

doxee

**Consolidated Half-Year
Financial Report at
June 30, 2024
DOXEE GROUP**



REPORT ON OPERATIONS ACCOMPANYING THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS OF THE DOXEE GROUP AT JUNE 30, 2024

BACKGROUND

Dear Shareholders,

The condensed consolidated half-year financial statements of the Doxee Group at June 30, 2024, submitted for your perusal, have been compiled clearly and in accordance with the IAS/AFRS international accounting standards and provide a truthful, accurate representation of the company's equity and financial situation and the economic results for the financial year. At 06/30/2024 they show a loss of Euro 2,414 thousand, compared to a loss of Euro 3,249 thousand at 06/30/2023. Consolidated EBITDA for the first semester of 2024 returns to positive territory with a figure of Euro 538 thousand, an impressive increase compared to the negative value (- Euro 498 thousand) of 06/30/2023.

The first semester of 2024 therefore confirms the effectiveness of the measures initiated in the second semester of 2023, with results that have sharply reversed the trend of the same period last year. The factors underlying this reversal in trend relate to the company's good progress in its projects for the integration of the subsidiary Doxee AT; first and foremost the One Company project is delivering the predicted synergies, which as a result of the rationalizations are helping to reduce internal and external costs. Another important contribution derives from the progress of the One Platform project, which reached a major milestone in the first week of September with issue of the release of the Doxee Platform® integrating the Document Design and Process Workflow components of the acquired entity Infinica GmbH, now Doxee AT.

The results of this first semester thus confirm the efficacy of the governance measures deployed with the aim of achieving a balanced, sustainable return to growth and sustainability.

First-semester EBITDA is reduced by the seasonal nature of revenues, which are concentrated in the last quarter of the year. In spite of this, the results of the initiatives taken is clear, as they have returned EBITDA to positive territory in this semester. As already reported in the second semester of 2023, initiatives have been launched to optimize operating processes and organizational areas with the aim of increasing operating performance and pursuing a sustainable growth model. The conclusion of the investment peak needed to produce the new version of the Doxee Platform® and integrate the technology acquired from Doxee AT will permit the development of more effective Go to Market strategies (One Value Proposition project) to support growth in revenues.

The increase in internally generated fixed assets, which reflects investments in research and development, amounts to Euro 932 thousand, a reduction compared to June 30, 2023 (Euro 1.284 million). The Value of Production rose by Euro 180 thousand over the same period of last year in spite of the reduction in the increase of capitalizations.

R&D activities also include the first AI-supported functions applied to interesting use cases with promising applications.

The rationalization of the group's workforce was also completed, reorganizing and optimizing the workload of the organizational areas. Within this process, the company continued and partially increased its investments in the sales and marketing structure in the DACH markets, confirming its expectations regarding their contribution to growth and profitability. Together, these actions generated savings of more than Euro 133 thousand compared to the first semester of 2023.

The return to revenue growth was due mainly to expansion in the DACH (Germany, Austria and Switzerland) and CEE (Czech Republic and Slovak Republic) regions, with a total of Euro 286 thousand compared to the previous year (+12.8 %), while in Italy growth was Euro 82 thousand (+0.8 %).

The company is currently constructing a unified offer positioning and Go To Market process which covers all our geographical markets with the One Value Proposition project. There is no doubt that the recent technological integration release will speed up this project and increase its efficacy.

In terms of turnover and operating result, we report an increase in revenues from customer contracts of 3.2% to Euro 12,535 thousand at 06/30/2024 compared to Euro 12,144 thousand at 06/30/2023, while the consolidated EBITDA for the first semester of 2024 was Euro 538 thousand, an impressive increase compared to the negative value (-Euro 498 thousand) of 06/30/2023.

The Group's Equity at June 30, 2024 came to Euro 9,960 thousand, net of the loss of Euro 2,414 thousand incurred during the period.

Thanks to the capital increase in June 2024, the Group's net financial debt fell from Euro 21,611 thousand at December 31, 2023 to Euro 16,963 thousand at June 30, 2024. Through this major operation, which will be described in detail later in this report, and the organizational renewal completed in the last few months of 2023, the Group intends to pursue a balanced return to growth and profitability, by consolidating its leadership in the adoption of increasingly innovative Customer Communication & Experience Management technologies able to generate more and more value for the organization.

FINANCIAL STATEMENT DRAFTING CRITERIA

The Company adopted the international accounting standards under a Board of Directors resolution dated March 1, 2023, with the transition to the IAS/IFRS Standards set for January 1, 2021.

These Financial Statements were therefore drafted in accordance with the IAS/IFRS International Accounting Standards. The Notes which follow 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 period.

The Balance Sheet, Income Statement, Cash Flow Statement and Notes have been drawn up in Euro units unless otherwise indicated.

The Directors have drawn up the condensed consolidated half-year financial statements on the assumption that the requirements for the company to continue as a going concern are met.

SHARE CAPITAL AND SHARES

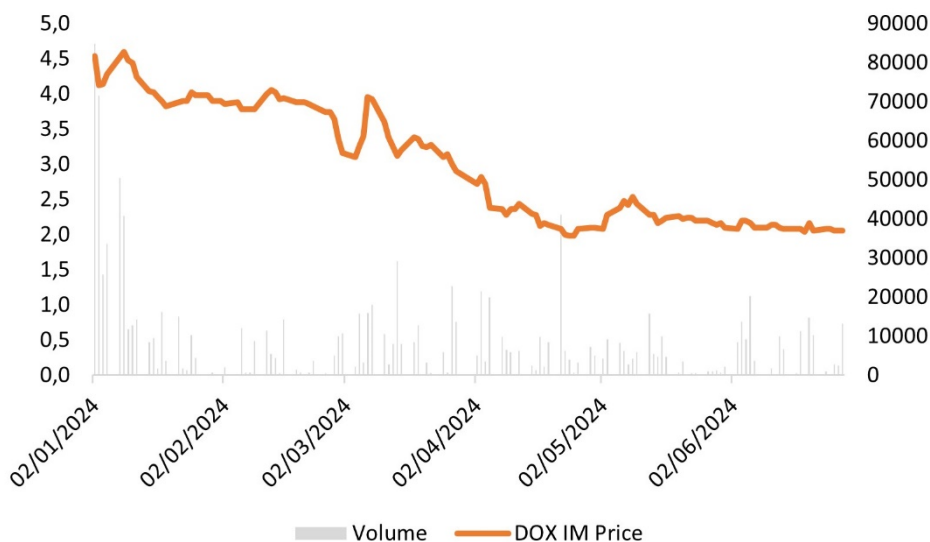
The subscribed and paid-up Share Capital of Doxee S.p.A. at the date of approval of these financial statements amounts to Euro 2,544,039.15, divided into 11,489,575 ordinary shares with no par value.

STOCK PERFORMANCE

During the first semester of 2024, the performance of the Doxee share continued to be affected by the uncertainties present in the general macroeconomic context in some industry sectors, such as the tech sector, which caused a general decrease in share prices. The Euronext Growth Milan index fell by 2.3 %, mainly due to the persistence of high interest rates and inflationary pressures which hit growth stocks particularly hard. In particular, from the start of the year the Doxee share began a lengthy period of loss of value lasting throughout the first semester, also due to the negative economic performance.

Stock market capitalization of the Doxee share at June 30, 2024 amounted to Euro 23,668,525.

The trend in the value of the share during the first semester of 2024 is shown below, with the relative volumes.



GROUP ECONOMIC AND FINANCIAL PERFORMANCE

The Group's Income Statement and financial position are set out below.

INCOME STATEMENT	06/30/2024	06/30/2023	Difference
Revenues from contracts with clients	12,535,331	12,143,900	391,431
Other revenues and income	505,564	365,240	140,324
Internally generated fixed assets	932,714	1,284,861	-352,147
Raw materials and consumables	-3,313	-3,605	292
Services costs	-6,826,773	-7,363,610	536,837
Costs for employee benefits	-6,477,881	-6,610,535	132,653
Other operating costs	-127,353	-314,369	187,016
Amortization of intangible assets	-2,205,625	-1,761,989	-443,636
Depreciation of tangible assets	-57,686	-129,141	71,454
Depreciation of rights-of-use	-270,551	-174,543	-96,008
Financial income	34,246	8,785	25,461
Financial expenses	-699,468	-561,412	-138,056
Foreign exchange gains (losses)	112,375	-204,073	316,447
Profit (loss) before tax from continuing operations	-2,548,422	-3,320,491	772,069
Income taxes	134,212	71,011	63,200
- Current taxes	-750	-758	8
- Deferred tax assets	-647	14,566	-15,213
- Deferred tax liabilities	135,609	57,204	78,405
Profit (loss) for the year	-2,414,210	-3,249,479	835,269

ESMA NET FINANCIAL DEBT	06/30/2024	12/31/2023	Change
Financial debt	16,963,013	21,611,099	-4,648,086
Adjustments to exclude:			0
Receivables and other long-term financial assets	33,785	33,784	1
Restated net financial debt	16,929,228	21,577,315	-4,648,087

PERFORMANCE OF OPERATIONS

The semester which has just ended marks a significant, clearly noticeable reversal in the trend compared to the same period of 2023. Taken as a whole, all financial and equity indicators have markedly improved, confirming that the new direction taken in the last quarter of 2023 was the right one.

Although 2024 is a year of transition, improvements in operating performance can be recognized and provide concrete proof of the group's economic and financial sustainability. The actions taken have margins for improvement, on which the management is working with objectives which can be achieved even during this financial year.

During the semester, we have received confirmation that focusing on the top enterprise segment has improved our overall performance and thus our principal KPIs. First and foremost, the number of new customers has risen from two (2) new names in the first half of 2023 to eleven (11) in the first semester of 2024, and these include major players such as Payone or Rhön Energie in the DACH market, and Roma Servizi per la mobilità or Banca Mediolanum in Italy. These new customers are building the foundations for future growth on our key markets, while simultaneously allowing us to expand the adoption of Doxee services. One important indicator was significant improvement in the conversion rate for all SaaS activities, which rose from just over 5% in the first half of 2023 to more than 32% in the first semester of 2024.

There was a sharp improvement in the Net Retention Rate (renewals of existing contracts with customers), which rose to 98% for the group. This impressive result reflects a clear commitment on the part of the Doxee customer base, derived from the ability to deliver innovative, quality services and confirming the solidity of the long-term partnerships the company has succeeded in establishing. In the first semester of 2024 major Doxee customers such as ENI Plenitude, Fastweb or Enel renewed their commitment by signing multiannual contracts.

We are also witnessing a positive trend which we expect to see bring results in the second half of 2024, with improved conversion rates and significantly better pipeline generation. Compared to the first half of the previous year, the efforts made in pipeline generation have led to a significant increase in new business potential for Doxee in the first semester of 2024. We are therefore confident that this new trend will consolidate, leading to the acquisition of new customers in the remainder of 2024.

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.

In particular, at 30 June 2024 the Group reported total revenues of Euro 12.5 million, a slight increase from the first semester of 2023, and a loss of Euro 2.4 million, resulting in equity of Euro 10.0 million. The group's net financial position at the end of the year was negative and amounted to Euro 17.0 mln (Euro 21.6 mln at the end of the previous financial year), Euro 5.6 mln of this figure due in the short term. Although the economic result continued to be negative, the first semester showed a clear reversal of the trend compared to the previous period, with growth in revenues and a return to a positive operating margin. After the huge investments which had weighed on the income statements of previous years, the first half of the year saw the start of fulfilment of the management's expectations regarding the integration with Doxee AT GmbH (formerly Infinica GmbH) and the benefits arising from the new organizational (ONE Company) and technological (ONE Platform) structure with a gradually increasing focus on higher value-added sectors and geographical areas, especially in the DACH market.

The first few months of 2024 saw a reduction in the investments required to bring the new Doxee Platform® technological platform on stream and for all the preparatory measures needed for the rapid activation of the organizational synergies for the integration of Technology & Research development processes in line with the ONE Company organizational integration project. Moreover, the Company implemented significant measures to cut costs, especially service and payroll costs, made possible by the improved efficiency of internal processes.

In view of the above considerations, the Company confirmed its 2024 business plan, under which it is reasonable to consider that the results of the massive organizational effort described above are already noticeable, generating significant synergies which will guide the Group towards higher revenues and enable it to return to balanced, sustainable growth. The trend during the first semester of 2024 gives grounds for confidence that the economic forecasts can be achieved in the timeframes and by the methods planned, even though they are subject to the typical uncertainties of the sector and of all business forecasts, and to the possible impacts from the evolution of the macroeconomic and geopolitical scenarios, which could influence the results actually achieved, as well as how they are achieved and when.

The 2024 business plan is constructed around a number of fundamental pillars: (i) a reduction in investments in research and development (R&D) compared to previous years mainly due to the Doxee Platform 3, a project which is now nearing completion, although R&D activities are expected to be remained at normal levels during the timeframe of the plan; (ii) the completion of integration with the Infinica Group, enabling both a reduction in the use of external consulting, thus decreasing costs, and the development of joint marketing programs, and last but not least; (iii) market repositioning with a stronger focus on the Enterprise sector. The results reported for the first semester of the current year confirm the accuracy of the estimates produced for the whole 2024 financial year, so the expectation that 2024 will provide satisfactory results in both economic and financial terms continues to stand.

From the financial point of view in particular, the capital increase in June 2024, which provided the company with Euro 5.8 million of liquidity, is a milestone in its history and constituted a fundamental “boost” in support of the initiatives listed previously.

The directors consider that the financial indebtedness, although still very high, is sustainable and, having analyzed the net cash flows of the Parent and its subsidiaries on the basis of the performance forecasts for FY 2024 and the following years, they maintain that these flows will be sufficient to meet all the group’s obligations over that time-period, thanks to the improvement in operating performance.

In the light of the change in the company’s capital position and the confirmation of the efficacy of the initiatives taken, the directors assessed the impact of factors such as the loss recorded at June 30, 2024, the financial indebtedness of the Company and the Group and the fact that intangible assets represent a high proportion of the invested capital, and considered that these uncertainties did not cast doubt on the company’s continuation as a going concern.

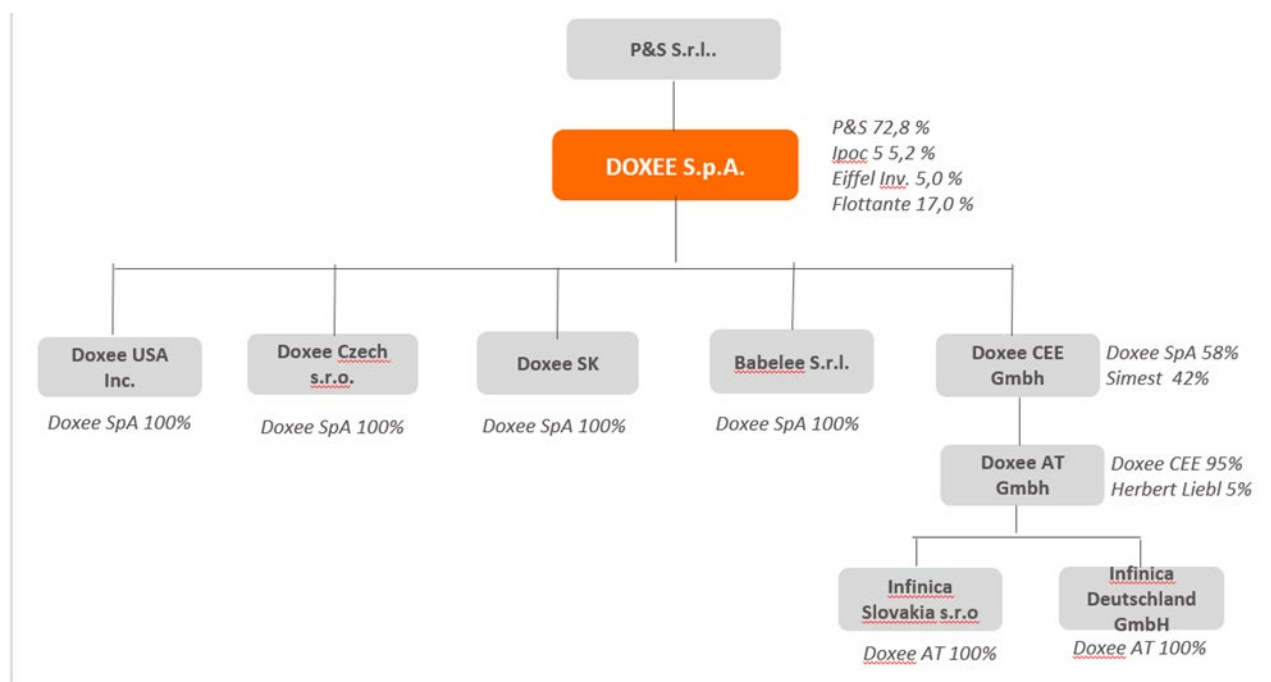
The directors therefore drew up the condensed consolidated half-year financial statements at June 30, 2024 on the assumption that the company will continue as a going concern.

The Board of Directors will continue to 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.

CORPORATE STRUCTURE

Doxee S.p.A. is an Italian high-tech company listed on Euronext Growth Milan, a multilateral trading system organized and run by Borsa Italia, with Customer Communications Management, Paperless and Digital Customer Experience as its target markets.

The corporate structure of the Doxee Group is as follows



Below are the companies of the group:

Doxee S.p.A. - Parent

Registered office: Modena, Italy	Equity at 06/30/2024: Euro 12,506,460.42
Reporting currency: Euro	Result for period ending 06/30/2024: Euro (1,806,559.73)
Fully paid-up share capital: Euro 2,544,039.15	Status: Parent Company

Doxee USA Inc.

Registered office: Fort Lauderdale, Florida, United States of America	Equity at 06/30/2024: Euro (4,161,147.73)
Reporting currency: US dollar	Result for period ending 06/30/2024: Euro 142,192.07
Fully paid-up share capital: Euro 37,188.12	Status: American subsidiary
Direct ownership share: 100.00%	
Indirect ownership share: 0%	

It should be noted that the parent's investment in the share capital of the subsidiary Doxee USA Inc increased from 51% to 100% in June 2024, following Simest S.p.A.'s exercise of the put option for the sale of the remaining 49% of shares which it still held

Doxee Slovak s.r.o.

Registered office: Bratislava, Slovak Republic	Equity at 06/30/2024: Euro 436,212.24
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Reporting currency: Euro	Result for period ending 06/30/2024: Euro 58,006.82
Fully paid-up share capital: Euro 10,000.00	Status: Slovak subsidiary
Direct ownership share: 100%	

Doxee Czech s.r.o.

