ADMISSION DOCUMENT

CONCERNING THE ADMISSION TO TRADING ON EURONEXT GROWTH MILAN, THE MULTILATERAL TRADING SYSTEM ORGANISED AND MANAGED BY BORSA ITALIANA S.P.A., OF THE ORDINARY SHARES OF

Issuer

STAR7 S.p.A.

Euronext Growth Advisor and Global Coordinator

Financial Advisor

Euronext Growth Milan is a multilateral trading facility primarily dedicated to small and medium-sized enterprises and companies with high growth potential to which a higher level of risk is typically attached than to larger issuers or those with established businesses.

The investor must be aware of the risks involved in investing in this type of issuer and should decide whether to invest only after careful evaluation. In order to make a correct assessment of the securities which are the subject of the Admission Document, it is necessary to examine carefully all the information contained in this document, including Chapter 4 "Risk Factors" of Section One.

Consob and Borsa Italiana have neither reviewed nor approved the contents of this document.

*Neither the Admission Document nor the transaction described herein constitutes an admission of securities to a regulated market as defined by Italian Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented (the "**TUF**") and by the implementing regulation of the TUF, concerning the regulation of issuers, adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (the "**Issuers' Regulations**") nor pursuant to Article 3 of EU Regulation No. 2017/1129 (the "**Prospectus Regulation**"). Therefore, it is not necessary to prepare a prospectus in accordance with the schedules provided for in EU Delegated Regulation No. 980/2019. The publication of the Admission Document must not be authorised by Consob pursuant to the Prospectus Regulation or any other rule or regulation governing the preparation and publication of prospectuses (including Articles 94 and 113 of the TUF).* The offering falls within the cases of inapplicability of the provisions on public offer of financial instruments provided for by Article 1 of the Prospectus Regulation, Article 100 of the TUF and Article 34-ter of the Issuers' Regulation.

INVESTOR WARNINGS

This Admission Document has been prepared in accordance with the EGM Issuer Regulation for the purpose of admission to trading on Euronext Growth Milan of the ordinary shares of STAR7 S.p.A. and does not constitute a prospectus within the meaning and for the purposes of the TUF, the Issuers' Regulations and EU Regulation No. 1129/2017.

The Shares (as defined below) are not traded on any regulated market in Italy or abroad and the Company has not applied for admission to trading of the Shares on any other market (with the exception of Euronext Growth Milan). In order to make a correct assessment of the Shares covered by this Admission Document, it is necessary to carefully examine all the information contained in this document, including Chapter 4, entitled "*Risk Factors*", Section One.

Therefore, it is not necessary to prepare a prospectus in accordance with the schedules provided for in EU Delegated Regulation No. 2019/980. The publication of this document is not required to be authorised by Consob pursuant to EU Regulation No. 2017/1129 or any other rule or regulation governing the preparation and publication of prospectuses (including Articles 94 and 113 of the TUF).

This document is not intended to be published, distributed or disseminated (directly and/or indirectly) in jurisdictions other than Italy and, in particular, in Australia, Canada, Japan and the United States of America. The securities of the Issuer have not been and will not be registered under the Securities Act of 1933, as amended and supplemented, or with any financial regulatory authority of any state of the United States of America or under the securities laws in force in jurisdictions other than Italy and, in particular, Australia, Canada or Japan. The Issuer's securities may not be offered, sold or otherwise transferred, directly or indirectly, on behalf of or for the benefit of citizens or residents of Australia, Canada, Japan or the United States of America, unless the Issuer avails itself, at its discretion, of any exemption provided for in the regulations applicable there. The publication and distribution of this Admission Document in other jurisdictions may be subject to legal or regulatory restrictions and investors should therefore inform themselves as to the relevant legislation applicable in their respective countries of residence and observe such restrictions. Any person coming into possession of this document shall first verify the existence of such regulations and restrictions and observe such restrictions. Violation of the restrictions provided for may constitute a breach of applicable securities law in the jurisdiction in question.

This Admission Document is available on the Issuer's website (www.star-7.com). The Company declares that it will use the Italian language for all documents made available to shareholders and for any other information required by the EGM Issuer Regulation.

Please note that for the purposes related to the admission to trading of the Issuer's financial instruments on Euronext Growth Milan, Alantra Capital Markets SV S.A.U., Succursale Italiana ("**Alantra**") acted in its capacity as Euronext Growth Advisor of the Company pursuant to the EGM Issuer Regulation and the Advisors Regulation.

Pursuant to the EGM Issuer Regulation and the Advisors Regulation, Alantra is liable only to Borsa Italiana. Alantra, therefore, assumes no liability to any person who, on the basis of this Admission Document, decides at any time to invest in the Company.

It should be noted that only the persons named in Section One, Chapter 1 below are responsible to investors for the completeness and accuracy of the data and information contained in this document.

Consob and Borsa Italiana have neither reviewed nor approved the contents of this document.

CONTENTS

DEFINITIONS

The following is a list of the main definitions used in the Admission Document. Unless otherwise specified, these definitions shall have the meanings set out below. It should be noted that for such definitions, whenever the context so requires, the singular form includes the plural form and vice versa.

Commercial Agreement	The cooperation and licence agreement signed on 28 June 2021 between the Company and STAR AG.
LocalEyes acquisition	The acquisition by the Company of the entire share capital of LocalEyes and the companies forming part of the LocalEyes Group, which took place on 15 November 2021 in execution of a contract signed between Cubic Venture S.A., Kibest S.r.l. and the Company on 21 July 2021 for a provisional consideration of €32,000,000, subject to adjustment.
Admission	Admission of the Shares to trading on Euronext Growth Milan.
Shareholders' Meeting	The shareholders' meeting of the Issuer.
Acquisition Contract Assignment of Receivables Agreement	The deed of assignment as security for the receivables arising from the contract related to the LocalEyes Acquisition and claimed by the Issuer from Cubic Venture S.A. and Kibest S.r.l., sellers of LocalEyes, governed by Italian law and entered into on 12 November 2021.
LocalEyes Pledge Agreement	The deed of pledge on the entire share capital of LocalEyes, governed by Irish law signed on 15 November 2021.
Capital Increase	The share capital increase, for cash and in divisible form, resolved by the Issuer's extraordinary shareholders' meeting on 29 November 2021, with the exclusion of pre-emptive rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code insofar as serving the Placement, for a countervalue (including nominal value and any share premium) of a maximum total of €20,000,000.00 to be carried out through the issue of new Ordinary Shares, without the express indication of the nominal value, having the same characteristics as those already in circulation. In execution of the above shareholders' resolution, on 20 December 2021 the Issuer's board of directors resolved to set the total amount of the Capital Increase at €8,827,500 and the precise subscription price of the Ordinary Shares intended for the Placement at €8.25, of which €0.067 as share capital and €8.183 as share premium, with the consequent issue of a maximum of 1,070,000 Shares from the above-mentioned Capital Increase.

Kairos Capital Increase	The increase of the Company's share capital against payment and in divisible form, in favour of Kairos, resolved by the Extraordinary Shareholders' Meeting of the Company on 25 October 2021, for an amount equal to €3,000,000.00 (three million/00), including share premium, through the issue of a maximum of 414,750 (four hundred and fourteen thousand seven hundred and fifty) Special Shares, without indication of nominal value.
Shares or **Ordinary Shares**	The Issuer's ordinary shares with no par value and regular dividend rights.
Treasury Shares for sale	The 750,000 Treasury Shares held by the Company for sale, which are part of the Offer.
Special Shares	The special shares of the Issuer issued on 25 October 2021, without nominal value, reserved for subscription by Kairos Partners SGR S.P.A. on behalf of the alternative investment fund managed by it called KAIS Renaissance ELTIF.
PAS Special Shares	The 1,350,000 Shares of Dante S.r.l. and STAR AG, having voting rights in the shareholders' meeting, which, effective from the Trading Commencement Date, will be converted into PAS Special Shares of the Company (respectively, no. 750,000 Shares of Dante S.r.l. and no. 600,000 Shares of STAR AG) under the terms and according to the procedures provided for by article 6 of the Bylaws, as indicated in Section One, Chapter 15, Paragraph 15.2.2 of the Admission Document.
Borsa Italiana	Borsa Italiana S.p.A., with registered office in Milan, Piazza degli Affari n. 6.
Italian Civil Code	Royal Decree No 262 of 16 March 1942, as subsequently amended and supplemented.
Board of Statutory Auditors	The board of statutory auditors of the Issuer in office on the Trading Commencement Date.
Placement or **Offering**	The offer of a total maximum of 1,820,000 Ordinary Shares, represented by (i) a maximum of 1,070,000 Shares arising from the Capital Increase, and (ii) 750,000 Treasury Shares held by the Company for sale (the "Treasury**Shares for Sale**"), pursuant to and in accordance with article 6 of Part II ("*Guidelines*") of the EGM Issuer Regulations, aimed at: *(a)* "*qualified investors/professional customers*", as defined in Article 100 of the TUF, Article 34-ter of the Issuers Regulation and Article 35, paragraph 1, letter d) of the Intermediaries Regulation; (b) *"qualified/institutional investors"*, outside Italy, with the exclusion of institutional investors in Australia, Canada,

	Japan and the United States, pursuant to *Regulation S* of the *United States Securities Act* of 1933, and in any other foreign country in which a placement is not possible without authorisation from the competent authorities, exempt from the provisions on public offer of securities laid down in the aforementioned provisions and the equivalent legal and regulatory provisions applicable abroad, with the consequent exclusion from the publication of a prospectus; and *(c)* other categories of investors, in any event in such a way as to fall, in terms of the quantity of the Offering and the quality of the recipients thereof, within the cases of inapplicability of the above provisions on public offer of financial instruments and of the equivalent legal and regulatory provisions applicable abroad, with the consequent exclusion from the publication of a prospectus.
Board of Directors	The board of directors of the Issuer in office on the Trading Commencement Date.
Consob	The Commissione Nazionale per le Società e la Borsa with its registered office in Rome, Via G.B. Martini n. 3.
LocalEyes Acquisition Contract	The agreement entered into by the Company in connection with the LocalEyes Acquisition.
Italian Industrial Property Code	Legislative Decree No 30 of 10 February 2005 on the Italian Industrial Property Code.
Dante S.r.l.	Dante S.r.l., with registered office at Salita Mario Pizzo, 68, 15122 Alessandria, tax code, VAT number and registration number with the Register of Companies of Alessandria no. 02478920065.
Admission Document Date	The date of publication of the Admission Document by the Issuer, i.e. 21 December 2021.
Admission Date	The date of the Admission measure provided for by a specific notice published by Borsa Italiana, i.e. 21 December 2021.
Trading Commencement Date	The date on which the Issuer's Shares began trading on Euronext Growth Milan, established by a specific notice published by Borsa Italiana.
Italian Legislative Decree 231/2001	Legislative Decree No. 231 of 8 June 2001, as subsequently amended and supplemented, concerning the administrative liability of entities.
Italian Legislative Decree 39/2010	Legislative Decree No. 39 of 27 January 2010 implementing Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, as subsequently amended.

Admission Document	This admission document.
EBIT (*Earnings before interest and taxes)*	The result before financial charges and taxes for the year. EBIT is therefore the operating result before remuneration of both third-party and own capital. EBIT thus defined represents the indicator used by the Issuer's directors to monitor and evaluate the company's performance. As EBIT is not identified as an accounting measure under GAAP, it should not be considered as an alternative measure for assessing the Group's operating performance. Since the composition of EBIT is not regulated by the accounting principles of reference, the determination criteria applied by the Group may not be homogeneous with those adopted by other companies and therefore may not be comparable with them.
EBITDA (*Earnings before interest, tax, depreciation and amortisation*)	The result of operations before depreciation policy choices and assessment of collectability of trade receivables. EBITDA thus defined represents the indicator used by the Issuer's directors to monitor and evaluate the operating performance of the company's business. As EBITDA is not identified as an accounting measure under Italian GAAP, it should not be considered as an alternative measure for assessing the performance of the Issuer's operating results. As the composition of EBITDA is not regulated by the relevant accounting standards, the criteria used by the Company to determine it may not be consistent with those adopted by other entities and therefore may not be comparable with them.
Issuer or Company or STAR7	STAR7 S.p.A., with registered office at Via Alessandria, 37/b, Valle San Bartolomeo, 15122 Alessandria, tax code, VAT number and registration number with the Register of Companies of Alessandria no. 01255170050.
Euronext Growth Milan	Euronext Growth Milan, a multilateral trading system organised and managed by Borsa Italiana S.p.A.
Global Coordinator o **Euronext Growth Advisor** o **Alantra**	Alantra Capital Markets SV S.A.U., Italian Branch with registered office in Via Borgonuovo, 16, Milan, tax code, VAT number and registration number with the Companies' Register of Milan, Monza Brianza Lodi no. 10170450968.
LocalEyes Group	LocalEyes, as well as (i) the following companies: LocalEyes Albania Sh.p.k.; LocalEyes Nederland B.V.; LocalEyes Espana S.L.; LocalEyes Suomi Oy; LocalEyes USA LLC; CB Service S.A. and (ii) the following branch offices LocalEyes Ltd (German branch); LocalEyes Sverige filial; LocalEyes Denmark and LocalEyes France.

STAR7 Group or **Group**	The Issuer and its direct or indirect subsidiaries pursuant to Article 2359, paragraph 1, no. 1, of the Italian Civil Code and included in the scope of consolidation.
ISIN	An acronym for International *Security Identification Number*, which is the international code used to uniquely identify dematerialised financial instruments.
KAIROS Partners SGR	KAIROS Partners SGR S.P.A., with registered office in Milan, via San Prospero, n. 2, tax code, VAT number and registration number with the Register of Companies of Milan, 12825720159, on behalf of the alternative investment fund managed by it named KAIS Renaissance ELTIF.
Italian Copyright Law	Law No. 633 of 22 April 1941, as subsequently amended and supplemented, on copyright and related rights.
LocalEyes	LocalEyes Ltd., having its registered office at 5 Lapp's Quay, Cork (Ireland), Tax Identification Number I.e. 8263049U and Irish Company Registration Number 263049.
Monte Titoli	Monte Titoli S.p.A., with registered office at Piazza degli Affari 6, Milan.
Related Parties	*Related parties*" as defined in the regulation adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently amended and supplemented, containing provisions on related party transactions.
Shareholders' agreement	The shareholders' agreement signed on 22 October 2021 between Dante S.r.l. and STAR AG which will become effective as of the Trading Commencement Date of the Company's Shares on Euronext Growth Milan.
Bond Issues	The €20 million Bond Issue and the €5 million Bond Issue
€20 million Bond Issue	The bond issued by the Company on 12 November 2021 for a total nominal amount of up to a maximum of €20,000,000.00 named "*Star7 Tf 4.75% 2021-2028 Amort Eur*", admitted to trading on the ExtraMOT PRO3 segment, organised and managed by Borsa Italiana.
€5 million Bond Issue	The bond issued by the Company on 12 November 2021 for a total nominal amount of up to a maximum of €5,000,000.00 named "*Star7 Tf 4.75% Ott28 Amort Eur*", admitted to trading on the ExtraMOT PRO3 segment, organised and managed by Borsa Italiana.
Italian Accounting Standards or **Italian GAAP**	The accounting standards governing the criteria for the preparation of financial statements for Italian companies not listed on regulated markets, issued by the Consiglio Nazionale

	dei Dottori Commercialisti e degli Esperti Contabili and the Organismo Italiano di Contabilità.
Advisors Regulation	The Euronext Growth *Advisor* Rules of Euronext Growth Milan approved and published by Borsa Italiana, as subsequently amended and supplemented.
Issuers Regulation	The regulation implementing the Italian Finance Act (TUF), concerning the regulation of issuers, adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented.
EGM Issuer Regulation	The Issuers Regulation drawn up by Euronext Growth Milan approved and published by Borsa Italiana, as subsequently amended and supplemented.
Intermediaries Regulation	The implementing regulation of the Italian Finance Act (TUF), concerning the discipline of intermediaries, adopted by Consob with resolution no. 20307 of 15 February 2018, as subsequently amended and supplemented.
Prospectus Regulation	The EU Regulation 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.
Independent Auditors	BDO Italia S.p.A. with registered office in Viale Abruzzi no. 94, 20131 - Milan tax code, VAT no. and Milan Companies' Register no. 07722780967.
Company Bylaws or **Bylaws**	The Bylaws of the Issuer adopted by resolution of the Extraordinary Shareholders' Meeting of the Company on 29 November 2021, which are available on the Issuer's website (www.star-7.com and will become effective as of the Trading Commencement Date.
STAR AG	Star AG, Software, Translation, Artwork, Recording, with registered office at Wiesholz 35, 8262 Ramsen (Switzerland) registration number in the commercial register of the canton of Schaffhausen CH-102.892.540.
STAR7 Printing	STAR7 Printing S.r.l., with registered office in Via Marco Polo 20, 14100, Asti, Italy, tax code, VAT number, and registration number with the Register of Companies of Alessandria-Asti no. 01495260059.
Italian Banking Act (TUB) or **TUB**	Legislative Decree No 385 of 1 September 1993, as subsequently amended and supplemented.
Italian Finance Act (TUF) or **TUF**	Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented.

Italian Income Tax Act or **TUIR**	Italian Presidential Decree 917 of 22 December 1986, as subsequently amended and supplemented.

GLOSSARY

The following is a list of the main technical terms used in the Admission Document. Such terms, unless otherwise specified, shall have the meanings set out below. Please note that for the terms below, whenever the context so requires, the singular form includes the plural form and vice versa.

After Sales / Technical Support Service	The provision of integrated solutions for typical *after-sale* activities (such as *customer care*, *help desk* and *training* services).
Authoring Service	The provision of advisory and practical support in the creation of technical documentation to support its customers' activities with regard to complex products.
Automotive	The branch of the manufacturing industry that deals with the design, construction, marketing and sales of motor vehicles
Brand Identity	The set of graphic/communication aspects and elements that determine the public perception and reputation of a brand.
Computer-Generated-Imagery	The application in the field of 3D *computer* graphics that allows the creation of digital special effects.
Content & Experience Innovation	Solutions with a high degree of specialisation in digital transformation.
Integrale[7] contracts	Contracts for the integrated provision of two or more different services offered by the Group.
Cross-selling	The strategy of selling a new service to a customer after having consolidated and confirmed the sale of the first one.
Customer relationship management	The activities related to customer relationship management.
Digital printing	Digital printing is the process of printing using electronic processes, which allows digital images to be reproduced without the need for a matrix or plate.
Technical documentation	The set of documents and materials suitable for providing support and knowledge in certain technical fields (e.g. illustrative manuals, technical and maintenance manuals, spare parts catalogues).
Engineering Service	The provision of support in the study of product development.
Industry 4.0	The emergence of new cybernetic technologies and processes in industry to increase productivity and the quality of plant output.
Process engineering	The activity relating to the design, management, control and optimisation of production processes, using computerised

	calculation and simulation systems.
Product engineering	Process engineering, i.e. the study and validation of assembly processes in customers' production lines.
Kitting	The provision of customised assembly and packaging services.
Learning Management System	An application platform that allows courses to be delivered in *e-learning* mode in order to help implement a given project.
3D modelling	The process of defining any three-dimensional shape in a virtual space generated on a computer.
STAR AG **Network**	The company STAR AG and its subsidiaries, jointly controlled companies and/or companies linked by a joint venture or, in general, by a business relationship.
Operations & Logistics	The provision of services related to supply control, goods receipt and storage, distribution planning and management.
Physical Stock	The provision of preservation, cataloguing and classification services for documentation.
Complex products	A tangible good resulting from the union and/or assembly of several simple components.
Immersive Virtual Reality	The possibility of enabling the simulation of real situations through the use of computers and specially developed interfaces.
Technical authoring or *Authoring*	The activity of transposing technical information aimed at users of complex products onto a traditional or multimedia medium.
Software	The set of intangible components of an electronic processing system.
Creative translation	The translation service also includes a processing activity aimed at enhancing the promotional and/or dissemination objectives of the text.

PLANNED TIMETABLE OF THE OPERATION

Date of submission of pre-admission communication	7 December 2021
Date of submission of admission request	16 December 2021
Admission Document Date	21 December 2021
Admission Date	21 December 2021
Trading Commencement Date	23 December 2021

DOCUMENTS ACCESSIBLE TO THE PUBLIC

The following documents are available to the public at the registered office of the Issuer (in Via Alessandria, 37/b, Valle San Bartolomeo, I-15122 Alessandria (AL)) and on the website www.star-7.com::

- the Admission Document;
- the Bylaws of the Issuer;
- Consolidated half-yearly report as at 30 June 2020;
- Financial Statements as at 31 December 2020, accompanied by the Independent Auditors' report;
- Group consolidated financial statements as at 31 December 2020, accompanied by the independent auditors' report;
- Consolidated half-yearly report as at 30 June 2021, accompanied by the relevant Independent Auditors' report;
- *Pro forma* consolidated financial statements as at 31 December 2020, accompanied by the Independent Auditors' report;
- *Pro forma* consolidated half-yearly report as at 30 June 2021, accompanied by the relevant Independent Auditors' report.
- Consolidated financial statements as at 30 June 2021 of LocalEyes, accompanied by the related report of the independent auditors Crowleys DFK Unlimited Company; and
- Consolidated financial statements for the year ended 31 December 2020 of LocalEyes, accompanied by the related report of the independent auditors Crowleys DFK Unlimited Company.

SECTION ONE

1. RESPONSIBLE PERSONS, INFORMATION FROM THIRD PARTIES, EXPERT REPORTS AND APPROVAL BY THE COMPETENT AUTHORITIES

1.1 Persons responsible for the information provided in the Admission Document

STAR7 S.p.A., as Issuer, with registered office in Via Alessandria, 37/b, Valle San Bartolomeo, 15122 Alessandria, is responsible for the completeness and truthfulness of the data, information and news contained in this Admission Document.

1.2 Expert reports and opinions

Apart from the market sources indicated in the Admission Document as well as the reports issued by the Independent Auditors, no opinions or reports have been issued by any expert for the purposes of the Admission Document.

1.3 Declaration of persons responsible for the Admission Document

The Issuer declares that the information contained in the Admission Document is, to the best of its knowledge, in accordance with the facts and that the Admission Document contains no omissions likely to affect its import.

1.4 Information from third parties

The Issuer declares that the information from third parties set out in this Admission Document has been faithfully reproduced and that, to the best of its knowledge or ascertained on the basis of information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The sources of such information are specified in the same paragraphs of the Admission Document in which it is given.

It should be noted, however, that most of the information from third parties contained or used in the Admission Document was prepared prior to the occurrence of the epidemiological emergency by COVID-19, and therefore does not take into account the negative effects, even if only potential, resulting from such health emergency, except where expressly specified.

2. STATUTORY AUDITORS

2.1 Statutory auditors of the Issuer

On 4 May 2021, the Ordinary Shareholders' Meeting of the Issuer appointed BDO Italia S.p.A., with registered office in Viale Abruzzi no. 94, 20131 Milan, to audit the Company's separate and consolidated financial statements for the financial years 2021, 2022 and 2023 pursuant to Article 13 of Italian Legislative Decree 39/2010, as well as to ensure that the accounts are properly kept and that the operating events are correctly identified in the said accounting documents.

There were no findings or refusals by the Independent Auditors regarding the Issuer's audited financial statements during the period to which the financial information included in the Admission Document relates.

The Group's consolidated financial statements as of and for the years ended 31 December 2020 and 2019 have been prepared in accordance with Italian Accounting Standards and have been audited by the independent auditors, who expressed an unqualified opinion on each of the years examined.

The consolidated half-yearly financial report as at 30 June 2020 has been prepared in accordance with Italian Accounting Standards and has been subject to a limited audit by the independent auditors, who issued an unqualified opinion.

The consolidated half-yearly financial report for the six months ended 30 June 2021 was prepared in accordance with Italian Accounting Standards and was subject to a limited audit by the independent auditors, who issued an unqualified opinion.

The financial statements of the Company for the years ended 31 December 2020 and 2019 have been prepared in accordance with Italian Accounting Standards and have been audited by the independent auditors, who expressed an unqualified opinion on each of the years examined.

The pro forma consolidated financial statements as at 31 December 2020 and the pro forma half-yearly report of the Issuer as at 30 June 2021 have been prepared in accordance with Italian Accounting Standards and have been audited by the Independent Auditors.

2.2 Information on relations with the Independent Auditors

As at the Admission Document Date, the Issuer has not revoked the appointment of the Independent Auditors, nor has the Independent Auditors withdrawn their appointment.

3. SELECTED FINANCIAL INFORMATION

3.1 Introduction

This chapter sets out selected financial information of the Group and the Issuer for the six months ended 30 June 2021 and 2020 and the financial years ended 31 December 2020 and 31 December 2019.

The Group's scope of consolidation for the six months ended 30 June 2021 includes the following controlling interests:

Company	Registered office	Currency	Shareholding	Stake
STAR7 Engineering S.r.l.	Italy	Euro	Direct	100%
AD Studio S.r.l.	Italy	Euro	Direct	100%
STAR7 Printing S.r.l.	Italy	Euro	Direct	60%
Star USA LLC	USA	USD	Direct	100%
Star7 Austria GmbH	Austria	Euro	Direct	100%
Star Comunicação e Serviços Ltda	Brazil	Real	Direct	75%
Call Comunicação e Serviços Ltda	Brazil	Real	Direct	75%
Star Albania SHPK	Albania	Lek	Direct	100%
Techworld Language Services Inc.	USA	USD	Indirect	100%
The Geo Group Corporation	USA	USD	Indirect	100%

The Group's scope of consolidation at 31 December 2020 includes the following controlling interests:

Company	Registered office	Currency	Shareholding	Stake
STAR7 Engineering S.r.l.	Italy	Euro	Direct	100%
AD Studio S.r.l.	Italy	Euro	Direct	100%
STAR7 Printing S.r.l.	Italy	Euro	Direct	60%
Star USA LLC	USA	USD	Direct	100%
Star7 Austria GmbH	Austria	Euro	Direct	100%
Star Comunicação e Serviços Ltda	Brazil	Real	Direct	75%
Call Comunicação e Serviços Ltda	Brazil	Real	Direct	75%
Star Albania SHPK	Albania	Lek	Direct	100%
Techworld Language Services Inc.	USA	USD	Indirect	100%

During the year 2021, as part of the strategic development of the Group's business, foreign activities were increased with the acquisition by the investee STAR USA LLC of the entire share capital of The Geo Group Corporation (for further information, see Section One, Chapter 16, Paragraph 16.3.2 of this Admission Document).

On 15 November 2021, the Company also completed the LocalEyes Acquisition (for further information, please refer to Section One, Chapter 16, Paragraph 16.3.1 of this Admission Document).

As a result of the above transactions, the Group's pro forma scope of consolidation for the year ended 31 December 2020 and for the six months ended 30 June 2021 includes the following companies, in addition to STAR7:

Company	**Registered office**	**Currency**	**Shareholding**	**Stake**
STAR7 Engineering S.r.l.	Italy	Euro	Direct	100%
AD Studio S.r.l.	Italy	Euro	Direct	100%
STAR7 Printing S.r.l.	Italy	Euro	Direct	60%
Star USA LLC	USA	USD	Direct	100%
Star7 GmbH	Austria	Euro	Direct	100%
Star Comunicação e Serviços Ltda	Brazil	Real	Direct	75%
Call Comunicação e Serviços Ltda	Brazil	Real	Direct	75%
Star Albania SHPK	Albania	Lek	Direct	100%
Techworld Language Services Inc.	USA	USD	Indirect	100%
The Geo Group Corporation	USA	USD	Indirect	100%
LocalEyes Ltd.(*)	Ireland	Euro	Direct	100%

(*) In the table, only the LocalEyes shareholding has been indicated, although the following LocalEyes subsidiaries should be included: LocalEyes Albania Sh.p.k.; LocalEyes Nederland B.V.; LocalEyes Espana S.L.; LocalEyes Suomi Oy; and LocalEyes USA LLC.

It should also be noted that on 25 October 2021, the Company approved the Kairos Capital Increase (for further information, please refer to Section One, Chapter 15, Paragraph 15.1.7 of this Admission Document).

In particular, the Group's pro forma financial statements for the year ended 31 December 2020 and for the six months ended 30 June 2021 include the balance sheet data of The Geo Group Corporation and LocalEyes as at the same date and the income statement and cash flow effects for the entire reporting period.

In contrast, STAR7's final consolidated financial statements for the year ended 31 December 2020 do not include the balance sheet figures or the income statement and cash flows relating to The Geo Group and LocalEyes Group.

As regards the figures for the six months ended 30 June 2021, it should be noted that the balance sheet figures of The Geo Group Corporation at that date are included, while the related economic and cash flow effects have only been considered from the date of completion of the acquisition of The Geo Group Corporation (which took place on 23 April 2021). The balance sheet, income statement and financial data of the LocalEyes Group are not included.

Finally, it should be noted that the Brazilian company Star Comunicação e Serviços Ltda holds the following investments in companies, whose economic data are considered insignificant compared to those of the STAR7 Group and therefore not included in the assessment of the consolidated financial statements: (i) Starcom Argentina SAS, (ii) Star Comunicação e Serviços - SCP (equal partnership between Star Comunicação e Serviços and Star do Brasil (controlled by Star AG)) and (iii) Star Comunicação e Serviços - SCP III (equal partnership between Star Comunicação e Serviços and Felipe Caputo).

3.2 Selected financial information of the Group, covering the six months ended 30 June 2021 and 2020 and the year ended 31 December 2020 and 2019

The selected financial information in this section has been extracted and/or processed on the basis of the following documents:

- the Group's consolidated half-yearly financial statements for the six months ended 30 June 2021, prepared in accordance with OIC 30 of the Italian Accounting Standards (principle concerning interim financial reporting), approved by the Issuer's Board of Directors on 7 October 2021 and subject to a limited audit by the Independent Auditors, who issued their report on 13 October 2021;

- the Group's pro forma consolidated financial statements for the six months ended 30 June 2021, approved by the Issuer's Board of Directors on 29 November 2021 and examined by the Independent Auditors who issued their report on 3 December 2021;

- the Group's consolidated financial statements for the year ended 31 December 2020, prepared in accordance with Italian Accounting Standards, approved by the Issuer's Board of Directors on 19 April 2021 and audited by the Independent Auditors, who issued their report on 29 April 2021;

- the Group's pro forma consolidated financial statements for the year ended 31 December 2020, approved by the Issuer's Board of Directors on 29 November 2021 and examined by the Independent Auditors who issued their report on 3 December 2021;

- the Group's consolidated financial statements for the year ended 31 December 2019, prepared in accordance with Italian Accounting Standards, approved by the Issuer's Board of Directors on 20 February 2020 and audited by the Independent Auditors, who issued their report on 13 March 2020.

In view of the different purposes of *pro forma* data compared to those of a normal consolidated financial statement, and because the effects are calculated differently with respect to the balance sheet and income statement, the *pro forma* consolidated balance sheet and income statement should be read and interpreted separately without looking for accounting links or correspondences between the two documents. Furthermore, the pro-forma data are not intended to represent in any way a forecast of the Group's future financial and economic situation.

The following paragraphs set out the Group's pro forma consolidated income statement, pro forma consolidated balance sheet and pro forma consolidated net financial position for the six months ended 30 June 2021 and the year ended 31 December 2020. The pro forma data have been prepared on the basis of the drafting principles contained in Consob Communication DEM/1052803 of 5 July 2001, in order to reflect retroactively the Issuer's historical accounting data relating to the dates specified above. These figures were approved by the Board of Directors of the Issuer on 29 November 2021.

In particular, the *pro-forma* consolidated data have been prepared on the basis of the following criteria:

- the balance sheet effects take effect as of the end of the reporting period for the preparation of the *pro forma* consolidated balance sheets;

- the economic effects start from the beginning of the period under presentation as regards the preparation of the pro-forma consolidated income statements.

3.3 Selected pro forma consolidated financial data for the six months ended 30 June 2021 and for the year ended 31 December 2020

This section sets out selected financial data from the *pro* forma consolidated half-yearly report ended 30 June 2021 and the pro forma consolidated financial statements ended 31 December 2020.

3.3.1 Selected pro-forma consolidated financial data for the six months ended 30 June 2021

The following table shows the *pro forma* consolidated income statement figures for the six months ended 30 June 2021 compared with the income statement figures taken from the consolidated half-year report as at 30 June 2021.

Income Statement (Euro)	**Consolidated half-yearly report *pro-forma* as at 30 June 2021**	**Consolidated half-yearly report as at 30 June 2021**	**Change**	**%**
Revenues from sales	34,956,267	28,078,559	6,877,708	24%
Change in inventories of finished products	104,686	18,339	86,347	471%
Other income	738,234	533,036	205,198	38%
Value of production	**35,799,187**	**28,629,934**	**7,169,253**	**25%**
Raw materials costs	(2,104,467)	(2,104,467)	0	0%
Services costs	(13,282,036)	(10,343,570)	(2,938,466)	(28)%
Leases and rentals	(833,676)	(728,508)	(105,168)	(14)%
Personnel costs	(12,514,281)	(10,685,718)	(1,828,563)	(17)%
Sundry operating expenses	(410,291)	(410,291)	0	0%
Writedown of trade receivables	(68,496)	(66,329)	(2,167)	(3)%
EBITDA[1]	**6,585,940**	**4,291,051**	**2,294,889**	**53%**

[1] EBITDA is defined as Earnings Before Tax (EBT), as reported in the statement of profit/(loss) for the year, gross of: (i) financial income and expenses, (ii) amortisation of intangible assets, (iii) depreciation of property, plant and equipment, (iv) provisions. Since EBITDA is not identified as an accounting measure under IFRS adopted by the European Union, its quantitative result may not be unambiguous.

Amortisation, depreciation and other writedowns	(3,115,167)	(1,432,445)	(1,682,722)	(117)%
EBIT[2]	**3,470,772**	**2,858,606**	**612,166**	**21%**
Net financial income (expense)	(807,577)	(225,087)	(582,490)	(259)%
Pre-tax profit/(loss)	**2,663,196**	**2,633,519**	**29,677**	**1%**
Taxes for the year	(538,366)	(676,620)	138,254	20%
Profit (loss) for the year	**2,124,830**	**1,956,899**	**167,931**	**9%**
(Profit)/Loss attributable to minority interests	(178,228)	(178,228)	0	0%
Profit (loss) for the yea attributable to owners of the parent	**1,946,602**	**1,778,671**	**167,931**	**9%**

A comparison between the item "*Value of production*" included in the column "*Pro-forma consolidated half-year report as at 30 June 2021*" and "*Pro-forma consolidated half-year report as at 30 June 2021*" shows a difference of €7,169,253 due to the integration within the STAR7 consolidated financial statements of the revenues of LocalEyes Group and The Geo Group Corporation.

Specifically:

- as regards LocalEyes, all revenues generated from 1 January 2021 to 30 June 2021 are recognised, for a total amount of €6,430,844 (of which €6,344,497 refer to revenues from sales) and €86,347 refer to changes in contract work in progress;
- with regard to the integration of the value of production of The Geo Group Corporation, since the transaction was completed on 23 April 2021, the revenues generated by this company from that date to 30 June 2021 are included in STAR7's half-yearly consolidated financial statements. In this regard, the subject of the pro-forma concerns the revenues generated from 1 January 2021 to 23 April 2021. Revenues from sales for the period amounted to €533,211, plus operating grants of €195,245 and other revenues of €9,953.

"*Services costs*" increased as a result of the pro-forma entries of €2,938,466, of which €2,894,890 related to LocalEyes and €196,576 to The Geo Group Corporation, respectively, while amounts related to contractual agreements to reduce costs for services amounting to €153,000 were eliminated from the pro-forma entries.

"*Leases and rentals*" in the *pro forma* consolidated financial statements column as of 30 June 2021 amounted to €833,676, compared to the consolidated financial statements column as of 30 June 2021 the difference was €105,168, of which €79,664 were lease and rental costs for LocalEyes, and €69,828 were the same costs for The Geo Group Corporation, to which a cost adjustment of €44,324 was added based on specific contractual agreements. In particular, The Geo Group Corporation leases a number of properties owned by a company related to the former

[2] EBIT is defined as Earnings before Tax (EBT), as shown in the statement of profit/(loss) for the year, before financial income and expenses. Since EBIT is not identified as an accounting measure under IFRS adopted by the European Union, its quantitative result may not be unambiguous.

shareholders.

Within the item "*Personnel costs*", the costs attributable to LocalEyes increased by €1,525,241, of which (i) €1,267,287 was for wages and salaries, (ii) €243,115 was for social security charges and (iii) €14,839 was for other personnel costs. Costs related to The Geo Group Corporation (related only to the period between 1 January 2021 and 23 April 2021), refer to wages and salaries for €238,498, social security charges for €18,598 and other personnel costs for €2,874.

In addition to the effect of the inclusion of LocalEyes and The Geo Group in the scope of consolidation, there were higher personnel costs in Italy and outside Italy for €54,784 attributable to LocalEyes and lower personnel costs for €11,432 attributable to The Geo Group Corporation.

The item "*writedown of trade receivables*", included in working capital, increased by €2,167 as a result of the LocalEyes Acquisition.

Within the item "*Depreciation and other writedowns*", it should be noted that:

- depreciation of property, plant and equipment changed by €55,054 in relation to LocalEyes depreciation and by €352 in relation to The Geo Group Corporation depreciation;

- the amortisation of intangible assets is affected by the amortisation of LocalEyes' software and the amortisation of goodwill resulting from the pro-forma acquisition of LocalEyes and The Geo Group Corporation on 1 January 2021. In particular, the goodwill arising from the LocalEyes Group's pro-forma transaction amounts to €29,442,000 and is amortised over ten years. Accordingly, the pro-forma results in the amortisation of goodwill arising from the consolidation of The Geo Group Corporation for the period between 1 January 2021 and 23 April 2021 being charged to the income statement on a pro-rata basis, with the effect on the amortisation of intangible assets of €38,852;

- in the writedowns, there is a provision for future bonuses to employees arising from the LocalEyes Group for €43,593 related to the targets set for key personnel at the time of the LocalEyes Acquisition.

The negative change in the item "*Net financial income and (expenses)*" between the column pro forma consolidated half-yearly report at 30 June 2021 and the consolidated half-yearly report at 30 June 2021 mainly refers to the interest on the Bond Issues related to the financing of the LocalEyes Acquisition (specifically, the amount of interest related to the pre-amortisation period for the first half of 2021, equal to €588,870) and for €1,565 deriving from the integration of the interest recognised in the LocalEyes half-yearly report.

On the other hand, with reference to The Geo Group Corporation, a positive change of €4,815 was recorded due to the reversal of interest expenses towards companies of the Geo Group Corporation for loans closed at the time of the acquisition.

The change in the item "*Pre-tax profit/(loss)*" amounting to €138,254 is due to current taxes of

€19,105 related to the inclusion in the aggregate of LocalEyes Group and The Geo Group Corporation and to a positive change of €157,359 related to the deductibility of interest expenses arising from the Company Bond Issues connected to the financing of the LocalEyes Acquisition.

3.3.2 Selected pro-forma consolidated financial data for the year ended 31 December 2020

The following table shows the pro forma consolidated income statement figures for the year ended 31 December 2020 compared with the income statement figures taken from the consolidated financial statements as at 31 December 2020

Income Statement (Euro)	Consolidated pro-forma as at 31 December 2020	Consolidated as at 31 December 2020	Change	%
Revenues from sales	61,845,676	43,460,628	18,385,048	42%
Change in inventories of finished products	(332,116)	(205,116)	(127,000)	(62)%
Other income	1,553,591	1,349,637	203,954	15%
Value of production	**63,067,151**	**44,605,149**	**18,462,002**	**41%**
Raw materials costs	(2,757,485)	(2,757,485)	0	0%
Services costs	(28,627,365)	(19,108,749)	(9,518,616)	(50)%
Leases and rentals	(1,753,730)	(1,426,375)	(327,355)	(23)%
Personnel costs	(19,446,417)	(15,936,832)	(3,509,585)	(22)%
Sundry operating expenses	(1,123,592)	(994,382)	(129,210)	(13)%
Writedown of trade receivables	(129,992)	(129,992)	0	0%
EBITDA[3]	**9,228,570**	**4,251,335**	**4,977,235**	**117%**
Amortisation, depreciation and writedowns	(5,158,181)	(1,726,620)	(3,431,561)	(199)%
EBIT[4]	**4,070,389**	**2,524,714**	**1,545,675**	**61%**
Net financial income (expense)	(1,670,958)	(391,300)	(1,279,658)	(327)%
Pre-tax profit/(loss)	**2,399,431**	**2,133,414**	**266,017**	**12%**
Taxes for the year	(716,175)	(448,296)	(267,879)	(60)%
Profit (loss) for the year	**1,683,256**	**1,685,118**	**(1,862)**	**(0)%**
(Profit)/Loss attributable to minority interests	(191,832)	(191,832)	0	0%
Profit (loss) for the yea attributable to owners of the parent	**1,491,424**	**1,493,286**	**(1,862)**	**(0)%**

A comparison between the item "*Value of production*" included in the column "*Consolidated pro forma as at 31 December 2020*" and "*Consolidated as at 31 December 2020*", shows a difference of €18,385,048 due to the integration of the revenues of LocalEyes Group and The Geo Group Corporation in the STAR7 consolidated financial statements. LocalEyes' revenues from sales

[3] EBITDA is defined as Earnings Before Tax (EBT), as reported in the statement of profit/(loss) for the year, gross of: (i) financial income and expenses, (ii) amortisation of intangible assets, (iii) depreciation of property, plant and equipment, (iv) provisions. Since EBITDA is not identified as an accounting measure under IFRS adopted by the European Union, its quantitative result may not be unambiguous.
[4] EBIT is defined as Earnings before Tax (EBT), as shown in the statement of profit/(loss) for the year, before financial income and expenses. Since EBIT is not identified as an accounting measure under IFRS adopted by the European Union, its quantitative result may not be unambiguous.

amounted to €15,744,000, while The Geo Group Corporation's sales revenues amounted to €2,641,048(in respect of the pro forma figures for the year ended 31 December 2020, all economic values of The Geo Group Corporation are taken into account, since the transaction was completed on 23 April 2021).

The differences arising from the change in the scope of consolidation related to the inclusion of the pro forma data are due to the change in the inventories for contract work in progress present in LocalEyes for an amount of €127,000 and to the operating contributions of The Geo Group Corporation for €203,954.

The services costs included in the column "*Pro forma consolidated financial statements as at 31 December 2020*" are higher than the same values in the column "*Consolidated financial statements as at 31 December 2020*" due to the costs for services of LocalEyes amounting to €8,955,000 and of The Geo Group Corporation amounting to €1,167,918. In addition, pro-forma entries are also recognised due to lower costs for services as a result of a reduction in contracted management costs for services of €604,000.

The item "*Lease and rental costs*" in the *pro forma* consolidated financial statements as at 31 December 2020 amounts to €1,753,730. The change with respect to the consolidated financial statements at 31 December 2020 is determined by €273,000 in lease and rental costs for LocalEyes, and €208,237 in the same costs for The Geo Group Corporation, to which must be added an adjustment of €153,882 in costs arising from the negotiation of lease payments for buildings leased by The Geo Group Corporation and owned by a company related to the former shareholders.

Within the item "*Personnel costs*", the costs attributable to LocalEyes increased by €2,346,000 due to wages and salaries, while the costs relating to The Geo Group Corporation amounted to €1,054,018, of which (i) €898,809 due to wages and salaries, (ii) €62,185 for social security charges and (iii) €93,024 due to other personnel costs. In addition to the effect of the inclusion of LocalEyes and The Geo Group in the scope of consolidation, the pro-forma entries recognise the higher personnel costs that were agreed in the acquisition agreements for key personnel. These agreements provide for an increase in remuneration, as they were previously partners, but also for an increase in the company's cost by changing their contractual treatment; the impact on the income statement is €109,567.

Within the item "*Depreciation and other writedowns*", it should be noted that:

- depreciation of property, plant and equipment changed by €108,000 due to LocalEyes depreciation and by €3,000 due to The Geo Group Corporation depreciation;

- the amortisation of intangible assets is affected by the amortisation of LocalEyes' software in the amount of €14,000 and the amortisation of goodwill, resulting from the pro-forma acquisition of LocalEyes and The Geo Group Corporation on 1 January 2021. The goodwill arising from the LocalEyes Group's pro-forma transaction amounts to €29,442,000 and is amortised over ten years. In particular, the figure relating to the capitalisation of commission charges (success fees) to Banca Sella, in its capacity as arranger of the Bond Issues linked to the LocalEyes Acquisition, in the amount of €625,000 (repaid in the amount of €147,130 during the year ended 31 December 2020) has been included. Consequently, the pro-forma involves the recognition in the income statement of the amortisation (over ten years) of the goodwill arising from the consolidation of The Geo Group Corporation in the amount of €1,244,000;

- the writedowns include the provision for future bonuses to employees arising from the LocalEyes Group for €87,000 referred to the targets set for key personnel at the time of the LocalEyes Acquisition.

With regard to the item "*Net financial income (expense)*", it should be noted that the difference of €1,279,658 is mainly due to interest on the Bond Issues related to the financing of the LocalEyes Acquisition for €1,187,500.

The change in the item "*Taxes for the year*" is due to an amount of €547,941 for current taxes related to the inclusion in the aggregate of the LocalEyes Group and The Geo Group Corporation. Lastly, positive changes were recorded for an amount of €280,062 related to the deductibility of interest expense arising from the Company's Bond Issues and connected to the financing of the LocalEyes Acquisition.

3.3.3 Selected balance sheet and financial data of the Group, relating to the pro-forma financial statements as at 30 June 2021

The following table shows the pro forma consolidated balance sheet figures for the period ended 30 June 2021 compared with the balance sheet figures taken from the consolidated half-yearly report as at 30 June 2021.

Reclassified Balance Sheet (Euro)	**Consolidated half-yearly report *pro-forma* as at 30 June 2021**	**Consolidated half-yearly report as at 30 June 2021**	**Change**	**%**
Intangible assets	39,814,708	9,669,581	30,145,127	312%
Property, plant and equipment	5,834,550	5,624,012	210,538	4%
Financial assets	420,386	342,583	77,803	23%
Total non-current assets	**46,069,644**	**15,636,176**	**30,433,468**	**195%**
Inventories	1,566,168	1,241,249	324,919	26%
Trade receivables	24,766,913	23,812,206	954,707	4%
Other assets	5,550,692	5,267,971	282,721	5%
Trade payables	(6,816,860)	(6,542,533)	(274,327)	(4)%
Other liabilities	(6,312,639)	(5,821,450)	(491,189)	(8)%
Net working capital	**18,754,274**	**17,957,443**	**796,831**	**4%**
Total capital employed	**64,823,918**	**33,593,619**	**31,230,299**	**93%**
Net equity attributable to owners of the Parent	12,530,434	9,530,434	3,000,000	31%
Net equity attributable to minority interests	834,789	834,789	0	0%

Provisions for risks and charges	211,099	211,099	0	0%
Severance pay	3,689,241	3,689,241	0	0%
Net financial debt	47,558,355	19,328,056	28,230,299	146%
Total sources of funding	**64,823,918**	**33,593,619**	**31,230,299**	**93%**

In the item "*Intangible assets*", the difference between the figure shown in the column of the pro forma consolidated half-year report as at 30 June 2021 and the column of the consolidated half-year report as at 30 June 2021 is mainly due to the goodwill generated by the elimination of the investments, resulting from the pro forma, in LocalEyes and in The Geo Group Corporation. In particular, the goodwill generated by the elimination of LocalEyes is €29,438,213, generated by the elimination of the equity investment of €32,746,356, compared to an amount of net equity at the time of completion of the LocalEyes Acquisition (understood as if it had occurred on 1 January 2021) of €3,308,143.

With regard to the LocalEyes Acquisition, the figure related to the costs connected to the success fees due to Banca Sella, as arranger of the Bond Issues related to the LocalEyes Acquisition, for an amount equal to €625,000.

The item "*Property, plant and equipment*" shows a difference of €210,538, due to the inclusion in the pro forma consolidated half-year report as of 30 June 2021 of LocalEyes and, in particular, of costs related to office equipment and software owned by LocalEyes.

The item "*Financial assets*" increased in the pro forma consolidated half-yearly report as at 30 June 2021 as a result of the Acquisition of LocalEyes, which includes in its financial statements an equity investment of €78,000 in C.B. Service S.A., a company incorporated under Swiss law, active in translation services, 42% owned by LocalEyes and connected to the LocalEyes Group.

The difference in the item "*Inventories*" between what is reported in the *pro-forma* consolidated half-yearly report as of 30 June 2021 and the consolidated half-yearly report as of 30 June 2021 is €324,919, referring, in particular, to work in progress, on order, of LocalEyes.

The item "*Trade receivables*" shows, on the other hand, an increase due to the entry of LocalEyes in the consolidation area for an amount of €954,707.

The differences related to the item "*Cash and cash equivalents*" are, however, due to two distinct reasons: (i) the positive differences are related to the inclusion in the pro forma consolidated half-yearly report at 30 June 2021 of LocalEyes' cash and cash equivalents in the amount of €2,141,000, and (ii) the negative differences in the amount of €2,625,000 are, on the other hand, due to the LocalEyes Acquisition, in respect of which STAR7 paid LocalEyes €24,500,000, with the simultaneous Bond Issues. Finally, there was also a positive change of €3,000,000 related to the Kairos capital increase.

The item "*Other liabilities*" (comprising "amounts due *other creditors*", "payables to *social security institutions*" and "*accrued expenses and deferred* income") shows a negative difference dictated by the pro-forma entries, amounting to €491,189, of which €424,315 is for other payables and €66,874 is for amounts due to social security institutions, arising from the consolidation of LocalEyes.

With regard to the item "*Net financial debt"*, please refer to what is included in Section One, Chapter 3, Paragraph 3.3.5 of the Admission Document.

3.3.4 Selected balance sheet and financial data of the Group, relating to the pro-forma financial statements for the year ended 31 December 2020

The following table shows the pro forma consolidated balance sheet figures for the year ended 31 December 2020 compared with the balance sheet figures taken from the consolidated financial statements as at 31 December 2020.

Reclassified Balance Sheet (Euro)	***Pro-forma* as at 31 December 2020**	**Consolidated as at 31 December 2020**	**Change**	**%**
Intangible assets	39,671,572	8,305,500	31,366,072	378%
Property, plant and equipment	5,734,249	5,387,641	346,608	6%
Financial assets	540,857	511,857	29,000	6%
Total non-current assets	**45,946,678**	**14,204,998**	**31,741,680**	**223%**
Inventories	973,851	734,851	239,000	33%
Trade receivables	24,593,436	23,953,808	639,628	3%
Other assets	3,873,591	3,537,665	335,926	9%
Trade payables	(7,277,499)	(6,697,484)	(580,015)	(9)%
Other liabilities	(5,463,274)	(4,798,612)	(664,662)	(14)%
Net working capital	**16,700,105**	**16,730,228**	**(30,123)**	**(0)%**
Total capital employed	**62,646,783**	**30,935,226**	**31,711,557**	**103%**
Net equity attributable to owners of the Parent	13,309,702	10,309,702	3,000,000	29%
Net equity attributable to minority interests	713,441	713,441	0	0%
Provisions for risks and charges	308,901	308,901	0	0%
Severance pay	3,280,750	3,280,750	0	0%
Net financial debt	45,033,989	16,322,432	28,711,557	176%
Total sources of funding	**62,646,783**	**30,935,226**	**31,711,557**	**103%**

In the item "*Intangible assets*", the difference between the figure shown in the column of the pro forma consolidated financial statements as at 31 December 2020 and the column of the consolidated financial statements as at 31 December 2020 is mainly due to the goodwill generated by the elimination of the investments, resulting from the pro forma, in LocalEyes and in The Geo Group Corporation. In particular, the goodwill generated by the elimination of LocalEyes amounts to €29,442,000, while the goodwill due to the acquisition of The Geo Group Corporation amounts to €1,244,071 (calculating the date of completion of the transaction as 23 April 2021) and the value of the eliminated shareholding is €1,385,380. With regard to the

LocalEyes Acquisition, the figure related to the costs connected to the success fees due to Banca Sella[, as arranger of the Bond Issues related to the LocalEyes Acquisition, for an amount equal to €625,000] Finally, the difference between the pro-forma financial statements and the consolidated financial statements also includes the aggregation of goodwill, amounting to €55,000, recorded in LocalEyes' financial statements.

The item "*Property, plant and equipment*" shows a difference of €346,608, of which €341,000 are due to the aggregation of LocalEyes, which mainly concerns software owned by LocalEyes and office machinery, and an additional €5,608 related to the property, plant and equipment of The Geo Group Corporation.

The item "*Financial assets*" increased in the pro forma consolidated financial statements as of 31 December 2020 due to the Acquisition of LocalEyes, which includes in its financial statements an equity investment of €29,000 in C.B. Service S.A., a company incorporated under Swiss law, active in translation services, 42% owned by LocalEyes.

The difference in the item "*Inventories*" between what is reported in the pro forma consolidated financial statements as of 31 December 2020 and the consolidated financial statements as of 31 December 2020 is €238,999, and arises from the contract work in progress of LocalEyes.

The item "*Trade receivables*" shows an increase due to the inclusion in the scope of consolidation of LocalEyes in the amount of €474,000 and The Geo Group Corporation in the amount of €170,934

The differences related to the item "*Cash and cash equivalents*" are, however, due to two distinct reasons:

I. the positive differences are related to the inclusion in the pro forma consolidated financial statements as at 31 December 2020 of LocalEyes' and The Geo Group Corporation's cash and cash equivalents totalling €2,670,618, as well as the Kairos Capital Increase in the amount of €3,000,000;

II. negative differences are connected:

    a. for an amount of €2,625,000 to the cash payment of part of the purchase cost of the shareholding in LocalEyes;

    b. euro 1,997,000 relate to the transaction The Geo Group Corporation, of which €168,000 relate to the repayment of debts to former shareholders, €1,385,000 relate to the payment of the shareholding itself and €443,000 relate to the cash generated by the activity between the pro forma date and the completion date of the transaction (i. e., 23 April 2021) (for further information on the acquisition of The Geo Group Corporation, please see Section One, Chapter 16 Paragraph 16.3.2 of this Admission Document).

The item "*Other liabilities*" (including "*due to other creditors*", "*Payables to social security* *institutions*" and "*accrued expenses and deferred* income") shows a negative difference dictated by the pro-forma entries, amounting to €664,662, of which €356,000 is for other payables and €219,000 for tax payables, arising from the consolidation of LocalEyes; of which €7,376 for tax payables, €78,993 for social security payables and €3,293 for accrued liabilities, arising from the consolidation of The Geo Group Corporation.

With regard to the item "*Net financial debt"*, please refer to what is included in Section One, Chapter 3, Paragraph 3.3.5 of the Admission Document.

3.3.5 Pro forma net financial position figures for the six months ended 30 June 2021 and for the year ended 31 December 2020

The following table shows the pro-forma consolidated net financial position at 30 June 2021, compared to the consolidated net financial position at 30 June 2021.

Net Financial Position (Euro)	Consolidated half-yearly report *pro-forma* as at 30 June 2021	Consolidated half-yearly report as at 30 June 2021	Change
Marketable securities	0	0	0
Bank deposits	11,197,586	8,681,529	2,516,057
Cash	18,728	18,728	0
Due to banks less than 12 months	(10,297,500)	(10,297,500)	0
Payables due to banks in over 12 months	(15,698,380)	(15,698,380)	0
Cash (NFP) with banks	**(14,779,566)**	**(17,295,623)**	**2,516,057**
Intercompany financial receivables due in under 12 months	0	0	0
Other financial payables due in under 12 months	(3,109,301)	(362,945)	(2,746,356)
Other financial payables due in over 12 months	(29,669,488)	(1,669,488)	(28,000,000)
Total Cash (NFP)	**(47,558,355)**	**(19,328,056)**	**(28,230,299)**

The item "*Bank deposits*" shows a difference between the *pro forma* consolidated half-yearly report as at 30 June 2021 and the consolidated half-yearly report as at 30 June 2021, due to:

i. €2,141,057 for the aggregation of LocalEyes' cash and cash equivalents;

ii. €3,000,000 for the increase in liquid assets due to the inclusion of the Kairos Capital Increase in the pro-forma data; and

iii. a reduction of €2,625,000 related to the payment of the portion of the cost of the investment in LocalEyes made from cash and cash equivalents.

The item "*Other financial payables less than 12 months*" shows a change due to payables to

LocalEyes' shareholders for an amount of €2,746,356, arising from the LocalEyes Acquisition (for further information, please refer to the description included in Chapter 16, Paragraph 16.3.1 of this Admission Document).

The item "*Other financial payables due in over 12 months*" shows a change of €28,000,000, of which

i. €25,000,000 relating to the issue of the Bond Issues (in this regard, it should be noted that the aforesaid Bonds have a pre-amortisation period until May 2023, therefore they are entirely reclassified as medium-long term financial liabilities) (for further information, please refer to the description included in Chapter 16, Sections 16.3.1 and 16.3.2 of this Admission Document); and

ii. €3,000,000 relating to the long-term portion of payables to former LocalEyes shareholders.

Net financial position **(Euro)**	**Consolidated pro-forma as at 31 December 2020**	**Consolidated as at 31 December 2020**	**Change**
Marketable securities	0	0	0
Bank deposits	7,039,946	5,991,502	1,048,444
Cash	5,017	5,017	0
Due to banks less than 12 months	(8,484,519)	(8,484,519)	0
Payables due to banks in over 12 months	(11,675,197)	(11,675,197)	0
Cash (NFP) with banks	**(13,114,753)**	**(14,163,197)**	**1,048,444**
Intercompany financial receivables due in under 12 months	0	0	0
Other financial payables due in under 12 months	(2,104,703)	(344,702)	(1,760,001)
Other financial payables due in over 12 months	(29,814,533)	(1,814,533)	(28,000,000)
Total Cash (NFP)	**(45,033,989)**	**(16,322,432)**	**(28,711,557)**

The item "*Bank deposits*" shows a difference between the *pro forma* consolidated balance sheet as at 31 December 2020 and the consolidated balance sheet as at 31 December 2020, due to:

i. €2,670,618 for the aggregation of the cash and cash equivalents of LocalEyes and The Geo Group Corporation;

ii. €3,000,000 for the increase in cash and cash equivalents resulting from the Capital Increase;

iii. a reduction for an amount equal to €1,997,175 relating to the transaction The Geo Group

Corporation, of which €168,000 determined by the repayment of debts to former shareholders, €1,385,380 for the payment of the participation itself and €443,795 for the liquidity generated by the activity between the pro forma date and the date of completion of the transaction (i.e., 23 April 2021) (for further information on the acquisition of The Geo Group Corporation, see Section One, Chapter 16, Paragraph 16.3.2 of this Admission Document); and

iv. a reduction of €2,625,000 related to the payment of the portion of the cost of the investment in LocalEyes made from cash and cash equivalents.

The item "*Other financial payables due in under 12 months*" shows a change due to payables to LocalEyes shareholders, arising from the LocalEyes Acquisition.

The item "*Other financial payables due in over 12 months*" shows a change of €28,000,000, of which

i. €25,000,000 relating to the issue of the Bond Issues (in this regard, it should be noted that the aforesaid Bonds have a pre-amortisation period until May 2023, therefore they are entirely reclassified as medium-long term financial liabilities) (for further information, please refer to the description included in Chapter 16, Sections 16.3.1 and 16.3.2 of this Admission Document); and

ii. €3,000,000 relating to the long-term portion of payables to former LocalEyes shareholders.

3.4 Selected financial data of the Group for the six months ended 30 June 2021 and 30 June 2020 and for the years ended 31 December 2020 and 31 December 2019

This section sets out certain financial information of the Group for the six months ended 30 June 2021 compared to 30 June 2020 and for the years ended 31 December 2020 and 31 December 2019.

3.4.1 Selected group profit and loss data for the six months ended 30 June 2021 and comparative amounts as at 30 June 2020

The following table sets out the Group's consolidated results of operations for the six months ended 30 June 2021, compared with the corresponding period of the previous year:

Consolidated Income Statement (Euro)	**Half-year ended 30 June**		**Change**	**%**
	2021	**2020**		
Revenues from sales	28,078,559	19,737,460	8,341,099	42%
Change in inventories of finished products	18,339	84,416	(66,077)	(78)%
Internal work capitalised	0	200,000	(200,000)	(100)%

Other income	**533,036**	**436,986**	**96,050**	**22%**
Value of production	28,629,934	20,458,862	8,171,072	40%
Raw materials costs	(2,104,467)	(809,517)	(1,294,950)	(160)%
Services costs	(10,343,570)	(8,522,762)	(1,820,808)	(21)%
Leases and rentals	(728,508)	(601,556)	(126,952)	(21)%
Personnel costs	(10,685,718)	(8,457,504)	(2,228,214)	(26)%
Sundry operating expenses	**(410,291)**	**(427,343)**	**17,052**	**4%**
Writedown of trade receivables	(66,329)	(40,785)	(25,544)	(63)%
EBITDA[5]	**4,291,051**	**1,599,395**	**2,691,656**	**168%**
Amortisation, depreciation and other writedowns	(1,432,445)	(694,003)	(738,442)	(106)%
EBIT[6]	**2,858,606**	**905,392**	**1,953,214**	**216%**
Net financial income (expense)	(225,087)	(158,489)	(66,598)	(42)%
Pre-tax profit/(loss)	2,633,519	746,903	1,886,616	253%
Taxes for the year	(676,620)	(111,794)	(564,826)	(505)%
Net profit (loss)	**1,956,899**	**635,109**	**1,321,790**	**208%**

Revenues from sales

For the six months ended 30 June 2021, consolidated revenues from sales consisted of €21,057,955 (75%) in sales revenues from STAR7. During the first half of 2021, STAR7 carried out commercial transactions for the provision of services with the following subsidiaries and/or associated companies Dante S.r.l., IAM.DEV. S.r.l. and STAR AG (as well as with some subsidiaries of STAR AG itself). These transactions resulted in the elimination of intra-group revenues of approximately €4,789,000.

The positive change in "*Revenues from sales*" compared to the previous half-year is linked to the general recovery in world trade and production following the lull caused by the COVID-19 epidemic, as well as certain strategic transactions carried out by STAR7, such as, for example, the completion in March 2021 of the acquisition of a business unit of Grafitec S.r.l., a company operating in the printing sector and specialising in defence industry documentation.

[5] EBITDA is defined as Earnings Before Tax (EBT), as reported in the statement of profit/(loss) for the year, gross of: (i) financial income and expenses, (ii) amortisation of intangible assets, (iii) depreciation of property, plant and equipment, (iv) provisions. Since EBITDA is not identified as an accounting measure under IFRS adopted by the European Union, its quantitative result may not be unambiguous.
[6] EBIT is defined as Earnings before Tax (EBT), as shown in the statement of profit/(loss) for the year, before financial income and expenses. Since EBIT is not identified as an accounting measure under IFRS adopted by the European Union, its quantitative result may not be unambiguous.

The STAR7 Group generated its revenues mainly through the production and translation of technical documentation, interpreting, automation of editorial processes, dedicated IT development and print on demand.

