

**doxee**

# Annual Report

for the year ended 31 December 2021

**DOXEE GROUP**



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# Corporate Bodies

## Board of Directors

Chair of the Board of Directors:	Paolo Cavicchioli
CEO:	Sergio Muratori Casali
Director:	Giuseppe Dal Cin
Independent Director:	Pier Luigi Morara

## Board of Statutory Auditors

Chair of the Board of Statutory Auditors:	Gianluca Riccardi
Standing Auditor :	Marcello Braglia
Standing Auditor :	Daniele Serra

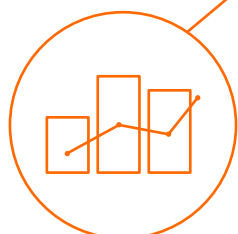
# Report on operations accompanying the consolidated financial statements at 31 December 2021

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 financial statements at 31 December 2021, 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 31 DECEMBER 2021



Below are the Group's highlights for the period ended 31 December 2021:

- Value of Production: Euro 26.1 m, +18.8% (31/12/2020: Euro 22.0 m);
- EBITDA: Euro 5.3 m, +8.1% (31/12/2020: Euro 4.9 m), EBITDA MARGIN: 20.4%;
- EBIT: Euro 1.7 m, -20.2% (31/12/2020: Euro 2.2 m);
- Profit for the Period: Euro 1.7 m, +77.6% (31/12/2020: Euro 0.9 m);
- Net Financial Position: Euro -1.6 m (31/12/2020: Euro -2.9 m).

**Revenues from sales** totalled Euro 20.9 million, rising steadily by +17.8% from Euro 17.7 million in 2020.

The **Product Lines** that contributed the most to the increase in revenues were **document experience**, generating Euro 13.1 million in revenues, +28.4% from Euro 10.2 million in 2020; **paperless experience**, up +0.3% to Euro 4.1 million compared to Euro 4.1 million in 2020; meanwhile, **interactive experience** reported Euro 3.6 million in revenues, up by +7.0% from Euro 3.4 million in 2020.

The percentage of Recurring Revenues held steady at 70% thanks to the growth in the SaaS business.

The **Value of Production** amounted to Euro 26.1 million (Euro 22.0 million at 31.12.2020), up +18.8%.

**EBITDA** came in at Euro 5.3 million, sharply up +8.1% (Euro 4.9 million at 31/12/2020). The **EBITDA Margin** is slightly down from 22.4% at 31.12.2020 to **20.4%** as a result of the increased impact of the most profitable product lines and the improved operational efficiency.

**EBIT** totalled Euro 1.7 million, down -20.2% from 31 December 2020 (Euro 2.2 million), net of depreciation, amortisation, write-downs, and provisions amounting to Euro 3.6 million (Euro 2.8 million at 31.12.2020) that largely resulted from investments into technological development.

The **Profit for the Period** amounted to Euro 1.7 million, up by +77.6% from 31 December 2020 (Euro 0.9 million) as a result of the increase in taxes for the period.

The **Net Financial Position** stood at Euro -1.6 million, an increase compared to Euro -2.9 million at 31 December 2020.

**Equity** amounted to Euro 10.4 million (Euro 6.7 million at 31 December 2020).

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# DOXEE GROUP STRUCTURE

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

Below are the companies of the group:

## **Doxee S.p.A. - Parent**

Registered office: Modena, Italy

Reporting currency: Euro

Share capital: Euro 1,769,553.28 – fully paid-up

Equity at 31/12/2021: Euro 12,517,812

Profit for the period at 31/12/2021: Euro 1,416,489

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 31/12/2021: US dollar 4,674,257

Profit for the period at 31/12/2021: US dollar 393,413

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 31/12/2021: Euro 258,462

Profit for the period at 31/12/2021: Euro 99,803

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 31/12/2021: Czech koruna 9,233,525

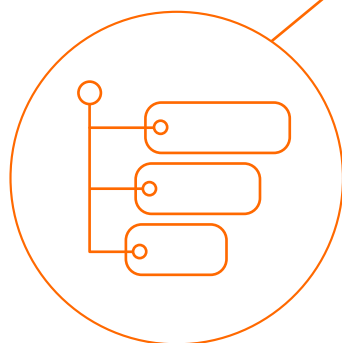
Profit for the period at 31/12/2021: Czech koruna 2,020,246

Status: foreign subsidiary

Direct ownership share: 100%

The above percentages of ownership remained unchanged between the two periods.

The scope of consolidation does not include the foreign subsidiary "OOO Doxee RU", based in Moscow (Russia), which was wound up on 10 December 2020.





**Babelee S.r.l.**

Registered office: Milan, Italy

Reporting currency: Euro

Share capital: Euro 12,193.00 – fully paid-up

Equity at 31/12/2021: Euro -33,270

Loss for the period at 31/12/2021: Euro -244,283

Status: Italian subsidiary

Direct ownership share at 31 December 2021: 91.07%

The percentage of ownership increased from 84.80% to 91.07% in January 2021 following the transfer of the remaining 6.27% interest subject to a call option.



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## GROUP COMPANIES

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**Doxee S.p.A.** (hereinafter referred to as “Doxee”), registered office in Modena (MO), viale Virgilio 48/B postal code 41123, share capital € 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 patented 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 but not later than 2024. 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, with Doxee USA Inc. supporting and developing professional services as part of 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 Slovacchia'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 start-up 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 Littlesea platform, named Babelee, was designed for Self-Service by enabling even amateurs to easily produce videos with dynamic content. This operation 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 Doxee Platform™ will allow 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 performance

(art. 40, comma 1, del D.Lgs. n. 127/91)

## The world economy

Following the widespread slowdown in the third quarter of 2021, which did not affect the Euro Area, signs emerged of a return to stronger recovery in the United States and other advanced countries at the end of the year, in contrast to a prolonged weakness in the emerging economies. The resurgence of the pandemic and the persistent bottlenecks on the supply side are however creating downside risks to economic activity. Inflation has risen further almost everywhere, mainly as a result of the increases in the prices of energy products and the recovery of internal demand. The Federal Reserve and the Bank of England have begun to normalise their monetary policy.

The rise in the number of COVID-19 cases was less marked than in the previous epidemic waves thanks to the vaccination campaigns. Global mobility, which in the second half of 2021 had reached much higher levels than the year before, fell in the final weeks, owing in part to the spread of the Omicron variant.

GDP slowed in the third quarter of 2021 both in the major advanced economies, with the exception of the Euro Area, and in the emerging ones, while the purchasing managers' indices (PMIs) show widespread signs of cyclical recovery in the main advanced economies in the fourth quarter.

Furthermore, the weakening of global demand has had a significant impact on oil prices. Both the US decision to draw on its own oil reserves and the readiness of the OPEC+ countries to honour their commitment to increasing production led to downward pressure on prices. Nevertheless, at the start of January 2022, oil prices showed definite signs of recovery, with the price of Brent once again above \$80 a barrel.

	Macroeconomic projections (percentage changes and points)				
	2020 (1)	Forecasts (2)		Revisions (3)	
		2021	2022	2021	2022
<b>GDP</b>					
<b>World</b>	<b>-3.4</b>	<b>5.6</b>	<b>4.5</b>	<b>-0.1</b>	<b>0.0</b>
of which:					
<b>Advanced countries</b>					
Euro area	-6.4	5.2	4.3	-0.1	-0.3
Japan	-4.5	1.8	3.4	-0.7	1.3
United Kingdom	-9.7	6.9	4.7	0.2	-0.5
United States	-3.4	5.6	3.7	-0.4	-0.2
<b>Emerging countries</b>					
Brazil	-3.9	5.0	1.4	-0.2	-0.9
China	2.2	8.1	5.1	-0.4	-0.7
India (4)	-7.3	9.4	8.1	-0.3	0.2
Russia	-3.0	4.3	2.7	1.6	-0.7
<b>World trade</b>	<b>-8.4</b>	<b>10.8</b>	<b>4.8</b>	<b>-0.4</b>	<b>-</b>

Sources: OECD, *OECD Economic Outlook*, December 2021 for GDP and Bank of Italy calculations based on national accounts and customs data for world trade.

(1) For Brazil and China, national accounts data. – (2) Percentage changes. – (3) Percentage points. Revisions compared with OECD, *OECD Interim Economic Outlook*, September 2021 and, for world trade, compared with the Bank of Italy's *Economic Bulletin*, 4, 2021. – (4) The data refer to the fiscal year starting in April.

## Euro Area

Based on the latest information available, following two quarters of strong expansion, economic activity in the Euro Area slowed down considerably in the last part of the year. This was the result of a rise in cases, the consequent introduction of increasingly strict containment measures, and supply chain bottlenecks which are holding back production in manufacturing. Inflation reached its highest level since the Monetary Union was launched, mainly because of the exceptional price increases in the energy component.

The European Central Bank's Governing Council announced its plan regarding the future implementation of public and private sector securities purchase programmes, emphasising that its monetary policy stance will remain accommodative and that its conduct will maintain flexibility and optionality regarding the macroeconomic outlook.

Euro Area GDP increased further in the third quarter of 2021 driven by the marked increase in household consumption and, to a limited degree, by net foreign demand. Economic growth weakened significantly in the fourth quarter. The December €-coin indicator stood at levels close to those recorded in the last part of 2020, indicating a very small expansion. This was the result of weaker consumer and business confidence and the sharp acceleration of producer prices. Industrial production, above all in the automotive sector, continues to suffer from the shortage of semiconductors at global level, with particularly acute difficulties in Germany. A growing number of service firms signalled the scarcity of labour as one factor holding back their business activity.

The Eurosystem staff projections indicate that GDP will return to pre-pandemic levels in the first quarter of 2022. The twelve-month change in consumer prices in December 2021 was 5.0 per cent, reaching the highest value recorded since Monetary Union began. Around half of this change is due to the energy component. Indeed, the price of natural gas remains high in Europe, due to both the tensions with Russia over the temporary suspension of the use of the Nord Stream 2 gas pipeline and the very low temperatures recorded in the Nordic countries which fuelled demand and reduced inventories. The slowdown in service prices was offset by the faster growth of those of non-energy industrial goods. The latter is also associated with the sharp increase in the prices of commodities and intermediate inputs, the global scarcity of which should come to an end in the course of 2022.

Inflation was equal to 2.6 per cent in 2021 overall.

At a time of great uncertainty, the European Central Bank's Governing Council has also stated that it stands ready to adjust all of its instruments, as appropriate and in either direction, to ensure that inflation stabilises at the 2 per cent objective over the medium term.



### Euro-area GDP growth and inflation (percentage changes)

	GDP growth			Inflation
	2020	2021 Q2 (1)	2021 Q3 (1)	2021 December (2)
France	-7.9	1.3	3.0	3.4
Germany	-4.6	2.0	1.7	5.7
Italy	-8.9	2.7	2.6	4.2
Spain	-10.8	1.2	2.6	6.6
Euro area	-6.4	2.2	2.3	5.0

Sources: Based on national statistics and Eurostat data.

(1) Quarterly data adjusted for seasonal and calendar effects; percentage changes on previous period. – (2) Year-on-year percentage changes in the harmonized index of consumer prices (HICP).

## The Italian economy

Growth in Italy continued at a swift pace in the third quarter of 2021, buoyed above all by household consumption; GDP recorded a marked slowdown in the fourth quarter, mainly due to the impact on consumption of the resurgence of the pandemic, in addition to persistent difficulties in the procurement of some commodities and intermediate goods at a global level. The qualitative and quantitative cyclical indicators available so far indicate a slowdown in activity in both manufacturing and services.

### GDP and its main components (1)

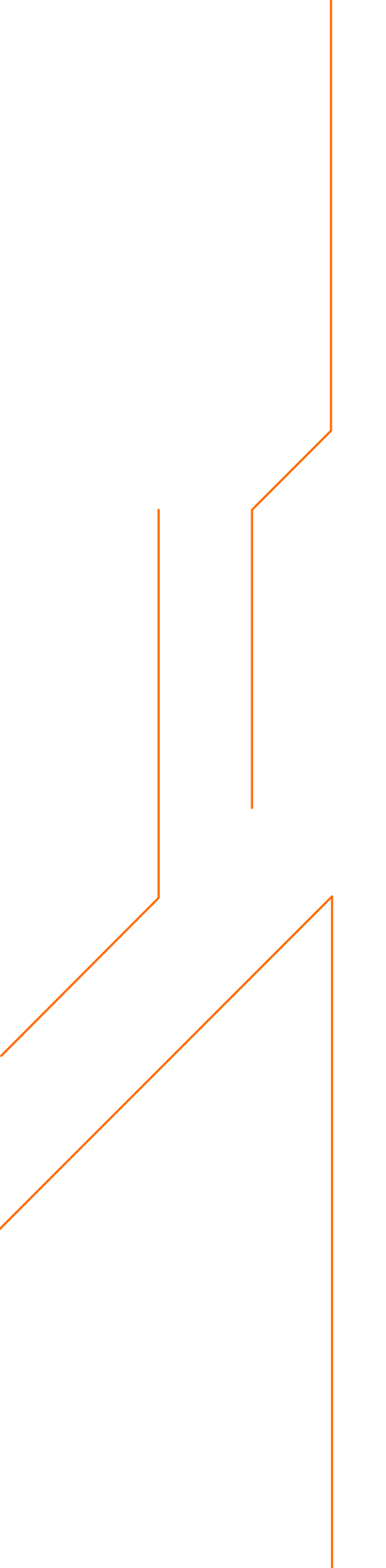
(percentage change on previous period and percentage points)

	2020	2021			2020
	Q4	Q1	Q2	Q3	
GDP	-1.6	0.3	2.7	2.6	-8.9
Imports of goods and services	6.3	3.3	2.5	2.1	-12.9
National demand (2)	-0.5	1.0	2.4	2.2	-8.4
National consumption	-1.4	-0.9	3.4	2.2	-7.8
Household spending (3)	-2.7	-1.1	5.0	3.0	-10.7
General government spending	2.4	-0.5	-0.7	0.1	1.9
Gross fixed investment	0.0	4.2	2.4	1.6	-9.2
Construction	-1.1	6.0	3.5	0.3	-6.7
Capital goods (4)	1.0	2.6	1.4	2.9	-11.3
Change in stocks (5)	0.7	0.9	-0.8	0.1	-0.4
Exports of goods and services	1.5	0.5	3.4	3.4	-14.0
Net exports (6)	-1.2	-0.7	0.3	0.5	-0.8

Source: Istat.

(1) Chain-linked values; the quarterly data are adjusted for seasonal and calendar effects. – (2) Includes the changes in stocks and valuables. – (3) Includes non-profit institutions serving households. – (4) Include, as well as investment in plant, 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.





