

doxee

Annual Report
at December 31, 2022

DOXEE GROUP



REPORT ON OPERATIONS ACCOMPANYING THE 2022 CONSOLIDATED FINANCIAL STATEMENTS OF THE DOXEE GROUP

BACKGROUND

Dear Shareholders,

The consolidated financial statements of the Doxee Group at December 31, 2022, which are submitted to you for acknowledgement, show profit of Euro 1,250 thousand (of which Euro 5 thousand pertaining to minority interests), compared with profit of Euro 1,774 thousand (of which Euro -20 thousand pertaining to minority interests) in 2021.

As specified in greater detail below, the results for the financial year 2022 reflect the transition to the IAS/IFRSs. This decision derives from the intention to provide a representation of the Group's performance aligned with the best standards and the best practices of disclosure and transparency, with a view to greater company visibility and to favor, for investors and all current and potential stakeholders, the comparability of balance sheet, income statement and cash flow information of the Group.

Nonetheless, it is important to specify that, as illustrated in detail in this report, the results of the subsidiary Infinica GmbH ("Infinica"), an Austrian company specializing in software development in the area of Customer Communications Management ("CCM"), of which 90% of the share capital was acquired on September 29, 2022, were not consolidated in financial year 2022. Thus, the 2022 consolidated financial statements report the consolidation of the Austrian subsidiary, which was fully consolidated with regard to the balance sheet data, and for a period of three months (fourth quarter 2022) with regard to the income statement data. That investment is highly strategic for the Group: thanks to Infinica's established customer base and the possibility of integrating cloud products into a single portfolio of products and services dedicated to supporting the Digital Customer Experience of Enterprise and SME customers, the Group can aim to consolidate and expand its presence to CEE (Central and Eastern European) areas. The goal is to integrate Infinica technology into the Doxee Platform®, expanding the coverage of uses cases, especially in the area of integration with CRM. That integration also accelerates the roadmap for the new Doxee Platform® release under development, extending its functionality to fully support interactive and on-demand document production scenarios, bringing forward the previously planned release by about 18 months.

In terms of operating profit, consolidated EBITDA for 2022 came to Euro 4,935 thousand, down by 10.05% compared to 2021 (Euro 5,486 thousand). That decrease mainly derived from the substantial investments made during the year to accelerate the roadmap of development of the Group, which resulted in an increase in indirect and R&D costs compared to the previous year. Due to lower amortization and depreciation compared with the previous year, the decrease in EBIT was lower than the decrease in EBITDA, from Euro 1,940 thousand in 2021 to Euro 1,801 thousand, down by 7.16%.

Lastly, due to the increase in interest rates during the second half 2022 and a greater impact of current taxes in 2022 compared to those in 2021, net profit decreased from Euro 1,774 thousand (of which Euro 1,795 thousand pertaining to the Group), to Euro 1,250 thousand (of which Euro 1,245 thousand pertaining to the Group).

Given the high levels of investments made by the Group during 2022, which include the

acquisition of Infinica (for around Euro 8,310 thousand) and costs incurred to develop the Doxee Platform®, in addition to the impact of the change to the IAS/IFRSs (quantified at around Euro 4,800 thousand), the Group's Net Financial Debt increased from Euro 3,316 thousand at December 31, 2021 to Euro 14,433 thousand at December 31, 2022.

The Group's Equity at December 31, 2022 came to Euro 13,471 thousand, up on Euro 8,783 thousand at December 31, 2021. In that regard, note that December 15, 2022 was the end date of the third and final exercise period of the "Doxee Warrants 2019-2022", issued by the parent, which resulted in the assignment of 649,035 newly-issued Doxee shares at a price of Euro 3.993 per share, following the exercise of 3,245,175 "Doxee Warrants 2019-2022". The total amount of resources collected came to Euro 2,591 thousand.

Following the issue of the new shares, the new composition of share capital (fully subscribed and paid-in), is:

	Subscribed and paid-up current share capital			Subscribed and paid-up current share capital		
	Euro	no. of shares	Unit nominal amount	Euro	no. of shares	Unit nominal amount
Total	1,914,570.19	8,623,807	With no par value	1,769,553.28	7,974,772	With no par value
Of which Ordinary Shares (regular dividend entitlement: January 1, 2022) current coupon no.: 1	1,914,570.19	8,623,807	With no par value	1,769,553.28	7,974,772	With no par value

TRANSITION TO INTERNATIONAL ACCOUNTING STANDARDS

On March 1, 2023, the Board of Directors of the parent Doxee S.p.A. resolved to transition to the IAS/IFRSs, for the preparation of the Company's financial statements and the consolidated financial statements for the year ended at December 31, 2022. The transition date to the IAS/IFRS Standards, based on the provisions of IFRS 1, has been set at January 1, 2021, i.e. the first day of the financial year presented for comparative purposes.

The appendix to the consolidated and separate financial statements sets out the statements of reconciliation required by IFRS 1 (First Time Adoption of International Financial Reporting Standards), along with the related notes regarding the effects of the adoption of those standards.

The Group applied the IAS/IFRS Standards retroactively.

Specifically, in line with the requirements of IFRS 1, at the transition date to the new standards (January 1, 2021), a balance sheet was drawn up in accordance with the IAS/IFRSs, which reflects the application of the following general criteria.

Assets were recognized if they could be posted under the IAS/IFRSs and measured in accordance with those standards.

It is noted that the financial statement items have been classified according to the methods set out in the IAS/IFRSs, with the resulting reclassification of the accounting statements drawn up based on the Italian GAAP previously in force.

The effect of aligning the opening balances of assets and liabilities with the new standards was recognized in a specific item of reserves.

The Statement of Financial Position (Balance Sheet) adopted reflects the reclassification of the items according to the current/non-current criterion, while for the Income Statement, the classification of costs 'by nature' was adopted.

SHARE CAPITAL AND SHARES

The subscribed and paid-up Share Capital of the parent Doxee S.p.A. at the date of approval of these financial statements amounts to Euro 1,913,570.19, divided into 8,623,807 ordinary shares with no par value.

STOCK PERFORMANCE

During 2022, the performance of the Doxee share was highly influenced by the deterioration of the general macroeconomic framework, which caused a general decrease in share prices. The benchmark index decreased by 13.3%, while the technology sector was harshly impacted, of which the FTSE Italia Tecnologia index recorded a downturn of 27.0% (Source: Borsa Italiana). The main causes of this performance were the uncertainties due to the continuation of the conflict between Russia and Ukraine, the rise in interest rates and the highly inflationary trends that penalized growth stocks. Specifically, after reaching a high at the beginning of the year, the Doxee share then began a decreasing phase, starting in June 2022, which continued until October 2022, to then return to a trend of slight growth at the end of the year. The overall annual performance of the share was negative, at -19.5%. However, that performance was less negative than the benchmark sector index.

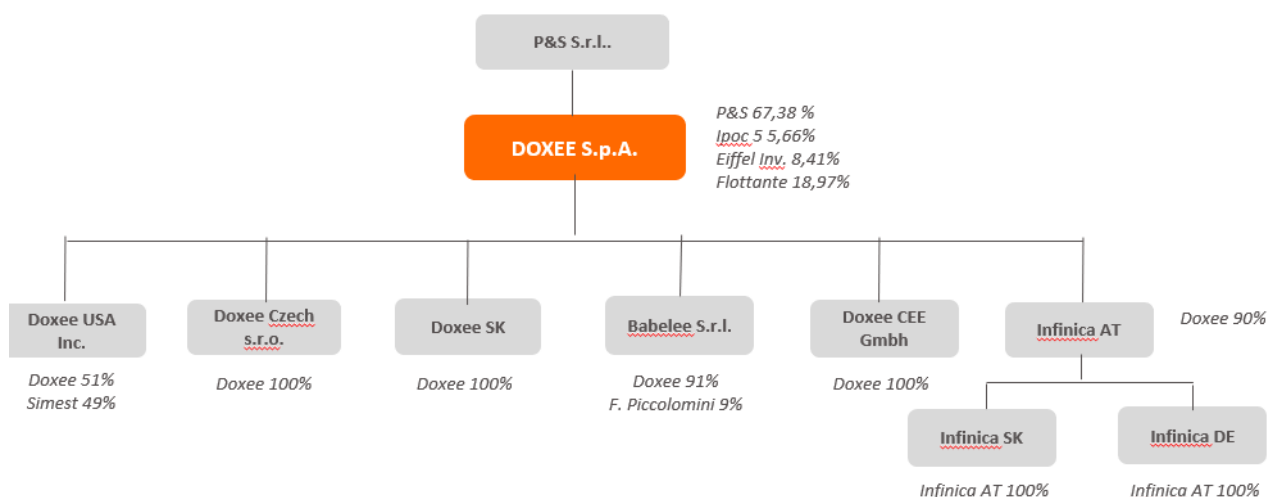
Stock market capitalization of the Doxee share at December 31, 2022 amounted to Euro 86,238,070.

The trend in the value of the share during 2022 and the market capitalization are shown below.



CORPORATE STRUCTURE

Doxee S.p.A. is an Italian company listed on Borsa Italiana's Euronext Growth Milan Italia, whose business targets 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: Si riportano di seguito le società del gruppo:

Doxee S.p.A. - Parent

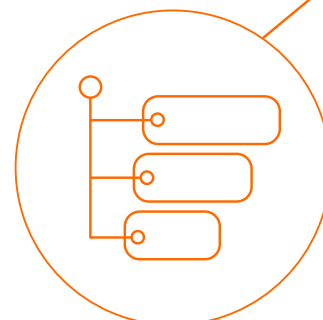
Registered office: Modena, Italy
 Reporting currency: Euro
 Share capital: Euro 1,913,750.19 – fully paid-up
 Equity at 31/12/2022: Euro 16,113,839.00
 Profit for the period at 31/12/2022: Euro 524,046.00
 Status: Parent Company

Doxee USA Inc.

Registered office: Fort Lauderdale, United States of America
 Reporting currency: US dollar
 Share capital: Euro 37,188 – fully paid-up
 Equity at 31/12/2022: Euro (4,156,160.00)
 Profit for the period at 31/12/2022: Euro 229,170.00
 Status: American subsidiary
 Direct ownership share: 51.02%
 Indirect ownership share: 0%

Doxee Slovak s.r.o.

Registered office: Bratislava, Slovak Republic
 Reporting currency: Euro
 Share capital: Euro 10,000.00 - fully paid-up
 Equity at 31/12/2022: Euro 364,867.00
 Profit for the period at 31/12/2022: Euro 106,405.00
 Status: Slovak subsidiary
 Direct ownership share: 100%



Doxee Czech s.r.o.

Registered office: Prague, Czech Republic
Reporting currency: Czech koruna
Share capital: Euro 9,252.00 – fully paid-up
Equity at 31/12/2022: Euro 382,406.13
Profit for the period at 31/12/2022: Euro 15,173.93
Condition: subsidiary in the Czech Republic
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 31/12/2022: Euro 135,764.00
Profit (Loss) for the period at 12/31/2022: Euro 61,983.00
Status: Italian subsidiary
Direct ownership share at December 31, 2021: 91.07%
Indirect ownership share: 0%

The parent's investment in the share capital of the subsidiary increased from 91.07% to 100% in February 2023, following Doxee S.p.A.'s exercise of the call option to purchase the remaining 8.93%.

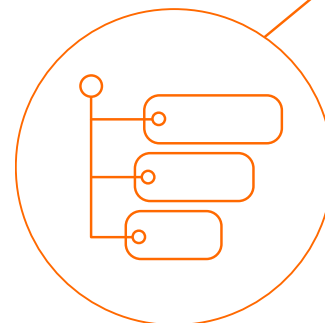
Doxee CEE GmbH

Registered office: Vienna, Austria
Reporting currency: Euro
Share capital: Euro 35,000.00 – fully paid-up
Equity at 31/12/2022: Euro 17,458.50
Loss for the period at 31/12/2022: Euro – 4,294.50
Status: Austrian subsidiary
Direct ownership share: 100%

INFINICA GmbH

Registered office: Vienna, Austria
Reporting currency: Euro
Share capital: Euro 36,000.00 – fully paid-up
Equity at 31/12/2022: Euro 502,680.00
Profit for the period at 31/12/2022: Euro 15,597.00
Net profit for the period attributable to the Group (10/01/2022 – 12/31/2022): Euro 293,511.14
Status: Austrian subsidiary
Direct ownership share at December 31, 2022: 90.00%
Indirect ownership share: 0%

The investment was acquired on September 29, 2022 and Doxee S.p.A. has an option right - to be exercised in two tranches - on the remaining 10%, which will be explained in greater detail hereinafter. In the initial months of 2023, the investment was transferred by the parent Doxee S.p.A. to the subsidiary Doxee CEE GmbH, as a condition of a strategic operation concluded with Simest S.p.A. Thus, that operation did not change the scope of consolidation.



INFINICA DE

Registered office: Germany

Reporting currency: Euro

Share capital: Euro 25,000.00 – fully paid-up

Equity at 31/12/2022: Euro 44,673.00

Profit for the period at 31/12/2022: Euro 55,999.00

Net profit for the period attributable to the Group (10/01/2022 – 12/31/2022): Euro 178,934.76

Condition: German subsidiary

Direct ownership share at December 31, 2022: 100.00%-owned by Infinica GmbH

Indirect ownership share: 100%

INFINICA SK

Registered office: Czech Republic

Reporting currency: Euro

Share capital: Euro 5,000.00 – fully paid-up

Equity at 31/12/2022: Euro 47,663.00

Profit for the period at 31/12/2022: Euro 25,685.00

Net loss for the year attributable to the Group (10/01/2022 – 12/31/2022): Euro – 54,886.43

Status: Slovak subsidiary

Direct ownership share at December 31, 2022: 100.00%-owned by Infinica GmbH

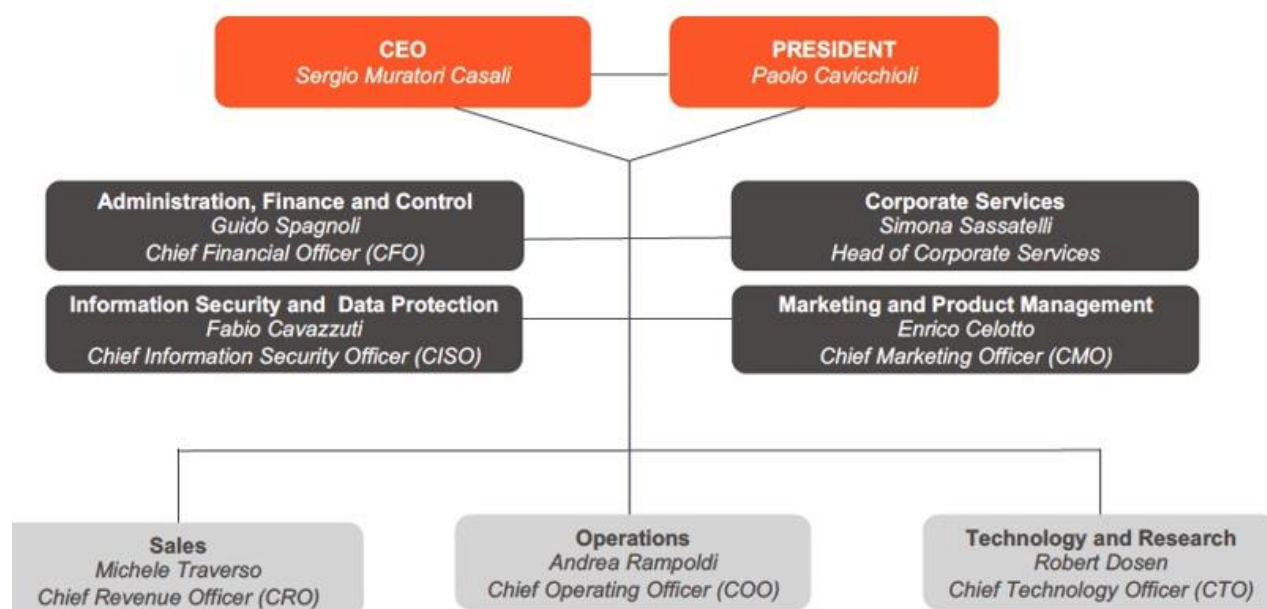
Indirect ownership share: 100%

The investment was acquired on September 20, 2022, with an option right to be exercised in two tranches on the remaining 10%, as explained in greater detail hereinafter.



STRUCTURE OF THE CENTRAL FUNCTIONS

The following is a representation of the corporate and functional organization of the Doxee Group at December 31, 2022:



CONSOLIDATION CRITERIA

In drawing up these Consolidated Financial Statements, the principle of gradual consolidation was adopted, preparing the line-by-line consolidation of all the subsidiaries for the entire year, with the exception of the subsidiary Infinica GmbH and its subsidiaries, which were fully consolidated with regard to the balance sheet data, and for a period of three months (fourth quarter 2022) with regard to the income statement data. Hereinafter, this report will provide all the complementary information deemed necessary to provide a true and fair view of the consolidated statement of financial position of the Doxee Group and the consolidated income statement result for the year.

Note that the Consolidated Statement of Financial Position, Income Statement and Notes have been drawn up in units of Euro, where not otherwise indicated.

PERFORMANCE INDICATORS

This report on operations illustrates certain performance indicators in order to provide a more detailed picture of the Group's operating performance and statement of financial position.

These indicators are not identified as accounting measures under the IFRS Standards adopted by the European Union, and their quantitative calculation may not be unequivocal. These are measures used by the management to monitor and assess operating performance. The management deems that those indicators are important parameters for measuring operating performance, as they are not influenced by effects of the various criteria for determining the taxable amounts or the characteristics of capital employed.

Based on these premises, those indicators are listed below, along with the criteria used to define them:

- EBITDA: this is the sum of net profit and the absolute value (i) of amortization and depreciation for the period and write-downs, (ii) of financial income and expenses, (iii) of extraordinary income and expenses and (iv) taxes. EBITDA is an indicator used as a financial target in internal and external presentations, and is a unit of measurement to measure the performance of the company and the group;
- EBIT: this is the sum of EBITDA, minus amortization and depreciation for the period and write-downs;
- Financial Debt: with "Warning Notice no. 5/21 of April 29, 2021", CONSOB declared its intention to ensure compliance of its supervisory practices with the new ESMA (European Securities and Market Authority) Guidelines on disclosure obligations pursuant to Regulation EU 2017/1129. The guidelines update the previous CESR Recommendations (ESMA/2013/319, the version of March 20, 2013) on debt. Therefore, starting from the application date of May 5, 2021, the references made in previous CONSOB communications are considered replaced with the specific ESMA Guidelines, including the references in Communication no. DEM/6064293 dated July 28, 2006 concerning financial debt.
- The statement of financial position is reclassified in accordance with the financial method, i.e. classifying and grouping assets according to their level of liquidity, meaning based on their ability to be transformed into liquidity in a more or less short term, while grouping liabilities on their duration over time, i.e., based on the speed of their discharge.

ANALYSIS OF THE CONSOLIDATED INCOME STATEMENT, STATEMENT OF FINANCIAL POSITION AND CASH FLOWS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Consolidated Statement of Financial Position and reclassified statement highlighting Net Financial Debt are shown below. It is important to note that Net Financial Debt at December 31, 2022 was impacted by the application of the new standard IFRS 16, as illustrated in the specific section of the Notes to the Consolidated Financial Statements.

Consolidated Statement of Financial Position

BALANCE SHEET - ASSETS	Amount at 12/31/2022	Amount at 12/31/2021	Difference
Non-current assets			
Other tangible assets	576,184	717,738	-141,554
Development costs	10,224,560	6,772,222	3,452,338
Work in progress and payments on account	4,624,041	3,862,443	761,598

Other intangible assets	238,447	359,937	-121,491
Right-of-use assets	1,001,692	683,648	318,045
Goodwill	11,816,780	0	11,816,780
Non-current financial assets	31,960	3,827	28,133
Deferred tax assets	280,947	362,847	-81,900
Other non-current assets	156,555	246,291	-89,736
<i>of which Derivative instruments</i>	39,229	0	39,229
Total non-current assets	28,951,166	13,008,952	15,942,213

Current assets			
Trade receivables	11,811,619	9,830,359	1,981,260
Other receivables	2,752,062	2,480,644	271,418
Cash and cash equivalents and short-term deposits	2,591,489	5,847,798	-3,256,309
Total non-current assets	17,155,170	18,158,802	-1,003,631

TOTAL ASSETS	46,106,336	31,167,754	14,938,582
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BALANCE SHEET - LIABILITIES AND EQUITY	Amount at 12/31/2022	Amount at 12/31/2021	Difference
Equity			
Share capital	1,913,570	1,769,553	144,017
Legal reserve	353,910	319,576	34,335
Share premium reserve	8,554,460	5,645,056	2,909,403
Other reserves	7,092,392	5,184,190	1,908,202
FTA reserve	-1,587,598	-1,587,598	0
Employee benefits reserve	-95,774	-178,653	82,880
Currency translation reserve	-136,525	110,526	-247,051
Cash flow hedge reserve	29,814	-1,413	31,226
Retained earnings/(Accumulated losses)	-3,898,366	-4,272,245	373,879
Profit (loss) of the year	1,244,818	1,794,570	-549,752
Equity attributable to the Group	13,470,702	8,783,563	4,687,139
Minority interests in capital and reserves	7,077	21,616	-14,538
Profit (loss) attributable to minority interests	5,501	-20,946	26,447
Equity attributable to minority interests	12,578	670	11,909
Total equity	13,483,280	8,784,232	4,699,048

Non-current liabilities			
Non-current loans and financing	11,688,021	6,019,402	5,668,619
Non-current lease liabilities	688,266	490,730	197,536
Net liabilities for employee benefits	1,814,557	1,718,122	96,435
Deferred tax liabilities	15,192	21,869	-6,678
Other non-current liabilities	265,575	23,424	242,151
<i>of which Derivative instruments</i>	0	1,859	-1,859
Non-current public grants	1,773,335	1,780,793	-7,458
Total non-current liabilities	16,244,946	10,054,341	6,190,605

Current liabilities

Loans and financing	4,362,202	2,457,565	1,904,637
Current lease liabilities	316,476	193,922	122,554
Other current financial receivables	8,753	93	8,660
Trade payables and other payables	10,444,230	8,562,312	1,881,918
Tax payables	630,894	539,926	90,968
Public grants	615,554	575,361	40,193
Total current liabilities	16,378,110	12,329,179	4,048,930
TOTAL LIABILITIES	46,106,336	31,167,754	14,938,582

Reclassified Consolidated Statement of Financial Position

<i>Reclassified Consolidated Statement of Financial Position in thousands of Euros</i>	<i>At December 31 2022</i>	<i>At December 31 2021</i>	<i>Change 2022 vs 2021</i>	<i>2022 vs 2021 %</i>
ASSETS				
Net operating working capital	4,497.83	2,990.73	1,507.10	0.50
Other current assets	3,150.334	3,089.78	60.55	0.02
Other current liabilities	-6,205.991	-4,662.20	-1,543.79	0.33
Provisions for risks and charges	-225.000	0.00	-225.00	
Net working capital	1,217.173	1,418.31	-201.14	-0.14
Intangible Assets	26,903.828	10,994.60	15,909.23	1.45
Tangible Assets	1,577.876	1,401.39	176.49	0.13
Financial Fixed Assets (*)	31.960	3.83	28.13	7.35
Fixed capital	28,513.664	12,399.82	16,113.85	1.30
Employee benefits liabilities	-1,814.557	-1,718.12	-96.43	0.06
Net Invested Capital	27,916.280	12,100.00	15,816.27	1.31
LIABILITIES				
Equity	13,470.702	8,783.56	4,687.14	0.53
Minority interests' equity	12.578	0.67	11.91	17.77
Net Financial Debt (**)	14,432.999	3,315.77	11,117.23	3.35
Total liabilities	27,916.279	12,100.00	15,816.27	1.31

(*) the derivative was reclassified from Other Receivables to Net Financial Debt for € 39.2k at 31/12/2022

Net Invested Capital, at Euro 27,916 thousand (Euro 12,100 thousand at December 31, 2021), marked an overall increase of Euro 15,816 thousand. The change was mainly the result of an increase of Euro 16,114 thousand deriving from the growth in Fixed Assets, specifically in intangible assets, and an overall decrease of Euro 300 thousand in all other items comprising Net Invested Capital, of which Euro 201 thousand pertaining to Net Working Capital.

Fixed Assets, net of deferred tax assets and other non-current assets, amounted to Euro 28,514 thousand (Euro 12,400 thousand at December 31, 2021), increasing by Euro 16,114 thousand, of which around Euro 3,500 thousand attributable to capitalized costs pertaining to investments in the new release of the Doxee Platform®, and Euro 11,800 thousand attributable to the recognition of goodwill arising from the acquisition of Infinica, mentioned above.

Group Shareholders' Equity amounted to Euro 13,470 thousand (Euro 8,783 thousand at December 31, 2021), an increase of Euro 4,687 thousand on the amount at December 31, 2021, of which Euro 2,592 thousand deriving from the subscription of 649,035 newly-issued Doxee shares at the price of Euro 3.993 per share, following the exercise of the 3,245,175 warrants during the third and last quarters of the year.

