STAR7 S.p.A.

Share capital: Euro 527,650.00 fully paid up
Registered office: Via Alessandria, 37/b, Valle San Bartolomeo, 15122 Alessandria, Italy
Tax identification number/VAT number: 01255170050
Registered in the Companies Register of Alessandria with Italian REA no. 208355

Admission Document

for trading of the

"Star7 Tf 4.75% Ott28 Amort Eur"
(ISIN no. **"IT0005460917**")

financial instruments on the ExtraMOT PRO^3 Segment of the ExtraMOT Market organised and managed by Borsa Italiana S.p.A.

The bond issue is reserved for professional investors pursuant to the Intermediaries Regulation adopted by CONSOB resolution no. 20307/2018. It is issued in dematerialised form pursuant to Italian Legislative Decree no. 58 of 24 February 1998 and subsequent amendments and is filed with Monte Titoli S.p.A.

CONSOB and Borsa Italiana have neither reviewed nor approved the contents of this Admission Document

This Admission Document is prepared in accordance with the ExtraMOT PRO^3 Segment Regulation for the purpose of admission to trading on the ExtraMOT PRO^3 Segment of "**Star7 Tf 4,75% Ott28 Amort Eur**" bonds and does not constitute a prospectus under Regulation (EU) 2017/1129 and Italian Legislative Decree no. 58 of 24 February 1998, and subsequent amendments.

The Admission Document is available at the registered office of STAR7 S.p.A., in Via Alessandria, 37/b, Valle San Bartolomeo, 15122 Alessandria, Italy, and on the Issuer's website at: www.star-7.com/

This Admission Document refers to and has been prepared in relation to the listing of the **"Star7 Tf 4,75% Ott28 Amort Eur"** Bond Issue by STAR7 S.p.A. (the "**Issuer**") on the ExtraMOT market's segment for the growth of small and medium-sized enterprises, which is managed and organised by Borsa Italiana S.p.A., and has been drawn up in accordance with the relevant segment's regulation.

Neither this Admission Document nor the transaction described in this Admission Document constitute an offer of financial instruments to the public or an admission of financial instruments to a regulated market as defined by the Consolidated Italian Legislative Decree no. 58 of 24 February 1998 on provisions for financial intermediation (the "Italian Finance Act") and by CONSOB Regulation 11971/1999. There is, therefore, no requirement to prepare a prospectus in accordance with the guidelines set out in delegated Regulation (EU) 2019/980 of 14 March 2019, as subsequently amended and added to, as regards the format, content, supervision and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market. The publication of this Admission Document does not require the authorisation of CONSOB pursuant to Regulation (EU) no. 2017/1129 or any other rule or regulation governing the preparation and publication of prospectuses under articles 94 and 113 of the Italian Finance Act, including CONSOB Regulation 11971/1999.

CONSOB and Borsa Italiana have neither reviewed nor approved the contents of this Admission Document.

This version is a translation of the original document in Italian. The Italian language is the language used by the Issuer for the purposes of the Admission Document, as well as the language that will be used by the Issuer for all documents and information made available and/or to be made available to investors. It will also be used for any other document and information required by applicable legislation, including secondary legislation, and by the Bond Issue terms and conditions.

Furthermore, the Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended and added to, or other relevant laws, or under the corresponding regulations in Canada, Australia, Japan or any other country in which the sale and/or subscription of the Bonds is not permitted by the competent authorities.

Without prejudice to the above, the subsequent circulation or resale of the Bonds in any of the aforementioned countries or, in any case, in countries other than Italy and to parties not resident or not incorporated in Italy, may take place only: (i) to the extent expressly permitted by the laws and regulations applicable in the respective countries in which the subsequent circulation of the Bonds is intended; or (ii) if the laws and regulations applicable in such countries provide for specific exemptions that allow the circulation of the Bonds.

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Part I – Definitions

The following is a list of definitions and terms used in this Admission Document and in the attached Issue Terms and Conditions. Such definitions and terms, unless otherwise specified, have the meanings listed below, it being understood that the same meaning will be applied to both the singular and the plural form.

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Special Shares	Special class of shares issued by the Issuer
Borsa Italiana	Borsa Italiana S.p.A., with registered office in Milan, Piazza degli Affari n. 6.
Professional Clients	Parties identified as "Professional Clients" under the Intermediaries Regulation adopted by CONSOB resolution no. 20307/2018 ("**Professional Investors**").
Placement	The Placement of the Bonds is reserved for parties specifically identified by the Issuer on the basis of individual negotiations, falling under the cases of inapplicability of "public offer" provisions pursuant to articles 100 of the TUF and 34-ter of CONSOB Regulation 11971/1999.
CONSOB	The Commissione Nazionale per le Società e la Borsa with its registered office in Rome, Via G.B. Martini n. 3.
Issue Date	The date of 12 (twelve) November 2021 (two thousand and twenty-one), the issue date of the Bonds.
Dated Date	The date of 12 (twelve) November 2021 (two thousand and twenty-one), the dated date of the Bonds.
Maturity Date	The date of 12 (twelve) November 2028 (two thousand and twenty-eight), the date on which the Bonds' term to maturity will cease.
Decree 239	Italian Legislative Decree No. 239 of 1 February 1996, as subsequently amended and added to.
Admission Document	This admission document for the trading of bonds prepared in accordance with the guidelines indicated in the ExtraMOT PRO^3 Segment Regulation.
Issuer or STAR7 or Company	STAR7 S.p.A., with registered office at Via Alessandria, 37/b, Valle San Bartolomeo, 15122 Alessandria, Italy, tax code, VAT number and registration number with the Register of Companies of Alessandria no. 01255170050. Telephone: +39 0131 325421 E-mail: info@star-7.com Registered e-mail address (PEC): star-7@pec.star-7.com Website: https://www.star-7.com/
ExtraMOT	Borsa Italiana's multilateral trading facility (MTF) reserved for bond instruments.
ExtraMOT PRO^3	The ExtraMOT market's segment for the growth of small and medium-sized enterprises.

Business Day	Any day (excluding Saturdays and Sundays) on which the Trans-European Automated Real Time Gross Settlement Express Transfer System (TARGET2) is operating for the settlement of payments in euros.
Group	The Issuer and its direct or indirect subsidiaries pursuant to Article 2359(1)(1) of the Italian Civil Code and included in the scope of consolidation.
Interest	The interest on the Bond Issue that the Issuer is required to pay in relation to the Bonds pursuant to the Bond Issue Terms and Conditions.
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.
Bonds or Securities	The bonds relating to the Bond Issue.
Bondholders	Parties holding Bonds.
Bond Issue	The bond issue, with a total nominal value of @@5,000,000.00@@ (five million) euros, issued by STAR7 S.p.A. by resolution of the Board of Directors on 25 October 2021 and filed on 28 October 2021 with the Register of Companies of Alessandria.
Issue Price	The Bonds will be offered for subscription at a price equal to 100% of their nominal value, i.e. at the issue price of each Bond, equal to 100,000 euros.
Bond Issue Terms and Conditions	The Bond Issue Terms and Conditions – Annex 1 to this Admission Document.
ExtraMOT PRO^3 Segment Regulation	The ExtraMOT PRO^3 Segment Regulation adopted by Borsa Italiana, as amended from time to time.
Initial Interest Rate	The Initial Interest Rate as defined in article 1 (Definitions) of the Bond Issue Terms and Conditions.
Italian Finance Act or TUF	Italian Legislative Decree no. 58 of 24 February 1998, as subsequently amended and added to.
Nominal Value	The nominal value of each Bond, equal to 100,000 (one hundred thousand) euros.

Part II – Responsible Persons

2.1 Persons responsible for the Admission Document

Responsibility for the information contained in this Admission Document is assumed by STAR7 S.p.A., as Issuer, with registered office in Via Alessandria, 37/b, Valle San Bartolomeo, 15122 Alessandria, Italy, legally represented by Mr Lorenzo Mondo as Chairman of the Board of Directors of the Company and holding all necessary powers.

2.2 Statement of responsibility

STAR7 S.p.A., as Issuer, with registered office in Via Alessandria, 37/b, Valle San Bartolomeo, 15122 Alessandria, Italy, having taken all reasonable care to ensure that such is the case, hereby declares that the information contained in this Admission Document is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.

2.3 Statement on the completeness, consistency and clarity of the Admission Document

STAR7 S.p.A., as Issuer, with registered office in Via Alessandria, 37/b, Valle San Bartolomeo, 15122 Alessandria, Italy, declares that this Admission Document has been adequately reviewed for completeness, consistency and clarity of the information contained therein.

Part III – Risk factors

The transaction described in the Admission Document presents the typical elements of risk in an investment in bonds.
Investors are encouraged to read this Admission Document carefully in order to understand the risk factors associated with subscription to the Bonds. In particular, investors are asked to assess the specific risk factors relating to the Issuer, to the financial instrument being invested in and to the sector in which the Issuer operates. Should the circumstances outlined in the risk factors take place, they could adversely affect the business and the economic and financial situation of the Issuer and its prospects.

The risk factors described below should be read in conjunction with the other information contained in the Admission Document, including the Annexes.

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3.1 Risk factors relating to the Issuer and the market it operates in

3.1.1. *Issuer*

By purchasing Bonds, the Bondholder becomes a lender to the Group and holds a claim for the payment of interest and repayment of the principal. The bonds are in general subject to issuer risk, represented by the possibility that the Company, as the Bond 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 insufficient (even on a temporary basis) liquidity. In the event of such circumstances, the investor may incur a loss, (including a total loss), of the capital invested.

For completeness, note that on the Issue Date the Issuer also expects to make a bond issue with a total nominal amount of 20,000,000.00 named “Star7 Tf 4,75% 2021-2028 Amort Eur”, represented by and divided into 2021-2028 bearer bonds with a nominal value of 100,000.00 euros each in non-divisible denominations, issued in dematerialised form with Monte Titoli and admitted to trading on the ExtraMOT PRO[3] Segment and such bond issue will also be fully subscribed at the Issue Date (the "**20-million Bond Issue**").

3.1.2. *Complex financial market conditions and the macroeconomic environment*

The Issuer is exposed to adverse changes in the macroeconomic environment.

The Group's financial results depend on global economic conditions in the European Union, the United Kingdom and the United States, as well as, to a lesser extent, in Asia Pacific and South America: a prolonged recession in any of these regions or worldwide such as that which may be caused by Covid-19 could adversely affect the Issuer's and the Group's financial position and performance.

As such, the Issuer continuously monitors its customers in order to promptly assimilate any changes, working to minimise the economic impact that may derive from them.

