employees**	**Employees**
Weighted fair value at the measurement date (€)	2.2416	2.2361	2.4818	2.2164
Exercise price of the option (€)	11.4480	11.4140	12.0341	12.0700
Dividends expected (€)	0.2850	-	0.3086	-
Expected volatility (%)	0.2801	0.3047	0.2922	0.2944
Risk-free interest rate (%)	- 0.0040	- 0.0040	- 0.0040	- 0.0040
Expected useful life of options (in years)	4.4466	2.7753	3.6192	2.8548
Weighted average price per share (€)	10.8705	11.4140	11.8914	11.5986
Model adopted	Black & Scholes	Black & Scholes	Black & Scholes	Black & Scholes

Guarantees given, commitments and other contingent liabilities

At 30 June 2022, the Group had provided guarantees to its customers consisting of Euro 301 thousand in performance bonds to guarantee the execution of contracts and the proper operation of the machinery sold and Euro 4,056 thousand in advance bonds for advance payments already received from customers.

Russia-Ukraine conflict

As regards the current scenario in Eastern Europe, the conflict between Russia and Ukraine has resulted in a severe blow to the recovery and brought the global economy onto a path of slower growth expectations and rising inflation. It is undeniable that this scenario represents an element of concern, above all because the duration, outcomes and consequences of the crisis that this conflict is causing, both on the fate of the world economy and on the Antares Vision Group's business are still unclear.

However, it should be noted that the Group's exposure, also on a historical basis[38], is limited, both in terms of receivable balances (3.4%) and in terms of turnover (4% in the first half of 2022).

In terms of asset impairment, as explained in more detail in the section on the main balance sheet figures, at 31 December 2021 sensitivity analyses had already been carried out on the Business Plan (reducing profitability by up to 5% per year) and on the discount rate (increasing it by up to one percentage point) to take into account possible negative effects deriving from the Russian-Ukrainian conflict, without there being any indications of impairment.

However, it has to be said that, prior to these events, the Russian market was of great interest for implementation of the Group's track & trace solutions, which will most likely slow down over the coming months.

Also from the point of view of the sanctions regime, management, under the constant supervision of the Board of Directors and the control bodies, has worked to ensure full compliance with the restrictions, adopting a procedure that formalises and strengthens the operational best practices that have already been in place for some time.

Covid-19

The macroeconomic context at both global and national level has been impacted by the spread of the respiratory syndrome called SARS-CoV-2 and the related Covid-19 disease, starting from January 2020. The authorities of most countries, including the Italian government, have adopted restrictive measures aimed at containing further spread of the pandemic. Among these, the most significant involved restrictions and controls on movement and the closure of production plants and offices. These measures have had a significant impact on financial markets and economic activities at domestic and global level.

It should be noted that none of the Antares Vision Group's plants had to interrupt operations due to the restrictive measures to contain the pandemic as the Group's production fell within those considered essential, playing a key

[38] *In 2019, turnover was Euro 4.5 million, about 4% of the Group's consolidated revenue. In 2020, turnover was Euro 23.4 million, about 19% of consolidated revenue; the peak in 2020 was due to pharmaceutical track & trace, which became a legal requirement from December 2020. Turnover in 2021 was slightly below 3% of consolidated revenue (Euro 5.2 million).*

role in the supply chain of the pharmaceutical sector. Furthermore, Antares Vision Group did not resort to social safety nets.

The Parent Company managed the situation by encouraging staff to take holidays in arrears and making it possible for them to donate days off to colleagues whose activities were temporarily suspended, while Group companies in the United States and Hong Kong were able to benefit from government subsidies. The actions taken by the Group over the last two years, with a view to making investments and developing new operating methods, achieving technological leadership and constant product improvement[39], have demonstrated the resilience of the Antares Vision Group's business. Despite the pandemic, it was able to exploit the growth opportunities as an enabler of innovation and digitalization, providing solutions for the new needs of markets, supply chains, governments and institutions in terms of the quality, originality and sustainability of drugs, food, beverages, cosmetics and consumer products generally.