Industrial production continued to grow in the last quarter of 2021, though slowing down compared with the first nine months of 2021. The construction sector grew strongly. Industrial activity was curbed by the difficulties in the procurement of commodities and intermediate goods, albeit less pervasive than in other countries. Activity in services, hit by the resurgence of the pandemic, grew modestly in the fourth quarter of 2021. The trend is consistent with that of the relative PMI and of business confidence in the sector: despite remaining at high levels, they both deteriorated compared with the summer months.

The growth projections are subject to multiple risks, mostly on the downside. In the short term, the uncertainty surrounding the forecasting scenario is linked to the public health situation and to tensions on the supply side, which could turn out to be more persistent than expected and be transmitted to the real economy to a greater extent. In the medium term, the projections are still conditioned by the full implementation of the spending programmes in the budget and the complete and timely realisation of the interventions under the NRRP.

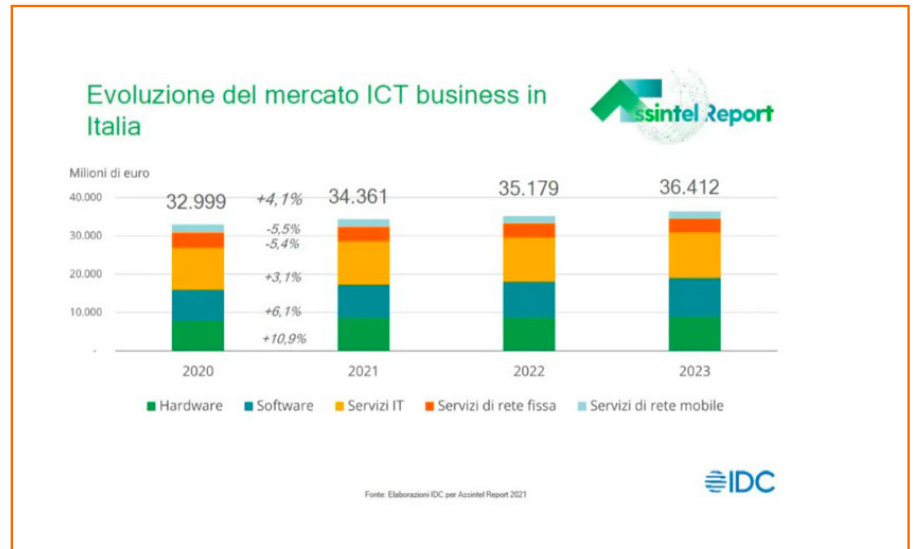
After weaker growth in the final part of 2021, which is expected to continue in the early months of 2022, it is estimated that GDP will return to steady growth from the spring, in concomitance with the anticipated improvement in the outlook for public health, regaining pre-pandemic levels sometime in mid-2022. The expansion in activity should then continue at a robust pace, though less markedly compared with the strong recovery that followed the reopenings in mid-2021. GDP is expected to increase by an annual average of 3.8 per cent in 2022, 2.5 per cent in 2023 and 1.7 per cent in 2024.

In the scenario outlined here, considerable support for growth should come from the stimulus measures financed by the national budget and by European funds, especially those envisaged in the “National Recovery and Resilience Plan” (NRRP). In the projections, the measures introduced in 2021 and planned for the coming years, including those in the budget law for the three-years 2022-24, are expected to contribute about 5 percentage points in total to GDP over the four years 2021-24. A little less than half of this contribution is attributable to interventions under the NRRP, on the assumption that they are carried out effectively and without significant delays. In the three years 2022-24, employment is expected to continue to expand, returning to pre-pandemic levels at the end of this year, both in terms of the number of persons employed and that of hours worked. The unemployment rate is projected to fall from 9.4 per cent on average in 2021 to 8.7 per cent in 2024. While consumption is expected to continue to recover at a fast pace, its return to pre-pandemic levels is expected with a lag of around one year compared with that of GDP. In the early part of 2022, it is likely to be slowed by the ongoing caution in spending patterns, due to the course of the pandemic, and the impact of higher energy prices, which compresses the purchasing power of households. It is projected to return to rapid growth from the spring onwards, thanks to the improvement in the public health outlook, the gradual normalisation of energy prices and the continued recovery in employment.



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

In 2021, the Italian digital market grew by 4.1% with a total expenditure of Euro 34 billion. The hardware-related sectors recorded the highest growth rates and, above all, the software sector grew 6.1%.



2021 confirmed high growth expectations, largely because of the driving force of cutting-edge technologies such as the Cloud, Blockchain, Cyber Security, and artificial intelligence, as well as web content management and digital advertising platforms. Despite the significant growth in this sector, the digital transformation of companies and Public Administrations is still in progress and Italian businesses still show a significant gap: indeed, almost 32% of businesses have not yet adopted digital technology.

In 2022, the Italian digital market is expected to grow by approximately +5.1% on 2021, while growth rates of 5.5% and 5.9% are forecast for 2023 and 2024, respectively.

In this respect, the NRRP should be considered, together with the positive effects it will have on the industry although, in 2021, it did not produce any considerable effects. However, it is reasonable to believe that it will play a significant role in 2022, especially in respect of the developments linked to the digitalisation of the Public Administration. Indeed, it is expected that the impact of the NRRP on the ICT sector will total approximately Euro 29.2 billion in the 2021-2024 period (the best-case scenario assumes that 100% of the funds made available to Italy are disbursed and effectively used), or between Euro 8 and 9 billion each year, starting from 2022.

[Source: Assintel (Italy's association of ICT companies) and Assinform (Italy's ICT association) analysis]



## Impact of the Corona Virus (COVID-19) epidemic:

Despite the emergency caused by the spread of the COVID-19 (Coronavirus) epidemic, the Group has always been able to continue normal operations and deliver its products and services because it has developed 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 Group 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 scenarios such as the pandemic and lockdown periods, envisaging a fast dematerialisation of processes: Doxee is a partner capable of supporting this transformation, offering suitable expertise and technology that can accelerate innovation as part of these modernisation processes in order to make them part of the digital customer journey.

## Effect of the COVID-19 pandemic on the recoverable amount of assets

The continuation of the pandemic did not materially impact the company's operations during 2021. The expectations for 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 solutions as well as enter new ones. As for the recoverable amount of assets, Management assessed the impact of the spread of the COVID-19 pandemic on the recoverable amount of assets based on the information available at 31 December 2021. Considering the results for 2020, the outlook for 2022, and the mentioned assumptions about the impact of the pandemic on the years after 2021, Management does not consider the spread of the COVID-19 pandemic to be an indicator of impairment and, therefore, did not deem it necessary to conduct an impairment test. In any case, please note that all the Group's assets are regularly depreciated or amortised according to their finite useful life. 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 2021 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 COVID-19 pandemic on business continuity

In preparing this report, Management analysed the main financial and operational risks the Group is exposed to in order to consider any potential negative effects of the COVID-19 pandemic on business continuity. In this regard, based on the analyses carried out and the evidence available – considering that credit risk remains limited and the company can access liquidity from the banking system, as well as the growth in sales and the finalisation of major contracts with multinational customers – there are no issues or uncertainties around business continuity.

No third parties with interests in Russia, Ukraine and/or other neighbouring countries are involved in the provision of Doxee's services. The Company has 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. However, we are constantly monitoring the situation.

In accordance with the CSIRT-It recommendations, Doxee updated its risk analysis assessing the use of the Kaspersky antivirus. The latter will be replaced between the end of April and the end of June. The beginning of this activity considers the time span over which the evolution of the situation is to be monitored. The risk analysis will be adjusted accordingly.



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# Financial highlights

Art. 40, comma 1-bis, D. Lgs. N.127/91

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## 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 financial statements. Management considers them useful to monitor the Group's operations as well as representative of its financial performance and financial position.

Therefore, below is the consolidated balance sheet as well as the one reclassified on a functional and financial basis.

### Balance sheet

ASSETS	31/12/2021	31/12/2020	Change
Fixed assets	12,251,819	10,878,894	1,372,925
Current Assets	17,425,065	12,077,060	5,348,005
Accrued income and prepaid expenses	1,172,206	1,079,404	92,802
<b>TOTAL ASSETS</b>	<b>30,849,090</b>	<b>24,035,358</b>	<b>6,813,732</b>

LIABILITIES	31/12/2021	31/12/2020	Change
Equity	10,399,398	6,732,285	3,667,113
Provisions for risks and charges	2,043	10,636	-8,593
Employee termination benefits	1,522,511	1,337,666	184,845
Payables	16,510,886	13,707,257	2,803,629
Accrued expenses and prepaid income	2,414,252	2,247,514	166,738
<b>TOTAL LIABILITIES</b>	<b>30,849,090</b>	<b>24,035,358</b>	<b>6,813,732</b>

### Functional balance sheet

ASSETS	31/12/2021	31/12/2020	LIABILITIES	31/12/2021	31/12/2020
Operating invested capital	30,354,105	23,874,032	Equity	10,397,011	6,700,211
			Minority interests	2,387	32,074
Non-operating assets	494,985	161,326	Financing liabilities	7,445,087	6,078,067
			Operating liabilities	13,004,605	11,225,006
Invested capital (IC)	30,849,090	24,035,358	Financing capital	30,849,090	24,035,358

### Financial balance sheet

(table in thousands of Euros)	31/12/2021	31/12/2020	Change	% change
<b>ASSETS</b>				
NET OPERATING WORKING CAPITAL	2,930	2,136	794	37.1%
Other current assets	3,052	2,363	689	29.2%
Other current liabilities	-4,713	-4,434	-279	6.3%
Provisions for risks and charges (*)	-	-11	11	-99.6
NET WORKING CAPITAL	-1,269	55	-1,215	-2,219.6%
Intangible Assets	11,433	9,950	1,483	14.9%
Tangible Assets	663	768	-105	-13.7%
Financial Assets	156	161	-5	-3.1%
FIXED CAPITAL	12,252	10,879	1,372	12.6%
Employee benefits liabilities	-1,523	-1,338	-185	13.8%
NET INVESTED CAPITAL	11,999	9,596	2,403	25.0%
<b>LIABILITIES</b>				
Equity	10,397	6,700	3,697	55.2%
Minority interests' equity	2	32	-30	-92.6%
Net Financial Debt (*)	1,559	2,864	-1,265	-44.2%
TOTAL LIABILITIES	11,999	9,596	2,403	25.0%

(\*) the derivative was reclassified from Provisions for risks and charges to Net Financial Debt for €2k at 31/12/2021 and €9k at 31/12/2020.

Below is the breakdown of the Group's Net Financial Debt at 31 December 2021 compared with 31 December 2020:

	Description	31/12/2021	31/12/2020	Change
A	Cash	-2,538	-2,549	11
B	Cash equivalents	-5,845,261	-3,211,401	-2,633,860
C	Other current financial assets	0	0	0
D	<b>Liquidity (A+B+C)</b>	<b>-5,847,799</b>	<b>-3,213,950</b>	<b>-2,633,849</b>
E	<b>Current financial payables</b>	<b>612,249</b>	<b>1,201,249</b>	<b>-589,000</b>
F	Current portion of medium/long-term financial payables (*)	1,845,316	1,576,618	268,698
G	<b>Current financial debt (E+F)</b>	<b>2,457,565</b>	<b>2,777,867</b>	<b>-320,302</b>
H	<b>Net current financial debt (G-D)</b>	<b>-3,390,234</b>	<b>-436,083</b>	<b>-2,954,151</b>
I	<b>Non-current financial payables (*)</b>	<b>4,989,381</b>	<b>3,308,874</b>	<b>1,680,507</b>
J	<b>Debt instruments</b>	<b>0</b>	<b>0</b>	<b>0</b>
K	Trade payables and other non-current payables	0	0	0
L	<b>Non-current financial debt (I+J+K)</b>	<b>4,989,381</b>	<b>3,308,874</b>	<b>1,680,507</b>
M	<b>Total Group financial debt (J+N)</b>	<b>1,599,147</b>	<b>2,872,791</b>	<b>-1,273,644</b>

(\*) including financial payables for leasing

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

FIXED ASSET FINANCING RATIOS		31/12/2021	31/12/2020	Change
Equity - Fixed Assets	Equity - Fixed Assets	-1,854,808	-4,178,683	2,323,875
Equity / Fixed Assets	Equity / Fixed Assets	0.85	0.62	0.23
(Equity + Consolidated Liabilities) - Fixed Assets	(Equity + Consolidated Liabilities) - Fixed Assets	4,655,225	459,183	4,196,042
(Equity + Consolidated Liabilities) / Fixed Assets	(Equity + Consolidated Liabilities) / Fixed Assets	1.38	1.04	0.34



**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 ratio increased compared to 31 December 2020 due to the capitalisation of investments in major development projects, such as Doxee Platform 3.

**(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 up compared to the previous year, largely because of the constant increase in equity and consolidated liabilities

FINANCING RATIOS		31/12/2021	31/12/2020	Variazione
Leverage	<i>(MLT Liabilities + Current Liabilities) / Equity</i>	1,97	2,58	-0,62
Financing liabilities / Equity	<i>Financing liabilities / Equity</i>	0,72	0,91	-0,19

**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. At 31 December 2021, the Leverage ratio decreased compared to 31 December 2020, due to the increase in financing liabilities as a result of the new loans taken out during 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. The trend of this ratio reflects that of the Leverage ratio.

SOLVENCY RATIOS		31/12/2021	31/12/2020	Change
Current assets - Current liabilities	Current assets - Current liabilities	4,657,612	491,257	4,166,355
Current assets / Current liabilities	Current assets / Current liabilities	1.33	1.04	0.30
(Trade and other receivables + Cash and cash equivalents) - Current liabilities	(Trade and other receivables + Cash and cash equivalents) - Current liabilities	4,657,612	491,257	4,166,355
(Trade and other receivables + Cash and cash equivalents) / Current liabilities	(Trade and other receivables + Cash and cash equivalents) / Current liabilities	1.33	1.04	0.30

**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. It increased by Euro 0.30 million on the previous year, as a result of the new loans taken out during 2021.