The Group's Net Financial Debt at December 31, 2022 is shown in detail below:

ESMA NET FINANCIAL DEBT	31.12.2022	31.12.2021	Changes
Financial debt	14,432,999	3,315,772	11,117,227
Adjustments to exclude:			
Receivables and other long-term financial assets	30,959	2,826	28,133
Restated net financial debt	14,402,040	3,312,946	11,089,094

ESMA NET FINANCIAL DEBT	Amount at 12/31/2022	Amount at 12/31/2021	Difference
A Cash	2,591,489	5,847,798	3,256,309
B Cash equivalents	-	-	-
C Other current financial assets	-	-	-
D Liquidity (A+B+C)	2,591,489	5,847,798	3,256,309
E Current financial payables	2,303,167	729,977	1,573,190
F Current portion of medium/long-term financial payables	2,384,263	1,921,603	462,660
G Current Financial Debt (E+F)	4,687,431	2,651,580	2,035,851
H Net Current Financial Debt (G-D)	2,095,942	3,196,218	5,292,160
I Non-current financial payables	12,337,058	6,511,990	5,825,068
J Debt instruments	-	-	-
K Trade payables and other non-current payables	-	-	-
L Non-current financial debt (I+J+K)	12,337,058	6,511,990	5,825,068
M TOTAL NET FINANCIAL DEBT	14,432,999	3,315,772	11,117,227

The Doxee Group's Net Financial Debt amounted to approximately Euro 14,432 thousand (Euro 3,316 thousand at December 31, 2021), of which cash and cash equivalents of Euro 2,591 thousand. Among non-current bank payables, amounting to Euro 11,649 thousand, Euro 9,000 thousand is composed of medium-long term liabilities (duration of 6-8 years) at floating interest rates with interest rate risk hedging. The worsening of the Net Financial Debt, which is considered physiological and sustainable by the Group, was mainly due to the financing of the acquisition of Infinica, finalized at the end of September 2022, which involved a total cash outlay of Euro 8,320 thousand. A further worsening impact results from the transition to the IAS/IFRS Standards: that effect can be quantified as a total of approximately Euro 4,800 thousand, of which Euro 1,300 thousand relating to the application, for the first financial year, of accounting standard IFRS 16 relating to the reclassification of finance leases, and approximately Euro 3,500 thousand to the application of accounting standard IFRS 9 relating to the reclassification as financial payables of the exercise of the put & call option on 10% of the share capital of Infinica GmbH and 49% of the share capital of Doxee USA Inc.

INCOME STATEMENT

The Consolidated Income Statement and related statement reclassified with the comparative amounts translated in accordance with the international accounting standards are shown below. Note that, following the application of the IAS/IFRSs, costs capitalized under "Internally generated fixed assets" exclusively regard internal personnel cost. External costs refer to internal work under way, do not pass through the income statement, but are directly posted under the respective items of the balance sheet. That reclassification resulted in the decrease in the value of production of Euro 2,517 thousand in 2021 and Euro 4,166 thousand in 2022.

Consolidated Income Statement

INCOME STATEMENT	Amount at 12/31/2022	Amount at 12/31/2021	Difference
Revenues from contracts with clients	25,464,567	20,846,556	4,618,012
Other revenues and income	805,093	633,445	171,648
Internally generated fixed assets	2,476,333	2,136,080	340,253
Raw materials and consumables	-9,548	-397,166	387,618
Costs for services	-13,272,019	-9,363,043	-3,908,976
Costs for employee benefits	-10,119,589	-7,970,735	-2,148,855
Other operating costs	-410,132	-398,815	-11,318
Amortization of intangible assets	-2,611,088	-3,091,117	480,030
Depreciation of tangible assets	-272,034	-267,392	-4,641
Depreciation of rights-of-use	-250,717	-188,009	-62,709
Net write-down of fixed assets	0	0	0
Financial income	3,807	45,159	-41,353
Financial expenses	-364,733	-295,744	-68,989
Foreign exchange gains (losses)	188,944	310,542	-121,598
Profit (loss) before tax from continuing operations	1,628,882	1,999,762	-370,878
Income taxes	-378,563	-226,137	-152,426
- Current taxes	-332,021	-170,794	-161,226
- Deferred tax assets	-53,345	-66,109	12,764

- Deferred tax liabilities	6,803	10,766	-3,964
Profit (loss) for the year	1,250,319	1,773,624	-523,304
of which:			
- pertaining to the group	1,244,818	1,794,570	-549,752
attributable to minority interests	5,501	-20,946	26,447
A. Profit (loss) for the year	1,250,319	1,773,624	-523,305
Actuarial gains/(losses) on defined benefit pension plans		-81,919	81,919
Tax effect		19,660	-19,660
B. Total items that cannot be reclassified to the income statement	0	-62,258	62,258
Conversion of foreign financial statements		-312,577	312,577
C. Total items reclassified/that cannot be reclassified to the income statement	0	-312,577	312,577
D. Total components of comprehensive income (B + C)	0	-374,835	374,835
E. Comprehensive income/(loss) (A + D)	1,250,319	1,398,789	-148,470
of which:			
- pertaining to the group	1,250,319	1,400,050	-149,731
attributable to minority interests	5,501	-1,261	6,762

Reclassified consolidated income statement

Reclassified consolidated income statement	For the year ended		Change	
in thousands of Euros	31-Dec 2022	31-Dec 2021	2022 vs 2021	2022 vs 2021%
Revenues from sales and services	25,465	20,847	4,618	22.2%
Internally generated fixed assets	2,476	2,136	340	15.9%
Other revenues and income	805	633	172	27.1%
Value of production	28,746	23,616	5,130	21.7%
Services and outsourcing	-4,388	-3,535	-853	24.1%
IaaS direct costs	-1,664	-1,160	-503	43.4%
Direct personnel costs (excluding research and development)	-4,151	-3,637	-514	14.1%
Professional services (excluding research and development)	-2,591	-2,044	-546	26.7%
Direct production costs	-12,793	-10,377	-2,415	23.3%
Contribution margin	15,953	13,239	2,714	20.5%
Sales and marketing costs	-1,104	-736	-368	50.0%
Administration and other general overhead costs	-3,370	-2,012	-1,358	67.5%
Indirect personnel costs	-4,420	-3,237	-1,183	36.6%
Research and development costs	-2,124	-1,768	-356	20.1%
Indirect and research and development costs	-11,019	-7,753	-3,266	42.1%
EBITDA	4,935	5,486	-552	-10.1%
Amortization	-3,134	-3,547	413	-11.6%
Provisions and write-downs			0	0.0%
EBIT	1,801	1,940	-139	-7.2%
Financial income and expenses	-172	60	-232	-386.8%
Profit before tax	1,629	2,000	-371	-18.5%
Income taxes	-379	-226	-152	n.a.
Profit for the year	1,250	1,774	-523	-29.5%

Minority interests	6	-21	26	n.a.
Group profit	1,245	1,795	-497	-30.6%

Revenues from sales and services amounted to Euro 25,465 thousand, up 22.16% on Euro 20,846 thousand in 2021. The positive performance of revenues confirms the validity of the Doxee Group's development path and its correct positioning. In particular, the product lines that made the greatest contribution to revenue performance were document experience, with revenues of Euro 15,570 thousand, compared with Euro 13,106 thousand in 2021, and interactive experience, with revenues of Euro 4,281 thousand (Euro 3,625 thousand in 2021). The paperless experience product line recorded revenues of Euro 5,613 thousand, compared to previous year's figure (Euro 4,116 thousand). Infinica contributed around Euro 1,400 thousand to the generation of the consolidated revenues shown above, solely considering the revenues realized in the fourth quarter of the year (period subject to consolidation).

Total revenues from sales and services	For the year ended		Change	
	31-Dec 2022	31-Dec 2021	2022 vs 2021	2022 vs 2021 %
<i>in thousands of Euros</i>				
Paperless Experience	5,613	4,116	1,497	36.4%
Document Experience	15,570	13,106	2,464	18.8%
Interactive Experience	4,281	3,625	656	18.1%
Other			0	n.a.
Total revenues from sales and services	25,465	20,847	4,618	22.2%

Recurring revenues, thanks also to the increase in the activities provided in SaaS mode, stood at around 72% of total revenues.

The Value of Production amounted to Euro 28,749 thousand (Euro 23,616 thousand in 2021).

The Contribution Margin stood at Euro 15,953 thousand, compared to Euro 13,239 thousand in 2021. The substantial investments made during the year aimed at accelerating the roadmap resulted in a substantial increase in indirect and R&D costs compared to the previous year (Euro 11,018 thousand in 2022 compared to Euro 7,752 thousand in 2021). This increase was temporarily reflected in the Group's margins, recording an EBITDA at Euro 4,935 thousand, compared to Euro 5,486 thousand recorded in 2021. In particular, investments in R&D amount to a total of approximately Euro 6,300 thousand (of which Euro 4,300 thousand in 2021) and correspond to approximately 22.0% of the Value of Production in 2022, confirming the Group's intention to pursue its strategic objectives in terms of product and process innovation.

Compared to the total amount of investments, Euro 2,124 thousand is posted in the income statement, while the remaining amount, attributable to costs for external consulting, was capitalized in the balance sheet as a result of the application of the IAS/IFRSs. R&D's focus was on advancing the new release of the Doxee Platform®, a cloud-native platform, entirely designed on multi-cloud architectural paradigms and capable of supporting customers in delivering interactive experiences in a complete omnichannel and global scale. This release is estimated to be completed by the end of 2023.

Moreover, during 2022 the workforce increased – with the related reflection on personnel costs – from 142 employees in 2021 to 152 employees in 2022 of the Group alone, plus 29 specialists of Infinica GmbH following the acquisition. The increases in the Group specifically regarded hiring in the Operations and Sales & Marketing areas of Doxee S.p.A.

After amortization, depreciation, write-downs, and provisions of Euro 3,134 thousand (Euro 3,546 thousand in 2021), which were largely related to investments in technological development, EBIT amounted to Euro 1,801 thousand (Euro 1,939 thousand in 2021).

EBT stood at Euro 1,629 thousand (Euro 1,999 thousand in 2021), while Group Net Profit amounted to Euro 1,245 thousand (Euro 1,794 thousand in 2021).

INDEXES

Several income statement and balance sheet indicators are shown below.

As previously noted, the differences compared to 2021 should be assessed considering the changed scope of companies.

FIXED ASSET FINANCING RATIOS		31/12/22	31/12/21	Difference
Equity - Fixed Assets	<i>Equity - Fixed Assets</i>	-	-	-
		14,999,424	3,612,756	11,386,668
Equity / Fixed Assets	<i>Equity / Fixed Assets</i>	47.34%	70.86%	-23.52%
(Equity + Consolidated Liabilities) - Fixed Assets	<i>(Equity + Consolidated Liabilities) - Fixed Assets</i>	1,245,522	6,441,585	5,196,063
(Equity + Consolidated Liabilities) / Fixed Assets	<i>(Equity + Consolidated Liabilities) / Fixed Assets</i>	1.04	1.52	0.48

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.

The decrease in that ratio on the previous year is mainly attributable to the acquisition of 90% of the share capital of the Austrian company INFINICA GmbH, in addition to the increase in development costs due to the continuous investment in the proprietary digital platform.

(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).

There was a decrease on the previous year, attributable to the increase in fixed assets for the reasons explained in the previous point.

FINANCING RATIOS		31/12/22	31/12/21	Difference
Leverage	<i>(MLT Liabilities + Current Liabilities) / Equity</i>	2.42	2.55	-0.13
Financing liabilities / Equity	<i>Financing liabilities / Equity</i>	1.40	1.24	0.16

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.

In 2022, the leverage ratio improved on 2021, due to the increase in equity, mainly due to the conversion of the third and last tranches of the Doxee Warrants 2019-2022, which resulted in an increase in Equity for a total of Euro 2,808 thousand, in addition to the profits carried forward from the previous year.

The financing liabilities / equity ratio should be less than or equal to 1, so that the Group's sources of financing are greater than half of the risk and less than half of the loan.

Contrary to the positive trend of the previous ratio, that ratio worsened on the previous year, due to the greater increase in the NFP compared to the increase in equity, due to reasons repeatedly referred to in this report.

PROFITABILITY RATIOS		31/12/22	31/12/21	Difference
Net ROE	<i>Profit/(loss) for the period/Equity</i>	9.27%	20.19%	-10.92%
Gross ROE	<i>Gross profit/(loss) for the period/Average equity</i>	12.08%	22.77%	-10.68%
ROI	<i>Operating income/Net invested capital</i>	6.06%	14.04%	-7.98%
ROS	<i>Operating profit/(loss) / Revenues from sales</i>	7.07%	9.31%	-2.23%

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. Thus, it indicates that in 2022, the company's shareholders earned a 9.27% return. The decrease on the previous year is due to higher investments incurred to strengthen the organizational structure;

The **Gross R.O.E.**, which measures the return on equity without accounting for the negative impact of taxes, stood at 12.08%, 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. decreased on the previous year, amounting to 6.0%, due to new loans taken out, mainly in the second half of 2022 to acquire INFINICA GmbH.

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, amounting to 7.07% in 2022.

SOLVENCY RATIOS		31/12/22	31/12/21	Difference
Current assets - Current liabilities	<i>Current assets - Current liabilities</i>	777,060	5,829,623	-5,052,563
Current assets / Current liabilities	<i>Current assets / Current liabilities</i>	0.91	1.05	-0.13
(Trade and other receivables + Cash and cash equivalents) - Current liabilities	<i>(Trade and other receivables + Cash and cash equivalents) - Current liabilities</i>	777,060	5,829,623	-5,052,563
(Trade and other receivables + Cash and cash equivalents) / Current liabilities	<i>(Trade and other receivables + Cash and cash equivalents) / Current liabilities</i>	0.91	1.05	-0.13

Current assets - Current liabilities (which in this case coincides with **(Trade and other receivables + Cash and cash equivalents) - Current liabilities**, as the Group does not hold inventories), is the difference between current assets and current liabilities. That ratio worsened, mainly due to the decrease in cash and cash equivalents as a result of the acquisition of INFINICA GmbH.

Likewise, those ratios highlight the Group's ability to finance its fixed assets, which, as stated, are considerable, given the constant, ongoing investments in innovative development projects and the growth through external lines which began in 2022, with adequate medium-term liabilities as well as financed by Equity.

BUSINESS

The Group specializes in high-tech and is a leader in the Customer Communications Management (CCM), Paperless and Digital Customer Experience (DCX) markets.

It provides firms—and specifically those in the Enterprise segment—with technological products delivered over the Cloud on a single patented platform owned by the Issuer (Doxee Platform).

The Group's products, capable of making communication interactive and highly personalized, are a powerful marketing tool for companies, as they help them grow their business. At the date of this report, the Group supports and manages approximately 6 billion communications a year for nearly 200 Enterprises.

The Group 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 offered by the Group and, specifically, by Doxee S.p.A., 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 dematerialize 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 personalized videos (*Doxee Pvideo®*).

These products are supplied by the Group through the following models: Software as a Service (SaaS), Platform as a Service (PaaS) and On-premise (Op):

- 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 the Issuer'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.

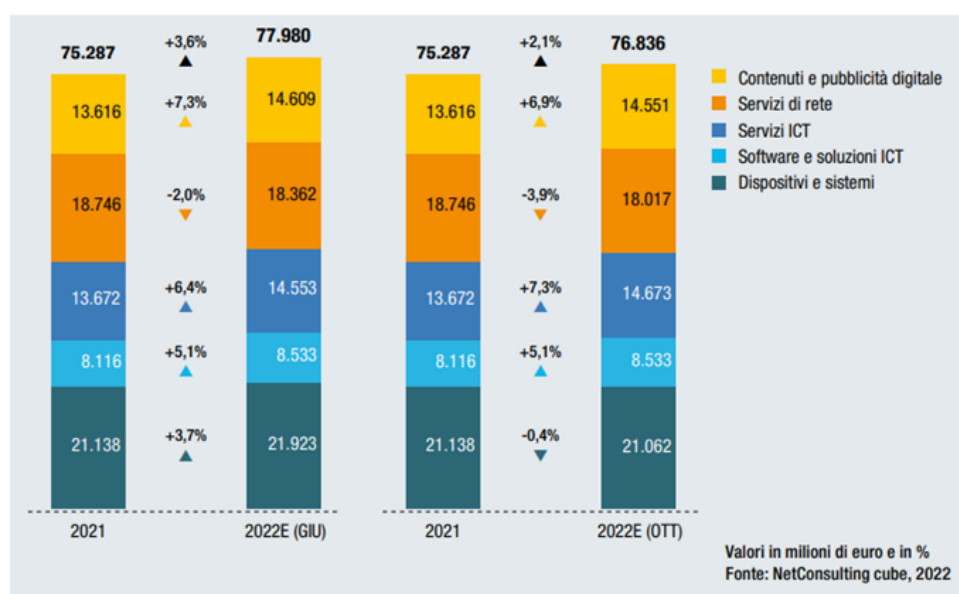
The Group has radically innovated the CCM market by offering dx products over the Cloud under SaaS and PaaS service models before other competitors.

The Group'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 the Issuer that include the technological and regulatory updates made automatically and constantly by the Group.

The Group is present in Europe and in the United States (USA) and operates, directly and indirectly, in the main world markets, through 193 employees and an extensive (direct and indirect) network of vendors.

GENERAL ECONOMIC TREND – THE IT AND ICT SECTOR

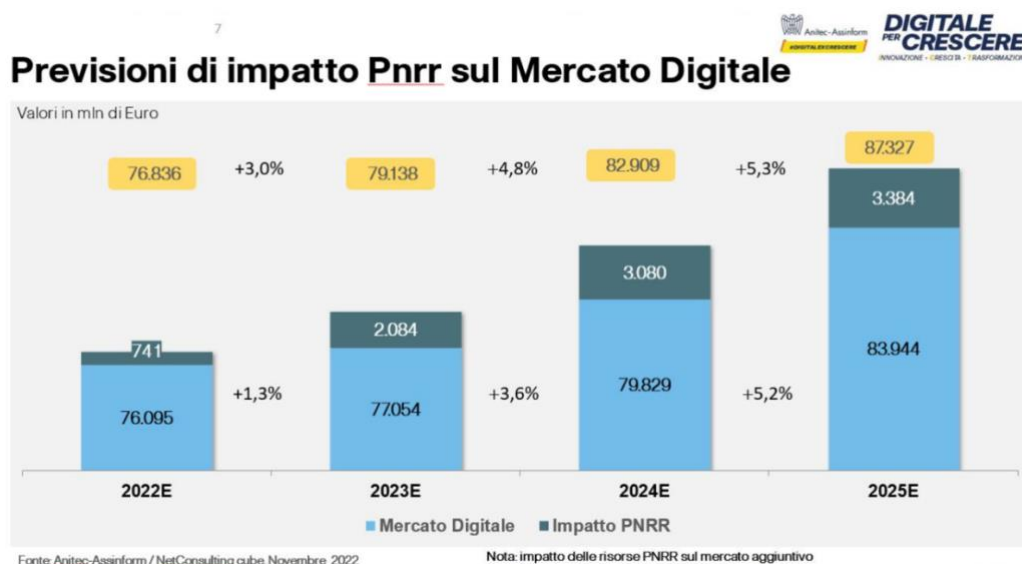
The Italian digital market closed 2022 on a positive note, recording average growth of 2.1% compared to the previous year (source: Assintel Report). In this context, especially in the second half of 2022, several market sectors showed highly significant growth, specifically referring to the software and ICT services sectors, whose growth exceeded 7%, amounting to +5.1% at the end of the year. This significant growth seems to indicate the maturity of the market, which is finally geared toward sustained demand in terms of digital services and technologies, especially considering the general macroeconomic scenario, negatively influenced by inflation and by the international and trade policy linked to the Ukraine - Russia conflict and the trade tensions between the US and China. In this overall context, the EU initiative relating to the Italian National Recovery and Resilience Plan (NRRP) generated significant acceleration in growth in the internal demand for digital products and services, at least for the next three years. Specifically, further growth is expected in 2023, in a range from 2.8% to 5% (source: Assinform Report).



Digital demand is expected to grow to Euro 85,327 million in 2025, starting from almost Euro 76,836 million in 2022. Confirming the important effect of the NRRP in stimulating demand, the sectors that recorded sharp growth in the demand for digital products and services were the Central Government (+10.5%, Euro 2,489.5 million), Local Public Administration (+9.4%, Euro

1,486 million) and Healthcare (+8.8% Euro 2,034.1 million). These three sectors are also those estimated to have the highest average growth in the period 2022-2025: Central Government +12.5%, Local Public Administration +11.5% and Healthcare +11.2%.

Even in the complex macroeconomic context expected, also due to the NRRP, the digital market is thus performing in an anticyclical manner, forecasting sustained growth in a generally recessive scenario, impacted by the continuing inflationary effects linked to high energy costs.



Demonstrating the most positive effect of the NRRP in stimulating the demand for digital products and services, starting in 2022, in relation to a market valued at Euro 76.1 billion, the scenario saw an impact of the NRRP of an additional Euro 741 million, for a grand total of over Euro 76.8 billion. In 2023, in relation to a digital market of Euro 77.1 billion, an impact of Euro 2 billion of the NRRP is expected, for a grand total of over Euro 79.1 billion, and an increase of 3% on the 1.3% that would be recorded in absence of the NRRP. In 2024, in relation to a digital market of Euro 79.8 billion, the scenario forecasts an impact of an additional Euro 3 billion of the NRRP, for a grand total of over Euro 82.9 billion, and an increase of 4.8% on the 3.6% that would be recorded in absence of the NRRP. In 2025, in relation to a digital market of Euro 83.9 billion, an impact of Euro 3.4 billion of the NRRP is expected, for a total of over Euro 87.3 billion, and an increase of 5.3% on the previous year. Industry, Public Administration, Healthcare and Telecommunications are the sectors that will directly benefit from the investments planned in the NRRP.

2022 MACROECONOMIC SCENARIO AND 2023 FORECAST

The year 2022 saw a series of geopolitical and macroeconomic events of enormous scope. The war in Ukraine, the unprecedented growth in energy prices, inflation which reached extremely high levels over the year both in Europe and the United States, and the related monetary tightening applied by the major central banks made 2022 a highly turbulent year.

In the wake of these dynamics, expectations for 2023 are extensively influenced by the evolution of the Russia-Ukraine war, as well as the signs of a possible recession which could specifically target Europe and the United States.

The past year closed with global GDP growth of 1.8%, confirming the post-Covid-19 recovery which was seen in 2021. Specifically, despite inflationary pressures that drove central banks to implement highly restrictive policies starting in the second half of 2022, economic growth was seen in all major global economies without any exceptions (United States +1.0%, Euro Area 1.9%, United Kingdom +0.4%, China +2.9% and the rest of the world +3.5%).

As mentioned, in 2022 the inflationary phenomena already in place from the second half of 2021 sharply gained strength and consolidated. The tensions on the energy market derive from the war in Europe, and also contributed to accelerating the growth in consumer prices at global level in just a few months. At the end of 2022, the United States recorded a year-over-year inflation rate of 7.1%, while the Euro Area was as high as 10%.

For 2023, recent estimates forecast a slightly more favorable scenario than was forecast a few months ago, with global growth estimates around 2.9%. The prospects of possible recession both in Europe and the United States appear to be less probable, to the extent that GDP growth, albeit modest, is expected at 0.4% in the United States, 0.3% in the Euro Area, 6.6% in China, 6.4% in India and only 1% in the rest of the world.

Inflation trends are still decisive in the forecasts for 2023. The consumer price index expected at the end of 2023 is 2.5% for the United States, 2.9% for the Euro Area, 3.2% for the United Kingdom, 4.2% for China and 5.7% for India.

In this scenario, central banks are expected to take further action on interest rates, with a slight increase in the United States, where a benchmark rate of 4.63% is expected at the end of 2023, while in the Euro Area, additional monetary tightening is expected, with expected interest rates at 3% at the end of 2023. Lastly, in China and India, the benchmark rates should remain virtually unchanged during 2023.

With regard to currencies, the trends described above should not have significant impacts on the EUR/USD exchange rate, which should stand at 1.10 also in 2023.

Lastly, for 2023, the price of oil is expected to remain at the current levels below USD 100 per barrel (*Internal Source: Morgan Stanley /Unicredit*).

PERFORMANCE OF OPERATIONS

Acquisition of Infinica GmbH and agreement with Simest S.p.A.

In 2022, the Doxee Group was involved in a process of organizational, corporate and commercial consolidation and growth, both organic and through acquisitions.

As part of its strategy of growth through external lines through M&As on international markets, in September 2022, 90% of the share capital of Infinica GmbH was acquired. This is an Austrian company operating in the DACH region, complementary to the Group and an innovative operator in the CCM sector, with which the Group can develop this market and expand its portfolio of products and solutions. As a result of that acquisition, the Group will strongly develop that area, due to the high potential for cross-selling and up-selling with existing clients, in addition to

developing new clients, due to the integration of the Infinica product into the Doxee Platform.

Specifically, the Group will be able to benefit from Infinica GmbH's significant experience in CCM, which may generate significant opportunities, including, merely by way of example: (i) consolidating and developing the presence of the Doxee Group in the DACH region and the EEC, (ii) integrating Infinica products into the Doxee Platform, with the resulting expansion of the range of products offered in SaaS mode, (iii) increasing the pace of the development roadmap of the Doxee Platform® due to the integration of Infinica's products and skills and (iv) benefiting joint efforts in marketing and sales initiatives in the respective markets.

The purchase price for 90% of the share capital of Infinica was defined as a total of Euro 9,482 thousand. The remaining 10% of Infinica GmbH's capital, which is held by the current Managing Director, Herbert Liebl, is governed by a put & call option contract, to be exercised in two tranches: the first in 2023 (for 5%) and the second in 2026 (for the remaining 5%). The purchase will be made on the basis of a price established using a formula which considers growth in turnover connected to the development of Infinica's products and services in particular market markets, without prejudice to the minimum price of no less than Euro 500 thousand, while the maximum price cannot exceed Euro 5,000 thousand.

Lastly, it is important to illustrate the interest of Simest S.p.A. to participate in the Doxee/Infinica development project. Specifically, Simest S.p.A. entered into an agreement with Doxee S.p.A. for the purpose of contributing a total amount of Euro 4,000 thousand, to be paid partly through a capital increase (up to Euro 2,000 thousand) and partly (up to Euro 2,000 thousand) as a shareholders' loan in the Austrian subsidiary, Doxee CEE GmbH, a sub-holding of the Doxee Group, specifically established, with headquarters in Vienna (Austria), to which the investment held by Doxee S.p.A. in the share capital of Infinica GmbH was transferred in January 2023. Following that transfer, in the initial months of 2023, the agreement with Simest S.p.A. was formalized, resulting in the latter acquiring 42% of Doxee CEE GmbH, paying a total of Euro 4,000 thousand to that company (part through a capital increase and part as a loan, as indicated above).

Additional significant events during the year

On January 10, 2022, Doxee S.p.A. obtained the benefits provided by the call for proposals "*Attrazione degli investimenti in Emilia-Romagna. Accordi regionali di insediamento e sviluppo - Bando 2021*" in the form of a non-repayable contribution in the amount of Euro 0.84 million, on an expenditure of the Company of Euro 2.1 million.

