

PRESS RELEASE

THE BOARD OF DIRECTORS OF DATRIX S.P.A. APPROVES THE CONSOLIDATED RESULTS AT 30 JUNE 2023:

SIGNIFICANT ORGANIC GROWTH IN THE AI PER DATA MONETISATION DIVISION (+73%) MAINLY DRIVEN BY INNOVATIVE SOLUTIONS PROVIDED ON NEW MONETIZATION CHANNELS SUCH AS MOBILE/APP/CTV

**IMPORTANT PROGRESS
IN THE MACHINE LEARNING MODEL SERVING FOR INDUSTRIAL DIVISION (+81%)
ALSO THANKS TO THE CONTRIBUTION OF THE NEWLY ACQUIRED ARAMIS**

REVENUE GENERATED ABROAD AT 55% OF THE TOTAL, UP FROM 32% IN 1H 2022, DEMONSTRATING THE EFFECTIVENESS OF THE ONGOING INTERNATIONALIZATION PROCESS

**REDUCED CUSTOMER CONCENTRATION
TOP 10 CUSTOMERS ACCOUNTING FOR 37% OF TOTAL REVENUES
(52% IN 1H2022)**

IMPROVED OPERATING MARGIN IN THE FIRST HALF OF THE YEAR

**COMPLETED THE INTEGRATION PROCESS OF THE ACQUIRED COMPANIES AND BASED ON THE GROWTH OF THE AI MARKET AND IN PARTICULAR OF THE GENERATIVE AI
THE DATRIX GROUP, STRONG WITH ITS TECHNOLOGICAL LEADERSHIP, LAUNCHES A NEW OFFERING MODEL BASED ON TWO BUSINESS LINES: AI FOR DATA MONETIZATION THAT EXPLOITS LLM SYSTEMS AND AI FOR INDUSTRIAL CONNECTED TO THE INDUSTRY 5.0 TRANSFORMATION**

**OUTLOOK 2023:
EXISTING CONTRACTS AND THE COMMERCIAL PIPELINE ALSO ON NEW CUSTOMERS DRIVE THE GROWTH TREND OF CORE REVENUES AND EBITDA EXPECTED TO ACCELERATE IN THE SECOND HALF OF THE YEAR**

Milan, 29 September 2023 –the Board of Directors of Datrix S.p.A., (“Datrix” or the “Company”), a leading company in the development of applications and services based on Artificial Intelligence and Machine Learning Models for the data-driven growth of companies , listed on Euronext Growth Milan, ISIN code IT000546837, announces that, today, it has examined and approved the consolidated half-yearly report as at 30 June 2023 drawn up in compliance with Italian accounting standards.

*"The results of the first half of the year confirm our ability to execute our strategic development plan driven, in particular, by significant organic growth with a focus on international markets, the completion of the integration process of the acquired companies, and, above all, by the increasingly clear signals coming from the Artificial Intelligence market, which confirm a growing interest on the part of business operators of all sizes in adopting our solutions. The contracts signed and the commercial pipeline on existing and new customers show that Datrix is an increasingly active player in this transformative market for the entire economic and industrial fabric." says **Fabrizio Milano d'Aragona, CEO of the Datrix Group.** "In order to seize this incredible opportunity more and more effectively, starting in the first half of 2023, the Datrix Group has implemented a new organizational structure of the offering divided into two strategic areas, AI for Data Monetization and AI for Industrial and Business Process, which represent the market segments with the highest speed of transformation and transition to the Artificial Intelligence paradigm. The new organization of the offering model will drive the expected acceleration of turnover and EBITDA in the second half of the year."*

Analysis of the Datrix Group's Economic and Financial Performance as at 30 June 2023

Consolidated Revenues amounted to **Euro 7.0m**, substantially in line with the same period of the previous year (Euro 7.1m in 1H2022), mainly driven by the **organic growth of the Data Monetization (+73%) and Machine Learning Model Serving for Industrial (+59%) lines**, as well as the contribution of the acquisition of Aramis¹ for Euro 0.1m. Consistent with the new definition of the Martech offering in place, characterized by a focus on a higher value-added product and solution offering, the numbers for the first half of 2023 were impacted by the decision to completely eliminate the lower-margin part of turnover, in particular, in relation to a long-standing customer. In 1H2022, these revenues amounted to Euro 1.8m. **Consistent with the new offering definition and the focus on higher value-added products and solutions, the Datrix Group recorded organic growth of +29% in H1 2023 (on a like-for-like basis and excluding lower-margin revenues in 1H 2022).**