The following table sets out the breakdown of STAR7 Group's revenues by business sector carried out for the six months ended 30 June 2021 and 30 June 2020:

Business sector	Half-year ended 30 June		Change	%
	2021	2020		
Revenues from translation and interpreting	9,786,794	6,790,870	2,995,924	44%
Revenues from authoring	13,804,724	8,247,381	5,557,343	67%
Revenues from printing	1,884,584	2,145,086	(260,502)	(12)%
Misc. services	2,602,457	2,554,123	48,334	2%
Total	**28,078,559**	**19,737,460**	**8,341,099**	**42%**

In particular, the increase in "*Revenues from authoring*" for the six months ended 30 June 2021 is 67% compared to the same revenues for the six months ended 30 June 2020 and is related to the editorial technologies implemented by STAR7, which allowed it to develop innovative ideas and applications of existing services.

Other income

The item "*Other income*" for the six months ended 30 June 2021 includes a grant for operating expenses of €203,162 (38% of the total item and 0.7% of the total value of production) recorded against a tax credit for research and development activities. This contribution is attributable for €80,000 to STAR7, for €53,162 to STAR7 Printing S.r.l. and for €70,000 to STAR7 Engineering S.r.l., as well as for a further 38% of the same item to STAR USA LLC.

Cost of production

The costs of production are closely related to the development of the value of production.

The item "*Raw materials costs*" includes the costs for the purchase of materials necessary for production, for the purchase of goods for resale and for the purchase of software and licences used in the course of the production process. For the six months ended 30 June 2021, the aforementioned item is attributable (i) for €525,171 to STAR7 (25% of the total of the aforementioned item), (ii) €912,917 to STAR7 Printing S.r.l. (43% of the total of the aforementioned item), (iii) €659,333 to Star Comunicação e Serviços Ltda (31% of the total of the aforementioned item) and (iv) for the remainder, divided among the other subsidiaries belonging to the STAR7 Group. Within the item "*Raw materials costs*" there were no eliminations of costs incurred within the STAR7 Group.

Before eliminations, amounting to €4,789,498, 72% of the item "*Services costs*" relates to costs incurred by STAR7, which mainly include, *inter alia*, (i) €2,155,995 for printing services, (ii) €1,726,762 for external technical editing, (iii) €1,509,773 for translation costs and (iv) €1,279,850 for logistics costs.

The resulting consolidated "*EBITDA*" for the six months ended 30 June 2021 amounted to

€4,291,051, a significant increase over the same amount for the six months ended 30 June 2020 (increase of 168%).

The item "*Amortisation, depreciation and other writedowns*" includes the amortisation of intangible assets for €833,752, the depreciation of property, plant and equipment for €565,557 and the provision for other risks for €33,136.

Net financial income and (expenses)

The item "*Net financial income (expenses)*" includes €209,911 of net financial expenses from third parties, as well as €24,174 of revaluation of the investment in Star Comunicação e Serviços - SCP and €39,350 of writedown of the investment in Grafica e Editoria Starcom Ltda.

These asset impairments arise from the equity accounting of the two aforementioned investments.

3.4.2 Selected income statement data of the group for the year ended 31 December 2020 and comparative amounts as at 31 December 2019

The following table sets out the Group's consolidated income statement figures for the six months ended 31 December 2020, compared with the corresponding previous period:

Consolidated Income Statement (Euro)	**Financial year ended 31 December**		**Change**	**%**
	2020	**2019**		
Revenues from sales	43,460,628	51,126,324	(7,665,696)	(15)%
Change in inventories of finished products	(205,116)	153,923	(359,039)	(233)%
Internal work capitalised	0	0	0	0%
Other income	1,349,637	2,433,421	(1,083,784)	(45)%
Value of production	**44,605,149**	**53,713,668**	**(9,108,519)**	**(17)%**
Raw materials costs	(2,994,114)	(3,585,846)	591,732	17%
Services costs	(19,108,749)	(23,302,207)	4,193,458	18%
Leases and rentals	(1,426,375)	(1,428,090)	1,715	0%
Personnel costs	(15,936,832)	(18,643,417)	2,706,585	15%
Change in inventories Raw materials	236,629	25,791	210,838	817%
Sundry operating expenses	(994,382)	(834,048)	(160,334)	(19)%
Writedown of trade receivables	(129,992)	(13,120)	(116,872)	(891)%
EBITDA[7]	**4,251,334**	**5,932,731**	**(1,681,397)**	**(28)%**

[7] EBITDA is defined as Earnings Before Tax (EBT), as reported in the statement of profit/(loss) for the year, gross of: (i) financial income and expenses, (ii) amortisation of intangible assets, (iii) depreciation of property, plant and equipment, (iv) provisions. Since EBITDA is not identified as an accounting measure under IFRS adopted by the European Union, its

Amortisation, depreciation and other writedowns	(1,726,620)	(1,724,587)	(2,033)	(0)%
EBIT[8]	**2,524,714**	**4,208,144**	**(1,683,430)**	(40)%
Net financial income (expense)	(391,300)	(247,878)	(143,422)	(58)%
Pre-tax profit/(loss)	**2,133,414**	**3,960,266**	**(1,826,852)**	**(46)%**
Taxes for the year	(448,296)	(1,456,940)	1,008,644	69%
Net profit (loss)	**1,685,118**	**2,503,326**	**(818,208)**	**(33)%**

Revenues from sales

For the financial year ended 31 December 2020, consolidated revenues from sales consisted of €34,191,076 (67%) of the Company's sales revenues, in particular, during the 2020 financial year STAR7 had business relationships of a commercial nature for the provision of services with the following subsidiaries and/or associated companies (as well as with certain subsidiaries of STAR AG itself). These transactions resulted in the elimination of intra-group revenues of €7,570,922. The change in "*Revenues from sales*" compared to the previous year is closely related to the negative effects of the COVID-19 epidemiological emergency.

The STAR7 Group generated its revenues mainly through the production and translation of technical documentation, interpreting, automation of editorial processes, dedicated IT development and print on demand.

The following table sets out the breakdown of STAR7 Group's revenues by business sector carried out for the years ended 31 December 2020 and 31 December 2019:

Business sector	Financial year ended 31 December		Change	%
	2020	2019		
Revenues from translation and interpreting	14,665,718	17,306,547	(2,640,829)	(15%)
Revenues from authoring	17,458,690	22,088,818	(4,630,128)	(21%)
Revenues from printing	3,600,908	5,659,283	(2,058,375)	(36%)
Misc. services	7,735,312	6,071,676	1,663,636	27%
Total	**43,460,628**	**51,126,324**	**(7,665,696)**	**(15%)**

The following table sets out the breakdown of STAR7 Group's revenues by geographical area for the years ended 31 December 2020 and 31 December 2019:

Geographical area	Financial year ended 31 December		Change	%
	2020	2019		
Italy	33,967,445	37,564,751	(3,597,306)	(10%)

quantitative result may not be unambiguous.

[8] EBIT is defined as Earnings before Tax (EBT), as shown in the statement of profit/(loss) for the year, before financial income and expenses. Since EBIT is not identified as an accounting measure under IFRS adopted by the European Union, its quantitative result may not be unambiguous.

EU	3,101,050	3,801,080	(700,030)	(18%)
Non EU	6,392,133	9,760,493	(3,368,360)	(35%)
Total	**43,460,628**	**51,126,324**	**(7,665,696)**	(15%)

Other income

The item "*Other income*" includes, inter alia, grants for tax credits for Research and Development amounting to €149,325 and non-repayable public grants received during the year for the COVID-19 epidemiological emergency amounting to €90,553 and the contingent asset for the rebate of the 2019 IRAP balance (Article 24 of Law Decree 34/2020 "Relaunch") for €105,451.

Cost of production

The costs of production are closely related to the development of the value of production.

The item "*Raw materials costs*" includes the costs for the purchase of materials necessary for production, for the purchase of goods for resale and for the purchase of software and licences used in the course of the production process. For the year ended 31 December 2020, the above item is attributable (i) to STAR7 for €1,215,359 (41% of the total of the above item); (ii) €1,121,483 to STAR7 Printing S.r.l. (37% of the total of the above item); (iii) €613,828 to Star Comunicação e Serviços Ltda (representing 21% of the total of the above item); and (iv) for the remainder, the amounts are divided among the other subsidiaries belonging to the STAR7 Group. Within the item "*Raw materials costs*" there were no eliminations of costs incurred within the STAR7 Group.

Before eliminations, amounting to €7,549,718, 73% of the item "*Services costs*" relates to costs incurred by STAR7, which include, *inter alia*, (i) €2,732,635 for printing services; (ii) €4,339,534 for external technical editing; (iii) €655,497 for translation costs; and (iv) €1,756,052 for logistics costs.

The resulting consolidated "*EBITDA*" for the year ended 31 December 2022 amounted to €4,251,334, a decrease compared to the same amount for the year ended 31 December 2019 (decrease of 28%).

The item "*Amortisation, depreciation and other writedowns*" includes the amortisation of intangible assets for €1,101,567, the depreciation of property, plant and equipment for €585,053 and the allocation to the consolidated allowance for doubtful accounts for €129,992.

Net financial income and (expenses)

The item "*Net financial income (expenses)*" includes €335,543 of net financial expenses from third parties, €19,634 of financial income from third parties, as well as €16,614 of revaluation of the investment in Star Comunicação e Serviços - SCP and €90,203 of writedown of the investment in Grafica e Editoria Starcom Ltda.

These asset impairments arise from the equity accounting of the two aforementioned investments.

3.4.3 Selected consolidated balance sheet data of the Group for the six months ended 30 June 2021 and for the years ended 31 December 2020 and 31 December 2019

The following table sets out the Group's consolidated balance sheet figures for the period ended 30 June 2021 and for the years ended 31 December 2020 and 31 December 2019.

Reclassified Balance Sheet (Euro)	**Half-year ended 30 June 2021**	**Financial year ended 31 December 2020**	**Change 2021-2020**	**%**	**Financial year ended 31 December 2019**
Intangible assets	9,669,581	8,305,500	1,364,081	16%	5,810,104
Property, plant and equipment	5,624,012	5,387,641	236,371	4%	4,550,692
Financial assets	342,583	511,857	(169,274)	(33)%	123,518
Total non-current assets	**15,636,176**	**14,204,998**	**1,431,178**	**10%**	**10,484,314**
Inventories	1,241,249	734,851	506,398	69%	658,567
Trade receivables	23,812,206	23,953,808	(141,602)	(1)%	26,374,171
Other assets	5,267,971	3,537,665	1,730,306	49%	3,063,036
Trade payables	(6,542,533)	(6,697,484)	154,951	2%	(6,379,374)
Other liabilities	(5,821,450)	(4,798,612)	(1,022,838)	(21)%	(4,178,130)
Net working capital	**17,957,443**	**16,730,228**	**1,227,215**	**7%**	**19,538,270**
Total capital employed	**33,593,619**	**30,935,226**	**2,658,393**	**9%**	**30,022,584**
Net equity attributable to owners of the Parent	9,530,434	10,309,702	(779,268)	(8)%	9,754,306
Net equity attributable to minority interests	834,789	713,441	121,348	17%	725,869
Provisions for risks and charges	211,099	308,901	(97,802)	(32)%	100,930
Severance pay	3,689,241	3,280,750	408,491	12%	2,644,612
Net financial debt	19,328,056	16,322,432	3,005,624	18%	16,796,867
Total sources of funding	**33,593,619**	**30,935,226**	**2,658,393**	**9%**	**30,022,584**

Intangible fixed assets

The following table sets out the composition of the Group's "*Intangible assets*" for the six months ended 30 June 2021 and for the years ended 31 December 2020 and 31 December 2019:

Intangible assets attributable to the Group (Euro)	**Half-year ended 30 June 2021**	**Financial year ended 31 December 2020**	**Change 2021-2020**	**%**	**Financial year ended 31 December 2019**
Start-up and expansion costs	553,810	563,376	(9,566)	(2)%	805,412
Industrial patent rights	0	0	0	0%	20,901
Licences, trademarks and similar rights	1,427,546	1,330,619	96,927	7%	293,601
Goodwill	5,897,741	4,805,043	1,092,698	23%	4,053,867
Assets under development/construction and payments on account	1,002,522	539,854	462,668	86%	184,667

Others	787,962	1,066,608	(278,646)	(26)%	451,656
Total intangible assets	**9,669,581**	**8,305,500**	**1,364,081**	**16%**	**5,810,104**

During 2021, the most significant increases within the Group's "*Intangible assets*" mainly concerned:

- the item "*Assets under development/construction and payments on account*", which includes costs incurred by STAR7 by the parent company for Admission to Euronext Growth Milan Italia (e.g., rebranding, corporate organisation, professional services for due diligence);

- *goodwill*, which includes the extraordinary transactions related to the acquisition of the business of Grafitec S.r.l. and The Geo Group Corporation.

In particular, with reference to the item "*Goodwill*", the following table shows the composition of this item in STAR7's consolidated financial statements with the division for each individual STAR7 investee for the six months ended 30 June 2021 and for the year ended 31 December 2020 and 31 December 2019:

Goodwill	**Half-year ended 30 June 2021**	**Financial year ended 31 December 2020**	**Change 2021-2020**	**%**	**Financial year ended 31 December 2019**
STAR7 Engineering S.r.l.	88,548	118,064	(29,516)	(25)%	177,095
STAR USA LLC	148,101	162,495	(14,394)	(9)%	191,284
Star GmbH	73,957	82,175	(8,218)	(10)%	98,610
Techworld Language Services Inc.	2,512,308	2,584,416	(72,108)	(3)%	2,933,693
The Geo Group Corporation	1,264,034	0	1,264,034	100%	0
Business unit acquired by Dante S.r.l.	1,222,038	1,286,356	(64,318)	(5)%	0
RES S.r.l.	531,755	571,537	(39,782)	(7)%	653,185
Grafitec S.r.l.	57,000	0	57,000	100%	0
Total	**5,897,741**	**4,805,043**	**1,092,698**	**23%**	**4,053,867**

Property, plant and equipment

The following table sets out the composition of the Group's "*Property, plant and equipment*" for the six months ended 30 June 2021 and for the years ended 31 December 2020 and 31 December 2019:

Property, plant and equipment attributable to the Group (Euro)	**Half-year ended 30 June 2021**	**Financial year ended 31 December 2020**	**Change 2021-2020**	**%**	**Financial year ended 31 December 2019**
Land and buildings	2,008,122	2,017,589	(9,467)	(0)%	2,052,863
Plant and machinery	2,628,962	2,278,378	350,584	15%	935,470

Industrial and commercial equipment	23,043	135,761	(112,718)	(83)%	605,133
Other assets	963,885	955,913	7,972	1%	721,511
Assets under development/construction and payments on account	0	0	0	0%	235,715
Total property, plant and equipment	**5,624,012**	**5,387,641**	**236,371**	**4%**	**4,550,692**

It should be noted that the item "*Land and buildings*" at a consolidated level, also includes land and buildings owned by the Company pursuant to specific lease agreements, in this regard, in particular, the following table shows the aforementioned values for leased assets for the six-month period ended 30 June 2021 and for the financial year ended 31 December 2020 and 31 December 2019:

Leased assets	**Half-year ended 30 June 2021**	**Financial year ended 31 December 2020**	**Change 2021-2020**	**%**	**Financial year ended 31 December 2019**
Land	377,028	377,028	0	0%	377,028
Buildings	1,010,435	1,033,057	(22,622)	(2)%	1,078,300

Trade receivables

The following table shows the breakdown of STAR7 Group's trade receivables by geographical area for the six months ended 30 June 2021:

Receivables	**Italy**	**EU**	**Non EU**	**Total**
Trade receivables	20,457,559	1,225,347	2,277,216	**23,960,122**
Receivables from associated companies	0	160,951	318,926	**479,877**
Total	**20,457,559**	**1,386,298**	**2,596,142**	**24,439,999**

For the six-month period ended 30 June 2021, the item "*Trade receivables*" amounted to €23,960,122, while the item "*Receivables from associated companies*" amounted to €479,877. In this regard, the Group has exercised the option not to apply the amortised cost method, as the related effects are deemed irrelevant, since all trade receivables are due within 12 months.

It should also be noted that in the table above, the item "*Trade receivables*" shows these receivables before the allowance for doubtful accounts of the STAR7 Group amounting to €627,793 for the six months ended 30 June 2021.

Other assets

The item "*Other assets*" refers, in particular, to the Company (for a percentage equal to 67% of the total amount reported) and, provides for a reclassification for the six months ended 30 June

2021 of the following sub-items: (i) tax receivables of €2,424,001; (ii) receivables recorded against deferred tax assets amounting to €427,569; (iii) receivables from others amounting to €926,619; and (iv) accrued income and prepaid expenses of €1,489,782.

The following table shows the breakdown of reclassified receivables within "*Tax receivables, deferred tax assets and receivables from others*" of the STAR7 Group by geographical area for the six months ended 30 June 2021:

Receivables	**Italy**	**EU**	**Non EU**	**Total**
Tax receivables	2,259,451	6,382	158,168	**2,424,001**
Deferred tax assets	386,505	0	41,064	**427,569**
Receivables from others	896,842	6,804	22,973	**926,619**
Total	**3,542,798**	**13,186**	**222,205**	**3,778,189**

The change for the six months ended 30 June 2021 compared to the expected figure for the year ended 31 December 2020 is mainly due to the increase in STAR7 tax receivables and, specifically, the increase in the VAT receivable for the six months ended 30 June 2021. It should be noted that the STAR7 Group has also made use of the option not to apply the amortised cost method to the receivables listed under "*Other assets*", as these receivables fall due within the next twelve months.

Trade payables

The following table shows the breakdown of trade payables by geographical area for the six months ended 30 June 2021:

Payables at 30/06/2021	**Italy**	**EU**	**Non EU**	**Total**
Trade payables	4,951,651	219,565	494,980	**5,666,196**
Payables to associated companies	245,529	185,658	445,150	**876,337**
Total	**5,197,180**	**405,223**	**940,130**	**6,542,533**

The item "*Trade payables*" includes payables arising from the purchase of services and goods intended directly for production, due within 12 months, for the six months ended 30 June 2021.

Other liabilities

The item "*Other liabilities*" includes tax payables of €1,427,966, deferred tax provisions of €227,964, payables to social security institutions of €1,087,588, as well as other payables of €2,250,575 and accrued expenses of €827,357. "*Accrued expenses and deferred income*", amounting to 14% of the total amount of this item, consists mainly of deferred income for revenues advanced but accruing to the following period.

The following table shows the breakdown of payables included in the items "*tax payables, payables to social security institutions and other payables"* for the STAR7 Group by geographical area for the six months ended 30 June 2021:

Payables	Italy	EU	Non EU	Total
Tax payables	1,309,976	192	117,798	**1,427,966**
Payables to social security institutions	1,053,861	0	33,727	**1,087,588**
Other payables	2,048,725	15,991	185,859	**2,250,575**
Total	**4,412,562**	**16,183**	**337,384**	**4,766,129**

Net equity

The following table sets out the composition of the Group's "*Net equity*" for the six months ended 30 June 2021 and for the year ended 31 December 2020 and 31 December 2019:

Net equity	Half-year ended 30 June 2021	Financial year ended 31 December 2020	Change 2021-2020	%	Financial year ended 31 December 2019
Share capital	500,000	500,000	0	0%	500,000
Legal reserve	100,000	100,000	0	0%	100,000
Extraordinary reserve	7,923,537	7,291,413	632,124	9%	5,944,512
Capital contribution	2,846	2,846	0	0%	2,846
Tax amnesty reserve	19,321	19,321	0	0%	19,321
Reserve from depreciation suspension L.126/2020	390,003	0	390,003	100%	0
Consolidation reserve	2,434,714	1,765,173	669,541	38%	834,702
Reserve for translation of foreign currencies	(591,060)	(822,498)	231,438	28%	1,375
Expected cash-flow hedge reserve	(27,598)	(39,839)	12,241	31%	0
Negative treasury shares reserve	(3,000,000)	0	(3,000,000)	100%	0
Profit (loss) for the year	1,778,671	1,493,286	285,385	19%	2,351,550
Total equity attributable to owners of the parent	**9,530,434**	**10,309,702**	**(779,268)**	**(8)%**	**9,754,306**
Capital and reserves attributable to minority interests	656,561	521,609	134,952	26%	574,093
Profit (loss) attributable to minority interests	178,228	191,832	(13,604)	(7)%	151,776
Total equity attributable to minority interests	**834,789**	**713,441**	**121,348**	**17%**	**725,869**
Total net equity	**10,365,223**	**11,023,143**	**(657,920)**	**(6)%**	**10,480,175**

In particular, for the six months ended 30 June 2021, it should be noted that:

- the increase in the sub-item "*Extraordinary reserve*" is due to the allocation of part of the profit for the year ended 31 December 2020 of STAR7 by: (i) €390,003 to the unavailable reserve for suspension of amortisation (Legislative Decree 104/2020), due to the suspension of amortisation of licences, trademarks and similar rights for €261,991 and of the goodwill of the business unit acquired from Dante S.r.l. by STAR7; and (ii) €632,124 to the extraordinary reserve;

- the sub-item "*Consolidation reserve*" includes:
    - the reserve for accumulated profits made by subsidiaries, net of amortisation of goodwill for previous years;

    - the revaluation reserve, amounting to €145,500 pursuant to Law 126/2020, arising from the revaluation carried out during the year ended 31 December 2020 on certain electronic printing systems and automatic machinery owned by STAR7 Printing S.r.l.; and

    - the reserve for suspended depreciation pursuant to Law 126/2020 for the portion of depreciation carried out during the year ended 31 December 2020, suspended on certain printing equipment of STAR7 Printing S.r.l.

- the sub-item "*Negative treasury shares reserve*" includes the purchase by STAR7 of 50,000 treasury shares (as of the Admission Document Date, 750,000 treasury shares, following the split of the Company's Shares on 25 October 2021) for a countervalue of €3,000,000 (for further information in this regard, please refer to Section 15.1.3 of this Admission Document).

The following table shows the reconciliation between the net assets resulting from STAR7's financial statements and the net assets resulting from STAR7's consolidated financial statements for the six months ended 30 June 2021:

	Net profit (loss)	**Net equity**
STAR7 financial statements for the six months ended 30 June 2021	**1,252,129**	**7,162,289**
Pro-rata profit/(loss) of subsidiaries	675,756	675,756
Pro-rata reserve for subsidiaries' profits	0	2,726,002
Amortisation of goodwill	(68,349)	(943,911)
Intercompany dividends	(75,490)	122,891
Intercompany profits	5,740	(29,943)
IFRS 16 Leases	(11,115)	140,130
Intra-group cost/revenues alignment	0	(49,833)
Proceeds from PPP Loan (Star USA LLC)	0	174,663
Writeback under Italian Decree-Law 104/2020	0	145,500
Expected cash-flow hedge reserve	0	(2,050)
Exchange rate differences	0	(591,060)

STAR7 Consolidated Financial Statements for the six months ended 30 June 2021	**1,778,671**	**9,530,434**

Net financial debt

The following table sets out the composition of the Group's "Net financial debt" for the six months ended 30 June 2021 and for the year ended 31 December 2020 and 31 December 2019:

Net financial position	**Half-year ended 30 June 2021**	**Financial year ended 31 December 2020**	**Change 2021-2020**	**Financial year ended 31 December 2019**
Marketable securities	0	0	0	0
Bank deposits	8,681,529	5,991,502	2,690,027	3,402,622
Cash	18,728	5,017	13,711	9,981
Payables to banks due in under 12 months	(10,297,500)	(8,484,519)	(1,812,981)	(16,875,076)
Payables to banks due in over 12 months	(15,698,380)	(11,675,197)	(4,023,183)	(2,386,364)
Cash (NFP) with banks	**(17,295,623)**	**(14,163,197)**	**(3,132,426)**	**(15,848,837)**
Intercompany financial receivables due in under 12 months	0	0	0	287,500
Other financial payables due in under 12 months	(362,945)	(344,702)	(18,243)	(85,557)
Other financial payables due in over 12 months	(1,669,488)	(1,814,533)	145,045	(1,149,973)
Total Cash (NFP)	**(19,328,056)**	**(16,322,432)**	**(3,005,624)**	**(16,796,867)**

We note the increase in the sub-item "*Bank deposits*" for the six-month period ended 30 June 2021 due to the liquidity generated by operating activities for an amount of €2,690,027. In particular, the investments made by the STAR7 Group were financed through new bank loans, which allowed STAR7 to purchase its own shares (for further information, see Paragraph 15.1.3 of this Admission Document).

In addition, there was an increase in the item "*Due to banks*" for an amount of €5,836,000, mainly used for investments in fixed assets and for the purchase of own shares by STAR7.

Finally, other financial payables consist of amounts due to leasing companies for the lease of buildings, land and machinery.

3.4.4 Selected Group cash flow data for the six months ended 30 June 2021 and 30 June 2020

This section sets out selected information relating to the Group's cash flows for the six months ended 30 June 2021 and 30 June 2020.

Cash flows	**Half-year ended 30 June**	**Change**

	2021	2020	
Cash flow before changes in net working capital	4,547,850	2,028,944	2,518,906
Change in net working capital	(1,298,191)	4,814,637	(6,112,828)
Other adjustments	(502,219)	(392,959)	(400,063)
Cash flow from operating activities	**2,747,440**	**6,450,622**	**(3,993,985)**
Capital expenditure	(603,466)	(67,014)	(536,452)
Investments in intangible assets	(771,626)	(628,234)	(143,392)
Financial investments	(27,317)	91,710	(119,027)
Subsidiary Acquisitions	(1,350,655)	(1,236,705)	(113,950)
Cash flow from investing activities	**(2,753,064)**	**(1,840,243)**	**(912,821)**
Loan funds	5,709,362	(1,588,444)	7,297,806
Own funds	(3,000,000)	0	(3,000,000)
Cash flow from financing activities	**2,709,362**	**(1,588,444)**	**4,297,806**
Change in liquidity	**2,703,738**	**3,021,935**	**(609,000)**

The reduction in cash flow from operating activities is related to the negative changes in net working capital, and in particular to an increase in accrued income and prepaid expenses, for €616,383 in absolute terms, and to a low decrease in trade receivables, when compared to the decrease in the six-month period ended 30 June 2020 (in particular, an amount of €244,986 in the six-month period ended 30 June 2021 compared to an amount of €6,354,383 in the second half ended 30 June 2020).

The cash flow from investing activities also deteriorated, mainly due to investments in property, plant and equipment amounting to €647,444, gross of divestments made (amounting to €43,978).

Cash flows from third parties cover the six months ended 30 June 2021:

- short-term bank borrowings (amounting to €2,152,658 for the six months ended 30 June 2021 compared to €382,588 for the six months ended 30 June 2020);
- long-term loans (amounting to €4,600,000 for the six months ended 30 June 2021 compared to €0 for the six months ended 30 June 2020);
- the repayment of long-term loans (amounting to €1,043,296 for the six months ended 30 June 2021 against €1,971,032 for the six months ended 30 June 2020).

Finally, there was a decrease in the item "*Equity*", for an amount of €3,000,000, related to the purchase of treasury shares by STAR7 during the six-month period ended 30 June 2021 (for further information in this regard, please refer to Paragraph 15.1.3 of this Admission Document).

3.4.5 Selected Group cash flow data for the year ended 31 December 2020 and 31 December 2019

This section sets out selected information relating to the Group's cash flows for the year ended 31 December 2020 and 31 December 2019

Cash flows	Financial year ended 31 December		Change
	2020	2019	
Cash flow before changes in net working capital	5,079,183	6,601,066	(1,521,883)
Change in net working capital	2,246,826	(7,710,578)	9,957,404
Other adjustments	(1,281,652)	(1,934,432)	652,780
Cash flow from operating activities	**6,044,357**	**(3,043,944)**	**9,088,301**
Capital expenditure	(1,353,182)	(1,079,342)	(273,840)
Investments in intangible assets	(3,822,507)	(733,607)	(3,088,900)
Financial investments	(106,654)	(343,507)	236,853
Subsidiary Acquisitions	0	(3,065,933)	3,065,933
Cash flow from investing activities	**(5,282,343)**	**(5,222,389)**	**(59,954)**
Loan funds	1,821,902	9,147,116	(7,325,214)
Own funds	0	(830,059)	830,059
Cash flow from financing activities	**1,821,902**	**8,317,057**	**(6,495,155)**
Change in liquidity	**2,583,916**	**50,724**	**2,533,192**

The reduction in cash flow from operating activities for the year ended 31 December 2020 is an increase compared to the year ended 31 December 2019. In particular, this increase is due, inter alia, to the decrease in trade receivables amounting to €2,202,837 (in the year ended 31 December 2019, the amount was, instead, an increase of €5,325,293).

The same cash flow is also related to the change in trade payables, which decreased by €67,880 in the year ended 31 December 2020, compared to a decrease of €1,641,208 in the year ended 31 December 2019.

There was also an increase in accrued expenses and deferred income of €920,382 in the year ended 31 December 2020, compared to a decrease of €241,880 in the year ended 31 December 2019.

During the year ended 31 December 2020, investments in intangible assets increased compared to the year ended 31 December 2019. In particular, there was an increase in licences, trademarks and similar rights related to the implementation of the ERP system of STAR7 and in assets under development/construction and payments on account, due to the costs incurred for the costs related to the Admission on Euronext Growth Milan as well as for the professional services related to it by the Issuer.

With regard to cash flow from investing activities, there is also a cash outflow for the acquisition of subsidiaries net of cash and cash equivalents of €3,065,933 in the year ended 31 December 2019 (this item is €0 for the year ended 31 December 2020).

For the year ended 31 December 2020, cash flows from third parties include:

- the decrease in short-term bank borrowings in the amount of €7,581,713 for the year ended 31 December 2020 (in the year ended 31 December 2019, this item amounted to €6,663,161);

- taking out long-term loans in the amount of €10,370,470 for the year ended 31 December 2020 (in the year ended 31 December 2019, this item amounted to €3,000,000);

- the repayment of long-term loans in the amount of €966,855 for the year ended 31 December 2020 (in the year ended 31 December 2019, this item amounted to €516,045).

As regards changes in equity, an amount of €830,059 is reported for the year ended 31 December 2019 for dividends paid.

3.5 Selected financial information of the Issuer relating to the six-month periods ended 30 June 2021 and 2020 and the financial years ended 31 December 2020 and 2019

The selected financial information in this section has been extracted and/or processed on the basis of the following documents:

- the Issuer's individual half-yearly financial statements for the six months ended 30 June 2021, prepared in accordance with OIC 30 of the Italian Accounting Standards (principle concerning interim financial reporting), approved by the Issuer's Board of Directors on 7 October 2021;

- the Issuer's individual financial statements for the year ended 31 December 2020, prepared in accordance with Italian Accounting Standards, approved by the Issuer's Board of Directors on 19 April 2021 and audited by the Independent Auditors, who issued their report on 29 April 2021;

- the Issuer's individual half-yearly financial statements for the financial year ended 30 June 2020 prepared in accordance with OIC 30 of the Italian Accounting Standards (principle concerning interim financial reporting), approved by the Issuer's Board of Directors on 21 October 2020;

- the Issuer's individual financial statements for the year ended 31 December 2019, prepared in accordance with Italian Accounting Standards, approved by the Issuer's Board of Directors on 20 February 2020 and audited by the Independent Auditors, who issued their report on 13 March 2020.

The selected financial information set out below should be read in conjunction with the financial statements referred to above, which are attached to this Admission Document and available for inspection by the public at the registered office of the Issuer at Via Alessandria, 37/b, Valle San Bartolomeo, 15122 Alessandria (AL).

3.5.1 Selected financial data of the Issuer for the six-month periods ended 30 June 2021 and 30 June 2020

The following table shows the income statement figures for the first half of 2021, compared to the income statement figures for the period ended 30 June 2020:

Income Statement (Euro)	Half-year ended 30 June		Change	%
	2021	2020		
Revenues from sales	21,057,955	15,248,699	5,809,256	38%
Change in inventories of finished products	21,746	(7,757)	29,503	380%
Other income	118,252	190,133	(71,881)	(38)%
Value of production	**21,197,953**	**15,431,075**	**5,766,878**	**37%**
Raw materials costs	(525,171)	(129,392)	(395,779)	(306)%
Services costs	(10,915,852)	(9,078,598)	(1,837,254)	(20)%
Leases and rentals	(420,661)	(255,753)	(164,908)	(64)%
Personnel costs	(6,629,445)	(5,085,761)	(1,543,684)	(30)%
Sundry operating expenses	(310,591)	(338,553)	27,962	8%
Writedown of trade receivables	(54,556)	(32,771)	(21,785)	(66)%
EBITDA[9]	**2,341,677**	**510,247**	**1,831,430**	**359%**
Amortisation, depreciation and writedowns	(607,583)	(229,374)	(378,209)	(165)%
EBIT[10]	**1,734,094**	**280,873**	**1,453,221**	**517%**
Net financial income (expense)	(61,965)	93,704	(155,669)	(166)%
Pre-tax profit/(loss)	**1,672,129**	**374,577**	**1,297,552**	**346%**
Taxes for the year	(420,000)	0	(420,000)	100%
Net profit (loss)	**1,252,129**	**374,577**	**877,552**	**234%**

Revenues from sales

Revenues from sales" in the separate financial statements for the six months ended 30 June 2021 amounted to €21,057,955, an increase of €5,809,256 (+38%) compared to the six months ended 30 June 2020. The improved sales performance in the six months ended 30 June 2021 compared to the six months ended 30 June 2020 was due to the lower incidence of the COVID-19 pandemic and the reduced uncertainty in the economy as a result of the pandemic.

Revenues from the sub-heading "*Authoring activities*" accounted for 50% of the total sales revenues in the first half of 2021, followed by "*Revenues from translation and interpreting*" (32%) and "*Revenues from printing*" (17%), while "*Miscellaneous services*" accounted for the remaining 1%.

[9] EBITDA is defined as Earnings Before Tax (EBT), as reported in the statement of profit/(loss) for the year, gross of: (i) financial income and expenses, (ii) amortisation of intangible assets, (iii) depreciation of property, plant and equipment, (iv) provisions. Since EBITDA is not identified as an accounting measure under IFRS adopted by the European Union, its quantitative result may not be unambiguous.

[10] EBIT is defined as Earnings before Tax (EBT), as shown in the statement of profit/(loss) for the year, before financial income and expenses. Since EBIT is not identified as an accounting measure under IFRS adopted by the European Union, its quantitative result may not be unambiguous.

The breakdown of revenues from sales by geographical area is shown below.

Revenues from sales (Euro)	Half-year ended 30 June		Change	%
	2021	2020		
Italy	18,515,805	9,044,309	9,471,496	105%
EU	1,572,456	997,691	574,765	58%
Non EU	969,694	5,206,699	(4,237,005)	(81)%
Total Revenues	**21,057,955**	**15,248,699**	**5,809,256**	**38%**

As regards the breakdown of revenues from sales by geographical area, there was a significant increase in revenues from Italy, which increased by €9,471,496 compared to the first half of 2021, from €9,044,309 to €18,515,805. The increase in revenues is attributable to the reduction in uncertainty caused by the COVID-19 pandemic, while revenues from non-EU countries fell sharply as a result of lower intercompany activity in the first half of 2021 compared to the same period last year. In fact, in the first half of 2020, revenues from non-EU Group companies totalled €5,652,699.

Other income

Other income of €118,252 at 30 June 2021 decreased by €71,881 compared to the previous period. This item mainly includes revenues from contingent assets in the amount of €38,252 and R&D tax receivables in the amount of €80,000. The decrease compared to the first half of 2020 is attributable to lower capital gains from the merger of RES S.r.l.

Cost of production

During the first half of 2021, there was an increase in raw materials costs of €395,779 in the separate financial statements. The raw materials costs are composed of material costs for the production of translations and manuals for €26,515, costs of goods for resale for €135,115, and purchases of software for €363,510.

Services costs during the 2021 financial year increased less than proportionally to the value of production, rising from €9,078,598 for the six months ended 30 June 2020 to €10,915,852 for the six months ended 30 June 2021 (+20%). Services costs mainly concern translation costs (€3,263,501), printing and interpreting costs (€2,512,145) and technical editing costs (€1,726,762).

The composition of services costs remains largely unchanged, with translator costs accounting for 30% of service costs for the six months ended 30 June 2021 (27% for the six months ended 2020), printing costs 20% (16% in 2020) and technical editing costs 16% (23%).

There has been a substantial increase in leases and rentals, which have risen by €164,908 from €255,753 to €420,661 compared to the six months ended 30 June 2020. The increase in costs is due to higher rentals for property leases in the amount of €40,208, higher rental costs for production equipment in the amount of €45,774 and rental costs for the SDS business unit in the amount of €35,000.

Sundry operating expenses are in line with those of the same period last year. The item for the six months ended 30 June 2021 is equal to €310,591 and is mainly composed of contingent liabilities for €188,736, bank commissions and commissions on loans for €32,053 and non-deductible capital goods for €22,637.

Personnel costs increased by 30%, from €5,085,761 to €6,629,445, compared to the same period for the six months ended 30 June 2020. The growth is driven by the continued growth of the company's workforce from 239 employees for the six months ended 30 June 2020 to 293 employees for the six months ended 30 June 2021.

Trade receivables reclassified as current assets are systematically written down by a fixed amount each year.

EBITDA increased significantly at 30 June 2021 compared to the same period of the previous year, the increase of €1,831,430 is mainly due to higher revenues for the year, which grew more than proportionally to the main drivers of margins, namely services costs (particularly external services) and personnel costs. Services costs increased by 20% and personnel costs by 30%, but in the same period the value of production increased by 37%, resulting in a considerable increase in EBITDA.

The *EBITDA margin* increased from 3% of Value of Production at 30 June 2020 to 12% at 30 June 2021.

Amortisation, depreciation and writedowns

Amortisation of intangible assets in the first half of 2021 increased compared to the previous year due to the amortisation of goodwill generated in the second half of 2020 from

- the acquisition of the Dante S.r.l. company branch, which generated goodwill of €1,273,856;

- the merger of RES S.r.l., which generated goodwill of €485,823;

In addition to these increases in intangible assets due to goodwill, there were also increases in licences and programmes during 2020 due in particular to the capitalisation of personnel costs for internal software development. The capitalisation of personnel costs amounted to approximately €620,000, resulting in an increase in the amortisation of intangible assets, on a half-yearly basis, of €337,324.

Depreciation of property, plant and equipment and provisions remain in line with 30 June 2020.

Financial income and charges

Financial expenses increased due to the increase in medium/long-term debt, which resulted in interest expenses of €87,412 for the six months ended 30 June 2021 compared to €29,970 for the six months ended 30 June 2020.

There was also a sharp decrease in income from participations: the figure for the first half of 2020 was influenced by the distribution of dividends from the Brazilian subsidiary for €170,000, which, on the other hand, amounted to €75,490 in the first half of 2021.

3.5.2 Selected balance sheet data of the Issuer for the six months ended 30 June 2021 and for the financial years ended 31 December 2020 and 31 December 2019

This table shows the reclassified balance sheet of the Issuer containing values for the six months ended 30 June 2021 and for the years ended 31 December 2020 and 2019.

Reclassified Balance Sheet (Euro)	Half-year ended 30 June 2021	Financial year ended 31 December 2020	Change 2021-2020	%	Financial year ended 31 December 2019
Intangible assets	4,650,055	4,433,581	216,474	5%	1,499,405
Property, plant and equipment	634,408	661,232	(26,824)	(4)%	946,201
Financial assets	1,877,508	1,877,508	0	0%	2,637,508
Total non-current assets	**7,161,971**	**6,972,321**	**189,650**	**3%**	**5,083,114**
Inventories	219,031	17,284	201,747	1167%	52,478
Trade receivables	26,883,376	24,904,585	1,978,791	8%	26,414,744
Other assets	3,547,294	2,305,695	1,241,599	54%	1,762,286
Trade payables	(7,652,577)	(7,176,909)	(475,668)	(7)%	(5,871,325)
Other liabilities	(3,396,454)	(2,679,435)	(717,019)	(27)%	(2,367,169)
Net working capital	**19,600,670**	**17,371,220**	**2,229,450**	**13%**	**19,991,014**
Total capital employed	**26,762,641**	**24,343,541**	**2,419,100**	**10%**	**25,074,128**
Net equity	7,162,289	8,899,075	(1,736,786)	(20)%	7,913,580
Provisions for risks and charges	207,682	189,131	18,551	10%	100,930
Severance pay	2,905,911	2,583,457	322,454	12%	1,892,901
Net financial debt	16,486,759	12,671,878	3,814,881	30%	15,166,717
Total sources of funding	**26,762,641**	**24,343,541**	**2,419,100**	**10%**	**25,074,128**

Intangible fixed assets

The ratio of this item to total capital employed was 17% for the six months ended 30 June 2021.

The following table provides a breakdown of intangible assets.

Intangible fixed assets (Euro)	Half-year ended 30 June 2021	Financial year ended 31 December 2020	Change 2021-2020	%	Financial year ended 31 December 2019
Start-up and expansion costs	587,715	582,984	4,731	1%	830,853
Industrial patent rights	0	0	0	0%	2,857
Licences, trademarks and similar rights	1,370,681	1,228,526	142,155	12%	157,105
Goodwill	1,692,093	1,722,974	(30,881)	(2)%	0
Assets under development/construction and payments on account	651,142	457,672	193,470	42%	184,667
Others	348,424	441,425	(93,001)	(21)%	323,923
Total intangible assets	**4,650,055**	**4,433,581**	216,474	5%	**1,499,405**

The amortisation rates for items included in intangible assets are as follows:

- a rate of 20% for start-up and expansion costs;
- a rate of 33.33% for concessions and licences (it should be noted in this regard that the Issuer has taken advantage, for the financial year ended 31 December 2020, of the derogation provided for by Law 126/2020, for the suspension of the amortisation of concessions and licences for an amount equal to €261,991);
- a rate equal to 10% for goodwill (in this regard, it should be noted that the Issuer has taken advantage, for the financial year ended 31 December 2020, of the exemption provided for by Law 126/2020, for the suspension of the amortisation of the company branch acquired from Dante S.r.l.);
- a rate depending on the duration of the lease for leasehold improvements (included under "*Other*").

In the six months ended 30 June 2021, the main increases relate to:

- licences, trademarks and similar rights, in particular concerning the purchase of software, the internal implementation of a programme and the implementation of the ERP system;
- goodwill, in particular in relation to the acquisition of the Grafitec S.r.l. business;
- assets under development/construction and payments on account, particularly with reference to the capitalisation of costs incurred for the listing on Euronext Growth Milan*(rebranding*, corporate organisation, professional services, other).

Property, plant and equipment

The table below provides a breakdown of property, plant and equipment.

Property, plant and equipment	**Half-year ended 30 June 2021**	**Financial year ended 31 December 2020**	**Change 2021-2020**	**%**	**Financial year ended 31 December 2019**
Land and buildings	221,609	222,505	(896)	(0)%	223,264
Plant and machinery	16,899	15,375	1,524	10%	18,275
Industrial and commercial equipment	5,101	8,321	(3,220)	(39)%	17,645
Other assets	390,799	415,031	(24,232)	(6)%	451,302
Assets under development/construction and payments on account	0	0	0	0%	235,715
Total property, plant and equipment	**634,408**	**661,232**	**(26,824)**	**(4)%**	**946,201**

The depreciation rates for items included in property, plant and equipment are as follows:

- a rate of 3% for buildings;
- a rate of 15% for plant and machinery;
- a 15% rate for equipment;
- a rate of 12% for furniture (included under "*Other assets*");
- a rate of 20% for electronic office machines and trucks (included under "*Other assets*").

Inventories

The significant increase in this item during the six months ended 30 June 2021 is due to the advances paid by the Issuer to its suppliers, not present at the end of the 2020 financial year, amounting to €180,000. The remainder of inventories for the six months ended 30 June 2021 consisted of finished products and goods in stock, valued at the lower of cost and estimated realisable value.

Receivables

Trade receivables include receivables claimed by the Issuer for the sale of products and goods and for services rendered to customers and subsidiary and associated companies, recorded at nominal value as they are all due within 12 months. They increased between 31 December 2020 and 30 June 2021 (+8%).

The following table shows the breakdown of trade receivables for the six months ended 30 June 2021 by geographical area:

Receivables as at 30 June 2021	**Italy**	**EU**	**Non EU**	**Total**
Trade receivables	19,202,917	938,183	370,300	**20,511,400**
Receivables from subsidiaries	405,712	1,319	6,179,450	**6,586,481**
Receivables from associated companies	0	156,747	176,673	**333,420**
Total	**19,608,629**	**1,096,249**	**6,726,423**	**27,431,301**

It should be noted that the amount of trade receivables is shown in the table above gross of the allowance for doubtful accounts allocated by the Issuer, equal to €547,925 as of 30 June 2021 (€542,134 as of 31 December 2020).

It should also be noted that the item "Trade receivables" includes €3,412,779 relating to bills sold to factoring companies and SBF.

Other assets

Other assets, representing 13% of the capital employed as of 30 June 2021, include tax receivables of €1,201,779 (€791,524 as of the year ended 31 December 2020), receivables recorded against deferred tax assets of €202,657 (€206,159 as of the year ended 31 December 2020), receivables from others of €817,286 (€468,234 as of the year ended 31 December 2020) and accrued income and prepaid expenses of €1,325,572 (€839,778 as of the year ended 31 December 2020).

The increase in tax receivables is mainly due to the registration of the tax receivable for the R&D contribution (€80,000) and the increase in the VAT receivable.

Trade payables

Trade payables include payables to suppliers and to companies belonging to the Issuer's group. This item increased overall between the year ended 31 December 2020 and the six months ended 30 June 2021 (+7%).

The following table provides details of trade payables for the six months ended 30 June 2021, broken down by geographical area.

Payables for the six months ended 30 June 2021 (Euro)	**Italy**	**EU**	**Non EU**	**Total**
Trade payables	3,111,241	217,715	248,054	**3,577,010**
Payables to subsidiaries	2,955,847	34,980	315,551	**3,306,378**
Payables to associated companies	193,110	185,658	390,421	**769,189**
Total	**6,260,198**	**438,353**	**954,026**	**7,652,577**

Other liabilities

This item includes the following amounts:

- tax payables in the amount of €946,568 (€322,225 as of 31 December 2020);
- payables to social security institutions in the amount of €767,157 (€634,482 as of 31 December 2020);
- other payables of €1,459,029 (€1,295,748 as of the year ended 31 December 2020), which mainly comprise payables to employees for salaries payable and deferred salaries;
- deferred tax liabilities of €75,135 (unchanged as of 31 December 2020);
- accrued expenses and deferred income of €148,565 (compared to €351,845 for the year ended 31 December 2020).

Net equity

The following table shows the changes in the items included in net equity:

Net equity	Half-year ended 30 June 2021	Financial year ended 31 December 2020	Change 2021-2020	%	Financial year ended 31 December 2019
Share capital	500,000	500,000	0	0%	500,000
Legal reserve	100,000	100,000	0	0%	100,000
Extraordinary reserve	7,923,536	7,291,413	632,123	9%	5,944,512
Capital contribution	2,846	2,846	0	0%	2,846
Tax amnesty reserve	19,321	19,321	0	0%	19,321
Depreciation suspension reserve Italian Law 126/2020	390,003	0	390,003	100%	0
Cash-flow hedge reserve	(25,547)	(36,632)	11,085	30%	0
Negative treasury shares reserve	(3,000,000)	0	(3,000,000)	100%	0
Profit (loss) for the year	1,252,129	1,022,127	230,002	23%	1,346,901
Total net equity	**7,162,288**	**8,899,075**	**(1,736,787)**	(20)%	**7,913,580**

The result for the year ended 31 December 2020, amounting to €1,022,127, was allocated as follows:

- €390,003 to the unavailable reserve for suspension of amortisation (Law Decree 104/2020), due to the suspension of amortisation of licences, trademarks and similar rights for €261,991 and of goodwill on the branch of business acquired from Dante S.r.l. by the parent company; and

- €632,124 to the extraordinary reserve.

It should be noted that on 28 June 2021, the Issuer acquired 50,000 Treasury Shares (as at the Admission Document Date, 750,000 Treasury Shares, in respect of the split of the Company's Shares which took place on 25 October 2021) (for further information, please refer to Section One, Chapter 15, Paragraph 15.1.3 of this Admission Document).

Net financial debt

The following table shows the breakdown of the Issuer's net financial debt for the six-month period ended 30 June and for the year ended 31 December 2020:

Net financial position	Half-year ended 30 June 2021	Financial year ended 31 December 2020	Change 2021-2020	Financial year ended 31 December 2019
Marketable securities	0	0	0	0

Bank deposits	6,662,556	4,103,394	2,559,162	1,568,153
Cash	10,440	411	10,029	3,361
Payables to banks due in under 12 months	(10,098,905)	(6,581,222)	(3,517,683)	(14,924,322)
Payables to banks due in over 12 months	(13,015,680)	(10,303,407)	(2,712,273)	(2,101,409)
Cash (NFP) with banks	**(16,441,589)**	**(12,780,824)**	**(3,660,765)**	**(15,454,217)**
Intercompany financial receivables due in under 12 months	0	170,000	(170,000)	287,500
Other financial payables due in under 12 months	(45,170)	(61,054)	15,884	0
Other financial payables due in over 12 months	0	0	0	0
Total Cash (NFP)	**(16,486,759)**	**(12,671,878)**	**(3,814,881)**	**(15,166,717)**

The net financial position calculated as above represents the difference between cash and cash equivalents and short- and long-term financial liabilities. For the year ended 31 December 2020, it also includes a short-term financial receivable of €170,000, related to dividends receivable by the Issuer from the investee company Star Comunicação e Serviços Ltda.

For the financial year ended on 31 December 2019, the item includes €287,000 related to a short-term loan granted to the associated company Dante S.r.l., which will be repaid by the latter in 2020.

3.5.3 Selected Issuer Cash Flow Data for the six months ended 30 June 2021 and 30 June 2020

The following table sets out selected information about the Issuer's cash flows for the six months ended 30 June 2021 and 30 June 2020:

Cash flows (Euro)	Consolidated half-yearly report as at 30 June 2021	Consolidated half-yearly report as at 30 June 2020	Change
Cash flow before changes in net working capital	2,715,841	800,583	1,915,258
Change in net working capital	(2,283,510)	8,204,311	(10,487,821)
Other adjustments	(483,117)	(76,296)	(406,821)
Cash flow from operating activities	**(50,786)**	**8,928,598**	**(8,979,384)**
Capital expenditure	(46,737)	(67,014)	20,277
Investments in intangible assets	(657,359)	(628,234)	(29,125)
Financial acquisitions	110,000	(3,262,303)	3,372,303
Cash flow from investing activities	**(594,096)**	**(3,957,551)**	**3,363,455**
Loan funds	6,214,072	(2,127,865)	8,341,937
Own funds	(3,000,000)	0	(3,000,000)
Cash flow from financing activities	**3,214,072**	**(2,127,865)**	**5,341,937**
Change in liquidity	**2,569,190**	**2,843,182**	**(273,992)**

The cash flow from operating activities decreased compared to the previous period. This decrease is related to the increase in the components of the net working capital, in particular to the increase in trade receivables claimed by the Issuer from its subsidiaries and to the increase in accrued income and prepaid expenses. It is also related to higher income taxes paid in the six months ended 30 June 2021 compared to the six months ended 30 June 2020.

The cash flow from investing activities is composed of investments in intangible assets for €46,737, investments in property, plant and equipment for €657,359 and net disposals in financial assets for €110,000, which in turn are composed of disposals for €170,000 related to the payment of dividends by the subsidiary Star Comunicação e Serviços Ltda and investments for €60,000 arising from the acquisition of a business unit net of cash and cash equivalents.

Cash flows from third parties include for the six months ended 30 June 2021:

- short-term bank borrowings (amounting to €2,792,958 for the six months ended 30 June 2021, and €356,534 for the six months ended 30 June 2020);
- long-term loans (amounting to €4,000,000 for the six months ended 30 June 2021 and zero for the six months ended 30 June 2020);
- the repayment of long-term loans (amounting to €578,886 for the six months ended 30 June 2021 against €1,771,331 for the six months ended 30 June 2020).

Lastly, we note the purchase by the Issuer of 50,000 treasury shares (as of the Admission Document Date, 750,000 treasury shares, following the split of the Company's Shares on 25 October 2021), a transaction that absorbed liquidity in the amount of €3,000,000.

3.5.4 Selected Group cash flow data for the year ended 31 December 2020 and 31 December 2019

Selected information about the Issuer's cash flows for the year ended 31 December 2020 and 31 December 2019 is set out below:

Cash flows (Euro)	Financial year ended 31 December		Change
	2020	2019	
Cash flow before changes in net working capital	3,002,194	3,161,522	(159,328)
Change in net working capital	3,075,032	(9,305,653)	12,380,685
Other adjustments	(937,237)	(934,035)	(3,202)
Cash flow from operating activities	**5,139,989**	**(7,078,166)**	**12,218,155**
Capital expenditure	(137,507)	(410,862)	273,355
Investments in intangible assets	(2,557,643)	(479,915)	(2,077,728)
Financial acquisitions	167,500	(292,846)	460,346
Cash flow from investing activities	**(2,527,650)**	**(1,183,623)**	**(1,344,027)**
Loan funds	(80,048)	9,228,283	(9,308,331)

Own funds	0	(400,000)	400,000
Cash flow from financing activities	**(80,048)**	**8,828,283**	**(8,908,331)**
(Change in liquidity	**2,532,291**	**566,494**	**1,965,797**

The decrease in net working capital in the year ended 31 December 2020 is attributable to a decrease in trade receivables of €1,360,085, compared to the increase recorded in the previous period of €2,396,629, as well as an increase in accrued expenses and deferred income of €335,149, compared to the decrease recorded in 2019 of €434,258.

The increase in investments in intangible assets is due to the implementation of the Issuer's ERP system and the expenses incurred for the Admission on Euronext Growth Milan (professional services, due diligence).

With reference to the cash flow deriving from investment activities, the following should be noted:

- a reduction in short-term payables to banks (amounting to €8,391,634, while at 31 December 2020 they had increased by €3,368,269);
- long-term loans (amounting to €8,900,000 and €7,400,593 for the year ended 31 December 2019); and
- the repayment of long-term loans (amounting to €588,414 and €1,540,579).

3.6 Alternative performance indicators

In order to facilitate the understanding of the economic and financial performance of the Issuer and the Consolidated Financial Statements, some Alternative Performance Indicators ("**APIs**") are shown in this section. For a correct interpretation of these APIs, the following should be noted:

- pursuant to the ESMA/2015/1415 guidelines of 5 October 2015 (which came into force on 3 July 2016), Alternative Performance Indicators are to be understood as those indicators of financial performance, financial debt or historical or future cash flows, other than those defined or specified in the applicable financial reporting framework. They are usually derived from or based on financial statements prepared in accordance with applicable financial reporting frameworks, most often by adding or subtracting amounts from the figures in the financial statements;
- these indicators are constructed exclusively from historical data of the Issuer and the Consolidated and are not indicative of its future performance;
- APIs are not required by the relevant accounting standards and, although they are derived from the interim financial statements as at 30 June 2021 and the Issuer's and Consolidated financial statements as at 31 December 2020 and 2019, they are not audited;
- APIs should not be considered as substitutes for the indicators provided for by the

reference accounting standards;

- these APIs must be read in conjunction with the Issuer's and Consolidated financial information taken from the interim financial statements as at 30 June 2021 and the financial statements as at 31 December 2020 and 2019;

- the APIs used by the Issuer have been prepared with continuity and uniformity of definition and representation for all periods for which financial information is included in this Admission Document, as there have been no changes in the calculation methods in the relevant financial years;

- APIs are represented, where applicable, in accordance with the recommendations set out in the ESMA/1415/2015 guidelines (as implemented by CONSOB Communication No. 0092543 of 3 December 2015);

- the definitions and criteria adopted for the determination of the indicators used by the Issuer, insofar as they do not derive from the reference accounting standards, may not be homogeneous with those adopted by other companies or groups and may not be comparable with those possibly presented by such entities and, therefore, the balance obtained by the Issuer may not be comparable with that determined by the latter;

- the APIs used by the Issuer have been prepared with continuity and uniformity of definition and representation for all the financial years for which financial information is included in this Admission Document. With the exception of revenues from sales and net profit (loss), the APIs represented (EBITDA, EBITDA%, EBIT%, EBT, EBT%, Net Working Capital, Net Invested Capital, Net Financial Position, Inventory-receivables turnover, Inventory-payables turnover, Inventory Turnover) are not identified as accounting measures under the relevant accounting standards and, therefore, as stated above, should not be considered as alternative measures to those provided by the Issuer's financial statements for evaluating their economic performance and relative financial position.

The table below summarises the main APIs used by the Issuer to monitor its economic and financial performance, as well as the methods used to determine them.

Alternative Performance Indicators for the Issuer's Financial Statements

Income statement indicators	**Notes**	**Half-year ended 30 June 2021**	**Financial year ended 31 December 2020**	**Financial year ended 31 December 2019**
Revenues from sales		21,057,955	34,191,076	39,887,939
EBITDA	1	2,341,677	2,035,712	2,731,754
EBITDA Margin (%)		*11%*	*6%*	*7%*
EBIT	2	1,734,094	1,336,437	2,065,520
EBIT Margin (%)		*8%*	*4%*	*5%*

EBT	3	1,734,094	1,336,437	2,065,520
EBT Margin (%)		*8%*	*4%*	*5%*
Net profit (loss)		1,252,129	1,022,127	1,346,901
Net profit (loss) / revenues (%)		*6%*	*3%*	*3%*
Balance sheet indicators				
Net Working Capital	4	19,600,670	17,371,220	19,991,014
Net Invested Capital	4	26,762,641	24,343,541	25,074,128
Net financial position	5	(16,486,759)	(12,671,878)	(15,166,717)
Inventory turnover				
Trade receivables turnover rate	6	184	225	173
Inventory-payables turnover	7	94	91	77
Inventory turnover	8	2	1	2

(1) EBITDA is defined as Earnings Before Tax (EBT), as reported in the statement of profit/(loss) for the year, gross of: (i) financial income and expenses, (ii) amortisation of intangible assets, (iii) depreciation of property, plant and equipment, (iv) provisions.

(2) EBIT is defined as the net profit (loss) for the year adjusted by the following income components: (i) income taxes, (ii) financial income and financial expenses. For details of the calculation, see Section One, Chapter 3 of the Admission Document.

(3) EBT is defined as the net profit (loss) for the year adjusted for income taxes. For details of the calculation, see Section One, Chapter 3 of the Admission Document.

(4) Net Working Capital and Net Invested Capital are calculated as follows:

Euro	**Half-year ended 30 June 2021**	**Financial year ended 31 December 2020**	**Financial year ended 31 December 2019**
Property, plant and equipment	4,650,055	4,433,581	1,499,405
Intangible assets	634,408	661,232	946,201
Other non-current assets	1,877,508	1,877,508	2,637,508
NON-CURRENT ASSETS (A)	**7,161,971**	**6,972,321**	**5,083,114**
Inventories	219,031	17,284	52,478
Trade receivables	26,883,376	24,904,585	26,414,744
Trade payables	(7,652,577)	(7,176,909)	(5,871,325)
Other assets	3,547,294	2,305,695	1,762,286
Other liabilities	(3,396,454)	(2,679,435)	(2,367,169)
NET WORKING CAPITAL (B)	**19,449,830**	**17,744,960**	**20,595,897**
NET INVESTED CAPITAL (A+B+C)	**26,611,801**	**24,717,281**	**25,679,011**

(5) The Net Financial Position is calculated as the difference between cash and cash equivalents and current and non-current financial liabilities.

(6) The trade receivables turnover ratio is calculated as the average trade receivables for the period indicated, net of value added tax, divided by the revenues from sales for the period and multiplied by the number of days.

(7) The inventory-payables turnover rate is calculated as the average trade debt for the given period, net of value added tax, divided by the costs of raw materials, services and leases and rentals and multiplied by the number of days.

(8) The inventory turnover rate is calculated as the average of the value of inventories in the given period divided by the revenues from sales and multiplied by the number of days.

Alternative Performance Indicators for the Issuer's Financial Statements:

Income statement indicators	**Notes**	**Half-year ended 30 June 2021**	**Financial year ended 31 December 2020**	**Financial year ended 31 December 2019**
Revenues from sales		28,078,559	43,460,628	51,126,324
EBITDA	1	4,291,051	4,251,334	5,932,731
EBITDA Margin (%)		15%	10%	12%
EBIT	2	2,858,606	2,524,714	4,208,144
EBIT Margin (%)		10%	6%	8%
EBT	3	2,633,519	2,133,414	3,960,266
EBT Margin (%)		9%	5%	8%
Net profit (loss)		1,956,899	1,685,118	2,503,326
Net profit (loss) / revenues (%)		7%	4%	5%
Balance sheet indicators				
Net Working Capital	4	17,957,443	16,730,228	19,538,270
Net Invested Capital	4	33,593,619	30,935,226	30,022,584
Net financial position	5	(19,328,056)	(16,322,432)	(16,796,867)
Inventory turnover				
Trade receivables turnover rate	6	127	173	138
Inventory-payables turnover	7	75	83	77
Inventory turnover	8	13	12	9

(1) EBITDA is defined as Earnings before Tax (EBT) as reported in the Consolidated Statement of Profit/(Loss) for the year, before: (i) financial income and expenses, (ii) amortisation of intangible assets, (iii) depreciation of property, plant and equipment, (iv) provisions.

(2) EBIT is defined as the consolidated net profit (loss) of the financial year adjusted by the following economic components: (i) income taxes, (ii) financial income and financial expenses. For details of the calculation, see Section One, Chapter 3 of the Admission Document.

(3) EBT is defined as the net profit (loss) of the consolidated financial year adjusted for income taxes. For details of the calculation, see Section One, Chapter 3 of the Admission Document.

(4) Net Working Capital and Net Invested Capital are calculated as follows:

Euro	**Half-year ended 30 June 2021**	**Financial year ended 31 December 2020**	**Financial year ended 31 December 2019**
Property, plant and equipment	9,669,581	8,305,500	5,810,104
Intangible fixed assets	5,624,012	5,387,641	4,550,692
Other non-current assets	342,583	511,857	123,518
NON-CURRENT ASSETS (A)	**15,636,176**	**14,204,998**	**10,484,314**

Inventories	1,241,249	734,851	658,567
Trade receivables	23,812,206	23,953,808	26,374,171
Trade payables	(6,542,533)	(6,697,484)	(6,379,374)
Other assets	5,267,971	3,537,665	3,063,036
Other liabilities	(5,821,450)	(4,798,612)	(4,178,130)
NET WORKING CAPITAL (B)	**17,957,443**	**16,730,228**	**19,538,270**
NET INVESTED CAPITAL (A+B+C)	**33,593,619**	**30,935,226**	**30,022,584**

(5) The Net Financial Position is calculated as the difference between cash and cash equivalents and current and non-current financial liabilities. For details of the calculation, see Section One, Chapter 3 of the Admission Document.

(6) The trade receivables turnover ratio is calculated as the average trade receivables for the period indicated, net of value added tax, divided by the revenues from sales for the period and multiplied by the number of days.

(7) The inventory-payables turnover rate is calculated as the average trade debt for the given period, net of value added tax, divided by the costs of raw materials, services and leases and rentals and multiplied by the number of days.

(8) The inventory turnover rate is calculated as the average of the value of inventories in the given period divided by the revenues from sales and multiplied by the number of days.

