Financial report at June 30 2022

DOXEE GROUP

Index

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
Independent Director :	Dott.ssa Paola Leoni

Board of Statutory Auditors

Chairman of the Board of Statutory Auditors:	Dott. Gianluca Riccardi
Standing Auditor:	Dott. Marcello Braglia
Statutory Auditor:	Dott. Vincenzo Tardini

Report on operations to the consolidated interim financial statements at 30 June 2022

prepared pursuant to Article 40 of Italian Leg. Decree 127/91

Dear Shareholders,

This report was prepared in accordance with the requirements under Article 40 of Italian Leg. Decree No. 127/1991, supplementing the Doxee Group's consolidated interim financial statements at 30 June 2022, to provide all additional information relevant to a better and clearer understanding of the performance of the Doxee Group's consolidated companies that is not readily available from the consolidated financial statements and the relevant notes.

DOXEE GROUP HIGHLIGHTS AT 30 JUNE 2022

Below are the company's highlights for the first half of 2022:

- **Value of Production:** Euro 14.69 m, +27% (30/06/2021: Euro 11.57 m);
- **EBITDA:** Euro 1.60 m, (30/06/2021: Euro 1.54 m), EBITDA MARGIN: 10.9%;
- **EBIT:** Euro -0.15 m, (30/06/2021: Euro 0.25 m);
- **Group Profit for the Period:** Euro 0.14 m, (30/06/2021: Euro 0.26 m);
- **Net Financial Debt:** Euro 1.91 m (31/12/2021: Euro 1.60 m).

The Product Lines that contributed the most to the increase in revenues were **document experience**, generating Euro 7.2 million in revenues, up **+20.4%** from Euro 6.0 million in the first half of 2021, and **interactive experience**, up **+36.9%** to Euro 1.8 million compared to Euro 1.3 million in the first half of 2021; meanwhile, **paperless experience** reported Euro 2.0 million in revenues, up **+11.2%** from Euro 1.80 million in the first half of 2021.

The percentage of Recurring Revenues held steady at approximately 70% of Total Revenues thanks to the growth in the SaaS business.
The **Value of Production** amounted to Euro 14.69 million (Euro 11.57 million at 30/06/2021), up by **27%**.

EBITDA came in at Euro 1.60 million, up **4%** (Euro 1.54 million at 30/06/2021). **EBITDA Margin** was **10.9%** (13.3% at 30/06/2021).

EBIT totalled Euro -0.15 million (Euro 0.25 million at 30/06/2021), net of depreciation, amortisation, write-downs, and provisions amounting to Euro 1.74 million (Euro 1.29 million at 30/6/2021) that largely resulted from investments in technological development.

Group's Profit for the period amounted to Euro 0.14 million (Euro 0.26 million at 30/06/2021).

The **Net Financial Debt** stood at Euro 1.91 million (Euro 1.60 million at 31 December 2021).

Equity amounted to Euro 10.04 million (Euro 10.40 million at 31 December 2021).

DOXEE GROUP STRUCTURE

Doxee S.p.A. is an Italian company listed on Borsa Italiana's Euronext Growth Milan, operating in the High-Tech industry and specifically in the following markets: Customer Communications Management, Paperless, and Digital Customer Experience.

Group companies operated in their respective markets.

The main details of consolidated companies are as follows:

Doxee S.p.A. - Parent
Registered office: Modena, Italy
Reporting currency: Euro
Share capital: Euro 1,769,553.28 – fully paid-up
Equity at 30/06/2022: Euro 12,231,655
Loss for the period at 30/06/2022: Euro -140,059
Status: Parent

Doxee USA inc.
Registered office: Fort Lauderdale, United States of America
Reporting currency: US dollar
Share capital: US dollar 39,200.00 – fully paid-up
Equity at 30/06/2022: US dollar - 4,319,530
Profit for the period at 30/06/2022: US dollar 354.727
Direct ownership share: 51.02%
Indirect ownership share: 0%

Doxee Slovak s.r.o.
Registered office: Bratislava, Slovak Republic
Reporting currency: Euro
Share capital: Euro 10,000.00 – fully paid-up
Equity at 30/06/2022: Euro 250,214
Loss for the period at 30/06/2022: Euro -8,248
Status: foreign subsidiary
Direct ownership share: 100%

Doxee Czech s.r.o.
Registered office: Prague, Czech Republic
Reporting currency: Czech koruna
Share capital: Czech koruna 250,000.00 – fully paid-up
Equity at 30/06/2022: Czech koruna 6,744,700
Loss for the period at 30/06/2022: Czech koruna -468,459
Status: foreign subsidiary
Direct ownership share: 100%

Babelee S.r.l.

Registered office: Milan, Italy
Reporting currency: Euro
Share capital: Euro 12,193.00 – fully paid-up
Equity at 30/06/2022: Euro 6,962
Loss for the period at 30/06/2022: Euro -19,768
Status: Italian subsidiary
Direct ownership share at 30 June 2022: 91.07%

The above percentages of ownership remained unchanged in the reporting period compared to the period ended 31 December 2021.

GROUP COMPANIES

Doxee S.p.A. (hereinafter referred to as "Doxee"), registered office in Modena (MO), viale Virgilio 48/B, share capital Euro 1,769,553.28 fully paid-up, reporting currency: Euro, is a high-tech company and a leader in the following markets: Customer Communications Management (CCM), Paperless, and Digital Customer Experience (DCX).

It provides firms—and specifically those in the Enterprise segment—with technological products delivered over the Cloud on a single proprietary platform *(Doxee Platform*®*)*.

Doxee's products, capable of making communication interactive and highly personalised, are a strong marketing tool for companies, as they help them grow their business. Doxee supports and manages approximately 6 billion communications a year for nearly 200 enterprises.

The company has radically innovated the CCM, Paperless, and DCX markets, creating three product lines available under three different service models (SaaS, PaaS, and Op) that allow 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 storage of documents;
- paperless experience (px): the product line that includes Electronic Invoicing, Standard Digital Storage, Electronic Ordering, and other products for customers looking to dematerialise their business processes;
- interactive experience (ix): the product line dedicated to DCX, it includes the production and distribution of interactive micro web sites (Doxee Pweb®) and personalised videos (Doxee Pvideo®).

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

- the SaaS model consists in delivering products in the form of the Cloud-based standard service;
- the PaaS model consists in delivering products by having customers use the Doxee Platform as the basis for providing and delivering SaaS services;
- the Op model consists in granting the rights to use Doxee's technology through licensing.

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

- for the SaaS model and the PaaS model: a fixed fee and a variable cost based on the use of the products offered;
- for the Op model: a proportionate cost based on the functions activated and the capabilities of the Doxee Platform.

Doxee has radically innovated the CCM market by offering dx products over the Cloud under SaaS and PaaS service models before other competitors.

Doxee's products represent efficient solutions for customers, including from a financial perspective: their use does not require any capital expenditure, but only paying fees and/or variable costs to Doxee that include the technological and regulatory updates made automatically and constantly by the company.

Doxee USA Inc., a company incorporated under U.S. law, with registered office in Fort Lauderdale, Florida (33301), 110 SE 6th Street, is 51% owned by the Parent Doxee S.p.A. The remaining 49% is owned by Simest S.p.A., party to an agreement with the company under which the two entities mutually recognise each other as holders of a put/call option over the 49% interest owned by Simest S.p.A. The option can be exercised as of 30 June 2021. Established in 2011, Doxee USA Inc. became fully operational in 2012. Doxee USA Inc.'s mission has been to serve as a vehicle for developing the Partner Based project on the PaaS (Platform as a Service) Model to support the Group's internationalisation strategy. The Partners are managed in partnership with Doxee S.p.A.'s Sales structure. Doxee USA Inc. provides support and development of professional services for international projects, especially with respect to Latam.

Doxee Czech S.r.o., a company incorporated under Czech law, with 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 Printsoft Repubblica Ceca's Czech business unit. It operates in the CCM market. The company serves the Enterprise market, especially in the Utilities and Finance industries. Most of its customers were migrated from Printsoft's product solutions to Doxee's dx (document experience) and ix (interactive experiences) products, with SaaS revenues accounting for the lion share of the total. Doxee Czech s.r.o. has its own margins, which allow covering overheads thanks to its 15 active customers.

Doxee Slovak S.r.o., a company incorporated under Slovak law, with registered office in Presernova 4, 811 02 Bratislava – Slovakia, 100%-owned by Doxee S.p.A., was established in 2010 through the acquisition of Printsoft SK's Slovak business unit. It operates in the CCM market. The company serves major customers—especially in the Finance industry, where it offers dX (document experience) products, mostly under the On Premise model. The company has its own margins, which allow covering overheads thanks to outstanding contracts.

Babelee S.r.l., a company incorporated under Italian law, with registered office in Milan, Via Palermo 8 postal code 20121 – Italy, 91.07%-owned by Doxee S.p.A., was acquired on 1 July 2020. The company specialises in the automatic production of personalised interactive videos and is an innovative SME that has developed a patented technology capable of turning data and images into dynamic, interactive, and personalised videos, integrating data with videos and images by using Cloud and AI technology. The Babelee platform was designed for Self-Service by enabling even amateurs to easily produce videos with dynamic content. This acquisition is strategically relevant: it allows Doxee to position itself as Europe's leading technological provider by sales in the personalised and automated video market. The technological integration of Babelee's functions with the Doxee Platform® allowed Doxee to enter sectors such as publishing and advertising as well as to offer personalised videos, including under a SaaS model—launching new offerings to support communication processes based on data-telling—in new markets, both in Italy and abroad.

THE COMPANY'S PERFORMANCE

(Article 40, paragraph 1, of Italian Leg. Decree no. 127/91)

The world economy

In the first and second quarter of 2022, economic activity in the major advanced economies reflected first of all the worsening of the COVID situation due to the Omicron variant of the coronavirus, and then the resurgence of supply bottlenecks, in particular connected with the war in Ukraine.

GDP has decreased in the United States, mainly due to the negative contribution of net exports and of the change in stocks, against growth in household consumption and in investment. The contribution of foreign trade was also negative in Japan, but the stagnation in consumption and the fall in capital accumulation also contributed to the slight fall in GDP. Economic activity has continued to grow in the United Kingdom, although at a slower rate than in the previous three quarters, reflecting the marked increase in investment and the acceleration in stocks, mitigated by the performance of foreign trade. Among the emerging economies, in China, the measures to combat the pandemic imposed in some of the main industrial centres in mid-March have led to a slowdown in activity. GDP in Russia has been greatly affected by the sanctions imposed by the international community.
Consumer confidence and the PMIs of the advanced economies declined overall in the second quarter, influenced by the continuation of marked geopolitical tensions and high inflation.

In the first quarter, global trade slowed markedly, reflecting the contraction in the foreign trade of the emerging countries: lockdowns have weighed on China's trade, while international sanctions have affected Russia's imports of goods—according to estimates based on data from its main trading partners, they almost halved between January and March 2022.

Inflation has continued to rise, reaching the highest levels of the last forty years in both the United States and the United Kingdom (9.1%).

Table 1

GDP growth and inflation
(percentage changes)

	GDP growth			Inflation (1)
	2021	2021 Q4 (2)	2022 Q1 (2)	2022 June
Advanced countries				
Japan	1.7	4.0	-0,5	2.5
United Kingdom	7.4	5.2	3,1	9.1
United States	5.7	6.9	-1.6	9.1
Euro area	5.4	1.0	2.5	(8.6)
Emerging countries				
Brazil	4.6	1.7	1.7	11.9
China	8.1	4.0	4.8	2.5
India	8.3	5.4	4.1	7.0
Russia	4.8	5.0	3.6	15.9

Source: National statistics.
(1) Monthly data; consumer price index, year-on-year change. For Japan and the United Kingdom, the figure is for May. The numbers in brackets indicate preliminary estimates. – (2) Quarterly data: for the advanced countries, quarterly percentage changes, annualized and seasonally adjusted; for the emerging countries, year-on-year percentage changes.

According to the projections released in June by the OECD, growth in world GDP will be 3.0% in 2022, with a downward revision of 1.5 percentage points compared with last December's scenario. This dynamic is likely to be affected by the repercussions of the war in Ukraine, the erosion of households' purchasing power owing to high inflation, as well as by the negative impact of the heightened uncertainty on private investment. The downward adjustment has been particularly pronounced for Russia, where it is estimated that GDP could contract by 10%. Difficulties in procuring commodities, bottlenecks in trade logistics and inflationary pressures are downward risks for all countries. A total interruption in Russian gas supplies would have serious repercussions for growth, above all in Europe, while the impact would be smaller for other regions, stemming from high inflation and the weakening of European demand.
The EU's ban on oil imports and products from Russia, included in the new sanctions package agreed at the beginning of June, has led to a rise in oil prices. This increase has been mitigated by the decision of the OPEC+ countries to raise their production levels for July and August 2022 and by the fears of a weakening of global demand, which took oil prices to below $115/b at the beginning of July. The new EU restrictions will come into force between December 2022 and February 2023 and, according to the forecasts, will hit about 90% of the current European imports from Russia. In addition, the EU has banned insurance for oil tankers that transport Russian crude oil in order to minimize the risk of the sanctions being evaded. The impact of these measures on the global oil market remains extremely uncertain and conditioned by Russia's capacity to redirect its energy exports towards other markets. Having fallen in the first half of June 2022 to the lowest levels since the invasion of Ukraine in February, the price of European natural gas traded on the Dutch Title Transfer Facility (TTF) rose suddenly upon the news of the reduction in gas flows from Russia to some European countries, including Germany and Italy, to around Euro 170 per megawatt hour in the first ten days of July.
The Federal Reserve raised the federal funds rate target range by 50

and 75 basis points respectively in its May and June meetings, setting it between 1.5% and 1.75%. Given the strong inflationary pressures, the Federal Open Market Committee (FOMC) has declared that, based on the macroeconomic conditions, it will probably decide to raise it further in the meeting at the end of July.

The FOMC has also made it clear that it would subsequently keep ample reserves of portfolio securities in order to manage monetary policy effectively in a context of high demand for liquidity on the part of banks. In June 2022, the Bank of England raised its reference rate for the fifth consecutive time, bringing it to 1.25%. The reduction of the balance sheet is continuing via the non-reinvestment of maturing securities. In contrast, the Bank of Japan has maintained the expansionary tone of its monetary policy.

Policy stances have been varied in the emerging economies. While Brazil and India continue to pursue restrictive policies in order to curb the mounting inflationary pressures, driven by the increases in food and energy prices, accommodative policies prevail in China and Russia to counter the slowdown in activity. In particular, in China, the central bank has lowered the reference rate on mortgages for the purchase of a primary residence and announced that it will step up support for the development banks for the transmission of fiscal stimulus. The Russian central bank has lowered its reference rate on four separate occasions since April 2022, bringing it to the level prior to the invasion of Ukraine and reversing the extraordinary rise, to 20%, that was made in February.

Macroeconomic projections
(percentage changes and points)

	2021	Forecasts (1)		Revisions (2)	
		2022	2023	2022	2023
GDP					
World	**5.8**	**3.0**	**2.8**	**-1.5**	**-0.4**
of which:					
Advanced countries					
Euro area	5.3	2.6	1.6	-1.7	-0.9
Japan	1.7	1.7	1.8	-1.7	0.7
United Kingdom	7.4	3.6	0.0	-1.1	-2.1
United States	5.7	2.5	1.2	-1.2	-1.2
Emerging countries					
Brazil	5.0	0.6	1.2	-0.8	-0.9
China	8.1	4.4	4.9	-0.7	-0.2
India (3)	8.7	6.9	6.2	-1.2	0.7
Russia	4.7	-10.0	-4.1	-12.7	-5.4
World trade	**11.2**	**3.4**	**–**	**-1.4**	**–**

Sources: OECD, *OECD Economic Outlook*, June 2022 for GDP; Bank of Italy calculations based on national accounts and customs data for world trade.
(1) Percentage changes. – (2) Percentage points. Revisions compared with OECD, *OECD Economic Outlook*, December 2021 and, for world trade, compared with the Bank of Italy's *Economic Bulletin*, 1, 2022. – (3) The data refer to the fiscal year starting in April.

Source: Bank of Italy 03/22 Bulletin

Euro Area

The economic outlook continues to feel the effects of tensions connected with the conflict in Ukraine. Growth likely continued in the second quarter of the year at a moderate pace, but domestic demand is held back by the further rises in energy commodity prices and by the new procurement difficulties for firms.

Consumer price inflation reached 8.6% in June. The European Central Bank's Governing Council has taken further steps in normalizing monetary policy, ending its net asset purchases and announcing its intention to proceed with an initial increase of key interest rates in July and a second increase in September. Given the risks to the functioning of the monetary policy transmission mechanism, it announced the recourse to flexibility in reinvestments and an acceleration in the work on a new instrument for countering market fragmentation. The European Commission proposed funding the plan to reduce energy dependence on Russia and step up the green transition (REPowerEU) by using funds from the Recovery and Resilience Facility that have not been requested so far by Member States.

GDP recorded a small increase in all the main economies except for France, where it declined slightly. The euro-area GDP grew moderately in the second quarter (+0.6%). In June, the €-coin indicator, which measures GDP growth net of the most erratic components, remained at levels consistent with the increase in GDP. The PMI for the manufacturing sector decreased in the second quarter, though it remained compatible with an expansion. Activity has suffered from the strong increase in energy and other commodity prices and from the difficulties in obtaining intermediate goods, as indicated by the indicator for delivery times, which confirms the continuing of widespread delays. Value added in services, which have benefited from the improvement in the public health situation, is estimated to have grown compared with the first quarter, in line with the performance of the related PMI.

Table 3

Euro-area GDP growth and inflation
(percentage changes)

	GDP growth			Inflation
	2021	2021 Q4 (1)	2022 Q1 (1)	2022 June (2)
France	6.8	0.4	-0.2	6.5
Germany	2.9	-0.3	0.2	8,2
Italy	6.6	0.7	0.1	(8,5)
Spain	5.1	2.2	0.2	10.0
Euro area	5.4	0.2	0.6	(8,6)

Sources: Based on national statistics and Eurostat data. The figures in brackets indicate preliminary estimates.
(1) Quarterly data adjusted for seasonal and calendar effects; percentage changes on the previous period. – (2) Monthly data, year-on-year percentage change in the harmonized index of consumer prices (HICP).

The Eurosystem staff projections released in early June 2022 indicate that GDP will grow by 2.8% in 2022, and by 2.1% in the two following years. Compared with last March's scenario, the estimates have been revised downwards for 2022 and 2023, but upwards for the year after, mainly because of the economic fallout of the war in Ukraine that will gradually be resolved; the downward revisions have also been affected by the growth in expectations for interest rates, caused by the tightening of monetary policies worldwide, especially in the United States.

Given the intensification of inflationary pressures and based on the new assessment of the outlook for the economy and for prices, in its June meeting, the ECB Governing Council set 1 July 2022 as the date for ending net purchases under the asset purchases programme (APP). The principal reimbursed on maturing securities will continue to be reinvested for a period of time following the date of the first rise in the key interest rates. It also announced that it intends to proceed with an initial increase of 25 basis points in the official interest rates in July and expects a further increase in September. The latter will be bigger than the one in July if the medium-term inflation forecasts remain the same as the current ones or deteriorate further. The Governing Council subsequently expects a gradual but long-lasting path of new interest rate increases, the pace of which will depend on the new macroeconomic data and on the expected performance of medium-term inflation.

Source: Bank of Italy 03/2022 Bulletin

The Italian economy

GDP grew slightly in the first quarter of 2022 (+0.1%), returning to pre-pandemic levels. The marked increase in investment, both in plant and machinery and in buildings, offset the negative contribution of household consumption and, despite the strong growth in exports, that of net foreign demand. The contribution of the change in stocks became nil. On the supply side, value added accelerated in construction while it turned downwards in industry excluding construction and, marginally, in services. Economic activity appears to have accelerated in the second quarter, despite the rise in energy costs and the persistent difficulties in sourcing intermediate inputs. In the second quarter of 2022, GDP increased by 1.1% on the previous quarter and by 4.7% on the second quarter of 2021. In particular, the service sector – for which the PMI in June remained above the levels recorded at the beginning of the year – likely benefited from the improvement in the public health situation, which made it possible to gradually lift the measures taken to counter the pandemic and enabled the strong recovery in the tourism, leisure and transport segments. The return to growth in value added in manufacturing and, to a smaller degree, the further increase recorded in construction also likely contributed to the GDP dynamics. Over the course of the second quarter, the Ita-coin indicator weakened progressively, in line with the signals coming from the manufacturing sector, but remained at barely positive levels on average. Activity in the service sector grew, also on account of the easing of the measures to counter the pandemic. Following the sharp rise recorded at the beginning of the year, firms believe that investment will continue to grow over the course of 2022.

