

PRO-FORMA INCOME AND FINANCIAL POSITION
OF
STAR7 GROUP S.P.A.
AS AT 30 JUNE 2021

Alessandria (Italy), 28 October 2021

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1. Introduction

STAR7 S.p.A. (hereinafter the "Company", the "Parent Company" or "STAR7" and, together with its subsidiaries, the "STAR7 Group" or the "Group") is a company under Italian law based in Alessandria (Italy) which carries out the activity of production and translation of technical documentation, interpreting, automation of editorial processes, dedicated IT development, printing on demand and is characterized by competence and experience.

Beginning in 2019, the Company initiated a strategic planning process aimed, among other things, at admission of the shares to the multilateral system AIM Italia, organized and managed by Borsa Italiana S.p.A. The Covid-19 epidemic emergency, which broke out in February-March 2020, significantly delayed the related transactions.

The pro-forma consolidated financial statements shown in the following paragraphs have been audited for inclusion in the document for the admission of STAR7 shares to trading on the AIM Italia multilateral system.

The consolidated financial statements as at 30 June 2021 and 31 December 2020 have been prepared in accordance with the Italian accounting standards issued by the Italian Accounting Board (OIC).

2. Pro forma transactions

In 2021, as part of the strategic development of the Group's *business*, overseas activities were increased with the acquisition by the subsidiary STAR USA LLC of 100% of "The Geo Group Corporation", a translation company based in Madison (Wisconsin - USA). The acquisition transaction was effective 23 April 2021.

Moreover, the acquisition of "Localeyes Ltd", a company based in Cork (Ireland), and of 5 wholly-owned subsidiaries of the same (Localeyes Tirana, Localeyes Madrid, Localeyes Amsterdam, Localeyes Helsinki and Localeyes USA) is nearing completion. The anticipated date is 5 November 2021.

Following the above transactions, the Group's pro-forma basis of consolidation includes the following companies (in addition to the Parent Company):

Name	Registered office	Currency	Share capital in currency	Shareholding	Share held in %	Interest in %
STAR7 PRINTING S.R.L.	ASTI - ITALY	Euro	10,000	Direct	60%	60%
STAR7 ENGINEERING S.R.L.	MARANELLO (MO) - ITALY	Euro	40,000	Direct	100%	100%
AD STUDIO S.R.L.	LUGO (RA) - ITALY	Euro	10,000	Direct	100%	100%
STAR COMUNICAÇÃO E SERVIÇOS LTDA	BELO HORIZONTE - BRAZIL	Real	1,448,205	Direct	75%	75%
CAL COMUNICAÇÃO LTDA	BELO HORIZONTE - BRAZIL	Real	500,000	Direct	75%	75%
STAR USA LLC	DOVER - DELAWARE - U.S.A.	USD	5,000	Direct	100%	100%
TECHWORLD LANGUAGE SERVICES INC.	TROY - MICHIGAN - U.S.A.	USD	890	Indirect	100%	100%
STAR7 GMBH	LINZ - AUSTRIA	Euro	35,000	Direct	100%	100%
STAR ALBANIA SHPK	TIRANA - ALBANIA	Lek	500,000	Direct	100%	100%
THE GEO GROUP CORPORATION	MADISON - WISCONSIN - U.S.A.	USD	2,000	Indirect	100%	100%
LOCALEYES LTD	CORK - IRELAND	Euro	2,000,000	Direct	100%	100%

For the sake of simplicity and brevity, the table only shows "Localeyes Ltd", which should, however, be understood as a sub-group that also includes the 5 *subsidiaries* listed above.

Finally, the Extraordinary General Meeting of 25 October 2021 resolved to increase the share capital by 27,650 euros, plus a share premium of 2,972,350 euros, reserved for the investment fund Kairos Partners SGR S.p.A.: the increase has been fully subscribed by the new shareholder and will be paid on 29 October 2021.

In the Consolidated Financial Statements for the year ended 31 December 2020, there are obviously no balance sheet data or income and cash flow effects included with respect to "The Geo Group Corporation" and the "Localeyes Ltd" sub-group.

