



# Consolidated Half-Year Financial Report at June 30, 2023

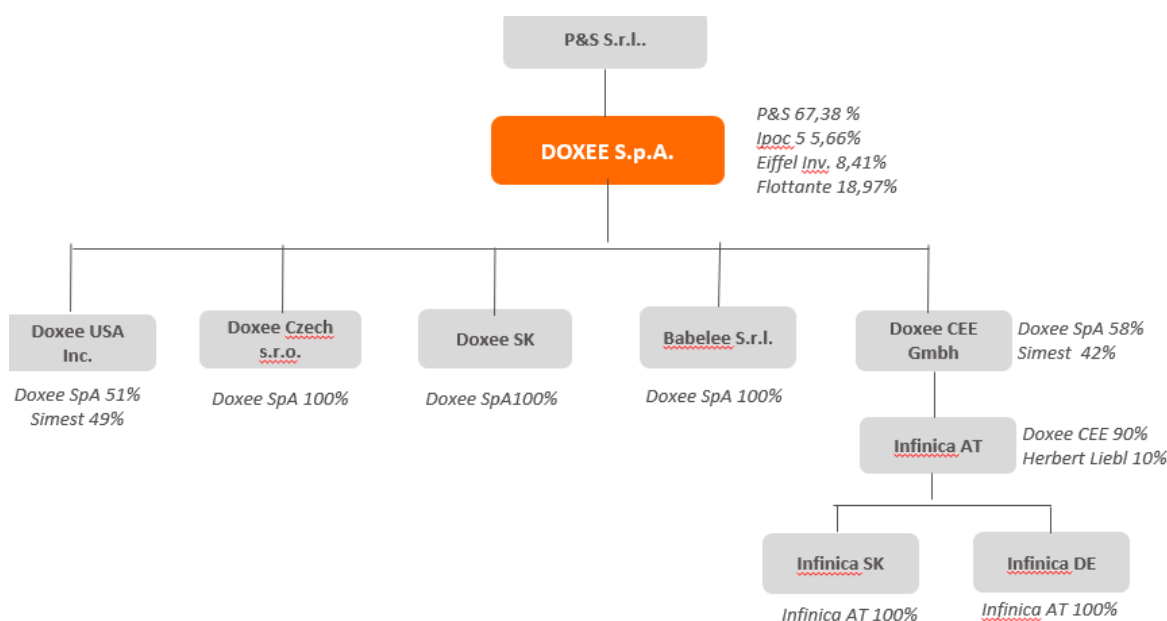
**DOXEE GROUP**



## CONSOLIDATED HALF-YEAR FINANCIAL REPORT AT 06.30.2023 OF THE DOXEE GROUP

### CORPORATE STRUCTURE

Doxee S.p.A., the Parent of the Doxee Group, 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:

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

Registered office: Modena, Italy  
Reporting currency: Euro  
Share capital: Euro 1,913,750.19 – fully paid-up  
Equity at 06/30/2023: Euro 13,735,097.75  
Loss for the period at 06/30/2023: Euro -2,433,648.37  
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 06/30/2023: Euro -4,162,738.46  
Loss for the period at 06/30/2023: Euro -83,518.09  
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 06/30/2023: Euro 351,268.46  
Loss for the period at 06/30/2023: Euro -13,598.06  
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 06/30/2023: Euro 526,922.88  
Profit for the period at 06/30/2023: Euro 138,854.97  
Condition: subsidiary in the Czech Republic

Direct ownership share: 100%

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

Registered office: Milan, Italy  
Reporting currency: Euro  
Share capital: Euro 12,193.00 - fully paid-up  
Equity at 06/30/2023: Euro 132,478.91  
Loss for the period at 06/30/2023: Euro -6,772.90  
Status: Italian subsidiary  
Direct ownership share at December 31, 2022: 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 12/31/2023: Euro 17,458.50  
Loss for the period at 12/31/2023: Euro – 43,989.40  
Status: Austrian subsidiary  
Direct ownership share: 58%,

Note that in February 2023, following a strategic operation concluded by the Parent with Simest S.p.A., the latter entered the share capital of Doxee CEE GmbH with a minority stake of [42]%. Following that operation, the Parent held a direct ownership share of [58]% of the share capital of Doxee CEE GmbH at June 30, 2023.

#### **INFINICA GmbH**

Registered office: Vienna, Austria  
Reporting currency: Euro  
Share capital: Euro 36,000.00 – fully paid-up  
Equity at 06/30/2023: Euro 210,995.03  
Loss for the period at 06/30/2023: Euro -236,007.27  
Status: Austrian subsidiary  
Direct ownership share at June 30, 2023: 0.00%  
Indirect ownership share: 52.28%

In the initial months of 2023, the investment in the share capital of Infinica GmbH, previously held by the Parent and equal to 90%, 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.

In addition in July 2023, the subsidiary Doxee CEE exercised the first tranche (amounting to 5% of the share capital) of the option to purchase the remaining 10% of Infinica GmbH's share capital, thus bringing its investment to 95% of the share capital. Thus, following that operation, the indirect share held by Doxee S.p.A in Infinica GmbH came to 55.1%.

#### **INFINICA DE**

Registered office: Germany

Reporting currency: Euro

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

Equity at 06/30/2023: Euro -124,582.76

Loss for the period at 06/30/2023: Euro -169,255.66

Condition: German subsidiary

Direct ownership share at June 30, 2023: 100.00%-owned by Infinica GmbH

Indirect ownership share: 52,28 %

#### **INFINICA SK**

Registered office: Czech Republic

Reporting currency: Euro

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

Equity at 06/30/2023: Euro 51,376.49

Profit for the period at 12/31/2022: Euro 3,713.71

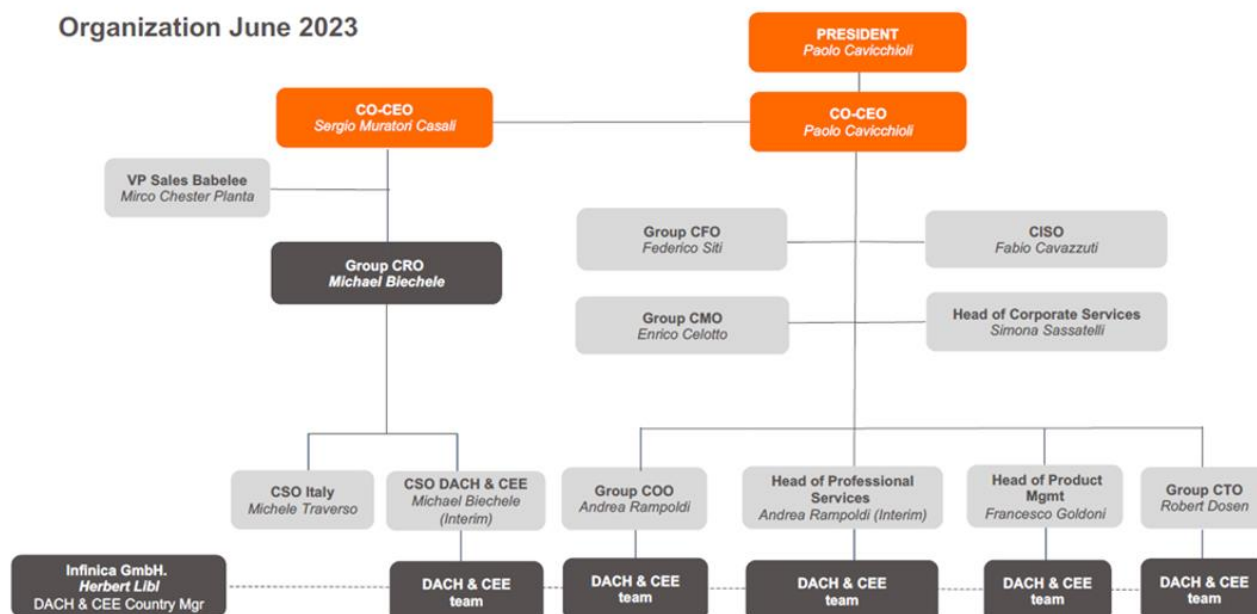
Status: Slovak subsidiary

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

Indirect ownership share: 52.28% %

## STRUCTURE OF THE CENTRAL FUNCTIONS

The following is a representation of the corporate and functional organization of the Doxee Group at June 30, 2023:



## 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. 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;

**Net 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 at June 30, 2023 are shown below.

Statement of financial position	Amount at 06/30/2023	Value at 12/31/2022 ADJ*	Difference
<b>Non-current assets</b>			
Other tangible assets	460,214	576,184	(115,969)
Development costs	8,757,261	10,224,560	(1,467,299)
Work in progress and payments on account	7,972,218	4,624,041	3,348,177
Other intangible assets	5,128,399	5,423,090	(294,690)
Right-of-use assets	1,023,688	1,001,692	21,996
Goodwill	7,735,781	7,735,780	-
Non-current financial assets	31,959	31,960	(1)
<i>of which investments</i>	<i>1,000</i>	<i>1,000</i>	-
Deferred tax assets	287,591	280,947	6,645
Other non-current assets	129,650	156,555	(26,905)
<i>of which Derivative instruments</i>	<i>48,725</i>	<i>39,229</i>	<i>9,496</i>

<b>Total non-current assets</b>	<b>31,526,763</b>	<b>30,054,808</b>	<b>1,471,954</b>
<b>Current assets</b>			
Inventories	-	-	-
Trade receivables	11,603,936	11,811,619	(207,683)
Other receivables	3,260,242	2,752,062	508,180
Cash and cash equivalents and short-term deposits	4,343,379	2,591,489	1,751,889
<b>Total current assets</b>	<b>19,207,556</b>	<b>17,155,170</b>	<b>2,052,386</b>
<b>Total assets</b>	<b>50,734,319</b>	<b>47,209,979</b>	<b>3,524,340</b>

<b>Statement of financial position</b>	<b>Amount at 06/30/2023</b>	<b>Value at 12/31/2022 ADJ*</b>	<b>Difference</b>
<b>Equity</b>			
Share capital	1,913,570	1,913,570	-
Share premium reserve	8,554,460	8,554,460	-
Other reserves	8,023,181	7,446,302	576,879
FTA reserve	(1,585,343)	(1,585,343)	-
Employee benefits reserve	(91,567)	(95,774)	4,207
Currency translation reserve	(53,924)	(136,525)	82,601
Cash flow hedge reserve	37,031	29,814	7,217
Retained earnings/(Accumulated losses)	(3,269,619)	(3,900,621)	631,002
Profit (loss) of the year	(3,249,479)	1,155,993	(4,405,473)
<b>Equity attributable to the Group</b>	<b>10,278,310</b>	<b>13,381,877</b>	<b>(3,103,567)</b>
Minority interests in capital and reserves	-	7,077	(7,077)
Profit (loss) attributable to minority interests	-	5,501	(5,501)
<b>Equity attributable to minority interests</b>	<b>-</b>	<b>12,578</b>	<b>(12,578)</b>
<b>Total equity</b>	<b>10,278,310</b>	<b>13,394,455</b>	<b>(3,116,145)</b>
<b>Non-current liabilities</b>			
Non-current loans and financing	15,254,137	11,688,021	3,566,116
Non-current lease liabilities	683,155	688,266	(5,111)
Provisions for risks and charges	-	-	-
Net liabilities for employee benefits	1,961,512	1,814,557	146,955
Deferred tax liabilities	1,150,331	1,207,660	(57,329)
Other non-current liabilities	216,357	265,575	(49,218)
<i>of which Derivative instruments</i>	-	-	-
Non-current public grants	1,756,718	1,773,335	(16,617)
<b>Total non-current liabilities</b>	<b>21,022,211</b>	<b>17,437,414</b>	<b>3,584,796</b>
<b>Current liabilities</b>			
Current loans and financing	6,131,119	4,362,202	1,768,917
Current lease liabilities	345,254	316,476	28,778
Other current financial receivables	4,886	8,753	(3,867)
Trade payables and other payables	12,025,477	10,444,230	1,581,246
<i>of which other payables</i>	4,124,175	3,130,440	993,735
Tax payables	349,199	630,894	(281,696)
Public grants	577,864	615,554	(37,690)
<b>Total current liabilities</b>	<b>19,433,798</b>	<b>16,378,110</b>	<b>3,055,688</b>
<b>Total equity and liabilities</b>	<b>50,734,319</b>	<b>47,209,979</b>	<b>3,524,339</b>

\* The balance sheet balances at December 31, 2022 have been restated as a result of the completion of the process of Purchase Price Allocation regarding the acquisition of the Infinica Group, as reported in paragraph "2. Significant Events in the First Half of 2023", below.

## Reclassified Consolidated Statement of Financial Position

Reclassified statement of financial position	Amount at 06/30/2023	Value at 12/31/2022 ADJ*	Difference
Tangible assets	1,483,903	1,577,876	(93,973)
Intangible assets	29,593,659	28,007,471	1,586,188
Financial assets (**)	31,959	31,960	(1)
<b>Total fixed assets</b>	<b>31,109,521</b>	<b>29,617,307</b>	<b>1,492,214</b>
Trade receivables	11,603,936	11,811,619	(207,683)
Trade payables	(12,025,477)	(10,444,230)	(1,581,246)
<b>Working capital</b>	<b>(421,541)</b>	<b>1,367,389</b>	<b>(1,788,929)</b>
Other assets	3,628,759	3,150,335	478,424
Other liabilities	(4,050,469)	(4,493,018)	442,549
<b>Other assets and liabilities</b>	<b>(421,710)</b>	<b>(1,342,684)</b>	<b>920,973</b>
Employee benefits liabilities	(1,961,512)	(1,814,557)	(146,955)
<b>Net Invested Capital (NIC)</b>	<b>28,304,758</b>	<b>27,827,455</b>	<b>477,303</b>
Capital and reserves	13,527,790	12,232,961	1,294,829
Profit (loss) for the period	(3,249,479)	1,161,494	(4,41,09739)
<b>Equity</b>	<b>10,278,310</b>	<b>13,394,455</b>	<b>(3,116,145)</b>
<b>Net financial debt (*)</b>	<b>18,026,448</b>	<b>14,433,000</b>	<b>3,593,448</b>
<b>Total covering the NIC</b>	<b>28,304,758</b>	<b>27,827,455</b>	<b>477,303</b>

(\*\*)

*the value of derivative instrument assets recognized in the section "Other non-current assets" was reclassified to the item Net Financial Debt for Euro 48.7 K thousand at 06/30/2023 (Euro 39.2 thousand at 12/31/2022)*

**Net Invested Capital**, amounting to Euro 28,305 thousand (Euro 27,916 thousand at December 31, 2022) reported a total increase of Euro 388 thousand. The change was the result, on one hand, of the increase of Euro 2,595 thousand in total fixed assets (from Euro 28,514 thousand at December 31, 2022 to Euro 31,110 thousand at June 30, 2023), specifically in intangible assets, and an overall decrease of Euro 2,207 thousand in all other items comprising Net Invested Capital, and, specifically, the reduction in net working capital of Euro 1,789 thousand.

The increase in total fixed assets was mainly due to the increases recorded during the period in items of fixed assets in progress (from Euro 4,624 thousand at December 31, 2022 to Euro 7,972 thousand at June 30, 2023) and of other intangible assets (from Euro 238 thousand at December 31, 2022 to Euro 5,128 thousand at June 30, 2023), attributable to the capitalization of additional costs regarding investments in the new release of the Doxee Platform®.

With reference to Net Working Capital, on the other hand, the reduction reported is a consequence of an increase in payment times following the renegotiation of terms with some of the main suppliers.

The **Group Shareholders' Equity** came to Euro 10,278 thousand (Euro 13,394 thousand at December 31, 2022), decreasing by Euro 3,116 thousand on the value at December 31, 2022, mainly due to the loss for the period of this report.



