doxee

Management Report on Consolidated Financial Statements

as of December 31, 2020

Governing Bodies

Board of Directors:

Chairman of the Board of Directors:	Ing. Paolo Cavicchioli
Chief Executive Officer:	Dott. Sergio Muratori Casali
Director:	Dott. Giuseppe Dal Cin
Independent Director :	Avv.to Pier Luigi Morara

Board of Statutory Auditors:

Chairman of the Board of Statutory Auditors:	Dott. Gianluca Riccardi
Standing Auditor:	Dott. Marcello Braglia
Statutory Auditor:	Dott. Daniele Serra

MANAGEMENT REPORT FOR THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020

prepared pursuant to art. 40 D. Legislative Decree no. 127/91

Dear Shareholders
This report has been prepared in compliance with the provisions of Article 40 of Legislative Decree no. 127/1991 to supplement the consolidated financial statements of the Doxee Group as of December 31, 2020, in order to provide all additional and useful information for a better and clearer understanding of the performance of the consolidated companies of the DOXEE Group, which does not result from a simple reading of the consolidated financial statements and the notes therein.

MAIN RESULTS OF THE DOXEE GROUP AS OF DECEMBER 31, 2020

The Group's main results for December 31, 2020 are shown below:

- Value of Production: Euro 22.8 mln, +9% (12/31/2019: Euro 20.9 mln);
- EBITDA: Euro 5.6 mln, +11.9% (12.31.2019: Euro 5 mln), EBITDA MARGIN: 24.7%;
- EBIT: Euro 2.9 mln, +29.9% (12/31/2019: Euro 2.3 mln);
- Net Income: Euro 1.6 mln, -4.4% (12.31.2019: Euro 1.7 mln);
- Net Financial Position: Euro -2.46 mln (12.31.2019: Euro -2.31 mln).

Sales Revenues, amounting to Euro 17.70 million, recorded significant growth of +14.3% compared to Euro 15.49 million in 2019.

The **Product Lines** that contributed most to the increase in revenues were Document Experience, which recorded revenues of Euro 3.3 million up +74.3% compared to Euro 1.9 million in 2019, Paperless Experience, which recorded revenues of Euro 3.6 million up +14.6% compared to Euro 3.1 million in 2019, and Interactive Experience, which stands at Euro 3.3 million, an increase of +21.4% compared to Euro 2.7 million in 2019.

The **Recurring Revenue** percentage continues to be 74% thanks to the increase in SaaS activities.

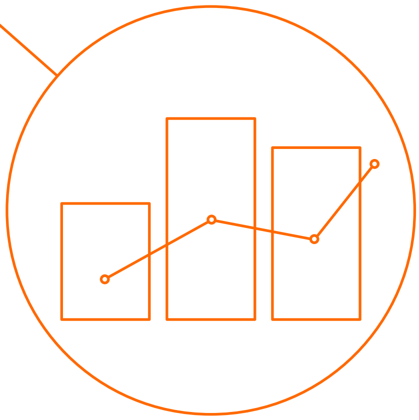
Value of Production amounted to Euro 22.8 million (Euro 20.9 million as of 12/31/2019), an increase of +9.0%.

EBITDA stood at Euro 5.6 million and recorded significant growth of +11.9% (Euro 5 million as of 12/31/2019). EBITDA Margin also improved from 24% as of 12/31/2019 to 24.7%, thanks to the greater relative weight of the most profitable product lines and improved operating efficiency.
EBIT amounted to Euro 2.9 million, an improvement of +29.9% compared to December 31, 2019 (Euro 2.3 million), after amortization, write downs, and provisions of Euro 2.7 million (Euro 2.7 million as of 12/31/2019) resulting mainly from investments in technology development.

The **Net Income**, at Euro 1.6 million, slightly decreased by -4.34% compared to December 31, 2019 (Euro 1.7 million), due to the increase in taxes for the year.

The **Net Financial Position** amounted to Euro -2.46 million, an increase compared to Euro -2.31 million as of December 31, 2019.

Equity amounted to Euro 8.5 million (Euro 6.5 million as of December 31, 2019).



DOXEE GROUP STRUCTURE

Doxee S.p.A. is an Italian company listed on the AIM Italia of the Italian Stock Exchange, operating in the High-Tech sector, in the markets of Customer Communications Management, Paperless, and Digital Customer Experience.

The companies of the group are listed below:

Doxee S.p.A. - Parent Company
Registered office: Modena, Italy
Balance sheet currency: Euro
Share capital: Euro 1,597,880.18 - i.v.
Shareholders' equity as of 12/31/2020: Euro 10,543,797
Annual profit at 12/31/2020: Euro 1,827,705
Condition: Parent Company

Doxee USA Inc.
Headquarters: Fort Lauderdale, United States of America
Balance sheet currency: U.S. Dollar
Share capital: U.S. Dollar 39,200.00 - i.v.
Shareholders' equity at 12/31/2020: U.S. Dollar - 5,067,670
Loss for the year at 12/31/2020: U.S. Dollar - 559,646
Direct ownership: 51.02%.
Indirect ownership: 0%.

Doxee Slovak s.r.o.
Registered office: Bratislava, Slovak Republic
Balance sheet currency: Euro
Share capital: Euro 10.000,00 - i.v.
Shareholders' equity at 12/31/2020: Euro 163,760
Profit for the year at 12/31/2020: Euro 35,548
Condition: foreign subsidiary
Direct ownership: 100%.

Doxee Czech s.r.o.
Registered office: Prague, Czech Republic
Balance sheet currency: Czech Koruna
Share capital: Czech crown 250,000.00 - i.v.
Shareholders' equity at 12/31/2020: Czech Koruna 7,213,278
Annual profit at 12/31/2020: Czech Koruna 2.389.097
Condition: foreign subsidiary
Direct ownership: 100%.

The ownership percentages indicated above did not change over the two years. The scope of consolidation excludes the foreign subsidiary “OOO Doxee RU”, headquartered in Moscow, Russia, as it is considered of marginal importance given its small size and the intention to close it during the current fiscal year. The subsidiary had already been fully written down prior to January 1, 2017, and therefore the consolidated financial statements do not reflect any economic, equity, or financial effects of OOO Doxee RU.

Little Sea S.r.l.
Registered office: Milan, Italy
Currency: Euro
Share Capital: Euro 12,193.00 - i.v.
Shareholders’ equity at 31/12/2020: Euro 211,013
Net income at12/31/2020: Euro -141,672
Condition: Italian subsidiary

Direct ownership at December 31, 2020: 84.80%.

Little Sea S.r.l. was acquired on July 1, 2020 and is included in the consolidated financial statements by means of its balance sheet and income statement, the latter consolidated from July 1, 2020 to December 31, 2020 with a profit/loss for the year that participates in the consolidated result for the year in the amount of Euro -90,312.

GROUP COMPANIES

Doxee S.p.A. (hereinafter “Doxee”), headquartered in Modena (MO), viale Virgilio 48/B, 41123, with a share capital of Euro 1,597,880.18 i.v., with balance sheet currency in Euro, is a company specializing in high technology and is a leader in the markets of Customer Communications Management (CCM), Paperless, and Digital Customer Experience (DCX).
It offers businesses and, in particular, Enterprise companies (Large Enterprises) technology products delivered in Cloud mode on a single patented platform owned by Doxee (Doxee Platform).

Doxee products, which make communication interactive and highly personalized, are a powerful marketing tool for companies, as they support them in further developing their businesses. Doxee supports and manages about six billion communications per year for around 200 large companies.
The company has strongly innovated the CCM, Paperless, and DCX markets, creating three product lines usable through three different delivery models (SaaS, PaaS, and Op) that allow its customers to significantly improve the operational efficiency of mission-critical processes.

The three product lines are:

- Document Experience (dx): The product line dedicated to the production, multi-channel distribution, and digital archiving of documents;
- Paperless Experience (px): The product line that includes Electronic Invoicing, Digital Storage, Electronic Ordering, and other products aimed at customers who want to dematerialize their business processes;
- Interactive Experience (ix): The product line dedicated to DCX and includes the production and distribution of interactive micro-sites (Doxee Pweb®) and personalized videos (Doxee Pvideo®).

These products are delivered through Software as a Service (SaaS), Platform as a Service (PaaS), and On-premise (Op) models:

- The SaaS model consists in the delivery of products in the form of the standard service in the Cloud;
- The PaaS model consists in the delivery of products through the use by customers of the Doxee Platform, as the basis for the creation and delivery of SaaS services;
- The Op model consists of the transfer of rights to use Doxee technologies through the granting of a license to use them.

Each of the delivery models is associated with a different payment method:

- For the SaaS model and for the PaaS model: There is a fixed fee and a variable cost calculated based on the use of the products delivered;
- For the Op model: There is a proportional cost calculated based on the features activated and the capacity of the Doxee Platform.

Doxee has strongly innovated the CCM market by being the first to offer dx products in Cloud mode, through SaaS and PaaS delivery models.
Doxee's products represent efficient solutions for customers, also from a financial point of view, as their use does not involve any capital investment but only the payment to Doxee by way of fees and/or variable costs, which include technological and regulatory updates that are constantly and automatically performed by the company.

Doxee USA Inc., a company incorporated under U.S. law with its registered office at 110 Se 6th Street, Fort Lauderdale, Florida (33301), is 51% owned by the Parent Company, Doxee S.p.A.. The remaining 49% of the share capital is held by the company Simest S.p.A. with which an agreement was signed, by virtue of which the two companies mutually recognize as holders of a put/call option on the 49% equity investment held by Simest S.p.A., which can be exercised by the parties from June 30, 2021. Established in 2011, Doxee USA Inc. became fully operational in 2012. The mission of Doxee USA Inc. was to act as a vehicle for the development of the Partner project based on the PaaS (Platform as a Service) model in support of the Group's internationalization strategy. Partners are managed in collaboration with the sales structure of Doxee Spa. Doxee USA Inc. provides support and development of professional services in international projects, especially for Latam.

Doxee Czech S.r.o., a company under Czech law with its registered office in Prague 1, Czech Republic (110 00), Václavské náměstí 795/40, 100% owned by Doxee S.p.A., was established in 2010 through the acquisition of the Czech branch of the company Printsoft Czech Republic. It operates in the CCM market. The company has an Enterprise market in the Utilities and Finance sector. Most of the customers have migrated from Printsoft product solutions to Doxee products—both dx (document experience) and ix (interactive experience)—with prevalence of SaaS revenues. Doxee Czech s.r.o. has its own margins, which enable it to cover its structural costs thanks to 15 active customers.

Doxee Slovak S.r.o., a company incorporated under Slovak law with its registered office in Presernova 4, 811 02 Bratislava - Slovakia, 100% owned by Doxee S.p.A., was established in 2010 through the acquisition of the Slovak branch of the company Printsoft Slovakia. The company operates in the CCM market and has a number of important customers, especially in the finance sector, where it offers dx (document experience) products, mainly in On Premise mode. The company has its own margins, which enable it to cover its structural costs thanks to existing contracts.

Little Sea S.r.l., a company under Italian law, with its registered office in Milan, Via Palermo 8 cap. 20121 - Italy, 84.80% owned by Doxee S.p.A., was acquired on July 1, 2020. The company specializes in the automatic production of personalized interactive videos and is an innovative start-up that has developed a patented technology capable of transforming data and images into dynamic, interactive, and personalized videos, integrating data with video and images using Cloud and AI technologies. The Littlesea platform, called Babelee, has been designed for self-service use, enabling even non-expert operators to produce videos with dynamic content in a simple way. This transaction is strategically very important because it allows Doxee to position itself as the leading European technology provider in terms of revenue in the personalized and automated video market. The technological integration of Babelee's functionalities with the Doxee Platform™ will allow Doxee to enter sectors such as publishing and advertising and to propose personalized videos also in SaaS mode, launching a new offering aimed at supporting communication processes based on data-telling, in new markets both in Italy and abroad.

OPERATING PERFORMANCE

(art. 40, paragraph 1, of Legislative Decree no. 127/91)

The global economy

Global economic activity, after a greater-than-expected recovery in the summer months, slowed in the fourth quarter, affected by the new wave of the pandemic, especially in advanced countries. The start of vaccination campaigns reflects favorably on the longer-term outlook, but the timing of the recovery remains uncertain. The resurgence of the pandemic between October and December 2020, which was particularly intense in the European Union and the United States, and the subsequent strengthening of containment measures in many countries, resulted in a new slowdown of the global economy in the last quarter of 2020. In contrast, the longer-term outlook has improved, thanks to the start of vaccination campaigns in many countries; however, the timing of the distribution and administration of vaccines on a large scale remains uncertain, and this could impact the effects on the economic cycle. In the latter part of 2020, the acceleration of infections slowed down economic activity, especially in advanced economies. In December in the manufacturing sector, the purchasing managers' indexes (PMI) remained above the expansion threshold in the United States, the Euro area, and the United Kingdom. In the services sector, which is the most affected by the measures to contain the pandemic, the outlook remains negative overall, especially in the tourism and leisure services sectors. Only in China, where the number of cases has fallen since last spring, are the indices pointing to an expansion in all sectors. These trends are reflected in world trade; in fact, in the year 2020, the contraction of world trade would be around 9%.

Scenari macroeconomici
(variazioni e punti percentuali)

VOCI	2019	Previsioni (1)		Revisioni (2)	
		2020	2021	2020	2021
PIL					
Mondo	**2,7**	**-4,2**	**4,2**	**0,3**	**-0,8**
di cui:					
Paesi avanzati					
area dell'euro	1,3	-7,5	3,6	0,4	-1,5
Giappone	0,7	-5,3	2,3	0,5	0,8
Regno Unito	1,3	-11,2	4,2	-1,1	-3,4
Stati Uniti	2,2	-3,7	3,2	0,1	-0,8
Paesi emergenti					
Brasile	1,1	-6,0	2,6	0,5	-1,0
Cina	6,1	1,8	8,0	0,0	0,0
India (3)	4,2	-9,9	7,9	0,3	-2,8
Russia	1,3	-4,3	2,8	3,0	-2,2
Commercio mondiale	**0,6**	**-8,7**	**7,2**	**1,3**	**–**

Fonte: Per il PIL, OCSE, *OECD Economic Outlook*, dicembre 2020; per il commercio mondiale, elaborazioni Banca d'Italia su dati di contabilità nazionale e doganali.
(1) Variazioni percentuali. – (2) Punti percentuali. Revisioni rispetto a OCSE, *OECD Economic Outlook, Interim Report*, settembre 2020 e, per il commercio mondiale, da Banca d'Italia, *Bollettino economico*, 4, 2020. – (3) I dati si riferiscono all'anno fiscale con inizio ad aprile.

Euro area

In the Euro area, economic activity is said to have weakened in the latter part of the year, with the resurgence of contagions and the tightening of containment measures. The Governing Council of the European Central Bank has recalibrated its monetary policy instruments in an expansive direction to guarantee favorable financing conditions throughout the pandemic-induced crisis, which is expected to be more extensive than previously assumed.

GDP in the Euro area rose more broadly than expected in the third quarter, by 12.5 percent, after a cumulative loss of 15 percent in the first half of the year. Value added increased in all sectors, although it remains far from the levels of the end of 2019, especially in services that are most exposed to social interaction. While gross domestic product grew in all major economies, it did not return to pre-outbreak values; indeed, GDP was reported to have shrunk in the fourth quarter. The PMI indicators are, overall, compatible with a contraction in activity: in the average of the fourth quarter, signs of recovery in manufacturing were consolidated, while services weakened.

Projections made in December by Eurosystem experts indicate that the decline in GDP in 2020 would be 7.3%; in the following three years, output would grow by 3.9%, 4.2%, and 2.1%. The risk picture remains at a downward turn.

At its meeting on December 10, 2020, the Governing Council of the ECB recalibrated its monetary policy instruments in an expansionary manner in order to ensure favorable financing conditions for the entire period of the pandemic crisis, which is expected to be longer than previously assumed.

There, the European Council reached an agreement on the EU budget and the European Union's recovery instrument, the Next Generation EU (NGEU). Following the agreement, the EU Council approved the multiannual financial framework for the years 2021-27 on December 17. The budget allocation for the entire period is 1,074.3 billion (including 166 for 2021). For the effective start of the NGEU, the ratification of the decision on the Union's resources by all Member States is still required, according to national constitutional rules, following which Member States will be able to request a pre-financing of the requested funds of 13%, subject to approval of the Recovery and Resilience Plan. The set of measures taken will help support economic growth by bringing inflation back toward values consistent with price stability. The Governing Council will continue to monitor the implications of exchange rate movements on the medium-term inflation outlook. In the face of a still high degree of uncertainty - also regarding the evolution of the pandemic and the distribution of vaccines - it has announced that it is ready to adjust all the instruments of monetary policy, where appropriate, to ensure that inflation approaches the targeted level in a stable and symmetrical manner.

Crescita del PIL e inflazione nell'area dell'euro
(variazioni percentuali)

PAESI	Crescita del PIL			Inflazione
	2019	2020 2° trim. (1)	2020 3° trim. (1)	2020 dicembre (2)
Francia	1,5	-13,8	18,7	(0,0)
Germania	0,6	-9,8	8,5	(-0,7)
Italia	0,3	-13,0	15,9	(-0,3)
Spagna	2,0	-17,9	16,4	(-0,6)
Area dell'euro	1,3	-11,7	12,5	(-0,3)

Fonte: elaborazioni su statistiche nazionali e su dati Eurostat.
(1) Dati trimestrali destagionalizzati e corretti per i giorni lavorativi; variazioni sul periodo precedente. – (2) Variazione sul periodo corrispondente dell'indice armonizzato dei prezzi al consumo (IPCA).

The Italian economy

Growth in the summer months of 2020 was higher than expected, indicating significant resilience in our economy. In the fourth quarter, however, activity returned to a decline as the pandemic flared up again. Based on available information, the decline in GDP in the fourth quarter can currently be estimated to be around a central figure of -3.5 percent over the prior period.

According to the most recent indicators, GDP would have declined again overall in the last quarter of 2020 because of the sharp increase in the number of infections. The economic information available to date, both of a qualitative and quantitative nature, indicates that the decline in activity would have been pronounced in the services sector and marginal for manufacturing.

After a strong recovery in the summer, industrial output is reported to have fallen slightly in the final months of the year.

PIL e principali componenti (1)
(variazioni percentuali sul periodo precedente; contributi alla crescita per variazione delle scorte ed esportazioni nette)

VOCI	2019	2020			2019
	4° trim.	1° trim.	2° trim.	3° trim.	
PIL	-0,3	-5,5	-13,0	15,9	0,3
Importazioni totali	-2,4	-5,3	-17,8	15,9	-0,6
Domanda nazionale (2)	-0,8	-4,7	-11,0	11,9	-0,1
Consumi nazionali	-0,2	-5,5	-8,5	9,2	0,3
spesa delle famiglie (3)	-0,2	-6,8	-11,5	12,4	0,4
spesa delle Amministrazioni pubbliche	-0,1	-1,1	0,3	0,7	-0,2
Investimenti fissi lordi	-0,1	-7,6	-17,0	31,3	1,6
costruzioni	-0,4	-6,7	-22,2	45,1	2,5
beni strumentali (4)	0,2	-8,3	-12,7	21,2	0,9
Variazione delle scorte (5) (6)	-0,6	1,2	-0,9	-1,0	-0,7
Esportazioni totali	-0,7	-7,9	-23,9	30,7	1,0
Esportazioni nette (6)	0,5	-1,0	-2,3	4,0	0,5

In the services sector, which is most affected by the restraint measures, added value reported a fall in the fourth quarter, albeit less than in the spring. In the same period, the sector's PMI index declined after a partial recovery in the summer months.