The Group 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	31/12/2021	31/12/2020	Change
C2X Toolkit 1 – Experimental research and development to make substantial improvements to the Doxee platform	0	4,709,461	-4,709,461
Development of a new Digital Experience Platform	531,384	122,476	408,907
Patent filing costs	11,801	11,193	608
Research and development of Doxee Platform functionality to improve the user experience (UX)	787,545	0	787,545
Research and development of innovative process accountability solutions	142,322	115,923	26,399
Increase in marketing costs – Web site project	305,385	208,618	96,767
Research and prototyping of an Internal Business Intelligence system	270,322	0	270,322
Definition of the strategy, framing, and preliminary adoption of Continuous Testing tools and practices as part of development processes	358,297	0	358,297
Experimental research and development of Event-Driven architectures within the Doxee platform to introduce new channels and new use cases	577,544	0	577,544
Other projects	877,843	113,740	764,103
<b>Total</b>	<b>3,862,443</b>	<b>5,281,412</b>	<b>-1,418,968</b>

## Financial performance

As for financial performance, below are the highlights from the Income Statement

Description	31/12/2021	31/12/2020	Change	% change
Revenues from sales and services	20,846,556	17,706,157	3,140,399	17.74%
Value of production	26,134,029	21,992,222	4,141,807	18.83%
Production costs	24,414,333	19,836,428	4,577,905	23.08%
<b>Difference (A-B)</b>	<b>1,719,696</b>	<b>2,155,794</b>	<b>-436,098</b>	<b>-20.23%</b>
Profit/(loss) before tax	1,825,479	1,515,076	310,403	20.49%
Income taxes	179,962	588,420	-408,458	-69.42%
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>1,645,517</b>	<b>926,656</b>	<b>718,861</b>	<b>77.58%</b>
Profit/(loss) attributable to minority interests	-21,814	-13,727	-8,087	58.91%
<b>GROUP PROFIT/(LOSS) FOR THE PERIOD</b>	<b>1,667,331</b>	<b>940,383</b>	<b>726,948</b>	<b>77.30%</b>

RECLASSIFIED INCOME STATEMENT (table in thousands of Euros)	31/12/2021	31/12/2020	Variazione	Var. %
Revenues from sales and services	31/12/2021	31/12/2020	Change	% change
Internally generated fixed assets	4.653	3.564	1.089	30,5%
<b>Other revenues and income</b>	<b>635</b>	<b>722</b>	<b>-87</b>	<b>-12,1%</b>
Value of production	26.134	21.992	4.143	18,8%
Services and outsourcing	-3.535	-3.008	-527	17,5%
IaaS direct costs	-901	-1.137	236	-20,7%
Direct personnel costs (excluding research and development)	-3.650	-3.724	74	-2,0%
<b>Professional services (excluding research and development)</b>	<b>-2.044</b>	<b>-1.462</b>	<b>-582</b>	<b>39,8%</b>
<b>Direct production costs</b>	<b>-10.131</b>	<b>-9.331</b>	<b>-800</b>	<b>8,6%</b>
Contribution margin	16.003	12.660	3.343	26,4%
Costs to sell and marketing costs	-606	-828	223	-26,9%
Administration and other general overhead costs	-2.556	-1.468	-1.089	74,2%
Indirect personnel costs	-3.249	-2.563	-687	26,8%
<b>Research and development costs</b>	<b>-4.259</b>	<b>-2.867</b>	<b>-1.392</b>	<b>48,6%</b>
<b>Indirect and research and development costs</b>	<b>-10.671</b>	<b>-7.725</b>	<b>-2.945</b>	<b>38,1%</b>
EBITDA	5.333	4.935	397	8,1%
Depreciation and amortisation	-3.559	-2.736	-823	30,1%
<b>Provisions and write-downs(*)</b>	<b>-54</b>	<b>-43</b>	<b>-11</b>	<b>24,9%</b>
EBIT	1.720	2.156	-426	-20,2%
<b>Financial income and expenses</b>	<b>106</b>	<b>-642</b>	<b>747</b>	<b>-116,5%</b>
Profit before tax	1.825	1.514	322	20,5%
Income taxes	-180	-588	408	-69,4%
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>1.646</b>	<b>926</b>	<b>730</b>	<b>77,6%</b>
Profit/(loss) attributable to minority interests	22	14	8	58,9%
<b>GROUP PROFIT/(LOSS) FOR THE PERIOD</b>	<b>1.667</b>	<b>940</b>	<b>738</b>	<b>77,3%</b>

(\*) This item includes the write-down of fixed assets

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

PROFITABILITY RATIOS		31/12/2021	31/12/2020	Change
Net ROE	Profit/(loss) for the period / Average equity	16,04%	14,04%	2,00%
Gross ROE	Gross profit/(loss) for the period / Average equity	17,56%	22,61%	-5,05%
ROI	Operating profit/(loss) / (OIC - Operating liabilities)	6,25%	11,34%	-5,08%
ROS	Operating profit/(loss) / Revenues from sales	5,20%	8,10%	-2,89%

**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 2021, the company's shareholders earned a 16.04% return. This ratio rose on the previous year.

**Gross R.O.E.**, which measures the return on equity without accounting for the negative impact of taxes, stood at 17.56% at 31 December 2021, down compared to the previous year.

**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. The R.O.I. shows that the Group's operations decreased compared to 2020 to 6.25%, due to the constant and significant investments in "Development projects" that the Group continues making.

**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; this ratio was slightly down year-on-year to 5.20%.

# Environment, personnel and risk

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

## Environmental disclosures

As part of its environmental policy, the Group continues to promote actions and projects that respect the environment and meet shareholders' needs, periodically monitoring and assessing adoption, respect and constant compliance with environmental regulations and the principles of its own environmental policy inspired by the concept of sustainable development and respect for the environment as a strategic factor in market competition.

To this end, the Group confirmed its focus on these issues by obtaining the ISO 14001 certification for its Environmental Management System during the year.

The dissemination and promotion of the culture of eco-sustainable development is also one of the common benefit goals included in the company's articles of association, having become a "Benefit Corporation" during 2021 summer.

In this respect, some initiatives involved the Modena headquarters, including the signing of a contract guaranteeing that energy comes from renewable sources and the replacement of lights with low-consumption LEDs. Remote working continued to be used largely in 2021. At the same time, the gradual replacement of the car fleet with hybrid cars began. The "plastic free" campaign continues in order to eliminate plastic in the workplace, in addition to activities to raise personnel awareness of the importance of the separate collection of waste produced within the company.



## Disclosures relating to personnel

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

In December 2021, the Group had 142 employees, broken down as follows:

Category	31/12/2021	31/12/2020	Change
Senior managers	6	7	-1
Middle managers	18	16	2
Clerical staff	101	93	8
Trainees	17	12	5
<b>Total</b>	<b>142</b>	<b>128</b>	<b>14</b>

In 2021, there was an increase of 14 units, following the hiring of new employees with high technical skills and the strengthening of the commercial structure.

### Mandatory training

Pursuant to Italian Leg. Decree 81/2008 on occupational safety and health, in 2021 the company planned and delivered general, specific, and refresher occupational safety training activities, which were provided online due to the COVID-19 pandemic. Mandatory training covered First Aid Responder and Fire Warden, as well as Workers' Safety Representative. In addition, the company held regular as well as refresher courses on Information Security and Data Protection, and Process Awareness, as required by the ISO 27001 and ISO 9001 Certifications. Furthermore, an awareness course on the 231 Model and the ISO 14001-certified Environmental Management System was also organised.

With respect to the Certifications, 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 staff, intended to strengthen technical and product skills so as to align them between employees (including new hires) and OUs.

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

- various kinds of external courses – technical, certification, soft skills, behavioural and management courses – to support and develop resources, such as language courses (English and Spanish), Excel, programming, databases, cloud technologies, project management, Google Analytics, search engines, stress and time management, remote working management, individual coaching, managerial training for newly-appointed managers, self-empowerment for the front line, Privacy and Information Security, and GDPR. These courses were held primarily through e-learning, including thanks to the Udemy and Fluentify e-learning platforms;
- IT summits, workshops, and conferences (Adobe Summit, Digital Innovation Observatory, Summit AWS, Security Summit, ...);
- courses financed through the FondImpresa interprofessional fund, to provide cyclical English and Spanish language courses – primarily for groups;
- training on Doxee technology for Partners, divided into two modules (Doxee Platform Pre-Sales Basic Skills and Advanced) through e-learning.



# Description of the main risk 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 with its non-EU subsidiaries and some foreign suppliers, especially those based in the United States. Below are the exchange rates relative to the Euro used for these consolidated financial statements:

as at 31 December 2020

US dollar	Annual average rate 1.1422	Spot rate at 31 December 2020 1.2271
Czech koruna	Annual average rate 26.4551	Spot rate at 31 December 2020 26.2420

as at 31 December 2021

US dollar	Annual average rate 1.1827	Spot rate at 31 December 2021 1.1326
Czech koruna	Annual average rate 25.6405	Spot rate at 31 December 2021 24.8600

## 3 Interest rate risk

The goal of managing interest rate risk is to limit and stabilise outflows associated with the interest paid on the loans concerned. The company conducted a cost-benefit analysis and did not deem it necessary to use interest rate hedges.

In 2018, the Parent had 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 Unicredit. This derivative was terminated early on 28 October 2021.

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 Unicredit. The fair value of said derivative at 31 December 2021 was negative Euro 1,859.

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 30/06/2021	Euro 1,000,000
Underlying financial risk	Interest rate risk
Fair value (MTM)	-1,859
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 especially diversified.

At 31 December 2021, the Group had set aside Euro 564,864 in provisions for bad and doubtful debts.

## 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 their 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, which allows 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 that ensure an adequate 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 operate in countries with a high country risk.

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## Research and development

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

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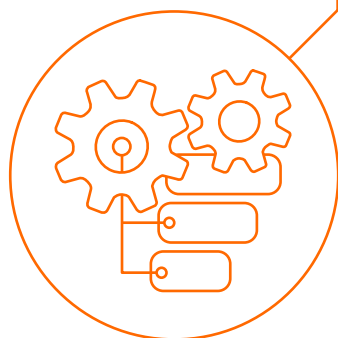
During the year, research and development activities focused on the progressive implementation and adoption of the new release of the Doxee Platform®. This process, which will continue in 2022, has introduced new paradigms in the architecture and design of functionalities, such as the concept of open platform, i.e., strongly geared towards integration with client-side applications, but also with third-party product and service providers, enriching the offering with a limited impact on development.

In this respect, the API programme, which is aimed at providing a comprehensive integration layer through interfaces in the API Rest format, becomes an important accelerator in the Group's overall growth path.

Consequently, the API programme, which was launched in 2021 and which will be extended to many other technological components of the platform during 2022, is becoming increasingly important. The programme is aimed at supporting new business models based on the technological integration of Doxee Platform® functions in third-party applications.

During 2021, Doxee maintained the ISO 27017, ISO 27018 (Cloud), and AgID certification standards, already obtained in 2019 and confirmed in 2020: these testify to the extremely high level of information security guaranteed by Doxee Cloud products, as well as the strong guarantee that personal data will be protected.

Finally, during the year, the development of DXP functionalities continued, the release of which was partially completed in the fourth quarter of 2021 and will affect also 2022, further extending the ability to analyse data and further enabling its exploitation through the use of multiple communication channels.



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## Outlook

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

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In the first few months of 2022, investments continued to support the growth strategy.

The digitalisation process continues decisively, in particular in the Public Administration, thanks also to the NRRP, with a strong demand for Doxee technology to support customised, interactive and two-way communication. The considerable strengthening of the commercial structure which began in the fourth quarter of 2021 was completed in early 2022 with the hiring of new employees in the Business Development function to support organic growth.

During the first quarter of the year, Doxee won some tenders relating to the Public Administration as well as Finance and Utilities.

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

- Supporting the project to become a BCorp;
- Developing the Partners' indirect channel to support scouting for new Partners, to enter new vertical sectors (Retail, Automotive) and consolidate existing partnerships, especially with respect to the PA (Central and Local);
- Implementing the international strategy on Babelee, with a strong focus on the European market both in the Publishing and Digital Agency & Digital Enabler sectors, strengthening the connectors to CRM systems (Hubspot, Salesforce) and delivery systems (Mailchimp);
- Developing a marketing plan to support organic growth, especially in the SME market;
- Continuing to scout for M&A targets in DACH and SPAIN;
- Supporting and further bolstering the Technology&Research team to further accelerate the milestones of the 2022 roadmap in relation to streams related to recovering efficiency and scalability to support growth;
- Supporting and stepping up investments to develop the Digital Ecosystem so as to cover the Digital Experience strategy;
- Consolidating the management system and updating management accounts.



No third parties with interests in Russia, Ukraine and/or other neighbouring countries are involved in the provision of Doxee's services.

The Company has 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. However, we are constantly monitoring the situation. In accordance with the CSIRT-It recommendations, Doxee updated its risk analysis assessing the use of the Kaspersky antivirus. The latter will be replaced between the end of April and the end of June.

The beginning of this activity considers the time span over which the evolution of the situation is to be monitored. The risk analysis will be adjusted accordingly



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# Treasury shares and shares/ interests in the holding company

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

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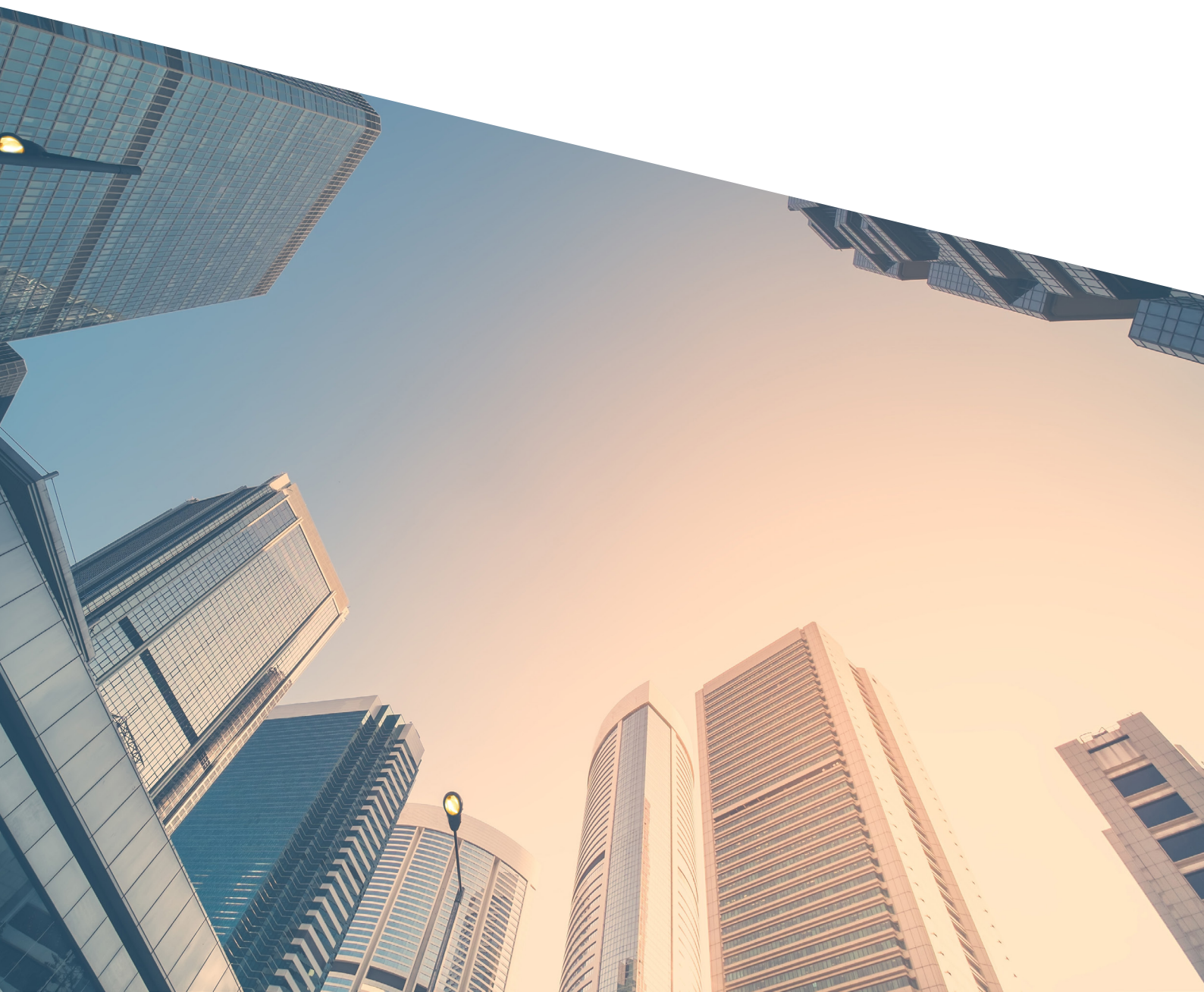
This is to certify that at 31 December 2021:

- The Parent Doxee S.p.A. held 81,000 treasury shares;
- there were no cross-holdings between the Group's companies;
- the Parent Doxee S.p.A. did not own any interest in the holding company P&S S.r.l.