Table 5

GDP and its main components (1)
(percentage change on previous period and percentage points)

	2021	2021			2022
		Q2	Q3	Q4	Q1
GDP	6.6	2.7	2.6	0.7	0.1
Imports of goods and services	14.2	3.1	2.7	4.4	4.3
National demand (2)	6.6	2.3	2.1	1.9	0.4
National consumption	4.0	3.6	2.1	0.1	-0.6
Household spending (3)	5.2	5.0	2.8	0.0	-0.8
General government spending	0.6	-0.3	-0.1	0.1	0.2
Gross fixed investment	17.0	2.8	2.5	3.1	3.9
Construction	22.3	3.8	3.4	4.2	5.5
Capital goods (4)	12.6	1.9	1.7	2.2	2.4
Change in stocks (5)	0.2	-1.1	-0.1	1.2	0.0
Exports of goods and services	13.3	4.4	4.4	0.2	3.5
Net exports (6)	0.2	0.5	0.6	-1.1	-0.3

Source: Istat.
(1) Chain-linked values; quarterly data adjusted for seasonal and calendar effects. – (2) Includes the change in stocks and valuables. – (3) Includes non-profit institutions serving households. – (4) Include, as well as investment in plants, machinery and arms (which also include transport equipment), cultivated biological resources and intellectual property. – (5) Includes valuables; contributions to GDP growth on previous period; percentage points. – (6) Difference between exports and imports; contributions to GDP growth on previous period; percentage points.

Since mid-2021, consumer price inflation has increased sharply in Italy, as in the rest of the euro area, driven by the rise in energy prices, which then gradually spread to food and services. Last June, inflation exceeded 8% and it is likely to remain high in the second half of 2022 too.
Despite the expected earnings of listed companies having slightly improved compared with the beginning of April, equity market conditions have worsened, primarily because of the increase in long-term interest rates. During the same period, the general index of the Italian stock market has fallen by about 13%, a reduction basically in line with that for the euro area (11%).
In the second quarter of 2022, the Government adopted new temporary measures to offset the effects of rising energy commodity prices on

firms' and households' budgets. Specifically, it introduced for this year a one-time bonus of Euro 200 for various categories of eligible residents, including minimum income scheme (*reddito di cittadinanza*) recipients. It also decided to extend some previous measures, including: (a) the reduction in excise duties on fuels (extended until 17 October 2022); (b) the elimination, for the third quarter, of the general system charges in the electricity bills of all users; (c) the reduction, again for the third quarter, in the VAT rate and in general system charges in the natural gas sector; (d) the granting of tax credits to offset the energy costs incurred by various types of businesses in the first half of the year. Finally, additional resources have been allocated to cover the rising costs of materials for public works. These measures will be partly paid for by raising the extraordinary tax on energy companies, introduced last March. Overall, according to official assessments, the measures will increase net borrowing by Euro 10.5 billion in 2022, in line with the budget variance authorized by Parliament in April 2022.

At the end of June 2022, the Government announced that it had achieved the 45 milestones and targets set by Italy's National Recovery and Resilience Plan (NRRP) for the first half of 2022. A request was submitted to the European Commission for the disbursement of the second instalment of NRRP funds (Euro 21 billion in grants and loans, net of repayment of a portion of the pre-financing received in 2021).

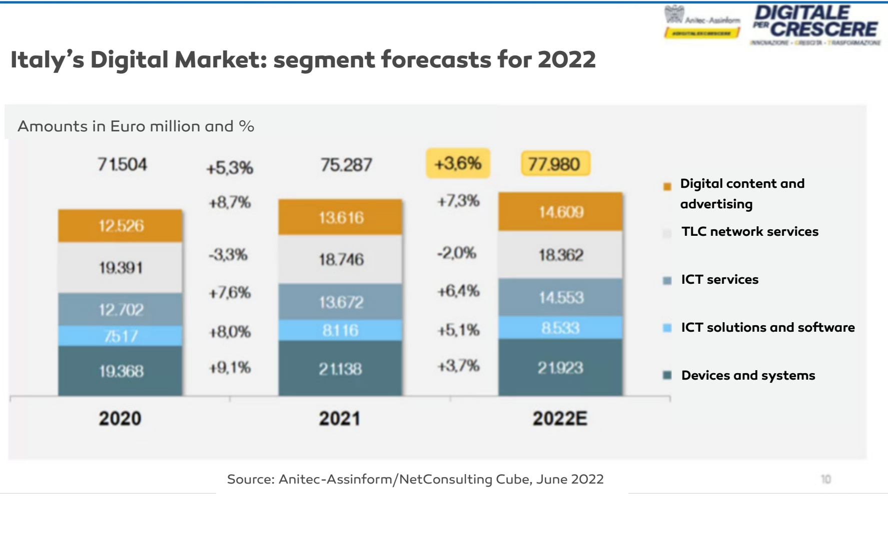
The projections for the Italian economy presented by the Bank of Italy in its most recent bulletin available at the date of preparation of this report indicate that the macroeconomic outlook is heavily influenced by the duration and intensity of the war in Ukraine and the effects on the Italian economy in the coming years remain highly uncertain. In the baseline scenario, it can be assumed that the conflict will drag on through 2022 and that its impact on commodity prices, on the degree of households' and firms' uncertainty, and on international trade will gradually lessen starting next year. The monetary and financial conditions underlying the baseline scenario assume that interest rates will rise, especially during the 2022-2023 period, in line with market expectations of a normalization of monetary policy to counter the recent inflationary pressures.

Source: Bank of Italy 03/2022 Bulletin

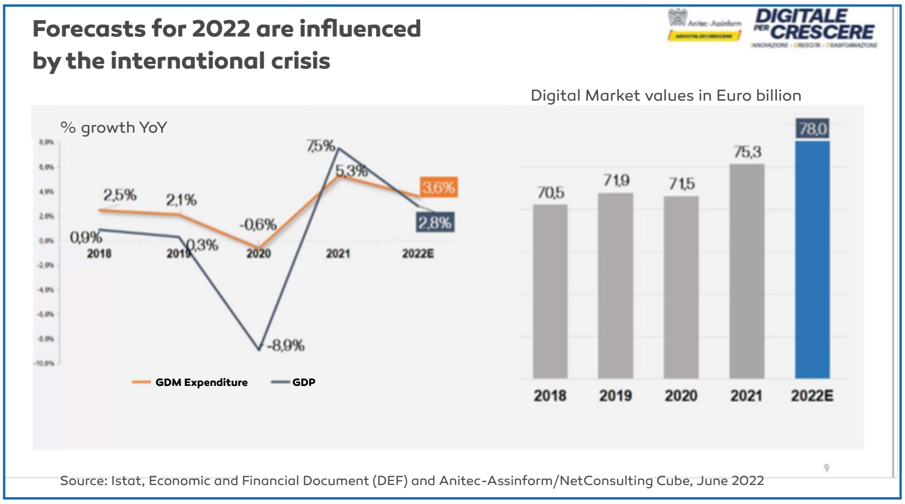
The I.T. and I.C.T. sector in Italy

2022 began with strong growth expectations for the Italian digital sector: these expectations were and are strongly supported by the market's strong drive towards digitisation, already accelerated by the pandemic. In addition to this, the strong drive towards the digitisation of the Public Administration following the NRRP significantly contributed to supporting and expanding market growth expectations.

Against this background, the first half of 2022 began with "inertial" growth compared to the previous year (around 5.3% or approximately Euro 75.3 billion); this is due to the fact that, at the end of 2021, companies and public administrations were often unable to complete planned or ongoing projects because of the unavailability of competent personnel. Moreover, not all NRRP resources were allocated, postponing the benefits to the first half of 2022 .

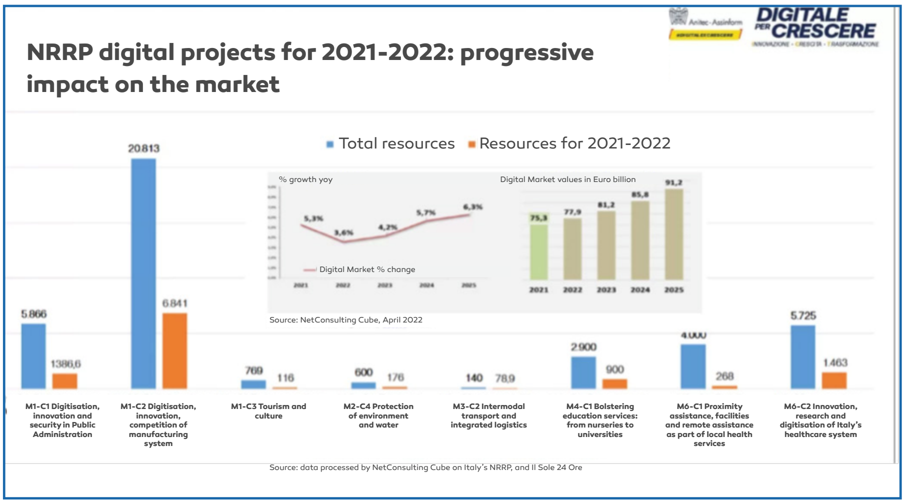


The growth trend that marked the first half of the year is expected to partially slow down and level off at around 3.6% in the second half of 2022. Forecasts are affected by economic factors, including the high inflation of the past few months, the shortage of raw materials—a problem that will only affect the digital segments related to hardware production and sale—and the recent conflict in Ukraine.



doxee

Given the uncertainty generated by the international crisis, the full implementation of the NRRP, which, according to analysts, will drive the sector up to a CAGR of 6.3% in the 2023-2025 period, plays an increasingly important role in supporting the sector's growth.



Source: NetConsulting Cube

Doxee Group's Performance

In the first six months of 2022, the Parent Doxee S.p.A. continued operating as a leading player in digitisation processes—especially in the reference sectors that saw a strong push in the above-mentioned scenario. This has led to a sharp increase in the use of digital channels instead of physical ones as part of mission-critical processes, such as billing and collection (reminders, digital payments). In addition, the company continued with the strategy of acquiring new customers, especially in the Utilities and Insurance markets, by expanding product offerings in both the Enterprise and SME markets. All this, combined with successful up-selling initiatives targeting the existing customer base, allowed raising the value of production by approximately 21% year-on-year.

With respect to the financial aspects, there were no issues concerning the collectability of trade receivables, whose amount decreased compared to the figures recognised at 31 December 2021 (Euro 8.5 million at 30 June 2022 compared to Euro 9.7 million at 31 December 2021).

In the first half of 2022 investment in research rose compared to previous years.

In addition, with respect to the share buy-back programme launched on 12 May 2021, pursuant to the resolution of the Annual Shareholders' Meeting of 27 April 2021, the Parent purchased treasury shares in the following time periods:

- from 10 through 15 February 2022 (both included), it purchased a total of 1,750 treasury shares, accounting for 0.022% of the share capital, at a weighted average unit price of Euro 12.53 per share, worth Euro 21,925.00 overall. Following these transactions, at 15 February 2022 Doxee held 82,750 treasury shares, accounting for 1.038% of the share capital;

- from 21 through 25 February 2022 (both included), it purchased a total of 2,000 treasury shares, accounting for 0.025% of the share capital, at a weighted average unit price of Euro 12.19 per share, worth Euro 24,375.00 overall. Following these transactions, at 25 February 2022 Doxee held 84,750 treasury shares, accounting for 1.063% of the share capital;

- from 28 February 2022 through 4 March 2022 (both included), it purchased a total of 1,250 treasury shares, accounting for 0.016% of the share capital, at a weighted average unit price of Euro 12.52 per share, worth Euro 15,650.00 overall. Following these transactions, at 04 March 2022 Doxee held 86,000 treasury shares, accounting for 1.078% of the share capital;

- from 7 through 10 March 2022 (both included), it purchased a total of 2,000 treasury shares, accounting for 0.025% of the share capital, at a weighted average unit price of Euro 11.31 per share, worth Euro 22,625.00 overall. Following these transactions, at 10 March 2022 Doxee held 88,000 treasury shares, accounting for 1.103% of the share capital;

- on 30 March 2022, it purchased a total of 250 treasury shares, accounting for 0.003% of the share capital, at a weighted average unit price of Euro 12.20 per share, worth Euro 3,050.00 overall. Following these transactions, at 30 March 2022 Doxee held 88,250 treasury shares, accounting for 1.107% of the share capital;

- from 4 through 8 April 2022 (both included), it purchased a total of 750 treasury shares, accounting for 0.009% of the share capital, at a weighted average unit price of Euro 12.05 per share, worth Euro 9,037.50 overall. Following these transactions, at 8 April 2022, Doxee held 89,000 treasury shares, accounting for 1.116% of the share capital;

- on 22 April 2022, it purchased a total of 250 treasury shares, accounting for 0.003% of the share capital, at a weighted average unit price of Euro 12.50 per share, worth Euro 3,125.00 overall. Following these transactions, at 22 April 2022 Doxee held 91,250 treasury shares, accounting for 1.144% of the share capital.

Treasury shares were purchased in accordance with applicable laws and regulations as well as the terms and conditions of the authorisation to buy and sell treasury shares granted by the Annual Shareholders' Meeting of 27 April 2021.

Furthermore, in their Meeting held on 28 April 2022, the Parent's Shareholders approved, with respect to the part of the programme not yet implemented, a new programme for the purchase and disposal of treasury shares in compliance with Articles 2357 and 2357-ter of the Italian Civil Code, and Article 132 of Italian Leg. Decree No. 58/1998 and Article 144-bis of Consob Regulation No. 11971/1999. The purchase authorisation will last 18 months from the date of the resolution, while no time limits have been set for the authorisation to dispose of any treasury shares purchased, in order to give the Board of Directors maximum flexibility, also with respect to the time frame, in disposing of the shares. The authorisation involves the possibility to purchase treasury shares, in one or more tranches, up to a maximum number which—taking into account the Doxee shares that may be held in the portfolio by the Company and by the companies controlled by it—does not exceed an overall 3% of the Company's pro-tempore fully subscribed and paid-up share capital, or a maximum overall value of Euro 2,000,000.00 or any different maximum amount provided for by the law in force.

In particular, with respect to the share buy-back programme launched on 16 May 2022, pursuant to the resolution of the Annual Parent Shareholders' Meeting of 28 April 2022, the Company purchased treasury shares in the following time periods:

- from 9 through 10 May 2022, it purchased a total of 1,000 treasury shares, accounting for 0.013% of the share capital, at an average price of Euro 12.64 per share, worth Euro 12,637.50 overall. Following these transactions, at 10 May 2022 Doxee held 92,250 treasury shares, accounting for 1.157% of the share capital;

- on 18 May 2022, it purchased a total of 250 treasury shares, accounting for 0.003% of the share capital, at a weighted average unit price of Euro 12.20 per share, worth Euro 3,050.00 overall. Following these transactions, at 18 May 2022 Doxee held 92,500 treasury shares, accounting for 1.160% of the share capital;

- from 23 through 27 May 2022 (both included), it purchased a total of 700 treasury shares, accounting for 0.009% of the share capital, at a weighted average unit price of Euro 12.50 per share, worth Euro 9,375.00 overall. Following these transactions, at 27 May 2022 Doxee held 93,250 treasury shares, accounting for 1.169% of the share capital;

- on 31 May 2022, it purchased a total of 250 treasury shares, accounting for 0.003% of the share capital, at a weighted average unit price of Euro 12.70 per share, worth Euro 3,175.00 overall. Following these transactions, at 31 May 2022 Doxee held 93,500 treasury shares, accounting for 1.172% of the share capital;

- from 8 through 10 June 2022 (both included), it purchased a total of 1,250 treasury shares, accounting for 0.016% of the share capital, at a weighted average unit price of Euro 12.07 per share, worth Euro 15,087.50 overall. Following these transactions, at 10 June 2022 Doxee held 94,750 treasury shares, accounting for 1.188% of the share capital;

- from 13 through 17 June 2022 (both included), it purchased a total of 750 treasury shares, accounting for 0.009% of the share capital, at a weighted average unit price of Euro 10.97 per share, worth Euro 8,225.00 overall. Following these transactions, at 17 June 2022 Doxee held 95,500 treasury shares, accounting for 1.198% of the share capital;

- on 22 June 2022, it purchased a total of 250 treasury shares, accounting for 0.003% of the share capital, at a weighted average unit price of Euro 11.55 per share, worth Euro 2,887.50 overall. Following these transactions, at 22 June 2022 Doxee held 95,750 treasury shares, accounting for 1.201% of the share capital;

- from 28 through 30 June 2022 (both included), it purchased a total of 500 treasury shares, accounting for 0.006% of the share capital, at a weighted average unit price of Euro 11.33 per share, worth Euro 5,662.50 overall. Following these transactions, at 30 June 2022 Doxee held 96,250 treasury shares, accounting for 1.207% of the share capital.

All treasury shares were purchased through the intermediary Integrae SIM S.p.A. which was engaged to carry out the transaction, in compliance with the applicable laws and regulations and in accordance with the terms and conditions set out in the authorisation to purchase and dispose of the treasury shares granted by Doxee S.p.A.'s Annual Shareholders' Meeting.

On 10 January 2022, the Parent obtained the benefits provided by the call for tender "Attracting investments in Emilia Romagna region. Regional settlement and development agreements – Call 2021 implementing Article 6 of Regional Law No. 14/2014", consisting of an outright grant of Euro 835,944.61 on the Company's expenditure of Euro 2,130,083.50. The financed project refers to the secure digital storage of documents on the cloud and aims to create a next-generation electronic storage system capable of ensuring data inalterability, high levels of security, availability and accessibility. This component of the storage system based on homomorphic encryption and blockchain technology aims to be a strong driver for the digitisation of SME business processes, extending the target of the Doxee offering. However, at the date of this report, such amounts have not been received yet.

In addition, on 19 January 2022, the Parent obtained the benefits provided by the Simest call for tender "Development of e-commerce of SMEs in foreign countries (E-commerce)", in order to execute a project that provides for the implementation of an e-commerce platform for the marketing of customised videos abroad. The total grant amounts to Euro 300,000, of which Euro 120,000 is an outright grant and Euro 180,000 is a share of funding. The aim is to create and launch an e-commerce platform for the distribution of Doxee technology, targeting the production of customised and automated videos. The project is an integral part of Doxee's internationalisation plan to globally distribute its products targeting digital customer experience and customisation. It was funded by the European Union, through the call Next Generation EU – Italy's NRRP – Measure 1, – Component 2, – Investment 5, Project Line "Refinancing and Redefinition of the Fund 394/81 managed by SIMEST" which aims to strengthen the international competitiveness of European businesses, supporting the development of e-commerce through the implementation of dedicated platforms.

On 9 February 2022, the Parent obtained a Simest loan following the awarding of the tender for the performance of pre-feasibility and feasibility studies, and technical assistance programmes in foreign countries—Circular no. 2/394/2020—consisting of a Euro 15 thousand outright grant and a Euro 31 thousand subsidised loan falling due in October 2025. Based on the above, on 14 June 2022, Simest granted Doxee S.p.A. Euro 150 thousand, including the portion drawn from the revolving fund established by Italian Law no. 394 of 29 July 1981, and equal to Euro 90 thousand, and the outright grant of Euro 60 thousand, following the awarding of the "Development of e-commerce of SMEs in foreign countries (E-commerce)" tender.