Registered office: Prague, Czech Republic	Equity at 06/30/2024: Euro 372,197.34
Reporting currency: Czech koruna	Result for period ending 06/30/2024: Euro (17,471.61)
Fully paid-up share capital: Euro 9,252.00	Condition: subsidiary in the Czech Republic
Direct ownership share: 100%	

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

Babelee S.r.l.

Registered office: Milan, Italy	Equity at 06/30/2024: Euro -60,151.81)
Reporting currency: Euro	Result for period ending 06/30/2024: Euro (93,145.78)
Fully paid-up share capital: Euro 12,193.00	Status: Italian subsidiary
Direct ownership share: 100.00%	
Indirect ownership share: 0%	

Doxee CEE GmbH

Registered office: Vienna, Austria	Equity at 06/30/2024: Euro 4,431,991.89
Reporting currency: Euro	Result for period ending 06/30/2024: Euro (114,344.23)
Fully paid-up share capital: Euro 61,000.00	Status: Austrian subsidiary
Direct ownership share: 58%	

Doxee AT GmbH (formerly Infinica AT GmbH)

Registered office: Vienna, Austria	Result for period ending 06/30/2024: Euro (287,597.31)
Reporting currency: Euro	Status: Austrian subsidiary
Fully paid-up share capital: Euro 36,000.00	Direct ownership share at June 30, 2024: 0.0%
Equity at 06/30/2024: Euro (190,294.62)	Indirect ownership share: 55.1%

INFINICA DE

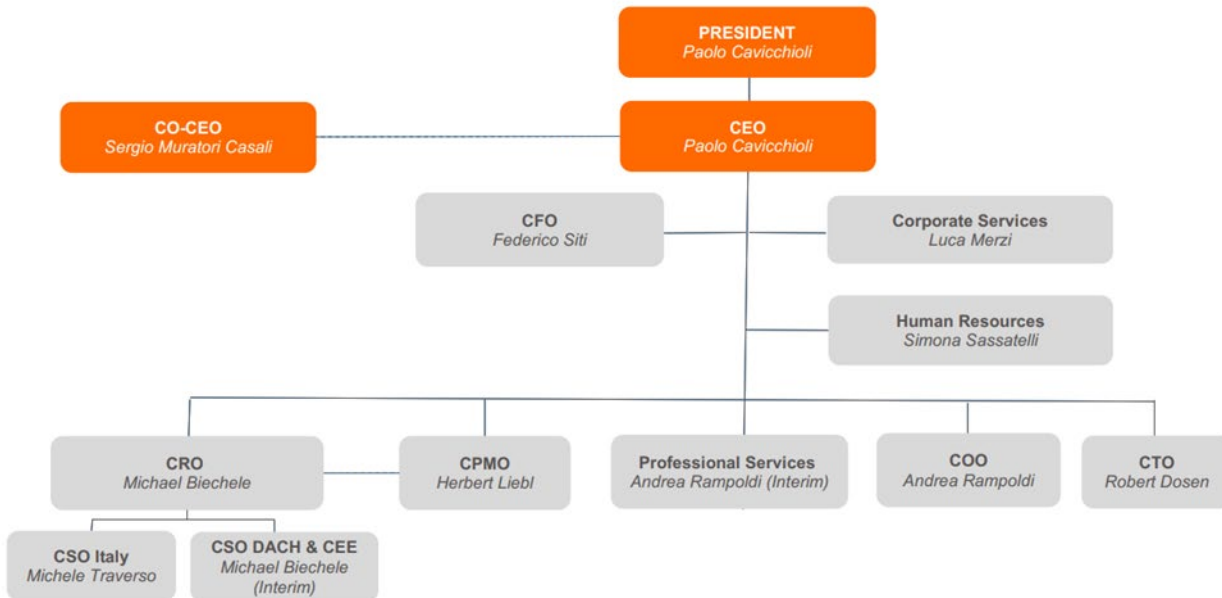
Registered office: Germany	Result for period ending 06/30/2024: Euro (98,453.41)
Reporting currency: Euro	Condition: German subsidiary
Fully paid-up share capital: Euro 25,000.00	Direct ownership share at June 30, 2024: 100.00% by Doxee AT GmbH
Equity at 06/30/2024: Euro (123,087.34)	Indirect ownership share: 100%

INFINICA SK

Registered office: Slovak Republic	Result for period ending 06/30/2024: Euro (16,188.80)
Reporting currency: Euro	Status: Slovak subsidiary
Fully paid-up share capital: Euro 5,000.00	Direct ownership share at June 30, 2024: 100% by Infinica Doxee AT GmbH
Equity at 06/30/2024: Euro 47,175.72	Indirect ownership share: 100%

STRUCTURE OF THE CENTRAL FUNCTIONS

The following is a representation of the corporate and functional organization of DOXEE at 06/30/2024



CONSOLIDATION CRITERIA

In drawing up these condensed consolidated half-year Financial Statements, the principle of full consolidation was adopted, with 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;

Financial Debt: with “Warning Notice no. 5/21 of April 29, 2021”, CONSOB declared its intention to ensure compliance of its supervisory practices with the new ESMA (European Securities and Market Authority) Guidelines on disclosure obligations pursuant to Regulation EU 2017/1129. The guidelines update the previous CESR Recommendations (ESMA/2013/319, the version of March 20, 2013) on debt. Therefore, starting from the application date of May 5, 2021, the references made in previous CONSOB communications are considered replaced with the specific ESMA Guidelines, including the references in Communication no. DEM/6064293 dated July 28, 2006 concerning financial debt.

The statement of financial position is reclassified in accordance with the financial method, i.e. classifying and grouping assets according to their level of liquidity, meaning based on their ability to be transformed into liquidity in a more or less short term, while grouping liabilities on their duration over time, i.e., based on the speed of their discharge.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Consolidated Statement of Financial Position and reclassified statement highlighting Net Financial Debt are shown below.

STATEMENT OF FINANCIAL POSITION	06/30/2024	12/31/2023	Difference
Non-current assets			
Other tangible assets	151,932	358,855	- 206,923
Development costs	11,809,980	12,469,981	- 660,001
Work in progress and payments on account	6,800,984	6,144,646	656,338
Other intangible assets	4,696,016	4,833,485	- 137,468
Right-of-use assets	1,003,784	1,115,267	- 111,483
Goodwill	7,768,504	7,768,504	-
Non-current financial assets	33,785	33,784	1
Deferred tax assets	1,263,801	1,293,928	- 30,127
Other non-current assets	43,865	43,865	- 1
Total non-current assets	33,572,650	34,062,314	- 489,664
Current assets			
Trade receivables	6,035,159	8,001,752	-1,966,593
Other receivables	2,937,048	3,884,709	-947,661
Cash and cash equivalents and short-term deposits	1,659,779	776,203	883,576

Total current assets	10,631,986	12,662,663	-2,030,677
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TOTAL ASSETS	44,204,636	46,724,978	-2,520,342
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STATEMENT OF FINANCIAL POSITION	06/30/2024	12/31/2023	Difference
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Equity			
Share capital	2,544,039	1,913,570	630,469
Legal reserve	380,113	380,113	0
Share premium reserve	13,798,815	8,554,459	5,244,356
Other reserves	1,668,680	7,570,058	-5,901,378
FTA reserve	-1,587,598	-1,587,598	0
Employee benefits reserve	-63,918	-94,880	30,962
Currency translation reserve	-136,812	1,348	-138,160
Cash flow hedge reserve	-13,882	-72,794	58,912
Retained earnings/(Accumulated losses)	-4,215,176	-5,012,556	797,380
Profit (loss) for the period	-2,414,211	-5,103,998	2,689,787
Total equity	9,960,050	6,547,723	3,412,327

Non-current liabilities			
Non-current loans and financing	12,273,291	13,785,539	-1,512,247
Non-current lease liabilities	744,685	833,494	-88,809
Net liabilities for employee benefits	1,961,607	2,018,060	-56,453
Deferred tax liabilities	983,004	1,118,613	-135,609
Other non-current liabilities	18,266	312,138	-293,872
<i>of which Derivative instruments</i>	18,266	95,781	-77,515
Non-current public grants	2,121,178	2,130,926	-9,748
Total non-current liabilities	18,102,030	20,198,769	-2,096,739

Current liabilities			
Loans and financing	4,501,954	6,519,372	-2,017,418
Current lease liabilities	308,792	479,733	-170,941
Other current financial receivables	775,804	673,383	102,421
Trade payables and other payables	9,317,581	10,690,540	-1,372,959
Tax payables	475,690	606,244	-130,554
Public grants	762,733	1,009,214	-246,481
Total current liabilities	16,142,554	19,978,486	-3,835,932

TOTAL LIABILITIES	44,204,635	46,724,978	-2,520,343
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Reclassified Consolidated Statement of Financial Position

Net Invested Capital, at Euro 26,923 thousand (Euro 28,159 thousand at December 31, 2023), showed an overall decrease of Euro 1,236 thousand due to a reduction in all its components.

In the sources of financing, the loss generated in the period is balanced by an increase in shareholders' equity and an improvement in net financial debt.

The Total Fixed Assets, net of deferred tax assets and other non-current assets, amounted to Euro 32,265 thousand (Euro 32,725 thousand at December 31, 2023), decreasing by Euro 460 thousand, mainly due to the tangible fixed assets component.

The Group Shareholders' Equity came to Euro 9,960 thousand (Euro 6,548 thousand at December 31, 2023) net of the loss incurred in the period.

Having already made the main investments need to improve the quality and range of its products, the Group is looking ahead to future financial years with renewed optimism.

Reclassified consolidated balance sheet	06/30/2024	12/31/2023	Change
Tangible Assets	1,155,716	1,474,122	-318,406
Intangible Assets	31,075,484	31,216,615	-141,132
Financial Fixed Assets (*)	33,785	33,784	1
Total fixed assets	32,264,985	32,724,521	-459,536
Trade receivables	6,035,159	8,001,752	-1,966,593
Trade payables and other payables	-9,317,581	-10,690,540	1,372,959
Working capital	-3,282,422	-2,688,788	-593,634
Other assets	4,244,713	5,222,502	-977,789
Other liabilities	-4,342,604	-5,081,354	738,749
Other assets and liabilities	-97,891	141,148	-239,040
Employee benefits liabilities	-1,961,607	-2,018,060	56,453
Net Invested Capital (NIC)	26,923,065	28,158,822	-1,235,757
Capital and reserves	12,374,261	11,651,721	722,540
Profit (loss) for the period	-2,414,211	-5,103,998	2,689,787
Equity	9,960,050	6,547,723	3,412,327
Net Financial Debt	16,963,013	21,611,099	-4,648,086
Total covering the NIC	26,923,064	28,158,822	-1,235,759

Reclassified Consolidated Statement of Financial Position (thousands of Euro)	06/30/2024	12/31/2023	Change
ASSETS			
Net operating working capital	695,993	498,805	197,188
Other current assets	4,248,748	5,222,502	-973,754
Other current liabilities	-8,325,055	-8,268,946	-56,109
Net working capital	-3,380,314	-2,547,639	-832,675

Intangible Assets	31,075,484	31,216,615	-141,132
Tangible Assets	1,155,716	1,474,122	-318,406
Financial Fixed Assets (*)	33,785	33,784	1
Fixed capital	32,264,985	32,724,521	-459,536
Employee benefits liabilities	-1,961,607	-2,018,060	56,453
Net Invested Capital	26,923,064	28,158,822	-1,235,759
LIABILITIES			
Equity	9,960,050	6,547,723	3,412,327
Minority interests' equity	0	0	0
Net Financial Debt (**)	16,963,013	21,611,099	-4,648,086
Total liabilities	26,923,064	28,158,822	-1,235,759

The Group's Net Financial Debt at June 30, 2024 is shown in detail below:

ESMA NET FINANCIAL DEBT	06/30/2024	12/31/2023	Change
Financial debt	16,963,013	21,611,099	-4,648,086
Adjustments to exclude:			0
Receivables and other long-term financial assets	33,785	33,784	1
Restated net financial debt	16,929,228	21,577,315	-4,648,087

ESMA NET FINANCIAL DEBT		06/30/2024	12/31/2023	Difference
A	Cash and cash equivalents	1,659,779	776,203	883,576
B	Cash equivalents		0	0
C	Other current financial assets		0	0
D	Liquidity (A+B+C)	1,659,779	776,203	883,576
				0
E	Current financial payables	2,483,045	4,677,728	-2,194,682
F	Current portion of non-current financial payables	3,103,505	2,994,760	108,745
G	Current Financial Debt (E+F)	5,586,551	7,672,488	-2,085,937
H	Net Current Financial Debt (G-D)	3,926,772	6,896,285	-2,969,513
I	Non-current financial payables	13,036,242	14,714,814	-1,678,572
J	Debt instruments		0	0
K	Trade payables and other non-current payables		0	0
L	NON-current Financial debt (I+J+K)	13,036,242	14,714,814	-1,678,572
M	TOTAL NET FINANCIAL DEBT	16,963,013	21,611,099	-4,648,085

The Doxee Group's Net Financial Debt amounted to approximately Euro 16,963 thousand (Euro 21,611 thousand at December 31, 2023), of which cash and cash equivalents of Euro 1,660 thousand. The improvement in the net financial debt is largely due to the capital increase in June 2024, which brought around Euro 5.8 million of liquidity into the company's coffers.

INCOME STATEMENT

The Income Statement is set out below. For the sake of clarity, it should be noted that in accordance with the IAS/IFRS international accounting standards, the Group sets out the capitalized costs under "Internally generated fixed assets" exclusively with regard to internal personnel costs. External costs referring to internal work under way are not included in the income statement, but are directly posted under the respective items of the balance sheet.

Consolidated Income Statement

(in Euro)	06/30/2024	06/30/2023	Change
Revenues from contracts with clients	12,535,331	12,143,900	391,431
Other revenues and income	505,564	365,240	140,324
Internally generated fixed assets	932,714	1,284,861	-352,147
Raw materials and consumables	-3,313	-3,605	292
Services costs	-6,826,773	-7,363,610	536,837
Costs for employee benefits	-6,477,881	-6,610,535	132,653
Other operating costs	-127,353	-314,369	187,016
Amortization of intangible assets	-2,205,625	-1,761,989	-443,636
Depreciation of tangible assets	-57,686	-129,141	71,454
Depreciation of rights-of-use	-270,551	-174,543	-96,008
Financial income	34,246	8,785	25,461
Financial expenses	-699,468	-561,412	-138,056
Foreign exchange gains (losses)	112,375	-204,073	316,447
Profit (loss) before tax from continuing operations	-2,548,422	-3,320,491	772,069
Income taxes	134,212	71,011	63,200
- Current taxes	-750	-758	8
- Deferred tax assets	-647	14,566	-15,213
- Deferred tax liabilities	135,609	57,204	78,405
Profit (loss) for the year	-2,414,210	-3,249,479	835,269
of which:			
- pertaining to the group	-2,414,210	-3,249,479	835,269
- attributable to minority interests	0	0	0

Reclassified consolidated income statement

Reclassified consolidated income statement	06/30/2024	06/30/2023	Change
<i>in thousands of Euros</i>			
Revenues from sales and services	12,535	12,144	391
Internally generated fixed assets	933	1,285	-352
Other revenues and income	506	365	141
Value of production	13,974	13,794	180
Services and outsourcing	2,254	2,424	-170
IaaS direct costs	1,082	1,019	62
Direct personnel costs (excluding research and development)	1,941	2,535	-594
Professional services (excluding research and development)	1,185	1,403	-218
Direct production costs	6,461	7,381	-920
Contribution margin	7,513	6,413	1,100
Sales and marketing costs	435	546	-111
General and administrative expenses	1,852	1,648	205
Indirect personnel cost	3,161	2,879	281
Research and development costs	1,527	1,838	-311
Indirect and research and development costs	6,974	6,911	63
EBITDA	538	-498	1,036
Amortization	2,534	2,066	468
Provisions and write-downs			0
EBIT	-1,996	-2,564	568
Financial income and expenses	553	757	-204
Profit before tax	-2,548	-3,320	772
Income taxes	134	71	63
Profit for the year	-2,414	-3,249	835

Revenues from sales and services amounted to Euro 12,535 thousand, an increase of 3.2% on Euro 12,144 thousand at 30 June, 2023. Although still negligible, this increase in revenues confirms the management's expectations regarding a reversal of the trend, which will presumably be even more noticeable at the end of the year and confirms the efficacy of the actions taken.

With regard to the breakdown of turnover, the Group's most important product line continues to be Document Experience, with revenues of Euro 8,980 thousand, compared with Euro 9,131 thousand at June 30, 2023, accounting for about 72% of turnover.

Income Statement	Amount at 06/30/2024	Amount at 06/30/2023	Change
Revenues from contracts with clients - product type			
Document Experience	8,980,153	9,130,892	-150,739
Paperless Experience	2,353,274	1,304,234	1,049,040
Interactive Experience	1,201,904	1,708,775	-506,871
Total	12,535,331	12,143,901	391,430

The Value of Production amounted to Euro 13,974 thousand (Euro 13,794 thousand at June 30, 2023). The Contribution Margin stood at Euro 7,513 thousand, compared to Euro 6,413 thousand at June 30, 2023. A comparison with the corresponding values for the previous financial year clearly reveals a reduction in the cost of internal staff (from Euro 2,535 thousand to Euro 1,941 thousand) and external staff (Euro 1,403 thousand to Euro 1,185 thousand) due to the improved efficiency of internal processes which reduced dependency on external consultancy and internal staff requirements. In addition, investments in R&D were significantly reduced (from Euro 1,838 thousand to Euro 1,527 thousand), thanks to the completion of a number of project streams on Doxee Platform 3. Due to these changes, EBITDA was Euro 538 thousand, an improvement of Euro 1 million compared to the previous year.

These investments are 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 was focused on completing integration with Doxee AT and investments in innovative areas in artificial intelligence and mass data analytics.

After amortization, depreciation, write-downs and provisions of Euro 2,534 thousand (Euro 2,066 thousand in at June 30, 2023), which were largely related to investments in technological development, EBIT negative, at Euro -1,996 thousand (Euro -2,564 thousand in 2022).

Earnings Before Tax (EBT) stood at Euro -2,548 thousand (Euro -3,320 thousand at June 30, 2023), while the Group Net Loss amounted to Euro 2,414 thousand (Euro 3,249 thousand at June 30, 2023).

INDICATORS

Several income statement and balance sheet indicators are shown below.