On January 19, 2022, Doxee S.p.A. obtained the funding provided by the call for proposals "Sviluppo del commercio elettronico delle PMI in Paesi esteri (E-commerce)", from Simest, a company in the Cassa Depositi e Prestiti Group, for a total amount of Euro 0.30 million, of which Euro 0.12 million as a non-repayable contribution and Euro 0.18 million in funding.

On March 4, 2022, Eiffel Investment Group announced that it held 400,100 ordinary shares in Doxee S.p.A. corresponding to a 5.02% interest in the Company's share capital.

On July 11, 2022, the subsidiary Doxee S.p.A. was awarded the status of "innovative enterprise" by BPI France (Banque Publique d'Investissement), a French public investment bank. The "innovative enterprise" classification is an instrument approved by the French AMF (*Autorité des marchés financiers*) aimed at allowing investment by an FCPI (*Fonds Commun de Placement dans l'Innovation*) fund in small and medium-sized enterprises that place innovation at the center of their development strategy. Specifically, FCPI funds are required to invest at

least 70% of their assets in innovative SMEs which meet the eligibility criteria.

On December 15, 2022, Doxee announced the results of the third and final exercise period of the “Doxee Warrants 2019-2022”, disclosing the exercise of 3,245,175 warrants and the resulting subscription of 649,035 newly-issued Doxee shares at a price of Euro 3.993 per share for a total value of Euro 2,591,596.76.

It is also noted that during 2022, the following new loans were taken out:

- Euro 500 thousand, unsecured loan from the bank Banco BPM S.p.A., with a duration of 60 months;
- Euro 3,000 thousand, unsecured loan from the bank BPER Banca S.p.A., with a duration of 60 months;
- Euro 3,000 thousand, unsecured loan from the bank Unicredit Banca S.p.A., with a duration of 96 months.

All of these banking transactions were finalized in compliance with the provisions of law and at normal market conditions.

RESEARCH AND DEVELOPMENT, MARKETING AND SECURITY

Research and Development

The process of continuous investment in new technologies liked, *inter alia*, to the adoption of the new release of the Doxee Platform®, continued throughout 2022. In this area, specifically, the processes and products linked to the ix (interactive experience) area completed the process of re-engineering and became an integral part of the new release, which will be issued in 2023. At the same time, in the ix area, new acquired functions were introduced and integrated in the Doxee Platform® ecosystem.

The API program released additional functions as part of the overall strategic structure of the Doxee platform, sharply focused on promoting the concepts of integration and ecosystems.

With regard to the roadmap for developing the DXP functions, investments continued in AI technologies to leverage, analyze and process data, to obtain ever more efficient and predictive communication processes. During 2022, important platform modules were finalized with an agile approach, according to the planned roadmap, with the goal of improving the functions of the products and ensure the expected operating efficiency in 2023 through cost savings and extensive scalability. Specifically, the following were completed, given their strategic nature: (i) the Batch Production of documents and of Data Transformation, which enables the extraction, reading and optimization of data to create communications templates, (ii) the entire stack which enables products in the px (paperless experience) line dedicated to electronic invoicing, (iii) the fundamental component of analytics, to track electronic orders and electronic invoices, and (iv) the home environment and the application menu which allow for access to the various modules of the Doxee Platform®. In 2022, the Doxee Pvideo component, which enables the production of personalized, interactive videos, was also optimized, and the Doxee Booster product, which enables companies to manage the data lifecycle and define automated communications workflows based on user behavioral data, was released. Also in the ix area, in the second half of 2022, technological convergence on video personalization technology began with the aim of enabling specific use cases for the Automotive, Retail and Fashion markets by using After Effect

software¹.

Marketing and communications

In 2022, Doxee's Marketing Department sharply focused on supporting the Sales Department by generating leads. In this context, the 2022 Marketing Plan set out a large investment in sponsorships and an event calendar, which was created, in order to bring the Doxee brand to the main sector events.

At the same time, the investment in marketing activities through digital channels was maintained and expanded: lead generation produced total growth in leads generated up +165% on the previous year.

The Product Management Department was also expanded to support the go-to-market of Doxee products and the integration of Infinica products within Doxee's offering, as a result of the acquisition of the Austrian company in 2022.

Also in 2022, the Quantitative Analysis Unit continued its efforts to support the communication and positioning of Doxee products in relation to ESG issues: specifically, the calculation tool produced to define the improvement by Doxee products of CO₂ footprints of clients that adopt its technologies was subject to certification by a third party certifying entity.

Information Security and Data Protection

The control over aspects of Information Security and the Protection of Personal Data continued in 2022, in line with the planned roadmap.

The second cycle of Ethical Phishing was completed, which achieved the planned KPI (Click-Rate). The detected value of 10% (target <15%) was an improvement of 43% on the previous year's value, a sign of the correct path undertaken to mitigate that risk. Cyber Threat Intelligence Analysis did not reveal significant risks. Both of these activities are part of annual monitoring, and will continue in 2023.

The definition and main responsibilities of the Supply Chain Security area were consolidated, and its inclusion in the organizational chart was planned, in the Information Security and Data Protection area.

The monthly steering meetings of the Data Protection Committee were regularly held, as well as the periodic meetings with the Supervisory Body 231, sharing the monthly reports on Information Security Incidents with both of these.

As set out in the Integrated Management System, the revisions of the risk analyses, processes, policies and internal audit activities were carried out in preparation for the surveillance audit of the Information Security Management System (ISMS) in accordance with the ISO/IEC 27001 standard, expanded to include the controls of ISO/IEC 27017 and ISO/IEC 27018, in February 2023.

In this context, the revision of the ISMS was also begun, to implement the updates of ISO/IEC 27001 (ISMS requisites) and of ISO/IEC 27005 (ISMS risk analyses) released in the second half of 2022.

¹ Composting application which can be used to combine visual elements from separate sources, or to apply video effects

The activities will begin in 2023 to ensure the alignment with the NIS2 (Network and Information System Security) and DORA (Digital Operational Resilience Act) Directives, following their publication in the Official Journal. These are to be adopted by 2024.



ENVIRONMENT, PERSONNEL and RISKS

Environmental disclosures

In terms of environmental policy, the Group continued monitoring environmental data as well as checking compliance with environmental regulations, as required by the ISO14001-certified Environmental Policy, finalizing several exact measurements of certain environmental parameters with a significant impact (fuel consumption and CO₂ emissions of the company car fleet, quantity of waste sent for separate waste collection) to be able to decide on and introduce specific improvement actions. A contract was also activated for the Modena headquarters for the supply of electricity produced 100% from renewable sources.

Numerous activities are continuing for the purpose of defining specific Corporate Social Responsibility Policies, considering ESG (Environment-Social-Governance) issues, to combine the Group's economic and technological development with public benefit purposes, as required by the parent's status as a benefit corporation, operating in a responsible, sustainable and transparent manner in relation to individuals, communities, territories and the environment, cultural and social assets, entities and associations and other stakeholders. Specifically, in April 2022, the Parent Doxee S.p.A. approved and published its Sustainability Report for the second year in a row, and, also as a result of obtaining the status as a Benefit Corporation, drew up its first Impact Report, which identified specific targets to achieve public benefit purposes in the area of ESG. Confirming the soundness of the path undertaken by the Group in relation to these issues, in August 2022, Doxee's assessment by Ecovadis, a platform that assesses companies regarding ESG, improved from a "bronze medal" to a "silver medal".

Lastly, a tool is being completed and certified for calculating the consumption of CO₂ and paper regarding the hard-copy and digital production of client's documentation, as previously indicated. That tool shares with the client the measurement of their environmental impact in terms of their generation and transmission of documents.



Disclosure on certifications

In January 2022, the parent Doxee S.p.A. renewed its ISO27001 certification, for its Information Security Management System, and passed its surveillance audit for ISO9001 certification of its quality management system. In March 2022, the parent Doxee S.p.A. passed its surveillance audit for ISO14001 certification, for its Environmental Management System.

At the end of October 2022, the parent Doxee S.p.A. also obtained ISO37001 certification, completing its process of adopting an anti-bribery and corruption management system, publishing the processes and related documentation, and, in particular, the Anti-Bribery and Corruption Policy, which defines the responsibilities for complying with and maintaining a policy to combat corruption and official misconduct, and carrying out specific due diligence on its main clients, suppliers and partners.

Risk analysis

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 Company is not subject to seasonality that could cause significant fluctuations in cash flows.

2. Foreign exchange risk

Foreign exchange risk is the risk that the items in foreign currency change in a negative manner in the period from the time in which the target exchange rate is defined or commitments to collect and pay amounts in foreign currency at a future date, and the time when those commitments are transformed into orders and, lastly, into turnover.

The foreign exchange risk that the Group is subject to derives from the translation of the amounts of the financial statements of the subsidiary Doxee USA Inc. on preparing the Group's consolidated financial statements.

3. Interest rate risk

Interest rate risk is the risk of an uncontrolled increase in charges deriving from the payment of interest linked to floating rates on medium/long-term loans. The goal of managing interest rate risk is to limit and stabilize outflows associated with the interest paid on the loans concerned.

During 2022, the parent took out loans of significant amounts at floating rates, which were hedged through interest rate swaps, as specified below.

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, correlated with the type of customers, contractual terms, sales concentration, as well as financial terms, i.e. 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.

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 will fail to meet its payment obligations, which could impact its financial performance in the event that the Group has to incur additional costs to meet their obligations or, in the worst-case scenario, face insolvency – which would jeopardize its ability to continue as a going concern.

The Group systematically pays its 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 manages 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 various companies operate.

The Group is not deemed to face such problem, as it does not operate in countries with a high “country risk”, except to a marginal extent.

Disclosures relating to personnel

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

At December 31, 2022, the Group had 182 employees, broken down as follows:

Number of employees by category	Average 2022	%	Final 2022	%	Average 2021	%	Final 2021	%
Senior managers	8	4.4%	10	5.2%	6	4.6%	6	4.2%
Middle managers	18	9.9%	18	9.3%	17	13.0%	18	12.7%
Clerical staff	156	85.7%	165	85.5%	108	82.4%	118	83.1%
Total	182	100.0%	193	100.0%	131	100.0%	142	100.0%

During 2022, the workforce increased by 51 resources, of which 29 referring to the newly-acquired Infinica GmbH. An additional increase in the workforce was necessary given the increased volumes of production, which generated the need to recruit personnel with high level technological skills, in addition to the intention to expand the sales network. Specifically, there were new hires in the Operations and Sales & Marketing Areas of the parent Doxee S.p.A.

During 2022, the Group continued the training courses for its employees, both on mandatory topics and for the purposes of specialized professional development, as illustrated below.

No further relevant information is reported.

Mandatory training

Pursuant to Italian Leg. Decree 81/2008 on occupational health and safety, also in 2022 the general, specific, and refresher occupational safety training activities continued. Mandatory training covered the refreshers for the First Aid Responders and Fire Wardens, as well as Workers' Safety Representative. Periodic courses and refreshers on topics regarding the Management Systems and Company Certifications, as well as Information Security and Data Protection, were provided.

With regard to the AgID (Agency for Digital Italy) Guidelines, we confirm the registration with the Marketplace for digital storage service providers and membership in ANORC (National Association of Digital Content Storage Operators and Managers).

Internal and external training

Based on the analysis of training requirements, the company undertook several training activities, which entailed: internal technical courses held by qualified Doxee staff, intended to strengthen technical and product skills so as to align them among employees (including new hires) and among the various Organizational Units.

Moreover, additional internal technical training was provided primarily through e-learning courses thanks to the Confluence platform, now available to each Doxee employee and focused on the company's product/service technology. The platform is also used for onboarding processes involving all new hires.

Various kinds of external courses – technical, certification, soft skills, behavioral and management courses – were provided, to support and develop resources. The training activities begun in the first half, of individual coaching, self-empowerment for the front line, preparation and understanding of cash flow and cash flow statements, Information Security and Data Protection continued throughout 2022. These courses were held primarily through e-learning, including thanks to the Udemy platform and the introduction of the new e-learning platform Study in action, available to all employees, which includes courses in both technical and hard skills as well as soft skills. Foreign language and conversation courses also continued, provided mainly through the Fluentify platform.

In the second half of the year, courses financed through the FondImpresa interprofessional fund, were also implemented, to provide English and Spanish language courses, both for individuals and groups, but also elementary German courses a customer communications course of 24 hours, in which 20 employees participated. Training on Doxee technology was provided to Partners, divided into two modules (Doxee Platform Pre-Sales Basic Skills and Advanced), both in person and through e-learning.

TRANSACTIONS WITH RELATED PARTIES

The transactions with related parties reported below essentially regarded the exchange of goods and the provision of services between Doxee S.p.A. and the Group companies (subsidiaries and associated), as well as transactions to optimize the management of the Group treasury. Those transactions are part of the company's ordinary operations, and are concluded at normal market conditions, i.e. the conditions that would be established between independent parties.

TRANSACTIONS WITH SUBSIDIARIES, PARENT COMPANIES AND ASSOCIATES

For the definition of "Related Parties" reference is made to IAS 24, approved by Regulation EC no. 1725/2003.

Intercompany transactions are carried out as part of ordinary operations and at normal market conditions. Transactions with related parties mainly refer to commercial and financial transactions, as well as the participation in tax consolidation.

The transactions in force at 12.31.2022, at 12.31.2021 and at 01.01.2021 between companies of the Doxee Group are shown below:

Trade receivables Receivables from subsidiaries (in Euro)	Amount at 01/01/2021	Changes	Amount at 31/12/2021	Changes	Amount at 31/12/2022
Doxee USA Inc	706,432		713,576		715,176
		7,145		1,600	
Doxee Slovak s.r.o.	9,903	(3,961)	5,942	-	5,942
Doxee Czech s.r.o.	45,059	(12,688)	32,371	32,003	64,374
Babelee S.r.l.	-	30,386	30,386	(9,141)	21,245
	-	-	-	-	-
Total	761,394	20,881	782,275	24,462	806,737

Trade payables Payables to subsidiaries	Amount at 01/01/2021	Changes	Amount at 31/12/2021	Changes	Amount at 31/12/2022
Babelee S.r.l.	22,200	48,369	70,569	-11,669	58,900
Babelee S.r.l. for tax cons.	0	0	0	13,910	13,910
Total	22,200	48,369	70,569	2,241	72,810

Income Statement Revenues due to group companies	Amount at 31/12/2022	Amount at 31/12/2021	Changes
Doxee USA Inc	1,600	7,145	-5,545
Doxee Slovak s.r.o.	11,884	11,884	0
Doxee Czech s.r.o.	96,901	79,915	16,986
Babelee S.r.l.	8,000	14,500	-6,500
Total	118,384	113,444	4,941

Income Statement Costs for intercompany services	Amount at 31/12/2022	Amount at 31/12/2021	Changes
Babelee Srl	508,968	377,769	131,199
Doxee USA Inc.	166,192	130,633	35,559
Total	675,160	508,402	166,758

TREASURY SHARES

It is certified that, at the closing date of December 31, 2022, the parent Doxee S.p.A. held 5,000 treasury shares, with a value of Euro 50,000.

None of the Group companies own any interest in the holding company P&S S.r.l.

SUBSEQUENT SIGNIFICANT EVENTS

In January 2023, the parent Doxee S.p.A. transferred the 90% investment held in the subsidiary Infinica GmbH to the sub-holding subsidiary Doxee CEE GmbH, an Austrian sub-holding specifically established for the purpose of Simest S.p.A.'s entry into the share capital with a minority interest of 42%, as previously illustrated. The entry of Simest S.p.A. into the share capital of the Austrian sub-holding of the Group, finalized on January 29, 2023, brought to the Group's coffers Euro 2,000 thousand as a share capital increase and an additional Euro 2,000 thousand as an amortizing loan with a duration of 8 years, with 18 months of pre-amortization.

In February 2023, Doxee S.p.A. exercised the call option for the remaining 8.93% of the share capital of the subsidiary Babelee S.r.l., finalizing the acquisition and thereby becoming its sole quotaholder, holding 100%.

On March 1, 2023, the Board of Directors of Doxee S.p.A. resolved to adopt the IAS/IFRSs, starting with the preparation of the Company's financial statements and the consolidated financial statements of the Doxee Group as of December 31, 2022.

On March 27, 2023, Doxee S.p.A. received official notice of the successful conclusion of the preliminary phase of the research and development project related to the call for proposals of the Italian Ministry for Business and Made in Italy (MISE), through the Sustainable Growth Fund - Agreements for Innovation referred to in Ministerial Decree dated December 31, 2021 and Directors' Decree dated March 18, 2022, for the development of an innovative Customer Data Management Hub (CDMH) based on Cloud and Machine Learning technologies for the identification, through user data analysis of new business needs and trends and for the better management of personal communications between service and/or utility providers and customers. The total cost deemed eligible is Euro 5.3 million, to which a total subsidy of Euro 2.9 million is applied, of which Euro 1.9 million in the form of a grant for expenditure and Euro 1.1 million in the form of subsidized financing for a project duration of 36 months.

FORESEEABLE EVOLUTION OF OPERATIONS

During 2022, investments continued to support the Group's growth strategy and roadmap. The strong demand for digitization and personalization remains central in the sectors where the

Doxee Group operates the most, including Utilities, Telco, Finance and both Central Government and Local Public Administration, also due to the boost from the NRRP. Not by chance were new customers acquired in Utilities, Finance and Public Administration sectors in 2022, confirming the correct positioning of the Doxee Platform® as a technology enabling the digitization of communications. For financial year 2023, we intend to focus on consolidating the acquired customers, as well as expanding the customer base in the Group's major sectors of operations, possibly planning geographical expansion, also exploiting the synergies provided by the acquisition at the end of September 2022.

The important acquisition of Infinica, a technology vendor operating in the DACH region represents an investment consistent with the strategy of growth also by external lines, which the Group intends to pursue in order to become a leading European player in CCM. The process of integrating several modules of Infinica technology into the Doxee Platform® accelerates the roadmap by about 18 months, also seeing significant savings in terms of cost which, otherwise, the Group would have had to incur by developing the technology needed to activate the desired functionality of the Doxee Platform® in-house. In addition, the certified integration of the Infinica platform on Salesforce's AppExchange, Salesforce's cloud-based marketplace that provides ready-to-install apps and solutions to enterprises and SMEs, is a first step in positioning Doxee technology linked to CRM systems by further supporting the extension to the indirect sales model through partners, central to scaling in the expected organic growth, which is to be a focus also in future years.

The intention to continue to keep a strong focus on ESG issues is a further goal, both in terms of awareness of the role Doxee can play in digitization processes through reduced communications materials and improved customer experience, and, in general, in positively influencing choices towards internal and external stakeholders of the Company, guiding them toward more conduct that is more responsible and attentive to sustainable development.

Lastly, the following main company initiatives are planned to be implemented for the coming months:

- Continuing the process of obtaining BCorp certification (application submitted in October 2022).
- Strengthening the sales structure, especially in the Enterprise market and introducing a position covering the Tech Partner market to expand the indirect channel by leveraging connectors to upstream systems of the 3 product lines (dx, px, ix).
- Continuing to support the business strategy on Babelee with a strong focus on Publishing sectors and the Digital Agency market, and by launching the e-commerce model.
- Strengthening investments in the Sales & Marketing area in order to develop with premium content and aim for participation in initiatives such as industry events, relevant trade shows and webinars.
- Supporting and strengthening the Technology & Research team, by integrating the resources of Infinica, with specific focus on the hub in Bratislava/Vienna, to guarantee further acceleration on the milestones of the Group roadmap for 2023, which has planned the first unified release of Infinica products and the solutions in the Doxee Platform® in the second half of 2023.
- Supporting investments in HR with emphasis on Talent Acquisition and Employee Engagement issues.

- Consolidating and extending internal management systems with a view to applicability in potential companies targeted by the M&A process;
- Strengthening the sales structure in the DACH area with special focus on Germany, and overseeing and accelerating on the CEE market.
- Integrating Infinica into the Doxee Group.
- Rebranding the operating companies in the Germany-speaking area (DACH).

USE OF DERIVATIVE FINANCIAL INSTRUMENTS

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

The fair value of said derivative at December 31, 2022 was positive Euro 21,896.46.

Effective date	28/01/2021
Maturity date	28/01/2025
Type	IRS – Interest Rate
Objective	Hedging
Initial notional value	1,000,000 Euro
Underlying financial risk	Interest rate risk
Fair value (MTM)	21,896.46 Euro
Hedged liability	Crédit Agricole Loan

On July 28, 2022, Doxee S.p.A. entered into an “interest rate swap” derivative contract with an initial notional amount of Euro 500,000 to hedge interest rate risk on a loan from Banco BPM S.p.A. The fair value of said derivative at December 31, 2022 was positive Euro 15,489.10.

Effective date	28/07/2022
Maturity date	30/06/2027
Type	IRS – Interest Rate
Objective	Hedging
Initial notional value	500,000 Euro
Underlying financial risk	Interest rate risk
Fair value (MTM) at 12/31/2022	15,489.10
Hedged liability	Banco BPM S.p.A. Loan

On October 28, 2022, Doxee S.p.A. entered into an “interest rate swap” derivative contract with an initial notional amount of Euro 3,000,000 to hedge interest rate risk on a loan from Unicredit S.p.A. The fair value of said derivative at December 31, 2022 was positive Euro 1,843.37.

Effective date	30/09/2023
Maturity date	30/09/2030
Type	IRS – Interest Rate
Objective	Hedging
Initial notional value	3,000,000 Euro
Underlying financial risk	Interest rate risk
Fair value (MTM) at 12/31/2022	1,843.37
Hedged liability	Banco BPM S.p.A. Loan

ITALIAN BRANCHES

The operating branches of the parent Doxee S.p.A. are shown below:

Address	City
Via Ostiense 92	Rome
Vico I Catalano 19	Catanzaro
Via Palermo 8	Milan

* * *

Modena (MO), March 28, 2023

The Chairman of the Board of Directors



CONSOLIDATED FINANCIAL STATEMENTS OF THE DOXEE GROUP AT DECEMBER 31, 2022

The tables below set out the consolidated income statement and balance sheet of the Doxee Group at December 31, 2022, in accordance with the international accounting standards.