According to the OECD forecast released in December, global output would return to an expansion of 4.2% in 2021, exceeding pre-pandemic levels by the end of the year. The projections assume continued support for expansionary economic policies in the international environment and a full-scale vaccination by year-end 2021, and already incorporated the signing of an agreement on bilateral relations between the United Kingdom and the European Union. China would contribute more than a third of the global expansion in 2021.

The recovery could be slowed down by the effects of further upsurges in contagions that are not addressed by new fiscal support measures. On the other hand, any large-scale administration of vaccines carried out more quickly than expected could support growth.

The outlook for the Italian economy presented by the Bank of Italy Bulletin remains closely dependent on both the evolution of the pandemic and the measures adopted to counter the increase in contagions and to mitigate the impact on economic activity. The projections assume that, after the second wave of infections last autumn, the epidemic will gradually come under control in the first half of 2021 and that the health emergency will be completely overcome by 2022, as a result of the vaccination campaign.

Considerable support for economic activity comes from budgetary policy and the use of European funds available under the NGEU.

In the scenario considered, monetary and financial conditions remain extremely favorable, also thanks to the action of the Eurosystem, governments, and European institutions.

Economic policy measures are assumed to ensure that the repercussions of the crisis on corporate debt and credit quality remain contained and do not result in significant tightening of financing conditions. The average cost of corporate credit, which fell slightly in 2020 (to 1.5 per cent from 1.7 in 2019), would rise again to a limited extent.

Regarding the growth of international trade, it is assumed that after declining by 10.9% in 2020 it will expand by an average of 5% per year in the three-year period 2021-23.

The outlook for GDP, in conjunction with the assumed improvement in the health picture, projects that, after contracting 9.2 percent in 2020, GDP would expand 3.5 percent in 2021, 3.8 percent in 2022, and 2.3 percent in 2023, returning to pre-pandemic crisis levels during 2023.

The I.T. and I.C.T. sector in Italy

In 2020, the Italian digital market closed the year with a decline of 2 percentage points compared to 2019 with a value of 70.5 billion Euros, thanks to the relative recovery in the second half of the year.

In particular, the segments that reacted best, registering moderate declines, result from Devices and Systems with a -1.9% drop compared to 2019, due to investments made by companies to allow their workers to continue smart working activities, and the segment related to ICT Software and Solutions that registered a -1.6% drop due to the effect of holding investments in IoT solutions as part of Factory 4.0, in the renewal or design of e-commerce platforms, in network and endpoint security solutions, and identity and access management. As for the other sectors, there was a substantial hold by ICT Services (-0.1% in 2020), thanks to the continued double-digit growth of Cloud services (+16%). Finally, the Content and Digital Advertising segment grew by 2.7% in 2020, albeit at a much lower rate than in previous years, while a negative trend was confirmed in Network Services (-5.9%). In the coming years, overall growth is expected to be 3.4% in 2021, with a value of around 73 billion Euros, and 3.3% in 2022, exceeding the threshold of 75 billion. Growth next year will be driven above all by the ICT Software and Solutions segments, which are expected to grow by 7.6% in 2021 and 6.4% in 2022, and by ICT Services, with an expected increase of 7.8% in 2021 and 7.2% in 2022. In 2021 the strong growth (+22.1%) of Cloud Computing Services will also continue, due to their centrality in the digital transformation projects of companies and institutions. This is followed by content and digital advertising (+6.5% in 2021 and +5.4% in 2022), thanks to the relaunch of investments in Digital Advertising; Devices and Systems (respectively +5.5% and +5.2%) and, finally, ICT Consultancy services (+5.0%).

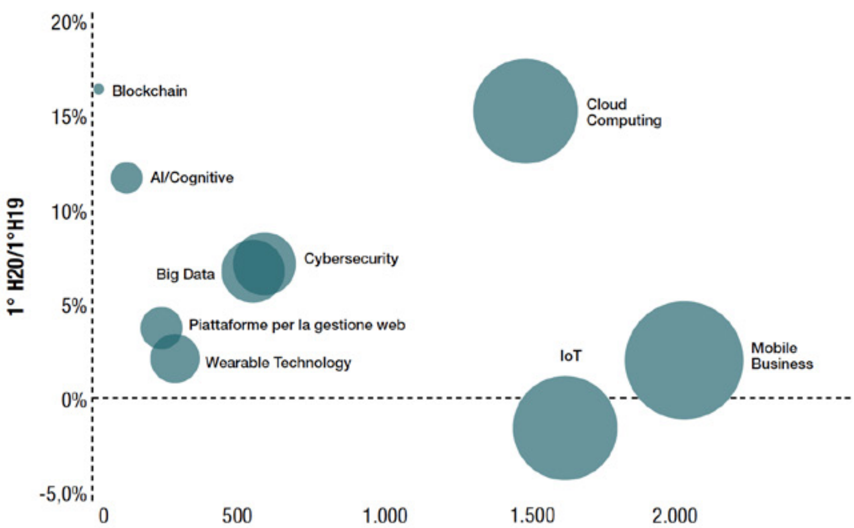


Figura 11: Dimensioni e trend dei Digital Enabler nel primo semestre 2020

Variazioni % sullo stesso semestre dell'anno precedente
Fonte: NetConsulting cube 2020

Impacts related to the Coronavirus outbreak (COVID-19):

Despite the emergency situation due to the spread of the COVID-19 (Coronavirus) outbreak, Doxee was able to ensure normal operations and the delivery of its products and services, since its main technological asset, the Doxee Platform, was developed entirely in the cloud, thus ensuring full operational agility and business continuity in circumstances such as those that occurred. Thanks to the company's prior adoption of smart working as a method of working and managing human resources remotely, the company was able to guarantee normal operations even in scenarios where the movements of staff were subject to restrictions by the authorities.

Given the continuation of the pandemic situation, companies and public administrations are accelerating the digitization of their mission-critical processes to quickly adapt to the new scenario, communicating effectively and promoting the dematerialization of payment processes. In Doxee, they have found a partner able to support this transformation, who offers skills and technologies that can accelerate innovation in these modernization processes to make them an integral part of the digital customer journey.

Effects of the COVID-19 pandemic on the recoverability of asset values

The continuation of the pandemic did not significantly impact the Company's operations in the year 2020. For 2021 and subsequent years, a limited impact is expected for the Group's operations resulting from the spread of the COVID-19 pandemic and any reinstatement of measures restricting trade and movement of vehicles and people. On the contrary, it is expected that the nationwide acceleration of the digitization process, which will presumably involve both private and public entities, will provide an opportunity for further penetration of the markets already covered by Doxee's solutions and affirmation in new markets. With reference to the recoverability of the value of the assets, the Management assessed the effect of the spread of the COVID-19 pandemic on the recoverable value of the assets based on the information available as of December 31, 2020. Based on the actual results in fiscal year 2020, the forecasts for 2021, and the assumptions above mentioned regarding the impact of the pandemic for fiscal years beyond 2020, Management does not believe that the spread of the COVID-19 pandemic could be an indicator of impairment, and therefore did not deem it necessary to perform an impairment test. In any event, it should be pointed out that all the Group's assets are subject to regular depreciation according to their defined useful life. Regarding investments in progress, posted among tangible and intangible fixed assets, the Group believes that the actions undertaken and to be undertaken on the basis of the strategic plans for 2020 will allow for their regular development and completion. The absence of any criticality leads us to believe that at the moment, the effects of the COVID-19 pandemic do not constitute an indicator of impairment such as to require a write-down of assets.

Effects of the COVID-19 pandemic on business continuity

During the preparation of these financial statements, the main financial and operational risks to which the Group is exposed were analyzed to assess any negative effects of the COVID-19 pandemic on the Group's ability to continue as a going concern. In this regard, considering the analyses carried out and based on the available evidence - taking into account a credit risk that remains limited, a good ability of the companies to obtain liquidity from the banking system and in consideration of the growth registered at the level of turnover and the conclusion of important contracts with multinational customers, no critical issues or uncertainties have emerged regarding the company's ability to continue as a going concern.

MAIN ECONOMIC DATA

(Art. 40, paragraph 1-bis, Legislative Decree no. 127/91)

Statement of Financial Position

In order to illustrate the Group's operating results and analyze its financial position, separate reclassified financial statements have been prepared. These reclassified statements contain performance indicators that are alternative to those directly reflected in the consolidated financial statements and which management believes to be useful in monitoring the Group's performance and representative of its economic and financial results.

The consolidated balance sheet is shown below, followed by the balance sheet reclassified based on the functional and financial criteria.

BALANCE SHEET

ACTIVITY	31/12/2020	31/12/2019	Deviation
Fixed Assets	10.490.075	8.606.609	1.883.466
Current Assets	11.799.071	11.277.961	521.110
Accruals and prepaid expenses	1.079.404	838.307	241.097
TOTAL ACTIVITY	**23.368.550**	**20.722.877**	**2.645.673**

LIABILITIES	31/12/2020	31/12/2019	Deviation
Shareholders' equity	8.565.645	6.525.292	2.040.353
Risks and charges	10.636	416.193	-405.557
Severance pay	1.337.666	1.088.575	249.091
Debts	13.289.521	12.661.214	628.307
Deferred revenue and accrued liabilities	165.082	31.603	133.479
TOTAL LIABILITIES	**23.368.550**	**20.722.877**	**2.645.673**

FUNCTIONAL BALANCE SHEET

ACTIVE	31/12/2020	31/12/2019	PASSIVE	31/12/2020	31/12/2019
Operating capital	23.207.224	20.686.051	Equity	8.533.571	6.525.292
			Third party assets	32.074	
Non-operating assets	161.326	36.826	Financing liabilities	5.660.331	6.050.370
			Operating liabilities	9.142.574	8.147.215
Capital invested (CI)	**23.368.550**	**20.722.877**	**Financing capital**	**23.368.550**	**20.722.877**

FINANCIAL POSITION

ACTIVE	31/12/2020	31/12/2019	PASSIVE	31/12/2020	31/12/2019
FIXED ACTIVE	**10.490.075**	**8.606.609**	**EQUITY**	**8.533.571**	**6.525.292**
Intangible fixed assets	9.949.849	8.146.279	Share capital	1.597.880	1.595.750
Tangible fixed assets	378.900	423.504	Reserves	5.298.687	3.232.669
Financial fixed assets	161.326	36.826	Net profit	1.637.003	1.696.873
			THIRD PARTY ASSETS	**32.074**	
CURRENT ASSETS	**12.878.475**	**12.116.268**	**CONSOLIDATED LIABILITIES**	**4.317.790**	**3.731.025**
Warehouse					
Deferred liquidity	€ 9.664.525	8.364.480	**CURRENT LIABILITIES**	10.485.115	10.466.560
Immediate liquidity	€ 3.213.950	3.751.788			
CAPITAL INVESTED	**23.368.550**	**20.722.877**	**TOTAL BALANCE**	**23.368.550**	**20.722.877**

The following indicators can be derived from the data shown above:

INDICATORS OF FINANCING OF FIXED ASSETS		31/12/2020	31/12/2019	Deviation
Fixed asset margin	*Equity - Fixed assets*	-1.956.504	-2.081.317	124.813
Primary structural balance	*Equity / Fixed assets*	0,81	0,76	0,06
Secondary structural margin	*(Equity + Consolidated liabilities) - Fixed assets*	2.361.286	1.649.708	711.578
Secondary structural balance	*(Equity + Consolidated liabilities) / Fixed assets*	1,23	1,19	0,03

The primary structural quotient, given by the ratio between Equity and Fixed Assets, indicates how much of the financial requirement generated by fixed assets is covered by equity; this index, which takes on values greater than unit when the structural margin is positive and values less than unit in the opposite case, should take on values greater than or close to unit, at least in the long term.

This ratio, which has remained substantially in line with the financial statements as of December 31, 2019, shows an excellent relationship between Equity and fixed assets invested.

The secondary structure quotient verifies the extent to which the long-term financial requirements, expressed by total fixed assets, are covered by sources of funding with a similar duration (shareholders' equity + consolidated liabilities).

Compared with the previous year, there was a slight increase in this ratio, primarily due to the constant increase in shareholders' equity and consolidated liabilities.

FINANCIAL STRUCTURE INDEXES		31/12/2020	31/12/2019	Variazione
Total debt ratio	*(Pml + Pc) / Equity*	1,73	2,18	-0,44
Financial debt ratio	*Financing liabilities / Equity*	0,66	0,93	-0,26

The total debt ratio, also known as "leverage," highlights the ratio between debt and equity. It makes it possible to verify the risk associated with the degree of dependence of a company on external sources of finance. A high level of indebtedness in relation to one's own capital tends to increase the entrepreneurial risk due to a lower degree of capital coverage of potential company losses and a greater weight of financial charges deriving from the use of other people's capital.

The Total Debt Ratio as of December 31, 2020 shows a significant improvement over December 31, 2019, due to a reduction in financing liabilities and an improvement in Equity.

	Description	31/12/2020	31/12/2019	Variation
A	Cash	-2.549	-1.128	-1.421
B	Cash and cash equivalents	-3.211.401	-3.750.660	539.259
C	Securities held for trading	0	0	0
D	**Liquidity (A+B+C)**	**-3.213.950**	**-3.751.788**	**537.838**
E	**Current financial receivables**	**0**	**0**	0
F	Current bank debts	1.201.249	2.193.026	-991.777
G	Current portion of medium/long-term debt	1.478.958	1.214.894	264.064
H	Other current financial payables	0	0	**0**
I	**Current financial debt (F+G+H)**	**2.680.207**	**3.407.920**	**-727.713**
J	**Net current financial debt (I+E+D)**	**-533.743**	**-343.868**	**-189.875**
K	Medium/long-term debt	2.980.124	2.642.450	337.674
L	Bonds issued	0	0	0
M	Other non-current financial debt	8.674	12.455	-3.781
N	**Non-current debt (K+L+M)**	**2.988.798**	**2.654.905**	**333.893**
O	**Group net debt (J+N)**	**2.455.055**	**2.311.037**	**144.018**

The **financial debt quotient**, given by the ratio of financing liabilities to own means should be less than or equal to one, so that the company's financial sources are appropriately more than half risk and less than half loan.

This ratio continues in the trend already shown in the 2019 financial statements, which is continuing to decrease, as evidence of the gradual approach of the Group to a financial balance between own means and third party means.

SOLVENCY INDICATORS		31/12/2020	31/12/2019	Deviation
Margin of availability	*Current assets - Current liabilities*	2.393.360	1.649.708	743.652
Availability quotient	*Current assets / Current liabilities*	1,23	1,16	0,07
Treasury margin	*(Deferred liquidity + Immediate liquidity) - Current liabilities*	2.393.360	1.649.708	743.652
Treasury quotient	*(Deferred liquidity + Immediate liquidity) / Current liabilities*	1,23	1,16	0,07

The liquidity margin (which in this case coincides with the treasury margin, as the company does not hold inventories) is given by the difference between current assets and current liabilities. This value, which improved by 0.07 million Euros compared with the previous year, indicates the Group's ability to repay its short-term liabilities thanks to its working capital, without drawing on medium-term liabilities and/or its own funds. Similarly, this indicator shows the Group's ability to finance its fixed assets, which, as is well known, are considerable given the constant and continuous investment in innovative development projects, with adequate medium-term liabilities as well as from shareholders' equity.

In particular, the company is developing the following projects, which, as they have not yet been completed, have been capitalized in the balance sheet under intangible fixed assets in progress:

Assets under development	31/12/2020	31/12/2019	Deviation
C2X Toolkit 1 - Research and experimental development for substantial improvements of the Doxee document platform	4.709.461	2.870.718	**1.838.743**
Development activities for a new Digital Experience Platform	122.476	0	**122.476**
Patent filing costs	11.193	6.122	**5.071**
Study and development of innovative high automation technologies	0	64.268	**-64.268**
Study and development of innovative solutions for process accountability	115.923	113.668	**2.255**
Increase in marketing costs - Website project	208.618	112.746	**95.872**
Other projects	113.740	178	**113.562**
Totale	**5.281.142**	**3.167.700**	**2.113.712**

Economic and income situation

Regarding the income situation, we report the following summary data derived from the Income Statement.

Description	31/12/2020	31/12/2019	Deviation	Deviation %
Revenues from sales and services	17.706.157	15.490.830	2.215.327	14,30%
Value of production	22.759.218	20.877.099	1.882.119	9,02%
Production costs	19.811.430	18.607.298	1.204.132	6,47%
Difference (A-B)	**2.947.788**	**2.269.801**	677.987	29,87%
Income before taxes	2.314.879	2.105.603	209.276	9,94%
Income taxes	691.603	408.730	282.873	69,21%
NET RESULT	**1.623.276**	**1.696.873**	**-73.597**	**-4,34%**

RECLASSIFIED INCOME STATEMENT	31/12/2020	31/12/2019	Deviation	Deviation %
Revenues from sales and services	17.706.157	15.490.830	2.215.327	14,30%
Internal production	5.053.061	5.386.269	-333.208	-6,19%
Operating production value	**22.759.218**	**20.877.099**	1.882.119	**9,02%**
External operating costs	10.148.161	9.843.792	304.369	3,09%
Added value	**12.611.057**	**11.033.307**	1.577.750	**14,30%**
Personnel costs	6.997.283	6.018.314	978.969	16,27%
Gross operating margin	**5.613.774**	**5.014.993**	598.781	**11,94%**
Depreciation and provisions	2.665.986	2.345.192	320.794	13,68%
Operating income	**2.947.788**	**2.669.801**	277.987	**10,41%**
Net other income		-400.000	400.000	100,00%
EBIT	**2.947.788**	**2.269.801**	677.987	**29,87%**
Result of the financial area (net of financial charges)(*)	-390.256	61.560	-451.816	-733,94%
Financial charges	242.653	225.758	16.895	7,48%
Gross profit	**2.314.879**	**2.105.603**	209.276	**9,94%**
Income taxes	691.603	408.730	282.873	69,21%
NET RESULT	**1.623.276**	**1.696.873**	**-73.597**	**-4,34%**

(*) write-downs of fixed assets have been considered in this item

The following profitability indicators can be derived from the above data:

PROFITABILITY RATIOS		31/12/2020	31/12/2019	Variaton
Net ROE	*Net profit/Average shareholders' equity*	19,18%	26,00%	-6,82%
Gross ROE	*Gross profit/Average shareholders' equity*	27,13%	32,27%	-5,14%
ROI	*Operating result /(IOC - Operating liabilities)*	20,96%	18,05%	2,91%
ROS	*Operating profit/Sales revenues*	16,65%	14,65%	2,00%

The R.O.E. (Return on Equity), given by the ratio of net income to shareholders' equity, shows the return on equity, thus indicating that in 2020, the company's shareholders earned a return of 19.18%. The decrease in this ratio compared to the previous year is mainly due to the increase in equity.