3.1.3. *The spread of the Covid-19 epidemic and related impacts for the Issuer*

The spread of the Covid-19 virus was a worldwide shock. This was felt first and foremost in human and health terms, but it had equally significant repercussions on the Italian and international economies.

Regarding the Group, the volume of business declined in 2020 as a result of the lockdown period that affected part of its customer base (in the automotive sector in particular); The Issuer believes that the Group's activities, translations and technical authoring in particular, are not closely linked to economic cycles because these services are considered indispensable. Nevertheless, possible effects on the future financial position and performance of the Issuer and/or the Group cannot be excluded.

It should be noted that neither the Company nor other Group companies have experienced significant suspension, interruption or delay in their supply as a result of the pandemic. 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.

3.1.4. *Related party transactions*

The Group is engaged in, and in the course of its business may continue to be engaged in, administrative and commercial transactions with Related Parties.

In particular, it should be noted that some Group companies have appointed Dante S.r.l. to perform certain accounting, administrative, financial and technical management services, as well as other management services for marketing and communication, against payment of a fee in line with market standards for the provision of these services.

The following is a summary of the revenues and expenses recognised by the Company in respect of related parties at the end of 2020:

€ '000	Italy	EU	Non EU	**Total**
Revenue from related parties	18	318	73	**409**
Expenses to related parties	537	1,129	823	**2,489**

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. 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.

3.1.5. *Competitiveness of the sector*

The markets and businesses in which the Company operates are impacted by steady and growing competition and evolution, from both a technological and regulatory point of view.

It should be noted that competitiveness should be measured, among other things, 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 Group now has a distinctive profile in the market that is not strictly related to a translation and/or interpreting service, and is thus able to position itself as an integrated operator within the product information sector capable of following the entire product lifecycle, from design to after-sales support.

3.1.6. *Hacking and IT security*

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 position and performance.

3.1.7. *The defence of intellectual property rights*

As of the date of the Admission Document, the Issuer has filed several trademark applications and registered various domains (“**Applications**”).

Although prior to filing the Applications the Issuer conducted novelty (prior art) searches in all relevant jurisdictions, it is possible that the Applications might be opposed by the owners of trademarks that could be confused with those the Issuer is attempting to register (leading to possible rejection of the Applications), contested as to use by third parties, or in any case rejected by the patent and trademark authorities. This could lead to possible consequences both in terms of compensation and on the Issuer’s business due to the need to rethink its commercial strategy and to partially modify its brand identity with possible negative impacts on its financial position and performance and its reputation.

In addition, the Issuer, as at the date of the Admission Document, is part of the STAR AG international network and therefore has the right to use certain trademarks and software owned by STAR AG, as specified in an agreement signed on 4 December 2019 ("**Commercial Agreement**") under which STAR AG granted, *inter alia*, the Issuer: (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. Under the Commercial Agreement, Star AG has also acknowledged that the Issuer's "STAR7” trademarks are distinct from those of Star AG and has agreed not to challenge them.

In this regard, 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 trademarks; this would adversely affect the Company's business, financial position and performance, and prospects.

3.1.8. *Technological innovation*

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.

By nature, such infrastructure is prone to several operational risks, such as machine malfunctions, interruptions of service, wrongful conduct by third parties, and/or unforeseen events, which could hamper the proper functioning of the infrastructure and force the Group to halt or interrupt its business.

Should the Issuer find it impossible to preserve the proper functioning of its IT systems and take on, if necessary, the related maintenance costs, it could encounter difficulties in adequately meeting customer requests, with the risk of generating a negative impact on its ability to achieve and maintain its economic and financial objectives.

3.1.9. *Liquidity*

Liquidity risk is the risk that the Issuer will not be able to meet its payment commitments at maturity.

The Company is subject to the usual liquidity risk deriving from investments made and the resources absorbed by working capital. The Company has adequate liquidity and equity to assets ratios to access financing to support its development.

3.1.10. *Organisational*

As a result of the development and growth activities (for more details see paragraph 3.1.17 below) to be carried out (and taking into account the acquisitions it has made, such as, for example, LocalEyes), the growing size of the Issuer and the Group involves an implicit organisational risk.

The Company is already working to mitigate this risk by employing technical and managerial personnel in each sector it operates in.

3.1.11. *Credit*

Credit risk represents the Issuer's exposure to potential losses arising from the failure of counterparties to fulfil their obligations in regards to services provided. The Issuer does not take out insurance coverage on receivables claimed from customers as it believes that the current risk provision is sufficiently large to absorb any losses on receivables.
It should be noted that the Company counts among its customers some of the leading national and international businesses in various sectors (in particular, automotive, industrial, household appliances, fashion and media). One of STAR7's characteristics is its ability to develop lasting business relationships: the Group enjoys sustained and consistent relationships with around 95% of its customer base.
It should be noted that the top five customers accounted for approximately 66% of total 2020 revenues, an increase of approximately 9% compared to 2019: nevertheless, in view of the market position held by its commercial counterparties, the Issuer does not foresee any risk of non-collection of its fees.
The average time of collection of receivables by the Issuer in 2020 was around 190 days, an increase compared to 2019 (173 days). The average payment time of trade payables, on the other hand, came to around 88 days in 2020. This also increased compared to 2019 (around 74 days) but decreased compared to 2018 (around 105 days).

3.1.12. *Exchange rate*

The currency used for the preparation of the financial statements is the euro (EUR). The Issuer is not exposed to foreign exchange risk as it settles all purchases and sales in euros (EUR).

3.1.13. *Issuer's dependence on key personnel*

The success of the Issuer depends to a significant extent on Lorenzo Mondo, Chairman of the Board of Directors and Chief Executive Officer of the Issuer.

Although from an operational and managerial perspective, the Issuer has developed a structure that ensures business continuity, the loss of Mr Mondo – were the Issuer unable to replace him promptly with one or more equally qualified persons able to provide the same operational and professional expertise – could reduce the Issuer's competitiveness and prospects for growth, which would adversely affect its day-to-day business and its financial position and performance.

This represents an implicit risk in the growth process, potentially making it more difficult to achieve the profitability and equity objectives the Issuer has set itself.

3.1.14. *Employment issues*

The Company, on its own and through its subsidiaries, uses outsourcing and collaboration/consulting arrangements (in some cases without formal contracts).

These arrangements, all the more so when not contractualised, carry the risk of employment disputes where providers may demand to be treated as employees; such demands could bring about costs, charges, or penalties for the Group and adversely affect its financial position and performance.

3.1.15. *Collection, storage, and processing of personal data*

In the context of providing services, the Issuer collects, stores, and processes 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 Issuer is 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 employees and third parties.

3.1.16. *Operational*

Operational risk is understood as the risk of losses due to errors, violations, interruptions or damage caused by internal processes, personnel, systems or external events.

The Issuer is therefore exposed to multiple types of operational risk, including the risk of operational errors by employees or risk resulting from defects or malfunctions of the means used for the provision of its services. Any defect or lack of conformity in the products supplied to customers could adversely affect the Issuer's ability to meet its operational objectives and the financial position of the Company.

3.1.17. *Non-implementation or delays in the implementation of the industrial strategy*

The Issuer intends to pursue a growth and development strategy based on further strengthening its existing activities, both organically and through acquisition, as well as through steadily growing its international presence.

With regard to the first point, the strategy is based on the Issuer's investment activities aimed at developing further innovative services to be offered to its existing customer base and to customers of the STAR AG network, as well as on the Group's ability to identify target companies with characteristics that favour a reciprocal and effective integration.

In particular, the Issuer is part of STAR AG's international network of companies operating in 32 countries. This affiliation allows the Issuer to benefit from the experience, reputation/visibility, and competencies of STAR AG in the translation business and to develop important synergies from the promotion and growth of new lines of business. 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 regards to international growth, it should be noted that a process aimed at increasing the revenues generated abroad has begun. If the Issuer is not able to effectively implement its strategy or to implement it on schedule, or if the basic assumptions on which the strategy is based are not correct, the Issuer's ability to increase its revenues and profitability could be affected and this could have a negative effect on the possibility of achieving the objectives set out in the business plan, the issuer's business and growth prospects, as well as its financial position and performance.

3.1.18. *Conflicts of interest involving 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.

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 is owner of the entire share capital of STAR AG, which owns 37.9% of the Issuer's share capital.

These circumstances could lead to decisions being taken in conflict of interest with possible detrimental effects on the Issuer’s financial position and performance.

3.1.19. *Bidding for contracts*

Some of the contracts of interest to the Company are acquired through competitive bidding procedures, mostly private. Therefore, the Issuer 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. Unsuccessful bids could adversely affect the Issuer's business, financial position and performance, due to loss of the corresponding revenues and the sunk cost of preparing the bid.

3.1.20. *Exceptional transactions*

The Group's strategy includes expanding its operations both organically and through acquisitions. The Group has made a number of acquisitions that have complemented its organic growth strategies.

In particular, the following recent acquisitions are noteworthy: (i) the American company Techworld Language Services Inc. in 2018, (ii) the company Res S.r.l. in 2018, merged by incorporation into the Company in 2020, (iii) the Brazilian company Grafica e Editoria Starcom Ltda in 2018, (iv) a minority interest in the company IAMDEV STP S.r.l. in 2020, (v) the acquisition of a business unit 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 acquisition of the entire share capital of LocalEyes Ltd.

The Issuer, at the date of the Admission Document, holds the following majority shareholdings:

- STAR7 Albania SHPK (100%)
- Star Comuniçãlo e Cervigos Ltda (75%)
- Cal Comunicalo, Acabamento and Logistica Ltda (75%)
- AD Studio S.r.l. (100%)
- STAR7 Austria GmbH (100%)
- STAR7 Printing S.r.l. (60%)
- STAR7 Engineering S.r.l. (100%)
- STAR7 USA LLC (100%)
- IAMDEV STP S.r.l. (33%)
- STARCOM Argentina SAS, held indirectly by the Issuer
- Techworld Language Services Inc., held indirectly by the Issuer
- Geo Group Corporation, held indirectly by the Issuer

Furthermore, at the Issue Date, the Issuer completed the acquisition of the entire share capital of LocalEyes, a company operating in the translation and localisation sector, providing global services in over 60 countries. In regards to the above acquisition, the Issuer pledged to Cubic Venture S.A. (the company selling LocalEyes) a stake of 20,000 ordinary shares, equal to approximately 4% of the Share Capital of the Issuer as of the Admission Document.

This pledge was established as security for payment obligations assumed by STAR7 under the terms of the LocalEyes acquisition and, as per the relevant contract, will be fully released on the possible listing of the Issuer’s ordinary shares on Euronext Growth Milan if this occurs by 31 July 2022 (with the simultaneous release by the Issuer of an autonomous and first demand bank guarantee to Cubic Venture S.A. as security for the tranches not yet paid, for the amount of 3,000,000 euros), otherwise it will be partially released and consequently a holding of 10,000 Shares, equal to 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 as security for the tranches not yet paid to Cubic Venture S.A., for an amount equal to 1,500,000 euros).