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

FIXED ASSET FINANCING RATIOS		06/30/2024	12/31/2023	Difference
Equity - Fixed Assets	<i>Equity - Fixed Assets</i>	-22,271,150	-26,143,014	3,871,864
Equity / Fixed Assets	<i>Equity / Fixed Assets</i>	30.90%	20.03%	10.87%
(Equity + Consolidated Liabilities) - Fixed Assets	<i>(Equity + Consolidated Liabilities) - Fixed Assets</i>	-4,169,119	-5,944,244	1,775,125
(Equity + Consolidated Liabilities) / Fixed Assets	<i>(Equity + Consolidated Liabilities) / Fixed Assets</i>	87.06%	81.82%	5.25%

The equity / fixed asset ratio shows the extent to which the financial needs generated by fixed assets are covered by equity; this ratio, which is greater than one when Equity - Fixed Assets is positive and less than one in the opposite case, should be greater than or around one over the long term.

The increase in this indicator compared to the previous year is mainly due to the resources provided by the capital increase, only partially balanced by the loss during the period.

(Equity + consolidated liabilities) / fixed assets ratio shows the extent to which long-term financial needs, expressed by total fixed assets, are covered by sources of financing with the same maturity (equity + consolidated liabilities).

There was an improvement compared to the previous year, due to the recapitalization of the Parent, Doxee S.p.A.

FINANCING RATIOS		06/30/2024	12/31/2023	Difference
Leverage ratio	<i>(Medium-long term liabilities + current liabilities) / Equity</i>	3.44	6.14	-2.70
Financing liabilities / Equity	<i>Financing liabilities / Equity</i>	2.06	3.71	-1.65

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 overall Leverage Ratio at June 30, 2024 shows a significant improvement compared to December 31, 2023 and, although it is still high, indicates a lower level of business risk.

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.

This ratio improved compared to the previous year, due to the greater decrease in the NFD compared to the increase in equity, due to reasons repeatedly referred to in this report.

PROFITABILITY RATIOS		06/30/2024	06/30/2023	Difference
Net ROE	<i>Profit/(loss) for the period/Equity</i>	-24.24%	-49.63%	25.39%
Gross ROE	<i>Gross profit/(loss) for the period/Average equity</i>	-25.59%	-50.71%	25.13%
ROI	<i>Operating income/Net invested capital</i>	-7.41%	-9.06%	1.65%
ROS	<i>Operating profit/(loss) / Revenues from sales</i>	-15.92%	-21.11%	5.19%

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 figure was negative due to the loss for the period.

The **Gross R.O.E.**, which measures the return on equity without accounting for the negative impact of taxes;

as for the previous ratio, the value for the period was largely insignificant due to the loss recorded during the year.

R.O.I. (Return on Investments), i.e., the ratio of operating profit or loss to net assets, measures the return on invested capital through the company's operations: this depends on the intensity of sales, operating costs, and invested capital. The R.O.I. for the period was negative due to the operating loss recorded.

The **R.O.S. (Return on Sales)**, i.e., the ratio of operating profit or loss to revenues from sales, measures operating profit or loss as a percentage of sales, thus highlighting the relationship between selling prices and operating costs. This ratio improved in the first semester of 2024 since, while sales remained more or less unchanged, the company's Operating Result increased.

SOLVENCY RATIOS		06/30/2024	12/31/2023	Difference
Current assets - Current liabilities	<i>Current assets - Current liabilities</i>	-5,510,568	-7,315,822	1,805,254
Current assets / Current liabilities	<i>Current assets / Current liabilities</i>	65.86%	63.38%	2.48%
(Trade and other receivables + Cash and cash equivalents) - Current liabilities	<i>(Trade and other receivables + Cash and cash equivalents) - Current liabilities</i>	-5,510,568	-7,315,822	1,805,254
(Trade and other receivables + Cash and cash equivalents) / Current liabilities	<i>(Trade and other receivables + Cash and cash equivalents) / Current liabilities</i>	65.86%	63.38%	2.48%

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. This ratio improved, mainly due to the increase in liquidity and a decrease in liabilities.

BUSINESS

The Doxee Group is a leading player in the high-tech sector and in the provision of services in the Customer Communications Management (CCM), Paperless and Digital Customer Experience (DCX) markets. It offers businesses, and Enterprise sector businesses in particular, the opportunity to enable processes for the digital transformations of communications with their Customer Base, using a patented proprietary technology (Doxee Platform®).

The Doxee Platform® is able to make communication interactive and personalized, as it permits interaction with the recipient. The company has radically innovated the CCM, Paperless, and DCX markets by means of a single technological product delivered through the Cloud, allowing customers to significantly improve the operational efficiency of communication processes. The offering based on the Doxee Platform® enables:

- configuration, on-demand and scheduled production, storage and omnichannel distribution of documents in paginated form: Document Experience (dx)
- configuration and on-demand and scheduled production of workflows for Electronic Invoicing, Standard Digital Storage, Electronic Ordering, and other products for customers looking to dematerialize their business processes: Paperless Experience (px):

- creation, on-demand and scheduled production and omnichannel distribution of “interactive” documents, i.e. documents able to interact with the recipient, overcoming the one-way communication paradigm in favor of two-way communication with the end user. This enables the activation of Digital Customer Experience (DCX) which the Doxee Platform® supports through the production and distribution of interactive micro web sites (Doxee Pweb®) and personalized interactive videos (Doxee Pvideo®): Interactive Experience (ix)

Doxee has radically innovated the CCM market by offering its products over the Cloud under SaaS and PaaS service models before other competitors. The Doxee Platform® product is also an efficient choice from a financial perspective, since its use does not require any capital investments, but only the payment of fees and variable costs to Doxee that include the technological and regulatory updates constantly provided by the company.

SUSTAINABILITY

During the first semester of 2024 the company continued its activities in the area of Corporate Social Responsibility and ESG, with the aim of achieving economic and technological growth while guaranteeing accountability, sustainability and transparency in relation to people, communities, local areas and environments and all the other stakeholders.

In April 2024 the parent Doxee issued and approved its fourth Sustainability Report in accordance with the methods and principles established by the GRI Sustainability Reporting Standards published by the Global Reporting Initiative (GRI Standards), providing disclosure on a selection of GRI Standards indicators. It also issued its third Impact Report in accordance with the regulations on Benefit Corporations, confirming the common good purposes also enshrined in its articles of association and setting out actions and goals to be achieved. It thus continued to develop innovative IT tools with an approach strongly oriented towards digital instruments and customer experience, providing benefits in terms of environmental impact and the simplification of processes

In May 2024 Doxee S.p.A. also began work on the writing of its new Commuting Plan (PSCL), drawing up a questionnaire administered to all employees to gather information and data on their commutes and plan measures to improve travel to work and promote more and more sustainable mobility.

GENERAL ECONOMIC TREND – THE IT AND ICT SECTOR IN ITALY

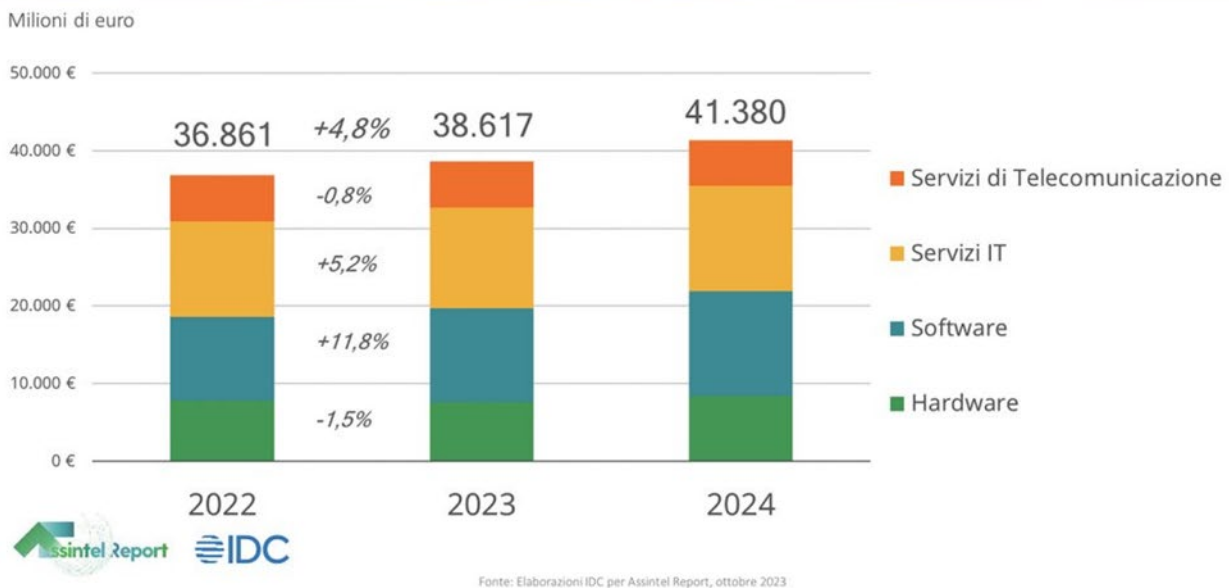
The global economy continued to improve during the spring, still driven by services, but with signs of strengthening in manufacturing as well. The growth of consumption continues in the United States: industrial activity is expanding in China while internal demand remains weak, fueling trade imbalances with the advanced countries. According to the latest OECD forecasts, in 2024 global GNP will grow by 3.1 percent; according to our estimates, world trade will expand by 2.2 percent. The worsening of the ongoing conflicts is still the main source of risk of a slowdown in global growth (source Banca D’Italia).

In Italy growth is still feeble: after the moderate expansion in the first quarter of this year, according to estimates GNP in Italy continued to grow at a low rate in the spring; it was still supported by services, especially tourism, which benefits from the upward trend in spending

by foreign visitors. On the other hand, activity in the construction and manufacturing sectors decreased. On the demand side, the further expansion in exports and positive signs on consumption are accompanied by a less encouraging picture for investments. According to our latest macroeconomic projections, issued in the context of the Eurosystem coordinated exercise, Gross National Product will increase by 0.6 percent in 2024 (by 0.8 without the correction for working days), by 0.9 percent in 2025 and by 1.1 percent in 2026 (source Assintel).

Investments and Prospects: Forecasts for 2024 indicate that 29% of companies will increase their investments in digital technologies, up 7% over 2023. Large enterprises will continue to make major investments (93.8%), while micro and small enterprises have a lower capacity for investment (25.8% and 38.7% respectively). The economic sectors where the largest investments will take place include commerce, industry and services, with a particular focus on customer management solutions, IT infrastructures and web/e-commerce solutions

IL MERCATO ICT BUSINESS IN ITALIA, 2022-2024



THE ICT BUSINESS MARKET IN ITALY, 2022-2024

Millions of Euro

Telecommunication Services

IT Services

Software

Hardware

Source: IDC for Assintel Report, October 2023

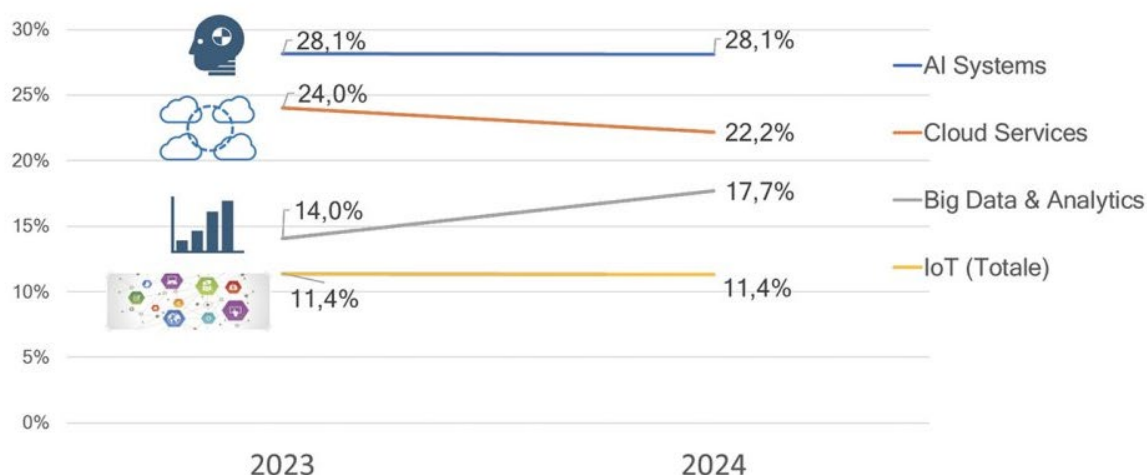
In 2023 the Italian artificial intelligence (AI) market grew strongly by 52%, bringing the value of this market to Euro 760 million. Most investments were in data analysis and mining solutions (29%), followed by language interpreting projects (27%) and recommender systems (22%) (source [AI4Business](#)).

This trend is expected to continue during 2024, with a further expansion of investments in AI. The estimates suggest that investments will continue to be concentrated in key sectors such as Telco-Media, insurance, energy and banking, with a particular increase in investments in generative AI (source [AI4Business](#)).

Moreover, the Italian government is promoting a number of projects to support the growth of AI, including the creation of a public-private venture capital fund under the aegis of CDP to support innovative startups and the establishment of the Turin AI Centre, with an annual budget of Euro 20 million. These measures are intended to further reinforce the Italian AI ecosystem and encourage international cooperation (source [Agenda Digitale](#)).

The digital market is forecast to continue its positive trend in the next few years, with average annual growth (2023-2027) of 3.9%. This trend will continue to be driven by Digital Enablers and Digital Transformers, with an average annual growth rate (2023-2027) of 11.1%. The market value of AI and Cognitive Computing solutions is predicted to triple during the period considered, thanks to their growing adoption by businesses and the increase in use cases across all the main economic sectors. However - as an in-depth analysis in the current edition of the “Il digitale in Italia” report explains – they are also central to one of the most important of all current topics: environmental sustainability. The digital sector plays a crucial role in this context. On the one hand, it may have a negative environmental impact, although the emissions distribution of the different segments of the digital world varies from country to country and depends mainly on their position in the sector’s value chain. On the other, it offers positive opportunities for progress, enabling the adoption of hardware and software and the delivery of energy-efficient services (source Anitec-Assinform).

DIGITAL ENABLERS: TASSI DI CRESCITA IN ITALIA



Fonte: Elaborazioni IDC per Assintel Report, ottobre 2023

DIGITAL ENABLERS: GROWTH RATES IN ITALY

AI Systems

Cloud Services

Big Data & Analytics

IoT (Total)

Source: IDC for Assintel Report, October 2023

Looking further ahead and focusing on the specific sector of the digital transformation of communications, we consider that the Outlook of the 2023 Fortune Business Insight report is still valid: according to this publication, this market was worth 1.73 billion dollars in 2022 and will grow to 1.89 billion dollars during 2023, with expansion to 4.13 billion dollars and CAGR of 11.8% by 2030.

The main driver is businesses' demand for digital transformation services for the generation of digital communications with personalized messages that are consistent across all channels of contact with the final customer. Growth is also driven by the option for companies of acquiring tools for the on-cloud management of digital communications, which are easier to implement and highly scalable, and the growth in digital communication media such as text messages, email and digital assets.

In this complex but constantly growing context the Company has made major investments to ensure it will be able to take the opportunities on offer. With leading-edge technology and customer-oriented products, it looks ahead to 2024 with optimism.

2023 MACROECONOMIC SCENARIO AND 2024 FORECAST

After general economic stagnation in 2023, better-than-predicted growth at the start of 2024 and the current fall in inflation have prepared the ground for a gradual expansion of activity in the forecasting period. According to the European Commission's spring forecasts, in 2024 GNP will grow by 1.0% in the EU and by 0.8% in the Eurozone. In 2025 expansion in GNP

will accelerate to 1.6% in the EU and 1.4% in the Eurozone. At the EU level, IPCA inflation is expected to fall from 6.4% in 2023 to 2.7% in 2024, and then to 2.2% in 2025. The reduction forecast for the Eurozone is from 5.4% in 2023 to 2.5% in 2024, and 2.1% in 2025.

Return to growth in the wake of strong consumer spending. According to the Eurostat preliminary flash estimate, in the first quarter of 2024 GNP grew by 0.3% in both the EU and the Eurozone. This general expansion, which affected all Member States, marks the end of the lengthy period of economic stagnation which began in the last quarter of 2022. The forecasts indicate that for this year and the next economic growth will largely be driven by a constant increase in consumer spending, since the protracted rise in real wages and employment is supporting a rise in real disposable incomes. However, a strong tendency to save is still partially holding consumer spending down. On the other hand, the growth in investments appears to be slowing; adversely affected by the slowdown in the residential building sector, they are expected to rise only gradually. Although borrowing conditions are predicted to improve during the forecasting period, the markets are still expecting a slightly more gradual reduction in interest rates than in the winter. In the context of a resilient global economy, the growth in trade will support EU exports, but with the recovery of internal demand within the Union exports' positive contribution to growth will be largely compensated by an acceleration in imports.

Inflation continues to slow. IPCA inflation has continued to fall sharply from the peak of 10.6% (on an annual basis) recorded in the Eurozone in October 2022. It is estimated that it decreased to 2.4% in April this year, the lowest level for two years. Starting from the figure for the early months of this year, which was lower than expected, inflation is projected to continue to fall and to reach its target in 2025 a little earlier than predicted in the winter interim forecasts. The forecasts indicate that the fall in inflation will mainly be driven by non-energy components and foodstuffs, while inflation in energy goods will rise and that in services will only fall gradually, reflecting a reduction in wage pressures. Inflation in the EU as a whole should follow a similar trajectory, while remaining slightly higher.

The labor market is still strong in spite of sluggish growth. In spite of the slowdown in activity, the EU economy created more than two million jobs in 2023 and the activity and employment rates of people aged between 20 and 64 rose to new record levels of 80.1% and 75.5% respectively in the last quarter of the year. Many labor markets right across the EU are still tight. In March, EU unemployment was at a historic minimum of 6.0%. This robust labor market is due both to the plentiful supply of jobs, partially supported by migration, and the strong demand for work. According to the projections, this year growth in employment in the EU will fall to 0.6%, with a further slowdown to 0.4% in 2025 and an unemployment rate that will be basically stable in the EU, around its historic minimum.

In line with the expected continuing drop in inflation, growth in nominal wages in the EU began to slow after peaking at 5.8% in 2023 and is expected to slow further.

(source European Commission)

EVENTS DURING THE SEMESTER

Capital Increase

On May 28, 2024, the Board of Directors of the Parent, exercising the mandate awarded pursuant to art. 2443 of the Italian Civil Code by the Extraordinary Shareholders' Meeting on May 24, 2024, resolved to increase the share capital, against payment and in divisible form, through a stock offering to be made to shareholders pursuant to art. 2441, para. 1 of the Italian Civil Code (the "Capital Increase Option"), for a maximum total amount of Euro 5,874,824.40, including premium, consisting of a maximum total number of 2,865,768 new ordinary shares ("New Ordinary Shares") with no par value, with regular dividend entitlement and the same characteristics as the shares already in circulation. The Board of Directors set the issue price of the New Ordinary Shares ("Subscription Price") at Euro 2.05, comprising share capital of Euro 0.22 and premium of Euro 1.83.