The gross R.O.E., which shows the return on equity without taking into account the negative effect of taxes, stood at 27.13% at December 31, 2020, down on the previous year, for the same reasons as those already highlighted for the R.O.E..

The R.O.I, (Return on **I**nvestments) given by the ratio of operating income to net assets, reports the return on invested capital through the typical management of the company: This return depends on the intensity of sales, typical business costs, and invested capital. The R.O.I. indicates that the Group's typical operations continued to perform very well compared to 2019 at 20.96%, which is higher than in 2019, despite the Group's continued high investment in "Development Projects."

The R.O.S. (Return on Sales), given by the ratio of operating income to sales revenues, provides a measure of the percentage margin of operating income on sales, thus highlighting the relationship between sales prices and costs of core operations; this index improved compared to 2019, standing at a value of 16.65%.

ENVIRONMENT, PERSONNEL and RISKS

(Art. 40, paragraph 1-bis, Legislative Decree no. 127/91)

Environmental disclosure

In terms of environmental policy, the Group continued to promote actions and projects that guarantee respect for the environment and meet shareholder requirements, periodically monitoring and assessing adherence to, compliance with, and ongoing conformity with environmental regulations, as well as the principles of its environmental policy based on the concept of sustainable development and respect for the environment as a strategic factor in market competition. In addition to the initiatives previously undertaken, during the year, the Parent Company promoted the “Plastic Free” campaign aimed at eliminating the use of plastic in the workplace. Awareness-raising activities aimed at raising staff’s awareness of the need to separate waste produced within the Company were further stepped up, thus making an increasingly tangible contribution to its correct disposal, in accordance with current legislation.

Information on staff

Regarding personnel, it should be noted that there have been no cases of death at work, as well as no serious injuries, nor cases of litigation and mobbing.

As of December 2020, the Group employs 128 people, broken down as follows:

Category	31/12/2020	31/12/2019	Deviation
Executives	7	6	1
Managers	16	13	3
Employees	93	83	10
Workers	12	0	12
Total	**128**	**102**	**26**

An increase of 26 staff was recorded in 2020, primarily due to the acquisition of Little Sea S.r.l. and linked to the hiring of new staff with high-level technical skills and the strengthening of the commercial structure.

Required training

In implementation of Legislative Decree no. 81/2008 regarding health and safety in the workplace, in 2020, general, specific, and refresher occupational training was planned, which will be conducted online as a result of the “Covid-19” situation.

Among the various compulsory training requirements, new employees have been trained in First Aid and Firefighting and confirmed updates of these, as well as that of the Workers’ Safety Representative. In addition, periodic courses and refresher courses were held on Information Security and Data Awareness, in compliance with ISO 27001 and ISO 9001 certification requirements.

Regarding ISO Certification, it is also worth mentioning periodic refresher training related to the Preservation/LEA service, with reference to membership in ANORC (National Association for Operators and Managers of Digital Preservation) and related AgID (Agency for Digital Italy) accreditation.

Internal and external training

In response to the analysis of training needs identified, the following types of training action were taken:

- Internal technical courses held by qualified Doxee resources, with the goal of strengthening technical and product skills, so as to align skills among resources (including new recruits) and between units.

Internal technical training was provided mainly through e-learning courses thanks to the Doxee Academy platform, which was available to each individual Doxee employee and focused on the company’s product/service technology.

- External courses of various kinds of technical and certification achievement for transversal skills, behavioral, and managerial skills with the goal of supporting and developing resources, such as, for example, SQL, AWS, individual coaching, self-empowerment, cash flow and financial reporting, Privacy and Information Security, and GDPR. The courses were mainly delivered in e-learning mode, thanks also to the adoption of a new Udemy e-learning platform that makes a variety of different courses available and the use of online conversation courses through Fluentify.

- Summits, workshops, and conferences on IT-related topics (Adobe Summit, Osservatorio DigitalInnovation, EY Carpi Digital Summit, AWS Summit, Security Summit, etc.)

- Funded courses, through the FondImpresa interprofessional fund, for the provision of cyclical courses in English and Spanish, mainly for groups.

- Training provided to Partners on Doxee technology, divided into two modules (Doxee Platform Pre-Sales Basic Skills and Advanced) in both frontal mode, worldwide, and in e-learning.

Description of the principal risks and uncertainties to which the Group is exposed

(Art. 40 paragraphs 1 and 2-bis of Legislative Decree 127/91)

1. Market risk
Market risk consists of the possibility that changes in exchange rates, interest rates, and product prices may have a negative impact on the value of assets, liabilities, or expected cash flows. The Group is not subject to seasonal phenomena that may cause significant fluctuations in cash flows.

2. Exchange rate risk
The exchange rate risk to which the Group is exposed derives from its trading relations with non-EU subsidiaries and certain foreign suppliers, above all those from the United States. The exchange rates used for the current consolidated financial statements, as compared with the Euro, were as follows:

For December 31, 2019		
U.S. Dollars	yearly average 1,1195	year end at December 31, 2019 1,1234
Czech Koruna	yearly average 25,6705	year end at December 31, 2019 25,4080
For December 31, 2020		
U.S. Dollars	yearly average1,1422	year end at December 31, 2020 1,2271
Czech Koruna	yearly average 26,4551	year end at December 31, 2020 26,2420

3. Interest rate risk
The objective of interest rate risk management is to limit and stabilize the passive flows due to the interest paid on such loans.
A cost-benefit analysis did not reveal the need to activate risk hedging instruments.

During the 2018 financial year, the Parent Company signed an "Interest rate swap" derivative contract with a notional value of original 1,000,000 Euros to hedge the risk of interest rate changes on a loan payable contracted with Unicredit.

It should be noted that the fair value of this derivative instrument as of December 31, 2020, is negative 8,674 Euros.

Date of stipulation	11/09/2018
Expiration date	30/09/2023
Type	IRS – Interest Rate Swap
Purpose	Coverage
Notional value at year end closed on 12/31/2020	650.000 Euro
Underlying financial risk	Interest rate risk
Fair value (MTM)	-8.674
Covered liability	Unicredit financing

4. Credit risk

Credit risk represents the Group's exposure to potential losses deriving from a counterparty's failure to meet its obligations. It is assessed both in commercial terms, i.e. linked to the type of customer, the contractual terms and the concentration of sales, and in financial terms linked to the type of counterparty used in financial transactions. Credit risk is mitigated by the fact that there are no major exposures due to concentration of positions, as the number of customers is multiple and sales are particularly well distributed.

As of December 31, 2020, the Group has set aside provisions for doubtful accounts totaling 491,067 Euros.

5. Liquidity risk

Liquidity risk is the risk that, due to the inability to raise new funds or liquidate assets on the market, Group companies are unable to meet their payment obligations, with an impact on the economic result if individual companies are forced to incur additional costs to meet their commitments or, as an extreme consequence, a situation of insolvency that jeopardizes the going concern.

Group companies systematically meet their commitment deadlines, which enables them to operate in the market with the necessary flexibility and reliability in order to maintain a correct balance between procurement and the use of financial resources.

Group companies manage liquidity risk by prudently monitoring cash and cash equivalents necessary for the normal running of operations and the availability of lines of credit that guarantee a satisfactory level of resources to cover any financial requirements. These controls are carried out primarily by constant monitoring of the collection and payment flows of all the companies by the centralized treasury, pursuing the maintenance of a balance in terms of duration and composition of payables. This makes it possible, in particular, to monitor the flows of resources generated and absorbed by normal operations. Regarding the management of resources absorbed by investment activities, priority is generally given to the raising of sources via specific long-term loans.

6. Country risk

The country risk arises from the political and social instability of the countries in which the companies of the Group operate.
It is believed that Group companies are not exposed to this, since they do not work with countries with a high country risk.

RESEARCH AND DEVELOPMENT ACTIVITIES

(Art. 40, paragraph 2, lett. a, Legislative Decree no. 127/91)

Research and development activities are the exclusive responsibility of the parent company, Doxee SpA. As of December 31, 2020, investments in research amounted to approximately Euro 2.5 million, corresponding to approximately 11.2% of the value of production, confirming the trend of previous years and confirming the Group's policy of ensuring a constant and high level of technological innovation.

The year 2020 was characterized by the new release of the cloud native Doxee Platform®, designed entirely based on cloud native and multi-cloud architectural paradigms and able to support customers in offering interactive experiences in complete omni-channel mode and on a global scale, and by the launch of the new API program, which facilitates integration processes with customer applications and supports the development of a global partner program for the integration of Doxee Platform® functionalities.
Regulatory changes and the accompanying services, as well as the implementation of new standards for managing Cloud services, have significantly influenced the development path.

During 2020, the new portal, which is dedicated to simplifying the management of ordering and electronic invoicing processes, was developed. The new tool makes it possible to manage compliance processes linked to dematerialization, and it was created as part of the overall Doxee strategy of expansion in the B2B, SMB (Small Medium Business), and SME (Small Medium Enterprise) markets. The new portal also makes Electronic Ordering (EO) functionalities available.

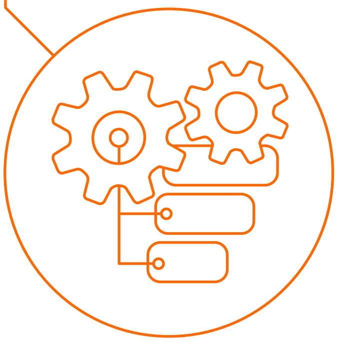
The coming into force of the regulatory obligation related to the electronic management of service orders for the Public Administration from January 1, 2021 required a significant technology investment to support the extension of the functionality of the Electronic Ordering product.

Over the course of 2020, Doxee maintained ISO 27017 and ISO 27018 (Cloud) and AgiD certification standards, achieved the previous year, which attest to the high IT security guaranteed by Doxee Cloud products, as well as the high guarantee of personal data protection.

The development roadmap continued with the creation of an extension of the Doxee Platform® to fully cover DXP functions. In particular, 2020 has seen the development of the functionality related to the analysis and processing of data through technologies based on artificial intelligence and more generally on the analysis of Big Data.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

(art. 40, paragraph 2, letter b) - Legislative Decree 127/91)



The Group, in accordance with the indications of the Ministry of Health and the Regions involved, has continued to adopt preventive measures and operating instructions to contain the spread of the virus in defense of customers, workers, and potential visitors. The situation is constantly monitored by the Management of both the Company and the Group in order to take all necessary decisions to protect the health of people involved in any way, in real time.

Based on the actions put in place to deal with the current situation and the information available at the time of drafting this document regarding the continuation of the emergency measures put in place by the various governments, it is believed that the effects on the results for 2021, deriving from the COVID-19 emergency, will not preclude the Company from achieving positive results.

It is also announced that, in relation to the share buyback program launched on November 3, 2020 in executing the resolution of the Ordinary Shareholders' Meeting of April 29, 2020, the Parent Company acquired treasury shares in the following time intervals:

- In the period between January 4 and January 7, 2021 (inclusive), a total of 4,000 treasury shares, equal to 0.056% of the share capital, at a weighted average unit price of Euro 3.53 per share, for a total countervalue of Euro 14,105.00. As a result of these transactions, as of January 7, 2021, DOXEE holds a total of 15,000 treasury shares, equal to 0.208% of the share capital;

- In the period between January 8 and January 15, 2021 (inclusive), a total of 6,000 treasury shares, equal to 0.083% of the share capital, at the weighted average unit price of Euro 3.51 per share, for a total value of Euro 21,045.00. As a result of these transactions, as of January 19, 2021, DOXEE holds a total of 21,000 treasury shares, equal to 0.292% of the share capital;

- In the period between January 20 and January 29, 2021 (inclusive), a total of 6,500 treasury shares, equal to 0.09% of the share capital, at the weighted average unit price of Euro 3.77 per share, for a total value of Euro 24,475.00. Following these transactions, DOXEE holds a total of 27,500 treasury shares, equal to 0.38% of the share capital, as of January 29, 2021;

- In the period between February 1 and February 10, 2021 (inclusive), a total of 6,000 treasury shares, equal to 0.083% of the share capital, at the weighted average unit price of Euro 3.84 per share, for a total value of Euro 23,045.00. Following these transactions, as of February 10, 2021, DOXEE holds a total of 33,500 treasury shares, equal to 0.46% of the share capital;

- In the period between February 11 and February 22, 2021 (inclusive), a total of 5,500 treasury shares, equal to 0.076% of the share capital, at an average price of Euro 3.84 per share, for a total value of Euro 21,145.00. Following these transactions, DOXEE holds a total of 39,000 treasury shares, equal to 0.54% of the share capital, as of February 22, 2021. Doxee also announces that on February 22, 2021, it identified Integrae SIM S.p.A. as the intermediary appointed to carry out the purchase transactions, starting from February 24, 2021 until the expiration of the buy-back program. The intermediary will coordinate and carry out the purchases in full independence, in compliance with contractually predefined parameters and criteria as well as with the constraints of the applicable regulations and the shareholders' resolution of April 29, 2020, to which reference should be made for further details. The purchases will be carried out in compliance with the applicable provisions, so as to ensure the respect of the equal treatment of the shareholders pursuant to art. 132 of the Consolidated Law on Finance, as well as according to the operating procedures set out in the organizational and management regulations of Borsa Italiana S.p.A.;

- On February 23, 2021, a total of 2,000 treasury shares, equal to 0.028% of the share capital, at an average price of Euro 3.90 per share, for a total value of Euro 7,795.00. As a result of these transactions, DOXEE holds a total of 41,000 treasury shares, equal to 0.57% of the share capital, as of February 23, 2021. These purchases were not made through Integrae SIM S.p.A. as appointed intermediary;

- In the period between February 24, 2021 and March 4, 2021, a total of 3,000 treasury shares, equal to 0.042% of the share capital, at an average price of Euro 3.96 per share, for a total value of Euro 11,890.00. As a result of these transactions, DOXEE holds a total of 44,000 treasury shares, equal to 0.61% of the share capital, as of March 4, 2021. These purchases took place through Integrae SIM S.p.A. as appointed intermediary on February 22, 2021;

- In the period between March 11 and March 18, 2021, a total of 5,500 treasury shares, equal to 0.076% of the share capital, at an average price of Euro 4.34 per share, for a total value of Euro 23,850.00. As a result of these transactions, DOXEE holds a total of 49,500 treasury shares, equal to 0.69% of the share capital, as of March 18, 2021. These purchases took place through Integrae SIM S.p.A. as appointed intermediary on February 22, 2021;

- On March 23, 2021, a total of 1,000 treasury shares, equal to 0.014% of the share capital at an average price of Euro 4.59 per share, for a total value of Euro 4,590.00. As a result of these transactions, DOXEE holds a total of 50,500 treasury shares, equal to 0.70% of the share capital, as of April 1, 2021. These purchases took place through Integrae SIM S.p.A. as appointed intermediary on February 22, 2021.

The purchase of treasury shares was carried out in compliance with the applicable provisions of law and regulations and in accordance with the terms and conditions contained in the authorization to purchase and dispose of treasury shares granted by the Ordinary Shareholders' Meeting.

On January 28, 2021 the Parent Company obtained a new loan from the bank Crèdit Agricole with a face value of Euro 1,000,000 and a duration of 48 months. The transaction was carried out in compliance with legal provisions and at normal market conditions.

On February 9, 2021 the Parent Company obtained a new loan from the bank MPS with a face value of Euro 2,000,000 and a duration of 60 months. The transaction was carried out in accordance with legal requirements and on normal market terms.

In January 2021, the Parent Company completed the transfer of the remaining equity investment subject to a call option equal to 6.27% aimed at completing the acquisition of the shareholding in Little Sea S.r.l. equal to 91.07%. No option is to be exercised for the remaining 8.93%.

Doxee has decided to review its Information Systems set-up to adapt to the new IT needs required by the market; therefore from January 1, 2021, it has equipped itself with a new integrated ERP platform, able to better respond to the evolving needs of the company's management performance, accompanying management in the growth processes both in terms of volumes and business areas, also having the possibility of integrating the new ERP with other IT platforms currently in use.

The decision to adopt a new ERP is perfectly in line with the path of true digital transformation in every field and process of the company: from ERP to the collaboration between users through the involvement of suppliers and / or customers (web portals available to expose information and services to the outside) and collaborators outside the organization. Each user has the possibility to personalize his own experience of use, adapting it to his own working needs.

It should be noted that the Group has, for the first time, prepared a Sustainability Report that takes into account not only the economic but also the social and environmental impacts (both positive and negative) of the company's daily activities and, at the same time, the expectations of its stakeholders.

During 2020, the Parent Company started a process of organizational review, which was defined in the first months of 2021, aimed at increasing effectiveness and efficiency in the execution of internal processes and improving business results.

The current organization sees four staff functions and three line functions reporting to the CEO and Chairman.

Regarding online functions:

- The Operation area, historically dedicated to service delivery and support/ service desk issues (still present within the Service Operation area), has been strengthened by including design development of Doxee solutions, both for the historical dx and px business lines (managed by the Delivery area) and for the more recently introduced ix business line (Delivery ix area). It also includes the Service Management function, which includes figures dedicated to customers for monitoring the service provided to them; in this way, all the activities that the customer has visibility of downstream of the sales process are contained in the same department.

- A new Technology & Research area has been created, that the Product Development area, software quality (Platform Quality Assurance), Platform Engineering for managing infrastructure and Data Center Engineering for managing capacity and governing technology providers.

- The Sales area has been reorganized by introducing specialized areas for managing the sales process for existing customers (Customer Base), for new customers to be acquired (Business Development), partners (Partnerships), and local government (Local Government). In this way, all processes dedicated to the management and maintenance of the product and the software infrastructure necessary for its operation are contained within the same department.

The staff functions are:

- Administration Finance & Control, a function that has historically been present in the Doxee organization, has been enriched by specializing in the two areas of Administration & Finance, specifically dedicated to management and control of administrative issues, and Controlling, for a precise control of management control

- Information Security & Data Protection, a function that has also been present in the organization chart for years, encompasses the areas of Information Security and Data Protection, and ensures the monitoring of information security and data protection, essential elements to ensure customers the quality of Doxee services and compliance with regulations on these issues.

- Marketing & Product Management, in addition to the classic marketing issues (managed by the areas of Digital Marketing, Social Media, Market Analysis & CRM, Internal Communications & Events, Marketing Automation & Content), manages external communications and investor relations (Communications & Investor Relations area) and governs the strategic setting of the roadmap for the evolution of the Doxee Platform (Product Management area) in order to ensure a constant alignment with the market, as well as with the strategic guidelines defined by analysts and market studies.

- Corporate Services, a recently introduced function that encompasses three core areas:
    a. Human Resources, an area dedicated to all issues revolving around human resources management. The unit, previously part of the "Administration" office, has been given a new identity, strengthening it also from a staffing point of view, with the goal of supporting the company regarding the new, important challenges of internal development and business;
    b. Compliance, an area historically dedicated to the definition and maintenance of internal processes, management systems, and company certifications (ISO 9001, ISO 27001, ISO 14001, AgID, etc.), which was also strengthened by introducing resources to deal with the increased need to comply with national and international standards and regulations;
    c. Funded Innovation, a newly introduced area created with the mission of dealing with funded research projects, deriving from regional, national, and European calls for proposals, and relations with Universities and Research Centers.