In terms of performance and breakdown of revenue from the sale of the Datrix Group solutions and services at 30 June 2023:

- the **AI for Data Monetization** division, which accounts for 52% of the total, recorded revenues of Euro 3.5m, +73% compared to H1 2022;
- the **AI for Marketing & Sales** division, which accounts for 40% of the total, recorded revenues of Euro 2.6m, -42% compared to H1 2022. Consistent with the new definition of the Martech offering in place, characterized by a focus on a higher value-added product and solution offering, the numbers

¹ Aramis, a company whose acquisition was completed on 28 February 2023.

for the first half of 2023 were impacted by the decision to completely eliminate the lower-margin part of turnover, in particular, in relation to a long-standing customer. In the first half of 2022, these revenues amounted to Euro 1.8m.

- the **Machine Learning Model Serving** division, which accounts for 7% of the total, recorded revenues of Euro 0.5m, +81% compared to H1 2022;
- the **AI for Fintech** division, which accounts for 1% of the total, recorded revenues of Euro 0.1m, +15% compared to H1 2022.

To complete the integration process of the acquired companies, in the first half of 2023, the Datrix Group **reorganized its offering into 2 strategic areas**:

- 1) **AI for Data Monetization**: Solutions and applications to maximize growth opportunities that group the Martech (AI for Marketing&Sales), AdTech (AI for Data Monetization) and FinTech sectors, transforming data into tangible value also exploiting generative AI.
- 2) **AI for Industrial/Business Processes**: Artificial intelligence-based services for Industry 5.0, aimed at optimizing the efficiency of industrial and business processes (e.g. power plants, transport infrastructure, production processes and logistics).

Consolidated **Other Revenues**, which include the accrued portion of contributions received as part of funded R&D projects and R&D tax credits (L. 160/2019 mod. L. 178/2020), amounted to Euro 0.4m, an increase of 39% compared to 2022.

Consolidated Operating Costs amounting to approximately Euro 8.9m, showed a decrease of Euro 0.6m compared to the first half of 2022 (-6%). This change was caused on the one hand by the refocusing of the offering in the Martech sector, which led to a reduction in variable costs, and on the other hand by the costs incurred for: i) the integration of Aramis and the definition of the new AI for Industrial offering and in particular, in market development activities, strategic marketing and the acquisition of new talent; ii) the development of the business in the United States.

Consolidated Adjusted EBITDA² at Euro **-0.8m** (Euro -0.9m in 1H2022), **margin on revenues improved** to -12% compared to the same period last year (-13% in 1H2022). The main investments in the first half of the year were in support of the integration of Aramis and the definition of the new AI for Industrial offering, and, in **particular, in market development, strategic marketing and the acquisition of new talent, as well as in the United States to support business development**;

² EBITDA is the Operating result before depreciation and amortization of tangible and intangible assets and normalized to take into account non-recurring revenues and costs, as well as contributions of an extraordinary nature. EBITDA thus defined is a measure used by the Company's management to monitor and evaluate its operating performance. It is not identified as an accounting measure under national accounting standards and, therefore, should not be considered as an alternative measure for evaluating the Group's economic performance. Since the composition of EBITDA is not regulated by the relevant accounting standards, the determination criterion applied by the Group may not be homogeneous with that adopted by others and therefore not comparable.

Consolidated Net Result amounting to **Euro -2.5m** (Euro -1.6m in the first half of 2022). It should be noted that the Datrix Group, in the first half of 2023, did not prudently recognize deferred tax assets in the income statement on tax losses accrued in the period, for a potential benefit of Euro 0.5m (Euro 0.5m in the first half of 2022).

Consolidated Net Financial Position (available cash) amounting to Euro **+3.5m** as at 30 June 2023 (Euro +5.3m in FY2022). In line with the plan, the company invested Euro 1.5m in R&D for the development of its products. It should be noted that, although the level of investments remained high, cash absorption in the first half of the year decreased by 15% compared to the same period of the last year.

Cash and cash equivalents (change of Euro -0.3m) were impacted: i) positively by the flow from financing activities of Euro 1.4m and a flow from operating activities of Euro 0.1m; ii) negatively by investments in R&D of Euro 1.5m and those related to the acquisition of Aramis and the penetration of the UAE market.

Finally, consolidated **financial payables** amounted to Euro 3.4m, up from Euro 1.9m at 31 December 2022.

Net Working Capital³ amounted to Euro -1.6m (Euro -0.7m at December 2022).