On 4 March 2022, the shareholder Eiffel Investment Group notified the Parent that the 5% threshold of Doxee's share capital had been exceeded. In particular, on that date, Eiffel Investment Group announced that it held 400,100 Doxee ordinary shares, equal to 5.02% of the Company's share capital. As a result of this transaction and since no further changes occurred in relation to the significant shareholders until 30 June 2022, to the best of the Company's knowledge, the Company's shareholding structure at 30 June 2022 is broken down as follows:

- P&S S.r.l. with a 71.21% investment in Doxee S.p.A.'s share capital;
- Ipoc 5 S.r.l. with a 5.66% investment;
- Eiffel Investment Group with a 5.02% investment;
- free float equal to 18.11% of Doxee S.p.A.'s share capital (unchanged from 31 December 2021).

Impact of the Coronavirus (Covid-19) epidemic and of the current geopolitical scenario

Despite the ongoing concerns and uncertainties connected to the Covid-19 (Coronavirus) emergency, Doxee and its subsidiaries have always been able to continue normal operations and deliver their products and services in 2022, too. This was possible thanks to the development of its main technological asset, the Doxee Platform, entirely in the cloud, thus ensuring full operational agility and business continuity in circumstances such as these. Having long been using smart working and managing human resources remotely, the Company has always been able to continue normal operations even when authorities limited the movement of employees.

Businesses and public administrations are accelerating the digitisation of mission-critical processes to rapidly adapt to the new scenario, communicating effectively and promoting the dematerialisation of payment processes: the Doxee Group is a partner capable of supporting this transformation, offering expertise and technology that can accelerate innovation as part of these modernisation processes in order the make them part of the digital customer journey.

Effects of the COVID-19 pandemic on the recoverable amount of assets

The continuation of the pandemic did not materially impact the Group's operations during the first half of 2022. The expectations for the second half of 2022, and the following years also point to a limited impact on the Group's operations of the spread of the COVID-19 pandemic and the potential reinstatement of restrictions on trade and the movement of vehicles and people. On the contrary, the acceleration of the digitisation process at the national level, which will likely concern both private- and public-sector entities, will present an opportunity to further penetrate markets already served by Doxee Group's solutions as well as enter new ones. As for the recoverable amount of assets, Parent's Management assessed the impact of the spread of the COVID-19 pandemic on the recoverable amount of assets based on the information available at 30 June 2022. Considering the results for the first half of 2022, the outlook for the second half of the year, and the mentioned assumptions about the impact of the pandemic on the years after 2022, Management does not consider the spread of the COVID-19 pandemic to be an indicator of impairment. In any case, all the Group's assets are regularly depreciated or amortised according to their finite useful life and development costs and intangible assets under development were tested for impairment. As for investments in progress, recognised as tangible and intangible assets, the Group believes that the steps already taken and to be taken based on the strategic plans for 2022 will allow to develop and complete them as planned. The lack of particular issues leads Management to believe that, at this time, the effects of the COVID-19 pandemic are not an indicator of impairment requiring to write down assets.

Effects of the geopolitical scenario on business continuity

With respect to the tensions caused by the ongoing geopolitical situation, it is noted that no third parties with interests in Russia, Ukraine and/or other neighbouring countries are involved in the provision of Doxee Group's services. The Company and its subsidiaries have no shareholders or owns assets in Russia, Ukraine and/or other neighbouring countries. There is no evidence of an increase in malicious cyber events and no further action is currently expected in this respect. However, the Group is constantly monitoring the development of the geopolitical scenario. Given the uncertainty caused by this situation, at present it is not possible to determine the effect of the possible economic and financial impact on the 2022 Financial Statements of the Company and the Group. Furthermore, as set out in the CSIRT-It recommendations, Doxee and its subsidiaries have updated their risk analysis, discussing the use of the Kaspersky antivirus, which will be constantly monitored based on the evolution of the geopolitical situation.

The Company and the Group continue to monitor the current economic and geopolitical context, particularly the increases in raw material prices, in order to assess their potential impact and take corrective actions. Energy costs, amounting to Euro 28 thousand at 30 June 2022, account for 0.19% of total costs. Therefore, also in the event of future further increases, given the limited impact of these costs on the total, the effect on the Group's income statement would not be significant.

With respect to the other types of costs, the most significant ones, consisting of printing and delivery costs, are expected to decrease by year end since the renegotiation conducted in July with the main supplier led to a revision of the price lists in favour of the Company. This type of cost is charged back to corporate customers and the contracts being renewed will include a provision which will consider inflationary trends. In the first half of 2022, the connection service provider requested a price adjustment which, following careful negotiation, was partly granted. The annual impact of the price adjustment is expected to be equal to an increase of about Euro 30 thousand.

Furthermore, the Company and the Group are carrying out a cost review project in order to identify any inefficiencies and areas for improvement in the procurement process and to increase competitiveness among their suppliers. This initiative should contribute to absorbing any further price increases that may occur in the next few years.

Financial Highlights

(Article 40, paragraph 1-bis, Italian Leg. Decree No. 127/91)

Financial position

In order to present the Group's financial performance and analyse its financial structure, Management has prepared separate reclassified statements. These reclassified statements contain performance indicators that are alternative to those resulting directly from the consolidated interim financial statements. Management considers them useful to monitor the Group's operations since they are representative of its financial performance and financial position. Therefore, below is the consolidated condensed balance sheet as well as the one reclassified on a functional and financial basis.

Balance sheet

ASSETS	30/06/2022	31/12/2021	Change
Fixed assets	14.230.052	12.251.819	1.978.233
Current Assets	15.562.883	17.425.065	-1.862.182
Accrued income and prepaid expenses	1.034.207	1.172.206	-137.999
TOTAL ASSETS	**30.827.142**	**30.849.090**	**-21.948**

LIABILITIES	30/06/2022	31/12/2021	Change
Equity	10.036.770	10.399.398	-362.628
Provisions for risks and charges	225.460	2.043	223.417
Employee termination benefits	1.663.036	1.522.511	140.525
Payables	16.401.124	16.510.886	-109.762
Accrued expenses and prepaid income	2.500.752	2.414.252	86.500
TOTAL LIABILITIES	**30.827.142**	**30.849.090**	**-21.948**

Functional balance sheet

ASSETS	30/06/2022	31/12/2021	LIABILITIES	30/06/2022	31/12/2021
Operating invested capital	30.658.350	30.354.105	Equity	10.036.148	10.397.011
			Minority interests	622	2.387
Non-operating assets	168.792	494.985	Financing liabilities	6.784.172	7.445.087
			Operating liabilities	14.006.200	13.004.605
Invested capital (IC)	**30.827.142**	**30.849.090**	**Financing capital**	**30.827.142**	**30.849.090**

Financial balance sheet

(table in thousands of Euros)	30/06/2022	31/12/2021	Variazione	Var. %
ASSETS				
NET OPERATING WORKING CAPITAL	1.434	2.930	-1.496	-51,1%
Other current assets	3.263	3.052	210	6,9%
Other current liabilities	-5.089	-4.713	-376	8,0%
Provisions for risks and charges	-225	-2	-223	n.a.
NET WORKING CAPITAL	-618	1.267	-1.886	-148,8%
Intangible Assets	13.473	11.433	2.040	17,8%
Tangible Assets	589	663	-74	-11,2%
Financial Assets	169	156	12	8,0%
FIXED CAPITAL	14.230	12.252	1,978	16,1%
Employee benefits liabilities	-1.663	-1.523	-141	9,2%
NET INVESTED CAPITAL	11.949	11.997	-48	-0,4%
LIABILITIES				
Equity	10.036	10.397	-361	-3,5%
Minority interests' equity	1	2	-2	-73,9%
Net Financial Debt	1.912	1.597	314	19,7%
TOTAL LIABILITIES	11.949	11.997	-48	-0,4%

The significant investments in research and development made during the first half of 2022, which were in part capitalised, caused Intangible Assets to rise steadily by Euro 2 million compared to 31 December 2021.

Furthermore, management of operating working capital improved. Indeed, it decreased from Euro 2.9 million at 31 December 2021 to Euro 1.4 million at 30 June 2022, as a result of improved credit management and debt collection.

Meanwhile, the change in Equity is largely attributable to the increase in the Share Buy-back Reserve (negative) from Euro 0.48 million at 31 December 2021 to Euro 0.64 million at 30 June 2022, resulting from the plans to buy and sell treasury shares approved by the Parent Shareholders' Meeting on 27 April 2021 and 28 April 2022.

Net financial debt of Euro 1.91 million worsened slightly compared to Euro 1.60 million at 31 December 2021, mainly as a result of the investments in R&D projects which used liquidity.

Below is the breakdown of the Group's Net Financial Debt at 30 June 2022 compared with 31 December 2021:

	Description	30/06/2022	31/12/2021	Change
A	Cash	-4.871.858	-5.847.799	975.941
B	Cash equivalents			0
C	Other current financial assets	0	0	0
D	**Liquidity (A + B + C)**	**-4.871.858**	**-5.847.799**	**975.941**
E	Current financial payables	637.028	612.249	24.779
F	Current portion of medium/long-term financial payables (*)	2.050.247	1.845.316	204.931
G	**Current financial debt (E+F)**	**2.687.276**	**2.457.565**	**229.711**
H	**Net current financial debt (G-D)**	**-2.184.582**	**-3.390.234**	**1.205.652**
I	Non-current financial payables (*)	4.096.897	4.989.381	-892.484
J	Debt instruments			0
K	Trade payables and other non-current payables			0
L	**Non-current financial debt (I+J+K)**	**4.096.897**	**4.989.381**	**-892.484**
M	**Total Group financial debt (H+ L)**	**1.912.315**	**1.599.147**	**313.168**

(*) including financial payables for leasing

It is possible to extract the following indicators from the above data:

FIXED ASSET FINANCING RATIOS		31/12/2021	Change	Change
Equity - Fixed Assets	*Equity - Fixed Assets*	-4,193,906	-1,854,808	-2,339,098
Equity / Fixed Assets	*Equity / Fixed Assets*	0.71	0.85	-0.14
(Equity + Consolidated Liabilities) - Fixed Assets	*(Equity + Consolidated Liabilities) - Fixed Assets*	1,791,487	4,655,225	-2,863,738
(Equity + Consolidated Liabilities) / Fixed Assets	*(Equity + Consolidated Liabilities) / Fixed Assets*	1.13	1.38	-0.25

The equity / fixed asset ratio shows the extent to which the financial needs generated by fixed assets are covered by equity; this ratio, which is greater than 1 when Equity - Fixed Assets is positive and less than 1 in the opposite case, should be greater than or around 1 over the long term.
This indicator was slightly down compared to 31 December 2021 and points to a good ratio between equity and invested fixed assets.

(Equity + consolidated liabilities) / fixed assets shows the extent to which long-term financial needs, expressed by total fixed assets, are covered by sources of financing with the same maturity (equity + consolidated liabilities).
This ratio was slightly down compared to the previous year, largely because of the constant increase in intangible assets under development.

FINANCING RATIOS		30/06/2022	31/12/2021	Change
Leverage	*(MLT Liabilities + Current Liabilities) / Equity*	2,07	1,97	0,11
Financing liabilities / Equity	*Financing liabilities / Equity*	0,68	0,72	-0,04

The leverage ratio shows the ratio of debt to equity. It allows assessing the risk associated with a company's reliance on external sources of financing. A high level of debt relative to equity usually increases enterprise risk, as it limits the ability to cover potential business losses with equity and gives greater weight to borrowing costs arising from the use of debt.
The leverage ratio for the first half of 2022 was slightly up from 31 December 2021.

The financing liabilities / equity ratio should be less than or equal to 1, so that the company's sources of financing are greater than half of the risk and less than half of the loan. This ratio continues the downward trend already showed in the 2021 financial statements, evidence that the Group is gradually approaching a balance between equity and debt.

SOLVENCY RATIOS		30/06/2022	31/12/2021	Change
Current assets - Current liabilities	*Current assets - Current liabilities*	1.566.651	4.657.612	-3.090.961
Current assets / Current liabilities	*Current assets / Current liabilities*	1,10	1,33	-0,23
(Trade and other receivables + Cash and cash equivalents) - Current liabilities	*(Trade and other receivables + Cash and cash equivalents) - Current liabilities*	1.566.651	4.657.612	-3.090.961
(Trade and other receivables + Cash and cash equivalents) / Current liabilities	*(Trade and other receivables + Cash and cash equivalents) / Current liabilities*	1,10	1,33	-0,23

Current assets - Current liabilities (which in this case coincides with **(Trade and other receivables + Cash and cash equivalents) - Current liabilities,** as the company does not hold inventories), is the difference between current assets and current liabilities. This amount of Euro 1.6 million shows the Group's ability to repay its short-term liabilities using its current assets, without tapping into medium-term liabilities and/or equity. Likewise, this ratio shows the Group's ability to finance its fixed assets—which are significant because of the constant and relentless investments in innovative development projects, with appropriate medium-term liabilities as well as equity.
Specifically, the Parent is working on the following projects—which, since they are not yet complete, were capitalised in the balance sheet as intangible assets under development.

Assets under development	30/06/2022	31/12/2021	Change
Development of a new Digital Experience Platform	1.440.623	531.384	909.239
Patent filing costs	12.673	11.801	872
Research and development of Doxee Platform functionality to improve the user experience (UX)	1.159.637	787.545	372.092
Research and development of innovative process accountability solutions	142.322	142.322	0
Increase in marketing costs – Web site project	338.533	305.385	33.147
Research and prototyping of an Internal Business Intelligence system	430.846	270.322	160.523
Definition of the strategy, framing, and preliminary adoption of Continuous Testing tools and practices as part of development processes	499.358	358.297	141.061
Experimental research and development of Event-Driven architectures within the Doxee Platform to introduce new channels and new use cases	1.300.124	577.544	722.580
TETI project	681.859	0	681.859
E-commerce project	109.374	0	109.374
Other projects	451.025	877.843	-426.818
Total	**6.566.374**	**3.862.443**	**2.703.931**

At 30 June 2022, the Doxee Group tested its intangible assets for impairment, specifically development costs (which account for 47% of the total intangible assets) and intangible assets under development, in order to check the recoverability of the investments related to ongoing or completed software platform implementation projects.

The analysis considered the cash flows expected from the use of the software platform, discounted using the discounted cash flow method and also included some stress tests, assuming the likelihood of potential adverse events. The variables considered were: market risk, interest rate risk and technological obsolescence. The simulations carried out did not identify the need to adjust the financial statements balances.

A break-even scenario was also identified in which the joint occurrence of the above-mentioned adverse events with different impacts would mean that the present value of the expected cash flows matches the carrying amount: at present, this scenario is deemed highly unlikely.

Financial performance

As for financial performance, below are the highlights from the Income Statement and the Reclassified Income Statement at 30 June 2022, compared with 30 June 2021.

Description	30/06/2022	30/06/2021	Change	% change
Revenues from sales and services	11.054.584	9.134.799	1.919.785	21,02%
Value of production	14.692.107	11.568.694	3.123.413	27,00%
Production costs	14.838.066	11.316.988	3.521.078	31,11%
Difference (A-B)	**-145.959**	**251.706**	-397.665	-157,99%
Profit/(loss) before tax	100.682	279.711	-179.029	-64,00%
Income taxes	-36.792	28.694	-65.486	-228,22%
PROFIT/(LOSS) FOR THE PERIOD	**137.474**	**251.017**	**-113.543**	**-45,23%**
Profit/(loss) attributable to minority interests	-1.765	-11.188	9.423	-84,22%
GROUP PROFIT/(LOSS) FOR THE PERIOD	**139.239**	**262.205**	**-122.966**	**-46,90%**

RECLASSIFIED INCOME STATEMENT (table in thousands of Euros)	**30/06/2022**	**30/06/2021**	**Change**	**% change**
Revenues from sales and services	11.055	9.135	1.920	21,0%
Internally generated fixed assets	3.279	2.316	962	41,5%
Other revenues and income	359	117	241	205,4%
Value of production	**14.692**	**11.569**	**3.123**	**27,0%**
Services and outsourcing	-2.187	- 1.677	- 511	30,5%
IaaS direct costs	- 551	- 636	86	-13,5%
Direct personnel costs (excluding research and development)	- 2.030	- 1.936	- 94	4,9%
Professional services (excluding research and development)	- 1.530	- 934	- 596	63,8%
Direct production costs	**- 6.298**	**- 5.183**	**- 1.116**	**21,5%**
Contribution margin	**8.394**	**6.386**	**2.008**	**31,4%**
Costs to sell and marketing costs	- 485	- 424	- 61	14,5%
Administration and other general overhead costs	- 1.314	- 1.024	- 290	28,3%
Indirect personnel costs	- 1.979	- 1.503	- 476	31,7%
Research and development costs	- 3.018	- 1.898	- 1.119	59,0%
Indirect and research and development costs	**- 6.796**	**- 4.849**	**- 1.947**	**40,2%**
EBITDA	**1.598**	**1.537**	**61**	**4,0%**
Depreciation and amortisation	- 1.518	- 1.248	- 270	21,6%
Provisions and write-downs	- 225	- 37	- 188	507,9%
EBIT	**- 146**	**252**	**- 398**	**-158,0%**
Financial income and expenses	247	28	219	780,5%
Profit before tax	**101**	**280**	**- 179**	**-64,0%**
Income taxes	37	- 29	65	-228,2%
PROFIT/(LOSS) FOR THE PERIOD	**137**	**251**	**- 114**	**-45,2%**
Profit/(loss) attributable to minority interests	- 2	- 11	9	84,2%
GROUP PROFIT/(LOSS) FOR THE PERIOD	**139**	**262**	**- 123**	**-46,9%**

In the first six months of 2022, the Group generated Euro 11.1 million in revenues, up 21% compared to the prior-year period (from Euro 9.1 million), thanks to the interoperability of the three business lines (dX, pX, and iX) as well as the demand for process digitisation and dematerialisation projects, which remained high.

The Group reported Euro 1.6 million in EBITDA for the first half of 2022, improving from Euro 1.5 million in the prior-year period. The increase in EBITDA was slight, notably because of rising indirect and research and development costs (totalling Euro 6.8 million, compared to Euro 4.9 million at 30 June 2021): the Group made significant investments, fully recognised as expenses in profit or loss, to bolster the organisational structure—by increasing indirect staff—and to adopt appropriate tools to support internal processes. It also strongly increased investments in research and development, partly allocated to the income statement (Euro 1.8 million in research and development costs at 30 June 2021 compared to Euro 3.0 million at 30 June 2022).

It is possible to extract the following profitability ratios from the above data:

PROFITABILITY RATIOS		30/06/2022	30/06/2021	Change
Net ROE	*Profit/(loss) for the period / Average equity*	1.39%	2.99%	-1.60%
Gross ROE	*Gross profit/(loss) for the period / Average equity*	1.00%	3.33%	-2.33%
ROI	*Operating profit/(loss) / (OIC - Operating liabilities)*	n.a.	1.52%	n.a.
ROS	*Operating profit/(loss) / Revenues from sales*	n.a.	2.76%	n.a.

The R.O.E. (Return on Equity), i.e., the ratio of profit or loss for the period to equity, measures the return on the company's equity: in the first half of 2022, the company's shareholders earned a 1.39% return, down compared to the prior-year period due to the provisions and the higher costs incurred in relation to ongoing projects.

Gross R.O.E., which measures the return on equity without accounting for the negative impact of taxes, stood at 1.00% in the first half of 2022, down compared to the prior-year period for the same reasons already discussed in the case of R.O.E.

R.O.I. (Return on Investments), i.e., the ratio of operating profit or loss to net assets, measures the return on invested capital through the company's operations: this depends on the intensity of sales, operating costs, and invested capital. In the first half of 2022, the Group incurred an operating loss due, in particular, to the higher indirect and research and development costs incurred, as well as to higher depreciation and amortisation, specifically in relation to intangible assets.

The R.O.S. (Return on Sales), i.e., the ratio of operating profit or loss to revenues from sales, measures operating profit or loss as a percentage of sales, thus highlighting the relationship between selling prices and operating costs. As described earlier, the Group incurred an operating loss.

Environment, personnel and risks

(Article 40, paragraph 1-bis, Italian Leg. Decree No. 127/91)

Marketing, Product Management, and Quantitative Analysis Departments

In the first half of 2022, the marketing department of the Parent Doxee S.p.A. continued to expand its opportunity -generation activities, recovering investments in sponsorships of in-person events and recording a substantial increase in lead acquisitions.

This led to a significant increase in both the amount (+350%) of leads generated as well as the quality of the opportunities associated with them during the first half of the year compared to the prior-year period.