It should be noted that in March 2021, Doxee obtained the ISO 14001 Environmental Management System certification for organizations of all sizes, based on the "Plan-Do-Check-Act" methodology, which provides a systematic framework for integrating practices to protect the environment, preventing pollution, and reducing the amount of waste, energy consumption, and materials. At the same time, the Environmental Policy policy has been approved internally and shared with the company's suppliers who have an impact on these issues.

FORECAST EVOLUTION OF MANAGEMENT

(art. 40 c. 2 lett. c) - Legislative Decree no. 127/91)

The growth recorded during 2020, in spite of the pandemic crisis, is continuing in these early months of 2021. The centralization of the digitization process that affects not only the Enterprise market but also and above all, the SME and SMB is finding Doxee ready to seize the opportunity to support the transformation processes toward the cloud within a personalized, interactive, and bidirectional communication.

In this first Quarter, some tenders have been won in the Public Administration, Finance, and Utilities sectors.

The company's initiatives will be followed up in the coming months:

- Support for the ESG project
- Support for digital communication and various activities on social channels with further Brand Awareness campaigns and lead generation aimed at sharing premium content.
- Launch of a new Partner Program for the different product lines consistent with the extension strategy to new vertical sectors (Retail, Automotive, Digital Agency).
- Launch of an international strategy on the ix offer, in particular on the Doxee Pvideo® product from a SaaS perspective toward the Publishing and Digital Agency sectors.
- Support and further strengthening of the Technology & Research team to guarantee the milestones of the roadmap identified for 2021.
- Extension of the Employee Engagement program aimed at strengthening Values, internal communication, welfare, and relational development.
- Strengthening the recruiting program also with the support of ATS tools and platforms.
- Consolidation of a new management system.

OWN SHARES and SHARES/SHARES of the CONTROLLER COMPANY

(Art. 40, paragraph 2, letter d) Legislative Decree 127/91).

It is hereby certified that as at the closing date of December 31, 2020:

- The Parent Company Doxee S.p.A. holds 11,000 treasury shares;
- there are no cross-shareholdings between Group companies;
- the parent company Doxee S.p.A. does not hold shares in the parent company P&S S.r.l.

* * *

Modena (MO), March 25, 2021

The Chairman of the Board of Directors of the parent company Doxee S.p.A. Ing. Paolo Cavicchioli

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020

values expressed in euro

BALANCE SHEET - Assets	31-dec-20	31-dec-19
B) FIXED ASSETS		
I. INTANGIBLE FIXED ASSETS		
1) Start up costs	537.210	749.365
2) Development costs	3.550.343	4.012.097
3) Industrial Patents and similar intellectual property rights	210.843	139.483
4) Concessions, licences, trademarks and similar rights	333.737	10.542
5) Goodwill	-	-
6)) Under Construction and advances	5.281.412	3.167.700
7) Other intangible fixed assets	36.304	67.092
TOTAL INTANGIBLE FIXED ASSETS	9.949.849	8.146.279
II. TANGIBLE FIXED ASSETS		
4) Other tangible fixed assets	378.900	423.504
5) Under Construction and advances	-	-
TOTAL TANGIBLE FIXED ASSETS	378.900	423.504
III. FINANCIAL FIXED ASSETS		
1) Investments in:		
D-bis) others companies	153.500	3.500
2) Receivables		
C) from parents		
due within 12 months	-	30.500
D-bis) from others:		
due within next financial year	2.826	2.826
due beyond next financial year	5.000	-
TOTAL FINANCIAL FIXED ASSETS	161.326	36.826
TOTAL FIXED ASSETS (B)	10.490.075	8.606.609

C) CURRENT ASSETS		
II. RECEIVABLES		
1) from customers		
due within next financial year	7.579.392	6.300.789
4) from parents		
due within next financial year	-	-
5-bis) Tax receivables		
due within next financial year	631.758	940.075
5-ter) Deferred tax assets	204.760	209.334
5-quater) from others		
due within next financial year	147.598	54.362
due beyond next financial year	21.613	21.613
TOTAL RECEIVABLES	8.585.121	7.526.173
IV. CASH AND CASH EQUIVALENTS		
1) Deposit accounts	3.211.401	3.750.660
3) Cash on hand	2.549	1.128
TOTAL CASH AND CASH EQUIVALENTS	3.213.950	3.751.788
TOTAL CURRENT ASSETS (C)	11.799.071	11.277.961
PREPAYMENTS AND ACCRUED INCOME	1.079.404	838.307
TOTAL ASSETS (A + B + C + D)	23.368.550	20.722.877

BALANCE SHEET - Liabilities and Equity		31-dec-20	31-dec-19
A) NET CONSOLIDATED EQUITY			
	A1) attributable to the group:		
	I. Share Capital	1.597.880	1.595.750
	II. Premium reserve	3.008.300	2.978.750
	IV. Legal reserve	319.150	165.293
	VI. Other reserves, indicated separately	4.253.713	3.045.010
	currency translation reserve	423.103	55.386
	Extraordinary reserve	3.829.480	2.989.625
	Consolidation reserve	1.127	
	Difference from rounding to unit of Euro	3	- 1
	VII. - Retained earnings (losses)	- 6.592	- 9.466
	VIII. Profit (losses) for the year	- 2.243.757	- 2.946.918
	IX. Profit (loss) for the year	1.637.003	1.696.873
	X. Negative reserve for treasury shares in portfolio	- 32.126	-
	TOTAL GROUP SHAREHOLDERS' EQUITY (A1)	8.533.571	6.525.292
	A2) minority interest :		
	I. Minority interests in shareholders' funds	45.801	
	II. Minority interest profit (loss) for the year	- 13.727	
	TOTAL MINORITY INTERESTS (A2)	32.074	
TOTAL NET CONSOLIDATED EQUITY (A)		8.565.645	6.525.292

B) PROVISIONS			
	2) For taxes, including deferred taxes	1.962	738
	3) Derivative financial instruments payable	8.674	12.455
	4) Others	-	403.000
TOTAL PROVISIONS (B)		10.636	416.193
C) EMPLOYEE TERMINATION BENEFITS PROVISIONS		1.337.666	1.088.575

D) ACCOUNTS PAYABLES			
	4) to banks:		
	payable within the next financial year	2.680.207	3.407.920
	payable beyond the next financial year	2.980.124	2.642.450
	7) Trade payables to suppliers:		
	payable within the next financial year	5.442.787	4.595.046
	12) Tax payables:		
	payable within the next financial year	565.762	551.634
	13) to social security and welfare institutions		
	payable within the next financial year	527.026	441.280
	14)Other payables:		
	payable within the next financial year	1.093.615	1.022.884
TOTAL ACCOUNTS PAYABLE (D)		13.289.521	12.661.214
ACCRUALS AND DEFERRALS (E)		165.082	31.603
TOTAL LIABILITIES AND EQUITY (A + B + C + D + E)		23.368.550	**20,722,877**

INCOME STATEMENT		31-dec-20	31-dec-19
A) VALUE OF PRODUCTION			
	1) Revenues from sales and services	17,706,157	15,490,830
	4) Internally generated fixed assets	3,564,104	3,833,511
	5) Other revenues and income	1,488,957	1,552,758

	of which operating grants	406,075	522,069
TOTAL VALUE OF PRODUCTION (A)		**22,759,218**	**20,877,099**

B) PRODUCTION COSTS			
	For raw materials, consumables and merchandise	553.222	297.913
	7) For services	8.808.339	8.745.972
	8) Rent and leasis	440.202	436.148
	9) For personnel:		
	A) wages and salaries	5.156.481	4.479.143
	B) social security charges	1.479.448	1.222.874
	C) employee termination benefit	334.552	283.851
	E) other costs	26.802	32.446
	10) amortisation, deprecation and write-down:		
	A) amortisation of intangible assets	2.488.227	2.159.401
	B) deprecation of tangible assets	134.815	147.791
	D) write-down of current receivables and of cash and cash equivalents	42.944	38.000
	13) Other accruals	-	400.000
	14) Other operating costs	346.398	363.759
TOTAL PRODUCTION COSTS (B)		**19.811.431**	**18.607.298**

DIFFERENCE BETWEEN VALUE AND PRODUCTION COSTS (A - B)	2.947.787	2.269.801

C) FINANCIAL INCOME AND EXPENSES			
	16) Other financial income:		
	A) from long term financial receivables	-	1.187
	of which from parent companies	-	1.187
	D) other financial income	1.217	1.144
	17) Interest and other financial charges	242.653	225.758
	17-bis) Foreign exchange gains (losses)	- 384.473	64.229
TOTAL FINANCIAL INCOME AND CHARGES (C)		- 625.909	- 159.198

D) ADJUSTMENTS TO THE CARRYING VALUE OF FINANCIAL ASSETS			
	19) write-down:		
	B) of financial fixed assets	7.000	5.000
NET ADJUSTMENT TO THE CARRYING VALUE OF FINANCIAL ASSETSVALUE ADJUSTMENTS (D)		- 7.000	- 5.000

NET INVOME BEFORE TAX (A - B + C + D)		2.314.878	2.105.603
	20) Current, deferred and prepaid income taxes for the year	691.602	408.730
	21) Consolidated net income (loss) for the year	1.623.276	1.696.873
	Net income (loss) for the year attributable to the group	1.637.003	1.696.873
	minority interests	- 13.727	-

CASH FLOW STATEMENT [indirect method]

		31-dec-20	31-dec-19
A) NET CASH FROM OPERATING ACTIVITIES			
	Net inocme (loss) of the year	1.623.276	1.696.873
	Income taxes	691.602	408.730
	Interest expense/(interest income)	241.436	223.427
	(Gains) /losses on disposal of assets	- 330	591
	1. Net income (loss) for the year before income taxes, interest, dividends and capital gain / losses from disposal	2.555.984	2.329.621
	Adjustments for non-monetary items not offset in net working capital		
	Provisions to funds	377.496	721.851
	Amortisation and depreciation of fixed assets	2.623.042	2.307.192
	Write-downs for impairment losses	7.000	5.000
	Other adjustments for non-monetary items	368.835	- 54.139
	Total adjustments for non-monetary items that were not offset in net working capital	3.376.373	2.979.904
	2. Cash flow before changes in net working capital	5.932.358	5.309.525
	Changes in net working capital		
	Decrease / (increase) in trade receivables	- 1.321.547	67.907
	Increase / (decrease) in trade payables	359.715	- 106.556
	Decrease / (increase) in prepayments and accrued income	- 241.097	- 502.159

	Increase / (decrease) in accruals and deferred income	133.479	18.594
	Other changes in net working capital	311.794	49.357
	Total changes in net working capital	- 757.656	- 472.857
	3. Cash flow after changes in net working capital	5.174.701	4.836.668
	Other adjustments		
	Interest received / (paid)	- 180.613	- 212.038
	(Income tax paid)	- 686.464	- 525.636
	(Use of provisions)	- 488.461	- 181.210
	Total other adjustments	- 1.355.538	- 918.884
NET CASH FROM OPERATING ACTIVITIES (A)		3.819.163	3.917.784

B) NET CASH FROM INVESTING ACTIVITIES			
	Tangible fixed assets		
	(Investments)	- 89.149	- 115.445
	Intangible fixed assets		
	(Investments)	- 3.730.850	- 3.287.433
	Financial fixed assets		
	(Investments)	- 131.500	-
	Disinvestments	-	402.149
NET CASH FROM INVESTING ACTIVITIES (B)		- 3.951.499	- 3.000.729

NET CASH FROM FINANCING ACTIVITIES (C)			
	Minority interests		
	Increase / (decrease) in short-term payables to banks	- 801.727	- 671.005
	Raising financing	500.000	425.865
	(Repayment of loans)	- 149.135	- 1.569.274
	Minority interests	45.801	-
	Equity		
	Capital increase against payment	31.680	3.204.302
	Sale / (purchase) of treasury shares	- 32.125	900.000
	(Dividends payed)	3	-
NET CASH FROM FINANCING ACTIVITIES (C)		- 405.503	2.289.888

INCREASE / (DECREASE) IN LIQUID ASSETS (A + B + C)		- 537.838	3.206.943
	Exchange rate effect on cash and cash equivalents	- 5.908	1.109

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD, OF WHICH:		3.751.788	543.737
	bank and postal current accounts	3.750.660	542.147
	cash at bank and in hand	1.128	1.590
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, OF WHICH:		3.213.950	3.751.788
	bank and postal current accounts	3.211.401	3.750.660
	cash on hand	2.549	1.128

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020

Foreword

These consolidated financial statements of the Doxee Group - as defined below - relate to the year ended December 31, 2020 (hereinafter the "Consolidated Financial Statements"). These Consolidated Financial Statements were proposed for approval to the Board of Directors of the Parent Company Doxee S.p.A. on March 25, 2021.

General information and activities

Doxee S.p.A. (hereinafter also the "company" or the "Parent Company") and its subsidiaries (collectively, and jointly with the Parent Company, identified as the "Doxee Group" or the "Group") are leading High-Tech companies in the Customer Communications Management, Paperless, and Digital Customer Experience markets. The Group offers technology products based on a proprietary, patented platform (Doxee Enterprise Communications Platform), and delivered in Cloud mode to companies in the Enterprise segment, enabling them to significantly improve the operational efficiency of their customers for mission-critical processes.

The Group achieves most of its turnover in Italy mainly through products supplied in SaaS (Software as a Service) mode and secondarily through licensing (PO).

Methodological note

For comparative purposes, the Consolidated Financial Statements present, for balance sheet data, the corresponding amounts as of December 31, 2019, and for income statement and cash flow data, the corresponding amounts for the year that ended.

All amounts shown in the related statements are expressed in units of Euros and all related comments in the "Notes to the Financial Statements" are also expressed in units of Euros. All the percentages (margins and variances) are calculated with reference to amounts expressed in Euros.

Criteria for the preparation and valuation of the consolidated financial statements

The Group's Consolidated Financial Statements have been prepared by applying the consolidation principles and accounting policies illustrated in the preparation of the Consolidated Financial Statements for the year ended December 31, 2020, in accordance with the provisions of the Italian Civil Code, as amended by Legislative Decree no. 139/2015, and Legislative Decree no. 127/1991, interpreted and supplemented by the Italian accounting standards issued by the Italian Accounting Organization (OIC).

The Consolidated Financial Statements consist of the Balance Sheet (prepared in accordance with the format provided for by Articles 2424 and 2424-bis of the Italian Civil Code), the Income Statement (prepared in accordance with the format provided for by Articles 2425 and 2425-bis of the Italian Civil Code), the Cash Flow Statement (the contents of which, in accordance with Article 2425-ter of the Italian Civil Code, are presented in accordance with the provisions of accounting standard OIC 10) and these Notes to the Financial Statements, prepared in accordance with the provisions of Article 38 of Legislative Decree no. 127/1991.

These Notes analyze and supplement the Financial Statements with the additional information deemed necessary for a true and fair view of the data illustrated, bearing in mind that no exceptions have been made pursuant to art. 29 of Legislative Decree 127/1991. To this end, the Notes also include a list of companies included in the basis of consolidation, a reconciliation between the Parent Company's net income and consolidated net income and between the Parent Company's shareholders' equity and consolidated shareholders' equity, and a statement of changes in consolidated shareholders' equity.

Items not expressly included in the Balance Sheet and Income Statement, as required by articles 2424 and 2425 of the Italian Civil Code, and in the Cash Flow Statement presented in accordance with OIC 10, are understood to be zero balance. The right not to indicate such items is understood to apply only if they have a zero balance for both the current and previous year.

For comparative purposes, the balances relating to the Income Statement and Balance Sheet for the year ended December 31, 2019 have been presented. The criteria used in the preparation of the Consolidated Financial Statements is consistent for both fiscal years presented, particularly in the valuations and the continued application of the same principles.

Items in the financial statements have been valued based on the general criteria of prudence and accruals, on a going concern basis, as well as in accordance with the principle of relevance of information, taking into account both quantitative and qualitative elements. The application of the principle of prudence has entailed the individual assessment of the elements making up the individual items or items of assets or liabilities, in order to avoid offsetting losses that should be recognized and profits that should not be recognized as they are unrealized. In accordance with the accruals principle, the effects of transactions and other events are attributed to the period to which such transactions and events refer, and not to the period in which the related cash movements (collections and payments) take place.

As required by current legislation, the consolidated financial statements are drawn up in Euros (the currency in which most Group transactions are carried out) and are based on accounting records denominated in Euro cents. When preparing the financial statements, the conversion of accounting data expressed in Euro cents into financial statement data expressed in Euro units is carried out by rounding off; the algebraic sum of the resulting differentials is allocated to equity reserves. Therefore, the amounts included in these Notes are shown in Euros, unless otherwise specified.

The reference date of the consolidated financial statements coincides with the closing date of the financial year of the Parent Company and of all the companies included in the scope of consolidation.

Pursuant to article 2427, paragraph 22-bis of the Italian Civil Code, it should be noted that the Group has not carried out any significant transactions with related parties that were not carried out under normal market conditions.

Pursuant to article 2427, paragraph 22-ter, of the Italian Civil Code, it should be noted that the Group does not have any agreements in place that are not reflected in the Balance Sheet, which give rise to significant risks and/or benefits, a description of which is necessary for a better understanding of the Consolidated Financial Statements.

The consolidated financial statements have been prepared on a going concern basis. The Group has assessed that, despite the general economic and financial climate marked by volatility, there are no significant uncertainties regarding its ability to continue as a going concern, partly due to the continuous growth in turnover and expansion of the customer base, as illustrated in the "Management Report on Operations."

The reference date of the consolidated financial statements coincides with the closing date of the financial year of the Parent Company (December 31, 2020) and of all the companies included in the scope of consolidation.

Exceptions

The valuation of items related to the financial statements was carried out without exceptions pursuant to article 2423, paragraph 4 and article 2423-bis, paragraph 2 of the Italian Civil Code.

Scope of consolidation

The scope of consolidation includes the financial statements of the Parent Company and of the companies over which it directly or indirectly exercises control, pursuant to art. 26 of Legislative Decree no. 127/91.

The scope of consolidation for the year ended December 31, 2020 differs from that for the comparative period, consisting, as mentioned, of the year ended December 31, 2019, by virtue of the acquisition of the Italian company Little Sea S.r.l., which took place on July 1, 2020 and is consolidated on a line-by-line basis as of that date.

As a result, the scope of consolidation consists of the following companies consolidated on a line-by-line basis:

Doxee S.p.A. - Parent Company

Registered office: Modena, Italy

Balance sheet currency: Euro

Share capital: Euro 1,597,880.18 - i.v.

Shareholders' equity as of 12/31/2020: Euro 10,543,797

Annual profit at 12/31/2020: Euro 1,827,705

Condition: Parent Company

Doxee USA Inc.

Headquarters: Fort Lauderdale, United States of America

Balance sheet currency: U.S. Dollar

Share capital: U.S. Dollar 39,200.00 - i.v.

Shareholders' equity at 12/31/2020: U.S. Dollar - 5,067,670

Loss for the year at 12/31/2020: U.S. Dollar - 559,646

Direct ownership: 51.02%.

Indirect ownership: 0%.

