

PRO-FORMA INCOME AND FINANCIAL DATA
OF THE
STAR7 S.P.A. GROUP
AS AT 31 DECEMBER 2020

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.

Starting in 2019, the Company has initiated a strategic planning process aimed, among other things, at admission of the shares on 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, has 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 of December 31, 2020 and December 31, 2019 have been prepared in accordance with Italian GAAP as issued by the Italian Accounting Organization (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 April 23, 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 November 5, 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 foreign 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 October 25, 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 October 29, 2021.

In the Consolidated Financial Statements for the year ended December 31, 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 of June 30, 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 been considered as of April 23, 2021; the balance sheet, income statement and cash flows of the LocalEyes Group are not included.

3. Commentary on pro-forma logic 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. 31-12-2020);
- 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 2020).

In this specific case, the pro forma consolidated data of the STAR7 Group as at 31-12-2020 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. Pro forma consolidated income statement and balance sheet data of the STAR7 Group as of December 31, 2020

The following tables show the STAR7 Group's pro forma consolidated income statements and balance sheets as of December 31, 2020, prepared in light of the significant transactions described above.

Income Statement

	Consolidated Pro Forma as at 31-12-2020	Consolidated as at 31-12- 2019	Delta	Delta %
VALUE OF PRODUCTION				
Revenues from sales and services	61,845,676	51,126,324	10,719,352	21%
Change in inventories of work in progress and finished products	-332,116	153,923	-486,039	-316%
Grants related to income	870,024	1,574,604	-704,580	-45%
Other revenues and income	683,567	858,817	-175,250	-20%
TOTAL VALUE OF PRODUCTION	63,067,151	53,713,668	9,353,483	17%
COST OF PRODUCTION				
For raw materials and goods	-2,994,114	-3,585,846	591,732	-17%
Services	-28,627,365	-23,302,207	-5,325,158	23%
Leases and rentals	-1,753,730	-1,428,090	-325,640	23%
Personnel	-19,446,417	-18,643,417	-803,000	4%
Amortisation/depreciation	-5,030,995	-1,699,122	-3,331,873	196%
Write-down of receivables in current assets	-129,992	-13,120	-116,872	891%
Change in inventories of raw materials and goods	236,629	25,791	210,838	817%
Provisions for risks	-127,186	-25,465	-101,721	399%
Sundry operating expenses	-1,123,592	-834,048	-289,544	35%
TOTAL COSTS OF PRODUCTION	-58,996,761	-49,505,524	-9,491,237	19%
EBITDA	4,070,389	4,208,144	-137,755	-3%
Financial income and charges	-1,514,369	-247,878	-1,266,491	511%
Value adjustments of financial assets	-156,590	0	-156,590	n/a
PROFIT BEFORE TAX	2,399,431	3,960,266	-1,560,835	-39%
Taxes for the year	-716,175	-1,456,940	740,765	-51%
NET PROFIT (LOSS) FOR THE YEAR	1,683,256	2,503,326	-820,070	-33%
Net profit (loss) attributable to minority interests	191,832	151,776	40,056	26%
Net profit (loss) attributable to owners of the Parent	1,491,424	2,351,550	-860,126	-37%

Balance sheet

ASSETS	Consolidated Pro Forma as at 31-12-2020	Consolidated as at 31-12-2019	Delta	Delta %
<u>Non-current assets</u>				
Net intangible fixed assets	39,671,572	5,810,104	33,861,468	583%
Net property, plant and equipment	5,734,249	4,550,692	1,183,557	26%
Financial fixed assets	540,857	411,018	129,839	32%
Total fixed assets	45,946,678	10,771,814	35,174,864	327%
<u>Current assets</u>				
Inventories	973,851	658,567	315,284	48%
Trade receivables	24,222,249	25,785,457	-1,563,208	-6%
Receivables due from unconsolidated subsidiaries	15,875	311,386	-295,511	-95%
Receivables from associated companies	355,312	277,328	77,984	28%
Tax receivables	1,636,783	1,767,172	-130,389	-7%
Deferred tax assets	420,594	149,320	271,274	182%
Receivables from others	942,815	359,289	583,526	162%
Total receivables	27,593,628	28,649,952	-1,056,324	-4%
Cash on hand	7,044,963	3,412,603	3,632,360	106%
Total current assets	35,612,442	32,721,122	2,891,320	9%
Accruals and deferrals	873,399	787,255	86,144	11%
Total Assets	82,432,518	44,280,191	38,152,327	86%