The Group's Net Financial Debt at June 30, 2023 is shown in detail below:

ESMA Net financial debt	Amount at 06/30/2023	Amount at 12/31/2022	Change
<b>Net Financial Debt</b>	<b>18,026,448</b>	<b>14,433,000</b>	<b>3,593,448</b>
<i>Adjustments to exclude:</i>			-
Receivables and other long-term assets	30,959	30,960	(0)
<b>Restated net financial debt</b>	<b>17,995,488</b>	<b>14,402,040</b>	<b>3,593,448</b>

ESMA Net financial debt	Amount at 06/30/2023	Amount at 12/31/2022	Change
A. Cash and cash equivalents	4,343,379	2,591,489	1,751,889
B. Cash equivalents	-	-	-
C. Other current financial assets	-	-	-
<b>D. Liquidity (A+B+C)</b>	<b>4,343,379</b>	<b>2,591,489</b>	<b>1,751,889</b>
E. Current financial payables	3,623,675	2,303,167	1,320,508
F. Current portion of non-current financial payables	2,857,584	2,384,263	473,321
<b>G. Current financial debt (E+F)</b>	<b>6,481,259</b>	<b>4,687,431</b>	<b>1,793,828</b>
H. Net current financial debt (G-D)	2,137,881	2,095,941	41,939
I. Non-current financial payables	15,888,568	12,337,058	3,551,509
J. Debt instruments	-	-	-
K. Trade payables and other non-current payables	-	-	-
<b>L. Non-current financial debt (I+J+K)</b>	<b>15,888,568</b>	<b>12,337,058</b>	<b>3,551,509</b>
<b>M. Total net financial debt (H+L)</b>	<b>18,026,448</b>	<b>14,433,000</b>	<b>3,593,448</b>

The Doxee Group's **Net Financial Debt** amounted to approximately Euro 18,026 thousand (Euro 14,433 thousand at December 31, 2022), of which cash and cash equivalents of Euro 4,343 thousand. Among non-current financial payables, Euro 12,397 thousand is composed of bank payables, of which around Euro 11,714 thousand is composed of medium-long term liabilities (duration of 6-8 years) at floating interest rates with interest rate risk hedging, and Euro 683 thousand of medium-long term lease liabilities.

The worsening of financial debt, deemed sustainable by the Group, is mainly attributable to the operation mentioned, which took place in the initial months of 2023, through which Simest S.p.A. ("Simest"), a company in the CDP Group that supports the internationalization of Italian companies, entered the share capital of the Austrian subsidiary Doxee CEE GmbH, with a minority share of 42%. Specifically, the agreement that Simest signed with the Parent Company envisaged, in addition to the acquisition of the investment noted, also the disbursement by Simest of a shareholders' loan of Euro 2,000 thousand to the Austrian subsidiary Doxee GmbH.

The additional Euro 2,000 thousand increase in Net Financial Debt derives from the application of the accounting standard IFRS 9 and the resulting recognition among financial payables of the put & call option on 42% of the share capital of Doxee GmbH, which the parent Doxee Spa committed to repurchasing by January 2030.

## 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.

Consolidated Income Statement	Amount at 06/30/2023	Amount at 06/30/2022	Difference
Revenues from contracts with clients	12,143,900	11,054,584	1,089,316
Other revenues and income	365,240	358,600	6,639
Internally generated fixed assets	1,284,861	3,278,923	(1,994,062)
Raw materials and consumables	(3,605)	(4,333)	727
Services costs	(7,363,610)	(8,211,741)	848,132
Costs for employee benefits	(6,610,535)	(4,503,238)	(2,107,297)
Other operating costs	(314,369)	(446,047)	131,678
Amortization of intangible assets	(1,761,989)	(1,221,073)	(540,916)
Depreciation of tangible assets	(129,141)	(133,330)	4,189
Depreciation of rights-of-use	(174,543)	(107,131)	(67,412)
Net write-down of fixed assets	-	-	-
Financial income	8,785	2,374	6,411
Financial expenses	(561,412)	(114,147)	(447,265)

Foreign exchange gains (losses)	(204,073)	323,019	(527,092)
<b>Profit (loss) before tax from continuing operations</b>	<b>(3,320,491)</b>	<b>276,459</b>	<b>(3,596,950)</b>
Income taxes	71,011	(10,590)	81,601
- Current taxes	(758)	(13,237)	12,479
- Deferred tax assets	14,566	(1,045)	15,610
- Deferred tax liabilities	57,204	3,692	53,512
<b>Profit (loss) for the year</b>	<b>(3,249,479)</b>	<b>265,869</b>	<b>(3,515,349)</b>
<b>A. Profit (loss) for the year</b>	<b>(3,249,479)</b>	<b>265,869</b>	<b>(3,515,349)</b>
Net actuarial gains/(losses) on defined benefit pension plans	4,207	80,743	(76,536)
<b>B. Total items that cannot be reclassified to the income statement</b>	<b>4,207</b>	<b>80,743</b>	<b>(76,536)</b>
Translation of foreign financial statements	82,601	(354,005)	436,607
Net gains/(losses) on cash flow hedges	7,217	10,887	(3,670)
<b>C. Total items reclassified/that cannot be reclassified to the income statement</b>	<b>89,818</b>	<b>(343,118)</b>	<b>432,936</b>
<b>D. Total components of comprehensive income (B + C)</b>	<b>94,025</b>	<b>(262,375)</b>	<b>356,400</b>
<b>E. Comprehensive income/(loss) (A + D)</b>	<b>(3,155,454)</b>	<b>3,494</b>	<b>(3,158,948)</b>
of which:			-
- pertaining to the group	(3,155,454)	5,303	(3,160,757)
- attributable to minority interests		(1,809)	1,809

## Reclassified consolidated income statement

Reclassified Income Statement	Amount at 06/30/2023	Amount at 06/30/2022	Difference
Revenues from sales and services	12,143,900	11,054,584	1,089,316
Internally generated fixed assets	1,284,861	1,272,785	12,076
Other revenues and income	365,240	358,600	6,639
<b>Value of production</b>	<b>13,794,001</b>	<b>12,685,970</b>	<b>1,108,031</b>
Services and outsourcing	2,423,564	2,321,470	102,094
IaaS direct costs	1,019,234	788,466	230,768
Direct personnel costs (excluding research and development)	2,535,019	2,029,943	505,076
Professional services (excluding research and development)	1,403,343	1,158,255	245,088
<b>Direct production costs</b>	<b>7,381,160</b>	<b>6,298,133</b>	<b>1,083,026</b>
<b>Contribution margin</b>	<b>6,412,841</b>	<b>6,387,837</b>	<b>1,108,031</b>
Sales and marketing costs	(546,111)	(510,050)	(36,061)
General and administrative expenses	(1,647,720)	(1,303,993)	(343,726)
Indirect personnel cost	(2,879,232)	(1,979,058)	(900,173)
Research and development costs	(1,837,897)	(1,067,988)	(769,909)
<b>EBITDA</b>	<b>(498,118)</b>	<b>1,526,748</b>	<b>(2,024,866)</b>
Depreciation and Amortization	(2,065,673)	(1,461,535)	(604,138)
<b>EBIT</b>	<b>(2,563,791)</b>	<b>65,213</b>	<b>(2,629,005)</b>
Financial income and expenses	(756,700)	211,245	(967,945)
<b>Profit/(loss) before tax</b>	<b>(3,320,491)</b>	<b>276,459</b>	<b>(3,596,950)</b>
Income taxes	71,011	(10,590)	81,601

Profit (loss) for the period	(3,249,479)	265,869	(3,515,348)
pertaining to the group	(3,249,479)	267,678	(3,517,157)
minority interests	-	(1,809)	1,809
	(3,249,479)	265,869	(3,515,348)

**Revenues from sales and services** amounted to Euro 12,144 thousand, up 8% on Euro 11,055 thousand at June 30, 2022. In particular, the product lines that made the greatest contribution to revenue growth were document experience, with revenues of Euro 9,131 thousand, compared with Euro 7,701 thousand in the first half of 2022, and interactive experience, with revenues of Euro 1,709 thousand, compared to Euro 1,547 thousand in the first half of 2022. Conversely, the paperless experience line showed the opposite trend, recording a decrease in turnover of Euro 503 thousand.

Income Statement	Amount at	Amount at	Change
Revenues from contracts with clients - product type	06/30/2023	06/30/2022	
Document Experience	9,130,892	7,701,278	1,429,614
Paperless Experience	1,304,234	1,806,803	(502,569)
Interactive Experience	1,708,775	1,546,503	162,272
<b>Total</b>	<b>12,143,900</b>	<b>11,054,584</b>	<b>11,054,584</b>

**Recurring revenues**, thanks also to the increase in the activities provided in SaaS mode, stood at around 70% of total revenues.

The **Value of Production** amounted to Euro 13,794 thousand (Euro 12,686 thousand at June 30, 2022), due to internally generated fixed assets regarding the development of the Doxee Platform®, equal to Euro 1,285 thousand (Euro 1,273 thousand at June 30, 2022) and other revenues and income deriving from R&D tax credits and contributions of Euro 365 thousand (Euro 359 thousand at June 30, 2022).

**The Contribution Margin** stood at Euro 6,413 thousand, compared to Euro 6,388 thousand at June 30, 2022. 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 same period of the previous year (Euro 3,348 thousand in the first half of 2023 compared to Euro 3,279 thousand at June 30, 2022). This increase was temporarily reflected in the Group's margins, recording a negative EBITDA at Euro -498 thousand, compared to Euro 1,527 thousand recorded in the same period of 2022. 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, in the period from June 30, 2022 to June 30, 2023 the workforce increased – with

the related reflection on personnel costs – from 153 employees to 187 employees, of which 31 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 2,066 thousand (Euro 1,462 thousand at 06.30.2022), 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 - 2,564 thousand (Euro 65 thousand at June 30, 2022), while the Group Net Profit (Loss) amounted to Euro -3,249 thousand (Euro 266 thousand in the same period of the previous year).

## INDEXES

The key income statement and balance sheet indicators are shown below.

Fixed asset financing ratios	Amount at 06/30/2023	Amount at 12/31/2022 ADJ*	Difference
Equity - Fixed Assets	(20,800,252)	(16,191,892)	(4,608,360)
Equity / Fixed Assets	0.33	0.45	(0.12)
(Equity + Consolidated Liabilities) - Fixed Assets	221,959	1,245,522	(1,023,563)
(Equity + Consolidated Liabilities) / Fixed Assets	1.01	1.04	(0.03)

**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 compared to the previous year is mainly attributable to the reduction in equity due to the losses recorded in the period and the increase in fixed assets due to the continuation of the necessary investments to develop the company's 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).

Compared to the previous year, there was also a decrease in this ratio, though slighter the equity/fixed asset ratio, as the reduction in equity was offset by an increase in the use of third party funds.

Ratios on the structure of sources of financing	Amount at 06/30/2023	Value at 12/31/2022 ADJ*	Difference
Leverage ratio	3.94	2.53	1.41
Financing liabilities / Equity	2.18	1.27	0.90

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

The Leverage ratio at June 30, 2023 worsened on June 30, 2022, due to the decrease in equity as a result of the loss recorded in the period, and the concurrent increase in the use of third party capital.

**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. That ratio followed the negative trend of the leverage ratio. The decrease on the previous year is due to the worsening of the NFP in relation to a decrease in equity.

Profitability ratios	Amount at 06/30/2023	Amount at 06/30/2022	Difference
Net ROE	-31.6%	2.0%	-33.6%
Gross ROE	-32.3%	2.1%	-34.4%
ROI	-9.1%	0.2%	-9.3%
ROS	-21.1%	0.6%	-21.7%

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. The ROE for the period was negative, at -31.6% due to the decrease in profitability recorded by the company in the first half.

The **Gross R.O.E.**, which measures the return on equity without accounting for the negative impact of taxes, was negative, just like the ROE, at -32.3%, for the reasons mentioned above.

**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. for the period followed the negative trend of the other profitability ratios, recording a negative value of -9.1%, as the result before taxes and interest was also negative.

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 value was also negative, a clear sign that the losses for the period are mainly attributable to an insufficient level of turnover.

Solvency ratios	Amount at 06/30/2023	Value at 12/31/2022 ADJ*	Difference
Current assets - Current liabilities	(226,242)	777,061	(1,003,302)
Current assets / Current liabilities	0.99	1.05	(0.06)
(Trade and other receivables + Cash and cash equivalents) - Current liabilities	(226,242)	777,061	(1,003,302)
(Trade and other receivables + Cash and cash equivalents) / Current liabilities	0.99	1.05	(0.06)



**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 value worsened significantly compared to 12/31/2022 and denotes the current inability to cover short-term liabilities.

## BUSINESS

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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.

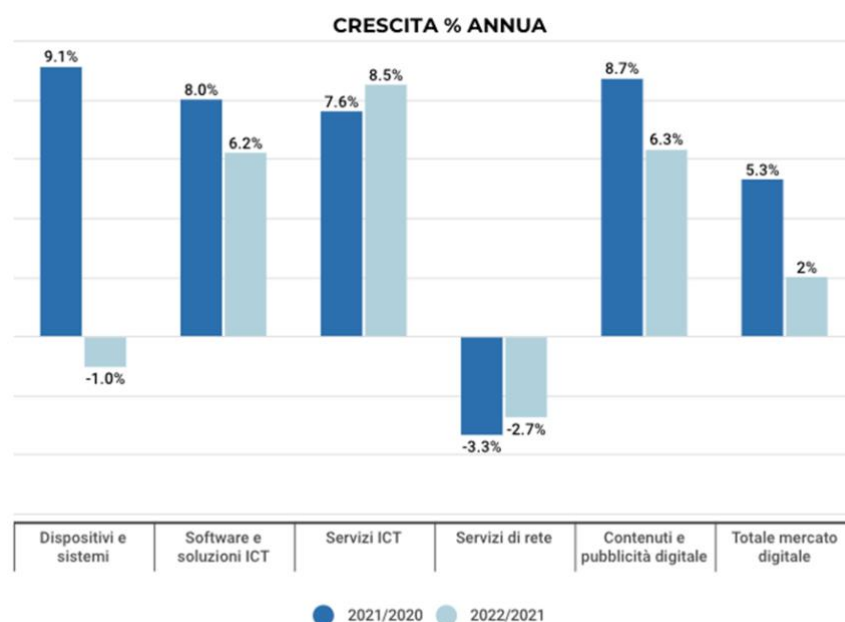
The Group is present in Europe and in the United States (USA) and operates, directly and indirectly, in the main world markets, through 193 employees and an extensive (direct and indirect) network of vendors.

## **GENERAL ECONOMIC TREND – THE IT AND ICT SECTOR**

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Significant challenges for the market were laid down at the start of 2023, caused by the worsening of the global macro-economic situation, with specific focus on the continuing Russia-Ukraine conflict and the application of policies to sterilize inflation, which are blocking investments worldwide.

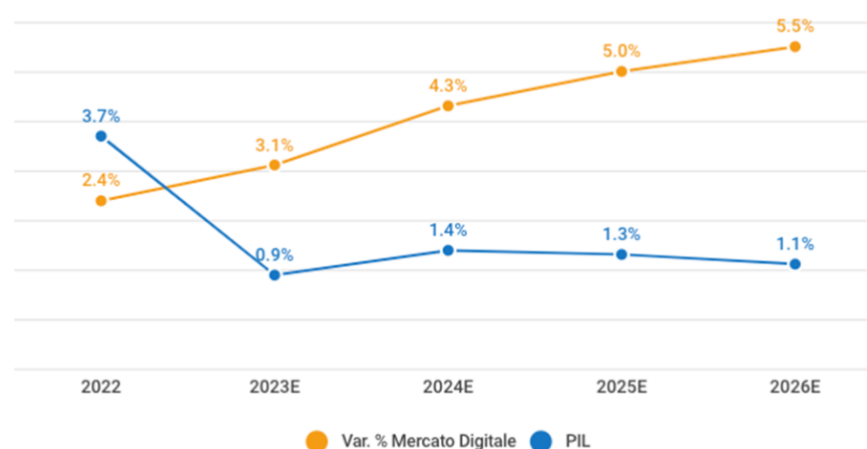
In this context, it is important to note the 2022 results, which saw growth of 2.4% in the market (source: Netconsulting Cube), lower than the average growth of the Italian GDP (3.1%), thus amounting to a total market value of Euro 77.1 billion. It is important to note that the most significant growth in the market was in the ICT services sector (+8.5%, Euro 14.8 billion), sharply accelerating, mainly due to cloud computing and cybersecurity services and, to a lesser extent, both application and infrastructural system integration services. In turn, the Digital Content and Advertising segment (+6.3% and Euro 14.3 billion) and ICT Software and Solutions segment (+6.2%, Euro 8.6 billion) recorded highly positive performance, while the Devices and Systems market, which showed sharp growth in 2021, instead showed a negative trend in 2022 (-1%), and only TLC services was worse, with a decrease of 2.7%.