Consolidated statement of financial position

(in Euro)	N.B.	31.12.20	31.12.20	01.01.2021
Non-current assets				
Tangible assets		576,1	717,7	804,024
Development costs		10,224,5	6,772,2	3,550,343
Work in progress and payments on account		4,624,0	3,862,4	5,281,412
Other intangible assets		238,4	359,9	514,887
Right-of-use assets		1,001,6	683,6	471,588
Goodwill		11,816,7		0
Non-current financial assets		31,9	3,8	8,827
Deferred tax assets		280,9	362,8	410,931
Other non-current assets		156,5	246,2	652,187
Total non-current assets		28,951,1	13,008,9	11,694,199
Current assets				
Trade receivables		11,811,6	9,830,3	7,579,392
Other receivables		2,752,0	2,480,6	1,506,174
Cash and cash equivalents and short-term deposits		2,591,4	5,847,7	3,213,950
Total current assets		17,155,1	18,158,8	12,299,516
Total assets		46,106,3	31,167,7	23,993,714
Equity				
Share capital		1,913,5	1,769,5	1,597,880
Share premium reserve		8,554,4	5,645,0	3,008,300
Other reserves		7,446,3	5,503,7	5,944,210
FTA reserve		-1,585,3	-1,585,3	-1,585,343
Employee benefits reserve		-95,7	-178,6	-117,656
Currency translation reserve		-136,5	110,5	423,103
Cash flow hedge reserve		29,8	-1,4	-6,592
Retained earnings/(Accumulated losses)		-3,900,6	-4,274,5	-4,257,536
Net profit (loss) of the year		1,244,8	1,794,5	

Equity attributable to the Group	13,470,7	8,783,5	5,006,3
Minority interests in capital and reserves	7,0	21,6	29,8
Profit (loss) attributable to minority interests	5,5	-20,9	
Equity attributable to minority interests	12,5	6	29,8
Total equity	13,483,2	8,784,2	5,036,1
Non-current liabilities			
Non-current loans and financing	11,688,0	6,019,4	4,297,5
Non-current lease liabilities	688,2	490,7	358,3
Net liabilities for employee benefits	1,814,5	1,718,1	1,492,4
Deferred tax liabilities	15,1	21,8	32,6
Other non-current liabilities	265,5	23,4	
Non-current public grants	1,773,3	1,780,7	1,806,3
Total non-current liabilities	16,244,9	10,054,3	7,987,3
Current liabilities			
Loans and financing	4,362,2	2,457,5	2,777,8
Current lease liabilities	316,4	193,9	113,2
Other current financial receivables	8,7		9,0
Trade payables and other payables	10,444,2	8,562,3	7,075,9
Tax payables	630,8	539,9	565,7
Public grants	615,5	575,3	428,2
Total current liabilities	16,378,1	12,329,1	10,970,1
Total equity and liabilities	46,106,3	31,167,7	23,993,7

Consolidated Income Statement

(in Euro)	N.B.:	31.12.2022	31.12.2021	Change
Revenues from contracts with clients	30	25,464,567	20,846,556	4,618,012
Other revenues and income	31	805,093	633,445	171,648
Internally generated fixed assets	32	2,476,333	2,136,080	340,253
Raw materials and consumables	33	-9,548	-397,166	387,618
Costs for services	33	-13,272,019	-9,363,043	-3,908,976
Costs for employee benefits	34	-10,119,589	-7,970,735	-2,148,855
Other operating costs	35	-410,132	-398,815	-11,318
Amortization of intangible assets	36	-2,611,088	-3,091,117	480,030
Depreciation of tangible assets	36	-272,034	-267,392	-4,641

Depreciation of rights-of-use	36	-250,717	-188,009	-62,709
Financial income	37	3,807	45,159	-41,353
Financial expenses	37	-364,733	-295,744	-68,989
Foreign exchange gains (losses)	37	188,944	310,542	-121,598
Profit (loss) before tax from continuing operations		1,628,882	1,999,762	-370,879
Income taxes	38	-378,563	-226,137	-152,426
- Current taxes		-332,021	-265,834	-66,186
- Deferred tax assets		-53,345	28,931	-82,276
- Deferred tax liabilities		6,803	10,766	-3,964
Profit (loss) for the year		1,250,319	1,773,624	-523,305
of which:				
- pertaining to the group		1,244,818	1,794,570	-549,752
- attributable to minority interests		5,501	-20,946	26,447

Consolidated statement of comprehensive income

(in Euro)	31.12.2022	31.12.2021	Change
A. Profit (loss) for the year	1,250,319	1,773,624	-523,305
Net actuarial gains/(losses) on defined benefit pension plans	85,085	-62,259	147,344
B. Total items that cannot be reclassified to the income statement	85,085	-62,259	147,344
Net gains/(losses) on cash flow hedges	31,226	5,180	26,047
Conversion of financial statements drafted in foreign currency	-247,051	-312,577	65,526
C. Total items reclassified/that cannot be reclassified to the income statement	-215,825	-307,397	91,572
D. Total components of comprehensive income (B + C)	-130,740	-369,656	238,916
E. Comprehensive income/(loss) (A + D)	1,119,580	1,403,969	-284,389
of which:			
- pertaining to the group	1,111,873	1,426,176	-314,303
- attributable to minority interests	7,707	-22,207	29,914

Statement of changes in consolidated equity

Equity	Share capital	Share premium reserve	Other reserves	FTA reserve	Employee benefits reserve	Currency translation reserve	Cash flow hedge reserve	Retained earnings/(Accumulated losses)	Profit (loss) for the year pertaining to the group	Equity attributable to the Group	Equity attributable to minority interests	Total
Amount at 01/01/2021	1,597,880	3,008,300	5,944,210	(1,585,343)	(117,656)	423,103	(6,592)	(4,257,536)	-	5,006,365	29,819	5,036,184
Allocation of profit										-		-
Capital increases against payment	171,673	2,636,756								2,808,429		2,808,429
Other changes			(47,708)				5,180	(11,389)		(53,917)	6,288	(47,629)
Stock grant			62,793							62,793		62,793
Comprehensive income (loss)					(60,997)	(312,577)				(373,574)	(1,261)	(374,835)
Acquisition of minority interests								(5,574)		(5,574)	(13,231)	(18,805)
Treasury Shares			(455,529)							(455,529)		(455,529)
Profit (loss) for the year									1,794,570	1,794,570	(20,946)	1,773,624
Amount at 31/12/2021	1,769,553	5,645,056	5,503,766	(1,585,343)	(178,654)	110,526	(1,413)	(4,274,500)	1,794,570	8,783,563	670	8,784,232

Equity	Share capital	Share premium reserve	Other reserves	FTA reserve	Employee benefits reserve	Currency translation reserve	Cash flow hedge reserve	Retained earnings/(Accumulated losses)	Profit (loss) for the year pertaining to the group	Equity attributable to the Group	Equity attributable to minority interests	Total
Balance at 01/01/2022	1,769,553	5,645,056	5,503,766	(1,585,343)	(178,654)	110,526	(1,413)	(4,274,500)	1,794,570	8,783,563	670	8,784,232
Allocation of profit			1,416,489					378,082	(1,794,570)			
Exercise of Warrants	144,017	2,447,580								2,591,597		2,591,597
Capital gain on treasury shares		461,824								461,824		461,824
Other changes							31,226	(4,203)		27,023	4,202	31,225
Stock grant			84,989							84,989		84,989
Comprehensive income (loss)					82,880	(247,051)				(164,171)	2,206	(161,965)

Acquisition of
minority
interests

Treasury Shares	441,059								441,059			441,059
Profit (loss) for the year								1,244,818	1,244,818	5,501		1,250,319
Balance at 31/12/2022	1,913,570	8,554,460	7,446,303	(1,585,343)	(95,774)	(136,525)	29,814	(3,900,621)	1,244,818	13,470,702	12,578	13,483,280

CONSOLIDATED CASH FLOW STATEMENT

The consolidated cash flow statement of the Doxee Group for 2022 and the comparison with the previous year are shown below:

Cash flow statement

(in Euro)	N.B.:	31.12.2022	31.12.2021	Change
Profit (loss) before tax		1,628,882	1,999,762	-370,879
Reversal of amort./depreciation and write-downs and write-backs of tangible and intangible assets		3,133,839	3,546,518	-412,679
Reversal of financial (income)/charges		360,927	250,585	110,342
Reversal of allocations to provisions and other		0	-18,805	18,805
Net tax paid		-46,043	-690,271	644,228
Change in trade receivables		-1,390,883	-2,250,967	860,084
Change in trade payables		1,342,405	701,087	641,318
Change in other receivables		377,717	112,173	265,544
Change in other payables		-653,741	72,299	-726,040
Change in tax receivables		-527,881	-366,234	-161,647
Change in tax payables		-26,414	125,774	-152,188
Change in provisions for personnel		285,230	207,066	78,164
A. Net cash flow generated/(absorbed) by operating activities		4,484,038	3,688,986	795,052
Investments in tangible and intang. assets		-6,812,964	-4,060,691	-2,752,273
Acquisition of subsidiaries (net of acquired liquidity)		-7,537,636	0	-7,537,636
B. Cash flow generated/(absorbed) by investing activities		-14,350,601	-4,060,691	-10,289,910
Change in financial receivables		0	5,000	-5,000
Interest income and other financial income		3,807	45,159	-41,353
Change in payables to banks for cash credit lines		531,756	-1,480,364	2,012,120
Change in payables to banks and other lenders due to repayment of loans and financing		-2,044,551	-1,232,201	-812,349

Change in payables to banks and other lenders due to provision of loans and financing	6,658,943	4,114,080	2,544,863
Change in other financial payables	0	1,859	-1,859
Interest expense and other financial charges	-364,733	-295,744	-68,989
Repayment of principal on lease liabilities	-248,672	-187,004	-61,668
Capital increase against payment	2,591,597	2,808,429	-216,833
Sale/(purchase) of treasury shares	-268,403	-455,529	187,126
C. Cash flow generated/(absorbed) by financing activities	6,859,743	3,323,685	3,536,059
D. Exchange rate effect	-249,490	-318,131	68,641
E. Total cash flow generated/(absorbed) during the period (A + B + C + D)	-3,256,309	2,633,849	-5,890,158
F. Net cash and cash equivalents at the beginning of the period	5,847,798	3,213,950	
G. Net cash and cash equivalents at the end of the period (E + F)	2,591,489	5,847,798	



NOTES TO THE FINANCIAL STATEMENTS

1. FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements are the first consolidated financial statements drawn up by the Company in compliance with the international accounting standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. "IFRS" shall also mean the International Accounting Standards ("IAS") still in force, as well as all the interpretation documents issued by the Interpretation Committee, previously called the International Financial Reporting Interpretations Committee ("IFRIC") and, before that, the Standing Interpretations Committee ("SIC").

The procedure followed for the transition to international accounting standards is described in Note 2 "TRANSITION TO THE INTERNATIONAL ACCOUNTING STANDARDS (IAS/IFRS)."

The layout used for the consolidated statement of financial position involves distinguishing between current and non-current assets and liabilities, while the layout used for the consolidated income statement involves classifying costs based on their nature.

In the consolidated cash flow statement, cash flows deriving from operating activities are presented using the indirect methods, in which the profit or loss for the year is adjusted by the effects of non-monetary transactions, any deferral or allocation of previous or future operating collections or payment, and elements of revenues or costs connected with the cash flows deriving from investing activities or financing activities.

The layouts of the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated equity and the consolidated cash flow statement are presented in Euro. The amounts shown in the notes are expressed in Euro.

2. TRANSITION TO THE INTERNATIONAL ACCOUNTING STANDARDS IAS/IFRS

In compliance with accounting standard IFRS 1 – First Time Adoption, the Doxee Group has set out three statements of financial position, two statements of comprehensive income, two cash flow statements and two statements of changes in equity, highlighting the adjustments and corrections made following the adoption of the international accounting standards.

2.1. Background

The Group Doxee prepared the first financial statements in compliance with the IAS/IFRSs at December 31 2022.

The transition date to the international accounting standards, as required by IFRS 1, was set at January 1, 2021.

That being said, considering the Recommendation of the CESR (Committee of European Securities Regulators) published on December 30, 2003, to guarantee a sufficient understanding of the effects of the transition to the new rules for financial statement accounts, the information required by the international accounting standard IFRS 1 "First-time Adoption of the International Financial Reporting Standards" is provided below, with specific reference

to the reconciliations required in paragraphs 39 and 40 of that standard, accompanied by the explanatory notes explaining the preparation criteria and the component items.

Specifically, that information regards the impact of the conversion to the International Accounting Standards, for 2020 and 2021, on the statement of financial position, the income statement performance and cash flows presented.

To that end, the following were prepared:

- notes regarding the rules for first-time adoption of the IFRSs and the other IFRSs selected, including the Directors' assumptions on the IFRSs and interpretations entered into force and on the accounting policies adopted in preparation of the first set of financial statements drawn up in accordance with the IFRSs at December 31, 2022;
- the reconciliation of equity drawn up in accordance with the previous set of accounting standards with that recognized in compliance with the IFRSs at the following dates:
 - opening date of the comparative financial year (January 1, 2021 or "date of FTA");
 - closing date of the comparative financial year (December 31, 2021);
- the comments to the reconciliation statements;
- the analytical statements of reconciliation of the statement of financial position at January 1, 2021 and December 31, 2021, and the statement of profit/(loss) for 2021.

As illustrated below, the IFRS statement of financial position and the IFRS statement of profit/(loss) for the year were obtained by making the appropriate IFRS reclassifications and adjustments to the final data drawn up in accordance with Italian law, to reflect the changes to the criteria of presentation, recognition and measurement required by the IFRSs.

The information provided in this section is intended to provide a comprehensive picture of the process of transition to the international accounting standards for the Doxee Group.

2.2. Basis of presentation of the financial data restated in compliance with the IFRSs at December 31, 2021

The purpose of restating the financial data in compliance with the IFRSs is to represent the statement of financial position, cash flow and income statement of the Doxee Group at December 31, 2021 in accordance with the measurement and valuation criteria set out in the IFRSs endorsed by the European Commission, as described below.

As illustrated below, the IFRS statement of financial position and the IFRS statement of profit/(loss) for the year were obtained by making the appropriate IFRS reclassifications and adjustments to the final data drawn up in accordance with Italian law, to reflect the changes to the criteria of presentation, recognition and measurement required by the IFRSs.

The effects of the transition to the IFRSs derive from the changes in the accounting standards and, as a result, as required by IFRS 1, are reflected on the opening equity at the transition date. The transition to the IFRSs entailed maintaining the estimates previously formulated in accordance with the Italian accounting standards, unless the adoption of the IFRSs required the formulation of estimates using different methodologies.

Adjustments were prepared in compliance with the IFRSs in force at December 31, 2022, adopted by the International Accounting Standards Board (IASB) and endorsed by the European Commission, and the interpretations of the International Financial Reporting Committee (IFRIC) and the Standing Interpretations Committee (SIC).

Note that the process of endorsement by the European Commission and the alignment and interpretation work by the official organizations charged with such duties are continuously evolving.

2.3. Rules of application and accounting options applied in adopting the IFRSs

Notes to the first-time adoption of the international accounting standards (IFRS 1)

With regard to the options set out by the IFRSs, the following choices were made:

Methods of presenting the financial statements

For the statement of financial position, the “current/non-current” criterion was adopted, while for the statement of profit/(loss) for the year, costs were classified by nature.

Optional exemptions provided by the IFRSs on first-time adoption of the IFRSs

- business combinations: IFRS 1 establishes that, at the transition date entities can decide not to retroactively apply IFRS 3 “Business Combinations” to business combinations that occurred prior to the transition date to the IFRSs.
- employee benefits: cumulative actuarial gains and losses from the start of the plans to the date of transition to the IAS/IFRSs were directly posted to equity at the transition date, January 1, 2021.

Accounting treatment chosen as part of the IFRS accounting options

The Doxee Group decided to adopt the cost method in assessing tangible and intangible assets with a finite useful life, which are subsequently depreciated and amortized over their useful life.

2.4. Main impacts deriving from the application of the IFRSs on the opening statement of financial position at January 1, 2021 and the financial statements at December 31, 2020

2.4.1. Reconciliation of equity at January 1, 2021 and December 31, 2021

The reconciliation of the profit (loss) reported in the 2021 financial statements drawn up based on the previous accounting standards with the profit (loss) deriving from the application of the IFRSs to the same year is shown below:

	Notes	Consolidated Equity at 01/01/2021	Profit (loss) for the year 12/31/2021	Employee benefits	Other	Consolidated Equity at 12/31/2021
Total equity according to Italian GAAP		6,732	1,646		2,022	10,399
IAS 38 – Start-up and expansion costs/Trademarks	1.5.1	-409	132		-	-276
IFRS 9 – Write-down of Rete Pitagora Investment	1.5.2	-153			-	-153
IAS 19 – Employee benefits	1.5.3	-118	31	-62	-	-149
IFRS 2 – Stock Option	1.5.4		-15		15	-
IFRS 16 – Leases	1.5.5	9	6		-	16
IFRS 9 – Doxee USA Call/Put Option	1.5.6	-1,026	-26		-	-1,053
Total Equity in accordance with international accounting standards		5,036	1,774	-62	2,037	8,784

2.5. Notes to the reconciliation statements

The single adjustment items are shown in the table gross of taxes.

The main IFRS adjustments made to the amounts determined using Italian accounting standards are commented on below.

2.5.1. Start-up and expansion costs/Trademarks

IAS 38 – *Intangible Assets* requires that entities recognize intangible assets only if specific criteria regarding identification, control and generation of future economic benefits are met. At the transition date, the intangible assets recognized in accordance with Italian accounting standards included start-up and expansion costs and trademarks generated internally which did not meet the requirements specified just above.

The adoption of IAS 38 resulted in the following entries:

- at January 1, 2021, with a negative effect on equity due to the derecognition of start-up and expansion costs and trademarks capitalized for Euro 409 thousand, net of deferred tax liabilities.
- at December 31, 2021, a positive effect due to the recovery of amortization of Euro 193 thousand, a negative effect due to the recognition through profit and loss of the increases for the period of Euro 9 thousand, and a negative effect due to the recognition of deferred tax liabilities of Euro 51 thousand.

2.5.2. Write-down of Rete Pitagora

In accordance with the International Accounting Standards, investments other than those in subsidiaries, associates and companies under joint control must be measured at fair value.

Accounting Standard IFRS 13 defines fair value as *“the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”*

The Doxee Group recognized an investment of Euro 152 thousand in “Polo Pitagora”.

The fair value measurement of that investment amounts to zero and, therefore, that resulted in the following entries:

- As of December 1, 2021 a decrease of Euro 152 thousand in Equity;
- At December 31, 2021 there were no impacts on the profit (loss) for the year.

2.5.3. Employee benefits

Based on the international accounting standards, considering the indications of the International Accounting Standard Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC), employee severance indemnity is identified among the types of post-employment benefits as a defined-benefit plan. IAS 19 illustrates the accounting treatment, presentation in the financial statements and method for determining the value of the benefit. That standard requires that Employee Severance Indemnity be calculated using actuarial methods.

The adoption of IAS 19 resulted in the following entries as of January 1, 2021:

- higher non-current liabilities due to the recognition of employee severance indemnity increased by Euro 155 thousand due to the actuarial measurement method;
- recognition of deferred tax assets of Euro 37 thousand;
- decrease in equity of Euro 118 thousand, net of deferred tax liabilities;

The adoption of IAS 19 resulted in the following entries at December 31, 2021:

- higher non-current liabilities due to the recognition of employee severance indemnity increased by Euro 196 thousand due to the actuarial measurement method;
- recognition of deferred tax assets of Euro 47 thousand;
- recognition of lower personnel costs of Euro 46 thousand and recognition of higher financial charges of Euro 5 thousand. The total effect on the statement of profit/(loss) for the year (net of deferred tax liabilities of Euro 10 thousand) was an increase in the profit for the year of Euro 31 thousand;
- recognition in OCI of net actuarial benefits of Euro 62 thousand;
- recognition of final equity decreased by Euro 149 thousand, net of deferred tax liabilities.

2.5.4. Stock Options

IFRS 2 defines the accounting treatment of transactions with third parties or employees that provide goods or services in exchange for share-based payment. For equity settled share-based payments, the Company must measure the goods or services received at fair value and record a cost with an offsetting entry in equity.

On March 25, 2021 the Group approved the “2021-2024 Stock Grant”, an incentive plan which sets out mechanisms for free assignment of Rights which, when certain terms and conditions are met, will result in the future assignment of Shares. That plan can be classified as an equity settled plan and, therefore, the adoption of IFRS 2 resulted in the following entries at January 31, 2021:

- Increase in Other reserves of Euro 15 thousand;
- Recognition of higher personnel costs of Euro 15 thousand.

2.5.5. Leases

IFRS 16 defines the criteria for recognition, measurement, presentation in the financial statements and the additional disclosure regarding lease contracts, and requires that they be recorded in using lessee accounting. Based on IFRS 16, a contract contains a lease if it attributes to the lessee the right to use an asset for a specific time period in exchange for consideration. The standard requires that lessee recognize lease contracts in the financial statements by recognizing the right-of-use asset in balance sheet assets, with the offsetting entry of a financial liability (lease liability) representing the obligation to pay the future lease payments.

In compliance with article 2423 bis – 1bis), the Company had recognized financial leases using the financial method.

The adoption of IFRS 16 resulted in the following entries as of January 1, 2021:

- Recognition of right-of-use assets of Euro 472 thousand. Those assets represent the discounted value in use of the right-of-use assets of the Doxee Group;
- Recognition of non-current financial liabilities of Euro 358 thousand and current financial liabilities of Euro 113 thousand. Those liabilities represent the financial obligation relating to the present value of the cash flows to be paid to the lease counterparties for contracts in force as of January 1, 2021.

The adoption of IFRS 16 resulted in the following entries at December 31, 2021:

- Recognition of right-of-use assets of Euro 684 thousand. Those assets represent the discounted value in use of the right-of-use assets.
- Recognition of non-current financial liabilities of Euro 491 thousand and current financial liabilities of Euro 194 thousand. Those liabilities represent the financial obligation relating to the present value of the cash flows to be paid to the lease counterparties for contracts in force at December 31, 2021.
- Recognition of amortization of Euro 188 thousand, financial charges of Euro 7 thousand and the reversal of costs for rent and leases of Euro 194 thousand. The total effect on the statement of profit/(loss) for the year (net of deferred tax liabilities of Euro 7 thousand) was an increase in the profit for the year of Euro 6 thousand.

2.5.6. Doxee USA Call/Put Option

The measurement of the options held on the remainder or part of a subsidiary in accordance with the International Accounting Standards is governed by IFRS 10, IAS 32 and IFRS 9.

Specifically, where the options provide the buyer with a present ownership interest, the minority interests are presented in the financial statements in the amount of the investment covered by the option. Conversely, the statement of financial position will contain a financial payable equal to the present value of the strike price at the exercise date of the option.

Doxee S.p.A. controls Doxee USA, holding an investment of 51%. It has a call option on the remaining 49% held by Simest, on which Simest, conversely, has a put option. Both the options described can be exercised by June 30, 2024. The purchase price is set by contract.

In accordance with the international accounting standards, the Company has not recorded Capital and reserves attributable to minority interests in the Consolidated Financial Statements.

The application of the above resulted in the following entries at December 1, 2021:

- Increase in non-current liabilities for an amount of Euro 997 thousand;
- Recognition of Deferred tax liabilities of Euro 29 thousand;
- Decrease in Equity of Euro 1,026 thousand, net of taxes.

The adoption of the above resulted in the following entries at December 31, 2021:

- Increase in non-current liabilities for an amount of Euro 1,032 thousand;
- Decrease in deferred tax liabilities of Euro 8 thousand;
- Increase in financial charges for an amount of Euro 34 thousand;

The total effect on the statement of profit/(loss) for the year (net of deferred tax liabilities of Euro 8 thousand) was a decrease in the profit for the year of Euro 26 thousand.

STATEMENTS OF RECONCILIATION OF THE STATEMENT OF FINANCIAL POSITION
AT JANUARY 1, 2021 AND DECEMBER 31, 2021

Statements of reconciliation of the statement of financial position as of January 1, 2021

Balance sheet	Notes	Balance Sheet according to OIC at January 1, 2021	RECLASSIFICATIONS	RESTATEMENTS	Balance Sheet according to IAS/IFRS at January 1, 2021
Non-current assets					
Other tangible assets		768	36	-	804
Development costs		3,550	-	-	3,550
Work in progress and payments on account		5,281	-	-	5,281
Other intangible assets	1.5.1	1,118	-36	-567	515
Right-of-use assets	1.5.5	-	-	472	472
Non-current financial assets	1.5.2	161	-	-153	9
Deferred tax assets		205	-	206	411
Other Non-current Assets		652	-	-	652
Total non-current assets		11,736	-	-42	11,694
Current assets					
Trade receivables		7,579	-	-	7,579
Other receivables		1,506	-	-	1,506
Cash and cash equivalents and short-term deposits		3,214	-	-	3,214
Total current assets		12,300	-	-	12,300
Total assets		24,035	-	-42	23,994
Equity and liabilities					
Equity					
Share capital		1,598	-	-	1,598
Share premium reserve		3,008	-	-	3,008
Other reserves		5,944	-	-	5,944
FTA reserve		-	-	-1,585	-1,585
Employee benefits reserve	1.5.3	-	-	-118	-118
Currency translation reserve		423	-	-	423
Cash flow hedge reserve		-7	-	-	-7
Retained earnings/(Accumulated losses)	1.5.5	-4,267	-	9	-4,258
Net profit/loss of the year		-	-	-	-
Total Group Shareholders' Equity		6,700	-	-1,694	5,006
Minority interests in shareholders' funds		32	-	-2	30
Minority interests in net profit/loss of the year		-	-	-	-
Total Minority interests' Equity		32	-	-2	30
Total Equity		6,732	-	-1,696	5,036
Non-current liabilities					
Non-current loans and financing	1.5.6	3,300	-	997	4,298
Non-current lease liabilities	1.5.5	-	-	358	358
Non-current public grants		1,806	-	-	1,806
Net liabilities for employee benefits	1.5.3	1,338	-	155	1,492
Deferred tax liabilities		2	-	31	33
Total Non-current Liabilities		6,446	-	1,541	7,987
Current liabilities					
Loans and financing		2,778	-	-	2,778
Current lease liabilities	1.5.5	-	-	113	113
Other current financial receivables		9	-	-	9

Trade payables and other payables	7,076	-	-	7,076
Tax payables	566	-	-	566
Public grants	428	-	-	428
Total Current Liabilities	10,857	-	113	10,970
Total Equity and Liabilities	24,035	-	-42	23,994

Statements of reconciliation of the statement of financial position at December 31, 2021

Balance sheet	Notes	Balance Sheet in accordance with OIC at December 31, 2021	RECLASSIFICATION	RESTATEMENT	Balance Sheet in accordance with IAS/IFRS at December 31, 2021
Non-current assets					
Other tangible assets		663	55	-	718
Development costs		6,772	-	-	6,772
Work in progress and payments on account		3,862	-	-	3,862
Other intangible assets	1.5.1	798	-55	-383	360
Right-of-use assets	1.5.5	-	-	684	684
Non-current financial assets	1.5.2	156	-	-153	4
Deferred tax assets		192	-	171	363
Other Non-current Assets		246	-	-	246
Total non-current assets		12,690	-	319	13,009
Current assets					
Trade receivables		9,830	-	-	9,830
Other receivables		2,481	-	-	2,481
Cash and cash equivalents and short-term deposits		5,848	-	-	5,848
Total current assets		18,159	-	-	18,159
Total assets		30,849	-	319	31,168
Equity and liabilities					
Equity		-	-	-	-
Share capital		1,770	-	-	1,770
Share premium reserve		5,645	-	-	5,645
Other reserves	1.5.6	5,489	-	15	5,504
FTA reserve		-	-	-1,585	-1,585
Employee benefits reserve	1.5.3	-	-	-179	-179
Currency translation reserve		111	-	-	111
Cash flow hedge reserve		-1	-	-	-1
Retained earnings/(Accumulated losses)		-4,283	-	8	-4,275
Net profit/loss of the year		1,667	-	127	1,795
Total Group Shareholders' Equity		10,397	-	-1,613	8,784
Minority interests in shareholders' funds		24	-	-3	22
Minority interests in net profit/loss of the year		-22	-	1	-21
Total Minority interests' Equity		2	-	-2	1
Total Equity		10,399	-	-1,615	8,784
Non-current liabilities					
Non-current loans and financing	1.5.6	4,988	-	1,032	6,019
Non-current lease liabilities	1.5.5	-	-	491	491
Other non-current liabilities		22	-	-	22
Provisions for risks and charges		-	-	-	-
Non-current public grants	1.5.3	1,781	-	-	1,781
Net liabilities for employee benefits		1,523	-	196	1,718
Deferred tax liabilities		-	-	22	22

Total Non-current Liabilities	8,313	-	1,740	10,052
Current liabilities				
Loans and financing	2,458	-	-	2,458
Current lease liabilities	1.5.5	-	194	194
Other current financial receivables	2	-	-	2
Trade payables and other payables	8,562	-	-	8,562
Tax payables	540	-	-	540
Public grants	575	-	-	575
Total Current Liabilities	12,137	-	194	12,331
Total Equity and Liabilities	30,849	-	319	31,168

Statement of reconciliation of the profit/(loss) by nature for the year at December 31, 2021

Income Statement	Notes	Statement of profit/(loss) for the year in accordance with the OIC reclassified in accordance with the IFRS at December 31, 2021	RECLASSIFICATIONS	RESTATEMENTS	Statement of profit/(loss) for the year in accordance with IAS/IFRS at December 31, 2021
Revenues from contracts with clients		20,847	-	-	20,847
Other revenues and income		633	-	-	633
Internally generated fixed assets		2,136	-	-	2,136
Raw materials and consumables		-397	-	-	-397
Services costs	1.5.5	-9,548	-	185	-9,363
Costs for employee benefits	1.5.3 - 1.5.4	-8,001	-	31	-7,971
Other operating costs		-399	-	-	-399
Amortization of intangible assets	1.5.1	-3,296	12	193	-3,091
Depreciation of tangible assets		-256	-12	-	-267
Depreciation of rights-of-use	1.5.5	-	-	-188	-188
Financial income		45	-	-	45
Financial expenses	1.5.5 – 1.5.3 – 1.5.6	-250	-	-46	-296
Foreign exchange gains and losses		311	-	-	311
Profit before tax from continuing operations		1,825	-	174	2,000
Income taxes		-180	-	-46	-226
- Current taxes		-266	-	-	-266
- Deferred tax assets		84	-	-55	29
- Deferred tax liabilities		2	-	9	11
Profit for the year		1,646	-	128	1,774
Profit attributable to:					
Ordinary shareholders of the parent		1,667			1,795
Minority interests		-21			-21

3. SCOPE OF CONSOLIDATION

These consolidated financial statements were drawn up based on the income statements and statements of financial position at December 31, 2022 of the consolidated companies, drawn up in accordance with the IAS/IFRS standards of the Group.