The implementation of this growth strategy and its continuation in the future will also depend on the ability to find suitable acquirees and to complete acquisitions, joint ventures, and other forms of collaboration under satisfactory terms and conditions, and on the ability to integrate such businesses appropriately and in a timely manner. Delays in completing operations or unexpected costs and liabilities could have a negative impact on the Issuer and its results, adversely affecting the Group's financial position and performance. Any future acquisitions could be paid for in cash or by taking on loans, or through share swaps, with a potential dilutive effect. These factors could adversely affect the Group's business, financial situation or performance.

3.1.21. *Reputational damage*

The Issuer is exposed to the current or prospective risk of a worsening of its financial position and performance 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'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.
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 (potentially significant) damage to the image and reputation the Issuer enjoys in its fields.

3.1.22. *Customer concentration*

The Issuer has a significant customer portfolio, which includes leading national and global companies from a range of sectors (in particular, automotive, industrial, household appliances, fashion and media) with whom it boasts established long-term relationships (typically between three and five years). It should be noted, however, that a significant part of turnover is accounted for by a limited number of customers, with over 66% of 2020 revenues generated by the Group's top five customers. As of the date of the Admission Document, in relation to the regular performance of the contracts, the Company does not have any disputes against its clients.

Regarding its relations with suppliers, it should be noted that STAR7 mainly provides services that it develops internally, therefore the strategic resource is its human capital. The services for which the Group uses external suppliers are:

- Product Knowledge: the Group makes some use of external suppliers in the area of technical authoring to increase the flexibility of its structure on the basis of workload;

- Global Content: STAR7 uses a wide range of external suppliers for translation work in addition to its own in-house staff.

As at 31 December 2020, the Group's top 10 suppliers accounted for around 35% of the total costs for third-party services.

It should be noted, however, that the simultaneous loss of commercial relationships with several suppliers could have a negative impact on the Issuer's ability to maintain current operating standards and, consequently, on the possibility of achieving its economic and financial targets.

3.1.23. *Issuer's financial indebtedness*

The Issuer is exposed to the risk of having to repay its financial debt in advance in the event of default or the loan being withdrawn as set out in the loan contracts in place as of the date of the Admission Document.

STAR7 obtains its financial resources mainly through the traditional banking channel and with traditional 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.

On the basis of the figures in the approved consolidated financial statements for the first half to 30 June 2021 and for the year ended 31 December 2020 and 2019, the Group's net financial debt position is as follows:

Thousands of euros	**31/12/2019**	**31/12/2020**	**30/06/2021**
Leases	1,236	2,159	2,032
Medium/long-term financial payables	2,386	11,675	15,698
Short-term financial payables	16,875	8,485	10,298
Cash equivalents + Securities	-3,413	-5,997	-8,700
Net financial debt	**17,084**	**16,322**	**19,328**

The Group recorded a slight decrease in its financial debt in 2020, from 17 million euros in 2019 to 16.3 million euros in 2020. Nonetheless, use was made of new financing backed by state guarantees issued pursuant to Italian Decree-Law 23/2020 et seq. to combat the Covid-19 pandemic.

Specifically, the company benefited from the following loan guarantees:

- SACE guarantee on a loan of 2,000,000.00 euros, granted on 18 November 2020;
- Mediocredito Centrale guarantee on total loans secured in 2020 of 5,900,000.00 euros

A loan of 1,000,000.00 euros with a guarantee issued by the EIF was also obtained in 2020.

There are no debts backed by collateral on company assets.

As of the date of the Admission Document, the Group has the following financing agreements in place:

- loan signed by the Company with Banca Sella for the amount of 1,000,000 euros on 4 November 2020;
- loan signed by the Company with Banco BPM for the amount of 1,500,000 euros on 1 September 2020;
- loan signed by the Company with Banco BPM for the amount of 500,000 euros on 1 September 2020;
- loan signed by the Company with Credit Agricole for the amount of 2,250,000 euros on 5 October 2020;
- loan signed by the Company with Intesa Sanpaolo for the amount of 1,650,000 euros on 7 September 2020;
- loan signed by the Company with Intesa Sanpaolo for the amount of 3,000,000 euros on 29 January 2021;

- loan signed by the Company with Intesa Sanpaolo for the amount of 3,000,000 euros on 30 May 2019;
- loan signed by the Company with UniCredit for the amount of 2,000,000 euros on 18 November 2020;
- loan signed by the Company with Banca Popolare di Sondrio for the amount of 1,000,000 euros on 12 January 2021;
- loan signed by STAR7 Printing S.r.l. with Banca Sella for the amount of 250,000 euros on 13 November 2020;
- loan signed by STAR7 Printing S.r.l. with Banco BPM for the amount of 200,000 euros on 15 January 2019;
- loan signed by STAR7 Printing S.r.l. with Cassa di Risparmio di Asti for the amount of 600,000 euros on 4 March 2021;
- loan signed by STAR7 Printing S.r.l. with Intesa Sanpaolo for the amount of 355,000 euros on 23 February 2018;
- loan signed by STAR7 Printing S.r.l. with Intesa Sanpaolo for the amount of 200,000 euros on 19 December 2018;
- loan signed by STAR7 Printing S.r.l. with Intesa Sanpaolo for the amount of 850,000 euros on 31 January 2020;
- loan signed by STAR7 Printing S.r.l. with Intesa Sanpaolo for the amount of 400,000 euros on 31 January 2020; and

loan signed by STAR7 Printing S.r.l. with UBI Banca for the amount of 90,000 euros on 15 October 2019.

At 30 June 2021, net financial indebtedness showed a slight increase. This was related to securing new loans and a temporarily increased use of short-term credit lines.

Although the Group, as at the date of the Admission Document, considers that it has fulfilled its obligations and has not received any objections from any of its lending banks, including respecting any financial covenants in place, 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 the relevant terms 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.

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 financial position and performance of the Issuer and the Group and/or limit their capacity for growth. It should be noted that, as of 31 December 2020, the Issuer's financing is mainly at variable rates: an increase in reference rates could therefore be reflected in a higher level of financial debt and thus in a worsening of STAR7's income statement. However, it should be pointed out that the current financial and economic structure is sufficiently solid to minimise the risks of excessive charges in the event of rising interest rates.

3.1.24. *Ongoing legal proceedings*

As at the Issue Date, the Issuer is not involved in any legal proceedings. The Issuer also declares that it is not aware of any facts or events that might lead to legal proceedings being brought against the Company or the Company's directors.

3.1.25. *Insurance cover*

The Company carries out activities that could expose it to the risk of suffering or causing damages that can be difficult to predict and/or quantify.

Although the administrative body believes it has established adequate insurance policies for the activities carried out, in the event of events for any reason not included in the insurance coverage 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 its economic and financial situation.

3.1.26. *Legislation on the administrative liability of companies (Legislative Decree 231/2001) or violation of the organisational model*

Although the Issuer has already approved, at the meeting of the Board of Directors held on 20 December 2017, the organisational model envisaged by Italian Legislative Decree no. 231/2001, 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 business 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 financial position and performance of the Company and the Group.

3.2 Risk factors related to the Bonds

3.2.1. *Issuer*

The risk that the Issuer may be unable to fulfil its obligation to pay interest and/or repay the nominal value of the Bonds at maturity as a result, for example, of its insolvency, a deterioration in its financial strength or an insufficiency, even temporary, of liquidity.

By subscribing to Bonds, the investor becomes a lender to the Issuer and holds a claim for the payment of interest and repayment of the principal.

3.2.2. *Collateral*

As at the date of this Admission Document, collateral on the part of the Issuer is provided for, as described in the Issue Terms and Conditions (the **"Collateral")**. The repayment of the principal and the payment of the Interest on the Bonds are guaranteed by the assets of the Issuer.

Pursuant to the Underwriting Agreement (as defined in the Issue Terms and Conditions), the Collateral will also be pledged in favour of Banca Sella in its capacity as representative of the Bondholders at the time pursuant to article 2414-bis of the Italian Civil Code. This article provides that the collateral relating to bond issues may be created or granted in favour of a current representative of the bondholders, who will 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 current bondholders. However, there is no current detailed legislation or case law concerning the enforcement or, more generally, the exercise of rights relating to collateral or personal 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.

3.2.3. *Provisions of the Intercreditor Agreement*

Pursuant to the Intercreditor Agreement (as defined in the Issue Terms and Conditions), the Issuer will be required to make any payment pursuant to articles 12, 12bis, 12 ter and 12 quater of the Bond issue Terms and Conditions for redemption *pari passu* and *pro rata* of the Bond Issue and the 5-Million Bond Issue.

As a result of the Intercreditor Agreement, (i) the exercise of the remedies provided for in article 12 of the Issue Terms and Conditions; (ii) the enforcement of Collateral; and (iii) any enforcement or judicial actions against the Issuer or its assets (collectively, "**Enforcement Actions**") may be exercised by the Bondholders exclusively through Banca Sella, in its capacity as Security Agent and authorised representative under the Intercreditor Agreement (the **"Security Agent**") and the Bondholders have waived their right to exercise such rights individually.

Pursuant to the Intercreditor Agreement, the Security Agent will be required to take Enforcement Actions against the Issuer solely on instruction from the Bondholders and bondholders of the 20-million Bond Issue that represent in aggregate 50% (fifty per cent) plus one of the algebraic sum of the nominal value of the bonds issued and not redeemed against the Bond Issue and the 20-million Bond Issue (the "**Majority of Bondholders**"), following a consultation period of 20 (twenty) days or a different period that may be agreed (the **"Consultation Period**"). If following the Consultation Period no agreement has been reached by the Majority of Bondholders, the Security Agent and the individual Bondholders will not be entitled to take any Enforcement Action.

The amounts received by the Security Agent as a result of the exercise of Enforcement Actions will be distributed by the Security Agent in the following order: (i) *pari passu* and *pro rata* reimbursement of expenses, costs and fees relating to the Bond Issue and the 20-million Bond Issue; (i) *pari passu* and *pro rata* payment of the sums due by way of interest relating to the Bond Issue and the 20-million Bond Issue; (iii) *pari passu* and *pro rata* repayment of the principal of the Bond Issue and the @@5@@-million Bond Issue; and (iv) for the payment of other sums due by the Issuer, including taxes and duties.