4. RISK FACTORS

An investment in the Shares involves a high degree of risk and is intended for investors who are able to assess the specific characteristics of the Issuer's and the Group's business and the riskiness of the proposed investment. The investment in the Shares also presents the risk elements typical of an investment in financial instruments traded on a non-regulated market such as Euronext Growth Milan. Accordingly, before deciding to make an investment decision, potential investors are advised to carefully evaluate the risks described below, together with all the information contained in this Admission Document, in order to make a proper assessment of their investment.

The occurrence of any of the circumstances described in any of the following risk factors could adversely affect the business and financial condition of the Issuer and the Group, their prospects and the price of the Shares and the holders of the Shares could lose all or part of their investment. Such negative effects could also occur if events occur, which are not known to the Issuer today, that would expose the Issuer to further risks or uncertainties, or if risk factors that are not considered significant today become so due to circumstances that have arisen. The Company believes that the following risks are material to potential investors.

The risk factors described in this Chapter 4 "Risk Factors" should be read in conjunction with the other information contained in the Admission Document.

Any references to Sections, Chapters, and Paragraphs refer to the Sections, Chapters, and Paragraphs of this Admission Document.

4.1 Risk factors relating to the Issuer and the Group

4.1.1 Risks related to complex financial market conditions and the global macroeconomic framework as a result of the spread of the COVID-19 outbreak

The Group is exposed to risks related to the current and future global economic and financial situation due to the effects of COVID-19. The spread of COVID-19 and the restrictive measures adopted by domestic and foreign authorities to contain contagion, as well as the impact of such measures on the reference market where the Group operates, could have a negative impact on the Group's operations and results. The Issuer considers the occurrence of such circumstances to be of medium probability.

The Group's financial results depend on global economic conditions in the European Union and the United States and, to a lesser extent, in South America (particularly Brazil): a prolonged recession in any of these regions or worldwide such as that which may be caused by the respiratory syndrome known as SARS-CoV-2 and the related disease COVID-19 (the "**COVID-19**") could adversely affect the Issuer's and the Group's financial condition, results of operations and cash flows.

Since early 2020, following the spread of the COVID-19 pandemic, the authorities of most of the countries in which the Group operates (including Italy) have adopted restrictive measures aimed at containing the spread of the pandemic, which have entailed restrictions and controls on travel as well as the closure of non-core production facilities and offices, with a negative impact on economic activities at a domestic and global level as well as on the market in which the Group operates.

This pandemic has caused and continues to cause, as of the Admission Document Date, significant macroeconomic uncertainty, with serious repercussions on the economies and financial markets of many countries, including Italy, the extent of which, as of the Admission Document Date, cannot be easily predicted today (just as the possible timing and/or manner of recovery and stabilisation of international markets cannot be predicted).

If one or more of the geographic areas in which the Group operates are affected by contagious diseases with effects of human-to-human spread by air or through contact that cause regional or global epidemics, such as the COVID-19 disease, the production and sales of the Group and its customers could be reduced, with possible negative effects on the activities and prospects as well as on the economic and financial situation of the Issuer and the Group.

As at the Admission Document Date, the Group's operations and results have suffered a contraction in business volume (with a reduction in turnover for the year ended 31 December 2020, compared to the year ended 31 December 2019, of 15%) as a result of the application of the COVID-19 measures which have affected a part of the Group's customers (such as, by way of example and without limitation, companies active in the automotive sector).

For this reason, in 2020 the Issuer resorted to financial support measures to increase its liquidity, accessing financing guaranteed by SACE pursuant to Article 1, paragraph 1, of Decree-Law No. 23 of 8 April 2020 as subsequently converted or guaranteed by the SME Guarantee Fund pursuant to Law No. 662/1996, for a total principal amount of approximately €5 million.

In the six months ended 30 June 2021, after the lull linked to the COVID-19 health emergency, the international scenario showed a definite recovery with a progressive improvement in production, albeit with different timing in the various countries. In particular, the Company and its subsidiaries, in this overall growth scenario, produced good results by consolidating their activities and increasing their volumes both compared to the six months ended 30 June 2020 and compared to 31 December 2020, closing the first half of2021 with a positive and growing net profit.

As of the Admission Document Date, it is not possible to predict the duration of the pandemic or the extent of the restrictive measures to contain its further spread and, therefore, it is not possible to predict the further negative effects that the continuation of the pandemic could have on financial markets and economic activities at a domestic and global level.

In general, the continuation of this emergency could lead to a further deterioration of the economic situation with a possible reduction, even significant, in the demand for the Group's products and negative effects on the activities and prospects, as well as on the economic and financial situation of the Issuer and the Group. Notwithstanding the foregoing, the activities carried out by the Group, with particular reference to translation and technical authoringservices, were not strictly related to the economic cycle since they concern services deemed to be indispensable, but, in any case, the spread of contagions or epidemics on a regional or global scale is beyond the Group's control and there is therefore no guarantee that the Group will be able to counteract their effects or impact on its operations and results in the future.

For further information on the Issuer's business and customers, see Section One, Chapter 6, Paragraph 6.1, of the Admission Document.

4.1.2 Acquisition of LocalEyes Group

The LocalEyes Acquisition was a significant extraordinary transaction for the Company. However, this transaction entails risks related to the occurrence of events that could jeopardise the profitability of the aforementioned acquisition transaction and/or that could delay the integration process or cause an increase in costs compared to those budgeted. The Issuer considers the occurrence of such circumstances to be of medium-low probability.

On 21 July 2021, the Company, as purchaser, entered into an agreement with Cubic Venture S.A. and Kibest S.r.l. (owner of Cubic Venture S.A.), a contract for the acquisition of the entire share capital of LocalEyes, a company operating in the translation and localisation sector and providing global services in over 60 countries, which has had business relations with certain companies in the Apple group since 1997, including Apple Inc.

The closing of the LocalEyes Acquisition took place on 15 November 2021, through the transfer of the entire share capital of LocalEyes to the Company, in execution of the LocalEyes Acquisition Contract.

This agreement provides for a consideration of €32,000,000, subject to adjustment (upwards or downwards), to be paid in five separate *tranches*, as specified in the LocalEyes Acquisition Contract (for further information, see the description in Section One, Chapter 16, Paragraph 16.3.1).

The Company completed the LocalEyes Acquisition through the use of its own resources, as well as through the proceeds deriving from the Bond Issues (for further information, see Section One, Chapter 16, Paragraphs 16.1 and 16.2).

The following table sets out some of LocalEyes' key income statement indicators for the year ended 31 December 2020:

Item (***in thousand Euro***)	**Financial year ended 31 December 2020**
Value of Production	15,618
EBITDA	3,937
Profit for the year	3,204
Net equity	2,318

It should be noted that the profitability of the LocalEyes Acquisition will depend, inter alia, on the Issuer's ability to: (i) to maintain the existing business relationship with the Apple Group, LocalEyes' main customer, even in the absence of contracts stipulating a minimum quantity of services and exclusivity obligations; (ii) to integrate LocalEyes Group into STAR7 Group in an efficient manner and to achieve potential synergies and economies of scale as well as *cross-selling* opportunities; and (iii) retaining certain key LocalEyes personnel with rapid integration of the employees into the STAR7 Group's operations.

Although the Company has already initiated contacts with the Apple Group in order to represent the change of control and has implemented the procedures and actions necessary for the integration of LocalEyes into the STAR7 Group, it cannot be ruled out that events may occur, including those outside the Group's control, that could jeopardise the profitability of the transaction and/or that could delay the implementation of the integration process or give rise to unexpected liabilities or increase costs with respect to those budgeted, with consequent negative effects on the Group's income statement, balance sheet and financial position.

4.1.3 The Group's consolidated financial debt, related financing agreements and Bond Issues

The Group is exposed to the risk of having to repay its financial indebtedness in advance in the event of default or forfeiture of the benefit of the term provided for by the loan agreements in place as of the Admission Document Date and by the Bond Issues, also due to non-compliance with contractual provisions contained in the relevant loan agreements and in the Bond Issues. The Issuer considers the occurrence of such circumstances to be of medium probability.

Financing

The Group companies obtain their financial resources mainly through the traditional banking channel and with instruments such as medium/long-term loans, mortgages, short-term bank credit lines and credit lines, as well as drawing on the flows deriving from business operations.

The following table sets out the Group's total net financial debt for the six months ended 30 June 2021 and for the year ended 31 December 2020 and 31 December 2019:

	As at 30 June	**As at 31 December**	
	2021	**2020**	**2019**
Leases	2,032,000	2,159,000	1,236,000
Medium/long-term financial payables	15,698,000	11,675,000	2,386,000
Short-term financial payables	10,298,000	8,485,000	16,875,000
Cash and equivalents	(8,700,000)	(5,997,000)	(3,413,000)
Net financial debt	**19,328,000**	**16,322,000**	**17,084,000**

It can be seen that the Group recorded a slight decrease in its financial debt for the year ended 31 December 2020 for an amount of €16,322,000, compared to an amount of €17,084,000 for the year ended 31 December 2019. As regards the six-month period ended 30 June 2021, it should be noted that net financial debt increased slightly by €19,328,000, due to the obtaining of some new loans and the temporary increased use of short-term credit lines by the Company.

In general, for the six months ended 30 June 2021 and for the financial year ended 31 December 2020 and 31 December 2019, the Group had credit lines for revocable and term bank facilities (as well as for advances on invoices and factoring) for a total amount of approximately €17,145 thousand, €16,945 thousand and €14,645 thousand, respectively.

The type of such credit lines may in the future: (i) make the Group more vulnerable to unfavourable economic conditions in the market or in the sectors in which it operates; (ii) reduce the availability of cash flows for the conduct of current operations; (iii) limit the Group's ability to obtain additional funds – or to obtain them on more unfavourable terms – to finance, among other things, future business opportunities; and (iv) limit the ability to plan and react to changes in the markets in which the Group operates.

In addition, the loan agreements to which the Group is a party, as normally required by banks, impose specific commitments typical of transactions and contracts of this kind, including, in most cases, change of control clauses, the completion of certain operations of an extraordinary nature, as well as the occurrence of events that may negatively affect the equity, economic or financial position of the companies of the Group (including the admission to bankruptcy proceedings, the issuance of provisionally enforceable and/or precautionary measures on assets owned by the borrower or guarantors). In the event of the Group's failure to comply with these *covenants*, the lenders have the right to terminate or rescind the loan agreements, accelerating the repayment of their loans.

In addition, during 2020, the Issuer resorted to financial support measures to increase its liquidity, accessing financing guaranteed by SACE pursuant to Article 1, paragraph 1, of Decree-Law No. 23 of 8 April 2020 as subsequently converted or guaranteed by the Guarantee Fund for SMEs pursuant to Law No. 662/1996, for a total principal amount of approximately €5 million.

Although the Group, as of the Admission Document Date, considers that it has fulfilled its obligations and has not received any objections from any of its lending banks, it is not possible to exclude that in the future the Group may not be able to raise the necessary financial resources to meet its repayment commitments or may not be able to meet, or may be challenged with, its current non-compliance with the covenants with a consequent obligation to immediately repay the remaining portions of the loans in place. The occurrence of such events could have an adverse effect on the financial position, results of operations and cash flows of the Company and the Group.

Among the transactions which affected the Issuer's financial debt, it should be noted that on 28 June 2021, the Company entered into a contract with the shareholder STAR AG for the buyback of the Company’s shares, whereby, STAR AG transferred and sold to the Company the right of full and exclusive ownership of 50,000 shares of the Company (following the split of the Company's Shares on 25 October 2021 there are now 750,000 such Shares) for a set consideration (for further information, please refer to Section One, Chapter 15, Paragraph 15.1.3 of the Admission Document).

Bond Issues

On 12 November 2021, the Issuer carried out the €20 million Bond Issue and the €5 million Bond Issue to finance the LocalEyes Acquisition. Both Bond Issues have been admitted to trading on ExtraMOT PRO3, the small and medium-sized enterprise growth segment of the ExtraMOT market, reserved for professional investors only: no *rating* level has been assigned to these bonds as a summary indicator of their riskiness.

In the context of the same transaction, the Issuer also entered into the LocalEyes Pledge Agreement and the Acquisition Contract Assignment of Receivables Agreement.

The Bond Issue terms provide for commitments by the Issuer and cases of default in line with market practice for transactions of a similar nature, which may result in mandatory early repayment by the Issuer upon the occurrence of certain events. In particular, it should be noted that the Issuer has the right to repay the bonds related to the Bond Issues in full in advance, starting from 12 November 2024 and on each subsequent interest payment date (i.e. every 12 November and every 12 May until the maturity date).

Early redemption by the Issuer may be effected by the payment of an aggregate redemption price calculated on the basis of specific percentages, such as, without limitation: (i) a price equal to 104.5% of the residual nominal value in 2025, (ii) a price equal to 103% of the residual nominal value in 2026, and (iii) a price equal to 101.5% of the residual nominal value in 2027.

Although, as of the Admission Document Date, the Issuer is in compliance with the provisions of the Bond Issues, it cannot be excluded that, should an event of default occur, the Issuer may be required to immediately repay the Bonds, as the case may be, and pay to the bondholders any interest accrued and not yet paid as of that date.

By purchasing the bonds in connection with the Bond Issues, the holders of these bonds became holders of a claim against STAR7 for the payment of interest and repayment of principal. These bonds are subject to the possibility that the Issuer may be unable to pay interest on the due dates and/or repay the principal at maturity as a result of its insolvency, a deterioration in its financial strength or an insufficiency, even temporary, of liquidity. Consequently, any worsening of the Company's economic conditions could have an adverse effect on the economic and financial situation of the Issuer and the Group and/or limit their ability to grow. In addition, the bonds related to the Bond Issues could depreciate in the event of a worsening of the Issuer's equity and financial situation or a deterioration of its creditworthiness.

For further information, please refer to the description of the Bond Issues in Section One, Chapter 16, Paragraphs 16.1 and 16.2 respectively, of this Admission Document.

Furthermore, there is no guarantee that in the future the Issuer will be able to negotiate and obtain the financing necessary for the development of its business or for the refinancing of maturing loans, with the terms and conditions obtained by it up to the Admission Document Date. Consequently, any worsening in terms of the economic conditions of the new loans and any future reduction in the credit capacity of the banking system could have negative effects on the economic and financial situation of the Issuer and the Group and/or limit their capacity for growth.

Finally, it should be noted that, if the LocalEyes Acquisition entails criticalities for the Company, which have not been identified as at the Admission Document Date, the Company will have to repay in full the proceeds received from the subscribers through the Bond Issues.

For further information see Section One, Chapter 16 of this Admission Document.

4.1.4 Client concentration and lapsed contracts

Due to the concentration of customers registered by the Group, the occurrence of problems or interruptions in commercial relations with major customers could have significant negative effects on the Issuer's and the Group's equity, economic and financial situation and growth prospects. The Issuer considers the occurrence of such circumstances to be of medium probability.

The Group's business is largely dependent on revenues from the sale of its services to a narrow base of customers, including national and global companies in various sectors (such as automotive, industrial, household appliances, fashion and media).

In particular, it should be noted that the STAR7 Group mainly has relationships with customers, to which it is linked by multi-year contracts or framework agreements (for the year ended 31 December 2020 pro forma, 83%) and with which the Company has developed a consolidated relationship over time (in this regard, it should be noted that for the year ended 31 December 2020, 61% of the Company's top 20 customers have been working with STAR7 for more than five years).

In addition, the Group mainly maintains relationships with its customers as a single partner for the entire life cycle of product information and related services, as opposed to involvement on a per-service basis, as reflected in the fact that for the six months ended 30 June 2021 pro forma and for the year ended 31 December 2020 pro forma, full-service contracts represented 75% and 56% of the Group's total revenues, respectively.

For the year ended 31 December 2020 pro forma, the top 5 customers accounted for 65.6% of the Group's revenue respectively, while, for the six months ended 30 June 2021 pro forma, the top 5 customers accounted for 63.8% of the Group's revenue.

Because some major customers belong to the same group, the clientele could become even more concentrated if they were subject to corporate reorganisations or mergers.

The following table sets out the impact of the top 5 customers on the Group's revenues for the six months ended 30 June 2021 pro forma and the year ended 31 December 2020 pro forma.

Business Unit *(in millions)*	**Half-year ended 30 June 2021**		**Financial year ended 31 December 2020 *pro-forma***	
	Euro	**%**	**Euro**	**%**
Engineering, Product Knowledge & Experience	8.5	24.2	16.8	27.2
Global Content	8.5	24.4	19.2	31.1
Printing	5.3	15.2	4.5	7.3

The average collection time of the Issuer's receivables from its customers during the year ended 31 December 2020 was approximately 162 days, a slight increase compared to the year ended 31 December 2019 when the average time was 151 days. In view of the payment of receivables over a medium-long period of time, the Issuer does not make use of any insurance coverage on receivables from its customers, as it believes that the risk provision available to it is sufficient to absorb any losses on receivables.

For the sake of completeness, it should be noted that the average payment time of the Issuer's payables during the financial year ended 31 December 2020 was approximately 76 days, with a slight increase compared to the period ended 31 December 2019, when the average time was approximately 63 days.

As a result of the LocalEyes Acquisition by the Company (for further information, see Section One, Chapter 16, Paragraph 16.3.1 of the Admission Document), the Issuer has acquired, among the Group's main national and international customers, certain companies belonging to the Apple Group (in particular, the companies of the Apple Group, including Apple Inc., accounted for 92.2% of LocalEyes' revenues in the year ended 31 December 2020).

The average time for LocalEyes to collect receivables from its customers during the year ended 31 December 2020 was approximately 9 days, a clear improvement compared to the year ended 31 December 2019 where the average time was 17 days.

In view of this concentration of customers, it should be noted that the loss of a significant customer or of a portion of turnover generated by a significant customer, or the non-payment or delayed payment of the fees due by the first customers for the services provided by the Group, could adversely affect its economic results and its financial equilibrium, with consequent negative effects on the Group's economic, equity and financial situation.

In addition, given that the average duration of contractual relationships with larger customers is three to five years, there is no certainty of either the continuation of these relationships over the long term or their possible renewal at their natural expiry. Even if contracts are renewed, there is no certainty that the Group will be able to match the terms and conditions currently in force. Any issues that may arise between the Group and its main customers could therefore have an adverse impact on its financial situation, performance, and prospects.

The loss of one or more major customers or of a portion of the turnover generated by one of these customers, or the non-payment or delayed payment of the fees due by one of these customers for the services provided by the Group could adversely affect its results of operations and its financial equilibrium, with consequent negative effects on the Group's economic and financial situation and assets.

For further information see Section One, Chapter 6, Paragraph 6.1.3 of this Admission Document.

4.1.5 Risks associated with acquisitions made by the Group

As of the Admission Document Date, the Group has made a number of acquisitions, which may involve unexpected costs and liabilities or the possible inability to obtain operating benefits or synergies from the transactions carried out with consequent negative effects on its economic and financial position, the occurrence of which is considered by the Issuer to be of medium-low probability.

In the last three years, the Group has carried out a series of strategic transactions aimed at acquiring the following companies: (i) the American company Techworld Language Services Inc. in 2019; (ii) the company Res S.r.l. in 2018 (merged into the Company in 2020); (iii) the Brazilian company Grafica e Editoria Starcom Ltda in 2018; (iv) a minority shareholding in the company IAMDEV STP S.r.l. in 2020; (v) the acquisition of a branch of Grafitec S.r.l. in 2021; (vi) the acquisition of the entire share capital of Geo Group by STAR USA LLC; and (vii) the LocalEyes

Acquisition in 2021.

The Group, therefore, could be exposed to the risk of possible difficulties in integration processes or in entering markets in which the Group has limited experience (or which are difficult to penetrate without a permanent establishment), as well as costs or the possible impossibility of obtaining operating benefits or synergies from the operations carried out with consequent negative effects on its economic, equity and financial situation.

Similarly, although Group companies generally perform extensive due diligence prior to making acquisitions, joint ventures or investments, the companies involved in such transactions may have hidden liabilities, either contingent or existing, that the Group may not have been able to properly identify during the course of due diligence and which may therefore be neither compensable nor indemnifiable. Indemnification obligations, as well as warranties given by counterparties, are usually subject to different caps and deductibles, time limits and limitations depending on the nature of the representations and warranties or events from which the indemnification obligations may arise (e.g., legal, tax, social security and labour law risks, or risks generally related to existing or threatened litigation, or violations of law and related contingent liabilities).

In addition, acquisition processes normally determine a plurality of risks, identifiable for instance in the difficulty of assimilation of operating activities, technologies, services and personnel of the acquired entity, as well as in the diversion of managerial resources to the detriment of other activities, in the potential loss of key personnel of the acquired entity and in the potential loss of customers whose activities may overlap with those carried out by the acquired entity, or a liquidity risk for the Group arising from the investments made and the resources absorbed by the Group's working capital, or even disputes of the acquired companies (for example, of a legal, tax, social security and labour law nature), in which, if the Group is held liable, it may consequently be found against without any related guarantees, indemnities and contractual protections being activated, with possible negative effects on the Group's business and growth prospects as well as on its economic and financial position.

4.1.6 Guarantees issued by the Issuer in the context of the LocalEyes Acquisition

In the context of the LocalEyes Acquisition, the Issuer has given certain guarantees, which may result in the possible enforcement of the Company's assets by third parties in the future. The Issuer considers the occurrence of such circumstances to be of low probability.

In the context of the LocalEyes Acquisition, the Company also entered into the following contracts:

- a deed of pledge on the entire share capital of LocalEyes, governed by Irish law, signed on 15 November 2021 between the Company (as constituent), SBB SPV S.r.l. (in its capacity as subscriber of the €20 million Bond Issue and as secured creditor), VER Capital SGRpa, acting as delegated entity for the management of VER Capital Credit Partners SMEs VII SA SICAV-SIF (in its capacity as subscriber of the €5 million Bond Issue and as secured creditor) and Banca Sella S.p.A. (in its capacity as representative of the bondholders pursuant to Article 2414-bis of the Italian Civil Code) (the "LocalEyes Pledge Agreement"); and

- a deed of assignment as security for the receivables arising from the LocalEyes Acquisition Contract, governed by Italian law, signed on 12 November 2021 between the

Company (as assignor), SBB SPV S.r.l. (in its capacity as subscriber to the €20 million Bond Issue and as secured creditor), VER Capital SGRpa, which acts as the delegated entity for the management of VER Capital Credit Partners SMEs VII SA SICAV-SIF (in its capacity as subscriber to the €5 million Bond Issue and as secured creditor) and Banca Sella S.p.A. (in its capacity as representative of the bondholders pursuant to Article 2414-bis of the Italian Civil Code) (the "**Acquisition Contract Assignment of Receivables Agreement**").

The guarantees related to the LocalEyes Pledge Agreement and the Acquisition Contract Assignment of Receivables Agreement (the "Guarantees") were given in favour of SBB SPV S.r.l., of VER Capital SGRpa, acting as delegated entity for the management of VER Capital Credit Partners SMEs VII SA SICAV-SIF and of Banca Sella S.p.A., as representative of the bondholders at the time, pursuant to article 2414-bis of the Italian Civil Code.

This article provides that the guarantees relating to bond issues may be created or granted in favour of a representative of the bondholders, who shall be entitled to exercise rights, powers and faculties arising out of or in connection with such guarantees in the name of and on behalf of the bondholders. However, there is no detailed legislation or case law concerning the enforcement or, more generally, the exercise of rights relating to guarantees by a representative pursuant to Article 2414-bis of the Italian Civil Code, in the name and on behalf of bondholders, who are not directly secured by the guarantees and who are not specifically identified as secured creditors in the relevant guarantee documents.

The holders of the bonds related to the Bond Issues entered into an intercreditor agreement on 12 November 2021 governed by Italian law under which the bondholders regulated their mutual relations and their respective rights and obligations with respect to, *inter alia,* the Guarantees (the "**Intercreditor Agreement**"). In particular, as a result of the Intercreditor Agreement, the exercise of the remedies envisaged, in the event of the occurrence of significant events connected with the Bond Issues, both the enforcement of the Guarantees and any executive or judicial action against the Issuer or its assets, may be exercised by the Bondholders exclusively through Banca Sella S.p.A., in its capacity as security agent and agent with representation under the Intercreditor Agreement.

It should also be noted that, pursuant to the Intercreditor Agreement, Banca Sella S.p.A. is obliged to take the aforementioned enforcement actions against the Issuer only on instructions given by holders of the Bond Issues representing in the aggregate at least 50% plus one of the algebraic sum of the nominal value of the bonds issued and not repaid on the Bonds, following a specific consultation period, against which, in the absence of agreement, Banca Sella S.p.A. and the individual Bondholders may not take any enforcement action.

The amounts received by Banca Sella S.p.A., following the exercise of any enforcement actions will be distributed by it on the basis of the following order: (i) *pari passu* and *pro rata* reimbursement of expenses, costs and fees relating to the Bond Issues; (ii) *pari passu* and *pro rata* repayment of the amounts due by way of interest on the Bond Issues; (iii) *pari passu* and *pro rata* repayment of the principal of the Bond Issues; and, finally, (iv) for the payment of other sums due by the Issuer, including taxes and duties.

4.1.7 Dependence on key personnel

The Issuer is exposed to the risk of an eventual interruption of professional relationships with specialised figures as well as with senior figures holding a key role, as well as the risk of not being able to replace such figures in an adequate and timely manner. The Issuer considers the occurrence of such circumstances to be of low probability.

The Issuer's operations and performance – and those of the Group companies – depend significantly on the input of certain key personnel who, with their skill sets, experience, and know-how, help the Issuer and its business run smoothly.

In this regard, we note in particular the figure of Lorenzo Mondo, who as of the Admission Document Date holds the position of Chairman of the Board of Directors and Chief Executive Officer of the Issuer, who, also in his capacity as founding shareholder, has contributed and continues to contribute significantly to the definition of the Issuer's development strategies, thanks to his experience and know-how.

Although the Issuer has an operational and managerial structure capable of ensuring continuity in the management of the business, the loss of the professional contribution of Ing. Although from an operational and managerial standpoint the Issuer is equipped with a structure capable of ensuring continuity in the management of the business, the loss of the professional contribution of Lorenzo Mondo – if the Issuer is not able to promptly replace him with one or more persons equally qualified and capable of ensuring the same operational and professional contribution – could result in a reduction in the Issuer's competitive capacity and growth prospects, as well as greater complexity in achieving the profitability and equity objectives envisaged by the Issuer, with consequent negative effects on the Issuer's ordinary operations, as well as on its economic and financial situation.

For further information see Section One, Chapter 6, Paragraph 6.1.1 of this Admission Document.

4.1.8 Risks related to existing contractual relationships with the Group's customers

The Issuer is exposed to the risk that non-performance by suppliers may compromise the correct and timely performance of its activities, with negative effects on the Group's image and sales. The Issuer considers the occurrence of such circumstances to be of low probability.

The Group's commercial relationships with some of its customers, in particular for the provision of translation and printing services, are governed by framework agreements usually lasting two years and renewable on expiry. Most of these agreements do not specifically indicate prices, but address the general terms and conditions for the supply of translation and printing services by the Issuer. They do not provide for guaranteed minimum services, although the parties work together to try to accommodate estimated volumes.

The aforementioned framework agreements provide, in certain cases, for the Issuer's obligation, inter alia, to pay a penalty to the client in the event of (i) delay in the performance of the service with respect to the agreed schedule and (ii) serious error in the performance of the service, in addition to the correction of the same error at the Company's expense.

Therefore, the Group is subject to the risk that, should it encounter unexpected problems or errors or delays in the provision of services (including from external suppliers), there could be, as a result of the agreed contractual provisions, increases in costs (due to, inter alia, corrections or rework), payment of contractual penalties or termination of contracts, with consequent negative effects on the Group's equity, economic and financial position.

Finally, some of the framework agreements give customers the option to withdraw *ad nutum*, meaning they can withdraw from or terminate the agreement in case of: (i) breach by the Issuer of its obligations under the Agreement (including any confidentiality obligations); (ii) non-compliance with ethical codes and codes of conduct; (iii) repeated late delivery or application of penalties; (iv) violations of confidentiality clauses; and (v) the Issuer's liquidation, insolvency proceedings, or compromised economic/financial condition.

Should a customer exercise its right to withdraw or should it terminate the contract, it cannot be assured that the Group companies will be able to replace the customer or acquire new ones, or that the price of services agreed with new customers will be such to maintain profit levels; this could have an adverse impact on the Group's financial situation and performance.

Some agreements for the provision of translation and printing services require the Company to guarantee that the service will remain competitive throughout the duration of the contract, with respect to market competitors. Competitiveness must be measured in terms of the level, quality, and reliability of the service provided and with reference to the price lists for translation and printing in force at the time the request is made. The customer may inform the Company of the best offer it has received for the service. The Company then has 30 days to match that offer; otherwise, the customer may withdraw from the contract.

Finally, it should be noted that the Company has adequate insurance coverage for the activities carried out. However, in the event of events for any reason not included in the insurance policies or such as to cause damage exceeding the amount covered, the Company would be required to bear the related costs with consequent negative effects on the economic and financial situation.

For further information see Section One, Chapter 6, Paragraph 6.1.2 of this Admission Document.

4.1.9 Loss of qualified resources and difficulty recruiting new ones

The Group is exposed to the risk of not being able to find new qualified resources necessary for its activity as well as to the risk of not being able to replace such resources in an adequate and timely manner in case of loss. The Issuer considers the occurrence of such circumstances to be of low probability.

The Group's business relies on highly specialised personnel and outsourcers with extensive technical skills. Technological developments and the need to satisfy a demand for increasingly sophisticated services requires companies in this sector to recruit specialised resources skilled in technologies, applications, and related solutions. The business relies on the strong integration of technological, creative, and process content that demands specialist backgrounds and skills, which is also one of the distinctive, critical factors behind the Group's success.

In this context, the Group has historically enjoyed a very low degree of turnover. However, if, also with reference to the LocalEyes Group, a significant number of specialised professionals or entire work groups dedicated to specific types of services or responsible for certain customers were to leave the Group or interrupt their collaboration – and it would not be possible to replace them in the short term with qualified personnel – the ability to innovate and maintain certain clients, as well as the Group's growth prospects could be affected, with possible negative effects on the Group's economic, equity and financial position.

For further information see Section One, Chapter 6, Paragraph 6.1.2 of this Admission Document.

4.1.10 Relations with STAR AG and membership in the Star network

The Issuer is exposed to risks arising from the interruption of relations with the STAR AG network. The Issuer considers the occurrence of such circumstances to be of low probability.

The Company was founded in 2000 through the collaboration of Mr Lorenzo Mondo with the Swiss company STAR AG, a major worldwide player in the supply of translation services. Over the years, the Issuer, also through the establishment of numerous direct subsidiaries, has diversified its areas of expertise by developing, in addition to translation services and activities, further business lines for the provision of value-added services aimed at meeting the needs of its customers

As of the Admission Document Date, the Issuer is part of the international network of STAR AG, which includes companies operating in more than 30 countries. This affiliation allows the Issuer to benefit from STAR AG's experience, reputation/visibility and expertise in the translation industry as well as to develop important synergies from the promotion and development of additional business lines. In addition, as a member of the STAR AG network, the Issuer is entitled to use various trademarks and software owned by STAR AG.

In consideration of its participation in this network, STAR AG has granted the Issuer, inter alia, by an agreement signed on 28 June 2021 ("*Commercial Agreement*"), (i) the exclusive license to use its "STAR" trademarks in Italy and Austria and, on a non-exclusive basis, in all other countries where such trademarks have been deposited, registered or used, and (ii) the non-exclusive license to use certain of its software worldwide. Furthermore, through the Commercial Agreement STAR AG has acknowledged the distinctive nature that the Issuer's new "STAR7" trademarks do not constitute an infringement of STAR AG's trademarks and has agreed not to challenge them. For further information on the Commercial Agreement, please refer to Section One, Chapter 16.5 of this Admission Document.

Although the Commercial Agreement has a duration of 30 years, the non-renewal of the licence or the termination of such Commercial Agreement, for any reason, before its expiry could have a negative impact on the Issuer's business due to the need to rethink its commercial strategy and, with particular regard to the brands, to partially modify its brand identity with a consequent risk of a possible loss of turnover.

In addition, should the software license lapse or the Commercial Agreement be terminated, the Issuer will have to acquire similar software from third parties in order to provide translation and technical authoring services, incurring costs for the migration to and implementation of these new solutions.

Finally, although addressed by the Commercial Agreement, there may be risks relating to the coexistence and/or simultaneous use of the "Star" trademarks in certain countries by STAR AG and the Issuer, which could lead to the forfeiture of the "Star" trademarks (i.e. loss of the possibility to use them) due to the potential confusion between marks; this would adversely affect the Company's business, financial situation, performance, and prospects.

For further information see Section One, Chapter 16, Paragraph 16.5 of this Admission Document.

4.1.11 Risks associated with the defence of intellectual property rights

The Group, which offers its customers innovative solutions also based on proprietary software and technologies, is exposed to the risk of interference by third parties with its intellectual property rights, as well as the risk of potential liabilities that could arise from the negative outcome of any related disputes and limitations on the use of such rights. The Issuer considers the occurrence of such circumstances to be of low probability.

The Group protects its trademarks by filing applications for registration in the countries in which it operates.

As at the Admission Document Date, the Issuer has filed applications for registration of the figurative marks "STAR7" and "S7" in Europe and internationally (with extensions in Albania, the United States and Brazil) (the "**Applications for Registration**"). It should be noted, in particular, that: (i) The European Registration Application "STAR7" is the subject of an opposition to registration by Seven.One Entertainment Group GmbH (negotiations to reach a settlement are ongoing); (ii) The European Registration Application "S7" is the subject of two oppositions to registration by Seven.One Entertainment Group GmbH (negotiations to reach a settlement are ongoing) and S4 Capital 2 Limited; (iii) the Brazilian extension of the international application "S7" has been refused by the competent national office; and that (iv) the US extensions of the 'STAR7' and 'S7' international applications for registration have been provisionally rejected by the competent national office with a request for modification and/or limitation of the product classes of registration. Should the Issuer fail to settle oppositions to European Registration Applications and be unsuccessful in such proceedings or, in the case of US Registration Applications, fail to comply with the requests for amendment made by the competent Trademark Office and the Registration Applications are therefore rejected, it cannot be excluded that the Issuer may be prevented from registering and/or using the Registration Applications in the European and US territory in the future. The same risk also applies with regard to the Brazilian territory (for "S7"), with possible consequences both in terms of compensation and on the Issuer's activity, due to the need to rethink its commercial strategy and to partially modify its brand identity with possible negative effects on its economic, equity, financial and reputation situation.

Nevertheless, even if the oppositions to the applications for registration are overcome and granted, it cannot be ruled out that third parties may infringe these trademarks and/or commit acts of unfair competition against the Company. Approval of the Applications cannot prevent the trademarks from being contested by third parties.

What is more, if trademarks similar to the Issuer's are registered by third parties in countries other than those where the Issuer has filed its Applications, which are currently not considered strategic, this could limit the Issuer's growth.

With reference, on the other hand, to proprietary software, as well as possible databases, it cannot be ruled out that employees of Group companies that have developed or contributed to the development of such software or databases and/or third-party developers may claim ownership of such software and/or databases or portions thereof. Similarly, it cannot be ruled out that third parties may create and/or market software or databases that infringe the rights of Group companies to their own *software* or databases.

As regards trade secrets, Group companies base their strategy for defending them on protection measures aimed at keeping them secret (e.g. ISO/IEC 27001). If proprietary trade secrets are stolen, the risk cannot be excluded that Group companies may not be able to prove in court that the constituent elements for accessing the specific protection provided for trade secrets and the related remedies exist, with the consequent risk of having to base their legal strategy mainly on claims of unfair competition and/or breach of contract.

Finally, the risk cannot be ruled out that employees engaged in research and development activities in favour of Group companies operating in Italy may claim the right to receive an "equitable bonus" for the inventive activity carried out by them in the interest of the aforesaid companies and which has led to the creation of patentable inventions.

In view of the above, the risk cannot be excluded that, *inter alia*: (i) the Issuer fails to obtain registration of the Applications for Registration and/or to use the "STAR7" or "S7" trademarks in the relevant countries, (ii) third parties infringe the industrial and/or intellectual property rights of Group companies (which may not have been duly registered by the Group companies), (iii) Group companies infringe the industrial and/or intellectual property rights of third parties; or (v) employees who have developed *software* or databases claim ownership thereof and/or employees who have developed patentable inventions claim rights to receive a "fair award".

For further information see Section One, Chapter 6, Paragraph 6.5 of this Admission Document.

4.1.12 Hacking and IT security

The Group's business may be adversely affected by any attempts at unauthorised access or breaches of its data security system. The Issuer considers the occurrence of such circumstances to be of low probability.

The Group and the customers it serves could be vulnerable to cyber attacks including unauthorised access, hacking, denial-of-service, and viruses. Such attacks could cause service disruptions, loss of content from the Group's and/or its customers' databases, or unauthorised third-party access to customer data. Some confidential information could be unduly acquired, stolen, or used, intentionally or unintentionally, including by current or previous employees, consultants, or suppliers or by other persons who have obtained access.

Any undue appropriation or wrongful use of this information, loss of data or disclosure of confidential and/or proprietary information, or tampering with this content could constitute, among other things, a violation by the Issuer and/or the Group of laws on the protection of personal data and intellectual property. The Group could also face complaints or litigation brought by customers and/or third parties and, more generally, liability issues, which could adversely affect its business, prospects, and reputation as well as its financial situation and performance.

4.1.13 IT continuity

The Group is exposed to risks related to the failure or malfunctioning of its information systems as well as the difficulty in maintaining and developing its information technology structure. The Issuer considers the occurrence of such circumstances to be of low probability.

A key component of the Group's business is its ability to benefit from (and maintain) a suitable information technology infrastructure (proprietary or third-party) that is constantly and completely available for the provision of services.

This infrastructure is, by its nature, subject to multiple operational risks, such as equipment failures, work interruptions, unlawful conduct of third parties and/or events of an exceptional nature, which, should they occur, could jeopardise the proper functioning of this infrastructure and force Group companies to suspend or interrupt their activities, or cause delays and disruptions in the provision of services and the timely delivery of components and equipment to their customers.

Should the Group not be able to maintain and develop – also due to the continuous need to promptly identify cutting-edge technological solutions – an adequate information technology structure, or to adopt suitable and adequate security measures to protect such infrastructure, this could result in a slowdown or interruption of the services provided by the Group or the theft of data, including significant data, or difficulties for the Group to adequately meet customers' requests, with consequent negative effects on the Group's economic and financial situation and prospects.

The Issuer's success with its customers is also due to the Issuer's continuous attention to possible operational errors by employees, violations, interruptions, damages caused by computer systems or malfunctions of the means used to provide its services or potential external events.

4.1.14 Inclusion of pro-forma data in the Admission Document

The inclusion of pro forma prospectuses in the Admission Document is for illustrative purposes only and cannot represent the actual financial position and results of the Issuer.

The Admission Document includes the Pro-forma Financial Statements in which the pro-forma consolidated balance sheet and the pro-forma consolidated income statement for the financial year ended 31 December 2020 and the pro-forma consolidated balance sheet and the pro-forma consolidated income statement for the six months ended 30 June 2021 are shown, together with the relevant explanatory notes.

The Pro-forma Financial Statements have been prepared in order to represent – for illustrative purposes only and using valuation criteria consistent with historical data and in accordance with the relevant regulations – the main effects arising from the LocalEyes Acquisition and The Geo Group Corporation and from the capital increase of €27,650, plus share premium of €2,972,350, reserved for KAIROS Partners SGR S.P.A., on behalf of the alternative investment fund managed by the same named KAIS Renaissance ELTIF.

Because the Pro-Forma Accounts are constructed to reflect retroactively the material effects of later transactions, despite the observance of all generally accepted rules and the use of reasonable assumptions, there are limits due to the very nature of Pro-Forma Accounts. Therefore, if the LocalEyes Acquisition and The Geo Group Corporation had actually occurred on the dates taken as reference for the preparation of the Pro Forma Financial Statements, the same results as represented in the Pro Forma Financial Statements would not necessarily have been obtained.

Because the Pro-Forma Accounts are purely illustrative and by nature concern a hypothetical situation, they do not represent and in no way intend to represent the Company's actual financial situation and results, nor a prediction of its future performance. Accordingly, the Pro Forma Financial Statements should not be relied upon in this respect, as they have been prepared so as to represent only the isolatable and objectively measurable effects of the LocalEyes Acquisition and The Geo Group Corporation, without taking into account the potential effects of management and operating decisions, if any, taken as a result of the LocalEyes Acquisition and The Geo Group Corporation.

The Pro-Forma Accounts in no way predict the Company's future results and must not be used in that sense. Finally, in view of the different purposes of the pro forma data compared to the data of the historical financial statements and the different methods of calculating the effects of the LocalEyes Acquisition and The Geo Group Corporation, the pro forma balance sheet should be read and interpreted separately from the pro forma income statement, without seeking accounting connections between them.

4.1.15 Translation service providers

Difficulties in finding, managing business relationships with or replacing qualified suppliers used by the Group could result in additional costs or prevent distribution to customers in accordance with the agreed time frame and/or requirements. The Issuer considers the occurrence of such circumstances to be of low probability.

The Company, for the execution of Product Knowledge and Global Content services, uses, in certain cases, a network of external suppliers, including qualified translators with translation certifications in various sectors (e.g. industrial, scientific, legal, financial, pharmaceutical, etc.), and does not have, as of the Admission Document Date, a relationship of substantial dependence on any supplier (also given the degree of substitutability).

Although the Issuer believes it would be possible to find alternative providers to replace existing ones, and that it has sufficiently diversified its translation service providers (including within given fields), replacing translators on short notice – especially in a specific field – may not be possible, in which case there could be delays in delivering jobs or the need to accept less favourable supply terms and conditions, adversely affecting the Issuer's business and its financial situation and performance.

For further information see Section One, Chapter 6 of this Admission Document.

4.1.16 Reputational risk

The Issuer is exposed to the current or prospective risk of a worsening of its economic and financial situation resulting from a negative perception of its image by its customers, which could affect the Issuer's ability to maintain or create new business relationships. The Issuer considers the occurrence of such circumstances to be of low probability.

The Issuer's reputation with customers is vitally important.

It is one of the key factors by which customers choose to rely on the solutions offered by the Issuer and the Group. Over the years, the Issuer has established a good reputation with its customers and the implicit proof of this is represented by the Issuer's ability over the years to maintain partnership relations with customers and the significant rate of customer loyalty.

In particular, among the top 20 customers, which account for more than 80% of turnover, in the financial years ended 31 December 2020 and 31 December 2019, customers with a relationship with the Issuer of more than 10 years' duration were 50% and 35%, respectively, while, in the six months ended 30 June 2021, customers with a relationship with the Issuer of more than 10 years' duration were 50%.

The Issuer's reputation with customers could be damaged by a reduction in the perceived quality of service, leading to a loss of attractiveness and therefore of clientele, or the inability to satisfy its contractual commitments. The Issuer's image could also be damaged by the behaviour of third parties or by indirect factors beyond its control.

The Issuer is exposed to a number of operational risks, which may cause inconveniences or lack of conformity of the products supplied to customers that may adversely affect the Issuer's ability to meet its operational objectives.

In other words, a negative perception of the Issuer's image in the market by its customers as a result of the above, or any legal action, tax disputes, or arbitration against the Issuer or its management, regardless of whether the underlying claims are legitimate, could cause even serious damage to the image and reputation the Issuer enjoys in its fields.

As at the Admission Document Date, the Issuer is not involved in any legal proceedings, nor does it declare that it is aware of any facts or events which might lead to the opening of legal proceedings against the Company or the directors of the Company.

In this context, the Issuer's inability to maintain its good reputation could adversely affect its financial situation and performance.

4.1.17 Employment issues

The use of collaboration and/or consultancy relationships by the Issuer does not exclude the possible risk of claims from which increased costs or charges, if not also sanctions for Group companies, may arise. The Issuer considers the occurrence of such circumstances to be of low probability

The Company, on its own and through its subsidiaries, makes use of procurement and collaboration/consultancy contracts (in some cases not contracted), including intra-group. These types of relationships, even more so if not contractualised, entail the risk of claims by such persons, also with regard to the requalification of the relationship as a subordinate one and directly employed by Group companies; such demands could bring about costs, charges, or penalties for the Group and adversely affect its financial situation and performance.

Furthermore, with specific reference to procurement and service provision contracts, any failure by one or more Group companies to adopt all the measures necessary to ensure full compliance with the provisions of the laws in force on the subject of safety, hygiene in the workplace and protection of the working environment in general, (including, by way of example but not limited to, the provisions of Italian Legislative Decree no. 81/2008) could lead to an increase in costs and charges for charged to the Group, as well as - where the assessment of the interferential risks to health and safety has not been carried out or has not been carried out correctly - criminal liability where accidents or damage to the psycho-physical health of the Group's staff and collaborators occur and third-party companies.

In particular, it should be noted that some Group companies have entrusted Dante S.r.l. with services related to corporate management, administrative back office, management of practices relating to financing, property management and property rental, against payment of a fee in line with market standards for the provision of these services.

4.1.18 Implementation of strategies and plans

The Group is exposed to risks related to: (i) the strategy of growth and development by internal and external lines, (ii) the possible failure or partial obtaining of economic benefits from the acquisitions made and/or of possible future completion and (iii) the possible failure to implement its growth strategy. The Issuer considers the occurrence of such circumstances to be of low probability.

The Group's strategy includes the expansion of its activities through both organic and external growth, as well as through an internationalisation process.

The Group's ability to increase its revenues and to pursue its growth and development objectives and maintain adequate levels of profitability depends, among other things, on the Group's success in pursuing its strategy and making investments in the development of its products and new projects, which are deemed to contribute to the Group's growth and performance.

Development by internal lines is based on the Issuer's investment strategies aimed at developing further innovative services to be offered to the existing customer base and to customers of the STAR AG network. These activities may be based on hypothetical assumptions with particularly high subjectivity and risk profiles. Therefore, there is no guarantee that the investment strategies will be successful or that circumstances adversely affecting the Group's financial situation and performance will not arise.

On the other hand, development by external lines depends, inter alia, on the ability to identify companies to be acquired, the ability to carry out acquisitions, joint venture agreements and other forms of collaboration on satisfactory terms and conditions, and the ability to integrate these companies in the appropriate manner and at the appropriate time. Delays in the completion of transactions or unexpected costs and liabilities could adversely affect the Group's business and results, which could have a negative impact on the Group's financial position, results of operations and cash flows. In addition, any future acquisitions may be financed either through available cash or debt, or through equity swaps with potential dilutive effects, which could negatively affect the Group's business, operating results or financial condition.

The Group has also embarked on an internationalisation process aimed at increasing its revenues outside Italy. Therefore, the Group may be exposed to the risks inherent in operating internationally, including those related to changes in local economic, political, fiscal and regulatory conditions, as well as risks related to the penetration of new markets, the ability to assert its services and distinctive signs even separately from the STAR AG network, the complexity of conducting business in geographically distant areas, as well as risks related to changes in currency rates in countries outside the Euro zone. The occurrence of unfavourable events in such areas could have an adverse effect on the Issuer's financial position, results of operations and cash flows.

In general, if the Group were unable to implement its strategy effectively or on schedule, its ability to increase revenues and profitability could be hampered, which would have a negative impact on its business and growth prospects as well as its financial situation and performance.

For further information see Section One, Chapter 6, Paragraph 6.2 of this Admission Document.

4.1.19 Related party transactions

As at the Admission Document Date, the Issuer has had and still has relations of various kinds, *mainly of a commercial nature, with Related Parties. There is no certainty that such agreements will be entered into on the best terms available on the market or that, once expired, such relationships will not be renewed or will be renewed on terms similar to those existing at the Admission Document Date. The Issuer considers the occurrence of such circumstances to be of low probability.*

The Issuer and its subsidiaries have entered into and maintain, and may continue to enter into, administrative and commercial transactions with Related Parties as part of their operations.

The Issuer believes that the terms of its agreements with related parties and the terms and conditions actually practised are in line with current arm's-length conditions. However, there is no guarantee that had these transactions been carried out between, or with, third parties, such parties would have negotiated and signed these same agreements or carried out the transactions in the same way and under the same conditions. Nor is there any guarantee that future transactions with related parties will be arranged under arm's-length conditions.

In particular, it should be noted that some Group companies have entrusted Dante S.r.l. with services related to corporate management, administrative back office, management of practices relating to financing, property management and property rental, against payment of a fee in line with market standards for the provision of these services.

The following table summarises the revenues and expenses recognised by the Company in respect of Related Parties for the year ended 31 December 2020:

	Italy	European Union	Extra European Union	Total
Revenues from related parties	18,384	317,939	72,686	**409,009**
Costs arising from Related Parties	537,148	1,128,735	822,889	**2,488,771**

It should be noted that as of the Admission Document Date, the Company's Board of Directors has approved a "related party transactions procedure" in accordance with laws and regulations.

Among the related party transactions carried out by the Company, it should be noted that on 28 June 2021, the Company entered into a contract with the shareholder STAR AG for the buyback of the Company's shares, whereby, STAR AG transferred and sold to the Company the right of full and exclusive ownership of 50,000 shares of the Company (following the split of the Company's Shares on 25 October 2021, there are 750,000 such shares).

The Company and STAR AG have agreed that the consideration for the aforesaid transfer shall be €60.00 per Share, to which has been added a value, not exceeding €100.00 per Share, taking into account also any future splits of shares which may then occur between the date of the aforesaid deed and the Trading Commencement Date.

In particular, the above consideration has been paid as follows:

- €3,000,000 were paid at the same time as the signing of the deed to STAR AG; and
- the remaining amount within fifteen days from the Trading Commencement Date of the Shares on Euronext Growth Milan (the "**Price Difference**"). In this respect, the

shareholders' meeting of the Company authorised the purchase of the Treasury Shares, taking into account an adjustment after Admission, equal to the difference between the price paid at the time of sale (EUR 60.00) and the Placement price of the Shares for an amount not exceeding EUR 8,000,000.

It should be noted that the Company's Treasury Shares constitute a portion of the Shares subject to the Offer under the Placement and in light of the agreement between the Company and STAR AG, it is expected that a portion of the proceeds from the Offer (related to the Treasury Shares for Sale) will be allocated to the payment of the Price Difference.

In return for the full sale of 750,000 Treasury Shares for Sale for a total consideration of EUR 6,187,500, the Company will receive proceeds of up to EUR 3,000,000, the difference of EUR 3,187,500 (including STAR AG's share of the estimated expenses of the Admission process and the Offer) being paid to STAR AG.

On 28 June 2021, the Issuer entered into a cooperation and licence agreement with STAR AG (for further information on the Commercial Agreement, please refer to Section One, Chapter 16, Paragraph 16.5 of this Admission Document).

On 22 October 2021, the shareholders Dante S.r.l. and STAR AG entered into the Shareholders' Agreement with effect from the Trading Commencement Date (for further information on the Shareholders' Agreement, see Section One, Chapter 13, Paragraph 13.4 of this Admission Document).

For further information see Section One, Chapter 14 of this Admission Document.

4.1.20 Management control system and financial reporting

The Issuer is exposed to the risk that, despite the recent actions taken to improve its management control system and the accounting system functional to it, actions taken by the Issuer may be inefficient or ineffective in the immediate future. The Issuer considers the occurrence of such circumstances to be of low probability.

As of the Admission Document Date the Group uses business management models and tools that are not entirely automated.

The Issuer is aware that the growing size of the company and the prospects for growth and development, also on an international scale, require a constant and continuous improvement of all management control tools. To this end it has appointed a leading international consulting firm to draw up a work plan with the aim of achieving complete integration and automation of reporting, thus reducing the risk of error and increasing the timeliness of the flow of information.

If the above project fails to materialise or be implemented, errors could be made when entering and/or processing data; this could cause management to receive erroneous information on potentially significant or time-sensitive issues and lead to adverse effects on the Company's and the Group's business, financial situation, and performance.

Due to the lack of total automation, the Issuer could also run the risk of being unable to provide management data within an appropriate time frame, which could delay the approval of the financial statements and/or financial reports and prevent management from making strategic and/or operational decisions on business development and risk management, with potential adverse effects on the Company's and the Group's business, financial situation, and performance.

Notwithstanding the above, the Issuer believes that its current procedures are, in any case, adequate for the purpose while allowing the acquisition of figures required for proper management control in terms of both results and financial standing, with particular reference to net financial position, the Group's prospects, and revenue and profit margins per line of business.

4.1.21 Risks related to conflicts of interest of certain directors

The Issuer is exposed to the risk that, as at the Admission Document Date, certain members of the Board of Directors of the Issuer have interests that may potentially conflict with the interests of the Issuer. The Issuer considers the occurrence of such circumstances to be of low probability.

As at the Admission Document Date, some members of the Issuer's Board of Directors hold similar positions or executive roles in Related Parties, in particular:

- the Chairman and Chief Executive Officer Mr Lorenzo Mondo is the sole shareholder of Dante S.r.l., which holds 47.4% of the Issuer's share capital;

- the director Josef Zibung, owner of the entire share capital of STAR AG, through the company Star Holding AG (wholly owned by Josef Zibung), which holds 37.9% of the Issuer's share capital.

In this context, it should be noted that the share capital of the Company is also held (i) by the Company itself in treasury shares with a participation representing 9.5% of the share capital of the Issuer and (ii) by KAIROS Partners SGR S.P.A., on behalf of the alternative investment fund managed by the same named KAIS Renaissance ELTIF, with a participation representing 5.2% of the share capital of the Company held in Special Shares, which will be converted on the Trading Commencement Date into Ordinary Shares.

In particular, it should be noted that some Group companies have entrusted Dante S.r.l. with services related to corporate management, administrative back office, management of practices relating to financing, property management and property rental, against payment of a fee in line with market standards for the provision of these services.

On 28 June 2021, the Company entered into a contract with the shareholder STAR AG for the acquisition of treasury shares by the Company, pursuant to which, STAR AG assigned and sold to the Company the right of full and exclusive ownership of 50,000 shares in the Company (for further information, please refer to Section One, Chapter 15, Paragraph 15.1.3 of this Admission Document).

On the same date, the Issuer entered into a cooperation and licence agreement with STAR AG (for further information on the Commercial Agreement, see Section One, Chapter 16, Paragraph 16.5 of this Admission Document).

On 22 October 2021, the shareholders Dante S.r.l. and STAR AG entered into the Shareholders' Agreement with effect from the Trading Commencement Date (for further information on the Shareholders' Agreement, see Section One, Chapter 13, Paragraph 13.4 of this Admission Document).

These circumstances could lead to decisions being taken in conflict of interest with possible detrimental effects on the Issuer's economic and financial situation and assets.

4.1.22 Bidding for contracts

The Issuer operates in an extremely competitive sector, such as that of private procedures for the award of contracts, in which many factors operate independently of the Issuer, therefore, the Issuer is exposed to the risk that any failure in the outcome of procedures for the award of contracts may affect the Issuer's economic and financial situation. The Issuer considers the occurrence of such circumstances to be of low probability.

Some of the contracts of interest to the Company are acquired through competitive bidding procedures, mostly private. Therefore, the Company relies on its ability to win contracts in a competitive environment.

The complexity of calls for tenders and the duration of the process in the fields and geographical areas where the Company is active require it to use significant resources (time and money) in the preliminary bidding phase. Specifically, the very preparation of bids and budgets may take up significant managerial and operational resources.

Several factors may influence the outcome of bidding, such as market conditions, local regulations, the terms of the Company's proposal, and government policies.

Unsuccessful bids could adversely affect the Issuer's business, financial situation and performance, due to loss of the corresponding revenues and the sunk cost of preparing the bid.

For further information see Section One, Chapter 6, Paragraph 6.1.3 of this Admission Document.

4.1.23 Collection, storage, and processing of personal data

The Group is exposed to the risk of destruction, damage, loss, misappropriation, unauthorised processing and disclosure of personal data which could also result in the imposition of sanctions by the competent authorities on the Issuer and/or the Group. The Issuer considers the occurrence of such circumstances to be of low probability.

In the context of providing services, the Group companies collect, store and process the personal data of its customers, in accordance with laws and regulations in force at the given time. The Group follows internal procedures and measures that govern personnel access to and processing of the data in order to prevent unauthorised access and processing.

Nevertheless, the Group companies are still exposed to the risk that data will be damaged or lost, or stolen, disclosed, or processed for purposes other than those authorised by its customers, including by unauthorised persons (third parties and employees of Group companies).

Should customer data be destroyed, damaged, lost, stolen, subject to unauthorised processing, or disclosed, the Group companies’ business would be negatively affected including in terms of reputation, and could cause the relevant authorities to levy penalties against the Group companies to the detriment of its financial situation and performance.

4.1.24 Corporate governance system and delayed application of certain bylaws

Although the Issuer has decided to adopt in its Bylaws the governance rules typical of listed companies in order to protect minorities, some of the provisions of the Bylaws will apply only on a deferred basis.

The Company has adopted the Bylaws which will become effective upon the admission of the Issuer's Shares to trading on Euronext Growth Milan. The Bylaws provide for a governance system inspired by various principles laid down in the Consolidated Finance Act (TUF).

Specifically, they call for a preference list system for electing members of the Board of Directors. The Board members in office as of the Admission Document Date were elected before the Admission and their terms will end on the date of the shareholders' meeting called to approve the financial statements for the year ended 31 December 2023. Therefore, until that time, the Company will not follow the preference list rules stated in the Bylaws, which allow the minority list to appoint at least one director.

4.1.25 Implementation of the organisation, management and control model pursuant to Italian Legislative Decree 231/2001

The Issuer is exposed to the risk of incurring the administrative liability of entities provided for by Italian Legislative Decree 231/2001 and any sanctions provided for by that decree due to an assessment of the inadequacy of the 231 Model adopted by the Issuer pursuant to that decree. The Issuer considers the occurrence of such circumstances to be of low probability.

Although the Issuer has already approved, at the meeting of the Board of Directors held on 15 January 2018, the organisational model envisaged by Italian Legislative Decree 231/2001 (updated on 7 December 2021), as well as appointed the relevant supervisory body, there is no certainty that the aforesaid model – also due to delays in carrying out controls and further implementations and improvements necessary to fully comply with the company's reality and also in consideration of the organisational evolution underway deriving from the status of listed company – can be considered adequate (also with regard to the composition of the supervisory body) by the judicial authority for the purpose of excluding, or at least limiting, the Company's liability.

If, in the event of an offence, the Company is not found to be exempt from liability, it shall be liable to a fine and, in more serious cases, to possible disqualification sanctions, such as a ban on carrying on business, the suspension or revocation of authorisations, licences or concessions, the prohibition to contract with the public administration, the exclusion from loans, grants and subsidies and the possible revocation of those already granted, with possible significant negative effects on the economic and financial situation of the Company and the Group.

For further information on the 231 Model approved by the Issuer, please refer to Section One, Chapter 11, Paragraph 11.3.

4.1.26 Tax risks

The Group is subject to the taxation system provided for by the tax regulations (Italian and foreign) in force. Unfavourable changes to such regulations (e.g., raising of tax rates), as well as any orientation of the Italian and foreign tax authorities or of the jurisprudence with reference to the application, interpretation of the tax regulations concerning the extraordinary transactions carried out by the Company and more in general concerning the determination of the tax burden, also with reference to the transfer pricing regulations applied, as well as for indirect tax purposes, could have significant negative effects on the Company's economic, equity and financial situation. The occurrence of the events subject to this risk, which is considered by the Issuer to be of *medium probability of occurrence.*

In carrying out its activities, the Group is exposed to the risk that the Italian and foreign financial administrations or jurisprudence may adopt different interpretations or positions with respect to tax legislation than those adopted by the Group in carrying out its activities. Fiscal and tax legislation, as well as its interpretation, are particularly complex, not least because of the continuous evolution of the legislation itself and its interpretation by the relevant administrative and judicial bodies.

The Group will be periodically audited to verify the correct application of these regulations and the correct payment of taxes. In the event of disputes by the Italian or foreign tax authorities, the Group could be involved in lengthy proceedings, resulting in the payment of penalties or sanctions, with possible significant negative effects on the Group's business, as well as its economic and financial situation.

In consideration of the complexity and continuous changes in tax and fiscal regulations, as well as their interpretation, it is therefore not possible to exclude that Italian and foreign financial administrations or jurisprudence may in the future come to interpretations, or take positions, that are in contrast with those adopted by the Group in the performance of its activities, with possible negative consequences on its economic, equity and financial situation.

In addition, it should be noted that, like all multinational groups, the Group, and the income it produces, is subject to the simultaneous verification of the tax authorities of the various countries in which it operates, which often raise objections regarding tax residence, transfer pricing and the presence of permanent establishments when they believe that income has not been correctly taxed in a country, with the consequent assessments and disputes that may arise.

It should be noted that transactions between the various companies of the Group carried out in the ordinary course of business (e.g. provision of services and intra-group financing), to the extent that they involve companies of the Group resident in different countries, are potentially subject to verification by the competent authorities of compliance with national and international rules and principles on transfer pricing.

In a nutshell, *transfer pricing* rules require that, in order to correctly allocate the tax base, transactions between companies (companies or permanent establishments) belonging to the same group and resident in different countries are determined according to the terms and prices that would have been agreed upon between independent parties operating under conditions of free competition.

This discipline is characterised by the application of rules of an evaluative nature and by judgement parameters of an estimative nature, which are not, therefore, absolutely certain and may, therefore, give rise to evaluations by the financial administrations of the countries involved that are not necessarily aligned with those made by the Group companies. As a result, for all multinational groups, there are widespread disputes with Italian and foreign tax authorities.

Precisely because of the evaluative and therefore subjective nature of the rules for the correct determination of transfer prices, despite the fact that the Group considers that the transactions carried out have been carried out in accordance with market conditions, in compliance with the criteria of free competition, it is not possible to exclude the possibility that objections may be raised against the individual companies of the Group regarding the fairness of the transfer prices by the competent authorities of the various jurisdictions in which the Group operates as of the Admission Document Date.

Such disputes could lead to double taxation (which can only be eliminated by activating complex and onerous internal procedures, such as those provided for by Article 31-quater of Presidential Decree No. 600/1973 or international procedures), as well as the application of administrative sanctions, including fines, provided for by applicable laws, with possible negative effects on the Group's business and on its economic and financial situation.

It should be noted that the Issuer has not adhered to the (optional) bonus scheme introduced by Article 26 of Decree-Law No. 78/2010, which consists, if a company prepares the documentation supporting the transfer prices in accordance with the provisions of the provision of the Revenues Agency issued on 29 September 2010 (and for the period 2020 to the provision of the Revenues Agency No. 360494 of 23 November 2020) in the non-application of penalties for false declaration provided for in case of assessment concerning the transfer prices.

Lastly, it should be noted that the Issuer and the Group companies, in the 2015-2020 financial years, have benefited from a tax credit deriving from research and development activities carried out, for a value of €3,701,000. Since the Italian Inland Revenues is developing different interpretations on the eligible assets for the purpose of calculating the tax credit, the Issuer cannot exclude that a change in the guidelines of the Italian Inland Revenues in relation to the conditions of access to the above-mentioned credit regime may have negative effects also with reference to the definitive entitlement or existence of the tax credits already used. In this regard, it should be noted that the Alessandria Inland Revenues Agency began a tax audit against the Issuer on 10 January 2020 in relation to the credit used in the 2018 and 2019 tax periods for an amount of €491,000 and €665,000, respectively. The Company promptly provided the requested documentation.