The operation was concluded successfully on June 26, 2024 with the subscription of all 2,865,768 Doxee new-issue ordinary shares for a total value (including premium) of Euro 5,874,824.40

This capital increase operation was intended to provide the Company with swift, flexible access to the funds needed to satisfy its financial needs, reinforce its capital soundness and support its planned growth strategies and its expansion on its core markets.

Reacquisition of stake in Doxee USA Inc.

On June 28, 2024 an agreement was stipulated with Simest S.p.A. for the reacquisition of its shareholding interest in Doxee USA Inc., amounting to 49% of the company's share capital. The operation, already envisaged in the initial agreement under which Simest entered into the share capital of the American subsidiary in August 2016, was concluded at the same price paid by Simest at the time of purchase, i.e. Euro 1,121,102.34. On Doxee's request, Simest granted the option of breaking the amount due into an immediate payment of Euro 336,330.70 and two further instalments of Euro 392,385.82 on 03/31/2025 and 06/30/2025.

Simest's support in Doxee's strategy of expansion into international markets is considered essential by the company, and a similar operation was concluded in 2023 by means of which Simest subscribed 42% of the share capital of Doxee's German subsidiary CEE GmbH, with a buyback option to be exercised in January 2030.

Additional significant events during the year

On March 11, 2024 funding was granted to the PWD - Pweb designer project presented under the Emilia-Romagna ACTION 1.3.4 Call for Projects of the 2021/2027 ERDF Operational Program CALL FOR PROJECTS TO SUPPORT THE CULTURAL AND CREATIVE BUSINESSES SECTOR. The project intends to develop a new Pweb Designer (cloud-based visual editor) component for the easy, automated generation of interactive communications enriched with optimized graphic and multimedia contents to improve the customer experience.

Against a total planned investment of Euro 215,250 the project was awarded a non-repayable contribution of Euro 150,000.

RESEARCH AND DEVELOPMENT, MARKETING AND SECURITY

Research and Development

During the first semester of 2024, Doxee made impressive progress in product development, technological integration and the improvement of its infrastructures. Efforts were concentrated on the use of AI, including generative AI, data science and automated machine learning, with projects strategically targeted at achieving substantial improvements in content generation, customer retention and operating efficiency. We produced the fundamental first release of the integration of the Infinica technologies with Doxee, further improving our products' capabilities. Moreover, significant changes were made to the architecture in order to expand distribution options and improve user experience on various platforms. These strategic initiatives underline Doxee's commitment to innovation and excellence and will guarantee the company strong growth and success.

Major steps forward in the use of AI for content generation were made in the first semester of 2024. AI projects set out to simplify design processes and improve operating efficiency, enabling faster, more precise content creation.

The Infinica GmbH technology was successfully integrated in the Doxee platform. This integration allows Business Designer to be used for the visual creation, editing and management of documents, and enables the addition of company logic to any field within documents. What's more, we have incorporated Gen AI functions both in Business Designer and in the Composer tool, used to compile preset document models. These functions speed up the generation and compilation of new models, remove linguistic barriers and automate the translation and correction process. Our multimodal, multi-provider approach to Gen AI ensures that customers can choose their favorite model in accordance with their security policies.

One of the main results in this period was the development of a customized video editing platform with Gen AI functions. This platform enables customized videos to be produced quickly and easily, even by staff without technical skills. Its Gen AI functions permit the dynamic generation of natural-sounding audio from text and the automatic creation of videos from Web pages or articles. This innovation has considerably improved our product offering and customer experience.

Our recently-developed Big Data solution, Headlight, has opened out new ways of exploiting the documents stored in the Doxee infrastructure. Through Headlight, we have explored new use cases designed to create user retention and cost reduction initiatives. We are developing an automated machine learning model specifically designed for the public utilities and telecommunications sectors, for forecasting churn. Besides this, we are creating an anomaly detection model for identifying potential problems in invoices. These models provide valuable information and enable effective action to improve customer satisfaction and operating efficiency.

Integration and technological progress

We have obtained certification for applications and integrations with the main Customer Relationship Management (CRM) systems, including Salesforce, Microsoft Dynamics and SAP. The Doxee solution is fully integrated in the destination CRM system, so users never have to leave the working area to generate documents and communications. These integrations improve our platform's compatibility and ease of use for our customers, further strengthening our market position.

We are continuing our efforts to expand distribution options and flexibility, and have successfully integrated and installed a production instance with Google Cloud Platform. This milestone is a major step towards the achievement of complete any-prem functionality, enabling us to satisfy customers' different demands and preferences.

We have continued to improve our existing infrastructure, with considerable upgrades to our digital archiving system. These improvements include new API interfaces and a restyled user interface which makes navigation and document searches more efficient and intuitive

Marketing and communications

In the first half of 2024, Doxee's Marketing Department's main priorities were to support the Sales Department by generating leads and provide instruments to support the sales process.

In contrast with the previous year, the marketing strategy restructured its process, reducing Inbound lead generation activities in favor of Outbound support activities.

The markets of reference for both the Italian and the DACH markets are Utilities, Insurance Companies and Banks, except for the DACH market, where opportunities have been identified in the Real Estate sector.

The shift to an Outbound strategy has involved a higher degree of focusing of contents addressed to specific buyer personas in the C and managerial levels of the target organizations. Efforts were therefore concentrated on the production of premium contents such as Ebooks, market data Infographics and specific value business cases, to be delivered in a profiled manner via LinkedIn and email campaigns directed at target contacts.

In view of the nature of Outbound communication, the main communication investments were focused on professional social media and industry sector events.

To strengthen brand awareness in the DACH region, a communication plan involving all Doxee employees in the region has been created and will be launched from September.

The marketing structure has thus begun to collaborate with the Business Development Representative structure, supporting it with content creation and campaign performance measurement. Specifically, an experimental project for adoption of an AI-based tool for lead generation via LinkedIn has been launched in collaboration with the Business Development Representative structure.

In addition, events were organized in the first semester in both Italy and the DACH region, with a particular focus on the Insurance and Public Administration markets. A partnership was also launched with Cetif, the insurance and banking research center of Università Cattolica, Milan. Moreover, Doxee became a member of the Fondazione per la Sostenibilità Digitale.

Preparations have also begun for the two Doxee Day corporate events to be held during the second semester both in Italy and in DACH, two important opportunities for discussion organized by Doxee for the exchange of ideas on digital transformation and customer experience topics.

Moreover, the company has launched an in-house project in which the marketing structure becomes the pivot for definition of the new positioning of the Doxee value proposition and consequent redesign of the communication formats of the operational marketing materials.

Information Security and Data Protection

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

In February 2024, the company successfully passed the surveillance audit of its 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 surveillance 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 ISMS will be updated to the 2022 schema of ISO/IEC 27001 during the course of the year.

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

In March 2024 Doxee S.p.A. received ISO14001 recertification of its Environmental Management System, confirming the quality of the processes deployed and the attention paid to environmental issues. Specifically, the company continues to monitor and measure environmental data, which have revealed the achievement of major targets, such as an increase in the level of digitalization of the documents produced by our Doxee Platform, generating significant reductions in CO₂ emissions and tons of paper used, the reduction of energy consumption (with 100% of electricity supplied to the Modena headquarters from renewable sources), the increase in the number of hybrid cars in the company fleet and the reduction of the waste produced by Doxee S.p.A. and the Modena headquarters thanks to the efforts of staff, who are constantly aware of the importance of adopting good practices for environmental improvement.

Disclosure on certifications

As already reported, in March 2024, Doxee received ISO 14001 certification for its Environmental Management System. Moreover, in February 2024 Doxee passed the surveillance audits for the maintenance of ISO9001 and ISO27001 Certifications for its Integrated Quality System and Information Management and Security System. For the latter specifically, activities have begun for the transition to the new ISO27001 schema, in preparation for the next recertification scheduled for 2025. Last but not least, the activities for management of the Anti-Bribery and Corruption Management System, with ISO37001 certification, which will undergo a surveillance audit in the second semester of 2024, have continued.

Doxee confirms its presence in the specific AgID [Italian Digital Security Agency] Marketplace for the suppliers of digital storage services, for which new Guidelines for implementation of the Eidas2 Regulations will be published by the end of next year. It has also activated the requalification procedure for the ACN (National Cyber Security Agency) Marketplace for suppliers of cloud services to the Public Administration. Lastly, Doxee has maintained its accreditations as Access Point (AP) and Service Metadata Publisher (SMP) with Access Point Provider Certification (PEPPOL) and AgID accreditation.

To conclude, during the early months of 2024 online training was organized on the new procedure for whistleblowing reports, pursuant to the entry into force of the new legislation (Italian Legislative Decree No. 24/2023).

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 Company's exposure to this type of risk is not considered significant.

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 FY 2023 the company did not take out any large loans with variable interest rate for which hedging was necessary.

4. Credit risk

Credit risk represents the company'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 absence of major exposures due to the concentration of positions, as the company has a large number of customers and turnover is widely spread.

5. Liquidity risk

Liquidity risk is the risk that, because of the inability to access new funding or sell assets on the market, the company will fail to meet its payment obligations, which could impact its financial performance in the event that it has to incur additional costs to meet its obligations or, in the worst-case scenario, face insolvency – which would jeopardize its ability to continue as a going concern.

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

6. Country risk

Country risk derives from the social-political instability of the countries where the various companies operate. The Group is not deemed to face such problem, as it does not operate in countries with a high “country risk”, except to a marginal extent.

Disclosures relating to personnel

At June 30, 2024, the Group had 159 employees, broken down as follows

Number of employees by category	06/30/2023	%	06/30/2024	%
Senior managers	12	6.42%	12	7.55%
Middle managers	22	11.76%	20	12.58%
Clerical staff	153	81.82%	127	79.87%
Total	187	100.00%	159	100.00%

During the first semester of 2024 there was a decrease of 24 units compared to 06/30/2023, a phenomenon which did not generate impacts on the continuity of operations or the quality of service delivered since it was accompanied by appropriate organizational reviews and improvement in internal processes and tools.

No further relevant information is reported.

Mandatory training

Pursuant to Italian Leg. Decree 81/2008 on occupational health and safety, the provision of compulsory general, specific, and refresher occupational safety training to the relevant staff continued in the first semester of 2024. Provision of periodic courses and refreshers on topics regarding the Management Systems and Company Certifications, as well as Information Security and Data Protection and Bribery Prevention, also continued.

Internal and external training

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

- Internal technical training provided by qualified Doxee staff, in order to reinforce technical and product skills to align skill levels across staff and across the various operating units, with a particular focus on the most junior personnel. Internal technical training was provided both in the classroom and through e-learning courses via the Confluence platform, now available to all employees, 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 and Bribery Prevention;
- External courses include English language courses via the Fluentify platform and courses of various kinds, to strengthen both technical skills and more general skills, such as behavioral and managerial skills, available to all employees in the Udemy and Study in Action platforms.
- Leading summits, workshops and conventions on IT and Marketing topics;

TRANSACTIONS WITH RELATED PARTIES

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

TRANSACTIONS WITH SUBSIDIARIES, PARENT COMPANIES AND ASSOCIATES

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

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

The transactions in force at 12/31/2022, at 12/31/2023 and at 06/30/2024 between companies of the Doxee Group are shown below:

Trade Receivables from subsidiaries	12/31/2022	Changes	12/31/2023	Changes	06/30/2024
Doxee USA Inc	715,176	2,129	717,305	-2,129	715,176

Doxee Slovak s.r.o.	5,942	-1,652	4,290	44,105	48,395
Doxee Czech s.r.o.	64,374	-27,859	36,515	19,614	56,129
Doxee Cee	0	626,574	626,574	-119,995	506,579
Babelee S.r.l.	21,245	38,145	59,390	147,833	207,223
Doxee AT GmbH				87,236	87,236
Total	806,737	637,337	1,444,074	176,665	1,620,739

Trade Payables to subsidiaries	12/31/2022	Changes	12/31/2023	Changes	06/30/2024
Babelee S.r.l.	58,900	-2,165	56,735	-12,019	44,716
Doxee CZ	0	200,000	200,000	0	200,000
Doxee AT GmbH	0	266,549	266,549	-151,920	114,629
Infinica Slovak s.r.o.				303,068	303,068
Total	58,900	464,384	523,284	139,129	662,413

The following are the intergroup Revenues and Costs at 06/30/2024 and at 06/30/2023:

Revenues due to group companies	06/30/2023	06/30/2024	Changes
Doxee USA Inc		0	0
Doxee Slovak s.r.o.	5,025	48,395	43,370
Doxee Czech s.r.o.	34,711	56,129	21,418
Babelee S.r.l.	4,000	0	-4,000
Doxee CEE	0	0	0
Doxee AT GmbH	0	87,236	87,236
Total	43,736	191,760	148,024

Costs for intercompany services	06/30/2023	06/30/2024	Changes
Babelee Srl	219,134	102,300	116,834
Doxee AT GmbH	213,562	437,467	-223,905
Infinica SK s.r.o.	0	90,920	-90,920
Doxee USA Inc.	78,578	92,500	-13,922
Total	511,274	723,187	-211,913

The Receivables and Payables with related parties are set out below:

Trade receivables Receivables with related parties (Euro)	Amount at 12/31/2022	Changes	Amount at 12/31/2023	Changes	Amount at 06/30/2024
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DNA LAB	639,067	-185,092	453,975	-453,975	0
Total	639,067	-185,092	453,975	-453,975	0

Trade payables Payables with related parties (Euro)	Amount at 12/31/2022	Changes	Amount at 12/31/2023	Changes	Amount at 06/30/2024
DNA LAB	133,700	86,055	219,755	-157,729	62,026
Total	133,700	86,055	219,755	-157,729	62,026

TREASURY SHARES

At December 30, 2024 the Parent held 26,500 treasury shares, equivalent to 0.2306% of the share capital

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

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

SUBSEQUENT SIGNIFICANT EVENTS

In July 2024 the Parent Doxee submitted to the Italian Ministry for Business and Made in Italy an application for an advance of Euro 879,387.19 on the subsidized financing granted in relation to the Customer Data Management Hub (CDMH) project, approved for funding in the context of the Innovation Agreements call for projects under the Ministerial Decree of December 31, 2021. As required by the Ministry, an application was made to Banca San Felice 1893 for a bank guarantee covering the operation, expiring on 03/31/2028. The Bank issued this guarantee conditional on the issue of a lien of the same duration as the guarantee, for an amount of Euro 265,000.

In addition, in September 2024 the company disposed of its stake in BNA Lab srl.

This holding had been acquired on December 3, 2015 in the context of a strategy of expansion into the less developed regions of Italy, and with a view to benefiting from opportunities relating to the creation of an innovation hub for the development and dissemination of technologies to support businesses in the Calabria region

Over time, Doxee has concentrated its strategy more on other geographical areas and therefore the very small stake in DNA Lab was no longer considered strategic.

Therefore, on September 4, 2024 the company decided to sell the holding worth Euro 1,000.00, or 1.11% of the share capital of Dna Lab Srl.

FORESEEABLE EVOLUTION OF OPERATIONS

During the next semester, we believe that the group will be able to further consolidate the actions take to support sustainability and profitability. In particular, the encouraging signs from the market could lead to the acquisition of new customers, and further progress in organizational integration will continue to sustain the rationalization of internal processes and the reduction of costs.

The company will therefore proceed with the O³ plan, which combines the One Company, One Platform and One Value Proposition projects. Confirming this and the importance of the German-speaking market for Doxee, in line with the ongoing investments we intend to strength management competences by adding a post for a marketing manager, directly reporting to the group CRO, by the end of the year. It is expected that this position will increase the efficacy of lead generation processes, reinforce the value proposition and improve the company's brand awareness.

The capital increase at the end of June strengthened the company's equity and in the second half of the year the management will seek to improve the financial structure by rationalizing relationships with banks. This, together with the reduction in interest rates already partially implemented by the ECB, will reduce financial expenses in the second semester.

USE OF DERIVATIVE FINANCIAL INSTRUMENTS

On January 28, 2021, the company 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, 2024 was positive Euro 3,719.30.

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 06/30/2024	3,719.30 Euro
Hedged liability	Loan

On July 28, 2022, the company 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, 2024 was negative by Euro 7,104.77

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 06/30/2024	-7,104.77
Hedged liability	Banco BPM loan

On October 28, 2022, Doxee S.p.A. entered into an “interest rate swap” derivative contract with an initial notional amount of Euro 3,000,000 to hedge interest rate risk on a loan from Unicredit S.p.A. The fair value of said derivative at June 30, 2024 was positive by Euro 6,935.31.

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 06/30/2024	6,935.31
Hedged liability	Banco BPM loan

On July 22, 2022 the company 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.

The fair value of said derivative at June 30, 2024 was negative by Euro 21,815.40

Effective date	07/22/2022
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 06/30/2024	-21,815.40
Hedged liability	BPER loan

SECONDARY LOCATIONS

As required by the provisions of art. 2428 of the Italian Civil Code, we report that the company also operates from the following secondary locations:

- Via Ostiense 92 in Rome
- Vico I Catalano 19 in Catanzaro
- Via Palermo 8 in Milan

* * *

Modena (MO), September 26, 2024

The Chairman of the Board of Directors

Paolo Cavicchioli



CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS OF THE DOXEE GROUP AT JUNE 30, 2024

The tables below show the consolidated income statement and statement of financial position of the Doxee Group at June 30, 2024, 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.