At the date of publication of this document, some measures are still in place to guarantee people's health. Taking advantage of the experience gained during the health emergency, the Parent Company entered into an agreement with its employees which provides for remote working for a maximum of 2 days per week (8 days per month) in accordance with art. 18 *et seq.* of Law 81/2017. This agreement responds to the strong change that the pandemic scenario has triggered in the way of conceiving work, to the advantage of a better work/life balance, while acting as an incentive for the retention of employees and a way of attracting talent.

Information on risk

Market risk

The competitive context in which Antares Vision Group operates takes on different forms depending on the market sector and geographical area of reference. In fact, depending on the situation, the Group is faced with a competitive scenario that features a number of large global players or medium to small local players that carry out, even if only partially, activities that are identical or in any case related to those carried out by Antares Vision Group. There is therefore a risk that Antares Vision's position on the market could be contested by competitors, with the consequent loss of part of our clientèle.

Management believes that the range of solutions (hardware and software) of the Track & Trace business, in which the Group is a leader, combined with the state-of-the-art technology of our Inspection systems, our Smart Data

[39] A concrete example is Track My Health, the innovative solution developed by Antares Vision Group, integrated and scalable, which in full respect for privacy, checks each person's body temperature at the entrance and whether they are wearing a face mask. It also counts how many people there are, making it possible to restrict the number automatically within a set limit.

Management services , as well as the completeness of our before and after-sales assistance, combined with our continuously accumulated experience and the presence of highly specialised technical personnel, constitute a strong competitive advantage in contrasting the competition and are an obstacle to entry of new commercial players in the short term.

Credit risk

Antares Vision Group is exposed to potential losses caused by counterparties not fulfilling their obligations. Should a significant part of the customers delay or fail to honour payments within the agreed terms and methods, this would have a negative impact on the financial situation of Antares Vision Group.

The trade credit risk is monitored through formalised procedures that guarantee control over the expected collection flows and any recovery action that may be needed. Furthermore, most of Antares Vision Group's customers are primary pharmaceutical and industrial companies, characterised by a high level of financial solidity, which makes the risk of their insolvency remote with regard to the amounts that they owe Antares Vision Group. In the case of counterparties operating in countries with a high country risk, Antares Vision Group makes use of international payment instruments, such as letters of credit, aimed at guaranteeing correct and timely collection.

The current conflict between Russia and Ukraine could lead to a risk of insolvency; however, this is considered limited in consideration of the fact that outstanding balances represent 3.4% of total receivables. From a sanctions point of view, management, under the constant supervision of the Board of Directors and the control bodies, has worked to ensure full compliance with the restrictions, adopting a procedure that formalises and strengthens the operational best practices that have already been in place for some time.

Liquidity risk

Antares Vision Group obtains its financial resources from the flows deriving from its operations and through bank borrowings.

Starting from the second half of 2019, gross debt has significantly increased in proportion to the liquidity raised by taking out long-term loans stipulated by the Parent Company with leading credit institutions and used to pursue its strategy, also through a series of acquisition aimed at diversifying the business. These loans were refinanced between September 2021 and January 2022. The new bank loans have an average duration of around 5 years, a maturity of 7-8 years and an average fixed cost (post-hedging) of around 1.7%[40]. In September 2021, the Parent Company also finalised the issue and placement of unsecured and non-convertible bonds (the so-called "US Private Placement") at Pricoa Capital Group, a company of the American group Prudential Financial, Inc. and one of the main players in the private placement market, for an amount of Euro 40 million. The securities were issued in a single tranche and have a duration of 12 years, with 8 years of pre-amortisation and a fixed rate of 2.86%. The bonds issued do not have a rating and are not intended for listing on regulated markets. The issue is not backed by collateral.

For some loans, Antares Vision Group is required to comply with financial covenants on a consolidated basis, in line with market practice, which were fully met at the date of preparation of this document.