The consolidated companies and the percentage of direct or indirect ownership by Doxee S.p.A. are listed below.

Doxee S.p.A. - Parent

Registered office: Modena, Italy

Reporting currency: Euro

Share capital: Euro 1,913,750.19 – fully paid-up

Equity at 12/31/2022: Euro 16,113,839.00

Profit for the period at 12/31/2022: Euro 524,046.00

Status: Parent Company

Doxee USA Inc.

Registered office: Fort Lauderdale, Florida, United States of America

Reporting currency: US dollar

Share capital: Euro 37,188 – fully paid-up

Equity at 12/31/2022: Euro (4,156,160.00)

Profit for the period at 12/31/2022: Euro 229,170.00

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 12/31/2022: Euro 364,867.00

Profit for the period at 12/31/2022: Euro 106,405.00

Status: Slovak subsidiary

Direct ownership share: 100%

Doxee Czech s.r.o.

Registered office: Prague, Czech Republic

Reporting currency: Czech koruna

Share capital: Euro 9,252.00 – fully paid-up

Equity at 12/31/2022: Euro 382,406.13

Profit for the period at 12/31/2022: Euro 15,173.93

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 12/31/2022: Euro 135,764.00

Profit (Loss) for the period at 12/31/2022: Euro 61,983.00

Status: Italian subsidiary

Direct ownership share at December 31, 2021: 91.07%

Indirect ownership share: 0%

The percentage of ownership increased from 91.07% to 100% in February 2023 following the transfer of the remaining 8.93% interest subject to a call option.

Doxee Cee GmbH

Registered office: Vienna, Austria

Reporting currency: Euro

Share capital: Euro 35,000,000 – fully paid-up

Equity at 12/31/2022: Euro 13,205.50

Loss for the period at 12/31/2022: Euro – 4,294.50

Status: Austrian subsidiary

Direct ownership share: 100%

Infinica GmbH

Registered office: Vienna, Austria

Reporting currency: Euro

Share capital: Euro 36,000.00 – fully paid-up

Equity at 12/31/2022: Euro 502,680.00

Profit for the period at 12/31/2022: Euro 15,597.00

Net profit for the period attributable to the Group (10/01/2022 – 12/31/2022): Euro 293,511.14

Status: Austrian subsidiary

Direct ownership share at December 31, 2022: 90.00%

Indirect ownership share: 0%

The investment was acquired on September 29, 2022, with an option right to be exercised in two tranches on the remaining 10%, as explained in greater detail hereinafter.

Infinica DE

Registered office: Germany

Reporting currency: Euro

Share capital: Euro 25,000.00 – fully paid-up

Equity at 12/31/2022: Euro 44,673.00

Profit for the period at 12/31/2022: Euro 55,999.00

Net profit for the period attributable to the Group (10/01/2022 – 12/31/2022): Euro 178,934.76

Status: Italian subsidiary

Direct ownership share at December 31, 2022: 100.00%-owned by Infinica GmbH

Indirect ownership share: 100%

The investment was acquired on September 29, 2022, with an option right to be exercised in two tranches on the remaining 10%, as explained in greater detail hereinafter.

Infinica SK

Registered office: Czech Republic

Reporting currency: Euro

Share capital: Euro 5,000.00 – fully paid-up

Equity at 12/31/2022: Euro 47,663.00

Profit for the period at 12/31/2022: Euro 25,685.00

Net loss for the year attributable to the Group (10/01/2022 – 12/31/2022): Euro – 54,886.43

Status: Italian subsidiary

Direct ownership share at December 31, 2022: 100.00%-owned by Infinica GmbH

Indirect ownership share: 100.00%

The investment was acquired on September 29, 2022, with an option right to be exercised in two tranches on the remaining 10%, as explained in greater detail hereinafter.

4. GOING CONCERN ASSUMPTION

The consolidated financial statements of the Doxee Group S.p.A. have been prepared with a view to the company as a going concern. The Directors explained in the specific section on risks of the report on operations, to which reference is made, what they believe are the company risks and the Group's ability to continue conducting business in the foreseeable future, which includes at least the 12 months following the approval date of the consolidated financial statements.

It is specified that, with regard to potential impacts of the war in Ukraine, the Directors deem that there are no significant risks on the Company's business sector or model for the next year. Therefore, currently, no events or conditions are foreseen that could result in significant doubts regarding the company's ability to continue as a going concern or to fulfill its commitment in the next 12 months.

During 2022, the Company incurred considerable outlays for the acquisition of Infinica GmbH, partly financing the operation using equity and partly by taking out new loans for a total amount of Euro 6,000,000. Those loans, whose interest rate risk was hedged using derivative products, have a duration of 6 to 8 years, in addition to the grace period, and are a sustainable charge for the company, considering the increased expected cash flows in future years deriving from a lower volume of investments and an increase in profitability.

5. CONSOLIDATION AND CONVERSION PRINCIPLES

The Consolidated Financial Statements of the Doxee Group were prepared using the financial statements of the individual companies included in the scope of consolidation prepared by the respective corporate bodies in accordance with the international accounting standards IFRS.

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 Statement of Financial Position 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 recognized as a result of the plus/minus amounts allocated to the items. Any excess resulting from such allocation:

- if positive, shall be recognized in a line item within assets, named "goodwill", as long as it meets the relevant recognition requirements, in accordance with the international accounting standard IFRS 3 "Business Combinations" (otherwise, if part or all of the excess does not correspond to a higher value of the investee, it is recognized in profit or loss);

- if negative, shall be recognized in a line item within equity named "consolidation reserve", unless part or all of it refers to expectations of unfavorable financial performance (in this case,

the Group shall recognize a specific “Consolidation provision for future risks and charges” within consolidated liabilities).

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

- the assets, liabilities, costs, expenses, revenues, and income of the companies included in the scope of consolidation are fully included in the Consolidated Financial Statements, regardless of the percentage of ownership of the parent company;
- the dividends, revaluations, and write-downs of interests in the companies included the scope of consolidation, as well as the gains and losses resulting from intragroup sales of said interests, are eliminated;
- all equity transactions between the Group and entities exercising their rights and duties as owners are recognized 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 recognized 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 realized 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 IAS 21;
 - 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 December 31, 2021

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

as at December 31, 2022

US dollar	Annual average rate 1.0530	Spot rate at December 31, 2022 1.0666
Czech koruna	Annual average rate 24.5659	Spot rate at December 31, 2022 24.1160

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

6. ACCOUNTING STANDARDS AND VALUATION CRITERIA APPLIED

General principles of preparation

The Consolidated Financial Statements have been prepared on a going concern basis, with the presentation currency of Euro, and the amounts shown rounded up/down to whole Euro, including, unless otherwise indicated, the amounts shown in the accompanying notes.

The general principle adopted in preparing these consolidated financial statements is historical cost, with the exception of derivative financial instruments, measured at fair value.

The most significant accounting standards adopted in preparing these consolidated financial statements are as follows:

Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the sum of the consideration transferred valued at fair value at the acquisition date and the amount of any minority interests in the acquiree. For each business combination, the acquirer must measure any minority interests in the acquired company at fair value or as a proportion of the minority interests in the net identifiable assets of the acquiree. The acquisition costs are charged to administrative expenses.

At the acquisition date, the identifiable assets acquired and liabilities assumed are recognized at fair value, with the exception of deferred tax assets and liabilities, assets and liabilities for employee benefits, liabilities or equity instruments relating to share-based payments of the acquired company or share-based payments issued in substitution of contracts of the acquired company, and assets (or groups of assets and liabilities) held for sale, which, instead, are valued in accordance with their reference standard.

Any contingent consideration must be recognized by the acquirer at fair value at the acquisition date and classified in accordance with the provisions of IFRS 9.

Goodwill is initially measured at the cost that arises as the amount in excess of the sum of the considerations transferred in the business combination, the value of equity pertaining to minority interests and the fair value of any investment previously held in the acquired company, over the fair value of the net assets acquired and liabilities assumed at the

acquisition date. If the value of the net assets acquired and liabilities assumed at the acquisition date exceeds the sum of the considerations transferred, the value of equity pertaining to minority interests and the fair value of any investment previously held in the acquired company, that excess is immediately recognized in the income statement as income deriving from the transaction concluded.

The portion of equity pertaining to minority interests at the acquisition date may be measured at fair value or at the pro-rata amount of the value of the net assets recognized for the acquired company. The valuation method is chosen on a transaction-by-transaction basis.

Any contingent considerations under the business combination agreement are measured at fair value at the acquisition date and included in the value of the considerations transferred in the business combination in order to determine goodwill. Any subsequent changes in that fair value, which can be classified as adjustments arising in the measurement period, are retrospectively included in goodwill. Changes in fair value that can be classified as adjustments arising in the measurement period are those resulting from more information on facts and circumstances that existed at the acquisition date, obtained during the measurement period (which cannot exceed the period of one year from the business combination). In business combinations achieved in stages, the investment previously held in the acquired company is revalued at fair value at the date of acquisition of control, and any resulting gains or losses are recognized in the income statement. Any values deriving from the previously held investment, recognized in Other comprehensive income (loss) are reclassified in the income statement as if the investment was sold.

If the opening values of a business combination are incomplete at the reporting date for the year in which the business combination occurred, the provisional amounts of the elements for which recognition cannot be completed are recognized in the consolidated financial statements. Those provisional values are adjusted during the measurement period to take account of the new information obtained on the facts and circumstances existing at the acquisition date which, if known, would have affected the value of the assets and liabilities recognized at that date.

Transactions in which the controlling company acquires or sells additional minority stakes without changing the control exercised are transactions with shareholders and, therefore, their effects must be recognized at equity: there will be no adjustments to the value of goodwill or gains or losses recognized in the income statement.

Accessory charges to business combinations are recognized in the income statement in the period in which they are incurred.

Tangible assets

Tangible assets are composed of:

- Cellphones
- General plant
- Equipment
- Office furniture
- Office machines
- Hardware

Tangible assets are recognized at purchase or production cost, including directly attributable accessory charges necessary to put into operation the asset to which they refer.

The cost is decreased by depreciation and any impairment. Depreciation is calculated using percentages that reflect the economic and technical deterioration of the asset, and is calculated starting from the moment the asset is available for use.

A large portion of tangible assets that have different useful lives are accounted for separately and depreciated based on their useful lives. The useful lives and residual values are revised annually on the closing of the separate financial statements.

Charges incurred for ordinary maintenance and repairs are directly posted to the income statement for the year in which they are incurred.

Gains and losses deriving from sales or disposals of tangible assets are determined as the difference between the sales revenue and the net book value of the asset, and are posted to the income statement for the year.

The classes of useful lives of tangible assets are as follows:

- Cellphones: 8 years
- General plant: 11 years
- Equipment: 4 years
- Office furniture: 8 years
- Office machines: 5 years
- Hardware: 4 years.

The duration of lease contracts for hardware reclassified among Tangible Assets is illustrated below:

- FAS2720A Hardware: 44 months
- Bundle Dell: 53 months
- DP3 Storage: 52 months
- Fortigate 500 EN: 28 months
- Dell Server: 30 months
- Capacitive storage and Bundles: 60 months

Goodwill

Goodwill is recognized as an asset with an indefinite useful life and is not amortized. Rather, each year, or more frequently if there is an indication that specific events or changed circumstances could have caused impairment, it is subject to impairment testing. Impairment is immediately recorded in the income statement and is not subsequently written back. After initial recognition, goodwill is measured net of any cumulative impairment losses.

In impairment testing, the goodwill acquired in a business combination is allocated, from the acquisition date, to each single cash-generating unit or groups of cash-generating units that are expected to benefit from the synergies of the business combination, regardless of the fact that other assets or liabilities related to the acquired entity are allocated to those CGUs or groups of CGUs.

Each CGU or Group of CGUs to which goodwill is allocated:

- represents the lowest level at which goodwill is monitored for internal management purposes;

- is no larger than the segments that can be identified for segment reporting.

Any impairment is identified by comparing the book value of the cash-generating unit with its recoverable amount. If the recoverable amount of the CGU is lower than the carrying amount attributed, the related impairment will be recognized. That impairment loss is not written back if the reasons that generated it cease to exist.

If the goodwill has been allocated to a cash-generating unit (CGU) and the entity disposes of part of this unit, the goodwill associated with the unit sold must be included in the book value of the asset when the gain or loss on disposal is determined. The goodwill associated with the disposed asset must be determined on the basis of the values relating to the disposed asset and the part of the CGU that was maintained.

Intangible assets with a finite useful life

Intangible assets with a finite useful life are valued at the purchase or production cost, net of amortization and accumulated impairment. Amortization is proportional to the period of the expected useful life of the fixed asset, and starts when the asset is available for use. Useful lives are reviewed annually and any changes are applied prospectively.

Each time reasons arise that make it appropriate, intangible assets with a finite useful life are subject to impairment testing.

Amortization rates

Development costs: 5 years

Patents: 10 years

Concessions, licenses and similar rights: 18 years

Impairment of assets

At least once a year, it is tested whether assets and/or cash-generating units ("CGU") to which the assets have suffered impairment. If there is evidence of such impairment, the recoverable amount of the asset/CGU is estimated. Goodwill and other intangible assets with an indefinite useful life are subject to impairment testing annually, or more frequently when there is evidence that the asset may have suffered impairment.

The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and its value in use. The value in use is determined by i) estimating "the income and outgoing future cash flows that will derive from the continuing use of an asset and its final disposal", and ii) applying "the appropriate discount rate to those future cash flows", specifically using the WACC (Weighted Average Cost of Capital) calculated according to normal practices. The projections of expected cash flows are based: i) on the most recent budgets/forecasts approved by the company's management, and ii) on reasonable and sustainable assumptions.

When it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

In the event that the recoverable amount of an asset (or of a cash-generating unit) is less than its book value, the book value is decreased to the recoverable amount and the loss is posted to the income statement. Subsequently, if the impairment of a fixed asset, other than goodwill, no longer applies or is reduced, the book value of the asset (or the cash-generating unit) is increased up to the new estimate of the recoverable amount (which, in any event, cannot exceed the net carrying amount that the asset would have if no write-downs due to impairment had been recognized). That write-back is immediately recorded in the income statement.

Leases – Rights-of-use

At the date when the assets covered by the lease contract are available for use by the Company, the lease contracts are recorded as rights-of-use in the assets, with a financial liability as an offsetting entry.

The cost of the lease payment is broken down into its components of financial charge, which is recorded in the income statement over the term of the contract, and repayment of principal, recorded as a decrease in the financial liability. The right-of-use assets are amortized monthly on a straight-line basis, in the shorter period of the useful life of the asset and the term of the contract.

Right-of-use assets and financial liabilities are initially measured at the present value of the future payments.

The present value of lease liabilities includes the following payments:

- fixed payments;
- variable payments based on an index or interest rate;
- exercise price of redemption option, if it is reasonably certain that the option will be exercised;
- payment of penalties for terminating the contract, if it is reasonably certain that the option to terminate the contract will be exercised;
- optional payments following the period in which cancellation is not permitted, if it is reasonably certain that the contract will be extended beyond the period in which cancellation is not permitted.

The lease liability is initially recognized at the present value of future payments at the start date of the contract, discounted at the implicit interest rate of the lease. If that rate cannot be readily determined, the interest rate used will be the incremental rate of indebtedness of the lessee.

The incremental borrowing rate is defined as the rate of interest that a lessee would have to pay to borrow through a contract with a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Specifically, to estimate the incremental borrowing rate, the Company used as reference the interest rate of government securities with a similar duration as the duration of the leases, as well as the credit spread taken from the loans obtained.

The right-of-use assets are valued at cost, which is composed of the following elements:

- initial amount of the lease liability;
- payments made before the start of the contract, net of lease incentives received;
- directly attributable accessory charges;
- estimated costs for dismantling or restoration.

The lease payments associated with the following types of lease contracts are recognized to the income statement on a straight-line basis over the terms of their contracts:

- contracts with a term of less than 12 months for all asset classes;
- contracts whose underlying asset is a low-value asset, i.e., the unit value of the underlying assets does not exceed Euro 5 thousand when new;
- contracts for which the payment for the right-of-use of the underlying asset varies depending on changes in facts or circumstances (not linked to the performance of sales), which cannot be forecast at the initial date.

Investments

Investments in subsidiaries are valued at cost, including directly attributable charges, possibly written down due to impairment. The positive differences arising on the purchase of the investments between the price and the corresponding shares of equity are maintained in the carrying amount of the investments.

Where there is evidence that the investments may have suffered impairment, they are subject to impairment testing and written down, if necessary. In order for the impairment to be charged to the income statement, there must be objective evidence that events have occurred that impact estimated future cash flows of the investments. The original value is restored in subsequent years, should the reasons for the write-downs no longer hold true.

Control

Subsidiaries are those companies over which Doxee S.p.A. exercises control, having the direct or indirect power to determine the financial and operating policies and to obtain the benefits of the operations of these companies. In general, companies in which Doxee holds over 50% of voting rights, also taking account of potential voting rights which cannot be currently exercised, are considered subsidiaries.

Investments in associates

An associate is an enterprise over which significant influence, but not control or joint control, is exercised, by participating in decisions on the financial and operational policies of the investee. Those investments are valued at cost, including directly attributable charges, possibly written down due to impairment.

Investments in other companies

Based on IFRS 9, investments in other companies are classified under non-current assets, initially valued at purchase cost, and subsequently measured at fair value. Considering the specific investments, as well as their low value, it was decided that any cost written down due to impairment, in any event, represent an acceptable approximation of the fair value, and any differences are insignificant for fair representation in the financial statements.

Non-current financial assets

Non-current financial assets other than investments, equivalent to financial liabilities, are recorded in accordance with IFRS 9.

This valuation category includes equity instruments for which the Company – at the time of initial recognition or transition – exercised the irrevocable option to present the gains and losses from changes in fair value in equity (FVOCI). “Other financial assets at fair value through other comprehensive income” are classified under non-current assets.

These are initially recognized at fair value, including the transaction costs directly attributable to the acquisition.

They are subsequently measured at fair value, and the gains and losses from changes in fair value are recognized in a specific equity reserve. That reserve will not be reversed to the income statement. If the financial asset is sold, the deferred amount in equity is reclassified to retained earnings.

Dividends deriving from those financial assets are recognized in the income statement when the right to receive them arises.

Loans and receivables not held for trading and assets held to maturity are valued at amortized cost, using the effective interest rate method. When the financial assets have no fixed maturity, they are valued at purchase cost. Tests are regularly conducted to verify whether there is

objective evidence of impairment of financial assets. If there is objective evidence, the impairment must be recognized as a cost in the income statement for the period.

Financial instruments

A financial instrument is any contract generating a financial asset for an entity and a financial liability or an equity instrument for another entity.

Derivative financial instruments

The company uses interest rates swaps to hedge the risk of fluctuations in interest rates. Those derivative financial instruments are initially recognized at fair value at the date on which the derivative contract is entered into, and subsequently are once again measured at fair value. Derivatives are recorded as financial assets when their fair value is positive and as financial liabilities when their fair value is negative.

Receivables

Receivables are initially recognized at fair value, normally represented by the consideration agreed or the present value of the amount to be collected. They are subsequently valued at amortized cost, decreased in the event of impairment. The amortized cost is calculated using the effective interest rate criterion, which is equal to the discount rate which, applied to future cash flows, renders the present book value of those flows equal to the initial fair value.

Receivables in currencies different from the functional currency of the single entities are adjusted at the period-end exchange rates, with an offsetting entry in the income statement. Receivables are eliminated where the right to receive the cash flows is eliminated, when all the risks and benefits connected with holding the receivable have substantially been transferred, or when the receivable is considered definitively irrecoverable after all the necessary recovery procedures have been carried out. At the time the receivable is written off, the related provisions are also reversed, if the receivable had been previously written down.

Payables

Payables are initially recognized at fair value, normally represented by the consideration agreed or the present value of the amount to be paid. They are subsequently valued at amortized cost. The amortized cost is calculated using the effective interest rate criterion, which is equal to the discount rate which, applied to future cash flows, renders the present book value of those flows equal to the initial fair value. Payables in currencies different from the functional currency of the single entities are adjusted at the year-end exchange rates, with an offsetting entry in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash, bank current accounts, postal current accounts, demand deposits and other short-term, highly liquid financial investments which can be readily converted into cash and are subject to an insignificant risk of changes in value.

Financial payables

Financial liabilities include financial payables, including payables of the deferred portion of the price for assignment of receivables with recourse, as well as other financial liabilities.

Financial liabilities different from derivative financial instruments are initially recognized at fair value less transaction costs. Subsequently, they are valued at amortized cost, i.e. the

initial value, less repayments of principal already made, adjusted (upwards or downwards) based on the amortization (using the effective interest rate method) of any differences between the initial value and the value on maturity.

Employee benefits

The portion of premiums paid for defined contribution plans accrued during the year is recognized in the income statement.

Up to December 31, 2006, employee severance indemnity was considered as a defined benefit plan. The rules for those provisions were changes by Italian Law no. 296 of December 27, 2006 ("2007 Budget Law") and subsequent Decrees and Regulations issued in the early months of 2007. In light of these amendments, and in particular with reference to companies with at least 50 employees, employee severance indemnity is currently considered a defined benefit plan solely for the portions accrued prior to January 1, 2007 (and not yet liquidated as of the reporting date), whereas after said date it is deemed akin to a defined contribution plan.

Defined benefit pension plans, which also include the employee severance indemnity due to employees pursuant to article 2120 of the Italian Civil Code, are based on the length of service of employees and on the remuneration received by the employees over a specific period of service. Specifically, the liability representing the benefit due to employees based on defined benefit plans is recognized in the financial statements at its actuarial value.

Recognizing defined benefit plans in the financial statements requires estimating, using actuarial techniques, the benefits accrued by employees in exchange for their service provided in the current year and in previous years and discounting those benefits to determine the present value of the entity's obligations. The present value of obligations are determined by an independent actuary using the Projected Unit Credit Method. That method considers each period of service provided by workers at the company as a unit of additional rights: thus, the actuarial liability must be quantified based only on the seniority accrued at the valuation date. Therefore, the total liability is usually reportioned based on the ratio of the years of service accrued at the reference date of the valuations to the overall seniority achieved at the time the benefit is expected to be liquidated. Moreover, that method considers future salary increases, for any reason (inflation, promotion, renewal of contracts, etc.), up to the time the employment is terminated.

The cost for defined benefit plans accrued during the year and recognized in the income statement as part of personnel costs equals the sum of the average present value of the rights accrued by employees present for their service provided during the year and the annual interest accrued on the present value of the entity's obligations at the beginning of the year, calculated using the discount rate of the future outlays adopted to estimate the liability at the end of the previous year. The annual discount rate adopted for these calculations is assumed to be equal to the market rate at the period-end for zero coupon bonds with maturities equal to the average remaining life of the liability.

The amount of actuarial gains and losses deriving from changes in the estimates made is posted to the income statement.

Share capital and treasury shares

If treasury shares are purchased, the portion of the price paid, inclusive of any directly attributable accessory costs, referring to the nominal value of the shares and the portion exceeding the amount of equity is deducted from the share capital. When treasury shares are resold or re-issued, the portion of the price collected referring to the nominal value of the shares and the portion exceeding the amount of equity relating to the proceeds, net of any directly attributable accessory costs and related tax effect, is posted as share capital.

Equity-settled transactions.

Some employees of the Group (including executives) receive a portion of their remuneration as share-based payments. Therefore, employees provide services in exchange for shares.

The cost of equity-settled transactions is determined by the fair value at the date of assignment. That cost, together with the corresponding increase in equity, is recognized under personnel costs for the period in which terms and conditions related to the achievement of targets and/or the performance of the services are fulfilled.

Cumulative expenses, recognized in relation to these transactions at the reporting date of each financial year, until the maturity term, are proportionate to the maturity date and the best estimate of the number of equity instruments that will be effectively accrued. Costs or revenues in the statement of profit/(loss) for the year represent the change in the cumulated cost recognized at the beginning and the end of the year.

Service or performance conditions are not taken into account when the fair value of the plan is defined at the assignment date. The probability that these conditions will be satisfied is however taken into account while defining the best estimate of the number of equity instruments that will be held to maturity. Market conditions are reflected in the fair value at the assignment date. Any other term and condition related to the plan and that would not entail a performance obligation, shall not be considered as a vesting condition. Non-vesting conditions are reflected in the fair value of the plan and entail the prompt accounting of the expense related to the plan, unless there are also service or performance conditions.

No expense will be recognized in relation to rights that have not been accrued by reason of the non-satisfaction of performance and/or service obligations. When the rights include a market condition, or a non-vesting condition, these rights are considered as if they have been accrued regardless of whether market conditions or other non-vesting conditions have been fulfilled, without prejudice to the fact that all other performance and/or service obligations must be satisfied.

If the conditions of the plan are modified, the minimum expense to be recognized is measured at fair value at the assignment date, in the absence of a change to the plan itself, provided that the original conditions of the plan are fulfilled. Moreover, an expense for each change is recognized if it entails the increase in total fair value of the payment plan, or if this change is in any case favorable for employees. This expense is measured with reference to the change date. When a plan is cancelled by the entity or the counterpart, any remaining fair value element in the plan is immediately charged to income statement.