STATEMENT OF FINANCIAL POSITION	06/30/2024	12/31/2023	Difference
Non-current assets			
Other tangible assets	151,932	358,855	- 206,923
Development costs	11,678,907	12,469,981	- 791,074
Work in progress and payments on account	6,800,984	6,144,646	656,338
Other intangible assets	4,827,089	4,833,485	- 6,395
Right-of-use assets	1,003,784	1,115,267	- 111,483
Goodwill	7,768,504	7,768,504	-
Non-current financial assets	33,785	33,784	1
Deferred tax assets	1,263,801	1,293,928	- 30,127
Other non-current assets	43,865	43,865	- 1
Total non-current assets	33,572,650	34,062,314	- 489,664
Current assets			
Trade receivables	6,035,159	8,001,752	-1,966,593
Other receivables	2,937,048	3,884,709	-947,661
Cash and cash equivalents and short-term deposits	1,659,779	776,203	883,576
Total current assets	10,631,986	12,662,663	-2,030,677
TOTAL ASSETS	44,204,636	46,724,978	-2,520,342

STATEMENT OF FINANCIAL POSITION	06/30/2024	12/31/2023	Difference
Equity			
Share capital	2,544,039	1,913,570	630,469
Legal reserve	380,113	380,113	0
Share premium reserve	13,798,815	8,554,459	5,244,356
Other reserves	1,668,680	7,570,058	-5,901,378
FTA reserve	-1,587,598	-1,587,598	0
Employee benefits reserve	-63,918	-94,880	30,962
Currency translation reserve	-136,812	1,348	-138,160
Cash flow hedge reserve	-13,882	-72,794	58,912
Retained earnings/(Accumulated losses)	-4,215,176	-5,012,556	797,380

Profit (loss) for the period	-2,414,211	-5,103,998	2,689,787
Total equity	9,960,050	6,547,723	3,412,327

STATEMENT OF FINANCIAL POSITION	06/30/2024	12/31/2023	Difference
Non-current liabilities			
Non-current loans and financing	12,273,291	13,785,539	-1,512,247
Non-current lease liabilities	744,685	833,494	-88,809
Net liabilities for employee benefits	1,961,607	2,018,060	-56,453
Deferred tax liabilities	983,004	1,118,613	-135,609
Other non-current liabilities	18,266	312,138	-293,872
<i>of which Derivative instruments</i>	<i>18,266</i>	<i>95,781</i>	<i>-77,515</i>
Non-current public grants	2,121,178	2,130,926	-9,748
Total non-current liabilities	18,102,030	20,198,769	-2,096,739
Current liabilities			
Loans and financing	4,501,954	6,519,372	-2,017,418
Current lease liabilities	308,792	479,733	-170,941
Other current financial receivables	775,804	673,383	102,421
Trade payables and other payables	9,317,581	10,690,540	-1,372,959
Tax payables	475,690	606,244	-130,554
Public grants	762,733	1,009,214	-246,481
Total current liabilities	16,142,554	19,978,486	-3,835,932
TOTAL LIABILITIES	44,204,635	46,724,978	-2,520,343

Consolidated statement of comprehensive income

(in Euro)	06/30/2024	06/30/23	Change
A. Profit (loss) for the year	-2,414,211	-3,249,479	943,958
Net actuarial gains/(losses) on defined benefit pension plans	30,962	4,207	26,755
B. Total items that cannot be reclassified to the income statement	30,962	4,207	26,755
Translation of foreign financial statements	-138,160	82,601	-220,761
Net gains/(losses) on cash flow hedges	58,912	7,217	51,695
C. Total items reclassified/that cannot be reclassified to the income statement	-79,248	89,818	-169,066
D. Total components of comprehensive income (B + C)	-48,286	94,025	-142,311
E. Comprehensive income/(loss) (A + D)	-2,462,497	-3,155,454	801,648
of which:			
- pertaining to the group	-2,462,497	-3,155,454	801,648

- attributable to minority interests

0 0 0

Statement of changes in consolidated equity

Equity	Share capital	Share premium reserve	Other reserves	FTA reserve	Employee benefits reserve	Currency translation reserve	Cash flow hedge reserve	Retained earnings/(Accumulated losses)	Profit (loss) for the year pertaining to the group	Equity attributable to the Group	Equity attributable to minority interests	Total
Amount at 12/31/2023	1,913,570	8,554,459	7,950,171	(1,587,598)	(94,880)	1,348	(72,794)	(5,012,556)	(5,103,998)	6,547,723	-	6,547,723
Allocation of profit			(5,901,378)					797,380	5,103,998	(0)		(0)
Capital increase against payment	630,469	5,244,355								5,874,824		5,874,824
Other changes										-		-
Stock grant			-							-		-
Comprehensive income (loss)					30,962	(138,160)	58,912			(48,286)		(48,286)
Treasury shares			-							-		-
Profit (loss) for the year									(2,414,211)	(2,414,211)	-	(2,414,211)
Amount at 06/30/2024	2,544,039	13,798,815	2,048,793	(1,587,598)	(63,917)	(136,812)	(13,882)	(4,215,176)	(2,414,211)	9,960,051	-	9,960,051

Reconciliation between the Equity of the Parent and the Consolidated Equity (in Euro)	Share capital	Own reserves	Profit (loss) for the year	Total
Equity of Doxee S.p.a.	2,544,039	11,768,981	(1,806,560)	12,506,460
Profit (loss) for the year of consolidated companies (prior to consolidation adjustments)			(394,625)	-394,625
Capital and reserves of consolidated companies (prior to consolidation adjustments)		1,598,757		1,598,757
Consolidation adjustments:				0
- carrying amount of investments		(15,935,933)		-15,935,933
- put and call options on the Infinica Austria investment		(1,576,126)	(94,719)	-1,670,845
- put and call options on the Doxee USA investment		(1,105,009)	-	-1,105,009
- put and call options on the Doxee CEE investment		(1,745,947)	(17,402)	-1,763,348
- intragroup amortization/depreciation		5,420,122	-	5,420,122
- recognition of goodwill for business combinations		7,768,504		7,768,504
- recognition of assets with a finite useful life for business combinations		4,617,086	(124,586)	4,492,500
- recognition of taxes on assets with a finite useful life for business combinations		(980,211)	23,680	-956,531
- equity and profit/(loss) attributable to minority interests		0	0	0
- equity and profit/(loss) attributable to minority interests	2,544,039	9,830,223	-2,414,211	9,960,051

CONSOLIDATED CASH FLOW STATEMENT

The consolidated cash flow statement of the Doxee Group at June 30, 2024 and the comparison with the previous year are shown below:

Consolidated Cash flow statement

(in Euro)	06/30/2024	06/30/23	Change
Profit (loss) before tax	-2,548,423	-3,320,491	772,068
Reversal of amort./depreciation and write-downs and write-backs of tangible and intangible assets	2,533,863	2,065,673	468,190
Reversal of financial (income)/charges	665,222	552,627	112,595
Reversal of dividends received	0	0	0
Reversal of (profits)/losses on investments	0	62,422	-62,422
Reversal of (capital gains)/capital losses on disposal of tangible assets	406	0	406
Reversal of allocations to provisions and other	0	108,613	-108,613
Net tax paid	-24,476	-41,761	17,285
Change in inventories	0	0	0
Change in trade receivables	1,966,593	99,071	1,867,522
Change in trade payables	-2,167,815	-909,943	-1,257,872
Change in other receivables	322,563	-40,811	363,374
Change in other payables	322,270	672,199	-349,929
Change in tax receivables	329,039	-402,986	732,025
Change in tax payables	190,331	-264,188	454,519
Change in provisions for personnel	-44,458	295,700	-340,158
Change in other funds	0	0	0
A. Net cash flow generated/(absorbed) by operating activities	1,545,115	-1,123,875	2,668,990
Investments in tangible and intang. assets	-2,068,912	-1,648,592	-420,321
Disinvestments in tangible and intang. assets	0	0	0
Equity investments	0	-75,000	74,999
Equity disinvestments	0	0	0
Dividends received	0	0	0
Acquisition of subsidiaries (net of acquired liquidity)	0	0	0
B. Cash flow generated/(absorbed) by investing activities	-2,068,912	-1,723,591	-345,321
Change in non-current financial assets	0	0	0
Change in current financial assets	0	0	0
Interest income and other financial income	34,246	8,785	25,461
Change in payables to banks for cash credit lines	7,500	203,583	-196,083
Change in payables to banks and other lenders due to repayment of loans	-3,952,664	-1,041,869	-2,910,795
Change in payables to banks and other lenders due to provision of loans	300,000	5,994,000	-5,694,000
Change in other financial payables	100,000	0	100,000
Dividends paid	0	0 ^r	0
Interest expense and other financial charges	-552,804	-382,093 ^T	-170,711
Repayment of principal on lease liabilities	-266,099	-172,872 ^r	-93,227
Capital increase against payment	5,874,825	0 ^r	5,874,825
Sale/(purchase) of treasury shares	0	-91,620 ^r	91,620
Other changes in equity	0	0 ^r	0
C. Cash flow generated/(absorbed) by financing activities	1,545,003	4,517,914	-2,972,911
D. Exchange rate effect	-137,629	81,441	-219,070
E. Total cash flow generated/(absorbed) during the period (A + B + C + D)	883,577	1,751,889^r	-868,313
F. Net cash and cash equivalents at the beginning of the period	776,203	2,591,489	
G. Net cash and cash equivalents at the end of the period (E + F)	1,659,779	4,343,379	

NOTES TO THE FINANCIAL STATEMENTS

1. FORM AND CONTENT OF THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

The condensed consolidated half-year financial statements for the period ending June 30, 2024 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, 2023. 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, 2024, and include the comparative data for the year ended at December 31, 2023, 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, 2023, limited to the items contained in the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income and the Consolidated Cash Flow Statement.

3. SCOPE OF CONSOLIDATION

These condensed consolidated half-year financial statements were drawn up based on the income statements and statements of financial position at June 30, 2024 of the consolidated companies, prepared in accordance with the IAS/IFRS standards of the Group.

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

Doxee S.p.A. - Parent

Registered office: Modena, Italy	Equity at 06/30/2024: Euro 12,506,460.42
Reporting currency: Euro	Result for period ending 06/30/2024: Euro (1,806,559.73)
Fully paid-up share capital: Euro 2,544,039.15	Status: Parent Company

Doxee USA Inc.

Registered office: Fort Lauderdale, Florida, United States of America	Equity at 06/30/2024: Euro (4,161,147.73)
Reporting currency: US dollar	Result for period ending 06/30/2024: Euro 142,192.07
Fully paid-up share capital: Euro 37,188.12	Status: American subsidiary
Direct ownership share: 100.00%	
Indirect ownership share: 0%	

It should be noted that the parent’s investment in the share capital of the subsidiary Doxee USA Inc. increased from 51% to 100% in June 2024, following Simest S.p.A.’s exercise of the put option for the sale of the remaining 49% of shares which it still held

Doxee Slovak s.r.o.

Registered office: Bratislava, Slovak Republic	Equity at 06/30/2024: Euro 436,212.24
Reporting currency: Euro	Result for period ending 06/30/2024: Euro 58,006.82
Fully paid-up share capital: Euro 10,000.00	Status: Slovak subsidiary
Direct ownership share: 100%	

Doxee Czech s.r.o.

Registered office: Prague, Czech Republic	Equity at 06/30/2024: Euro 372,197.34
Reporting currency: Czech koruna	Result for period ending 06/30/2024: Euro (17,471.61)
Fully paid-up share capital: Euro 9,252.00	Condition: subsidiary in the Czech Republic
Direct ownership share: 100%	

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

Babelee S.r.l.

Registered office: Milan, Italy	Equity at 06/30/2024: Euro -60,151.81)
Reporting currency: Euro	Result for period ending 06/30/2024: Euro (93,145.78)
Fully paid-up share capital: Euro 12,193.00	Status: Italian subsidiary
Direct ownership share: 100.00%	
Indirect ownership share: 0%	

Doxee CEE GmbH

Registered office: Vienna, Austria	Equity at 06/30/2024: Euro 4,431,991.89
Reporting currency: Euro	Result for period ending 06/30/2024: Euro (114,344.23)
Fully paid-up share capital: Euro 61,000.00	Status: Austrian subsidiary
Direct ownership share: 58%	

Doxee AT GmbH (formerly Infinica AT GmbH)

Registered office: Vienna, Austria	Result for period ending 06/30/2024: Euro (287,597.31)
Reporting currency: Euro	Status: Austrian subsidiary
Fully paid-up share capital: Euro 36,000.00	Direct ownership share at June 30, 2024: 0.0%
Equity at 06/30/2024: Euro (190,294.62)	Indirect ownership share: 55.1%

INFINICA DE

Registered office: Germany	Result for period ending 06/30/2024: Euro (98,453.41)
Reporting currency: Euro	Condition: German subsidiary
Fully paid-up share capital: Euro 25,000.00	Direct ownership share at June 30, 2024: 100.00% by Doxee AT GmbH
Equity at 06/30/2024: Euro (123,087.34)	Indirect ownership share: 100%

INFINICA SK

Registered office: Slovak Republic	Result for period ending 06/30/2024: Euro (16,188.80)
Reporting currency: Euro	Status: Slovak subsidiary
Fully paid-up share capital: Euro 5,000.00	Direct ownership share at June 30, 2024: 100% by Infinica Doxee AT GmbH
Equity at 06/30/2024: Euro 47,175.72	Indirect ownership share: 100%

4. GOING CONCERN ASSUMPTION

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.

In particular, at 30 June 2024 the Group reported total revenues of Euro 12.5 million, a slight increase from the first semester of 2023, and a loss of Euro 2.4 million, resulting in equity of Euro 10.0 million. The group's net financial position at the end of the year was negative and amounted to Euro 17.0 mln (Euro 21.6 mln at the end of the previous financial year), Euro 5.6 mln of this figure due in the short term. Although the economic result continued to be negative, the first semester showed a clear reversal of the trend compared to the previous period, with growth in revenues and a return to a positive operating margin. After the huge investments which had weighed on the income statements of previous years, the first half of the year saw the start of fulfilment of the management's expectations regarding the integration with Doxee AT GmbH (formerly Infinica GmbH) and the benefits arising from the new organizational (ONE Company) and technological (ONE Platform) structure with a gradually increasing focus on higher value-added sectors and geographical areas, especially in the DACH market.

The first few months of 2024 saw a reduction in the investments required to bring the new Doxee Platform 3 technological platform on stream and for all the preparatory measures needed for the rapid activation of the organizational synergies for the integration of Technology & Research development processes in line with the ONE Company organizational integration project. Moreover, the Company implemented significant measures to cut costs, especially service and payroll costs, made possible by the improved efficiency of internal processes.

In view of the above considerations, the Company confirmed its 2024 business plan, under which it is reasonable to consider that the results of the massive organizational effort described above are already noticeable, generating significant synergies which will guide the Group towards higher revenues and enable it to return to balanced, sustainable growth. The trend during the first semester of 2024 gives grounds for confidence that the economic forecasts can be achieved in the timeframes and by the methods planned, even though they are subject to the typical uncertainties of the sector and of all business forecasts, and to the possible impacts from the evolution of the macroeconomic and geopolitical scenarios, which could influence the results actually achieved, as well as how they are achieved and when.

The 2024 budget is constructed around a number of fundamental pillars: (i) a reduction in investments in research and development (R&D) compared to previous years mainly due to the Doxee Platform[®], a project which is now nearing completion, although R&D activities are expected to be retained at normal levels in order to continue the process of integration and support the AI initiatives currently under way; (ii) the completion of integration with the Infinica (Doxee AT) Group, which is enabling a reduction in external consulting, thus decreasing costs, and the development of a group value proposition, and last but not least; (iii) market repositioning with a stronger focus on the Top Enterprise sector.

The results achieved in the first semester enable us to view the 2024 budget estimates as reliable and thus to make no change to the expectation that results will be achieved on a continual and improving basis, in line with the trend which began in the first half of the year. From the financial point of view, the capital increase in June 2024 provided the company with Euro 5.8 million of liquidity, is a milestone in its history and made a major contribution to supporting the initiatives listed previously, and especially to funding the expected growth.

The directors consider that the financial indebtedness, although still high, is sustainable and, having analyzed the net cash flows of the Parent and its subsidiaries on the basis of the performance forecasts for FY 2024 and the following years, they maintain that these flows will be sufficient to meet all the group's obligations over that time-period, thanks to the improvement in operating performance. The improvement in net working capital during the first semester by Euro 2,688 thousand compared to the first semester of 2023 is significant here.

In the light of the change in the company's capital position and the confirmation of the efficacy of the initiatives taken, the directors assessed the impact of factors such as the loss recorded at June 30, 2024, the financial indebtedness of the Company and the Group and the fact that intangible assets represent a high proportion of the invested capital, and considered that these uncertainties did not cast doubt on the company's continuation as a going concern.

The directors therefore drew up the condensed consolidated half-year financial statements at June 30, 2024 on the assumption that the company will continue as a going concern.

The Board of Directors will continue to 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.

5. SIGNIFICANT EVENTS IN THE FIRST HALF OF 2024

Capital Increase

on May 28, 2024, the Board of Directors of the Parent, exercising the mandate awarded pursuant to art. 2443 of the Italian Civil Code by the Extraordinary Shareholders' Meeting on May 24, 2024, resolved to increase the share capital, against payment and in divisible form, through a stock offering to be made to shareholders pursuant to art. 2441, para. 1 of the Italian Civil Code (the "Capital Increase Option"), for a maximum total amount of Euro 5,874,824.40, including premium, consisting of a maximum total number of 2,865,768 new ordinary shares ("New Ordinary Shares") with no par value, regular dividend entitlement and the same characteristics as the shares already in circulation. The Board of Directors set the issue price of the New Ordinary Shares ("Subscription Price") at Euro 2.05, comprising share capital of Euro 0.22 and premium of Euro 1.83.

The operation was concluded successfully on June 26, 2024 with the subscription of all 2,865,768 Doxee new-issue ordinary shares for a total value (including premium) of Euro 5,874,824.40

This capital increase operation was intended to provide the Company with swift, flexible access to the funds needed to satisfy its financial needs, reinforce its capital soundness and support its planned growth strategies and its expansion on its core markets.

Reacquisition of stake in Doxee USA Inc.

On June 28, 2024 an agreement was stipulated with Simest S.p.A. for the reacquisition of its shareholding interest in Doxee USA Inc., amounting to 49% of the company's share capital. The operation, already envisaged in the initial agreement under which Simest entered into the share capital of the American subsidiary in August 2016, was concluded at the same price paid by Simest at the time of purchase, i.e. Euro 1,121,102.34. On Doxee's request, Simest granted the option of breaking the amount due into an immediate payment of Euro 336,330.70 and two further instalments of Euro 392,385.82 on 03/31/2025 and 06/30/2025.

Simest's support in Doxee's strategy of expansion into international markets is considered essential by the company, and a similar operation was concluded in 2023 by means of which Simest subscribed 42% of the share capital of Doxee's German subsidiary CEE GmbH, with a buyback option to be exercised in January 2030.

Additional significant events during the year

On March 11, 2024 funding was granted to the PWD - Pweb designer project presented under the Emilia-Romagna ACTION 1.3.4 Call for Projects of the 2021/2027 ERDF Operational Program CALL FOR PROJECTS TO SUPPORT THE CULTURAL AND CREATIVE BUSINESSES SECTOR. The project intends to develop a new Pweb Designer (cloud-based visual editor) component for the easy, automated generation of interactive communications enriched with optimized graphic and multimedia contents to improve the customer experience.

Against a total planned investment of Euro 215,250 the project was awarded a non-repayable contribution of Euro 150,000.