As for the other Group companies, their bank debt is zero or minimal, thanks to their ability to generate liquidity from operations and any need for liquidity, generally limited to the start-up phase or needed for extraordinary transactions, is supported by intragroup loans granted by the Parent Company at normal market conditions. The Antares Vision Asia Pacific can use a bank credit line with a primary credit institution for Euro 500 thousand. The line, which is guaranteed by the Parent Company, has to date been used solely for issuing advance bonds to customers.

Interest-rate risk

Antares Vision Group is exposed to the risk of changes in interest rates with a consequent increase in financial expense on debt, which it uses through medium/long-term loan agreements and property lease contracts characterised by variable interest rates.

In order to reduce the amount of debt subject to interest rate fluctuations, Antares Vision Group has adopted hedging policies using derivatives (interest rate swaps or IRS) to hedge this type of risk.

Foreign exchange risk

Antares Vision Group operates internationally and is therefore exposed to the exchange rate risk generated by changes in the value of trade and financial flows in currencies other than the reporting currencies of the individual companies.

[40] *Figures calculated at the date each loan was taken out, including a Euro 20 million line of credit that is still to be used as of 30 June 2022*

The currencies in which most of the Group's revenue originates are the Euro, the US dollar, the Brazilian real, the Russian rouble and the Hong Kong dollar. Foreign subsidiaries have been showing a tendency to incur costs for installation and assistance services, commercial and promotion costs and personnel costs in currencies other than the Euro (mainly in USD), which are naturally covered by sales made in USD by the same companies. This tendency helped to reduce the impact of exchange rate differences incurred by the Group.

Against revenue expressed prevalently in Euro, Antares Vision Group also bears a significant part of its costs in Euro, mainly for production and management of the corporate structure. The management of Antares Vision Group is therefore of the opinion that the currency balance is in equilibrium.

The main exchange ratios affecting Antares Vision Group concern:

- Euro/US Dollar: for commercial transactions by companies operating in the Euro Area on the American market and vice versa;
- Euro/Brazilian Real: for commercial and financial transactions by companies operating in the Euro Area on the Brazilian market and vice versa;
- Euro/Russian rouble: for commercial and financial transactions by companies operating in the Euro Area on the Russian market and vice versa;
- Euro/Hong Kong Dollar: for commercial and financial transactions by companies operating in the Euro Area on the Asia Pacific market.

Environmental risk

Antares Vision Group's business involves production processes with a low impact on the territory in terms of consumption of natural resources, production of industrial waste and the emission of polluting substances. In certain cases of exceptional climatic events, or in the presence of serious breakdowns or malfunctioning in the plants, Antares Vision Group's industrial production could cause damage to third parties, accidents and/or environmental damage, in addition to a slowdown in activities, exposing the Group to obligations involving compensation and/or reclamation, as well as to liability, possibly even of a criminal nature. Antares Vision Group strives to prevent this type of risk by adopting measures deemed adequate by its management and in line with industry practices.

Antares Vision Group is actively engaged in pursuing a sustainable business model both as a technological enabler, in guaranteeing the quality and safety, efficiency and sustainability of products and supply chains, and in pursuing the objectives of the United Nations 2030 Agenda and of the Sustainable Development Goals (SDGs).

When drafting its first Sustainability Report (Non-Financial Report), Antares Vision Group carried out a consistency analysis of its business model, strategic objectives and projects implemented and planned, which led to the identification of those SDGs that are considered priorities as a reflection of Antares Vision Group's contribution and commitment, together with the underlying targets and actions.

The strategic guidelines of Antares Vision Group are consistent with the objective of providing a contribution to sustainable development by making the production systems of essential goods such as those of the food chain and pharmaceuticals more efficient. This is also consistent with the macro-trends and scenarios of the sector, which are subject to regulatory changes aimed at improving people's lives and reducing the impact of consuming natural resources.