The strengthening process of the Product Management department was completed by hiring a new resource. The department launched new products, thereby expanding the Doxee Group's product portfolio and broadening its offering.

Environmental disclosures

With respect to its environmental policy, the Group continued monitoring environmental data and checking compliance with environmental regulations, as per the ISO14001-certified Environmental Management System, implementing some accurate measurements of environmental parameters that have a significant impact (e.g., fuel consumption and CO2 of the company fleet, volumes of waste collected and sorted) in order to consider and adopt specific improvement actions. In addition, an agreement was signed for the Headquarters in Modena to procure electricity from 100% renewable sources.

The Group is pursuing several initiatives intended to define specific Corporate Social Responsibility policies, considering ESG (Environmental-Social-Governance) issues, so as to reconcile the company's economic and technological growth with public benefit purposes—acting in a responsible, sustainable, and transparent manner in relation to individuals, communities, the environment, cultural and social assets and activities, as well as entities, associations, and other stakeholders. In particular, in April 2022, the Parent approved and published, for the second year, its Sustainability Report. Furthermore, having become a "benefit corporation" in 2021, it drew up its first Impact Report which describes specific objectives to achieve the common benefit goals set out the Parent's articles of association.

Disclosures relating to certifications

In January 2022, the Parent Doxee S.p.A. renewed the ISO27001 certification on its information security management system and successfully passed the ISO9001 surveillance audit for its quality management system. Furthermore, in March 2022, it successfully passed the ISO14001 surveillance audit for its environmental management system.

The Parent also began the process to obtain the ISO37001 certification and, to this end, it adopted a management system for the prevention of corruption, published the first processes with the relevant documentation and, specifically, the Anti-Corruption Policy document, which describes the responsibilities for respecting and maintaining a policy against corruption and bribery.

Information Security and Data Protection

In January 2022, the Parent successfully passed the three-year recertification audit of its Information Security Management System (ISMS) according to ISO/IEC 27001:2013, extended with the ISO/IEC 27017 and ISO/IEC 27018 controls. The audit was performed remotely in accordance with Accredia's guidance due to the restrictions imposed by the ongoing SARS-CoV-2 pandemic.

On 7 March 2022, a restricted Crisis Committee composed of the CISO, the CEO and the CTO met for the permanent monitoring of the impacts, including potential ones, of the Russia-Ukraine conflict and for Information Security aspects, focusing on:

- the increased cyber risk, as highlighted by government sources (CSIRT-IT) for Italy as a NATO country;
- the use of the Kaspersky anti-malware software in the corporate infrastructure, developed by a Russian company based in Moscow;
- the presence of a Ukrainian supplier in the software development area: Sigma Software.

The meetings were held initially weekly and then every two weeks as the situation stabilised. The minutes of the meetings were discussed with the 231 Supervisory Board.

In order to cope with the significant increase in Supplier Chain Security activities, in which Doxee S.p.A. acts as both a supplier and a customer, a dedicated resource was hired for the team.

Furthermore, specific, periodic activities are underway in order to mitigate the risk of phishing attacks and a cyber threat intelligence analysis was carried out to assess the exposure to external cyber threat risks and identify appropriate actions to keep the residual risk in line with business needs.

The monthly steering meetings of the Data Protection Committee as well as the regular meetings with the 231 Supervisory Body continue as scheduled, and the monthly Information Security Incident reports are shared with both of them.

As required by the Integrated Management System, the company is currently reviewing Risk Analysis, conducting audits, reviewing processes, and performing Security Testing.

It also continues to constantly monitor Information Security and Data Protection, in accordance with applicable laws—including through first-, second-, and third-party audits.

Disclosures relating to personnel

With respect to personnel, there were no cases of workplace death, serious injury, litigation, and mobbing.

At 30 June 2022, the Group had 153 employees, broken down as follows:

Category	30/06/2022	31/12/2021	Change
Senior managers	10	6	4
Middle managers	17	18	-1
Clerical staff	112	101	11
Trainees	14	17	-3
Total	**153**	**142**	**11**

At the end of the first half of 2022, the headcount saw an increase of 11 units directly associated with rising production volumes and the need to recruit staff with high technological skills.

In the first six months of 2022 the Group provided training to its employees on both mandatory topics as well as for specialist professional growth purposes, as detailed below.
There is no other material information to report.

Mandatory training

Pursuant to Italian Leg. Decree 81/2008 on occupational safety and health, in 2022 the company planned general, specific, and refresher occupational safety training activities. Among the various mandatory training requirements, new employees were trained as First Aid Responder and Fire Warden, and the relevant refresher training for the Workers' Safety Representative took place. In addition, the company held regular as well as refresher courses on Information Security and Data Awareness, as required by the ISO 27001 and ISO 9001 Certification.

With respect to the ISO Certification, the company also provided regular refresher courses on the Preservation/LEA service, relating to the company's membership of ANORC (Associazione Nazionale per Operatori e Responsabili della Conservazione Digitale, the Italian Association of Digital Preservation Service Providers and Officers) and the relevant AgID (Agenzia per L'Italia Digitale, Agency for Digital Italy) accreditation.

Internal and external training

Based on the analysis of training requirements, the company undertook the following types of training activities:

- internal technical courses held by qualified Doxee Group staff, intended to strengthen technical and product skills so as to align the skills of Group's resources (including new hires).

Internal technical training is provided primarily through e-learning courses thanks to the Confluence platform, which is available to each Doxee Group's employee and focused on the company's product/service technology;

- several external courses were scheduled for the second half of the year to obtain certifications, in addition to courses to develop transversal, behavioural and managerial skills to support and develop resources, such as, for example, PMP, SQL, AWS. Furthermore, in the first half of 2022, one-to-one training activities, self-empowerment courses for the front line, cash flow and financial reporting, Privacy and Information Security and GDPR-related courses were launched. The courses were held primarily through e-learning, thanks also to the adoption of a new e-learning platform, Udemy—which offers courses on various topics and areas of interest—and the access to online conversation courses through Fluentify;

- summits, workshops and conferences on IT and marketing issues;

- courses (mainly on a group basis) financed through the FondImpresa interprofessional fund in English and Spanish are scheduled for the second half of the year, in addition to German elementary courses and a 24-hour customer communication course, which will involve approximately 20 employees;

- training on Doxee technology for Partners, divided into two modules (Doxee Platform Pre-Sales Basic Skills and Advanced) and offered either in-person worldwide or through e-learning.

Description of the main risks and uncertainties facing the Group

(Article 40 paragraphs 1 and 2-bis Italian Leg. Decree 127/91)

1 Market risk

Market risk is the risk that changes in exchange rates, interest rates, and product prices will negatively affect the value of assets, liabilities, or expected cash flows. The Group is not subject to seasonality that could cause significant fluctuations in cash flows.

2 Foreign exchange risk

The foreign exchange risk faced by the Group arises from the business relationships of its non-EU subsidiaries and with some foreign suppliers, especially those based in the United States. Below are the exchange rates relative to the Euro used for these consolidated interim financial statements:

for the 2021 half-year report

US dollar	Period average rate 1.2057	Spot rate at 30 June 1.1884
Czech koruna	Period average rate 25.8551	Spot rate at 30 June 25.4880

for the 2022 half-year report

US dollar	Period average rate 1.0940	Spot rate at 30 June 1.0387
Czech koruna	Period average rate 24.6364	Spot rate at 30 June 24.7390

3 Interest rate and inflation risk

The goal of managing interest rate and inflation risk is to limit and stabilise outflows associated with the interest paid on the loans concerned and the general increase in the price of raw materials. Given the global macroeconomic scenario, the Doxee Group is closely monitoring interest rate, energy and raw material price trends.

However, these costs have a very low impact on company results. The Group carried out impairment tests considering the changed market conditions and also performed a sensitivity analysis. This assessment did not reveal any need for adjustments and for entering into risk hedging instruments.

On 28 January 2021, the Parent entered into an “Interest rate swap” derivative contract with an initial notional amount of Euro 1,000,000 to hedge interest rate risk on a loan from Crédit Agricole.

The fair value of said derivative at 30 June 2022 was positive Euro 12,466.

Effective date	28/01/2021
Maturity date	28/01/2025
Type	IRS – Interest Rate Swap
Objective	Hedging
Notional amount at the end of the period ended 30/06/2022	Euro 688,142
Underlying financial risk	Interest rate risk
Fair value (MTM)	Euro 12,466
Hedged liability	Crédit Agricole Loan

4 Credit risk

Credit risk represents the Group's exposure to potential losses arising from the counterparty's failure to meet its financial obligations. It is measured in commercial terms—type of customers, contractual terms, sales concentration—as well as financial terms, relating to the type of counterparties used in financial transactions. Credit risk is mitigated by the lack of major exposures due to the concentration of positions, as the Group has several customers and sales are sufficiently diversified.

At 30 June 2022, the Group recognised provisions for bad and doubtful debts to the tune of Euro 634,241 overall.

5 Liquidity risk

Liquidity risk is the risk that, because of the inability to access new funding or sell assets on the market, the Group's companies will fail to meet their payment obligations, which could impact the Group's financial performance in the event the individual companies have to incur additional costs to meet their obligations or, in the worst-case scenario, face insolvency—which would jeopardise its ability to continue as a going concern.

The Group's companies systematically pay their debts as they fall due, thus allowing them to operate in the market with the flexibility and reliability required to maintain the right balance between accessing and using financial resources.

The Group's companies manage liquidity risk by carefully monitoring the cash and cash equivalents required in the ordinary course of business as well as the availability of credit lines in order to ensure an adequate of level of resources to meet potential financing needs. This consists largely in constantly monitoring the cash pool of receipts and payments of all entities, striving to maintain a balance in terms of maturity and composition of the liabilities. Specifically, this allows monitoring the flows of resources from or used in ordinary operating activities. As for the management of resources used in investing activities, the Group usually prefers securing specific long-term financing.

6 Country risk

Country risk derives from the social-political instability of the countries where the Group's companies operate.

The Group's companies are not deemed to face such problem, as they do not have customers with a high country risk.

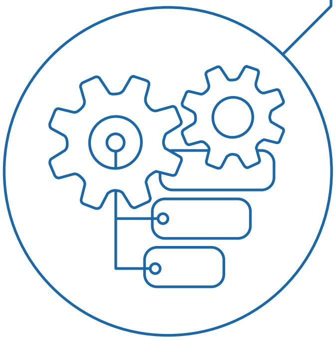
Research and developement

(Article 40, paragraph 2 lett. a, Italian Leg. Decree No. 127/91)

In the first half of 2022, the Product Development department led the consolidation, implementation and adoption of the third release of the Doxee Platform®, which played a major role in the total re-platforming of the ETL functionality.

As part of the new release, the stream related to the integration of the new functions acquired through the technological partnership's development programme, which resulted in the release of the new Authoring system, now available onboard the Doxee Platform, became extremely important.

The DXP feature development roadmap continued as planned; these features will go live in the second half of 2022 and will further expand the Doxee product range.



Outlook

(Article 40, para. 2 lett. c) - Italian Leg. Decree 127/91)

Despite the current critical geopolitical and epidemiological situation described earlier, the trend in orders of both the Company and the Group remains positive. Unless currently unforeseeable events occur, we believe they will achieve satisfactory results in 2022.

Also based on the above, the Directors have prepared the financial statements on a going concern basis and do not see any uncertainties as to the company's ability to continue as a going concern.
In accordance with the guidance issued by the Italian Ministry of Health and the Regional Governments concerned, the Group continued adopting preventative measures and operational instructions to contain the spread of COVID-19, protecting customers, workers, and potential visitors. The Management of the Company and the Group's companies constantly monitors the situation to take all decisions necessary to protect the health of the individuals involved in any capacity in real time.

Based on the steps taken to deal with the current situation and the information available at the date of preparation of this document about the continuation of the emergency measures implemented by various governments, we believe that the effects of the COVID-19 emergency on performance in the year 2022 will not prevent the Company from delivering positive results.

Pursuant to and for the purposes of point 6) of the third paragraph of Article 2428 of the Italian Civil Code, please note that during the first half of 2022 the Company continued making major investments to support the Group's growth strategy.

The growth trend seen in 2021 is continuing into the first half of 2022. Digitisation, customisation and focus on communication processes continue to play a central role in market demand in the sectors where the Group is mostly active, such as Utilities, Telco, Finance, and, increasingly, Central and Local Public Administration, also driven by Italy's recovery and resilience plan (NRRP).

During the first six months of the year, Doxee won some important tenders in the Public Administration, including through its partners, and in the Finance and Utilities sectors.

The focus on ESG issues is another important step both in terms of awareness of the role that the Doxee Group can play in digitisation processes, by facilitating communication and improving customer experience, and, in general, in directing the decisions of the Group's internal and external stakeholders on these issues. In this respect, the Parent Doxee filed the application to obtain the B-Corp certification.

Below are the initiatives Doxee will follow up on in the coming months:

- Consolidating the sales structure to increase coverage in the reference markets and pursue the growth path.
- Bolstering the Technological Partner structure to extend the indirect channel and make better use of connectors with upstream systems on the three product lines (dx, px, ix).
- Supporting the launch of an international strategy on Babelee S.r.l., with a strong focus on the Publishing and Digital Agency Sectors.
- Developing sales and marketing investments with premium content and participation in webinars/events.
- Continuing to scout IBERIA for M&A targets.
- Increasing and bolstering the Technology&Research team to further accelerate the milestones of the 2022 roadmap.
- Supporting investments in the HR area with a focus on talent acquisition and the development of employee engagement activities.
- Consolidating and extending internal management systems in order to apply them to the companies potentially involved in M&A transactions.

Significant events after the reporting period

(Article 40, para. 2 lett. b) - Italian Leg. Decree 127/91)

With respect to the share buy-back programme launched on 16 May 2022, pursuant to the resolution of the Annual Parent Shareholders' Meeting of 28 April 2022, Doxee S.p.A. purchased treasury shares in the following time periods:

- From 5 through 6 July 2022 (both included), it purchased a total of 500 treasury shares, accounting for 0.006% of the share capital, at a weighted average unit price of Euro 11.40 per share, worth Euro 5,700.00 overall. Following these transactions, at 6 July 2022 Doxee held 96,750 treasury shares, accounting for 1.213% of the share capital.
- From 11 through 14 July 2022 (both included), it purchased a total of 750 treasury shares, accounting for 0.009% of the share capital, at a weighted average unit price of Euro 11.17 per share, worth Euro 8,375.00 overall. Following these transactions, at 14 July 2022 Doxee held 97,500 treasury shares, accounting for 1.223% of the share capital.
- From 20 through 22 July 2022 (both included), it purchased a total of 1,000 treasury shares, accounting for 0.013% of the share capital, at a weighted average unit price of Euro 10.30 per share, worth Euro 10,300.00 overall. Following these transactions, at 22 July 2022 Doxee held 98,500 treasury shares, accounting for 1.235% of the share capital.
- On 26 July 2022, it purchased a total of 250 treasury shares, accounting for 0.003% of the share capital, at a weighted average unit price of Euro 10.50 per share, worth Euro 2,625.00 overall. Following these transactions, at 26 July 2022 Doxee held 98,750 treasury shares, accounting for 1.238% of the share capital.
- From 1 through 2 August 2022 (both included), it purchased a total of 500 treasury shares, accounting for 0.006% of the share capital, at a weighted average unit price of Euro 10.88 per share, worth Euro 5,437.50 overall. Following these transactions, at 2 August 2022, Doxee held 99,250 treasury shares, accounting for 1.245% of the share capital.
- On 29 August 2022, it purchased a total of 500 treasury shares, accounting for 0.006% of the share capital, at a weighted average unit price of Euro 9.80 per share, worth Euro 4,900.00 overall. Following these transactions, at 29 August 2022 Doxee held 99,750 treasury shares, accounting for 1.251% of the share capital.
- From 7 through 8 September 2022 (both included), it purchased a total of 750 treasury shares, accounting for 0.009% of the share capital, at a weighted average unit price of Euro 9.83 per share, worth Euro 7,370.00 overall. Following these transactions, at 8 September 2022 Doxee held 100,500 treasury shares, accounting for 1.260% of the share capital.

- From 13 through 16 September 2022 (both included), it purchased a total of 1,250 treasury shares, accounting for 0.016% of the share capital, at a weighted average unit price of Euro 9.80 per share, worth Euro 12,245.00 overall. Following these transactions, at 16 September 2022 Doxee held 101,750 treasury shares, accounting for 1.276% of the share capital.

All treasury shares were purchased through the intermediary Integrae SIM S.p.A. which was engaged to carry out the transaction, in compliance with the applicable laws and regulations and in accordance with the terms and conditions set out in the authorisation to purchase and dispose of the treasury shares granted by Doxee S.p.A.'s Annual Shareholders' Meeting. On 11 July 2022, the Parent obtained the qualification of "innovative enterprise" by BPI France (Banque Publique d'Investissement), a French public investment bank. The "innovative enterprise" status is an instrument approved by the French AMF (Authorité des marchés financiers) which enables a FCPI fund (Fonds Commun de Placement dans l'Innovation) to invest in small and medium-sized enterprises that place innovation at the core of their development strategy. Specifically, FCPI funds are required to invest at least 70% of their assets in innovative SMEs that meet the eligibility criteria.

On 28 July 2022, the Parent took out a new loan from Banco BPM S.p.A. with a nominal amount of Euro 500,000 and a term of 60 months. The transaction was carried out in accordance with applicable laws and at arm's length.

On 28 July 2022, the Parent entered into an "Interest rate swap" derivative contract with an initial notional amount of Euro 500,000 to hedge interest rate risk on a loan from Banco BPM S.p.A.

Effective date	28/07/2022
Maturity date	30/06/2027
Type	IRS – Interest Rate Swap
Objective	Hedging
Notional amount at the end of the period ended 28/07/2022	Euro 500,000
Underlying financial risk	Interest rate risk
Fair value (MTM) at 28/07/2022	7,721
Hedged liability	Banco BPM S.p.A.'s loan

On 13 September 2022, the Parent signed a binding agreement to acquire 90% of an Austrian-based company, specialising in the development of software in the Customer Communications Management sector. The closing of the transaction took place by September 2022. This transaction is another important step in Doxee's overall strategic plan to position itself as one of the main European technology vendors in the Digital Customer Experience and Customer Communications Management ("CCM") fields. The Austrian company has developed its SaaS platform which is sharply focussed on providing CCM services dedicated to creating and distributing personalised on-demand and interactive documents aiming at the digital management of several processes such as on-boarding and customer

caring. The main customers of the Austrian company operate in the following sectors: Banking, Insurance and Utilities.

The technology used by the acquired company has obtained the SalesForce certification and is also distributed by the SalesForce App Exchange marketplace. The acquisition of Infinica technology will accelerate the roadmap of the new release of the Doxee Platform® currently being developed, extending its functionality to fully support interactive and on-demand document production scenarios, bringing forward the release by approximately 18 months.

The transaction is therefore particularly important for Doxee in terms of the commercial expansion in the DACH and CEE regions and the integration of cloud products in a single offering portfolio specifically dedicated to support the Digital Customer Experience for Enterprise and SME clients in the main market segments where Doxee is already present.

Access to European markets, which has already been defined as one of the main objectives of the Company's strategic plan, and access to the global marketplaces of the main ERP and CRM players, represent a great opportunity to accelerate Doxee's growth strategy.

Treasury shares and shares/ interests in the Holding Company

(Article 40, paragraph 2 lett. d) Italian Leg. Decree 127/91)

This is to certify that at the end of the first six months of 2022:

- The Parent Doxee S.p.A. held 96,250 treasury shares;
- there were no cross-holdings between the Group's companies in any entity;
- the Parent Doxee S.p.A. did not own any interest in the holding company P&S S.r.l.