In the Interim Report as at 30 June 2021, the balance sheet data of "The Geo Group Corporation" as of the same date are included, while the related economic and cash flow effects have only been considered as at 23 April 2021; the balance sheet, income statement and cash flows of the LocalEyes Group are not included. Therefore, included in this pro forma consolidated data as at 30 June 2021, are the income statement and cash flow data of the two new investees as at 1-1-2021.

3. Commentary on pro-forma approach and key financial statement items

The pro-forma figures have been prepared on the basis of the drafting principles contained in Consob Communication DEM/1052803 of 5 July 2001, in order to retroactively reflect the transactions described in paragraph 2.

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 (i.e. 30-06-2021);
- the income statement effects start from the beginning of the period under presentation as regards the preparation of the pro-forma consolidated income statements (i.e. 1 January 2021).

In this specific case, the pro forma consolidated data of the STAR7 Group as at 30-06-2021 reflect the transactions described in Section 2.

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.

4. STAR7 Group pro-forma consolidated income statement and balance sheet as at 30 June 2021

The following tables show the STAR7 Group's pro forma consolidated income statement and balance sheet as at 30 June 2021, prepared in light of the significant transactions described above.

Income Statement

	Consolidated Pro Forma@@	Consolidated as at 30-06-		
	as at 30-06-2021	2020	Delta	Delta %
VALUE OF PRODUCTION				
Revenues from sales and services	34,956,267	19,737,460	15,218,807	77%
Change in inventories of work in progress and finished products	104,686	84,416	20,270	24%
Internal work capitalised	0	200,000	-200,000	-100%
Grants related to income	398,407	181,893	216,514	119%
Other revenues and income	339,827	255,093	84,734	33%
TOTAL VALUE OF PRODUCTION	35,799,187	20,458,862	15,340,325	75%
COST OF PRODUCTION				
For raw materials and goods	-4,412,915	-809,517	-3,603,398	445%
Services	-10,973,588	-8,522,762	-2,450,826	29%
Leases and rentals	-833,676	-601,556	-232,120	39%
Personnel	-12,514,281	-8,457,504	-4,056,777	48%
Depreciation/amortisation@@	-3,038,438	-676,503	-2,361,935	349%
Write-down of receivables in current assets	-68,496	-40,785	-27,711	68%
Change in inventories of raw materials and goods	0	0	0	n/a
Provisions for risks	-76,729	-17,500	-59,229	338%
Sundry operating expenses	-410,291	-427,343	17,052	-4%
TOTAL COSTS OF PRODUCTION	-32,328,415	-19,553,470	-12,774,945	65%
EBITDA				
	3,470,772	905,392	2,565,380	283%
Financial income and charges	-786,751	-158,489	-628,262	396%
Value adjustments of financial assets	-20,826	0	-20,826	n/a
PROFIT BEFORE TAX	2,663,196	746,903	1,916,293	257%
Taxes for the year	-538,366	-111,794	-426,572	382%
NET PROFIT (LOSS) FOR THE YEAR	2,124,830	635,109	1,489,721	235%
Net profit (loss) attributable to minority interests	178,228	50,907	127,321	250%
Net profit (loss) attributable to owners of the Parent	1,946,602	584,202	1,362,400	233%

Balance Sheet

ASSETS	Consolidated Pro Forma@@ as at 30-06-2021	Consolidated as at 31-12- 2020	Delta	Delta %
<u>Non-current assets</u>				
Net intangible fixed assets	39,814,708	8,305,500	31,509,208	379%
Net property, plant and equipment	5,834,550	5,387,641	446,909	8%
Financial fixed assets	420,386	511,857	-91,471	-18%
Total fixed assets	46,069,644	14,204,998	31,864,646	224%
<u>Current assets</u>				
Inventories	1,566,168	734,851	831,317	113%
Trade receivables	24,287,036	23,577,315	709,721	3%
Receivables due from unconsolidated subsidiaries	0	15,875	-15,875	-100%
Receivables from associated companies	479,877	355,312	124,565	35%
Tax receivables	2,585,555	1,617,032	968,523	60%
Deferred tax assets	432,342	420,594	11,748	3%
Receivables from others	970,641	626,640	344,001	55%
Total receivables	28,755,451	26,612,768	2,142,683	8%
Cash on hand	11,216,314	5,996,519	5,219,795	87%
Total current assets	41,537,933	33,344,138	8,193,795	25%
Accruals and deferrals	1,562,154	873,399	688,755	79%
Total assets	89,169,731	48,422,535	40,747,196	84%