The positive environmental impacts of the business model and solutions developed by Antares Vision Group, in particular Digital Factory and Supply Chain Transparency, concern the efficient use of natural resources, the adoption of the principles of a circular economy in the use of materials and the monitoring of supply chains and the total life cycle of the products.

The same solutions offered in the food and pharmaceutical sectors are available and applicable to any consumer product in order to guarantee quality, safety, originality and hence sustainability, thanks to the indissoluble link between healthy people, healthy societies and a healthy planet.

Regarding climate change, Antares Vision Group is not particularly exposed to the risks associated with climate change, given the nature of its business, nor does it operate in sectors that are particularly vulnerable to climate and environmental risks[41].

Management supervision and coordination activities

Despite the fact that article 2497-sexies of the Italian Civil Code states that "it is presumed, unless there is evidence to the contrary, that the activity of management supervision and coordination of companies is carried out by the company or body required to consolidate their financial statements or which in any case controls them pursuant to article 2359", Antares Vision Group operates in conditions of corporate and entrepreneurial autonomy with respect to its parent company Regolo S.p.A.. For example, the Parent Company autonomously manages the

[41] *Economic activities considered to be characterised by acute physical risks are those exposed to earthquake or flood zones because their production plants or strategic suppliers are located there. Economic activities exposed to transition risks are, for example, those operating in the single-use food plastic sector, companies operating in the energy sector with low investments in renewables or in support of the energy transition, automotive companies entirely focused on vehicles with internal combustion engines.*

treasury and commercial relations with its customers and suppliers and does not make use of any service provided by its parent company.

Related-party transactions

As regards dealings between Group companies and related parties, in accordance with IAS 24, we provide the following information on 2022:

TRANSACTIONS WITH RELATED PARTIES				
Related parties	**Trade payables at 06/30/2022**	**Trade receivables at 06/30/2022**	**Costs H1 2022**	**Revenue H1 2022**
Orobix	-	26,795	144,167	27,403
Siempharma	421,652	1,451,063	488,177	65,448
Rurall	-	108,434	-	-
Shenzhen Antaruixin	-	-	-	-
Vigilate	-	184,678	200	-
Total	**421,652**	**1,770,970**	**632,544**	**92,851**

The following table shows related-party transactions in the previous period (31 December 2021 for balance sheet items, 30 June 2021 for income statement items):

TRANSACTIONS WITH RELATED PARTIES				
Related parties	**Trade payables at 12/31/2021**	**Trade receivables at 12/31/2021**	**Costs H1 2021**	**Revenue H1 2021**
Orobix	-	219	76,340	248,000
Siempharma	669,420	1,384,604	374,372	550,854
Rurall	-	88,880	-	-
Shenzhen Antaruixin	162,022	336,770	-	-
Vigilate	1,983	184,678	-	-
Total	**833,425**	**1,995,151**	**450,712**	**798,854**

In accordance with Consob Resolution no. 17221 of 12 March 2010 and the provisions on related parties issued by Borsa Italiana S.p.A. in May 2012, the Board of Directors of Antares Vision S.p.A. adopted the Procedure for transactions with related parties, the current version of which entered into force from the date of commencement of trading of the Parent Company's ordinary shares and warrants on the Euronext STAR Milan. It was approved on 28 April 2019 and can be viewed in the Governance section of the Company's website.

The transactions carried out with related parties are part of the Company's normal business and the typical activity of each party concerned and are carried out at normal market conditions. There are no atypical or unusual transactions to report.

Compensation to board members

The fees due to directors and statutory auditors are shown in the following table:

COMPENSATION TO DIRECTORS AND STATUTORY AUDITORS		
Description	Directors (*)	Statutory auditors
Compensation for the period	1,016,615	68,331

** amount including the cost relating to Stock Option Plans*

Information pursuant to art. 149-duodecies of the Consob's Issuers Regulation

The following table shows the fees for auditing services and services other than auditing rendered by EY S.p.A. and by entities belonging to its network:

FEES TO EY SPA		
Description	Entity that provided the service	Fees
Audit (*)	EY SpA.	168,000
Audit of non-financial statement	EY SpA.	15,000
Other services	EY SpA.	36,000

** amount including fees relating to the audit of the separate financial statements of Antares Vision S.p.A. and FT System, of the Consolidated Financial Statements and the Interim Consolidated Financial Statements*

Of these, fees of Euro 128 thousand have been booked to the income statement of these consolidated financial statements on an accrual basis.