\* \* \*

Modena (MO), 28 March 2022

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



# Consolidated financial statements at 31 December 2021

Amounts in euro

Balance Sheet - Assets	31-dic-21	31-dic-20 (*)
<b>B) FIXED ASSETS</b>		
<b>I. INTAGIBLE ASSETS</b>		
1) Start-up costs	346.308	537.210
2) Development costs	6.828.801	3.550.343
3) Industrial patents and similar intellectual property rights	142.822	210.843
4) Concessions, licences, trademarks and similar rights	197.382	333.737
5) Goodwill	0	0
6) Assets under development and advances	3.862.443	5.281.412
7) Other	54.840	36.304
<b>TOTAL INTANGIBLE ASSETS</b>	<b>11.432.596</b>	<b>9.949.849</b>
<b>II. TANGIBLE ASSETS</b>		
4) Other tangible assets	324.238	378.900
6) Rights of use	338.659	388.819
<b>TOTAL TANGIBLE ASSETS</b>	<b>662.897</b>	<b>767.719</b>
<b>III. FINANCIAL ASSETS</b>		
1) Investments in:		
D-bis) OTHER COMPANIES	153.500	153.500
2) Receivables:		
C) FROM PARENT COMPANY: <i>due within 12 months</i>	0	0
D-bis) FROM OTHERS: <i>due within 12 months</i>	2.826	7.826
<i>due beyond 12 months</i>	2.826	2.826
	0	5.000
<b>TOTAL FINANCIAL ASSETS</b>	<b>156.326</b>	<b>161.326</b>
<b>TOTAL FIXED ASSETS (B)</b>	<b>12.251.819</b>	<b>10.878.894</b>

## C) ) CURRENT ASSETS

### II. RECEIVABLES

1) From customers: due within 12 months	9.695.637	7.579.392
4) From parent company: due within 12 months	0	0
5-bis) Tax receivables: due within 12 months	1.589.931	909.747
5-ter) Deferred tax assets	192.178	204.760
5-quater) From others: due within 12 months due beyond 12 months	77.907 21.613	147.598 21.613
<b>TOTAL RECEIVABLES</b>	<b>11.577.266</b>	<b>8.863.110</b>

### IV. CASH AND CASH EQUIVALENTS

1) Deposit accounts	5.845.261	3.211.401
3) Cash on hand	2.538	2.549
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>5.847.799</b>	<b>3.213.950</b>

<b>ACCRUED INCOME AND PREPAID EXPENSES (D)</b>	<b>17.425.065</b>	<b>12.077.060</b>
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<b>ACCRUED INCOME AND PREPAID EXPENSES (D)</b>	<b>1.172.206</b>	<b>1.079.404</b>
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<b>TOTAL ASSETS (A + B + C + D)</b>	<b>30.849.090</b>	<b>24.035.358</b>
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Balance Sheet - Equity and Liabilities		31-dic-21	31-dic-20 (*)
<b>A) CONSOLIDATED EQUITY</b>			
<b>A1) Attributable to the Group:</b>			
I. Share capital		1.769.553	1.597.880
II. Premium reserve		5.645.056	3.008.300
IV. Legal reserve		319.576	319.150
VI. Other reserves, indicated separately: Currency translation reserve		5.767.287	4.252.584
Extraordinary reserve		110.526	423.103
Reserve restricted for use in Stock Grant Plan 2021-2024		5.609.051	3.829.480
		47.708	
Differences from rounding to unit of euro		2	1
VII. Cash flow hedge reserve		-1.413	-6.592
VIII. Retained earnings/(Accumulated losses)		-4.282.724	-3.379.370
IX. Profit/(Loss) for the period		1.667.330	940.384
X. Negative reserve for treasury shares in portfolio		-487.654	-32.125
<b>Total group equity (A1)</b>		<b>10.397.011</b>	<b>6.700.211</b>
<b>A2) Minority interests</b>			
I. Share capital and reserves attributable to minority interests		24.201	45.801
II. Profit/(Loss) for the year attributable to minority interests		-21.814	-13.727
<b>Total equity attributable to minority interests (A2)</b>		<b>2.387</b>	<b>32.074</b>
<b>TOTAL CONSOLIDATED EQUITY (A)</b>		<b>10.399.398</b>	<b>6.732.285</b>
<b>B) ) PROVISIONS FOR RISKS AND CHARGES</b>			
2) For taxes, including deferred taxes		184	1.962
3) Derivative financial instruments - liabilities		1.859	8.674
4) Other		0	0
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES (B)</b>		<b>2.043</b>	<b>10.636</b>
<b>C) EMPLOYEE TERMINATION BENEFITS</b>		<b>1.522.511</b>	<b>1.337.666</b>
<b>D) PAYABLES</b>			
4) To banks:			
due within 12 months		2.328.256	2.680.207
due beyond 12 months		4.722.426	2.980.124
4) To other lenders:			
due within 12 months		129.309	97.660
due beyond 12 months		265.096	320.076
7) To suppliers:			
due within 12 months		6.765.168	5.442.787
12) Tax payables:			
due within 12 months		539.926	565.762
13) To social security and welfare institutions:			
due within 12 months		565.788	527.026
14) Other payables:			
due within 12 months		1.194.917	1.093.615
<b>TOTAL PAYABLES (D)</b>		<b>16.510.886</b>	<b>13.707.257</b>
<b>ACCRUED EXPENSES AND PREPAID INCOME (E)</b>		<b>2.414.252</b>	<b>2.247.514</b>
<b>TOTAL EQUITY AND LIABILITIES (A + B + C + D + E)</b>		<b>30.849.090</b>	<b>24.035.358</b>

(\*) Comparative figures at 31/12/2020 restated as detailed in paragraph "Changes in accounting standards, accounting estimates, correction of errors"

Income Statement		31-dic-21	31-dic-20 (*)
<b>A) VALUE OF PRODUCTION</b>			
	1) Revenues from sales and services	20.846.556	17.706.157
	4) Internally generated fixed assets	4.652.748	3.564.104
	5) Other revenues and income of which operating grants	634.801 196.789	721.961 36.246
<b>TOTAL VALUE OF PRODUCTION (A)</b>		<b>26.134.105</b>	<b>21.992.222</b>
<b>B) PRODUCTION COSTS</b>			
	6) For raw and auxiliary materials, consumables and merchandise	397.166	553.222
	7) For services	11.746.009	8.808.339
	8) RENT AND LEASES	319.958	352.190
	9) FOR PERSONNEL:		
	A) WAGES AND SALARIES	5.920.519	5.156.481
	B) SOCIAL SECURITY CHARGES	1.643.486	1.479.448
	C) EMPLOYEE TERMINATION BENEFITS	409.094	334.552
	E) OTHER COSTS	28.352	26.802
	10) AMORTISATION, DEPRECIATION AND WRITE-DOWNS:		
	A) AMORTISATION OF INTANGIBLE ASSETS		2.488.227
	B) DEPRECIATION OF TANGIBLE ASSETS		247.824
	D) WRITE-DOWN OF CURRENT RECEIVABLES AND OF CASH AND CASH EQUIVALENTS	61.796	42.944
	13) OTHER PROVISIONS	0	0
	14) OTHER OPERATING COSTS	337.019	346.399
<b>TOTAL PRODUCTION COSTS (B)</b>		<b>24.414.410</b>	<b>19.836.428</b>
<b>DIFFERENCE BETWEEN PRODUCTION VALUE AND COSTS (A - B)</b>		<b>1.719.695</b>	<b>2.155.794</b>
<b>C) FINANCIAL INCOME AND EXPENSES</b>			
	16) Other financial income:		
	A) from long-term financial receivables of which from parent company	0 0	0 -
	D) OTHER FINANCIAL INCOME	45.159	1.217
	17) Interest and other financial charges	249.918	250.462
	17-bis) Foreign exchange gains/(losses)	310.542	-384.473
<b>TOTAL FINANCIAL INCOME AND EXPENSES (C)</b>		<b>105.783</b>	<b>-633.718</b>
<b>D) ADJUSTMENTS TO FINANCIAL ASSETS</b>			
	19) Write-downs:		
	B) OF FINANCIAL ASSETS OTHER THAN INVESTMENTS	-	7.000
<b>TOTAL ADJUSTMENTS (D)</b>		<b>-</b>	<b>-7.000</b>
<b>PROFIT/(LOSS) BEFORE TAX (A - B + C + D)</b>		<b>1.825.478</b>	<b>1.515.076</b>
	20) Current, deferred and prepaid income taxes for the period	179.962	588.420
	<b>21) Consolidated profit/(loss) for the period</b>	<b>1.645.516</b>	<b>926.656</b>
	<i>Profit/(Loss) for the period attributable to the Group</i>	<i>1.667.330</i>	<i>940.383</i>
	<i>Profit/(Loss) for the period attributable to minority interests</i>	<i>-21.814</i>	<i>-13.727</i>



(\*) Comparative figures at 31/12/2020 restated as detailed in paragraph "Changes in accounting standards, accounting estimates, correction of errors"

Cash flow statement [indirect method]		31-dic-21	31-dic-20 (*)
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	Profit/(Loss) for the period	1.645.516	926.656
	Income taxes	179.962	588.420
	Interest expense/(Interest income)	204.759	249.245
	(Gains)/Losses from disposal of assets	0	-330
<b>1.</b>	<b>Profit/(Loss) for the period before income taxes, interest, dividends and gains/losses from disposal</b>	<b>2.030.237</b>	<b>1.763.991</b>
	<i>Adjustments to non-monetary items that were not offset in net working capital</i>		
	Allocations to provisions		377.496
	Amortisation and depreciation of fixed assets		2.736.051
	Impairment losses		7.000
	Other adjustments to non-monetary items		367.708
	Total adjustments to non-monetary items that were not offset in net working capital	3.712.358	3.488.255
<b>2.</b>	<b>Cash flows before changes in net working capital</b>	<b>5.742.595</b>	<b>5.252.246</b>
	<i>Changes in net working capital</i>		
	Decrease/(Increase) in trade receivables	-2.178.041	-1.321.547
	Increase/(Decrease) in trade payables	546.558	359.715
	Decrease/(Increase) in accrued income and prepaid expenses	-92.802	-241.097
	Increase/(Decrease) in accrued expenses and prepaid income	166.738	1.075.283
	Other changes in net working capital	-40.573	48.976
	Total changes in net working capital	-1.598.120	-77.545
<b>3.</b>	<b>Cash flows after changes in net working capital</b>	<b>4.144.475</b>	<b>5.174.701</b>
	<i>Altre rettifiche</i>		
	Interest received/(paid)	-143.936	-180.613
	(Income taxes paid)	-695.166	-686.464
	(Use of provisions)	-224.249	-488.461
	Total other adjustments	-1.063.351	-1.355.538
<b>CASH FLOWS FROM OPERATING ACTIVITIES (A)</b>		<b>3.081.124</b>	<b>3.819.163</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	<i>Tangible assets</i>		
	(Investments)	-160.115	-89.149
	<i>Intangible assets</i>		
	(Investments)	-3.924.318	-3.730.850
	<i>Financial assets</i>		
	(Investments)	0	-131.500
	Disinvestments	5.000	0
<b>CASH FLOWS FROM INVESTING ACTIVITIES (B)</b>		<b>-4.079.433</b>	<b>-3.951.499</b>

**C) CASH FLOWS FROM FINANCING ACTIVITIES**

<i>Minority interests</i>		
Increase/(Decrease) in short-term payables to banks	-838.538	-801.727
Fair value of derivative financial instruments	-3.034	-
Loans	4.018.780	500.000
(Repayment of loans)	-1.850.714	-149.131
Other lenders	-23.331	-
Equity attributable to minority interests	-21.600	45.801
<i>Equity</i>		
Capital increase with consideration	2.808.429	31.680
Sale/(Purchase) of treasury shares	-455.529	-32.125
(Dividends paid)	-2.305	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES (C)</b>	<b>3.632.158</b>	<b>-405.502</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>2.633.849</b>	<b>-537.838</b>
Exchange rate effect on cash and cash equivalents	-	-4.840
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD, OF WHICH:</b>	<b>3.213.950</b>	<b>3.751.788</b>
Deposit accounts	3.211.401	3.750.660
Cash on hand	2.549	1.128
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, OF WHICH:</b>	<b>5.847.799</b>	<b>3.213.950</b>
Deposit accounts	5.845.261	3.211.401
Cash on hand	2.538	2.549

(\*) Comparative figures at 31/12/2020 restated as detailed in paragraph "Changes in accounting standards, accounting estimates, correction of errors"



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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

## Background

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The consolidated financial statements of the Doxee Group (the “Group”) cover the year ended 31 December 2021 (the “Consolidated Financial Statements”). They were submitted to the approval of the Board of Directors of the Parent Doxee S.p.A. on 28 March 2022.

## General information and operations carried out

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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

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For comparison purposes, the Consolidated Financial Statements show, with respect to the financial position, the corresponding amounts as at 31 December 2020, and, with respect to the financial performance and cash flows, the corresponding amounts for the year then ended.

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 financial statements

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The Group's Consolidated 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**).

They consist of a Balance Sheet (prepared in accordance with the format described in articles 2424 and 2424-bis of the Italian Civil Code), an Income Statement (prepared in accordance with the format described in articles 2425 and 2425-bis of the Italian Civil Code), a Cash Flow Statement (whose content is in accordance with article 2425-ter of the Italian Civil Code and presented according to the requirements of OIC accounting standard No. 10) and these Notes, 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, these Notes are accompanied also by a list of companies included in the scope of consolidation, the reconciliation between the Parent's profit or loss for the year and consolidated profit or loss for the year, the Parent's equity and consolidated equity, and the statement of changes in consolidated 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. These items can be omitted only if their balance is zero in both the current and previous years.