Provisions for future risks and charges

These are allocations deriving from current (legal or implicit) obligations relating to a past event, the fulfillment of which is likely to require the use of resources whose amount can be reliably estimated. Where the resources are expected to be used beyond the financial year, the obligation is recognized at the present value, determined by discounting the expected future cash flows at a rate that also takes account of the cost of money and the risk of the liability.

Allocated provisions are reviewed at each reporting date and adjusted, if necessary, to reflect the best current estimate. Any changes in estimates are reflected in the income statement in the period in which they occur.

Risks that may only possibly give rise to a liability are mentioned in the notes, without allocating any amounts.

Revenues from contracts with clients

Revenues deriving from contracts with clients are recognized based on the following steps:

- (i) identifying the contract with the client
- (ii) identifying the performance obligations to be transferred to the client in exchange for the consideration;

- (iii) identifying the consideration for the contract;
- (iv) allocating the consideration to the single performance obligations;
- (v) recognizing the revenue when the specific performance obligation has been met.

Revenues are recognized in an amount that reflects the consideration that the Company deems it is entitled to on fulfilling the performance obligation, by transferring the goods or services when the client acquires control thereof.

Grants

Grants from the government or other entities, recognized both as direct grants or as tax benefits, are recorded under other income in other liabilities at the moment that it is reasonably certain that they will be obtained, or it is certain that all the obligations to obtain them have been fulfilled. Grants are transferred to the income statement as income systematically, on an accruals basis, i.e. at the time the costs arise for which the grants were provided (capital grants).

Operating grants are posted to the income statement at the time that all the conditions of recognition are fulfilled, or when it is certain that they will be recognized as an offsetting entry to the costs for which the grants were disbursed.

Interest income

Interest income is recorded in the income statement on an accruals basis, according to the effective rate of return method. This refers mainly to bank current accounts.

Dividends

Dividends received are recognized in the income statement when the right to receive them arises, which normally occurs at the time of the shareholders' meeting to distribute dividends.

Cost recognition

All costs are recognized on an accruals basis, and are posted net of returns, discounts, rebates and premiums, as well as recoverable taxes directly associated with the purchase of products or the receipt of the services provided.

Transactions in foreign currency

Revenues and income, costs and charges relating to operations in foreign currency are determined at the exchange rate on the date on which the related transaction was executed.

Interest expense

Interest expense is recognized applying the accruals principle, based on the amount financed and the effective interest rate applicable.

Income taxes

Taxes for the year represent the sum of current taxes and deferred tax assets and liabilities.

Current taxes are based on the taxable income for the year. Taxable income differs from the profit (loss) reported in the income statement, as it excludes positive and negative components that will be taxable or deductible in other years and also excludes items which will never be taxable or deductible. Liabilities for current taxes are calculated using the tax rates in force or effectively in force at the reporting date or, where known, those that will be in force at the time the asset is sold or the liability is extinguished.

Deferred tax assets and liabilities are allocated according to the liability method, i.e., they are calculated on all the temporary differences arising between the value determined for tax purposes of the assets and liabilities and the related book value in the Company's financial statements. Deferred tax liabilities are not recognized on assets that do not influence the taxable income.

The recoverability of deferred tax assets is verified at each year end, and any portion which

is no longer likely to be recovered is posted to the income statement.

For the purpose of recognizing the deferred tax assets, an estimate of the probability that there will be future taxable income sufficient to recover these assets is carried out.

Estimation of fair value

The fair value of financial instruments listed on an active market is determined based on the market listings at the reporting date. The reference market price for financial assets held is the current sale price (purchase price for financial liabilities).

The fair value of financial instruments that are not traded on an active market is determined using valuation techniques and the assumptions underlying the market conditions existing at the reporting date. For medium and long-term liabilities, comparison is made with the prices of similar listed financial instruments, while for other categories of financial instruments, the cash flows are discounted.

The fair value of IRS is determined by discounting the estimated cash flows deriving from the IRS at the reporting date. For receivables, it is assumed that the par value, net of any adjustments made to take account of their recoverability, approximates the fair value. The fair value of financial liabilities for the purpose of disclosure is determined by discounting the cash flows from the contract at an interest rate that approximates the market rate at which the entity borrows.

Fair value measurement

The classification of financial instruments measured at fair value is shown below, based on the fair value hierarchy set out in IFRS 13, which reflects the significance of the inputs used to determine the fair value. The following levels of fair value are set out:

Level 1 – quoted prices (unadjusted) recognized on active markets for the assets or liabilities measured;

Level 2 – inputs other than quoted prices as per the previous point, that are observable on the market, either directly (as in the case of prices) or indirectly (as in deriving from prices);

Level 3 – inputs that are not based on observable market data.

Impairment of assets

The Group's tangible and intangible assets are subject to impairment testing on an annual basis, if they have an indefinite useful life, or more often in the event of events that give rise to the belief that the recognition value in the financial statements cannot be recovered. Write-downs are determined by comparing the recognition value with the related recoverable value, represented by the higher of the fair value, net of costs to sell, and the value in use, determined by discounting the expected cash flows deriving from the use of the asset, net of costs to sell. The expected cash flows are quantified in light of the information available at the time of the estimation, based on subjective judgments of the performance of future variables (prices, costs, growth rates in demand and production aspects) and are discounted using a rate that takes account of the risk inherent in the asset in question. Goodwill and other intangible assets with indefinite useful life are not amortized. The recoverability of their recognition value is tested at least annually, and, in any event, when events arise that may indicate impairment. With regard to goodwill, the test is conducted at the level of the smallest cash generating unit ("CGU") based on which the company management directly or indirectly assesses the return on the investment that includes the goodwill. When the recognition value of the cash generating unit, including the goodwill attributed to it, exceeds the recoverable value, the difference is written down, granting priority to goodwill to the limit of its amount. Any excess of the write-down in relation to goodwill is posted pro-rata to the book value of the assets comprising the cash generating unit.

Climate change

With regard to climate change, it must be specified that Doxee does not fall within the scope of Directive 2003/87/EC (most recently amended by Directive EU 2018/410), which introduced and regulates the European Union Emissions Trading System (EU ETS).

The ETS is the main instrument adopted by the European Union to achieve the targets for reducing CO₂ in the main industrial sectors and the aviation segment.

Although the IAS/IFRS standards do not explicitly refer to issues regarding the climate, those impacts are considered by the Company in applying the accounting standards where they are significant, assessing their effects, both in applying single accounting standards, and on the going concern assumption. In that context, it is noted that for the Doxee Group no significant risks were recognized by the application of the individual standards, and no doubts or uncertainties arose regarding events or conditions that could place in doubt the company's ability to operate as a going concern. It is also important to note that the transition to emissions reduction of economies in response to climate change will create challenges and opportunities for global growth.

7. ENDORSED ACCOUNTING STANDARDS AND INTERPRETATIONS IN FORCE STARTING ON JANUARY 1, 2022

Accounting standards, amendments and interpretations applicable from January 1, 2022

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the company starting on January 1, 2022.

On May 14, 2020 the IASB published the following amendments:

- Amendments to IFRS 3 Business Combinations: the purpose of the amendments is to update the reference present in IFRS 3 to the Revised Version of the Conceptual Framework, without this resulting in changes to the provisions of the standard.
- Amendments to IAS 16 Property, Plant and Equipment: the purpose of the amendments is to prohibit the deduction from the cost of tangible assets of the amount received from the sale of goods produced in the testing phase of the asset. Those sales revenues and related costs will therefore be recognized in the income statement.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: the amendment clarifies that all costs that directly relate to a contract must be considered in estimating the onerousness of the contract. As a result, the valuation of the onerousness of a contract includes not only incremental costs (examples would be the cost of materials directly used in processing), but also all costs that the entity cannot avoid, as it has entered into the contract (examples would be the allocation of the depreciation charge for machinery used in fulfilling the contract).
- Annual Improvements 2018-2020: the amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

The adoption of those amendments did not have any effects on the company's financial statements.

IFRS accounting standards, amendments and interpretations endorsed by the European Union, but not yet applicable and not adopted early by the Group at December 31, 2022.

- On 18 March 2017 the IASB published IFRS 17 – Insurance Contracts, which will replace IFRS 4 – Insurance Contracts.

The objective of the new standard is to ensure that an entity provides pertinent information that faithfully represents the rights and obligations deriving from insurance contracts issued. The IASB developed this standard to eliminate incongruencies and weaknesses in existing accounting policies, providing a single principle-based framework to take account of all types of insurance contracts, including reinsurance contracts held by an insurer.

The new standard also provides presentation and disclosure requirements to improve the comparability among entities in the same sector.

The new standard measures an insurance contract based on the General Model or a simplified version thereof, called the Premium Allocation Approach (“PAA”).

The main characteristics of the General Model are as follows:

- estimates and assumptions of future cash flows are always current;
- the measurement reflects the time value of money;
- estimates entail extensive use of information observable on the market;
- there is a current, explicit measurement of risk;
- expected profit is deferred and aggregated in groups of insurance contracts at the time of final recognition; and,
- expected profit is recognized in the contractual coverage period, taking account of the adjustments deriving from changes in the assumptions relating to cash flows for each group of contracts.

The PAA entails measuring the liabilities for the residual coverage of a group of insurance contracts provided that, on initial recognition, the entity deems that that liability reasonably represents an approximation of the General Model. Contracts with a coverage period of one year or less are automatically eligible for the PAA. The simplifications deriving from the application of the PAA method do not apply to the valuation of liabilities for outstanding claims, which are measured using the General Model. Nonetheless, it is not necessary to discount those cash flows if it is expected that the balance to pay or collect will arise within one year from the date on which the claim was submitted.

The entity must apply the new standard to insurance contracts issued, including reinsurance contracts issued, reinsurance contracts held and investment contracts with a discretionary participation feature (DPF).

The standard is applicable from January 1, 2023, but early application is permitted, only for entities that apply IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers. The directors do not expect the adoption of this standard to have a significant effect on the Company’s financial statements.

- On December 9, 2021, the IASB published the “Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information”. This amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at avoiding temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. The amendments will apply as of January 1, 2023, along with the application of IFRS 17. The

directors do not expect the adoption of that amendment to have a significant effect on the Company's financial statements.

- On February 12, 2021, the IASB published two amendments, "Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2" and "Definition of Accounting Estimates – Amendments to IAS 8". The amendments aim to improve the disclosure on accounting policies in order to provide information more useful to investors and other primary users of the financial statements, as well as assist companies in distinguishing between changes in accounting estimates and changes in accounting policies. The amendments will apply as of January 1, 2023, but early application is permitted. The directors do not expect the adoption of those amendments to have a significant effect on the Company's financial statements.
- On May 7, 2021 the IASB published "Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction". The document clarifies how deferred tax should be accounted for on certain operations that may generate assets and liabilities in the same amount, such as leases and dismantling obligations. The amendments will apply as of January 1, 2023, but early application is permitted. The directors do not expect the adoption of that amendment to have a significant effect on the Company's financial statements.

IFRS accounting standards, amendments and interpretations not endorsed by the European Union

At the date of this document, the competent bodies of the European Union have not yet ended the endorsement process necessary for the adoption of the amendments and standards described below.

- On January 23, 2020, the IASB published the "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current" and on October 31, 2022 it published the "Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants". These documents aim to clarify how to classify payables and other short or long-term liabilities. The amendments will come into effect on January 1, 2024, but early application is permitted. The directors do not expect the adoption of that amendment to have a significant effect on the Company's financial statements.
- On May 7, 2021 the IASB published "Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction". The document clarifies how deferred tax should be accounted for on certain operations that may generate assets and liabilities in the same amount, such as leases and dismantling obligations. The amendments will apply as of January 1, 2023, but early application is permitted. The directors do not expect the adoption of that amendment to have a significant effect on the Company's financial statements.
- On December 9, 2021, the IASB published the "Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information". This amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at avoiding temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. The amendments will apply as of January 1, 2023, along with the application of IFRS 17. The directors do not expect the adoption of that amendment to have a significant effect on the Company's financial statements.

- On September 22, 2022, the IASB published the “Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback”. The document requires a seller-lessee measure the lease liabilities arising from a sale & leaseback in a way that it recognizes no amount of the gain or loss related to the right of use that it retains. The amendments will apply as of January 1, 2024, but early application is permitted. The directors do not expect the adoption of that amendment to have a significant effect on the Company’s financial statements.
- On January 30, 2014, the IASB published IFRS 14 – Regulatory Deferral Accounts, which permits only first-time adopters of the IFRS to continue to account for amounts relating to rate regulation activities in accordance with the previous GAAP. As the Company is not a first-time adopter, that standard is not applicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. TANGIBLE ASSETS

Tangible assets of Euro 576,184 (Euro 717,738n in the previous year), of which other leased tangible assets of Euro 252,893 (Euro 338,660 in the previous year), showed the following changes:

Non-current assets Other tangible assets (in Euro)	Other owned tangible assets	Other leased tangible assets	Total
Amount at 01/01/2021	415,204	388,820	804,024
Purchases	80,253	95,300	175,553
Sales	-	-	-
Depreciation	(121,932)	(145,460)	(267,392)
Exchange rate differences	5,554	-	5,554
Amount at 12/31/2021	379,078	338,660	717,738
Purchases	83,277	44,763	128,040
Sales	-	-	-
Depreciation	(141,504)	(130,529)	(272,034)
Exchange rate differences	2,439	-	2,439
Amount at 12/31/2022	323,291	252,893	576,184

Other tangible assets are mainly comprised of hardware, furniture and office machines, and maintenance of third-party assets.

Other leased tangible assets are composed of hardware.

9.DEVELOPMENT COSTS

Development costs of Euro 10,224,560 (Euro 6,772,222 in the previous year) refer to projects developed by the Company. The process of continuous investment in new technologies liked, *inter alia*, to the adoption of the new release of the Doxee Platform®, continued throughout 2022. In this area, specifically, the processes and products linked to the ix (interactive experience) area completed the process of re-engineering and became an integral part of the new release, which will be issued in 2023. At the same time, in the ix area, new acquired functions were introduced and integrated in the Doxee Platform® ecosystem. Development activities are described in detail in the Report on Operations, an integral part of these Notes to the Financial Statements.

The table below illustrates the breakdown and changes:

Non-current assets Development costs (in Euro)	
Amount at 01/01/2021	3,550,343
Increases	6,117,914
Sales	-
Reclassifications	-
Amortization	(2,896,036)
Exchange rate differences	-
Amount at 12/31/2021	6,772,222
Increases	
Sales	-
Reclassifications	5,880,385
Amortization	(2,428,047)
Exchange rate differences	-
Amount at 12/31/2022	10,224,560

10. WORK IN PROGRESS AND PAYMENTS ON ACCOUNT

Work in progress and payments on account, amounting to Euro 4,624,041 (Euro 3,862,443 in the previous year) refer to costs incurred for projects not yet completed at the end of this year. The company will allocate the related amortization during the year in which those projects will be completed and enter into operation.

The total increase in the item during the year, equal to Euro 6,641,983, comprises Euro 2,476,331 attributable to the deferral of the cost, through recognition in the income statement, of the employees engaged by the Group companies in developing projects, and the remainder, equal to Euro 4,165,652, relating to costs for consulting services obtained outside the Group, which the management opted to directly capitalize in balance sheet assets in order to avoid influencing the income statement results achieved by the company.

The company periodical estimates the expected return on the investments made in projects, both those completed and those in progress.

The table below illustrates the breakdown and changes:

Non-current assets In progress and advances (in Euro)	
Amount at 01/01/2021	5,281,412
Increases	4,698,946
Sales	-
Reclassifications	(6,117,914)
Exchange rate differences	-
Amount at 12/31/2021	3,862,443
Increases	6,641,983
Sales	-
Reclassifications	(5,880,385)
Exchange rate differences	-
Amount at 12/31/2022	4,624,041

Details on the main projects in progress and the related deferred costs are provided below:

“TETI Project - Design and creation of an innovative cloud-based digital storage system for documents based on homomorphic encryption and blockchain technology” (book value Euro 1,216,816). This regards the sector of secure digital cloud-based storage of documents, and aims to design a prototype of a next generation IT storage system.

UX Project - Development of functionalities of the Doxee Platform to improve the user experience (book value Euro 1,788,847) through a complete redesign of the platform interface, with specific focus on usability, efficiency and flexibility needs requested both within Doxee and by partners.

BII Project - Development of a prototype of an Internal Business Intelligence System (book value Euro 519,213). This project aims to build a BI platform that allows Doxee’s Businesses to monitor the overall status of the company and transform the raw data from various company systems into high value information.

Development of a new Digital Experience Platform: (book value: Euro 1,689,342) - this project has the general objective of creating an innovative DXP to integrate in the CCM platform developed by Doxee. The DXP developed will be used to manage all communications processes (composition, handling, delivery and optimization of digital communications), optimizing the customer experience.

E-commerce project (book value: Euro 387,329) – the e-commerce project aims to sell the Doxee platform dedicated to creating personalized videos through a cloud-based service, which can be purchased through subscriptions. The e-commerce site aims to sell the platform in the main Western countries and, specifically, in English-speaking countries.

11. OTHER INTANGIBLE ASSETS

Other intangible assets amounting to Euro 238,447 (Euro 359,937 in the previous year) refer to patents, user licenses and software.

The table below illustrates the breakdown and changes:

Non-current Other (in Euro)	intangible assets	assets
Amount at 01/01/2021		514,887
Purchases		40,132
Sales		-
Reclassifications		-
Amortization		(195,082)
Exchange rate differences		-
Amount at 12/31/2021		359,937
Purchases		61,550
Sales		-
Reclassifications		-
Amortization		(183,041)
Exchange rate differences		-
Amount at 12/31/2022		238,447

12. RIGHT-OF-USE-ASSETS

Right-of-use assets, equal to Euro 1,001,692 (Euro 683,648 in the previous year) refer to the application of IFRS 16, and regard the operating leases of vehicles and lease payments for properties.

The table below illustrates the breakdown and changes:

Non-current assets Right-of-use (in Euro)	Immovable assets	Movable assets	Total
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Amount at 01/01/2021	312,181	159,406	471,588
Increases	250,882	149,186	400,069
Amortization	(188,009)	-	(188,009)
Amount at 12/31/2021	375,055	308,593	683,648
Increases	350,400	218,362	568,762
Amortization	(127,512)	(123,206)	(250,717)
Amount at 12/31/2022	597,943	403,749	1,001,692

The recognition of right-of-use assets entailed the recognition of a lease liability in the balance sheet, as an offsetting entry to assets, at the transition date for the same amount as the assets. The lease liability was calculated by discounting the future lease rentals, using the rate that is assumed could be used by independent third parties in granting a loan.

In terms of the income statement, the application IFRS 16 resulted in the reversal of the costs for leasehold assets and the recognition of amortization (of the right-of-use assets), as well as interest expense.

13. GOODWILL

Goodwill, equal to Euro 11,816,780 (absent in the previous year) was generated by the acquisition of 90% of the capital of the Austrian company Infinica GmbH in 2022 for Euro 9,481,820. That value was increased by an amount equal to the present value of the option right (put/call options) existing on the remaining 10% of the share capital of Infinica GmbH, to be exercised:

- over 5% of the capital in 2023, whose present value was determined as equal to Euro 1,028,579.
- over the remaining 5% in 2026, whose value was determined as equal to Euro 1,398,528.

It is noted that the holding company is finalizing the valuation of the assets of Infinica GmbH and its subsidiaries, for the purpose of Purchase Price Allocation, as required by IFRS 3, which allows for those amounts to be recognized in the financial statements within 12 months from the acquisition date.

The table below illustrates the breakdown and changes:

Non-current assets Goodwill (in Euro)	
Amount at 01/01/2021	-
Purchases	-
Sales	-
Reclassifications	-
Exchange rate differences	-
Amount at 12/31/2021	-
Purchases	11,816,780
Sales	-
Reclassifications	-
Exchange rate differences	-
Amount at 12/31/2022	11,816,780

14. NON-CURRENT FINANCIAL ASSETS

Non-current financial assets amounting to Euro 31,960 (Euro 3,827 in the previous year) consisted of:

- investments amounting to Euro 1,000 (Euro 1,000 in the previous year), which are broken down below:

Non-current financial assets List of investments (in Euro)	Amount at 01/01/2021	Changes	Amount at 12/31/2021	Changes	Amount at 12/31/2022
DNA:LAB	1,000	-	1,000	-	1,000
Total	1,000	-	1,000	-	1,000

Investments in other companies refer to the cost of the 10% investment in the capital of DNA LAB S.r.l., based in Catanzaro (CZ).

- receivables from others amounting to Euro 30,959 (Euro 2,826 in the previous year), broken down below.

Non-current financial assets Receivables (in Euro)	Subsidiaries	Associates	Parent companies	Companies under common control	Other companies	Total
Amount at 01/01/2021	0	-	-	-	7,826	7,827
Increases						-
Decreases					(5,000)	(5,000)
Write-downs	-	-	-	-	-	-
Amount at 12/31/2021	0	-	-	-	2,826	2,827
Increases					28,133	28,133
Decreases						-
Write-downs	-	-	-	-	-	-
Amount at 12/31/2022	0	-	-	-	30,959	30,960

Receivables from others refer to security deposits.

15.. DEFERRED TAX ASSETS

Non-current deferred tax assets equal to Euro 280,947 (Euro 362,847 in the previous year) relate to the IFRS transition for Euro 89,915, whose greatest effects derive from the reversal of non-capitalized intangible assets and the adjustment to employee severance indemnity in accordance with IAS 19, and Euro 191,032 relating to negative income components to be deducted in years other than the year of statutory accounting.

The breakdown of and changes in the single items are shown below:

Non-current assets Deferred tax assets (in Euro)	
Amount at 01/01/2021	410,931
Change	(48,085)
Amount at 12/31/2021	362,847
Change	(81,900)
Amount at 12/31/2022	280,947

16.. OTHER NON-CURRENT ASSETS

Other non-current assets amounted to Euro 156,555 (Euro 246,291 in the previous year). The breakdown of and changes in the single items are shown below:

Non-current assets Other assets (in Euro)	Amount at 01/01/2021	Changes	Amount at 12/31/2021	Changes	Amount at 12/31/2022
Deposits	21,613	-	21,613	22,252	43,865
Accrued income	8,104	7,655	15,759	47,403	63,162
Prepaid expenses	622,471	(413,552)	208,919	(198,620)	10,299

Derivative financial instruments – assets	-	-	-	39,229	39,229
Total	652,187	(405,897)	246,291	(89,736)	156,555

17. TRADE RECEIVABLES

Trade receivables included in current assets amounted to Euro 11,811,619 (Euro 9,830,359 in the previous year).

The table below illustrates the changes in receivables at 12.31.2022, net of provision for bad and doubtful debts compared to 12/31/2021:

Current assets Trade receivables (in Euro)	
Amount at 01/01/2021	7,579,392
Change	2,250,967
Amount at 12/31/2021	9,830,359
Change	1,981,261
Amount at 12/31/2022	11,811,619

Trade receivables due from customers expire within the next financial year, and the increase on the previous year is due to the increase in turnover and the resulting seasonality of issuing invoices relating to revenues mainly concentrated in the last quarter of the year.

The breakdown of changes in the Provision for bad and doubtful debts is shown below:

Trade receivables Provision for bad and doubtful debts (in Euro)	Total
Amount at 01/01/2021	491,068
Provisions	53,636
Utilizations	-
Amount at 12/31/2021	544,704
Provisions	97,892
Utilizations	-
Amount at 12/31/2022	642,595

The provision for bad and doubtful debts was aligned with the best estimate of credit risk

and the expected losses at the reporting date.

18. OTHER RECEIVABLES

“Other receivables” amounted to Euro 2,752,061 (Euro 2,480,644 in the previous year).

The breakdown of and changes in the single items are shown below:

Current assets Other receivables (in Euro)	Amount at 01/01/2021	Changes	Amount at 12/31/2021	Changes	Amount at 12/31/2022
Deposits received	32,589	10,500	43,089	(21,000)	22,089
Accrued income and prepaid expenses	445,019	363,977	808,996	(211,396)	597,600
Tax receivables	909,770	680,723	1,590,493	474,122	2,064,615
Sundry receivables	118,796	(80,730)	38,066	29,692	67,758
Total	1,506,174	974,470	2,480,644	271,418	2,752,061

Tax credits mainly refer to IRES and IRAP credits of the Parent, while accrued income and prepaid expenses mainly include the portion of deferred revenues relating to the R&D tax credit and contributions accrued whose related costs have not yet been posted to the income statement.

19 CASH AND CASH EQUIVALENTS.

Cash and cash equivalents at December 31, 2022 amounted to Euro 2,591,489 (Euro 5,847,798 in the previous year) and are composed of cash at banks and on hand. The decrease in cash and cash equivalents was mainly due to the outlays incurred for the acquisition of Infinica GmbH, for which Doxee also used its equity.

The breakdown of and changes in the single items are shown below:

Cash and cash equivalents (in Euro)	Amount at 01/01/2021	Changes	Amount at 12/31/2021	Changes	Amount at 12/31/2022
Deposit accounts	3,211,401	2,633,860	5,845,261	(3,256,349)	2,588,912
Cash on hand	2,549	(11)	2,537	40	2,577
Total	3,213,950	2,633,849	5,847,799	(3,256,310)	2,591,489

20. EQUITY

The tables below set out the reconciliations between the Equity of the Parent and Consolidated Equity at December 31, 2022.