	Consolidated Pro Forma@@ as at 30-06-2021	Consolidated as at 31-12- 2020	Delta	Delta %
<u>Net equity</u>				
Share capital	527,650	500,000	27,650	6%
Share premium reserve	2,972,350	0	2,972,350	0%
Legal reserve	100,000	100,000	0	0%
Capital contributions	2,846	2,846	0	0%
Extraordinary reserve	7,923,537	7,291,413	632,124	9%
Misc. other reserves	381,726	-20,518	402,244	-1960%
Consolidation reserve	2,434,714	1,765,173	669,541	38%
Reserve from translation differences	-591,060	-822,498	231,438	-28%
Profit (loss) for the year	1,778,671	1,493,286	285,385	19%
Reserve for own shares held in treasury	-3,000,000	0	0	0%
Total equity of the Group	12,530,434	10,309,702	5,220,732	51%
Capital and reserves attributable to minority interests	656,561	521,609	134,952	26%
Profit (loss) attributable to minority interests	178,228	191,832	-13,604	-7%
Total equity attributable to minority interests	834,789	713,441	121,348	17%
Total consolidated net equity	13,365,223	11,023,143	2,342,080	21%
<u>Provisions for risks and charges</u>				
For pensions and similar obligations	124,066	90,930	33,136	36%
For taxes, including deferred taxes	227,964	225,525	2,439	1%
Others	87,033	217,971	-130,938	-60%
Total provisions for risks and charges	439,063	534,426	-95,363	-18%
Provision for employee severance indemnity	3,689,241	3,280,750	408,491	12%
<u>Payables</u>				
Bonds	25,000,000	0	25,000,000	n/a
Due to shareholders	0	0	0	n/a
Borrowings from banks	25,995,880	20,159,716	5,836,164	29%
Borrowings from other lenders	7,778,789	2,159,235	5,619,554	260%
Payments on account	0	0	0	n/a
Trade payables	5,940,523	5,582,035	358,488	6%
Payables to unconsolidated subsidiaries	0	7,857	-7,857	-100%
Payables to associated companies	876,337	1,102,286	-225,949	-20%
Tax payables	1,427,966	583,132	844,834	145%
Payables to social security institutions	1,154,462	840,852	313,610	37%
Other payables	2,674,890	1,956,470	718,420	37%
Total Payables	70,848,847	32,391,583	38,457,264	119%
Accruals and deferrals	827,357	1,192,633	-365,276	-31%
Total liabilities	89,169,731	48,422,535	40,747,196	84%

5. Composition of the pro forma consolidated income statement and balance sheet as at 30 June 2021

Details of the pro forma consolidated income statement and balance sheet are presented in the tables below.

The tables include:

- in the first column, data taken from the STAR Group's Consolidated Interim Report on Operations7; it should be underlined that the Consolidated half-yearly report as at 30 June 2021, prepared in compliance with the Italian accounting standards, was audited by BDO Italia S.p.A.;
- in the second column, the final figures taken from the sub-consolidated financial statements of the "Localeyes Ltd" sub-group;
- in the third column, the final economic data of "The Geo Group Corporation" from 1-1-2021 to 22-4-2021; the balance sheet data as at 30 June 2021 are already included in the Consolidated Half-Year Report as at 30 June 2021 of STAR7;
- in the fourth column, the aggregate final data;
- in the fifth column, the sum of the adjustments made to prepare the pro-forma data;
- in the sixth column, the pro forma consolidated data of the STAR7 Group as at 30 June 2021.