6. CONSOLIDATION AND CONVERSION PRINCIPLES

The condensed consolidated half-year financial statements of the Doxee Group were prepared using the half-year financial statements of the individual companies included in the scope of consolidation prepared by the respective corporate bodies in accordance with the international accounting standards IFRS.

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

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

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

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

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

- **if positive**, shall be recognized in a line item within assets, named “goodwill”, as long as it meets the relevant recognition requirements, in accordance with the international accounting standard IFRS 3 “Business Combinations” (otherwise, if part or all of the excess does not correspond to a higher value of the investee, it is recognized in profit or loss);
- **if negative**, shall be recognized in a line item within equity named “consolidation reserve”, unless part or all of it refers to expectations of unfavorable financial performance (in this case, the Group shall recognize a specific “Consolidation provision for future risks and charges” within consolidated liabilities).

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

- the assets, liabilities, costs, expenses, revenues, and income of the companies included in the scope of consolidation are fully included in the condensed consolidated half-year 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 condensed consolidated half-year 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 condensed consolidated half-year financial statements by using:
 - a. the spot exchange rate at the reporting date to translate assets and liabilities;

- b. the average exchange rate for the period to translate line items in the income statement and the cash flows of the cash flow statement, used as an alternative to the exchange rate of each individual transaction, as allowed by IAS 21
- c. the historical exchange rate at the time of their creation to translate equity reserves (other than the currency translation reserve).

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

For 06/30/2023

US dollar	Average rate for half-year 1.0813	Spot rate at June 30, 2023 1.087
Czech koruna	Average rate for half-year 23.68	Spot rate at June 30, 2023 23.742

For 12/31/2023

US dollar	Annual average rate 1.0813	Spot rate at December 31, 2023 1.105
Czech koruna	Annual average rate 24.0043	Spot rate at December31, 2023 24.724

For 06/30/2024

US dollar	Average rate for half-year 1.0705	Spot rate at June 30, 2024 1.0812
Czech koruna	Average rate for half-year 25.0191	Spot rate at June 30, 2024 25.025

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.

7. ACCOUNTING STANDARDS AND VALUATION CRITERIA APPLIED

General principles of preparation

The condensed consolidated half-year financial statements have been prepared on a going concern basis, with the presentation currency of Euro, and the amounts shown rounded up/down to whole Euro, including, unless otherwise indicated, the amounts shown in the accompanying notes.

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

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

Business Combinations

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

interests in the net identifiable assets of the acquiree. The acquisition costs are charged to administrative expenses.

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

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

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

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

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

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

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

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

Tangible assets

Tangible assets are composed of:

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

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

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

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

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

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

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

- Cellphones: 5 years
- Equipment: 5 years
- Office furniture: 8 years
- Office machines: 5 years
- Hardware: 5 years.

Goodwill

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

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

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

- represents the lowest level at which goodwill is monitored for internal management purposes;
- is no larger than the segments that can be identified for segment reporting.

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

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

Intangible assets with a finite useful life

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

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

Amortization rates

Development costs: 5 years

Patents: 10 years

Concessions, licenses and similar rights: 3 years

Impairment of assets

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

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

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

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

Leases – Rights-of-use

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

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

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

The present value of lease liabilities includes the following payments:

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

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

The incremental borrowing rate is defined as the rate of interest that a lessee would have to pay to borrow through a contract with a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Specifically, to estimate

the incremental borrowing rate, the Company used as reference the interest rate of government securities with a similar duration as the duration of the leases, as well as the credit spread taken from the loans obtained.

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

- initial amount of the lease liability;
 - payments made before the start of the contract, net of lease incentives received;
 - directly attributable accessory charges;
 - estimated costs for dismantling or restoration.
- The lease payments associated with the following types of lease contracts are recognized to the income statement on a straight-line basis over the terms of their contracts:
- contracts with a term of less than 12 months for all asset classes;
 - contracts whose underlying asset is a low-value asset, i.e., the unit value of the underlying assets does not exceed Euro 5 thousand when new;
 - contracts for which the payment for the right-of-use of the underlying asset varies depending on changes in facts or circumstances (not linked to the performance of sales), which cannot be forecast at the initial date.

Investments

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

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

Control

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

Investments in associates

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

Investments in other companies

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

Non-current financial assets

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

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

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

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

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

Loans and receivables not held for trading and assets held to maturity are valued at amortized cost, using the effective interest rate method. When the financial assets have no fixed maturity, they are valued at purchase cost. Tests are regularly conducted to verify whether there is objective evidence of impairment of financial assets. If there is objective evidence, the impairment must be recognized as a cost in the income statement for the period.

Financial instruments

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

Derivative financial instruments

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

Receivables

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

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

Payables

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

Cash and cash equivalents

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

Financial payables

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

Financial liabilities different from derivative financial instruments are initially recognized at fair value less transaction costs. Subsequently, they are valued at amortized cost, i.e. the initial value, less repayments of principal already made, adjusted (upwards or downwards) based on the amortization (using the effective interest rate method) of any differences between the initial value and the value on maturity.

Employee benefits

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

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

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

Recognizing defined benefit plans in the financial statements requires estimating, using actuarial techniques, the benefits accrued by employees in exchange for their service provided in the current year and in previous years and discounting those benefits to determine the present value of the entity's obligations. The present value of obligations is determined by an independent actuary using the Projected Unit Credit Method. That method considers each period of service provided by workers at the company as a unit of additional rights: thus, the actuarial liability must be quantified based only on the seniority accrued at the valuation date. Therefore, the total liability is usually re-proportioned based on the ratio of the years of service accrued at the reference date of the valuations to the overall seniority achieved at

the time the benefit is expected to be liquidated. Moreover, that method considers future salary increases, for any reason (inflation, promotion, renewal of contracts, etc.), up to the time the employment is terminated.

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

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

Share capital and treasury shares

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

Equity-settled transactions.

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

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

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

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

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

If the conditions of the plan are modified, the minimum expense to be recognized is measured at fair value at the assignment date, in the absence of a change to the plan itself, provided that the original

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

Provisions for future risks and charges

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

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

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

Revenues from contracts with clients

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

- I. identifying the contract with the client
- II. identifying the performance obligations to be transferred to the client in exchange for the consideration;
- III. identifying the consideration for the contract;
- IV. allocating the consideration to the single performance obligations;
- V. recognizing the revenue when the specific performance obligation has been met.

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

Grants

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

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

Interest income

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

Dividends

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

Cost recognition

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

Transactions in foreign currency

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

Interest expense

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

Income taxes

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

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

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

The recoverability of deferred tax assets is verified at each year end, and any portion which is no longer likely to be recovered is posted to the income statement.

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

Estimation of fair value

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

The fair value of financial instruments that are not traded on an active market is determined using

valuation techniques and the assumptions underlying the market conditions existing at the reporting date. For medium and long-term liabilities, comparison is made with the prices of similar listed financial instruments, while for other categories of financial instruments, the cash flows are discounted.

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

Fair value measurement

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

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

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

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

Impairment of assets

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

Climate change

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

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

Although the IAS/IFRS standards do not explicitly refer to issues regarding the climate, those impacts are considered by the Company in applying the accounting standards where they are significant, assessing their effects, both in applying single accounting standards, and on the going concern assumption. In that context, it is noted that for the Doxee Group no significant risks were recognized by

the application of the individual standards, and no doubts or uncertainties arose regarding events or conditions that could place in doubt the company's ability to operate as a going concern. It is also important to note that the transition to emissions reduction of economies in response to climate change will create challenges and opportunities for global growth.

8. ENDORSED ACCOUNTING STANDARDS AND INTERPRETATIONS IN FORCE STARTING ON JANUARY 1, 2024

The Group applied standards or amendments in force from January 1, 2024 for the first time. The Group did not implement early adoption of any new standards, interpretations or amendments which had been issued but were not yet in force.

IFRS 17 Insurance Contracts

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022 the IASB issued an amendment to IFRS 16 to specify the requirements which a seller-leaser must use when measuring the lease liability deriving from a sale & leaseback transaction, in order to ensure that the seller-leaser does not recognize profits or losses with regard to the right of use which it retains.

The amendments come into effect for financial years starting from January 1, 2024 or after and must be applied retrospectively to all sale & leaseback transactions concluded after the date of the first application of IFRS 16. Early application is permitted and must be disclosed.

These amendments are not expected to have any substantial impact on the Group's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB published amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for the classification of liabilities as current or non-current. The amendments clarify:

- What is meant by the right to defer settlement
- That the right to defer settlement must exist at the reporting date
- The classification is irrespective of the probability that the entity will exercise its right to defer settlement
- The due date of the liability does not affect the classification of a convertible liability only if its implicit derivative is itself a capital instrument

Moreover, the requirement has been introduced to provide disclosure when a liability deriving from a loan agreement is classified as non-current and the entity's right to delay settlement is subordinate to compliance with covenants within twelve months.

The amendments will come into force for financial years starting from January 1, 2024 or later and must be applied retrospectively. The Group is currently assessing the amendments' impact on its current situation and whether the renegotiation of existing loan agreements is necessary.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, to clarify the characteristics of reverse factoring contracts and require additional disclosure on these agreements. The aim of the disclosure requirements contained in the amendments is

to help financial statement users to understand reverse factoring agreements' effects on an entity's liabilities, cash flows and liquidity risk exposure.

The amendments will come into force for financial years starting from January 1, 2024 or later. Early application is permitted and must be disclosed

These amendments are not expected to have any substantial impact on the Group's financial statements.

New or revised IFRS, amendments and interpretations not yet endorsed by the European Union

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

On 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 agreements 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 and early application is permitted. The directors do not expect the adoption of that amendment to have a significant effect on the Group's condensed consolidated half-year financial statements.

On August 15, 2023 the IASB published an amendment entitled "Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". The document requires an entity to define a methodology to be consistently applied to verify whether one currency can be converted into another and, if this is not possible, it provides guidelines on how to establish the exchange rate to be used and the disclosure to be provided in the notes to the financial statements. The amendments will apply as of January 1, 2025 and early application is permitted. The directors do not expect the adoption of that amendment to have a significant effect on the Group's condensed consolidated half-year financial statements.

On January 30, 2014, the IASB published IFRS 14 – Regulatory Deferral Accounts, which permits only first-time adopters of the IFRS to continue to account for amounts relating to rate regulation activities in accordance with the previous GAAP adopted. The process for the endorsement of this standard has not yet begun. As the Group is not a first-time adopter, that standard is not applicable.

The Group does not intend to adopt the Standards and Amendments listed in the section relating to the IAS7/IFRS7 Standard

NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

9. TANGIBLE ASSETS

Tangible assets amount to Euro 151,932 (Euro 206,135 in the previous year), with the following changes:

Other tangible assets	
(in Euro)	
Amount at 12/31/2022	323,291
Purchases	
Sales	-1,815
Amortization	-115,341
Exchange rate differences	0
Amount at 12/31/2023	206,135
Amount at 12/31/2023	206,135

Purchases	0
Reclassifications	
Sales	-12,579
Amortization	-41,624
Exchange rate differences	0
Amount at 06/30/2024	151,932

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

10. DEVELOPMENT COSTS

Development costs of Euro 11,809,980 (Euro 12,469,981 in the previous year) refer to projects developed by the Company. The process of continuous investment in new technologies linked, inter alia, to the adoption of the new release of the Doxee Platform®, continued throughout 2023. 2023 also saw the continuation of the investments in areas of innovation linked to artificial intelligence and mass data analysis.

Investments also concerned the merger with Austrian company Doxee AT GmbH (formerly Infinica GmbH), which led to a process of technological integration and convergence, bringing an innovative document designer into the Doxee platform.

The table below illustrates the breakdown and changes:

Non-current assets	
Development costs	
(in Euro)	
Amount at 12/31/2022	10,224,560
Increases	145,912
Sales	-
Reclassifications	5,207,697
Amortization	-3,108,188
Exchange rate differences	-
Amount at 12/31/2023	12,469,981
Increases	
Sales	
Reclassifications	1,262,244
Amortization	-1,922,245
Exchange rate differences	
Amount at 06/30/2024	11,809,980

11. WORK IN PROGRESS AND PAYMENTS ON ACCOUNT

Work in progress and payments on account, amounting to Euro 6,800,984 (Euro 6,144,646 in the previous year) refer to costs incurred for projects not yet completed at the end of this year. The company will allocate the related amortization during the year in which those projects will be completed and enter into operation.

The total increase in the item during the year, equal to Euro 2,064,494, comprises Euro 932,714 attributable to the deferral of the cost, through recognition in the income statement, of the employees engaged by the Group companies in developing projects, and the remainder, equal to Euro 1,131,780, relating to costs for consulting services obtained outside the Group, while Euro 1,408,156 was reclassified as development costs.

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

The table below illustrates the breakdown and changes:

Non-current assets In progress and advances (in Euro)	
Amount at 12/31/2022	4,624,041
Increases	6,876,686
Sales	-
Reclassifications	- 5,356,081
Exchange rate differences	-
Amount at 12/31/2023	6,144,646
Increases	2,064,494
Sales	-
Reclassifications	- 1,408,156
Exchange rate differences	-
Amount at 06/30/2024	6,800,984

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 2,359,055). 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; Research and development of innovative process accountability solutions with a book value of Euro 284,348.60;

Next Gen Communication Platform – The “Next-Generation Communication Platform (NEXT GEN CP)” project aims to develop an innovative document generation platform by creating a new Document Composition product able to cover the document’s lifecycle from design to generation. (book value of Euro 714,117.39)

CDMH Customer Data Management Hub project - The project aims to develop a Customer Data Management Hub (CDMH) capable of archiving the data of clients and end users in a structured manner, to create a “customer-centric” profile, constantly updated with new information.

The CDMH project forms part of the fundamental enabling technology of Artificial Intelligence, applicable to technologies for AI open platforms, and relates to the design of innovative software technologies and database management (book value Euro 829,976.37)

IX Studio - The ix Studio 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; the project is entered in the financial statements with a book value of Euro 244,498.60.

11. OTHER INTANGIBLE ASSETS

The *other intangible assets* heading, worth Euro 4,564,944 (Euro 4,833,485 in the previous financial year), mainly refers to the inclusion of assets from the financial statements of Infinica GmbH for a total amount of Euro 5,300,000 and specifically a) Customer portfolio, amount Euro 2,700,000, amortization period 30 years and b) Technology, amount Euro 2,600,000, amortization period 7 years, further to the completion of the Purchase Price Allocation process carried out during the previous year. At June 30, 2024 these assets were amortized for an amount of Euro 808,500, with Euro 230,714 for the first semester of 2024. The remainder refers to patents, user licenses and software.

The table below illustrates the breakdown and changes:

Non-current assets	
Other intangible assets	
(in Euro)	
Amount at 12/31/2022	5,423,089
Purchases	
Sales	-
Reclassifications	-
Amortization	-589,604
Exchange rate differences	-
Amount at 12/31/2023	4,833,485
Purchases	12,105
Sales	-
Reclassifications	-
Amortization	-280,646
Exchange rate differences	-
Amount at 06/30/2024	4,564,944

12. RIGHT-OF-USE-ASSETS

Right-of-use assets, equal to Euro 1,003,784 (Euro 1,115,267 in the previous year) refer to the application of IFRS 16, and regard the operating leases of vehicles and lease payments for properties.

The table below illustrates the breakdown and changes:

Non-current assets	Total
Right-of-use	
Net amount at 12/31/2022	1,001,692
Increases	517,852
Decreases	0
Amortization	-404,277
Net amount at 12/31/2023	1,115,267
	0
Net amount at 12/31/2023	1,115,267
Increases	159,068
Decreases	0
Amortization	-270,551
Net amount at 06/30/2024	1,003,784

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

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

13. GOODWILL

The goodwill, equal to Euro 7,768,504, was generated by the acquisition of 95% of the capital of the Austrian company Doxee AT GmbH and the subsequent allocation of a number of assets as part of a Purchase Price Allocation process. The value of the goodwill also includes the value assigned to the option for the purchase of the remaining 5% holding to be exercised in 2026, considered to be worth Euro 1,398,528.

With reference to the value of the goodwill, it should be specified that during the previous financial year this value was the subject of an Impairment Test, which estimated the recoverable value on the basis of the multiannual plan drawn up by the Doxee Group, also in order to establish that the book value of the intangible and tangible assets and of the assets with undefined usable lifetime, including the goodwill, had been entered in the financial statements at December 31, 2023 at a value below the recoverable value. The Impairment Test therefore investigated the recoverability of the assets held by the Doxee Group and any related lasting reductions in value.

The Test was conducted using the Discounted Cash Flow (DCF) method, which estimates the recoverable value by discounting the operating cash flows calculated from the 2024 - 2028 Business Plan and the final value. The financial indebtedness of Doxee S.p.A. was then subtracted from that value.

Specifically, the projected cash flows were based on the following key variables:

- evolution of the macroeconomic variables;
- estimated future sales volumes per business region / product family;
- trends in prices and margins;
- cost of products sold (including cost of materials) per product family;
- production costs, operating expenses and investment plan.

The expected growth in sales, and the forecast evolution in margins and operating costs, is based on the management's forecasts derived from an analysis of the market context and development programs already running or to be implemented during the time-horizon of the plan. The value of investments and the working capital were estimated on the basis of various factors, including expected future levels of growth, the product development plan and programs already running.

The resulting cash flows, calculated net of the tax burden, were then discounted at a rate representative of the WACC (Weighted Average Cost of Capital) of the cash-generating unit assessed, also calculated net of the tax burden.

The findings of this impairment test showed that the recoverable value of the net invested capital, including the goodwill held by Doxee S.p.A., was higher than the corresponding book value at December 31, 2023, confirming that the goodwill has been booked correctly.

A sensitivity analysis with regard to the g rate, terminal ebitda margin and cash flows was then performed on the findings, and no need for write-downs emerged.

The table below illustrates the breakdown and changes:

Non-current assets	
Goodwill	
(in Euro)	
Amount at 12/31/2022 ADJ*	7,735,780
Purchases	32,723
Sales	0
Reclassifications	0
PPA	0
Amount at 12/31/2023	7,768,503
Purchases	0
Sales	0
Reclassifications	0
PPA	0
Amount at 06/30/2024	7,768,503

14. NON-CURRENT FINANCIAL ASSETS

Non-current financial assets amounting to Euro 33,784 (Euro 33,784 in the previous year) consisted of:

- receivables from others amounting to Euro 32,784 (Euro 30,959 in the previous year), broken down below (consisting of guarantee deposits)
- investments amounting to Euro 1,000 (Euro 1,000 in the previous year), which are broken down below:

Non-current financial assets	Amount at 12/31/2023	Changes	Amount at 06/30/2024
List of investments			
(in Euro)			
DNA:LAB	1,000	0	1,000
Total	1,000	0	1,000

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

Non-current financial assets	Other companies	Total
Receivables		
(in Euro)		
Amount at 12/31/2023	32,785	32,785
Increases	0	0
Decreases	0	0
Write-downs	0	0
Amount at 06/30/2024	32,785	32,785

15. DEFERRED TAX ASSETS

The non-current *deferred tax assets* of Euro 1,263,801 (Euro 1,293,927 in the previous financial year) mainly relate to the deferred tax assets calculated by Doxee S.p.A. generated by the operating loss recorded in FY 2023, amounting to Euro 985,170. The remainder are deferred tax assets deriving from the IFRS transition (deriving from the reversal of non-capitalized intangible assets and the adjustment to employee severance indemnity in accordance with IAS 19), and from negative income components to be deducted in years other than the year of statutory accounting.