Doxee Slovak s.r.o.

Registered office: Bratislava, Slovak Republic

Balance sheet currency: Euro

Share capital: Euro 10.000,00 - i.v.

Shareholders' equity at 12/31/2020: Euro 163,760

Profit for the year at 12/31/2020: Euro 35,548

Condition: foreign subsidiary

Direct ownership: 100%.

Doxee Czech s.r.o.

Registered office: Prague, Czech Republic

Balance sheet currency: Czech Koruna

Share capital: Czech crown 250,000.00 - i.v.

Shareholders' equity at 12/31/2020: Czech Koruna 7,213,278

Annual profit at 12/31/2020: Czech Koruna 2.389.097

Condition: foreign subsidiary

Direct ownership: 100%.

The ownership percentages indicated above did not change over the two years. The scope of consolidation excludes the foreign subsidiary "OOO Doxee RU," headquartered in Moscow, Russia, as it is considered of marginal importance given its small size and the intention to close it during the current fiscal year. The subsidiary had already been fully written down prior to January 1, 2017, and therefore the consolidated financial statements do not reflect any economic, equity, or financial effects of OOO Doxee RU.

The ownership percentages shown above did not change during the year ended December 31, 2020.

For December 31, 2019

U.S. Dollars	yearly average 1,1195	year end at December 31, 2019 1,1234
Czech Koruna	yearly average 25,6705	year end at December 31, 2019 25,4080

For December 31, 2020

U.S. Dollars	yearly average 1,1422	year end at December 31, 2020 1,2271
Czech Koruna	yearly average 26,4551	year end at December 31, 2020 26,2420

Little Sea S.r.l.

Registered office: Milan, Italy

Currency: Euro

Share Capital: Euro 12,193.00 - i.v.

Shareholders' equity at 31/12/2020: Euro 211,013

Net income at 12/31/2020: Euro -141,672

Condition: Italian subsidiary

Direct ownership at December 31, 2020: 84.80%.

Little Sea S.r.l. was acquired on July 1, 2020 and is included in the consolidated financial statements by means of its balance sheet and income statement, the latter consolidated from July 1, 2020 to December 31, 2020 with a profit/loss for the year that participates in the consolidated result for the year in the amount of Euro -90,312. As with its economic data, Little Sea S.r.l.'s cash flows have also been consolidated for the second half of the year.

Principles of consolidation

The line-by-line consolidation method has been applied to all the companies included in the scope of consolidation.

This method requires full consolidation of the assets and liabilities and costs and revenues of the companies included in the scope of consolidation, regardless of the percentage of ownership of the consolidating company.

It should be noted that for the company Little Sea S.r.l acquired in July 2020, the following documents were considered: its annual balance sheet and the income statement, and cash flows for the period July 1, 2020 - December 31, 2020.

The Consolidated Balance Sheet and Income Statement show all the components of the Parent Company and the other companies included in the consolidation, net of the adjustments described below:

- the book value of equity investments in subsidiary undertakings is eliminated against the corresponding fractions of shareholders' equity; this consists of replacing the value of the corresponding balance sheet item with the assets and liabilities of each of the consolidated companies. The difference between the purchase price of the equity investments and the book value of shareholders' equity at the date when control of the company was acquired is allocated, where possible, to each identifiable asset acquired, within the limit of the current value of these assets and in any case for values not exceeding their recoverable value, as well as to each identifiable liability assumed, including any advance and deferred taxes to be entered against the gains/losses allocated to the items. Any surplus remaining from this allocation process:
- if positive, it is recorded under an asset item called "goodwill," provided that it meets the requirements for recognition, in accordance with the provisions of national accounting standard OIC 24 "Intangible fixed assets" (otherwise, if the surplus, whether partial or total, does not correspond to a higher value of the investee company, it is charged to the income statement under item B14 "Other operating expenses")
- if negative, it is posted to an equity item called "consolidation reserve," unless it relates, in whole or in part, to the expectation of an unfavorable economic outcome (in which case, a specific "Consolidation reserve for future risks and charges" is posted to the consolidated balance sheet under liabilities).

More specifically, it should be noted that the differences generated on the reference date of the first consolidation between the book value of the equity investments in the subsidiaries included in the scope of consolidation and the corresponding fractions of shareholders' equity have been allocated to the shareholders' equity item "Retained earnings (losses)," since they essentially refer to profits and/or losses generated by the subsidiaries after the date of acquisition of the related controlling equity investments;

- the assets, liabilities, costs, expenses, revenues, and income of the companies included within the scope of consolidation are fully included in the consolidated financial statements, regardless of the percentage of ownership of the parent company;
- dividends, revaluations, and write-downs of equity investments in companies included in the scope of consolidation, as well as capital gains and losses from intragroup sales of these investments, are eliminated;
- consolidated shareholders' equity includes all equity transactions carried out between the Group and parties who exercise their rights and duties as shareholders. The share capital shown in the consolidated financial statements coincides with that of the Parent Company.

The portions of shareholders' equity and consolidated net income corresponding to minority interests are recorded under specific items of consolidated shareholders' equity entitled, respectively, "Minority interest in capital and reserves" and "Minority interest in net income (loss)". The portion of net income (loss) for the period corresponding to minority interests is shown as a reduction of consolidated comprehensive income (loss). If the losses pertaining to minority interests of a subsidiary result in the related item "Minority interests" becoming negative, the negative surplus is accounted for by the majority shareholders. In the event that profits are subsequently generated, the relevant minority interest is attributed to the majority shareholders until the total losses previously absorbed by them are recovered. If the third parties have expressly committed to cover the losses, and this is likely to happen, the deficit is left to be covered by "Capital and reserves of third parties";

- receivables, payables, costs, charges, revenues, and income relating to companies included in the scope of consolidation are eliminated, as are the guarantees, commitments, and risks relating to the companies concerned
- profits and losses from transactions between businesses included in the scope of consolidation that have not yet been realized at the balance sheet date are eliminated. Profits and losses arising from transactions between businesses included in the scope of consolidation and not yet realized at the balance sheet date are eliminated;
- companies that prepare their financial statements in currencies other than the Euro are first translated into Euros before being included in the scope of consolidation. The translation of financial statements denominated in foreign currency for the purposes of preparing the consolidated financial statements is carried out using:

a) the spot exchange rate at the balance sheet date for the translation of assets and liabilities;

b) the average exchange rate for the period for items in the income statement and for cash flows in the cash flow statement, used as an alternative to the exchange rate for each individual transaction, as permitted by OIC 17;

c) the historical exchange rate at the time of their formation for shareholders' equity reserves (other than the reserve for foreign currency translation adjustments).

The exchange rates used, compared with the Euro, were:

For December 31, 2019

U.S. Dollars	yearly average 1,1195	year end at December 31, 2019 1,1234
Czech Koruna	yearly average 25,6705	year end at December 31, 2019 25,4080

For December 31, 2020

U.S. Dollars	yearly average 1,1422	year end at December 31, 2020 1,2271
Czech Koruna	yearly average 26,4551	year end at December 31, 2020 26,2420

The net effect of the translation of the financial statements of the investee company into the reporting currency is recorded in a specific "Reserve for translation differences" within consolidated shareholders' equity, which becomes available in the event of partial or total disposal of the foreign company.

Financial statements used for consolidation purposes

The Consolidated Financial Statements were prepared using the annual financial statements of the individual companies included in the basis of consolidation prepared by their respective corporate bodies, suitably modified and reclassified, where necessary, in order to bring them into line with the Group's accounting standards and uniform classification criteria, where these differ.

It should be noted that for the company Little Sea S.r.l. acquired in July 2020, its annual balance sheet was taken into account, while the income statement and cash flow for the period from July 1, 2020 to December 31, 2020 were considered.

Criteria applied in valuing items in the financial statements

The valuation criteria adopted in the preparation of the financial statements were as follows:

Intangible fixed assets. Intangible fixed assets are recorded, with the prior consent of the Board of Statutory Auditors where required, at purchase or production cost (OIC 24.36) and are shown net of amortization, depreciation, and write-downs (OIC 24.32). Ancillary costs are also included in the purchase cost. The production cost includes all the costs directly attributable to the intangible asset and the other costs, for the reasonably attributable portion, relating to the period of planning and up to the moment from which the asset can be used. Deferred charges, which include start-up and expansion costs and development costs, are entered only when their future usefulness is demonstrated, there is an objective correlation with the related future benefits that the company will enjoy and their recoverability can be estimated with reasonable certainty (OIC 24.40). Intangible assets, consisting of patent rights, rights to use intellectual property, concessions, and licenses, are entered in the balance sheet assets only if they are individually identifiable and their cost can be estimated with sufficient reliability (OIC 24.50).

The amortization criteria adopted for the main items of intangible fixed assets are as follows:

Intangible fixed assets	Period
Start-up and expansion costs	5 years
Development costs	5 years
Patents and use of intellectual property	10 years
Concessions, licenses, trademarks, and similar rights	18 years
Start up	10 years
Other intangible fixed assets	12 years

Tangible fixed assets. Tangible fixed assets are recorded at purchase or production cost, adjusted by the respective accumulated depreciation (OIC 16.32). Production cost includes all directly attributable costs and general production costs for the portion reasonably attributable to the fixed asset relating to the period of manufacture and up to the moment from which the asset can be used (OIC 16.39). Costs incurred to expand, modernize, or improve the structural elements of a tangible fixed asset, including modifications made to increase its suitability for the purposes for which it was acquired, are capitalized if they produce a significant and measurable increase in its productive capacity, safety, or useful life. If these costs do not produce such effects, they are treated as ordinary maintenance and charged to the income statement for the period (OIC 16.32). Depreciation is calculated on a systematic and constant basis, on the basis of rates considered representative of the estimated useful economic-technical life of the assets (OIC 16.56). These rates are reduced by half in the first year in which the asset is available for use, thus approximating the shorter period of use of the fixed asset. Depreciation is also calculated on temporarily unused assets (OIC 16.57). If the presumed residual value at the end of the useful life is equal to or greater than the net book value, the fixed asset is not depreciated (OIC 16.62). Depreciation starts from the moment the asset is available and ready for use (OIC 16.61).

Details of the depreciation rates used are provided below:

Tangible fixed assets	Rate %
Mobile telephones	12
General equipment	9
Equipment	25
Office furniture	12
Office machines	20
Hardware	20

Maintenance costs are charged to the income statement when incurred, except for those that increase the value of the assets, which are capitalized within the limits of the recoverable value of the asset. Tangible fixed assets held for sale are reclassified under current assets only if they are sellable in their current condition, if the sale appears highly probable, and if it is expected to be completed in the short term (OIC 16.25). These fixed assets are not depreciated and are valued at the lower of net book value and realizable value inferable from market trends (OIC 16.79). Tangible fixed assets are revalued, within the limits of their recoverable value, only in cases where special laws require or permit it (OIC 16.74-75).

Loss of value of tangible and intangible assets. The company assesses at each balance sheet date whether there is an indicator that a fixed asset may lose value. (OIC 9.16) If there are indicators of impairment of intangible and tangible fixed assets at the balance sheet date, their recoverable value is estimated. (OIC 9.12) In the absence of indicators of potential devaluation, the recoverable value is not calculated. If their recoverable value, understood as the greater of value in use and fair value, net of selling costs, (OIC 9.5) is lower than the corresponding net book value, the fixed assets are written down (OIC 9.16). The write-down made is not maintained in subsequent years if the reasons for the adjustment no longer apply. The reinstatement of value is made within the limits of the value that the asset would have had if the write-down had never taken place, that is, taking into account the depreciation that would have been carried out in the absence of the write-down. It is not possible to reinstate the write-down recorded on goodwill and deferred charges. (OIC 9.29).

Accounting for Financed Leases. Given the insignificant amount of assets acquired under financed leases, they are accounted for in accordance with the equity method, with the related lease payments posted among operating costs (OIC 17.107).

Financial fixed assets. Shareholdings and securities intended to remain in the company's assets on a long-term basis as a result of the management's intention and the company's actual ability to hold them for an extended period of time are classified as financial fixed assets. Otherwise, they are entered under current assets (OIC 20.20 and OIC 21.10). The change of destination between fixed assets and current assets, or vice versa, is recorded according to the specific valuation criteria of the portfolio of origin (OIC 20.71 and OIC 21.56). The classification of receivables between financial fixed assets and current assets is carried out based on the criterion of their destination with respect to ordinary activities and therefore, regardless of their maturity; receivables of financial origin are classified under financial fixed assets while those of commercial origin are classified under current assets (OIC 15.21). The valuation criteria for receivables is described below. Equity investments are initially entered at purchase or incorporation cost, including accessory costs.

Ancillary costs consist of costs directly attributable to the transaction, such as, for example, bank and financial intermediation costs, commissions, expenses, and taxes (OIC 21.21). The book value of equity investments increases as a result of capital increases against payment or waivers by the shareholder (OIC 21.22-24). Free capital increases do not increase the value of equity investments (OIC 21.23). In the event that the shareholdings have undergone, at the date of the financial statements, impairment losses considered durable, their book value is reduced to the lower recoverable value, which is determined based on the future benefits that are expected to flow to the company, until the book value is reduced to zero (OIC 21.40). In cases where the company is obliged to cover the losses incurred by its subsidiaries, it may be necessary to make a provision under liabilities to cover their share of the equity deficit (OIC 21.40). Should the reasons for the write-down no longer apply in subsequent financial years, the value of the equity investment is restored up to a maximum of its original cost (OIC 21.42-43).

Receivables. Receivables originating from revenues for services are recorded on an accruals basis when the service is provided, that is, the service has been rendered. Receivables originating from revenues from the sale of goods are recognized on an accruals basis when both of the following conditions are met: the production process of the goods has been completed; and there has been a substantial and not formal transfer of title, taking the transfer of risks and benefits as the reference parameter for the substantial transfer (OIC 15.29). Receivables recorded in the financial statements represent rights to collect fixed or determinable amounts of cash from customers or other third parties (OIC 15.4). Receivables are recognized in the financial statements according to the amortized cost criterion, taking into account the time factor; the amortized cost criterion may not be applied to receivables if the effects are immaterial (OIC 15.32-33). The initial entry value is represented by the nominal value of the receivable, net of all premiums, discounts, allowances, and including any costs directly attributable to the transaction that generated the receivable. Transaction costs, any commissions income and expense, and any difference between initial value and nominal value at maturity are included in the calculation of amortized cost using the effective interest criterion, which implies that they are amortized over the expected duration of the credit. Their amortization supplements or adjusts the interest receivable calculated at the nominal rate (following the same classification in the income statement), so that the effective interest rate can remain a constant interest rate over the duration of the credit (OIC 15.34-35-41). At initial recognition, in order to take account of the time factor, the interest rate inferable from the contractual conditions must be compared with market interest rates.

The market interest rate is the rate that would have been applied if two independent parties had negotiated a similar financing transaction with comparable terms and conditions to the one under review. If the interest rate inferable from the contractual terms and conditions is significantly different from the market interest rate, the market interest rate must be used to discount the future cash flows deriving from the loan. In this case, the initial recognition value of the loan is equal to the present value of the future cash flows plus any transaction costs (OIC 15.41-42). Receivables not measured at amortized cost are shown in the financial statements net of the allowance for doubtful accounts. A receivable must be written down in the period in which it is considered probable that the receivable has lost value (OIC 15.59). For loans measured at amortized cost, the amount of the impairment as of the balance sheet date is equal to the difference between the carrying amount and the value of estimated future cash flows, reduced by amounts that are not expected to be collected, discounted at the loan's original effective interest rate (OIC 15.66). Provisions for bad debts are estimated by analysing individual receivables, determining the presumed losses for each anomalous situation that has already become apparent or is reasonably foreseeable, and estimating, on the basis of experience and any other useful element, the further losses that are presumed to be incurred on receivables outstanding at the date of the financial statements (OIC 15.61-62). Provisions for doubtful accounts take account of the effects of the enforcement of such guarantees (OIC 15.63). Commercial discounts and allowances that are estimated to be granted at the time of collection and other causes of reduced realization are also subject to specific provisions. Discounts and allowances of a financial nature are recorded at the time of collection (OIC 15.54).

Cash and bank overdrafts. These represent the positive balances of bank and postal deposits and checks, as well as cash and valuables on hand at the end of the financial year (OIC 14.4). Bank and postal deposits and checks are valued at their presumed realizable value, cash and cash equivalents are valued at their face value, while cash in foreign currency is valued at the exchange rate in force at the end of the period (OIC 14.19). Amounts due to banks related to loans received, fixed-term advances, advances on invoices or bank receipts, and any current account overdrafts are recorded at their nominal value and the amount recorded in the financial statements expresses the actual debt in terms of capital, interest, and any ancillary charges accrued as of the reporting date. Amounts due to banks denominated in foreign currency are valued at the exchange rate in force at the balance sheet date.

Allowances for risks and charges. Provisions for risks and charges represent liabilities of a given nature, certain or probable, with an estimated date of occurrence or existence (OIC 31.5), while provisions for charges represent liabilities of a given nature and certain existence, estimated in amount or date of occurrence, connected with obligations already undertaken as of the date of the financial statements, but which will be manifested in cash in subsequent accounting periods (OIC 31.6). Provisions for risks and charges are recorded in the Income Statement among the items of the management activity to which the transaction refers, with the criterion of classification by nature of costs prevailing (OIC 31.19). The amount of provisions for risks and charges is measured with reference to the best estimate of costs, including legal expenses, at each balance sheet date (OIC 31.32). If in measuring the provisions a range of variability of values is determined, the provision represents the best feasible estimate between the maximum and minimum limits of the range of variability of values (OIC 31.30). Subsequent use of the provisions is made directly and only for those expenses and liabilities for which the provisions were originally established (OIC 31.43). Any negative differences with respect to the charges actually incurred are recorded in the income statement in line with the original provision, while if the surplus arises as a result of the positive evolution of situations occurring in the activity of a company, the elimination or reduction of the surplus provision is recorded among the positive income components of the class of the same nature (OIC 31.45-47).

Derivative financial instruments and hedging transactions. Derivative financial instruments are recorded at fair value, even if they are embedded in other financial instruments, both at the date of initial entry and at each subsequent balance sheet date, pursuant to article 2426, paragraph 1, no. 11-bis of the Italian Civil Code and OIC 32. Changes in fair value are posted to the income statement or, if the instrument hedges the risk of a change in the expected cash flows of another financial instrument or a planned operation, directly to a positive or negative reserve in shareholders' equity; this reserve is posted to the income statement to the extent and at the times corresponding to the occurrence or change in the cash flows of the hedged instrument or the occurrence of the hedged operation. If the fair value at the reference date is positive, it is recorded under "derivative financial instruments receivable" among financial fixed assets or among financial assets not constituting fixed assets. If the value is negative, it is recorded under "derivative financial instruments payable" among the provisions for risks and charges. If the transaction qualifies as a hedging transaction, the Company records the cash flow hedging instrument in the Balance Sheet at fair value, with the matching entry posted to item A) VII "Reserve for hedging transactions" for the hedging component deemed effective (net of deferred tax effects), while the ineffectiveness component, calculated for hedging transactions that do not qualify as simple, is posted to section D) of the Income Statement.