For comparison purposes, the Group presented the balances relating to the Income Statement and Balance Sheet of the year ended 31 December 2020. The bases used in preparing the Consolidated Financial Statements are consistent for both years considered, specifically with respect to measurements and the consistent application of the same policies.

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.

The reporting date of the Consolidated Financial Statements coincides with that of the Parent and of all the companies included in the scope of consolidation.

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 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, considering also the constant growth in sales and the expansion of the customer base, as shown in the "Report on Operations".

The reporting date of the Consolidated Financial Statements coincides with that of the Parent (31 December 2021) and of all the companies included in the scope of consolidation.

## Waivers

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None of the provisions of the Italian Civil Code were waived in the preparation of the Financial Statements as the option provided for by Articles 2423 paragraph 4 and 2423-bis paragraph 2 of the Italian Civil Code was not exercised.

## Scope of consolidation

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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.

Consequently, the scope of consolidation includes the following companies, which were 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

Equity at 31/12/2021: Euro 12,517,810

Profit for the period at 31/12/2021: Euro 1,416,489

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 31/12/2021: US dollar 4,674,257

Profit for the period at 31/12/2021: US dollar 393,413

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 31/12/2021: Euro 258,462

Profit for the period at 31/12/2021: Euro 99,803

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 31/12/2021: Czech koruna 9,233,525

Profit for the period at 31/12/2021: Czech koruna 2,020,246

Status: foreign subsidiary

Direct ownership share: 100%

The above percentages of ownership remained unchanged between the two periods.

### **Babelee S.r.l.**

Registered office: Milan, Italy  
Reporting currency: Euro  
Share capital: Euro 12,193.00 - fully paid-up  
Equity at 31/12/2021: Euro -33,270  
Loss for the period at 31/12/2021: Euro -244,283  
Status: Italian subsidiary  
Direct ownership share at 31 December 2021: 91.07%

The percentage of ownership increased from 84.80% to 91.07% in January 2021 following the transfer of the remaining 6.27% interest subject to a call option.

The exchange rates used at 31 December 2021 and 31 December 2020 are as follows:

**as at 31 December 2020**

US dollar	Annual average rate 1.1422	Spot rate at 31 December 2020 1.2271
Czech koruna	Annual average rate 26.4551	Spot rate at 31 December 2020 26.2420

**as at 31 December 2021**

US dollar	Annual average rate 1.1827	Spot rate at 31 December 2021 1.1326
Czech koruna	Annual average rate 26.4551	Spot rate at 31 December 2021 24.8600

## 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 in 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 the 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 No. 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:

as at 31 December 2020

US dollar	Annual average rate 1.1422	Spot rate 1.2271
Czech koruna	Annual average rate 26.4551	Spot rate 26.2420

as at 31 December 2021

US dollar	Annual average rate 1.1827	Spot rate 1.1326
Czech koruna	Annual average rate 26.4551	Spot rate 24.8600

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.

### Financial statements used for consolidation purposes

The Consolidated Financial Statements were prepared using the 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.

### 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).

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 accounting standard No. 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.

For additional information, reference should be made to the section “Changes in accounting standards, accounting estimates, correction of errors”.

**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 and 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 accounting standard No. 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 the OIC accounting standard No. 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 compilers 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 accounting standard No. 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.

### **Changes in accounting standards, accounting estimates, correction of errors.**

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

The Parent Doxee S.p.A. availed of the option granted and recommended by OIC accounting standard No. 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 accounting standard No. 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 these Consolidated Financial Statements as a change in accounting standard. Accordingly, the cumulative effect of this change in accounting standard was determined at the beginning of the year, 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 from ordinary operations which already reflects the application of the new standard.

As shown in the table below, the effect of the application of the financial method to leases on the balances at 31 December 2020 entailed the recognition of tangible assets for Euro 389 thousand, payables to other lenders for Euro 416 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 of Euro -32 thousand.

In accordance with OIC accounting standard No. 29 paragraph 25, during 2021, the effect of the application of the financial method to leases entailed the recognition of tangible assets for Euro 389 thousand, payables to other lenders for Euro 339 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 of Euro -23 thousand. These effects are reflected in the restatement of the cash flow statement.

As of 2021, having identified discrepancies in the application of the accounting standard governing the recognition of public grants and R&D tax credits, in accordance with OIC accounting standard No. 29 (paragraphs 46, 47 **et seq.**), the Company's directors made the appropriate retrospective adjustments, modifying the accounting treatment of these positive income components. Specifically, in order to reflect the correction necessary to align the reversal to profit or loss with the OIC provisions under the indirect method, starting from 2021 and restating the comparative figures, public grants and R&D tax credits have been recognised as prepaid income when recognised (instead of positive income components for that year), aligning the subsequent reversal of the portions pertaining to each year on the basis of a systematic and rational allocation criterion which is consistent with the amortisation process of the related capitalised costs. As a result of the above changes, the 2020 Financial Statements have been restated. The related negative impacts are as follows: (i) Euro 1.1 million on the opening Equity for 2020; (ii) Euro 0.7 million on EBITDA; (iii) Euro 0.7 million on the profit or loss for 2020. The related tax effect is a decrease of Euro 0.1 million.

These changes are all of a temporary and non-definitive nature, as they will be released in the financial statements of the next few years, as described earlier, through profit or loss over the related costs.

Although these effects do not affect the opening and closing balances of cash and cash equivalents, they have been included in the restatement of the cash flow statement. The restatement of the 2020 Financial Statements as a result of the retrospective application of the aforementioned accounting standard is as follows:

	31/12/2020 Approved	Adjustments	31/12/2020 Restated
	€'000		€'000
<b>Fixed assets</b>			
Intangible assets	9,950	0	9,950
Tangible assets	379	389	768
Financial assets	161	0	161
<b>Total fixed assets</b>	<b>10,490</b>	<b>389</b>	<b>10,879</b>
<b>Current assets</b>			
Trade receivables from customers, net	7,579	0	7,579
Other current assets	2,085	278	2,363
Cash and cash equivalents	3,214	0	3,214
<b>Current assets</b>	<b>12,878</b>	<b>278</b>	<b>13,156</b>
Trade payables to suppliers	5,443	0	5,443
Payables to banks and other lenders	2,681	96	2,777
Other current liabilities	2,349	2,085	4,434
<b>Current liabilities</b>	<b>10,473</b>	<b>2,181</b>	<b>12,654</b>
<b>Net working capital</b>	<b>12,895</b>	<b>-1,514</b>	<b>11,381</b>
<b>Non-current liabilities and Provisions</b>			
Employee termination benefits	1,338	0	1,338
Bonds		0	
Payables to banks and other lenders	2,980	320	3,300
Other medium/long-term liabilities		0	
Provisions for risks and charges	11	0	11
<b>Total non-current liabilities and Provisions</b>	<b>4,329</b>	<b>320</b>	<b>4,649</b>
<b>Equity – Own funds</b>	<b>8,534</b>	<b>-1,834</b>	<b>6,700</b>
<b>Equity attributable to minority interests – Third-party funds</b>	<b>32</b>		<b>32</b>
<b>Total own funds and medium/long-term liabilities</b>	<b>12,895</b>	<b>-1,514</b>	<b>11,381</b>
	<b>31/12/2020 Approved</b>	<b>Adjustments</b>	<b>31/12/2020 Restated</b>
Revenues from sales and services	17,706	0	17,706

Internally generated fixed assets	3,564	0	3,564
Other revenues and income	1,489	-767	722
<b>Value of production</b>	<b>22,759</b>	<b>-767</b>	<b>21,992</b>
Costs for services	8,808	0	8,808
Other operating costs	1,340	-88	1,252
<b>Added value</b>	<b>12,611</b>	<b>-679</b>	<b>11,932</b>
Personnel cost	6,997	0	6,997
<b>Gross operating profit (EBITDA)</b>	<b>5,614</b>	<b>-679</b>	<b>4,935</b>
Allocation to provisions			
Amortisation and depreciation	2,666	113	2,779
<b>Operating profit (EBIT)</b>	<b>2,948</b>	<b>-792</b>	<b>2,156</b>
Financial income	1	0	1
Financial expenses	243	8	251
Non-recurring charges	391	0	391
<b>Profit/(loss) before tax</b>	<b>2,315</b>	<b>-800</b>	<b>1,515</b>
Income taxes	691	-103	588
<b>Profit/(loss) for the period</b>	<b>1,624</b>	<b>-697</b>	<b>927</b>
Profit/(loss) attributable to minority interests	14		14
<b>Profit/(loss) for the period attributable to the Group</b>	<b>1,638</b>	<b>-697</b>	<b>941</b>



	31/12/2020		31/12/2020
	Approved	Adjustments	Restated
	€'000	€'000	€'000
<b>A) Cash flows from operating activities:</b>			
Profit/(Loss) for the period	1,623	697	927
Income taxes	692	103	588
Interest expense/(Interest income)	241	-8	249
<b>1. Profit/(Loss) for the period before income taxes, interest, dividends and gains/ losses from disposal</b>	<b>2,556</b>	<b>792</b>	<b>1,764</b>
<i>Other restatements:</i>			
Amortisation and depreciation of fixed assets	2,623	-113	2,736
<b>Total adjustments to non-monetary items that were not offset in net working capital</b>	<b>3,376</b>	<b>679</b>	<b>3,488</b>
<b>2. Cash flows before changes in net working capital</b>	<b>5,932</b>	<b>679</b>	<b>5,252</b>
<i>Other restatements:</i>			
Increase/(Decrease) in accrued expenses and prepaid income	133	-942	1,075
Other changes in net working capital	312	263	49
<b>Total changes in net working capital</b>	<b>-758</b>	<b>-679</b>	<b>-78</b>
<b>3. Cash flows after changes in net working capital</b>	<b>5,175</b>	<b>0</b>	<b>5,175</b>
<b>Cash flows from operating activities (A)</b>	<b>3,819</b>	<b>0</b>	<b>3,819</b>
<b>Cash flows from investing activities (B)</b>	<b>-3,951</b>	<b>0</b>	<b>-3,951</b>
<b>Cash flows from financing activities (C)</b>	<b>-406</b>	<b>0</b>	<b>-406</b>

## COMMENT ON THE MAIN BALANCE SHEET ITEMS

Below is a breakdown of the main Balance Sheet items as at 31 December 2021, showing the main changes compared to 31 December 2020.

### 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 31 December 2020 through 31 December 2021, shown by asset category.

	Start-up costs	Development costs	Industrial patents	Concessions, licenses and trademarks	Goodwill	Assets under development	Other	Total
<b>Balance at 31/12/2020</b>	537,210	3,550,343	210,843	333,737	0	5,281,412	36,304	<b>9,949,849</b>
Increases	0	0	40,132	8,753	0	4,698,946	30,428	<b>4,778,259</b>
Decreases	0	0	0	0	0	0	0	<b>-</b>
Reclassifications	0	6,190,306	-72,391	0	0	-6,117,914	0	<b>0</b>
Amortisation for the period	-190,902	-2,911,848	-35,762	-145,108	0	0	-11,892	<b>-3,295,512</b>
Exchange rate effect	0	0	0	0	0	0	0	<b>0</b>
<b>Closing balance</b>	<b>346,308</b>	<b>6,828,801</b>	<b>142,822</b>	<b>197,382</b>	<b>0</b>	<b>3,862,443</b>	<b>54,840</b>	<b>11,432,596</b>
<b>of which</b>								
Historical cost	1,420,859	16,774,738	2,376,102	823,538	385,329	3,862,443	277,198	<b>25,920,207</b>
Accumulated amortisation	-1,074,552	-9,945,937	-2,233,280	-626,156	-385,329	-	-222,357	<b>-14,487,611</b>
<b>Balance at 31/12/2021</b>	<b>346,308</b>	<b>6,828,801</b>	<b>142,822</b>	<b>197,382</b>	<b>0</b>	<b>3,862,443</b>	<b>54,840</b>	<b>11,432,596</b>

#### 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 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 that were not yet operational at period end, and were therefore suspended pending their completion; in the period in which these projects will be completed and become operational, the Group will reclassify them to the relevant categories and recognise the relevant amortisation charge for the period.

The projects under development are detailed below.

<b>Assets under development</b>	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>Change</b>
C2X Toolkit 1 – Experimental research and development to make substantial improvements to the Doxee document platform	0	4,709,461	- 4,709,461
Development of a new Digital Experience Platform	531,384	122,476	408,907
Patent filing costs	11,801	11,193	608
Research and development of innovative, highly automated technologies	787,545	0	787,545
Research and development of innovative process accountability solutions	142,322	115,923	26,399
Increase in marketing costs – Web site project	305,385	208,618	96,767
Research and prototyping of an Internal Business Intelligence system	270,322	0	270,322
Definition of the strategy, framing, and preliminary adoption of Continuous Testing tools and practices as part of development processes	358,297	0	358,297
Experimental research and development of Event-Driven architectures within the Doxee platform to introduce new channels and new use cases	577,544	0	577,544
Other projects	877,843	113,740	764,103
<b>Total</b>	<b>3,862,443</b>	<b>5,281,412</b>	- 1,418,968

#### Other

The costs incurred on “non-owned” assets were reclassified into this line item.

#### **Tangible Assets**

Below are the changes in tangible assets and the relevant accumulated depreciation for 2021:

	Land and buildings	Plant and equipment	Industrial and commercial equipment	Other assets	Right-of-use assets	Total
<b>Balance at 31/12/2020</b>	0	0	0	378,900	388,819	<b>767,719</b>
Increases	0	0	0	53,535	95,300	<b>148,835</b>
Decreases	0	0	0	-3,495		<b>-3,495</b>
Reclassifications	0	0	0	-216		<b>-216</b>
Amortisation for the period	0	0	0	-110,040	-145,460	<b>-255,500</b>
Exchange rate effect	0	0	0	5,554		<b>5,554</b>
<b>Closing balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>324,238</b>	<b>338,659</b>	<b>662,897</b>
<b>of which</b>						
Historical cost	0	0	0	2,205,549	484,119	<b>2,689,668</b>
Accumulated amortisation	0	0	0	-1,881,312	-145,460	<b>-2,026,771</b>
<b>Balance at 31/12/2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>324,238</b>	<b>338,659</b>	<b>662,897</b>

### Finance leases

The following table shows the information also disclosed in the Consolidated Financial Statements which reflect the difference in the accounting for finance leases compared to the finance method, under which the lessee would recognise the leased asset within fixed assets and calculate the relevant depreciation charges, while recognising the amount payable as principal of the lease liability. In this case, the company would recognise the interest and depreciation charge for the period in profit or loss.