In the first half of 2023, innovation remained at the forefront of the company's strategy. The Datrix Group continued to invest in R&D with a focus on solutions, applications and services that leverage the power of generative AI and advanced algorithmic models in industry. In particular:

- in the area of **AI for Data Monetization**, was the creation of a solution called **Audience AI that has a direct application in the Martech world** to accelerate and automate customized marketing actions by clustering users with similar characteristics, interests and intentions. All this is made possible thanks to a combination of first-party data - collected in an ethical and GDPR-compliant manner - advanced predictive and clustering algorithms and generative AI models. Such generative AI models have **also been exploited in FinTech** with vertical applications aimed at extracting knowledge from textual data and information, thereby significantly reducing the time and operational costs associated with document analysis and search in corporate databases.
- in the **AI for Industrial/Business Processes** area, the Datrix Group released the **Asset Fair Value Estimation** service aimed at offering a more accurate and reliable valuation of complex industrial assets to support financial decisions, M&A processes and risk management.

In addition, the Datrix Group achieved important milestones that consolidate its internationalization path. In particular:

- there was the signing of an **international strategic partnership with Seed Group, a Private Office Company of Sheikh Saeed bin Ahmed Al Maktoum**, with the aim of revolutionizing

³ Net Working Capital was calculated considering short-term receivables and payables of a non-financial nature, excluding the items already included in the Net Financial Position.

the Artificial Intelligence sector in the Middle East, seizing the best business development opportunities in that market. All this becomes more valuable on complex projects and in challenging sectors with significant weight in the Middle East, such as oil & gas, energy, utilities, construction, infrastructure and large industrial hubs.

- a partnership was consolidated for the distribution, in the US market, of thematic data developed by the Datrix Group using advanced artificial intelligence techniques. This allows for accelerated expansion into the US market.

Evolution of the AI market

In a highly dynamic market such as the Artificial Intelligence market, two trends of extraordinary relevance emerge:

- on the one hand, there is an increasing implementation of AI in industries, fitting perfectly into the Industry 5.0 vision, in order to improve the efficiency and sustainability of industrial processes as well as detect and prevent potential security problems. According to projections by BlueWeave Consulting, in the period between 2022 and 2029, the global industrial AI market is set to grow at a CAGR of 52%, reaching USD 58b by 2029.
- on the other hand, Generative Artificial Intelligence is steadily growing and gaining momentum not only in technology, but also in other areas. In recent years, we have seen a significant increase in the adoption of this innovative technology by companies, representing an extraordinary opportunity especially in marketing applications. These generative Artificial Intelligence tools are expected to lead to significant market growth, reaching USD 1.3t by 2032, up from USD 40b last year (Source: Bloomberg Intelligence & IDC – 2023).

Significant facts at 30 June 2023

In February 2023, Datrix S.p.A. completed the acquisition of 60% of the share capital of Aramis, a company specialising in the development of algorithms and models for analysing the performance of industrial systems and components in terms of risk, reliability, maintenance and resilience, based on the most innovative statistical and artificial intelligence techniques. This operation contributes to further strengthening the Datrix Group's Machine Learning & Model Serving division, allowing it to acquire high-level vertical expertise and to strengthen the presence of Datrix in a fast-growing market, also through international synergies. With this integration, the Datrix Group will pursue increasingly challenging projects in different industrial fields, strengthening those that refer to the world of artificial intelligence applied to industry, as also envisaged by the PNRR. At the same time, the deployment of scalable and high-impact AI solutions in terms of efficiency of management and industrial processes will be accelerated;

In March 2023, Datrix S.p.A. entered into a partnership with Seed Group, a company active in the United Arab Emirates belonging to the private office of Sheik Saeed bin Ahmed Al Maktoum.

Through this transaction, the Datrix Group - in line with its strategic growth plan - intends to strengthen its international presence, leveraging the growing demand for advanced AI solutions from the Middle Eastern market.

The expected growth of market interest in applications of Artificial Intelligence solutions will offer significant opportunities for the acquisition of new customers both in Italy and abroad.

In the 2023 financial year, we will continue to pursue the objectives of growing business volume and improving margins at consolidated level, also by seeking new opportunities for aggregation.

In May 2023, Adapex, an AdTech company of the Datrix Group, announced a partnership with PremiumMedia360 (PM360), a leading US advertising data automation company that applies its solutions to some of the leading US TV networks, to improve efficiency and ad management in the innovative Connected TV (CTV) market.

In May 2023, the Datrix Group (EGM Ticker: DATA) won the L'Oréal Italia tender for Digital Intelligence & Marketing Science activities: in charge of the project is ByTek, a Datrix martech company specializing in proprietary Artificial Intelligence software solutions to measure and enhance marketing performance.