Sale of the Bonds prior to maturity

In the event that the investor wishes to sell the Bonds before maturity, the price will be influenced by several elements including:

- the features of the market in which the Bonds will be traded (liquidity risk);
- changes in interest rates (interest rate risk);
- the change in the creditworthiness of the Issuer (risk of deterioration of the creditworthiness of the Issuer).

These elements may result in a reduction in the price of the Bonds, potentially leading to investors selling the Bonds before maturity and suffering a capital loss. These elements do not affect the redemption value at maturity which remains equal to 100% of the nominal value.

3.2.4. *Liquidity*

The Issuer has applied for admission to trading of the Bonds on ExtraMOT PRO[3], a segment for the growth of small and medium-sized enterprises of the ExtraMOT market reserved only for Professional Investors, the only parties admitted to trading on the market.

The bond will not be supported by a specialist to ensure its liquidity. Therefore, the sale of the bonds before maturity in an illiquid market could result in losses for the investor with respect to their theoretical value. This is because any sale could take place at a price lower than not only the issue price of the bonds but also their theoretical value at the time of sale.

3.2.5. *Interest rates*

The risk associated with changes in interest rates. The value of the Bonds on the market is influenced by market rates and as a result of this trend the value of the bond may become lower than the issue price.

In general, an increase in market interest rates leads to a decrease in the market value of the Bonds, while a decrease in market interest rates leads to an increase in the market value of the Bonds. In the case of fixed-rate Bonds, the effect of fluctuations in interest rates as expressed by the financial markets on the value of the bond is the more pronounced the longer their remaining life.

3.2.6. *Creditworthiness of the Issuer*

The bonds could depreciate in the event of a worsening of the Issuer's equity and financial situation or a deterioration in its creditworthiness.

3.2.7. *Repayment by amortisation*

The redemption of the Bond Issue through a regular amortisation schedule could have a negative impact on the liquidity of the Bonds.

The investor must take into account that the coupons are calculated on the unpaid principal and therefore the absolute amount of the coupons will decrease over time.

The investor will also be exposed to the risk of not being able to reinvest the sums received before the maturity of the Bonds at a yield at least equal to the initial one and this being dependent on different market conditions.

3.2.8. *Lack of rating of the bonds*

No rating level has been assigned to the bonds as a summary indicator of their riskiness. The Issuer was instead assigned a rating by ModeFinance on 31 August 2021. A downgrade of the rating could have a negative effect on the price of the bond.

3.2.9. *Change to taxation*

It is not possible to predict any changes in the current tax regime that may arise during the life of the Bonds.

Any increased taxation on the income or capital gains relating to the Bonds, due to subsequent legislative or regulatory changes or to subsequent interpretations by the tax authorities, may lead to a reduction in the net yield of the Bonds, without this resulting in an obligation for the Issuer to pay Bondholders amounts to compensate for such increased taxation, unless otherwise provided for by law.

3.2.10. *Conflicts of interest*

In the context of the Issue, Banca Sella assumes the role of arranger, placement agent and paying agent of the bond issue. In addition, Banca Sella will underwrite a portion of the securities to be issued by SBB S.P.V. S.r.l., the initial underwriter of the Bonds under the Underwriting Agreement (as defined in the Issue Terms and Conditions), in the context of the securitisation transaction pursuant to law no. 130 of 1999. This will be concluded at the same time as the Bond Issue.

The Issuer could find itself in a conflict of interest if it were to assume the role of direct counterparty in the repurchase of the Bonds by determining their price.

Also as a result of the above, the parties in various capacities involved in the issue and Placement of the Bonds may have an independent interest potentially in conflict with that of the subscriber and/or the issuer.

3.2.11. *Early redemption*

The Bonds may be redeemed early in whole or in part in the early redemption cases described in the Bond Issue Terms and Conditions. In the case of early redemption, the investor would lose the right to receive the unpaid coupons on the date of early redemption, in the case of full early redemption, or would see the amount of coupons reduced after the date of redemption, in the case of partial early redemption.

3.2.12. *Occurrence of events beyond the Issuer's control*

Events such as the approval of the Group's consolidated financial statements, press releases or changes in general market conditions may significantly affect the market value of the Bonds. In addition, wide market fluctuations as well as general economic and political conditions may adversely affect the market value of the Bonds, irrespective of the creditworthiness of the Issuer.

Part IV – Information on the Issuer

4.1 History and evolution of the Issuer

The Issuer is a company that offers a wide range of services for managing the lifecycle of technical product information, from creation to distribution, in physical and digital form.

The Company was founded in 2000 as a result of a collaboration between Lorenzo Mondo and the Swiss Company Star AG, which was already a significant international player in the supply of translation software and services.

Today STAR7 operates as an integrated player in the product information sector, with complete product lifecycle capabilities, from design to after-sales support. Thanks to experience acquired over twenty years of activity, the company offers a variety of services through its five service lines. They include:

- STAR7 Engineering: Process and product engineering services;
- STAR7 Product Knowledge: technical product information and after-sales support;
- STAR7 Global Content: translation and interpreting;
- STAR7 Printing: digital printing;
- STAR7 Experience: augmented reality, virtual reality and 3D Art.

Thanks to its strong experience in the sector, and the high level of specialism and technical skills among its staff, the Group has developed significant expertise and a streamlined, flexible organisation that can adapt to and satisfy customers' requests and needs in short timeframes. The Company has successfully begun a process of growth by acquisition with the purchase of companies that can strengthen and expand the range of services it offers to the market.

In particular, its 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.

4.2 Legal and trading names of the Issuer

The legal name of the Issuer is STAR7 S.p.A.. The Issuer's trading name is the same as its legal name.

4.3 Place of registration and registration number of Issuer

The Issuer is registered with the Companies Register of Alessandria, tax code 01255170050, with share capital of 527,650.00 euros fully paid up; R.E.A. AL-208355.
The Issuer's Legal Entity Identifier (LEI) is 81560008F2405C18A135.

4.4 Legal form of issuer, date of registration and duration

The Company was founded on 13 July 2000 as a società a responsabilità limitata (limited company) by deed of Marco Camusso, a notary in Asti, index no. 35163, with the original name 'Star S.r.l.'.
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 2030.

4.5 Domicile of Issuer, legislation under which it operates, country of incorporation, address and telephone number of registered office

The Issuer has its registered office in Via Alessandria, 37/b, Valle San Bartolomeo, 15122, Alessandria (AL), Italy.
Website: www.star-7.com
Registered e-mail address (PEC): star-7@pec.star-7.com
The Issuer was established in Italy. The Issuer is registered as a joint stock company under Italian law. In carrying out its activities, the Issuer is subject to Italian laws and regulations.

4.6 Board of Directors and Board of Statutory Auditors of the Issuer

The following is an overview of the Issuer's Board of Directors:

Name and Surname	***Position***
Lorenzo Mondo	Chairman of the Board of Directors and Chief Executive Officer
Josef Zibung	Director
Isabella Mondo	Director
Paolo Rebaudengo	Director
Maria Luisa Vada	Director
Andrea Farina	Director
Roberto Manzoni	Director

The members of the Board of Statutory Auditors in office are listed below:

Name and Surname	***Position***
Fabio Maria Venegoni	Chairman
Vincenzo Gambaruto	Standing auditor
Alberto Bodiglio	Standing auditor
Stefano Cernuschi	Alternate auditor
Cristiano Lenti	Alternate auditor

4.7 Statutory audit

The Issuer has appointed the independent auditors BDO Italia S.p.A. to audit its 2020 and subsequent financial statements until the approval of the financial statements at 31 December 2022.

4.8 Materially relevant recent events for the assessment of the Issuer’s solvency

For full disclosure of corporate transactions and significant events relating to the latest approved consolidated financial statements and recent events involving the Group, investors are asked to carefully read the relevant information contained in the consolidated financial statements for the year ended 31 December 2020, which are available (in Italian) on the issuer's website at www.star-7.com. In addition to the above, it should also be noted that:

- on 25 October 2021, the Issuer's extraordinary shareholders' meeting 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 euros, 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. As a result of the subscription of the aforementioned capital increase, as at the Issue Date, KAIROS Partners SGR S.P.A. holds 414,570 Special Shares, without any indication of the nominal value expressed, representing 5.2% of the Issuer's share capital, and has undertaken to the Issuer to place a subscription and/or purchase order during the bookbuilding process in connection with the possible listing of the Issuer's ordinary shares on Euronext Growth Milan for an amount, established at the Issuer's absolute discretion, to be between a minimum of 1,000,000 euros and a maximum of 3,000,000 euros in order to subscribe the Issuer's ordinary shares at the price of admission to trading which will be determined at the end of any possible listing process (expected to take place no later than 30 September 2022); and

- at the Issue Date, the Issuer completed the acquisition of the entire share capital of LocalEyes, a company operating in the translation and localisation sector, providing global services in over 60 countries.

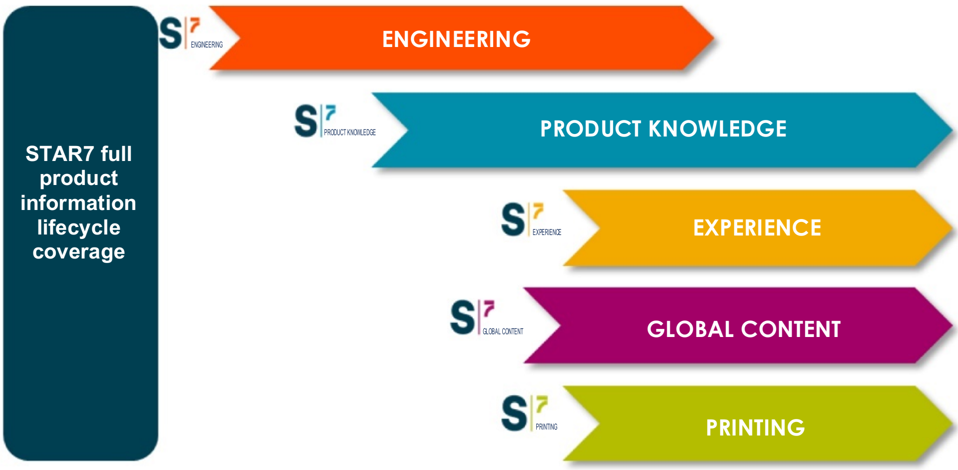
Part V – Organisational structure

5.1 Overview of activities

The Issuer is a company that offers a wide range of services for managing the lifecycle of technical product information, from creation to distribution, in physical and digital form.

The Group's international development, the diversification of its capabilities and its external growth have made it stand out in the market as a supplier that can assist clients throughout the product information phases (with a so-called “full liner” approach). This integrated management begins with the design phase of the product and process, then extends to drawing up the relevant technical information (e.g. technical and maintenance manuals and spare part catalogues), translation, printing services and after-sales support.