Effects of the difference in accounting	31/12/2021	31/12/2020
Total amount of assets under finance leases at the end of the period	338,659	388,819
Depreciation attributable to the period	-145,460	-113,009
Adjustments and reversals that would have been attributable to the period	0	0
Lease liabilities due within 12 months	129,309	97,660
Lease liabilities due after 12 months	265,096	320,076
Financial expenses attributable to the period	10,148	7,808

### Financial Assets

#### Investments

#### Changes in investments in other companies

Below is the breakdown for the period 31 December 2020 – 31 December 2021.

	Subsidiaries	Associates	Parent companies	Companies under common control	Other companies	Total
Balance at 31/12/2020	0	0	0	0	153,500	153,500
Increases	0	0	0	0	0	0
Decreases	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Revaluations for the period	0	0	0	0	0	0
Write-downs for the period	0	0	0	0	0	0
Exchange rate effect	0	0	0	0	0	0
<b>Closing balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>153,500</b>	<b>153,500</b>
<b>of which</b>						
Historical cost	0	0	0	0	153,500	153,500
Revaluations	0	0	0	0	0	0
Write-downs	0	0	0	0	0	0
<b>Balance at 31/12/2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>153,500</b>	<b>153,500</b>

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 31 December 2020 – 31 December 2021.

	Parent companies	Companies under common control	Other companies	Total
Balance at 31/12/2020	0	0	7,826	7,826
Increases	0	0	0	0
Decreases	0	0	-5,000	-5,000
Reclassifications	0	0	0	0
Write-downs for the period	0	0	0	0
Exchange rate effect	0	0	0	0
<b>Closing balance</b>	<b>0</b>	<b>0</b>	<b>2,826</b>	<b>2,826</b>
<b>of which</b>				
Historical cost	0	0	2,826	2,826
Write-downs	0	0	0	0
<b>Balance at 31/12/2021</b>	<b>0</b>	<b>0</b>	<b>2,826</b>	<b>2,826</b>

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 31 December 2021.

Geographical area	Italy	Abroad	Total
Receivables from other companies	2,826	0	2,826
<b>Balance at 31/12/2021</b>	<b>2,826</b>	<b>0</b>	<b>2,826</b>

## 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.

Classification	31/12/2021	31/12/2020	Change
Receivables from customers	9,695,637	7,579,392	2,116,245
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	1,589,931	909,747	680,184
Deferred tax assets	192,178	204,760	-12,582
Receivables from others	99,520	169,211	-69,841
<b>Total</b>	<b>11,577,266</b>	<b>8,863,110</b>	<b>2,714,156</b>

The following table shows the geographical breakdown of receivables (the reported amounts are net of the provision for bad and doubtful debts):

Classification	Italy	Abroad	Change
Receivables from customers	7,146,839	2,548,797	9,695,637
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	1,577,321	12,610	1,589,931
Deferred tax assets	192,178	0	192,178
Receivables from others	98,869	651	99,520
<b>Total</b>	<b>9,015,207</b>	<b>2,562,059</b>	<b>11,577,266</b>

The following table shows the changes in the provision for bad and doubtful debts for the periods ended 31 December 2020 and 31 December 2021:

Provision for bad and doubtful debts	Untaxed provision	Taxed provision	Total
<b>Balance at 31/12/2020</b>	176,206	326,862	503,068
Provisions for the period	61,796		61,796
Drawdowns for the period	0	0	0
<b>Balance at 31/12/2021</b>	<b>238,002</b>	<b>326,862</b>	<b>564,864</b>

### Receivables from customers

Receivables from customers, generated by the Group's core business, are fully

due within one year.

Below is an analysis of past due receivables at 31 December 2021 and 31 December 2020 (the amounts are shown before deducting the provision for bad and doubtful debts):

	31/12/2021	31/12/2020	Change
Up to 30 days past due	235,074	237,179	-2,105
Between 30 and 60 days past due	63,950	69,487	-5,538
Between 60 and 90 days past due	74,148	136,072	-61,924
Between 90 and 120 days past due	8,622	26,875	-18,253
Over 120 days past due	573,035	537,866	35,169
<b>Total past due receivables from customers</b>	<b>954,829</b>	<b>1,007,480</b>	<b>-52,650</b>
Receivables not past due	9,305,671	7,062,980	2,242,692
Provision for bad and doubtful debts	-564,864	-491,067	-73,797
<b>Total receivables from customers</b>	<b>9,695,637</b>	<b>7,579,392</b>	<b>2,116,244</b>

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	31/12/2021	31/12/2020	Change
Deposit accounts	5,845,261	3,211,401	2,633,860
Cheques	0	0	0
Cash on hand	2,538	2,549	-11
<b>Total</b>	<b>5,847,799</b>	<b>3,213,950</b>	<b>2,633,849</b>

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 relates to grants for research and development, specifically the "C2X Toolkit" project submitted as part of the call for tenders by the Italian Ministry of Economic Development dated 1 June 2016. It was recognised on a time basis.

The following table shows the relevant breakdown for the year ended 31 December 2021 and 31 December 2020.



Classification	31/12/2021	31/12/2020	Change
Accrued income	629,439	733,634	-104,195
Prepaid expenses	542,767	345,770	196,997
<b>Total</b>	<b>1,172,206</b>	<b>1,079,404</b>	<b>92,802</b>

Below is the breakdown of accrued income and prepaid expenses:

Accrued income	31/12/2021	31/12/2020	Change
R&D grants	627,159	731,354	-104,195
Interest rate subsidies	2,280	2,280	0
Other	0	0	0
<b>Total</b>	<b>629,439</b>	<b>733,634</b>	<b>-104,195</b>
Prepaid expenses	31/12/2021	31/12/2020	Change
Maintenance costs	228,225	84,880	143,345
Lease and rental costs	72,756	74,011	-1,255
Advisory fees	88,421	73,366	15,055
Insurance costs	102,104	53,583	48,521
Other costs	51,261	59,930	-8,669
<b>Total</b>	<b>542,767</b>	<b>345,770</b>	<b>196,997</b>

The increase in prepaid expenses is due to the signing of new insurance, maintenance, lease and consultancy contracts, the economic effect of which will affect future periods.

## Equity

The table below shows the changes in consolidated equity for the period 31 December 2020 – 31 December 2021.

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	Minority interests' equity
<b>Consolidated equity at 31/12/2020 Approved</b>	<b>1,597,880</b>	<b>3,008,300</b>	<b>319,150</b>	<b>4,253,713</b>	<b>-6,592</b>	<b>2,243,757</b>	<b>1,637,003</b>	<b>-32,125</b>	<b>8,533,572</b>	<b>32,074</b>
Correction of prior-year errors						<b>1,103,934</b>	<b>696,620</b>		<b>1,800,554</b>	
Change in accounting standard pursuant to OIC 17 para. 105						<b>-32,806</b>			<b>-32,806</b>	
Sundry changes				<b>-1,128</b>		<b>1,127</b>			<b>-1</b>	
<b>Equity 31/12/2020 Restated</b>	<b>1,597,880</b>	<b>3,008,300</b>	<b>319,150</b>	<b>4,252,585</b>	<b>-6,592</b>	<b>3,379,370</b>	<b>940,383</b>	<b>-32,125</b>	<b>6,700,211</b>	<b>32,074</b>
Allocation of profit/(loss) at 31/12/2020	0	0	426	1,827,279	0	<b>887,322</b>	<b>940,383</b>	0	-	0
Exchange rate differences	0	0	0	<b>312,578</b>					<b>312,578</b>	0
Hedging change	0	0	0		5,179			<b>455,529</b>	<b>450,350</b>	0
Other changes	171,673	2,636,756	0	1		<b>-16,032</b>			<b>2,792,398</b>	<b>21,600</b>
Profit for the period	0	0	0	0	0	0	<b>1,667,330</b>	0	<b>1,667,330</b>	<b>8,087</b>
<b>Equity at 31/12/2021</b>	<b>1,769,553</b>	<b>5,645,056</b>	<b>319,576</b>	<b>5,767,287</b>	<b>-1,413</b>	<b>4,282,724</b>	<b>1,667,330</b>	<b>487,654</b>	<b>10,397,011</b>	<b>2,387</b>

### Share capital and premium reserve

The second exercise period for the “Warrants Doox 2019-2022” traded on Euronext Growth Milan, a multilateral trading system organised and managed by Borsa Italiana, ended on 15 December 2021.

During this period:

- 3,868,360 warrants were exercised at a price of Euro 3.63 per share, at a ratio of 1 (one) Conversion Share for every 5 (five) Warrants held, for a total of Euro 2,808,429.36;
- 773,672 ordinary shares were issued, increasing share capital by Euro 171,673.10.

On 30 November 2021, P&S S.r.l., the majority shareholder of Doxee S.p.A., sold 2,256,550 "Warrants Doxee 2019-2022" to IPOC 5 which it has already exercised. Consequently, at the end of the exercise period, 451,310 Conversion Shares, equal to 5.66% of the Company's share capital, were issued to IPOC 5, a consortium vehicle that aggregates institutional value investors to provide financing in support of the company's development plans, under the terms and conditions provided for in Doxee's Warrant Regulations.

As a result of this transaction, Doxee's capital includes a consortium vehicle that aggregates institutional value investors to provide financing in support of the company's development plans.

Following the conversion of the warrants, the Company's subscribed and paid-up share capital increased on the previous year and amounts to Euro 1,769,553.28, while the approved share capital amounts to Euro 1,915,750. There are 7,974,772 outstanding shares, while the residual warrants number 3,275,140.

The next (and last) exercise window for the warrants is scheduled for December 2022.

The following table reconciles the Parent's profit/ (loss) and equity as at and for the year ended 31 December 2021 with the corresponding figures shown in the Consolidated Financial Statements.

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	Minority interests' equity
Consolidating entity Equity at 31/12/2020	1,769,553	5,645,056	319,576	5,656,759	-1,413	-1,800,554	1,416,489	-487,654	12,517,812	0
Carrying amount of investments eliminated	0	0	0	0	0	-1,972,001	0	0	-1,972,001	0
Pro rata amount of the equity of consolidated entities	0	0	0	0	0	-1,641,643	0	0	-1,641,643	24,201
Exchange rate differences	0	0	0	110,526	0	2	0	0	110,528	0
Profit/ (loss) of consolidated entities	0	0	0	0	0	-1,754,959	273,781	0	-1,481,178	-21,814
Cancellation of intragroup write-downs	0	0	0	0	0	2,930,000	0	0	2,930,000	0
Leases measured using the financial method	0	0	0	0	0	-32,806	-22,941	0	-55,747	0
Other adjustments	0	0	0	2	0	-10,763	0	0	-10,761	0
<b>Consolidated Equity at 31/12/2021</b>	<b>1,769,553</b>	<b>5,645,056</b>	<b>319,576</b>	<b>5,767,287</b>	<b>-1,413</b>	<b>-4,282,724</b>	<b>1,667,330</b>	<b>-487,654</b>	<b>10,397,011</b>	<b>2,387</b>

### Treasury Shares

In addition, with respect to the treasury share buy and sell programme launched on 3 November 2020, pursuant to the resolution of the Annual Shareholders' Meeting of 29 April 2020, the Parent purchased treasury shares in the following time periods:

- from 4 through 7 January 2021 (both included), it purchased a total of 4,000 treasury shares, accounting for 0.056% of the share capital, at a weighted average unit price of Euro 3.53 per share, worth Euro 14,105.00 overall. Following these transactions, at 7 January 2021 DOXEE held 15,000 treasury shares, accounting for 0.208% of the share capital;
- from 8 through 15 January 2021 (both included), it purchased a total of 6,000 treasury shares, accounting for 0.083% of the share capital, at a weighted average unit price of Euro 3.51 per share, worth Euro 21,045.00 overall. Following these transactions, at 19 January 2021 DOXEE held 21,000 treasury shares, accounting for 0.292% of the share capital;

- from 20 through 29 January 2021 (both included), it purchased a total of 6,500 treasury shares, accounting for 0.09% of the share capital, at a weighted average unit price of Euro 3.77 per share, worth Euro 24,475.00 overall. Following these transactions, at 29 January 2021 DOXEE held 27,500 treasury shares, accounting for 0.38% of the share capital;
- from 1 through 10 February 2021 (both included), it purchased a total of 6,000 treasury shares, accounting for 0.083% of the share capital, at a weighted average unit price of Euro 3.84 per share, worth Euro 23,045.00 overall. Following these transactions, at 10 February 2021 DOXEE held 33,500 treasury shares, accounting for 0.46% of the share capital;
- from 11 through 22 February 2021 (both included), it purchased a total of 5,500 treasury shares, accounting for 0.076% of the share capital, at an average price of Euro 3.84 per share, worth Euro 21,145.00 overall. Following these transactions, at 22 February 2021 DOXEE held 39,000 treasury shares, accounting for 0.54% of the share capital. In addition, Doxee announced that on 22 February 2021 it selected Integrae SIM S.p.A. as purchasing agent effective 24 February 2021 through the end of the buy-back programme. The purchasing agent will have complete independence in coordinating and carrying out purchases, in accordance with the parameters and criteria agreed under the contract as well as the relevant limits under applicable law and the resolution of the Shareholders' Meeting of 29 April 2020, to which reference should be made for more details. The purchases will be carried out in accordance with applicable requirements, so as to ensure equal treatment of shareholders as per Article 132 of the Consolidated Law on Finance, and pursuant to Borsa Italiana S.p.A.'s organisation and management rules;
- on 23 February 2021, it purchased a total of 2,000 treasury shares, accounting for 0.028% of the share capital, at an average price of Euro 3.90 per share, worth Euro 7,795.00 overall. Following these transactions, at 23 February 2021 DOXEE held 41,000 treasury shares, accounting for 0.57% of the share capital. These purchases were not carried out through Integrae SIM S.p.A. as purchasing agent;
- from 24 February 2021 through 4 March 2021, it purchased a total of 3,000 treasury shares, accounting for 0.042% of the share capital, at an average price of Euro 3.96 per share, worth Euro 11,890.00 overall. Following these transactions, at 04 March 2021 DOXEE held 44,000 treasury shares, accounting for 0.61% of the share capital. These purchases were carried out through Integrae SIM S.p.A. as purchasing agent on 22 February 2021;
- from 11 through 18 March 2021, it purchased a total of 5,500 treasury shares, accounting for 0.076% of the share capital, at an average price of Euro 4.34 per share, worth Euro 23,850.00 overall. Following these transactions, at 18 March 2021 DOXEE held 49,500 treasury shares, accounting for 0.69% of the share capital. These purchases were carried out through Integrae SIM S.p.A. as purchasing agent on 22 February 2021;
- on 23 March 2021, it purchased a total of 1,000 treasury shares, accounting for 0.014% of the share capital, at an average price of Euro 4.59 per share, worth Euro 4,590.00 overall. Following these transactions, at 1 April 2021 DOXEE held 50,500 treasury shares, accounting for 0.70% of the share capital. These purchases were carried out through Integrae SIM S.p.A. as purchasing agent on 22 February 2021;
- on 06 April 2021, it purchased a total of 1,500 treasury shares, accounting for 0.021% of the share capital, at an average price of Euro 6.15 per share, worth Euro 9,225.00 overall. Following these transactions, at 15 April 2021 DOXEE held 52,000 treasury shares, accounting for 0.72% of the share capital. These purchases were carried out through Integrae SIM S.p.A. as purchasing agent on