As at the Admission Document Date, the tax audit is still pending and, therefore, if the audit were to result in the Issuer being charged, the Issuer could find itself exposed to the risk of having to pay the higher taxes assessed as well as penalties and interest. In relation to the above-mentioned audit, it should be noted that the amounts examined by the Revenues Agency exceed the thresholds provided for in Article 10-quater of Legislative Decree No 74 of 10 March 2000, which governs offences relating to income tax and value added tax, provided for in cases of undue compensation of undue or non-existent credits.

As at the Admission Document Date, except as described in this paragraph, there are no disputes with financial authorities or pending before courts concerning taxes or duties.

For further information, please refer to Section Two, Chapter 4, Paragraph 4.11 of the Admission Document.

4.1.27 Claims of superiority, internal calculations and statements of competitive position

The Admission Document contains certain estimates and statements on market trends and on *the Group's competitive positioning, which are also based on calculations made by the Issuer itself with the consequent degree of subjectivity and margin of uncertainty. The occurrence of the circumstances described above would entail a risk that could have an adverse effect on the Issuer's and the Group's economic and financial situation and assets. The Issuer considers the occurrence of such circumstances to be of low probability.*

The Admission Document may contain statements of pre-eminence, as well as assessments and estimates of the size and characteristics of the market in which the Issuer operates and its competitive positioning. Unless otherwise specified by the Issuer, such estimates and valuations are made on the basis of available data (the sources of which are indicated from time to time in this Admission Document), but – due to the lack of certain and homogeneous data – are the result of processing of such data by the Issuer, with the consequent degree of subjectivity and the inevitable margin of uncertainty.

Therefore, it is not possible to predict whether these estimates, assessments and statements – although supported by data and information deemed reliable by management – will be maintained or confirmed. The performance of the industry in which the Issuer operates may differ from that anticipated in such statements due to known and unknown risks, uncertainties and other factors, set out and not, inter alia, in this Admission Document.

4.1.28 Risks associated with Special Shares

As at the Admission Document Date, the share capital of the Issuer consists of Ordinary Shares and Special Shares, which will automatically convert on the Trading Commencement Date into Ordinary Shares within five business days at the latest.

As of the Admission Document Date, pursuant to Article 5 of the Bylaws, the Issuer's share capital is divided into Ordinary Shares and Special Shares.

Pursuant to Article 6 of the Bylaws, the Special Shares carry the same rights as the Ordinary Shares, with the sole exception of the following

- are automatically converted in their entirety into Ordinary Shares as soon as the Ordinary Shares will be admitted to trading on Euronext Growth Milan. In this respect, it is specified that the conversion of Special Shares into Ordinary Shares shall take place no later than 5 business days after the Trading Commencement Date. In particular, it is envisaged that for each No. 1 Special Share, (N) ordinary shares will be allocated (rounded up to the next higher unit), according to the following conversion ratio:

$$\frac{\dfrac{(\boldsymbol{I_{PreIPO}} + \boldsymbol{I_{IPO}})}{\boldsymbol{P_{IPO}} \times (\mathbf{1} - \boldsymbol{S})} - \dfrac{\boldsymbol{I_{IPO}}}{\boldsymbol{P_{IPO}}}}{\boldsymbol{AS}}$$

  Where for:

  "**S**" = Agreed discount, equal to: (i) 12% if the I-IPO is equal to €1,000,000.00; (ii) 13% if the I-IPO is €2,000,000.00; (ii) 14% if the I-IPO is equal to €3,000,000.00.

  "**AS**" = Number of Special Shares outstanding.

"**P-IPO**" = the Price of Admission to Trading of the Ordinary Shares as determined by the board of directors of the Company or as determined in any other document in which the placement price in service of Admission to Trading of the Ordinary Shares of the Company is set;

"**I-IPO**" = Investment of the holder of Special Shares on Admission to Trading.

"**I-PreIPO**" = Investment for the subscription of the Special Shares equal to €3,000,000.00.

- no amendment may be made to the provisions of the Bylaws relating to the automatic conversion of the Company's shares into Ordinary Shares, unless the majority of the holders of Special Shares votes in favour, and only to those amendments which may directly and/or indirectly affect the rights of the holders of Special Shares;
- the occurrence of the conversion cause is certified by the board of directors with the majorities required by law. If the board of directors fails to do so, the fulfilment of the conversion requirement shall be certified by the Board of Statutory Auditors by a resolution adopted with the favourable vote of the majority of those present;
- the automatic conversion of the Special Shares will take place without the need for any manifestation of will by their holders and without any change in the amount of the share capital. As a result of the automatic conversion of the Special Shares into Ordinary Shares, the Board of Directors will proceed to: (a) to record the conversion in the register of shareholders with the cancellation of the Special Shares and the issue of ordinary shares; (b) file with the Register of Enterprises, pursuant to Article 2436, paragraph 6, of the Italian Civil Code, the text of the Bylaws with (b1) the amendment of the total number of Ordinary Shares into which the share capital is divided and/or (b2) the elimination of the clauses and/or sections of clauses of these Bylaws which have lapsed as a result of the conversion of all Special Shares into Ordinary Shares pursuant to the foregoing.

For further information, please refer to Section Two, Chapter 15, Paragraph 15.2.2 of the Admission Document.

4.1.29 Risks associated with PAS Special Shares

On the Trading Commencement Date, pursuant to article 6 of the Bylaws, it is expected that Dante S.r.l. and STAR AG will convert a portion of their Shares into PAS Special Shares and that therefore the share capital of the Company will also consist of PAS Special Shares.

By resolution of the Extraordinary Shareholders' Meeting on 29 November 2021, the Company approved the Bylaws which will be effective from the Trading Commencement Date, providing for the creation of PAS Special Shares, effective as of the Trading Commencement Date, pursuant to which: 750,000 Shares of Dante S.r.l. will be converted into 750,000 PAS Special Shares and 600,000 Shares of STAR AG will be converted into 600,000 PAS Special Shares.

The PAS Special Shares will automatically convert and/or cancel, as the case may be, following the approval of the Company's financial statements for the year ending 31 December 2022, based on whether or not the Company achieves certain performance targets, according to the characteristics set out in Article 6 of the Bylaws.

It should be noted that PAS Special Shares, in accordance with the provisions of art. 6 of the Bylaws, grant the same rights as Ordinary Shares, including the right to vote in the shareholders' meeting, both ordinary and extraordinary, as well as the right to receive profits and the right to the distribution of available reserves which the Company resolves to distribute, except for some differences for which please refer to the detailed description in Section One, Chapter 15, Paragraph 15.2.2 of the Admission Document.

4.1.30 Risks associated with the pledge of the Company's Shares

STAR7 is exposed to the risk that the 316,590 Shares - amounting to approximately 4% of the Issuer's share capital as at the Admission Document Date - pledged to Cubic Venture S.A. in connection with the LocalEyes Acquisition will be called in as security in the event that it fails to fulfil its payment obligations. In such an event, in addition to a potential dilution of the Company's majority shareholding, there is a risk that, if the Shares were sold on the market, there could be a significant impact on the STAR7 share price and the prices of the Shares themselves. The Issuer considers the occurrence of such circumstances to be of low probability.

In the context of the LocalEyes Acquisition, Dante S.r.l. and STAR AG each established a pledge right on 158,295 Shares of the Issuer's share capital, in favour of Cubic Venture S.A., as security for the correct and punctual fulfilment of certain secured receivables existing between the same parties.

Such pledge has been established as security for the payment obligations assumed by STAR7 under the LocalEyes Acquisition and, under the terms of the relevant agreement, will be fully released on the Trading Commencement Date, if it occurs by 31 July 2022 (with the simultaneous release by the Issuer of an autonomous and first demand bank guarantee to the sellers of LocalEyes in the amount of €3,000,000), otherwise it will be partially paid up and consequently a participation equal to approximately 2% of the share capital of the Issuer will be encumbered (with the simultaneous release by the Issuer of an autonomous and first demand bank guarantee to the sellers of LocalEyes for an amount equal to €1,500,000).

The possible enforcement of the pledge entails the risk of dilution of the shareholding of STAR7's majority shareholders as well as the possible sale on the market of the shares pledged in favour of Cubic Venture S.A., following the possible enforcement of the pledge, could have a negative impact on the market value of the Shares themselves.

4.2 Risk factors relating to the business sector in which the Issuer and the Group operate

4.2.1 Regulatory framework

The Group operates in an industry that is affected by the existence and evolution of regulations relating to the industry in which the Group's customers operate and is therefore exposed to the risk of compliance costs and/or the manner in which services are provided and/or the adoption of stricter standards. The Issuer considers the occurrence of such circumstances to be of medium probability.

In the various jurisdictions where the Group is active, it is subject to the national and international laws and technical standards applicable to the types of services provided. With particular reference to translation and technical authoring services, the Group's operations are conditioned by the existence and evolution of regulations pertaining to the sectors in which its customers operate (for example, defence, pharmaceuticals, or manufacturing) that may impose certain quality standards.

Any new legislation applicable to the Group or changes to current legislation in the sectors where it is active could force it to adopt stricter standards or limit its freedom of action.

What is more, if the Group does not implement new legislation in a timely manner, it might be unable to provide services as these would be non-compliant with the law and therefore not suited to its customers' needs. The steps needed to comply with the changes promptly might be costly and/or difficult to accomplish, which could possibly affect the Issuer's and/or the Group's financial situation, performance, and prospects.

For further information on the regulatory context in which the Issuer operates, see Section One, Chapter 8 of this Admission Document.

4.2.2 Technological change

The Group operates in a sector in which it is important to maintain a constant level of technology and innovation of the services provided in order to provide an adequate service to customers, in exchange for a reasonable investment in the required technologies, which may, in certain cases, entail possible negative effects on the Group's activities and future prospects. The Issuer considers the occurrence of such circumstances to be of low probability.

The markets and economic activities in which the Issuer is present are affected by processes of progressive and growing competition and evolution from a technological point of view, such that the Issuer is aware of a continuous monitoring in terms of level, quality and reliability of the service offered.

The Issuer is specialised in the writing of technical documentation, the supply of translation services, after-sales support, and the creation and management of virtual content. In these sectors the Group has the ability to maintain a constant level of technology and innovation in the services it provides, in part so it can identify and anticipate the needs of customers and users (as the end customers of some of the services rendered by the Group).

Therefore, the Group's success depends on its ability to keep offering value-added services that meet the needs of customers, and to stay ahead of its competitors in identifying new services. It should also be noted that the Group is able to intervene on the market with a distinctive positioning that is not strictly related to a simple translation and/or interpreting service, thus positioning itself as an integrated operator capable of following the entire product life cycle.

Furthermore, its policy of investing in these technologies could – for reasons including a decreased capacity to provide services in line with market expectations – require it to reassess growth strategies in a way that would slow them while using additional financial resources, which would adversely affect the Group's business, financial position, and performance.

Although the Group constantly monitors its market in order to create and introduce innovative services that can follow and, where possible, anticipate trends, it is possible that misjudgements, technical errors in the new services, or delays in their development might do harm to the business and the group's prospects and prejudice its financial situation and performance.

For further information see Section One, Chapter 6 of this Admission Document.

4.2.3 Competition risks

The Group is exposed to the risk of competition from other operators in the sector as well as the entry and/or consolidation of new operators. The Issuer considers the occurrence of such circumstances to be of low probability.

The market in which the Group operates is characterised by a high number of small operators and strong competition in certain sectors in which the Group is active (including, for example, Global Content), therefore, the Group's competitive position depends, among other factors, on its ability to maintain adequate technical expertise and the high quality standards of the services it offers to its customers, to develop increasingly advanced solutions and services and price policies in line with those proposed by its competitors.

The Issuer believes that the Group is in a position to implement all necessary measures to effectively counter this competitive challenge.

However, it is not possible to exclude with certainty that any price policies that may be practised by other competitors (aimed at offering particularly advantageous conditions compared to those that the Issuer is able to implement) or possible developments and technical innovations (such as to allow other operators to provide services with a higher added value) could determine the risk of a compression of demand due to loss of customers, with a consequent negative impact on the Group's business, economic results and financial position.

For further information on the market in which the Group operates and on competition, please refer to Section One, Chapter 6, Paragraph 6.3.2.

4.2.4 Macroeconomic conditions

The Group is exposed to risks related to the current and future global and Italian political and economic situation, also aggravated by the effects of COVID-19, whose evolution is still uncertain. Therefore, it cannot be excluded that the occurrence and/or continuation of any economic recession and/or political instability phenomena, as well as any future negative repercussions, even significant, on the global and/or national economy (with particular reference to the countries mainly affected by the health emergency), could lead to a weakening of demand for the Group's services. The Issuer considers the occurrence of such circumstances to be of low probability.

Over the past five years, financial markets have been characterised by particularly high volatility, which has had a severe impact on banking and financial institutions and, more generally, on the economy as a whole. Moreover, in the last year, this situation has been further aggravated by the global spread of the COVID-19 virus and the consequent measures taken by the authorities of the various countries concerned to counter and limit the spread of the virus. The significant and widespread deterioration in market conditions has been accentuated by a serious and generalised difficulty in accessing credit, both for consumers and businesses, and has led to a lack of liquidity (with a consequent increase in the cost of financing) which has affected industrial development and employment.

Nonetheless, the Issuer believes that the activity carried out by the Group, with particular reference to translation and technical authoring services, is not strictly related to the business cycle as it concerns services that are considered indispensable, although possible effects, even significant, on the current economic, equity and financial situation of the Issuer and/or the Group cannot be excluded.

These conditions could have several ramifications for the Group's customers, suppliers, and partners, which would adversely affect the Issuer's and/or the Group's financial situation and performance.

4.3 Risk factors relating to the securities under offer

4.3.1 Share buybacks

As at the Admission Document Date, the Company holds 750,000 Treasury Shares, representing approximately 9.5% of the share capital. The Offering also takes into account the sale by the Company of the aforementioned Shares held, for which, however, the Company is required to pay an additional consideration to STAR AG in connection with a price adjustment after Admission.

As at the Admission Document Date, the Company holds 750,000 Treasury Shares, representing approximately 9.5% of the share capital.

On 28 June 2021, the Company entered into a contract with the shareholder STAR AG for the buyback of the Company’s shares, whereby, STAR AG transferred and sold to the Company the right of full and exclusive ownership of 50,000 shares of the Company (following the split of the Company's Shares on 25 October 2021, there are 750,000 such shares).

The Company and STAR AG have agreed that the consideration for the aforesaid transfer shall be €60.00 per Share, to which has been added a value, not exceeding €100.00 per Share, taking into account also any future splits of shares which may then occur between the date of the aforesaid deed and the Trading Commencement Date.

In particular, the above consideration has been paid as follows:

- €3,000,000 were paid at the same time as the signing of the deed to STAR AG; and
- the remaining amount within fifteen days from the Trading Commencement Date of the Shares on Euronext Growth Milan (the "**Price Difference**"). In this respect, the shareholders' meeting of the Company authorised the purchase of the Treasury Shares, taking into account an adjustment after Admission, equal to the difference between the price paid at the time of the sale (€60.00) and the price of the Placement of the Shares for a total amount not exceeding €8,000,000 (taking into account also the amount already paid referred to in the previous point).

It should be noted that the Company's Treasury Shares constitute a portion of the Shares subject to the Offer under the Placement and in light of the agreement between the Company and STAR AG, it is expected that a portion of the proceeds from the Offer (related to the Treasury Shares for Sale) will be allocated to the payment of the Price Difference.

In return for the full sale of 750,000 Treasury Shares for Sale for a total consideration of EUR 6,187,500, the Company will receive proceeds of up to EUR 3,000,000, the difference of EUR 3,187,500 (including STAR AG's share of the estimated expenses of the Admission process and the Offer) being paid to STAR AG.

As of the Admission Document Date, the Issuer's net financial position is affected by the disbursement of the advance payment of the amount of €3,000,000 relating to the above-mentioned purchase of Shares.

4.3.2 Risks related to trading on Euronext Growth Milan, market liquidity and possible volatility of the price of the Issuer's Shares

The Issuer's Shares will not be listed on an Italian regulated market and, although they will be traded on Euronext Growth Milan, it is not possible to guarantee that a liquid market will be formed or maintained for the Shares which, therefore, could present common and generalised liquidity problems, independently of the Issuer's economic-financial performance, as requests for sale may not find adequate and timely counterparts, as well as being subject to fluctuations, even significant, in price.

In addition, following Admission, the market price of the Shares may be volatile and fluctuate significantly in relation to a number of factors, some of which are beyond the control of the Issuer (including a possible sale of a substantial number of Shares by shareholders who have given a temporary undertaking not to dispose of the Shares on the expiry of the term of effectiveness of such undertakings or by significant shareholders who have not given such an undertaking), and may therefore not reflect the operating results of the Company and the Group or may be lower than the subscription and/or purchase price at the time of the Offering.

An investment in financial instruments traded on Euronext Growth Milan may therefore involve a higher risk than an investment in financial instruments listed on a regulated market.

With reference to the particularity of the Euronext Growth Milan market, it should be noted that (i) as at the Admission Document Date, only a limited number of companies have been admitted to trading on the Euronext Growth Milan market; (ii) the regulations on public purchase and exchange offers provided for by the Italian Finance Act (TUF) are not applicable to companies which are admitted to Euronext Growth Milan except on the basis of statutory provisions to be adopted on a voluntary basis, the operation of which, as at the Admission Document Date, has not yet been fully tested; and (iii) Consob and Borsa Italiana have not reviewed or approved the Admission Document. It should also be borne in mind that Euronext Growth Milan is not a regulated market and that companies admitted to Euronext Growth Milan are not subject to the rules provided for companies listed on a regulated market and in particular to the rules on *corporate governance* provided for by the Italian Finance Act (TUF), with some limited exceptions, such as the rules adopted on a voluntary basis and the rules applicable to issuers of financial instruments widely distributed among the public to a significant extent provided for by the Consolidated Law on Finance, where the legal requirements are met.

4.3.3 Dilution following Admission

As at the Admission Document Date, the share capital of the Issuer is divided into Ordinary Shares and Special Shares, whereas, on the Trading Commencement Date, the share capital will also be composed of PAS Special Shares.

In particular, pursuant to Article 6 of the Bylaws, it is provided that the Special Shares shall automatically convert in their entirety into Ordinary Shares no later than 5 business days after the Trading Commencement Date on the basis of a certain conversion ratio (for further information on the characteristics of the Special Shares, please refer to Section One, Chapter 15, Paragraph 15.2.2 of the Admission Document), therefore, as of the date of the conversion, the Issuer's share capital will be composed only of Ordinary Shares and PAS Special Shares.

In consideration of the fact that KAIROS Partners SGR SPA has undertaken to subscribe in the Offer 330,000 Ordinary Shares (of which 121,213 by KAIROS Partners SGR SPA, on behalf of the alternative investment fund managed by it called KAIS Renaissance ELTIF), for an equivalent value of €2,722,500 (of which €1,000,007 by KAIROS Partners SGR SPA, on behalf of the alternative investment fund managed by it called KAIS Renaissance ELTIF), the Special Shares, in application of the formula indicated in art. 6.4 of the Bylaws, will be converted, after the Trading Commencement Date, into n. 429,752 Shares, with a conversion factor equal to no. 1.0361716358057 Share for each Special Share, resulting in a dilution, following the Trading Start Date, of the share capital held by the Issuer's shareholders.

For further information on dilutive scenarios for shareholders, see Section One, Chapter 13, Paragraph 13.1 and Section Two, Chapter 7 of the Admission Document.

4.3.4 Risks associated with the difficult contestability of the Issuer

As at the Admission Document Date, the Company is controlled by Dante S.r.l. and STAR AG, which hold, respectively, stakes equal to 47.4% and 37.9% of the Company's share capital (the remaining stakes are held by KAIROS Partners SGR S.P.A. (on behalf of the alternative investment fund managed by the same named KAIS Renaissance ELTIF) through Special Shares and by the Company itself).

In the event of full subscription of the Capital Increase and upon conversion of the Special Shares into Ordinary Shares, Dante S.r.l., STAR AG and KAIROS Partners SGR S.P.A. (on behalf of the investment funds managed by the same, including the alternative investment fund managed by the same named KAIS Renaissance ELTIF) will see their shareholdings diluted by 41.7%, 33.3% and 8.4%, respectively.

As of the Admission Document Date and after the Trading Commencement Date, no shareholder exercises and/or will exercise control by right, pursuant to Article 2359, paragraph 1, of the Italian Civil Code. However, in consideration of the Shareholders' Agreement signed between Dante S.r.l. and STAR AG (for further information on which see Section One, Chapter 13, Paragraph 13.4 of this Admission Document), Dante S.r.l. and STAR AG will exercise de facto control over the Issuer.

4.3.5 Removal from trading

Pursuant to the EGM Issuer Regulation, Borsa Italiana may order the removal from trading of the Issuer's financial instruments in cases where:

- within six months of the date of suspension from trading due to the absence of the Euronext Growth Advisor, the Issuer does not replace the latter;
- the Shares have otherwise been suspended from trading for at least six months;
- removal from trading is approved by shareholders representing at least 90% of the votes cast by shareholders at a general meeting.

If the Shares were removed from trading, investors would own shares not traded on any market and therefore difficult to liquidate.

4.3.6 Lock-up periods

Dante S.r.l., STAR AG and KAIROS Partners SGR S.P.A. (on behalf of the alternative investment fund managed by the same named KAIS Renaissance ELTIF) have undertaken, severally and not jointly and severally among themselves, with regard to the Global Coordinator a specific lock-up commitment having as its object the Shares held by them for a period equal to

- 24 months following the Trading Commencement Date of the Ordinary Shares in the case of Dante S.r.l. and STAR AG; and
- 12 months after the Trading Commencement Date of the Ordinary Shares in the case of KAIROS Partners SGR S.P.A. (on behalf of the alternative investment fund it manages called KAIS Renaissance ELTIF).

In addition, Dante S.r.l., STAR AG and KAIROS Partners SGR S.P.A. (on behalf of the alternative investment fund managed by the same named KAIS Renaissance ELTIF), as well as the Issuer (which has undertaken a lock-up commitment for 12 months subsequent to the Trading Commencement Date) have also undertaken to the Global Coordinator, inter alia, not to promote and/or approve any capital increase operations (except for the reconstruction of the capital or in cases in which the increase is eventually necessary in accordance with applicable law), or the issuance of convertible bonds, warrants or other financial instruments, including participatory ones, that attribute the right to purchase, subscribe to, convert into or exchange the Shares.

Upon the expiry of the aforementioned commitments, there is no guarantee that these parties will proceed with the sale of their respective Shares, with a consequent potential negative impact on the performance of the price of such Shares. In addition, in view of the absence of any lock-up obligation on certain participants in the Offer (even for substantial amounts), it cannot be excluded that, after the commencement of trading, a substantial volume of Shares may be placed on the market with potential negative fluctuations in the share price.

For further information on the lock-up commitments undertaken by Dante S.r.l., by STAR AG and by KAIROS Partners SGR S.P.A. (on behalf of the alternative investment fund managed by it called KAIS Renaissance ELTIF), please refer to Section Two, Chapter 5, Paragraph 5.4 of this Admission Document.

4.3.7 Uncertainty of earnings and dividends

Although as of the Admission Document Date there are no restrictions on the future payment of dividends, the Issuer has not adopted any dividend distribution policy. There is therefore no certainty that at the end of each year, the Issuer will be able to distribute its net profit or that the Board of Directors in office at the time will propose a dividend distribution to the shareholders' meeting.

Moreover, the amount of the dividends the Company will be able to pay in the future will depend, among other factors, on its actual revenues and – in general – on its results, financial situation, cash flow, net working capital requirement, capital expenditure, and so forth.

It is possible that the Issuer will decide not to pay dividends in future years, even if it has earned a profit.

4.3.8 Risks related to conflicts of interest of the Global Coordinator and Euronext Growth Advisor

Alantra, which acts as Global Coordinator and Euronext Growth Advisor of the Company, is in a situation of potential conflict of interest as it will carry out the placement of the Shares of the Company on Euronext Growth Milan and will receive commissions in relation to the roles assumed in the context of the Offering.

In particular, Alantra receives and will receive fees from the Issuer for the services provided in its capacity as Euronext Growth Advisor, Global Coordinator and Corporate Broker, in the context of the Admission on Euronext Growth Milan of the Ordinary Shares and following the Trading Commencement Date, in accordance with the provisions of the relevant agreements entered into with the Issuer also in compliance with the relevant regulatory provisions.

4.3.9 Risks associated with the particular characteristics of the investment in the Issuer's financial instruments

Investing in the Shares of the Issuer is appropriate for expert investors only, who are familiar with the financial markets and especially with the Issuer's type of business.

The risk profile of this investment, therefore, cannot be considered to be in line with the typical profile of savers oriented towards low-risk investments.

5. INFORMATION ON THE ISSUER

5.1 Issuer's name

The legal name of the Issuer is "*STAR7 S.p.A.*".

5.2 Place and number of registration of the Issuer and Legal Entity Identifier (LEI) code

The Issuer is registered in the Register of Companies at the Chamber of Commerce of Alessandria-Asti with tax code and registration number 01255170050, R.E.A. (Repertorio Economico Amministrativo) of Alessandria no. 208355.

The Issuer's Legal Entity Identifier (LEI) is 81560008F2405C18A135.

5.3 Date of incorporation and duration of the Issuer, except where the duration is indefinite

On 13 July 2000, the Company was incorporated as a limited liability company under the company name "STAR S.r.l." with a deed drawn up by Mr Marco Camusso, Notary Public in Asti, rep. no. 35163, collection no. 15644, registered in Asti on 21 July 2000 under no. 1918 and registered with the Company Register of Asti on 14 August 2000, with a share capital of €10,330.

On 7 July 2015, by deed of Luigi Oneto, a notary in Alessandria, index no. 93942, the Company became a società per azioni (joint-stock company) with the name 'STAR S.p.A.'.

Subsequently, on 7 July 2020, by deed drawn up by Mr Carlo Conforti, notary public in Alessandria, rep. no. 5730, the company name was changed to "*STAR7 S.p.A.*"

The duration of the Company is set to last until 31 December 2070.

5.4 Registered offices and form of the Issuer, legislation under which it operates, country of foundation, address and telephone number of registered offices

The Issuer is incorporated in Italy in the form of a "società per azioni" and operates under Italian law.

The Issuer has its registered office in Via Alessandria, 37/b, Valle San Bartolomeo, 15122 Alessandria (AL), telephone number +39 0131 19788.

The Issuer's website (where the information and documents referred to in this Admission Document are published) is: www.star-7.com. Information and documents not included in this Admission Document are and will be published on the Issuer's website.

6. OVERVIEW OF COMPANY ACTIVITIES

6.1 Main activities

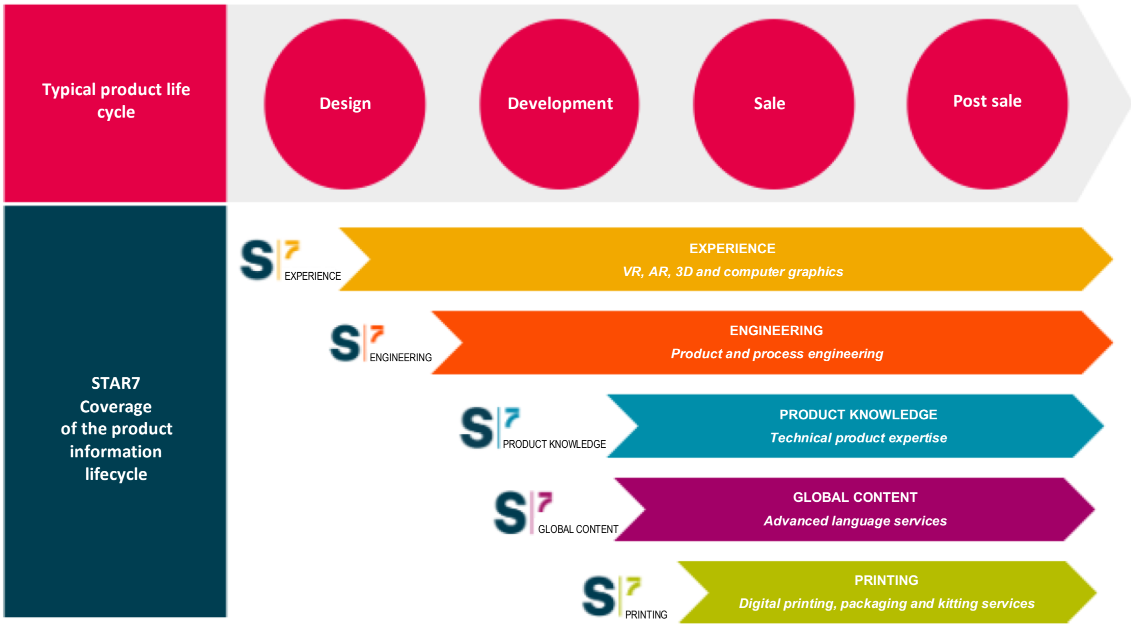
6.1.1 Introduction

Introduction

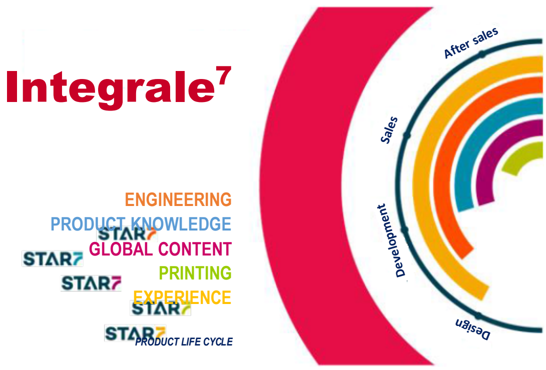
The Issuer is a company created in 2000 from the collaboration of Lorenzo Mondo with the Swiss company STAR AG, already an important worldwide player in the supply of software and translation services, and offers a wide range of services for the management of the information and product content life cycle, from its creation to its distribution in any physical or digital form.

STAR7 started out as a language service provider (LSP), providing translation and localisation services. It then developed an innovative business model which, thanks to the diversification of skills, growth through external lines and international development, has enabled the Group to stand out in the market as a single supplier able to assist customers in all phases of the product information life cycle.

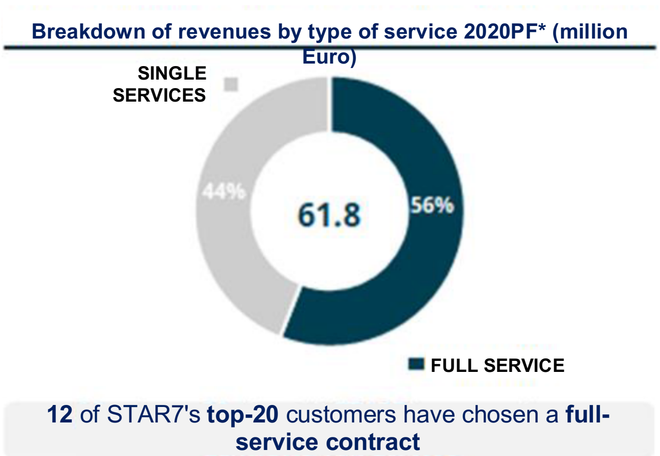
As at the Admission Document Date, the Company operates through the following five main business areas, which will be described in detail below, covering the entire product value chain.



The Company is thus able to accompany the product in all its development phases, from design to post-sale, through a *business* model characterised by an approach called Integrale7, with which the Company is able to offer verticality and specificity of complementary skills, united in a global and integrated vision of the life cycle of information and product content.



In fact, the Integrale[7] model allows the Company to offer itself to its customers as a single partner for the entire life cycle of the product information and related services, favouring cross-selling activities between the Issuer's different lines of business, with a consequent prevalence of full-service (Integrale[7]) contracts compared to single service contracts (as shown in the graph below, which illustrates the breakdown of revenues for the year ended 31 December 2020 pro-forma).



The success of this activity related to the Integrale[7] model is mainly due to an integrated management of the process, which starts from the product design phase, extends to the related drafting of technical(*e.g*. technical and maintenance manuals, spare parts catalogues) and commercial information, translation, printing services and digital and virtual product experience, up to the support in the after-sales phase (for further information, please refer to Section One, Chapter 6, Paragraph 6.1.3 of this Admission Document).

In this regard, in order to make the business process even more productive with respect to the model, in April 2021 the Company adopted a new organisational system, whereby each individual division (service line) is led by a service line leader with responsibility for managing resources and the quality and efficiency of the services provided, who liaises with the client partner figure, who is responsible for managing and satisfying the clients of the cluster assigned to him, with the aim of guaranteeing a quality service in compliance with the times and costs established for the order. Both figures report directly to top management within the STAR7 Group, who in turn work directly with the Chairman of the Board of Directors and Chief Executive Officer, Lorenzo Mondo.

Customers

The Group's business is largely dependent on revenues from the sale of its services to customers that include national and global companies in various sectors (such as automotive, industrial, household appliances, fashion and media) (for further information, see Section One, Chapter 6, Paragraph 6.5.2 of this Admission Document).

As at the Admission Document Date, the Company provides services to more than 900 customers in more than 20 different business segments and the percentage of each segment in the Company's revenues shown in the *pro forma* consolidated financial statements as at 31 December 2020 is set out below.

Financial year ended 31 December 2020 *pro-forma*	
Industry	***% Turnover***
Mobility	26%
Technology	24%
Luxury Goods	16%
Agriculture & Construction Equipment	12%
Machinery & Machine Tools	5%
Aerospace & Defense	4%
Services	2%
Medical Devices & Health Services	1%
Institutions, Public Agencies & Government	1%
HVAC[11] & Household Appliances	1%
Public Utilities	1%
Other	7%
Total	**100%**

Over the years, the Issuer's overall revenues have experienced significant organic growth, mainly driven by the increase in the share of the portfolio with important customers, and further strengthened following a path of growth by external lines through acquisitions of companies and target companies (the Company has cumulated against these acquisitions, a turnover of approximately €20 million), going from an amount of revenues of €17.5 million in the financial year ended 31 December 2013 to €61.8 million in the financial year ended 31 December 2020 pro-

11 Heating, Ventilation & Air Conditioning.

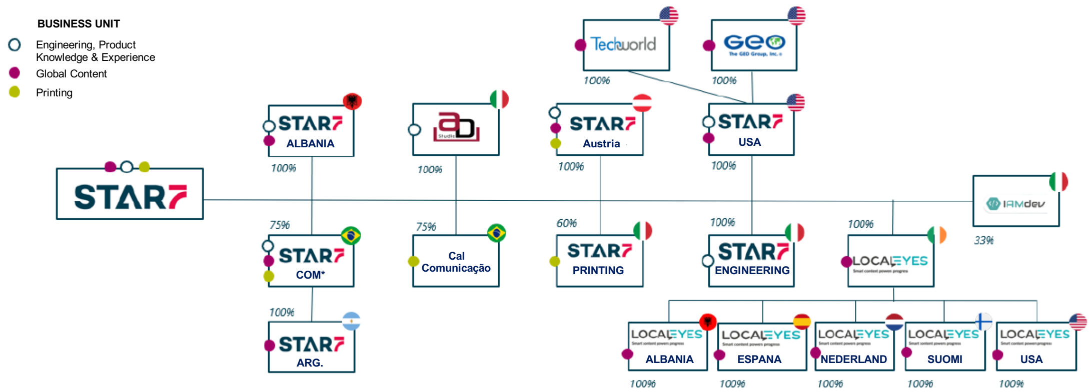
forma (CAGR 19.8%).

The STAR7 Group and the STAR network

The STAR7 Group is active, through its subsidiaries, in three different continents (Europe, North America and South America), with sixteen offices and more than 700 employees, thanks to which the Issuer has diversified its areas of expertise by developing, in addition to translation services and activities, new business lines for the provision of high added value services aimed at meeting the needs of its customers (for more information on the Group's organisational structure, see Section One, Chapter 7, Paragraph 7.1 of this Admission Document).

In connection with the LocalEyes Acquisition (see Section One, Chapter 16, Paragraph 16.3.1 of this Admission Document), the Company acquired the LocalEyes Group, which operates in the translation and localisation sector, providing global services in over 60 countries, and has had business relationships with certain companies of the Apple Group since 1997, including Apple Inc.

The LocalEyes Acquisition may allow the Company to strengthen its Global Content division (as a result of the above acquisition, the Company will already rank among the top forty global companies in the language service provider sector[12]), with a geographic expansion within the US market and a simultaneous utilisation of the LocalEyes Group's network for the sale of existing services performed by the Company for its own customers.



* Through the LocalEyes Acquisition, the Issuer has also acquired the following branches of LocalEyes: LocalEyes Ltd (German branch); LocalEyes Sverige filial; LocalEyes Denmark and LocalEyes France.

The Issuer is also part of STAR AG's international network of companies operating in more than 30 countries. This affiliation allows the Issuer to benefit from STAR AG's experience, visibility and expertise in the translation sector, as well as to develop important synergies for the promotion of new business lines. In addition, as a STAR AG network company, the Issuer is entitled to use

[12] Source: This takes into account the 2020 revenues figures reported to the site: *csa-research.com/Featured-Content/Global-Market-Study-2021/Top-100-LSPs*

certain trademarks and software owned by STAR AG (for further information, please refer to the description of the Commercial Agreement in Section One, Chapter 16, Paragraph 16.5 of this Admission Document).

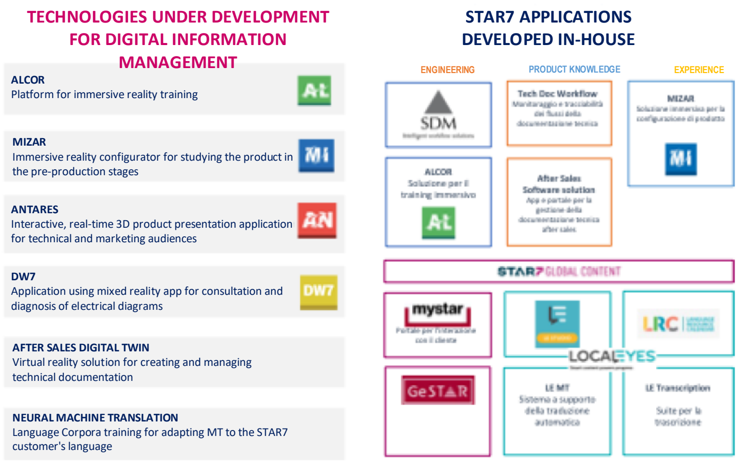
Research and Development

The Issuer stands out for its ability to combine expertise, established technologies (proprietary and commercial) and innovation to serve its customers, both in its projects and in developing its own services. This allows the Issuer to create and offer personalised services of a very high technical and technological quality.

In carrying out its activities, the Issuer has a technological asset consisting of software that is constantly improved and updated over time. In particular, the Company uses high value-added editorial technologies, managing to develop innovative ideas and applications of already existing services, as well as co-developing – also with dedicated internal resources – and increasing the potential and integration of the software package acquired under licence from the company STAR AG and as a result of the LocalEyes Acquisition.

At the Admission Document Date, the Company is developing, inter alia, innovative solutions in the field of immersive virtual reality and artificial intelligence applied to its services, such as, for example: (i) Alcor (immersive virtual reality training platform); (ii) Mizar (immersive reality configurator for studying the characteristics of a product in the pre-production stages); (iii) Antares (a tool for the presentation of 3D products in real time, both for a technical audience and for marketing); and (iv) DW7 (application that uses augmented reality to superimpose electrical diagrams for analysis and diagnostics purposes).

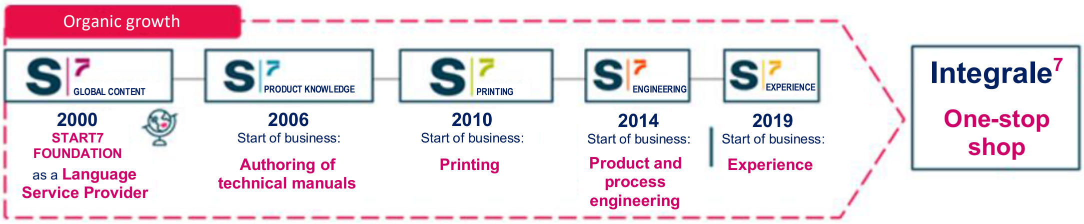
The image below shows: (i) the main technologies under development for digital information management; and (ii) applications developed internally by the Company.



In this context, the Issuer is able to satisfy not only the most demanding customers in standard service requests, but also to implement tailor-made advanced solutions and projects thanks to the synergetic combination of high technical skills, the high level of specialisation of its staff and the search for innovative solutions that meet the new needs of its customers on the market.

6.1.2 Business areas in which the Issuer operates

The Company's offer is divided into the following five main business areas:



Each area is characterised by specific processes and stages in the value chain, while remaining closely linked to the customer's product life cycle:

(a) Engineering: is the business area active from the product design/development to the after-sales phase;

(b) Product Knowledge: is the business area active from the product development phase through to the after-sales phase;

(c) Global Content: is the business area active from the product development phase through to the after-sales phase;

(d) Experience: is the business area active from the moment of product design to the after-sales phase;

(e) Printing: is the business area active in the sales and after-sales phases.

It should be noted that, at management level, the Issuer combines the Product Knowledge, Engineering and Experience areas together and, therefore, the economic results produced by these areas are represented cumulatively below.

The following table sets out the Issuer's value of production, EBITDA, EBIT and net profit for the years ended 31 December 2020 pro forma and 31 December 2019.

	Financial year ended 31 December			
	2020 *pro-forma*		**2019**	
	million euros	**% rev.**	**million euros**	**% rev.**
Value of production	63.1	100%	53.7	100%
EBITDA	9.2	14.6%	5.9	11.0%
EBIT	4.1	6.5%	4.2	7.8%
Net profit	1.5	2.4%	2.3	4.3%

The following table sets out the Issuer's value of production, EBITDA, EBIT and net profit for the six-month periods ended 30 June 2021 pro forma and 30 June 2020.

	Half-year ended 30 June			
	2021 *pro-forma*		2020	
	million euros	% rev.	million euros	% rev.
Value of production	35.8	100%	20.5	100%
EBITDA	6.6	18.4%	1.6	8.1%
EBIT	3.5	9.8%	0.9	4.6%
Net profit	1.9	5.3%	0.6	3.2%

The following table sets forth the revenues and the relative percentage of revenues of the Issuer's total revenues as of the year ended 31 December 2020 pro forma, broken down by different business areas.

	Financial year ended 31 December 2020 *pro-forma*	
	Revenues	%
Engineering, Product Knowledge & Experience	23.2	37.5%
Global Content	32.8	53.0%
Printing	5.9	9.5%

The following table sets out the percentage of revenues generated by the Group for the six months ended 30 June 2021 pro forma and for the year ended 31 December 2020, compared to the relevant total for the year, broken down by the region in which the Group's customers are established:

	Six months ended 30 June 2021 *pro-forma*	Financial year ended 31 December 2020
Italy	60%	78%
European Union	7%	7%
Non EU	33%	15%

6.1.2.1 Global Content

This division was created in 2000 with the incorporation of the Company and is the Company's primary business area, accounting for approximately 44.5% and 53.0% of its revenues at the six months ended 30 June 2021 pro forma and the year ended 31 December 2020 pro forma, respectively.

The Issuer works as a Language Service Provider (LSP), providing translation, interpreting, subtitling and consultation on languages and language technologies, for a wide range of market sectors.

The Issuer has been providing this service since its foundation and has a dedicated team of 200 employees as at 30 June 2021.

Specifically, the Issuer works, in most cases, as a project manager, and the translations themselves are carried out by a network of more than 1,500 certified and specialist translators ('**Translators**'), chosen by the Company on the basis of the customer's specific sector. The Issuer oversees the Translators' translation work, ensuring a fast and accurate service.

The Issuer may also benefit from the provision of translation services offered by companies in the STAR AG network, which includes companies operating in more than 30 countries.

In consideration of its participation in this network, STAR AG has granted the Issuer, under an agreement signed on 28 June 2021 ("Commercial Agreement"), (i) an exclusive license to use its "STAR" trademarks in Italy and Austria and a non-exclusive license to use them in all other countries; as well as (ii) licensing of certain of its software, on a non-exclusive basis, throughout the world.

In particular, the Commercial Agreement provides ,inter alia, for the Group to use the following translation software owned by STAR AG: "*Star CLM*", "*Transit*", "*Star MT*", "*TermStar*", "*WebCheck/Web Edit*", "*Web Term*", "*FormatChecker*" and "*MindReader*", as well as the following authoring software (i.e. multimedia communication software) owned by STAR AG: "*FormatChecker*", "*MindReader*", "*GRIPS*" and "*Prism*" (for further information on the agreement, please refer to Section One, Chapter 16, Paragraph 16.5 of this Admission Document).

The translation service is provided by the Issuer in an integrated manner with the IT systems of each customer through an internally developed web platform (MySTAR) that allows the direct transmission of translation requests, guaranteeing real-time interaction between the Company and the customer and allowing – whenever there is a validation, a change or an amendment to the text – to proceed with the relevant translation automatically, optimising processes and times.

The Company offers translation services for any purpose and any medium or aid (printed manuals, catalogues, newsletters, websites, videos, multimedia, dubbing, subtitling, social media, etc.).

STAR7 has more than 500 national and international customers, including multinationals in the automotive, aviation and aerospace, fashion and luxury sectors, as well as other major industrial and financial companies. These include companies such as Ferrari (in particular, the Company uses its Maranello office for services related to this customer), Apple (in connection with the LocalEyes Acquisition), Ferrero, Luxottica, Eni, Stellantis and UniCredit.

Within the Global Content division, the Issuer offers the following services

- translation and localisation: translation of content for every sector and topic into all the languages of the world;
- *interpreting*: interpreting services, in all sectors and languages, and simultaneous transcriptions;
- *dubbing, subtitling and voice over*: dubbing, subtitling and voice-over services for all types of multimedia content;
- *copywriting & transcreation*: creation of editorial and communication content in all languages with creative adaptation of the translated texts;
- *terminology management*: management of technical terminology, extraction of terminology *databases* from any type of source and creation of integrated solutions;
- *machine translation and post editing:* statistical and neural machine translation, using proprietary or commercial software.

The Global Content division's clientele is business and its activities range across levels of linguistic depth and technicality from creative translation (so-called transcreation), to technical-specialist translation of a legal, financial or sector-specific nature.

In connection with the LocalEyes Acquisition (see Section One, Chapter 16, Paragraph 16.3.1 of this Admission Document), the Company acquired the LocalEyes Group, which operates in the translation and localisation sector, providing global services in over 60 countries, and has had business relationships with certain companies of the Apple Group since 1997, including Apple Inc.

The LocalEyes Acquisition may allow the Company to strengthen its Global Content division (as a result of the above acquisition, the Company will already rank among the top forty global companies in the language service provider sector[13]), with a geographic expansion within the US market and a simultaneous utilisation of the LocalEyes Group's network for the sale of existing services performed by the Company for its own customers.

6.1.2.2 Product Knowledge

This division was created in 2006 and represents the Issuer's second-largest business area, accounting for approximately 32.4% and 34.1% of consolidated revenues as of the six months ended 30 June 2021 pro forma and the year ended 31 December 2020 pro forma, respectively.

The Product Knowledge service has been developed and refined over more than fifteen years of working for both small and medium-sized enterprises (SMEs) and large international industrial groups.

As at 30 June 2021, in this area, the Issuer employs a team composed of about 259 employees, spread throughout the offices of the Group and at certain customers' offices.

The Product Knowledge division includes a wide range of services to meet customers' needs for

[13] Source: This takes into account the 2020 revenues figures reported to the site: *csa-research.com/Featured-Content/Global-Market-Study-2021/Top-100-LSPs*

the creation, management and dissemination of technical and commercial information, in traditional or advanced modes (immersive virtual reality) in line with technological trends.

Thanks to more than 15 years of experience in the sector and specific technical skills, the Issuer assists its customers in the process of production and product development through advanced technical information management and by making production cycles more efficient, implementing technological solutions, developing marketing activities and supporting the operational life of the product.

In particular, the main *Product Knowledge* solutions are *authoring*, *after sales* and *technical support* services.

Authoring services

The *authoring* service consists of providing advisory and practical support in the creation of technical and commercial documentation to support the activities of its customers with regard to complex products (such as cars, agricultural and industrial machinery or other means of transport, automatic coffee machines, etc.).

Through interaction with engineers, frequent inspections, technical surveys and the use of mathematics and 3D modelling, and through the application of new technologies developed by the Company for the creation and use of virtual models in the creation and remote technical information management, the Issuer collects information on the products and develops an in-depth knowledge of the same, offering its service on traditional and multimedia supports.

Thanks to its engineering-based approach to creating, managing and publishing technical manuals, the Issuer has developed over time a special expertise in supplying integrated (and often interactive) assistance with documents, based on the needs of the final users of these documents and the assistance network, providing them with the right information as quickly as possible and through intuitive search functions.

As such, the Issuer offers its customers customised technical support, developing authoring services and processes suited to both traditional production and development of innovative technologies (so-called Industry 4.0).

Creating technical documents that are clear, usable and in line with standards is now an important technical asset for companies that produce and sell products in Italy and abroad.

The Issuer's activities also include updating technical documents to bring them in line with changes and improvements to products. By way of example, these activities are provided by the Issuer to clients in the automotive sector when existing models are updated or new hybrids or self-driving systems are introduced.

In order to maintain close contact with customers' design and prototyping departments and respond quickly to their requests, the Issuer has placed some of its offices near its most important customers and, in some cases, also in spaces provided by its customers.

The Issuer offers the following range of technical solutions:

- technical manuals: support with authoring technical documentation, user and maintenance manuals, operator's manuals, repair manuals;

- *technical illustrations*: support with the creation of technical illustrations to improve understanding of content and help reduce technical descriptions in text, making documents more usable thanks to 2D and 3D illustrations and 3D videos of virtual procedures;
- *electrical diagrams*: creation by the Company's electrical engineers of 2D and 3D wiring diagrams with images of cables, functional block diagrams, components, pin-outs, connections and ground wires, with pin-to-pin navigation between cables to help the customers' assistance network to improve their services;
- *spare part catalogues*: support with configuring interactive spare part catalogues based on customers' demands, updated in an integrated way. This solution also includes support with distributing the catalogues (through PDFs, websites or applications), always ensuring interaction and integration, managing purchases so that they are integrated with order management systems, pricing and stock checking, updating catalogues with customers' product codes to allow for more precise and usable consultation;
- *temples*: support with technical documents containing times for assembling and dismantling components and groups of components for various products, combining time-based approach in the office with support with design mathematics for virtual assembly and dismantling. Through this solution, the Issuer then checks that the information is consistent and eliminates redundant operations, thereby reducing overall times;
- *troubleshooting*: creating an intuitive interface that quickly identifies solutions for resolving any anomalies;
- *training documentation*: using collected technical information to create documents for remote or in-person training, in the most suitable format for the customer's needs, translated into the customer's preferred language;
- developing teaching programmes with content that can be used on any Learning Management System (LMS) or e-learning platform. This solution involves activities related to content design, creating teaching material, publishing online training courses and integrating the latter with customers' IT systems.

After Sales and Technical Support

The After Sales and Technical Support service aims to complement traditional technical authoring activities with integrated solutions for typical after-sale activities (such as customer care, help desk and training).

With its after-sales services, the Issuer aims to improve its relationships with customers and maximise the performance of its assistance network.

Specifically, the Issuer provides a wide range of personalised after-sales services based on the specific demands of each customer, like for example:

- *help desk and Customer Relationship Management*: after-sales assistance, which may involve creating and managing a direct interface with companies for assistance and support with problems arising when end customers use the product;
- *training*: support with setting up training courses, in classes and virtually (so-called

blended learning), made to measure for the assistance network and constantly updated based on the evolution of individual products;

- *contact plan*: support for planning and running marketing initiatives, maximising customer loyalty and company awareness during the launch and sale of new products (for example, by sending advertising material, offers, invitations).

As at the Admission Document Date, these services are mainly provided to the main customers in the automotive sector to whom the Issuer already provides its engineering, technical authoring and translation services, through constant assistance from the Company's engineers.

6.1.2.3 Printing

This division was created in 2010 with the establishment of the subsidiary STAR Log S.r.l. (today, STAR7 Printing S.r.l.) based in Asti, and has subsequently become increasingly important within the Company, representing the third most important business area for the Company.

For the six months ended 30 June 2021 pro-forma and the year ended 31 December 2020 pro-forma, respectively, 18.2% and 9.5% of its revenues were attributable to this business area.

For the six months ended 30 June 2021, the Issuer dedicated a team of 160 employees working at the Asti headquarters to this activity.

Printing services have been implemented to meet customers' needs to optimise the printing process in an efficient and waste-free manner.

The Issuer today provides every one of its customers with a wide range of solutions, among them:

- *Printing*: providing highly customised digital printing services, according to a just-in-time logic designed for the optimal management of even very fragmented print runs, in a wide variety of formats and media. In fact, thanks to the technology offered by a fleet of latest-generation machines and the flexibility of the internal process refined over years of profitable relations with major international customers, the Company is able to guarantee a very high level of quality, on time and with constant attention to cost reduction (in addition to digital printing, the Issuer is able to offer offset printing services);
- Logistics and customised kitting: supplying distribution chain management services, from receipt to quality control, storage to distribution of goods linked to contact planning, guaranteeing a single intermediary to get better results, meeting time frames and optimising costs. Specifically, the services include the following activities: *a) operations & logistics (i* .e., control of supplies, reception and storage of goods, distribution planning and management), *b) kitting (i.e.,* custom assembly and packaging) and *c) physical stock (i.e.,* filing, cataloguing and classification of documentation);
- *Digitalisation*: managing processes of company dematerialisation and digitalisation, and on to cataloguing, ordering, converting, cleaning, classifying and exporting (so-called paperless solutions). Specifically, the services include the following activities: *a) scanning & digital stock(i. e., the activity of archiving digital data after the scanning process) and b) data loading(i.e., data loading and burning onto digital media).*

Thanks to a great technological flexibility, the Issuer is able to provide digital printing services in any kind of sector, through a process that allows the elimination of production waste thanks to product modification and a full-service approach.

As regards, by way of example, the activity of this division carried out with respect to a global company leader in the production of motor vehicles with which the Company collaborates, a constant printing and assembly service of the kit on board of the motor vehicles produced by the aforesaid company in South America is foreseen (in particular, the Company supports the customer in its Brazilian offices of Belo Horizonte and Pernambuco).

6.1.2.4 Engineering

This division was created in 2014, accounting for approximately 3.5% and 2.1% of consolidated revenues as of the six months ended 30 June 2021 pro forma and the year ended 31 December 2020 pro forma, respectively, and represents the Company's fourth-largest business area.

Engineering's service has been developed and refined over more than 7 years of working for both small and medium-sized enterprises (SMEs) and large international industrial groups.

As at 30 June 2021, in this area, the Issuer employs a team composed of about 28 employees, spread throughout the offices of the Group and at certain customers' offices.

The Issuer, through its Engineering division, develops process engineering activities in particular, providing support to its customers in the industrialisation phase of their products.

This work is key to the design and creation of new products, and aims to optimise and make the related procedures as uniform as possible.

So, the Company can help its customers:

- design and define instructions for production and assembly of components;
- make 3D prototypes for product design and creating small devices for assembly and monitoring;
- develop procedures for dismantling components most subject to wear.

Over ten years' experience, particularly in the automotive sector, has enabled the company to develop a consultancy approach that understands the needs of designers and engineers in the sector, as well as to create new applications that exploit the great potential of virtual and immersive reality to support companies in the study of the product in the pre-production phases, with a consequent reduction in costs and times linked - in particular - to the prototyping phase.

The division is active in various end markets, mainly related to the automotive, agriculture and industrial sectors, accompanying its customers in the development of the industrialisation phase of their products with a consultancy approach, facilitating both virtual checks and the digitalisation of the contents and their deployment in production start-up and after-sales procedures/checks.

In relation to this work, the Company also helps its customers arrange training courses, both remotely and in-person, that help their technical staff get to know the product better.

6.1.2.5 Experience

This division was created in 2019, accounting for approximately 1.3% and 1.2% of consolidated revenues as of the six months ended 30 June 2021 pro forma and the year ended 31 December 2020 pro forma, respectively, and represents the Company's fifth business area.

The Experience service has been developed and refined over more than 2 years of working for both small and medium-sized enterprises (SMEs) and large international industrial groups.

As at 30 June 2021, in this area, the Issuer employs a team composed of about 16 employees, spread throughout the offices of the Group and at certain customers' offices.

The services of the Experience division have been developed by the Group in response to an ever-increasing market demand to access and convey information in a digitised way.

The services of this division are characterised by a high degree of specialisation and are cross-sectional with respect to the other services offered by the Issuer, contributing to the digital transformation of the "traditional" STAR7 service offering.

By using cutting-edge video and 3D graphics technology (like CGI systems, visual effects and virtual reality software), the Issuer has developed a wide range of solutions with innovative content and many potential new applications, from the most technical realms, to virtual training, to the worlds of communication and marketing.

Thanks to the skills associated with engineering and technical authoring that provide direct access to mathematics and 3D modelling of products, the Issuer is able to offer solutions that are perfectly tailored to the product, and to create digital content with high-quality photorealistic rendering.

The *Content & Experience Innovation* solution can be broken down into the following areas:

- *Virtual Reality*: *Virtual Reality* technology is a tool that reproduces projects in a virtual environment in multiple ways. Within a virtual environment, the customer can interact with the product, as if it were real, to test it and check whether it is ready to be created physically. So, thanks to its expertise in the field of design and engineering, the Issuer can create working virtual models for presenting new projects, saving a lot of time and money compared to physical prototypes. For example, STAR7 offers innovative applications for automotive customers in relation to car configuration systems which, unlike traditional systems, allow the vehicle to be viewed from different angles and perspectives so as to be able to anticipate and analyse the perceived quality of the spaces, the colour effects and, in general, of the details of the product by the potential end user. More innovative applications involve creating technical films showing maintenance procedures visually and universally, with no need for supporting text.
- *Virtual Training*: the Virtual Training service was introduced by STAR7 as a development of the Virtual Reality service. Using virtual reality technology (as well as augmented reality and so-called 3D Arts such as CGI and VFX), a virtual environment is created in which one or more participants can perform a certain task (such as, for example, disassembly and reassembly operations on a virtual model). This service has notable advantages over traditional training courses, as it means customers do not have to wait for a physical prototype to be made before being trained on the latest version of the product. Training activities can also be done remotely, with multiple people at the same time, saving significant costs and time required to travel to in-house training.
- *Computer Generated Imagery (CGI), Visual Effects (VFX), 3D Art and video animation for marketing and communication:* the possibility of accessing the 3D project allows the creation of contents (such as, for example, images, animations and photorealistic films)

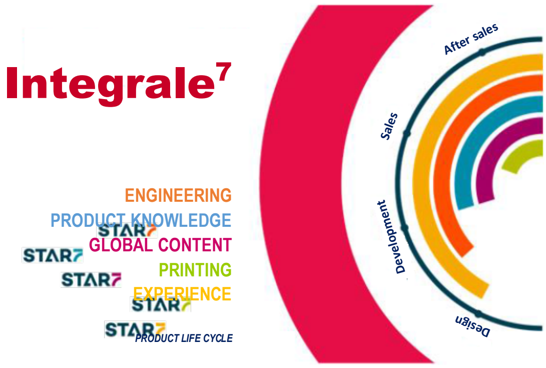
that can be used by customers for technical or commercial purposes without having to resort to a different supplier (e.g. an advertising agency), with the guarantee of in-depth knowledge of the product, high visual quality and cost savings, regardless of the availability of the physical object and reducing the logistical costs of moving vehicles for photo shoots or video recordings.

Via the Experience division, STAR7 has relationships with over 50 national and international customers including companies in the automotive, luxury goods, household appliances, aerospace and defence sectors.

6.1.3 The Issuer's business model

The Issuer offers its customers a wide range of services for managing the life cycle of product information, from creation to distribution in any physical or digital form.

In particular, the Issuer maintains commercial relations with customers, which it usually accesses by offering individual services that are then "physiologically" integrated, over time, with other services, since the Company's business model is able to offer skills and services designed, created and distributed with constant and careful monitoring of the entire product value chain (Integrale[7] approach).



Below is a detailed description of the three phases of the Issuer's organisational model.

6.1.3.1 Customer Acquisition

The Group's commercial development is based, first and foremost, on a sales activity carried out by a team dedicated to the acquisition of new customers spread across the Group's strategic locations in Italy and abroad.

The Company develops business opportunities through participation in conferences, meetings and industry events. these activities are supported by active prospecting actions - lead generation, cold calling - and digital marketing campaigns with awareness, reputation and conversion objectives.

The acquisition of customer orders and large projects is usually carried out through participation in tenders for the multi-year provision of services. In this respect, the Issuer uses its own team specialised in monitoring and participating in calls for tenders. In particular, the *team* is responsible for the preparation of the necessary documentation for participation in calls for tenders and for managing relations with the technicians in charge of the selection process.

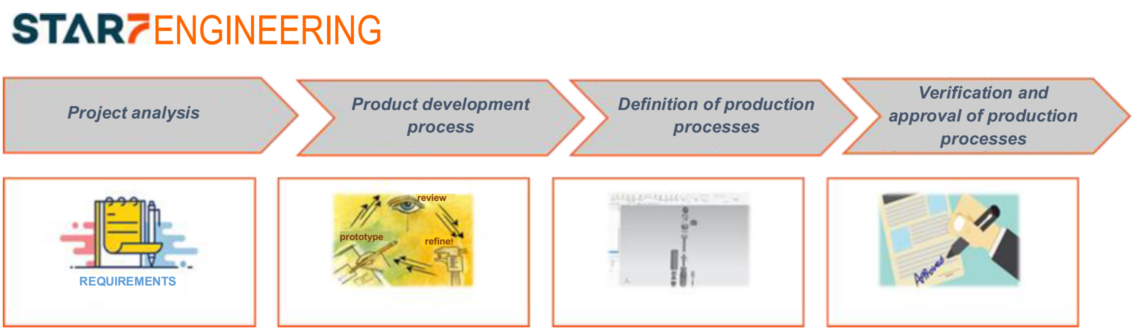
Finally, the Company develops opportunities for cross-selling – including thanks to a CRM software that helps to monitor relationships with customers – as it is able to independently offer a whole range of services dedicated to managing the life cycle of product information and related services. This approach allows the Issuer to present itself to its customers as a single partner for the entire life cycle of product information and related services, encouraging cross-selling activities between the Issuer's different business lines.

6.1.3.2 Execution

The second stage of the value chain is in turn developed into sub-processes depending on the individual division and adapted to the organisation of the individual customer.

In general, following the signing of the individual contract with the customer, the aforementioned *Execution* phase provides for a six-month/annual time frame during which the Company focuses on setting up a special research *team* and on the preliminary production of the product (investment phase), which is then followed, over a period of 3/5 months, by the phase related to the delivery of the service.

A. <u>Engineering</u>



The process starts with a pre-analysis of the project by a *team of* Group engineers who assess the feasibility of the project.

In this respect, the Issuer uses the support of 3D technologies in order to simulate the project virtually.

Subsequently, the Issuer assists its customers in the development of their products, also by creating digital prototypes that can be recreated so that any criticalities can be identified and solutions implemented.

Having provided support on product development, the Issuer assists customers in defining the sequences involved in the assembly of the product for the launch of the new product and prepares the relevant supporting technical documentation.

Finally, the Issuer operates a control and approval activity of the production process carried out towards the customer.