In accordance with article 2426, paragraph 1, no. 11-bis of the Italian Civil Code, this reserve is not considered in the calculation of shareholders' equity for the purposes of articles 2412, 2433, 2442, 2446 and 2447. Regarding the interest rate swap contract entered into by the Parent Company, as this is a hedging instrument that covers the risk of fluctuations in the cash flows underlying a loan agreement, the Company has posted the related fair value to the shareholders' equity reserve. In line with the provisions of paragraph 101 et seq. of OIC 32 ("simple hedging relationships"), the company has verified the existence of a close and documented correlation between the characteristics of the hedged item and that of the hedging instrument.

Employee severance indemnities. Severance indemnity (TFR) represents the benefit to which the employee is entitled in the event of termination of employment, pursuant to Article 2120 of the Italian Civil Code and taking into account the regulatory changes made by Law 296 of 27 December 2006 (OIC 31.55-56). It corresponds to the total indemnities accrued, taking into account all forms of remuneration of an ongoing nature, net of advances paid and partial advances paid under collective or individual agreements or company agreements for which repayment is not required (OIC 31.65-67). The amounts of employee severance indemnities relating to employment contracts already terminated as of the balance sheet date and the payment of which is made in the following year are classified under payables (OIC 31.71).

Accruals and deferrals. Accrued income and deferred expenses respectively represent portions of income and costs pertaining to the financial year that will become manifest in subsequent financial years (OIC 18.3-4). Prepayments and deferrals respectively represent portions of costs and income that have shown a financial impact during the year or in previous years but which will relate to one or more subsequent years (OIC 18.5-6). Therefore, only portions of costs and income common to two or more financial years, the amount of which varies according to the physical or economic timeframe, are entered under these items. At the end of each financial year, the conditions that determined their initial recognition are verified and, if necessary, the necessary value adjustments are made (OIC 18.20). In particular, in addition to the passage of time, for accrued income the presumed realizable value is considered (OIC 18.21) while for prepaid expenses the existence of the future economic benefit related to deferred costs is considered (OIC 18.23).

Payables. Payables are liabilities of a definite nature and certain existence, representing obligations to pay fixed or determinable amounts of cash, or goods/services having an equivalent value, usually on a set date. These obligations are towards lenders, suppliers, and other parties (OIC 19.4). Payables originating from the purchase of services are recorded on an accruals basis when the service has been received, i.e. the service has been rendered. Payables arising from the purchase of goods are recognized on an accruals basis when both of the following conditions are met: the production process of the goods has been completed; and the substantial and not formal transfer of title has taken place, taking the transfer of risks and benefits as the reference parameter for the substantial transfer (OIC 19.38). Financial debts and those arising for reasons other than the acquisition of goods and services are recorded when the company's obligation to the counterparty exists (OIC 19.39). In the event of early repayment, the difference between the residual amount of the debt and the total outlay relating to the repayment is recorded in the income statement under financial income/charges (OIC 19.62). Payables are recorded in the financial statements according to the amortized cost criterion, taking into account the time factor. At the end of the financial year, the value of payables valued at amortized cost is equal to the current value of future cash flows discounted at the effective interest rate (OIC 19.59).

The amortized cost criterion may not be applied to payables if the effects are immaterial, generally so when the payables are short-term (OIC 19.43-44). In this case, the initial recognition of the debt is made at nominal value net of premiums, discounts, and allowances provided for by contract or otherwise granted (OIC 19.54-55). Trade payables with maturities beyond 12 months from the time of initial recognition, without payment of interest, or with interest significantly different from market interest rates, and the related costs, are initially recognized at the value determined by discounting future cash flows at the market interest rate. The difference between the initial recognition value of the debt determined in this way and the forward value must be recorded in the income statement as a financial charge over the duration of the debt using the effective interest rate criterion (OIC 19.52). The company eliminates all or part of the debt from the balance sheet when the contractual and/or legal obligation is extinguished by fulfilment or other cause, or transferred. Extinguishing a debt and issuing a new debt to the same counterparty results in derecognition if the contractual terms of the original debt differ materially from those of the debt issued (OIC 19.73).

Use of estimates and valuations. The preparation of the Financial Statements and the related Notes requires the preparers to make estimates and assumptions that affect the values of assets and liabilities as of the reporting date. The actual results may differ from these estimates. The estimates can be used to record, among other things, provisions for bad debts, write-downs of assets, invoices to be issued and invoices to be received, amortization/depreciation, taxes, and other provisions for risks. Estimates and related assumptions are based on past experience and assumptions considered reasonable at the time of the estimates. The estimates and assumptions are reviewed periodically and, where the values arrived at subsequently differ from the initial estimates, the effects are posted to the income statement at the time the estimate is changed.

Revenues and costs. Revenues and income, costs, and charges are recorded net of returns, discounts, allowances and premiums, as well as taxes directly connected with the sale of products and the provision of services (OIC 12.49) in accordance with the principles of competence and prudence. Revenues from the sale of goods or the provision of services are recognized when the production process of the goods or services has been completed and the exchange has taken place, or when the substantial and not formal transfer of title has taken place.

Financial income and expenses. These include all the positive and negative components of net income for the period linked to the Group's financial activities and are recognized on an accruals basis (OIC 12.85). All income is recognized on an accruals basis, with appropriate indication of any sub-items. Foreign exchange gains and losses, regarding transactions denominated in foreign currency, include gains and losses realized during the period or determined as a result of changes in exchange rates with respect to those applied at the dates of the transaction (OIC 12.97). In the event of contributions from public bodies or private individuals, which reduce the interest on loans, the amount of the contribution is deducted from item C17, if it is earned in the same financial year in which the interest expense is recorded (OIC 12.96).

Dividends. Dividends are recorded when, as a result of the resolution passed by the investee company's General Shareholders Meeting to distribute the profit or any reserves, the right to collect them arises (OIC 21.58).

Income taxes for the year. Current taxes are calculated based on a realistic forecast of taxable income for the period, determined in accordance with tax legislation, and applying the tax rates in force at the balance sheet date (OIC 25.4-6). The related tax liability is recorded in the Balance Sheet at nominal value (OIC 25.23) net of advances paid, withholdings incurred and tax credits that may be offset and for which reimbursement has not been requested (OIC 25.24); where advances paid, withholdings, and credits exceed taxes due, the related tax credit is recorded (OIC 25.29). Deferred tax assets and liabilities are calculated on the cumulative amount of all the temporary differences between the value of assets and liabilities determined in accordance with statutory valuation criteria and their value for tax purposes (OIC 25.38, 43). Deferred taxes relating to taxable temporary differences associated with investments in subsidiaries and transactions that have led to the formation of reserves in suspense for tax purposes are not recorded only if the specific conditions provided for by the reference standard are met (OIC 25.85, 53-57).

Deferred taxes relating to transactions directly affecting shareholders' equity are not initially posted to the Income Statement, but are accounted for in provisions for risks and charges by reducing the corresponding shareholders' equity item (OIC 25.56). Deferred and prepaid income taxes are recorded in the financial year in which the temporary differences arise and are calculated by applying the tax rates in force in the financial year in which the temporary differences will reverse, if these rates have already been defined at the reference date of the financial statements, otherwise they are calculated based on the rates in force at the reference date of the financial statements (OIC 25.43). Deferred tax assets on deductible temporary differences and on the benefit associated with the carry-forward of tax losses are recognized and maintained in the financial statements only if there is a reasonable certainty of their future recovery, through the forecast of taxable income or the availability of sufficient taxable temporary differences in the periods in which the deferred tax assets will reverse (OIC 25.41-42, 50). A deferred tax asset that was not recognized or reduced in prior periods because the requirements for its recognition or retention were not met is recognized or restored in the period in which those requirements are met (OIC 25.45, 51).

Cash flow statement. The cash flow statement was prepared in accordance with the provisions of OIC 10 in order to provide the information required to assess the Group's financial position (including liquidity and solvency) during the current year and how it will develop in subsequent years. The statement of cash flows also provides information on the cash generated by and used in operating activities, and the ways in which this cash is used and covered, the Group's capacity to meet its short-term financial commitments and its ability to finance itself.

The statement has been prepared using the indirect method.

Cash flows from operating activities include all cash flows deriving from the acquisition, production, and distribution of goods and the supply of services, including those relating to ancillary activities, and other cash flows not included in investing and financing activities.

In addition, interest paid and received is also included, except in particular cases where it relates directly to investment or loans, and dividends received. Cash flows from investing activities include flows arising from the purchase and sale of tangible, intangible, and financial assets and of financial assets not held as fixed assets. They are presented separately for realizable value (i.e., net book value increased by capital gains or reduced by capital losses) adjusted by changes in receivables from customers for fixed assets.

COMMENT ON THE MAIN BALANCE SHEET ITEMS

Details of the main items of the Balance Sheet items as of December 31, 2020 are provided below, together with the main changes with respect to the previous year.

Fixed assets

Intangible fixed assets

The following table shows the changes relating to start-up and expansion costs, development costs, industrial patents, concessions, and intangible assets in progress, in the period between December 31, 2019 and December 31, 2020, shown by individual asset category.

	Start-up and expansion costs	Development costs	Industrial patents	Concession, licenses and trademarks	Start up	Fixed assets in progress	Other	Total
Initial balance at 31/12/2019	749.365	4.012.097	139.483	10.542	0	3.167.700	67.092	8.146.279
Increases	26.667	13.200	215.343	403.448	0	3.634.329	0	4..292.987

Decreases	0	0	0	0	0	0	0	-
Reclassifications	0	1.520.617	0	0	0	-1.520.617	0	-
Amortization for the period	-237.943	-1.995.571	-143.983	-80.253	0	0	-30.477	-2.488.227
Exchange rate effect	-879	0	0	-1	0	0	-311	-1.190
Final balance	**537.210**	**3.550.343**	**210.843**	**333.737**	**0**	**5.281.412**	**36.304**	**9.949.849**
of which								
Historic costs	1.400.461	10.498.699	2.494.094	814.786	385.329	5.281.412	238.803	21.113.584
Amortization fund	-863.251	-6.948.356	-2.283.251	-481.049	-385.329	-	-202.499	-11.163.735
Initial balance at 31/12/2020	537.210	3.550.343	210.843	333.737	0	5.281.412	36.304	9.949.849

Start-up and expansion costs
These mainly refer to consultancy costs with long-term use.

Development costs
These refer primarily to internal development projects regarding new functions and platform extensions. Once completed, these have been transferred from "Assets under construction" to "Development costs" and amortized.

Industrial patents and intellectual property rights
These mainly refer to costs incurred for the creation, registration, and protection of trademarks and patents, which are used for more than one year.

Concessions, licenses, and trademarks
These refer primarily to costs incurred and capitalized for the internal development of software licenses and patents, as well as costs incurred for third party licenses.

Assets in progress
These are costs incurred for the internal development of new projects that have yet to enter service at the end of the year and have therefore been suspended until they are completed. When such projects are completed and enter service, the Group will reclassify them under the relevant categories and allocate the related amortization expense on an accruals basis.

Details of projects underway are provided below.

Assets under development	31/12/2020	31/12/2019	Change
C2X Toolkit 1 - Research and experimental development for substantial improvements of the Doxee document platform	4.709.461	2.870.718	**1.838.743**
Development activities for a new Digital Experience Platform	122.476	0	**122.476**
Patent filing costs	11.193	6.122	**5.071**
Study and development of innovative high automation technologies	0	64.268	**-64.268**
Study and development of innovative solutions for process accountability	115.923	113.668	**2.255**

Increased marketing costs - Website project	208.618	112.746	**95.872**
Other projects	113.740	178	**113.562**
Total	**5.281.142**	**3.167.700**	**2.113.712**

Other

Costs incurred on assets "not" owned by the Company have been reclassified under this item.

Tangible fixed assets

Movements in tangible fixed assets and the related accumulated depreciation recorded in 2020 are shown below:

	Land and buildings	Installations and machinery	Industrial and commercial equipment	Other goods	Fixed assets in progress	Total
Initial balance at 31/12/2019	0	0	0	423.504	0	**423.504**
Increases	0	0	0	94.994	0	**94.994**
Decreases	0	0	0	0	0	**0**
Reclassification s	0	0	0	0	0	**0**
Amortization for the period	0	0	0	-134.815	-	**-134.815**
Exchange rate effect	0	0	0	-4.783	0	**-4.783**
Final balance	**0**	**0**	**0**	**378.900**	**0**	**378.900**
of which						
Historic costs	0	0	0	2.710.413	0	**2.710.413**
Amortization fund	0	0	0	-2.331.513	-	**-2.331.513**
Initial balance at 31/12/2020	**0**	**0**	**0**	**378.900**	**0**	**378.900**

Financial leasing transactions

The following table shows the information required in order to represent, albeit outside the accounts, the implications deriving from the difference in accounting compared with the financial method, in which the user company would record the leased asset among fixed assets and calculate the related depreciation, while at the same time recording the debt for the capital portion of the installments to be paid. In this case, the Income Statement would record the interest and depreciation for the year.

Effects arising from the accounting difference	31/12/2020	31/12/2019
Total amount of leased assets at the end of the period	516.459	390.620
Depreciation that would have been attributable to the period	114.400	54.275

Adjustments and write-downs that would have been attributable to the year	0	0
Present value of lease installments not yet due at the end of the period	500.779	343.234
Financial charges for the period on interest rates	8.371	4.280

Financial fixed assets

Shareholdings

Changes in
equity investments in other companies

Details for the period December 31, 2019 through December 31, 2020 are as follows.

					Other companies	Total
Initial balance at 31/12/2019					3.500	3.500
Increases					150.000	150.000
Decreases						0
Reclassifications						0
Revaluations for the period						0
Write-downs for the period						0
Exchange rate effect						0
Final balance					**153.500**	153.500
of which						
Historic costs					153.500	153.500
Revaluations						0
Write-downs						0
Initial balance at 31/12/2020					**153.500**	**153.500**

This item refers for Euro 1,000.00 to the cost of the 10% stake in the share capital of the company DNA LAB S.r.l., based in Catanzaro (CZ) and for Euro 152,500.00 to the stake in the consortium Polo Pitagora (Catanzaro).

Receivables from financial fixed assets

Changes in receivables due from parent companies and others

Details for the period December 31, 2019 - December 31, 2020 are provided below.

	Parent companies	Companies under common control	Other companies	Total
Initial balance at 31/12/2019	30.500	0	2.826	**33.326**
Increases			5.000	**5.000**
Decreases	-30.500			**-30.500**
Reclassifications				**0**
Write-downs for the period				**0**
Exchange rate effect				**0**
Final balance	**0**	**0**	**7.826**	**7.826**
of which				
Historic costs			7.826	**7.826**
Write-downs				**0**
Initial balance at 31/12/2020	**0**	**0**	**7.826**	**7.826**

Other financial receivables refer to guarantee deposits.

Breakdown of receivables recorded under fixed assets by geographical area

The following table shows the geographical breakdown of receivables posted under fixed assets as of December 31, 2020.

Geographical area	Italy	Abroad	Total
Receivables from other companies	7.286	0	**7.286**
Final balance at 31/12/2020	**7.286**	**0**	**7.826**

Current assets

Credits

The following table shows changes in receivables posted to current assets, as well as information regarding their maturity. All the Group's receivables have a residual maturity of less than five years and are unsecured.

Classification	**31/12/2020**	**31/12/2019**	**Change**
Receivables from customers	7.579.392	6.300.789	**1.278.603**
Receivables from subsidiaries	0	0	**0**
Receivables from associated companies	0	0	**0**
Receivables from parent companies	0	0	**0**
Receivables from companies subject to joint control	0	0	**0**

Tax credits	631.758	940.075	-308.317
Deferred tax assets	204.760	209.334	-4.574
Receivables from others	169.211	75.975	93.236
Total	**8.585.121**	**7.526.173**	**1.058.948**

A breakdown of receivables by geographical area is provided below (the amounts indicated are expressed net of the allowance for doubtful accounts):

Classification	Italy	Foreign	Change
Receivables from customers	6.665.238	914.153	7.579.392
Receivables from subsidiaries	0	0	0
Receivables from associated companies	0	0	0
Receivables from parent companies	0	0	0
Receivables from companies subject to joint control	0	0	0
Tax credits	611.784	19.974	631.758
Deferred tax assets	204.760		204.760
Receivables from others	168.924	287	169.211
Total	**7.650.707**	**934.414**	**8.585.121**

The following table presents changes in the allowance for doubtful accounts for the years ended December 31, 2019 and December 31, 2020:

Bad debt provisions	Untaxed fund	Taxed fund	Total
Initial balance at 31/12/2019	121.313	326.810	448.123
Provisions for the period	42.892	52	42.944
Uses for the period	0	0	0
Initial balance at 31/12/2020	**164.205**	**326.862**	**491.067**

Trade receivables

Trade receivables, generated by the Group's core business, are all due within 12 months of the end of the financial year.

An analysis of past due receivables is provided below, with reference to December 31, 2020 and December 31, 2019 (the amounts are shown gross of the allowance for doubtful accounts).

	31/12/2020	31/12/2019	Change
Payable within 30 days	237.179	530.635	-293.456
Payable within 30 to 60 days	69.487	212.995	-143.508

Payable within 60 to 90 days	136.072	137.869	-1.797
Payable within 90 to 120 days	26.875	36.670	-9.795
Payable over 120 days	537.866	611.209	-73.344
Total Receivables from customers past due	**1.007.480**	**1.529.379**	**-521.900**
Receivables not past due	7.062.980	5.219.533	1.843.447
Provision for doubtful accounts	-491.067	-448.123	-42.944
Total Receivables from customers	**7.579.392**	**6.300.789**	**1.278.603**

The adjustment of the nominal value of receivables to their estimated realizable value was obtained by means of a specific allowance for doubtful accounts shown as a direct reduction of item CII 1) Receivables from customers.

Tax receivables

Tax credits mainly comprise the item tax credits for research and development.

Deferred tax assets

These refer to deferred tax assets of the Parent Company recognized on temporary differences relating to costs deductible in subsequent years, for which reference should be made in the notes below.

Receivables from others

Amounts due from others refer primarily to a guarantee deposit receivable.

Cash and cash equivalents

The following table shows the changes in cash and cash equivalents:

Classification	31/12/2020	31/12/2019	Change
Bank and postal deposits	3.211.401	3.750.660	-539.259
Checks	0	0	0
Cash on hand	2.549	1.128	1.421
Total	**3.213.950**	**3.751.788**	**-537.838**

The balance includes cash on hand and in bank accounts, as well as bank deposits, which are remunerated at a rate in line with market rates.

For a better understanding of cash outflows and inflows during the period, reference should be made to the cash flow statement.

Accrued income and prepaid expenses

Accrued income and prepaid expenses relate primarily to research and development grants and mainly to the "C2X Toolkit" project presented on a call for proposals by the Ministry of Economic Development dated June 1, 2016, the recognition of which was carried out using the economic time method.

The following table shows the related details for the year ended December 31, 2020 and the year ended December 31, 2019.