	STAR7 Consolidated as at 30-06-2021	Localeyes as at 30-06-2021	The Geo Group as at 30-06- 2021	Aggregate as at 30-06- 2021	Pro-forma adjustments as at 30-06-2021	Pro forma consolidated as at 30-06-2021
VALUE OF PRODUCTION						
Revenues from sales and services	28,078,559	6,344,497	533,211	34,956,267	0	34,956,267
Change in inventories of work in progress and finished products	18,339	86,347	0	104,686	0	104,686
Internal work capitalised	0	0	0	0	0	0
Grants related to income	203,162	0	195,245	398,407	0	398,407
Other revenues and income	329,874	0	9,953	339,827	0	339,827
TOTAL VALUE OF PRODUCTION	28,629,934	6,430,844	738,409	35,799,187	0	35,799,187
COST OF PRODUCTION						
For raw materials and goods	-2,104,467	-2,308,448	0	-4,412,915	0	-4,412,915
Services	-10,343,570	-586,442	-196,576	-11,126,588	153,000	-10,973,588
Leases and rentals	-728,508	-79,664	-69,828	-878,000	44,324	-833,676
Personnel	-10,685,718	-1,525,241	-259,970	-12,470,929	-43,352	-12,514,281
Depreciation/amortisation@@	-1,399,309	-55,054	-352	-1,454,715	-1,583,723	-3,038,438
Write-down of receivables in current assets	-66,329	-2,167	0	-68,496	0	-68,496
Change in inventories of raw materials and goods	0	0	0	0	0	0
Provisions for risks	-33,136	0	0	-33,136	-43,593	-76,729
Sundry operating expenses	-410,291	0	0	-410,291	0	-410,291
TOTAL COSTS OF PRODUCTION	-25,771,328	-4,557,016	-526,727	-30,855,071	-1,473,344	-32,328,415
EBITDA	2,858,606	1,873,828	211,682	4,944,116	-1,473,344	3,470,772
Financial income and charges	-209,911	11,974	-4,758	-202,695	-584,055	-786,751
Value adjustments of financial assets	-15,176	-5,650	0	-20,826	0	-20,826
PROFIT BEFORE TAX	2,633,519	1,880,152	206,924	4,720,595	-2,057,399	2,663,196
Taxes for the year	-676,620	-16,239	-2,866	-695,725	157,359	-538,366
NET PROFIT (LOSS) FOR THE YEAR	1,956,899	1,863,913	204,058	4,024,870	-1,900,040	2,124,830
Net profit (loss) attributable to minority interests	178,228	0	0	178,228	0	178,228
Net profit (loss) attributable to owners of the Parent	1,778,671	1,863,913	204,058	3,846,642	-1,900,040	1,946,602

Notes to the main adjustments to the pro-forma income statement

The main pro forma adjustment relates to amortization of intangible assets, which includes:

- the portion of goodwill paid for the acquisition of 100% of the "Localeyes Ltd" sub-group (1,471,911 euros);
- the *pro-rata* share (from 1-1-2021 to 22-4-2021) relating to the goodwill paid for the acquisition of 100% of

"The Geo Group Corporation" (38,852 Euros);

- the portion relating to the "*success fee*" due to the banks that promoted and organized the issue of the *minibond* aimed at acquiring "Localeyes Ltd" (€72,960); the portion is proportionate to the financial charges of the *minibond* amortization plan; this item is, however, similar to a financial charge, therefore it could also be reclassified under "Financial income and expense"; in any event, the classification of this item has no effect on the determination of EBITDA.

Other pro forma adjustments relate to:

- financial income and expense include interest expense on the *minibond* (588,870 euros), net of interest expense that ceases to accrue to "The Geo Group Corporation" following the repayment of a loan granted by the previous owner (4,815 euros);
- costs for services: cessation of higher costs for "Localeyes Ltd", related to the old ownership;
- leases and rentals: lower lease payments by "The Geo Group Corporation" following termination of the contract for a building leased by the former owner, in exchange for entering into a new contract that provides for lower rents;
- personnel costs: related to key personnel of the "Localeyes Ltd" sub-group;
- provisions for future risks and charges: related to "key personnel" of the "Localeyes Ltd" sub-group for bonuses that will accrue in the event of a minimum stay of more than one year;
- taxes for the year: the tax effect, where applicable, of the adjustments listed, calculated on the basis of the rate in force in the country of the tax return.