Fonte: elaborazioni NetConsulting cube, 2023

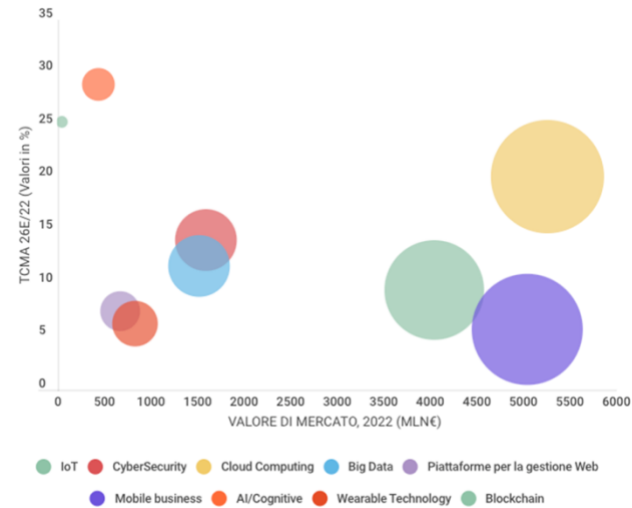
In 2023, analysts predicted total growth in the market of 3.1%, with a total value of Euro 79.4 billion, with significant deviations between the figures for the segments comprising the market, and, specifically, for those segments with greater exposure to the effects of inflation, such as the consumer segment. Analyst forecasts highly correlate the growth of the market to numerous factors of uncertainty. Firstly, the Italian National Recovery and Resilience Plan and the ability at local level to use the resources for digitalization projects and, secondly, the continuing economic framework impacted by inflation at national and international levels, which could make the digital transition a more costly process for companies.

**Fig. 4 - Previsioni del mercato digitale (2022-2026) e confronto con l'andamento previsto del PIL in Italia**



On the whole, analysts expect significant growth in the Digital Enabler and Transformer segment, which will drive the entire market, with an expected average annual increase of around 12.8%, with specific growth in Cloud Computing services, where analysts (source: Netconsulting Cube) forecast a specific appetite for investment by businesses and public institutions in the subsegments linked to Cybersecurity, Big Data Management, Cognitive AI and Blockchain. In this overall trend, we expect must lower growth in web management platforms, such as portals and intranets, which are now considered a commodity, while even lower growth is forecast for the other segments.

**Fig. 3 - Andamento dei Digital Enabler (2022-2026E)**



## 2022 MACROECONOMIC SCENARIO AND 2023 FORECAST

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The initial months of 2023 were significantly influenced by the geopolitical and macroeconomic events that occurred in 2022. The continuation of the war in Ukraine, the unprecedented growth in energy prices, inflation which remained at high levels also in the first half of 2023, both in Europe and the United States, and the additional interest rate hike applied by the major central banks made the macroeconomic scenario particularly uncertain.

In the wake of these dynamics, expectations for the second half of 2023 are still extensively influenced by the evolution of the Russia-Ukraine war, as well as the concerns for a possible recession or, in any event, a slowdown in growth, which could specifically target Europe and the United States.

The GDP forecast for 2023 show global growth of 2.7%: 1.6% for the United States, +0.9% for Europe and 0.8% for Italy (Source: OECD)

Inflation trends are still decisive in the forecasts for 2023, with +6.4% expected for Italy (source: OECD)

In this scenario, it is expected that the central banks will take further action on interest rates, but to a more limited extent than in the past few months.

With regard to currencies, the trends described above should not have significant impacts on the EUR/USD exchange rate, which in the second half of 2023 should remain in a range from 1.06 to 1.10, unless a recessive scenario takes shape, which could result in the appreciation of the US currency as a safe-haven asset.

## PERFORMANCE OF OPERATIONS

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In the first six months of 2023, Doxee S.p.A. continued to operate as a reference player in digitalization processes, especial in operating sectors that showed a tendency towards greater “resistance” by companies to investing, preferring, instead of returns on medium-term investments (ex. on digital transformation) a more tactical approach linked to reducing/cutting investments in services/technologies not strictly correlated to the core business or company “operation”. This caused a significant extension of the duration of sales cycles by at least 6-9 months compared to the typical averages in our industry, which fell within a range of 12-18 months.

In this area, the ix product line felt the greatest impact of the delays, especially in cases, mainly of prospects, where clients chose not to add functionalities to Doxee products that were already active. Then, investments were made in the positioning of new products linked to the acquisition of Infinica, specifically the component of integration, for the purpose of building a partner network. Its activities began in April, activating several System Integrators in the CRM area, with which we identified use cases on which to develop proposals starting in the second half.

In terms of operations, the Group began an integration process linked to the acquisition of Infinica which involved a sharp focus on both the technological component of accelerating the roadmap for the Doxee Platform3@ and on the operating component in the areas of Product Management, Finance, Marketing and Sales. Specifically, in the fourth quarter of 2023 a new

organization is planned, including new top managers and the use of resources currently working for Infinica to support the process. Operating costs for integration should be considered an extraordinary component that cannot be capitalized, which regards the current year above all, and which has not yet been offset in terms of revenues generated by the integration.

The negative trend in profitability was partly offset by factors that are not yet reflected in the income statement for the first half, but are extremely strategically important for the Group, such as the strengthening of the commercial partnership with the Poste Italiane Group and the awarding of INPS (Italian National Social Security Institute) tender in a temporary consortium of companies with Postel, for a total amount of Euro 1.5 million. In terms of cash flow, the negative economic trend inevitably caused a worsening of net financial debt, however, without generating specific tensions. The Group continued to accurately fulfill its financial commitments also by using a portion of short-term credit lines. The Parent implemented monitoring and control systems on the trend in cash flows to promptly intercept any possible situations of tension.

Recruiting activities kept on, specifically for the Infinica Group, to meet needs linked to growth, while in the other companies of the Group, including the Parent, the current workforce is deemed adequate to needs. Also in the first half of 2023, the Parent invested extensive resources in research projects eligible for the tenders of the Italian Ministry for Business and Made in Italy (MISE) and the Emilia Romagna Region, opening a dedicated bank loan to cover the lag between the time the costs will be incurred and the time the entities will provide the grants.

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## GOING CONCERN

The valuations in these financial statements have been made assuming the company is a going concern, after considering that set out in IAS 1, and, thus, analyzing all the available elements useful for that regard.

The difficult general conditions of the market caused by the geopolitical situation and an uncertain macroeconomic scenario, and the negative impacts also on companies' investments in technology resulted in a significant loss of Euro 3,250 thousand at June 30, 2023, for the first time in the Group's history, in addition to a worsening of its financial position. Despite the performance not up to par, the Group managed to cover all of its financial commitments, also due to the extension of payment terms with several suppliers, without even generating specific tensions.

In that situation, the Directors promptly conducted a forward-looking analysis to outline the short and medium-term economic trends and identify potential situations of financial tension. Specifically, the Directors considered the main elements that may influence the performance expectations for the current year and the following year, including benefits deriving from the improvement actions being implemented, and assessed the resulting effects on cash flows and the financial position of the Parent and its subsidiaries. These comprise the impacts that factors such as the performance of revenues, investments in Research & Development, actions aimed at achieving significant cost savings and synergies deriving from the integration between the Group companies may have on the income and cash flow forecasts.

The decrease in revenues recorded in the first half of 2023 was primarily marked by an extension of sales cycles by 6-9 months on the usual standards, and to a lesser extent by the loss of negotiations. The analysis of the pipeline and negotiations winding up with several important clients (TIM, Wind, Banco BPM and Acea), opportunities deriving from the



development of the partnership with the Poste Italiane Group and the awarding of the INPS tender point to a significant inversion of the trend, right from the second half of 2023. For the following years, the growth trend is expected to continue, due to various elements, including: (i) development of activities through the launch of the new business produced by the expansion of the Doxee sales force, (ii) development of new business through strategic partnerships, (iii) development of a structured cross-selling strategy, (iv) expansion on new markets, particularly in the DACH area, and (v) synergies deriving from the gradual integration between the companies in the Group.

The Parent Doxee S.p.A. has always made extensive investments in Research & Development, which were particularly large in the last two years in order to speed up the completion of the Doxee Platform 3, which has now finalized, with benefits that should arrive in 2024. Therefore, those investments are expected to decrease right from the next year, to then remain stable, with a gradually decreasing impact on turnover. The integration of technologies with the subsidiary Infinica GmbH should also make it possible to expand the Group's commercial proposal and ensure expansions on new international markets.

Regarding the cost saving process currently under way, the Parent recently implemented an internal reorganization, identifying dedicated managers for the purpose of streamlining procurement processes, defining a more structured approach which, on one hand, increases its contractual power and, on the other, streamlines the use of internal and external resources. Additional benefits should derive from technological innovation, which will ensure additional improvement in company processes.

Despite that reported above, and, specifically, the loss recorded at the end of the first half of 2023 due to performance not in line with expectations, the uncertainties that remain on the reference market, the Group's total financial debt at the end of the half year and the significant contribution of intangible assets on invested capital, the directors assessed the impact of those uncertainties and circumstances on the going concern assumption as insignificant, considering:

- the outlook for expected performance for the current year and following year, including the expectation of collecting a loan granted by the Italian Ministry for Business and Made in Italy (MISE) as part of a research and development project eligible for the subsidies, for which the Ministry has completed the verification process, and the positive effects deriving from the cost saving and integration actions mentioned above. The directors are confident that the economic forecasts, with specific reference to those regarding revenues, can be achieved in the timeframes and methods planned, even those such forecasts are subject to the typical uncertainties of the sector and of all forward-looking activities, and the possible impacts from the evolution of the macroeconomic and geopolitical scenarios, which could influence the results that are actually achieved, as well as their methods and timing of achievement;
- the actions currently under way to overcome temporary cash flow difficulties, including, for example, negotiations with credit institutions to obtain additional credit lines, as well as streamlining company processes and projects currently under way. In addition, most of the loans contracted by Group companies entail the hedging of interest rate risk and, therefore, no imbalances are expected to derive from the monetary policies of the central banks.
- the financial support from the Parent, which has sufficient resources to honor that commitment, necessary to overcome temporary periods of financial tensions, where the other actions listed above are insufficient.

Therefore, the directors deemed that the Parent and its subsidiaries are capable of honoring their obligations in over a time frame of at least 12 months and, therefore, drew up the condensed consolidated half-year financial statements at June 30, 2023 in accordance with the going concern assumption.

The Board of Directors will continue to carefully monitor the evolution of those national and international variables, as well as the performance of the reference markets in relation to the

forward-looking assumptions, while maintaining a pro-active, constant focus on containing all costs and identifying initiatives that could further protect the profitability and cash flows expected in the next few years.

## **RESEARCH AND DEVELOPMENT, MARKETING AND SECURITY**

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### **Research and Development**

In terms of operations, the Group began an integration process linked to the acquisition of Infinica which involved a sharp focus on both the technological component of accelerating the roadmap for the Doxee Platform3® and on the operating component in the areas of Product Management, Finance, Marketing and Sales. Specifically, in the fourth quarter of 2023 a new organization is planned, including new top managers and the use of resources currently working for Infinica to support the process. Operating costs for integration should be considered an extraordinary component that cannot be capitalized, which regards the current year above all, and which has not yet been offset in terms of revenues generated by the integration.

### **Marketing and communications**

In the first half of 2023, Doxee's Marketing Department sharply focused on supporting the Sales Department by generating leads and providing instruments to support the sales process, in line with the planning of the previous years.

In order to support the overall process of unification with the Austrian company Infinica acquired in 2022, a complex activity plan was designed and implemented to extend the marketing function and its processes to the DACH area.

In this area, the Product Management Department was also extremely committed to supporting the process of unifying Doxee technologies with Infinica while supporting the process of unifying the offerings.

In 2023 the Quantitative Analysis Department, working with the Quality Assurance Department, achieved a significant milestone by obtaining RINA certification of the calculation method underlying the Hyperion tool, used to determine the impact of Doxee products improving the CO<sub>2</sub> footprint of clients that adopt its technologies.

### **Information Security and Data Protection**

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

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.

In February 2023, the company successfully passed the surveillance audit of the Information Security Management System (ISMS) in accordance with the ISO/IEC 27001:2013 standard, expanded to include the controls of ISO/IEC 27017 and ISO/IEC 27018, and the recertification audit of the Quality Management System (QMS) in accordance with the ISO 9001:2015 standard, through an audit of its Integrated Management System (IMS).

The activities were begun to integrate the Information Security and Protection of Personal Data management systems with Infinica GmbH.

The monitoring of Information Security and the Protection of Personal Data continued uninterrupted, in line with the current regulations, also through first, second and third party audits.

## **ENVIRONMENT, PERSONNEL and RISKS**

### **Environmental disclosures**

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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, applying the exact measurements of certain environmental parameters finalized in previous years, with a significant impact (e.g. fuel consumption and CO<sub>2</sub> emissions of the company car fleet, quantity of waste disposed of as special waste or sent for separate waste collection) to be able to decide on and introduce specific improvement actions. It is worth noting the gradual replacement of the company fleet with hybrid cars, as well as the confirmation of the contract 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 company's economic and technological development with public benefit purposes, 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 2023, Doxee S.p.A. approved and published its Sustainability Report for the third year in a row, also as a "Benefit Corporation", published its second Impact Report, which monitors the progress made during the year relating to specific targets to achieve public benefit purposes in the area of ESG. Moreover, in August 2023 Doxee drew up the new assessment for Ecovadis, a platform for assessing companies in the area of ESG, confirming its "silver" medal.

In the first half of 2023, Doxee completed and submitted its B Impact Assessment, the first step towards B Corp Certification, which certifies the top level sustainability requirements for Benefit Corporations, obtained in August 2023.

During the first half of 2023, Doxee also drew up a Commuting Plan, in line with the activities required by Italian Decree Law 34/2020 (Mobility Management). The purpose of the Plan is to make employee commutes more sustainable, through instruments and initiatives that can reduce their environmental impact.

Lastly, Doxee obtained validation, from a certifying entity, of "Hyperion", the calculation method of CO<sub>2</sub> emissions, in compliance with the requirements of the UNI ISO 14064 – 2 standard, applicable to company digitalization and dematerialization projects activated with its clients. That instrument shares with clients the measurement and reporting of impacts deriving from the processes of digitalization and dematerialization by converting paper documents into electronic form, using Doxee products, thus supporting companies in sustainably planning their work, by defining targets and identifying improvement actions, communication and reporting their commitment for sustainability.

#### *Disclosure on certifications*

In February 2023, Doxee renewed its ISO 9001 certification, for its Quality Management

System, and passed its surveillance audit for ISO 27001 certification of its Information Security Management System. In March 2023, it then passed its surveillance audit for ISO 14001 certification, for its Environmental Management System.

Doxee also continued its activities regarding its Anti-Bribery and Corruption Management System, ISO 37001 certified since October 2022, for which the surveillance audit is planned for October 2023.

With regard to the new AgID (Agency for Digital Italy) Guidelines, we confirm the registration with the specific AgID Marketplace for service providers of long-term digital preservation and membership in ANORC (National Association of Digital Content Storage Operators and Managers) and Assintel-Assoconservatori Accreditati Associations.

Doxee has signed up for the specific ACN (former AgID, now the Italian National Cybersecurity Agency) Marketplace as a qualified provider of cloud services for the public administration.

Lastly, Doxee has maintained its qualifications as Access Point (AP) and Service Metadata Publisher (SMP) provider with Access Point Provider Certification (PEPPOL) and AgID accreditation.

## **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.

### 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 considered to have limited exposure to that problem. The Parent conducts business relationships with the company Belltech (Argentina), developing turnover with this client that is less than 2% of the total.

## **Disclosures relating to personnel**

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

At June 30, 2023, the Group had 187 employees, broken down as follows:

Number of employees by category	Average 2023	%	June 30, 2023	%	Average 2022	%	Final 2022	%
Senior managers	12	6.3%	12	6.4%	8	4.4%	12	6.2%
Middle managers	15	7.9%	7	3.7%	18	9.9%	22	11.4%
Clerical staff	164	85.9%	168	89.8%	156	85.7%	159	82.4%
<b>Total</b>	<b>190</b>	<b>100.0%</b>	<b>187</b>	<b>100.0%</b>	<b>182</b>	<b>100.0%</b>	<b>193</b>	<b>100.0%</b>

In Italy, in the first half of 2023, there was a decrease of 7 resources, due to resigning employees who were not replaced.

To strengthen its structure, the Infinica Group is conducting a recruiting campaign, which

resulted in an increase of 2 resources in the workforce in the first half of 2023. A further 6 searches are currently active.

As regards training, during the first half of 2023, the Company continued organizing 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 2023 the general, specific, and refresher occupational safety training activities continued. Periodic courses and refreshers on topics regarding the Management Systems and Company Certifications, as well as Information Security and Data Protection, were provided.

#### Internal and external training

Based on the analysis of individual training requirements, the following types of training activities were implemented:

- 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 OUs.

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

- internal courses on topics of compliance, processes and certifications, in addition to Information Security and Data Protection;

- various kinds of external courses were provided, both to strengthen technical skills and more transversal skills, such as behavioral and managerial skills, with the goal of supporting the development and growth of resources. We specifically note courses on Agile methodology and those to develop managerial skills, targeted to managers holding positions of responsibility in the company. The courses were provided both through in-person education and workshops and through e-learning, including thanks to the Udemy and Study in Action platforms, available to all employees, which offer various types of 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.