The change for the year is set out below:

Deferred tax assets	Total
(in Euro)	
Amount at 12/31/2022	832,056
Change	461,871
Amount at 12/31/2023	1,293,927
Change	-30,126
Amount at 06/30/2024	1,263,801

16. OTHER NON-CURRENT ASSETS

Other non-current assets amounted to Euro 43,865 (same value as the previous year). The breakdown of and changes in the single items are shown below:

Non-current assets	Amount at 12/31/2023	Changes	Amount at 06/30/2024
Other assets			
(in Euro)			
Deposits	43,865	0	43,865
Accrued income	0	0	0
Prepaid expenses	0	0	0
Derivative financial instruments – assets	0	0	0
Total	43,865	0	43,865

17. TRADE RECEIVABLES

Trade receivables included in current assets amounted to Euro 6,035,159 (Euro 8,001,752 in the previous year).

The table below illustrates the changes in receivables at 06/30/2024, net of provision for bad and doubtful debts compared to 12/31/2023:

Trade receivables	Amount at 12/31/2023	Changes	Amount at 06/30/2024
Clients	8,001,752	-1,966,593	6,035,159
Associates	0	0	0
Parent companies	0	0	0
Total	8,001,752	-1,966,593	6,035,159

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

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

Trade receivables Provision for bad and doubtful debts (in Euro)	Total
Amount at 12/31/2023	1,697,647
Provisions	-
Utilizations	239,543
Amount at 06/30/2024	1,458,104

The provision for bad and doubtful debts was aligned with the best estimate of credit risk and the expected losses at the reporting date.

18. OTHER RECEIVABLES

“Other receivables” amounted to Euro 2,937,048 (Euro 3,884,709 at December 31, 2023).

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

Current assets Other receivables	Amount at 12/31/2023	Changes	Amount at 06/30/2024
sundry receivables	81262.27	16,778	98,040
other tax receivables	35,429	12,217	47,645
IREP and IRES tax credits	587,836	-180,856	406,981
current prepaid expenses	644,337	-113,680	530,657
current accrued income	430,534	-225,660	204,874
deposits received	21,613	0	21,613
VAT credits	130,103	-107,364	22,740
tax credits for research and development	1,580,272	-321,645	1,258,627
receivables for withholdings paid	373,323	-27,450	345,873
Total	3,884,709	-947,661	2,937,048

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

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30, 2024 amounted to Euro 1,659,779 (Euro 776,203 in the previous year) and are composed of cash at banks and on hand.

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

Current assets	Amount at	Changes	Amount at
Cash and cash equivalents and short-term deposits	12/31/2023		06/30/2024
Deposit accounts	773,828	883,606	1,657,434
Cash and cash equivalents on hand	2,375	-30	2,345
Total	776,203	883,576	1,659,779

20. EQUITY

The tables below set out the reconciliations between the equity of the Parent and consolidated equity at June 30, 2024.

Reconciliation between the Equity of the Parent and the Consolidated Equity (in Euro)	Share capital	Own reserves	Profit (loss) for the year	Total
Equity of Doxee S.p.a.	2,544,039	11,768,981	(1,806,560)	12,506,460
Profit (loss) for the year of consolidated companies (prior to consolidation adjustments)			(394,625)	-394,625
Capital and reserves of consolidated companies (prior to consolidation adjustments)		1,598,757		1,598,757
Consolidation adjustments:				0
- carrying amount of investments		(15,935,933)		-15,935,933
- put and call options on the Infinica Austria investment		(1,576,126)	(94,719)	-1,670,845
- put and call options on the Doxee USA investment		(1,105,009)	-	-1,105,009
- put and call options on the Doxee CEE investment		(1,745,947)	(17,402)	-1,763,348
- intragroup amortization/depreciation		5,420,122	-	5,420,122
- recognition of goodwill for business combinations		7,768,504		7,768,504
- recognition of assets with a finite useful life for business combinations		4,617,086	(124,586)	4,492,500
- recognition of taxes on assets with a finite useful life for business combinations		(980,211)	23,680	-956,531
- equity and profit/(loss) attributable to minority interests		0	0	0
- equity and profit/(loss) attributable to minority interests	2,544,039	9,830,223	-2,414,211	9,960,051

The table below shows the changes in Equity in the first semester of 2024

Equity	Share capital	Share premium reserve	Other reserves	FTA reserve	Employee benefits reserve	Currency translation reserve	Cash flow hedge reserve	Retained earnings/(Accumulated losses)	Profit (loss) for the year pertaining to the group	Equity attributable to the Group	Equity attributable to minority interests	Total
Amount at 12/31/2023	1,913,570	8,554,459	7,950,171	(1,587,598)	(94,880)	1,348	(72,794)	(5,012,556)	(5,103,998)	6,547,723	-	6,547,723
Allocation of profit			(5,901,378)					797,380	5,103,998	(0)		(0)
Capital increase against payment	630,469	5,244,355								5,874,824		5,874,824
Other changes										-		-
Stock grant			-							-		-
Comprehensive income (loss)					30,962	(138,160)	58,912			(48,288)		(48,288)
Treasury shares			-							-		-
Profit (loss) for the year									(2,414,211)	(2,414,211)	-	(2,414,211)
Amount at 06/30/2024	2,544,039	13,798,815	2,048,793	(1,587,598)	(63,917)	(136,812)	(13,882)	(4,215,176)	(2,414,211)	9,960,051	-	9,960,051

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

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

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

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

- hedging derivative entered into by the Company in 2021 to hedge interest rate risk on the loan disbursed by Crédit Agricole of Euro 1,000,000, whose mark-to-market value at June 30, 2024 came to Euro 3,719.30;
- hedging derivative entered into by the Company on July 28, 2022 to hedge interest rate risk on the loan taken out with Banco BPM S.p.A., with mark-to-market value at June 30, 2024 of Euro -7,104.77
- hedging derivative entered into by the Company on October 28, 2022 to hedge interest rate risk on the loan disbursed by Unicredit of Euro 3,000,000, whose mark-to-market value at June 30, 2024 came to Euro 6,935.31;
- hedging derivative entered into by the Company on July 22, 2023 to hedge interest rate risk on the loan disbursed by BPER Banca of Euro 3,000,000, whose mark-to-market value at June 30, 2024 came to Euro -21,815.40

The increase in Equity is mainly due to the capital increase undertaken in June 2024, only partially balanced by the negative operating result.

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

	Subscribed and paid-up current share capital		
	Euro	no. of shares	Unit nominal amount
Total	2,544,039	11,489,575	with no par value
Of which Ordinary Shares (regular dividend entitlement: January 1, 2022) current coupon no.: 1	2,544,039	11,489,575	with no par value

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

Shareholder	no. of shares	%
P&S S.r.l. *	8,360,551	72.77%
Ipoc 5 S.r.l.	601,746	5.24%

Eiffel Investment Group	574,000	5.00%
Free float	1,953,278	17.00%
Total	11,489,575	100.00%

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

Note that the subscribed and paid-up Share Capital at the date of approval of these financial statements amounts to Euro 2,544,039 and is composed of 11,489,575 ordinary shares with no par value.

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

Treasury Shares

As of the date of these financial statements, Doxee S.p.A. holds 26,500 treasury shares. No treasury shares were sold or purchased during the first semester of 2024.

21. CURRENT AND NON-CURRENT LOANS AND FINANCING

Non-current loans and financing came to Euro 12,273.291 (Euro 13,785,539 at December 31, 2023). The difference is due to the loan repayment instalments paid during the period, while no new loans were taken out

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 software platform. The characteristics of the loan repayment plans also make it possible to stabilize the outlays and spread them out over time.

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

Non-current liabilities	
Loans and financing	
(in Euro)	
Amount at 12/31/2023	13,785,539
Change	(1,512,247)
Amount at 06/30/2024	12,273,291

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

Detailed Non-current loans and financing	12/31/2023	06/30/2024	Changes
(in Euro)			
Sanfelice Unsecured Loan No. 160943	129,137	-	129,137
Mediocredito Centrale Loan	213,614	186,987	- 26,627
UNICREDIT Loan F1000008768621	567,101	461,267	- 105,834
UNICREDIT Loan F1000002199322	2,896,564	2,639,875	- 256,689
Cariparma Loan 0138867400000	63,004	-	63,004

Cariparma Loan 0 240705700000	1,199,177	799,004	-	400,173
MPS Loan 0994139280	590,957	338,547	-	252,410
Simest Loan - Feasibility Study Tender	15,520	7,763	-	7,758
Ecommerce Tender Loan	99,000	66,000	-	33,000
Banco BPM Loan 05683270	278,308	224,859	-	53,449
BPER Loan 421/005142373	2,304,748	2,112,463	-	192,285
Finance leases	-	-	-	-
SIMEST (Option) doxee CEE	1,661,262	1,684,463	-	23,201
Infinica (option)	1,635,326	1,730,045	-	94,719
MPS Loan 0994147758	23,871	22,020	-	1,851
SIMEST loan DOXEE CEE	1,921,650	2,000,000	-	78,350
Other financial payables	186,300	-	-	186,300
Total long-term financial payables	13,785,539	12,273,291	-	1,512,247

The *current loans and financing* came to Euro 4,501,954 (Euro 6,519,372 at December 31, 2023)

The table below shows the change in current financial liabilities:

Current liabilities	
Loans and financing	
(in Euro)	
Amount at 12/31/2023	6,519,372
Change	(2,017,418)
Amount at 12/31/2023	4,501,954

The table below shows the breakdown in current financial liabilities:

Breakdown of current loans and financing	12/31/2023	06/30/2024	Changes
(in Euro)			
BPER Unsecured Loan No. 3858169	70,456		-70,456
Sanfelice Unsecured Loan No. 160943	252,001	255,870	3,869
Mediocredito Centrale Loan	53,190	53,233	43
BPM Spa Unsecured Loan No. 3542648	211,340		-211,340
UNICREDIT Loan F1000002199322	131,050	381,002	249,952
UNICREDIT Loan F1000008768621	0	209177.42	209,177
Unicredit Unsecured Loan No. 8440155	0		0
Cariparma Loan 0138867400000	256,967	190,392	-66,575
Cariparma Loan 0 240705700000	798,264	797,492	-772
MPS Loan 0994139280	500,848	503,459	2,611
Citta' Educante Loan	0		0
Simest Loan - Feasibility Study Tender	15,525	15,525	0
Ecommerce Tender Loan	66000	66000	0
Ctn01_00034_393801	0		0

Banco BPM Loan 05683270	102,642	104,949	2,307
BPER Loan 421/005142373	596,003	575,111	-20,892
BNL Credit Line loan	1,500,000		-1,500,000
Current account credit facilities	455,155	572,620	117,465
Other short-term financial payables	278,741		-278,741
SIMEST (Option) DOXEE USA)	1,100,869		-1,100,869
SIMEST loan DOXEE CEE	78,350	28,420	-49,930
MPS Loan 0994147758	3,686	3,698	12
ISP Loan No. 01C1046977128	32,072	21,747	-10,325
ISP Loan No. 01C1048320467	16,211		-16,211
Other Intercompany payables		400,000	400,000
Unicredit credit line loan		300,000	300,000
INTESA SAN PAOLO 15401 C/A		21,555	21,555
MPS CREDIT ACCOUNT 5965		193	193
MPS CREDIT ACCOUNT 7124		122	122
INDEBTEDNESS TO BANKS		1,391	1,391
Total short-term financial payables	6,519,372	4,501,954	-2,017,418

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

Payables and liabilities Expiry and guarantees	Within 1 year	From 1 to 5 years	Over 5 years	Guarantees	Total
Loans and financing	6,519,732	12,873,908	911,831	-	20,305,471
Lease liabilities	479,733	833,494	-	-	1,313,227
Trade payables and other payables	10,670,709	-	-	-	10,670,709
Tax payables	606,244	-	-	-	606,244
Public grants	1,009,214	2,130,926	-	-	3,140,140
Amount at 12/31/2023	19,285,632	15,838,328	911,831	-	36,035,791
Loans and financing	4,501,954	11,647,285	626,006	-	16,775,245
Lease liabilities	308,792	744,685	-	-	1,053,477
Trade payables and other payables	9,317,580	-	-	-	9,317,580
Tax payables	1,458,694	-	-	-	1,458,694
Public grants	762,733	2,121,178	-	-	2,883,911
Amount at 06/30/2024	16,349,753	14,513,148	626,006	0	31,488,907

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

With reference to payables to credit institutions, it is specified that these loan agreements do not contain financial covenants, and/or performance obligations and obligations to refrain from an act, including negative pledges, and cross-default scenarios.

Based on the analyses of expected future cash flows and the stress tests conducted by the Company,

the financial plan regarding future outlays necessary to repay debt is considered sustainable.

At June 30, 2024, the Group had the following bank credit lines outstanding, for which the credit line granted and the portion used are shown.

Lines of credit	Ordinary current account overdraft	Utilization of overdraft
BPER BANCA	15,000	-
UNICREDIT	25,000	-
MONTE DEI PASCHI DI SIENA	35,000	-
CREDIT AGRICOLE	35,000	-
BANCO BPM	20,000	-
BANCA MPS BABELLEE	10,000	-
BANCA INTESA BABELLEE	25,000	21,555
ERSTE BANK	150,000	11,389
Total	315,000	32,943

Lines of credit	Advances on invoices	Utilization of advances
BPER BANCA	600,000	69,629
UNICREDIT	900,000	378,434
UNICREDIT international	230,000	-
MONTE DEI PASCHI DI SIENA	400,000	189,599
CREDIT AGRICOLE	500,000	204,566
SANFELICE 1893 BANCA POPOLARE	400,000	12,119
BANCO BPM	200,000	-
Total	3,230,000	854,348

At June 30, 2024, the Group had the following bank factoring agreements outstanding:

BPER FACTOR S.p.A. Assignment without recourse

Maximum amount that can be assigned Euro 450,000, of which Euro 150,000 (without prior notification).

At June 30, 2024 the amount used came to Euro 445,045, of which 18,441 was without recourse and 426,604 with recourse (Euro 170,237 in the previous year).

EUROFACTOR ITALIA S.p.A. Assignment without recourse

Maximum amount that can be assigned Euro 2,375,000

At June 30, 2024 the amount used came to Euro 431,137 (Euro 497,812 in the previous year).

MBFACTA S.p.A. Assignment without recourse

Maximum amount that can be assigned Euro 350,000.

At June 30, 2024 the amount used came to Euro 45,207 (Euro 153,030 in the previous year).

UNICREDIT FACTORING S.p.A. Assignment with recourse
Maximum amount that can be assigned Euro 1.2 million

At June 30, 2024 the amount used came to Euro 943,901 (Euro 851,551 in the previous year).

22. CURRENT AND NON-CURRENT LEASE LIABILITIES

Non-current lease liabilities amounted to Euro 744,685 (Euro 833,494 in the previous year).

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

Non-current liabilities			
Non-current lease liabilities (in Euro)	Amount at 12/31/2023	Changes	Amount at 06/30/2024
Operating leases and rentals	833,494.19	- 177,258.53	656,235.66
Real estate leases payable		88,449.07	88,449.07
Commercial equipment			-
Total	833,494	-88,809	744,685

Current lease liabilities amounted to Euro 308,792 (Euro 479,733 in the previous year).

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

Current liabilities			
Current lease liabilities (in Euro)	Amount at 12/31/2023	Changes	Amount at 06/30/2024
Operating leases and rentals	479,733.03	- 219,481.94	260,251.09
Real estate leases payable		48,540.98	48,540.98
Commercial equipment			-
Total	479,733	-170,941	308,792

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

23. NET LIABILITIES FOR EMPLOYEE BENEFITS

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

Provisions for personnel at June 30, 2024 amounted to Euro 1,961,607 (Euro 2,018,060 at December 31, 2023).

The actuarial losses recorded at June 30, 2024, of Euro -40,739.74, are mainly connected to the variation in the discount rate

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

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

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

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

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

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

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

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

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

Non-current liabilities	
Net liabilities for employee benefits	
Amount at 12/31/2023	2,018,060
Labor cost	158,661
Financial expenses	29,488
Benefits paid	-196,876
Actuarial (gains)/losses posted to equity	-47,726
Amount at 06/30/2024	1,961,607

The main actuarial assumptions used at June 30, 2024 are as follows:

Actuarial assumptions at 12/31/2023	
Annual discount rate	3.08%
Annual inflation rate	2.00%
Annual rate of increase in employee severance indemnity	3.00%
Nominal rate of salary increase	0.50%

Actuarial assumptions at 06/30/2024	
Annual discount rate	3.49%
Annual inflation rate	2.00%
Annual rate of increase in employee severance indemnity	3.00%
Nominal rate of salary increase	0.50%

24. DEFERRED TAX LIABILITIES

Provisions for deferred tax liabilities are recognized among liabilities for a total of Euro 983,004 (Euro 1,118,613 at 31.12.2023). Deferred taxes were calculated with reference to the IRES tax for the individual Group companies.

Non-current liabilities	Amount at 12/31/2023	Changes	Amount at 06/30/2024
Deferred tax liabilities			
Deferred tax liabilities	1,118,613	-135,609	983,004
Total	1,118,613	-135,609	983,004

25. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities amounted to Euro 18,266 (Euro 312,138 in the previous year).

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

Non-current liabilities	Amount at 12/31/2023	Changes	Amount at 06/30/2024
Other non-current liabilities (in Euro)			
Deferred income and accrued expenses	216,357	-216,357	0
Derivative financial instruments – liabilities	95,781	-77,515	18,266
Total	312,138	-293,872	18,266

26. CURRENT AND NON-CURRENT PUBLIC GRANTS

Current and non-current public grants refer to deferred income relating to operating grants from the government for R&D projects and the R&D tax 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.