	Consolidated Pro Forma	Consolidated		
	as at 31-12-2020	as at 31-12- 2019	Delta	Delta %
Net equity				
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%
Special reserve	7,291,413	5,944,512	1,346,901	23%
Misc. other reserves	-20,518	19,321	-39,839	-206%
Consolidation reserve	1,765,173	834,702	930,471	111%
Reserve from translation differences	-822,498	1,375	-823,873	-
				59918%
Profit (loss) for the year	1,493,286	2,351,550	-858,264	-36%
Total equity attributable to owners of the parent	13,309,702	9,754,306	3,555,396	36%
Capital and reserves attributable to minority interests	521,609	574,093	-52,484	-9%
Profit (loss) attributable to minority interests	191,832	151,776	40,056	26%
Total equity attributable to minority interests	713,441	725,869	-12,428	-2%
Total consolidated net equity	14,023,143	10,480,175	3,542,968	34%
Provisions for risks and charges				
For pensions and similar obligations	90,930	50,930	40,000	79%
For taxes, including deferred taxes	225,525	57,203	168,322	294%
Others	217,971	50,000	167,971	336%
Total provisions for risks and charges	534,426	158,133	376,293	238%
Provision for employee severance indemnity	3,280,750	2,644,612	636,138	24%
Payables				
Bonds	25,000,000	0	25,000,000	n/a
Due to shareholders	0	0	0	0%
Borrowings from banks	20,159,716	19,261,440	898,276	5%
Borrowings from other lenders	6,919,235	1,235,530	5,683,705	460%
Payments on account	0	1,760	-1,760	-100%
Trade payables	6,167,356	5,662,147	505,209	9%
Payables to unconsolidated subsidiaries	7,857	50,333	-42,476	-84%
Payables to associated companies	1,102,286	665,133	437,153	66%
Tax payables	809,508	1,197,567	-388,059	-32%
Due to social security institutions	919,845	655,185	264,660	40%
Other payables	2,312,470	1,995,926	316,544	16%
Total Payables	63,398,273	30,725,021	32,673,252	106%
Accruals and deferrals	1,195,926	272,250	923,676	339%
Total Liabilities	82,432,518	44,280,191	38,152,327	86%

5. Composition of the pro forma consolidated statements of income and balance sheet as of December 31, 2020

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

Tables include:

- in the first column, data taken from the STAR7 Group's consolidated financial statements; it should be underlined that the Consolidated Financial Statements as at 31 December 2020, that were prepared in compliance with the Italian accounting standards, were audited by BDO Italia S.p.A.;
- in the second column, the final figures taken from the sub-consolidated financial statements of the "Localey Ltd" sub-group;
- in the third column, the final data of "The Geo Group Corporation";
- 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 of December 31, 2020.

	STAR7 consolidated as at 31-12-2020	LocalEyes as at 31-12- 2020	The Geo Group as at 31-12-2020	Aggregate as at 31-12- 2020	Pro-forma adjustments as at 31-12- 2020	Consolidated Pro Forma as at 31-12-2020
VALUE OF PRODUCTION						
Revenues from sales and services	43,460,628	15,744,000	2,641,048	61,845,676	0	61,845,676
Change in inventories of work in progress and finished products	-205,116	-127,000	0	-332,116	0	-332,116
Grants related to income	666,070	0	203,954	870,024	0	870,024
Other revenues and income	683,567	0	0	683,567	0	683,567
TOTAL VALUE OF PRODUCTION	44,605,149	15,617,000	2,845,002	63,067,151	0	63,067,151
COST OF PRODUCTION						
For raw materials and goods	-2,994,114	0	0	-2,994,114	0	-2,994,114
Services	-19,108,749	-8,955,000	-1,167,918	-29,231,667	604,302	-28,627,365
Leases and rentals	-1,426,375	-273,000	-208,237	-1,907,612	153,882	-1,753,730
Personnel	-15,936,832	-2,346,000	-1,054,018	-19,336,850	-109,567	-19,446,417
Amortisation	-1,686,620	-122,000	-2,587	-1,811,207	-3,219,788	-5,030,995
Devaluation of receivables in current assets	-129,992	0	0	-129,992	0	-129,992
Change in inventories of raw materials and goods	236,629	0	0	236,629	0	236,629
Provisions for risks	-40,000	0	0	-40,000	-87,186	-127,186
Sundry operating expenses	-994,382	-119,000	-10,210	-1,123,592	0	-1,123,592
TOTAL COSTS OF PRODUCTION	-42,080,434	-11,815,000	-2,442,970	-56,338,404	-2,658,357	-58,996,761
EBITDA	2,524,714	3,802,000	402,032	6,728,746	-2,658,357	4,070,389
Financial income and charges	-317,711	-1,000	-23,996	-342,707	-1,171,662	-1,514,369
Value adjustments of financial assets	-73,590	-83,000	0	-156,590	0	-156,590
PROFIT BEFORE TAX	2,133,414	3,718,000	378,036	6,229,450	-3,830,019	2,399,431
Taxes for the year	-448,296	-514,000	-33,941	-996,237	280,062	-716,175
NET PROFIT (LOSS) FOR THE YEAR	1,685,118	3,204,000	344,095	5,233,213	-3,549,957	1,683,256
Net profit (loss) attributable to minority interests	191,832	0	0	191,832	0	191,832
Net profit (loss) attributable to owners of the Parent	1,493,286	3,204,000	344,095	5,041,381	-3,549,957	1,491,424