- Leading summits, workshops and conventions on IT and Marketing topics;

- Training on Doxee technology 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 06.30.2023 between companies of the Doxee Group are shown below:

Intercompany transactions	Revenues from contracts with clients	Costs for services	Financial income	Financial expenses
Doxee SpA	43,736	511,274		
Doxee USA Inc.	78,578	-		
Doxee Czech s.r.o.	-	34,711		
Doxee Slovak s.r.o.	-	5,025		
Babelee S.r.l.	219,134	4,000		
Doxee CEE GmbH	-	-		
Infinica GmbH	233,728	329,689		
Infinica DE	89,689	20,166		
Infinica SK	240,000	-		
<b>Total at 06/30/2023</b>	<b>904,865</b>	<b>904,865</b>	<b>-</b>	<b>-</b>

Intercompany transactions	Trade receivables	Trade payables	Financial receivables	Financial payables
Doxee SpA	1,304,007	369,509	7,278,006	-
Doxee USA Inc.	-	715,176	-	3,523,006
Doxee Slovak s.r.o.	6,767	34,711	-	-
Doxee Czech s.r.o.	-	11,792	-	-
Babelee S.r.l.	156,197	42,516	-	-
Doxee CEE GmbH	-	506,829	-	3,755,000
Infinica GmbH	217,529	41,829	211,781	-
Infinica DE	41,829	3,967	-	211,781
Infinica SK	-	-	-	-
<b>Total at 06/30/2023</b>	<b>1,726,329</b>	<b>1,726,329</b>	<b>7,489,787</b>	<b>7,489,787</b>

## TREASURY SHARES

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It is certified that, at the closing date of June 30, 2023, the parent Doxee S.p.A. held 15,250 treasury shares, amounting to 0.1768% of the share capital.

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

## SUBSEQUENT SIGNIFICANT EVENTS

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On **July 31, 2023**, Doxee S.p.A. announced that its Austrian subsidiary Doxee CEE GmbH – which holds 90% of Infinica GmbH – exercised the first tranche (amounting to 5% of the share capital) of the option to purchase the remaining 10% of Infinica's share capital, held by Herbert Liebl, CEO and General Manager of the acquired company, for a consideration of approximately Euro 1.1 million.

On **September 14, 2023**, Doxee S.p.A. announced that it obtained B Corp certification, dedicated to organizations committed to an inclusive, equitable, and regenerative economic system, confirming its commitment to improving its impact on the environment and towards its stakeholders. The B Corp certification completed a process begun by Doxee through the publication of its first sustainability report in 2020, obtaining ISO 14001 (Environmental Management System) certification, and subsequently adopting the legal status of a Benefit Corporation.

## FORESEEABLE EVOLUTION OF OPERATIONS

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In spite of the current delicate geopolitical and economic situation described above, the Company and the Group are continuing in the process of integrating and completing investments in the main proprietary technology, the Doxee Platform3@, and positioning, also regarding Infinica's contribution to the Enterprise and Public Administration markets, both in Italy and in the DACH and the CEE areas.

In the second half, the company expects to recover a portion of the slowdown in growth recorded in the first half, with a positive trend in orders that, save for currently unforeseeable events, is expected to enable the company to achieve a positive result in any event during the year.

Also in light of that illustrated above, the Directors drew up the financial statements with a view to the company as a going concern, and do not see any uncertainties regarding business continuity.

Pursuant to and in accordance with that set out in Article 2428, paragraph 3, point 6) of the Italian Civil Code, it is noted that corporate initiatives that will be followed up in the coming months are illustrated below:

- Completing the new organization with a “One Company” approach, with a single structure at global level aimed at maximizing investments linked to the acquisition of Infinica and focusing on the various geographical areas - Italy, Austria, Germany, Switzerland, Czech Republic and Slovakia - where the company operates directly;

- Revising the sales and marketing structure, focusing on the Enterprise and Public Administration markets, to extend coverage in the core markets in order to provide greater support to the organic growth process, with a strong focus on ARR (Annual Recurring Revenues):
- Identifying a key person at EMEA level to manage tech partners with a view to the integration of the Doxee Platform3@ also with OEM logic;
- Strengthening the partnership with the Poste Italiane Group, above all with regard to the National Recovery and Resilience Plan (NRRP), towards the Central Government and Local Public Administration market, due to the renewal of the framework agreement for the next four years, signed in July 2023, and the expansion of the scope of the Doxee offering included in that agreement;
- Driving the expansion of the offer portfolio by introducing the interactive, on demand component of Infinica integrated into the Doxee Platform3@, specifically on the Finance (Banking & Insurance) markets, which opportunities are being developed relating to the reference application architectures (see CRM), with an increasingly customer-centric approach.
- Completing the extension of CRM connectors to Microsoft Dynamics and SAP CRM, which will enhance the strategy toward partners, specifically Systems.
- Organizing an event on the DACH market to launch the first unified version of the Doxee Platform3@ technology with Infinica technology and rebranding the Infinica Group as Doxee.
- Supporting and strengthening the Technology & Research team, by integrating the resources of Infinica, and, with specific focus on competence center in Bratislava/Vienna, to guarantee further acceleration on the milestones of the roadmap, which plan the release of the final version of the Doxee Platform3@ in H1 2024.
- Supporting the speed up of the ongoing adoption of the Doxee Platform3@, with benefits especially in 2024 in terms of recovering efficiency and profitability, both in the professional services component (reducing the confirmation times for customer applications) and in the impact of the costs of the core technological infrastructure linked to the characteristics of the new platform.
- Consolidating and extending internal management systems with a view to implementing a new reporting system to check operating KPIs at Group level
- Completing and launching the Hyperion tool (certified by RINA) integrated with the Doxee Platform3@ to calculate CO<sub>2</sub> emissions, which will measure the impacts deriving from the dematerialization process of converting paper documents into electronic format using Doxee technology, enabling the reporting of the CO<sub>2</sub> saved in its sustainability report.

## USE OF DERIVATIVE FINANCIAL INSTRUMENTS

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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 June 30, 2023 was positive Euro 17,408.62.

Effective date	01/28/2021
Maturity date	01/28/2025
Type	IRS – Interest Rate Swap
Objective	Hedging
Initial notional value	1,000,000 Euro
Underlying financial risk	Interest rate risk
Fair value (MTM) at 06/30/2023	17,408.62 Euro
Hedged liability	Crédit Agricole Loan

On July 28, 2022, Doox 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 June 30, 2023 was positive Euro 15,390.89.

Effective date	07/28/2022
Maturity date	06/30/2027
Type	IRS – Interest Rate Swap
Objective	Hedging
Initial notional value	500,000 Euro
Underlying financial risk	Interest rate risk
Fair value (MTM) at 06/30/2023	15,390.89
Hedged liability	Banco BPM S.p.A. Loan

On September 21, 2022, Doox 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 BPER Banca S.p.A. The fair value of said derivative at June 30, 2023 was positive Euro 8,320.79.

Effective date	09/21/2022
Maturity date	05/21/2028
Type	IRS – Interest Rate Swap
Objective	Hedging
Initial notional value	3,000,000 Euro
Underlying financial risk	Interest rate risk
Fair value (MTM) at 06/30/2023	8,320.79
Hedged liability	BPER Banca S.p.A. Loan

On October 28, 2022, Doox 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 June 30, 2023 was positive Euro 7,604.27.

Effective date	10/28/2022
Maturity date	09/30/2030
Type	IRS – Interest Rate Swap
Objective	Hedging
Initial notional value	3,000,000 Euro
Underlying financial risk	Interest rate risk
Fair value (MTM) at 06/30/2023	7,604.27
Hedged liability	Unicredit 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), September 29, 2023**

**The Chairman of the Board of Directors**



**CONDENSED CONSOLIDATED  
HALF-YEAR FINANCIAL STATEMENTS  
OF THE DOXEE GROUP  
AT JUNE 30, 2023**



## CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS OF THE DOXEE GROUP AT JUNE 30, 2023

The tables below show the consolidated income statement, statement of financial position and cash flow statement of the Doxee Group at June 30, 2023, in compliance with IAS 34 “Interim Financial Reporting” providing the summary explanatory notes set out in that international accounting standard, supplemented to provide a greater level of disclosure, where deemed necessary.

### Consolidated statement of financial position

(in Euro)	N.B.:	06/30/2023	12/31/2022 ADJ*
<b>Non-current assets</b>			
Other tangible assets	9.1	460,214	576,184
Development costs	9.2	8,757,261	10,224,560
Work in progress and payments on account	9.3	7,972,218	4,624,041
Other intangible assets	9.4	5,128,399	5,423,090
Right-of-use assets	9.5	1,023,688	1,001,692
Goodwill	9.6	7,735,781	7,735,780
Non-current financial assets	9.7	31,959	31,960
Deferred tax assets	9.8	287,591	280,947
Other non-current assets	9.9	129,650	156,555
<b>Total non-current assets</b>		<b>31,526,763</b>	<b>30,054,808</b>
<b>Current assets</b>			
Trade receivables	9.10	11,603,936	11,811,619
Other receivables	9.11	3,260,242	2,752,062
Cash and cash equivalents and short-term deposits	9.12	4,343,379	2,591,489
<b>Total current assets</b>		<b>19,207,556</b>	<b>17,155,170</b>
<b>Total assets</b>		<b>50,734,319</b>	<b>47,209,979</b>
<b>Equity</b>			
Share capital		1,913,570	1,913,570
Share premium reserve		8,554,460	8,554,460
Other reserves		8,023,181	7,446,302
FTA reserve		-1,585,343	-1,585,343
Employee benefits reserve		-91,567	-95,774
Currency translation reserve		-53,924	-136,525
Cash flow hedge reserve		37,031	29,814
Retained earnings/(Accumulated losses)		-3,269,619	-3,989,446
Profit (loss) of the year		-3,249,479	1,244,818
<b>Equity attributable to the Group</b>		<b>10,278,310</b>	<b>13,381,877</b>
Minority interests in capital and reserves		0	7,077
Profit (loss) attributable to minority interests		0	5,501
<b>Equity attributable to minority interests</b>		<b>0</b>	<b>12,578</b>
<b>Total equity</b>	9.13	<b>10,278,310</b>	<b>13,394,455</b>
<b>Non-current liabilities</b>			
Non-current loans and financing	9.14	15,254,137	11,688,021
Non-current lease liabilities	9.15	683,155	688,266
Net liabilities for employee benefits	9.16	1,961,512	1,814,557

Deferred tax liabilities	9.17	1,150,331	1,207,660
Other non-current liabilities	9.18	216,357	265,575
Non-current public grants	9.19	1,756,718	1,773,335
<b>Total non-current liabilities</b>		<b>21,022,211</b>	<b>17,437,414</b>
<b>Current liabilities</b>			
Loans and financing	9.14	6,131,119	4,362,202
Current lease liabilities	9.15	345,254	316,476
Other current financial receivables	9.20	4,886	8,753
Trade payables and other payables	9.21	12,025,477	10,444,230
Tax payables	9.22	349,199	630,894
Public grants	9.19	577,864	615,554
<b>Total current liabilities</b>		<b>19,433,798</b>	<b>16,378,110</b>
<b>Total equity and liabilities</b>		<b>50,734,319</b>	<b>47,209,979</b>

\* The balance sheet balances at December 31, 2022 have been restated as a result of the completion of the process of Purchase Price Allocation regarding the acquisition of the Infinica Group, as reported in paragraph "2. Significant Events in the First Half of 2023", below.

## Consolidated Income Statement

(in Euro)	N.B.:	06/30/2023	06/30/2022 ADJ*
Revenues from contracts with clients	11.23	12,143,900	11,054,584
Other revenues and income	11.24	365,240	358,600
Internally generated fixed assets	11.25	1,284,861	1,272,785
Raw materials and consumables	11.26	-3,605	-4,333
Services costs	11.26	-7,363,610	-6,205,604
Costs for employee benefits	11.27	-6,610,535	-4,503,238
Other operating costs	11.28	-314,369	-446,047
Amortization of intangible assets	11.29	-1,761,989	-1,221,073
Depreciation of tangible assets	11.29	-129,141	-133,330
Depreciation of rights-of-use	11.29	-174,543	-107,131
Financial income	11.30	8,785	2,374
Financial expenses	11.30	-561,412	-114,147
Foreign exchange gains (losses)	11.30	-204,073	323,019
<b>Profit (loss) before tax from continuing operations</b>		<b>-3,320,491</b>	<b>276,459</b>
Income taxes	11.31	71,011	-10,590
- Current taxes		-758	-13,237
- Deferred tax assets		14,566	-1,045
- Deferred tax liabilities		57,204	3,692
<b>Profit (loss) for the year</b>		<b>-3,249,479</b>	<b>265,869</b>
<b>of which:</b>			
- pertaining to the group		-3,249,479	267,678
- attributable to minority interests		0	-1,809

## Consolidated statement of comprehensive income

(in Euro)	06/30/2023	06/30/2022 ADJ**
<b>A. Profit (loss) for the year</b>	<b>-3,249,479</b>	<b>265,869</b>
Net actuarial gains/(losses) on defined benefit pension plans	4,207	80,743
<b>B. Total items that cannot be reclassified to the income statement</b>	<b>4,207</b>	<b>80,743</b>

Translation of foreign financial statements	82,601	-354,005
Net gains/(losses) on cash flow hedges	7,217	10,887
<b>C. Total items reclassified/that cannot be reclassified to the income statement</b>	<b>89,818</b>	<b>-343,118</b>
<b>D. Total components of comprehensive income (B + C)</b>	<b>94,025</b>	<b>-262,375</b>
<b>E. Comprehensive income/(loss) (A + D)</b>	<b>-3,155,454</b>	<b>3,494</b>
<b>of which:</b>		
- pertaining to the group	-3,155,454	5,303
- attributable to minority interests	0	-1,809

## CONSOLIDATED CASH FLOW STATEMENT

The consolidated cash flow statement of the Doxee Group at June 30, 2023 and the comparison with June 30, 2022 are shown below:

### Consolidated Cash flow statement

(in Euro)	06/30/2023	06/30/2022 ADJ**
Profit (loss) before tax	-3,320,491	276,459
Reversal of amort./depreciation and write-downs and write-backs of tangible and intangible assets	2,065,673	1,461,535
Reversal of financial (income)/charges	552,627	111,774
Reversal of (profits)/losses on investments	62,422	0
Reversal of allocations to provisions and other	108,613	306,837
Net tax paid	-41,761	-40,181
Change in trade receivables	99,071	1,285,844
Change in trade payables	-909,943	-531,590
Change in other receivables	-40,811	-2,068
Change in other payables	672,199	514,550
Change in tax receivables	-402,986	-302,962
Change in tax payables	-264,188	-163,846
Change in provisions for personnel	295,700	29,058
<b>A. Net cash flow generated/(absorbed) by operating activities</b>	<b>-1,123,875</b>	<b>2,945,409</b>
Investments in tangible and intang. assets	-1,648,592	-2,548,290
Equity investments	-75,000	0
<b>B. Cash flow generated/(absorbed) by investing activities</b>	<b>-1,723,591</b>	<b>-2,548,290</b>
Interest income and other financial income	8,785	2,374
Change in payables to banks for cash credit lines	203,583	-2,840,766
Change in payables to banks and other lenders due to repayment of loans and financing	-1,041,869	-1,882,503
Change in payables to banks and other lenders due to provision of loans and financing	5,994,000	4,018,780
Interest expense and other financial charges	-382,093	-53,325
Repayment of principal on lease liabilities	-172,872	-106,115
Sale/(purchase) of treasury shares	-91,620	-156,985
Other changes in equity	0	0
<b>C. Cash flow generated/(absorbed) by financing activities</b>	<b>4,517,914</b>	<b>-1,018,540</b>
<b>D. Exchange rate effect</b>	<b>81,441</b>	<b>-354,520</b>
<b>E. Total cash flow generated/(absorbed) during the period (A + B + C + D)</b>	<b>1,751,889</b>	<b>-975,941</b>
<b>F. Net cash and cash equivalents at the beginning of the period</b>	<b>2,591,489</b>	<b>5,847,798</b>
<b>G. Net cash and cash equivalents at the end of the period (E + F)</b>	<b>4,343,379</b>	<b>4,871,858</b>

\*\* The Doxee Group prepared the first consolidated financial statements in compliance with the IAS/IFRSs at December 31, 2022, with the transition date set at January 1, 2021. Therefore, the comparative balances at June 30, 2022 of the Consolidated income statement, the Consolidated statement of comprehensive income and the Consolidated cash flow statement were restated in compliance with those standards, as the previous half-year financial report was drawn up in accordance with the Italian GAAP issued by the Italian Accounting Body (OIC).