For the 5th consecutive year, the cosmetics leader has entrusted ByTek with digital and search intelligence on 16 brands and 4 divisions, based on the Search, Data & Editorial pillars, aimed at positioning and optimizing L'Oréal's Italian digital properties, including Vichy, La RochePosay, SkinCeuticals, L'Oréal Paris, Garnier, Maybelline, Tesori di Provenza, Lancôme, Kiehl's, Biotherm, L'Oréal Professionnel and RedKen.

In June 2023, ByTek, a martech company of the Datrix Group, extended its collaboration with Crédit Agricole Italia and was entrusted with the bank's digital activities until 2024. The martech company is managing, in particular, optimizations on the properties related to the banking player's Accounts and Mortgages portals, with Data Strategy activities and enhancement of the strategy on search and conversions.

Subsequent Events and Business Outlook

The year 2023 saw the Datrix Group engaged in the implementation of its strategic plan both in terms of external growth and internationalization activities.

In particular:

In July 2023, FinScience, a fintech company of the Datrix Group, announced the availability of its thematic data on the Nasdaq Data Link platform. Nasdaq Data Link is a powerful centralized, cloud-based technology platform that provides access to more than 250 reliable data sets, available via API. Using artificial intelligence algorithms, each quarter, the FinScience team defines the thematic framework on the basis of a data-driven methodology, gathering a large amount of information from various public and trusted information sources (mainstream news sites, vertical news sites, blogs, social media and more) each day, and starting with over 1,000 micro-themes selected by proprietary metrics that are then aggregated into the final list of over 70 themes.

On 13 September 2023 – Datrix S.p.A. (“Datrix”) announced, pursuant to article 17 of the Euronext Growth Milan Issuers' Regulation, the consensual termination with MIT SIM S.p.A. (“MIT SIM”) of the Specialist contract.

On 29 September 2023 – Datrix S.p.A. (“Datrix”) announced, pursuant to article 17 of the Euronext Growth Milan Issuers' Regulation, the signing of the specialist contract with Mediobanca S.p.A. starting from 3 December 2023.

At 30 June 2023, Datrix held a total of 51,500 treasury shares, or 0.311% of the share capital.

Outlook

The first months of the second half of 2023 saw the Datrix Group engaged in the implementation of its strategic plan in relation to the activities of:

- growth by internal lines;
- internationalization;
- research and development, aimed at maintaining the Group's differentiating technological positioning as an operator specialized in offering innovative solutions based on AI algorithms.

It is believed that the expected growth in market interest in applications of Artificial Intelligence solutions will offer significant opportunities for the acquisition of new customers in Italy and abroad, allowing for further consolidation in the US market, the launch of contracts in the recently penetrated UAE market, and significant growth in the Machine Learning Model Serving business line. The commercial pipeline on existing and new customers is proof of this.

In financial terms, in the second half of 2023, the Datrix Group, also thanks to the new offering model, confirmed its revenue growth and margin improvement targets at consolidated level.

The documentation relating to the consolidated half-year report as of 30 June 2023 will be made available to the public at the registered office as well as by publication on the Company's website.

The reclassified consolidated financial statements of the income statement, balance sheet and cash flow statement are attached to this press release.

This press release is available in the Investor Relations section of the Company's website www.datrixgroup.com, as well as on the authorized storage mechanism "eMarket Storage", at the address www.emarketstorage.com.

Datrix

Datrix is a group of tech companies that develop sustainable Artificial Intelligence solutions (Augmented Analytics and Machine Learning Models) for data-driven growth of companies. Datrix solutions add measurable value because they collect data from internal and external sources, integrate it, look for correlations, uncover valuable insights and operational information, and suggest actions.

The Group is active in 2 business areas:

AI for Data Monetization:

Solutions and applications to maximize growth opportunities that group the Martech (AI for Marketing&Sales), AdTech (AI for Data Monetization) and FinTech sectors, transforming data into tangible value also exploiting generative AI.

AI for Industrial/Business Processes:

Artificial intelligence-based services for Industry 5.0, aimed at optimizing the efficiency of industrial and business processes (e.g. power plants, transport infrastructure, production processes and logistics).