The pro-forma consolidated balance sheet is shown below.

ASSETS	STAR7 Consolidated as at 30-06-2021	Localeyes as at 30-06-2021	The Geo Group as at 30-06- 2021	Aggregate as at 30-06-2021	Pro-forma adjustments as at 30-06-2021	Pro forma consolidated as at 30-06-2021
Non-current assets						
Net intangible fixed assets	9,669,581	81,914	0	9,751,495	30,063,213	39,814,708
Net property, plant and equipment	5,624,012	210,538	0	5,834,550	0	5,834,550
Financial fixed assets	342,583	77,803	0	420,386	0	420,386
Total fixed assets	15,636,176	370,255	0	16,006,431	30,063,213	46,069,644
Current assets						
Inventories	1,241,249	324,919	0	1,566,168	0	1,566,168
Trade receivables	23,332,329	954,707	0	24,287,036	0	24,287,036
Receivables due from unconsolidated subsidiaries	0	0	0	0	0	0
Receivables from associated companies	479,877	0	0	479,877	0	479,877
Tax receivables	2,424,001	161,554	0	2,585,555	0	2,585,555
Deferred tax assets	427,569	4,773	0	432,342	0	432,342
Receivables from others	926,619	44,022	0	970,641	0	970,641
Total receivables	27,590,395	1,165,056	0	28,755,451	0	28,755,451
Cash on hand	8,700,257	2,141,057	0	10,841,314	375,000	11,216,314
Total current assets	37,531,901	3,631,032	0	41,162,933	375,000	41,537,933
Accruals and deferrals	1,489,782	72,372	0	1,562,154	0	1,562,154
Total assets	54,657,859	4,073,659	0	58,731,518	30,438,213	89,169,731

LIABILITIES	STAR7 Consolidated as at 30-06-2021	Localeyes as at 30-06-2021	The Geo Group as at 30-06- 2021	Aggregate as at 30-06-2021	Pro-forma adjustments as at 30-06-2021	Pro forma consolidated as at 30-06-2021
Net equity						
Share capital	500,000	0	0	500,000	27,650	527,650
Share premium reserve	0	0	0	0	2,972,350	2,972,350
Legal reserve	100,000	0	0	100,000	0	100,000
Capital contributions	2,846	0	0	2,846	0	2,846
Extraordinary reserve	7,923,537	0	0	7,923,537	0	7,923,537
Misc. other reserves	381,726	1,444,230	0	1,825,956	-1,444,230	381,726
Consolidation reserve	2,434,714	0	0	2,434,714	0	2,434,714
Reserve from translation differences	-591,060	0	0	-591,060	0	-591,060
Profit (loss) for the year	1,778,671	1,863,913	0	3,642,584	-1,863,913	1,778,671
Reserve for own shares held in treasury	-3,000,000	0	0	-3,000,000	0	-3,000,000
Total equity of the Group	9,530,434	3,308,143	0	12,838,577	-308,143	12,530,434
Capital and reserves attributable to minority interests	656,561	0	0	656,561	0	656,561
Profit (loss) attributable to minority interests	178,228	0	0	178,228	0	178,228
Total equity attributable to minority interests	834,789	0	0	834,789	0	834,789
Total consolidated net equity	10,365,223	3,308,143	0	13,673,366	-308,143	13,365,223
Provisions for risks and charges						
For pensions and similar obligations	124,066	0	0	124,066	0	124,066
For taxes, including deferred taxes	227,964	0	0	227,964	0	227,964
Others	87,033	0	0	87,033	0	87,033
Total provisions for risks and charges	439,063	0	0	439,063	0	439,063
Provision for employee severance indemnity	3,689,241	0	0	3,689,241	0	3,689,241
Payables						
Bonds	0	0	0	0	25,000,000	25,000,000
Due to shareholders	0	0	0	0	0	0
Borrowings from banks	25,995,880	0	0	25,995,880	0	25,995,880
Borrowings from other lenders	2,032,433	0	0	2,032,433	5,746,356	7,778,789
Payments on account	0	0	0	0	0	0
Trade payables	5,666,196	274,327	0	5,940,523	0	5,940,523
Payables to unconsolidated subsidiaries	0	0	0	0	0	0
Payables to associated companies	876,337	0	0	876,337	0	876,337
Tax payables	1,427,966	0	0	1,427,966	0	1,427,966
Payables to social security institutions	1,087,588	66,874	0	1,154,462	0	1,154,462
Other payables	2,250,575	424,315	0	2,674,890	0	2,674,890
Total Payables	39,336,975	765,516	0	40,102,491	30,746,356	70,848,847
Accruals and deferrals	827,357	0	0	827,357	0	827,357
Total liabilities	54,657,859	4,073,659	0	58,731,518	30,438,213	89,169,731