* * *

Modena (MO), 26 September 2022

The Chair of the B.o.D. of the Parent Doxee S.p.A.
Mr Paolo Cavicchioli

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 June 2022

Amounts in euro

Balance Sheet - Assets	30/06/2022	31/12/2021
B) FIXED ASSETS		
I. INTANGIBLE ASSETS		
1) Start-up costs	259.731	346.308
2) Development costs	6.265.681	6.828.801
3) Industrial patents and similar intellectual property rights	175.307	142.822
4) Concessions, licences, trademarks and similar rights	142.292	197.382
5) Goodwill	0	0
6) Assets under development and advances	6.566.374	3.862.443
7) Other	63.249	54.840
TOTAL INTANGIBLE ASSETS	**13.472.634**	**11.432.596**
II. TANGIBLE ASSETS		
4) Other tangible assets	313.923	324.238
5) Assets under construction and advances	0	0
6) Right-of-use assets	274.703	338.659
TOTAL TANGIBLE ASSETS	**588.626**	**662.897**
III. FINANCIAL ASSETS		
1) Investments in:		
D-bis) OTHER COMPANIES	153.500	153.500
2) Receivables:		
C) FROM PARENT COMPANY: due within 12 months	0	0
D-bis) FROM OTHERS: *due within 12 months* *due beyond 12 months*	2.826 0	2.826 5.000
4) Derivative financial instruments - assets	12.466	0
TOTAL FINANCIAL ASSETS	**168.792**	**156.326**
TOTAL FIXED ASSETS (B)	**14.230.052**	**12.251.819**

C) CURRENT ASSETS			
	II. RECEIVABLES		
	1) From customers: *due within 12 months*	8.463.137	9.695.637
	4) From parent company: *due within 12 months*	0	0
	5-bis) Tax receivables: *due within 12 months*	1.898.844	1.589.931
	5-ter) Deferred tax assets	238.585	192.178
	5-quater) From others: *due within 12 months* *due beyond 12 months*	68.846 21.613	77.907 21.613
	TOTAL RECEIVABLES	**10.691.025**	**11.577.266**
	IV. CASH AND CASH EQUIVALENTS		
	1) Deposit accounts	4.869.276	5.845.261
	3) Cash on hand	2.582	2.538
	TOTAL CASH AND CASH EQUIVALENTS	**4.871.858**	**5.847.799**
TOTAL CURRENT ASSETS (C)		**15.562.883**	**17.425.065**
ACCRUED INCOME AND PREPAID EXPENSES (D)		**1.034.207**	**1.172.206**
TOTAL ASSETS (A + B + C + D)		**30.827.142**	**30.849.090**

Balance Sheet - Equity and Liabilities	30/06/2022	31/12/2021
A) CONSOLIDATED EQUITY		
A1) Attributable to the Group:		
I. Share capital	1.769.553	1.769.553
II. Premium reserve	5.645.056	5.645.056
IV. Legal reserve	*353.911*	*319.576*
VI. Other reserves, indicated separately:	*6.795.436*	5.767.287
Currency translation reserve	-243.480	110.526
Extraordinary reserve	6.991.205	5.609.051
Consolidation reserve	0	0
Reserve restricted for use in Stock Grant Plan 2021-2024	47.708	47.708
Differences from rounding to unit of euro	3	2
VII. Cash flow hedge reserve	9.474	-1.413
VIII. Retained earnings/(Accumulated losses)	-4.031.882	-4.282.724
IX. Profit/ (loss) for the period	139.239	1.667.330
X. Negative reserve for treasury shares in portfolio	*-644.639*	*-487.654*
Total Group equity (A1)	**10.036.148**	**10.397.011**
A2) Minority interests:		
I. Share capital and reserves attributable to minority interests	2.387	24.201
II. Profit/ (loss) for the period	-1.765	-21.814
Total Group equity (A1)	**622**	**2.387**
TOTAL CONSOLIDATED EQUITY (A)	**10.036.770**	**10.399.398**
B) PROVISIONS FOR RISKS AND CHARGES		
2) For taxes, including deferred taxes	0	184
3) Derivative financial instruments - liabilities	0	1.859
4) Other	225.460	0
TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	**225.460**	**2.043**
C) EMPLOYEE TERMINATION BENEFITS	**1.663.036**	**1.522.511**
D) PAYABLES		
4) To banks:*Esigibili entro l'esercizio successivo*		
due within 12 months	2.563.296	2.328.256
due beyond 12 months	3.890.744	4.722.426
5) To other lenders:		
due within 12 months	123.979	129.309
due beyond 12 months	206.153	265.096
7) To suppliers:		
due within 12 months	7.028.833	6.765.168
12) Tax payables:		
due within 12 months	355.803	539.926
13) To social security and welfare institutions:		
due within 12 months	555.704	565.788
14) Other payables:		
due within 12 months	1.676.612	1.194.917
TOTAL PAYABLES (D)	**16.401.124**	**16.510.886**
ACCRUED EXPENSES AND PREPAID INCOME (E)	**2.500.752**	**2.414.252**
TOTAL EQUITY AND LIABILITIES (A + B + C + D + E)	**30.827.142**	**30.849.090**

Income Statement	30/06/2022	30/06/2021
A) VALUE OF PRODUCTION		
1) Revenues from sales and services	11.054.584	9.134.799
4) Internally generated fixed assets	3.278.923	2.316.477
5) Other revenues and income *of which operating grants*	358.600 *184.898*	117.418 *6.878*
TOTAL VALUE OF PRODUCTION (A)	**14.692.107**	**11.568.694**
B) PRODUCTION COSTS		
6) For raw and auxiliary materials, consumables and merchandise	52.688	226.162
7) For services	8.031.514	5.423.009
8) Rent and leases	236.223	200.401
9) For personnel:		
A) WAGES AND SALARIES	3.364.510	2.892.498
B) SOCIAL SECURITY CHARGES	978.044	853.627
C) EMPLOYEE TERMINATION BENEFITS	281.113	197.942
E) OTHER COSTS	17.730	5.110
10) Amortisation, depreciation and write-downs:		
A) AMORTISATION OF INTANGIBLE ASSETS	1.317.434	1.184.309
B) DEPRECIATION OF TANGIBLE ASSETS	119.542	55.772
D) WRITE-DOWN OF CURRENT RECEIVABLES AND OF CASH AND CASH EQUIVALENTS	81.378	45.248
12) Provisions for risks	225.460	0
14) Other operating costs	132.430	232.910
TOTAL PRODUCTION COSTS (B)	**14.838.066**	**11.316.988**
DIFFERENCE BETWEEN PRODUCTION VALUE AND COSTS (A - B)	**-145.959**	**251.706**
C) FINANCIAL INCOME AND EXPENSES		
16) Other financial income:		
A) FROM LONG-TERM FINANCIAL RECEIVABLES *of which from parent company*	0 0	0 0
D) OTHER FINANCIAL INCOME	4.095	69
17) Interest and other financial charges	80.473	110.276
17-bis) Foreign exchange gains/(losses)	323.019	138.212
TOTAL FINANCIAL INCOME AND EXPENSES (C)	**246.641**	**28.005**
D) ADJUSTMENTS TO FINANCIAL ASSETS		
19) Write-downs:		
B) OF FINANCIAL ASSETS OTHER THAN INVESTMENTS	0	0
TOTAL ADJUSTMENTS (D)	**0**	**0**
PROFIT/(LOSS) BEFORE TAX (A - B + C + D)	**100.682**	**279.711**
20) Current, deferred and prepaid income taxes for the period	-36.792	28.694
21) Consolidated profit/(loss) for the period	**137.474**	**251.017**
Profit/(Loss) for the period attributable to the Group	139.239	262.205
Profit/(Loss) for the period attributable to minority interests	-1.765	-11.188

Cash flow statement [indirect method]		30/06/2022	30/06/2021
A) CASH FLOWS FROM OPERATING ACTIVITIES			
	Profit/(loss) for the period	137.474	251.017
	Income taxes	-36.792	28.694
	Interest expense/(Interest income)	76.378	110.207
	(Gains)/Losses from disposal of assets	0	0
1.	**Profit/(Loss) for the period before income taxes, interest, dividends and gains/losses from disposal**	**177.060**	**389.918**
	Adjustments to non-monetary items that were not offset in net working capital		
	Allocations to provisions	587.951	243.190
	Amortisation and depreciation of fixed assets	1.436.976	1.240.081
	Impairment losses	0	0
	Other adjustments to non-monetary items	-350.532	-122.804
	Total adjustments to non-monetary items that were not offset in net working capital	1.674.395	1.360.467
2.	**Cash flows before changes in net working capital**	**1.851.455**	**1.750.385**
	Changes in net working capital		
	Decrease/(Increase) in trade receivables	1.151.122	1.270.260
	Increase/(Decrease) in trade payables	928.604	191.557
	Decrease/(Increase) in accrued income and prepaid expenses	137.999	11.034
	Increase/(Decrease) in accrued expenses and prepaid income	86.500	404.784
	Other changes in net working capital	-26.204	400.228
	Total changes in net working capital	2.278.021	2.277.863
3.	**Cash flows after changes in net working capital**	**4.129.475**	**4.028.248**
	Other adjustments		
	Interest received/(paid)	-85.674	-87.832
	(Income taxes paid)	-26.587	-55.347
	(Use of provisions)	-140.588	-99.164
	Total other adjustments	-252.849	-242.343
CASH FLOWS FROM OPERATING ACTIVITIES (A)		**3.876.626**	**3.785.905**
B) CASH FLOWS FROM INVESTING ACTIVITIES			
	Tangible assets		
	(Investments)	-21.193	-53.144
	Intangible assets		
	(Investments)	-4.019.026	-2.525.029
	Financial assets		
	(Investments)	0	0
	Disinvestments	0	5.000
CASH FLOWS FROM INVESTING ACTIVITIES (B)		**-4.040.219**	**-2.573.173**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2022

Background

These consolidated interim financial statements of the Doxee Group, as defined below, refer to the six-month period ended 30 June 2022 (hereinafter referred to as the "Consolidated Interim Financial Statements"). These consolidated interim financial statements were approved by the Board of Directors of the Parent Doxee S.p.A. on 26 September 2022.

General information and operations carried out

Doxee S.p.A. (hereinafter also referred to as the "company" or the "Parent") and its subsidiaries (as a whole, and together with the Parent, identified as the "Doxee Group" or the "Group") are High-Tech companies and leaders in the Customer Communications Management, Paperless, and Digital Customer Experience markets. The Group offers technology products based on a single patented proprietary platform (Doxee Enterprise Communications Platform), and delivered over the Cloud to companies in the Enterprise segment, that allow customers to significantly improve the operational efficiency of mission-critical processes.

The Group generates most of its turnover in Italy—mainly through products delivered under a SaaS (Software as a service) model and, secondly, through licensing (OP).

Methodological note

For comparison purposes, the Consolidated Interim Financial Statements show, with respect to the financial position, the corresponding amounts at 31 December 2021, and, with respect to the financial performance and cash flows, the corresponding amounts for the six months ended 30 June 2021.

All amounts in the relevant statements are expressed in units of Euro and all relevant comments in the "Notes to the financial statements" are also expressed in units of Euro. All percentage ratios (margins and changes) are calculated by reference to amounts expressed in units of Euro.

Basis of preparation and measurement of the consolidated interim financial statements

The Group's Consolidated Interim Financial Statements have been prepared in accordance with the principles of consolidation and measurement bases, illustrated in the preparation of the Consolidated Financial Statements for the year ended 31 December 2021, in compliance with the Italian Civil Code, as amended by Italian Leg. Decree No. 139/2015 and Italian Leg. Decree 127/1991, as interpreted and supplemented by the Italian accounting standards issued by the Italian Accounting Body (OIC, *Organismo Italiano di Contabilità*), and specifically in accordance with the requirements of accounting standard OIC 30 "Interim Financial Statements."
The Consolidated Interim Financial Statements consist of the Balance Sheet (prepared in accordance with the format described in Articles 2424 and 2424-bis of the Italian Civil Code), the Income Statement (prepared in accordance with the

format described in Articles 2425 and 2425-bis of the Italian Civil Code), the Cash Flow Statement (whose content is in accordance with Article 2425-ter of the Italian Civil Code and presented according to the requirements of accounting standard OIC 10), and these Notes to the Financial Statements, prepared in accordance with the requirements of Article 38 of Italian Leg. Decree No. 127/1991.

These Notes to the Financial Statements analyse and supplement the information in the financial statements with complementary information regarded as necessary to give a true and fair view of the information presented, considering that the Group made no exceptions pursuant to Article 29 of Italian Leg. Decree No. 127/1991. To this end, the Notes to the Financial Statements are accompanied also by the list of entities included in the scope of consolidation, the reconciliation between the Parent's profit or loss for the period and consolidated profit or loss for the period, the Parent's equity and consolidated equity, and the consolidated statement of changes in equity.

The balance of line items not explicitly included in the Balance Sheet or Income Statement, required under the Articles 2424 and 2425 of the Italian Civil Code, and the Cash Flow Statement presented in accordance with OIC accounting standard No. 10 is zero. It is possible not to present such line items only if their amount is zero in both the current period and the previous period.
For comparison purposes, the Group presented the balances relating to the Income Statement and Balance Sheet for the periods ended 30 June 2021 and 31 December 2021, respectively. The bases used in preparing the Consolidated Interim Financial Statements are consistent for all the periods considered, specifically with respect to measurements and the continued application of the same standards.

The line items were measured by using general prudent assumptions and the accrual basis of accounting, on a going concern basis, and based on the principle of relevance, considering both quantitative and qualitative factors. Applying the principle of prudence required to individually measure the components of the individual items of assets and liabilities, so as to avoid offsetting losses that had to be recognised with gains not to be recognised because they were unrealised. From an accounting perspective, and in accordance with the accrual principle, the effect of transactions and other events is attributed to the period to which such transactions and events refer, rather than when payment is received or made.

In accordance with applicable laws, the Consolidated Financial Statements are presented in units of Euro (the currency in which the Group conducts most its operations) and are based on accounting records kept in Euro cents. In preparing the Financial Statements, accounting data expressed in Euro cents are converted into financial statements data expressed in units of Euro by rounding; the algebraic sum of the resulting differences is allocated to Equity reserves. Therefore, the amounts included in these Notes to the Financial Statements are expressed in units of Euro, unless specified to the contrary.

Pursuant to Article 2427 point 22-bis of the Italian Civil Code, please note that the Group did not have non-arm's length related party transactions of a material amount.

Pursuant to Article 2427 point 22-ter of the Italian Civil Code, please note that the Group does not have outstanding off-balance-sheet arrangements that could pose significant risks and/or benefits and whose description is required to better understand the Consolidated Financial Statements.

The Consolidated Interim Financial Statements have been prepared on a going-concern basis. The Group has concluded that, despite the volatile general economic and financial conditions, there are no significant uncertainties as to the company's ability to continue as a going concern, and to face the risk factors of the current scenario—as better described further below—in order to meet its financial and contract commitments, considering also the constant growth in sales and the expansion of the customer base, as shown in the "Report on Operations" to which reference should be made.

The Company continues to monitor price trends in order to assess their potential impact and take corrective actions. Energy costs, amounting to Euro 28 thousand, account for 0.19% of total costs. Therefore, also in the event of future further increases, the impact on the Company's income statement would not be significant.

With respect to other types of costs, the renegotiation of the most significant ones, consisting of printing and delivery costs, conducted in July with the main supplier, led to a revision of the price lists in favour of the Company. This type of cost is charged back to corporate customers and the contracts being renewed will include a provision which will consider inflationary trends.

In the first half of 2022, the connection service provider requested a price adjustment which, following careful negotiation, was partly granted. The annual impact of the price adjustment is expected to be equal to Euro 30 thousand.
Furthermore, the Company is conducting a cost review project in order to identify any inefficiencies and areas for improvement in the procurement process and to increase competitiveness among its suppliers. This initiative should contribute to absorbing any further price increases that may occur in the next few years.

The reporting date of the Consolidated Interim Financial Statements coincides with the end of the six-month reporting period of the Parent (30 June 2022) and of all the companies included in the scope of consolidation.

Scope of consolidation

The scope of consolidation includes the Financial Statements of the Parent and of the companies over which it directly or indirectly exercises control pursuant to Article 26 of Italian Leg. Decree No. 127/91.

The scope of consolidation is the same for the six-month period ended 30 June 2022 and for both comparative periods, consisting, as mentioned above, of the financial year ended 31 December 2021 and the six-month period ended 30 June 2021, and consists of the following companies consolidated on a line-by-line basis:

Doxee S.p.A. - Parent
Registered office: Modena, Italy
Reporting currency: Euro
Share capital: Euro 1,769,553.28 – fully paid-up
Status: Parent

Doxee USA inc.

Registered office: Fort Lauderdale, United States of America
Reporting currency: US dollar
Share capital: US dollar 39,200.00 – fully paid-up
Status: foreign subsidiary
Direct ownership share: 51.02%
Indirect ownership share: 0%

Doxee Slovak s.r.o.
Registered office: Bratislava, Slovak Republic
Reporting currency: Euro
Share capital: Euro 10,000.00 – fully paid-up
Status: foreign subsidiary
Direct ownership share: 100%

Doxee Czech s.r.o.
Registered office: Prague, Czech Republic
Reporting currency: Czech koruna
Share capital: Czech koruna 250,000.00 – fully paid-up
Status: foreign subsidiary
Direct ownership share: 100%

Babelee S.r.l.
Registered office: Milan, Italy
Reporting currency: Euro
Share capital: Euro 12,193.00 – fully paid-up
Status: Italian subsidiary
Direct ownership share at 30 June 2021: 91.07%

The above percentages of ownership remained unchanged during the six-month period ended 30 June 2022.

The Group used the following exchange rates relative to the Euro:

for the 2021 half-year report

US dollar	Period average rate 1.2057	Spot rate at 30 June 1.1884
Czech koruna	Period average rate 25.8551	Spot rate at 30 June 25.4880

for the 2022 half-year report

US dollar	Period average rate 1.0940	Spot rate at 30 June 1.0387
Czech koruna	Period average rate 24.6364	Spot rate at 30 June 24.7390

Interim financial statements used for consolidation purposes

The Consolidated Interim Financial Statements were prepared using the interim financial statements of the individual companies included in the scope of consolidation prepared by the respective corporate bodies, modified and reclassified as appropriate to make them consistent with the Group's accounting policies and bases of classification, where different.

Principles of consolidation

All companies in the scope of consolidation were consolidated on a line-by-line basis.

Under this method, the assets, liabilities, expenses, and income of the companies included in the scope of consolidation are fully consolidated, regardless of the percentage of ownership of the consolidating entity.

The Consolidated Balance sheet and Income Statement show all items of the Parent and of the other companies included in the scope of consolidation net of the following adjustments:

- the carrying amount of interests in subsidiaries is eliminated against the corresponding fractions of equity; this consists in replacing the amount of the corresponding line item with the assets and liabilities of each of the consolidated companies. The difference between the purchase price of the interests and equity at the date that control of the company was obtained is attributed, where applicable, to each identifiable asset acquired, to the extent of the present value of such assets, and in any case not above their recoverable amount, as well as each identifiable liability assumed, including deferred tax assets and liabilities to be recognised as a result of the plus/minus amounts allocated to the items. Any excess resulting from such allocation:

  − if positive, shall be recognised in a line item within assets, named “goodwill”, as long as it meets the relevant recognition requirements, in accordance with the Italian OIC accounting standard No. 24 “Intangible assets” (otherwise, if part or all of the excess does not correspond to a higher value of the investee, it is recognised in profit or loss within the line item B14 “other operating costs”);

  − if negative, shall be recognised in a line item within equity named “consolidation reserve”, unless part or all of it refers to expectations of unfavourable financial performance (in this case, the Group shall recognise a specific “Consolidation provision for future risks and charges” within consolidated liabilities).