Subsequent Events

Partnerships and research projects

In July 2022, at the same time as the last agreement that was signed, Antares Vision Group announced that it had been chosen as the technological partner of excellence in three research and innovation projects (of which two formalized in June 2022 and already recorded under Investments in associates, joint ventures and other companies in these Consolidated Financial Statements) funded by the European Union, through the NextGenerationEU programme, for a total value of around Euro 900 million. The projects form part of the latest programme of the Italian Ministry of University and Research, which has the strategic objective of creating "national R&D champions" for some Key Enabling Technologies, as part of the National Recovery and Resilience Plan (PNRR) funded by the

European Union within the NextGenerationEU programme. To carry out these projects, the Group will make available its own know-how and expertise, as well as its ecosystem of technological solutions: from traceability to inspection for quality control, up to the integration of data, also with the application of artificial intelligence. The goal is to offer a technological platform to guarantee the safety, transparency, efficiency and sustainability of products, processes and supply chains. The added value of these collaborations inaugurates a new paradigm for creating a bond between companies and organisations of excellence, thanks to technology; the aim being to guarantee innovation for people's health and safety and therefore a better quality of life.

As already mentioned, in the field of Life Sciences, in June 2022 the Group signed an agreement as founder with the National Research Centre for the “Development of Gene Therapy and Drugs using RNA-based Technology” in Padua, with Euro 400 million of funding. The Centre, created in collaboration with the University of Brescia, has the dual objective of increasing the technological know-how needed to design and deliver RNA-based medicines and gene therapy and identify promising drugs and candidate genes in five major disease areas: genetic diseases, cancer, metabolic-cardiovascular diseases, neurodegenerative diseases and inflammatory-infectious diseases. Once fully operational, the Research Centre is expected to reach a production capacity of up to 250-300 drugs per year dedicated to gene therapy.

In the AgriTech field, Antares Vision Group signed an agreement in June 2022 with the National Research Centre for “Agricultural Technologies - Agritech” at the Federico II University of Naples, with Euro 477 million of funding. The Centre intends to operate with the aim of increasing productivity in a sustainable way, addressing food security needs and reducing the environmental impact in changing climatic conditions, through five research objectives: resilience (improving sustainable productivity and promoting resilience to climate change), low impact (reducing waste and environmental impact), circularity (developing circular economy strategies), recovery (sustainable development of marginal areas), traceability (promoting safety, traceability and typicality in agri-food supply chains).

Lastly, in the Digital Healthcare sector, in July 2022 Antares Vision Group signed an agreement with the University of Brescia and Dompè Farmaceutici for the development of an integrated system of health infrastructures that will expand the Multisectoral Technological Service Centre of the North University Campus by approximately 2,000 square metres, with the goal of developing the health technologies of the future. The project is the result of a public and private partnership called LIGHT (Lifescience Innovation Good Healthcare Technology), which has raised Euro 19.5 million in funding.

Capital increase in Optwo

On 28 July 2022 the Parent Company subscribed an increase in capital of 1 million euro (including a share premium) for a 24.9% stake in Optwo Srl, an innovative start-up for the development of a system which, through the use of a combination of third-party and proprietary software (currently being developed), makes it possible: (*i*) to collect, process and analyse data based on consumers' browsing habits, interests and purchasing preferences; (*ii*) for corporate customers to use the latest set of data, rendered suitably anonymous; and (*iii*) to plan, send and subsequently analyse the effectiveness of reports, notifications and advertising messages sent by corporate customers to end-consumers, based on the analyses previously carried out and in full compliance with the regulations on the protection of personal data. This investment is part of the so-called customer engagement.