## NOTES TO THE FINANCIAL STATEMENTS

### 1. General Information

Doxee S.p.A. is an innovative Italian SME, with registered and administrative offices in Viale Virgilio 48/B, Modena, Italy, and offices in Rome and Catanzaro, Italy, tax code and enrollment no. in the Register of Companies 02714390362, with resolved share capital of Euro 1,913,570, fully subscribed and paid-in at December 31, 2022, divided into 8,623,807 ordinary shares.

Doxee is a multinational hi-tech company and a leading provider of products for Customer Communications Management (CCM), Digital Customer Experience and Dematerialization.

The Group is composed of 9 companies located in Italy, the United States, Slovakia, the Czech Republic, Austria and Germania.

### 2. Significant Events in the First Half of 2023

On January 18, 2023 the Parent Doxee S.p.A. finalized the transfer of 90% of the investment in Infinica GmbH to the 100%-owned subsidiary Doxee CEE GmbH, an investment holding company set up to hold the investment in Infinica and to enable SIMEST S.p.A. to enter the share capital. The transaction took place at the same price paid by Doxee S.p.A., i.e. Euro 9,482 thousand.

Following SIMEST's entrance in the capital, Doxee CEE GmbH's shareholding structure was composed as follows:

- Doxee S.p.A.: nominal amount of Euro 35,000.00, equal to 57.62%;
- SIMEST S.p.A.: nominal amount of Euro 26,000.00, equal to 42.68%.

The entrance of SIMEST S.p.A. in the capital of Doxee CEE entailed the collection of Euro 2 million in equity and an equivalent Euro 2 million as debt, at a subsidized interest rate.

The acquisition of Infinica GmbH was finalized at the same amount paid at the time by Doxee S.p.A. to the former shareholders of Infinica, i.e., Euro 4,872 thousand.

Along with the investment in Infinica GmbH, two option contracts on the remaining portion of Infinica's capital, equal to 10% of the share capital, were transferred to Doxee CEE GmbH, along with the transaction costs relating to the acquisition, for a total of Euro 507 thousand.

On July 26, 2023, Doxee CEE GmbH exercised the first option contract, acquiring 5% of Infinica's share capital at a price of Euro 1,062 thousand. The transfer was finalized on July 26, 2023.

The acquisition of the Infinica Group entailed a total cash-out of over Euro 10 million, taking account of all the transaction costs, which was perfectly in line with the Group's strategy to pursue internationalization on the German market and the DACH area in general.

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%.

#### 2.1 Finalization of the Purchase Price Allocation for the Acquisition of Infinica GmbH

As noted, in preparing the 2022 consolidated financial statements, the parent, as permitted by

IFRS 3 “Business Combinations”, provisionally recognized the acquisition, as it was not possible to complete the process of determining the fair value of the net assets acquired, as no valuations, appraisals or other specific information regarding those assets were available at the time.

In preparing the consolidated financial statements at June 30, 2023, the valuations were completed to measure the assets and liabilities at fair value, also with the support of an independent third party, and, therefore, the balances at the date of acquisition of Infinica GmbH were revised, restating the goodwill, as a result, as per the table below:

Purchase price allocation (PPA) incl. Goodwill INFINICA		kEUR
+ Consideration transferred (purchase price)		11,909
+ Fair Value of remaining share		0
Fair Value of 100% of shares		11,909
- Equity as of closing date		92
= Amount to be allocated		11,817
Identified assets		5,300
Deferred taxes		-1,219
= Goodwill		7,736

As part of the Purchase Price Allocation (PPA) process, the identifiable assets acquired and liabilities assumed were recognized in the consolidated financial statements at their fair value at the acquisition date, through a price allocation process using methods based on discounting the expected cash flows and on the royalty rates paid under the license agreements. That method is highly complex and entails the use of estimates, which, due to their nature, are uncertain and subjective, regarding: the expected cash flows determined considering the economic performance of the companies acquired and their business sectors, the final cash flows recorded in the last few years and the forecast growth rates; or the financial parameters used to determine the discounting rate or the quantitative and qualitative parameters regarding the royalty rates used. The valuation was conducted by an independent third party, based on the forecast data provided by the company. The Purchase Price Allocation process identified two types of assets - Customer Related Intangible Assets and Technology Related Intangible Assets, whose fair values were calculated at Euro 2,700 thousand (amortization period of 30 years) and Euro 2,600 thousand (amortization period of 7 years), respectively.

Paragraph 9 illustrates all the details of the values defined in the business combination and the determination of goodwill. The table below shows the differences in statement of financial position and income statement balances compared to the consolidated financial statements at December 31, 2022 approved last year.

Statement of financial position	12/31/2022	Restatements / Reclassifications	12/31/2022 ADJ*
<b>Non-current assets</b>			
Property, plant and machinery	-		-
Other tangible assets	576,184		576,184
Development costs	10,224,560		10,224,560
Work in progress and payments on account	4,624,041		4,624,041
Other intangible assets	238,447	5,184,643	5,423,090
Right-of-use assets	1,001,692		1,001,692
Goodwill	11,816,780	(4,081,000)	7,735,780
Non-current financial assets	31,960		31,960

Deferred tax assets	280,947		280,947
Other non-current assets	156,555		156,555
<b>Total non-current assets</b>	<b>28,951,166</b>	<b>1,103,643</b>	<b>30,054,808</b>
<b>Current assets</b>			
Inventories	-		-
Trade receivables	11,811,619		11,811,619
Contract assets	-		-
Other current financial assets	-		-
Other receivables	2,752,062		2,752,062
Cash and cash equivalents and short-term deposits	2,591,489		2,591,489
<b>Total current assets</b>	<b>17,155,170</b>	<b>-</b>	<b>17,155,170</b>
<b>Total assets</b>	<b>46,106,336</b>	<b>1,103,643</b>	<b>47,209,979</b>
<b>Equity</b>			
Share capital	1,913,570		1,913,570
Share premium reserve	8,554,460		8,554,460
Other reserves	7,446,302		7,446,302
FTA reserve	(1,585,343)		(1,585,343)
Employee benefits reserve	(95,774)		(95,774)
Currency translation reserve	(136,525)		(136,525)
Cash flow hedge reserve	29,814		29,814
Retained earnings/(Accumulated losses)	(3,900,621)		(3,900,621)
Profit (loss) of the year	1,244,818	(88,825)	1,155,993
<b>Equity attributable to the Group</b>	<b>13,470,702</b>	<b>(88,825)</b>	<b>13,381,877</b>
Minority interests in capital and reserves	7,077		7,077
Profit (loss) attributable to minority interests	5,501		5,501
<b>Equity attributable to minority interests</b>	<b>12,578</b>		<b>12,578</b>
<b>Total equity</b>	<b>13,483,280</b>	<b>(88,825)</b>	<b>13,394,455</b>
<b>Non-current liabilities</b>			
Non-current loans and financing	11,688,021		11,688,021
Non-current lease liabilities	688,266		688,266
Provisions for risks and charges	-		-
Net liabilities for employee benefits	1,814,557		1,814,557
Deferred tax liabilities	15,192	1,192,468	1,207,660
Other non-current liabilities	265,575		265,575
Non-current public grants	1,773,335		1,773,335
<b>Total non-current liabilities</b>	<b>16,244,946</b>	<b>1,192,468</b>	<b>17,437,414</b>
<b>Current liabilities</b>			
Current loans and financing	4,362,202		4,362,202
Current lease liabilities	316,476		316,476
Other current financial receivables	8,753		8,753
Trade payables and other payables	10,444,230		10,444,230
Tax payables	630,894		630,894
Public grants	615,554		615,554
<b>Total current liabilities</b>	<b>16,378,110</b>	<b>-</b>	<b>16,378,110</b>
<b>Total equity and liabilities</b>	<b>46,106,336</b>	<b>1,103,643</b>	<b>47,209,979</b>

As a result of the completion of the PPA (Purchase Price Allocation) process for the acquisition of Infinica GmbH (finalized on September 29, 2022) the equity and net profit at December 31, 2022 decrease by a total of Euro 88,825 due to the reversal of a portion of the capital gain identified under other intangible assets (Client List and Technology) which were amortized in



2022, net of the theoretical tax effect.

At December 31, 2022, goodwill decreased by Euro 4,081,000, intangible assets increased by Euro 5,184,643 and deferred tax liabilities increased by Euro 1,192,468.

## 2.3 Other Significant Events

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 at 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.

On **June 14, 2023**, Doxee S.p.A., in a temporary consortium of companies with the company Postel S.p.A. – a document company of the Poste Italiane Group that offers document and communication services to support government-owned and private companies – was awarded, as agent, the tender called by INPS (Italian National Social Security Institute) to enter into a 4-year framework agreement regarding the “*Servizio finalizzato alla realizzazione di video personalizzati e interattivi*” (Service to create personalized, interactive videos), for a total amount of Euro 1.8 million.

On **June 28, 2023**, Doxee S.p.A. obtained the benefits provided by the call for proposals for experimental research and development projects promoted by the Emilia-Romagna Region, in the form of a non-repayable contribution in the amount of Euro 0.5 million, on an expenditure of the Company of Euro 1.0 million, for a project in the area of developing the data economy of businesses, to further enhance the entire technological stack of the Doxee Group dedicated to the personalization of videos.

### 3. Accounting Standards adopted

#### 3.1 Principles of preparation

The condensed consolidated half-year financial statements for the period ending June 30, 2023 were drawn up based on IAS 34 Interim Financial Reporting. The Group prepared the condensed half-year financial statements based on the going concern assumption. The directors deem that there are no significant uncertainties that could give rise to doubts regarding that assumption. They decided that there is the reasonable expectation that the Group will have adequate resources to continue its operations in the immediate future, for no less than 12 months from the closing date of the financial statements.

The condensed consolidated half-year financial statements do not set out all the disclosure required in preparing the annual consolidated financial statements. For that reason, the condensed consolidated half-year financial statements need to be read together with the consolidated financial statements at December 31, 2022.

These condensed consolidated half-year financial statements of the Group (hereinafter, “the condensed consolidated financial statements of the Group” or the “consolidated financial statements”) have been prepared for the half-year ended at June 30, 2023, and include the comparative data for the year ended at December 31, 2022, limited to the items contained in the Consolidated Statement of Financial Position and the comparative data for the half year from January 1 - June 30, 2022, limited to the items contained in the Consolidated Statement of Comprehensive Income and the Consolidated Cash Flow Statement.

#### 3.2 Presentation currency

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. Likewise, the amounts shown in the notes are expressed in Euro.

#### 3.3 Going concern

The valuations in these financial statements have been made assuming the company is a going concern, after considering that set out in IAS 1, and, thus, analyzing all the available elements useful for that regard.

The difficult general conditions of the market caused by the geopolitical situation and an uncertain macroeconomic scenario, and the negative impacts also on companies' investments in technology resulted in a significant loss, for the first time in the Group's history, s at 30 June 2023 equal to Euro 3,250 thousand, in addition to a worsening of its financial position.

Despite the performance not up to par, the Group managed to cover all of its financial commitments, also due to the extension of payment terms with several suppliers, without even generating specific tensions.

In that situation, the Directors promptly conducted a forward-looking analysis to outline the short and medium-term economic trends and identify potential situations of financial tension. Specifically, the Directors considered the main elements that may influence the performance expectations for the current year and the following year, including benefits deriving from the improvement actions being implemented, and assessed the resulting effects on cash flows and the financial position of the Parent and its subsidiaries. These comprise the impacts that factors

such as the performance of revenues, investments in Research & Development, actions aimed at achieving significant cost savings and synergies deriving from the integration between the Group companies may have on the income and cash flow forecasts.

The decrease in revenues recorded in the first half of 2023 was primarily marked by an extension of sales cycles by 6-9 months on the usual standards, and to a lesser extent by the loss of negotiations. The analysis of the pipeline and negotiations winding up with several important clients (TIM, Wind, Banco BPM and Acea), opportunities deriving from the development of the partnership with the Poste Italiane Group and the awarding of the INPS tender point to a significant inversion of the trend, right from the second half of 2023. For the following years, the growth trend is expected to continue, due to various elements, including: (i) development of activities through the launch of the new business produced by the expansion of the Doxee sales force, (ii) development of new business through strategic partnerships, (iii) development of a structured cross-selling strategy, (iv) expansion on new markets, particularly in the DACH area, and (v) synergies deriving from the gradual integration between the companies in the Group.

The Parent Doxee S.p.A. has always made extensive investments in Research & Development, which were particularly large in the last two years in order to speed up the completion of the Doxee Platform 3, which has now finalized, with benefits that should arrive in 2024. Therefore, those investments are expected to decrease right from the next year, to then remain stable, with a gradually decreasing impact on turnover. The integration of technologies with the subsidiary Infinica GmbH should also make it possible to expand the Group's commercial proposal and ensure expansions on new international markets.

Regarding the cost saving process currently under way, the Parent recently implemented an internal reorganization, identifying dedicated managers for the purpose of streamlining procurement processes, defining a more structured approach which, on one hand, increases its contractual power and, on the other, streamlines the use of internal and external resources. Additional benefits should derive from technological innovation, which will ensure additional improvement in company processes.

Despite that reported above, and, specifically, the loss recorded at the end of the first half of 2023 due to performance not in line with expectations, the uncertainties that remain on the reference market, the Group's total financial debt at the end of the half year and the significant contribution of intangible assets on invested capital, the directors assessed the impact of those uncertainties and circumstances on the going concern assumption as insignificant, considering:

- the outlook for expected performance for the current year and following year, including the expectation of collecting a loan granted by the Italian Ministry for Business and Made in Italy (MISE) as part of a research and development project eligible for the subsidies, for which the Ministry has completed the verification process, and the positive effects deriving from the cost saving and integration actions mentioned above. The directors are confident that the economic forecasts, with specific reference to those regarding revenues, can be achieved in the timeframes and methods planned, even those such forecasts are subject to the typical uncertainties of the sector and of all forward-looking activities, and the possible impacts from the evolution of the macroeconomic and geopolitical scenarios, which could influence the results that are actually achieved, as well as their methods and timing of achievement;
- the actions currently under way to overcome temporary cash flow difficulties, including, for example, negotiations with credit institutions to obtain additional credit lines, as well as streamlining company processes and projects currently under way. In addition, most of the loans contracted by Group companies entail the hedging of interest rate risk and, therefore, no imbalances are expected to derive from the monetary policies of the central banks.
- the financial support from the Parent, which has sufficient resources to honor that commitment, necessary to overcome temporary periods of financial tensions, where the other actions listed above are insufficient.

Therefore, the directors deemed that the Parent and its subsidiaries are capable of honoring their obligations in over a time frame of at least 12 months and, therefore, drew up the condensed

consolidated half-year financial statements at June 30, 2023 in accordance with the going concern assumption.

The Board of Directors will continue to carefully monitor the evolution of those national and international variables, as well as the performance of the reference markets in relation to the forward-looking assumptions, while maintaining a pro-active, constant focus on containing all costs and identifying initiatives that could further protect the profitability and cash flows expected in the next few years.

### 3.5 Main Accounting Standards

The Doxee S.p.A. Group adopted the International Financial Reporting Standards starting in financial year 2022, with the transition date set at January 1, 2021.

The IFRS were applied in a uniform manner to all Group companies, and consistently to all periods presented in this document.

The consolidated half-year financial statements of the Doxee Group S.p.A. at June 30, 2023 have been prepared with a view to the company as a going concern. The Directors explained in the specific section "Risks" of the Report on Operations, to which reference is made, what they believe are the company risks regarding the Group's ability to cover its obligations 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 continuation 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 its ability to fulfill its commitments undertaken in the next 12 months. However, the inflationary effect seen in Italy since the start of the conflict, worsened by the general commodities crisis, in addition to the energy crisis, triggered a sudden, constant rise in interest rates, which must be carefully monitored by the company's management bodies, given the debt contracted by the Group, specifically for the acquisition of the Infinica GmbH Group.

### 3.6 Impairment Test

In light of the negative trend in the income statement in the first half of 2023 and the worsening of net financial debt, the Company decided to conduct an impairment test on the Group's Net Invested Capital, as set out in the international accounting standard IAS 36 – "Impairment of Assets", to detect any potential impairment losses of the (tangible or intangible) assets. The test used as reference the consolidated financial statements of the Doxee Group at June 30, 2023, drawn up in accordance with the IAS/IFRSs, and estimated the recoverable amount of net invested capital including the goodwill recognized in the consolidated financial statements of the Doxee Group. Compared to the previous impairment test conducted on the financial statement values at December 31, 2022, the Company revised the WACC, whose value was calculated at 14.52% as a result of several changes in certain values, such as the returns on 10-year government bonds, the market risk premium and the 10-year EURIRS, while the g rate remained unchanged at 1.5%. The discounting of cash flows showed a significant positive margin, which remains even after conducting the stress tests.