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 (goodwill equal to 29,442,000 euros amortized over 10 years, therefore the pro-forma amortization amounts to 2,944,200 euros);
- the portion relating to the goodwill paid for the acquisition of 100% of "The Geo Group Corporation" (128,458 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" (EUR 147,130); the portion is proportionate to the financial charges of the minibond amortization plan; this item is, moreover, 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 (1,187,500 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 (15,838 euros);
- costs for the provision of 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 31-12-2020	LocalEyes as at 31-12- 2020	The Geo Group as at 31-12- 2020	Aggregate as at 31-12- 2020	Pro-forma adjustments as at 31-12-2020	Consolidated Pro Forma as at 31-12-2020
<u>Non-current assets</u>						
Net intangible fixed assets	8,305,500	55,000	0	8,360,500	31,311,071	39,671,572
Net property, plant and equipment	5,387,641	341,000	5,608	5,734,249	0	5,734,249
Financial fixed assets	511,857	29,000	0	540,857	0	540,857
Total fixed assets	14,204,999	425,000	5,608	14,635,606	31,311,071	45,946,678
<u>Current assets</u>						
Inventory	734,851	239,000	0	973,851	0	973,851
Trade receivables	23,577,315	474,000	170,934	24,222,249	0	24,222,249
Receivables due from unconsolidated subsidiaries	15,875	0	0	15,875	0	15,875
Receivables from associated companies	355,312	0	0	355,312	0	355,312
Tax receivables	1,617,032	0	19,751	1,636,783	0	1,636,783
Deferred tax assets	420,594	0	0	420,594	0	420,594
Receivables from others	626,640	308,000	24,474	959,114	-16,299	942,815
Total receivables	26,612,767	782,000	215,159	27,609,927	-16,299	27,593,628
Cash on hand	5,996,519	1,959,000	711,618	8,667,137	-1,622,175	7,044,963
Total current assets	33,344,137	2,980,000	926,778	37,250,915	-1,638,473	35,612,442
Accruals and deferrals	873,399	0	0	873,399	0	873,399
Total assets	48,422,535	3,405,000	932,385	52,759,920	29,672,598	82,432,518