Reconciliation between the Equity of the Parent and the Consolidated Equity (in Euro)	Share capital	Own reserves	Profit (loss) for the year	Total
Equity of Doxee S.p.a. at 12/31/2022	1,913,570	13,676,222	524,046	16,113,839
Profit (loss) for the year of consolidated companies (prior to consolidation adjustments)			825,248	825,248

Capital and reserves of consolidated companies (prior to consolidation adjustments)	(3,075,556)	(3,075,556)
Consolidation adjustments:		-
- carrying amount of investments	(11,548,371)	(11,548,371)
- consulting fees for the purchase of the Infinica Austria investment		(506,759)
- put and call options on the Infinica Austria investment	(2,427,108)	(2,427,108)
- intragroup amortization/depreciation	2,930,000	434,000
- recognition of goodwill for business combinations	11,816,780	11,816,780
- put and call options on the Doxee USA investment	(1,052,577)	(26,216)
- shareholders' equity and profit/(loss) attributable to minority interests	(7,077)	(5,501)
Consolidated Equity of the Group at 12/31/2022	1,913,570	10,312,313
		1,244,818
		13,470,702

The table below shows the changes in Equity in 2022:

Equity	Share capital	Share premium reserve	Other reserves	FTA reserve	Employee benefits reserve	Currency translation reserve	Cash flow hedge reserve	Retained earnings/(Accumulated losses)	Profit (loss) for the year pertaining to the group	Equity attributable to the Group	Equity attributable to minority interests	Total
Balance at 01/01/2022	1,769,553	5,645,056	5,503,766	(1,585,343)	(178,654)	110,526	(1,413)	(4,274,500)	1,794,570	8,783,563	670	8,784,232
Allocation of profit			1,416,489					378,082	(1,794,570)	0		0
Capital increases against payment	144,017	2,909,403								3,053,420		3,053,420
Other changes							31,226	(4,203)		27,023	4,202	31,225
Stock grant			84,989							84,989		84,989
Comprehensive income (loss)					82,880	(247,051)				(164,171)	2,206	(161,965)
Acquisition of minority interests										-		-
Treasury Shares			441,059							441,059		441,059
Profit (loss) for the year									1,244,818	1,244,818	5,501	1,250,319
Balance at 12/31/2022	1,913,570	8,554,460	7,446,303	(1,585,343)	(95,774)	(136,525)	29,814	(3,900,621)	1,244,818	13,470,702	12,578	13,483,280

With regard to changes in equity and the breakdown of individual reserves, also see the statement of changes in equity.

The *stock grant reserve* refers to the incentive plan approved by the holding company for several employees.

The *translation reserve* is generated by the processes of translating the financial statements of foreign subsidiaries expressed in currencies other than the Euro.

The *cash flow hedge reserve* refers to the valuation of the following derivatives net of deferred tax liabilities:

- hedging derivative entered into by the Company in 2021 to hedge interest rate risk on the loan disbursed by Crédit Agricole of Euro 1,000,000, whose mark-to-market value at December 31, 2022 came to Euro 21,896;
- hedging derivative entered into by the Company on October 28, 2022 to hedge interest rate risk on the loan disbursed by Unicredit of Euro 3,000,000, whose mark-to-market value at December 31, 2022 came to Euro 1,843;
- hedging derivative entered into by the Company on October 28, 2022 to hedge interest rate

risk on the loan disbursed by BPER Banca of Euro 3,000,000, whose mark-to-market value at December 31, 2022 came to Euro 15,489.

The increase in Equity is attributable to the profit for the year and the capital increase resulting from the exercise of the Doxee S.p.A. warrants in December 2022.

Doxee SpA announces that, following the assignment of 649,035 newly-issued Doxee Shares, as a result of the exercise of 3,245,175 "Doxee Warrants 2019-2022" in the third and final exercise period (December 1, 2022 - December 15, 2022, inclusive of the start and end dates), in a ratio of 1 Conversion Share for every 5 Warrants exercised, the composition of the share capital as at 12/31/2022 changed.

The conversion of those warrants generated an increase in the Share Premium Reserve of Euro 2,447,580 and an increase in Share Capital of Euro 144,017.

The new composition of the share capital (fully subscribed and paid in), following the filing with the Register of Companies of Modena of the certification pursuant to art. 2444, paragraph 1 of the Italian Civil Code, is shown below:

	Subscribed and paid-up current share capital			Subscribed and paid-up current share capital		
	Euro	no. of shares	Unit nominal amount	Euro	no. of shares	Unit nominal amount
Total	1,914,570.19	8,623,807	With no par value	1,769,553.28	7,974,772	With no par value
Of which Ordinary Shares (regular dividend entitlement: January 1, 2022) current coupon no. : 1	1,914,570.19	8,623,807	With no par value	1,769,553.28	7,974,772	With no par value

The Company announces that, based on the latest records in its possession, its shareholding structure is composed as follows:

Shareholder	no. of shares	%
P&S S.r.l. *	5,810,881	67.38%
Ipoc 5 S.r.l.	451,310	5.23%
Eiffel Investment Group	725,600	8.41%
Free float	1,636,016	18.97%
Total	8,623,807	100%

**Company held by Sergio Muratori Casali and Paolo Cavicchioli, 50% each*

Note that the subscribed and paid-up Share Capital at the date of approval of these financial statements amounts to Euro 1,913,570 and is composed of 8,623,807 ordinary shares with no par value.

There were no shares issued that were not fully paid-up.

Treasury Shares

Treasury shares bought back are recognized at cost and applied as a decrease in equity. The purchase, sale or elimination of treasury shares does not give rise to any gains or losses in the income statement. The difference between the purchase value and the consideration, in

the event of reissue, is recognized in the share premium reserve.

During the year, the Company purchased a total of 24,000 treasury shares worth Euro 268,402 and sold 102,250 treasury shares worth Euro 709,461. Those movements resulted in the release of the treasury share reserve, reclassified to *Other reserves* for a value of Euro 441,059.

With respect to the share buy-back program launched on May 12, 2021, pursuant to the resolution of the Ordinary Shareholders' Meeting of April 27, 2021, in the following time periods:

- from February 10 through 15, 2022 (both included), the Company purchased a total of 1,750 treasury shares, accounting for 0.022% of the share capital, at a weighted average unit price of Euro 12.53 per share, worth Euro 21,925.00 overall. Following these transactions, at February 15, 2022 Doxee held a total of 82,750 treasury shares, accounting for 1.038% of the share capital;
- from February 21 through 25, 2022 (both included), the Company 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 February 25, 2022 Doxee held a total of 84,750 treasury shares, accounting for 1.063% of the share capital;
- from February 28, 2022 through March 4, 2022 (both included), the Company 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 March 4, 2022 Doxee held 86,000 treasury shares, accounting for 1.078% of the share capital;
- from March 7 through 10, 2022 (both included), the Company 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 March 10, 2022 Doxee held 88,000 treasury shares, accounting for 1.103% of the share capital;
- on March 30, 2022, it purchased a total of 250 treasury shares, accounting for 0.003% of the share capital, at an average price of Euro 12.20 per share, worth Euro 3,050.00 overall. Following these transactions, at March 30, 2022 Doxee held 88,250 treasury shares, accounting for 1.107% of the share capital;
- from April 4 through 8, 2022 (both included), the Company purchased a total of 750 treasury shares, accounting for 0.009% of the share capital, at a weighted average unit price of Euro 12.05 per share, worth Euro 9,037.50 overall. Following these transactions, at April 8, 2022 Doxee held 89,000 treasury shares, accounting for 1.116% of the share capital;
- on April 22, 2022, it purchased a total of 250 treasury shares, accounting for 0.003% of the share capital, at an average price of Euro 12.50 per share, worth Euro 3,125.00 overall. Following these transactions, at April 22, 2022 Doxee held 91,250 treasury shares, accounting for 1.144% of the share capital.

Treasury shares were purchased in compliance with the applicable provisions of law and regulations and according to the methods, terms and conditions contained in the authorization to buy and sell treasury shares granted to the intermediary Integrae SIM S.p.A. by the Ordinary Shareholders' Meeting of April 27, 2021.

In addition, on April 28, 2022, the Parent's Shareholders' Meeting approved, with respect to the part of the plan not yet executed, a new program to buy and sell treasury shares, in compliance with articles 2357 and 2357-ter of the Italian Civil Code, as well as art. 132 of Italian Leg. Decree no. 58/1998 and article 144-bis of CONSOB Regulation no. 11971/1999. The authorization to purchase lasts 18 months from the resolution, while no time limits were set for the authorization to sell any treasury shares purchased, to grant the Board of Directors the utmost flexibility, also in terms of time, to carry out acts of disposal of the shares. The authorization grants the right to purchase treasury shares, in one or more steps, up to a maximum number which, taking account of the number of Doxee shares held by the Company in each case, shall not exceed 3% of the *pro-tempore* share capital fully subscribed and paid in, or for a total maximum value of Euro 2,000,000.00 or any different maximum amount set

out by the *pro-tempore* law in force.

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

- from May 9 through 10, 2022, the Company purchased a total of 1,000 treasury shares, accounting for 0.013% of the share capital, at a weighted average unit price of Euro 12.64 per share, worth Euro 12,637.50 overall. Following these transactions, at May 10, 2022 Doxee held 92,250 treasury shares, accounting for 1.157% of the share capital;
- on May 18, 2022, it purchased a total of 250 treasury shares, accounting for 0.003% of the share capital, at an average price of Euro 12.20 per share, worth Euro 3,050.00 overall. Following these transactions, at May 18, 2022 Doxee held 92,500 treasury shares, accounting for 1.160% of the share capital;
- from May 23 through 27, 2022 (both included), it purchased a total of 700 treasury shares, accounting for 0.009% of the share capital, at a weighted average unit price of Euro 12.50 per share, worth Euro 9,375.00 overall. Following these transactions, at May 27, 2022 Doxee held 93,250 treasury shares, accounting for 1.169% of the share capital;
- on May 31, 2022, it purchased a total of 250 treasury shares, accounting for 0.003% of the share capital, at an average price of Euro 12.70 per share, worth Euro 3,175.00 overall. Following these transactions, at May 31, 2022 Doxee held 93,500 treasury shares, accounting for 1.172% of the share capital;
- from June 8 through 10, 2022 (both included), it purchased a total of 1,250 treasury shares, accounting for 0.016% of the share capital, at a weighted average unit price of Euro 12.07 per share, worth Euro 15,087.50 overall. Following these transactions, at June 10, 2022 Doxee held 94,750 treasury shares, accounting for 1.188% of the share capital.
- from June 13 through 17, 2022 (both included), it purchased a total of 750 treasury shares, accounting for 0.009% of the share capital, at a weighted average unit price of Euro 10.97 per share, worth Euro 8,225.00 overall. Following these transactions, at June 17, 2022 Doxee held 95,500 treasury shares, accounting for 1.198% of the share capital;
- on June 22, 2022, it purchased a total of 250 treasury shares, accounting for 0.003% of the share capital, at an average price of Euro 11.55 per share, worth Euro 2,887.50 overall. Following these transactions, at June 22, 2022 Doxee held 95,750 treasury shares, accounting for 1.201% of the share capital;
- from June 28 through 30, 2022 (both included), it purchased a total of 500 treasury shares, accounting for 0.006% of the share capital, at a weighted average unit price of Euro 11.33 per share, worth Euro 5,662.50 overall. Following these transactions, at June 30, 2022 Doxee held 96,250 treasury shares, accounting for 1.207% of the share capital;
- from July 5 through 6, 2022 (both included), the Company purchased a total of 500 treasury shares, accounting for 0.006% of the share capital, at a weighted average unit price of Euro 11.40 per share, worth Euro 5,700.00 overall. Following these transactions, at July 6, 2022 Doxee held 96,750 treasury shares, accounting for 1.213% of the share capital.
- from July 11 through 14, 2022 (both included), the Company purchased a total of 750 treasury shares, accounting for 0.009% of the share capital, at a weighted average unit price of Euro 11.17 per share, worth Euro 8,375.00 overall. Following these transactions, at July 14, 2022 Doxee held 97,500 treasury shares, accounting for 1.223% of the share capital.
- from July 20 through 22, 2022 (both included), the Company purchased a total of 1,000 treasury shares, accounting for 0.013% of the share capital, at a weighted average unit price of Euro 11.30 per share, worth Euro 10,300.00 overall. Following these transactions, at July 22, 2022 Doxee held 98,500 treasury shares, accounting for 1.235% of the share capital;
- on July 26, 2022, it purchased a total of 250 treasury shares, accounting for 0.003% of the share capital, at an average price of Euro 10.50 per share, worth Euro 2,625.00 overall. Following these transactions, at July 26, 2022 Doxee held 98,750 treasury shares, accounting for 1.238% of the share capital;
- from August 1 through 2, 2022 (both included), the Company purchased a total of 500 treasury shares, accounting for 0.006% of the share capital, at a weighted average unit price of Euro 10.88 per share, worth Euro 5,437.50 overall. Following these transactions, at August 2, 2022 Doxee held 99,250 treasury shares, accounting for 1.245% of the share capital;

- on August 29, 2022, it purchased a total of 500 treasury shares, accounting for 0.006% of the share capital, at an average price of Euro 9.80 per share, worth Euro 4,900.00 overall. Following these transactions, at August 29, 2022 Doxee held 99,750 treasury shares, accounting for 1.251% of the share capital;
- from September 7 through 8, 2022 (both included), the Company purchased a total of 750 treasury shares, accounting for 0.009% of the share capital, at a weighted average unit price of Euro 9.83 per share, worth Euro 7,370.00 overall. Following these transactions, at September 8, 2022 Doxee held 100,500 treasury shares, accounting for 1.260% of the share capital;
- from September 13 through 16, 2022 (both included), the Company purchased a total of 1,250 treasury shares, accounting for 0.016% of the share capital, at a weighted average unit price of Euro 9.796 per share, worth Euro 12,245.00 overall. Following these transactions, at September 16, 2022 Doxee held 101,750 treasury shares, accounting for 1.276% of the share capital;
- from September 19 through 22, 2022 (both included), the Company purchased a total of 750 treasury shares, accounting for 0.009% of the share capital, at a weighted average unit price of Euro 9.87 per share, worth Euro 7,405.00 overall. Following these transactions, at September 22, 2022 Doxee held 102,500 treasury shares, accounting for 1.285% of the share capital;
- on September 29, 2022 Doxee SpA finalized the acquisition of Infinica GmbH, which required that the consideration be partially paid through share exchange. The number of Doxee shares exchanged, determined based on the weighted average of prices in the 90 trading days prior to September 13, 2022, the date the binding acquisition agreement was signed, came to 102,250 (equal to around 1.28% of Doxee's share capital), at a sale price of Euro 11.4734 per share;
- from September 29 through 30, 2022 (both included), the Company purchased a total of 500 treasury shares, accounting for 0.006% of the share capital, at a weighted average unit price of Euro 9.77 per share, worth Euro 4,885.00 overall. Following these transactions, at September 30, 2022 Doxee held 750 treasury shares, accounting for 0.0115% of the share capital;
- on October 10, 2022, it purchased a total of 250 treasury shares, accounting for 0.003% of the share capital, at an average price of Euro 9.76 per share, worth Euro 2,440.00 overall. Following these transactions, at October 10, 2022 Doxee held 1,000 treasury shares, accounting for 0.0125% of the share capital;
- from October 17 through 20, 2022 (both included), the Company purchased a total of 500 treasury shares, accounting for 0.006% of the share capital, at a weighted average unit price of Euro 9.71 per share, worth Euro 4,855.00 overall. Following these transactions, at October 20, 2022 Doxee held 1,500 treasury shares, accounting for 0.0188% of the share capital;
- on October 24, 2022, it purchased a total of 750 treasury shares, accounting for 0.009% of the share capital, at an average price of Euro 9.533 per share, worth Euro 7,150 overall. Following these transactions, at October 24, 2022 Doxee held 2,250 treasury shares, accounting for 0.0282% of the share capital;
- on November 1, 2022, it purchased a total of 250 treasury shares, accounting for 0.003% of the share capital, at an average price of Euro 9.40 per share, worth Euro 2,350.00 overall. Following these transactions, at November 1, 2022 Doxee held 2,500 treasury shares, accounting for 0.0313% of the share capital;
- from December 19 through 23, 2022 (both included), the Company purchased a total of 1,000 treasury shares, accounting for 0.0012% of the share capital, at a weighted average unit price of Euro 9.90 per share, worth Euro 9,900.00 overall. Following these transactions, at December 23, 2022 Doxee held 4,500 treasury shares, accounting for 0.0522% of the share capital;
- from December 27 through 29, 2022 (both included), the Company purchased a total of 500 treasury shares, accounting for 0.006% of the share capital, at a weighted average unit price of Euro 9.90 per share, worth Euro 4,950.00 overall. Following these transactions, at December 29, 2022 Doxee held 5,000 treasury shares, accounting for 0.0580% of the share capital.

The share exchange transaction, carried out in 2022 as payment of part of the purchase price of the Infinica GmbH Group, generated a capital gain of Euro 461,824, due to the valuation of the shares exchanged at a value higher than the average carrying amount. That capital gain was recognized as an increase in the Share Premium Reserve.

Note that all the purchases of treasury shares indicated were carried out through Integrae SIM S.p.A., as the intermediary assigned to carry out operations, in compliance with the applicable provisions of law and regulations and according to the methods, terms and conditions contained in the authorization to buy and sell treasury shares granted by the Ordinary Shareholders' Meeting of Doxee S.p.A.

21. CURRENT AND NON-CURRENT LOANS AND FINANCING

Non-current loans and financing amounted to Euro 11,688,021 (Euro 6,019,402 in the previous year).

Based on the analyses of expected future cash flows and the stress tests conducted by the Company, the financial plan regarding future outlays necessary to repay debt is considered sustainable. A specific contribution to the generation of cash flows is expected to come from an increase in profitability, resulting from the streamlining of internal processes, and the decreased need to make investments in the platform. The characteristics of the loan repayment plans also make it possible to stabilize the outlays and spread them out over time.

The table below shows the change in non-current financial liabilities:

Non-current liabilities					
Loans and financing					
(in Euro)					
Amount at 01/01/2021					4,297,586
Change					1,721,815
Amount at 12/31/2021					6,019,402
Change					5,668,619
Amount at 12/31/2022					11,688,021

The tables below shows the breakdown in non-current financial liabilities:

	31.12.2022	31.12.2021	Changes
Detailed Non-current loans and financing			
(in Euro)			
BPER Unsecured Loan No. 3858169	-	277,369	(277,369)
Sanfelice Unsecured Loan No. 160943	373,849	598,316	(224,467)
BPM Spa Unsecured Loan No. 3542648	(0)	222,819	(222,819)
Mediocredito Centrale Loan	266,804	319,909	(53,105)
UNICREDIT Loan F1000008768621	767,019	949,263	(182,244)
Unicredit Unsecured Loan No. 8440155	(0)	84,671	(84,671)
Cariparma Loan 0138867400000	316,365	520,302	(203,937)
MPS Loan 0994139280	1,091,805	1,587,519	(495,714)
Citta' Educante Loan	3,401	10,178	(6,777)
Simest Loan - Feasibility Study Tender	31,050	-	31,050
Ecommerce Tender Loan	75,000	-	75,000
Citta' Educante Loan Ctn01_00034_393801	1,554	-	1,554
Banco BPM Loan 05683270	375,771	-	375,771
BPER Loan 421/005142373	2,661,416	-	2,661,416

UNICREDIT Loan F1000002199322	2,991,618	-	2,991,618
Leases	186,761	265,097	(78,336)
Simenst (option)	1,066,375	1,031,880	34,495
Infinica (option)	1,398,528	-	1,398,528
MPS Loan 0994147758	27,558	30,005	(2,447)
ISP Loan No. 01C1046977128	35,362	67,224	(31,862)
ISP Loan No. 01C1048320467	17,786	54,851	(37,065)
Total	11,688,021	6,019,402	5,668,619

Current loans and financing amounted to Euro 4,362,202 (Euro 2,457,565 in the previous year).

The table below shows the change in current financial liabilities:

Current liabilities					
Loans and financing					
(in Euro)					
Amount at 01/01/2021					2,777,866
Change					(320,301)
Amount at 12/31/2021					2,457,565
Change					1,904,637
Amount at 12/31/2022					4,362,202

The table below shows the breakdown in current financial liabilities:

Breakdown of current loans and financing	31.12.2022	31.12.2021	Changes
(in Euro)			
Short-term financial payables:			
BPER Unsecured Loan No. 3858169	281,758	273,725	8,033
Sanfelice Unsecured Loan No. 160943	239,413	227,023	12,389
BPM Spa Unsecured Loan No. 3542648	226,334	223,602	2,732
Mediocredito Centrale Loan	53,105	53,020	85
UNICREDIT Loan F1000008768621	204,733	49,224	155,508
Unicredit Unsecured Loan No. 8440155	85,494	167,330	(81,836)
Cariparma Loan 0138867400000	256,619	290,991	(34,373)
MPS Loan 0994139280	495,714	408,914	86,800
Citta' Educante Loan	3,393	3,376	17
Simest Loan - Feasibility Study Tender	15,525	-	15,525
Ecommerce Tender Loan	15,000	-	15,000
Citta' Educante Loan Ctn01_00034_393801	1,552	-	1,552
Banco BPM Loan 05683270	99,630	-	99,630
BPER Loan 421/005142373	333,414	-	333,414
Simest Loan	-	156,473	(156,473)
Leases	118,121	129,309	(11,188)
Current account credit facilities	763,813	355,981	407,832
Other short-term financial payables	44,955	50,639	(5,684)
Infinica (option)	1,028,579	-	1,028,579
MPS Loan 0994147758	2,446	-	2,446
ISP Loan No. 01C1046977128	31,638	29,868	1,769

ISP Loan No. 01C1048320467	38,497	38,056	441
Current account credit facilities	22,471	33	22,438
Total	4,362,202	2,457,565	1,904,637

The table below shows the breakdown in payables and information on their expiries:

Payables and liabilities Expiry and guarantees (in Euro)	Within 1 year	From 2 to 5 years	Over 5 years	Guarantees	Total
Loans and financing	2,460,828	4,819,881	167,542	-	7,448,251
Lease liabilities	193,922	490,730	-	-	684,652
Trade payables and other payables	8,751,580	-	-	-	8,751,580
Tax payables	540,859	-	-	-	540,859
Public grants	575,361	1,780,793	-	-	2,356,155
Amount at 12/31/2021	11,947,189	5,310,611	167,542	-	17,425,342
Loans and financing	3,542,299	7,700,844	1,522,274	-	12,765,416
Lease liabilities	230,676	394,614	-	-	625,290
Trade payables and other payables	10,958,408	265,575	-	-	11,223,983
Tax payables	630,894	-	-	-	630,894
Public grants	615,554	1,773,335	-	-	2,388,889
Amount at 12/31/2022	15,362,277	8,361,033	1,522,274	-	25,245,584

Current and non-current financial liabilities refer to payables to banks. Those payables were recognized at amortized cost, considering the time value of money.

With reference to payables to credit institutions, it is specified that these 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.

Based on the analyses of expected future cash flows and the stress tests conducted by the Company, the financial plan regarding future outlays necessary to repay debt is considered sustainable.

At December 31, 2022, the Group had the following bank credit lines outstanding, for which the credit line granted and the portion used are shown.

Lines of credit	Ordinary current account overdraft	Utilization of overdraft
BPER BANCA	15,000	

UNICREDIT	25,000	
MONTE DEI PASCHI DI SIENA	35,000	
CRÉDIT AGRICOLE	35,000	
BANCO BPM	20,000	
INTESA SAN PAOLO	25,000	
BANCA INTERPROVINCIALE	174,994	3,088
Total	329,994	3,088

Lines of credit	Advances on invoices	Utilization of advances
BPER BANCA	500,000	24,995
UNICREDIT	900,000	497,663
UNICREDIT international	400,000	-
MONTE DEI PASCHI DI SIENA	400,000	-
CRÉDIT AGRICOLE	500,000	147,390
SANFELICE 1893 BANCA POPOLARE	400,000	55,932
BANCO BPM	200,000	-
Total	3,300,000	725,981

At December 31, 2022, the Group had the following bank factoring agreements outstanding:

BPER FACTOR S.p.A. Assignment without recourse

Maximum amount that can be assigned Euro 650,000, of which Euro 150,000 (without prior notification).

At December 31, 2022 the amount used came to Euro 142,582 (Euro 119,335 in the previous year).

EUROFACTOR ITALIA S.p.A. Assignment without recourse

Maximum amount that can be assigned Euro 2 million.

At December 31, 2022 the amount used came to Euro 590,639 (Euro 136,524 in the previous year).

MBFACTA S.p.A. Assignment without recourse

Maximum amount that can be assigned Euro 400,000.

At December 31, 2022 the amount used came to Euro 172,971.

SERFACTORING S.p.A. Assignment without recourse

Maximum amount that can be assigned Euro 500,000.

At December 31, 2022 the amount had not been used (Euro 149,450 in the previous year).

UNICREDIT FACTORING S.p.A. Assignment without recourse

Maximum amount that can be assigned Euro 1.2 million.

At December 31, 2022 the amount used came to Euro 992,961 (Euro 149,450 in the previous year).

22. CURRENT AND NON-CURRENT LEASE LIABILITIES

Non-current lease liabilities amounted to Euro 688,266 (Euro 490,730 in the previous year). The table below shows the breakdown of the changes during the year:

Non-current liabilities Non-current lease liabilities (in Euro)	Amount at 01/01/2021	Changes	Amount at 12/31/2021	Changes	Amount at 12/31/2022
Operating leases and rentals	139,082	(3,729)	135,354	44,529	179,882
Real estate leases payable	219,231	136,146	355,377	153,007	508,384
Total	358,313	132,417	490,730	197,536	688,266

Current lease liabilities amounted to Euro 316,476 (Euro 193,922 in the previous year).

The table below shows the breakdown of the changes during the year:

Current liabilities Current lease liabilities (in Euro)	Amount at 01/01/2021	Changes	Amount at 12/31/2021	Changes	Amount at 12/31/2022
Operating leases and rentals	20,324	66,757	87,081	51,434	138,515
Real estate leases payable	92,950	13,891	106,841	71,120	177,962
Total	113,274	80,648	193,922	122,554	316,476

Those amounts represent the effects of the application of IFRS 16 since January 1, 2022.

23.. NET LIABILITIES FOR EMPLOYEE BENEFITS

Plans for employees, which can be classified as defined benefit plans, are represented by employee severance indemnity.

Provisions for personnel at December 31, 2022 amounted to Euro 1,814,557 (Euro 1,718,122 in the previous year).

The actuarial gains recorded at December 31, 2022, equal to Euro 111,954, are essentially connected to the change in benchmark economic parameters (discount and inflation rates).