22 February 2021.

In addition, on 27 April 2021 the Shareholders' Meeting revoked the authorisation to buy and sell treasury shares passed by the previous Meeting on 29 April 2020, with respect to the part of the plan not yet executed, and approved a new programme to buy and sell treasury shares. With respect to the share buy-back programme launched on 12 May 2021, pursuant to the above resolution of the Annual Shareholders' Meeting of 27 April 2021, the Parent purchased treasury shares in the following time periods:

- from 18 through 25 May 2021 (both included), it purchased a total of 4,000 treasury shares, accounting for 0.056% of the share capital, at a weighted average unit price of Euro 7.41 per share, worth Euro 29,650.00 overall. Following these transactions, at 25 May 2021 DOXEE held 56,000 treasury shares, accounting for 0.78% of the share capital. These purchases were carried out on 22 February 2021 through Integrae SIM S.p.A., the purchasing agent, whose appointment was confirmed on 12 May 2021;
- from 28 May through 7 June 2021 (both included), it purchased a total of 2,500 treasury shares, accounting for 0.035% of the share capital, at a weighted average unit price of Euro 7.63 per share, worth Euro 19,075.00 overall. Following these transactions, at 7 June 2021 DOXEE held 58,500 treasury shares, accounting for 0.81% of the share capital. These purchases were carried out on 22 February 2021 through Integrae SIM S.p.A., the purchasing agent, whose appointment was confirmed on 12 May 2021;
- from 9 through 17 June 2021 (both included), it purchased a total of 4,000 treasury shares, accounting for 0.056% of the share capital, at a weighted average unit price of Euro 8.30 per share, worth Euro 33,200.00 overall. Following these transactions, at 18 June 2021 DOXEE held 62,500 treasury shares, accounting for 0.87% of the share capital. These purchases were carried out on 22 February 2021 through Integrae SIM S.p.A., the purchasing agent, whose appointment was confirmed on 12 May 2021;
- on 21 June 2021, it purchased a total of 1,000 treasury shares, accounting for 0.014% of the share capital, at an average price of Euro 8.30 per share, worth Euro 8,300.00 overall. Following these transactions, at 21 June 2021 DOXEE held 63,500 treasury shares, accounting for 0.88% of the share capital. These purchases were carried out on 22 February 2021 through Integrae SIM S.p.A., the purchasing agent, whose appointment was confirmed on 12 May 2021;
- from 29 through 30 June 2021 (both included), it purchased a total of 1,500 treasury shares, accounting for 0.021% of the share capital, at a weighted average unit price of Euro 9.27 per share, worth Euro 13,900.00 overall. Following these transactions, at 30 June 2021 DOXEE held 65,000 treasury shares, accounting for 0.90% of the share capital. These purchases were carried out on 22 February 2021 through Integrae SIM S.p.A., the purchasing agent, whose appointment was confirmed on 12 May 2021;
- on 6 July 2021, it purchased a total of 500 treasury shares, accounting for 0.007% of the share capital, at an average price of Euro 8.95 per share, worth Euro 4,475.00 overall. Following these transactions, at 06 July 2021 DOXEE held 65,500 treasury shares, accounting for 0.91% of the share capital. These purchases were carried out on 22 February 2021 through Integrae SIM S.p.A., the purchasing agent, whose appointment was confirmed on 12 May 2021;
- from 13 through 15 July 2021 (both included), it purchased a total of 1,500 treasury shares, accounting for 0.021% of the share capital, at a weighted average unit price of Euro 9.20 per share, worth Euro 13,800.00 overall. Following these transactions, at 15 July 2021 DOXEE held 67,000 treasury shares, accounting for 0.93% of the share capital. These purchases were carried out on 22 February 2021 through Integrae SIM S.p.A., the purchasing

agent, whose appointment was confirmed on 12 May 2021;

- from 20 through 21 July 2021 (both included), it purchased a total of 2,000 treasury shares, accounting for 0.028% of the share capital, at a weighted average unit price of Euro 9.33 per share, worth Euro 18,650.00 overall. Following these transactions, at 21 July 2021 DOXEE held 69,000 treasury shares, accounting for 0.958% of the share capital. These purchases were carried out on 22 February 2021 through Integrae SIM S.p.A., the purchasing agent, whose appointment was confirmed on 12 May 2021;
- from 1 through 8 September 2021 (both included), it purchased a total of 2,250 treasury shares, accounting for 0.031% of the share capital, at a weighted average unit price of Euro 11.60 per share, worth Euro 26,100.00 overall. Following these transactions, at 8 September 2021 DOXEE held 71,250 treasury shares, accounting for 0.989% of the share capital. These purchases were carried out on 22 February 2021 through Integrae SIM S.p.A., the purchasing agent, whose appointment was confirmed on 12 May 2021;
- from 16 through 22 September 2021 (both included), it purchased a total of 500 treasury shares, accounting for 0.007% of the share capital, at a weighted average unit price of Euro 12.30 per share, worth Euro 6,150.00 overall. Following these transactions, at 26 September 2021 DOXEE held 71,750 treasury shares, accounting for 0.996% of the share capital. These purchases were carried out on 22 February 2021 through Integrae SIM S.p.A., the purchasing agent, whose appointment was confirmed on 12 May 2021;
- from 27 through 28 September 2021 (both included), it purchased a total of 3,000 treasury shares, accounting for 0.042% of the share capital, at a weighted average unit price of Euro 12.03 per share, worth Euro 36,075.00 overall. Following these transactions, at 3 October 2021 DOXEE held 74,750 treasury shares, accounting for 1.038% of the share capital. These purchases were carried out on 22 February 2021 through Integrae SIM S.p.A., the purchasing agent, whose appointment was confirmed on 12 May 2021;
- from 4 through 7 October 2021 (both included), it purchased a total of 2,750 treasury shares, accounting for 0.038% of the share capital, at a weighted average unit price of Euro 11.82 per share, worth Euro 32,500.00 overall. Following these transactions, at 11 October 2021 DOXEE held 77,500 treasury shares, accounting for 1.076% of the share capital. These purchases were carried out on 22 February 2021 through Integrae SIM S.p.A., the purchasing agent, whose appointment was confirmed on 12 May 2021;
- from 20 through 25 October 2021 (both included), it purchased a total of 500 treasury shares, accounting for 0.007% of the share capital, at a weighted average unit price of Euro 11.30 per share, worth Euro 5,650.00 overall. Following these transactions, at 24 October 2021 DOXEE held 78,000 treasury shares, accounting for 1.083% of the share capital. These purchases were carried out on 22 February 2021 through Integrae SIM S.p.A., the purchasing agent, whose appointment was confirmed on 12 May 2021;
- from 2 through 03 November 2021 (both included), it purchased a total of 500 treasury shares, accounting for 0.007% 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 3 November 2021 DOXEE held 78,500 treasury shares, accounting for 1.090% of the share capital. These purchases were carried out on 22 February 2021 through Integrae SIM S.p.A., the purchasing agent, whose appointment was confirmed on 12 May 2021;
- from 11 through 17 November 2021 (both included), it purchased a total of 1,000 treasury shares, accounting for 0.014% of the share capital, at a weighted average unit price of Euro 11.10 per share, worth Euro 11,100.00 overall. Following these transactions, at 17 November 2021 DOXEE held 79,500



treasury shares, accounting for 1.104% of the share capital. These purchases were carried out on 22 February 2021 through Integrae SIM S.p.A., the purchasing agent, whose appointment was confirmed on 12 May 2021;

- from 26 November 2021 through 2 December 2021 (both included), it purchased a total of 1,250 treasury shares, accounting for 0.017% of the share capital, at a weighted average unit price of Euro 11.56 per share, worth Euro 14,450.00 overall. Following these transactions, at 2 December 2021 DOXEE held 80,750 treasury shares, accounting for 1.121% of the share capital. These purchases were carried out on 22 February 2021 through Integrae SIM S.p.A., the purchasing agent, whose appointment was confirmed on 12 May 2021;
- on 6 December 2021, it purchased a total of 250 treasury shares, accounting for 0.003% of the share capital, at a weighted average unit price of Euro 12.10 per share, worth Euro 3,025.00 overall. Following these transactions, at 6 December 2021 DOXEE held 81,000 treasury shares, accounting for 1.125% of the share capital. These purchases were carried out on 22 February 2021 through Integrae SIM S.p.A. as purchasing agent, whose appointment was confirmed on 12 May 2021.

With respect to the above, in February 2021 a further 2,000 shares were purchased. Therefore, at 31 December 2021, the Company held a total of 83,000 treasury shares, equal to 1.041% of the subscribed and paid-up share capital, for which a negative reserve for treasury shares in portfolio equal to Euro 487,654 was recognised.

On 16 December 2021, following the filing of the certificate pursuant to Article 2444 para. 1 of the Italian Civil Code with the Modena Company Register, the Parent informed the market of the new composition of its share capital, amounting to Euro 1,769,553.28 and comprised of 7,974,772 ordinary shares with no par value.

### Provisions for risks and charges

The following table shows the changes for the period 31 December 2020 – 31 December 2021.

	Provisions for employee termination benefits	Provisions for taxes, including deferred taxes	Derivative financial instruments – liabilities	Other provisions	Total
<b>Balance at 31/12/2020</b>	0	1,962	8,674	0	<b>10,636</b>
Provisions for the period	0	0	16,875	0	<b>16,875</b>
Drawdowns for the period	0	-1,778	-23,691	0	<b>-</b>
Reversals for the period	0	0	0	0	<b>0</b>
<b>Balance at 31/12/2021</b>	<b>0</b>	<b>184</b>	<b>1,859</b>	<b>0</b>	<b>2,043</b>

The derivative entered into by the Parent with Unicredit was terminated early in the second half of 2021.

For further information on the provisions for deferred taxes and derivative financial instruments – liabilities, please refer to the relevant notes below.

## Employee termination benefits

This item shows the Group's actual obligation at 31 December 2020 and 31 December 2021 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
<b>Balance at 31/12/2020</b>	1,337,666
Provisions for the period	409,094
Drawdowns for the period	-224,249
<b>Balance at 31/12/2021</b>	<b>1,522,511</b>

## Payables

The following table shows the payables included within current liabilities, as well as the relevant maturity at 31 December 2020 and 31 December 2021. Please note that all the Group's payables are not collateralised.

Classification	31/12/2021	31/12/2020	Change
Payables to banks	7,050,682	5,660,331	1,390,351
Payables to other lenders	394,405	417,736	-23,331
Payables to suppliers	6,765,168	5,442,787	1,322,381
Payables to subsidiaries	0	0	0
Tax payables	539,926	565,762	-25,836
Payables to social security and welfare institutions	565,788	527,026	38,762
Other payables	1,194,917	1,093,615	101,302
<b>Closing balance</b>	<b>16,510,886</b>	<b>13,707,257</b>	<b>2,803,629</b>

Classification	31/12/2021	Within 12 months	Beyond 12 months	Beyond five years	Collateral
Payables to banks	7,050,682	2,328,256	4,722,426	0	0
Payables to other lenders	394,405	129,309	265,096	0	0
Payables to suppliers	6,765,168	6,765,168	0	0	0
Payables to subsidiaries	0	0	0	0	0
Tax payables	539,926	539,926	0	0	0
Payables to social security and welfare institutions	565,788	565,788	0	0	0
Other payables	1,194,917	1,194,917	0	0	0
<b>Closing balance</b>	<b>16,510,886</b>	<b>11,523,364</b>	<b>4,987,522</b>	<b>0</b>	<b>0</b>

### Breakdown of medium/long-term bank loans

Bank	Loan issued	Outstanding within 12 months	Outstanding beyond 12 months	Total outstanding	Maturity date
Unicredit	1,000,000	49,224	949,263	998,487	31/03/2025
Unicredit	500,000	167,330	84,671	252,001	30/06/2023
Simest	1,564,726	156,473	0	156,473	18/06/2022
Banca BPER	1,500,000	273,725	277,369	551,094	11/12/2023
Mediocredito Centrale	425,865	53,020	319,909	372,929	30/06/2029
BPM	1,000,000	223,602	222,819	446,421	31/12/2023
San Felice 1893	2,000,000	227,023	598,316	825,340	30/06/2025
Crédit Agricole Italia S.p.A.	1,000,000	290,991	520,302	811,293	28/01/2025
MIUR loan	20,280	3,376	10,178	13,554	01/01/2024
MPS 0994139280	2,000,000	408,914	1,587,519	1,996,433	28/02/2026
MPS – Babelee 0994147758	30,000	1	30,005	30,006	30/04/2031
MPS – Babelee 46977128	150,000	29,968	67,124	97,092	12/09/2024
MPS – Babelee 48320467	150,000	38,056	54,851	92,907	26/12/2023
<b>Total</b>	<b>11,340,871</b>	<b>1,921,704</b>	<b>4,722,326</b>	<b>6,644,030</b>	

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.

Finally, please note that in order to support the business operations affected by the COVID-19 pandemic, pursuant to Article 56 of Italian Law Decree No. 18 of 17 March 2020 – the “Cura Italia” decree – as subsequently amended (Article 65 of Law Decree No. 104 of 14 August 2020 – the “August decree” – extended the moratorium on payments from 30 September 2020 to 31 January 2021. The moratorium, which was introduced by Article 56 of Italian Law Decree No. 18 of 17 March 2020 and Law No. 178 of 30 December 2020 – the “2021 Budget Law” – is renewed automatically without the need to send any further documentation to the banks), Doxee S.p.A. took advantage – in relation to debt exposures to banks

and financial companies for loans and leases – of the moratorium on payments due through 30 June 2021. The related repayment schedules for the loan or lease payments subject to the moratorium were therefore deferred, together with the incidental items and without any formality, in a manner that ensures no new or increased expenses for both parties. No specific moratorium was requested after 30 June 2021 for the loans taken out with the Parent. However, the moratorium was extended until 31 December 2021 for two loans in place with Babelee S.r.l.

#### Payables to suppliers

Payables to suppliers mainly consist of trade payables.

#### 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.

#### 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).

### **Accrued expenses and prepaid income**

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At 31 December 2021, they comprise accrued expenses of Euro 872 and prepaid income of Euro 2,413,380. The latter amount mainly refers to the tax credit for research & development activities which does not pertain to 2021 but to future years.