	STAR7 consolidated	LocalEyes	The Geo Group	Aggregate	Pro-forma adjustments	Consolidated Pro Forma
LIABILITIES	as at 31-12-2020	as at 31-12- 2020	as at 31-12-2020	as at 31-12- 2020	as at 31-12- 2020	as at 31-12-2020
Net equity						
Share capital	500,000	0	1,630	501,630	26,020	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
Special reserve	7,291,413	0	0	7,291,413	0	7,291,413
Misc. other reserves	-20,518	-886,000	523,781	-382,737	362,219	-20,518
Consolidation reserve	1,765,173	0	0	1,765,173	0	1,765,173
Reserve from translation differences	-822,498	0	-4,437	-826,935	4,437	-822,498
Profit (loss) for the year	1,493,286	3,204,000	64,130	4,761,416	-3,268,130	1,493,286
Total equity attributable to owners of the parent	10,309,702	2,318,000	585,104	13,212,806	96,896	13,309,702
Capital and reserves attributable to minority interests	521,609	0	0	521,609	0	521,609
Profit (loss) attributable to minority interests	191,832	0	0	191,832	0	191,832
Total equity attributable to minority interests	713,441	0	0	713,441	0	713,441
Total consolidated net equity	11,023,143	2,318,000	585,104	13,926,247	96,896	14,023,143
Provisions for risks and charges						
For pensions and similar obligations	90,930	0	0	90,930	0	90,930
For taxes, including deferred taxes	225,525	0	0	225,525	0	225,525
Others	217,971	0	0	217,971	0	217,971
Total provisions for risks and charges	534,426	0	0	534,426	0	534,426
Provision for employee severance indemnity	3,280,750	0	0	3,280,750	0	3,280,750
Payables						
Bonds	0	0	0	0	25,000,000	25,000,000
Due to shareholders	0	0	184,298	184,298	-184,298	0
Borrowings from banks	20,159,716	0	0	20,159,716	0	20,159,716
Borrowings from other lenders	2,159,235	0	0	2,159,235	4,760,000	6,919,235
Payments on account	0	0	0	0	0	0
Trade payables	5,582,035	512,000	73,321	6,167,356	0	6,167,356
Payables to unconsolidated subsidiaries	7,857	0	0	7,857	0	7,857
Payables to associated companies	1,102,286	0	0	1,102,286	0	1,102,286
Tax payables	583,132	219,000	7,376	809,508	0	809,508
Payables to social security institutions	840,852	0	78,993	919,845	0	919,845
Other payables	1,956,470	356,000	0	2,312,470	0	2,312,470
Total payables	32,391,583	1,087,000	343,988	33,822,571	29,575,702	63,398,273
Accruals and deferrals	1,192,633	0	3,293	1,195,926	0	1,195,926
Total Liabilities	48,422,535	3,405,000	932,385	52,759,920	29,672,598	82,432,518

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

The main adjustments concern:

- the recording under intangible fixed assets of the goodwill paid for the acquisition of 100% of the sub-group "Localeyes Ltd" (29,442,000 euros), the goodwill paid for the acquisition of 100% of "The Geo Group Corporation" (1,244,071 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 value not yet amortized;
- the issue of the bond for the minibond (25,000,000 euros); this loan is repayable over 7 years and includes a one-year pre-amortization period;
- the outflow of cash to pay part of the price of the acquisition of "Localeyes Ltd" and the entire price of "The Geo Group Corporation";
- 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 discharge of payables for shareholders' loans received from the previous ownership of "The Geo Group Corporation";

- 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 breakdown of the pro-forma consolidated Net Financial Position as at December 31, 2020

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

	Consolidated Pro Forma as at 31-12-2020	Consolidated as at 31-12-2019	Delta	Delta %
Net intangible fixed assets	39,671,572	5,810,104	33,861,468	583%
Net property, plant and equipment	5,734,249	4,550,692	1,183,557	26%
Equity investments and other financial assets	540,857	411,018	129,839	32%
Fixed assets (A)	45,946,678	10,771,814	35,174,864	327%
Inventories	973,851	658,567	315,284	48%
Trade receivables	24,222,249	25,785,457	-1,563,208	-6%
Receivables due from unconsolidated subsidiaries	15,875	311,386	-295,511	-95%
Payables to associated companies	355,312	277,328	77,984	28%
Tax credits and other receivables	1,636,783	1,767,172	-130,389	-7%
Deferred tax assets	420,594	149,320	271,274	182%
Receivables from others	942,815	359,289	583,526	162%
Accrued income and prepaid expenses	873,399	787,255	86,144	11%
Short-term operating assets (B)	29,440,878	30,095,774	-654,896	-2%
Trade payables	356	-5,662,147	-505,209	9%
Payables to unconsolidated subsidiaries	-7,857	-50,333	42,476	-84%
Payables to associated companies	-1,102,286	-665,133	-437,153	66%
Payments on account	0	-1,760	1,760	-100%
Tax and social security payables	-1,729,353	-1,852,752	123,399	-7%
Other payables	-2,312,470	-1,995,926	-316,544	16%
Accrued expenses and deferred income	-1,195,926	-272,250	-923,676	339%
Short-term operating liabilities (C)	-12,515,248	-10,500,301	-2,014,947	19%
Net working capital (B-C=D)	16,925,630	19,595,473	-2,669,843	-14%
Employee severance indemnity	-3,280,750	-2,644,612	-636,138	24%
Taxes and social security payables (beyond the next financial year)	0	0	0	n/a
Other medium- and long-term liabilities	-534,426	-158,133	-376,293	238%
Medium/long-term liabilities (E)	-3,815,176	-2,802,745	-1,012,431	36%
Invested capital (A+D-E)	59,057,132	27,564,542	31,492,590	114%
Net equity	-14,023,143	-10,480,175	-3,542,968	34%
Medium/long-term net financial position	-41,489,730	-3,536,337	-37,953,393	1073%
Short-term net financial position	-3,544,258	-13,548,030	10,003,772	-74%
Equity and net financial debt	-59,057,132	-27,564,542	-31,492,590	114%