Classification	31/12/2020	31/12/2019	Change
Accrued income	733.634	658.136	75.498
Prepayments	345.770	180.171	165.599
Total	**1.079.404**	**838.307**	**241.097**

A breakdown of accrued income and prepaid expenses is provided below

Accrued income	31/12/2020	31/12/2019	Change
R&D contributions	731.354	655.844	75.510
Interest rate subsidies	2.280	2.280	0
Other	0	12	-12
Total	**733.634**	**658.136**	**75.498**

Prepayments	31/12/2020	31/12/2019	Change
Maintenance costs	84.880	398	84.482
Lease and rental costs	74.011	39.029	34.982
Consultancy costs	73.366	22.344	51.022
Insurance costs	53.583	44.101	9.482
Other costs	59.930	74.299	-14.369
Total	**345.770**	**180.171**	**165.599**

The increase in prepaid expenses is due to the signing of new lease and rental contracts and consultancy fees, the results of which will be seen in future years.

Shareholders' equity

The following table shows changes in consolidated shareholders' equity during the period December 31, 2019 - December 31, 2020.

Description	Share capital	Premium reserve	Legal reserve	Other reserve	Reserve for transactions to hedge expected cash flows	Retained earnings (losses) carried forward	Result for the period	Negative reserve for own shares in portfolio	Group shareholders' equity	Minority interests
Shareholders' equity 31/12/2019	**1.595.750**	**2.978.750**	**165.293**	**3.045.010**	**-9.466**	**-2.946.918**	**1.696.873**	**0**	**6.525.292**	**0**
Allocation on the operating result 31/12/2019	0	0	153.857	839.855	0	703.161	-1.696.873	0	0	0
Exchange rate difference	0	0	0	367.721	0	0	0	0	367.721	0
Change hedging	0	29.550	0	0	0	0	0	0	29.550	0
Other variations	2.130	0	0	1.127	2.874	0	0	-32.126	-25.995	45.801
Profit for the year	0	0	0	0	0	0	1.637.003	0	1.637.003	-13.727
Shareholders' equity 31/12/2020	**1.597.880**	**3.008.300**	**319.150**	**4.253.713**	**-6.592**	**-2.243.757**	**1.637.003**	**-32.126**	**8.533.571**	**32.074**

Share capital and share premium reserve

It should be noted that during fiscal year 2019, the company Doxee S.p.A., as part of the preparatory activities for the listing transaction on AIM Italia, provided for the dematerialization of its shares, as well as the elimination of their nominal value and their split-up. The pre-listing share capital consisted of 1,000,000 shares with a par value of Euro 1,000,000. Through the dematerialization process, the share capital of Euro 1,000,000 was split into 6,000,000 shares.

On November 21, 2019, the Shareholders' Meeting resolved a paid capital increase, divisible with the exclusion of option rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code, for a maximum amount of Euro 600,000.00, plus share premium, through the issue of shares with no par value, having the same rights and characteristics as the outstanding shares, to service the subscription offer of the company's shares admitted to trading on AIM Italia.

The admission to the listing took place following a total placement of 1,666,500 ordinary shares, of which:

- 1,191,500 newly issued ordinary shares resulting from the capital increase reserved to the market;

- 300,000 treasury shares offered for sale;
- 175,000 existing shares, corresponding to approximately 15% of the number of shares subject to the capital increase, for the purposes of exercising the over-allotment option for sale granted to Integrae SIM S.p.A., as Global Coordinator, by the reference shareholder P&S S.r.l.

The countervalue of the resources raised through the capital increase operation and the sale of all own shares amounts to approximately Euro 4.5 million. This also includes the shares coming from the over-allotment option - for a countervalue equal to Euro 525,000 (at the placement price) - the total countervalue is equal to approximately Euro 5.0 million, of which approximately 47% is destined to foreign investors and the remaining to primary Italian investors. It should be noted that in the 30 days following the start of trading, the Global Coordinator fully exercised the greenshoe option regarding 175,000 shares, as announced in the company's press release of 17 January 2020.

The unit price of the shares resulting from the placement was set at Euro 3.0.

In addition, as part of the listing transaction, 7,191,500 "Doxee 2019-2022 Warrants" were issued, assigned free of charge, at the ratio of 1 Warrant for every 1 Share, to all those who were ordinary shareholders on the Trading Commencement Date, including those who subscribed to the shares under the Private Placement or purchased the shares under the over-allotment option or purchased their own shares. The warrants are negotiable on AIM Italia separately from the shares from the start of trading.

The Warrants are valid for subscribing - at the conditions and according to the procedures set out in the Warrant Regulations - the compendium shares at the rate of 1 compendium share for every 5 Warrants; the exercise windows still open are in December 2021 and 2022.

The company Doxee S.p.A., at the same time as the admission of shares for trading on the AIM Italia market, sold 300,000 treasury shares, recorded in the accounts for Euro 293,000, at a market value of Euro 900,000; the capital gain of Euro 607,000 was recorded, in compliance with the provisions of the revised OIC 28, in the extraordinary reserve.

Therefore, at the end of the listing operation, the subscribed and paid-up share capital amounted to Euro 1,595,750.

On December 15, 2020, the first exercise period of the "Doxee 2019-2022 Warrants" traded on AIM Italia, a multilateral trading system organized and managed by Borsa Italiana, following the listing of Doxee on December 19, 2019, ended.

During this period, there were:
- 48,000 warrants exercised for a countervalue of Euro 31,680;
- 9,600 ordinary shares were issued, corresponding to a share capital increase of Euro 2,130.18.

As a result of the conversion of warrants, the company's subscribed and paid-up share capital increased compared with the previous year, amounting to Euro 1,597,880.18, whilst the authorized share capital stood at Euro 1,915,750.

For the year ended December 31, 2020, the following table reconciles the net income and shareholders' equity of the Parent Company, with the corresponding figures shown in the consolidated financial statements.

Description	Share capital	Premium reserve	Legal reserve	Other reserve	Reserve for transactions to hedge expected cash flows	Retained earnings (losses) carried forward	Result for the period	Negative reserve for own shares in portfolio	Group shareholders' equity	Minority interests
Consolidated Shareholders' equity 31/12/2020	1.597.880	3.008.300	319.150	3.829.480	-6.592	0	1.827.705	-32.126	10.543.797	
Carrying value of the investments eliminated	0	0	0	0	0	-1.838.921	0	0	-1.838.921	
Pro-rata interest in the shareholders' equity of consolidated companies	0	0	0	0	0	-1.770.579	0	0	-1.770.579	45.801
Exchange rate difference	0	0	0	423.104	0	0	0	0	423.104	
Consolidated results	0	0	0	0	0	-1.314.257	-454.429	0	-1.754.959	-13.727
Cancellation of intra-group write-down	0	0	0	0	0	2.680.000	250.000	0	2.930.000	
Other corrections	0	0	0	1.129		0	0	0	1.129	
Consolidated shareholders' equity 31/12/2020	**1.597.880**	**3.008.300**	**319.150**	**4.253.713**	**-6.592**	**-2.243.757**	**1.623.276**	**-32.126**	**8.533.571**	**32.074**

Own shares

In October 2020, the Parent Company launched the treasury share purchase program resolved by the Ordinary Shareholders' Meeting held on April 29, 2020, through the purchase of 2,000 shares equal to 0.028% of the share capital, at a weighted average unit price of Euro 3.35 per share and for a total value of Euro 6,705. The purchases were made in the period between October 22, 2020 and October 28, 2020. The purchase of treasury shares was carried out in compliance with the applicable provisions of law and regulations and in accordance with the procedures, terms, and conditions contained in the authorization to purchase and dispose of treasury shares granted by the Ordinary Shareholders' Meeting and was subject to ratification by the Company's Board of Directors held on November 3, 2020.

As a result of these transactions, as of November 2, 2020, the Parent Company held a total of 2,000 treasury shares, equal to 0.028% of the share capital. Moreover, also in relation to the share buyback program launched on November 3, 2020 in execution of the resolution of the Ordinary Shareholders' Meeting of April 29, 2020, the company Doxee purchased on AIM Italia, in the period between November 4, 2020 and December 30, 2020 (extremes included), a total of 9,000 treasury shares, equal to 0.126% of the share capital, at the weighted average price of Euro 3.41 per share, for a total value of Euro 30,700.00.

As of December 31,2020, the Parent Company holds a total of 11,000 treasury shares, equal to 0.1543% of the share capital, for a total value of Euro 37,405.00.

Provisions for risks and charges

The following table presents information about the changes that occurred during the period of December 31, 2019 through December 31, 2020.

	Provisions for pensions	Provisions for taxes, including deferred taxes	Derivative financial instruments	Other funds	**Total**
Initial balance at 31/12/2019	0	738	12.455	403.000	**416.193**
Provisions for the period		1.962			**1.962**
Uses for the period		-738	-3.781		**-4.519**
Releases for the period				-403.000	**-403.000**
Initial balance at 31/12/2020	**0**	**1.962**	**8.674**	**0**	**10.636**

It should be noted that at the date of the present financial year, the Parent Company has deemed it appropriate to release the provisions set aside in the previous year to cover any economic impact relating to the pandemic emergency, as no such impact was recorded in 2020 and management is confident that it will not occur in subsequent years.

For further information on the provisions set aside for deferred tax liabilities and derivative financial instruments, reference should be made to the relative notes.

Employee severance indemnities

Termination benefits show the Group's actual liability at December 31, 2019 and December 31, 2020 to employees in service at those dates, net of advances paid and transfers to category funds.

The following table provides information regarding the changes that occurred.

Movements	Employee severance indemnities
Initial balance at 31/12/2019	1.088.575
Increases from acquisitions	47.430
Provisions for the period	328.758
Uses for the period	-127.096
Initial balance at 31/12/2020	**1.337.666**

Liabilities

The following table provides information on payables recorded under current liabilities, as well as information on their maturity at December 31, 2019 and December 31, 2020.

It should be noted that all the Group's payables are not secured by collateral.

Classification	31/12/2020	31/12/2019	Change
Payables to banks	5.660.331	6.050.370	**-390.039**
Payables to suppliers	5.442.787	4.595.046	**847.741**
Tax payables	565.762	551.634	**14.128**
Payables to pension and social security institutions	527.026	441.280	**85.746**
Other payables	1.093.615	1.022.884	**70.731**
Final balance	**13.289.521**	**12.661.214**	**628.307**

Classification	31/12/2020	Within 12 months	Over 12 mesi	Over 5 years	Real warranties
Payables to banks	5.660.331	2.680.207	2.980.124	0	0
Payables to suppliers	5.442.787	5.442.787	0	0	0
Tax payables	565.762	565.762	0	0	0
Payables to pension and social security institutions	527.026	527.026	0	0	0
Other payables	1.093.615	1.093.615	0	0	0
Final balance	**13.289.521**	**10.309.397**	**2.980.124**	**0**	**0**

Details of medium- to long-term bank loans

Banca	Funding dispersed	Remaining debt within 12 months	Remaining debt over 12 months	Total remaining debt	Expiration date
Unicredit	1.000.000	200.000	552.594	**752.594**	31/03/25
Unicredit	500.000	165.537	251.361	**416.898**	30/06/23
Simest	473.344	0	0	**0**	18/06/22
Simest	313.003	312.007	156.473	**468.479**	18/06/22
Simest	629.450	0	0	**0**	18/06/22
Simest	148.929	0	0	**0**	18/06/22
Banca BPER	1.500.000	267.368	415.777	**683.145**	11/12/23
Mediocredito Centrale	425.865	26.457	399.408	**425.865**	30/06/29
BPM	1.000.000	222.222	335.623	**557.846**	31/12/23
San Felice 1893	2.000.000	221.286	741.752	**963.038**	30/06/25
MPS LS 46977128	150.000	29.686	69.475	**99.161**	12/09/24
MPSLS 48320467	150.000	34.395	57.660	**92.055**	26/12/23
Total	**8.290.591**	**1.478.958**	**2.980.124**	**4.459.081**	

It should be noted that the loans are all denominated in Euros and that the amounts shown above were taken based on the related amortization schedules, taking into account the effects of amortized cost valuation in order to reflect the Group's financial commitments.

It should also be noted that these bank loan agreements do not provide for compliance with financial covenants and/or obligations to act or to not act, including obligations not to provide secured or unsecured guarantees (so-called negative pledges), and cross-default clauses.

Finally, it should be noted that in order to support business activities impacted by the outbreak of COVID-19, Doxee S.p.A., pursuant to art. 56 of Law Decree no. 18 of March 17, 2020, the so-called "Cura Italia" decree, and subsequent amendments (art. 65 of Law Decree no. 104 of August 14, 2020, the so-called "August Decree," extended from September 30, 2020 to January 31, 2021, the moratorium introduced by art. 56 of Law Decree no. 18 of March 17, 2020 and law no. 178 of December 30, 2020, the so-called "Budget Law 2021," the renewal mechanism which is automatic without any further documentation to be sent to the credit institutions) has made use of - in relation to the debt exposures to banks and financial companies for mortgages and leases - the suspension of the installments due until June 30, 2021; the related repayment plans of the installments or fees subject to suspension have therefore been deferred, together with the accessory elements and without any formality, according to methods that ensure the absence of new or greater charges for both parties.

Payables to suppliers

Payables to suppliers are primarily of a commercial nature.

Tax payables

These are primarily composed of amounts due for withholding tax on employees, the payment of VAT, and payables due for current taxes for the period.

Payables to social security institutions

This item primarily regards payables relating to employee contributions and insurance against accidents in the workplace.

Other payables

These primarily regard amounts due to employees for wages and salaries, including deferred pay (additional months' pay, vacations, and vacation days accrued but not taken).

Accrued liabilities and deferred income

Accrued liabilities and deferred income as of December 31, 2020 amounted to Euro 165,082 and mainly consist of the deferred income item pertaining to Little Sea S.r.l.

Financial risk hedging instruments

During the 2018 financial year, the Parent Company signed an interest rate swap derivative contract with a notional original value of Euro 1,000,000 to hedge the risk of interest rate fluctuations on a loan payable contracted with Unicredit.

The Group has carried out the prescribed effectiveness tests in order to verify compliance with the hedging relationship between the hedged item and the derivatives stipulated. Pursuant to this principle, in fact, hedging derivatives are hedging derivatives only if it is expected that the related cash flows will include changes in the cash flows of the hedged item. For these operations it is therefore necessary to assess the effectiveness of the hedge, which represents the level at which the use of the financial instrument leads to the compensation of changes in cash flows attributable to a hedged risk. The hedging relationship is considered effective if the ratio between the changes in the expected cash flows of the underlying instrument and the opposing changes in the derivative instrument is between 80% and 125%. The effectiveness tests carried out for the purposes of the financial statements showed that the above range provided for by OIC 3 had been complied with, thereby certifying the effectiveness of the hedge.

In compliance with the provisions of art. 2427-bis of the Italian Civil Code and national accounting standards (OIC 3), it is acknowledged that the fair value of this derivative instrument as at 31 December 2020 was negative for Euro 8,674.

Date of stipulation	11/09/2018
Expiration date	30/09/2023
Type	IRS – Interest Rate Swap
Purpose	Coverage
Notional value at year end closed at 31/12/2020	Euro 650.000
Underlying financial risk	Interest rate risk

Fair value (MTM)	-8.674
Covered liability	Unicredit financing

COMMENTS ON THE MAIN INCOME STATEMENT ITEMS

Details of the main items in the Income Statement for the years ended December 31, 2020 and December 31, 2019 are provided below, with an explanation of the main changes that have occurred.

Value of production

The following table provides information on the changes in the related items.

Value of production	31/12/2020	31/12/2019	Change
Revenues from sales and services	17.706.157	15.490.830	2.215.327
Change in inventories of work in progress, semi-finished and finished products	0	0	0
Change of work in progress on order	0	0	0
Increases in fixed assets for internal work	3.564.104	3.833.511	-269.407
Other revenues and income	1.488.957	1.552.758	-63.801
Total	**22.759.218**	**20.877.099**	**1.882.119**

<u>Revenues from sales and services</u>

Breakdown of revenues from sales and services by activity category

The following table presents a breakdown of revenues from sales and services by category of activity for the years ended December 31, 2020 and 2019.

Category of activity	31/12/2020	31/12/2019	Change
Outsourcing services	13.415.520	11.234.339	2.181.181
Licensing and fees	615.715	752.089	-136.374
Professional services	3.304.850	3.229.702	75.148
Custom requests	370.072	274.700	95.372
Total	**17.706.157**	**15.490.830**	**2.215.327**

Breakdown of revenues from sales and services by geographic area

The following table presents a breakdown of revenues from sales and services by geographic region for the years ended December 31, 2020 and 2019.

Geographic area	31/12/2020	31/12/2019	Change

Italy	16.364.155	13.818.564	**2.545.591**
Foreign	1.342.002	1.672.266	**-330.264**
Total	**17.706.157**	**15.490.830**	**2.215.327**

Increases in fixed assets for internal work
This item includes the valorization of internal costs incurred and capitalized among intangible fixed assets in relation to costs and expenses incurred by the Parent Company for activities related to development projects. These costs refer to the cost of the staff involved in the projects and the materials used.

Other revenues
The amount for the item operating grants mainly refers to the registration of the tax credit for research and development.

Production costs

The following table shows the changes in the related items.

Production costs	31/12/2020	31/12/2019	Change
Raw, ancillary and consumable materials and goods for resale	553.222	297.913	**255.309**
For services	8.808.339	8.745.972	**62.367**
For the use of third party assets	440.202	436.148	**4.054**
For personnel	6.997.283	6.018.314	**978.969**
Amortization and write downs	2.665.986	2.345.192	**320.794**
Change in raw, ancillary, and consumable materials and goods for resale	0	0	**0**
Provisions for risks	0	0	**0**
Other provisions	0	400.000	**-400.000**
Other management charges	346.398	363.759	**-17.360**
Total	**19.811.430**	**18.607.298**	**1.204.133**

Costs for raw materials and consumables
These costs are substantially unrelated to the value of production, which increased significantly during the year compared to December 31, 2019 due to the progressive and proportional increase in business.

Costs for services
Costs for services mainly refer to costs for printing and delivery of documents to third parties, rather than costs for external consultancy and/or costs for third-party employees and/or consultants employed directly on projects at customer sites.

A detailed summary is provided below:

Costs for services	31/12/2020	31/12/2019	Change

Printing and delivery costs	2.470.488	2.099.859	**370.629**
R&D technical consulting	1.765.243	1.485.498	**279.745**
Technical consulting	1.591.734	1.418.515	**173.219**
Administrative and general costs	691.834	1.986.166	**-1.294.332**
Infrastructure costs	976.163	937.786	**38.379**
Marketing costs	616.931	383.111	**223.820**
Various costs	695.944	435.037	**260.907**
Total	**8.808.339**	**8.745.972**	**62.367**

Costs for the use of third party assets

This item relates to rental costs, automobile rentals, and leasing of hardware equipment, and it is substantially in line with the previous year.

Personnel costs

This item includes the entire cost of wages, salaries, and social security contributions incurred for employees, including bonuses, merit improvements, transfers to another category, contingency payments, charges borne by the company for supplementary funds, the cost of unused vacation time, and provisions required by law and collective agreements.

The average headcount rose by 26 compared with the previous year, as shown in the table below.