Since 2019, Datrix has also accelerated its growth path through acquisitions in Italy and abroad. The following are now part of the Datrix SpA Group: 3rdPlace Srl, FinScience Srl, ByTek Srl, Paperlit Srl, Datrix US Inc. and Adapex Inc. Datrix, through its subsidiary 3rdPlace, is a technology partner of international consortia for important [R&D projects](#) in the financial, biomedical and cybersecurity fields, funded by the European Union and Italy and based on Artificial Intelligence algorithms. Datrix operates through four offices in Italy (Milan, Rome, Cagliari and Viterbo) and one in the United States. More at datrixgroup.com

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Reclassified Consolidated Financial Statements

Reclassified Income Statement	30/06/2023	30/06/2022
Sales revenues	6,628,485	6,817,548
R&D contributions	346,079	249,106
Total revenues from ordinary operations	6,974,564	7,066,654
Increase in assets for internal works	1,108,189	1,483,921
Other revenues and income	15,156	15,429
Total Production Value	8,097,909	8,566,004
Costs for raw and ancillary materials, consumables and goods	- 8,407	16,214
Costs for services	- 5,219,101	5,941,730
Costs for rents and leases	- 246,887	199,673
Personnel costs	- 3,389,241	3,277,024
Other operating expenses	- 65,115	73,593
Total operating costs	- 8,928,750	9508,233
Normalized EBITDA	- 830,841	942,230
% of revenues	-12%	-13%
Non-recurring revenue components	209,380	150,000
Non-recurring costs	- 194,821	90786
EBITDA	- 816,282	883,015
Amortization, depreciation and write-downs	- 1,572,647	1,327,001
Difference between operating value and costs	- 2,388,929	2,210,016
% of revenues	-34%	-31%
Income, interest and other financial expenses	- 43,274	68,257
Exchange rate gains and losses	- 38,407	199,903
Total financial income and expenses	- 81,681	131,646
Adjustments financial assets/liabilities	- 3,532	20,941
Pre-tax result	- 2,474,142	2,099,311
% of revenues	-35%	-30%
Income taxes for the year, current, and deferred tax liabilities and assets	4,179	547,306
Profit (loss) for the year	- 2,469,963	1,552,005
Result attributable to minorities	- 44,639	-
Consolidated result	- 2,514,602	1,552,005

Balance Sheet	30/06/2023	31/12/2022
Intangible assets	12,666,653	11,918,971
Tangible assets	13,5423	13,2367
Financial assets	286431	247061
Total assets	13,088,507	12,298,399
Receivables from customers	5,907,076	8,140,328
Tax receivables	755,441	1,107,070
Deferred tax assets	3,022,023	3,023,789
Receivables from others	135,970	51,395
Total Receivables	9,820,510	12,322,582
Financial assets not held as fixed assets	2,293,826	2,555,196
Bank and postal deposits	5,408,364	5,486,190
Cash and equivalents on hand	441	430
Total Cash and cash equivalents	5,408,805	5,486,620
Total current assets	17,523,141	20,364,398
Accruals and deferrals	441,834	336,923
Total Assets	31,053,482	32,999,720
Capital	166,289	165,780
Reserves	24,215,183	23,849,420
Retained earnings (losses)	-	4,051,394
Profit (loss) for the year	-	2,692,865
Minority shareholders' equity	210131	-
Total Consolidated Equity	15,322,823	17,270,941
Provision for taxes, including deferred	309,998	335,432
Derivative financial instruments liabilities	-	-
Other provisions	552,181	562,535
Total provisions for risks and charges	862,179	897,967
Employee severance indemnity (TFR)	753,447	700,289
Payables to shareholders for loans	-	-
Payables to banks	3,436,192	1,944,828
Payables to suppliers	4,850,801	6,438,827
Tax payables	535,033	464,004
Payables to social security institutions	345,300	324,410
Other payables	3,973,256	3,907,189
Total payables	13,140,582	13,079,258
Accruals and deferrals	974,451	1,051,265
Total Liabilities	31,053,482	32,999,720

Cash Flow Statement	30/06/2023	30/06/2022
Pre-tax result	- 2,514,602	- 2,099,311
Non-monetary items	1,723,788	1,432,130
Changes in Net Working Capital	944,494	- 136,423
Other adjustments	- 171,742	- 68,257
Cash flow from operating activities	- 18,062	- 871,861
Cash flow from investment activities	- 1,485,349	- 3,002,081
Capital increases	7,642	606,633
Financing / Repayment	1,473,534	- 349,210
Purchase of minority equity	- 55,580	-
Cash flow from financing activities	1,425,596	257,423
Increase in cash and cash equivalents	- 77,815	- 3,616,519
Opening cash and cash equivalents	5,486,620	14,009,456
Closing cash and cash equivalents	5,408,805	10,392,937