B. <u>Product Knowledge</u>

STAR7

The process starts with a phase of analysis of technical specifications and mathematical designs related to customers' products.

In particular, through interaction with engineers, frequent inspections, technical surveys and the use of mathematics, the Issuer gathers information on products and develops an in-depth knowledge of them.

Thanks to its own technicians and engineers specialised in the various strategic sectors, the Company assists customers in the drafting of technical documentation, also using special *software*.

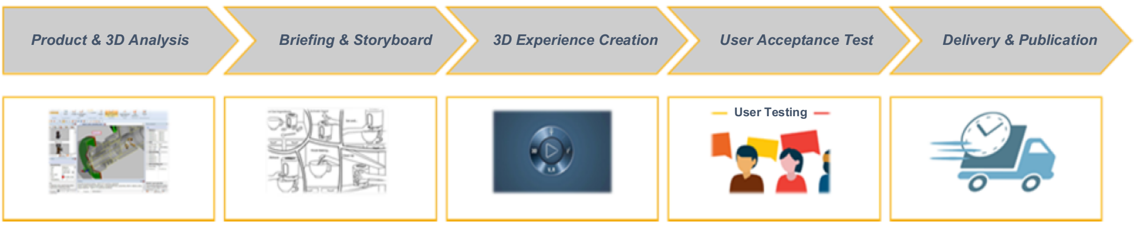
A team is dedicated to the creation and development of training courses by supporting the organisation of training courses.

The provision of after-sales services is then usually carried out directly at the customers' premises with support provided through the technical help desk, customer service and spare parts information support.

STAR7, through an internally developed technology called Engineering Change Monitoring System, is able to monitor each engineering change and eventually trigger a new activity.

C. <u>Experience</u>

STAR7EXPERIENCE



The process starts with an analysis of the product by a dedicated *team* of engineers who study its mathematical characteristics.

Then, the *team* analyses the client's needs to create the *storyboard* of the virtual or augmented experience.

The Company's service line leader then coordinates a team of internal developers for the programming and development of the VR/AR/3D virtual experience, and then works with individual STAR7 managers on the testing phase, in which end consumers are involved to gather opinions and potential anomalies. Finally, the product is finalised by the team.

D. <u>Global Content</u>

STAR7 GLOBAL CONTENT

Firstly, the Company analyses the documents to be translated and carries out a check with reference to previous translation work carried out on behalf of the same customer.

As a result of this analysis, STAR7 is able to estimate the time required to complete the translation task and the cost of doing so.

The main factors affecting the price are the number of languages to translate into, the expected volume and the type of business the customer does (e.g. legal, financial, pharmaceutical, technical).

For the provision of translation services, the Company can rely on a network of over 1,500 certified and specialised translation providers whose quality standards are constantly verified by the Issuer. These translators have been selected over time by the Issuer on the basis of the different language registers required and the economic sectors concerned.

In most cases, the Issuer acts as project manager, coordinating the management of customers' translation requests, which are carried out by the network of selected translators.

The Issuer oversees the translators' translation work, ensuring a fast and accurate service.

Finally, the Issuer checks compliance with the relevant formal requirements of the customer and delivers the translation to the agreed medium or media (e.g. printed manuals, catalogues, newsletters, websites, videos, multimedia, dubbing, subtitling, social media, etc.).

STAR7 develops the provision of its translation services on the basis of: (i) serial orders and (ii) day-by-day orders received from customers.

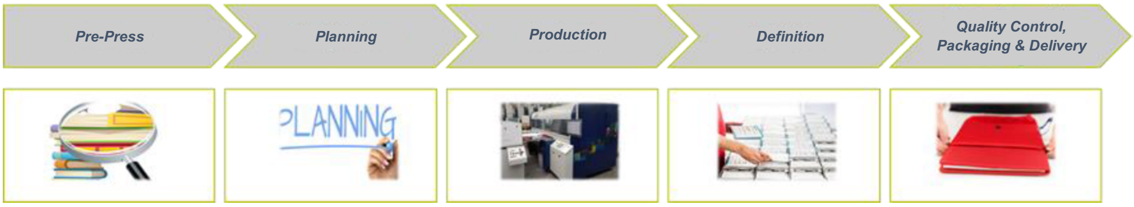
For serial orders, the process usually begins with tenders for supply over many years, potentially with mechanisms for automatic renewal of translation services for very lengthy texts (e.g. manuals) or that produce constant flows.

The main factors affecting the price are the number of languages to translate into, the expected volume and the type of business the customer does (e.g. legal, financial, pharmaceutical, technical).

As for day-by-day orders, services are provided one-by-one. The Issuer receives them on its website or as a result of marketing or cross-selling activities.

E. Printing

STAR7 PRINTING



Firstly, the Company analyses the assignment in order to assess its organisational profiles.

The Issuer's organisational team, in coordination with the production managers, manages the production processes of orders in compliance with the agreed deadlines by selecting the machinery to be used for implementation.

The service is produced in the Asti and Belo Horizonte plants, using digital and off-set technology in a wide variety of formats and media.

STAR7 also takes care of finishing the printed material (e.g. binding, stapling or punching) and, in the case of a kitting request, of assembly.

Once the preparation is complete, STAR7 checks the characteristics, quality, preparation and packaging.

The Company also manages the logistics for product delivery.

With reference to this division, the business model adopted by the Company changes based on the different kind of services it offers and the size of the customer.

Through this division, the Issuers offers a series of other services besides printing (e.g. archive digitalisation). kitting and customised logistics) mainly for the benefit of its larger customers. In this case, these activities are offered as an additional service to the main work.

6.1.3.3 After-sales

In the phase following the provision of its services, STAR7 carries out an analysis of the service provided and the level of satisfaction of its customers, evaluating the correspondence with the agreed quality standards.

In particular, the Company has implemented special systems of business review and quarterly analysis of performance in order to ensure proper management of customer relations, including in the post-sales phase. In this respect, the Issuer has appointed a person responsible for each division to monitor performance and a person responsible for quality control with a customer care support function to assess customer satisfaction.

In addition, the Issuer organises periodic meetings with customers in order to understand any critical issues arising in the post-sale phase, also providing them with technical assistance or proposing new solutions.

In this way, the Issuer is not only able to build customer loyalty by becoming an integrated partner of its customers, but also to improve the quality of its services, which are constantly updated and optimised with respect to specific customer feedback.

6.1.4 Key success factors

The Company believes the following factors are key to the success of its business:

(A) Positioning as a partner for the entire life cycle of product information thanks to an innovative business model

STAR7 has an innovative business model, capable of independently offering a full range of services dedicated to the management of the product information life cycle and related services, thus favouring an Integrale[7] approach.

Even if the supply to a new customer starts with just one of the Company's services, the close collaboration and proximity to the customer, together with the internal competence determined by the global vision of the entire process of development of information and product content, allows the Company to more easily identify the opportunity and the way in which to offer the other complementary services, evaluating – and in some cases anticipating – the customer's needs and preferences, enabling a 'physiological' cross-selling.

The diversification of the innovative business model, by means of five service lines, makes it possible to reduce the Group's operational, commercial and economic-financial risks and makes the Issuer an integrated entity able to offer its customers organisational advantages by acting as a single point of contact for multiple services.

(B) Large, diversified and well-established international clientele with high revenues visibility

STAR7 has forged important, consolidated and long-term relationships with leading Italian and international *players* in numerous sectors, in particular companies in the *automotive, luxury goods, mobility, technology, aerospace & defense, medical devices & health services* markets.

The activity, mainly related to the development by these customers of new models and/or products, or the evolution of existing products, allowed the Group to increase its expertise with a detailed understanding of the needs and internal dynamics of the sector and its customers, which favoured an increase in the Company's revenues (in particular, for the year ended 31 December 2020, the Company obtained revenues related for 83% to multi-year contracts and framework agreements signed with its customers).

This strong symbiosis therefore represents a strong competitive advantage and, at the same time, makes it possible to activate a physiological cross-selling and to identify further business opportunities both with the Group's historical customers and with the users of their products.

A further growth factor for the Company is the constant work carried out on new products/models, which has allowed it to obtain greater visibility on its revenues in advance, since new products have medium-long processing times, and to be able to forecast its growth regardless of the sales volumes of the product.

(C) Constant investment in research and development for the digital transformation of the services offered

STAR7 is keen to invest in research and development and the latest technologies to support the digital transformation of product information creation and management.

Thanks to its consolidated experience in the sector and the high level of specialisation and technical skills of its staff (the Company has invested more than 8,400 hours in training activities training of its staff over the two-year period 2019-2021, 30% of which was in specialised training), the Group has developed significant know-how in recent years know-how and a lean and flexible organisation capable of adapting to and meeting customers' requests and needs in a short period of time.

It should also be noted that the Issuer has a team dedicated to research and development activities, consisting of 8 resources, supported by additional employees from the various divisions of the Company, which develops the Company's proprietary technological assets as well as researching new innovative solutions (for the financial year ended 31 December 2020, the Company invested 6.4% of its total revenues in research and development activities).

(D) Constant organic growth boosted by tactical and strategic acquisitions

STAR7 has a history of success with strong organic growth reinforced by an expansion of its customer portfolio, a diversification of the offer provided as well as numerous extraordinary operations that have allowed the Company to grow by external lines through acquisitions of companies and target companies able to strengthen and increase the range of services offered to the market.

In particular, the management has developed an efficient and scalable business model, thanks to its experience in the reference market, recording significant growth rates while promoting the harmonious development of the organisation and human capital.

(E) Consolidated position enabling the Company to benefit from market trends

The Company has a well-established market position, structured and evolved over time, which has allowed it to embrace and exploit favourable market trends, with benefits for the Company's *businesses* as well as the markets in which the Group is most active with its subsidiaries (e.g. Europe, USA and Brazil): this positioning has enabled the Company to develop a precise growth strategy.

In particular, it should be noted that the Company has correctly identified certain trends that have become widespread on the global market in recent years, such as, by way of example and not limited to, sustainability, digital transformation and remotization, thanks to which new models of electric vehicles have been launched, or the adaptation and renewal of industrial machinery and consumer goods, or the digitalisation of technical information and the virtualisation of processes, training and communication.

In such cases, the Company's timely identification of market trends has enabled it to steadily increase the revenues of the Company's *service lines*.

6.2 Strategy and goals

The Group intends to strengthen its competitiveness and market positioning by resorting to both internal and external growth strategies.

Specifically, the Group's growth strategy is as follows.

Organic growth

The Issuer intends to pursue a strategy of internal growth by:

- strengthening cross-selling and up-selling with its existing customers;
- optimising costs related to the supply of translation and technical authoring services, including by setting up subsidiaries in countries with a low personnel cost;
- developing its range of services through technological evolution, as well as adding services and functions for its customers;
- optimising product and process engineering services to assist customers right from the beginning of a new project;
- optimising consultancy activities for the continuous improvement of production processes;
- strategic planning of marketing to maximise the potential of the wide range of services offered.

External growth

The Company intends to take advantage of the experience gained to integrate new external companies, in the immediate future, through the acquisition of companies and target companies with expertise, experience and professionalism operating in business areas similar to those of the Group, thus developing cost and/or commercial synergies as well as acquiring specific know-how and expertise in certain business sectors, the growth of the Group.

In particular, the LocalEyes Acquisition may allow the Company to strengthen its Global Content division (as a result of the above acquisition, the Company will rank among the top forty global companies in the language service provider sector[14]), with a geographic expansion within the US market and a simultaneous utilisation of the LocalEyes Group's network for the sale of existing services performed by the Company for its own customers.

Geographical expansion and development of new opportunities

STAR7 intends to expand its geographical presence in countries where it does not yet operate through the establishment of new companies (able to replicate the *business* model of STAR7) or strategic *joint ventures*, growing in the European market and increasing its presence in the American market, as well as entering some emerging markets with strong economic growth in order to intercept new *business* opportunities (such as, for example, in South America or Africa).

As at the Admission Document Date, the Company is interested in expanding into Italian, European and American companies active in the Experience and language services sectors, in order to consolidate its presence on the market and for further integration of the services offered.

In particular, STAR7 intends to develop its presence in five new sectors *(Life Science, Gaming*, *Information Technology, Tourism* and *Entertainment*).

[14] Source: This takes into account the 2020 revenues figures reported to the site: *csa-research.com/Featured-Content/Global-Market-Study-2021/Top-100-LSPs*

Innovation

The Company intends to increase its range of services provided, with a focus on certain areas in which targeted investments are to be made, including technology, process automation, the development of experience solutions and digital packaging to support the activities of the following divisions respectively: Engineering, Product Knowledge & Experience; Global Content and Printing.

The Company also intends to continue investing in research and development in the Engineering, Product Knowledge & Experience divisions, in process automation in the Global Content division and in improving production capacity in the Printing division.

In the *Engineering, Product Knowledge & Experience* divisions, the company intends to focus on further digital transformation of its services, particularly in the area of virtual reality, in order to offer increasingly significant time and cost savings to its customers.

With regard to the Global Content division, the Company intends to further develop the application of Neural Machine Translation and artificial intelligence to optimise and improve its translation-related activities.

With regard to the Printing division, the Issuer intends, in the immediate future, to strengthen its digital packaging line to increase production capacity and the automation of the kitting process, in order to increase the quality of the kits developed and their production capacity.

Increased margins

STAR7 intends to focus more closely on increasing the profit margin of certain activities while optimising structural costs in order to support the Group's rapid growth.

The Company also believes that it will be able to increase its margins through significant cost savings dictated by the opening/reinforcement of its production facilities in Albania and Argentina, as well as through specific investments that may lead to the simplification and automation of numerous processes within the Company.

Organisation

The Company intends to implement organisational programmes for a better management of its workforce through the centralisation of some operational functions, in order to better coordinate the Group's developments.

In particular, STAR7 is interested in taking advantage of LocalEyes' presence in some countries, where the Company is already active, as of the Admission Document Date, with a reduced presence (such as Albania), in order to further develop its activities at a lower cost.

The Company also believes that it can also support its expansion through specific incentive schemes aimed at its top management and the Company's employees, so as to align their interests with those of the Company's shareholders.

6.3 Main markets

The Issuer's reference market is that of product information, meaning the offer of a diversified set of services relating to the management of the life cycle of technical product and commercial information, from the initial definition and creation of the information itself to its distribution.

In this context, the Company offers its customer companies a diversified service that allows them to communicate product information in multiple languages and through both physical (e.g. through manuals and/or instruction books) and digital channels (e.g. virtual *reality*, AR, 3D visualisation).

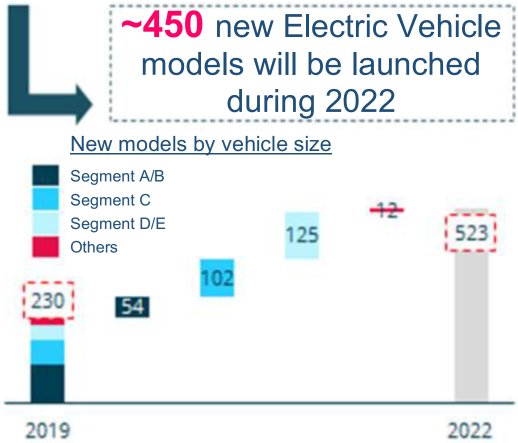
6.3.1 Reference market

The Issuer's reference market benefits from the macro-trends in economic and business terms active as at the Admission Document Date, of which a few brief remarks are given below.

Transition to electric vehicles

The launch of new vehicles means that car manufacturers need support in the preparation of technical documentation (both in the initial draft and in the translation into different languages) in order to make it available through paper and digital channels.

In particular, 450 electric vehicle models are expected to be launched in the three-year period 2019-2022[15], as shown in the following graph[16].

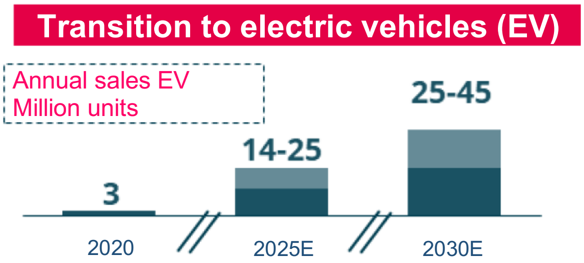


In addition, annual sales of electric vehicles are expected to be between 14-25 million units in 2025 and 25-45 million in 2030[17].

[15] Source: McKinsey report "*Electric Vehicle Index: Europe cushions a global plunge in EV sale'* available at the link: www.mckinsey.com/industries/automotive-and-assembly/our-insights/mckinsey-electric-vehide-index-europe-cushions-a-global-plunge-in-ev-sales

[16] Note: *Class A*: *Mini cars* (Category of small vehicles, often called *city cars*); *Class B*: Small cars (Small/medium-sized vehicles, commonly called compact cars, larger than common city cars, but smaller than family cars); *Class C*: Medium-sized *cars* (compact/family vehicles); *Class D:* Large*cars* (compact/family vehicles); *Class E:* Top class cars (large compact/family vehicles that are not sporty or luxury, often top products of car manufacturers); *Class F:* Luxury cars; *Class J:* SUVs; *M-Class:* MPVs (Multi Function Vehicles); *Class S:* (Sports cars)

[17] Source: *Global EV Outlook* 2021, published by the International Energy Agency (I.E.A.)



Aware of the growing market demand for electric vehicles, the Company is able to respond to this market need through its diversified range of services:

(i) Engineering: support in product design;

(ii) Product Knowledge: support in the technical definition of product information and after-sales service;

(iii) Experience: support through VR/AR and 3D visualisations to the understanding of instruction manuals;

(iv) Printing: printing of printed manuals; and

(v) Global Content: translation into several languages.

Industry 4.0

The term Industry 4.0 refers to the propensity of today's industrial automation to incorporate certain new production technologies to improve working conditions, create new *business* models, increase plant productivity and improve product quality

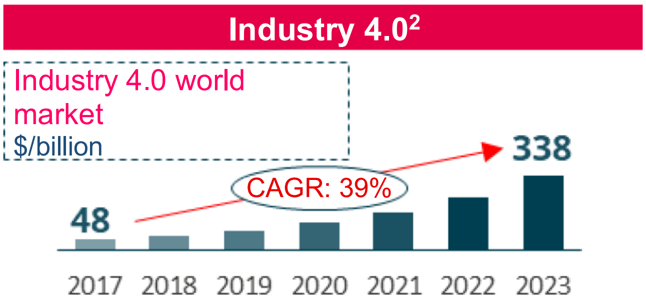
In particular, the adoption of Industry 4.0 models is determined by the following guidelines:

- improvement in terms of efficiency: the adoption of such models generates a 25% increase in productivity;
- new income streams: *original equipment manufacturers* mainly use IoT technology for the creation of new *business* models; and
- more flexible and customer-focused operations leading to a reduction in *time-to-market*: industry 4.0 technologies allow manufacturers to be more flexible at all stages of the product development life cycle.

The aforementioned trend has resulted in a significant growth of the market, such that the market size has grown to USD 290 billion over the period 2017-2023 (CAGR 39% per annum)[18], as

[18] Source: Based on IoTNOW analysis in the report *"IoT, IIoT, connected industry and Industry 4.0 come together to create a new model for business"* available at www.iot-now.com/2018/10/12/89230-iot-iiot-connected-industry-industry-4-0-come-together-create-new-model-business

highlighted in the table below.



The affirmation of Industry 4.0 models has brought direct benefits to the Company's business through the progressive affirmation of IoT technologies offered by the Issuer, as well as the significant need for updates to be made to technical documentation through different channels (paper/digital) and in different languages (in particular, the implementation of these technologies allows SMEs to produce a high-quality result at reduced costs and with high flexibility[19]).

In this context, the Company intends to act as an interlocutor capable of providing the most appropriate services to its customers with an offer in the field of product information that is flexible with respect to the possible and variable needs of customers.

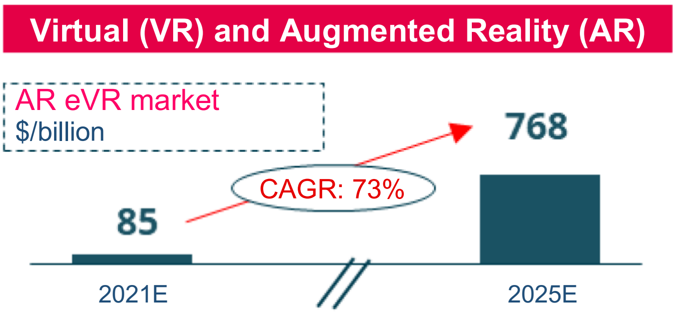
Virtual reality (VR) and Augmented reality (AR)

The AR/VR market is positively impacted by the growing demand for head-mounted displays (HMDs) in gaming and entertainment, as well as the adoption of augmented and virtual reality for marketing strategies, and the increasing demand for AR/VR in retail, e-commerce, education and training.

In this context, the COVID-19 pandemic has contributed to an acceleration in the implementation of AR/VR with an increased need for immersive and realistic models capable of enabling remote reproduction of physical reality.

The graph below shows the overall increase of this market over the period 2021-2025 from USD 85 billion in 2021 to USD 768 billion in 2025 (CAGR 73%)[20].

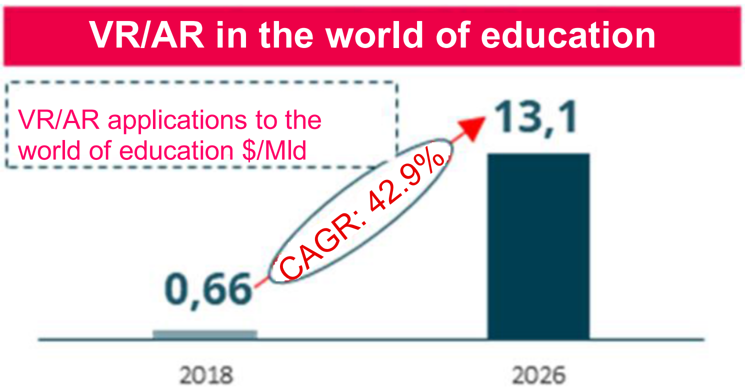
[19] Source: As the Forbes article '*Industry 4.0*: *The Beneficial Trends And Challenges For SMEs*".
[20] Source: Market Research Future report available at the link: https://www.marketresearchfuture.com/reports/augmented-reality-virtual-reality-market-6884).



The progressive reduction of the need for written content and the consequent need to create multisensory and interactive experiences in the field of product information have allowed the Company, thanks to its consolidated know-how in the Experience area (for example, for the VR helmets used for Ferrari's technical training), to have a solid competitive positioning so as to benefit from the progressive diffusion of virtual and augmented reality and the consequent demand by customers for models that implement these technologies.

Specifically, with reference to the current VR/AR offer provided by the Company for training purposes, the specific trends of VR/AR applications in the training sector are analysed below.

In fact, the market for VR/AR applications for educational purposes is expected to see an exponential increase from USD 656.6 million in 2018 to USD 13.1 billion in 2026 (CAGR 42.9% per annum), due to the possible sharing of information in new and innovative ways, as well as due to the possibility of breaking down any cost and distance barriers, with the provision of an educational experience on par with in-person[21].



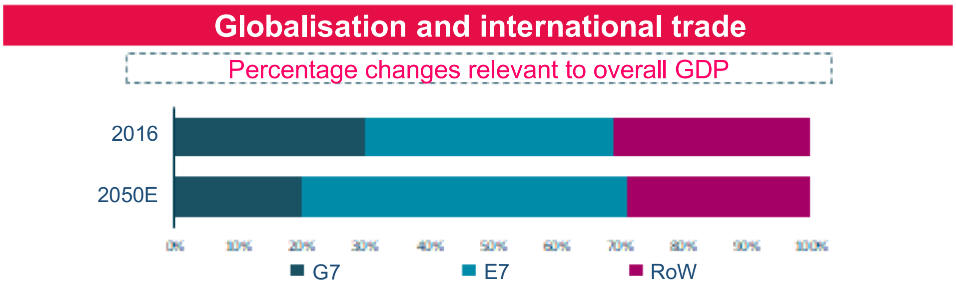
As mentioned, the Company already offers this service with VR helmets for the *training* of Ferrari technicians.

Translation services

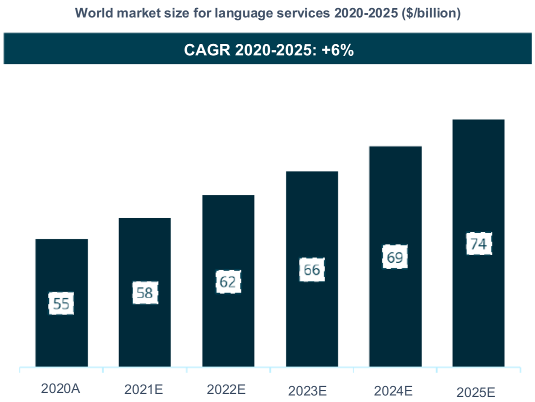
The technology revolution taking place in the global context will result in a doubling of the size of

[21] Source: Fortune Business Insights report "*Virtual Reality in Education Market to Reach USD 13,098.2 Million by 2026*".

the world economy by 2050 in terms of GDP, with certain emerging E7 economies(i.e. China, India, Brazil, Indonesia, Mexico, Russia and Turkey) on a faster growth trajectory than the advanced G7 economies(i.e. the United States, Canada, the United Kingdom, France, Germany, Italy and Japan) and the economies of the other states[22].

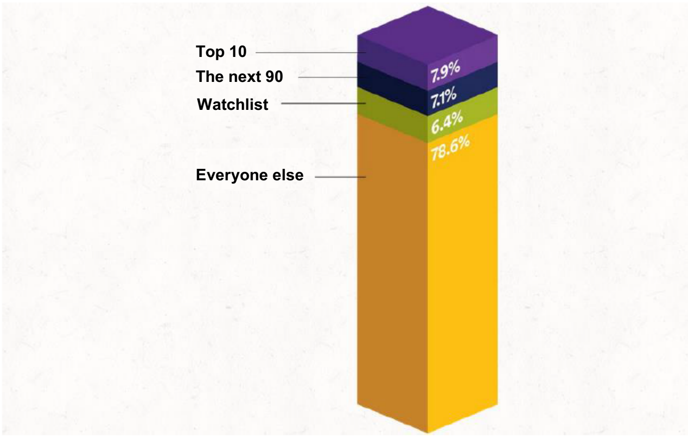


In this context, it is expected that there may be a growing short- and medium-term need for language and translation services, with this market growing from USD 55 billion in 2020 to USD 74 billion in 2025 (CAGR 6% per year)[23].



As can be seen from the graph below, the language services market is largely fragmented with the revenues of the top 100 companies in the world accounting for only 15% of the total turnover of the entire market[24].

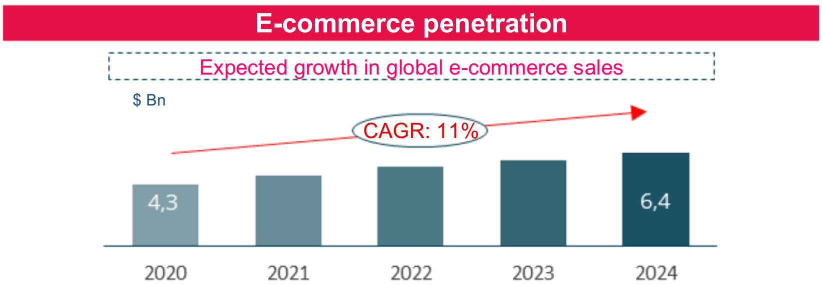
[22] Source: PWC report '*The World in 2050*'
[23] Source: Nimdzi report *'The 2021 Nimdzi 100: the ranking of top 100 largest Language Service Providers".*
[24] Source: Nimdzi report *'The 2021 Nimdzi 100: the ranking of top 100 largest Language Service Providers".*



In this context, the Company's pro forma revenues for the year ended 31 December 2020 would (through the LocalEyes Acquisition) place the Company in 28th place globally as a provider of such services with revenues of USD 70.5 million.

E-Commerce

The *e-commerce* sector has experienced a major penetration rate increase from USD 4.3 billion in 2020 to USD 6.4 billion in 2024 (CAGR 11% per year)[25]



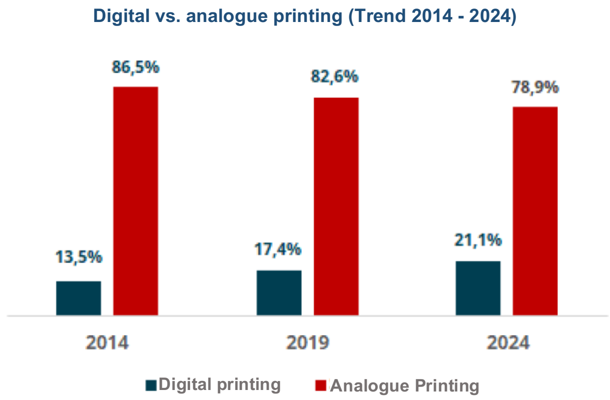
In this context, the Company benefits from the growing demand for solutions that can present products to customers, in different languages and in an interactive way, as the Company can benefit from the impact that the growth of this market may have on the digital printing services already offered.

Digital printing

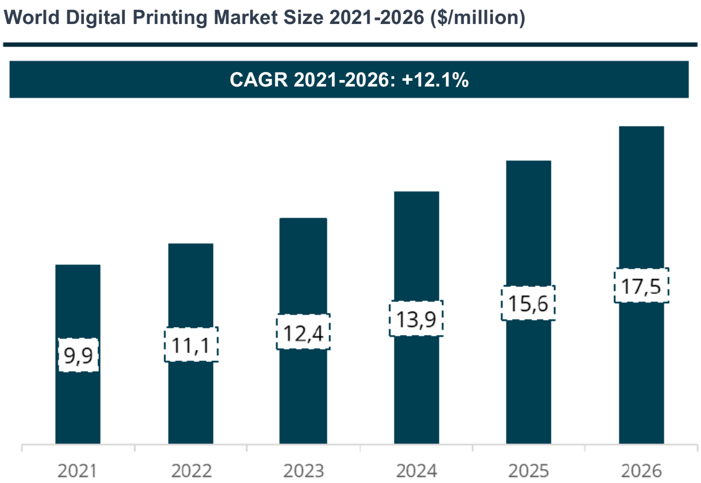
Compared to conventional printing, digital printing allows printing on demand, shorter processing times and lower costs on smaller print runs, to the extent that digital printing has gradually

[25] Source: Report "*Retail e-commerce sales Worldwide from 2014 to 2024*".

increased in recent years compared to analogue printing[26].



The global digital printing market will grow to USD 17.5 billion by 2026 (CAGR 2021-2026 12.1%), due to increased demand in textiles, packaging, e-commerce, home furnishings and vehicle wrapping, with particular opportunities coming from emerging economies such as China and India, where rapid industrialisation is also driven by demand for digital printing services.[27]



In this context, the Company is well positioned to benefit from this growth trend, thanks to the versatility of its digital printing solutions; moreover, the digital printing market is characterised by solid barriers to entry that make the Issuer's competitive position solid and defensible over time.

6.3.2 Competitive positioning

The Integrale[7] approach allows the company to offer a wide and diversified *range* of complimentary services, thus covering numerous customer needs for product information and

[26] Source: "*The future of Digital vs Offset Printing to 2024*" published by BritishPrint.
[27] Source: Report *"Digital printing market - Forecast (2021-2026)"* by IndustryArc.

acting as a single point of reference.

The Issuer's competitive landscape is dominated by operators whose highly specific and specialised offer does not allow them to cover, in an appropriate manner, with synergy and completeness, the different requests of customers on the demand side. In particular, it should be noted that the market is mainly divided into:

- companies of significant size that are not focused on *product information management* and whose global offering partially overlaps with one or more of the Company's *business* areas (such as, for example, Capgemini with respect to the Engineering *business*). Compared to these *competitors*, the Company suffers from a disadvantage in terms of size, although it can count on greater effectiveness in responding to customer needs, by virtue of the maximum specificity of the services offered; and

- companies highly specialised in the verticality of the service offered, but focused on a single specific market segment (such as, for example, the company Logos on the translation business). Compared to these competitors, the Company is able to exploit its Integrale[7] model as a single reference point for the customer in fulfilling and satisfying the various requests received in the field of product information.

The Company's main competitors by *business* area are listed below.

<u>*Engineering, Product Knowledge and Experience*</u>

STEP is an Italian company specialising in the supply chain efficiency of various business models through innovative methods of managing networks of branches, agencies, promoters and points of sale with a focus on the banking and insurance sectors.

SEGULA Technologies deals with product design and is mainly active in the energy, naval, automotive, rail and defence aerospace sectors.

Capgemini supports companies in their digital transformation, from consulting services to the development of ad *hoc* strategies for the management of company assets, including *cybersecurity* and *data storage* services.

Semcon is a multinational technology company, with services covering the entire product development cycle, from strategy to digital development and design to product information, mainly active in the energy sector and is the only one among the proposed competitors with an offer overlapping with the Company in two business areas (Engineering and Product Knowledge).

EClex Digital offers its services to established digital *businesses*, being among the reference operators of many brands on a global scale for online content creation, e-commerce management, *data management* and *business analytics*.

Global Content

Logos was the first Italian operator to deal with translations for B2C, with experience in the development of technological solutions for multilingual translation, and with an activity mainly focused on the cultural, legal, fashion & luxury and food & beverage sectors.

Keywords Studios is an Irish company offering services to the *video game industry*. Initially a supplier of localisation *software*, Keywords Studios has gradually expanded its business to become a major player in the market for the creation of interactive digital content.

Printing

Pixart Printing, a printing house for the online printing of digital products, offers cutting-edge solutions, guaranteeing quality and prompt delivery of the projects requested by the customer.

6.4 Important milestones in the evolution of the Issuer

Below is a graphical representation indicating the most important phases of the Issuer's history, with particular attention to the key events that have characterised the Issuer's expansion in the reference market.

The Company was incorporated on 13 July 2000 under the company name "STAR S.r.l." by Lorenzo Mondo and the Swiss company STAR AG.

In the first phase of its activity, the Issuer specialised in the provision of translation services. In 2006, the Issuer launched a process of diversifying its business, integrating its translation services with technical authoring and opening new offices in Pistoia.

During 2010, the Issuer established Star Log S.r.l. (today, STAR7 Printing S.r.l.), based in Asti, through which it began to provide its customers with logistics, printing, distribution and digital archiving services.

In 2013, the Issuer acquired a majority stake in Wayred S.r.l., thus starting to develop and provide after-sales services.

In December 2013, the Company acquired a controlling interest in the Brazilian company Star Comunicação e Serviços Ltda, which operates in the printing & logistics sector.

In 2014, the Issuer established the wholly owned subsidiary STAR7 Engineering S.r.l. through which it provides engineering, authoring and after sales services. The offices for this subsidiary are located strategically in Maranello, so as to be close to its top customers in the automotive sector.

The Issuer has therefore managed to integrate its range of services for its customers, throughout the whole process: support with content creation, multilingual translation, multimedia publication, printing, digital product experience and assistance with sales and distribution.

Through these operations, the Issuer has structured a targeted offer in its reference market, further consolidating its relations with the main operators in the automotive sector.

On 7 July 2015, the Issuer's Shareholders' Meeting resolved to transform the company into a joint-stock company under the name of "STAR S.p.A.".

In the following years, the Company continued to grow, building on its network of relationships with the world's leading players in the *automotive* sector.

In 2015, the Issuer acquired a majority stake in the Brazilian company Call Comunicação e Serviços Ltda. based in Belo Horizonte (Brazil).

In July 2016, STAR7 Engineering S.r.l. merged with Wayred S.r.l., a company specialising in technical authoring services, taking over the latter's entire capital.

In 2016, the Issuer continued its process of expansion and affirmation in the international market by setting up the American company Star USA LLC, based in San Francisco(California, USA) and the Austrian company Star Austria GmbH, based in Linz (Austria), in order to ensure a greater territorial presence.

In 15 years, the Issuer has built an extensive international network, with a strong local presence, to respond to all the needs of SMEs and major industrial and financial groups.

In 2017, the Issuer also acquired AD Studio S.r.l., a company specialising in technical authoring activities. In October 2017, as supplemented in April 2018, the Company entered into an agreement to lease the business unit of System Data Service S.r.l., concerning technical authoring activities in the aerospace and defence sector.

In May 2018, the Issuer, through the company Star Comunicação e Cerviços Ltda, acquired the majority of the capital of the Brazilian company Grafica e Editoria Colibri Ltda, with registered office in Belo Horizonte (Brazil), a company specialising in printing activities that has active customers in the Brazilian school publishing sector.

In August 2018, the Issuer also established a new company in Argentina STARCOM Argentina SAS, based in Cordoba that performs translation and technical authoring activities.

Later, in December 2018, the Issuer acquired the whole capital of Res S.r.l., based in Alessandria, a specialist in technical authoring formerly owned by the shareholder Dante S.r.l.

In July 2019, the Issuer concluded the acquisition of 100% of the American company Techworld Languages Services Inc. by its subsidiary Star USA LLC, a translation company strategically located in the Detroit area near the headquarters of the main companies in the automotive sector (see Section One, Chapter 16, Paragraph 16.3.3 of this Admission Document).

In 2019, the Company continued its international development path by establishing a new company in Albania called Star Albania SHPK, based in Tirana.

In addition, during 2019 the Company started a *rebranding* process and, on 7 July 2020, the Company changed its name to "*STAR7 S.p.A*".

In March 2020, Dante S.r.l. transferred to the Company a branch of business called "Administrative-Accounting and Management Services", having as its object the provision of services, technical, administrative and accounting support.

In June 2020, RES S.r.l. was merged into the Company.

In December 2020, the Company acquired a minority shareholding of 33% in IAMDEV STP S.r.l. and subsequently, in March 2021, the Company acquired a business unit of Grafitec S.r.l.

In April 2021, STAR USA LLC acquired the entire share capital of The Geo Group Corporation, a company incorporated under the laws of the State of Wisconsin (see Section One, Chapter 16, Paragraph 16.3.2 of this Admission Document).

In November 2021, the Company completed the LocalEyes Acquisition as a result of which the LocalEyes Group was acquired (see Section One, Chapter 16, Paragraph 16.3.1 of this Admission Document).

It should be noted that LocalEyes, a company operating in the translation and localisation sector and providing global services in over 60 countries, has had business relationships with certain companies of the Apple Group, including Apple Inc. since 1997. In consideration of the importance and the centrality of the contractual and business relationships that LocalEyes has had for years with the companies of the Apple group, the Company deemed it appropriate to proceed with the LocalEyes Acquisition.

In the Company's opinion, the LocalEyes Acquisition may allow it to strengthen its Global Content division (as a result of the above acquisition, the Company is already positioned among the top forty global companies in the language service provider sector), with a geographic expansion within the US market and a simultaneous utilisation of the LocalEyes Group's network for the sale of existing services performed by the Company for its customers.[28] In view of the importance and centrality of the contractual and business relationships that LocalEyes has had for years with the companies of the Apple Group, the Company considered it appropriate to proceed with the LocalEyes Acquisition.

6.5 Dependence of the Issuer on trademarks, patents and certifications, on industrial, commercial or financial contracts or on new manufacturing processes

6.5.1 Trademarks, patents or licences

The Group manages its intellectual property to protect its production activities from possible counterfeiting by both international competitors and local operators.

As at the Admission Document Date, in particular: (i) The European Registration Application "STAR7" is the subject of an opposition to registration by Seven.One Entertainment Group GmbH (negotiations to reach a settlement are ongoing); (ii) The European Registration Application "S7" is the subject of two oppositions to registration by Seven.One Entertainment Group GmbH (negotiations to reach a settlement are ongoing) and S4 Capital 2 Limited; (iii) the Brazilian extension of the international application "S7" has been refused by the competent national office; and that (iv) the US extensions of the 'STAR7' and 'S7' international applications for registration have been provisionally rejected by the competent national office with a request for modification and/or limitation of the product classes of registration.

The following table summarises the trademarks for which the Issuer, as well as LocalEyes Limited

[28] Source: This takes into account the 2020 revenues figures reported to the site: *csa-research.com/Featured-Content/Global-Market-Study-2021/Top-100-LSPs*

and Star Comunicacao e Servicos Ltda have applied for registration as at the Admission Document Date.

Holder	Class	Type	Date / number of application filing	Date/registration number
STAR7 S.p.A.	9, 35, 36, 41 e 42	figurative “S7”	25.02.2020 / 018200564	2 oppositions pending
STAR7 S.p.A.	9, 35, 36, 41 e 42	figurative “STAR7”	25.02.2020 / 018200556	1 opposition pending
STAR7 S.p.A.	9, 35, 36, 41 e 42	figurative “STAR7”	28.07.2020 1563339	AL, BR, US (US refused)
STAR7 S.p.A.	9, 35, 36, 41 e 42	figurative “S7”	28.07.2020 1563283	AL, BR, US (BR and US rejected)
LocalEyes Limited	41	figurative "LOCALEYES Smart content powers progress"	8.04.2019	19.09.2019 018049446
Star Comunicacao e Servicos Ltda	42	mixed "Starcom"	21.06.2018	18.06.2019 914900293
Star Comunicacao e Servicos Ltda	39	mixed "Starcom"	21.06.2018	18.06.2019 914900340

At the Admission Document Date, the Issuer owns the following domain names:

- nuova-abbazia.net
- dante-italia.it
- star-austria.co.at
- mytradoo.com
- qrfca.com
- star-italia.it
- qrfca.net
- qrfca.it
- star-usa.com
- myaftersales.com
- tradoo.com
- star-group-italia.com
- tradoo.it

- tradoo.org
- star-italia.com
- traduzionilegali.net
- aster-translations.com
- star-italia.net
- star-albania.net
- star-seven.com
- star-7.com
- localeyes.com
- localeyes.es
- localeyes.fi
- localeyes.ie
- localeyes.it
- localeyeslink.com

Below is a list of the certifications the Issuer holds at the Admission Document Date.

- ISO 9001:2015;
- ISO 14001:2015;
- ISO 17100:2015;

6.5.2 Customers and suppliers

As far as contractual and/or commercial relations with suppliers are concerned, the Group has several supply contracts or relationships in place. Specifically, the Group's top 5 and top 10 suppliers accounted for approximately 48% and 63%, respectively, of total consolidated supplier costs for the year ended 31 December 2020. The incidence of the first supplier on total consolidated supplier costs is 13% for the year ended 31 December 2020.

On the other hand, with regard to commercial relationships with customers, the Group's top 3, top 5 and top 10 customers accounted for approximately 41.4%, 56.0% and 62.5% of consolidated sales revenue for the year ended 31 December 2019, respectively, and approximately 46.6%, 65.6% and 75.4% for the year ended 31 December 2020, respectively.

Of the Group's various customers, Apple was the largest as of the Admission Document Date.

In particular, it should be noted that LocalEyes, a company operating in the translation and localisation sector and providing global services in over 60 countries, has had business relations since 1997 with certain companies of the Apple Group, including Apple Inc., which accounted for 92.9% of LocalEyes' revenues in the year ended 31 December 2020 (for further information, see Section One, Chapter 16, Paragraph 16.3.1 of the Admission Document).

Without prejudice to the foregoing, as at the Admission Document Date, in the opinion of the Issuer's management, STAR7's business is not significantly dependent on contracts and/or business relationships with suppliers and customers, considered individually.

6.5.3 Financing contracts

Without prejudice to what is described in Section One, Chapter 16 below, as at the Admission Document Date, the Issuer is not dependent on financial or financing contracts.

6.6 Sources of the declarations made by the Issuer on its competitive position

For the competitive position of the Issuer, see paragraph 6.3.2, above.

6.7 Investments

6.7.1 Description of the main investments made by the Group

This section provides an analysis of the investments made by the Group in "*Property, plant and equipment and intangible assets*" in the six months ended 30 June 2021 and in the years ended 31 December 2020 and 31 December 2019.

Investment in property, plant and equipment

The following table sets forth the amount of investments in "*Property, plant and equipment*", broken down by type, made by the Group during the six months ended 30 June 2021 and during the years ended 31 December 2020 and 31 December 2019:

Increase in property, plant and equipment (Euro)	**Half-year ended 30 June 2021**	**Financial year ended 31 December**	
		2020	**2019**
Land and buildings	25,064	53,336	150,120
Plant and machinery	650,223	1,178,191	417,601
Industrial and commercial equipment	6083	14,559	61,980
Other assets	131,356	728,741	408,156
Assets under development/construction and payments on account	0	0	100,615
Total additions to property, plant and equipment	**812,726**	**1,974,827**	**1,138,472**

During the six months ended 30 June 2021, the Group invested mainly in high-tech printing machinery, electronic machines and hardware, including the net book value of assets arising from the incorporation of "Grafica e Editora Starcom Ltda" into "STAR Comunicacao e Servicos Ltda" (amounting to €82,642).

In the year ended 31 December 2020, the additions for the year mainly relate to high-tech printing machinery, electronic machines and hardware. The more significant increase of €314,273 is explained by the increase in plant and machinery of the subsidiary STAR7 Printing.

The increase in investments in other assets in the year ended 31 December 2020 is due, for €235,715, to a reclassification of items previously reclassified as assets under construction.

Investment in intangible assets

The following table shows the amount of investments in "*Intangible assets*", broken down by type, made by the Group during the six months ended 30 June 2021 and during the years ended 31 December 2020 and 31 December 2019:

Increase in intangible assets (Euro)	**Half-year ended 30 June 2021**	**Financial year ended 31 December**	
		2020	**2019**
Start-up and expansion costs	70,000	130,000	0
Industrial patent rights	0	0	0
Licences, trademarks and similar rights	333,134	1,120,303	272,782
Goodwill	1,344,585	1,486,014	3,088,636
Assets under development/construction and payments on account	288,794	355,187	184,667
Others	79,697	731,003	276,159
Total increases in intangible assets	**2,116,210**	**3,822,507**	**3,822,244**

During 2021, the increases mainly concerned:

- start-up and expansion costs: on software services for an online technical documentation management project for the automotive sector;

- licences, trademarks and similar rights: purchased software and internally developed programmes, STAR7 brand;

- goodwill: in March 2021, a production branch previously belonging to Grafitec S.r.l. was acquired. This transaction generated the recognition of goodwill in the amount of €60,000. In addition, on 23 April 2021, the US company The Geo Group Corporation was acquired by Star USA LLC, and this acquisition resulted in the recognition of goodwill at consolidated level of €1,284,584;

- assets under development/construction and payments on account: charges for listing on the Euronext Growth Milan market, rebranding / corporate organisation, professional services for ongoing due diligence, other minor;

- other intangible fixed assets €79,697 relate to leasehold improvements (works and renovations on buildings) and rebranding and corporate reorganisation costs.

During the 2020 financial year, the increases mainly concerned:

- start-up and expansion costs: related to software services for an on-line technical documentation management project for the automotive sector (the project is still ongoing);

- licences, trademarks and similar rights: purchased software and programs developed in-house, STAR7 brand (€ 219,724); the purchase of licences for the year relates to the implementation of the ERP which is currently being completed. In the year ended 31 December 2020, the most significant increase referred to this item, amounting to €746,337, is related to the Microsoft Business Central ERP system, by the parent company, which also provided for the use of internal resources, personnel costs, for €614,000;

- assets under development/construction and payments on account: charges for listing on the Euronext Growth Milan market, professional services for ongoing due diligence, other minor;

- other intangible fixed assets amounting to 731,003 for the 2020 financial year, relate to leasehold improvements (works and renovations on buildings) and rebranding and corporate reorganisation costs; and

- the increase in goodwill is mainly related to the acquisition of a branch of business from the associate Dante S.r.l., which generated the recognition of goodwill amounting to €1,286,356.

6.7.2 Description of the Company's main investments

This section provides an analysis of the Company's investments in "*Property, plant and equipment and intangible assets*" during the six months ended 30 June 2021 and the years ended 31 December 2020 and 31 December 2019.

Investment in property, plant and equipment

The following table shows the amount of investments in "*Property, plant and equipment*", broken down by type, made by the Company during the six months ended 30 June 2021 and during the years ended 31 December 2020 and 31 December 2019:

Increase in property, plant and equipment (Euro)	Half-year ended 30 June 2021	Financial year ended 31 December	
		2020	2019
Land and buildings	0	0	0
Plant and machinery	3,500	0	13,600
Industrial and commercial equipment	0	1,999	1,280
Other assets	45,248	262,108	295,367
Assets under development/construction and payments on account	0	0	100,615
Total additions to property, plant and equipment	**48,748**	**264,107**	**410,862**

Increases in property, plant and equipment in the half year ending 30 June 2021 and the year ending 31 December 2020 mainly relate to investments in hardware and electronic office equipment.

During the financial year ended 31 December 2019, the item fixed assets under construction and advances includes costs related to the start of works for the construction of new offices in front of the registered office.

Investment in intangible assets

The following table shows the amount of investments in "*Intangible assets*", broken down by type, made by the Company during the six months ended 30 June 2021 and during the years ended 31 December 2020 and 31 December 2019:

Increase in intangible assets (Euro)	Half-year ended 30 June 2021	Financial year ended 31 December	
		2020	2019
Start-up and expansion costs	70,000	130,000	0
Industrial patent rights	0	0	0
Licences, trademarks and similar rights	333,133	1,079,313	70,473
Goodwill	60,000	1,772,180	0
Assets under development/construction and payments on account	193,469	173,005	184,667
Others	60,757	191,037	224,775
Total increases in intangible assets	**717,359**	**3,345,535**	**479,915**

In the six months ended 30 June 2021, the increases mainly relate to:

- start-up and expansion costs: are related to software services for an on-line technical documentation management project for the automotive sector;
- licences, trademarks and similar rights: purchased software and internally developed programmes; STAR7 trademark;
- goodwill: acquisition of a business unit from Grafitec s.r.l.;
- assets under development/construction and payments on account: charges for listing on the Euronext Growth Milan market, rebranding/corporate organisation, professional services for ongoing due diligence, other minor;

Investments in intangible assets during the year ended 31 December 2020 relate to:

- start-up and expansion costs: €130,000 relating to software services for an on-line technical documentation management project for the automotive sector;
- licences, trademarks and similar rights: €1,079,313 relating to purchased software and internally developed programmes for €859,589 (of which approximately €614,000 for internal staff) and the STAR7 brand for €219,724; the other changes of €7,892 relate to the amortisation fund acquired following the merger of RES S.r.l.;
- goodwill: €1,772,180 relating to the business unit acquired from Dante s.r.l. (€1,273,856 plus accessory charges of €6,264) and the merger of RES s.r.l.. (€485,823 plus accessory charges of €6,237);
- assets under development/construction and payments on account: €273,005 related to charges for listing on the Euronext Growth Milan market (€226,055), professional services for due diligence in progress (€45,150), other minor (€1,800);
- other intangible fixed assets €191,037 for leasehold improvements (€62,668) and rebranding/corporate organisation (€128,369).

During the 2019 financial year, €224,776 was recognised in deferred costs for the acquisition of a three-year contract with a major US customer.

6.7.3 Description of the main investments in progress

As at the Admission Document Date, no investments were being made.

6.7.4 Joint ventures and investee companies

At the Admission Document Date, the Issuer is not part of a joint venture and has no equity investments other than those described in chapter [7].

With regard to the Commercial Agreement entered into with STAR AG, please refer to Section One, Chapter 16, Paragraph 16.5 of the Admission Document.

6.7.5 Environmental issues

In view of the type of activity it carries out, at the Admission Document Date, the Company is not aware of environmental problems that could seriously influence the use of its property, plant and equipment.

7. ORGANISATIONAL STRUCTURE

7.1 Description of the Issuer

The Issuer is the parent company of the STAR7 Group.

As at the Admission Document Date, the Company is controlled by Dante S.r.l. and STAR AG, which hold, respectively, stakes equal to 47.4% and 37.9% of the Company's share capital (the remaining stakes are held by KAIROS Partners SGR S.P.A. (on behalf of the alternative investment fund managed by the same named KAIS Renaissance ELTIF) through Special Shares and by the Company itself).

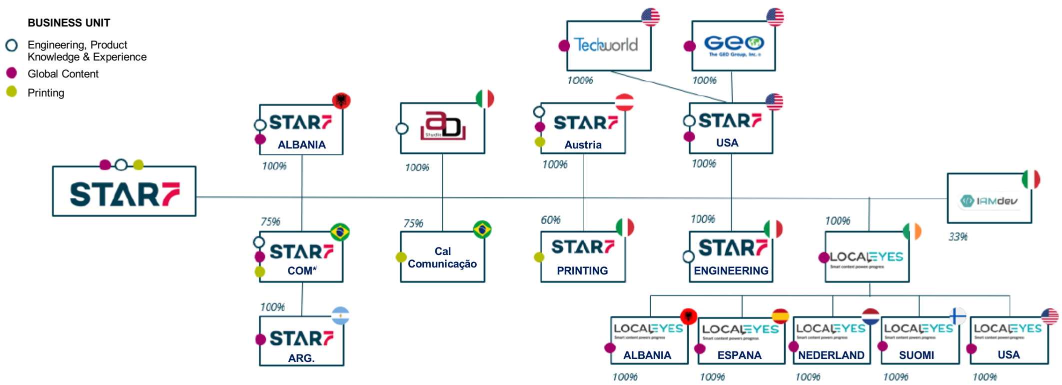
The company Dante S.r.l. is entirely controlled by the Chairman of the Board of Directors and Chief Executive Officer, Lorenzo Mondo.

The Swiss-registered company STAR AG is a wholly owned subsidiary of Star Holding AG, which in turn is wholly owned by Josef Zibung.

7.2 Description of the Group to which the Issuer belongs

As of the Admission Document Date, the Issuer directly and indirectly controls 18 companies.

The Group chart below gives a graphic overview of the different components of the Group at the Date of this Admission Document.



* Through the LocalEyes Acquisition, the Issuer has also acquired the following branches of LocalEyes: LocalEyes Ltd (German branch); LocalEyes Sverige filial; LocalEyes Denmark and LocalEyes France.

The following table summarises the main activities carried out by each company as well as indicating – where applicable – the main performance indicators for the six months ended 30 June 2021:

Company	*% held directly or indirectly by the Issuer*	*Main activity*	*Value of production (euro)*	*Net equity (euro)*	*Result for the year (euro)*
STAR7 Printing S.r.l.	60%	Printing & Logistics	3,713,031	**644,533**	**60,469**

STAR7 Engineering S.r.l.	100%	Engineering, Product Knowledge & Experience	2,556,576	**1,373,428**	**345,927**
AD Studio S.r.l.	100%	Engineering, Product Knowledge & Experience	515,026	**38,550**	**(68,474)**
STAR Comunicacao e Servicos Ltda	75%	Printing & Logistics, Product Knowledge	2,324,869	**2,352,064**	**649,191**
Cal Comunicacao Ltda	75%	Printing & Logistics	0	**16,019**	**3,214)**
STAR USA LLC	100%	Global Content	2,543,773	**(203,453)**	**(169,609)**
Techworld Language Services Inc.	100%	Global Content	N/A	**N/A**	**N/A**
The Geo Group Corporation	100%	Global Content	N/A	**N/A**	**N/A**
Star7 GmbH	100%	Engineering, Product Knowledge & Experience, Global Content	259,561	**72,732**	**36,605**
Star Albania ShpK	100%	Engineering, Product Knowledge & Experience	308,642	**22,778**	**3,088**

Note: IAMDEV STP S.r.l. and STARCOM Argentina SAS are not included in the above table as they are not consolidated on a line-by-line basis. The figures for STAR USA LLC refer to sub-consolidated financial statements.

The following table summarises the main activities carried out by each company as well as indicating – where applicable – the main performance indicators for the year ended 31 December 2020:

Company	***% held directly or indirectly by the Issuer***	***Main activity***	***Value of production (euro)***	***Net equity (euro)***	***Result for the year (euro)***
STAR7 Printing S.r.l.	60%	Printing & Logistics	5,002,085	**582,138**	**99,265**
STAR7 Engineering S.r.l.	100%	Engineering, Product Knowledge & Experience	4,003,508	**1,027,497**	**261,647**
AD Studio S.r.l.	100%	Engineering, Product Knowledge & Experience	881,626	**107,023**	**45,327**
STAR Comunicacao e Servicos Ltda	75%	Printing & Logistics, Product Knowledge	2,993,649	**1,934,595**	828,308
Cal Comunicacao Ltda	75%	Printing & Logistics	0	**18,115**	(5,701)
STAR USA LLC	100%	Global Content	3,456,660	**(30,386)**	**(246,288)**
Techworld Language	100%	Global Content	N/A	**N/A**	**N/A**

Services Inc.					
The Geo Group Corporation	100%	Global Content	N/A	**N/A**	**N/A**
Star7 GmbH	100%	Engineering, Product Knowledge & Experience, Global Content	431,778	**36,127**	**(4,846)**
Star Albania ShpK	100%	Engineering, Product Knowledge & Experience	450,595	**19,526**	**19,192**

Note: IAMDEV STP S.r.l. and STARCOM Argentina SAS are not included in the above table as they are not consolidated on a line-by-line basis. The figures for STAR USA LLC refer to sub-consolidated financial statements.

All Group companies controlled by the Issuer are subject to management and coordination by the Issuer pursuant to Articles 2497 et seq. of the Italian Civil Code.

Below is a brief description of the companies in which the Issuer holds a stake:

- **LocalEyes Ltd** - is an Irish-registered company specialising in translation and localisation, providing global services in over 60 countries. The share capital is wholly owned by the Issuer. This company was established in 1997 to support the Apple Group in the translation and localisation of technical and *customer facing* content and, as of the Admission Document Date, it is active throughout Europe and the United States, through the LocalEyes Group;

- **AD Studio S.r.l.** - is a company under Italian law and specialises in technical authoring services. The share capital is wholly owned by the Issuer;

- **Star Albania SHPK** - is an Albanian law company specialising in translation and technical authoring services. The share capital is wholly owned by the Issuer;

- **Star7 GmbH** - is a company under Austrian law specialising in technical authoring and translation services. The share capital is wholly owned by the Issuer;

- **Star7 Engineering S.r.l.** - is a company under Italian law specialising in the provision of *engineering,* technical authoring and *after sales* services. The share capital is wholly owned by the Issuer;

- **Star USA LLC** - is a company incorporated under US law and specialises in technical authoring and translation services. The share capital is wholly owned by the Issuer;

- **Call Comunicação e Serviços Ltda** - is a company under Brazilian law specialising in logistics and after sales services. The share capital is held 75% by the Issuer and 25% by Toth Comunicação e Logistica Ltda (a company under Brazilian law);

- **Star Comunicação e Serviços Ltda** - is a company under Brazilian law specialising in *printing & logistics* services. The share capital is held 75% by the Issuer and 25% by Toth Comunicação e Logistica Ltda (a company under Brazilian law). This company also holds (i) a 60% interest in Star Comunicação e Serviços SCP II (the remaining 40% being held by Mr Felipe Caputo Silva), (ii) a 50% interest in Star Comunicação e Serviços SCP (the remaining 50% being held by Star do Brasil Localizacao e Tecnologia Ltda) and (iii) an interest in Starcom Argentina SAS;

- **STAR7 Printing S.r.l.** - is a company under Italian law and specialises in typesetting, layout, digital and/or traditional printing. The share capital is held 60% by the Issuer and 40% by Mr Massimiliano Cerrato;

- **IAMDEV STP S.r.l.** - is a company under Italian law and specialises in the development of software solutions. The share capital is held 33% by the Issuer, 33.5% by Mr Marco Chiodetti and 33.5% by Mr Alessandro Cosci;

- **STARCOM Argentina SAS** - is a company under Argentine law and specialises in translation services. The entire share capital is held indirectly by the Issuer;

- **Techworld Language Services Inc.** - is a company incorporated under US law and specialises in translation services. The entire share capital is held indirectly by the Issuer;

- **The Geo Group Corporation** - is a company incorporated under US law and specialises in translation services. The entire share capital is held indirectly by the Issuer;

- **LocalEyes Albania Sh.p.k.** – is an Albanian law company specialising in translation and technical authoring services. The entire share capital is held indirectly by the Issuer;

- **LocalEyes Nederland B.V.** - is a company under Dutch law and specialises in translation services. The entire share capital is held indirectly by the Issuer;

- **LocalEyes Espana S.L.** - is a company under Spanish law and specialises in translation services. The entire share capital is held indirectly by the Issuer;

- **LocalEyes Suomi Oy** - is a company under Finnish law and specialises in translation services. The entire share capital is held indirectly by the Issuer; and

- **LocalEyes USA LLC** - is a US company specialising in translation services. The entire share capital is held indirectly by the Issuer.

Through the LocalEyes Acquisition, the Issuer has also acquired the following branches of LocalEyes: LocalEyes Ltd (German branch); LocalEyes Sverige filial; LocalEyes Denmark and LocalEyes France.

8. REGULATORY CONTEXT

The main legislative and regulatory provisions most relevant to the Issuer's activities are set out below.

8.1 Intellectual property law

In addition to the provisions contained in the Italian Civil Code, the main sources of law in Italy on industrial and intellectual property are: (i) the Italian Industrial Property Code and (ii) the Italian Copyright Law.

Since their enactment, the Italian Industrial Property Code and the Italian Copyright Law have undergone numerous amendments and modifications, including to implement European directives.

Italy adheres, inter alia, to the Paris Union Convention for the Protection of Industrial Property of 20 March 1883, subject to numerous revisions and in force in Italy in the Stockholm text of 14 July 1967, and to the "TRIPs" agreements ("Trade Related Aspects of Intellectual Property Rights"), adopted in Marrakech 15 April 1994.

The main aspects relating to industrial and intellectual property rights potentially relevant to the Issuer and the respective regulatory sources are listed below.

8.1.1 Registered, unregistered trademarks and other distinctive signs

Registered trademarks are governed by Articles 7-28 of the Italian Industrial Property Code.

Provided that they are new and distinctive, all signs and, in particular, words, including names of persons, designs, logos, letters, figures, sounds, the shape of the product or its packaging, colour combinations or shades, which are capable of distinguishing the goods or services of one undertaking from those of other undertakings, may be registered.

Registration of a trademark with the Italian Patent and Trade Mark Office ("**UIBM**") confers on the proprietor the right to exclusive use of that mark throughout the national territory for goods or services identical or similar to those claimed in the registration; if the trade mark has a reputation, protection is extended, under certain conditions, also to non-related goods or services. This exclusive right starts from the filing of the trademark application and lasts for ten years, renewable for an unlimited number of times.

In the presence of a non-purely local use of a sign that has generated its own reputation in the national territory or in a relevant part of it, even a non-registered trademark ("de facto" trademark) is protected.

European Union trademarks ("**EU Trademark**"), governed by Regulation 1001/2017 of 14 June 2017, as subsequently amended and supplemented, are also effective in Italy.

The EU trademark is a unitary title that is valid in all EU countries. The European Union Intellectual Property Office ("**EUIPO**") is competent to receive European trademark applications.

The conditions for the registrability of an EU trademark are similar to those set out above with respect to Italian trademarks.

The main international conventions on trademarks are (i) the Madrid Agreement of 14 April 1891 and the Madrid Protocol of 27 June 1989 and (ii) the Nice Agreement of 15 June 1957 which established the International Classification of Goods and Services.

The owner of an Italian or EU Trademark or of the relative application, by written request addressed to the UIBM or to the EUIPO, may request to transmit to the International Bureau for the Protection of Intellectual Property in Geneva ("**WIPO**") the request for extension of the relative protection to the countries adhering to the Madrid Agreement and Protocol designated by the applicant (so-called "international trademark").

Company names, insignia, domain names are other distinctive signs that are protected in Italy under certain conditions.