#### 4. Accounting standards, amendments and interpretations not yet applicable and not adopted early by the Group.

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 September 22, 2022, the IASB published the “**Amendments to IFRS 16: 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 retained by the seller-lessee. 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 May 23, 2023 the IASB published “**Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules**”. The document introduces a temporary exception from the obligations of recognition and disclosure of deferred tax assets and liabilities relating to the Pillar II Model Rules, and provides specific disclosure obligations for entities involved in the related International Tax Reform. The document sets out the immediate application of the temporary exception, while the disclosure obligations will be applicable only to annual financial statements beginning on or after January 1, 2023, but not to interim financial statements with a closing date prior to December 31, 2023.

On May 25, 2023 the IASB published “**Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements**”. The document requires entities to provide additional information on reverse factoring agreement that enables users of the financial statements to assess how supplier finance agreements may influence the liabilities and cash flows of the entity and understand the effect of those arrangements on the entity’s exposure to liquidity risk. 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 Group’s consolidated financial statements.

#### 5. Segment reporting

The Group operates in a single segment, the High-Tech segment, and for this segment, the Group’s activities are reported and analyzed as a unit by the management.

As a result, with regard to the provisions of IFRS 8, no reporting (statement of financial position and/or income statement) is provided by business segment, as this is not applicable.



## 6. Scope of consolidation

The scope of consolidation at June 30, 2023 included the Parent and the following subsidiaries:

Company name	Registered office	Currency	Share capital	% ownership	Parent
Doxee SpA	Modena, Italy	EUR	1,913,750	Parent Company	P&S S.r.l.
Doxee USA Inc.	Fort Lauderdale, Florida, United States of America	USD		51.02	Doxee SpA
Doxee Slovak s.r.o.	Bratislava, Slovak Republic	EUR	10,000	100.00	Doxee SpA
Doxee Czech s.r.o.	Prague, Czech Republic	CZK		100.00	Doxee SpA
Babelee S.r.l.	Milan, Italy	EUR	12,193	100.00	Doxee SpA
Doxee CEE GmbH	Vienna, Austria	EUR	61,000	52.00	Doxee SpA
Infinica GmbH	Vienna, Austria	EUR	36,000	90.00	Doxee CEE GmbH
Infinica DE	Munich, Germany	EUR	25,000	100.00	Infinica GmbH
Infinica SK	Bratislava, Slovak Republic	EUR	5,000	100.00	Infinica GmbH

## 7. Consolidation and translation principles

The condensed consolidated half-year financial statements of the Doxee Group at June 30, 2023 have been drawn up based on the financial statements of the company and its direct or indirect subsidiaries, drawn up by the respective assigned management boards, suitably adjusted to ensure their compliance with the IFRSs.

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 amounts and/or 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 in item B14 “Other operating expenses”);
  - 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:
  - the spot exchange rate at December 31, 2022 and of the half-year financial statements 2023, to translate assets and liabilities;
  - the average exchange rate for the first half 2022 and 2023, 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:

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



Exchange rates	Spot exchange rates		Average exchange rates	
	06/30/2023	12/31/2022	1st half 2023	1st half 2022
Euro/US Dollar	1.087	1.067	1.081	1.094
Euro/Czech koruna	23.742	24.116	23.680	24.636

Source: Bank of Italy

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.

## 8. Valuation criteria

In drawing up the condensed consolidated half-year financial statements at June 30, 2023, the same accounting standards and valuation criteria applied in drawing up the consolidated financial statements for the year ended at December 31, 2022 were applied, to which reference is made, and in which those standards and criteria are analyzed in detail.

## 9. Notes to the consolidated financial statements

### 9.1 Other tangible assets

Other tangible assets of Euro 460,214 (Euro 576,184 at 12/31/2022), of which other leased tangible assets of Euro 198,915 (Euro 252,893 in the previous year), showed the following changes:

Non-current assets	Other owned tangible assets	Other leased tangible assets	Total
<b>Net amount at 12/31/2021</b>	<b>379,078</b>	<b>338,660</b>	<b>717,738</b>
Increases	61,757	-	61,757
Decreases	-	-	-
Reclassifications	-	-	-
Depreciation	(69,375)	(63,955)	(133,330)
Write-downs	-	-	-
Exchange rate differences from translation	515	-	515
<b>Net amount at 06/30/2022</b>	<b>371,975</b>	<b>274,704</b>	<b>646,680</b>
<b>Net amount at 12/31/2022</b>	<b>323,291</b>	<b>252,893</b>	<b>576,184</b>
Increases	12,012	-	12,012
Decreases	-	-	-
Reclassifications	-	-	-
Depreciation	(75,163)	(53,978)	(129,141)
Write-downs	-	-	-
Exchange rate differences from translation	1,160	-	1,160
<b>Net amount at 06/30/2023</b>	<b>261,300</b>	<b>198,915</b>	<b>460,214</b>

*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.

### 9.2 Development costs

Development costs of Euro 8,757,261 (Euro 10,224,560 at 12/31/2022) 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 also in the first half of 2023. 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 completed during the current year. 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
<b>Net amount at 12/31/2021</b>	<b>6,772,222</b>
Increases	-
Decreases	-
Reclassifications	574,992
Depreciation	(1,130,206)
Write-downs	-
Exchange rate differences from translation	-
<b>Net amount at 06/30/2022</b>	<b>6,217,008</b>
<b>Net amount at 12/31/2022</b>	<b>10,224,560</b>
Increases	-
Decreases	-
Reclassifications	-
Depreciation	(1,467,299)
Write-downs	-
Exchange rate differences from translation	-
<b>Net amount at 06/30/2023</b>	<b>8,757,261</b>

### 9.3 Work in progress and payments on account

Work in progress and payments on account, amounting to Euro 7,972,218 (Euro 4,624,041 at 12/31/2022) 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 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	Work in progress and payments on account
<b>Net amount at 12/31/2021</b>	<b>3,862,443</b>
Increases	3,278,923
Decreases	-
Reclassifications	(574,992)
Amortization	-
Write-downs	-
Exchange rate differences from translation	-
<b>Net amount at 06/30/2022</b>	<b>6,566,374</b>
<b>Net amount at 12/31/2022</b>	<b>4,624,041</b>
Increases	3,348,177
Decreases	-
Reclassifications	-
Amortization	-
Write-downs	-
Exchange rate differences from translation	-
<b>Net amount at 06/30/2023</b>	<b>7,972,218</b>

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 1,784,613). 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 1,942,576) through a complete redesign of the platform interface, with specific focus on usability, efficiency and flexibility needs requested both within Doxee and by partners.

**BI Project** - Development of a prototype of an Internal Business Intelligence System (book value Euro 604,104). 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.

**“Next-Generation Customer Communication” Project** (book value: Euro 1,807,274). This project aims to develop an innovative platform that creates a unique, completely new user experience, by integrating technologies from the two consolidated platforms, the Doxee Platform and the Infinica Platform.

**“CDMH” Project** (book value: Euro 278,330). This project aims to develop a Customer Data Management Hub capable of archiving the data of clients and end users in a structured manner, to create a “customer-centric” profile, which is constantly updated with new information.

**“ix Studio” Project** (book value: Euro 11,499). This project aims to add to the Doxee offering an innovative cloud solution dedicated to creative agencies and content creators, to develop and distribute personalized, interactive video content in full self-service mode.

## 9.4 Other intangible assets

Other intangible assets amounting to Euro 5,128,399 (Euro 5,423,090 at 12/31/2022 ADJ) refer to patents, user licenses and software.

The table below illustrates the breakdown and changes:

Non-current assets	Other intangible assets
Net amount at 12/31/2021	359,937
Increases	61,550
Decreases	-
Reclassifications	-
Amortization	(90,867)
Write-downs	-
Exchange rate differences from translation	-
Net amount at 06/30/2022	330,620
Net amount at 12/31/2022 ADJ*	5,423,090
Increases	-
Decreases	-
Reclassifications	-
Amortization	(294,690)
Write-downs	-

Exchange rate differences from translation	-
<b>Net amount at 06/30/2023</b>	<b>5,128,399</b>

\* The balance sheet balances at December 31, 2022 have been restated as a result of the completion of the process of Purchase Price Allocation regarding the acquisition of the Infinica Group, as reported in paragraph "2. Significant Events in the First Half of 2023", below.

## 9.5 Right-of-use assets

Right-of-use assets, equal to Euro 1,023,688 (Euro 1,001,692 at 12/31/2022) 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	Immovable assets	Movable assets	Total
<b>Net amount at 12/31/2021***</b>	<b>462,005</b>	<b>221,642</b>	<b>683,648</b>
Increases	8,549	81,820	90,369
Decreases	-	-	-
Amortization	(55,082)	(52,049)	(107,131)
<b>Net amount at 06/30/2022</b>	<b>415,472</b>	<b>251,413</b>	<b>666,885</b>
<b>Net amount at 12/31/2022***</b>	<b>684,894</b>	<b>316,798</b>	<b>1,001,692</b>
Increases	-	196,539	196,539
Decreases	-	-	-
Amortization	(88,708)	(85,835)	(174,543)
<b>Net amount at 06/30/2023</b>	<b>596,186</b>	<b>427,503</b>	<b>1,023,688</b>

\*\*\* Note that an adjustment was made to the breakdown between moveable and immoveable assets, with the same total amount compared to the amounts shown in the same table of the Consolidated Financial Statements at 12/31/2022.

## 9.6 Goodwill

Goodwill of Euro 7,735,781 (same value at 12/31/2022 ADJ) refers to the acquisition of Infinica GmbH in September 2022, which made it necessary to restate the balances at 12/31/2022, as stated above.

The table below illustrates the breakdown and changes:

Non-current assets	Goodwill
<b>Net amount at 12/31/2021</b>	<b>-</b>
Increases	-
Decreases	-
Reclassifications	-
Amortization	-
Write-downs	-
Exchange rate differences from translation	-
<b>Net amount at 06/30/2022</b>	<b>-</b>
<b>Net amount at 12/31/2022 ADJ*</b>	<b>7,735,780</b>
Increases	-

Decreases	-
Reclassifications	-
Amortization	-
Write-downs	-
Exchange rate differences from translation	-
<b>Net amount at 06/30/2023</b>	<b>7,735,781</b>

\* The balance sheet balances at December 31, 2022 have been restated as a result of the completion of the process of Purchase Price Allocation regarding the acquisition of the Infinica Group, as reported in paragraph "2. Significant Events in the First Half of 2023", below.

## 9.7 Non-current financial assets

Non-current financial assets amounting to Euro 31,959 (unchanged compared to the previous year) consisted of:

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

Non-current financial assets List of investments	Amount at 12/31/2021	Changes	Amount at 06/30/2022
DNA:LAB	1,000	-	1,000
<b>Total</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>

Non-current financial assets List of investments	Amount at 12/31/2022	Changes	Amount at 06/30/2023
DNA:LAB	1,000	-	1,000
<b>Total</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>

Non-current financial assets Investments	Subsidiaries	Associates	Parent companies	Companies under common control	Other companies	Total
<b>Net amount at 12/31/2021</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>1,000</b>
Purchases	-	-	-	-	-	-
Sales	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-
<b>Net amount at 06/30/2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>1,000</b>
<b>Net amount at 12/31/2022</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>1,000</b>
Purchases	-	-	-	-	-	-
Sales	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-
<b>Net amount at 06/30/2023</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>1,000</b>

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 (unchanged compared to the previous year), broken down below.

Non-current financial assets Receivables	Subsidiaries	Associates	Parent companies	Companies under common control	Other companies	Total
<b>Net amount at 12/31/2021</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,826</b>	<b>2,827</b>
Increases	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-
<b>Net amount at 06/30/2022</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,826</b>	<b>2,826</b>
<b>Net amount at 12/31/2022</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,959</b>	<b>30,960</b>
Increases	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-
<b>Net amount at 06/30/2023</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,959</b>	<b>30,959</b>

Receivables from others refer to security deposits.

## 9.8 Deferred tax assets

Non-current deferred tax assets equal to Euro 287,591 (Euro 280,947 at 12/31/2022) relate to the IFRS transition for Euro 45,883, whose greatest effects derive from the reversal of non-capitalized intangible assets and the adjustment to employee severance indemnity in accordance with IAS 19, while the remainder relates to negative income components to be deducted in years other than the year of statutory accounting.

## 9.9 Other non-current assets

Other non-current assets amounted to Euro 129,650 (Euro 156,555 at 12/31/2022). The breakdown of and changes in the single items are shown below:

Non-current assets Other assets	Amount at 12/31/2021	Changes	Amount at 06/30/2022
Security deposits	-	41,139	41,139
Prepaid expenses	15,759	(15,759)	-
Accrued income	208,919	(208,919)	-
Derivative instruments	-	-	12,466
Other non-current assets	21,613	(21,613)	-
<b>Total</b>	<b>246,291</b>	<b>(205,152)</b>	<b>53,605</b>

Non-current assets Other assets	Amount at 12/31/2022	Changes	Amount at 06/30/2023
Security deposits	38,865	5,000	43,865
Prepaid expenses	63,162	(26,101)	37,061
Accrued income	-	-	-
Derivative instruments	39,229	9,496	48,725
Other non-current assets	15,299	(15,299)	-
<b>Total</b>	<b>156,555</b>	<b>(26,905)</b>	<b>129,650</b>



## 9.10 Trade receivables

Trade receivables included in current assets amounted to Euro 11,603,936 (Euro 11,811,619 at 12/31/2022).

The table below illustrates the changes in receivables at 06/30/2023, net of provision for bad and doubtful debts:

Current assets Trade receivables	Amount at 12/31/2021	Changes	Amount at 06/30/2022
Clients	9,830,359	(1,367,222)	8,463,137
Associates	-	-	-
Parent companies	-	-	-
<b>Total</b>	<b>9,830,359</b>	<b>(1,367,222)</b>	<b>8,463,137</b>

Current assets Trade receivables	Amount at 12/31/2022	Changes	Amount at 06/30/2023
Clients	11,811,619	(207,683)	11,603,936
Associates	-	-	-
Parent companies	-	-	-
<b>Total</b>	<b>11,811,619</b>	<b>(207,683)</b>	<b>11,603,936</b>

Trade receivables fall due within the next financial year.

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

Trade receivables Provision for bad and doubtful debts	
<b>Amount at 12/31/2021***</b>	<b>552,864</b>
Provisions	81,378
Utilizations	
Exchange rate differences from translation	1,764
<b>Amount at 06/30/2022</b>	<b>636,005</b>
<b>Amount at 12/31/2022***</b>	<b>777,062</b>
Provisions	108,613
Utilizations	-
Exchange rate differences from translation	(2,889)
<b>Amount at 06/30/2023</b>	<b>882,786</b>

\*\*\* Note that the Provision for bad and doubtful debts at 12/31/2021 and 12/31/2022 compared to the values stated in the same table in the Consolidated financial statements at 12/31/2022, as, due to a mere material error, the breakdown of only the provision of the parent Doxee S.p.A. had been reported. The net value of the receivables remains unchanged.

The provision for bad and doubtful debts was aligned with the best estimate of credit risk and the expected losses at June 30, 2023.

## 9.11 Other receivables

Other receivables amounted to Euro 3,260,242 (Euro 2,752,061 at 12/31/2022).

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

Current assets Other receivables	Amount at 12/31/2021	Changes	Amount at 06/30/2022
Security deposits	38,089	(38,089)	-
Receivables for current taxes	633,266	8,776	642,041
VAT credits	-	-	-
Tax credits for research and development	934,753	72,257	1,007,010
Tax receivables for withholdings paid	-	252,406	252,406
Other tax receivables	21,913	(21,700)	212
Accrued income	420,520	200,852	621,371
Prepaid expenses	371,162	38,416	409,578
Sundry receivables	60,942	6,041	66,983
<b>Total</b>	<b>2,480,644</b>	<b>(38,089)</b>	<b>2,999,602</b>

Current assets Other receivables	Amount at 12/31/2022	Changes	Amount at 06/30/2023
Security deposits	-	-	-
Receivables for current taxes	703,552	27,982	731,534
VAT credits	-	656,354	656,354
Tax credits for research and development	1,329,626	(287,195)	1,042,431
Tax receivables for withholdings paid	-	44,828	44,828
Other tax receivables	26,992	(11,000)	15,992
Accrued income	53,695	1,300	54,995
Prepaid expenses	545,089	80,493	625,582
Sundry receivables	93,108	(4,582)	88,526
<b>Total</b>	<b>2,752,062</b>	<b>508,180</b>	<b>3,260,242</b>

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.

## 9.12 Cash and cash equivalents.

Cash and cash equivalents at June 30, 2023 amounted to Euro 4,343,379 (Euro 2,591,489 at 12/31/2022) and are composed of cash at banks and on hand. Cash and cash equivalents increased due to the disbursement of new bank loans for Euro 4 million during the first half.