Acquisition of Packital and Ingg. Vescovini

On 2 August 2022 Antares Vision Group acquired, through FT System, 100% of Packital Srl and Ingg. Vescovini Srl, for an overall Enterprise Value of Euro 3.5 million and 0.9x EV/R in terms of the Enterprise Value to Revenue multiple based on the 2021 results. Since 1989 Packital, based in Fidenza (PR), has been developing, designing, manufacturing and distributing inspection and quality control systems such as weight controls, metal detectors, x-ray inspection and checkweighers, with a specialisation in humid and difficult environments, also involving corrosive products. Packital is also certified as an "Inspection Body" for the verification of weighing instruments. Founded in 1984, Ingg. Vescovini Srl, based in Parma, develops, designs and manufactures analogue and digital electronic boards, essential components for weight control machines, weight dosers, inspection systems in the beverage sector, electro-medical machines and control systems in the agricultural and industrial sector. With these two acquisitions, Antares Vision Group has further strengthened its presence in Food & Beverage, expanding the portfolio with inspection and quality control solutions that are complementary to the current ones. At the same time, these acquisitions will allow the Group to expand its customer base, to enhance its structure with qualified personnel specialising in inspection technologies and increase the technical and production capacity, acquiring specific know-how.

Establishment of Antares Vision Sagl

On 22 August 2022, the Parent Company paid 100% of the share capital of Antares Vision Sagl, a Swiss company whose incorporation will be formalised in September 2022. It forms part of the broader initiative that in May 2022 saw Antares Vision Group join the Lifestyle-Tech Competence Centre ("**LTCC**" - an innovation hub based in Lugano that combines the skills of industrial companies and the academic world with the aim of transforming innovative projects into market opportunities).

The Canton of Ticino is a territory that has highly innovative industrial companies as well as a university and research centres. Through a local presence and collaboration with the partners of excellence of the LTCC Hub, the Group will be able to further strengthen its role as an enabler of innovation and digitalization, promoting advanced solutions where technology is a tool to improve people's lives.

Other subsequent events

Lastly, it should be noted that in July and August 2022, *no requests to exercise warrants were received*. The share capital of Antares Vision Group (equal to Euro 169,452.91, divided into 69,119,526 ordinary shares, 250,000 special shares and 1,189,590 performance shares, all without par value) has therefore remained the same, as has the number of warrants still outstanding (2,490,400).

Explanatory notes, final part

These explanatory notes, as well as the entire consolidated financial report of which they are an integral part, give a true and fair view of the Antares Vision Group's financial position, cash flows and results for the period.

We are available to provide any clarifications and information that may be necessary.

Travagliato, 7 September 2022

The Board of Directors

Emidio Zorzella	Massimo Bonardi	Alioscia Berto
Marco Claudio Vitale	Martina Monico	Fabio Forestelli
Cristina Spagna	Fiammetta Roccia	Fabiola Mascardi

A signed copy of this document has been filed at the registered office of the Parent Company

Antares Vision S.p.A.

Half-year consolidated financial statements as of 30 June 2022

Review report on the half-year consolidated financial statements
(Translation from the original Italian text)

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Review report on the half-year consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
Antares Vision S.p.A.

Introduction

We have reviewed the half-year consolidated financial statements, comprising the consolidated statement of financial position, the consolidated income statement, the consolidated statement of other comprehensive income, the statement of changes in the consolidated shareholders' equity, the consolidated statement of cash flows and the related explanatory notes of Antares Vision S.p.A. and its subsidiaries (the "Antares Vision Group") as of 30 June 2022. The Directors of Antares Vision S.p.A. are responsible for the preparation of the half-year consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim consolidated financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this half-year consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the half-year consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the half-year consolidated financial statements of Antares Vision Group as of 30 June 2022 is not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Brescia, 9 September 2022

EY S.p.A.
Signed by: Andrea Barchi, Auditor

This report has been translated into the English language solely for the convenience of international readers