Category	31/12/2020	31/12/2019	Change
Executives	7	6	**1**
Managers	16	13	**3**
Employees	93	83	**10**
Workers	12	0	**12**
Total	**128**	**102**	**26**

The increase in staff compared to 2020 is essentially due to the staff brought in through the acquisition of the equity investment in the company Little Sea S.r.l. and related to the increase in turnover and the need to find resources with adequate technological skills, and to strengthen the commercial structure.

Depreciation, amortization, and write downs

This item, for the years ended December 31, 2020 and 2019, includes:

Amortization of intangible assets	31/12/2020	31/12/2019	Change
Start-up and expansion costs	237.943	73.534	**164.409**
Development costs	1.995.571	1.688.808	**306.764**

Industrial patent rights and intel- lectual property rights	143.983	190.631	-46.648
Concessions, licenses, trademarks, and similar	80.253	697	79.556
Other	30.477	205.731	-175.254
Total	**2.488.227**	**2.159.401**	**328.827**

The increase compared to December 31, 2019 is largely related to significant new investments in development costs and IPO-related costs capitalized in the second half of 2019 and fully reflected in the income statement in fiscal 2020.

Depreciation of tangible fixed assets	31/12/2020	31/12/2019	Change
Land and buildings	0	0	0
Plants and machinery	0	0	0
Industrial and commercial equipment	0	0	0
Other goods	134.815	147.791	-12.977
Total	**134.815**	**147.791**	**-12.977**

Write-downs of receivables included in current assets and liquid assets	31/12/20	31/12/19	Change
Write-downs of trade receivables	42.944	38.000	4.944
			0
Total	**42.944**	**38.000**	**4.944**

Net financial income (expenses)

Financial expenses primarily relate to interest expenses on bank loans taken out by the Parent Company.

Financial income	31/12/2020	31/122019	Change
Current account interest income	51	0	51
Interest from various activities	0	1.187	-1.187
Proventi da attualizzazione costo amm.to	1.166	1.144	22
Total	**1.217**	**2.331**	**-1.114**

Financial charges	31/12/2020	31/12/2019	Change
Current account interest expense	44.218	42.090	2.128
Interest on bank loans	7.333	89.310	-81.977
Commissions and bank guarantees	24.200	24.161	39
Interest expense from derivatives	4.499	7.396	-2.897
Interest expenses from derivatives	2.106	1.295	811
Interest due to suppliers	60.129	58.862	1.267

Customer discounts	0	0	0
Recognition of amortization cost on bank loans	60.823	2.644	58.179
Contingent financial liabilities	39.346	0	39.346
Total	**242.653**	**225.758**	**16.895**

Income taxes for the year

Current taxes have been calculated based on the rates applicable to the companies included in the scope of consolidation, and refer to the provision for the year calculated using the rates in force in the respective countries.

Deferred tax assets have been recorded insofar as there is a reasonable certainty of the existence, in the financial years in which the deductible temporary differences, against which the deferred tax assets have been recorded, will be reversed, of taxable income not less than the amount of the differences that will be cancelled.

Deferred taxes have been calculated according to the criterion of global allocation, taking into account the cumulative amount of all the temporary differences, based on the effective rate for the last financial year.

Deferred and prepaid taxes

This item includes the impact of deferred taxation on the items of these financial statements.

This is due to the temporary differences arising within the Parent Company between the values attributed to assets and liabilities in accordance with statutory criteria and the corresponding values attributed to such items for tax purposes.

The Parent Company has determined deferred taxation with reference to IRES and IRAP by applying the current rates of 24% and 3.9%, respectively.

The following tables provide a breakdown of the temporary differences that have led to the recognition of deferred tax assets and liabilities, specifying the rate applied and the changes with respect to the previous year, and the amounts credited or debited to the Income Statement or to shareholders' equity.

Reconciliation between theoretical and actual taxes

The Parent Company's theoretical tax rate for the years ended December 31, 2020 and 2019 is 27.9%, which is determined by applying the current tax rates for IRES and IRAP, while for the other foreign Group companies, it varies from country to country depending on the legislation in force.

The following table shows a reconciliation between the theoretical taxes, calculated using the Parent Company's theoretical tax rate, and those actually recorded in the financial statements.

Reconciliation statement for the year ended December 31, 2020

Income before taxes: Euro 2,314,879.

Description	IRES	IRAP	Total	% on pre-tax result

Current taxes	508.882	83.740	**592.622**	
Deferred and prepaid taxes	98.145	835	**98.980**	
Total taxes	**607.027**	**84.575**	**691.602**	**29,9%**
Theoretical taxes	555.571	90.280	**645.851**	

COMMENTARY ON THE MAIN CASH FLOW STATEMENTS

The Company prepared the cash flow statement, which represents a summary document that reconciles the changes during the year in the Company's equity with the changes in the financial position.

Regarding the method used, it should be noted that, in accordance with the provisions of OIC 10, the Company has adopted the indirect method, on the basis of which the cash flow is reconstructed by adjusting the result for the period for non-monetary components.

Information is provided below regarding the amounts and generation of the main flows:

Cash flow statement	31/12/2020	31/12/2019	Change
Cash flow from operating activities	3.819.163	3.917.784	-98.621
Cash flow from investing activities	-3.951.499	-3.000.729	-950.770
Cash flow from financing activities	-405.503	2.289.888	-2.695.391
Exchange rate effect	-5.908	1.109	-7.017
Total	**-543.747**	**3.208.052**	**-3.751.799**

Cash flow from operating activities decreased slightly compared with the previous year, but was substantially in line with and primarily influenced by the increase in EBITDA.

The negative cash flow from investing activities, amounting to Euro 3,951,499, was primarily generated by investments in development costs for new projects.

The cash flow from financing activities, amounting to Euro -405,503, decreased compared to the previous year as 2019 was affected by the stock market listing transactions i.e. the capital increase and the sale of treasury shares.

Other information

Net financial position of the Group as of December 31, 2020 and December 31, 2019:

	Description	31/12/2020	31/12/2019	Change
A	Cash	-2.549	-1.128	-1.421
B	Cash and cash equivalents	-3.211.401	-3.750.660	539.259
C	Securities held for trading	0	0	0
D	**Liquidity (A+B+C)**	**-3.213.950**	**-3.751.788**	**537.838**

E	Current financial receivables	**0**	**0**	**0**
F	Current bank debts	1.201.249	2.193.026	**-991.777**
G	Current portion of medium/long-term financial payables	1.478.958	1.214.894	**264.064**
H	Other current financial payables	0	0	**0**
I	**Current financial debt (F+G+H)**	**2.680.207**	**3.407.920**	**-727.713**
J	**Net current financial debt (I+E+D)**	**-533.743**	**-343.868**	**-189.875**
K	Medium/long-term financial payables	2.980.124	2.642.450	**337.674**
L	Bonds issued	0	0	**0**
M	Other non-current financial payables	8.674	12.455	**-3.781**
N	**Non-current financial debt (K+L+M)**	**2.988.798**	**2.654.905**	**333.893**
O	**Net Financial Debt of the Group (J+N)**	**2.455.055**	**2.311.037**	**144.018**

Guarantees, commitments, and contingent liabilities

It should be pointed out that there are no guarantees, commitments, or contingent liabilities.

Agreements not shown in the Balance Sheet

There are no agreements not recorded in the Balance Sheet that could have a significant effect on the Group's financial position or results of operations, pursuant to article 2427, paragraph 22-ter, of the Italian Civil Code.

Information pursuant to art. 1, paragraph 125, of Law no. 124 of August 4, 2017

In relation to the provisions of art. 1, paragraph 125-bis, of Law 124/2017, regarding the obligation to provide evidence in the notes to the financial statements of any sums of money received during the financial year by way of grants, contributions, paid assignments, and economic benefits of any kind from the public administrations and the entities referred to in paragraph 125-bis of the same article, the Parent Company certifies having received during 2020:

Type	Amount	Entity	Legal reference
Contribution on PC4HC project	Euro 20.350	Emilia Romagna Region	DGR 773/2015 POR-FESR 2014-2020 Asse 1Ricerca e Innovazione
Contribution on C2X toolkit project	Euro 307.727	European Union	Programma Horizon 2020

For further details, refer to the National Register of State aid pursuant to art. 52 of Law 234/2012.

Management and coordination activities

The Group is not subject to management and coordination activities by other companies.

Subsequent events

The Group, in accordance with the indications of the Ministry of Health and the Regions involved, has continued to adopt preventive measures and operational instructions to contain the spread of the virus, in defense of customers, workers, and potential visitors. The situation is constantly monitored by the Group's Management in order to take, in real time, all necessary decisions to protect the health of people involved in any way.

Based on the actions put in place to deal with the current situation, the information available at the time of drafting this document regarding the continuation of the emergency measures put in place by the various governments, it is believed that the effects deriving from the COVID-19 emergency on the results for 2021 will not preclude the achievement of positive Group results.

It is also announced that in relation to the share buyback program launched on November 3, 2020 in execution of the resolution of the Ordinary Shareholders' Meeting of April 29, 2020, the Parent Company acquired treasury shares in the following time intervals:

- in the period between January 4 and January 7, 2021 (inclusive), a total of 4,000 treasury shares, equal to 0.056% of the share capital, at the weighted average unit price of Euro 3.53 per share, for a total countervalue of Euro 14,105.00. As a result of these transactions, as of January 7, 2021, DOXEE holds a total of 15,000 treasury shares, equal to 0.208% of the share capital;
- in the period between January 8 and 15, 2021 (inclusive), a total of 6,000 treasury shares, equal to 0.083% of the share capital, at the weighted average unit price of Euro 3.51 per share, for a total value of Euro 21,045.00. Following these transactions, DOXEE holds a total of 21,000 treasury shares, equal to 0.292% of the share capital, as of January 19, 2021;
- in the period between January 20 and 29, 2021 (inclusive), a total of 6,500 treasury shares, equal to 0.09% of the share capital, at the weighted average unit price of Euro 3.77 per share, for a total value of Euro 24,475.00. As a result of these transactions, DOXEE holds a total of 27,500 treasury shares, equal to 0.38% of the share capital, as of January 29, 2021;
- in the period between February 1 and 10, 2021 (inclusive), a total of 6,000 treasury shares, equal to 0.083% of the share capital, at the weighted average unit price of Euro 3.84 per share, for a total value of Euro 23,045.00. Following these transactions, DOXEE holds a total of 33,500 treasury shares, equal to 0.46% of the share capital, as of February 10, 2021;
- in the period between February 11 and 22, 2021 (inclusive), a total of 5,500 treasury shares, equal to 0.076% of the share capital, at an average price of Euro 3.84 per share, for a total value of Euro 21,145.00. Following these transactions, DOXEE holds a total of 39,000 treasury shares, equal to 0.54% of the share capital, as of February 22, 2021. Doxee also announces that on February 22, 2021 it identified Integrae SIM S.p.A. as the intermediary appointed to carry out the purchase transactions, starting from February 24, 2021 until the expiration of the buy-back program. The intermediary will coordinate and carry out the purchases in full independence and in compliance with contractually predefined parameters and criteria as well as with the constraints of the applicable regulations and the shareholders' resolution of April 29, 2020, to which reference should be made for further details. The purchases will be carried out in compliance with the applicable provisions so as to ensure compliance with the equal treatment of shareholders pursuant to art. 132 of the Consolidated Law on Finance, as well as according to the operating procedures set out in the organizational and management regulations of Borsa Italiana S.p.A.;
- on February 23, 2021, a total of 2,000 treasury shares, equal to 0.028% of the share capital, at an average price of Euro 3.90 per share, for a total value of Euro 7,795.00. As a result of these transactions, DOXEE holds a total of 41,000 treasury shares, equal to 0.57% of the share capital, as of February 23, 2021. These purchases were not made through Integrae SIM S.p.A. as appointed intermediary;
- in the period between February 24, 2021 and March 4, 2021, a total of 3,000 treasury shares, equal to 0.042% of the share capital, at an average price of Euro 3.96 per share, for a total value of Euro 11,890.00. As a result of these transactions, DOXEE holds a total of 44,000 treasury shares, equal to 0.61% of the share capital, as of March 4, 2021. These purchases took place through Integrae SIM S.p.A. as appointed intermediary on February 22, 2021;

- in the period between March 11 and March 18, 2021, a total of 5,500 treasury shares, equal to 0.076% of the share capital, at an average price of Euro 4.34 per share, for a total value of Euro 23,850.00. As a result of these transactions, DOXEE holds a total of 49,500 treasury shares, equal to 0.69% of the share capital, as of March 18, 2021. These purchases took place through Integrae SIM S.p.A. as appointed intermediary on February 22, 2021;
- On March 23, 2021, a total of 1,000 treasury shares, equal to 0.014% of the share capital at an average price of Euro 4.59 per share, for a total value of Euro 4,590.00. As a result of these transactions, DOXEE holds a total of 50,500 treasury shares, equal to 0.70% of the share capital, as of April 1, 2021. These purchases took place through Integrae SIM S.p.A. as appointed intermediary on February 22, 2021.

The purchase of treasury shares was carried out in compliance with the applicable provisions of law and regulations and in accordance with the terms and conditions contained in the authorization to purchase and dispose of treasury shares granted by the Ordinary Shareholders' Meeting.

On January 28, 2021, Doxee S.p.A. accessed a new loan from the bank Crèdit Agricole with a nominal value of Euro 1,000,000 and a duration of 48 months. The transaction was carried out in compliance with the law and at normal market conditions.

On February 9, 2021, Doxee S.p.A. obtained a new loan from the bank MPS with a face value of Euro 2,000,000 and a duration of 60 months. The transaction was carried out in compliance with the law and under normal market conditions.

In January 2021, the Company completed the transfer of the residual equity investment subject to a call option equal to 6.27% aimed at completing the acquisition of the shareholding in Little Sea S.r.l. equal to 91.07%. No option is to be exercised for the remaining 8.93%.

The Parent Company decided to revise its Information Systems set-up to bring it into line with the new IT requirements of the market, and therefore, as of January 1, 2021, it was equipped with a new integrated ERP platform, which is better able to respond to the evolving needs of the company's management performance and accompanying management in the growth processes both in terms of volumes and business areas, with the possibility of integrating the new ERP with other IT platforms currently in use.

The decision to adopt a new ERP is perfectly in line with the path of true digital transformation in every field and process of the company: from ERP to the collaboration between users through the involvement of suppliers and / or customers (web portals available to expose information and services to outside the organization) and collaborators outside the organization. Moreover, each user has the possibility to personalize his own experience of use and adapt it to his own working requirements.

It should be noted that, for the first time, the Group has prepared a Sustainability Report that takes into consideration not only the economic impact, but also the social and environmental impacts (both positive and negative) of the company's daily activities and, at the same time, the expectations of its stakeholders.

During 2020, the Parent Company began a process of organizational review, which was finalized in early 2021, aimed at increasing effectiveness and efficiency in the execution of internal processes and improving business results.

The current organization has four staff functions and three line functions reporting to the CEO and Chairman.

Regarding online functions:

- The Operations area, historically dedicated to the issues of service delivery and

support/service desk (still within the Service Operations area), has been strengthened by including design development of Doxee solutions, both for the historical dX and pX business lines (managed by the Delivery area) and for the more recently introduced iX business line (Delivery iX area). It also includes the Service Management function, which includes roles dedicated to monitoring the service provided to customers; in this way, all the activities that the customer has visibility of downstream of the sales process are included in the same department.
- A new Technology & Research area has been created, where the following areas were added to the Product Development area: software quality (Platform Quality Assurance), Platform Engineering for managing infrastructure and Data Center Engineering for managing capacity and governing technology providers.
- The Sales area has been reorganized by introducing specialized areas for managing the sales process for existing customers (Customer Base), for new customers to be acquired (Business Development), for partners (Partnerships), and for local government (Local Government). In this way, all the processes dedicated to managing and maintenance of the product and software infrastructure necessary for its operation are contained within the same department.

The staff functions are:

- Administration Finance & Control, a function that has historically been in the Doxee organization, has been enriched by specializing in the two areas of Administration & Finance, specifically dedicated to managing administrative issues, and Controlling, for precise management control.
- Information Security & Data Protection, an existing function in the organizational chart, includes the areas of Information Security and Data Protection, and ensures the monitoring of information security and data protection, elements that are essential for ensuring customers the quality of Doxee services and compliance with regulations on these issues.
- Marketing & Product Management, in addition to the classic marketing issues (managed by the areas of Digital Marketing, Social Media, Market Analysis & CRM, Internal Communications & Events, Marketing Automation & Content), it manages external communications and those for investors (Communications & Investor Relations area) and governs the strategic setting of the roadmap for evolving the Doxee Platform (Product Management area) in order to ensure constant alignment with the market, as well as with the strategic guidelines defined by analysts and market studies.

- Corporate Services is a recently introduced function that encompasses three core areas:
- Human Resources, an area dedicated to all issues around human resources management. The unit, previously part of the"Administration" office, has been given a new identity, strengthening it also from a staffing point of view, with the goal of supporting the company in facing the important challenges of internal development and business development;
- Compliance, an area historically dedicated to the definition and maintenance of internal processes, management systems, and company certifications (ISO 9001, ISO 27001, ISO 14001, AgID, etc.), which was also strengthened by introducing resources to deal with the increased need to comply with national and international standards and regulations;
- Funded Innovation, a newly introduced area, created with the mission of dealing with funded research projects deriving from regional, national, and European calls for proposals and relations with Universities and Research Centers.

It should be noted that in March 2021, Doxee obtained the ISO 14001 Environmental Management System certification for organizations of all sizes, based on the "Plan-Do-Check-Act" methodology, which provides a systematic framework for integrating practices to protect the environment, preventing pollution, and reducing the amount of waste, energy consumption, and materials. At the same time, the Environmental Policy policy has been approved internally and shared with the company's suppliers who have an impact on these issues.

Information on assets and loans earmarked for a specific business activity

No Group company has set up any assets to be used exclusively for a specific purpose pursuant to article 2447-bis, paragraph a) of the Italian Civil Code, nor has it entered into any loan agreements that fall within the scope of article 2447-bis, paragraph b) of the Italian Civil Code.

Transactions with related parties

Transactions with related parties are mainly of a commercial and financial nature, and relate to transactions carried out under normal market conditions.

The related amounts are shown below.

Receivables

Counterpart	31/12/2020	31/12/2019	Change
P&S S.r.l.	0	30.500	-30.500
Total	0	30.500	-30.500

Debits

Counterpart	31/12/2020	31/12/2019	Change
P&S S.r.l.	0	0	0
Total	0	0	0

Income statement, positive components

Counterpart	31/12/2020	31/12/2019	Change
P&S S.r.l.	0	1.187	-1.187
Total	0	1.187	-1.187

Income statement, negative components

Counterpart	31/122020	31/12/2019	Change
P&S S.r.l.	0	0	0
Total	0	0	0

FINAL CONSIDERATIONS

These Notes are an inseparable part of the Consolidated Financial Statements, and the accounting information contained therein corresponds to the accounting records of the companies kept in compliance with the regulations in force; furthermore, no events have occurred since the closing date of the financial year that would make the current balance sheet and financial position substantially different from those shown in the Balance Sheet and Income Statement, or that would require further adjustments or additional notes to the financial statements.

Modena (MO), March 25,2021

The Chairman of the Board of Directors of the Parent Company Doxee S.p.A.
Paolo Cavicchioli

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