8.1.2 Invention and utility model patents

The invention patent is governed by Articles 45-81-octies of the Italian Industrial Property Code and protects a new invention (i.e. not included in the state of the art) with inventive step that constitutes a solution to a technical problem and is suitable for industrial application; the invention may concern a product or a process.

A patent for a utility model is governed by Articles 82-86 of the Italian Industrial Property Code and grants protection to solutions suitable for making objects, machines or parts of machines more effective and/or more comfortable to use.

Exclusivity of protection for both rights starts from the date of filing of the application and lasts 20 years for inventions and 10 years for utility models (with no possibility of renewal).

The office that examines and grants patents for inventions and utility models in Italy is the UIBM.

As of 1 July 2008, the examination of the application for a patent for invention is preceded by the result of the prior art search carried out by the European Patent Office ("**EPO**"), on behalf of the UIBM.

The most important international conventions on patents for invention are (i) the *Patent Cooperation Treaty* ("**PCT**") and (ii) the Munich Convention on the European Patent ("**EPC**"), which regulate multiple filings in several states, with a centralised and simplified procedure.

The European patent filed under the EPC is not a unitary title, but a bundle of national patents, as it is equivalent to a national patent in each participating State.

The European patent with unitary effect (so-called "unitary patent") introduced by Regulation (EU) No 1257/2012, on the other hand, will be granted by the EPO and will allow simultaneous patent protection in the participating EU countries. The Unitary Patent will be operational only after the entry into force of the International Agreement on the Unified Patent Court, already ratified in Italy by Law No. 214/2016.

8.1.3 Trade secrets and know-how

Information that is secret (i.e. not generally known or easily accessible to experts and practitioners), that has economic value because it is secret and that is subject to appropriate confidentiality measures, is protected as industrial property rights under Articles 98 and 99 of the Italian Industrial Property Code.

The protection of trade secrets has been further strengthened following the transposition in Italy of Directive (EU) 2016/943, which took place with Decree Law 63/2018.

Business information and technical and industrial experience, including commercial information, are also covered by the definition of trade secrets.

The confidentiality measures to be adopted to protect the confidentiality of trade secrets may be (i) contractual (e.g. signing NDAs, internal company policies), (ii) physical (e.g. installing locks on cabinets containing such information, locking certain rooms) and (iii) IT (e.g. setting up password authentication procedures, firewalls).

Trade secrets are protected against acquisition, use and disclosure by unauthorised third parties as long as they remain confidential and are not disclosed. They can therefore hypothetically benefit from potentially unlimited time protection.

8.1.4 Software, databases, didactic-scientific works and translations

The Italian Copyright Law regulates the protection of creative works belonging to literature, music, figurative arts, architecture, theatre and cinematography, whatever their mode or form of expression.

Software, databases, didactic and scientific works (including instruction manuals) and translations also fall within the scope of protection of the Italian Copyright Law.

Copyright protects the form of the code and the preparatory material for the design of the software, while the ideas and principles underlying any element of a programme, including those underlying its interfaces, are excluded from the protection granted by the Italian Copyright Law. Although the patentability of *software* as such is excluded, it is possible, under certain conditions, to protect *software* through the patent system if the *software* makes a technical contribution beyond the mere interaction between *software* and *hardware*.

The duration of software protection is 70 years from the death of the author or, as a general rule, in the case of several authors, the last of them.

The database protected by copyright is, on the other hand, the one that, due to the choice or arrangement of the material, constitutes an intellectual creation of the author.

In that case, copyright protection concerns only the expressive form of the database and not the content itself.

Irrespective of the protection of the database under copyright law, the law grants the maker of the database a "sui generis" right, which is intended to safeguard the substantial investment and use of means and resources for the creation of the database.

The duration of the exclusive right of the creator of a database is fixed at 15 years starting on 1 January of the year following the date of completion of the database or its making available to the public (Art. 102 bis, paras. 6 and 7 of the Italian Copyright Law).

In the case of didactic-scientific works (including instruction manuals) and translations with a creative character, the relevant form of expression is also protected, but not the underlying ideas and principles. The duration of protection is 70 years from the death of the author or, as a general rule, in the case of several authors, of the last of them.

8.2 Personal data protection regulations

On 25 May 2018, EU Regulation 679/2016 (the "**GDPR**") on the protection of natural persons with regard to the processing of personal data became directly applicable in all member states of the European Union. The introduction of the GDPR in Europe was aimed, in particular, at strengthening the rights of data subjects in relation to the collection and processing of their personal data, introducing new rights such as the right to data portability or the 'right to be forgotten', which provides, in certain circumstances, for the permanent deletion of the data subject's personal data, as well as stringent requirements for the consent that the data subject is required, in specific cases, to provide, as well as the obligation for data controllers to implement and document, in compliance with the so-called 'accountability' principle, adequate technical and organisational measures to ensure a level of security appropriate to the risk accountability principle, appropriate technical and organisational measures to ensure a level of security appropriate to the risk.

In particular, the GDPR introduced new data protection provisions and obligations for companies and organisations, requiring the adoption of specific obligations and compliance, including but not limited to

- the drafting and delivery of appropriate and complete *privacy* notices to the different categories of subjects whose data are processed (so-called data subjects);
- the existence of a valid and adequate 'legal basis' for the processing of personal data or, where necessary, the request for and obtaining of specific consent for the processing of personal data;
- the identification and appointment, by means of special agreements on the processing of personal data, of external entities that process personal data on behalf of the data controller, as data controllers;
- the identification of the persons within the organisational structure of the data controller who materially carry out the data processing operations, in their capacity as persons authorised to process the data (so-called appointees) and the provision of appropriate written instructions on confidentiality and correct data processing;
- for specific processing operations considered, by the GDPR and by the Garante per la protezione dei dati personali, to have a potential risk of impact on data subjects, the performance of specific *data protection impact assessments*;
- for organisations carrying out special processing of personal data, the identification and appointment of a data protection officer.

Failure to and/or improper implementation of the applicable measures and obligations under the GDPR may result in the application of administrative sanctions, up to a maximum of €20,000,000 or the amount of up to 4% of the total worldwide turnover for the previous financial year, whichever is higher, as well as criminal sanctions consisting of imprisonment for up to 6 years. In particular, in this regard, it is specified that the determination of the illustrated administrative sanctions, which came into force on 25 May 2018 and therefore not yet the subject of consolidated *case law* by the Guarantor, is modulable in relation to several variables, including:

(i) the nature, gravity and duration of the infringement and its consequences;

(ii) the intentional or negligent character of the infringement;

(iii) the measures taken to mitigate the consequences of the breach;

(iv) the degree of responsibility of the controller or processor;

(v) any previous violations committed;

(vi) the degree of cooperation with the supervisory authority;

(vii) the categories of personal data affected by the breach;

(viii) the way in which the supervisory authority became aware of the infringement.

In Italy, on 20 September 2018, Legislative Decree 101/2018 came into force, adapting the provisions of Legislative Decree 196/2003 (the "**Privacy Code**") to those of the aforementioned GDPR.

9. INFORMATION ON EXPECTED TRENDS

9.1 Recent trends in production, sales and inventories and in the development of costs and sales prices since the end of the half-yearly report up to the Admission Document Date

Except as disclosed in the Admission Document in respect of the effects arising from the LocalEyes Acquisition, in the opinion of the Company, from the closing of the pro forma consolidated half-yearly report as at 30 June 2021 to the Admission Document Date: (a) there have been no particularly significant trends in production trends, or in the evolution of costs and sales prices, capable of influencing, either positively or negatively, the Issuer's activities; (b) there have been no significant changes in the Issuer's financial results.

9.2 Known trends, uncertainties, demands, commitments or events that could reasonably be expected to have a significant effect on the Issuer's prospects at least for the current financial year

Other than as set out in Section One, Chapter 4 (*Risk Factors*), the Issuer is not aware of any known trends, uncertainties, demands, commitments or events that could reasonably be expected to have a material effect on the prospects of the Issuer and the Group.

10. ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES AND SENIOR MANAGEMENT

10.1 Information on administrative, management and supervisory bodies and senior management

10.1.1 Board of Directors

Pursuant to Article 17 of the Company Bylaws in force on the Admission Document Date, the Company is managed by a board of directors consisting of a minimum of three and a maximum of eleven members, or by the sole director.

The board of directors of the Issuer in office as at the Admission Document Date is composed of seven members elected by the ordinary shareholders' meeting of the Company on 4 May 2021 and will remain in office until the approval of the financial statements as at 31 December 2023.

The members of the board of directors in office as of the Admission Document Date are indicated in the table below:

Name and Surname	Position	Place of birth	Date of birth
Lorenzo Mondo	Chairman of the Board and Chief Executive Officer	Asti (AT)	25 November 1973
Josef Zibung	Director	Hergiswil (Switzerland)	10 August 1957
Andrea Farina	Director	Latina (LT)	29 November 1972
Roberto Manzoni	Director	Domodossola (VB)	28 January 1964
Isabella Mondo	Director	Asti (AT)	16 April 1979
Paolo Rebaudengo	Director(1)	Asti (AT)	7 September 1947
Maria Luisa Vada	Director	Frinco (AT)	29 March 1948

(1) Director meeting the criteria for independence pursuant to Article 148, paragraph 3 of the TUF.

The Extraordinary Shareholders' Meeting of the Company held on 29 November 2021, in order to bring the current Bylaws into line with the legal and regulatory requirements for companies with shares listed on Euronext Growth Milan, resolved to adopt the Bylaws with effect from the Trading Commencement Date.

Pursuant to Article 13 of the Bylaws, the management of the Company is entrusted to a board of directors consisting of not less than three and not more than ten members, who need not be shareholders. Directors must meet the requirements of eligibility, professionalism and honourableness laid down by law and other applicable provisions. In the event of admission to trading on Euronext Growth Milan, at least one director must also meet the criteria for independence pursuant to Article 148, paragraph 3, of the TUF, as referred to in Article 147-ter, paragraph 4, of the Consolidated Law on Finance.

All the members of the Board of Directors are domiciled for their office at the registered office of the Company.

On 7 December 2021, the Board of Directors, in compliance with the provisions of article 6-bis of the EGM Issuer Regulation, verified the existence (i) of the criteria for integrity referred to in art. 147-quinquies of the TUF for the members of the Board of Directors and (ii) the criteria for independence provided for by art. 147-ter, paragraph 4, of the TUF by the independent director, Paolo Rebaudengo, (already positively assessed by the Euronext Growth Advisor with a declaration issued by the same at the appointment of the Shareholders' Meeting pursuant to article 6-bis of the EGM Issuer Regulation).

The following is a brief biography of the members of the board of directors, showing their skills and experience in business management:

Lorenzo Mondo

Lorenzo Mondo graduated in Philosophy from the Pontifical Salesian University of Rome in 1998 and in Environmental and Territorial Engineering from the Polytechnic of Turin in 2000, the year in which he founded the Company. He initially held the position of Managing Director and then, since 2001, of Chief Executive Officer, with duties relating to numerous functions of the Company, including finance, human resources, marketing and commercial activities.

Josef Zibung

Josef Zibung started working in Switzerland in 1978 in the company TechTra SA, active in the translation of technical documentation and, thanks to this experience, he consolidated his knowledge of the sector to such an extent that in 1984 he founded the company STAR AG Software, Translation, Artwork, Recording in Switzerland, which as of the Admission Document Date has subsidiaries in more than 30 countries.

Andrea Farina

Andrea Farina graduated in Philosophy from the Pontifical Salesian University of Rome in 1998 and in Law from La Sapienza University of Rome in 1999, and is a member of the Rome Bar Association. Andrea Farina is an established professor with several professorships at the Salesian Pontifical University of Rome such as Law and Legislation and Organisation of Personal Services, as well as founder of the law firm Farina & Partners.

Roberto Manzoni

Roberto Manzoni graduated in Motor and Sport Sciences from the University of Turin, and during his career he has held numerous roles of progressive responsibility within the Italian Winter Sports Federation, until becoming Vice President of the Federal Technical Schools. Roberto Manzoni was also a contract professor for the teaching of Hydrokinesis at the Interfaculty School of Motor Sciences of the University of Turin.

Isabella Mondo

Isabella Mondo graduated in Communication Sciences from the University of Bologna in 1998. She first worked as an Account Manager at Equipe Service Group, then joined Banca Monte dei

Paschi di Siena S.p.A. where she worked as a planning and training officer and later as an HR Business Partner.

Paolo Rebaudengo

Paolo Rebaudengo graduated in Political Science from the University of Turin and started working in 1970 at INPS in Asti, Italy, and joined the FIAT Group in 1973. In 1981, he was transferred to the Industrial Relations Department of the FIAT Group in Turin, dealing in particular with the restructuring of the component companies Magneti Marelli, Borletti and TTG. In 1988 Paolo Rebaudengo took over as Personnel Director of Fiat Geotec and carried out the restructuring of the Sector in relation to the crisis of the period and the Ford New Holland acquisition. Returning to FIAT Turin in 1993, in 1996 he became head of the Industrial Relations Department, a position he held until 2012. In 2013-2014 he was in charge of Institutional Relations and left the FIAT Group permanently in December 2014. Paolo Rebaudengo has held positions in Confindustria, as a member of the Board, in Federmeccanica, as Vice-Chairman, and was Chairman of the Fiat Executives' Pension Fund. He was also a member of CNEL and a member of the Board of Directors of Cassa di Risparmio di Asti.

Maria Luisa Vada

Maria Luisa Vada graduated from the Istituto Tecnico Nicola Pellati in Nizza Monferrato and worked at the Ministry of Public Administration as an administrative assistant. After a few years, Maria Luisa Vada took a competitive examination and was appointed Administrative Coordinator-Secretary, and was appointed to the teaching directorate of the III Circolo di Asti, an activity she continued until her retirement.

***

Please note that Maria Luisa Vada and Isabella Mondo, members of the Issuer's Board of Directors, are respectively the mother and sister of Lorenzo Mondo, Chairman of the Board of Directors and Chief Executive Officer of the Issuer. In addition to the above, there are no other family relationships between the members of the Board of Directors, nor between them and the members of the Board of Statutory Auditors and senior managers.

As of the Admission Document Date, to the Issuer's knowledge, none of the members of the Board of Directors:

- has been convicted of fraudulent offences in the five years preceding the publication of the Admission Document;
- has been declared bankrupt or subject to bankruptcy proceedings or has been associated, in the performance of his duties, with bankruptcy, receivership or involuntary liquidation procedures during the five years preceding the publication of the Admission Document;
- has been officially charged and/or sanctioned by public or regulatory authorities (including designated professional associations) or disqualified by a court from acting as a member of the administrative, management or supervisory bodies of the Company or from acting as a director or manager of any issuer during the five years preceding the publication of

the Admission Document.

In the opinion of the Company, the Euronext Growth Advisor operates independently of the current members of the Board of Directors.

Except as set forth below, no member of the Board of Directors or family member of the Board of Directors owns any financial products related to the performance of the Shares or any financial instruments related to Admission. Lorenzo Mondo and Josef Zibung indirectly hold approximately 47.4% and 37.9%, respectively, of the Issuer's share capital.

The following table shows the main offices held by the members of the Board of Directors in the last five years preceding the Admission Document Date, as well as the companies in which they have been or are still shareholders at that date.

Lorenzo Mondo	STAR7 Engineering S.r.l.	Director and Shareholder	Current
	STAR7 Printing S.r.l.	Director and Shareholder	Current
	AD Studio S.r.l.	Chairman of the Board of Directors and Partner	Current
	STAR USA LLC	Sole Director and Shareholder	Current
	Star7 GmbH	Sole Director and Shareholder	Current
	LocalEyes UDS LLC	Sole Director and Shareholder	Current
	LocalEyes Nederland B.V.	Sole Director and Shareholder	Current
	LocalEyes Suomi Oy	Director and Shareholder	Current
Josef Zibung	STAR AG	Sole Director	Current
	STAR Holding AG	Shareholder	Current
	Star Deutschland GmbH	Shareholder	Current
	Star SA, Software, Translation, Artwork, Recording	Shareholder	Current
	Rolling SA	Shareholder	Current
	Star SPB (Russia)	Shareholder	Current
	Star Japan Co., Ltd.	Shareholder	Current
	Star Software (Shanghai) Co., Ltd.	Shareholder	Current
	Star UK Ltd.	Shareholder	Current
	Star Translation & Software Co., Ltd.	Shareholder	Current

Star Software Translation Artwork Recording SARL	Shareholder	Current
Star Group Scandinavia AB	Shareholder	Current
Star Servicios Linguisticos S.L.	Shareholder	Current
Star Vertalingen B.V.	Shareholder	Current
PT Star Software Indonesia	Shareholder	Current
Star Prevajalske storitve d.o.o.	Shareholder	Current
Star Paris SARL	Shareholder	Current
Star Finland Oy	Shareholder	Current
Star Medien AG *in liquidation*	Shareholder	Current
Star L.S. Sp. Zo.o	Shareholder	Current
Star Middle East Ltd.	Shareholder	Current
Star Group America, LLC	Shareholder	Current
Star USA LLC	Shareholder	Current
Star Czech, s.r.o.	Shareholder	Current
Star S.L.	Shareholder	Current
Star AG Taiwan Branch	Shareholder	Current

	Star do Brasil Localizacao e Tecnologia Ltda.	Shareholder	Current
	Star Language Technology & Solutions GmbH	Shareholder	Current
	Star Austria GmbH	Shareholder	Current
	Star GmbH	Shareholder	Current
	Star S.R.L.	Shareholder	Current
	Star – Servicos Linguisticos Lda.	Shareholder	Current
	Key Performance Solutions Ltd.	Shareholder	Current
	Star Tehran Company	Shareholder	Current
	Star Korea Ltd.	Shareholder	Current
	Star Information Services	Shareholder	Current
	Star Vietnam Translation and Software Co., Ltd.	Shareholder	Current
	Star Infom. Engineering S.L.	Shareholder	Current
	Star Solutions Kft.	Shareholder	Current
	Star Hungary Kft.	Shareholder	Current
Andrea Farina	-	-	-
Roberto Manzoni	Hastafisio S.r.l.	Director	Current

Isabella Mondo	-	-	-
Paolo Rebaudengo	Baratti & Milano S.r.l.	Director	Current
	Eurosearch Consultants S.r.l.	Director	Current
	GAE Engineering S.r.l.	Director	Current
	Cassa di Risparmio di Asti S.p.A.	Director	Ended
Maria Luisa Vada	STAR7 Printing S.r.l.	Director	Current

On 4 May 2021, the Board of Directors resolved to confer on:

- Lorenzo Mondo, Chairman of the Board of Directors, the legal representation of the Company, as well as the following powers:
  1. ordinary management of the Company;
  2. management and coordination of the Company's internal structure;
  3. enter into, amend and terminate credit and loan agreements of any type and duration, request the use of loan tranches, grant secured guarantees up to a maximum of €3,500,000 per individual agreement;
  4. open and close current accounts with banks and credit institutions, up to the limit of €3,500,000, withdraw sums from accounts held in the name of the Company, issuing cheques or their equivalents for this purpose, and make transfers either from actual funds or from current account credit facilities;
  5. make payments into the Company's bank and postal current accounts, and endorse cheques and money orders, endorsements, including for discounting promissory notes, bills of exchange, drafts, and cheques of any kind for crediting to such current accounts, and perform any other consequential operation;
  6. represent the company actively and passively before the financial administration and commissions of every order and degree as well as the Cassa Depositi Prestiti, Bank of Italy, customs, postal and telegraph offices;
  7. signing tax and VAT returns and any other tax-related obligations;
  8. filing complaints, submitting applications and appeals, applying for licences and authorisations;
  9. to issue receipts, in particular for payment orders in connection with receivables included in factoring transactions;
  10. carry out any operation at the Cassa Depositi e Prestiti, Bank of Italy, customs, postal and telegraph offices for the shipment, deposit, release and withdrawal of goods, valuables, parcels and folders, registered and insured letters, issuing receipts and discharging receipts;
  11. set up, modify and extinguish passive legal transactions as a source of cost for the Company and, if not provided for in the *budget*, within the limit of €3,500,000

for each transaction;

12. enter into contracts with a multi-year duration up to a total amount of €3,500,000 of commitment for the Company;
13. instituting, prosecuting and resisting all types of proceedings, in all venues and before all authorities and courts permitted by law, defining the terms of any judicial and extrajudicial settlements and conciliations, in ordinary, special and administrative proceedings, as well as submitting deeds, appeals, complaints and claims to the competent authorities, appointing lawyers, attorneys and arbitrators, with the possibility of granting them powers of attorney, as well as all powers in relation to any judicial and extrajudicial settlements and conciliations;
14. delegate individual employees of the Company to perform specific acts, in order to facilitate operational management;
15. appointing special attorneys to carry out specific acts falling within its powers or those conferred on it by the Board of Directors and the Shareholders' Meeting;
16. participate in the shareholders' meetings of subsidiaries and investees, and take shareholders' decisions regarding the appointment of directors, also on the basis of authorizations received at the Shareholders' Meeting;
17. carry out all acts and operations before any authority, body or public office that are necessary to obtain any authorization in order to allow ordinary operations on the Company's assets;
18. approve, stipulate and sign, including the relevant notary appointments, deeds of acquisition and sale of the Company's real estate assets or partial rights thereto, up to a maximum amount of €500,000 for each deed, identifying the properties with all cadastral and boundary data, condominium shares, consistency and consistency, with the power to collect or pay the price and obtain a receipt on settlement, to place the Company in full and legitimate possession of the purchased property, to sign and approve the plans and divisions, to make the declarations required by tax laws and sign the deeds with all the covenants, clauses and declarations that may be necessary, to waive the legal mortgage, do anything else that may be necessary and appropriate for the exact fulfilment of the mandate received in such a way that inaccuracy or lack of powers may never be objected to, with exemption from all liability for the registrar of real estate records and for the public administration, approve, stipulate and sign, including the relevant notary appointments, the deeds constituting easements, acquiring and/or paying compensation up to the total sum of €500,000 for each deed, obtaining a receipt for the same, signing the relative deeds, with all the covenants, clauses and conditions that may be necessary for this purpose, doing everything else required for the performance of the delegation conferred, in such a way that inaccuracy or lack of powers may never be objected to, with exemption from all liability for the registrar of land registers and the public administrations.

- Paolo Rebaudengo, a member of the board of directors, is in charge of maintaining and developing the Company's external relations with customers, suppliers and employees.

Pursuant to Article 13 of the Bylaws, the administrative body is also empowered, without prejudice to the concurrent competence of the extraordinary shareholders' meeting, to pass resolutions: (i) concerning the merger and demerger of the cases provided for in Articles 2505 and 2505-bis of the Italian Civil Code, the establishment or closure of secondary offices, the indication of which of the directors have the power to represent the Company, the reduction of the share capital in the event of withdrawal of a shareholder, the adjustment of the bylaws to regulatory provisions, the transfer of the registered office within the national territory, all pursuant to Article 2365, paragraph 2, of the Italian Civil Code; (ii) in relation to the issuance of convertible bonds or bonds with warrants following an indirect procedure or if the conversion or option relates to the Company's own shares or shares already in circulation; as well as (iii) the adaptation of the Company Bylaws to regulatory provisions.

10.1.2 Board of Statutory Auditors

Pursuant to Article 25 of the Company Bylaws in force on the Admission Document Date, the management of the Company is supervised by a Board of Statutory Auditors composed of three statutory auditors and two alternate auditors, who meet the legal requirements.

The Board of Statutory Auditors of the Issuer in office as at the Admission Document Date was appointed by the Issuer's ordinary shareholders' meeting of 4 May 2021 and will remain in office until the approval of the financial statements as at 31 December 2023.

Pursuant to Article 15 of the Bylaws, the management of the Company is supervised by a Board of Statutory Auditors consisting of three statutory auditors and two alternate auditors, who meet the legal requirements as well as the requirements of integrity and professionalism required by Article 148, paragraph 4, of the TUF.

The members of the board of statutory auditors in office as at the Admission Document Date, as well as at the Trading Commencement Date, are set out in the table below.

Name and Surname	Position	Place of birth	Date of birth
Fabio Maria Venegoni	Chairman	Magenta (MI)	5 May 1963
Vincenzo Gambaruto	Standing auditor	Turin (TO)	23 December 1969
Alberto Bodiglio	Standing auditor	Asti (AT)	29 April 1965
Stefano Cernuschi	Alternate auditor	Voghera (PV)	27 September 1980
Cristiano Lenti	Alternate auditor	Alessandria (AL)	17 September 1978

The members of the Board of Statutory Auditors are domiciled for office at the Company's registered office.

On 7 December 2021, the Board of Directors, in compliance with the provisions of Article 6-bis of the EGM Issuer Regulation, verified the existence of the requirements of integrity and professionalism required by Article 148, paragraph 4, of the TUF for the members of the Board of Statutory Auditors.

Below is a brief biography of the current members of the Board of Statutory Auditors.

Fabio Maria Venegoni

Fabio Maria Venegoni graduated from Bocconi University with full marks in Economic and Social Disciplines in 1987. He has been a Chartered Accountant registered with the Milan Ordine di Milano since 1988, an Auditor since 1992, a partner in the Trotter firm and a member of the Board of Statutory Auditors and Board of Directors in several corporations (including those listed on Borsa Italiana). Fabio Maria Venegoni has been a member of the Register of Technical Consultants of the Judge at the Court of Milan since 1990. He has also been an Adjunct Professor of General Accounting at the Department of Business Economics of the University of Brescia from 2001 to 2009 and a member of the International Technical Committee at CERTI of Bocconi University since 1996. Fabio Maria Venegoni was also from 2016 to 2018 a member of the Consulta degli Esperti del Presidente della Commissione Finanze at the Chamber of Deputies.

Vincenzo Gambaruto

Vincenzo Gambaruto is enrolled in the Register of Chartered Accountants of Ivrea and Turin, in the Register of Auditors, as well as in the Register of Technical Consultants of the Judge and in the List of Auditors of Local Authorities. Vincenzo Gambaruto was a partner of Studio Tributario e Societario – *tax member firm* of Deloitte S.p.A. until 2008, while since 2009 he has been a founding partner of Barolo Gambaruto e Associati – Tax and Corporate Consulting in Turin. Vincenzo Gambaruto is also a consultant in tax and corporate matters at national and international level, active in tax opinions and litigation, as well as in technical consultancy for the Court of Turin and Alba.

Alberto Bodiglio

Alberto Bodiglio graduated in Economics and Commerce from the University of Turin with top marks and has been a member of the Turin Register of Chartered Accountants since 1990. Alberto Bodiglio has his own office in Turin and is also a member of the Ceruzzi & Partners professional *network* in Turin. He specialises in civil and tax consultancy for corporations, tax consolidation, preparation of consolidated financial statements and extraordinary transactions. Alberto Bodiglio has been a pre-bankruptcy consultant for the drafting of plans in the context of procedures of arrangement with creditors, continuity or liquidation, debt restructuring agreements and recovery plans. Alberto Bodiglio holds numerous positions as Chairman of the Board of Statutory Auditors and as Statutory Auditor in corporations, including medium-sized ones.

Stefano Cernuschi

Stefano Cernuschi graduated in Economics and Business at the University of Pavia with top marks, starting his professional career at the international firm PricewaterhouseCoopers, before moving to Studio Associato di Trotter in Milan, where he reached the position of Salary Partner which he holds as at the Admission Document Date. Stefano Cernuschi is enrolled in the Register of Chartered Accountants of Pavia and in the Register of Auditors and is mainly active in tax, corporate and business consultancy with particular reference to corporate tax planning and the preparation of tax returns.

Cristiano Lenti

Cristiano Lenti has a degree in Economics and Business Law from Bocconi University and is registered in the Register of Chartered Accountants of Alessandria, as well as in the Register of Auditors and in the Register of Technical Consultants at the Court. Cristiano Lenti started his activity at Studio Zingarini from 2001 to 2005 as a trainee for the exercise of the professional activity of Chartered Accountant and Auditor, after which he started his collaboration with RSM Studio Palea Lauri Gerla (formerly Studio Palea & Associati) which continues as of the Admission Document Date. Since 2010 Cristiano Lenti has also been advising leading international groups operating in the energy sector on corporate, accounting (including unbuilding), tax and transfer pricing matters, as well as advising on acquisition transactions with national relevance.

***

The following table shows the main offices held by the members of the Board of Statutory Auditors in the last five years preceding the Admission Document Date, as well as the companies in which they have been or are still shareholders at that date.

Fabio Maria Venegoni	Canepa S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Terranova S.r.l.	Statutory auditor	Current
	Phse S.r.l.	Statutory auditor	Current
	Fiswal S.r.l.	Statutory auditor	Current
	Ravelli S.p.A.	Statutory auditor	Current
	Muky S.r.l.	Statutory auditor	Current
	Rotolito S.p.a.	Statutory auditor	Current
	Kairos Investment Management S.p.A.	Statutory auditor	Current
	Kairos Partners SGR S.p.A.	Statutory auditor	Current
	Vhernier S.p.A.	Statutory auditor	Current
	Amazon Italia Customer Services S.r.l.	Statutory auditor	Current
	Kline S.r.l.	Statutory auditor	Current
	Aura Holding S.p.A.	Statutory auditor	Current
	Amazon Italia Services S.r.l.	Statutory auditor	Current
	Amazon Italia Logistica S.r.l.	Statutory auditor	Current
	Amazon Data Services Italy S.r.l.	Statutory auditor	Current
	Denuke S.c.a.r.l.	Statutory auditor	Current
	Epic Holding S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Amazon City Logistica S.r.l.	Statutory auditor	Current
	Magenta Finance S.r.l.	Statutory auditor	Current
	Monforte Finance S.r.l.	Statutory auditor	Current

Smacemex Sc.a.r.l. in liquidazione	Statutory auditor	Current
Amazon Online Italy S.r.l.	Statutory auditor	Current
Muzinich & Co. S.p.A.	Chairman of the Board of Statutory Auditors	Current
Nice S.r.l.	Statutory auditor	Current
Amazon Italia Transport S.r.l.	Statutory auditor	Current
Telsonic Italia S.r.l.	Chairman of the Board of Directors	Current
Amazon Development Center Italy S.r.l.	Statutory auditor	Current
Solaredge Investment S.r.l.	Statutory auditor	Current
Santagostino Finance S.r.l.	Statutory auditor	Current
Monforte Finance 2 S.r.l.	Statutory auditor	Current
Lanzone Finance S.r.l.	Statutory auditor	Current
CCS JV S.c.a.r.l.	Statutory auditor	Current
Vico Finance S.r.l.	Statutory auditor	Current
Ausonio Finance S.r.l.	Statutory auditor	Current
SCD JV S.c.a.r.l.	Statutory auditor	Current
PHS Group S.p.A.	Statutory auditor	Current
Ambrogio Finance S.r.l.	Statutory auditor	Current
Azimut Direct S.p.A.	Statutory auditor	Current
Lanzone Finance 2 S.r.l.	Statutory auditor	Current
Pietro Fiorentini S.p.A.	Chairman of the Board of Statutory Auditors	Current
Kairos Julius Baer SIM S.p.A.	Statutory auditor	Ended

	Velas 2001 S.p.A.	Sole Director	Ended
	Société Generale Italia Holding S.p.A.	Statutory auditor	Ended
	PHS S.r.l.	Statutory auditor	Ended
	Terranova S.r.l.	Chairman of the Board of Statutory Auditors	Ended
	Gaming Tech S.r.l.	Sole Director	Ended
	Segraf Litorama S.r.l.	Chairman of the Board of Statutory Auditors	Ended
	In Print Litorama S.r.l.	Chairman of the Board of Statutory Auditors	Ended
	Ravelli S.p.A.	Statutory auditor	Ended
	IEOC S.p.A.	Statutory auditor	Ended
	Servizi Energia Italia S.p.A.	Chairman of the Board of Statutory Auditors	Ended
	7Pixel S.r.l.	Statutory auditor	Ended
	Alveus Invest S.r.l.	Statutory auditor	Ended
	Investimenti Industriali S.r.l. in liquidazione	Liquidator	Ended
	Crédit Agricole Vita S.p.A.	Statutory auditor	Ended
Vincenzo Gambaruto	Presa S.p.A.	Chairman of the Board of Statutory Auditors	Current
	SCP Italy S.r.l.	Chairman of the Board of Statutory Auditors	Current
	Chieri Italia S.r.l.	Chairman of the Board of Statutory Auditors	Current
	4 Timing S.I.M. S.p.A.	Chairman of the Board of Statutory Auditors	Current

Shinystat S.p.A.	Chairman of the Board of Statutory Auditors	Current
Fratelli Buzzi S.p.A.	Statutory auditor	Current
Sevendata S.p.A.	Statutory auditor	Current
Raspini S.p.A.	Statutory auditor	Current
Italianfood S.p.A.	Statutory auditor	Current
Sistemi – Soluzioni Informatiche S.p.A.	Statutory auditor	Current
Arcas S.p.A.	Statutory auditor	Current
Incas S.p.A.	Statutory auditor	Current
STAR7 Printing S.r.l.	Member of the Supervisory Board	Current
STAR7 Engineering S.r.l.	Member of the Supervisory Board	Current
BFG Consulting S.r.l.	Managing Director and Partner	Current
Fite S.S.	Shareholder	Current
San Carlo S.S.	Shareholder	Current
Compagnia Industriale Profilati – C.I.P. S.p.A.	Statutory auditor	Ended
Fives Itas S.p.A.	Statutory auditor	Ended
YESSS Electrical S.r.l.	Statutory auditor	Ended

Alberto Bodiglio	Incas S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Sidat S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Allamano S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Sinterama S.p.A.	Chairman of the Board of Statutory Auditors	Current
	Fondazione F.C. per l'Arte	Chairman of the Auditors	Current
	Olsa S.p.A.	Chairman of the Supervisory Board	Current
	Finlega S.r.l. in liquidazione	Liquidator	Current
	Soc. Cult. Subalpina S.r.l. in liquidation	Liquidator	Current
	Wetwo Holding S.r.l.	Single auditor	Current
	SIOM S.r.l.	Single auditor	Current
	Immobiliare Astoria di Badoglio Claudio & C. S.a.s.	Shareholder	Current
	M&A Finance S.r.l.	Shareholder	Ended
	Util Industries S.p.A.	Statutory auditor	Ended
	Casco S.p.A.	Chairman of the Board of Statutory Auditors	Ended
Stefano Cernuschi	2i Aeroporti S.p.A.	Alternate auditor	Current
	Bedimensional S.p.A.	Statutory auditor	Current

Cartaria Monzese S.r.l.	Statutory auditor	Current
Cartiera di Bosco Marengo S.r.l.	Chairman of the Board of Statutory Auditors	Current
E.S.A.O.M. – C.E.S.A. S.p.A.	Chairman of the Board of Statutory Auditors	Current
EMS Group S.p.A.	Statutory auditor	Current
Epic Holding S.p.A.	Alternate auditor	Current
Euricom S.p.A.	Alternate auditor	Current
Fiscatech S.p.A.	Statutory auditor	Current
Imerys Fused Minerals Domodossola S.p.A.	Statutory auditor	Current
IML S.p.A.	Alternate auditor	Current
Industrie Meccaniche Lombarde Iml S.p.A.	Alternate auditor	Current
Intergen S.p.A.	Alternate auditor	Current
LFPI Italia REIM S.p.A.	Statutory auditor	Current
Logiudice Forni S.r.l.	Alternate auditor	Current
Mega Surgelati S.r.l.	Alternate auditor	Current
Melt1 S.r.l.	Alternate auditor	Current
Muzinich & Co. Società di Gestione del Risparmio S.p.A.	Alternate auditor	Current

Mimac Italia S.r.l.	Alternate auditor	Current
Naar Tour Operator S.p.A.	Alternate auditor	Current
Panapesca S.p.A.	Alternate auditor	Current
Pellan Italia di Achille Costamagna & C. S.a.p.a.	Statutory auditor	Current
Perucchini S.p.A.	Chairman of the Board of Statutory Auditors	Current
Pietro Fiorentini S.p.A.	Statutory auditor	Current
Relife S.p.A.	Alternate auditor	Current
Relife Recycling S.r.l.	Alternate auditor	Current
Settima Meccanica S.r.l.	Sole Auditor	Current
Sm Topco	Single auditor	Current
Smacemex S.c.a.r.l. in liquidazione	Liquidator	Current
Società di Progetto Autovia Padana S.p.A.	Alternate auditor	Current
Società di Macinazione Molini Certosa S.p.A.	Alternate auditor	Current
Tecno Pool S.p.A.	Alternate auditor	Current
XPN S.p.A.	Alternate auditor	Current
Adriaoil S.p.A. in liquidazione	Statutory auditor	Ended

	Aviomar S.p.A.	Alternate auditor	Ended
	Goethe Immobiliare S.r.l.	Sole Director	Ended
	Grafiche Milani S.p.A.	Statutory auditor	Ended
	Italian Food Ventures S.p.A.	Alternate auditor	Ended
	Terminal Rinfuse Italia S.p.A. in liquidazione	Liquidator	Ended
	Terminal Rinfuse Marghera S.p.A. in liquidazione	Liquidator	Ended
	Velas 2001 S.p.A.	Alternate auditor	Ended
	XPP Four S.p.A.	Alternate auditor	Ended
Cristiano Lenti	Company of the Private Enterprise S.r.l.	Director	Current
	Cielle S.r.l.	Sole Director	Current

None of the members of the Board of Statutory Auditors has any family relationship with other members of the Board of Statutory Auditors, nor with members of the Board of Directors and senior managers.

As of the Admission Document Date, to the Issuer's knowledge, none of the members of the Board of Statutory Auditors:

- has been convicted of fraudulent offences in the five years preceding the publication of the Admission Document;
- has been declared bankrupt or subject to bankruptcy proceedings or has been associated, in the performance of his duties, with bankruptcy, receivership or involuntary liquidation procedures during the five years preceding the publication of the Admission Document;
- has been officially charged and/or sanctioned by public or regulatory authorities (including designated professional associations) or disqualified by a court from acting as a member of the administrative, management or supervisory bodies of the Company or from acting

as a director or manager of any issuer during the five years preceding the publication of the Admission Document.

No member of the Board of Statutory Auditors or family member of the Board of Statutory Auditors owns any financial products related to the performance of the Shares or any financial instruments related to Admission.

10.1.3 Senior Management

The following table sets out information concerning the Issuer's key managers as at the Admission Document Date:

Name and Surname	Position	Place of birth	Date of birth
Paolo Castagno	Executive Director / Chief Financial Officer	Turin	8 February 1965
Matteo Gera	General Manager	Ivrea	8 May 1970

The following is a brief biography of the Issuer's senior managers, showing their expertise and experience in corporate management in their respective roles:

Paolo Castagno

Paolo Castagno graduated from the University of Turin with a degree in Economics and Commerce and began his career in the Central Planning and Control Department of Cartiere Burgo S.p.A. Afterwards, Paolo Castagno first worked as Central Finance and Control Coordinator in Cebi S.p.A., as Controller Holding Filo in Diasint Italy S.p.A. and then as Chief Financial Officer first in San Valeriano S.p.A. and then in Sinterama S.p.A. Paolo Castagno was then Deputy General Manager and Chief Financial Officer in Sinterama S.p.A., before joining the STAR7 Group, where he also holds the role of Sole Director of STAR7 Albania.

Matteo Gera

Matteo Gera graduated in Engineering from Turin Polytechnic and began his professional career at Italdesign Giugiaro S.p.A., where he held positions of increasing responsibility, as Programs Manager, then Country Manager (France) and finally Business and Programs Director until 2010. Afterwards, Matteo Gera worked in Pininfarina S.p.A. from 2011 to 2016 as Vice President Business Unit Engineering, and then in Segula Technologies as COO International and Managing Director Europe, before joining STAR7 Group. Matteo Gera has extensive experience in the development of services in the automotive, rail, aerospace & defence and energy sectors.

***

None of the senior managers has a family relationship with the other senior managers, nor with the members of the Board of Directors and the Board of Statutory Auditors.

As at the Admission Document Date, to the best of the Issuer's knowledge, none of the senior management:

- has been convicted of fraudulent offences in the five years preceding the publication of the Admission Document;

- has been declared bankrupt or subject to bankruptcy proceedings or has been involved, in the performance of his duties, in bankruptcy, receivership or involuntary liquidation proceedings within the previous five years;

- has been officially charged and/or sanctioned by public or regulatory authorities (including designated professional associations) or disqualified by a court from acting as a member of the administrative, management or supervisory bodies of the Company or from acting as a director or manager of any issuer during the five years preceding the publication of the Admission Document.

No senior manager or member of his family owns any financial products linked to the performance of the Ordinary Shares or any financial instruments linked to Admission. The following table shows the main offices held by the Company's senior management during the last five years preceding the Admission Document Date, as well as the companies in which they were or still were shareholders at that date.

Paolo Castagno	STAR7 Albania	Administrator	Current
Matteo Gera	Segula Technologies Italia S.r.l.	Administrator	Ended
	Segula Technologies Group S.c.r.l.	Administrator	Ended
	Segula Technologies Ltd.	Administrator	Ended
	EK Design Munich: Segula Technologies Services GmbH	Administrator	Ended
	EK Design Stuttgart: Segula Technologies Services GmbH	Administrator	Ended
	Segula Technologies Turkey S.r.l.	Administrator	Ended
	Technicon Design Ltd.	Administrator	Ended
	Technicon Design Deutschland GmbH	Administrator	Ended
	Technicon Design Corporation	Administrator	Ended
	TD Svensk AB	Administrator	Ended

10.2 Conflicts of interest of members of the Board of Directors, the Board of Statutory Auditors and senior managers

10.2.1 Conflicts of interest of members of the Board of Directors

Except as indicated below, to the best of the Issuer's knowledge as of the Admission Document Date, none of the members of the Board of Directors has any interest that conflicts with their obligations arising from their office or position in the Company.

As of the Admission Document Date, Lorenzo Mondo, Chairman of the Board of Directors and Chief Executive Officer of the Issuer, and Josef Zibung, Director, indirectly hold a stake in the Issuer's share capital.

In particular, as of the Admission Document Date, the Company is controlled by Dante S.r.l. and STAR AG, which hold, respectively, stakes equal to 47.4% and 37.9% of the Company's share capital (the remaining stakes are held by KAIROS Partners SGR S.P.A. (on behalf of the alternative investment fund managed by the same named KAIS Renaissance ELTIF) through Special Shares and by the Company itself).

10.2.2 Conflicts of interest of members of the Board of Statutory Auditors

As far as the Issuer is aware, as at the Admission Document Date, none of the members of the Board of Statutory Auditors has any interest in conflict with their obligations arising from the office or category of position held in the Company.

10.2.3 Conflicts of interest of senior management

To the best of the Issuer's knowledge, as at the Admission Document Date, none of the senior managers has any interest that conflicts with their obligations arising from their office or position in the Company.

10.2.4 Any agreements or understandings with major shareholders, customers, suppliers or others, as a result of which members of the administrative, management or supervisory bodies or senior managers were selected

Without prejudice to the provisions of the Shareholders' Agreement, in which Dante S.r.l. and STAR AG have undertaken that the Issuer, as of the Trading Commencement Date, will be managed for three years by the Board of Directors (for further information, see the description of the Shareholders' Agreement in Section One, Chapter 13, Paragraph 13.4), as of the Admission Document Date, to the Company's knowledge, there are no agreements or understandings of this nature.

10.2.5 Any restrictions agreed upon by the members of the Board of Directors and/or the Board of Statutory Auditors and/or senior management regarding the transfer of the Issuer's securities

Without prejudice to the limitations relating to the Shares held by the Chairman of the Board of Directors and Chief Executive Officer, Lorenzo Mondo (through Dante S.r.l.) and by the Director Josef Zibung (through STAR AG), as of the Admission Document Date, the Company is not aware of any restrictions under which the members of the Board of Directors and/or the Board of Statutory Auditors and/or senior management have agreed to limit their rights to assign or transfer, for a certain period of time, any Shares of the Issuer indirectly held by them (for further information, see Section Two, Chapter V, Paragraph 5.4 of this Admission Document).

11. BOARD PRACTICE

11.1 Term of office of members of the board of directors and members of the Board of Statutory Auditors

The board of directors was appointed by the ordinary shareholders' meeting of the Issuer on 4 May 2021 and will remain in office until the approval of the financial statements as at 31 December 2023.

The following table shows the composition of the board of directors of the Issuer, as effective on the Trading Commencement Date, and indicates the date of first appointment of each member of the board of directors.

Name and Surname	Position	Date of first appointment
Lorenzo Mondo	Chairman of the Board and Chief Executive Officer	13 July 2000
Josef Zibung	Director	13 July 2000
Andrea Farina	Director	7 July 2015
Roberto Manzoni	Director	29 June 2018
Isabella Mondo	Director	7 July 2015
Paolo Rebaudengo	Director(1)	7 July 2015
Maria Luisa Vada	Director	7 July 2015

(1) Director meeting the criteria for independence pursuant to Article 148, paragraph 3 of the TUF.

The Board of Statutory Auditors was appointed by the ordinary shareholders' meeting of the Issuer on 4 May 2021 and will remain in office until the approval of the financial statements as at 31 December 2023.

The following table shows the composition of the Board of Statutory Auditors, as effective on the Trading Commencement Date, and indicates the date of first appointment of the members of the Board of Statutory Auditors.

Name and Surname	Position	Date of first appointment

Fabio Maria Venegoni	Chairman	29 June 2018
Vincenzo Gambaruto	Standing auditor	7 July 2015
Alberto Bodiglio	Standing auditor	29 June 2018
Stefano Cernuschi	Alternate auditor	4 May 2021
Cristiano Lenti	Alternate auditor	29 June 2018

11.2 Employment contracts entered into by members of the Board of Directors and members of the Board of Statutory Auditors or with subsidiaries that provide for severance pay

Except as may be provided for below, as of the Admission Document Date, there are no contracts with the Issuer that provide for the payment of sums – either by way of severance pay or otherwise – to members of the Board of Directors and/or the Board of Statutory Auditors in the event of termination of their relationship with the Company.

11.3 Transposition of corporate governance rules

Although the Issuer is not obliged to implement the corporate governance provisions laid down for companies listed on regulated markets, the Company has applied certain provisions to its own corporate governance system aimed at promoting transparency and protecting minority shareholders.

In particular, the Issuer has:

- the Bylaws provide for list voting for the election of the Board of Directors, also establishing that shareholders who, alone or jointly with other shareholders, hold a total of Shares representing at least 5% of the share capital with voting rights at the Issuer's ordinary shareholders' meeting, have the right to submit lists;

- the Bylaws provide for the appointment of at least one independent director who meets the criteria for independence pursuant to Article 148(3) of the TUF;

- the Bylaws reserve the appointment of one director to the minority list submitted for the appointment of the administrative body;

- the Bylaws provide for list voting for the election of the Board of Statutory Auditors, also establishing that shareholders who, alone or jointly with other shareholders, hold a total of Shares representing at least 5% of the share capital with voting rights at the Issuer's ordinary shareholders' meeting, are entitled to submit their own list;

- the Bylaws n reserve the appointment of one statutory standing auditor and one alternate auditor to the minority list submitted for the appointment of the control body;

- provided in the bylaws that, starting from the moment in which the Shares are traded on Euronext Growth Milan, the provisions relating to listed companies set forth in the Italian Finance Act (TUF) will be applicable by voluntary call and insofar as they are compatible, in accordance with the provisions of the Euronext Growth Milan Issuer Regulations on this point and on a voluntary basis, with reference to Articles 108 and 111 of the TUF, as well as the applicable regulatory provisions on mandatory tender offers;

- the Bylaws provide for an obligation to notify shareholders when a shareholding of at least 5% is reached or exceeded and of all variations, whether upwards or downwards, with respect to the following thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 50%, 66.6%, and 90%, as well as any reduction below these thresholds;

- the Bylaws call for the approval of a specific procedure for related-party transactions with the aim of ensuring the transparency and substantial correctness of this type of transaction;

- the Bylaws provide for certain authorisations by the shareholders' meeting, pursuant to Article 2364(1)(5) of the Italian Civil Code, in order to carry out "reverse take over" transactions, disposals that realise a "substantial change in business" or requests for withdrawal from trading;

- the Bylaws provide for the right to exclude shareholders' pre-emptive rights pursuant to Article 2441(4), second sentence, of the Italian Civil Code, within the limit of 10% of the share capital;

- appointed Paolo Castagno as the Issuer's Investor Relations Manager;

- approved the procedures on the handling of inside information and the establishment and maintenance of the insider register, related-party transactions, internal dealing, communications to Euronext Growth Advisor of relevant information, and the appointment of independent directors. The above procedures (except for the procedure for communicating relevant information to Euronext Growth Advisor) are available on the Issuer's website (www.star-7.com), Governance section.

Furthermore, on 15 January 2018, the Board of Directors resolved to adopt an organisational, management and control model for prevention pursuant to Legislative Decree No. 231/2001 (the "231 Model”), last updated on 7 December 2021, together with the Group's code of ethics. The Board of Directors appointed a three-member supervisory body in the persons of Mr Giordano Balossi (Chairman), Mr Vincenzo Gambaruto and Mr Paolo Sarzanini.

The Issuer believes that the adoption of Model 231 followed by its effective and constant implementation, in addition to representing a reason for exemption from liability of the entity with reference to the commission of certain types of offences, is an act of social responsibility, from which benefits arise for all stakeholders: members, employees, creditors and all other persons whose interests are linked to the fate of the organisation.

The Model 231 adopted by the Issuer contains: (i) the analysis of corporate processes carried out in the light of the potential risks of commission of offences identified on the basis of the reference legislation; (ii) the identification of the so-called "sensitive areas" in which such offences may be committed and the description of the relevant conduct; (iii) the control procedures implemented to prevent the commission of the relevant offences; (iv) the code of ethics; (v) the rules of the supervisory body; (vi) the system of sanctions; and (vii) the provision of information on Model 231.

11.4 Potential significant impacts on corporate governance

Without prejudice to what is indicated in Section One, Chapter 10 and Chapter 11, Paragraph 11.3 of the Admission Document, in the Issuer's opinion, as at the Admission Document Date no resolutions have been passed by the Issuer's corporate bodies that envisage changes in the composition of the Board of Directors or committees or in general that cause significant impacts on the Issuer's corporate governance.

For information on the Shareholders' Agreement, see Section One, Chapter 13, Paragraph 13.4 of this Admission Document.

12. EMPLOYEES

12.1 Employees

The following tables show the number of total employees employed by the Group as of the Admission Document Date, as of 30 June 2021 and as of 31 December 2020 and 2019, broken down by main categories.

Category	Admission Document Date	30 June 2021	31 December 2020	31 December 2019
Executives	7	7	6	6
Middle managers	9	9	9	8
Office workers	659	651	571	558
Manual workers	56	55	73	71
Apprentices	4	6	5	6
Total	**735**	**728**	**664**	**649**

The following tables show the breakdown of the Group's workforce in Italy and abroad as of the Admission Document Date, 30 June 2021 and 31 December 2020 and 2019.

Italy

Category	Admission Document Date	30 June 2021	31 December 2020	31 December 2019
Executives	3	3	2	2
Middle managers	8	8	8	7
Office workers	382	377	367	319
Manual workers	34	36	35	32
Apprentices	4	4	3	4
Total	**431**	**428**	**415**	**364**

Qualification(*) (Fixed-term)	Admission Document Date	30 June 2021	31 December 2020	31 December 2019
Middle managers and office workers	72	59	49	46
Manual workers	4	10	6	6
Total	**76**	**69**	**55**	**52**

Foreign

Category	Admission Document Date	30 June 2021	31 December 2020	31 December 2019
Executives	4	4	4	4
Middle managers	1	1	1	1
Office workers	277	274	204	239
Manual workers	22	19	38	39
Apprentices	-	2	2	2
Total	**304**	**300**	**249**	**285**

12.2 Shareholdings and stock options of members of the Board of Directors

Except as indicated below, as at the Admission Document Date, none of the members of the board of directors and/or the board of statutory auditors directly holds any shareholdings in, or options to purchase, the Issuer's share capital. As of the Admission Document Date, Lorenzo Mondo, Chairman of the Board of Directors and Chief Executive Officer of the Issuer, and Josef Zibung, Director, indirectly hold a stake in the Issuer's share capital.

In particular, as of the Admission Document Date, the Company is controlled by Dante S.r.l. and STAR AG, which hold, respectively, stakes equal to 47.4% and 37.9% of the Company's share capital (the remaining stakes are held by KAIROS Partners SGR S.P.A. (on behalf of the alternative investment fund managed by the same named KAIS Renaissance ELTIF) through Special Shares and by the Company itself).

12.3 Description of any employee participation agreements in the capital of the Issuer, employee participation agreements in the share capital

As at the Admission Document Date, there are no contractual agreements or bylaws providing for any form of employee participation in the capital or profits of the Company.

13. MAIN SHAREHOLDERS

13.1 Shareholders holding financial instruments amounting to more than 5% of the Issuer's share capital

The company Dante S.r.l. is entirely controlled by the Chairman of the Board of Directors and Chief Executive Officer, Lorenzo Mondo.

The Swiss-registered company STAR AG is a wholly owned subsidiary of Star Holding AG, which in turn is wholly owned by Josef Zibung.

According to the shareholders' register, as well as on the basis of other information available to the Company, as at the Admission Document Date, the Issuer's share capital, amounting to €527,650, is divided into 7,500,000 Ordinary Shares and 414,750 Special Shares and is held by the persons listed in the table below:

Shareholder	Ordinary Shares	Special Shares	% of share capital held
Dante S.r.l.	3,750,000	-	47.4%
STAR AG	3,000,000	-	37.9%
KAIROS Partners SGR S.P.A.(1)	-	414,750	5.2%
STAR7 S.p.A.(2)	750,000	-	9.5%
Total	**7,500,000**	**414,750**	**100%**

(1) On behalf of the alternative investment fund that it manages called KAIS Renaissance ELTIF.

(2) The Company acquired 50,000 Shares from STAR AG on 28 June 2021 (following the split of the Company's Shares on 25 October 2021, these Shares amount to 750,000).

On the Trading Commencement Date of the Shares on Euronext Growth Milan, the Issuer's share capital, in the event of: (i) full subscription of the 1,070,000 Shares resulting from the Capital Increase, and (ii) full disposal of all the 750,000 Shares (held by the Company) offered for sale, will be held as follows:

Shareholder	Ordinary Shares	Special Shares	PAS Special Shares	% of share capital held
Dante S.r.l.	3,000,000	-	750,000	41.7%
STAR AG	2,400,000	-	600,000	33.4%

KAIROS Partners SGR S.P.A.[(1)]	330,000	414,750	-	8.3%
Market	1,490,000	-	-	16.6%
Total	**7,220,000**	**414,750**	**1,350,000**	**100%**

[(1)] On behalf of the alternative investment fund that it manages called KAIS Renaissance ELTIF.

Following the Trading Commencement Date of the Shares on Euronext Growth Milan, in the event of: (i) full subscription of the 1,070,000 Shares resulting from the Capital Increase, and (ii) full disposal of all 750,000 Shares (held by the Company) offered for sale, as well as against full conversion of the Special Shares (which will automatically convert in their entirety into Ordinary Shares no later than 5 business days after the Trading Commencement Date), the share capital will be held as follows:

Shareholder	**Ordinary Shares**	**PAS Special Shares**	**% of share capital held**
Dante S.r.l.	3,000,000	750,000	41.7%
STAR AG	2,400,000	600,000	33.3%
KAIROS Partners SGR S.P.A.[(1)]	759,752[(2)]	-	8.4%
Market	1,490,000	-	16.6%
Total	**7,649,752**	**1,350,000**	**100%**

[(1)] On behalf of the investment funds it manages, including the alternative investment fund it manages called KAIS Renaissance ELTIF.

[(2)] In consideration of the fact that KAIROS Partners SGR SPA has undertaken to subscribe in the Offer 330,000 Ordinary Shares (of which 121,213 by KAIROS Partners SGR SPA, on behalf of the alternative investment fund managed by it called KAIS Renaissance ELTIF), for an equivalent value of €2,722,500 (of which €1,000,007 by KAIROS Partners SGR SPA, on behalf of the alternative investment fund managed by it called KAIS Renaissance ELTIF), the Special Shares, in application of the formula indicated in art. 6.4 of the Company Bylaws, will be converted, after the Trading Commencement Date, into 429,752 Shares, with a conversion factor equal to 1.0361716358057 Share for each Special Share.

Following the Trading Commencement Date of the Shares on Euronext Growth Milan, in the event of: (i) full subscription of the 1,070,000 Shares arising from the Capital Increase, and (ii) full disposal of all 750,000 Shares (held by the Company) offered for sale, as well as against the full conversion of the Special Shares and the full cancellation, if any, of the PAS Special Shares (which, in any event, would not occur before the approval by the Board of Directors of the Company's consolidated financial statements as at 31 December 2022), the share capital will be held as follows:

Shareholder	Ordinary Shares	% of share capital held
Dante S.r.l.	3,000,000	39.2%
STAR AG	2,400,000	31.4%
KAIROS Partners SGR S.P.A.[(1)]	759,752	9.9%
Market	1,490,000	19.5%
Total	**7,649,752**	**100%**

[(1)] On behalf of the investment funds it manages, including the alternative investment fund it manages called KAIS Renaissance ELTIF.

Following the Trading Commencement Date of the Shares on Euronext Growth Milan, in the event of: (i) full subscription of the 1,070,000 Shares arising from the Capital Increase, and (ii) full disposal of all 750,000 Shares (held by the Company) offered for sale, as well as against the full conversion of the Special Shares and the full conversion, if any, in a ratio of 1:1 of the PAS Special Shares (which, in any event, would not occur before the approval by the Board of Directors of the Company's consolidated financial statements as at 31 December 2022), the share capital will be held as follows:

Shareholder	Ordinary Shares	% of share capital held
Dante S.r.l.	3,750,000	41.7%
STAR AG	3,000,000	33.3%
KAIROS Partners SGR S.P.A.[(1)]	759,752	8.4%
Market	1,490,000	16.6%
Total	**8,999,752**	**100%**

[(1)] On behalf of the investment funds it manages, including the alternative investment fund it manages called KAIS Renaissance ELTIF.

Specifically, the PAS Special Shares will automatically convert and/or cancel, as the case may be, following the approval of the Company's financial statements for the year ending 31 December 2022, based on whether or not the Company achieves certain performance targets, according to the characteristics set out in Article 6 of the Bylaws, therefore, from the date of such conversion, the Issuer's share capital will be divided into Ordinary Shares and PAS Special Shares.

It should be noted that PAS Special Shares, in accordance with the provisions of art. 6 of the Bylaws, grant the same rights as Ordinary Shares, including the right to vote in the shareholders' meeting, both ordinary and extraordinary, as well as the right to receive profits and the right to the distribution of available reserves which the Company resolves to distribute, except for some differences for which please refer to the detailed description in Section One, Chapter 15, Paragraph 15.2.2 of the Admission Document.

For further information on the dilutive effects of the Placement, please see Section Two, Chapter 7, of the Admission Document.

13.2 Different voting rights of the Issuer's major shareholders

As of the Admission Document Date, the share capital of the Issuer is divided into Ordinary Shares and Special Shares.

On the Trading Commencement Date, following the conversion of part of the Ordinary Shares into PAS Special Shares (for further information, please refer to Section One, Chapter 4, Paragraph 4.1.29 of the Admission Document), the Issuer's share capital will be divided into Ordinary Shares, Special Shares and PAS Special Shares.

In this respect, however, it should be noted that the Special Shares will then automatically convert in their entirety into Ordinary Shares no later than 5 business days after the Trading Commencement Date (for further information on the characteristics of the Special Shares, see Section One, Chapter 15, Paragraph 15.2.2 of the Admission Document), therefore, as of such conversion, the Issuer's share capital will be composed of Ordinary Shares and PAS Special Shares.

Article 8 of the Bylaws provides that, from the time when the Ordinary Shares are traded on a regulated market in Italy or in another EU country, pursuant to Article 119 TUF ("**MTA Listing**"), and subject to that condition, pursuant to Article 127-quinquies TUF, each Ordinary Share shall entitle the holder to two votes if and until both of the following conditions are satisfied:

(i) the same person has held, with respect to the same share, the ownership of a right in rem which legitimizes the right to vote at the shareholders' meeting, such as full ownership with voting rights, bare ownership with voting rights or usufruct with voting rights ("**Legitimising Real Right**") for a continuous period of at least twenty-four months ("**Continuous Period**");

(ii) the recurrence of the condition under (i) is attested by the registration for the entire Continuous Period in the special list specifically established and governed by Article 10 of the Company Bylaws ("**Special List**"), as well as by the communications provided for, respectively, by paragraphs 2 and 3 of Article 44 of the Single Measure on Post-Trading of the CONSOB and the Bank of Italy of 13 August 2018 (the "**Post-Trading Measure**").

On a transitional basis and also by way of derogation from the foregoing, the ownership of a Legitimising Real Right occurring, without interruption, prior to the MTA listing and subsequent to the Admission of the Issuer's Ordinary Shares to Euronext Growth Milan shall also be included in the Continuous Period, provided that the occurrence of such condition is certified by the registration in the Special List, which the Company shall establish for this purpose pursuant to article 8 of the Company Bylaws as from Admission, applying in this respect, *mutatis mutandis*, the laws and regulations provided for companies with shares traded on regulated markets.

The acquisition of the increased voting rights will be effective on the first date in the time between: (i) the fifth market day of the calendar month following the day on which the conditions required by the Company Bylaws for the increase in voting rights are fulfilled; or (ii) the *record date* of any shareholders' meeting, determined in accordance with the laws and regulations in force from time to time, subsequent to the date on which the conditions required by the Company Bylaws for the increase in voting rights are fulfilled.

The Company shall establish and maintain at the registered office, in the form and with the content provided for by the law and regulations in force at the time, the Special List, to which shareholders who intend to benefit from the increase in voting rights must register. In order to obtain enrolment in the Special List, the shareholder entitled under the Company Bylaws must submit a special application, in accordance with the following provisions:

(a) the application shall be accompanied by the notice required by Article 44(2) of the Post-Trading Measure, as amended from time to time, evidencing ownership of the Legitimising Real Right;

(b) in the case of entities other than natural persons, the application must specify whether the entity is subject to direct or indirect control by a third party and the identification data of the ultimate parent company, if any, and its chain of control;

(c) for the purposes of obtaining the increased voting rights, the eligible person must also submit the notice provided for in Article 44(3) of the Post-Trading Measure, as amended from time to time;

(d) the surcharge may also be claimed for only part of the shares to which the holder of the Legitimising Real Right would be entitled;

(e) any person entitled under the Company Bylaws may, at any time, by means of a specific request pursuant to the above provisions, indicate additional shares for which to request inclusion in the Special List.

The Special List is updated by the Company by the fifth trading day after the end of each calendar month and, in any case, by the record date provided for by the laws and regulations in force at the time in relation to the right to attend and vote at the shareholders' meeting. The shareholder registered in the Special List must notify, by the end of the month in which the event occurs and, in any case, by the record date referred to above, any circumstance or event that leads to the loss of the prerequisites for the increase in voting rights or the loss of the Legitimising Real Right.

The Company will proceed with the removal from the Special List in the following cases: (i) waiver by the person concerned; (ii) communication by the interested party or by the intermediary proving that the conditions for the increase of the voting right have ceased to exist or that the ownership of the Legitimising Real Right has been lost; (iii) ex officio, where the Company has evidence of the occurrence of circumstances or events that result in the loss of the conditions for the increase of voting rights or the loss of the Legitimising Real Right.