This approach allows the Issuer to present itself to customers as a single partner for the entire product information lifecycle and for related services, facilitating cross-selling between its different business lines.



Below is an overview of the main services offered by the Group's five business units:

S7 ENGINEERING	Support during the **product design** and **marketing** process
S7 PRODUCT KNOWLEDGE	Creation of **technical manuals** for maintenance and use After-sales support with **technical training courses**, **help desks** and **customer care** for end customers
S7 EXPERIENCE	Creation of **augmented reality, virtual reality and 3D** content for technical and commercial uses **Digitisation** of technical manuals and development of training courses using **augmented reality**

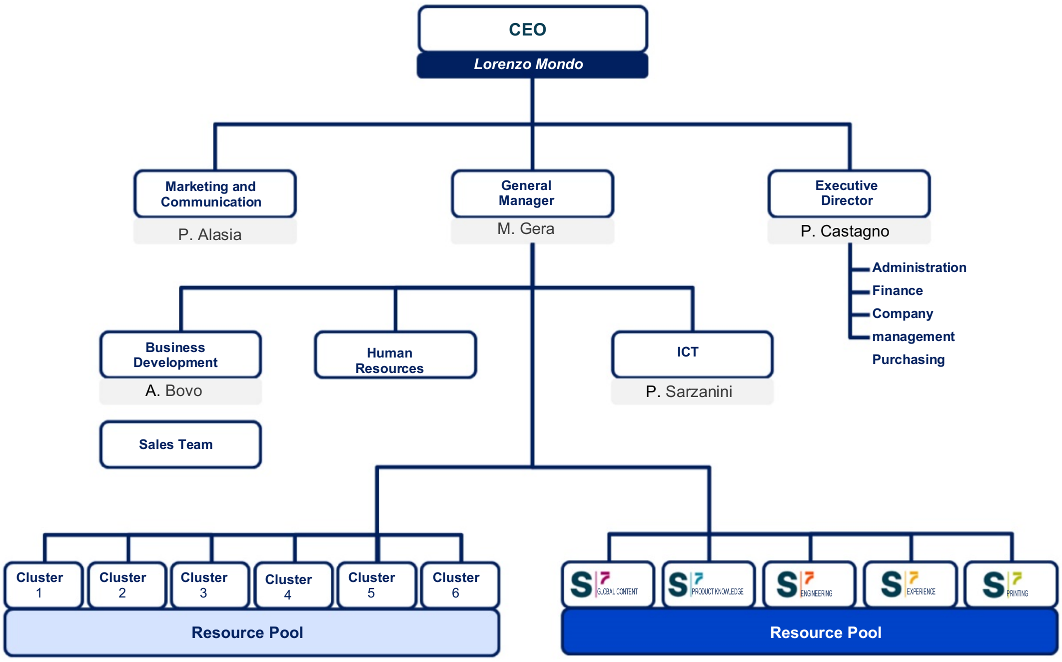
Content translation for every sector and topic from and into all world languages
Interpreting and transcription services
Dubbing and subtitling services for multimedia content
Creation of **editorial content** in all languages
Terminology management services, database extraction from multiple sources

Digital printing and digital packaging services in multiple formats
Procurement, warehouse management and storage
Paperless and digitisation solutions for documents and catalogues, including data loading, duplication, burning on magnetic media and mass storage

The Group's competitive edge is its Research & Development division, which develops in-house software, allowing it to offer a highly customised and constantly evolving tool.

5.2 Organisational structure

At the date of this Admission Document, the Issuer's organisational chart is as below:



Part VI – Main shareholders

The Issuer's share capital is equal to 527,650.00 euros, comprising 7,500,000 ordinary shares and 414,750 Special Shares. It is divided as follows:

- **Dante S.r.l.**, with registered office in Salita Mario Pizzo, 68, 15122 Alessandria, Italy, tax code, VAT number and registration number in the Register of Companies of Alessandria n. 02478920065, owns 3,750,000 ordinary shares with no indication of nominal value, representing 47.4% of the share capital;
- **STAR A.G.**, with registered office at Wiesholz 35, 8262 Ramsen, Switzerland, commercial register number of the Canton of Schaffhausen CH-102,892,540, owns 3,000,000 ordinary shares with no indication of the nominal value, representing 37.9% of the share capital;
- **750,000 ordinary shares**, with no indication of the nominal value, representing 9.5% of the share capital, are held by STAR7 S.p.A. directly as treasury shares;
- **KAIROS Partners SGR S.P.A.**, with registered office in via San Prospero, n. 2, tax code, Milan, Italy, VAT number and registration number with the Register of Companies of Milan, 12825720159, on behalf of the alternative investment fund it manages, named KAIS Renaissance ELTIF, holds 414,750 Special Shares with no indication of the nominal value, representing 5.2% of the share capital.

Part VII - Reasons for the Issue and use of proceeds

STAR7's multi-year development plan is based on five main elements:

Expansion

- *Geographical:* Growth in European and American markets and development of new markets.
- *End markets*: Exploit the opportunity emerging from the expected growth of new end markets such as Life Science, Gaming and Information Technology

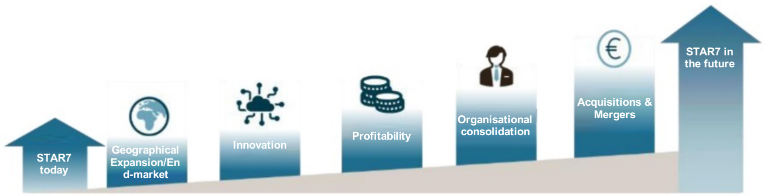
Innovation

Investments in several areas, including technology, process automation and digital packaging to support the activities of the following divisions: Engineering, Product Knowledge & Experience; Global Content and Printing

Profitability
Increased focus on the profitability of activities and optimisation of structural costs to support the Group's rapid growth

Organisational consolidation
Implementation of organisational programmes for better management of its local workforce and the centralisation of some operational functions, in order to better coordinate the Group's developments

Acquisitions & Mergers
M&A opportunity scouting to accelerate growth, leveraging the experience gained and the ability to integrate new businesses operating in business areas similar to those of the Group with expertise, experience and professionalism



<u>Use of proceeds by the Issuer</u>

The Issuer intends to use the proceeds from the Bond Issue, net of expenses and fees, to support the payment of part of the purchase price of the entire share capital of LocalEyes, a company that provides translation, multimedia content creation and other language services through a granular approach to contextual analysis. The purchase of LocalEyes was completed at the Issue Date.

The Issuer confirms that, as of the date of this Admission Document, its working capital is sufficient to meet its current needs.

Part VIII - Financial information concerning the Issuer's assets and liabilities, financial position and profit and loss

The Group's consolidated financial statements for the financial year 2020 were audited by the independent auditors BDO Italia S.p.A., who issued an unqualified opinion.

The following is a brief summary of the Issuer's balance sheet figures as at 31 December 2020, compared with the figures as at 31 December 2019:

€ '000	31/12/2019	31/12/2020
Net intangible fixed assets	5,810	8,306
Net property, plant and equipment	4,551	5,388
Net financial fixed assets	411	512
Net total fixed assets	**10,772**	**14,205**
Inventories	659	735
Net trade receivables	25,785	23,577
Other current assets	3,652	3,909
Trade payables	-5,662	-5,582
Other current liabilities	-4,838	-5,683
Net working capital	**19,595**	**16,956**
Severance pay provision + provisions for pensions and similar obligations	-2,645	-3,281
Provisions for risks and charges	-158	-534
Total provisions	**-2,803**	**-3,815**
NET INVESTED CAPITAL	**27,565**	**27,346**
Share capital	500	500
Reserves	7,477	8,838
Profit (loss) for the year	2,503	1,685
Equity attributable to owners of the Group	**10,480**	**11,023**
Short-term financial payables	16,961	8,829
Medium/long-term financial payables	3,536	13,490
Cash equivalents + Securities	-3,413	-5,997
Net financial debt	**17,084**	**16,322**
EQUITY + NET FINANCIAL DEBT	**27,565**	**27,346**

The Group's Net Invested Capital in 2020 was at a similar level to 2019, although it underwent a change in its structure. Specifically, non-current assets increased by approximately 3.5 million euros compared to 2019 due to the effect of greater intangible fixed assets (due to the business unit acquired from parent company Dante S.r.l.), as well as investments in property, plant and equipment (in (i) high-tech printing machinery, (ii) electronic machines and (iii) hardware as part of the ongoing investment and business development policy). 2020 also saw a reduction in Net Working Capital, as a result of the reduction in trade receivables.

The Company's Equity was equal to approximately 11 million euros at 31 December 2020, an increase compared to 2019 due to the decision to fully reinvest the profits for the year in the company. Despite the significant investments made, the Group managed to contain its Net Financial Debt, which fell to 16.3 million euros, compared to 17 million euros in 2019.

In terms of the performance in 2021, the consolidated half-year report as at 30 June 2021 shows the following balance sheet data:

- Equity of 9.5 million euros, a decrease compared to 31 December 2020: this is a consequence of the creation of a negative reserve to purchase treasury shares of 3 million euros, against the Company's purchase of 10% of the capital;

- NWC of 18.3 million euros, an increase of 8% compared to the end of 2020;
- Net financial debt of 19.3 million euros, consisting of financial payables of approximately 28 million euros (of which 18 million euros after the reporting period) net of cash and cash equivalents of 8.7 million euros.

The following is a brief summary of the Issuer's income statement figures as at 31 December 2020, compared to 31 December 2019:

€ '000	2019	2020
Revenues from sales and services	51,126	43,461
Internal work capitalised	0	0
Grants related to income	1,575	666
Other ordinary revenues and income	859	684
Total revenues + grants	**53,560**	**44,810**
Change in contract work in progress	154	-205
Value of production	**53,714**	**44,605**
Raw and ancillary materials, consumables and goods	-3,560	-2,757
Services	-23,302	-19,109
Leases and rentals	-1,428	-1,426
Staff	-18,643	-15,937
Sundry operating expenses	-834	-994
EBITDA	**5,946**	**4,381**
Amortisation of intangible fixed assets	-981	-1,102
Depreciation of property, plant and equipment	-718	-585
writedowns of receivables included in current assets and cash equivalents	-13	-130
Provisions for risks	-25	-40
EBIT	**4,208**	**2,525**
Net financial expenses and income	-248	-391
Pre-tax profit/(loss)	**3,960**	**2,133**
Taxes	-1,457	-448
Result for the period	**2,503**	**1,685**

In 2020, the lockdown led to the temporary closure of the plants of some of the most significant customers in the automotive sector (a sector that represented over 60% of 2020 revenues), resulting in a reduction in the Group's VoP to €44.6 million (-17% vs. 2019). Despite Covid-related difficulties, the company was able to increase its market share both in the translation sector and in the field of technical printing/authoring. In addition, it strengthened its presence in the defence sector (2020 revenue share of 6.5%).