Notes to the main adjustments to the pro-forma balance sheet

The main adjustments concern:

- the entry under intangible fixed assets of the goodwill paid for the acquisition of 100% of the "Localeyes Ltd" sub-group (29,438,213 euros) and the "success fee" due to the banks that promoted and organized the issue of the *minibond* aimed at acquiring "Localeyes Ltd" (625,000 euros); it should be remembered that these values are recorded at their gross unamortised value;
- the issue of the bond for the *minibond* (25,000,000 euros); this loan is repayable over 7 years and includes a one-year grace period;
- the outflow of cash to pay part of the acquisition price of "Localeyes Ltd";

- the entry under amounts due to other financial institutions of the balance to be paid to the previous shareholders who owned "Localeyes Ltd" (of which €3,000,000 is due beyond the next financial year);
- the capital increase with share premium reserved for Kairos Partners SGR S.p.A., with cash and cash equivalents amounting to 3,000,000 euros as a balancing entry.

6. Analysis of the Balance Sheet and composition of the pro-forma consolidated Net Financial Position as at 30 June 2021

The following table shows the Balance Sheet in a scaled form, illustrating capital employed and sources of funding:

	Consolidated Pro Forma@@	Consolidated as at 31-12-		
	as at 30-06-2021	2020	Delta	Delta %
Net intangible fixed assets	39,814,708	8,305,500	31,509,208	379%
Net property, plant and equipment	5,834,550	5,387,641	446,909	8%
Equity investments and other financial assets	420,386	511,857	-91,471	-18%
Non-current assets (A)	46,069,644	14,204,998	31,864,646	224%
Inventories	1,566,168	734,851	831,317	113%
Trade receivables	24,287,036	23,577,315	709,721	3%
Receivables due from unconsolidated subsidiaries	0	15,875	-15,875	-100%
Payables to associated companies	479,877	355,312	124,565	35%
Tax credits and other receivables	2,585,555	1,617,032	968,523	60%
Deferred tax assets	432,342	420,594	11,748	3%
Receivables from others	970,641	626,640	344,001	55%
Accrued income and prepaid expenses	1,562,154	873,399	688,755	79%
Short-term operating assets (B)	31,883,773	28,221,018	3,662,755	13%
Trade payables	-5,940,523	-5,582,035	-358,488	6%
Payables to unconsolidated subsidiaries	0	-7,857	7,857	-100%
Payables to associated companies	-876,337	-1,102,286	225,949	-20%
Payments on account	0	0	0	n/a
Tax and social security payables	-2,582,428	-1,423,984	-1,158,444	81%
Other payables	-2,674,890	-1,956,470	-718,420	37%
Accrued expenses and deferred income	-827,357	-1,192,633	365,276	-31%
Short-term operating liabilities (C)	-12,901,535	-11,265,265	-1,636,270	15%
Net working capital (B-C=D)	18,982,238	16,955,753	2,026,485	12%
Employee severance indemnity	-3,689,241	-3,280,750	-408,491	12%
Taxes and social security payables (beyond the next financial year)	0	0	0	n/a
Other medium- and long-term liabilities	-439,063	-534,426	95,363	-18%
Medium/long-term liabilities (E)	-4,128,304	-3,815,176	-313,128	8%
Invested capital (A+D-E)	60,923,578	27,345,575	33,578,003	123%
Net equity	-13,365,223	-11,023,143	-2,342,080	21%
Medium/long-term net financial position	-45,367,868	-13,489,730	-31,878,138	236%
Short-term net financial position	-2,190,487	-2,832,702	642,215	-23%
Equity and net financial debt	-60,923,578	-27,345,575	-33,578,003	123%