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	Amount at 12/31/2023	Changes	Amount at 06/30/2024
Public grants (in Euro)			
Tax credit and public R&D grants	2,130,926	-9,748	2,121,178
Total	2,130,926	- 9,748	2,121,178

Current liabilities	Amount at 12/31/2023	Changes	Amount at 06/30/2024
Public grants (in Euro)			
Tax credit and public R&D grants	1,009,014	- 246,481	762,733
Total	1,009,014	- 246,481	762,733

27. OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities amounted to Euro 775,804 (Euro 673,383 in the previous year).

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

Current liabilities	Amount at 12/31/2023	Changes	Amount at 06/30/2024
Other current liabilities (in Euro)			
Other current financial receivables	673,383	102,421	775,804
Total	673,383	102,421	775,804

28. TRADE PAYABLES AND OTHER PAYABLES

Trade payables and other payables are recognized under current liabilities for a total of Euro 9,317,580 (Euro 10,690,540 at 12/31/2023).

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

Current liabilities	Suppliers	Other payables	Total
Trade payables and other payables (in Euro)			
Amount at 12/31/2023	7,502,947	3,187,593	10,690,540

Change	-2,167,815	794,856	-1,372,959
Amount at 06/30/2024	5,335,131	3,982,449	9,317,580

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	12/31/2023		06/30/2024
Payables to social security and welfare agencies	753,241	-72,891	680,350
Payables due to employees	1,647,928	125,044	1,772,972
Security deposits	110,000	0	110,000
Other payables	65,060	-20,736	44,324
Accrued liabilities	12,990	94,193	107,183
Deferred income	598,374	669,246	1,267,620
Associates	0	0	0
Parent companies	0	0	0
Total	3,187,593	794,856	3,982,449

29. TAX PAYABLES

Current *tax payables* are recognized under current liabilities for a total of Euro 475,690 (Euro 606,244 at 12/31/2023).

The table below shows the breakdown of the changes during the first semester of 2024

Current liabilities	Amount at	Changes	Amount at
Tax payables	12/31/2022		06/30/2023
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
Total	630,896	-281,697	349,199

Current liabilities	Amount at	Changes	Amount at
Tax payables	12/31/2023		06/30/2024
Tax authorities for VAT	93,731	111,903	205,634
Payables for withholdings	449,135	-215,278	233,857
Payables for current taxes	50,635	-16,818	33,817
Other tax payables	12,743	-10,361	2,382
Total	606,244	-130,554	475,690

INCOME STATEMENT

30. REVENUES FROM CONTRACTS WITH CLIENTS

Revenues for the year amounted to Euro 12,535,331, up by 3.2% on June 30, 2023.

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).

- The models through which these products are supplied are: 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 06/30/2024	Amount at 06/30/2023	Change
Document Experience	8,980,153	9,130,892	-150,739
Paperless Experience	2,353,274	1,304,234	1,049,040
Interactive Experience	1,201,904	1,708,775	-506,871
Total	12,535,331	12,143,900	391,431

The breakdown of revenues by geographical area is shown below:

Income Statement			
Revenues by geographical area (in Euro)	Amount at 06/30/2024	Amount at 06/30/2023	Changes
Italy	9,562,690	9,288,776	273,914
EU	2,499,038	1,582,939	916,099
Extra EU	473,603	1,272,186	- 798,583
Total	12,535,331	12,143,901	391,430

31. OTHER REVENUES AND INCOME

Other revenues and income amounted to Euro 500,456 (Euro 365,239 in the previous year), and mainly refer 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, with effects on the income statement relating to the current year and the amounts accrued during the current year.

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

Income Statement			
Other revenues and income	Amount at 06/30/2024	Amount at 06/30/2023	Change
Other revenues	150,936	14,292	136,644
Revenues from participation in tenders	20,903	23,506	-2,603
Grants and tax credits	333,725	327,441	6,284
Capital gains on disposal	0	0	0
Total	505,564	365,239	140,325

32. INTERNALLY GENERATED FIXED ASSETS

Internally generated fixed assets refer solely to the costs for personnel dedicated to development of the software platform, and the constant research into innovative solutions for Business Intelligence and innovation in artificial intelligence and mass data management.

The Companies also make use of external consultancy arrangements for the development of its platform; the relative values are capitalized directly.

Income Statement	Amount at 06/30/2024	Amount at 06/30/2023	Change
Internally generated fixed assets			
Internally generated fixed assets	932,714	1,284,861	-352,147
Total	932,714	1,284,861	-352,147

33. PRODUCTION COSTS

Costs for the purchase of raw materials and consumables came to Euro 3,313 (Euro 3,605 in the previous year) and refer mainly to stationery and consumable materials.

Income Statement	Amount at 06/30/2024	Amount at 06/30/2023	Change
Raw materials			
Consumables and other goods	3,313	3,605	292
Total	3,313	3,605	292

Costs for services amount to Euro 6,826,773 (Euro 7,363,610 in the previous financial year). The decrease over June 30, 2023 is mainly due to the improved efficiency of internal processes and the cost-saving policies introduced by the Parent

A breakdown of the item by category is shown below.

Income Statement	Amount at 06/30/2024	Amount at 06/30/2023	Changes
Costs for services (in Euro)			
Printing and delivery costs	2,065,104.42	1,949,327.48	115,776.94
Technical advisory services	1,601,721.87	2,819,592.11	- 1,217,870.24
Administration and other general overhead costs	1,079,056.15	770,048.90	309,007.25
Infrastructure costs	1,602,666.85	1,429,755.45	172,911.40
Marketing costs	207,294.11	120,608.28	86,685.83

Various costs	270,929.24	274,277.45	-	3,348.21
Total	6,826,772.64	7,363,609.67	-	536,837.03

34. COSTS FOR EMPLOYEE BENEFITS

The item includes all employee personnel costs and amounted to Euro 6,477,861 (Euro 6,610,535 in the previous year). At 06/30/2024, the number of employees of the Doxee Group came to 159, down by 28 compared to 06/30/2023. This decrease was enabled by an improvement in the efficiency of internal processes and the consequent reduction in the need to replace staff leaving the organization.

Income Statement	Amount at	Amount at	Change
Employee benefits	06/30/2024	06/30/2023	
Remuneration	4,877,121	4,848,953	28,168
Social security and welfare charges	1,338,715	1,367,799	-29,084
Employee severance indemnity	229,214	241,648	-12,434
Stock grant	0	144,453	-144,453
Other charges	32,831	7,682	25,149
Total	6,477,881	6,610,535	-132,654

35. OTHER OPERATING COSTS

Other operating costs amounted to Euro 127,353 (Euro 314,370 in the previous year).

Income Statement	Amount at	Amount at	Change
Other operating costs	06/30/2024	06/30/2023	
Membership fees	32,270	25,295	6,975
Taxes and duties	42,913	46,343	-3,430
Contingent liabilities	0	19,900	-19,900
Other charges	52,170	114,219	-62,049
Write-downs of receivables	0	108,613	-108,613
Alloc. to provisions for risks	0	0	0
Total	127,353	314,370	-187,017

36. AMORTIZATION, DEPRECIATION AND WRITE-DOWNS

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

Amortization of intangible assets posted to the income statement amounted to Euro 2,205,625 (Euro 1,761,989 at June 30, 2023).

Income Statement	Amount at 06/30/2024	Amount at 06/30/2023	Changes
Amortization of intangible assets (in Euro)			
Amortization of development costs	1,922,245.45	1,467,298.89	454,946.56
Amortization of other intangible assets	283,379.38	294,690.29	- 11,310.91
Total	2,205,624.83	1,761,989.18	443,635.65

Depreciation of tangible assets posted to the income statement amounted to Euro 57,686.49 (Euro 129,141.00 at June 30, 2023).

Income Statement	Amount at 06/30/2024	Amount at 06/30/2023	Changes
Depreciation of tangible assets (in Euro)			
Amortization of other intangible assets	57,686.49	129,141.00	- 71,454.51
Total	57,686.49	129,141.00	- 71,454.51

37. FINANCIAL INCOME AND EXPENSES

Financial income came to a total of Euro 34,247 (Euro 8,785 in the previous year).

This item comprised:

Income Statement	Amount at 06/30/2024	Amount at 06/30/2023	Changes
Financial income (in Euro)			
receivable interest on current accounts	3,257	48	3,209
other financial income	30,990	8,737	22,253
Total	34,247	8,785	25,462

Financial charges came to a total of Euro 699,468 (Euro 561,412 at 30 June 2023). That item included interest referring to the application of IFRS 16 and the discounting of employee severance indemnity. This item comprised:

Income Statement	Amount at 06/30/2024	Amount at 06/30/2023	Changes
Financial expenses (in Euro)			
interest expense on current accounts	79,586	40,653	38,933
interest expense on bank loans	381,975	214,536	167,439
fees on bank guarantees	3,829	5,326	- 1,497
supplier interest expense	52,012	31,917	20,094
other financial charges	182,066	268,979	- 86,913
Total	699,468	561,412	138,056

Foreign exchange gains (losses) included:

Income Statement	Amount at 06/30/2024	Amount at 06/30/2023	Changes
Profit (losses) on exchange rates (in Euro)			
realized foreign exchange gains	955	14,317	- 13,362
realized foreign exchange losses	- 23,695	- 28,762	5,067
foreign exchange gains from valuation	- 566	3,916	- 4,482
foreign exchange losses from valuation	135,680	- 193,543	329,223
Total	112,374	- 204,073	316,447

The positive difference between foreign exchange gains and losses was mainly generated by the foreign exchange differences arising from the alignment of receivables and payables in foreign currency at the exchange rate in force at the end of the period.

38. INCOME TAXES

The Group allocated income taxes for the year by applying the tax regulations in force. Current taxes refer to taxes for the year, as resulting from the tax returns. Taxes related to prior years include direct taxes from prior years, including interest and penalties, and also refer to the positive (or negative) difference between the amount due following the settlement of a dispute or an assessment and the value of the provisions allocated in previous years. Lastly, deferred and prepaid taxes regard positive or negative income components respectively subject to taxation or deduction in years different from the year in which they are recorded as per statutory regulations. At 06/30/2024 deferred taxes were the highest item in the Group's tax heading.

Income Statement Income taxes	Amount at 06/30/2024	Amount at 06/30/2023	Change
Current taxes	750	758	-8
Deferred tax assets	647	-14,566	15,213
Deferred tax liabilities	-135,609	-57,204	78,405
Total	-134,212	-71,012	-63,200

OTHER INFORMATION

39. NET FINANCIAL POSITION

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

ESMA NET FINANCIAL DEBT	06/30/2024	12/31/2023	Change
Financial debt	16,963,013	21,611,099	-4,648,086
Adjustments to exclude:			0
Receivables and other long-term financial assets	33,785	33,784	1
Restated net financial debt	16,929,228	21,577,315	-4,648,087

ESMA NET FINANCIAL DEBT		06/30/2024	12/31/2023	Difference
A	Cash and cash equivalents	1,659,779	776,203	883,576
B	Cash equivalents		0	0
C	Other current financial assets		0	0
D	Liquidity (A+B+C)	1,659,779	776,203	883,576
				0
E	Current financial payables	2,483,045	4,677,728	-2,194,682
F	Current portion of non-current financial payables	3,103,505	2,994,760	108,745
G	Current Financial Debt (E+F)	5,586,551	7,672,488	-2,085,937

H	Net Current Financial Debt (G-D)	3,926,772	6,896,285	-2,969,513
I	Non-current financial payables	13,036,242	14,714,814	-1,678,572
J	Debt instruments		0	0
K	Trade payables and other non-current payables		0	0
L	NON-current Financial debt (I+J+K)	13,036,242	14,714,814	-1,678,572
M	TOTAL NET FINANCIAL DEBT	16,963,013	21,611,099	-4,648,085

The Doxee Group's Net Financial Debt amounted to approximately Euro 16,963 thousand (Euro 21,611 thousand at December 31, 2023), of which cash and cash equivalents of Euro 1,660 thousand. The improvement in the Net Financial Debt, considered by the Group to be normal and sustainable, is principally due to the capital increase in June 2024, which brought around Euro 5.8 million of liquidity into the company's coffers.

40. CASH FLOW STATEMENT

The cash flow statement showed a net positive cash flow from operating activities of around Euro 1,545 thousand, mainly due to the economic flows from the core business and variation in the working capital. The first semester of 2024 saw investments of Euro 2,069 thousand, mainly outlays for technological innovation and to integrate the Austrian company acquired at the end of 2022. The production and completion of the third version of the proprietary software platform Doxee Platform 3, in line with the Company's strategic planning, are enabling the Group to achieve considerable profits, both through the generation of Revenues from the use of new modules and through savings in direct costs as a result of streamlining internal processes. In view of the degree of maturity achieved, the investments required will gradually decrease.

Funding flows reflect on the one hand the liquidity derived from the capital increase (Euro 5,875 thousand) and on the other the repayment of short and long-term bank loans for Euro 3,953 thousand. Cash on hand at June 30, 2024 was Euro 1,660 thousand.

Consolidated Cash flow statement

(in Euro)	06/30/2024	06/30/23	Change
Profit (loss) before tax	-2,548,423	-3,320,491	772,068
Reversal of amort./depreciation and write-downs and write-backs of tangible and	2,533,863	2,065,673	468,190
Reversal of financial (income)/charges	665,222	552,627	112,595
Reversal of (profits)/losses on investments	0	62,422	-62,422
Reversal of (capital gains)/capital losses on disposal of tangible assets	406	0	406
Reversal of allocations to provisions and other	0	108,613	-108,613
Net tax paid	-24,476	-41,761	17,285
Change in trade receivables	1,966,593	99,071	1,867,522
Change in trade payables	-2,167,815	-909,943	-1,257,872
Change in other receivables	322,563	-40,811	363,374
Change in other payables	322,270	672,199	-349,929
Change in tax receivables	329,039	-402,986	732,025
Change in tax payables	190,331	-264,188	454,519
Change in provisions for personnel	-44,458	295,700	-340,158
A. Net cash flow generated/(absorbed) by operating activities	1,545,115	-1,123,875	2,668,990
Investments in tangible and intang. assets	-2,068,912	-1,648,592	-420,321
Equity investments	0	-75,000	74,999
B. Cash flow generated/(absorbed) by investing activities	-2,068,912	-1,723,591	-345,321
Interest income and other financial income	34,246	8,785	25,461
Change in payables to banks for cash credit lines	7,500	203,583	-196,083
Change in payables to banks and other lenders due to repayment of loans	-3,952,664	-1,041,869	-2,910,795
Change in payables to banks and other lenders due to provision of loans	300,000	5,994,000	-5,694,000
Change in other financial payables	100,000	0	100,000
Dividends paid	0	0 ^r	0
Interest expense and other financial charges	-552,804	-382,093 ^r	-170,711
Repayment of principal on lease liabilities	-266,099	-172,872 ^r	-93,227
Capital increase against payment	5,874,825	0 ^r	5,874,825
Sale/(purchase) of treasury shares	0	-91,620 ^r	91,620
C. Cash flow generated/(absorbed) by financing activities	1,545,003	4,517,914	-2,972,911
D. Exchange rate effect	-137,629	81,441	-219,070
E. Total cash flow generated/(absorbed) during the period (A + B + C + D)	883,577	1,751,889^r	-868,313
F. Net cash and cash equivalents at the beginning of the period	776,203	2,591,489	
G. Net cash and cash equivalents at the end of the period (E + F)	1,659,779	4,343,379	

41. GUARANTEES AND COMMITMENTS AND CONTINGENT LIABILITIES

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

ISSUED ON BEHALF OF (MAIN DEBTOR)	Guarantee No.	IN FAVOUR OF (MAIN CREDITOR)	VALUE OF THE GUARANTEE	VALID UNTIL
University of Modena and Reggio Emilia	460831336028	Unicredit	€ 96,000.00	unlimited term
Enel Servizi SpA	460011462702	Unicredit	€ 127,921.00	unlimited term
Schlinder	20/18186790	Bper	€ 50,000.00	On revocation
Wind Telecomunicazioni spa	7,110,901.00	MPS	€ 3,000.00	12/31/2023
Doxee Spa (SIMEST)	7,111,101.00	MPS	€ 984,000.00	10/31/2024
Wind Telecomunicazioni spa	7,002,501.00	MPS	€ 50,000.00	12/31/2023

Poste Italiane SpA	4,413,769.00	Crédit Agricole	€ 22,982.00	On revocation
Postel SpA	4,413,768.00	Crédit Agricole	€ 50,000.00	On revocation
Postel SpA	9,882,495.00	Crédit Agricole	€ 150,000.00	On revocation
			€ 1,533,903.00	

42. OTHER INFORMATION

Employment data

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

Number of employees by category	06/30/2023	%	06/30/2024	%
Senior managers	12	6.42%	12	7.55%
Middle managers	22	11.76%	20	12.58%
Clerical staff	153	81.82%	127	79.87%
Total	187	100.00%	159	100.00%

During the first semester of 2024 there was a decrease of 24 units compared to 06/30/2023, a phenomenon which did not generate impacts on the continuity of operations or the quality of service delivered since it was accompanied by appropriate organizational reviews and improvement in internal processes and tools.

The remuneration paid to the independent auditors for the first semester of 2024 is set out below:

(thousands of Euro) Type of services	Party providing the service	Readership group	Remuneration first semester 2024
Audit of the accounts	BDO S.p.A.	Doxee S.p.A.	30

The audit services also include the audit of the statement of research and development expenses and services for the voluntary audit of the condensed consolidated half-year financial statements.

43. SUBSEQUENT SIGNIFICANT EVENTS AND FORESEEABLE EVOLUTION OF OPERATIONS

During the next semester, we believe that the group will be able to further consolidate the actions take to support sustainability and profitability. In particular, the encouraging signs from the market could lead to the acquisition of new customers, and further progress in organizational integration will continue to sustain the rationalization of internal processes and the reduction of costs.

The company will therefore proceed with the O³ plan, which combines the One Company, One Platform

and One Value Proposition projects. Confirming this and the importance of the German-speaking market for Doxee, in line with the ongoing investments we intend to strength management competences by adding a post for a marketing manager, directly reporting to the group CRO, by the end of the year. It is expected that this position will increase the efficacy of lead generation processes, reinforce the value proposition and improve the company's brand awareness.

During the coming months the company will undertake a rationalization of the subsidiaries and holdings to simplify control and provide better targeting of the management's activities. As part of this approach, in September the company sold its minority stake in DNA LAB s.r.l. of Catanzaro, a company which provides support for participation in calls for bids in the area of funded research and software development.

The capital increase at the end of June strengthened the company's equity and in the second half of the year the management will seek to improve the financial structure by rationalizing relationships with banks. This, together with the reduction in interest rates already partially implemented by the ECB, will reduce financial expenses in the second semester.

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

Modena (MO), September 26, 2024

The Chairman of the Board of Directors

Paolo Cavicchioli