The 2020 revenue split by service line is shown below:

- Engineering, Experience and Product Knowledge: 54%
- Global Content: 32%
- Printing: 14%

It should be noted that 65% of revenues are generated through full service solutions, cross-selling the range of services offered.

EBITDA was similarly affected, amounting to approximately 4.4 million euros in 2020 (compared to 5.9 million euros in 2019). The Group has aimed to optimise costs through the support measures provided by Covid-19 legislation in Italy and restructuring resource use by employing smart working. For completeness, it should be noted that from 2017-19 the Group recorded strong EBITDA growth (CAGR: +13.8%). This was interrupted in 2020, due primarily to a contraction in revenues arising from the temporary closure of the plants of some of its most significant customers (automotive sector).

The 2020 EBITDA split by service line is shown below:

- Engineering, Experience and Product Knowledge: 66%
- Global Content: 23%

- Printing: 11%

Net profit for 2020 amounted to 1.7 million euros, a slight decrease compared to the previous year due to the effects previously mentioned.

In terms of the performance in 2021, the consolidated half-year report as at 30 June 2021 shows the following income statement data:

- Value of Production of 28.6 million euros, a clear increase compared to 30 June 2020 (+ 40%);
- EBITDA of 4.3 million euros, compared to 1.6 million euros at 30 June 2020;
- EBIT of 2.8 million euros, compared to 905,000 euros at 30 June 2020;
- Pre-tax profit of 2.6 million euros, compared to 747,000 at 30 June 2020.

The following documents will also be available on the issuer's website at www.star-7.com:

- Financial Statements at 31 December 2019, accompanied by the Independent Auditors' report;
- Consolidated financial statements at 31 December 2019, accompanied by the Independent Auditors' report;
- Financial Statements at 31 December 2020, accompanied by the Independent Auditors' report;
- Consolidated financial statements at 31 December 2020, accompanied by the Independent Auditors' Report;

Expert opinions or reports, business address and qualification
The Admission Document does not contain any expert opinions or reports.

Information from third parties
This Admission Document does not contain any information from third parties.

Part IX – Information concerning the financial instruments to be admitted to Trading

For information on the financial instruments to be admitted to trading, please refer to the Bond Issue Terms and Conditions set out in Appendix 1 to this Admission Document.

Part X – Admission to Trading and Trading methods

The Bonds are expected to trade on the ExtraMOT PRO^3 Segment of the ExtraMOT Market. The decision of Borsa Italiana and the date of commencement of trading of the Bonds on the ExtraMOT PRO^3 Segment of the ExtraMOT Market, together with the information necessary for trading, will be communicated by Borsa Italiana via a specific notice.

It should be noted that there are no parties who have undertaken to act as intermediaries on the secondary market.

Part XI - Taxation applicable to the Bonds

The information set out below is a summary of the tax regime applicable to the purchase, holding and disposal of the Bonds under the tax legislation in force in Italy. The following is not a complete analysis of all tax aspects that may be relevant in connection with the decision to purchase, own or sell the Bonds, nor does it address the tax consequences applicable to all categories of potential subscribers to the Bonds, some of whom may be subject to special rules. The following description is based on the law and practice in force in Italy as of the date of the Admission Document, it being understood that this remains subject to possible changes, including retroactive effects, and is therefore merely an introduction to the subject matter. Investors are expected to consult their tax advisors about the tax consequences (on the basis of Italian law, the law of the country in which they are considered resident for tax purposes and of any other relevant jurisdiction) arising from the purchase, possession and disposal of the Bonds as well as from the payments of interest, principal and/or other sums deriving from the Bonds. Each Bondholder is responsible for present and future taxes and duties that are or will be due by law on the Bonds and/or related interest and other income. Accordingly, any payment made by the Issuer in relation to the Bonds will be net of the tax deductions applicable under the legislation in force at that time. In particular, all taxes on interest and other income from the Issuer or by other parties involved in the payment of such interest and other income, such as (but not limited to) substitute tax pursuant to Decree 239, are considered the responsibility of the Bondholder in question.

11.1 Treatment of interest and other income from the Bonds for the purposes of direct tax deductions

The interest, premiums and other gains produced by the Bonds, if meeting the appropriate conditions, are subject to the provisions of Italian Legislative Decree no. 239 of 1 April 1996 and subsequent amendments (application, to specifically identified parties, of a substitute tax of 26%). Failing this, they are subject to the provisions of Italian Presidential Decree no. 600 of 29 September 1973 and subsequent amendments (application of a deduction, as an advance or as tax, depending on the nature of the recipient, of 26%).

11.2 Treatment of capital gains realised on the Bonds for the purposes of direct tax deductions

Capital gains realised on the bonds, if meeting the appropriate conditions, are subject to the provisions of Italian Legislative Decree no. 461 of 21 November 1997 and subsequent amendments (application of a substitute tax to "other income of a financial nature" of 26%).

11.3 Gift and inheritance tax

Transfers of bonds by gift (or other gratuity between living persons), or by reason of death, are subject to inheritance and gift tax pursuant to Italian Legislative Decree no. 346 of 1990.

11.4 Stamp duty

Communications relating to financial instruments and products held by each intermediary are subject to stamp duty pursuant to article 13(2-ter), Tariff, Part One, of Italian Presidential Decree 642/72, of 0.20% per year.

Part XII – Restrictions on the circulation of the Bonds

The Bond Issue is reserved for subscription exclusively by professional Investors (by right or upon request) as defined by the Intermediaries Regulation adopted by CONSOB resolution no. 20307/2018 ("**Professional Investors**").

In the event of subsequent circulation of the Bonds, transfers of the Bonds to persons other than Professional Investors are not permitted.

The Bonds are issued without the obligation to publish an offer prospectus, pursuant to and for the purposes of article 100 of the TUF and Article 34-ter of the Regulation for Issuers adopted by CONSOB resolution no. 11971 of 14 May 1999, as subsequently amended and added to.

Furthermore, the Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended and added to, or other relevant laws, or under the corresponding regulations in Canada, Australia, Japan or any other country in which the sale and/or subscription of the Bonds is not permitted by the competent authorities.

Without prejudice to the above, the subsequent circulation or resale of the Bonds in any of the aforementioned countries or, in any case, in countries other than Italy and to parties not resident or not incorporated in Italy, may take place only: (i) to the extent expressly permitted by the laws and regulations applicable in the respective countries in which the subsequent circulation of the Bonds is intended; or (ii) if the laws and regulations applicable in such countries provide for specific exemptions that allow the circulation of the Bonds.

The circulation of the Bonds will take place in compliance with all applicable laws in force, including the anti-money laundering provisions of Italian Legislative Decree 231/2007, as subsequently amended and added to.

ANNEX 1: BOND ISSUE TERMS AND CONDITIONS

Star7 S.p.A.

Share capital: Euro 527,650.00 fully paid up
Registered office: Via Alessandria, 37/b, Valle San Bartolomeo, 15122 Alessandria, Italy
Tax identification number/VAT number: 01255170050
Registered in the Companies Register of Alessandria with Italian REA no. 208355

BOND ISSUE TERMS AND CONDITIONS FOR:
"Star7 Tf 4.75% Ott28 Amort Eur"

The financial instruments are issued without the obligation to publish an offer prospectus, pursuant to and for the purposes of article 100 of Italian Legislative Decree no. 58 of 24 February 1998 and article 34-ter of the Regulation for Issuers adopted by CONSOB Resolution no.
11971/1999 of 58 May 34, as subsequently amended and added to.

ISIN CODE "IT0005460909"

These regulations (the "**Issue Terms and Conditions**") and, as far as not specified herein, articles 2410 et seq. of the Italian Civil Code, govern the terms and conditions of the **"Star7 Tf 4.75% 2021-2028 Amort Eur"** bond issue.

<u>**The subscription and/or purchase of the Bonds (as defined below) issued by Star7 S.p.A. as part of the Bond Issue (as defined below) implies full and unconditional acceptance of all the provisions contained in these terms and conditions.**</u>

Article 1 – Definitions

In these Issue Terms and Conditions, the capitalised terms below have the following meanings:

Acquisition: has the meaning given in Article 9.

Permitted acquisitions: the following transactions carried out by the Issuer or by other Group companies:

- the acquisition of companies, business units or equity interests (or other rights connected to such interests) in companies carrying out the same core business as the Issuer or other companies of the Group, or in sectors related to the sector in which the Group is currently active, or, in the case of the acquisition of equity interests, the interests are in companies carrying out the same core business as the Issuer or other companies of the Group operating in sectors related to the sector in which the Group is currently active;
- the acquisition of property

that is aimed at implementing strategic integration, aggregation or synergy projects with other companies having the same activity characterising the Issuer or the other Group companies, unless the legal representative of the Issuer at the time in question has confirmed with a specific declaration that the aforementioned transactions do not constitute or could not constitute a case of early redemption of the bond issue referred to in Article 12 of these terms and conditions or the violation of any commitment provided for in these terms and conditions, and in any case provided that the transaction takes place at market conditions and without in any way prejudicing the Issuer achieving the profitability (EBITDA) and financial (Equity and Net Debt) objectives of its Business Plan and the Financial Covenants, and provided that before and after the completion of the transaction the Issuer gives evidence to the Bondholders of the details and implications of these transactions, as well as compliance with the pro-forma Financial Covenants with respect to the specific transaction and the profitability (EBITDA) and financial (Equity and Net Debt) targets relating to the Consolidated Financial Statements and set out in the Business Plan and applicable at that time, by sending to the Bondholders a Covenants Statement for this purpose, in a form and substance satisfactory to the Bondholders.

Calculation Agent: Banca Sella.

Paying Agent: Banca Sella.

Depreciation and amortisation: the total depreciation and amortisation of tangible and intangible assets, calculated in accordance with the accounting principles applicable to the Issuer at the Issue Date.

Bondholders' meeting: meeting in which the Bondholders are entitled to meet to pass resolutions on the matters indicated in article 2415 of the Italian Civil Code.

Banca Sella: a joint-stock company incorporated in Italy, with registered office at Piazza Gaudenzio Sella, 1, 13900 Biella, Italy, share capital of 806,104,989 euros, fully paid-up, tax ID no. and registration number with the Biella-Vercelli, Novara and Verbano Cusio Ossola companies register 02224410023, belonging to the Gruppo IVA Maurizio Sella S.A.A. with VAT no. 02675650028, registered in the Register of Banks and Banking Groups, member of the Interbank Deposit Protection Fund and of the National Guarantee Fund, subject to management and coordination, pursuant to article 2497 of the Italian Civil Code, by Banca Sella Holding S.p.A..