Subject to the following provisions, the increased voting rights shall cease to apply: (i) in the event of a transfer for valuable or free consideration of the share which results in the loss of the Legitimising Real Right, it being understood that "transfer" also includes the establishment of a pledge, usufruct or other encumbrance on the share when this results in the loss of the shareholder's right to vote as well as the loss of the voting right even in the absence of transfer events; and (ii) in the event of direct or indirect disposal of controlling interests in companies or entities that hold shares with increased voting rights above the threshold provided for in Article 120, paragraph 2, of the TUF ("**Material Company**").

The increase in voting rights:

(a) shall be preserved in the event of succession to death;

(b) shall be retained in the event of a merger or division of the holder of the shares in favour of the company resulting from the merger or beneficiary of the division;

(c) extends proportionally to newly issued shares in the event of a capital increase pursuant to Article 2442 of the Italian Civil Code and an increase in capital through new contributions;

(d) may also apply to shares allotted in exchange for shares to which increased voting rights are attached in the event of a merger or demerger, if the relevant plan so provides;

(e) is retained in the event of a transfer from one portfolio to another of UCIs managed by the same entity.

In the cases referred to in (c) and (d) above, the new shares acquire the additional voting rights: (i) for newly issued shares to which the holder is entitled in respect of shares for which the increased voting rights have already accrued, from the time of their registration in the Special List, without the need for a further expiry of the Continuous Period and without the need for a further application to obtain the increased voting rights; (ii) for newly issued shares to which the holder is entitled in respect of shares for which the enhanced voting rights have not already accrued (but are in the process of accruing) from the time of completion of the Continuous Period calculated from the date of the original registration in the Special List without the need for a further application to obtain the enhanced voting rights.

The holder of the increased voting right may at any time irrevocably waive (in whole or in part) the increased voting right by means of a written notice to be sent to the Company, it being understood in all cases that the increased voting right may again be acquired with respect to the shares for which it was waived by means of a new entry in the Special List and the full expiry of the Continuous Period of Ownership as provided for above.

The increase in voting rights is also taken into account for the determination of the quorums for the constitution and passing of resolutions which refer to shares of the share capital, but does not affect the rights, other than voting rights, to which a person is entitled by virtue of holding certain shares of the share capital.

13.3 Issuer's controlling entity

Without prejudice to the provisions of the following paragraph, as of the Admission Document Date and following the Trading Commencement Date, no shareholder exercises and/or will exercise control by right, pursuant to Article 2359, paragraph 1, of the Italian Civil Code.

13.4 Agreements that may lead to a change in the Issuer's control structure and shareholders' agreements

On 22 October 2021, the shareholders Dante S.r.l. and STAR AG entered into a shareholders' agreement effective as of the Trading Commencement Date (the "**Shareholders' Agreement**").

Term

The Shareholders' Agreement shall have a term of five years from the Trading Commencement Date and shall be tacitly extended for a further period of five years unless either party gives six months' notice of termination.

The aforementioned Shareholders' Agreement shall be deemed to be automatically terminated if the Trading Commencement Date does not occur by 31 March 2022.

The Parties may withdraw from the Shareholders' Agreement without notice in the event that they intend to accept a public purchase or exchange offer; if the following transfer is not subsequently finalised, the notice of withdrawal shall remain ineffective.

Appointment of the Board of Directors of the Issuer

The parties have agreed that the Issuer, as at the Trading Commencement Date, will be managed for a period of three years by a board of directors consisting of the following seven members: Lorenzo Mondo, Josef Zibung, Andrea Farina, Roberto Manzoni, Isabella Mondo, Paolo Rebaudengo and Maria Luisa Vada. In particular, the parties undertake to do everything in their power to ensure that Lorenzo Mondo is appointed as Chairman and Chief Executive Officer of the Company.

Following the expiry of this first term of office, the parties have agreed that for the entire duration of the Shareholders' Agreement, as it may be renewed, the Issuer's Shareholders' Meeting will appoint a Board of Directors composed of nine members to be elected by list voting. The parties have undertaken to submit a single list of candidates consisting of *(i)* five members designated by Dante S.r.l., including the Chief Executive Officer and the Chairman, *(ii)* two members designated by STAR AG, designated in agreement with Dante S.r.l., and *(iii)* the remaining two members with the requirements of independence designated in agreement between the parties.

Lock-up and Stand Still

The parties, independently of any lock-up agreement entered into with the Euronext Growth Advisor and the Global Coordinator in relation to the listing, have undertaken, for the entire duration of the Shareholders' Agreement, to

- not transfer, once the minimum threshold of 67% of the Issuer's capital has been reached, any further excess shares, respectively held, in the Company, without prejudice to the possibility of transferring its shareholding to the other shareholder or to its affiliated companies;

- not encumber or bind their Shares in any way, without the prior consent of the other party.

In any event, the parties may transfer the Shares held by them in favour of the other party or its subsidiaries provided that:

- the authorised transferee accepts the relevant terms set out in the Shareholders' Agreement and that it is bound by the said Shareholders' Agreement;
- the transferring party remains jointly and severally liable with the authorised transferee for all obligations under the Shareholders' Agreement;
- in the event that the transferee company ceases to be controlled by the transferring party, the Shares transferred will be repurchased by the transferring party.

Increased vote

The parties have also agreed that the Bylaws may contain a provision relating to the application of the increased voting rights, pursuant to Article 127-quinquies of the TUF, which will be effective only in the event of translisting of the Shares from Euronext Growth Milan to Euronext Milan, as a regulated market.

14. TRANSACTIONS WITH RELATED PARTIES

14.1 Related Party Transactions

Transactions carried out by the Issuer with Related Parties, including intragroup transactions, cannot be qualified as atypical or unusual, as they fall within the normal course of business of the Group companies. These transactions are regulated at market conditions, taking into account the characteristics of the goods and services provided.

It should be noted that the information in the tables below has been extracted from the Group's consolidated financial statements and includes only the Group's transactions with its Related Parties.

The table below shows the STAR7 Group's related party transactions:

STAR7 Group	Revenues		Costs		Receivables		Payables	
	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021
Dante Srl (parent company of Star7)	18,384	0	530,222	239,600	89,414	0	412,681	246,303
Star Ag (parent company of Star7)	55,433	35,097	476,262	199,781	118,785	161,126	340,882	253,343
Iamdev Stp Srl	0	0	6,926	46,826	0	0	6,926	0
Star Ag Taiwan Branch	0	0	22,204	7,319	0	0	7,586	8,363
Star Czech S.R.O.	3,992	5,157	260,473	75,056	0	4,685	40,260	22,686
Star Deutschland Gmbh	158,362	81,076	4,940	10,046	50,970	73,020	750	0
Star Co., Ltd	0	0	1,713	102	0	0	118	102
Star Do Brasil Localizacao E Tecnologia Ltda	0	0	7,824	4,149	0	0	3,110	3,751
Star Egitto Middle East Ltd Cairo	0	0	15,825	10,988	0	0	1,708	9,435
Star Gmbh	0	0	0	0	0	0	0	893
Star Group America Llc	2,652	2,529	0	2,466	3,809	2,758	7,596	7,596
Star Group Scandinavia Ab	0	12,315	14,753	8,407	4,035	5,829	11,229	12,484
Star Hungary Kft	0	0	68,218	23,585	0	0	20,153	9,218
Star Information Engineering S.L.	0	0	97,836	23,212	0	0	21,769	15,884
Star Information Services & Tools S.R.L.	0	0	55,248	20,473	0	0	14,124	8,911
Star Information Services Ltd. Sti.	0	0	0	0	112	112	0	0
Star J&M Finland Oy	0	0	7,647	1,132	0	0	1,367	614
Star Japan Tokyo	9,578	2,030	116,869	55,486	7,394	2,301	15,425	34,485
Star Korea Ag	0	0	22,065	6,020	0	0	4,556	5,577
Star Paris	71,377	38,115	3,150	655	55,987	46,020	569	0
Star Poland	0	0	199,758	57,673	0	0	31,915	40,080

Star Prevajalske Storitve D.O.O Ljubljana	0	0	226,168	64,206	0	0	31,606	27,289
Star Sa	43,564	37,953		45	3,673	6,211	110	155
Star Serv.Linguisticos Lda	0	0	157,497	61,614	0	0	48,727	39,073
Star Servicios Linguisticos	0	0	28,991	10,264	43	761	1,887	8,007
Star Software, Translation, Artwork, Recording Gmbh	0	8,960	0	0	956	13,164	0	0
Star Software Indonesia	0	0	9,945	6,068	0	0	2,261	3,903
Star Software Shanghai Co. Ltd	0	0	69,402	29,781	131	131	30,179	37,490
Star Spb - Russia	0	0	21,385	8,625	0	0	8,726	5,400
Star Tech Srl	0	0	0	0	0	0	0	60
Star Technology Solutions	0	9,535	0	195	17,524	20,868	530	519
Star Translation & Software Thailand Co., Ltd	0	0	3,422	2,336	0	0	1,054	54
Star Turchia Inf.Services Ltd Sti	0	0	5,117	6,784	0	0	3,428	6,784
Star Uk Limited	5,024	995	50,857	27,358	2,478	638	9,926	13,354
Star Vertalingen Bv	0	0	4,057	0	0	0	0	0
Grafica E Editora Starcom Ltda	0	0	0	0	0	0	215	629
Star Barcelona	452	0	0	0	0	0	0	0
Star Ireland	16,920	0	0	0	0	0	0	0
Star Sweden	23,215	0	0	0	0	0	0	0
Star Romania	55	0	0	0	0	0	0	0
Starcom Argentina S.A.S.	0	0	0	0	55,519	78828	0	0
Toth Comunicação e Logistica Ltda	0	0	0	0	0	142252	0	0
Star Comunicação e Servicos - Scp	0	0	0	0	0	0	21,746	54,728
Grafica e Editorastarcom Ltda	0	0	0	0	224,199	0	7,857	0

The tables below illustrate the Issuer's relations with Related Parties:

Parent companies of the Issuer

The following table shows the Issuer's relations with Dante S.r.l. and STAR AG (among the Company's shareholders).

STAR7 S.p.A.	**Revenues**		**Costs**		**Receivables**		**Payables**	
Parent Company	**31/12/2020**	**30/06/2021**	**31/12/2020**	**30/06/2021**	**31/12/2020**	**30/06/2021**	**31/12/2020**	**30/06/2021**
Dante S.r.l.	18,384	0	530,222	239,600	89,414	0	375,023	193,050
Star AG	55,433	35097	476,262	199,781	118,785	161126	340,882	253,343

In general, the transactions concluded with Dante S.r.l. and STAR AG, as Related Parties, and the related conditions actually applied, are considered, in the Issuer's opinion, to be in line with current market conditions.

With regard to the relationship between the Issuer and STAR AG, it should be noted that the Company has entered into a contract with the shareholder STAR AG for the acquisition of treasury shares by the Company, on the basis of which STAR AG transferred and sold to the Company the right of full and exclusive ownership of 50,000 shares of the Company.

The Company and STAR AG have agreed that the consideration for the aforesaid transfer shall be €60.00 per Share, to which has been added a value, not exceeding €100.00 per Share, taking into account also any future splits of shares which may then occur between the date of the aforesaid deed and the Trading Commencement Date.

In particular, the above consideration has been paid as follows:

- €3,000,000 were paid at the same time as the signing of the deed to STAR AG; and
- the remaining amount within fifteen days from the Trading Commencement Date of the Shares on Euronext Growth Milan (the "**Price Difference**"). In this respect, the shareholders' meeting of the Company authorised the purchase of the Treasury Shares, taking into account an adjustment after Admission, equal to the difference between the price paid at the time of the sale (€60.00) and the price of the Placement of the Shares for a total amount not exceeding €8,000,000 (taking into account also the amount already paid referred to in the previous point).

It should be noted that the Company's Treasury Shares constitute a portion of the Shares subject to the Offer under the Placement and in light of the agreement between the Company and STAR AG, it is expected that a portion of the proceeds from the Offer (related to the Treasury Shares for Sale) will be allocated to the payment of the Price Difference.

In return for the full sale of 750,000 Treasury Shares for Sale for a total consideration of EUR 6,187,500, the Company will receive proceeds of up to EUR 3,000,000, the difference of EUR 3,187,500 (including STAR AG's share of the estimated expenses of the Admission process and the Offer) being paid to STAR AG.

On 28 June 2021, the Issuer entered into a cooperation and licence agreement with STAR AG (for further information on the Commercial Agreement, please refer to Section One, Chapter 16, Paragraph 16.5 of this Admission Document).

On 22 October 2021, the shareholders Dante S.r.l. and STAR AG entered into the Shareholders' Agreement with effect from the Trading Commencement Date (for further information on the Shareholders' Agreement, see Section One, Chapter 13, Paragraph 13.4 of this Admission Document).

Subsidiaries of the Issuer

The following table shows the Issuer's relations with its subsidiaries.

STAR7 S.p.A.	Revenues	Costs	Receivables	Payables

Subsidiaries	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021
Star7 Printing Srl	13,405	4998	4,347,455	3,224,107	29,659	1016	2,321,146	2,118,837
Star7 Engineering Srl	23,989	6805	430,319	188,005	26,086	2663	341,568	532,800
Ad Studio Srl	60,659	833	839,816	506,625	85,137	402,033	0	304,211
Star7 Austria Gmbh	21	1298	210,000	104,300	21	1319	893	34,980
Star Albania Shpk	0	0	450,000	297,826	0	400,000	30,000	308,642
Star Usa Llc	1,152,326	433354	0	0	3,939,040	5,166,144	0	0
Techworld Language Services Inc	0	0	10,242	4,819	2,891	0	10,242	6,712
Star Comunicacao Ltd	0	0	0	196	219,833	613,306	0	196
IAMDEV STP Srl	0	0	6,926	46,826	0	0	6,926	0

STAR network companies

The following table illustrates the Issuer's relations with STAR network companies.

STAR7 S.p.A.	Revenues		Costs		Receivables		Payables	
STAR Network	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021
Star Ag Taiwan Branch	0	0	22,204	7,319	0	0	7,586	8,363
Star Czech S.R.O.	3,992	5,157	260,473	75,056	0	4,685	40,260	22,686
Star Deutschland Gmbh	158,362	81076	4,940	10,046	50,970	73,020	750	0
Star Co., Ltd	0	0	1,713	102	0	0	118	102
Star Do Brasil Localizacao e Tecnologia Ltda	0	0	7,824	4,149	0	0	3,110	3,751
Star Egitto Middle East Ltd Cairo	0	0	15,825	10,988	0	0	1,708	9,435
Star Gmbh	0	0	0	0	0	0	0	893
Star Group America Llc	2,652	2529	0	2,466	3,809	2,758	7,596	7,596
Star Group Scandinavia Ab	0	12315	14,753	8,407	4,035	5,829	11,229	12,484
Star Hungary Kft	0	0	68,218	23,585	0	0	20,153	9,218
Star Information Engineering S.L.	0	0	97,836	23,212	0	0	21,769	15,884

Star Information Services & Tools S.R.L.	0	0	55,248	20,473	0	0	14,124	8,911
Star Information Services Ltd. Sti.	0	0	0	0	112	112	0	0
Star J&M Finland Oy	0	0	7,647	1,132	0	0	1,367	614
Star Japan Tokyo	9,578	2030	116,869	55,486	7,394	2301	15,425	34,485
Star Korea Ag	0	0	22,065	6,020	0	0	4,556	5,577
Star Paris	71,377	38115	3,150	655	55,987	46020	569	0
Star Poland	0	0	199,758	57,673	0	0	31,915	40,080
Star Prevajalske Storitve D.O.O Ljubljana	0	0	226,168	64,206	0	0	31,606	27,289
Star Sa	43,564	37953		45	3,673	6211	110	155
Star Serv.Linguistico s Lda	0	0	157,497	61,614	0	0	48,727	39,073
Star Servicios Linguisticos	0	0	28,991	10,264	43	761	1,887	8,007
Star Software, Translation, Artwork, Recording Gmbh	0	8960	0	0	956	8960	0	0
Star Software Indonesia	0	0	9,945	6,068	0	0	2,261	3,903
Star Software Shanghai Co. Ltd	0	0	69,402	29,781	131	131	30,179	37,490
Star Spb - Russia	0	0	21,385	8,625	0	0	8,726	5,400
Star Tech Srl	0	0	0	0	0	0	0	60
Star Technology Solutions	0	9535	0	195	17,524	20868	530	519
Star Translation & Software Thailand Co., Ltd	0	0	3,422	2,336	0	0	1,054	54
Star Turchia Inf.Services Ltd Sti	0	0	5,117	6,784	0	0	3,428	6,784
Star Uk Limited	5,024	995	50,857	27,358	2,478	638	9,926	13,354
Star Vertalingen Bv	0	0	4,057	0	0	0	0	0
Grafica E Editora Starcom Ltda	0	0	0	0	0	0	215	629
Star Barcelona	452	0	0	0	0	0	0	0
Star Ireland	16,920	0	0	0	0	0	0	0
Star Sweden	23,215	0	0	0	0	0	0	0
Star Romania	55	0	0	0	0	0	0	0

The tables below show the relationships between the companies included in the scope of consolidation and their related parties:

STAR7 Printing S.r.l.

	Revenues		Costs		Receivables		Payables	
	31/12/2020	**30/06/2021**	**31/12/2020**	**30/06/2021**	**31/12/2020**	**30/06/2021**	**31/12/2020**	**30/06/2021**
Star7 Engineering Srl	11,485	0	0	8,857	1,773	6170	0	8,857
Dante Srl	0	0		0	0	0	32,398	35,793
Star7 Spa	4,347,455	3224107	13,405	4,998	2,072,000	2228296	29,659	5,807

STAR7 Engineering S.r.l.

	Revenues		Costs		Receivables		Payables	
	31/12/2020	**30/06/2021**	**31/12/2020**	**30/06/2021**	**31/12/2020**	**30/06/2021**	**31/12/2020**	**30/06/2021**
Star7 Printing Srl	-	8,857	11,485	-	-	10,806	1,773	6,104
Star7 Spa	430,319	188,005	23,989	6,805	341,553	535,128	26,086	2,183
Ad Studio Srl	-	-	-	8,309	7,300	-	-	5,237
Dante Srl	-	-	-	-	-	-	1,206	2,562
Star Software, Translation, Artwork, Recording Gmbh	-	-	-	-	-	4,204	-	-

AD Studio S.r.l.

	Revenues		Costs		Receivables		Payables	
	31/12/2020	**30/06/2021**	**31/12/2020**	**30/06/2021**	**31/12/2020**	**30/06/2021**	**31/12/2020**	**30/06/2021**
Star7 Engineering Srl	0	8309	0	0	0	5237	7,300	0
Star7 Spa	839,816	506625	60,659	0	0	304211	85,137	401,849
Dante Srl	0	0	0	0	0	0	4,054	6,616

STAR USA LLC

	Revenues		Costs		Receivables		Payables	
	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021
Star7 S.p.A.	0	0	1,152,326	433,354	0	0	3,939,040	5,166,144
Dante S.r.l.	0	0	0	0	0	0	0	3,510

STAR7 GmbH

	Revenues		Costs		Receivables		Payables	
	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021
Star7 S.p.A.	210,000	104,300	21	1,298	893	34,980	21	1,319
Dante S.r.l.	0	0	0	0	0	0	0	833

Star Comunicação e Serviços Ltda

	Revenues		Costs		Receivables		Payables	
	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021
Star7 S.p.A.	0	196	0	0	0	196	219,833	613,306
Starcom Argentina S.A.S.	0	0	0	0	55,519	78828	0	0
Toth Comunicação e Logistica LTDA	0	0	0	0	0	142252	0	0
Dante S.r.l.	0	0	0	0	0	0	0	3,939
Star Comunicação e Servicos - SCP	0	0	0	0	0	0	21,746	54,728
Grafica e Editorastarcom Ltda	0	0	0	0	224,199	0	7,857	0

Star Albania SHPK

	Revenues		Costs		Receivables		Payables	
	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021
Star7 S.p.A.	450,000	297,826	0	0	30,000	308,642	0	400,000

Techworld Language Services Inc.

	Revenues		Costs		Receivables		Payables	
	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021
Star7 S.p.A.	10,242	4,819	0	0	10,242	6,712	0	0
The Geo Group Corporation	0	0	0	0	0	168,294	0	0

The Geo Group Corporation

	Revenues		Costs		Receivables		Payables	
	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021
Techworld Language Services Inc.	0	0	0	0	0	0	0	168,294

15. ADDITIONAL INFORMATION ON THE COMPANY'S STRUCTURE AND OPERATION

15.1 Share capital

15.1.1 Subscribed and paid-up share capital

As of the Admission Document Date, the Issuer's share capital, fully subscribed and paid up, amounts to €527,650, divided into 7,500,000 no-par value Shares and 414,750 Special Shares.

As of the Trading Commencement Date, the Issuer's fully subscribed and paid-up share capital will be €599,340 and will be divided into 7,220,000 Ordinary Shares, 414,750 Special Shares and 1,350,000 PAS Special Shares.

After the Trading Commencement Date, upon conversion of the Special Shares into Shares, the fully subscribed and paid-up share capital of the Issuer will be €599,340 and will be divided into 7,649,752 Ordinary Shares and 1,350,000 PAS Special Shares.

For the sake of completeness, it should be noted that the Special Shares will automatically convert in their entirety into Ordinary Shares no later than 5 business days after the Trading Commencement Date (for further information on the characteristics of the Special Shares, please refer to Section One, Chapter 15, Paragraph 15.2.2 of the Admission Document), therefore, as of such conversion, the Issuer's share capital will be composed only of Ordinary Shares and PAS Special Shares.

15.1.2 Existence of non-representative shares, their number and main characteristics

As at the Admission Document Date, the Company has not issued any participating financial instruments not representing its share capital.

15.1.3 Treasury shares

As at the Admission Document Date, the Company holds 750,000 Treasury Shares, representing approximately 9.5% of the share capital.

On 28 June 2021, the Company entered into a contract with the shareholder STAR AG for the buyback of the Company’s shares, whereby, STAR AG transferred and sold to the Company the right of full and exclusive ownership of 50,000 shares of the Company (following the split of the Company's Shares on 25 October 2021, there are 750,000 such shares).

The consideration for the above transfer is €60.00 per share, to which is added a value, not exceeding €100.00 per share, which takes into account the higher value per share, as resulting at the Admission stage, at the time of the Trading Commencement Date. The above consideration is regulated as follows:

- €3,000,000 paid with the above deed to STAR AG; and
- the remaining amount (the "**Price Difference**"), within fifteen days from the Trading Commencement Date of the Shares on Euronext Growth Milan.

In particular, the Company and STAR AG have agreed that the maximum consideration recognised for the Shares shall not exceed €100.00 per Share, also taking into account any future splits of Shares that may occur between the date of the above deed and the Trading Commencement Date.

On the same date, the Company's Shareholders' Meeting authorised, pursuant to Article 2357 et seq. of the Italian Civil Code, the share buyback at a price of €3,000,000, plus an adjustment after Admission equal to the difference between the price paid at the time of sale (€60.00) and the price of the Placement of the Shares for a total amount not exceeding €8,000,000 (also considering the amount already paid as per the previous point).

The authorisation to purchase treasury shares was provided to the Board of Directors of the Company so that, pursuant to and for the purposes of Article 2357-ter of the Italian Civil Code, it could dispose of all or part of the treasury shares purchased on the basis of the authorisation provided by the Shareholders' Meeting at any time and without time limits, in one or more tranches.

It should be noted that the Company's Treasury Shares constitute a portion of the Shares subject to the Offer under the Placement and in light of the agreement between the Company and STAR AG, it is expected that a portion of the proceeds from the Offer (related to the Treasury Shares for Sale) will be allocated to the payment of the Price Difference.

In return for the full sale of 750,000 Treasury Shares for Sale for a total consideration of EUR 6,187,500, the Company will receive proceeds of up to EUR 3,000,000, the difference of EUR 3,187,500 (including STAR AG's share of the estimated expenses of the Admission process and the Offer) being paid to STAR AG.

15.1.4 Amount of convertible bonds, exchangeable bonds or bonds with warrants

As at the Admission Document Date, the Company has not issued any convertible bonds, exchangeable bonds or bonds with *warrants*.

15.1.5 Existence of rights and/or obligations to purchase authorised but unissued capital or a commitment to increase capital

As at the Admission Document Date, there are no rights and/or obligations to purchase the resolved but unissued capital or commitments to increase capital other than the Offering.

15.1.6 Existence of option offers for the capital of any members of the Group

As at the Admission Document Date, the Issuer is not aware of any transactions concerning the share capital of the members of the Group which have been offered under option or which have been decided to be offered under option.

15.1.7 Changes in share capital since the date of incorporation

As at the Admission Document Date, the Issuer's share capital, fully subscribed and paid up, amounts to €527,650, divided into 7,500,000 Shares and 414,750 Special Shares.

The transactions that have affected the Issuer's share capital from the date of incorporation until the Admission Document Date are described below.

On 13 July 2000, the Company was incorporated as a limited liability company under the company name "STAR S.r.l." with a deed drawn up by Mr Marco Camusso, notary public in Asti, rep. no. 35163, collection no. 15644, registered in Asti on 21 July 2000 under no. 1918 and registered with the Company Register of Asti on 14 August 2000, with a share capital of €10,330.

On 7 July 2015, by deed drawn up by Mr Luigi Oneto, Notary Public in Alessandria, rep. no. 93942, the Extraordinary Shareholders' Meeting of the Company resolved (i) to increase the share capital from €250,000 to €500,000 and (ii) to transform the company form into a joint-stock company with the new company name "STAR S.p.A.".

Subsequently, on 7 July 2020, by deed drawn up by Mr Carlo Conforti, notary public in Alessandria, rep. no. 5730, the company name was changed to "*STAR7 S.p.A.*"

On 25 October 2021, the Issuer's extraordinary shareholders' meeting, by deed drawn up by Mr Carlo Conforti, notary public in Alessandria, rep. 9471, resolved firstly to eliminate the express par value of the Company's ordinary shares, to subject the ordinary shares to the dematerialisation regime pursuant to articles 83-bis et seq. of the TUF and to split the shares at a ratio of 15 new shares for every 1 outstanding share. On the same date, the Issuer's extraordinary shareholders' meeting also resolved to approve a paid capital increase, in one tranche, with the exclusion of pre-emptive rights pursuant to Article 2441(5) of the Italian Civil Code, for an amount equal to €3,000,000.00, including share premium, through the issue of Special Shares, without the express indication of the nominal value, in dematerialised form pursuant to Articles 83-bis et seq. of the TUF, to be reserved for subscription to KAIROS Partners SGR S.P.A., on behalf of the alternative investment fund managed by the same named KAIS Renaissance ELTIF, to be paid in full in cash (the "Kairos Capital Increase").

On 29 October 2021, KAIROS Partners SGR S.P.A., on behalf of the alternative investment fund it manages called KAIS Renaissance ELTIF, fully subscribed to the aforementioned capital increase, paying the Company the amount of €3,000,000.

On 29 November 2021, the Extraordinary Shareholders' Meeting of the Issuer resolved, *inter alia*, to increase the share capital by payment in a divisible manner by a maximum amount, including the share premium, of €20,000,000 by issuing new ordinary shares without indication of par value and with regular enjoyment, to be paid in cash in full at the time of subscription, in one or more tranches and in divisible way, with the exclusion of the option right pursuant to art. 2441, paragraph 5 of the Italian Civil Code, to be offered for subscription for the purpose of admission to trading on Euronext Growth Milan, with final subscription deadline on 31 March 2022, provided that, if the Trading Commencement Date was prior to that date, the capital increase will be considered carried out and concluded on that date, as better established by the relative shareholders' resolution (the "**Capital Increase**"). In this regard, it should be noted for the sake of completeness that the Offer will consist of the Capital Increase as well as the Treasury Shares for Sale.

On 7 December 2021, the Company's Board of Directors then resolved to establish that, in light of the Company's economic valuation range, as resulting from pre-marketing activities, the indicative issue price range for the Shares is between a minimum of €8.25 and a maximum of €9.50 per Share.

On 20 December 2021, the Board of Directors of the Company resolved to set the total amount of the Capital Increase at €8,827,500 and the precise subscription price of the Ordinary Shares intended for the Placement at €8.25 each, of which €0.067 as share capital and €8.183 as share premium, with the consequent issue of 1,070,000 Shares from the said Capital Increase.

As of the Trading Commencement Date, the Issuer's fully subscribed and paid-up share capital will be €599,340 and will be divided into 7,220,000 Ordinary Shares, 414,750 Special Shares and 1,350,000 PAS Special Shares.

After the Trading Commencement Date, upon conversion of the Special Shares into Shares, the fully subscribed and paid-up share capital of the Issuer will be €599,340 and will be divided into 7,649,752 Ordinary Shares and 1,350,000 PAS Special Shares.

15.2 Memorandum of Association and Company Bylaws

15.2.1 Corporate purpose and aims of the Issuer

The Company is registered with the Alessandria Register of Companies no. 01255170050, and the Alessandria Economic and Administrative Repertoire (REA) no. 208355.

Pursuant to Article 3 of the Bylaws, the object of the Company is:

- the performance of services inherent to the life cycle of technical and commercial information, i.e.: of information management services, technical and commercial authoring services, technical, commercial, legal and financial translation services, traditional and multimedia publishing, printing and logistics services;
- development and marketing of software and other technologies related to the services referred to above;
- interpreting activities; and
- holding language courses for companies and individuals, theoretical and practical training courses in the technical field, and training courses for driving vehicles, including on tracks.

In order to achieve the corporate purpose, the Company may carry out any industrial, commercial, financial, banking, securities and real estate operation, with the right to provide guarantees provided that they are functional to the achievement of the corporate purpose, and may acquire shareholdings in other enterprises and companies of any kind whose activities are similar or similar and in any case connected to its own or which prove useful for the achievement of the corporate purpose.

15.2.2 Rights, privileges and restrictions attached to each existing class of shares

As of the Admission Document Date, pursuant to Article 5 of the Bylaws, the Issuer's share capital is divided into Ordinary Shares and Special Shares.

On the Trading Commencement Date, the Issuer's share capital will then be divided into Ordinary Shares, Special Shares and PAS Special Shares. For the reasons set out below, however, it should be noted that the Special Shares will then automatically convert in their entirety into Ordinary Shares no later than 5 business days after the Trading Commencement Date, therefore, as of such conversion, the Issuer's share capital will consist of Ordinary Shares and PAS Special Shares.

Special Shares

Pursuant to Article 6 of the Bylaws, the Special Shares carry the same rights as the Ordinary Shares, with the sole exception of the following

- are automatically converted in their entirety into Ordinary Shares as soon as the Ordinary Shares are admitted to trading on Euronext Growth Milan. In this respect, it is specified that the conversion of Special Shares into Ordinary Shares shall take place no later than 5 business days after the Trading Commencement Date. In particular, it is envisaged that for each No. 1 Special Share, (N) ordinary shares will be allocated (rounded up to the next higher unit), according to the following conversion ratio:

$$\frac{\frac{(I_{PreIPO} + I_{IPO})}{P_{IPO} \times (1 - S)} - \frac{I_{IPO}}{P_{IPO}}}{AS}$$

  Where for:

  "**S**" = Agreed discount, equal to: (i) 12% if the I-IPO is equal to €1,000,000.00; (ii) 13% if the I-IPO is €2,000,000.00; (ii) 14% if the I-IPO is equal to €3,000,000.00.

  "**AS**" = Number of Special Shares outstanding.

  "**P-IPO**" = the Price of Admission to Trading of the Ordinary Shares as determined by the board of directors of the Company or as determined in any other document in which the placement price in service of Admission to Trading of the Ordinary Shares of the Company is set;

  "**I-IPO**" = Investment of the holder of Special Shares on Admission to Trading.

  "**I-PreIPO**" = Investment for the subscription of the Special Shares equal to €3,000,000.00.

- no amendment may be made to the provisions of the Bylaws relating to the automatic conversion of the Company's shares into Ordinary Shares, unless the majority of the holders of Special Shares votes in favour, and only to those amendments which may directly and/or indirectly affect the rights of the holders of Special Shares;

- the occurrence of the conversion cause is certified by the board of directors with the majorities required by law. If the board of directors fails to do so, the fulfilment of the conversion requirement shall be certified by the Board of Statutory Auditors by a resolution adopted with the favourable vote of the majority of those present;

- the automatic conversion of the Special Shares will take place without the need for any manifestation of will by their holders and without any change in the amount of the share capital. As a result of the automatic conversion of the Special Shares into Ordinary Shares, the Board of Directors will proceed to: (a) to record the conversion in the register of shareholders with the cancellation of the Special Shares and the issue of ordinary shares; (b) file with the Register of Companies, pursuant to Article 2436, paragraph 6, of the Italian Civil Code, the text of the Bylaws with (b1) the amendment of the total number of Ordinary Shares into which the share capital is divided and/or (b2) the elimination of the clauses and/or sections of clauses of these Bylaws which have lapsed as a result of the conversion of all Special Shares into Ordinary Shares pursuant to the foregoing.

In consideration of the fact that KAIROS Partners SGR SPA has undertaken to subscribe in the Offer 330,000 Ordinary Shares (of which 121,213 by KAIROS Partners SGR SPA, on behalf of the alternative investment fund managed by it called KAIS Renaissance ELTIF), for an equivalent value of €2,722,500 (of which €1,000,007 by KAIROS Partners SGR SPA, on behalf of the alternative investment fund managed by it called KAIS Renaissance ELTIF), the Special Shares, in application of the formula indicated in art. 6.4 of the Bylaws, will be converted, after the Trading Commencement Date, into 429,752 Shares, with a conversion factor equal to 1.0361716358057 Share for each Special Share.

PAS Special Shares

As of the Trading Commencement Date, pursuant to article 6 of the Bylaws, the Company's share capital is also composed of PAS Special Shares, which grant the same rights as the Ordinary Shares (including the right to vote at both ordinary and extraordinary shareholders' meetings, the right to receive profits and the right to the distribution of available reserves which the Company resolves to distribute), except only for the following:

- are non-transferable until the date provided for the automatic conversion into Ordinary Shares and/or cancellation, even partial, at the terms and conditions indicated below, except in the event of a public purchase offer, pursuant to art. 101-bis and following of the TUF, on the Ordinary Shares of the Company, where the PAS Special Shares will be considered to all intents and purposes as ordinary shares in circulation;

- will be converted into Ordinary Shares in a ratio of 1:1, up to the number determined by the application of the following formula, rounded down if the first decimal place is less than or equal to 5 and greater in other cases and, for the remaining PAS Special Shares, cancelled without change in share capital, it being understood that the conversion ratio will be determined according to the "Adjusted EBITDA 2022" achieved and calculated following the approval by the Board of Directors of the company's consolidated financial statements as at 31 December 2022, based on the parameters indicated below, with respect to the "EBITDA target 2022", equal to €15 million, and to the "EBITDA minimum 2022", equal to €13.5 million, according to the following linear proportion:

  No. PAS Special Shares * (Adjusted EBITDA 2022 - 13.5 million) / (15 million - 13.5 million)

  Where:

  "**EBITDA Adjusted 2022**" = means the EBITDA (as defined below) for the year ended 31 December 2022 net of any NFP Adjustment (as defined below), following the approval of the Issuer's consolidated financial statements as at 31 December 2022.

- the precise number of PAS Special Shares convertible into Ordinary Shares under the terms mentioned therein is determined by the Board of Directors within 10 days of the issuance by the Independent Auditors of the Report (as defined below) (the "**Verification Date**");

- it is understood that if the "*Adjusted EBITDA 2022*" calculated as above is higher than the "*EBITDA target 2022*" of €15 million, the "*Adjusted EBITDA 2022*" shall be considered to be €15 million for the purposes of the linear proportion referred to above;

- it is understood that if the "Adjusted EBITDA 2022" calculated as above is lower than the "Minimum EBITDA 2022", equal to €13.5 million, for the purposes of the linear proportion referred to above, the "Adjusted EBITDA 2022" shall be considered equal to €13.5 million;

- it is understood that the board of directors, in determining the "Adjusted EBITDA 2022", shall take into account, only in the case of acquisitions of controlling interests during the financial year, among other things, the trend of the "NFP" in such a way that if the "NFP" resulting from the consolidated financial statements closed and approved as at 31 December 2022 (as possibly pro-formed on the basis of such controlling interests) (A) is higher than the "NFP" resulting from the consolidated financial statements closed and approved as at 31 December 2021 (B), then the increase (A-B) divided by the lower of the multiple "EV/EBITDA IPO" and the multiple "EV/EBITDA Post-IPO", shall be deducted from the accounting EBITDA (the "NFP Adjustment"). This is only true if (A-B) is a positive number;

- For the purposes of this paragraph, the following definitions shall apply:

    (a) "**EV/EBITDA IPO**": means the number of outstanding shares of the Company as at the Trading Commencement Date (including PAS Special Shares and ordinary shares resulting from the conversion of Special Shares) multiplied by the Offering Price plus the NFP as at 31 December 2021 divided by EBITDA as at 31 December 2021;

    (b) "**EV/EBITDA Post-IPO**: means the number of outstanding Shares of the Company as at the Verification Date (including PAS Special Shares) times the average price derived from daily share price readings over the last 3 months as at the Verification Date plus NFP as at 31 December 2022 divided by EBITDA as at 31 December 2022;

    (c) **"Offering Price**": indicates the Offering Price.

- for the purpose of determining the "2022 Adjusted EBITDA", the Board of Directors shall prepare and approve a statement indicating the "2022 Adjusted EBITDA" and the criteria used to calculate it (the "**Statement**"), following the approval of the financial statements for the year ended 31 December 2022 by the shareholders' meeting of the Company. The Board of Directors of the Company shall grant an irrevocable mandate to the Independent Auditors to verify within 10 days from the date of the approval of the Prospectus by the Board of Directors the compliance with the criteria for the preparation of the Prospectus and the correctness of the relevant calculation. The Independent Auditors will issue a report in accordance with international auditing standards and in particular ISRS 4400 - "Engagements to perform agreed upon procedures" (the "*Report").* The criteria for determining "Adjusted EBITDA 2022" for the preparation of the Prospectus are as follows:

    (a) "**EBITDA**": indicates the algebraic sum of the items of the income statement as per Article 2425 of the Italian Civil Code: "attributing positive sign" plus the sum of the values entered under numbers 1); 2); 3); 4) and 5) of the Value of Production under letter A) of the Income Statement; "attributing a negative sign" minus the sum of the values entered under numbers 6); 7); 8); 9); 10) under C) and under D); 11); 12); 13); 14) of the Cost of Production under point B) of the Income Statement. Lease payments (principal and interest) should not be included in the Cost of Production. Costs incurred in connection with the entry of the KAIS Renaissance ELTIF investment fund and/or Admission are not allowed and/or counted towards EBITDA. Capitalisation of intangible assets for in-house construction that may have been provided for in the balance sheet is not permitted and/or included in the EBITDA calculation. It is understood that, for the purposes of applying the above formula, EBITDA will be the value resulting from the application of the above formula, based on the latest consolidated financial statements. It is understood that for the purposes of this definition, the conditions which are deemed to prevail are always the most restrictive between what is detailed in these Bylaws and what is provided for by the applicable Accounting Standards;

(b) "**NFP**': indicates, without giving rise to any duplication of accounting items, any debt related to: (a) the repayment of funds obtained by way of medium- to long-term financing, including all types of bonds and/or other debt instruments, discounting and factoring with recourse, advances subject to the payment of bank receipts (excluding the assignment of receivables, discounting and factoring, in each case without recourse); (b) monetary obligations of any other kind arising out of the rendering of a service and/or the purchase of goods which are due to fall due more than 180 days after the rendering of the service and/or the purchase of the goods to which they relate or which, in the absence of objections on the ground of non-performance by the other party, fall due more than 120 days after their original due date; it being understood that monetary obligations arising from contracts which, although they have longer time periods than those indicated in this point (b), are specifically structured with the respective counterparties according to principles which exclude their accounting in the Financial Indebtedness according to the applicable Accounting Principles are excluded; (c) amounts due to lessors under IAS 17, limited to the principal amount, as well as the consideration due and not yet paid for the purchase of the asset upon exercise of the option right; (d) any transaction in derivative financial instruments as defined under the TUF (for the purpose of calculating the value of a derivative financial instrument, the market value*(mark to market*) of such derivative financial instrument at that time will be used, unless a sum is not paid); (e) redeemable shares, preference shares or similar instruments which qualify as financial indebtedness under applicable Accounting Standards, it being understood that PAS Special Shares shall not constitute debt; (f) any other transaction which has the effect of a loan, regardless of the technical form in which it is concluded; (g) the deferred payment (in whole or in part) of the purchase price of an asset where such deferral is used principally for the purpose of raising funds or financing the purchase of that asset (including, but not limited to, vendor loans, earn-outs and put-and-call agreements, where they serve that purpose); (h) any onerous indebtedness of a commercial or other nature except as provided in (b) above; (i) any overdue tax or social security debt; (l) any debt of a commercial nature that is more than 30 days past due; (items (a) to (l) constitute "Financial Indebtedness"). The above values are to be netted of liquid assets (cash and deposits without restrictions, liens or pledges). It is understood that for the purposes of this definition, the conditions which are deemed to prevail are always the most restrictive between what is detailed in these Bylaws and what is provided for by the applicable Accounting Standards.

- once the board of directors has ascertained the precise number of PAS Special Shares to be converted into ordinary shares or to be cancelled, the conversion or cancellation takes place automatically, without the need for any manifestation of will by the respective holders and without any change in the amount of the share capital, but with a consequent change, in the event of cancellation, of the accounting parity of the remaining shares;

- as a result of the above operations, the Board of Directors will promptly take steps to: (a) record in the shareholders' register any cancellation or conversion of PAS Special Shares; (b) to file with the Register of Enterprises, pursuant to article 2436, paragraph 6, of the Italian Civil Code, (b1) the amendment of the total number of ordinary shares into which the share capital is divided and/or (b2) the elimination of the clauses and/or sections of clauses of these bylaws which have lapsed as a result of the conversion and/or cancellation of the PAS Special Shares; (c) communicate the conversion and/or the cancellation of the PAS Special Shares by means of a press release published on the Company's website, as well as make all other communications and declarations that may be necessary and/or appropriate

Pursuant to Article 5 of the Bylaws, the Extraordinary Shareholders' Meeting may resolve to issue special classes of shares, determining the form, method of transfer and rights of the holders of such shares. Such special classes of shares may also be allotted individually to employees of the company or its subsidiaries, for an amount corresponding to the profits allocated to the employees.

In addition, pursuant to Article 7 of the Bylaws, the Company may issue bearer or registered bonds in accordance with the provisions of the law.

Pursuant to Article 19 of the Bylaws, the profits resulting from the balance sheet approved by the shareholders' meeting, after deduction of the portion allocated to the legal reserve, may be distributed to the shareholders in proportion to the shares respectively held or allocated to the reserve, as resolved by the shareholders' meeting.

The Ordinary Shares, Special Shares and PAS Special Shares are subject to the dematerialisation regime pursuant to Articles 83-bis et seq. of the TUF.

15.2.3 Provisions in the bylaws that could have the effect of delaying, postponing or preventing a change in the Issuer's control structure

With the exception of the provisions of Article 13 of the Bylaws in relation to reverse takeover transactions, where specific authorisations by the Shareholders' Meeting are required as well as compliance with other provisions of the EGM Issuer Regulation, the Bylaws do not contain any provisions that could have the effect of delaying, postponing or preventing a change in the control structure of the Issuer.

It should also be noted that Article 9 of the Bylaws contains, in accordance with the provisions of Article 6-bis of the EGM Issuer Regulation, the clause on tender offers set out in Schedule Six of the EGM Issuers' Regulations. In addition, Article 10 of the Bylaws provides that the provisions relating to listed companies set forth in the Consolidated Law on Finance and Consob's implementing regulations on mandatory tender offers (limited to the rules set forth in Articles 108 and 111 of the TUF) shall apply, by voluntary reference and to the extent compatible.

16. MAIN CONTRACTS

16.1 Bond Issue for €20,000,000

On 12 November 2021, the Issuer issued a bond for a total nominal amount up to a maximum of €20,000,000.00 named "*Star7 Tf 4.75% 2021-2028 Amort Eur*", represented by and divided into 200 bearer bonds with a nominal value of €100,000.00 each in non-fragmentable denominations, issued in dematerialised form with Monte Titoli and admitted to trading on the ExtraMOT PRO[3] segment, organised and managed by Borsa Italiana (the "**€20,000,000 Bond**").

The €20,000,000 Bond was fully subscribed by the securitisation vehicle named SBB SPV S.r.l., with a simultaneous issue by the said underwriter, pursuant to Law No. 130 of 30 April 1999, of asset-backed securities with limited recourse on the €20,000,000 Bond, subscribed by specific institutional investors, in order to finance the payment of the subscription price of the €20,000,000 Bond due to the Issuer.

In the context of the same transaction, the Issuer also entered into the LocalEyes Pledge Agreement and the Acquisition Contract Assignment of Receivables Agreement.

The proceeds from the issue of the €20,000,000 Bond were entirely used by the Issuer to enable the financing of the LocalEyes Acquisition (for further details, see Section One, Chapter 16, Paragraph 16.3.1 of this Admission Document).

The terms and conditions of the aforementioned bond are governed by a special bond regulation and are contained in the Admission Document of the €20,000,000 Bond Issue.

Banca Sella S.p.A. acted as arranger in relation to the issuance of the bonds related to the €20,000,000 Bond Issue.

The main terms of the €20,000,000 Bond Issue, as governed by the relevant regulations, are set forth below.

Status

The obligations in connection with the €20,000,000 Bond shall be direct, unconditional and unsubordinated to all further debts of the Issuer and shall at all times rank pari passu with each other and at least pari passu with the Issuer's other present and future non-preferential and non-subordinated debt securities, except in any case for debt securities of the Issuer which are preferred under general mandatory provisions of law.

Interest

The fixed annual nominal lard rate for the calculation of interest is 4.75%. However, depending on the value assumed by certain financial parameters at specific calculation dates, it is possible that the above interest rate may be increased up to an amount of 6.75%.

Interest will be paid on 12 November and 12 May of each year until the maturity date of 12 November 2028.

Repayment

The bonds related to the €20,000,000 Bond Issue shall be repaid, according to a repayment plan, in semi-annual instalments of principal falling due on 12 November and 12 May of each calendar year, beginning on 12 May 2023 and ending on 12 November 2028.

Mandatory early repayment

The terms and conditions of the €20,000,000 Bond provide for a series of significant events, upon the occurrence of which the Issuer may be called upon to immediately repay the obligations connected with the said loan, including, but not limited to, the following:

- non-payment by the Issuer, when due, of any sum due in respect of such obligations, whether by way of principal or interest;
- the occurrence of insolvency of the Issuer and/or of a company of the Group pursuant to Article 5 of R.D. 16 March 1942, no. 67, or the failure of the Issuer and/or of a company of the Group to continue as a going concern, or the occurrence of any cause for the dissolution of the Issuer pursuant to Article 2484 of the Italian Civil Code, or the adoption of a resolution by the competent body of the Issuer and/or of another company of the Group resolving the liquidation of the Issuer and/or of the relevant company of the Group, or the cessation of all or a substantial part of its business, or the bankruptcy of the Issuer and/or of a company of the Group
- the sale of the interest held in LocalEyes;
- the occurrence of any event or circumstance as a result of which there is a change of control (i.e. the acquisition of control of the Issuer by a third party other than Lorenzo Mondo, owner of Dante S.r.l., and/or the acquisition of the right to appoint the majority of the members of the board of directors of the Issuer by a third party other than Lorenzo Mondo);
- the occurrence in relation to the contractual obligations of the Issuer arising from the €5 million Bond Issue of any default by the Issuer, including, inter alia, the non-payment of any amount when due under the contract; and
- any statutory or regulatory provision or any administrative or judicial order which would make it unlawful for any of the holders of the Bonds to retain ownership thereof.

Optional early redemption by the Issuer

The Issuer has the right to redeem in advance in full the bonds related to the €20,000,000 Bond, starting on 12 November 2024 and on each subsequent interest payment date (i.e., every 12 November and every 12 May until the maturity date).

In any case, early redemption by the Issuer may be effected by the payment of an aggregate redemption price calculated on the basis of specific percentages, such as, without limitation: (i) a price equal to 104.5% of the residual nominal value in 2025, (ii) a price equal to 103% of the residual nominal value in 2026, and (iii) a price equal to 101.5% of the residual nominal value in 2027.

Commitments of the Issuer

Pursuant to the €20,000,000 Bond, the Issuer undertakes for the entire duration of the said loan, inter alia, to

- not to make (and to ensure that, also pursuant to Article 1381 of the Italian Civil Code, the companies of the Group do not make) amendments to its bylaws which would result in a significant change in the activity carried out by the Issuer and/or the relevant company of the Group and to promptly notify the bondholders of any such amendments;

- not to pay (and to ensure that, also pursuant to Article 1381 of the Italian Civil Code, the companies of the Group do not pay) in any case gross annual remuneration to the shareholders and directors of the Issuer in excess of a total of €945,000 for each financial year of duration of the €20,000,000 Bond Loan, it being understood that from 31 December 2023, if the Issuer complies with certain profitability and/or capitalisation parameters provided for in the business plan, it shall be entitled to approve an increase in the aforementioned gross annual remuneration up to a maximum of 30% above the threshold indicated therein;
- not to approve, nor to carry out (and to ensure that, also pursuant to article 1381 of the Italian Civil Code, the companies of the Group do not approve or carry out) acquisitions of properties or assets of any kind, of investments in the share capital of other companies or entities or companies or company branches or sales, transfer and / or assignment operations, without prejudice to the possibility for the Issuer to carry out so-called permitted acquisitions (including, for example, acquisitions of companies, company branches or shareholdings in the share capital of companies inherent to the Issuer's core business or in adjacent industrial segments) and so-called permitted sales (including the sales of obsolete or otherwise unusable assets, falling within the ordinary activities of the Issuer and the Group, provided that such proceeds are reinvested to finance the Issuer's core business), provided that the Issuer gives evidence to bondholders of compliance with certain financial parameters;
- not make any payment to shareholders and creditors of subordinated and subordinated debt without the prior written consent of the bondholders;
- not constitute (and procure that, also pursuant to Article 1381 of the Italian Civil Code, the companies of the Group do not constitute) any surety, personal guarantee, mortgage, pledge, other security, charge or other encumbrance of a real nature on its assets, except for any encumbrances already existing and as agreed in the Acquisition Contract Assignment of Receivables Agreement and the LocalEyes Pledge Agreement;
- not to transfer its registered office outside Italian territory;
- promptly notify the bondholders of the occurrence of any natural, technical, administrative, corporate or fiscal event, which may cause any event whose direct or indirect consequences adversely affect the Issuer's economic or financial conditions in such a way as to impair the Issuer's ability to fulfil its obligations under the €20,000,000 Bond; or
- not to grant (and to ensure that, also pursuant to Article 1381 of the Italian Civil Code, Group companies do not grant) loans of any form or nature whatsoever to third parties other than other Group companies.

It should be noted that, as of the Admission Document Date, no events of default have occurred under the €20,000,000 Bond Issue.

16.2 €5,000,000 Bond Issue

On 12 November 2021, the Issuer issued a bond for a total nominal amount up to a maximum of €5,000,000.00 named "*Star7 Tf 4.75% Ott28 Amort Eur*", represented by and divided into 50 bearer bonds with a nominal value of €100,000.00 each in non-fragmentable denominations, issued in dematerialised form with Monte Titoli and admitted to trading on the ExtraMOT PRO[3] segment, organised and managed by Borsa Italiana (the "**€20,000,000 Bond**").

The €5,000,000 Bond Issue was fully subscribed by VER Capital SGRpa, acting as delegated entity for the management of VER Capital Credit Partners SMEs VII SA SICAV-SIF.

In the context of the same transaction, the Issuer also entered into the LocalEyes Pledge Agreement and the Acquisition Contract Assignment of Receivables Agreement.

The proceeds from the issue of the Bond of €5,000,000 were entirely used by the Issuer to enable the financing of the LocalEyes Acquisition (for further details, see Section One, Chapter 16, Paragraph 16.3.1 of this Admission Document).

The terms and conditions of the aforementioned bond loan are governed by a special bond loan regulation and are contained in the Admission Document of the €5,000,000 Bond Issue.

Banca Sella S.p.A. acted as arranger in relation to the issue of the bonds under the €5,000,000 Bond Issue.

The main terms of the €5,000,000 Bond Issue, as governed by the relevant regulations, are set forth below.

Status

The obligations in connection with the €5,000,000 Bond shall be direct, unconditional and unsubordinated to all further debts of the Issuer and shall at all times rank pari passu with each other and at least pari passu with the Issuer's other present and future non-preferential and non-subordinated debt securities, except in any case for debt securities of the Issuer which are preferred under general mandatory provisions of law.

Interest

The fixed annual nominal lard rate for the calculation of interest is 4.75%. However, depending on the value assumed by certain financial parameters at specific calculation dates, it is possible that the above interest rate may be increased up to an amount of 6.75%.

Interest will be paid on 12 November and 12 May of each year until the maturity date of 25 October 2028.

Repayment

The bonds related to the €5,000,000 Bond Issue shall be repaid, according to a repayment plan, in semi-annual instalments of principal due on 12 November and 12 May of each calendar year, starting on 12 May 2023 and ending on the final maturity date of 25 October 2028.

Mandatory early repayment

The terms and conditions of the €5,000,000 Bond provide for a series of significant events, upon the occurrence of which the Issuer may be called upon to immediately repay the obligations connected with the said loan, including, but not limited to, the following:

- non-payment by the Issuer, when due, of any sum due in respect of such obligations, whether by way of principal or interest;
- the occurrence of insolvency of the Issuer and/or of a company of the Group pursuant to Article 5 of R.D. 16 March 1942, no. 67, or the failure of the Issuer and/or of a company of the Group to continue as a going concern, or the occurrence of any cause for the dissolution of the Issuer pursuant to Article 2484 of the Italian Civil Code, or the adoption of a resolution by the competent body of the Issuer and/or of another company of the Group resolving the liquidation of the Issuer and/or of the relevant company of the Group, or the cessation of all or a substantial part of its business, or the bankruptcy of the Issuer and/or of a company of the Group
- the sale of the interest held in LocalEyes;
- the occurrence of any event or circumstance as a result of which there is a change of control (i.e. the acquisition of control of the Issuer by a third party other than Lorenzo Mondo, owner of Dante S.r.l., and/or the acquisition of the right to appoint the majority of the members of the board of directors of the Issuer by a third party other than Lorenzo Mondo);
- the occurrence in relation to the Issuer's contractual obligations under the €20 million Bond Issue of any default by the Issuer, including, inter alia, the non-payment of any amount when due under the contract; and
- any statutory or regulatory provision or any administrative or judicial order which would make it unlawful for any of the holders of the Bonds to retain ownership thereof.

Optional early redemption by the Issuer

The Issuer has the right to repay in advance in full the bonds related to the €5,000,000 Bond, starting on 12 November 2024 and on each subsequent interest payment date (i.e. every 12 November and every 12 May until the maturity date).

Nevertheless, early redemption by the Issuer may be effected by the payment of an aggregate redemption price calculated on the basis of specific percentages, such as, without limitation: (i) a price equal to 104.5% of the residual nominal value in 2025, (ii) a price equal to 103% of the residual nominal value in 2026, and (iii) a price equal to 101.5% of the residual nominal value in 2027.

Commitments of the Issuer

Pursuant to the €5,000,000 Bond, the Issuer undertakes for the entire duration of the said loan, inter alia, to

- not to make (and to ensure that, also pursuant to Article 1381 of the Italian Civil Code, the companies of the Group do not make) amendments to its bylaws which would result in a significant change in the activity carried out by the Issuer and/or the relevant company of the Group and to promptly notify the bondholders of any such amendments;
- not to pay (and to ensure that, also pursuant to Article 1381 of the Italian Civil Code, the

companies of the Group do not pay) in any case gross annual remuneration to the shareholders and directors of the Issuer in excess of a total of €945,000 for each financial year of duration of the Bond Loan of €5,000,000, it being understood that as from 31 December 2023, if it complies with certain profitability and/or capitalisation parameters provided for in the business plan, the Issuer shall be entitled to approve an increase in the aforementioned gross annual remuneration up to a maximum of 30% above the threshold indicated therein;

- not to approve, nor to carry out (and to ensure that, also pursuant to article 1381 of the Italian Civil Code, the companies of the Group do not approve or carry out) acquisitions of properties or assets of any kind, of investments in the share capital of other companies or entities or companies or company branches or sales, transfer and / or assignment operations, without prejudice to the possibility for the Issuer to carry out so-called permitted acquisitions (including, for example, acquisitions of companies, company branches or shareholdings in the share capital of companies inherent to the Issuer's core business or in adjacent industrial segments) and so-called permitted sales (including the sales of obsolete or otherwise unusable assets, falling within the ordinary activities of the Issuer and the Group, provided that such proceeds are reinvested to finance the Issuer's core business), provided that the Issuer gives evidence to bondholders of compliance with certain financial parameters;
- not make any payment to shareholders and creditors of subordinated and subordinated debt without the prior written consent of the bondholders;
- not constitute (and procure that, also pursuant to Article 1381 of the Italian Civil Code, the companies of the Group do not constitute) any surety, personal guarantee, mortgage, pledge, other security, charge or other encumbrance of a real nature on its assets, except for any encumbrances already existing and as agreed in the Acquisition Contract Assignment of Receivables Agreement and the LocalEyes Pledge Agreement;
- not to transfer its registered office outside Italian territory;
- promptly notify the bondholders of the occurrence of any natural, technical, administrative, corporate or fiscal event, which may cause any event whose direct or indirect consequences adversely affect the Issuer's economic or financial conditions in such a way as to impair the Issuer's ability to fulfil its obligations under the €5,000,000 Bond; or
- not to grant (and to ensure that, also pursuant to Article 1381 of the Italian Civil Code, Group companies do not grant) loans of any form or nature whatsoever to third parties other than other Group companies.

It should be noted that, as of the Admission Document Date, no events of default have occurred under the €5,000,000 Bond Issue.

16.3 Acquisition contracts

16.3.1 Acquisition of 100% of the share capital of LocalEyes Ltd.

On 21 July 2021, the Company, as purchaser, entered into an agreement with Cubic Venture S.A. and Kibest S.r.l. (owner of Cubic Venture S.A.), for the acquisition of the entire share capital of

LocalEyes Ltd. ("**LocalEyes**"), an Irish-registered company active in the translation and localisation sector providing global services in over 60 countries, and owner of certain shareholdings(i.e., LocalEyes Albania Sh.p.k.; LocalEyes Nederland B.V.; LocalEyes Espana S.L.; LocalEyes Suomi Oy; LocalEyes USA LLC; CB Service S.A.) and branch offices*(i.e.* , LocalEyes Ltd (German branch); LocalEyes Sverige filial; LocalEyes Denmark and LocalEyes France) (the "**LocalEyes Acquisition**").

The closing of the LocalEyes Acquisition took place on 15 November 2021, through the transfer of the entire share capital of LocalEyes to the Company, in execution of the agreement signed between the same parties on 21 July 2021.

This agreement provides for a consideration of €32,000,000, subject to adjustment (upwards or downwards), to be paid in five separate *tranches* as follows:

- the first *instalment* of €500,000 was paid on the date of the signing of the relevant acquisition contract (i.e., 21 July 2021) as a deposit;
- the second tranche equal to €26,500,000, of which €24,500,000 shall be paid on 15 November 2021(i.e. , the date of completion of the above transaction), against the proceeds obtained by the Issuer through the Bond Issues, and €2,000,000 to be paid on 31 December 2021;
- a third tranche amounting to €2,000,000, subject to possible adjustments (upwards or downwards) based on mechanisms specifically agreed by the parties in the acquisition agreement on 31 May 2022 or within five business days from the date on which the parties receive a decision with respect to the price adjustment from the independent auditors;
- a fourth *tranche* of €1,500,000 by 31 December 2023; and
- a fifth and final *tranche* of €1,500,000 by 31 December 2024.

As a guarantee of the regular payment of the various *tranches of* payment, the Company has granted a pledge in favour of Cubic Venture S.A. of a number of Shares equal to 4% of its share capital, which will be reduced and then discharged *pari passu* with the payment of the aforesaid *tranches* (the "**Pledge**") and in particular it has been provided that

(a) in the event that the Trading Commencement Date occurs on or before 31 July 2022, within twenty business days, the Seller shall release the Pledge in full and the Company an independent bank guarantee on first demand in the amount of €3,000,000; or

(b) in the event that the Trading Commencement Date does not occur before 31 July 2022, the Seller Company shall release only half of the Pledge and the Company an autonomous bank guarantee on first demand in the amount of €1,500,000.

With regard to the guarantees given by Cubic Venture S.A. and Kibest S.r.l. (a shareholder of Cubic Venture S.A.) for the fulfilment of any indemnity obligations, as well as non-competition and solicitation obligations, it is also provided, pursuant to the above-mentioned acquisition agreement:

(a) if the Trading Commencement Date occurs on or before 31 July 2022, within twenty business days, the delivery to the Company of an autonomous bank guarantee on first demand of €3,000,000, provided that the Company simultaneously delivers a guarantee of the same amount, as described above;

(b) if the Trading Commencement Date is not later than 31 July 2022, the delivery to the Company of an autonomous first demand bank guarantee of €2,000,000, provided that the Company simultaneously delivers a guarantee of €1,500,000, as described above.

The foregoing agreement contains and representations and warranties for transactions of this *standard* nature by the Seller in favour of the Company, such as, without limitation, relating to tax, labour law and compliance with applicable laws and regulations, with related indemnity obligations as well as certain specific indemnities provided with respect to LocalEyes and LocalEyes' subsidiaries.

The indemnification obligations are assumed by Cubic Venture S.A. and Kibest S.r.l. jointly and severally, and it is envisaged that the indemnification and hold harmless obligations described above shall be valid and effective: (a) until the expiration of 36 months from the date of the closing of the LocalEyes Acquisition and (b) solely with respect to the untruthfulness, inaccuracy, incompleteness and/or inaccuracy of certain representations and warranties within the 60th business day after the expiration of the applicable longer period of prescription or forfeiture of the underlying rights.

It is also envisaged in the context of the same transaction, the presence of non-competition and solicitation obligations on the part of Cubic Venture S.A., Kibest S.r.l. and Mr Carlo Cozza (i.e., owner of the entire share capital of Kibest S.r.l.), directly and/or indirectly, on their own behalf or on behalf of third parties, relating to the non-competition, the diversion of employees and the diversion of customers/suppliers of LocalEyes and/or LocalEyes' subsidiaries. In particular, it is provided that these bans have a duration of five years and concern exclusively the activity of language services, translation, localisation and interpreting, drafting of technical manuals for use by customers and the sales/maintenance network, also relating to process and product engineering, video and image production, with a geographical extension to all the countries of the European Union, as well as the United Kingdom, Albania, the United States of America, Indonesia, Malaysia, China, Japan, Vietnam and Russia.

The above acquisition contract is governed by Italian law

16.3.2 Acquisition of 100% of the share capital of The Geo Group Corporation

On 23 April 2021, STAR USA LLC, as purchaser, entered into an agreement with Georgia J. Roeming to acquire the entire share capital of The Geo Group Corporation, a company incorporated under the laws of the State of Wisconsin ("Geo Group").