  Specifically, the differences that arose at the date of the first consolidation between the carrying amount of interests in subsidiaries included in the scope of consolidation and the corresponding fractions of equity were allocated to the equity item "Retained earnings/(Accumulated losses)", as these essentially refer to profits and/or losses reported by the subsidiaries after the date the relevant controlling interests were acquired;

- the assets, liabilities, costs, expenses, revenues, and income of the companies included in the scope of consolidation are fully included in the Consolidated Financial Statements, regardless of the percentage of ownership of the parent company;

- the dividends, revaluations, and write-downs of interests in the companies included the scope of consolidation, as well as the gains and losses resulting from intragroup sales of said interests, are eliminated;

- all equity transactions between the Group and entities exercising their rights and duties as owners are recognised in consolidated equity. The share capital presented in the Consolidated Financial Statements coincides with that of the Parent. The portions of consolidated equity and profit or loss attributable to minority interests are recognised in separate line items within consolidated equity, named "Share capital and reserves attributable to minority interests" and "Profit/(Loss) for the period attributable to minority interests", respectively. The portion of or profit or loss for the period attributable to minority interests is deducted from the overall consolidated profit or loss. If the losses attributable to minority interests of a subsidiary cause the relevant line item "Share capital and reserves attributable to minority interests" to turn negative, the deficit is attributed to controlling interests. If, subsequently, the company generates profits, the relevant portion attributable to minority interests is attributed to controlling interests to the extent necessary to recover the total amount of losses previously absorbed by the latter. If the minority interests have an explicit commitment to cover losses, and this is likely to occur, the deficit is attributed to "Share capital and reserves attributable to minority interests";

- the receivables, payables, costs, expenses, revenues, and income relating to companies included in the scope of consolidation are eliminated, and so are the guarantees, commitments, and risks relating to the companies concerned;

- gains and losses arising from transactions between companies included in the scope of consolidation and not yet realised at the reporting date are eliminated. Gains and losses are not eliminated when their amount is immaterial:

- to include companies that prepare their financial statements in currencies other than the Euro in the scope of consolidation, these are first translated into Euro. The financial statements expressed in a foreign currency are translated for the purposes of preparing the consolidated financial statements by using:

a. the spot exchange rate at the reporting date to translate assets and liabilities;

b. the average exchange rate for the period to translate line items in the income statement and the cash flows of the cash flow statement, used as an alternative to the exchange rate of each individual transaction, as allowed by standard OIC 17;

c. the historical exchange rate at the time of their creation to translate equity reserves (other than the currency translation reserve).

The Group used the following exchange rates relative to the Euro:

for the 2021 half-year report

US dollar	Period average rate 1.2057	Spot rate at 30 June 1.1884
Czech koruna	Period average rate 25.8551	Spot rate at 30 June 25.4880

for the 2022 half-year report

US dollar	Period average rate 1.0940	Spot rate at 30 June 1.0387
Czech koruna	Period average rate 24.6364	Spot rate at 30 June 24.7390

The net effect of translating the financial statements of the investee into the reporting currency is recognised in the "Currency translation reserve" within consolidated equity that becomes available in the event all or part of the foreign entity is sold.

Measurement bases used for the line items

Below are the measurement bases used in preparing the Financial Statements:
Intangible Assets. Intangible assets are recognised, with the agreement of the Board of Statutory Auditors where required, at purchase or production cost (OIC 24.36) and presented net of amortisation and write-downs (OIC 24.32). The purchase cost includes also incidental costs. The production cost includes all costs directly attributable to the intangible asset and other costs, to the extent reasonably attributable, relating to the design period and until the asset is ready for use. Multi-year expenses, including start-up as well as development costs, are recognised only when their future usefulness is proven, there exists an objective correlation with the relevant future benefits for the company, and their recoverable amount can be estimated with reasonable certainty (OIC 24.40). Intangible assets, consisting of patent rights, intellectual property rights, concessions, and licenses are recognised as assets only if they can be individually identified and their cost can be estimated with sufficient reliability (OIC 24.50).

The costs incurred are maintained under assets under development until ownership is acquired or the project is completed (OIC 24.59), after which they are reclassified to the relevant intangible assets and the related amortisation is set on an accruals basis.

Below are the amortisation methods used for the main items of intangible assets:

Items of intangible assets	Period
Start-up costs	5 years
Development costs	5 years
Patents and similar intellectual property rights	10 years
Concessions, licences, trademarks and similar rights	18 years
Goodwill	10 years
Other intangible assets	12 years

Tangible Assets. Tangible assets are recognised at purchase or production cost, less any respective accumulated depreciation (OIC 16.32). The purchase cost includes also incidental costs. The production cost includes all directly attributable costs and other general production costs, to the extent reasonably attributable to the asset, relating to the production period and until the asset is ready for use (OIC 16.39). The costs incurred to expand, modernise or improve the structural elements of a tangible asset, including changes introduced to make it more fitting for the purposes for which it was acquired, are capitalised if they produce a significant and measurable increase in its production capacity, safety, or useful life. If these costs do not produce such effects, they are treated as day-to-day servicing and recognised as an expense in profit or loss (OIC 16.32). Depreciation is calculated on a systematic and straight-line basis using rates deemed representative of the estimated economic-technical useful life of the assets (OIC 16.56). Said rates are reduced by half in the first period in which the asset is available for use, thus approximating the shorter period of use of the asset. Depreciation is calculated also on assets that are temporarily unused (OIC 16.57). If the estimated residual value at the end of the useful life is equal to or greater than the net carrying amount, the asset is not depreciated (OIC 16.62). Depreciation begins when the asset is available and ready for use (OIC 16.61).

Below are the depreciation rates used:

Items of tangible assets	% rates
Cellphones	12
General plant	9
Equipment	25
Office furniture	12
Office machines	20
Hardware	20

Maintenance expenditure is recognised in profit or loss when incurred, except for that resulting in additions to the assets, which is capitalised, to the extent of the asset's recoverable amount. Tangible assets held for sale are reclassified as current assets only if they can be sold in their present condition, the sale appears to be highly probable, and it is expected to close in the short term (OIC 16.25). These assets are not depreciated and are measured at the lower of their net carrying amount and realisable value based on market trends (OIC 16.79). Tangible assets are revalued, to the extent of their recoverable amount, only in cases where special laws require or allow doing so (OIC 16.74-75).

Impairment losses on intangible and tangible assets. At each reporting date, the company assesses whether there is any indicator that an asset may be impaired (OIC 9.16). If, at the reporting date, there are indicators that intangible or tangible assets may be impaired, the company estimates their recoverable amount (OIC 9.12) If there are no indicators of potential impairment losses, the recoverable amount is not calculated. If the recoverable amount, meaning the higher of value in use and fair value less costs to sell (OIC 9.5), is less than the corresponding carrying amount, the company writes down the assets (OIC 9.16). The impairment loss is reversed in subsequent periods if the reasons for the adjustment no longer exist. The impairment loss is reversed to the extent of the amount the asset would have had if the impairment loss had never been recognised, i.e., considering any depreciation or amortisation charges that would have been recognised without said impairment loss. It is not possible to reverse impairment losses on goodwill and multi-year expenses (OIC 9.29).

Accounting for Finance Leases.
The Parent Doxee S.p.A. availed of the option granted and recommended by OIC 17 to account for finance leases using the financial method, thereby reflecting the effects of this approach in the Financial Statements instead of providing only information in the Notes to the Financial Statements.
For further information reference should be made to the “Finance leases” section.

Financial assets. Investments and securities to be held by the company for a long time at the behest of management and as a result of the company's actual ability to hold them for an extended period are classified as financial assets. Otherwise, they are recognised as current assets (OIC 20.20 and OIC 21.10). The transfer to and from fixed and current assets is recognised according to measurement bases specific to the portfolio of origin (OIC 20.71 and OIC 21.56). Receivables are classified as financial assets or current assets based on their function relative to the company's ordinary activities and therefore, regardless of their maturity, financial receivables are classified as financial assets, whereas trade receivables are classified as current assets (OIC 15.21). The measurement basis for receivables is described below. Investments are initially recognised at cost, including incidental costs. Incidental costs are costs directly attributable to the transaction, such as, for instance, banking and financial brokerage costs, fees, expenses, and taxes (OIC 21.21). The carrying amount of investments is increased by the amount of the capital increases with consideration or debts forgiven by shareholders (OIC 21.22-24). Capital increases without consideration do not increase the amount of investments (OIC 21.23). If, at the reporting date, investments are found to be impaired, their carrying amount is written down to the lower recoverable amount, determined on the basis of the future benefits expected to flow to the entity, until the carrying amount is reduced to zero (OIC 21.40). If the company is required to cover losses incurred by investees, it may have to recognise a provision, to the extent of its share, to cover their financial deficit (OIC 21.40). If in subsequent years the reasons for the impairment no longer exist, the amount of the investment is reversed to the extent of the original cost (OIC 21.42-43).

Receivables. Receivables originating from revenues for the rendering of services are recognised on an accrual basis when the service is rendered. Receivables originating from revenues for sales of goods are recognised 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 legal title, taking the transfer of risks and rewards as benchmark for the substantial transfer (OIC 15.29). Receivables included in the financial statements represent claims to fixed or determinable amounts of cash and cash equivalents held against customers or other third parties (OIC 15.4). Receivables are recognised at amortised cost, considering the time value of money; the company may elect not to apply the amortised cost method if the effects are immaterial (OIC 15.32-33). The initial carrying amount is represented by the nominal amount of the receivable, less all premiums, discounts, rebates and including any costs directly attributable to the transaction that generated the receivable. Transaction costs, any fees paid and received, and any difference between the initial amount and the nominal amount at maturity are included in the calculation of the amortised cost using the effective interest method, under which they are amortised over the expected life of the receivable. Their amortisation is recognised as an addition or reduction to interest income calculated at the nominal interest rate (using the same classification in profit or loss), so that the effective interest rate can remain a constant rate of interest over the life of the receivable (OIC 15.34-35-41). At initial recognition, to account for the time value of money, the interest rate that can be inferred from the contractual terms must be compared with market interest rates. The market interest rate is the rate that would have applied if two independent parties had negotiated a similar financing transaction with terms and conditions comparable to the one concerned. If the interest rate that can be inferred from the contractual terms is significantly different from the market interest rate, the market interest rate must be used to discount the future cash flows from the receivable. In this case, the initial carrying amount of the receivable is equal to the present value of future cash flows plus any transaction costs (OIC 15.41-42). Receivables not measured at amortised cost are recognised net of the provision for bad and doubtful debts. A receivable shall be written down in the period in which it is deemed probable that the receivable has become impaired (OIC 15.59). With respect to receivables measured at amortised cost, the amount of the write-down at the reporting date is equal to the difference between the carrying amount and the amount of expected future cash flows, less expected cash shortfalls, discounted at the receivable's original effective interest rate (OIC 15.66). The provision for bad and doubtful debts is estimated by analysing individual receivables, determining the losses assumed for each anomaly already known or reasonably predictable, and the estimate, based on experience and any other relevant information, of the additional losses that the company expects on the receivables outstanding at the reporting date (OIC 15.61-62). The amount set aside for collateralised receivables accounts for the effects relating to the enforcement of such guarantees (OIC 15.63). The company also makes a specific provision for the trade discounts and rebates estimated to be allowed when cash is collected and the other causes of lower cash receipts. Financial discounts and rebates are recognised when cash is collected (OIC 15.54).

Cash and cash equivalents and payables to banks. They represent positive deposit account balances and cheques, as well as cash on hand at the end of the reporting period (OIC 14.4). Deposit accounts and cheques are measured at the estimated realisable value, cash on hand is measured at the nominal amount, whereas cash and cash equivalents in a foreign currency are measured at the exchange rate at the end of the reporting period (OIC 14.19). Payables to banks relating to loans received, fixed-term advances, advances against invoices or collection orders, and any current account overdrafts are measured at their nominal amount, and the carrying amount expresses the actual amount payable for principal and interest as well as any incidental costs accrued at the reporting date. Payables to banks in a foreign currency are measured at the exchange rate at the end of the reporting period.

Provisions for risks and charges. The provisions for risks and charges represent liabilities of a specific nature, that are certain or probable, of uncertain timing or amount (OIC 31.4). Specifically, the provisions for risks represent liabilities of a specific nature that are probable and of estimated amounts (OIC 31.5), whereas the provisions for charges represent liabilities of a specific nature that are certain and of estimated amount or timing, associated with obligations already assumed at the reporting date, but that will be repaid in subsequent periods (OIC 31.6). The allocations to the provisions for risks and charges are recognised in profit or loss within the line items the transaction refers to, in accordance with the classification of expenses by nature (OIC 31.19). The amounts allocated to the provisions are measured by reference to the best estimate of the costs, including legal fees, at each reporting date (OIC 31.32). If the measurement of the allocations leads to determining a range of amounts, the provision represents the best possible estimate between the high and low end of the range of amounts (OIC 31.30). The company subsequently draws down the provisions directly and only for those expenses and liabilities for which the provisions were originally recognised (OIC 31.43). Any negative differences compared to the expenses actually incurred are recognised in profit or loss in accordance with the original provision; conversely, if the excess arises from the positive development of situations occurring as part of the company's operations, the elimination or reduction of the excess provision is accounted for within the positive components of income of the class of the same nature (OIC 31.45-47).

Derivative financial instruments and hedging. Derivative financial instruments are measured at fair value, even if embedded in other financial instruments, at initial recognition as well as every subsequent reporting date, pursuant to Article 2426, paragraph 1 No. 11-bis of the Italian Civil Code and OIC 32. Fair value changes are recognised in profit or loss or, if the instrument hedges the risk of fluctuations in the expected cash flows of another financial instrument or a forecast transaction, directly in a positive or negative equity reserve; this reserve is recognised in profit or loss to the extent that and when the cash flows of the hedged instrument occur or change or the hedged transaction occurs. If the fair value at the reporting date is positive, it is recognised in “derivative financial instruments - assets” within financial assets or current financial assets. If the fair value is negative, it is recognised in “derivative financial instruments - liabilities” within the provisions for risks and charges. If the transaction qualifies as a hedge, the company recognises the cash flow hedge in the Balance Sheet at fair value, increasing the line item A) VII “Cash flow hedge reserve” by the component of the hedge deemed effective (less deferred tax effects), and section D) of profit or loss by the ineffective component, calculated for hedging relationships that do not qualify as simple. Said reserve, as required under Article 2426 paragraph 1 No. 11-bis of the Italian Civil Code, is not considered in the calculation of equity for the purposes referred to in Articles 2412, 2433, 2442, 2446, and 2447. With respect to the interest rate swap entered into by the Parent, since it is an instrument hedging the risk of fluctuations in the cash flows underlying a loan agreement, Doxee S.p.A. recognised the relevant fair value in an equity reserve. In line with the requirements of paragraph 101 et seq. of OIC 32 (“simple hedging relationships”), the Company confirmed that there is a close and documented correlation between the characteristics of the hedged item and those of the hedging instrument.

Employee termination benefits. Employee termination benefits (TFR, *Trattamento di fine rapporto* in Italian) represent the benefits employees are entitled to in any case of employment termination, pursuant to Article 2120 of the Italian Civil Code and considering the amendments made by Italian Law No. 296 of 27 December 2006 (OIC 31.55-56). They correspond to the total benefits earned, considering all forms of continuous consideration, less any advance payments made and partial advances paid under collective, individual, or company-level agreements for which no reimbursement is required (OIC 31.65-67). Employee termination benefits liabilities are equal to the amount the company would have to pay employees assuming employment terminated at the reporting date (OIC 31.65). The amounts of employee termination benefits relating to employment already terminated at the reporting date and to be paid in the subsequent period are classified as payables (OIC 31.71).

Accruals and deferrals. Accrued income and accrued expenses represent portions of income and expenses, respectively, attributable to the reporting period that will be paid or received in subsequent periods (OIC 18.3-4). Prepaid expenses and prepaid income represent portions of expenses and income, respectively, paid or received during the reporting period or in previous periods but that are attributable to one or multiple subsequent periods (OIC 18.5-6). Therefore, only portions of expenses and income shared between two or more periods are included within these line items, and their amount varies according to physical or economic time. At the end of each reporting period, the company assesses the conditions that caused their initial recognition and, if required, makes the necessary adjustments (OIC 18.20). Specifically, besides the passage of time, the company considers the estimated realisable value for accrued income (OIC 18.21), and whether there is a future economic benefit associated with the deferred costs for prepaid expenses (OIC 18.23).

Payables. Payables are liabilities of a specific nature and that are certain, representing obligations to pay fixed or determinable amounts of cash and cash equivalents, or other goods/services of equal amount, usually at a stated date. Such obligations are to lenders, suppliers, and other entities (OIC 19.4). Payables originating from purchases of services are recognised on an accrual basis when the service is rendered. Payables originating from purchases of goods are recognised 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 legal title, taking the transfer of risks and rewards as benchmark for the substantial transfer (OIC 19.38). Financial payables and those arising for reasons other than the purchase of goods and services are recognised when the company's obligation to the counterparty exists (OIC 19.39).

In the event of prepayment, the difference between the remaining amount of the payable and the overall outflow relating to the prepayment is recognised in profit or loss within financial income/expenses (OIC 19.62). Payables are recognised at amortised cost, considering the time value of money. At the end of the reporting period, the amount of payables measured at amortised cost is equal to the present value of future cash flows discounted at the effective interest rate (OIC 19.59). The amortised cost method may not be applied to payables if the effects are immaterial—which is generally the case for short-term payables (OIC 19.43-44). In this case, at initial recognition the payable is measured at its nominal amount less any premiums, discounts, and rebates that are contractually agreed or otherwise allowed (OIC 19.54-55). Trade payables with a maturity of more than 12 months from initial recognition, that do not bear interest or with interest rates significantly different from market interest rates, and the relevant costs, are initially recognised at the amount determined by discounting future cash flows at the market interest rate. The difference between the resulting initial carrying amount of the payable and the amount at maturity is to be recognised in profit or loss as a financial expense over the term of the payable using the effective interest rate method (OIC 19.52). The company derecognises all or part of the payable when the contractual and/or legal obligation is settled because it was satisfied or of another reason, or transferred. The settlement of a payable and the issue of new debt in relation to the same counterparty result in derecognition if the contractual terms of the original payable differ materially from those of the debt issued (OIC 19.73).

Use of estimates and assumptions. Drafting the financial statements and the relevant Notes requires the preparers to make estimates and assumptions that affect the amounts of assets and liabilities at the reporting date. Actual results may differ from such estimates. Estimates can be used to recognise, among other things, provisions for risks and charges, write-downs of assets, invoices to be issued and received, depreciation and amortisation, taxes, and other allocations to provisions for risks. Estimates and the relevant assumptions are based on past experience and assumptions considered reasonable at the time the estimates are made. Estimates and assumptions are reviewed periodically and, if actual results differ from the initial estimates, the effects are recognised in profit or loss when the estimate is changed.

Revenues and costs. Revenues, income, costs, and expenses are recognised net of returns, discounts, rebates, and premiums, as well as taxes directly associated with the sale of products and the rendering of services (OIC 12.49) in accordance with the accrual basis of accounting and the principle of prudence. Revenues for sales of goods or rendering of services are recognised when the production process of the goods and services has been completed and the exchange has already occurred, i.e., there has been a substantial and not formal transfer of legal title.

Financial income and expenses. They include all positive and negative components of profit or loss for the period associated with the Group's financial activities and are recognised on an accrual basis (OIC 12.85). All income is recognised on an accrual basis, duly specifying any sub-line items. Foreign currency gains and losses, relating to foreign currency transactions, include gains and losses realised during the reporting period or resulting from changes in exchange rates compared to those adopted at the date of the transaction (OIC 12.97). In the case of grants from public- or private-sector entities reducing interest on loans, the amount of the grants is deducted from line item C17, if received in the same reporting period in which interest expense is accounted for (OIC 12.96).

Dividends. Dividends are recognised when, following the resolution passed by the shareholders’ meeting of the investee to distribute profits or the reserves, if any, the investor's right to receive payment of the dividend is established (OIC 21.58).

Income taxes for the period. Current taxes are calculated on the basis of a realistic forecast of taxable profit for the period, determined in accordance with tax laws, and applying the tax rates prevailing at the reporting date (OIC 25.4-6). The relevant tax payable is recognised in the Balance Sheet at its nominal amount (OIC 25.23) less advance payments, tax withholdings, and tax credits that can be offset and for which a refund has not been claimed (OIC 25.24); if advance payments, tax withholdings, and tax credits exceed taxes payables, the company recognises the relevant tax receivable (OIC 25.29). Deferred and prepaid income taxes are calculated on the cumulative amount of all existing temporary differences between the carrying amounts of assets and liabilities and their tax base (OIC 25.38, 43). Deferred taxes relating to taxable temporary differences associated with investments in subsidiaries and transactions that resulted in creation of tax suspension reserves are not recognised only if the specific conditions in the relevant standard are met (OIC 25.85, 53-57). Deferred taxes relating to transactions that directly concerned equity are not initially recognised in profit or loss, and are instead included in the provisions for risks and charges by reducing the corresponding item of equity (OIC 25.56). Deferred and prepaid income taxes are recognised in the period in which temporary differences arise and are calculated by applying the tax rates prevailing in the period in which the temporary differences will be utilised, if such rates are already established at the reporting date; otherwise, they are calculated on the basis of the tax rates prevailing at the reporting date (OIC 25.43). Prepaid taxes on deductible temporary differences and the benefit associated with the carry forward of tax losses are recognised and maintained in the financial statements only if it is reasonably certain that they will be recovered, by anticipating taxable income or the availability of sufficient taxable temporary differences in the periods in which prepaid taxes will be utilised (OIC 25.41-42, 50). A deferred tax asset not recognised or reduced in previous periods, as it did not meet the requirements to be recognised or maintained in the financial statements, is recognised or restored in the period in which such requirements are met (OIC 25.45, 51).