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

Current assets Cash and cash equivalents and short-term deposits	Amount at 12/31/2021	Changes	Amount at 06/30/2022
Deposit accounts	5,845,483	(976,208)	4,869,276
Cash on hand	2,315	267	2,582
<b>Total</b>	<b>5,847,798</b>	<b>(975,941)</b>	<b>4,871,858</b>

Current assets	Amount at	Changes	Amount at
Cash and cash equivalents and short-term deposits	12/31/2022		06/30/2023
Deposit accounts	2,588,912	1,752,019	4,340,931
Cash on hand	2,577	(130)	2,447
<b>Total</b>	<b>2,591,489</b>	<b>1,751,889</b>	<b>4,343,379</b>

### 9.13 Equity

The tables below set out the reconciliations between the equity of the Parent and consolidated equity at June 30, 2023.

Reconciliation between the Equity of the Parent and the Consolidated Equity	Share capital	Own reserves	Profit (loss) for the year	Total
<b>Equity of Doxee S.p.a.</b>	<b>1,913,570</b>	<b>14,265,176</b>	<b>(2,443,648)</b>	<b>13,735,098</b>
Profit (loss) for the year of consolidated companies (prior to consolidation adjustments)			(410,573)	(410,573)
Capital and reserves of consolidated companies (prior to consolidation adjustments)		2,575,197		2,575,197
<b>Consolidation adjustments:</b>				-
- carrying amount of investments		(14,799,631)		(14,799,631)
- acquisition of Babelee investment		(12,578)	(62,422)	(75,000)
- put and call options on the Infinica GmbH investment		(2,427,108)	(142,078)	(2,569,186)
- put and call options on the Doxee USA Inc. investment		(1,078,793)	(13,108)	(1,091,901)
- put and call options on the Doxee CEE GmbH investment		(2,000,000)		(2,000,000)
- intragroup amortization/depreciation		3,364,000		3,364,000
- recognition of goodwill for business combinations		7,735,781		7,735,781
- recognition of assets with a finite useful life for business combinations		5,300,000	(177,650)	5,122,350
- recognition of deferred taxes on assets with a finite useful life for business combinations		(1,219,000)		(1,219,000)
- effect of previous definitive PPA allocation for Infinica Austria		(88,825)		(88,825)
- equity and profit/(loss) attributable to minority interests		-	-	-
<b>Consolidated Equity of the Group</b>	<b>1,913,570</b>	<b>11,614,220</b>	<b>(3,249,479)</b>	<b>10,278,310</b>

The table below shows the changes in Equity at June 30, 2023:

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
<b>Amount at 12/31/2022 ADJ*</b>	<b>1,913,570</b>	<b>8,554,460</b>	<b>7,446,302</b>	<b>(1,585,343)</b>	<b>(95,774)</b>	<b>(136,525)</b>	<b>29,814</b>	<b>(3,989,446)</b>	<b>1,244,818</b>	<b>13,381,877</b>	<b>12,578</b>	<b>13,394,455</b>
Allocation of profit			524,046					720,772	(1,244,818)	-		-
Comprehensive income (loss)					3,262	82,601	7,217			93,080		93,080
Acquisition of minority interests					945			(945)		-	(12,578)	(12,578)
Other changes										-		-
Stock grant			144,453							144,453		144,453
Treasury Shares			(91,620)							(91,620)		(91,620)
Profit (loss) for the year									(3,249,479)	(3,249,479)	-	(3,249,479)
<b>Amount at 06/30/2023</b>	<b>1,913,570</b>	<b>8,554,460</b>	<b>8,023,181</b>	<b>(1,585,343)</b>	<b>(91,567)</b>	<b>(53,924)</b>	<b>37,031</b>	<b>(3,269,619)</b>	<b>(3,249,479)</b>	<b>10,278,310</b>	<b>-</b>	<b>10,278,310</b>

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 2018 2021 to hedge interest rate risk on the loan disbursed by Unicredit Crédit Agricole of Euro 1,000,000;
- hedging derivative entered into by the Company on July 28, 2022 to hedge interest rate risk on the loan disbursed by Banco BPM of Euro 500,000;
- 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;
- 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;

The decrease in Equity is attributable to the loss for the period realized in the first half of 2023.

Note that the subscribed and paid-up Share Capital at 06/30/2023 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.

## 9.14 Current and non-current loans and financing

Non-current loans and financing came to Euro 15,254,137 (Euro 11,688,021 at 12/31/2022).

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 tables below show the changes in non-current financial liabilities:

Non-current liabilities Loans and financing	Amount at 12/31/2021	Changes	Amount at 06/30/2022
Payables to banks and other lenders	5,754,305	(1,863,561)	3,890,744
Payables for finance leases	265,096	38,717	303,813
<b>Total</b>	<b>6,019,402</b>	<b>(1,824,845)</b>	<b>4,194,557</b>

<b>Non-current liabilities Loans and financing</b>	<b>Amount at 12/31/2022</b>	<b>Changes</b>	<b>Amount at 06/30/2023</b>
Payables to banks and other lenders	11,501,260	3,615,888	15,117,148
Payables for finance leases	186,760	(49,771)	136,989
<b>Total</b>	<b>11,688,021</b>	<b>3,566,117</b>	<b>15,254,137</b>

The tables below show the breakdown in non-current financial liabilities at 06/30/2023, net of derivatives:

<b>Non-current financial liabilities</b>	<b>Amount at 06/30/2023</b>	<b>Amount at 12/31/2022</b>	<b>Difference</b>
Sanfelice Unsecured Loan No. 160943	255,195	373,849	(118,654)
Mediocredito Centrale Loan	240,219	266,804	(26,584)
UNICREDIT Loan F1000008768621	635,727	767,019	(131,292)
Cariparma Loan no. 138867400000	147,606	316,365	(168,759)
MPS Loan no. 994139280	842,007	1,091,805	(249,799)
Citta' Educante Loan	-	3,401	(3,401)
Simest Loan - Feasibility Study Tender	23,283	31,050	(7,767)
Ecommerce Tender Loan	60,000	75,000	(15,000)
Citta' Educante Loan	-	1,554	(1,554)
BPM Loan no. 5683270	329,163	375,771	(46,607)
BPER Loan no. 421/005142373	2,383,237	2,661,416	(278,179)
UNICREDIT Loan F1000002199322	3,019,121	2,991,618	27,503
Cariparma Loan no. 0270705700000	1,597,181	-	1,597,181
Simest (option)	2,000,000	1,066,375	933,625
Infinica (option)	1,540,607	1,398,528	142,078
MPS Loan no. 0994147758	25,717	27,558	(1,841)
ISP Loan no. 01C1046977128	18,085	35,362	(17,277)
ISP Loan no. 01C1048320467	-	17,786	(17,786)
Simest	2,000,000	-	2,000,000
Derivative instruments	(48,725)	(39,229)	(9,496)
Finance leases	136,989	186,760	(49,771)
<b>Total long-term financial payables</b>	<b>15,205,413</b>	<b>11,648,792</b>	<b>3,556,621</b>

Current financial payables amounted to Euro 6,131,119 (Euro 4,362,202 at 12/31/2022).

The tables below show the changes in current financial liabilities:

<b>Current liabilities Loans and financing</b>	<b>Amount at 12/31/2021</b>	<b>Changes</b>	<b>Amount at 06/30/2022</b>
Payables to banks and other lenders	2,328,256	1,284,168	3,612,424
Payables for finance leases	129,309	(102,989)	26,320
<b>Total</b>	<b>2,457,565</b>	<b>1,181,179</b>	<b>3,638,743</b>

<b>Current liabilities Loans and financing</b>	<b>Amount at 12/31/2022</b>	<b>Changes</b>	<b>Amount at 06/30/2023</b>
Payables to banks and other lenders	4,244,081	1,782,228	6,026,309
Payables for finance leases	118,121	(13,312)	104,809
<b>Total</b>	<b>4,362,202</b>	<b>1,768,917</b>	<b>6,131,119</b>

The tables below show the breakdown in current loans and financing and other current financial liabilities at 06/30/2023:

Current financial liabilities	Amount at 06/30/2023	Amount at 12/31/2022	Difference
BPER Unsecured Loan no. 3858169	141,218	281,758	(140,540)
Sanfelice Unsecured Loan No. 160943	246,948	239,413	7,535
BPM Loan no. 3542648	113,282	226,334	(113,052)
Mediocredito Centrale Loan	53,148	53,105	42
UNICREDIT Loan F1000008768621	245,535	204,733	40,802
Unicredit Unsecured Loan no. 8440155	-	85,494	(85,494)
Cariparma Loan no. 138867400000	301,729	256,619	45,111
MPS Loan no. 994139280	498,238	495,714	2,524
Citta' Educante Loan	3,401	3,393	8
Simest Loan - Feasibility Study Tender	15,525	15,525	-
Ecommerce Tender Loan	30,000	15,000	15,000
Citta' Educante Loan Ctn01_00034_393801	1,554	1,552	2
BPM Loan no. 5683270	100,398	99,630	768
BPER Loan no. 421/005142373	631,168	333,414	297,753
UNICREDIT Loan F1000002199322	4,097	-	4,097
Cariparma Loan no. 0270705700000	396,819	-	396,819
Simest (option)	1,083,622	-	1,083,622
Infinica (option)	1,028,579	1,028,579	-
Use of current account credit facilities	981,037	763,813	217,225
Other short-term financial payables	33,151	44,955	(11,804)
MPS Loan no. 0994147758	3,676	2,446	1,229
ISP Loan no. 01C1046977128	32,186	31,638	548
ISP Loan no. 01C1048320467	38,662	38,497	165
Use of current account credit facilities	22,342	22,471	(129)
Other short-term financial payables	19,993	-	19,993
Finance leases	104,809	118,121	(13,312)
<b>Total short-term financial payables</b>	<b>6,131,119</b>	<b>4,362,202</b>	<b>1,768,917</b>

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

Payables and liabilities Expiry and guarantees	Within 1 year	From 2 to 5 years	Over 5 years	Guarantees	Total
Loans and financing	4,362,202	10,165,746	1,522,275	-	16,050,223
Lease liabilities	316,476	688,266	-	-	1,004,742
Trade payables and other payables	10,444,230	-	-	-	10,444,230
Tax payables	630,894	-	-	-	630,894
Other liabilities	8,753	265,575	-	-	274,328
Public grants	615,554	1,773,335	-	-	2,388,889
<b>Amount at 12/31/2022</b>	<b>16,378,110</b>	<b>12,892,922</b>	<b>1,522,275</b>	<b>-</b>	<b>30,793,307</b>

Payables and liabilities Expiry and guarantees	Within 1 year	From 2 to 5 years	Over 5 years	Guarantees	Total
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Loans and financing	6,131,119	7,916,089	7,338,048	-	21,385,256
Lease liabilities	345,254	683,155	-	-	1,028,409
Trade payables and other payables	12,025,477	-	-	-	12,025,477
Tax payables	349,199	-	-	-	349,199
Other liabilities	4,886	216,357	-	-	221,243
Public grants	577,864	1,756,718	-	-	2,334,582
<b>Amount at 06/30/2023</b>	<b>19,433,798</b>	<b>10,572,319</b>	<b>7,338,048</b>	<b>-</b>	<b>37,344,166</b>

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.

At June 30, 2023, the Group had the following bank credit lines 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 June 30, 2023 the amount used came to Euro 149,378 (Euro 142,582 in the previous year).

**EUROFACTOR ITALIA S.p.A. Assignment without recourse**

Maximum amount that can be assigned Euro 2 million.

At June 30, 2023 the amount used came to Euro 833,134 (Euro 590,639 in the previous year).

**MBFACTA S.p.A. Assignment without recourse**

Maximum amount that can be assigned Euro 400,000.

At June 30, 2023 the amount used came to Euro 277,616 (Euro 172,971 in the previous year).

**SERFACTORING S.p.A. Assignment without recourse**

Maximum amount that can be assigned Euro 500,000.

At June 30, 2023, no amount was used, as in the previous year.

**UNICREDIT FACTORING S.p.A. Assignment without recourse**

Maximum amount that can be assigned Euro 1.2 million.

At June 30, 2023 the amount used came to Euro 1,028,935 (Euro 992,961 in the previous year).



### 9.15 Current and non-current lease liabilities

Non-current lease liabilities amounted to Euro 683,155 (Euro 688,266 at 12/31/2022).

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

Non-current liabilities Lease liabilities	Amount at 12/31/2021	Changes	Amount at 06/30/2022
Operating leases and rentals	490,730	(42,477)	448,253
<b>Total</b>	<b>490,730</b>	<b>(42,477)</b>	<b>448,253</b>

Non-current liabilities Lease liabilities	Amount at 12/31/2022	Changes	Amount at 06/30/2023
Operating leases and rentals	688,266	(5,111)	683,155
<b>Total</b>	<b>688,266</b>	<b>(5,111)</b>	<b>683,155</b>

Current lease liabilities amounted to Euro 345,254 (Euro 316,476 at 12/31/2022).

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

Current liabilities Lease liabilities	Amount at 12/31/2021	Changes	Amount at 06/30/2022
Operating leases and rentals	193,922	26,730	220,653
<b>Total</b>	<b>193,922</b>	<b>26,730</b>	<b>220,653</b>

Current liabilities Lease liabilities	Amount at 12/31/2022	Changes	Amount at 06/30/2023
Operating leases and rentals	316,476	28,778	345,254
<b>Total</b>	<b>316,476</b>	<b>28,778</b>	<b>345,254</b>

### 9.16 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 June 30, 2023 amounted to Euro 1,961,512 (Euro 1,814,557 at 12/31/2022).

The actuarial gains recorded at June 30, 2023, equal to Euro 4,207 (Euro 111,954 at 12/31/2022), 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 (PUC) 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	
<b>Amount at 12/31/2021</b>	<b>1,718,122</b>
Labor cost	333,298
Financial expenses	16,117
Benefits paid	(141,027)
Actuarial (gains)/losses posted to equity	(111,954)
<b>Amount at 12/31/2022</b>	<b>1,814,557</b>
Labor cost	170,761
Financial expenses	33,606
Benefits paid	(53,205)
Actuarial (gains)/losses posted to equity	(4,207)
<b>Amount at 06/30/2023</b>	<b>1,961,512</b>

The main actuarial assumptions used at June 30, 2023 are as follows:

Amount at 06/30/2023	
Annual discount rate	3.60%
Annual inflation rate	2.30%
Annual rate of increase in employee severance indemnity	3.225%

Nominal rate of salary increase	0.50%
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### 9.17 Deferred tax liabilities

Provisions for deferred tax liabilities are recognized among liabilities for a total of Euro 1,150,331 (Euro 1,207,660 at 12/31/2022 ADJ). These comprise (i) Euro 12 thousand in financial charges allocated in relation to the commitment to purchase 49% of Doxee USA from Simest, expiring in 2024, (ii) Euro 1,192 thousand in amortization of other intangible assets deriving from the partial reallocation of goodwill following the completion of the purchase price allocation process of Infinica GmbH, and (iii) the remainder referring to unrealized foreign exchange gains of the parent. Deferred tax liabilities were determined by applying the tax rates of the respective countries of residence of the parent and the subsidiaries.

Non-current liabilities Deferred tax liabilities	Amount at 12/31/2021	Changes	Amount at 06/30/2022
Deferred tax liabilities	21,869	(4,866)	17,003
<b>Total</b>	<b>21,869</b>	<b>(4,866)</b>	<b>17,003</b>

Non-current liabilities Deferred tax liabilities	Amount at 12/31/2022 ADJ*	Changes	Amount at 06/30/2023
Deferred tax liabilities	1,207,660	(57,329)	1,150,331
<b>Total</b>	<b>1,207,660</b>	<b>(57,329)</b>	<b>1,150,331</b>

\* The balance sheet balances at December 31, 2022 have been restated as a result of the completion of the process of Purchase Price Allocation regarding the acquisition of the Infinica Group, as reported in paragraph "2. Significant Events in the First Half of 2023", below.

### 9.18 Other non-current liabilities

Other non-current liabilities amounted to Euro 216,357 (Euro 265,575 in the previous year).