In connection with this transaction, STAR USA LLC completed the acquisition of the entire share capital of The Geo Group Corporation, in execution of the agreement signed between the same parties.

This contract provides for a consideration of USD 1,500,000, subject to adjustment, to be paid as follows:

- seventy percent of the amount was paid on the closing date of the acquisition;

- the remaining thirty percent has been subject to an escrow for a period of twelve months, at the end of which payment of the aforementioned residual amount will be made, subject to the following conditions: (i) Geo Group's maintenance of its customer base; and (ii) the achievement of certain pre-established revenues targets of USD 3,000,000.

The contract also provides for the possibility of a price adjustment in favour of the seller of up to US$ 200,000 (calculated on the basis of personnel cost savings to be agreed between the buyer and the seller, as well as on a mechanism provided for in the acquisition contract). As at the Admission Document Date, STAR USA LLC has not reached agreement with the seller as to the value of the above personnel cost savings (related to the price adjustment) and is in the process of negotiating a possible settlement, up to a price adjustment value of US$ 125,000.

As part of the acquisition agreement, the parties also provided that, in the event of a material decline in Geo Group's sales of more than 60%, the escrowed amount would be retained by STAR USA LLC to cover losses. Conversely, STAR USA LLC has agreed to recognise a possible premium of USD 100,000 to be paid to the selling party if, in the period between 1 April 2021 and 31 March 2022, Geo Group achieves revenues of USD 4,000,000 or more.

The agreement contains representations and warranties by the vendor with respect to, *inter alia*, tax matters and matters relating to the internal dynamics of Geo Group, and obligations to indemnify the vendor for any liabilities arising in connection with the vendor's breach of such representations and warranties, consistent with market practice for transactions of this nature.

Except for liabilities arising from wilful misconduct or gross negligence, in respect of which no limit of liability applies, the total liability of the Seller under its indemnity obligations under the said contract shall not exceed, and shall therefore be limited to, USD 300,000.

The indemnification obligations described above are valid and effective for a period of eighteen months from the date of completion of the acquisition.

The acquisition agreement is governed by the law of the State of Wisconsin (USA)

16.3.3 Acquisition of 100% of the share capital of Techworld Language Services, Inc

On 18 June 2019, STAR USA LLC, as acquirer, entered into an agreement with Frederick Meinberg, to acquire the entire share capital of Techworld Language Services, Inc. a company incorporated under the laws of the State of Michigan ("**Techworld Language Services**").

The closing of the above transaction took place on 15 July 2019, through the transfer of the entire share capital of Techworld Language Services to STAR USA LLC, in execution of the agreement signed between the same parties on 18 June 2019.

This contract provides for a provisional consideration of USD 3,700,000, subject to adjustment, to be paid as follows:

- an amount equal to US$2,775,000 (i.e. 75% of the purchase price) was paid on the day of the completion of the above transaction;

- an amount of USD 925,000(i.e. 25% of the purchase price) was deposited in an escrow account to cover any liability or indemnity towards the seller (this deposit was released in full within 12 months of the conclusion of the contract).

A further amount was also foreseen as a profitability variable, the so-called earn-out, which was not paid since the objectives agreed upon in the aforementioned contract were not achieved.

The aforementioned contract contains representations and warranties by the seller with respect to matters, *inter alia*, of a fiscal nature as well as relating to the internal dynamics of Techworld Language Services, and related indemnity obligations for any liabilities that may arise in connection with the seller's breach of such representations and warranties, consistent with market practice for transactions of this nature. The indemnification obligations described above are valid and effective for a period of eighteen months from the date of completion of the acquisition.

The acquisition agreement is governed by the law of the State of Michigan (USA).

16.4 Financing contracts

STAR7 financing

16.4.1 Loan agreement entered into between the Company and Mediocredito Italiano S.p.A. (subsequently, merged by incorporation into Intesa Sanpaolo S.p.A.) on 30 May 2019

On 30 May 2019, the Company and Mediocredito Italiano S.p.A. (subsequently, merged by incorporation into Intesa Sanpaolo S.p.A.) ("**Mediocredito**") entered into a loan agreement concerning the provision by Mediocredito in favour of the Company of a loan of €3,000,000 to meet the Company's financial requirements necessary to provide STAR USA LLC with the financial resources for the acquisition of Techworld Language Solutions (see Section One, Chapter 16, Paragraph 16.3.3 of the Admission Document).

The interest rate applied is a variable annual nominal rate calculated as follows: One-month EURIBOR (calculated on a 360 basis), plus a spread of 1.85% and rounded up to the nearest 0.05%. The default rate is a nominal annual interest rate plus 7%. The repayment plan provides for 48 monthly instalments with the last instalment due on 31 January 2024. As of the Admission Document Date, the outstanding debt related to the loan amounts to €1,674,189.

The Company shall promptly notify Mediocredito, providing it with any documentation relating to, *inter alia,* the following: (i) any application for bankruptcy proceedings of its own or another STAR7 Group company; (ii) the exercise of the right of withdrawal by one or more shareholders and all subsequent events relating thereto; (iii) any assumption of purchase of its shares; (iv) any cessation of its activity or any substantial modification thereof. In addition, the Company is required to send Mediocredito by 31 July each year: (i) a copy of its financial statements, the reports of the management and supervisory bodies and the minutes of their approval, as well as a copy of the list of shareholders and other holders of shares in the company; as well as (ii) a copy of the consolidated financial statements of the STAR7 Group, if any.

In the event of late payment of any amount due under the loan agreement, interest on arrears shall be payable to Mediocredito at the contractual rate in force plus 7% from the day on which the payment is due. In such a case, Mediocredito shall be entitled to consider the loan agreement terminated.

Mediocredito has the right to terminate or withdraw from the aforementioned loan agreement, or to give notice of termination of the loan agreement pursuant to Article 1186 of the Italian Civil Code, if, by way of example, the Company is subject to attachment, sequestration or judicial mortgage, or if it fails to meet its credit, financial or guarantee obligations towards other banks in the group to which Mediocredito belongs (i.e., as at the Admission Document Date, Intesa Sanpaolo)

16.4.2 Loan agreement entered into between the Company and Banco BPM S.p.A. dated 1 September 2020

On 1 September 2020, the Company and Banco BPM S.p.A. signed a loan agreement for the disbursement by Banco BPM S.p.A. to the Company of a loan of €1,500,000. The above-mentioned loan agreement is guaranteed by Mediocredito Centrale - Banca del Mezzogiorno S.p.A., through the Guarantee Fund for an amount of €1,200,000 and was granted to the Company in the context of the financial support measures related to the COVID-19 emergency.

The interest rate applied is a variable annual nominal rate calculated as follows: Three-month EURIBOR (calculated on a 360 basis), plus a spread of 0.55%. The default rate is a nominal annual interest rate convertible quarterly plus 2%. The annual percentage rate of charge is 0.7136% per annum. The repayment plan provides for 20 quarterly instalments in arrears with the last instalment due on 1 September 2026. As of the Admission Document Date, the outstanding debt related to the loan amounts to €1,425,975.00.

Under the terms of the loan agreement, the Issuer is obliged, inter alia: (i) to send to Banco BPM S.p.A., within 30 days of the shareholders' meeting approval of the annual financial statements with the profit and loss account (where required by law the consolidated one), complete with the report of the board of directors and the board of statutory auditors (if any) and, if required, the certification report of a leading auditing firm; (ii) to notify immediately any change or event of a technical, administrative, legal or litigious nature which might adversely affect its assets, liabilities, profit and loss or financial position or otherwise affect its ability to operate; (iii) not to make any changes without the prior consent of Banco BPM S.p.A. to its bylaws/shareholder agreements that could have a substantially detrimental effect; (iv) not to pass a resolution to reduce its share capital, except as required by law; (v) to propose voluntary liquidation; and (vi) not to set up assets earmarked for a specific business activity pursuant to Article 2447-bis of the Italian Civil Code, nor to request loans dedicated to a specific business activity pursuant to Article 2447-decies of the Italian Civil Code.

Notwithstanding the provisions of Article 1200 of the Italian Civil Code, the Issuer has also expressly waived the right to request, in the event of extinction, the release, even partial, of the assets of the lien and/or collateral provided, until two years have passed from the date of payment and extinction of the loan.

In addition, Banco BPM S.p.A. will have the right to declare the acceleration clause null and void, without the need for a court ruling, if the circumstances set out in art. 1186 of the Italian Civil Code apply or if, by way of example but not limited to, there is a request for admission to bankruptcy or insolvency procedures, including out-of-court procedures, and to terminate the loan agreement pursuant to art. 1456 of the Italian Civil Code, on receipt of the communication from the Company. In this case, the Company is obliged to immediately reimburse all amounts due to Banco BPM S.p.A. upon receipt of the relevant written request from Banco BPM S.p.A.

16.4.3 Loan agreement entered into between the Company and Banco BPM S.p.A. dated 1 September 2020

On 1 September 2020, the Company and Banco BPM S.p.A. signed a loan agreement for the disbursement by Banco BPM S.p.A. to the Company of a loan of €500,000. The above-mentioned financing contract is guaranteed by Mediocredito Centrale - Banca del Mezzogiorno S.p.A., through the Guarantee Fund for an amount equal to €450,000.

The interest rate applied is a variable annual nominal rate calculated as follows: Three-month EURIBOR (calculated on a 360 basis), plus a spread of 0.9%. The default rate is a nominal annual interest rate convertible quarterly plus 2%. The progressive repayment plan provides for 20 quarterly instalments in arrears with the last instalment due on 1 September 2026. As of the Admission Document Date, the outstanding debt related to the loan amounts to €475,530.

Under the terms of the loan agreement, the Issuer is obliged, inter alia: (i) to send to Banco BPM S.p.A., within 30 days of the shareholders' meeting approval of the annual financial statements with the profit and loss account (where required by law the consolidated one), complete with the report of the board of directors and the board of statutory auditors (if any) and, if required, the certification report of a leading auditing firm; (ii) to notify immediately any change or event of a technical, administrative, legal or litigious nature which might adversely affect its assets, liabilities, profit and loss or financial position or otherwise affect its ability to operate; (iii) not to make any changes without the prior consent of Banco BPM S.p.A. to its bylaws/shareholder agreements that could have a substantially detrimental effect; (iv) not to pass a resolution to reduce its share capital, except as required by law; (v) to propose voluntary liquidation; (vi) not to set up assets earmarked for a specific transaction pursuant to Article 2447-bis of the Italian Civil Code, nor to request loans dedicated to a specific transaction pursuant to Article 2447-decies of the Italian Civil Code.

Notwithstanding the provisions of Article 1200 of the Italian Civil Code, the Issuer has also expressly waived the right to request, in the event of extinction, the release, even partial, of the assets of the lien and/or collateral provided, until two years have passed from the date of payment and extinction of the loan.

In addition, Banco BPM S.p.A. will have the right to declare the acceleration clause null and void, without the need for a court ruling, if the circumstances set out in art. 1186 of the Italian Civil Code apply or if, by way of example but not limited to, there is a request for admission to bankruptcy or insolvency procedures, including out-of-court procedures, and to terminate the loan agreement pursuant to art. 1456 of the Italian Civil Code, on receipt of the communication from the Company. In this case, the Company is obliged to immediately reimburse all amounts due to Banco BPM S.p.A. upon receipt of the relevant written request from Banco BPM S.p.A.

16.4.4 Loan agreement entered into between the Company and Intesa Sanpaolo S.p.A. dated 7 September 2020

On 7 September 2020, the Company and Intesa Sanpaolo S.p.A. signed a loan agreement for a loan of €1,650,000 to be granted by Intesa Sanpaolo S.p.A. to the Company. The above-mentioned loan agreement is guaranteed by Mediocredito Centrale - Banca del Mezzogiorno S.p.A., through the Guarantee Fund for small and medium-sized enterprises for an amount of €1,320,000 (the "**Guarantee Fund**").

The interest rate applied is a variable annual nominal rate calculated as follows: Three-month EURIBOR (calculated on a 360 basis), plus a spread of 2.30% without the guarantee of the above-mentioned Guarantee Fund and of 1.40% with the guarantee of the above-mentioned Guarantee Fund. The default rate is a nominal annual interest rate plus 2%. The repayment plan provides for 16 quarterly instalments with the last instalment due on 7 September 2026. As of the Admission Document Date, the outstanding debt related to the loan amounts to €1,650,000.00.

Under the terms of the loan agreement, the Issuer is obliged, inter alia: (i) to send Intesa Sanpaolo SpA, within 30 days from the approval of the shareholders' meeting, the annual financial statements, complete with the report of the board of directors and the board of statutory auditors (if any), as well as the agenda of the ordinary and any extraordinary shareholders' meetings as soon as they are called and the related minutes within 30 days from the date on which the meeting took place; (ii) to provide, upon request, the statement, documentation and any other information or data on its capital, economic and financial condition in accordance with the instructions given by the supervisory body of the banks; (iii) to notify immediately any change or event of a technical, administrative, legal or litigious nature which might adversely affect its assets, liabilities, profit and loss or financial position or otherwise affect its ability to operate; and (iv) not to abandon, suspend or carry out the financed programme in a manner inconsistent with the forecasts delivered to the bank and not to commit, in whole or in part, the sums received as a loan for purposes other than those contractually agreed.

In addition, Intesa Sanpaolo S.p.A. will have the right to declare the acceleration clause null and void, without the need for a court ruling, in the event of the circumstances referred to in Article 1186 of the Italian Civil Code or, by way of example but not limited to, the request for admission to bankruptcy or insolvency procedures, including out-of-court procedures, and to terminate the loan agreement pursuant to Article 1456 of the Italian Civil Code or to withdraw from it pursuant to Article 1373 of the Italian Civil Code in certain circumstances (including merger, demerger, sale or contribution of a company or business unit), upon receipt of the notice from the Company. In this case, the Company is obliged to reimburse all sums due to Intesa Sanpaolo S.p.A. within 10 bank business days of receiving the relevant request from Intesa Sanpaolo S.p.A.

16.4.5 Loan agreement concluded between the Company and Credit Agricole S.A. dated

5 October 2020

On 5 October 2020, the Company and Credit Agricole S.A. signed a loan agreement concerning the disbursement by Credit Agricole S.A. in favour of the Company of a loan of €2,250,000. The above-mentioned financing contract is guaranteed by Mediocredito Centrale - Banca del Mezzogiorno S.p.A.

The interest rate applied is a variable annual nominal rate calculated as follows: Three-month EURIBOR (calculated on a 360 basis), plus a spread of 1.150%. The progressive repayment plan provides for 24 quarterly instalments in arrears with the last instalment due on 5 October 2026. As of the Admission Document Date, the outstanding debt related to the loan amounts to €2,250,000.00.

Under the terms of the loan agreement, the Issuer is obliged, inter alia: (i) to send Credit Agricole S.A. within 30 days from the approval of the shareholders' meeting, the annual financial statements, complete with balance sheet, income statement, explanatory notes, cash flow statement, report of the board of statutory auditors (if any), and the related minutes within 30 days from the date on which the assembly took place; and (ii) to notify immediately any change or event of a technical, administrative, legal or litigious nature which may adversely affect the financial position, results of operations or financial position or otherwise affect the ability to operate.

In addition, Credit Agricole S.A. shall have the right to declare the forfeiture of the benefit of the acceleration clause, without the need for a judicial ruling, in the event of the cases referred to in Article 1186 of the Italian Civil Code or, by way of example but not limited to, the request for admission to bankruptcy procedures or procedures, including out-of-court procedures, and to terminate the financing contract pursuant to Article 1456 of the Italian Civil Code, upon receipt of the communication from the Company. In such a case, the Company shall immediately reimburse all amounts due to Credit Agricole S.A. upon receipt of the relevant written request from Credit Agricole S.A.

16.4.6 Loan agreement entered into between the Company and Banca Sella S.p.A. dated 4 November 2020

On 4 November 2020, the Company and Banca Sella S.p.A. signed a loan agreement for the disbursement by Banca Sella S.p.A. to the Company of a loan of €1,000,000.00. The aforementioned loan agreement is guaranteed by the European Investment Fund, and was granted to the Company in the context of financial support measures related to the COVID-19 emergency.

The interest rate applied is a variable annual nominal rate calculated as follows: Three-month EURIBOR (calculated on a 360 basis), plus a spread of 1.90%. The repayment plan provides for 60 monthly instalments in arrears starting on 31 December 2021 with the last instalment due on 3 November 2026. As of the Admission Document Date, the outstanding debt related to the loan amounts to €983,900.00.

Delay and/or non-payment on the due date of the pre-amortisation interest or even of a single amortisation instalment shall automatically and without the need for a judicial ruling or notice, result in the Company's forfeiture of the benefit of the term and the obligation to repay the residual debt, including interest, even in arrears, to Banca Sella S.p.A.

Banca Sella S.p.A. shall have the right to withdraw from the present loan agreement in the event of a substantial change in the corporate purpose of the Company entailing a change in its main activity, and in the event of a change in the corporate structure of the Company resulting from the exit of old shareholders or the entry of new shareholders.

In addition, Banca Sella S.p.A. shall be entitled to terminate the contract pursuant to Article 1456 of the Italian Civil Code upon the occurrence of certain hypotheses (including, among others, a protest or conservative or executive proceedings or judicial mortgage against the Company or the performance of any act which diminishes its assets or economic standing). Failure to pay the accrued interest or any other sum due in respect of the loan shall entitle Banca Sella S.p.A. to consider the Company as having forfeited the benefit of the term, without the need for any prior formality, pursuant to Article 1186 of the Italian Civil Code, in which case the Company shall immediately repay the loan.

16.4.7 Loan agreement entered into between the Company and Unicredit S.p.A. dated 18 November 2020

On 18 November 2020, the Company and Unicredit S.p.A. signed a loan agreement for Unicredit S.p.A. to provide the Company with a loan of €2,000,000.00. The above loan agreement is guaranteed by SACE S.p.A., and was granted to the Company in the context of the financial support measures related to the COVID-19 emergency.

The interest rate applied is a variable annual nominal rate calculated as follows: Three-month EURIBOR (calculated on a 360 basis), plus a spread of 1.05%. The default rate is a nominal annual interest rate convertible quarterly plus 2%. The repayment plan provides for quarterly instalments in arrears starting from 31 December 2021 with the last instalment due on 30 September 2026. As of the Admission Document Date, the outstanding debt related to the loan amounts to €2,000,000.00.

Under the terms of the loan agreement, the Issuer is obliged, inter alia: (i) to send Unicredit S.p.A. within 30 days of the approval of the shareholders' meeting, the annual financial statements, complete with explanatory notes, report of the board of statutory auditors (if any), and the related minutes within 30 days from the date on which the meeting took place; and (ii) to notify immediately any change or event of a technical, administrative, legal or litigious nature which may adversely affect the financial position, results of operations or financial position or otherwise affect the ability to operate.

Furthermore, Unicredit S.p.A. shall be entitled to declare the acceleration clause null and void, without the need for a court ruling, in the event of the hypotheses referred to in Article 1186 of the Italian Civil Code or, by way of example but not limited to, the request for admission to bankruptcy or insolvency procedures, including out-of-court procedures, and to terminate the loan agreement pursuant to Article 1456 of the Italian Civil Code, on receipt of the communication from the

Company. In this case, the Company is obliged to immediately reimburse all amounts due to Unicredit S.p.A. upon receipt of the relevant written request from Unicredit S.p.A..

16.4.8 Loan agreement entered into between the Company and Banca Popolare di Sondrio dated 12 January 2021

On 12 January 2021, the Company and Banca Popolare di Sondrio S.p.A. signed a loan agreement for the disbursement by Banca Popolare di Sondrio S.p.A. to the Company of a loan of €1,000,000.00.

The interest rate applied is a variable annual nominal rate calculated as follows: One-month EURIBOR (calculated on a 360 basis), plus a spread of 1.0%. The default rate is a nominal annual interest rate convertible quarterly plus 1.9%. The repayment plan provides for 48 deferred monthly instalments with the last instalment due on 1 February 2025. As of the Admission Document Date, the outstanding debt related to the loan amounts to €1,000,000.00.

Under the terms of the loan agreement, the Issuer is obliged, inter alia: (i) to send to Banca Popolare di Sondrio S.p.A., within 30 days from the date of dispatch of the request, all documents, accounting situations, information and relevant clarifications that may be requested; (ii) to notify it immediately of any change or event that may affect its assets; (iii) to inform Banca Popolare di Sondrio S.p.A. in advance of any new medium- and long-term loans requested from other institutions; and (iv) not to change or cease its principal activity.

Furthermore, Banca Popolare di Sondrio S.p.A. shall have the right to declare the forfeiture of the benefit of the term, without the need for a judicial pronouncement, where the hypotheses set forth in art. 1186 of the Italian Civil Code exist, or where there is, by way of example and not limited to, a request for admission to bankruptcy proceedings or procedures, even of an extrajudicial nature, and to terminate the financing contract pursuant to art. 1456 of the Italian Civil Code, upon receipt of the communication from the Company. In this case, the Company is obliged to immediately reimburse all amounts due to Banca Popolare di Sondrio S.p.A. upon receipt of the relative written request from Banca Popolare di Sondrio S.p.A.

16.4.9 Loan agreement entered into between the Company and Intesa Sanpaolo S.p.A. dated 29 January 2021

On 29 January 2021, the Company and Intesa Sanpaolo S.p.A. signed a loan agreement for a loan of €3,000,000.00 to be granted by Intesa Sanpaolo S.p.A. to the Company. The above financing contract is guaranteed by SACE S.p.A. (the "**SACE Guarantee**") and was granted to the Company in the context of the financial support measures related to the COVID-19 emergency.

The interest rate applied is a variable annual nominal rate calculated as follows: Three-month EURIBOR (calculated on a 360 basis), plus a spread of 1.40%. The default rate is a nominal annual interest rate plus 2%. The repayment plan provides for 20 monthly instalments of 150,000.00 with the last instalment due on 31 December 2026. The annual effective global rate of the above loan, calculated taking into account the remuneration of the SACE guarantee, is

1.93% per annum. As of the Admission Document Date, the outstanding debt related to the loan amounts to €3,000,000.00.

Under the terms of the loan agreement, the Issuer is obliged, inter alia: (i) to send Intesa Sanpaolo SpA, within 30 days from the approval of the shareholders' meeting, the annual financial statements, complete with the report of the board of directors and the board of statutory auditors (if any), as well as the agenda of the ordinary and any extraordinary shareholders' meetings as soon as they are called and the related minutes within 30 days from the date on which the meeting took place; (ii) to provide, upon request, the statement, documentation and any other information or data on its capital, economic and financial condition in accordance with the instructions given by the supervisory body of the banks; (iii) to notify immediately any change or event of a technical, administrative, legal or litigious nature which might adversely affect its assets, liabilities, profit and loss or financial position or otherwise affect its ability to operate; (iv) not to abandon, suspend or execute the financed programme in a manner inconsistent with the forecasts delivered to the bank and not to commit, in whole or in part, the sums received as a loan for purposes other than those contractually agreed; and (v) to produce, on a quarterly basis, a statement signed by the legal representative attesting that the withdrawals made from the sums deposited on the current accounts relate solely to the purposes of the loan.

Under the SACE Guarantee, the Issuer is obliged to: (i) use the proceeds of the loan solely in accordance with the purpose foreseen in the loan agreement; (ii) manage employment levels through trade union agreements for the duration of the loan agreement; (iii) not to approve or proceed with the distribution of dividends or the repurchase of shares during 2020, starting from 1 January 2020, or during the 12 (twelve) months following the date of the request for financing*(i.e.* , 9 April 2020) if the distribution of dividends or the repurchase of shares has already been approved by the Company at that date; (iv) pay to the bank, which shall transfer it to SACE S.p.A., the annual consideration; and (v) keep the substantial part of the production in Italy.

Intesa Sanpaolo S.p.A. shall have the right to declare the acceleration clause null and void, without the need for a court ruling, in the event of the circumstances referred to in Article 1186 of the Italian Civil Code or, by way of example but not limited to, the request for admission to bankruptcy or insolvency procedures, including out-of-court procedures, and to terminate the loan agreement pursuant to Article 1456 of the Italian Civil Code or to withdraw from it pursuant to Article 1373 of the Italian Civil Code in certain circumstances (including merger, demerger, sale or contribution of a company or business unit), upon receipt of the notice from the Company. In this case, the Company is obliged to reimburse all sums due to Intesa Sanpaolo S.p.A. within 10 bank business days of receiving the relevant request from Intesa Sanpaolo S.p.A.

STAR7 Printing financing

16.4.10 Financing agreement entered into between STAR7 Printing and Intesa Sanpaolo S.p.A. dated 23 February 2018

On 23 February 2018, STAR7 Printing and Intesa Sanpaolo S.p.A. signed a loan agreement concerning the disbursement by Intesa Sanpaolo S.p.A. in favour of STAR7 Printing of a loan amounting to €355,000.

The interest rate applied is a fixed annual nominal rate of 1.45%. The default rate is a nominal annual interest rate plus 2%. The repayment plan provides for 60 monthly instalments, including 4 pre-amortisation instalments, with the last instalment due on 23 February 2024. As of the Admission Document Date, the outstanding debt related to the loan amounts to €174,159.

In the event of late payment of any amount due under the financing agreement, interest on arrears shall be payable to Intesa Sanpaolo S.p.A. at the contractual rate in force increased by 2% from the due date. In such case, Intesa Sanpaolo S.p.A. shall have the right to consider the financing agreement terminated.

Under the terms of the loan agreement, the Issuer is obliged, inter alia: (i) to send to Intesa Sanpaolo S.p.A., within 30 days from the approval of the shareholders' meeting, the annual financial statements, complete with income statement, notes to the financial statements, the report of the board of statutory auditors (if any), the report on operations, as well as the agenda of ordinary and any extraordinary shareholders' meetings as soon as they are called and the related minutes within 30 days from the date on which the meeting was held; and (ii) to notify immediately any change or event of a technical, administrative, legal or litigious nature which may adversely affect the financial position, results of operations or financial position or otherwise affect the ability to operate.

In addition, Intesa Sanpaolo S.p.A. shall have the right to declare the forfeiture of the benefit of the term, without the need for a judicial decision, in the event of the cases referred to in art. 1186 of the Italian Civil Code or the existence, by way of example, of a request for admission to bankruptcy proceedings or procedures, also of an extrajudicial nature, and to terminate the loan agreement pursuant to art. 1456 of the Italian Civil Code or to withdraw from the same pursuant to art. 1373 of the Italian Civil Code on the occurrence of certain hypotheses (including merger, demerger, sale or contribution of a company or business unit), upon receipt of notice from STAR7 Printing. In this case, STAR7 Printing shall reimburse all amounts due to Intesa Sanpaolo S.p.A. within 10 bank working days of receipt of the relevant request from Intesa Sanpaolo S.p.A..

16.4.11 Financing contract stipulated between STAR7 Printing and UBI Banca - Unione di Banche Italiane S.p.A. (subsequently merged by incorporation into Intesa Sanpaolo S.p.A.) dated 15 October 2019

On 15 October 2019, STAR7 Printing and UBI Banca - Unione di Banche Italiane S.p.A. (subsequently, merged by incorporation into Intesa Sanpaolo S.p.A.) ("**UBI Banca**") signed a loan agreement concerning the disbursement by UBI Banca in favour of STAR7 Printing of a loan amounting to €90,000.

The interest rate applied is a variable annual nominal rate calculated as follows: Three-month EURIBOR (calculated on a 360 basis), plus a spread of 2.50%. The default rate is equal to the annual nominal interest rate. The repayment plan provides for 36 monthly instalments with the last instalment due on 15 April 2023 (originally 15 October 2022). As of the Admission Document Date, the outstanding debt related to the loan amounts to €40,690.

In the event of delayed payment of any amount owed for any reason under the loan agreement, interest on arrears shall be payable to UBI Banca at the contractual rate in force from the due date. In such a case, UBI Banca shall have the right to consider the loan agreement terminated.

In addition, UBI Banca has the right to terminate the contract pursuant to Article 1456 of the Italian Civil Code in certain circumstances (including the detection by STAR7 Printing of events that may prejudice the security of the credit granted). Failure to pay the accrued interest or any other amount due in relation to the loan entitles UBI Banca to consider STAR7 Printing as having lost the benefit of the term, without the need for notice, formal notice, legal demand or declaration of insolvency, pursuant to art. 1186 of the Italian Civil Code, in which case STAR7 Printing is obliged to immediately repay the loan

16.4.12 Financing agreement signed between STAR7 Printing and Intesa Sanpaolo S.p.A. dated 31 January 2020

On 31 January 2020, STAR7 Printing and Intesa Sanpaolo S.p.A. signed a loan agreement for the disbursement by Intesa Sanpaolo S.p.A. to STAR7 Printing of a loan of €850,000.

The interest rate applied is a variable annual nominal rate calculated as follows: One-month EURIBOR (calculated on a 360 basis), plus a spread of 3%. The default rate is a nominal annual interest rate plus 2%. The repayment plan provides for 60 monthly instalments with the last instalment due on 31 January 2025. As of the Admission Document Date, the outstanding debt related to the loan amounts to €715,233.00.

In the event of late payment of any amount due under the financing agreement, interest on arrears shall be payable to Intesa Sanpaolo S.p.A. at the contractual rate in force increased by 2% from the due date. In such case, Intesa Sanpaolo S.p.A. shall have the right to consider the financing agreement terminated.

Under the terms of the loan agreement, the Issuer is obliged, inter alia: (i) to send to Intesa Sanpaolo S.p.A., within 30 days from the approval of the shareholders' meeting, the annual financial statements, complete with income statement, notes to the financial statements, the report of the board of statutory auditors (if any), the report on operations, as well as the agenda of ordinary and any extraordinary shareholders' meetings as soon as they are called and the related minutes within 30 days from the date on which the meeting was held; and (ii) to notify immediately any change or event of a technical, administrative, legal or litigious nature which may adversely affect the financial position, results of operations or financial position or otherwise affect the ability to operate.

In addition, Intesa Sanpaolo S.p.A. shall have the right to declare the forfeiture of the benefit of the term, without the need for a judicial decision, in the event of the cases referred to in art. 1186 of the Italian Civil Code or the existence, by way of example, of a request for admission to bankruptcy proceedings or procedures, also of an extrajudicial nature, and to terminate the loan agreement pursuant to art. 1456 of the Italian Civil Code or to withdraw from the same pursuant to art. 1373 of the Italian Civil Code on the occurrence of certain hypotheses (including merger, demerger, sale or contribution of a company or business unit), upon receipt of notice from STAR7 Printing. In this case, STAR7 Printing shall reimburse all amounts due to Intesa Sanpaolo S.p.A.

within 10 bank working days of receipt of the relevant request from Intesa Sanpaolo S.p.A..

16.4.13 Financing agreement between STAR7 Printing and Banca Sella S.p.A. dated 13 November 2020

On 13 November 2020, STAR7 Printing and Banca Sella S.p.A. signed a loan agreement for the disbursement by Banca Sella S.p.A. to STAR7 Printing of a loan of €250,000. The above-mentioned loan agreement is guaranteed by Mediocredito Centrale - Banca del Mezzogiorno S.p.A., wholly owned by Invitalia S.p.A., which in turn is controlled by the Ministry of Economy and Finance, and has been granted to STAR7 Printing in the context of the financial support measures related to the COVID-19 emergency.

The interest rate applied is a fixed annual nominal rate of 1.6%. The repayment plan envisages 60 monthly instalments with the last instalment on 13 November 2026, with the possibility for STAR7 Printing to benefit from a grace period of one year during which STAR7 Printing commits to pay to Banca Sella S.p.A. only the interest at the agreed fixed annual nominal rate. As of the Admission Document Date, the outstanding debt related to the loan amounts to €245,995.

Delay and/or non-payment on the due date, of the pre-amortisation interest or even of a single amortisation instalment, entails by full right and without the need for a judicial ruling or notice, the forfeiture of STAR7 Printing from the benefit of the term and the obligation to repay the residual debt including interest, including arrears, to Banca Sella S.p.A..

In addition, Banca Sella S.p.A. has the right to terminate the contract pursuant to art. 1456 of the Italian Civil Code upon the occurrence of certain hypotheses (including, a protest or conservative or executive proceedings or judicial mortgage against STAR7 Printing or the performance of any act that diminishes its equity or economic consistency). Failure to pay the accrued interest or any other amount due in connection with the loan shall entitle Banca Sella S.p.A. to consider STAR7 Printing as having forfeited the benefit of the term, without the need for any prior formality, pursuant to art. 1186 of the Italian Civil Code, in which case STAR7 Printing shall immediately repay the loan.

16.4.14 Financing agreement entered into between STAR7 Printing and Cassa di Risparmio di Asti S.p.A. dated 4 March 2021

On 4 March 2021, STAR7 Printing and Cassa di Risparmio di Asti S.p.A. signed a loan agreement for the disbursement by Cassa di Risparmio di Asti S.p.A. in favour of STAR7 Printing of a loan of €600,000.

The interest rate applied is a variable annual nominal rate calculated as follows: Six-month EURIBOR (calculated on a 360 basis), plus a spread of 1.80%. The default rate is equal to the annual nominal interest rate. The repayment plan envisages 60 monthly instalments with the last instalment on 3 March 2027, with the possibility for STAR7 Printing to benefit from a grace period of one year during which STAR7 Printing undertakes to pay to Cassa di Risparmio di Asti S.p.A. only the interest at the agreed fixed annual nominal rate. As of the Admission Document Date, the outstanding debt related to the loan amounts to €600,000.

Cassa di Risparmio di Asti S.p.A. has the right to revoke the loan at any time, at its sole discretion, with a notice period of not less than 30 days and has the right to terminate the aforementioned loan agreement, as well as in the cases provided for under Article 1186 of the Italian Civil Code, if there is, by way of example and not limited to, the existence of seizures, attachments or judicial mortgages against STAR7 Printing.

16.4.15 Financing contract signed between STAR7 Printing and Banco BPM S.p.A. dated 10 November 2011

On 10 November 2011, STAR7 Printing and Banco BPM S.p.A. signed a loan agreement for Banco BPM S.p.A. to grant STAR7 Printing a loan of €350,000. The aforementioned loan agreement is guaranteed by SACE S.p.A. (the "**SACE Guarantee**") and was disbursed to STAR7 Printing in the context of the financial support measures related to the COVID-19 emergency and in order to renegotiate the unsecured loan stipulated between the same parties on 15 January 2019 for an original amount of €200,000.

The interest rate applied is a variable annual nominal rate calculated as follows: Three-month EURIBOR (calculated on a 360 basis), plus a spread of 1.60%. The repayment plan involves 20 monthly instalments with the last instalment due on 30 September 2027, with the possibility for STAR7 Printing to benefit from a grace period of 11 months during which STAR7 Printing commits to pay to Banca Sella S.p.A. only the interest at the agreed fixed annual nominal rate. As of the Admission Document Date, the outstanding debt related to the loan amounts to €350,000.

Under the terms of the Financing Agreement, STAR7 Printing is obliged, inter alia, to repay all sums due under the Financing Agreement on specified dates. STAR7 Printing shall not be entitled to request changes to the terms or conditions of the aforementioned financing contract and/or changes to any real and/or personal guarantees that may result in a change in the information and content of the SACE Guarantee request formulated by Banco BPM S.p.A. to SACE S.p.A.

In the event that, at any time, Banco BPM S.p.A. becomes aware that its participation in the aforementioned financing or the fulfilment of the obligations assumed by it under the contract violate legal or regulatory provisions applicable to it, Banco BPM S.p.A. shall promptly notify STAR7 Printing.

STAR7 Printing is obliged to immediately notify Banco BPM S.p.A. in writing of any event, fact, act or circumstance that may have a substantially prejudicial effect, and to send Banco BPM S.p.A. a copy of the approval by the corporate bodies as soon as available, but in any case no later than 30 working days: its annual financial statements and/or consolidated financial statements.

16.5 Commercial Agreement between the Issuer and STAR AG

On 28 June 2021, the Issuer entered into a partnership and license agreement (the "Commercial Agreement") with STAR AG, which supersedes the previous partnership and maintenance agreements, as well as the previous partnership and license agreement entered into on 4 December 2019, aimed at regulating the relationship between the parties, the licensing to the

Company and its subsidiaries of certain brands and software owned by STAR AG, as well as the provision to the Company of related software maintenance services.

In particular, STAR AG has granted the Issuer and its subsidiaries a non-exclusive, worldwide licence to use certain of its translation service software (i.e., the software for the translation of translations). "*Star CLM*', '*Transit*', '*Star MT*', '*TermStar*', '*WebCheck/Web Edit*', '*Web Term*', '*FormatChecker*' and '*MindReader*') and authoring (i.e. "*FormatChecker*', '*MindReader*', '*GRIPS*' and '*Prisma*') ('**Software AG**'). This license shall automatically extend to (i) each new version, development or update of the AG Software and (ii) each new software developed by STAR AG during the term of the Agreement. With respect to such software, the Company and its subsidiaries, as business procurers, may indicate on an occasional basis that STAR AG may enter into licensing or maintenance agreements with third parties.

In addition, STAR AG has granted the Issuer and its subsidiaries a license to use its trademarks including the word "STAR" ("**AG Trademarks**"): (i) on an exclusive basis, in Italy and Austria and (ii) on a non-exclusive basis, in all other countries where such marks have been filed, registered or used.

STAR AG has, among other things, expressly recognised the possibility for STAR7 (i) to use the formulations "Under Star Group License", "Member of the Star Network" or similar formulations to identify its business and (ii) to benefit from cooperation with the STAR AG network for the provision of translation services to its customers.

Pursuant to the Commercial Agreement, STAR AG has agreed to the Issuer's use of its new name/logotype "STAR7" and acknowledges that it does not infringe the AG Marks.

With respect to the licensing of the AG Marks, the Issuer has agreed to pay a fixed annual royalty of €5,000 as well as a variable royalty of 0.50% of the Group's total consolidated annual turnover for companies using "STAR" or "STAR7" in their company name. With respect to the licensing of AG Software and the provision of the related maintenance service, the Issuer has agreed to pay a variable royalty equal to 0.20% of the Group's total consolidated annual turnover for companies using "STAR" or "STAR7" in their company name.

SECTION TWO

1. RESPONSIBLE PERSONS

1.1 Responsible persons, information from third parties, expert reports and approval by competent authorities

Responsibility for the completeness and truthfulness of the data and information provided in this Admission Document is assumed by the person named in Section One, Chapter 1, Paragraph 1.1 of this Admission Document.

1.2 Statement of responsibility

The Issuer declares that the information contained in the Admission Document is, to the best of its knowledge, in accordance with the facts and that the Admission Document contains no omissions likely to affect its import.

For information on liability declarations, see Section One, Chapter 1, Paragraph 1.3 of the Admission Document.

1.3 Expert reports and opinions

The Admission Document does not contain any expert opinions or reports.

1.4 Information from third parties

The information contained in the Admission Document comes from third-party sources only where expressly indicated. As regards the indication of third-party sources, please refer to Section One, Chapter 1, Paragraph 1.4 of the Admission Document.

1.5 Competent authority

This Admission Document has not been examined and approved by Consob or any other competent authority. Investors should therefore assess for themselves the suitability of investing in the Ordinary Shares of the Issuer.

2. RISK FACTORS

For a detailed description of the risk factors relating to the Issuer, the market in which it operates and in particular the financial instruments offered, please refer to Section One, Chapter 4 of this Admission Document.

3. KEY INFORMATION

3.1 Statement on working capital

The directors, after having carried out all the necessary in-depth investigations, on the basis of the definition of working capital – as the means by which the Group obtains the liquid resources necessary to meet its obligations as they fall due – contained in the "*ESMA update of the CESR recommendations*. *The consistent implementation of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive"* of 20 March 2013 (formerly CESR Recommendation 05-054b of 10 February 2005), consider that the working capital available to the Issuer and the Group is sufficient for their current needs, meaning those for at least 12 months from the Admission Date.

3.2 Reasons for the offer and use of proceeds

The purpose of the transaction is to admit the Shares to trading on Euronext Growth Milan with the aim of allowing the Company to obtain greater visibility on the national and international markets as well as to obtain new financial resources to strengthen the Group's capital and financial structure and to allow the realisation of the strategies and objectives described in Section One, Chapter 6, Paragraph 6.2 of the Admission Document.

The Placement of the Ordinary Shares is made through (i) an offer for subscription of the Shares arising from the Capital Increase; and (ii) an offer for sale of the treasury shares held by the Company.

In particular, with regard to the Offer of Treasury Shares for Sale, note the agreement entered into on 28 June 2021 between the Company and the shareholder STAR AG for the acquisition by the Company of Own Shares.

The Company and STAR AG have agreed that the consideration for the aforesaid transfer shall be €60.00 per Share, to which has been added a value, not exceeding €100.00 per Share, taking into account also any future splits of shares which may then occur between the date of the aforesaid deed and the Trading Commencement Date.

In particular, the above consideration has been paid as follows:

- €3,000,000 were paid at the same time as the signing of the deed to STAR AG; and
- the remaining amount within fifteen days from the Trading Commencement Date of the Shares on Euronext Growth Milan (the "**Price Difference**"). In this respect, the shareholders' meeting of the Company authorised the purchase of the Treasury Shares, taking into account an adjustment after Admission, equal to the difference between the price paid at the time of the sale (€60.00) and the price of the Placement of the Shares for a total amount not exceeding €8,000,000 (taking into account also the amount already paid referred to in the previous point).

It should be noted that the Treasury Shares for Sale form part of the Offer as part of the Placement and in light of the agreement between the Company and STAR AG, it is envisaged that part of the proceeds from the Offer (related to the Treasury Shares for Sale) will be used to pay the Price Difference.

In return for the full sale of 750,000 Treasury Shares for Sale for a total consideration of EUR 6,187,500, the Company will receive proceeds of up to EUR 3,000,000, the difference of EUR 3,187,500 (including STAR AG's share of the estimated expenses of the Admission process and the Offer) being paid to STAR AG.

4. INFORMATION CONCERNING THE FINANCIAL INSTRUMENTS TO BE OFFERED AND ADMITTED TO TRADING

4.1 Description of the type and class of financial instruments admitted to trading

The financial instruments for which admission to trading on Euronext Growth Milan has been requested are the Issuer's Shares.

The Issuer's Shares are ordinary shares with no par value. The Shares are assigned the ISIN code IT0005466195.

4.2 Legislation under which the Shares are issued

The Shares have been issued under Italian law.

4.3 Characteristics of the Shares

The Shares of the Company, without nominal value, have regular dividend entitlement, are freely transferable and subject to the dematerialisation regime pursuant to Articles 83-bis et seq. of the TUF and related implementing regulations and are entered into the centralised management system managed by Monte Titoli.

4.4 Currency of issue of the Shares

The Shares are denominated in Euro.

4.5 Description of rights attached to Shares

The Shares are and will be freely transferable and indivisible, have regular enjoyment and confer on their holders equal rights. Each Share confers the right to one vote at ordinary and extraordinary meetings of the Company, as well as other property and administrative rights in accordance with the applicable provisions of the law and the Bylaws.

For further information on the statutory characteristics of the Shares, see Section One, Chapter 15, Paragraph 15.2.2.

4.6 Indication of the resolutions, authorisations and approvals by virtue of which the Shares will be issued

The approval of the listing project and the submission of the application for admission to trading of the Shares on Euronext Growth Milan was resolved by the Issuer's ordinary shareholders' meeting on 29 November 2021 and by the Issuer’s Board of Directors on 7 December 2021.

On 29 November 2021, the Extraordinary Shareholders' Meeting of the Issuer resolved, inter alia, to increase the share capital by payment in a divisible manner by a maximum amount, including the share premium, of €20,000,000.00 by issuing new ordinary shares without indication of par value and with regular enjoyment, to be paid in cash in full at the time of subscription, in one or more tranches and in divisible way, with the exclusion of the option right pursuant to art. 2441, paragraph 5 of the Italian Civil Code, to be offered for subscription for the purpose of admission to trading on Euronext Growth Milan, with final subscription deadline on 31 March 2022, provided that, if the Trading Commencement Date was prior to that date, the capital increase will be considered carried out and concluded on that date, as better established by the relative shareholders' resolution (the "Capital Increase").

4.7 Date of issue and availability of Shares

Upon payment of the relevant subscription price, the Shares will be made available to those entitled thereto by the date of commencement of trading on Euronext Growth Milan, in dematerialised form, by means of an entry in the deposit accounts held with Monte Titoli.

4.8 Description of any restrictions on the transferability of securities

The Company Bylaws do not provide for any restrictions on the free transferability of the Shares.

For further information on the contractual lock-up commitments entered into by Dante S.r.l., STAR AG, KAIROS Partners SGR S.P.A. (on behalf of the alternative investment fund it manages called KAIS Renaissance ELTIF) and the Issuer, see Section Two, Chapter 5, Paragraph 5.4 of the Admission Document.

4.9 Indication of the existence of any mandatory takeover bid and/or residual takeover bid rules in relation to the Shares

Since the Issuer is not a company with securities admitted to trading on regulated Italian markets, the provisions of Articles 105 et seq. of the TUF concerning mandatory takeover bids do not apply to it.

However, it should be noted that Article 9 of the Bylaws contains, in accordance with the provisions of Article 6-bis of the EGM Issuer Regulation, the clause on tender offers set out in Schedule Six of the EGM Issuers' Regulations. In addition, Article 10 of the Bylaws provides that the provisions relating to listed companies set forth in the Consolidated Law on Finance and Consob's implementing regulations on mandatory tender offers (limited to the rules set forth in Articles 108 and 111 of the TUF) shall apply, by voluntary reference and to the extent compatible.

For further information, please refer to the Bylaws available on the Issuer's website (www.star-7.com).

4.10 Public purchase offers made by third parties on the Issuer's Shares during the last financial year and the current financial year

The Issuer's Shares have never been the subject of any public purchase or exchange offer, nor has any public purchase or exchange offer been made by the Company on shares or quotas representing the capital of other companies or entities.

4.11 Tax aspects

The tax laws of the investor's country and the tax laws of the Issuer's country of registration may have an impact on the income generated from the investment in Ordinary Shares of the Company.

Therefore, investors should consult their own advisors in order to assess the tax regime applicable to the purchase, holding and disposal of the Ordinary Shares of the Company, taking into account also the tax legislation of the State of the investor.

As at the Admission Document Date, the investment in Ordinary Shares of the Issuer is not subject to any specific tax regime]

4.12 Further impacts

The Issuer declares that there is no impact on the investment in the event of termination in accordance with Directive 2014/59/EU.

4.13 Offeror

Not applicable.

5. HOLDERS OF FINANCIAL INSTRUMENTS PROCEEDING TO SALE

5.1 Selling Shareholders

The Placement of the Ordinary Shares is made through (i) an offer for subscription of the Shares arising from the Capital Increase; and (ii) an offer for sale of the treasury shares held by the Company.

5.2 Number and class of securities offered by each of the selling security holders

The Company has offered for sale, as part of the Placement, a total of 750,000 Shares.

5.3 If a major shareholder sells securities, the size of its holding both before and immediately after the issue

As at the Admission Document Date, the Company is controlled by Dante S.r.l. and STAR AG, which hold, respectively, stakes equal to 47.4% and 37.9% of the Company's share capital (the remaining stakes are held by KAIROS Partners SGR S.P.A. (on behalf of the alternative investment fund managed by the same named KAIS Renaissance ELTIF) through Special Shares and by the Company itself).

On the Trading Commencement Date of the Shares on Euronext Growth Milan, the Issuer's share capital, in the event of: (i) full subscription of the 1,070,000 Shares resulting from the Capital Increase, and (ii) full disposal of all the 750,000 Shares (held by the Company) offered for sale, will be held as follows:

Shareholder	Ordinary Shares	Special Shares	PAS Special Shares	% of share capital held
Dante S.r.l.	3,000,000	-	750,000	41.7%
STAR AG	2,400,000	-	600,000	33.4%
KAIROS Partners SGR S.P.A.(1)	330,000	414,750	-	8.3%
Market	1,490,000	-	-	16.6%
Total	**7,220,000**	**414,750**	**1,350,000**	**100%**

(1) On behalf of the alternative investment fund that it manages called KAIS Renaissance ELTIF.

Following the Trading Commencement Date of the Shares on Euronext Growth Milan, in the event of: (i) full subscription of the 1,070,000 Shares resulting from the Capital Increase, and (ii) full disposal of all 750,000 Shares (held by the Company) offered for sale, as well as against full conversion of the Special Shares (which will automatically convert in their entirety into Ordinary

Shares no later than 5 business days after the Trading Commencement Date), the share capital will be held as follows:

Shareholder	Ordinary Shares	PAS Special Shares	% of share capital held
Dante S.r.l.	3,000,000	750,000	41.7%
STAR AG	2,400,000	600,000	33.3%
KAIROS Partners SGR S.P.A.[(1)]	759,752[(2)]	-	8.4%
Market	1,490,000	-	16.6%
Total	**7,649,752**	**1,350,000**	**100%**

(1) On behalf of the investment funds it manages, including the alternative investment fund it manages called KAIS Renaissance ELTIF.

(2) In consideration of the fact that KAIROS Partners SGR SPA has undertaken to subscribe in the Offer 330,000 Ordinary Shares (of which 121,213 by KAIROS Partners SGR SPA, on behalf of the alternative investment fund managed by it called KAIS Renaissance ELTIF), for an equivalent value of €2,722,500 (of which €1,000,007 by KAIROS Partners SGR SPA, on behalf of the alternative investment fund managed by it called KAIS Renaissance ELTIF), the Special Shares, in application of the formula indicated in art. 6.4 of the Company Bylaws, will be converted, after the Trading Commencement Date, into 429,752 Shares, with a conversion factor equal to 1.0361716358057 Share for each Special Share.

For further information, see Section One, Chapter 13, Paragraph 13.1.

5.4 Lock-up agreements

Dante S.r.l., STAR AG and KAIROS Partners SGR S.P.A. (on behalf of the alternative investment fund managed by the same called KAIS Renaissance ELTIF) have undertaken, separately and not jointly with each other, towards the Global Coordinator, net, inter alia, of any agreements with the operator specialist of the Company or of any transfers by each shareholder in favour of one or more companies directly and / or indirectly controlled by the same shareholder, by object, directly or indirectly, the Shares they hold in the Company (including any ordinary shares resulting from the conversion of the Special Shares held by KAIROS Partners SGR SPA (on behalf of the alternative investment fund managed by the same called KAIS Renaissance ELTIF) and the PAS Special Shares) (the "**Shares Held**"), (ii) not to grant options, rights or options for r the purchase or exchange of the Shares Held, as well as (iii) not to enter into or in any case enter into swap contracts or other derivative contracts, which have the same effects, even if only economic, as the transactions referred to therein, as well as (iv) to not to promote and / or approve capital increases (except to rebuild the capital or in cases where the increase is possibly necessary pursuant to current legislation), or to issue convertible bonds, warrants or other financial instruments, including equity investments, which attribute the right to purchase, subscribe, convert into or exchange the Shares, without the prior written consent of the Global Coordinator, which cannot be unreasonably denied:

- for the 24 months following the Trading Commencement Date of the Ordinary Shares in the case of Dante S.r.l. and STAR AG; and
- for the 12 months following the Trading Commencement Date of the Ordinary Shares in the case of KAIROS Partners SGR S.P.A. (on behalf of the alternative investment fund managed by it called KAIS Renaissance ELTIF).

The lock-up commitments referred to above relate to 100% of the Shares held by Dante S.r.l., STAR AG and 100% of the Special Shares held by KAIROS Partners SGR S.P.A. (on behalf of the alternative investment fund managed by it called KAIS Renaissance ELTIF) as at the Admission Document Date, net of any agreements with the Company's specialist operator.

The above undertakings do not apply in the case of practices for similar transactions such as: (i) dispositions deriving from mandatory rules of law and/or regulations or from orders or requests by judicial or other competent authorities; (ii) transfers in the event of inheritance; (iii) disposals in the event of adhesion to any public purchase or exchange offer promoted on the Shares of the Company and addressed to all the holders of financial instruments of the Company (it being understood that, if the public purchase or exchange offer on the Shares is not successful, the restrictions referred to therein shall become effective again until their natural expiration); (iv) any agreements (including borrowing agreements) with the Company's specialist dealer relating to the Shares of the Company; (v) the pledging or pledging of the Restricted Shares on the condition that the relevant shareholder is entitled to vote; (vi) any transfer by each shareholder to one or more companies directly and/or indirectly controlled by the same, pursuant to Article 2359, paragraph 1, of the Italian Civil Code or in favour of the controlling entity or of one or more companies directly and/or indirectly controlled by the same controlling entity, or, with particular reference to the Special Shares held by KAIROS Partners SGR S.P.A. (on behalf of the alternative investment fund managed by the same named KAIS Renaissance ELTIF), in favour of other investment funds or vehicles managed by the same manager, to the extent that the relevant transferring entity assumes a similar lock-up commitment on substantially equivalent terms to those provided therein for the residual duration of the commitment originally assumed by the relevant shareholder; and (vii) any additional Shares in the Company held by shareholders as a result of purchases in the market subsequent to the Trading Commencement Date or subscribed to by shareholders in connection with the Offer.

Furthermore, the Issuer has made a commitment towards the Global Coordinator, for the 24 months following the Trading Commencement Date, not to carry out, directly or indirectly, sales, transfers, disposals or in any case transactions that have by object, or by effect, the attribution or transfer to third parties, for any reason and in any form, directly or indirectly, of the Company's Shares that may be held by the same (or other financial instruments, included among the other equity investments, which attribute the right to purchase, subscribe, convert into, or exchange with, Shares or other financial instruments, including equity investments that attribute inherent or similar rights to such shares or financial instruments), except for the execution of the " Capital Increase and for the sale of Treasury Shares as part of the Offer, without the prior written consent of the Global Coordinator, who and cannot be unreasonably denied (or in compliance with legal or regulatory obligations or with provisions or requests of the judicial authority and other competent authorities).

For the same lock-up period as above, the Company has also undertaken (i) not to issue or place (including through third parties) on the market any equity securities either directly or in the context of the issue of bonds convertible into shares by the Company or third parties or in the context of the issue of warrants by the Company or third parties or in any other way, except (a) for the capital increases carried out pursuant to Articles 2446 and 2447 of the Italian Civil Code, up to the threshold necessary to comply with the legal limit, (b) for the Capital Increase and the sale of Treasury Shares for Sale in the context of the Offer; (ii) not to issue and/or place on the market bonds convertible into or exchangeable for the Company's Ordinary Shares or into vouchers for the purchase or subscription of the Company's Ordinary Shares, or other financial instruments, including participatory ones, which grant rights inherent in or similar to such shares or financial instruments; (iii) not approve and/or perform operations with derivative instruments that have the same effects, even if only economic, as the operations referred to herein, without the prior written consent of the Global Coordinator, which cannot be unreasonably withheld (or in compliance with legal or regulatory obligations or measures or requests by judicial authorities and other competent authorities).

The foregoing undertakings, if they relate to the Shares of the Company, shall relate to any shares owned and/or possibly acquired by the Company during the lock-up period of the Company, net of Treasury Shares for Sale and such undertakings shall not apply in the event of the issue of shares or the use of own shares to service share incentive plans in favour of directors, management and employees of the Company and of the companies of the Group.

6. EXPENSES RELATED TO ADMISSION OF SHARES TO TRADING ON EURONEXT GROWTH MILAN

Without prejudice to what is set forth below, the proceeds from the Offering, assuming the full subscription of the Capital Increase and the full transfer of the Sale Shares, net of placement fees and expenses, as well as the Price Difference due to STAR AG, are estimated to be approximately €9,827,500.

The aforementioned proceeds from the Offering will be used to contribute to strengthening the Group's capital and financial structure and to support the Group's growth and development objectives, including international ones, as well as the implementation of the strategies and objectives described in Section One, Chapter 6, Paragraph 6.2 of the Admission Document.

The Placement of the Ordinary Shares is made through (i) an offer for subscription of the Shares arising from the Capital Increase; and (ii) an offer for sale of the treasury shares held by the Company.

In particular, with regard to the Offer of Treasury Shares for Sale, note the agreement entered into on 28 June 2021 between the Company and the shareholder STAR AG for the acquisition by the Company of Own Shares.

The Company and STAR AG have agreed that the consideration for the aforesaid transfer shall be €60.00 per Share, to which has been added a value, not exceeding €100.00 per Share, taking into account also any future splits of shares which may then occur between the date of the aforesaid deed and the Trading Commencement Date.

In particular, the above consideration has been paid as follows:

- €3,000,000 were paid at the same time as the signing of the deed to STAR AG; and
- the remaining amount within fifteen days from the Trading Commencement Date of the Shares on Euronext Growth Milan (the "**Price Difference**"). In this respect, the shareholders' meeting of the Company authorised the purchase of the Treasury Shares, taking into account an adjustment after Admission, equal to the difference between the price paid at the time of the sale (€60.00) and the price of the Placement of the Shares for a total amount not exceeding €8,000,000 (taking into account also the amount already paid under the previous point).

It should be noted that the Company's Treasury Shares constitute a portion of the Shares subject to the Offer under the Placement and in light of the agreement between the Company and STAR AG, it is expected that a portion of the proceeds from the Offer (related to the Treasury Shares for Sale) will be allocated to the payment of the Price Difference.

In return for the full sale of 750,000 Treasury Shares for Sale for a total consideration of EUR 6,187,500, the Company will receive proceeds of up to EUR 3,000,000, the difference of EUR 3,187,500 (including STAR AG's share of the estimated expenses of the Admission process and the Offer) being paid to STAR AG.

In addition, it is estimated that the expenses relating to the Admission process and to the Offer, including the fees payable to Alantra, as Euronext Growth Advisor and Global Coordinator, will amount to approximately €2,000,000. In this regard, it should be noted that, on 14 December

2021, the Company and STAR AG agreed that STAR AG will pay part of the expenses related to the Admission of the Company's Shares on Euronext Growth Milan, as well as pay part of the fees due to Alantra.

For information on the use of the proceeds of the Offering, please refer to Section Two, Chapter 3, Paragraph 3.2 of the Admission Document.

7. DILUTION

The Placement Shares were offered at a placing price of €8.25 per Share.

The value of the Company's consolidated shareholders' equity at 30 June 2021 is €10,365,223; also taking into account the split of the Shares resolved by the Issuer's Extraordinary Shareholders' Meeting on 25 October 2021 (in the ratio of 15 new shares for each existing share), the consolidated shareholders' equity per Share is €1.31[29].

On the Trading Commencement Date of the Shares on Euronext Growth Milan, the Issuer's share capital, in the event of: (i) full subscription of the 1,070,000 Shares resulting from the Capital Increase, and (ii) full disposal of all the 750,000 Treasury Shares for Sale, will be held as follows:

Shareholder	Ordinary Shares	Special Shares	PAS Special Shares	% of share capital held
Dante S.r.l.	3,000,000	-	750,000	41.7%
STAR AG	2,400,000	-	600,000	33.4%
KAIROS Partners SGR S.P.A.[(1)]	330,000	414,750	-	8.3%
Market	1,490,000	-	-	16.6%
Total	**7,220,000**	**414,750**	**1,350,000**	**100%**

(1) On behalf of the alternative investment fund that it manages called KAIS Renaissance ELTIF.

Following the Trading Commencement Date of the Shares on Euronext Growth Milan, in the event of: (i) full subscription of the 1,070,000 Shares resulting from the Capital Increase, and (ii) full disposal of all 750,000 Treasury Shares for Sale, as well as against full conversion of the Special Shares (which will automatically convert in their entirety into Ordinary Shares no later than 5 business days from the Trading Commencement Date), the share capital will be held as follows:

Shareholder	Ordinary Shares	PAS Special Shares	% of share capital held
Dante S.r.l.	3,000,000	750,000	41.7%

[29] For the purpose of this calculation, the amount of the Company's consolidated net equity as at 30 June 2021 divided by the number of Shares and Special Shares of the Company prior to the Trading Commencement Date was used.

STAR AG	2,400,000	600,000	33.3%
KAIROS Partners SGR S.P.A.[(1)]	759,752[(2)]	-	8.4%
Market	1,490,000	-	16.6%
Total	**7,649,752**	**1,350,000**	**100%**

[(1)] On behalf of the investment funds it manages, including the alternative investment fund it manages called KAIS Renaissance ELTIF.

[(2)] In consideration of the fact that KAIROS Partners SGR SPA has undertaken to subscribe in the Offer 330,000 Ordinary Shares (of which 121,213 by KAIROS Partners SGR SPA, on behalf of the alternative investment fund managed by it called KAIS Renaissance ELTIF), for an equivalent value of €2,722,500 (of which €1,000,007 by KAIROS Partners SGR SPA, on behalf of the alternative investment fund managed by it called KAIS Renaissance ELTIF), the Special Shares, in application of the formula indicated in art. 6.4 of the Company Bylaws, will be converted, after the Trading Commencement Date, into 429,752 Shares, with a conversion factor equal to 1.0361716358057 Share for each Special Share.

Following the Trading Commencement Date of the Shares on Euronext Growth Milan, in the event of: (i) full subscription of the 1,070,000 Shares arising from the Capital Increase, and (ii) full disposal of all 750,000 Shares (held by the Company) offered for sale, as well as against the full conversion of the Special Shares and the full cancellation, if any, of the PAS Special Shares (which, in any event, would not occur before the approval by the Board of Directors of the Company's consolidated financial statements as at 31 December 2022), the share capital will be held as follows:

Shareholder	**Ordinary Shares**	**% of share capital held**
Dante S.r.l.	3,000,000	39.2%
STAR AG	2,400,000	31.4%
KAIROS Partners SGR S.P.A.[(1)]	759,752	9.9%
Market	1,490,000	19.5%
Total	**7,649,752**	**100%**

[(1)] On behalf of the investment funds it manages, including the alternative investment fund it manages called KAIS Renaissance ELTIF.

Following the Trading Commencement Date of the Shares on Euronext Growth Milan, in the event of: (i) full subscription of the 1,070,000 Shares arising from the Capital Increase, and (ii) full disposal of all 750,000 Shares (held by the Company) offered for sale, as well as against the full conversion of the Special Shares and the full conversion, if any, in a ratio of 1:1 of the PAS Special Shares (which, in any event, would not occur before the approval by the Board of Directors of the Company's consolidated financial statements as at 31 December 2022), the share capital will be held as follows:

Shareholder	**Ordinary Shares**	**% of share capital held**
Dante S.r.l.	3,750,000	41.7%
STAR AG	3,000,000	33.3%
KAIROS Partners SGR S.P.A.[1]	759,752	8.4%
Market	1,490,000	16.6%
Total	**8,999,752**	**100%**

[1] On behalf of the investment funds it manages, including the alternative investment fund it manages called KAIS Renaissance ELTIF.

For further information, see Section One, Chapter 13, Paragraph 13.1.

8. ADDITIONAL INFORMATION

8.1 Parties participating in the operation

The parties involved in the operation are listed below:

Subject	***Role***
STAR7 S.p.A.	Issuer
Alantra Capital Markets SV S.A.U.	Euronext Growth Advisor and Global Coordinator
Emintad S.r.l.	Financial advisor
BDO Italia S.p.A.	Independent Auditors

8.2 Indication of other information contained in Section Two that has been audited or reviewed by statutory auditors

Section Two of the Admission Document does not contain any information in addition to that set out in Section One of this Admission Document which has been subject to a full or limited audit.