The following table shows the breakdown of the pro-forma consolidated Net Financial Position as of December 31, 2020:

	Consolidated Pro Forma as at 31-12-2020	Consolidated as at 31-12-2019	Delta	Delta %
Cash on hand	7,044,963	3,412,603	3,632,360	106%
Financial receivables posted to financial fixed assets	0	0	0	n/a
Due to banks and mortgages < 12 months	-8,484,519	-16,875,076	8,390,557	-50%
Other financial payables < 12 m	-2,104,702	-85,557	-2,019,145	2360%
Short-term net financial position	-3,544,258	-13,548,030	10,003,772	-74%
Due to banks and mortgages > 12 months	-11,675,197	-2,386,364	-9,288,833	389%
Bonds	-25,000,000	0	-25,000,000	n/a
Other financial payables	-4,814,533	-1,149,973	-3,664,560	319%
Medium/long-term net financial position	-41,489,730	-3,536,337	-37,953,393	1073%
Total net financial position	-45,033,988	-17,084,367	-66,617,953	390%

7. Pro-forma consolidated cash flow statement as at 31 December 2020

The following table sets forth the pro forma Consolidated Statement of Cash Flows as of December 31, 2020.

PRO-FORMA CASH FLOW STATEMENT	31-12-2020
A) Cash flow from operating activities (indirect method)	
Profit (loss) for the year	1,683,256
Income taxes	716,175
Interest expense/(income)	1,512,567
(Gains)/Losses from disposal of assets	30,953
1) Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses on disposal	3,942,951
Adjustments for non-cash items that did not have a balancing entry in net working capital	
Provisions	1,018,907
Depreciation/amortisation of fixed assets	5,030,995
Impairment losses	156,590
Other adjustments up/(down) for non-cash items	39,839
Total adjustments for non-monetary items without offsetting entry to net working capital	6,246,331
2) Cash flow before changes in net working capital	10,189,282
Change in net working capital	
Decrease/(Increase) in inventories	49,716
Decrease/(Increase) in trade receivables	2,752,893
Increase/(Decrease) in trade payables	-111,023
Decrease/(Increase) in accrued income and prepaid expenses	-86,144
Increase/(Decrease) in accrued expenses and deferred income	893,112
Other decreases/(Other increases) in net working capital	-3,945,208
Total change in net working capital	-446,654
3) Cash flow after changes in net working capital	9,742,628
Other adjustments	
Interest received/(paid)	-1,512,567
(Income taxes paid)	-716,175
(Use of provisions)	-281,796
Total other adjustments	-2,510,538
Cash flow from operating activities (A)	7,232,090
B) Cash flow from investment activities	
Property, plant and equipment	
(Investments)	-2,127,537
Divestments	621,645
Intangible fixed assets	
(Investments)	-3,822,507
Financial fixed assets	
(Investments)	-394,154
Divestments	287,500
Cash flow from investing activities (B)	-5,435,053
C) Cash flow from financing activities	
Loan funds	
Increase/(Decrease) in short-term payables to banks	-8,605,634
Financing	10,370,470
(Repayment of loans)	-966,855
Cash flow from financing activities (C)	797,981
Increase (decrease) in cash and cash equivalents (A ± B ± C)	2,595,018
Exchange rate effect on cash and cash equivalents	-235,651
Cash and cash equivalents at beginning of year	4,685,596
Cash and cash equivalents at end of year	7,044,963