Cash flow statement. The cash flow statement was prepared in accordance with OIC 10 to give the information necessary to assess the Group's financial situation (including liquidity and solvency) in the current period and the outlook for the subsequent periods. The statement also provides information on the cash and cash equivalents from and used in operating activities and how they are used and hedged, the Group's ability to meet its short-term financial commitments, and the Group's ability to finance itself.

The statement was prepared using the indirect method.
Cash flows from operating activities include all flows arising from the acquisition, production, and distribution of goods and the rendering of services, even if referring to ancillary operations, and the other flows not included in investing and financing activities.

In addition, they also include interest paid and received, except in certain cases where they directly refer to investments or loans and dividends received. Cash flows from investing activities include flows arising from the purchase and sale of tangible, intangible, and financial assets as well as current financial assets. They are presented separately based on the realisable value (i.e., the net carrying amount increased by the gain or reduced by the loss) adjusted by the change in receivables from customers for fixed assets.

Significant accounting estimates
With respect to changes in accounting estimates, in preparing this document, the Group did not change the basis used to calculate estimates.

Starting from the Financial Statements for the year ended 31 December 2021, the Parent Doxee S.p.A. availed of the option granted and recommended by OIC 17 to account for finance leases using the financial method, thereby reflecting the effects of this approach in the Financial Statements instead of providing only information in the Notes to the Financial Statements as was the case in previous years.

Specifically, a lease is a finance lease when it transfers substantially all the risks and rewards incidental to ownership of the assets (Article 2427 No. 22 of the Italian Civil Code). A lease that does not qualify as a finance lease under the Italian Civil Code is classified as an operating lease. The lessee recognises the assets held under finance lease under fixed asset items in the consolidated balance sheet following the loan obtained and takes the related depreciation and interest accruing on said loan to profit or loss. In accordance with OIC 29, since the company changed the accounting treatment of finance leases (from the balance sheet method to the financial method), the related effects have been recognised in the Consolidated Financial Statements at 31 December 2021 as a change in accounting standard. Accordingly, the cumulative effect of this change in accounting standard was determined at the beginning of the year 2021, assuming that the new standard had always been applied in previous years. The effect was calculated as the difference between the opening equity of the year in which the change took place and the amount that would have been obtained had the new standard already been adopted in previous years. Under this new accounting standard, the cumulative effect of the change did not impact the profit or loss for the year 2021 from ordinary operations which already reflects the application of the new standard.

At 30 June 2022, the effect arising from the application of the financial method to leases entailed the recognition of tangible assets (NBV) for an overall amount of Euro 275 thousand, payables to other lenders for Euro 330 thousand and generated an economic effect resulting from the reversal of lease payments and the recognition of depreciation and the related financial charges, for an amount close to zero. The cash flow statement was restated to recognise such effects.

COMMENT ON THE MAIN BALANCE SHEET ITEMS

Below is a breakdown of the main items in the Balance Sheet at 30 June 2022, showing the main changes compared to the year ended 31 December 2021.

Fixed assets

Intangible Assets

The following table shows the changes in start-up costs, development costs, industrial patents, concessions, and intangible assets under development, in the period from 1 January 2022 through 30 June 2022, shown by asset category.

	Start-up costs	Develop-ment costs	Industrial patents	Con-cessions, licenses and trade-marks	Goodwill	Assets under develop-ment	Other	**Total**
Balance at 01/01/2022	346,308	6,828,801	142,822	197,382	0	3,862,443	54,840	**11,432,596**
Increases	0	0	61,550	0	0	3,278,923	17,000	**3,357,473**
Decreases	0	0	0	0	0	0	0	**0**
Reclassifi-cations	0	574,992		-1	0	-574,992	1	**0**
Amortisation for the period	-86,577	-1,138,112	-29,065	-55,089	0	0	-8,592	**-1,317,435**
Closing balance	**259,731**	**6,265,681**	**175,307**	**142,292**	**0**	**6,566,374**	**63,249**	**13,472,634**
of which								
Historical cost	1,444,804	17,349,730	2,437,652	823,538	385,329	6,566,374	303,448	**29,310,875**
Accumulated amortisation	-1,185,074	-11,084,049	-2,262,345	-681,246	-385,329	-	-240,199	**-15,838,242**
Balance at 30/06/2022	**259,731**	**6,265,681**	**175,307**	**142,292**	**0**	**6,566,374**	**63,249**	**13,472,634**

Start-up costs
They mainly refer to advisory fees with a useful life of more than one year.

Development costs
They mainly refer to internal development projects for new functions and extensions of the Doxee platform, which, once completed, were transferred from "Assets under development" to "Development costs" and amortised.

Industrial patents and similar intellectual property rights
They mainly refer to the costs incurred for the creation, registration, and protection of trademarks and patents, with a useful life of more than one year.

Concessions, licenses and trademarks
They mainly refer to costs incurred and capitalised for the internal development of software licenses and patents, as well as costs incurred for third-party licenses.

Assets under development
These are costs incurred for the internal development of new projects, which were still in progress at the end of the reporting period, and are therefore suspended pending their completion.
The projects under development are detailed below.

Assets under development	**30/06/2022**	**31/12/2021**	**Change**
Development of a new Digital Experience Platform	1,440,623	531,384	**909,239**
Patent filing costs	12,673	11,801	**872**
Research and development of Doxee Platform features to improve the user experience (UX)	1,159,637	787,545	**372,092**
Research and development of innovative process accountability solutions	142,322	142,322	**0**
Increase in marketing costs – Web site project	338,533	305,385	**33,147**
Research and prototyping of an Internal Business Intelligence system	430,846	270,322	**160,523**
Definition of the strategy, framing, and preliminary adoption of Continuous Testing tools and practices as part of development processes	499,358	358,297	**141,061**
Experimental research and development of Event-Driven architectures within the Doxee platform to introduce new channels and new use cases	1,300,124	577,544	**722,580**
TETI project	681,859	0	**681,859**
E-commerce project	109,374	0	**109,374**
Other projects	451,025	877,843	**-426,818**
Total	**6,566,374**	**3,862,443**	**2,703,931**

The activities completed during the period in relation to business development projects for Euro 575 thousand were capitalised under development costs, while new investments amounted to Euro 3,279 thousand at 30 June 2022.

Testing recoverability of intangible assets

The Group constantly monitors its financial performance and financial position and compares them with the relevant 2021-2031 forecasts which represent the Management's best estimate of the Group's future financial performance and financial position. They were also used to test its development costs and intangible assets under development at 31 December 2021 for impairment without identifying any impairment losses.

In order to check the recoverability of the investments related to ongoing or completed software platform implementation projects, at 30 June 2022, the Group tested its development costs (Euro 6,266 thousand, down compared to Euro 6,829 thousand at 31 December 2021) and its intangible assets under development (Euro 6,566 thousand, up compared to Euro 3,862 thousand at 31 December 2021) for impairment. In this respect, the Group revised the projections underlying the impairment test, considering the changes that affected the economic context, and updated them to the first half of 2022: these projections did not identify any impairment indicators as defined by OIC 9.

The analysis considered the cash flows expected from the use of the software platform, discounted using the discounted cash flow method, and also included some stress tests, assuming the likelihood of potential adverse events. The variables considered were: market risk, interest rate risk and technological obsolescence.
A break-even scenario was also identified in which the joint occurrence of the above-mentioned adverse events would mean that the present value of the expected cash flows matches the carrying amount: this scenario is deemed highly unlikely.

Other

The costs incurred on assets not owned by the Group were reclassified into this line item.

Tangible Assets

Below are the changes in tangible assets and the relevant accumulated depreciation for the first half of 2022:

	Land and buildings	Plant and equipment	Industrial and commercial equipment	Right-of-use assets	Other assets	Assets under construction	**Total**
Balance at 01/01/2022	0	0	0	338,659	324,238	0	**662,897**
Increases	0	0	0	0	44,755	0	**44,755**
Decreases	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	**0**
Depreciation for the period	0	0	0	-63,956	-55,585	0	**-119,541**
Exchange rate effect	0	0	0	0	515	0	**515**
Closing balance	**0**	**0**	**0**	**274,703**	**313,923**	**0**	**588,626**
of which							
Historical cost	0	0	0	484,119	2,224,655	0	**2,708,773**
Accumulated depreciation	0	0	0	-209,415	-1,910,732	0	**-2,120,147**
Balance at 30/06/2022	**0**	**0**	**0**	**274,703**	**313,923**	**0**	**588,626**

Finance leases

Starting from the year ended 31 December 2021, the Group has recognised finance leases (specifically, hardware leases entered into by the Parent), by applying the financial method directly in the consolidated financial statements, using a retrospective approach on the opening balance of equity. Unlike the previously-used balance sheet method, the financial method generated the following accounting effects: (i) leased assets were recognised under tangible assets (ii) the related depreciation was taken to the income statement based on the lease term (five years) (iii) the interest rate implicit in the lease was taken to the income statement (iv) the lease payments recognised under production costs item B8-Costs for rent and leases, was written off (v) the lease liability for the principal still outstanding at the reporting date was recognised under liabilities.

The following table summarises the above effects at 30 June 2022 and compares them with the balance at 31 December 2021:

Effects of the application of the financial method	**30/06/2022**	**31/12/2021**
Total amount of assets under finance leases at the end of the period	274,703	338,659
Depreciation attributable to the period	-63,955	-145,460
Adjustments and reversals that would have been attributable to the period	0	0
Lease liabilities due within 12 months	123,979	129,309
Lease liabilities due after 12 months	206,153	265,096
Financial expenses attributable to the period	4,162	10,148

The comparative income statement figures relating to the first half of 2021 do not include the effect of the application of the financial method, which would have generated a lower profit for the first half of 2022 of Euro 22 thousand (following the reversal of the lease payments included in the balance for the first half of 2021 of Euro 62 thousand, higher financial expenses of Euro 5 thousand and the depreciation of right-of-use assets of Euro 79 thousand). However, as described earlier in this section, the Group applied this method in the preparation of the Group's annual financial statements at 31 December 2021, using the retrospective approach on equity at 31 December 2020. Consequently, the effect of the 12 months of 2021 on the financial position is already included in retained earnings/(accumulated losses) at 31 December 2021, as shown in the financial statements.

Financial Assets

Investments

Changes in investments in other companies
Below is the breakdown for the period 1 January 2022 – 30 June 2022.

	Other companies	**Total**
Balance at 01/01/2022	153,500	**153,500**
Increases		**0**
Decreases		**0**
Reclassifications		**0**
Revaluations for the period		**0**
Write-downs for the period		**0**
Exchange rate effect		**0**
Closing balance	**153,500**	**153,500**
of which		
Historical cost	153,500	**153,500**
Revaluations		**0**
Write-downs		**0**
Balance at 30/06/2022	**153,500**	**153,500**

This item includes Euro 1,000.00 related to the 10% investment in DNA LAB S.r.l., based in Catanzaro (CZ), and Euro 152,500.00 related to the investment in the Polo Pitagora consortium (Catanzaro).

Receivables from financial assets

Changes in receivables from parent companies and others
Below is the breakdown for the period 1 January 2022 – 30 June 2022.

	Parent companies	Companies under common control	Other companies	Total
Balance at 01/01/2022			2,826	**2,826**
Increases				**0**
Decreases				**0**
Reclassifications				**0**
Write-downs for the period				**0**
Exchange rate effect				**0**
Closing balance	**0**	**0**	**2,826**	**2,826**
of which				
Historical cost			2,826	**2,826**
Write-downs				**0**
Balance at 30/06/2022	**0**	**0**	**2,826**	**2,826**

The other financial receivables relate to guarantee deposits.

Breakdown of receivables included within fixed assets by geographical area
The table below shows the geographical breakdown of receivables included within fixed assets at 30 June 2022.

Geographical area	Italy	Abroad	**Total**
Receivables from other companies	2,826	0	**2,826**
Balance at 30/06/2022	**2,826**	**0**	**2,826**

Derivative financial instruments - assets

On 28 January 2021, the Parent entered into an "Interest rate swap" derivative contract with an initial notional amount of Euro 1,000,000 to hedge interest rate risk on a loan from Crédit Agricole.
The Group has carried out the required effectiveness tests in order to verify compliance with the hedging relationship between the hedged item and the derivatives entered into. In accordance with the above principle, hedging derivatives are such only if the relevant cash flows are expected to include changes in the cash flows of the hedged item. For these transactions, it is therefore necessary to assess the effectiveness of the hedge, which represents the level at which using the financial instrument involves offsetting the 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 on the underlying instrument and the opposing changes in the derivative instrument is between 80% - 125%. The effectiveness tests conducted for the purposes of the financial statements have shown that the ratio falls within the above range in accordance with OIC 3, testifying to the effectiveness of the hedge.
As required under Article 2427-bis of the Italian Civil Code and Italian accounting standards (OIC 32), at 30 June 2022 the fair value of this derivative instrument was positive Euro 12,466 compared to negative Euro 1,859 at 31 December 2021.

Effective date	28/01/2021
Maturity date	28/01/2025
Type	IRS – Interest Rate Swap
Objective	Hedging
Historical notional amount at the end of the period ended 30/06/2022	Euro 688,142
Underlying financial risk	Interest rate risk
Fair value (MTM)	Euro 12,466
Hedged liability	Crédit Agricole Loan

	Derivative financial instruments - assets	**Total**
Balance at 01/01/2022	0	**0**
Increases	12,466	**12,466**
Decreases		**0**
Reclassifications		**0**
Write-downs for the period		**0**
Exchange rate effect		**0**
Balance at 30/06/2022	**12,466**	**12,466**

Current assets

Receivables
The following table shows the changes in receivables included within current assets as well as their maturity. Please note that all the Group's receivables have residual maturity of less than five years and are not collateralised. The amounts shown below are net of the provision for bad and doubtful debts.

Classification	30/06/2022	31/12/2021	Change
Receivables from customers	8,463,137	9,695,637	**-1,232,500**
Receivables from subsidiaries	0	0	**0**
Receivables from associates	0	0	**0**
Receivables from parent companies	0	0	**0**
Receivables from companies under common control	0	0	**0**
Tax receivables	1,898,844	1,589,931	**308,913**
Deferred tax assets	238,585	192,178	**46,407**
Receivables from others	90,459	99,520	**-9,061**
Total	**10,691,025**	**11,577,266**	**-886,241**

Receivables are broken down by geographical area as follows:

Classification	Italy	Abroad	Change
Receivables from customers	6,128,495	2,334,641	**8,463,137**
Receivables from subsidiaries	0	0	**0**
Receivables from associates	0	0	**0**
Receivables from parent companies	0	0	**0**
Receivables from companies under common control	0	0	**0**
Tax receivables	1,876,105	22,739	**1,898,844**
Deferred tax assets	238,585	0	**238,585**
Receivables from others	90,342	117	**90,459**
Total	**8,333,528**	**2,357,497**	**10,691,025**

The following table shows the changes in the provision for bad and doubtful debts for the periods ended 31 December 2021 and 30 June 2022:

Provision for bad and doubtful debts	Untaxed provision	Taxed provision	Total
Balance at 31/12/2021	238,002	326,862	**564,864**
Provisions for the period	81,378		**81,378**
Drawdowns for the period	-10,235	0	**-10,235**
Reversals for the period	0	0	**0**
Balance at 30/06/2022	**309,145**	**326,862**	**636,006**

Receivables from customers
Receivables from customers, generated by the Group's core business, are fully due within 12 months of the end of the reporting period.
Below is the breakdown of past due receivables at 30 June 2022 and 31 December 2021 (the amounts are shown before deducting the provision for bad and doubtful debts):

	30/06/2022	31/12/2021	Change
Up to 30 days past due	187,532	235,074	**-47,541**
Between 30 and 60 days past due	176,538	63,950	**112,589**
Between 60 and 90 days past due	405,972	74,148	**331,824**
Between 90 and 120 days past due	0	8,622	**-8,622**
Over 120 days past due	588,743	573,035	**15,708**
Total past due receivables from customers	**1,358,785**	**954,829**	**403,956**
Receivables not past due	7,740,357	9,305,671	**-1,565,314**
Provision for bad and doubtful debts	-636,006	-564,864	**-71,142**
Total receivables from customers	**8,463,137**	**9,695,637**	**-1,232,500**

The nominal amount of receivables was adjusted to their estimated realisable value using a specific provision for bad and doubtful debts recognised as a direct deduction from line item CII 1) Receivables from customers.

Tax receivables
Tax receivables mainly comprise the line item research and development tax credit.

Deferred tax assets
They refer to deferred tax assets of the Parent recognised for temporary differences related to costs that are deductible in subsequent periods, for which reference should be made to the following notes.

Receivables from others
Receivables from others mainly refer to a receivable for security deposits.

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

Classification	30/06/2022	31/12/2021	Change
Deposit accounts	4,869,276	5,845,261	**-975,985**
Cheques	0	0	**0**
Cash on hand	2,582	2,538	**44**
Total	**4,871,858**	**5,847,799**	**-975,941**

The balance includes cash on hand as well as deposit accounts remunerated at a rate in line with the market rate.
For a better understanding of cash outflows and inflows during the period, please refer to the cash flow statement.

Accrued income and prepaid expenses
Accrued income mainly refers to research and development grants.
The following table shows the relevant breakdown for the half-year period ended 30 June 2022 and for the year ended 31 December 2021.

Classification	30/06/2022	31/12/2021	Change
Accrued income	621,371	629,439	**-8,067**
Prepaid expenses	412,836	542,767	**-129,932**
Total	**1,034,207**	**1,172,206**	**-137,999**

Below is the breakdown of accrued income and prepaid expenses.

Accrued income	30/06/2022	31/12/2021	Change
R&D grants	619,091	627,159	**-8,067**
Interest rate subsidies	2,280	2,280	**0**
Total	**621,371**	**629,439**	**-8,067**
Prepaid expenses	**30/06/2022**	**31/12/2021**	**Change**
Maintenance costs	52,643	228,225	**-175,583**
Lease and rental costs	105,396	72,756	**32,640**
Advisory fees	83,705	88,421	**-4,715**
Insurance costs	113,245	102,104	**11,141**
Other costs	57,847	51,261	**6,586**
Total	**412,836**	**542,767**	**-129,932**

Equity

The table below shows the changes in consolidated equity for the period 1 January 2022 – 30 June 2022.

Description	Share capital	Premium reserve	Legal reserve	Other reserves	Cash flow hedge reserve	Retained earnings/(Accumulated losses)	Profit/ (loss) for the period	Negative reserve for treasury shares in portfolio	Group equity	Equity attributable to minority interests
Equity at 01/01/2022	**1,769,553**	**5,645,056**	**319,576**	**5,767,287**	**-1,413**	**-4,282,724**	**1,667,330**	**-487,654**	**10,397,011**	**2,387**
Allocation of profit/ (loss) at 31/12/2021			34,335	1,382,154		250,841	-1,667,330		**0**	
Exchange rate differences				-354,005					**-354,005**	
Hedging change					10,887				**10,887**	
Other changes				1				-156,985	**-156,984**	-21,814
Profit for the period							139,239		**139,239**	20,049
Equity at 30/06/2022	**1,769,553**	**5,645,056**	**353,911**	**6,795,437**	**9,474**	**-4,031,883**	**139,239**	**-644639**	**10,036,148**	**622**

The company recognised a negative reserve for treasury shares in portfolio as a result of the approval of a share buy-back programme launched on 12 May 2021 pursuant to the resolution of the Annual Parent Shareholders' Meeting of 27 April 2021, subsequently revoked, with respect to the part of the plan not yet executed, in favour of the approval of a new programme to buy and sell treasury shares passed by the Shareholders' Meeting of 28 April 2022 and launched on 16 May 2022 by the Parent's Board of Directors. For more details, see the Report on Operations.