Assets: a company's tangible and intangible assets and/or the shares, financial instruments and equity interests held by that company.

Consolidated Financial Statements: the financial statements that show the financial position and operating results of the Issuer and the companies within the Group's scope of consolidation, consisting of the consolidated statement of financial position, the consolidated statement of profit and loss, and the consolidated notes to the financial statements.

Business Plan: the business plan of July 2021 indicating, *inter alia*, the profitability and capitalisation objectives, approved by the Issuer.

Change of Control: (i) the acquisition by a third party other than Lorenzo Mondo (and/or their relatives to the first degree) of control of the Issuer as defined in article 2359(1)(1) of the Italian Civil Code, and (ii) the acquisition by a third party other than Lorenzo Mondo (and/or their relatives to the first degree) of the right to appoint the majority of the members of the Issuer's board of directors.

Permitted Disposals:

(a) disposals of obsolete or otherwise unusable Assets, falling within the ordinary business of the Issuer and the Group, provided that the proceeds of such disposals are reinvested to finance the regular activities of the Issuer or to finance the purchase of similar Assets of an equivalent or better technological level; or

(b) disposals of Assets of any kind (including equity interests in companies and disposals of businesses or businesses units) other than those referred to in paragraph (a) above,

provided that (i) before and after the completion of the transaction, the Issuer provides the Bondholders with evidence of compliance with the pro-forma Financial Covenants with respect to the specific transaction and the profitability (EBITDA) and financial (Equity and Net Debt) objectives relating to the Consolidated Financial Statements and set out in the Business Plan and applicable at that time, by sending the Bondholders a specific

Covenants Statement, in a form and substance satisfactory to the Bondholders, (ii) the disposal of the Goods takes place at market conditions, and without in any way prejudicing the achievement of the Issuer's profitability (EBITDA) and financial (Equity and Net Debt) objectives of the business plan and compliance with the Financial Covenants; and (iii) the Issuer's legal representative at that time has confirmed with a specific declaration that no case of early redemption of the bond issue referred to in Article 12 of these terms and conditions has occurred or is in progress and that the completion of such transactions does not constitute or could not constitute a case of early redemption of the bond issue as referred to in Article 12 of these terms and conditions or the violation of any commitment provided for in these terms and conditions and made in any case except for any disposal or transfer of any nature, or for any reason, of the shareholdings of the Target Company.

Acquisition Contract Assignment of Receivables: the assignment as security for the receivables arising from the Acquisition Contract and claimed by the Issuer against the Sellers.

Italian Corporate Crisis and Insolvency Code: the Italian Legislative Decree of 2 January 2019 no. 14.

Acquisition Contract: the share purchase agreement governed by Italian law and entered into on 21 July 2021 between the Sellers and the Issuer, as buyer, relating to shareholdings representing 100% (one hundred per cent) of the share capital of the Target Company.

Underwriting Agreement the agreement for underwriting the Bonds entered into on 11 November 2021 between SBB SPV S.r.l. as underwriter of the Bonds, Banca Sella as, *inter alia*, Arranger and the Issuer.

Calculation Date has the meaning set out in Article 14(vii) below.

Interest Setting Date: the seventh Business Day preceding each Interest Payment Date.

Issue Date: 12 November 2021.

Dated Date: 12 November 2021.

Interest Payment Date: the date of payment of interest to the Bondholders, i.e. 12 (twelve) November and 12 (twelve) May of each year until the Maturity Date, starting from 12 (twelve) May 2022 (two thousand and twenty-two). In the event that such date falls on a day which is not a Business Day, such payment will be made on the first Business Day thereafter, without any additional amount being due to the Bondholders.

Redemption Date: the date on which the Bonds will be redeemed, in accordance with the amortisation schedule set out in Article 11 below; in the event that such date falls on a day which is not a Business Day, such payment will be made on the first Business Day thereafter, without any additional amount being due to the Bondholders.

Valuation Date: 31/12 of each year from 31/12/2021 (inclusive) or 30/06 of each year from 30/06/2022 (inclusive).

Decree 231/2001: Italian legislative decree no. 231 of 4 July 2001 concerning the "Regulations on the administrative liability of legal persons, companies and associations, including those without legal personality", in force at the time.

Covenants Statement: has the meaning set out in Article 14(xxxiv) below.

Distribution: any distribution, in whatever form, of reserves or profits and/or any payment and/or repayment of any Shareholder Loan

Permitted Distributions: the Distributions of profits achieved as per the last approved financial statements of the Issuer, subject to the following conditions:

1) if the Listing is completed, provided that:
   - the Issuer's Consolidated Financial Statements show a profit; and
   - before and after such Distribution, the Issuer provides evidence to the Bondholders of its compliance with the Financial Covenants by sending the Bondholders a Covenants Statement in a form and substance satisfactory to the Bondholders

2) if the Listing of the Issuer is not completed, up to a maximum of 30% as from the Calculation Date following the Valuation Date of 31 December 2022, provided that
   - the Issuer's Consolidated Financial Statements show a profit; and
   - before and after such Distribution, the Issuer provides evidence to the Bondholders of its compliance with the Financial Covenants by sending the Bondholders a Covenants Statement in a form and substance satisfactory to the Bondholders;

Admission Document: the document for the admission to trading of bonds prepared in accordance with the guidelines indicated in the ExtraMOT PRO[3] Segment Regulation.

EBITDA: the Operating Profit shown in the Consolidated Financial Statements before deducting:
- Amortisation and Depreciation;
- provisions (items B.12 and B.13 of article 2425 of the Italian Civil Code);
- writedowns (item B.10, letters 'c' and 'd' of article 2425 of the Italian Civil Code); and
- the cost of use of third-party assets (the income statement item identified in article 2425(B)(8) of the Italian Civil Code) only as regards lease agreements, unless recognised in the financial statements using the discounted cash flow method.

It is understood that the exceptional income and expenses referred to in letters A) and B) of article 2425 of the Italian Civil Code will in any case be disclosed and described in the Covenants Statement (as defined below).

Significant Adverse Event: any event whose direct or indirect consequences adversely affect the Issuer's earnings, cash flow, assets and liabilities and/or business, in such a way as to materially impair the Issuer's ability to meet its obligations under the Bond Issue.

Material Event has the meaning set out in Article 12 below.

Shareholder Loan: any loan (or any other transaction which has the commercial effect of a loan, regardless of the technical form in which it is arranged) granted to the Issuer by any of its Shareholders or indirect shareholders of the Issuer.

Subordinated Shareholder Loan: any Shareholder Loan which is fully subordinated to the obligations arising under the Bond Issue.

Collateral: the Acquisition Contract Assignment of Receivables and the Target Company Pledge.

Business Day: any day on which the Trans-European Automated Real Time Gross Settlement Express Transfer System (TARGET2) is operating for payments in euro.

Group: the Issuer and its subsidiaries and any company directly or indirectly controlled from time to time by the Issuer within the meaning of article 2359(1)(1,2) of the Italian Civil Code, including, following the Acquisition, the Target Company.

Principal Amount for Repayment: on any date, (i) the principal amount of a Bond at the time of issue, less (ii) the amount arising from the sum of all payments of principal made before that date, in relation to that Bond

Intercreditor Agreement: the intercreditor agreement to be entered into between, *inter alia*, the Issuer, SBB SPV S.R.L. and VER Capital SGRpA, as the delegated entity for the management of VER Capital Credit Partners SMEs VII SA SICAV-SIF as underwriters of the Bonds and Banca Sella as security agent and representative pursuant to article 2414-bis of the Italian Civil Code.

Italian Bankruptcy Law: Royal Decree no. 267 of 16 March 1942, as subsequently amended.

Monte Titoli: Monte Titoli S.p.A., with registered office at Piazza degli Affari 6, Milan.

Net Debt: in relation to the Issuer and on the basis of the results of the Consolidated Financial Statements, the total algebraic sum of current and non-current financial liabilities, including lease liabilities and payables for with-recourse factoring, VAT, social security (INPS) and direct tax payables not paid by the ordinary due dates, including those for which an instalment plan has been or will be requested from the competent authorities following receipt of notification of non-payment and/or insufficient payment (e.g. reminders, tax demands), net of cash and cash equivalents, current financial assets (including available-for-sale securities), the fair value of hedging instruments and other non-current financial assets, in accordance with CESR Recommendation 05-054/b of 10 February 2005 "CESR's recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses".

Exceptional Transactions: transactions in its share capital, or mergers, demergers, restructurings, spin-offs, purchases of treasury shares or other transactions of a similar exceptional nature.

Permitted Exceptional Transactions:
- the Listing; and
- mergers with third party companies and/or with parent, subsidiary or associated companies operating in the same area as the Company or other Group companies operating in related sectors, provided that (i) the company resulting from the merger is the Issuer; and (ii) not later than the fifth day prior to the date of the first meeting held to decide on such merger, the Issuer delivers to the Bondholders a certificate signed by one of its directors giving adequate information on the merger and the companies involved

in each case, and provided that (a) such transactions do not give rise to or could give rise to a case of early redemption of the loan referred to in Article 12 of these terms and conditions or the breach of any undertaking provided for in these terms and conditions, (b) in each case before and after the completion of such transactions, the Issuer's legal representative at the time has confirmed by means of a specific declaration that no case of early redemption of the bond issue as referred to in Article 12 of these terms and conditions has occurred and is in progress, and (c) the Issuer provides evidence to the Bondholders of the details and implications of such transactions, as well as the compliance with the pro forma Financial Covenants with respect to the specific transaction and the profitability (EBITDA) and financial (Equity and Net Debt) targets relating to the Consolidated Financial Statements and set out in the Business Plan and applicable at that time, by sending to the Bondholders a Covenants Statement for this purpose, in a form and substance satisfactory to the Bondholders.

Sanctioned Country: a country that is, or whose government is, subject to Sanctions that generally prohibit dealings with that country or government.

Financial Covenants has the meaning set out in Article 14(vii) below

Equity: the algebraic sum of the following items in the Consolidated Financial Statements: *"Share capital", "Share premium reserve", "Revaluation reserve", "Legal reserve", "Statutory reserves", "Other reserves", "Cash flow hedge reserve", "Treasury shares reserve", "Retained earnings (losses carried forward)", "Profit (loss) for the year", "Negative treasury shares reserve",* on the basis of the statement of financial position prepared in accordance with the accounting standards applicable to the Issuer at the Issue Date.

Target Company Pledge: the pledge on the equity interest representing 100% of the share capital of the Target Company.