### **Financial risk hedging instruments**

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In 2018, the Parent had 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 Unicredit.

This derivative was terminated early on 28 October 2021.

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 Unicredit.

The fair value of said derivative at 31 December 2021 was negative Euro 1,859.

Effective date	28/01/2021
Maturity date	28/01/2025
Type	IRS – Interest Rate
Objective	Hedging
Notional amount at the end of the period ended 30/06/2021	Euro 1,000,000
Underlying financial risk	Interest rate risk
Fair value (MTM)	-1,859
Hedged liability	Crédit Agricole Loan

## COMMENT ON THE MAIN INCOME STATEMENT ITEMS

Below is the breakdown of the main line items in the Income Statement items as at 31 December 2021 and 31 December 2020, showing the main changes that occurred.

### Value of production

The following table shows the changes in the relevant line items.

Value of production	31/12/2021	31/12/2020	Change
Revenues from sales and services	20,846,556	17,706,157	3,140,399
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	4,652,748	3,564,104	1,088,644
Other revenues and income	634,801	721,961	-87,160
<b>Total</b>	<b>26,134,105</b>	<b>21,992,222</b>	<b>4,141,883</b>

#### 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 as at 31 December 2021 and 31 December 2020.

Business category	31/12/2021	31/12/2020	Change
Outsourcing services	19,959,479	13,415,520	6,543,958
Licensing and fees	76,400	615,715	-539,315
Professional service	173,173	3,304,850	-3,131,677
Custom request	637,504	370,072	267,432
<b>Total</b>	<b>20,846,556</b>	<b>17,706,157</b>	<b>3,140,398</b>

##### **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 as at 31 December 2021 and 31 December 2020.

Geographical area	31/12/2021	31/12/2020	Change
Italy	18,092,394	16,364,155	1,728,238
Abroad	2,754,162	1,342,002	1,412,160
<b>Total</b>	<b>20,846,556</b>	<b>17,706,157</b>	<b>3,140,398</b>

#### Internally generated fixed assets

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 materials 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.

Grants related to plant based on the cost of intangible and other fixed assets, if received by the company, are expensed systematically over the useful life of the assets.

### Production costs

The following table shows the changes in the relevant line items.

<b>Production costs</b>	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>Change</b>
For raw and auxiliary materials, consumables and merchandise	397,166	553,222	-156,056
For services	11,746,009	8,808,339	2,937,670
For rent and leases	319,958	352,190	-32,232
For personnel	8,001,451	6,997,283	1,004,168
Amortisation, depreciation and write-downs	3,612,807	2,778,995	833,812
Provisions for risks	0	0	0
Other provisions	0	0	0
Other operating costs	337,019	346,399	-9,380
<b>Total</b>	<b>24,414,410</b>	<b>19,836,428</b>	<b>4,577,982</b>

#### Costs for raw materials and consumables

These costs are essentially unrelated to the value of production and have declined in the last year compared to 31 December 2020.

#### Costs for services

Costs for services mainly refer to costs for printing and delivering documents to third parties, or costs for external advisory services and/or costs for third-party employees and/or advisers working directly on projects with customers. Below is the breakdown:

<b>Costs for services</b>	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>Change</b>
Printing and delivery costs	3,195,226	2,470,488	724,737
R&D technical advisory services	4,735,672	1,765,243	2,970,428
Technical advisory services	1,358,868	1,591,734	-232,867
Administration and other general overhead costs	939,474	691,834	247,640
Infrastructure costs	518,360	976,163	-457,804
Marketing costs	565,887	616,931	-51,045
Various costs	432,524	695,944	-263,421
<b>Total</b>	<b>11,746,009</b>	<b>8,808,339</b>	<b>2,937,670</b>

The increase is mainly due to higher R&D advisory costs and the rise in printing and delivery costs.

#### Costs for rent and leases

Hardware leases have been recognised in accordance with the financial method pursuant to OIC accounting standard No. 17 paragraph 105. Accordingly, the historical cost of the assets was recognised under assets, a liability was recognised under liabilities and the financial charges and depreciation charge of the year were taken to profit or loss. This led to the restatement of the balances at 31 December 2020 since, pursuant to the above reporting standard, the effects of the change in the accounting treatment of finance leases are recognised as a change in accounting standard pursuant to OIC accounting standard No. 29 "Changes in accounting standards, accounting estimates, correction of errors, events after the reporting period". For additional information, reference should be made to the section "Changes in accounting standards, accounting estimates, correction of errors" of this document.

#### 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 average number of employees during 2021 increased by 14 units compared to the previous year, as the following table shows.

Category	31/12/2021	31/12/2020	Change
Senior managers	6	7	-1
Middle managers	18	16	2
Clerical staff	101	93	8
Trainees	17	12	5
<b>Total</b>	<b>142</b>	<b>128</b>	<b>14</b>

The increase in personnel compared to 2020 was essentially due to the need to find resources with appropriate technological skills as well as to strengthen the sales structure.

#### Amortisation, depreciation and write-downs

This item as at 31 December 2021 and 2020 may be analysed as follows:

Amortisation of intangible assets	31/12/2021	31/12/2020	Change
Start-up costs	190,902	237,943	-47,041
Development costs	2,911,848	1,995,571	916,277
Industrial patents and similar intellectual property rights	35,762	143,983	-108,222
Concessions, licences, trademarks and similar rights	145,108	80,253	64,855
Other	11,892	30,477	-18,585
<b>Total</b>	<b>3,295,511</b>	<b>2,488,227</b>	<b>807,284</b>

The increase compared to 31 December 2020 essentially relates to significant new investments in development costs and the capitalisation of the Doxee Platform 3.0 in 2021, whose impact affected the income statement.

Depreciation of tangible assets	31/12/2021	31/12/2020	Change
Land and buildings	0	0	0
Plant and equipment	0	0	0
Industrial and commercial equipment	0	0	0
Right-of-use assets	145,460	134,815	10,645
Other assets	110,040	113,009	-2,969
<b>Total</b>	<b>255,500</b>	<b>247,824</b>	<b>7,676</b>

Write-down of current receivables and of cash and cash equivalents	31/12/2021	31/12/2020	Change
Write-down of trade receivables	61,796	42,944	18,852
<b>Total</b>	<b>61,796</b>	<b>42,944</b>	<b>18,852</b>



## Net financial income/ (expenses)

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

Financial income	31/12/2021	31/12/2020	Change
Current account interest income	45,159	51	45,109
Various interest income	0	0	0
Income from amortised cost discounting	0	1,166	-1,166
<b>Total</b>	<b>45,159</b>	<b>1,217</b>	<b>43,942</b>

Financial expenses	31/12/2021	31/12/2020	Change
Current account interest expense	31,979	44,218	-12,238
Interest expense on bank loans	70,636	7,333	63,304
Bank fees and surety bonds	21,024	24,200	-3,176
Financial interest on leases	10,148	7,808	2,339
Interest expense from derivatives	10,577	4,499	6,078
Interest expense from payment extensions	4,528	2,106	2,423
Supplier interest expense	60,135	60,129	6
Recognition of amortised cost on bank loans	40,890	60,823	-19,933
Contingent financial liabilities	0	39,346	-39,346
<b>Total</b>	<b>249,918</b>	<b>250,462</b>	<b>-544</b>

## Income taxes

Current taxes have been calculated using the rates applicable to the companies included in the scope of consolidation and refer to the accrual for the year calculated in accordance with the rates in force in each country.

Prepaid taxes are recognised when there is a reasonable certainty that, in the years in which the deductible temporary differences, for which the deferred tax assets have been recognised, will reverse, the taxable income will not be less than the amount of the differences to be reversed.

Deferred taxes have been calculated on a global allocation basis, considering the cumulative amount of all temporary differences, based on the effective rate for the most recent year.

### Deferred and prepaid taxes

This item reflects the impact of deferred taxes on these Financial Statements.

This is due to the temporary differences arising within the Parent between the carrying amounts of assets and liabilities and the corresponding amounts calculated for tax purposes.

The Parent calculated deferred taxes for IRES (corporate income tax) and IRAP (regional production tax) purposes, applying the current rates of 24% and 3.9%, respectively.

Below is a breakdown of the temporary differences that led to the recognition of prepaid and deferred taxes, specifying the rate applied and the changes with respect to the previous year, and the amounts taken to profit or loss, or equity.

### Reconciliation between theoretical and effective taxes

The Parent's theoretical tax rate as at 31 December 2021 and 2020 was 27.9% and was 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 period ended 31 December 2021**

Profit/(loss) before tax: Euro 1,825,478.

Description	IRES	IRAP	Total	% profit/ (loss) before tax
Current taxes	187,535	78,299	<b>265,834</b>	
Deferred and prepaid taxes	-87,541	1,669	<b>-85,872</b>	
<b>Total taxes</b>	<b>99,994</b>	<b>79,968</b>	<b>179,962</b>	<b>9.74%</b>
Theoretical taxes	443,620	67,545	<b>511,165</b>	

### **NOTES TO THE MAIN ITEMS OF THE CASH FLOW STATEMENT**

The Parent prepared a cash flow statement which is the summary document comparing the changes of the year in the company's assets with the changes in its financial position and showing the cash flows generated and used by the Group during the year.

The cash flow statement was prepared in accordance with OIC accounting standard No. 10, using the indirect method, whereby cash flows are determined by adjusting the profit/ (loss) for the year for non-monetary items.

The balance and the main cash flows are shown below:

Cash flow statement	31/12/2021	31/12/2020	Change
Cash flows from operating activities	3,081,124	3,819,163	-738,039
Cash flows from investing activities	-4,079,433	-3,951,499	-127,934
Cash flows from financing activities	3,632,158	-405,502	4,037,660
Exchange rate effect	0	-4,840	4,840
<b>Total</b>	<b>2,633,849</b>	<b>-542,678</b>	<b>3,176,527</b>

Cash flow from operating activities decreased on the previous year, mainly as a result of the increase in the gross operating profit.

Cash flows from investing activities amount to Euro -4,079,433 and mainly refer to investments in development costs for new projects.

Cash flow from financing activities amount to Euro 3,632,158 and are up on the previous year following the new loans taken out in the second half of 2021.

### **Other information**

Net financial position of the Group at 31 December 2021 and 31 December 2020:

Description	31/12/2021	31/12/2020	Change
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A	Cash	-2,538	-2,549	11
B	Cash equivalents	-5,845,261	-3,211,401	-
C	Other current financial assets	0	0	2,633,860
<b>D</b>	<b>Liquidity (A+B+C)</b>	<b>5,847,799</b>	<b>-3,213,950</b>	<b>-</b>
E	Current financial payables	612,249	1,201,249	2,633,849
F	Current portion of medium/long-term financial payables	1,845,316	1,576,618	-589,000
<b>G</b>	<b>Current financial debt (E+F)</b>	<b>2,457,565</b>	<b>2,777,867</b>	<b>268,698</b>
<b>H</b>	<b>Net current financial debt (G-D)</b>	<b>3,390,234</b>	<b>-436,083</b>	<b>-320,302</b>
I	Non-current financial payables	4,989,381	3,308,874	-
J	Debt instruments	0	0	2,954,151
K	Trade payables and other non-current payables	0	0	1,680,507
<b>L</b>	<b>Non-current financial debt (I+J+K)</b>	<b>4,989,381</b>	<b>3,308,874</b>	<b>0</b>
<b>M</b>	<b>Total Group financial debt (J+N)</b>	<b>1,599,147</b>	<b>2,872,791</b>	<b>-</b>
				1,273,644

(\*) including financial payables for leasing

#### 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.

#### Disclosure pursuant to Article 1 paragraph 125 of Italian Law No. 124 of 4 August 2017

Pursuant to Article 1 paragraph 125-bis of Italian Law No. 124/2017, which requires disclosure in the Notes to the Financial Statements of any amounts received during the year by way of grants, contributions, paid assignments and, in any case, economic benefits of any kind from the public administrations and the parties referred to in paragraph 125-bis of said Article, the Parent states that, in 2020, it received the following amounts:

Type	Amount	Entity	Regulatory ref.
Grant for PC4HC project	Euro 20,350	Emilia Romagna region	Regional Council Resolution (DGR) 773/2015 – Regional operational programme – ERDF 2014-2020 – Axis 1 – Research and Innovation
Grant for C2Xtoolkit project	Euro 307,727	European Union	Horizon 2020 programme
Grant for export promotion projects and participation in trade fairs in 2021	Euro 10,000	Emilia Romagna region	Regional Council Resolution (DGR) 1270/2020 – Regional operational programme – ERDF 2014-2020 – Axis 3

For additional information, reference should be made to the National Register of State Aid pursuant to Article 52 of Italian Law No. 234/2012.

## Management and coordination

The Group is not managed or coordinated by other companies.

## **Events after the reporting period**

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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 the virus, protecting customers, workers, and potential visitors. The Management of both the Company and the Group 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, with the end of the state of emergency on 31 March 2022, we believe that the effects of the COVID-19 emergency on performance in 2022 will not prevent the Company from delivering positive results.

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 0.002% 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 24 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 4 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 10 January 2022, the Company 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 project refers to the secure digital storage of documents on the cloud. Specifically, the aim of the proposed project is 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 will be a strong driver for the digitisation of SMEs business processes, extending the target of Doxee offering.

In addition, on 19 January 2022, the Company 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 – 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 4 March 2022, Eiffel Investment Group purchased 400,100 Doxee ordinary shares, equal to 5.02% of the Company’s share capital. Consequently, the Company’s shareholding structure comprises P&S S.r.l. (71.21% of the Company’s share capital), Ipoc 5 S.r.l. (5.66%), Eiffel Investment Group (5.02%) and the free float (18.11%).

No third parties with interests in Russia, Ukraine and/or other neighbouring countries are involved in the provision of Doxee’s services. The Company has 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. However, the Company is constantly monitoring the development of the geopolitical scenario. Given the uncertainty caused by this situation, it is not possible to determine the effect of the possible economic and financial impact on the Group’s 2022 Financial Statements.

Please also note that, in accordance with the CSIRT-It recommendations, Doxee updated its risk analysis assessing the use of the Kaspersky antivirus. The latter will be replaced between the end of April and the end of June. The beginning of this activity considers the time span over which the evolution of the situation is to be monitored. The risk analysis will be adjusted accordingly.

### **Disclosure about assets and loans earmarked for a specific business**

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No Group company has earmarked any assets for a specific business pursuant to Article 2447-bis, letter a), of the Italian Civil Code, nor has it entered into any loan agreements falling within the scope of Article 2447-bis, letter b), of the Italian Civil Code.

### **Related party transactions**

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Related party transactions are mainly business and financial transactions, and are associated with arm’s length transactions.  
There were no related party transactions in 2021.

## FINAL CONSIDERATIONS

These Notes to the Financial Statements are an integral part of the Consolidated 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), 28 March 2022

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

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