On 27 April 2021, the Annual Parent Shareholders' Meeting resolved to approve the "Doxee 2021-2024" Stock Grant Plan (the "Plan")—a retention tool intended for the employees of the Company and/or other companies of the Group, concerning the grant of up to 215,000 ordinary shares in the Company—along with the relevant Rules.
The Plan is a tool designed to incentivise, retain, and attract Recipients. The Parent has set aside a specific equity reserve for the Plan, named "Reserve restricted for use in capital increase for the Doxee 2021-2024 Stock Grant Plan" (included within "Other reserves") and amounting to Euro 47,708.00, by tapping the "Extraordinary Reserve" within equity.

Description	Share capital	Premium reserve	Legal reserve	Reserve restricted for use in Stock Grant Plan 2021-2024	Other reserves	Cash flow hedge reserve	Retained earnings/(Accumulated losses)	Profit/ (loss) for the period	Negative reserve for treasury shares in portfolio	Group equity	Equity attributable to minority interests
Consolidating entity Equity at 30/06/2022	1,769,553	5,645,056	353,910	47,708	6,991,205	9,474	-1,800,554	-140,059	-644,639	**12,231,655**	
Carrying amount of investments eliminated							-1,972,001			**-1,972,001**	
Pro rata amount of the equity of consolidated entities							-1,641,643			**-1,641,643**	**2,387**
Exchange rate differences					-243,480					**-243,480**	
Profit/ (loss) of consolidated entities							-1,481,178	278,982		**-1,202,196**	**-1,765**
Cancellation of intragroup write-downs							2,930,000			**2,930,000**	
Other adjustments					2		-66,506	316		**-66,187**	
Consolidated Equity at 30/06/2022	**1,769,553**	**5,645,056**	**353,911**	**47,708**	**6,747,727**	**9,474**	**-4,031,882**	**139,239**	**-644,639**	**10,036,148**	**622**

"Other adjustments" include the effect of the gains and losses arising from the recognition of leases using the financial method (Euro 56 thousand), in addition to the effect on the carrying amount of Babelee's investment in 2020 and the tax effect on the consolidated financial statements at 31 December 2020, totalling Euro 10 thousand.

Treasury Shares
At 30 June 2022, the Parent held a total of 96,250 treasury shares, accounting for 1.207% of the share capital, worth Euro 644,639.00 overall.

Provisions for risks and charges

The following table shows the changes for the period 1 January 2022 – 30 June 2022.

	Provisions for employee termination benefits	Provisions for taxes, including deferred taxes	Derivative financial instruments – liabilities	Other provisions	**Total**
Balance at 01/01/2022	0	184	1,859	0	**2,043**
Provisions for the period				225,460	**225,460**
Drawdowns for the period		-184			**-184**
Reversals for the period					**0**
Reclassifications			-1,859		**-1,859**
Balance at 30/06/2022	**0**	**0**	**0**	**225,460**	**225,460**

During the period, the Company accrued a risk provision for an outstanding dispute of Euro 225 thousand. Based on the progress of the dispute at the preparation date of this document and the update of the consultants engaged, the Group believes that the recognised provision is adequate and reflects the best estimate of the liabilities for risks and charges.

Employee termination benefits

The line item employee termination benefits shows the Group's actual obligation at 31 December 2021 and 30 June 2022 to current employees at said dates, net of advances paid and transfers to industry-wide occupational pension plans.
The following table shows the relevant changes.

Changes	**Employee termination benefits**
Balance at 01/01/2022	1,522,511
Provisions for the period	281,113
Drawdowns for the period	-140,588
Balance at 30/06/2022	**1,663,036**

Payables

The following table shows the payables included within current liabilities, as well as the relevant maturity at 31 December 2021 and 30 June 2022.
Please note that all the Group's payables are not collateralised.

Classification	30/06/2022	31/12/2021	Change
Payables to banks	6,454,040	7,050,682	**-596,642**
Payables to other lenders	330,132	394,405	**-64,273**
Payables to suppliers	7,028,833	6,765,168	**263,665**
Tax payables	355,803	539,926	**-184,123**
Payables to social security and welfare institutions	555,704	565,788	**-10,084**
Other payables	1,676,612	1,194,917	**481,695**
Closing balance	**16,401,124**	**16,510,886**	**-109,762**

Classification	30/06/2022	Within 12 months	Beyond 12 months	Beyond five years	Collateral
Payables to banks	6,454,040	2,563,296	3,890,744	0	0
Payables to other lenders	330,132	123,979	206,153		
Payables to suppliers	7,028,833	7,028,833	0	0	0
Tax payables	355,803	355,803	0	0	0
Payables to social security and welfare institutions	555,704	555,704	0	0	0
Other payables	1,676,612	1,676,612	0	0	0
Closing balance	**16,401,124**	**12,304,228**	**4,096,897**	**0**	**0**

Breakdown of medium/long-term bank loans

Bank	Loan issued	Outstanding within 12 months	Outstanding beyond 12 months	Total outstanding	Maturity date
Unicredit	500,000	169,017	0	**169,017**	31/03/2025
Unicredit	1,000,000	150,959	850,189	**1,001,148**	30/06/2023
Simest's E-Commerce call for tenders	90,000	0	90,000	**90,000**	01/01/2024
Simest's feasibility studies	0	3,863	19,422	**23,285**	06/10/2025
Banca BPER	1,500,000	276,623	139,159	**415,782**	11/12/2023
Mediocredito Centrale	425,865	53,063	293,367	**346,430**	30/06/2029
BPM	1,000,000	222,826	111,314	**334,139**	31/12/2023
San Felice 1893	2,000,000	230,453	482,193	**712,647**	30/06/2025
Crédit Agricole Italia S.p.A.	1,000,000	250,963	437,180	**688,142**	28/01/2025
MIUR loan	20,280	3,384	6,794	**10,178**	01/01/2024
MIUR loan	6,198	1,546	3,108	**4,654**	01/01/2024
MPS 0994139280	2,000,000	493,130	1,340,245	**1,833,375**	28/02/2026
MPS LS	30,000	612	29,393	**30,005**	30/04/2031
ISP LS 46977128	150,000	30,806	52,518	**83,324**	12/09/2024
ISP LS 48320467	150,000	39,023	35,863	**74,886**	26/12/2023
Total	**9,872,343**	**1,926,268**	**3,890,744**	**5,817,012**	

Please note that the loans are all denominated in Euro and that the reported amounts were assumed on the basis of the relevant repayment schedules, taking into account the effects of the measurement at amortised cost, so as to reflect the financial commitments undertaken by the Group.
Please note also that these bank loan agreements do not contain financial covenants, and/or performance obligations and obligations to refrain from an act, including negative pledges, and cross-default scenarios.

Payables to other lenders
They relate to amounts due to lease companies as a result of the application of the financial method.

Payables to suppliers
They mainly include trade payables for the purchase of goods and services, including investments, mainly in relation to domestic suppliers. They rose by Euro 264 thousand compared to 31 December 2021. The increase is less than proportional to the rise in related costs.
With respect to the ageing and, therefore, the payment terms of payables to suppliers, the balance is essentially unchanged compared to 31 December 2021.

Tax payables
They mainly consist of payables for withholding taxes on employees, VAT settlement payables, and payables for current taxes for the reporting period.

Payables to social security and welfare institutions
The line item mainly includes liabilities related to contributions for employees and occupational accident insurance contributions. There are no significant changes between the two periods.

Other payables
These mainly consist of payables to employees for salaries and wages, including those that are deferred (additional monthly salaries, accrued and unused annual and holiday leave). The Euro 482 thousand increase refers to the June 2022 remuneration, which was paid in July 2022, and the holidays accrued by personnel until 30 June 2022.

Accrued expenses and prepaid income

Accrued expenses and prepaid income at 30 June 2022 totalled Euro 2,500,752 and largely consisted of Euro 170,715 in prepaid income associated with the company Babelee S.r.l. as well as Euro 2,330,037 in prepaid income for the Parent's R&D grants and tax credit.

COMMENT ON THE MAIN INCOME STATEMENT ITEMS

Below is the breakdown of the main line items in the Income Statement for the six-month periods ended 30 June 2022 and 30 June 2021, showing the main changes that occurred.

Value of production

The following table shows the changes in the relevant line items.
Consolidated revenues amount to Euro 14,69 million, up considerably on the first half of 2021, which showed revenues of Euro 11.56 million.
Excluding "internally generated fixed assets" and "other revenues", the revenues for the period still show significant growth (+21%), from Euro 9.13 million in the first half of 2021 to Euro 11.05 million in the first half of 2022, as summarised below:

Value of production	30/06/2022	30/06/2021	Change
Revenues from sales and services	11,054,584	9,134,799	**1,919,785**
Change in inventories of work in progress, unfinished and finished goods	0	0	**0**
Change in contract work in progress	0	0	**0**
Internally generated fixed assets	3,278,923	2,316,477	**962,446**
Other revenues and income	358,600	117,418	**241,182**
Total	**14,692,107**	**11,568,694**	**3,123,413**

Revenues from sales and services

Breakdown of revenues from sales and services by business category

The following table shows the breakdown of revenues from sales and services by business category for the six months ended 30 June 2022 and 2021.

Business category	30/06/2022	30/06/2021	Change
Outsourcing services	10,597,646	8,613,331	**1,984,315**
Licensing and fees	344,929	450,311	**-105,382**
Professional service	41,636	53,414	**-11,778**
Custom request	70,373	17,743	**52,629**
Total	**11,054,584**	**9,134,799**	**1,919,785**

Breakdown of revenues from sales and services by geographical area

The following table shows the breakdown of revenues from sales and services by geographical area for the six months ended 30 June 2022 and 2021.

Geographical area	30/06/2022	30/06/2021	Change
Italy	9,135,287	8,123,308	**1,011,979**
Abroad	1,919,297	1,011,491	**907,806**
Total	**11,054,584**	**9,134,799**	**1,919,785**

Internally generated fixed assets

From Euro 2.31 million at 30 June 2021 to Euro 3.27 million in the first half of 2022, this line item includes the measurement of the internal costs incurred and capitalised under intangible assets in relation to the costs and expenses incurred by the Parent for operations associated with development projects. These expenses are attributable to the costs of the staff involved in the projects and the costs for services used.

Other revenues

Regarding the amount included within the line item "operating grant", this mainly relates to the recognition of the research and development tax credit.

Production costs

In the first half of 2022, costs increased by 31% from Euro 11.31 million in the first half of 2021 to Euro 14.84 million in the first half of 2022. The following table shows the changes in the relevant line items.

Production costs	30/06/2022	30/06/2021	Change
For raw and auxiliary materials, consumables and merchandise	52,688	226,162	**-173,474**
For services	8,031,514	5,423,009	**2,608,504**
For rent and leases	236,223	200,401	**35,822**
For personnel	4,641,397	3,949,177	**692,220**
Amortisation, depreciation and write-downs	1,518,354	1,285,329	**233,025**
Change in raw and auxiliary materials, consumables and merchandise	0	0	**0**
Provisions for risks	225,460	0	**225,460**
Other provisions	0	0	**0**
Other operating costs	132,430	232,910	**-100,480**
Total	**14,838,066**	**11,316,988**	**3,521,077**

Costs for raw materials and consumables

These costs are substantially unrelated to the value of production and have declined significantly in the last six months compared to the first half of 2021 (-76%) due to the gradual and proportional growth of the business.

Costs for services

Costs for services—increasing by 48% from the prior-year period—mainly refer to costs for printing and delivering documents to third parties, or costs for external advisory services, costs for third-party employees and advisers working directly on projects with customers.

Below is the breakdown:

Costs for services	30/06/2022	30/06/2021	Change
Printing and delivery costs	2,308,917	1,296,202	**1,012,715**
R&D technical advisory services	1,384,807	945,469	**439,338**
Technical advisory services	2,677,454	1,162,299	**1,515,155**
Administration and other general overhead costs	372,074	659,015	**-286,941**
Infrastructure costs	978,844	654,148	**324,696**
Marketing costs	128,050	281,376	**-153,326**
Various costs	181,368	424,501	**-243,133**
Total	**8,031,514**	**5,423,009**	**2,608,504**

Costs for rent and leases

These costs are substantially unrelated to the value of production. In the first half of 2022, they increased slightly compared to the same period of 2021 (+18%), despite the fact that the retrospective approach of the financial method on leases was not applied.

Costs for personnel

This item includes all salaries and contributions paid for employees, including bonuses, merit salary increases, promotions, cost-of-living adjustments, costs borne by the company for supplementary pension funds, the cost of unused annual leave, and provisions required by law and collective agreements.

The number of employees during the current period increased by 11 units compared to the previous period, as the following table shows.

Category	30/06/2022	31/12/2021	Change
Senior managers	10	6	**4**
Middle managers	17	18	**-1**
Clerical staff	112	101	**11**
Trainees	14	17	**-3**
Total	**153**	**142**	**11**

The increase in personnel compared to 2021 was mainly due to the growing business—which also generated increasing revenues from sales and services—and the need to find resources with appropriate technological skills as well as to strengthen the sales structure.

Cost for personnel for the first half of 2022 and 2021 may be broken down as follows:

Costs for personnel	30/06/2022	30/06/2021	Change
Wages and salaries	3,364,510	2,892,498	**472,012**
Social security charges	978,044	853,627	**124,417**
Employee termination benefits	281,113	197,942	**83,171**
Other costs	17,730	5,110	**12,620**
Total	**4,641,397**	**3,949,177**	**692,220**

Amortisation, depreciation and write-downs

This item at 30 June 2022 and 2021 may be broken down as follows:

Amortisation of intangible assets	30/06/2022	30/06/2021	Change
Start-up costs	86,577	95,451	**-8,874**
Development costs	1,138,112	993,942	**144,170**
Industrial patents and similar intellectual property rights	29,065	3,238	**25,827**
Concessions, licences, trademarks and similar rights	55,089	85,732	**-30,643**
Other	8,592	5,946	**2,646**
Total	**1,317,434**	**1,184,309**	**133,126**

The increase compared to 30 June 2021 essentially related to the rise in development costs—largely because of the release of the Doxee Platform 3, which caused the capitalised costs incurred to be reclassified from "Assets under development" to "Development costs".

Depreciation of tangible assets	30/06/2022	30/06/2021	Change
Land and buildings	0	0	**0**
Plant and equipment	0	0	**0**
Industrial and commercial equipment	0	0	**0**
Right-of-use assets	63,955	0	**63,955**
Other assets	55,586	55,772	**-186**
Total	**119,542**	**55,772**	**63,770**

Write-down of current receivables and of cash and cash equivalents	30/06/2022	30/06/2021	Change
Write-down of trade receivables	81,378	45,248	**36,130**
Total	**81,378**	**45,248**	**36,130**

At 30 June 2022, there were no write-downs of fixed assets.

Provisions for risks and charges

Provisions for risks	30/06/2022	30/06/2021	Change
Provisions for risks	225,460	0	**225,460**
Total	**225,460**	**0**	**225,460**

Financial income and expenses

Financial expenses mainly refer to the interest expense on bank loans taken out by the Parent.

Financial income	30/06/2022	30/06/2021	Change
Current account interest income	41	46	**-5**
Various interest income	0	0	**0**
Interest rate subsidy	1,721	0	**1,721**
Income from discounting of receivables arising from sale of investment	2,332	23	**2,309**
Total	**4,095**	**69**	**4,026**

Financial expenses	30/06/2022	30/06/2021	Change
Current account interest expense	4,487	21,527	**-17,041**
Interest expense on bank loans	34,835	12,898	**21,937**
Bank fees and surety bonds	3,461	2,462	**999**
Financial interest on leases	4,162	0	**4,162**
Interest expense from derivatives	0	3,565	**-3,565**
Interest expense from payment extensions	2,500	268	**2,232**
Supplier interest expense	19,978	30,465	**-10,486**
Recognition of amortised cost on bank loans	11,051	39,092	**-28,041**
Total	**80,473**	**110,276**	**-29,803**

Foreign exchange gains/(losses)	30/06/2022	30/06/2021	Change
Foreign exchange gains/(losses)	323,019	138,212	**184,807**
Total	**323,019**	**138,212**	**184,807**

Foreign exchange gains mainly relate to Doxee USA and are up Euro 185 thousand on 30 June 2021 as a result of trade transactions carried out in currencies other than the US dollar.

Income taxes for the period

Reconciliation between theoretical and effective taxes

The Parent’s theoretical tax rate for the six months ended 30 June 2022 and 2021 was 27.9%, determined by applying current IRES and IRAP tax rates; for the other foreign companies of the Group, it varies from country to country depending on applicable laws.
Below is the reconciliation between the theoretical tax expense, calculated with the theoretical tax rate of the Parent, and those actually recognised in the financial statements.

Reconciliation for the half-year period ended 30 June 2022

Profit/(loss) before tax: Euro 100,683.

Description	IRES	IRAP	Total	% profit/ (loss) before tax
Current taxes	0	13,237	**13,237**	
Deferred and prepaid taxes	-50,446	417	**-50,029**	
Total taxes	**-50,446**	**13,654**	**-36,792**	**27.5%**
Theoretical taxes	32,116	5,219	**37,334**	27.9%

Other information

The Group's net financial debt at 30 June 2022 and 31 December 2021 is shown below pursuant to ESMA-32-382-1138 guidelines:

	Description	30/06/2022	31/12/2021	Change
A	Cash	-4,871,858	-5,847,799	**975,941**
B	Cash equivalents	0	0	**0**
C	Other current financial assets	0	0	**0**
D	**Liquidity (A + B + C)**	**-4,871,858**	**-5,847,799**	**975,941**
E	Current financial payables	637,028	612,249	**24,779**
F	Current portion of medium/long-term financial payables (*)	2,050,247	1,845,316	**204,931**
G	**Current financial debt (E+F)**	**2,687,276**	**2,457,565**	**229,711**
H	**Net current financial debt (G-D)**	**-2,184,582**	**-3,390,234**	**1,205,652**
I	Non-current financial payables (*)	4,096,897	4,989,381	**-892,484**
J	Debt instruments	0	0	**0**
K	Trade payables and other non-current payables	0	0	**0**
L	**Non-current financial debt (I+J+K)**	**4,096,897**	**4,989,381**	**-892,484**
M	**Total Group financial debt (H+ L)**	**1,912,315**	**1,599,147**	**313,168**

(*) the balances include the current and non-current portion of financial payables for leasing, respectively

Guarantees and commitments and contingent liabilities
There are no guarantees, commitments, and contingent liabilities.

Off-balance-sheet arrangements
There are no off-balance-sheet arrangements that could materially influence the Group's financial position and financial performance, pursuant to Article 2427, point 22-ter of the Italian Civil Code.

Events after the reporting period

With respect to events after the reporting period, please see the paragraph "Significant events after the reporting period" in the Report on Operations.

Related party transactions

Transactions with related parties are mainly carried out for business and financial purposes as part of company operations, and are regulated at arm's length. None of them has a particular economic or strategic importance to the Parent as they do not have a significant percentage impact on the total financial statement balances.

Similarly to 31 December 2021, at 30 June 2022, there were no related party transactions, including with P&S S.r.l. or the shareholders holding an investment of more than 5%.

Transactions with subsidiaries

Transactions with subsidiaries are mainly carried out for business purposes as part of company operations and are regulated at arm's length.

FINAL CONSIDERATIONS

These Notes to the Financial Statements are an inseparable part of the Consolidated Interim Financial Statements and the accounting information contained herein match the company's accounting records kept in accordance with applicable laws; after the reporting date and up to the present date, no events occurred such as to make the current financial position substantially different from that resulting from the Balance Sheet and Income Statement or to require further adjustments or additional notes to the financial statements.

Modena (MO), 26 September 2022

The Chair of the B.o.D. of the Parent Doxee S.p.A.
Mr Paolo Cavicchioli