According to national regulations, the amount due to each employee accrues based on their service, and is disbursed when the employee leaves the company.

The indemnity due for termination of employment is calculated based on its duration and the taxable remuneration of each employee.

The liability, revalued annually based on the official index of the cost of living and the interest pursuant to law, is not associated with any conditions or vesting period, or any obligation of financial funding. Therefore, there are no fund assets.

Actuarial measurement of employee severance indemnity was performed assuming a closed group population, on the basis of "accrued benefit" methodology, using the Projected Unit Credit criterion, as established in paragraphs 67-69 of IAS 19.

Following the introduction of the Pension Reform, that methodology differs based on whether it was applied to a company with at least 50 employees in 2006 or with fewer than 50 employees in 2006.

In 2006, all companies of the Doxee Group had fewer than 50 employees, and therefore, they apply the methodology set out for companies with fewer than 50 employees.

That methodology is characterized by valuations that express the present average value of the obligations of employee severance indemnity accrued based on the worker's service up to the time that the valuation is conducted.

The calculation methodology used can be summarized in the following steps:

- projection for each employee in service at the valuation date of the employee severance indemnity already allocated and the future amounts of employee severance indemnity that will accrue up to the uncertain time of payment, projecting the worker's remuneration;
- calculation for each employee of the probability of payments of employee severance indemnity which will have to be made by the Company in the event that the employee leaves due to dismissal, resignation, disability, death or retirement, also for requests for advances;
- discounting, at the valuation date, of each payment whose probability has been calculated;
- reportioning, for each employee, of the benefits whose probability has been calculated and discounted based on the seniority accrued at the valuation date, out of the overall seniority at the uncertain date of liquidation.

Non-current liabilities	
Net liabilities for employee benefits	
(in Euro)	
Amount at 01/01/2021	1,492,477
Labor cost	267,482
Financial expenses	4,683
Benefits paid	(129,224)
Actuarial (gains)/losses posted to equity	82,705
Amount at 12/31/2021	1,718,122
Labor cost	333,298
Financial expenses	16,117
Benefits paid	(141,027)
Actuarial (gains)/losses posted to equity	(111,954)
Amount at 12/31/2022	1,814,557

The main actuarial assumptions used at December 31, 2022 are as follows:

Actuarial assumptions at 12/31/2021	
Annual discount rate	0.98%
Annual inflation rate	1.75%
Annual rate of increase in employee severance indemnity	2.813%
Nominal rate of salary increase	0.50%
Actuarial assumptions at 12/31/2022	

Annual discount rate	3.77%
Annual inflation rate	2.30%
Annual rate of increase in employee severance indemnity	3.225%
Nominal rate of salary increase	0.50%

24. DEFERRED TAX LIABILITIES

Provisions for deferred tax liabilities are recognized among liabilities for a total of Euro 15,192 (Euro 21,869 in the previous year). These comprise Euro 12 thousand in financial charges allocated in relation to the commitment to purchase 49% of Doxee USA from Simest, expiring in 2024, while the remainder refers to unrealized foreign exchange gains of the parent. The company determined deferred tax liabilities with regard to IRES by applying a tax rate of 24%.

Non-current liabilities Deferred tax liabilities (in Euro)	
Amount at 01/01/2021	32,636
Change	(10,766)
Amount at 12/31/2021	21,869
Change	(6,678)
Amount at 12/31/2022	15,192

25. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities amounted to Euro 265,575 (Euro 23,424 in the previous year).

The table below shows the breakdown of the changes during the year:

Non-current liabilities Other non-current liabilities (in Euro)	Amount at 01/01/2021	Changes	Amount at 12/31/2021	Changes	Amount at 12/31/2022
Deferred income and accrued expenses	-	21,565	21,565	244,010	265,575
Derivative financial instruments – liabilities	-	1,859	1,859	(1,859)	-
Total	-	23,424	23,424	242,151	265,575

26. CURRENT AND NON-CURRENT PUBLIC GRANTS

Current and non-current public grants refer to deferred income relating to operating grants from the government for R&D projects and the R&D credit recognized based on the deferred revenue method, to match the level of the positive income component, based on a criterion of systematic, rational recognition in line with the process of amortizing the costs they refer to, capitalized under balance sheet assets. The projects that contributed to generating those amounts are the C2X Toolkit project, presented for the tender of the Italian Ministry for Business and Made in Italy (Euro 593,735) and the DXP project (Euro 77,455).

Details of the changes during the year and the breakdown between current and non-current items are shown below, specifying that the non-current portion refers to the portion that will be charged to the income statement beyond 12 months.

Non-current liabilities Public grants (in Euro)	Amount at 01/01/2021	Changes	Amount at 12/31/2021	Changes	Amount at 12/31/2022
Tax credit and public R&D grants	1,806,319	(25,525)	1,780,793	(7,458)	1,773,335
Total	1,806,319	(25,525)	1,780,793	(7,458)	1,773,335

Current liabilities Public grants (in Euro)	Amount at 01/01/2021	Changes	Amount at 12/31/2021	Changes	Amount at 12/31/2022
Tax credit and public R&D grants	428,275	147,086	575,361	40,193	615,554
Total	428,275	147,086	575,361	40,193	615,554

27. OTHER CURRENT FINANCIAL LIABILITIES

Other Current financial liabilities amounted to Euro 8,753 (Euro 93 in the previous year).

The table below shows the breakdown of the changes during the year:

Current liabilities Other current liabilities (in Euro)	Amount at 01/01/2021	Changes	Amount at 12/31/2021	Changes	Amount at 12/31/2022
Derivative instruments – liabilities	8,674	(8,581)	93	973	1,067
Other	382	(382)	-	7,686	7,686
Total	9,056	(8,963)	93	8,660	8,753

28. TRADE PAYABLES AND OTHER PAYABLES

Trade payables and other payables are recognized under current liabilities for a total of Euro 10,444,230 (Euro 8,562,312 in the previous year).

The table below shows the breakdown of the changes during the year:

Current liabilities Trade payables and other payables (in Euro)	Provider	Associates	Other payables	Total
Amount at 01/01/2021	5,442,787	-	1,633,179	7,075,967
Change	1,337,691	-	148,655	1,486,346

Amount at 12/31/2021	6,780,478	-	1,781,834	8,562,312
Change	533,312	-	1,348,606	1,881,918
Amount at 12/31/2022	7,313,790	-	3,130,440	10,444,231

The breakdown of item “Other payables” and the changes during the year are shown below:

Current liabilities Other payables (in Euro)	Amount at 01/01/2021	Changes	Amount at 12/31/2021	Changes	Amount at 12/31/2022
Payables to social security agencies	536,139	33,610	569,750	173,014	742,764
Payables due to employees	973,401	91,663	1,065,064	362,842	1,427,906
Security deposits	110,381		110,000	-	110,000
Sundry receivables	337		488		4,433
Accrued liabilities	12,920	(12,048)	872	844,465	845,337
Deferred income	-	35,660	35,660	(35,660)	-
Total	1,633,179	148,885	1,781,834	1,344,661	3,130,440

29. TAX PAYABLES

Payables for current taxes are recognized under current liabilities for a total of Euro 630,894 (Euro 539,926 in the previous year).

The table below shows the breakdown of the changes during the year:

Current liabilities Tax payables (in Euro)	Amount at 01/01/2021	Changes	Amount at 12/31/2021	Changes	Amount at 12/31/2022
Tax authorities for VAT	55,090	105,947	161,037	(28,218)	132,819
Payables for withholdings	303,502	54,526	358,028	77,965	435,994
Payables for current taxes	207,170	(186,309)	20,861	41,221	62,082
Total	565,762	(25,836)	539,926	90,968	630,894

INCOME STATEMENT

30. REVENUES FROM CONTRACTS WITH CLIENTS

Revenues for the year amounted to Euro 25,464,567, up by 22% on 2021.

The Group provides firms — and, specifically, those in the Enterprise segment — with technological products delivered over the Cloud on a single patented platform owned by the Group (Doxee Platform).

The Group 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 offered by Doxee 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 dematerialize 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 personalized videos (Doxee Pvideo).

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

- 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: this consists in granting the rights to use the Issuer'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.

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

The Group'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 the Issuer that include the technological and regulatory updates made automatically and constantly by the Group.

The breakdown of revenues by product line and delivery method is shown below:

Income Statement Revenues from contracts with clients (in Euro)	Amount at 12/31/2022	Amount at 12/31/2021	Changes
Document Experience	16,724,174	14,105,273	2,618,900
Paperless Experience	4,926,561	3,750,904	1,175,657
Interactive Experience	3,813,832	2,990,378	823,454
Total	25,464,567	20,846,556	4,618,011

Income Statement Revenues from contracts with clients by channel (in Euro)	Amount at 12/31/2022	Amount at 12/31/2021	Changes
SAAS	25,013,425	19,959,479	5,053,946
PAAS	40,992	76,400	(35,408)
ON Premise	410,150	810,677	(400,527)
Total	25,464,567	20,846,556	4,618,011

The breakdown of revenues by geographical area is shown below:

Income Statement Revenues by geographical area (in Euro)	Amount at 12/31/2022	Amount at 12/31/2021	Changes
Italy	21,137,983	18,092,394	3,045,589
EU	2,244,255	828,090	1,416,165
Extra EU	2,082,329	1,926,072	156,257
Total	25,464,567	20,846,556	4,618,011

31. OTHER REVENUES AND INCOME

Other revenues and income amounted to Euro 805,093 (Euro 633,445 in the previous year), and mainly refers to the reversal to the income statement of the revenues relating to R&D tax credits and R&D grants accrued in the previous years, whose effect on the income statement related to the current year.

The table below shows the breakdown of the changes during the year:

Income Statement Other revenues and income (in Euro)	Amount at 12/31/2022	Amount at 12/31/2021	Changes
Other revenues	54,524	133,809	(79,286)
Revenues from participation in finished tenders	750,432	499,633	250,798
Capital gains	137	2	135
Total	805,093	633,445	171,648

32. INTERNALLY GENERATED FIXED ASSETS

Internally generated fixed assets refer solely to the costs for personnel dedicated to the internal development of projects aimed at the constant search for innovative solutions for Business Intelligence and the creation of increasingly integrated and efficient, as well as innovative solutions for the cloud-based digital storage of documents by developing homomorphic encryption languages and blockchain technologies.

Income Statement Internally generated fixed assets (in Euro)	Amount at 12/31/2022	Amount at 12/31/2021	Changes
Internally generated fixed assets	2,476,333	2,136,080	340,253
Total	2,476,333	2,136,080	340,253

33. PRODUCTION COSTS

Costs for the purchase of raw materials and consumables came to Euro 9,548 (Euro 397,166 in the previous year) and refer mainly to stationery and consumable materials.

Income Statement Raw materials (in Euro)	Amount at 12/31/2022	Amount at 12/31/2021	Changes
Consumables and other goods	(9,690)	(397,307)	387,617
Rebates and roundings	142	141	1

Total	(9,548)	(397,166)	387,618
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Costs for services amounted to Euro 13,272,019 (Euro 9,363,043 in the previous year). The increase on 2021 is due to a two-pronged effect: on one side, against the increase in revenues, there was a resulting increase in costs, however, the main portion was attributable to the increase in costs for printing and delivery, whose unit prices applied by third party suppliers rose due to the generalized increase in costs for raw materials during 2022. There was also an increase in the cost of technical consulting linked to the development of Doxee's business, showing constant growth and innovative evolution.

A breakdown of the item by category is shown below.

Income Statement Costs for services (in Euro)	Amount at 12/31/2022	Amount at 12/31/2021	Changes
Printing and delivery costs	4,355,030	3,195,226	1,159,805
Technical advisory services	5,097,292	3,011,651	2,085,642
Administration and other general overhead costs	1,113,225	402,466	710,759
Infrastructure costs	829,142	1,230,510	(401,367)
Marketing costs	45,376	377,035	(331,659)
Fees for corporate bodies	241,649	216,032	25,617
Contractors' fees	49,339	-	49,339
Vehicle costs	290,925	113,017	177,908
Insurance	327,721	229,170	98,551
Costs for banking and factoring services	129,312	101,950	27,363
Advertising costs	135,486	32,144	103,343
Services linked to personnel	370,065	332,650	37,415
Travel and entertainment expenses	242,106	48,912	193,194
Various costs	45,348	72,281	(26,933)
Total	13,272,019	9,363,043	3,908,976

34. COSTS FOR EMPLOYEE BENEFITS

The item includes all employee personnel costs and amounted to Euro 10,119,589 (Euro 7,970,735 in the previous year).

At 12.31.2022, the number of employees of the Doxee Group came to 193, up by 51 compared to 12/31/2021 (of which 29 of Infinica GmbH). That increase, combined with the salary increase set out in the individual growth plans contracted with several employees, resulted in a significant increase in the employee personnel costs.

The breakdown of employee personnel costs is shown below:

Income Statement Employee benefits (in Euro)	Amount at 12/31/2022	Amount at 12/31/2021	Changes
Gross remuneration	7,355,564	5,655,194	1,700,370
Social security charges	2,127,427	1,659,402	468,025
IAS 19	(137,229)	(45,801)	(91,428)
IFRS 2	84,989	15,085	69,904
Employee severance indemnity	605,810	409,094	196,716
Other charges	83,028	277,761	(194,733)
Total	10,119,589	7,970,735	2,148,855

35. OTHER OPERATING COSTS

Other operating costs amounted to Euro 410,132 (Euro 398,815 in the previous year).

Income Statement Other operating costs (in Euro)	Amount at 12/31/2022	Amount at 12/31/2021	Changes
Membership dues	50,575	47,311	3,265
Taxes and duties	89,579	87,421	2,158
Donations	12,018	9,464	2,554
Annual licenses	18,902	67,809	(48,908)
Capital losses	216	3,073	(2,857)
Other charges	88,534	121,941	(33,407)
Write-downs of receivables	150,308	61,796	88,512
Total	410,132	398,815	11,318

36. AMORTIZATION, DEPRECIATION AND WRITE-DOWNS

Amortization and depreciation was calculated based on the useful life of the asset and its use during the production phase.

Amortization of intangible assets posted to the income statement amounted to Euro 2,611,088 (Euro 3,091,117 in the previous year).

Income Statement Amortization of intangible assets (in Euro)	Amount at 12/31/2022	Amount at 12/31/2021	Changes
Amortization of development costs	2,428,047	2,896,036	(467,989)
Amortization of other intangible assets	183,041	195,082	(12,041)
			-
Total	2,611,088	3,091,117	(480,030)

Depreciation of tangible assets posted to the income statement amounted to Euro 272,034 (Euro 267,392 in the previous year).

Income Statement Depreciation of tangible assets (in Euro)	Amount at 12/31/2022	Amount at 12/31/2021	Changes
Deprec. of plant and machinery	1,934	1,882	52
Depreciation of tangible assets	139,570	120,050	19,520
Deprec. of other leased tangible assets	130,529	145,460	(14,930)
Total	272,034	267,392	4,641

Lastly, "Depreciation of other tangible assets" includes Euro 250,717 (Euro 188,009 in the previous year) of depreciation of leased assets pursuant to IFRS 16.

Income Statement Depreciation of rights-of-use (in Euro)	Amount at 12/31/2022	Amount at 12/31/2021	Changes
Depreciation of rented tangible goods	123,206	86,950	36,255
Depreciation of leased properties	127,512	101,058	26,454
Total	250,717	188,009	62,709

37. FINANCIAL INCOME AND EXPENSES

Financial income came to a total of Euro 3,807 in 2022 (Euro 45,159 in the previous year). This item comprised:

Income Statement Financial income (in Euro)	Amount at 12/31/2022	Amount at 12/31/2021	Changes
Interest income on current accounts	347	123	224
Contingent financial assets	-	1,095	(1,095)
Financial income	3,460	43,941	(40,481)
Total	3,807	45,159	(41,352)

Financial charges came to a total of Euro 364,733 in 2022 (Euro 295,744 in the previous year). That item included interest referring to the application of IFRS 16 and the discounting of employee severance indemnity.

This item comprised:

Income Statement Financial expenses (in Euro)	Amount at 12/31/2022	Amount at 12/31/2021	Changes
Interest expense on current accounts	16,723	32,350	(15,627)
Interest expense on bank loans	89,329	70,636	18,692
Fees on bank guarantees	53,678	21,024	32,654
Interest expense from payment extensions	5,444	4,528	915
Supplier interest expense	58,751	58,864	(114)
Interest expense from derivatives	433	10,577	(10,144)
Financial expenses	77,535	41,865	35,669
Financial charges on USA option	34,495	34,495	-
Financial charges IAS 19	15,463	4,683	10,780
Financial charges IFRS 16	15,891	16,722	(831)
Interest rate subsidies	(3,006)	-	(3,006)
Total	364,733	295,744	68,989

Foreign exchange gains (losses) included:

Income Statement Foreign exchange gains (losses) (in Euro)	Amount at 12/31/2022	Amount at 12/31/2021	Changes
Realized foreign exchange gains	9,544	10,259	(714)
Realized foreign exchange losses	(25,530)	(3,979)	(21,551)
Foreign exchange gains from valuation	206,061	304,819	(98,757)
Foreign exchange losses from valuation	(1,132)	(556)	(576)
Total	188,944	310,542	(121,598)

The positive difference between foreign exchange gains and losses was mainly generated by the trade collections and payments, and includes the foreign exchange differences generated from the alignment of receivables and payables in foreign currency at the exchange rate in force at the end of the year.

38. INCOME TAXES

The Company allocated income taxes for the year by applying the tax regulations in force. Current taxes refer to taxes for the year, as resulting from the tax returns. Taxes related to prior years include direct taxes from prior years, including interest and penalties, and also refer to the positive (or negative) difference between the amount due following the settlement of a dispute or an assessment and the value of the provisions allocated in previous years. Lastly, deferred tax liabilities and assets regard positive or negative income components respectively subject to taxation or deduction in years different from the year in which they are recorded as per statutory regulations.

This item comprised:

Income Statement Income taxes (in Euro)	Amount at 12/31/2022	Amount at 12/31/2021	Changes
Current taxes	332,021	265,834	66,186
Deferred tax assets	53,345	(28,931)	82,276
Deferred tax liabilities	(6,803)	(10,766)	3,964
Total	378,563	226,137	152,426

The table below presents the representation of the effective tax rate with the theoretical tax rate of the Parent Company:

Income taxes Reconciliation statement	12/31/2022	Rate	12/31/2021	Rate
Profit/(loss) before tax	1,628,882		1,999,762	

Theoretical income taxes at the nominal tax rate and of the Parent	390,932	24.0%	479,943	24.0%
Change in tax rates	(20,104)	-1.2%	(22,571)	-1.1%
Write-downs of assets	9,285	0.6%	16,208	0.8%
FTA	(20,314)	-1.2%	(44,985)	-2.2%
Tax-free income	(70,761)	-4.3%	(217,369)	-10.9%
Non-deductible costs/(non-taxable income) and other	(27,435)	-1.7%	(23,687)	-1.2%
Prepaid/deferred taxes	46,543	2.9%	(39,697)	-2.0%
Irap	70,418	4.3%	78,296	3.9%
Effective income taxes	378,563	23.2%	226,137	11.3%

OTHER INFORMATION

39. NET FINANCIAL POSITION

The Group's Net Financial Position (or net financial debt) is calculated as the difference between current and non-current financial payables net of cash and cash equivalents and current financial assets, as well as non-current financial assets, excluding current and non-current lease liabilities. It also includes the financial liabilities for short and/or long-term lease contracts and the non-remunerated payables that have a significant component of implicit or explicit financing and any other non-interest bearing loans. The Group's net financial position was as follows:

ESMA Net financial debt (in Euro)	12/31/2022	12/31/2021	Change
Net Financial Debt	14,402,040	3,312,946	11,089,094
Adjustments to exclude:			
Receivables and other long-term financial assets	30,959	2,826	28,133
Restated net financial debt	14,432,999	3,315,772	11,117,227

ESMA Net financial debt (in Euro)	12/31/2022	12/31/2021	-
A. Cash and cash equivalents	2,591,489	5,847,798	(3,256,309)
B. Cash equivalents	-	-	-
C. Other current financial assets	-	-	-

D. Liquidity (A+B+C)	2,591,489	5,847,798	(3,256,309)
E. Current financial payables	2,303,167	729,977	1,573,190
F. Current portion of medium/long-term financial payables	2,384,263	1,921,603	462,660
G. Current Financial Debt (E+F)	4,687,431	2,651,580	2,035,851
H. Net Current Financial Debt (G-D)	2,095,942	(3,196,218)	5,292,160
I. Non-Current Financial Payables	12,337,058	6,511,990	5,825,068
J. Debt instruments	-	-	-
K. Trade payables and other non-current payables	-	-	-
L. Non-Current Financial Debt (I+J+K)	12,337,058	6,511,990	5,825,068
M. Total net financial debt (H+L)	14,432,999	3,315,772	11,117,227

The Doxee Group's Net Financial Debt amounted to approximately Euro 14,432 thousand (Euro 3,316 thousand at December 31, 2021), of which cash and cash equivalents of Euro 2,591 thousand. Among non-current bank payables, amounting to Euro 11,649 thousand, Euro 9,000 thousand is composed of medium-long term liabilities (duration of 6-8 years) at floating interest rates with interest rate risk hedging. The worsening of the Net Financial Debt, which is considered physiological and sustainable by the Group, was mainly due to the financing of the acquisition of Infinica, finalized at the end of September 2022, which involved a total cash outlay of Euro 8,320 thousand. A further worsening impact results from the transition to the IAS/IFRS Standards: that effect can be quantified as a total of approximately Euro 4,800 thousand, of which Euro 1,300 thousand relating to the application, for the first financial year, of accounting standard IFRS 16 relating to the reclassification of finance leases, and approximately Euro 3,500 thousand to the application of accounting standard IFRS 9 relating to the reclassification as financial payables of the exercise of the put&call option on 10% of the share capital of Infinica GmbH and 49% of the share capital of Doxee USA Inc.

40. CASH FLOW STATEMENT

The cash flow statement showed a net positive cash flow from operating activities of around Euro 4,484 thousand, mainly due to the economic flows from ordinary operations, though with a negative change in Net Working Capital, whose main component, a change in trade receivables, increased due to the increase in sales revenues.

Considerable investments were made in 2022 (Euro 14,351 thousand), of which Euro 6,813 thousand was used to complete the third version of the proprietary software platform Doxee Platform 3, in line with the Company's strategic decisions to speed up the roadmap and move up the benefits deriving from the use of the new modules, both in terms of expected revenues and cost savings as a result of streamlining internal processes. Another significant financial outlay was caused by the acquisition of Infinica GmbH, which the Parent covered partly using equity and partly by taking on new loans, partly offset by the inflows from the exercise of the Doxee Warrants 2019-2022 by investors in the period of December 1-15, 2022. On the whole, the cash flow generated by financing activities came to Euro 6,860 thousand.

41. GUARANTEES AND COMMITMENTS AND CONTINGENT LIABILITIES

The table below shows bank guarantees issued in the interest of the parent.

GIVEN IN THE INTEREST OF	Bank	VALUE OF THE GUARANTEE	VALID UNTIL
University of Modena and Reggio Emilia	Unicredit	96,000	unlimited term
Enel Servizi SpA	Unicredit	127,921	unlimited term
Fastweb	Unicredit	300,000	45,016
Schlinder	Bper	500,000	On revocation
Simest SpA	Banco BPM	55,890	On revocation
Simest SpA	Banco BPM	36,958	On revocation
Simest SpA	Banco BPM	74,323	On revocation
Simest SpA	Banco BPM	17,585	On revocation
Wind Telecomunicazioni SpA	MPS	3,000	45,291
Simest SpA	MPS	984,000	45,596
Wind Telecomunicazioni SpA	MPS	50,000	45,291
Poste Italiane SpA	Crédit Agricole	22,982	On revocation
Postel SpA	Crédit Agricole	50,000	On revocation
Herbert Liebl	Crédit Agricole	1,000,000	45,291
Total		3,318,659	

42. OTHER INFORMATION

Employment data

The table below indicates the number of employees of the Group, broken down by category and calculated considering the daily average.

Number of employees by category	Average 2022	%	Final 2022	%	Average 2021	%	Final 2021	%
Senior managers	8	4.4%	10	5.2%	6	4.6%	6	4.2%
Middle managers	18	9.9%	18	9.3%	17	13.0%	18	12.7%
Clerical staff	156	85.7%	165	85.5%	108	82.4%	118	83.1%
Total	182	100.0%	193	100.0%	131	100.0%	142	100.0%

During 2022, the workforce increased by 51 resources, of which 29 referring to the newly-acquired Infinica GmbH, while the remainder of the increase is related to the increased volumes of production and the need to recruit personnel with high level technological skills, in addition to the intention to expand the sales network.

Fees due to members of the corporate bodies and the independent auditors

The table below shows the total fees due to Directors, members of the Board of Statutory Auditors and the Independent Auditors.

Fees due	Party providing the service	Amount at 12/31/2022	Amount at 12/31/2021	Difference
Auditing services	EY S.p.A.	62,019	54,500	7,519
Board of Statutory Auditors		41,784	36,660	5,124
Board of Directors		248,667	251,000	(2,333)
Total		352,470	342,160	10,310

43. SUBSEQUENT SIGNIFICANT EVENTS AND FORESEEABLE EVOLUTION OF OPERATIONS

No significant events occurred after the end of the year that had an important impact on the balance sheet, cash flow or income statement performance.

Regarding the conflict between Russia and Ukraine, note that the company does not operate on either the Russian or Ukraine market, and, thus, has not suffered direct consequences from the conflict except, as for everyone, the effects of the increased costs for commodities, also including energy and gas. The Company has taken action to mitigate these to the extent possible.

These Financial Statements, composed of the Statement of Financial Position, Statement of profit/loss for the year, Statement of other comprehensive income, Statement of changes in Equity, Cash Flow Statement and Notes, provides a true and fair view of the equity and cash flow situation and the income statement results for the year, and agrees with the accounting records.

Modena (MO), 28 March 2023

The Chairman of the Board of Directors
Paolo Cavicchioli