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

Non-current liabilities Other non-current liabilities	Amount at 12/31/2021	Changes	Amount at 06/30/2022
Derivative instruments	1,859	-	-
Sundry liabilities	21,565	(21,565)	-
<b>Total</b>	<b>23,424</b>	<b>(21,565)</b>	<b>-</b>

Non-current liabilities Other non-current liabilities	Amount at 12/31/2022	Changes	Amount at 06/30/2023
Derivative instruments	-	-	-
Sundry liabilities	265,575	(49,218)	216,357
<b>Total</b>	<b>265,575</b>	<b>(49,218)</b>	<b>216,357</b>

### 9.19 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	Amount at 12/31/2021	Changes	Amount at 06/30/2022
Tax credit and public R&D grants	1,780,793	-	-
<b>Total</b>	<b>1,780,793</b>	<b>-</b>	<b>-</b>

Non-current liabilities Public grants	Amount at 12/31/2022	Changes	Amount at 06/30/2023
Tax credit and public R&D grants	1,773,335	(16,617)	1,756,718
<b>Total</b>	<b>1,773,335</b>	<b>(16,617)</b>	<b>1,756,718</b>

Current liabilities Public grants	Amount at 12/31/2021	Changes	Amount at 06/30/2022
Tax credit and public R&D grants	575,361	-	2,325,807
<b>Total</b>	<b>575,361</b>	<b>-</b>	<b>2,325,807</b>

Current liabilities Public grants	Amount at 12/31/2022	Changes	Amount at 06/30/2023
Tax credit and public R&D grants	615,554	(37,690)	577,864
<b>Total</b>	<b>615,554</b>	<b>(37,690)</b>	<b>577,864</b>

## 9.21 Other current financial liabilities

Other current financial liabilities amounted to Euro 4,886 (Euro 8,753 at 12/31/2022).

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

Current liabilities Other current financial receivables	Amount at 12/31/2021	Changes	Amount at 06/30/2022
Other non-current financial liabilities	93	-	51
<b>Total</b>	<b>93</b>	<b>-</b>	<b>51</b>

Current liabilities	Amount at	Changes	Amount at
Other current financial receivables	12/31/2022		06/30/2023
Other non-current financial liabilities	8,753	(3,867)	4,886
<b>Total</b>	<b>8,753</b>	<b>(3,867)</b>	<b>4,886</b>

## 9.22 Trade payables and other payables

Trade payables and other payables are recognized under current liabilities for a total of Euro 12,025,477 (Euro 10,444,230 at 12/31/2022).

The table below shows the changes during the year:

Current liabilities	Amount at	Changes	Amount at
Trade payables and other payables	12/31/2021		06/30/2022
Trade payables and other payables	8,562,312	888,854	9,451,166
<b>Total</b>	<b>8,562,312</b>	<b>888,854</b>	<b>9,451,166</b>

Current liabilities	Amount at	Changes	Amount at
Trade payables and other payables	12/31/2022		06/30/2023
Trade payables and other payables	10,444,230	1,581,246	12,025,477
<b>Total</b>	<b>10,444,230</b>	<b>1,581,246</b>	<b>12,025,477</b>

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

Current liabilities	Amount at	Changes	Amount at
Trade payables and other payables	12/31/2022		06/30/2023
Suppliers	7,313,790	587,511	7,901,302
Payables to social security and welfare agencies	728,657	(30,899)	697,758
Payables due to employees	1,429,491	460,748	1,890,239
Security deposits	110,000	-	110,000
Sundry receivables	16,955	310,978	327,933
Accrued liabilities	845,337	(273,408)	571,929
Deferred income	-	526,316	526,316
Associates	-	-	-
Parent companies	-	-	-
<b>Total</b>	<b>10,444,230</b>	<b>1,581,246</b>	<b>12,025,477</b>

## 9.21 Tax payables

Payables for current taxes are recognized under current liabilities for a total of Euro 349,199 (Euro 630,894 at 12/31/2022).

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

Current liabilities	Amount at	Changes	Amount at
Tax payables	12/31/2021		06/30/2022
Tax authorities for VAT	128,884	(10,552)	118,332
Payables for withholdings	341,762	(106,307)	235,454
Payables for current taxes	20,009	(18,169)	1,840
Other tax payables	49,272	(46,987)	2,285

<b>Total</b>	<b>539,926</b>	<b>(182,015)</b>	<b>357,911</b>
<b>Current liabilities</b>	<b>Amount at</b>	<b>Changes</b>	<b>Amount at</b>
<b>Tax payables</b>	<b>12/31/2022</b>		<b>06/30/2023</b>
Tax authorities for VAT	140,464	(79,250)	61,214
Payables for withholdings	414,168	(177,459)	236,709
Payables for current taxes	61,430	(17,508)	43,922
Other tax payables	14,834	(7,480)	7,354
<b>Total</b>	<b>630,894</b>	<b>(281,696)</b>	<b>349,199</b>

## INCOME STATEMENT

### 9.23 Revenues from contracts with clients

Revenues at June 30, 2023 amounted to Euro 12,143,900 (Euro 11,054,584 at 06/30/2022).

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 - product type	Amount at 06/30/2023	Amount at 06/30/2022	Change
Document Experience	9,130,892	7,701,278	1,429,614
Paperless Experience	1,304,234	1,806,803	(502,569)
Interactive Experience	1,708,775	1,546,503	162,272
<b>Total</b>	<b>12,143,900</b>	<b>11,054,584</b>	<b>11,054,584</b>

Income Statement Revenues from contracts with clients by channel	Amount at 06/30/2023	Amount at 06/30/2022	Change
SaaS	11,998,168	10,729,743	1,268,425
PaaS	136,732	70,373	66,359
ON Premise	9,000	254,468	(245,468)
<b>Total</b>	<b>12,143,900</b>	<b>11,054,584</b>	<b>1,089,316</b>

Income Statement Revenues by geographical area	Amount at 06/30/2023	Amount at 06/30/2022	Change
Italy	9,288,776	9,173,756	115,020
EU	1,582,939	435,807	1,147,132
Extra EU	1,272,186	1,445,021	(172,835)
<b>Total</b>	<b>12,143,900</b>	<b>11,054,584</b>	<b>1,089,317</b>

## 9.24 Other revenues and income

Other revenues and income amounted to Euro 365,240 (Euro 358,600 at 06/30/2022), 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	Amount at 06/30/2023	Amount at 06/30/2022	Change
Other revenues	14,292	15,752	(1,459)
Revenues from participation in tenders	23,506	85,260	(61,754)
Grants and tax credits	327,441	257,471	69,971
Capital gains on disposal	-	118	(118)



Total	365,240	358,600	6,639
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## 9.25 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	Amount at	Amount at	Change
Internally generated fixed assets	06/30/2023	06/30/2022	
Internally generated fixed assets	1,284,861	3,278,923	(1,994,062)
<b>Total</b>	<b>1,284,861</b>	<b>3,278,923</b>	<b>(1,994,062)</b>

## 9.26 Costs of production

Costs for the purchase of raw materials and consumables came to Euro 3,605 (Euro 4,333 at 06/30/2022) and refer mainly to stationery and consumable materials.

Income Statement	Amount at	Amount at	Change
Raw materials	06/30/2023	06/30/2022	
Consumables and other goods	3,605	4,333	(727)
<b>Total</b>	<b>3,605</b>	<b>4,333</b>	<b>(727)</b>

Costs for services amounted to Euro 7,363,610 (Euro 8,211,741 at 06/30/2022). The increase on the previous year 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	Amount at	Amount at	Change
Costs for services	06/30/2023	06/30/2022	
Printing and delivery costs	1,949,327	2,321,470	(372,142)
Technical advisory services	2,819,592	2,063,552	756,040
Administration and other general overhead costs	770,049	383,356	386,693
Infrastructure costs	1,429,755	1,104,044	325,711
Marketing costs	120,608	128,159	(7,550)
Various costs	274,277	205,023	69,255
<b>Total</b>	<b>7,363,610</b>	<b>6,205,604</b>	<b>1,158,006</b>

## 9.27 Costs for employee benefits

The item includes all employee personnel costs and amounted to Euro 6,610,535 (Euro 4,503,238 at 06/30/2022).

At June 30, 2023, the number of employees of the Doxee Group came to 187, down by 6 compared to December 31, 2022.

The breakdown of employee personnel costs is shown below:

Income Statement	Amount at	Amount at	Change
Employee benefits	06/30/2023	06/30/2022	
Remuneration	4,848,953	3,370,379	1,478,574
Social security and welfare charges	1,367,799	978,787	389,013
Employee severance indemnity	241,648	145,728	95,920
Stock grant	144,453	8,027	136,426
Other charges	7,682	318	7,365
<b>Total</b>	<b>6,610,535</b>	<b>4,503,238</b>	<b>2,107,297</b>

## 9.28 Other operating costs

Other operating costs amounted to Euro 314,369 (Euro 446,047 at 06/30/2022).

Income Statement	Amount at	Amount at	Change
Other operating costs	06/30/2023	06/30/2022	
Membership fees	25,295	29,356	(4,060)
Taxes and duties	46,343	41,552	4,790
Contingent liabilities	19,900	4,635	15,265
Other charges	114,219	63,667	50,552
Write-downs of receivables	108,613	81,378	27,235
Alloc. to provisions for risks	-	225,460	(225,460)
<b>Total</b>	<b>314,369</b>	<b>446,047</b>	<b>(131,678)</b>

## 9.29 Amortization, 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 1,761,989 (Euro 1,221,073 at 06/30/2022).

Income Statement	Amount at	Amount at	Change
Amortization of intangible assets	06/30/2023	06/30/2022	
Amortization of development costs	1,467,299	1,130,206	337,093
Amortization of other intangible assets	294,690	90,867	203,823
Amortization of goodwill	-	-	-
<b>Total</b>	<b>1,761,989</b>	<b>1,221,073</b>	<b>540,916</b>

Depreciation of tangible assets posted to the income statement amounted to Euro 129,141 (Euro 133,330 at 06/30/2022).

Income Statement	Amount at	Amount at	Change
Depreciation of tangible assets	06/30/2023	06/30/2022	
Deprec. of plant and machinery	-	-	-

Deprec. of other owned tangible assets	75,163	69,375	5,788
Deprec. of other tangible assets under finance lease	53,978	63,955	(9,977)
<b>Total</b>	<b>129,141</b>	<b>133,330</b>	<b>(4,189)</b>

Lastly, Amortization of rights of use includes Euro 174,543 (Euro 107,131 at 06/30/2022) of amortization of leased assets pursuant to IFRS 16.

<b>Income Statement</b>	<b>Amount at</b>	<b>Amount at</b>	<b>Change</b>
<b>Depreciation of rights-of-use</b>	<b>06/30/2023</b>	<b>06/30/2022</b>	
Depreciation of rented tangible goods	85,835	52,049	33,786
Depreciation of leased properties	88,708	55,082	33,626
<b>Total</b>	<b>174,543</b>	<b>107,131</b>	<b>67,412</b>

### 9.30 Financial income and expenses

Financial income came to a total of Euro 8,785 (Euro 2,374 at 06/30/2022).

This item comprised:

<b>Income Statement</b>	<b>Amount at</b>	<b>Amount at</b>	<b>Change</b>
<b>Financial income</b>	<b>06/30/2023</b>	<b>06/30/2022</b>	
Interest income on current accounts	48	41	7
Other financial income	8,737	2,332	6,405
<b>Total</b>	<b>8,785</b>	<b>2,374</b>	<b>6,411</b>

Financial charges came to a total of Euro 561,412 in 2022 (Euro 114,147 at 06/30/2022). That item included interest referring to the application of IFRS 16 and the discounting of employee severance indemnity.

This item comprised:

<b>Income Statement</b>	<b>Amount at</b>	<b>Amount at</b>	<b>Change</b>
<b>Financial expenses</b>	<b>06/30/2023</b>	<b>06/30/2022</b>	
Interest expense on current accounts	40,653	3,924	36,729
Interest expense on bank loans	214,536	34,835	179,701
Fees on bank guarantees	5,326	3,461	1,865
Interest expense for payment extensions	31,917	22,012	9,905
Other financial charges	268,979	49,916	219,064
<b>Total</b>	<b>561,412</b>	<b>114,147</b>	<b>447,265</b>

Foreign exchange gains (losses) included:

<b>Income Statement</b>	<b>Amount at</b>	<b>Amount at</b>	<b>Change</b>
<b>Foreign exchange gains (losses)</b>	<b>06/30/2023</b>	<b>06/30/2022</b>	
Realized foreign exchange gains	14,317	555	13,761
Realized foreign exchange losses	(28,762)	(18,525)	(10,237)

Foreign exchange gains from valuation	3,916	363,604	(359,688)
Foreign exchange losses from valuation	(193,543)	(22,615)	(170,928)
<b>Total</b>	<b>(204,073)</b>	<b>323,019</b>	<b>(527,092)</b>

### 9.31 Income taxes

The Group calculates income taxes for the half year using the tax rate that would be applicable to the total expected annual income. The Company allocated income taxes for the year by applying the tax regulations in force.

This item comprised:

Income Statement Income taxes	Amount at 06/30/2023	Amount at 06/30/2022	Change
Current taxes	758	13,237	(12,479)
Deferred tax assets	(14,566)	1,045	(15,610)
Deferred tax liabilities	(57,204)	(3,692)	(53,512)
<b>Total</b>	<b>(71,011)</b>	<b>10,590</b>	<b>(81,601)</b>

## OTHER INFORMATION

### 10. 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	Amount at 06/30/2023	Amount at 12/31/2022	Change
<b>Net Financial Debt</b>	<b>18,026,448</b>	<b>14,433,000</b>	<b>3,593,448</b>
<i>Adjustments to exclude:</i>			-
Receivables and other long-term assets	30,959	30,960	(0)
<b>Restated net financial debt</b>	<b>17,995,488</b>	<b>14,402,040</b>	<b>3,593,448</b>

ESMA Net financial debt	Amount at 06/30/2023	Amount at 12/31/2022	Change
A. Cash and cash equivalents	4,343,379	2,591,489	1,751,889
B. Cash equivalents	-	-	-
C. Other current financial assets	-	-	-
<b>D. Liquidity (A+B+C)</b>	<b>4,343,379</b>	<b>2,591,489</b>	<b>1,751,889</b>
E. Current financial payables	3,623,675	2,303,167	1,320,508

F. Current portion of non-current financial payables	2,857,584	2,384,263	473,321
<b>G. Current financial debt (E+F)</b>	<b>6,481,259</b>	<b>4,687,431</b>	<b>1,793,828</b>
<b>H. Net current financial debt (G-D)</b>	<b>2,137,881</b>	<b>2,095,941</b>	<b>41,939</b>
I. Non-current financial payables	15,888,568	12,337,058	3,551,509
J. Debt instruments	-	-	-
K. Trade payables and other non-current payables	-	-	-
<b>L. Non-current financial debt (I+J+K)</b>	<b>15,888,568</b>	<b>12,337,058</b>	<b>3,551,509</b>
<b>M. Total net financial debt (H+L)</b>	<b>18,026,448</b>	<b>14,433,000</b>	<b>3,593,448</b>

The Doxee Group's Net Financial Debt amounted to approximately Euro 18,026 thousand (Euro 14,433 thousand at December 31, 2022), of which cash and cash equivalents of Euro 4,343 thousand. Among non-current bank payables, amounting to Euro 15,889 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 Net Financial Debt, which the Group deems a temporary, sustainable phenomenon, is mainly due to the worsening of cash flows and the need to use more of the short-term credit lines to cover current requirements. The forward-looking analysis of cash flows also highlighted the Group's ability to cover its commitments also in the medium-long term.

## 11. Cash flow statement

The cash flow statement shows a negative flow of operating activities of around Euro 1,124 thousand, mainly due to the loss recorded in the half year, as well as a negative value of the change in net working capital, mainly due to the decrease in trade payables. In addition, the investment policy implemented by the company generated cash absorption of Euro 1,723 thousand, which was covered by contracting new loans. The total cash flows generated by financing activities amounted to Euro 4,517 thousand.

Considerable investments were made also in the first half of 2023, a portion of which 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. Other resources were drained by activities relating to the process of integration with Infinica GmbH, generating additional, non-recurring costs. Infinica GmbH also autonomously incurred non-recurring costs to upgrade its IT systems (Salesforce, MS Dynamics). As illustrated in another section of this report, the company plans to significantly decrease these investments from the next year.

## 12. Guarantees and commitments and contingent liabilities

There are no commitments, guarantees or contingent liabilities that are not stated in the statement of financial position.

## 13. 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 2023	%	June 30, 2023	%	Average 2022	%	Final 2022	%
Senior managers	12	6.3%	12	6.4%	8	4.4%	12	6.2%
Middle managers	15	7.9%	7	3.7%	18	9.9%	22	11.4%
Clerical staff	164	85.9%	168	89.8%	156	85.7%	159	82.4%
<b>Total</b>	<b>191</b>	<b>100.0%</b>	<b>187</b>	<b>100.0%</b>	<b>182</b>	<b>100.0%</b>	<b>193</b>	<b>100.0%</b>

Modena (MO), September 29, 2023

The Chairman of the Board of Directors  
Paolo Cavicchioli