The following table shows the breakdown of the pro-forma consolidated Net Financial Position as at 30 June 2021:

	Consolidated Pro Forma@@	Consolidated as at 31-12-		
	as at 30-06-2021	2020	Delta	Delta %
Cash on hand	11,216,314	5,996,519	5,219,795	87%
Financial receivables posted to financial fixed assets	0	0	0	n/a
Bank borrowings and mortgages < 12 months	-10,297,500	-8,484,519	-1,812,981	21%
Other financial payables < 12 m	-3,109,301	-344,702	-2,764,599	802%
Short-term net financial position	-2,190,487	-2,832,702	642,215	-23%
Bank borrowings and mortgages > 12 months	-15,698,380	-11,675,197	-4,023,183	34%
Bonds	-25,000,000	0	-25,000,000	n/a
Other financial payables	-4,669,488	-1,814,533	-2,854,955	157%
Medium/long-term net financial position	-45,367,868	-13,489,730	-31,878,138	236%
Total net financial position	-47,558,355	-16,322,432	-59,733,093	366%

7. Pro-forma consolidated cash flow statement as at 30 June 2021

The following table sets forth the pro forma Consolidated Statement of Cash Flows as at 30 June 2021.

PRO-FORMA CASH FLOW STATEMENT	30-6-2021
A) Cash flow from operating activities (indirect method)	
Profit (loss) for the year	2,124,830
Income taxes	538,366
Interest expense/(income)	799,859
(Gains)/Losses from disposal of assets	-2,000
1) Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses on disposal	3,461,054
Adjustments for non-cash items that did not have a balancing entry in net working capital	
Provisions	563,240
Depreciation/amortisation of fixed assets@@	3,038,438
Impairment losses	20,826
Other adjustments up/(down) for non-cash items	-224,199
Total adjustments for non-monetary items without offsetting entry to net working capital	3,398,305
2) Cash flow before changes in net working capital	6,859,359
Change in net working capital	
Decrease/(Increase) in inventories	-592,317
Decrease/(Increase) in trade receivables	-64,787
Increase/(Decrease) in trade payables	-226,833
Decrease/(Increase) in accrued income and prepaid expenses	-688,755
Increase/(Decrease) in accrued expenses and deferred income	-368,569
Other decreases/(Other increases) in net working capital	-1,183,244
Total change in net working capital	-3,124,505
3) Cash flow after changes in net working capital	3,734,854
Other adjustments	
Interest received/(paid)	-799,859
(Income taxes paid)	-538,366
(Use of provisions)	-150,837
Total other adjustments	-1,489,061
Cash flow from operating activities (A)	2,245,793
B) Cash flow from investing activities	
Property, plant and equipment	
(Investments)	-765,242
Divestments	43,978
Intangible fixed assets	
(Investments)	-915,675
Financial fixed assets	
(Investments)	-124,554
Current financial assets	
(Acquisition of subsidiaries net of cash and cash equivalents)	-65,000
Cash flow from investing activities (B)	-1,826,493
C) Cash flow from financing activities	
Loan funds	
Increase/(Decrease) in short-term payables to banks	3,139,014
Financing	4,600,000
(Repayment of loans)	-1,043,296
Own funds	
Purchase of own shares	-3,000,000
Cash flow from financing activities (C)	3,695,718
Increase (decrease) in cash and cash equivalents (A ± B ± C)	4,115,018
Exchange rate effect on cash and cash equivalents	56,333
Cash and cash equivalents at beginning of year	7,044,963
Cash and cash equivalents at end of year	11,216,314