Interest Period: the period from one Interest Payment Date (inclusive) to the next Interest Payment Date (not inclusive), it being understood that the first Interest Period runs from the Dated Date (inclusive) to the first Interest Payment Date (not inclusive).

Bondholders: those holding bonds.

Bond Issue: has the meaning set out in Article 2 below.

20-million Bond Issue: the bond issued by the Issuer on 12 November 2021 for a total nominal amount of up to a maximum of 20,000,000.00 euros, named "Star7 Tf 4,75% 2021-2028 Amort Eur", ISIN IT0005460917.

Acquisition Contract Income: all receivables, present and/or future, of any nature, of the Issuer from time to time arising from (i) the Acquisition Contract, including (but not limited to) any payable, interest, right, claim, penalty, indemnity, compensation and any other ancillary rights, as well as any amount received or due to the Issuer; and (ii) the cancellation, termination, withdrawal, default, declaration of invalidity or other matter relating to the Acquisition Contract (including, but not limited to, claims relating to the indemnities due to the Issuer under the Acquisition Contract), as well as all actions and rights instrumental to the exercise of the rights deriving from the Acquisition Contract.

Listing: trading of the ordinary shares of the Issuer on Euronext Growth Milan, a multilateral trading facility organised and managed by Borsa Italiana S.p.A. or Euronext Milan, a regulated market organised and managed by Borsa Italiana S.p.A..

Net Debt/EBITDA ratio: the ratio of Net Debt to EBITDA.

Net Debt/Equity ratio: the ratio of Net Debt to Equity.

Joint Representative: representative appointed by the Bearers for the protection of their common interests and invested with the obligations and powers referred to in article 2418 of the Italian Civil Code.

ExtraMOT PRO^3 Regulation: the ExtraMOT PRO^3 Segment Regulation adopted by Borsa Italiana, as added to and amended from time to time.

Consolidated Half-Year Report: the half-yearly report that sets out the financial position, cash flows and operating performance of the Issuer and the companies within the Group's scope of consolidation.

Operating Profit: the difference between the totals of the “Value of production” and "Costs of production" items, as shown in the income statement in the Consolidated Financial Statements, prepared in accordance with the accounting standards applicable to the Issuer at the Bond Issue Date.

Sanctions: any economic or commercial sanction or restrictive measure enacted, administered, applied, imposed or enforced by the Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury, the United States Department of State, other competent American Government agencies regarding Sanctions, the United Nations Security Council, the European Union and/or the Member States of the European Union, the Treasury Department of the United Kingdom (Her Majesty’s Treasury Department for International Trade) or any other competent authority in the field of Sanctions established and delegated by the aforementioned authorities.

ExtraMOT PRO[3] Segment: the professional segment for the growth of small and medium-sized companies on the ExtraMOT market.

Shareholders: jointly, Dante S.r.l. and Star Holding AG.

Target Company: LocalEyes Ltd, a limited liability company incorporated under Irish law with registered office at 5 Lapp's Quay, Cork, Ireland, Tax Identification Number IE 8263049U and Company Registration Number 263049.

Sanctioned Party: an individual or entity that is, or is owned or controlled by, or acts on behalf of, directly or indirectly, an individual or entity that is the subject of any Sanction.

Bonds: has the meaning set out in Article 3 below.

Sellers: jointly the companies Cubic Venture S.A. and Kibest S.r.l.

Lien: any surety, personal guarantee, mortgage, pledge, other collateral security, charge or other encumbrance in rem or privilege on assets guaranteeing the obligations of the Issuer and/or third parties (including any form of asset allocation and segregation).

Permitted Liens:

- existing liens;

- collateral;

- any Lien granted directly by law, excluding those created as a consequence of a violation of mandatory rules;

- in any event, in addition to the foregoing, Liens on Assets with a value not exceeding 500,000 euros (five hundred thousand euros) for the entire duration of the Bond Issue.

Existing Liens: the liens outlined in 3(1)(22) of the Admission Document

Article 2 – Issuer and amount

Star7 S.p.A. is issuing a bond named **"Star7 Tf 4,75% Ott2028 Amort Eur'"** for a total nominal amount up to 5,000,000.00 euros (five million euros) (the "**Issue"** or **"Bond Issue**").

Article 3 – Bonds

The Issue, represented by bonds of a total nominal amount of 5,000,000.00 euros (five million euros) consists of 50 bonds with a nominal value of 100,000.00 euros (one hundred thousand euros) each (the "**Nominal Value**") in non-divisible denominations (the "**Bonds**"). The Bonds will be in bearer form and will be centralised with Monte Titoli in dematerialised form pursuant to Chapter II(II)(III) of the TUF and the "*Regulations governing centralised management, settlement and guarantee systems and their management companies*" adopted by the Bank of Italy and CONSOB by resolution passed on 13 August 2018, as subsequently amended. Therefore, in accordance with such, any transaction involving the Bonds (including transfers and the establishment of liens), as well as the exercise of related equity rights, may only be carried out in accordance with the provisions of articles 80 et seq. of the TUF. Bondholders may not request physical delivery of the certificates representing the Bonds. This is without prejudice to the right to request the issue of the certification referred to in Article 83-quinquies of the TUF.

Article 4 – Restrictions on the subscription to and transferability of the Bonds

The Bond Issue is reserved for subscription exclusively by qualified Investors under EU Regulation 2017/1129 and as defined by the Intermediaries Regulation adopted by CONSOB resolution no. 20307/2018, as amended with CONSOB resolution no. 21508/2020 ("**Professional Investors**").

In the event of subsequent circulation of the Bonds, transfers of the Bonds to persons other than Qualified Investors is not permitted.
The Bonds are issued exempt from the obligation to publish an offer prospectus, pursuant to and for the purposes of article 1 of EU Regulation 2017/1129.
Furthermore, the Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended and added to, or other relevant laws, or under the corresponding regulations in Canada, Australia, Japan or any other country in which the sale and/or subscription of the Bonds is not permitted by the competent authorities.
Without prejudice to the above, the subsequent circulation or resale of the Bonds in any of the aforementioned countries or, in any case, in countries other than Italy and to parties not resident or not incorporated in Italy, may take place only: (i) to the extent expressly permitted by the laws and regulations applicable in the respective countries in which the subsequent circulation of the Bonds is intended; or (ii) if the laws and regulations applicable in such countries provide for specific exemptions that allow the circulation of the Bonds.
The circulation of the Bonds will take place in compliance with all applicable laws in force, including the anti-money laundering provisions of Italian Legislative Decree 231/2007, as subsequently amended and added to.

Article 5 – Issue currency

The Loan is denominated in euro and the interest paid will also be denominated in euro.

Article 6 – Issue price

The Bonds will be issued at par, at a price equal to 100% of the Nominal Value. i.e. at the price of 100,000.00 euros (one hundred thousand euros) per Bond.

Article 7 – Issue date and dated date

The Loan is issued and dates from 12 (twelve) November 2021 (two thousand and twenty-one) (the "**Issue Date**").

Article 8 – Duration

The Bond Issue has a term of seven (7) years from the Issue Date and will be redeemed – except as established in Articles 12, 12 bis, 12 ter and 12 quater – at par, according to an amortisation schedule with half-yearly capital instalments falling due on 12 (twelve) November and 12 (twelve) May of each calendar year, starting on 12 (twelve) May 2023 (two thousand and twenty-three) and ending at the maturity date of 12 (twelve) November 2028 (two thousand and twenty-eight).

Article 9 - Use of income

The Issuer undertakes to use all net income from the Bond Issue to finance the acquisition of 100% of the share capital of the Target Company (the "**Acquisition**").

Article 10 - Interest on the Bond Issue

(i) The Bondholders are entitled to the payment of deferred half-yearly interest, payable on each Interest Payment Date and to be calculated on the residual nominal value of the Bonds. The annual nominal gross fixed rate for the calculation of interest is 4.75% (four point seventy-five per cent) (the "**Initial Interest Rate**").

(ii) The amount in euros (the "**Interest Amount**") payable by way of interest on each Bond will be calculated by the Calculation Agent on each Interest Setting Date by applying the relevant Interest Rate (as defined below) to the Principal Amount for Repayment on each Bond on the Interest Payment Date falling at the beginning of such Interest Period (or, in the case of the first Interest Period, on the Dated Date) (after deduction of any principal payment due and paid on such Interest Payment Date), then multiplying the result of such calculation by the actual number of days in the relevant Interest Period (on a following Business Day convention basis – unadjusted*)* and dividing by 360, and rounding (up) the result arrived at to the nearest cent. For the purposes of this article, "following Business Day convention – unadjusted*"* means that, in respect of each Interest Payment Date falling on a day which is not a Business Day, any payment due on such Interest Payment Date will be postponed until the next Business Day, without any additional amount being payable to the Bondholders.

(iii) Depending on the value of the Net Debt/Equity financial covenant, in respect of each Calculation Date, as set out in the Covenants Statement (commencing with the Covenants Statement in respect of the Consolidated Financial Statements for the year ended 31 December 2021), the Initial Interest Rate may be increased by the amount set out below:

Net Debt/Equity	Increase % vs. Initial Interest Rate	Interest Rate
>4x	+ 1.00%	5.75%
≤4x	0%	4.75%

(the "Initial Interest Rate", as amended from time to time as a result of the aforementioned "**Interest Rate**"), it being understood that any changes in the Interest Rate will be effective and will be applied starting from the Interest Period commencing on the Interest Payment Date (inclusive) immediately following the Calculation Date on which the exceeding of the financial covenant indicated above takes place and until the Interest Payment Date following the Calculation Date on which there is a further change in the Net Debt/Equity Ratio, including following the possible exercise of the remedies set out in Article 12 bis below.

(iv) Without prejudice to the provisions in Article 12 and Article 12 ter and in addition to, and without prejudice to the preceding paragraph iii, in the event that the Issuer, in any of the years of the term of the Bond Issue, fails to comply with one or more Financial Covenants (as defined in Article 1), exceeding it by more than 10% (ten per cent), the annual nominal interest rate will be further increased by 100 (one hundred) basis points. Such increase in the Interest rate will apply for the Interest Period commencing on the Interest Payment Date following the Calculation Date where non-compliance with the Financial Covenants referred to above has been established. If, on the next Calculation Date, the Issuer restores the Financial Covenants to the levels outlined in Article 14 (including where they have been restored pursuant to Article 12 bis), the gross annual nominal fixed rate will be equal to the Interest Rate determined in accordance with the preceding paragraph (iii), starting from the Interest Period that begins from the Interest Payment Date following the Calculation Date when the Issuer was once again compliant with the Financial Covenants (including as a result of exercising the remedies set out in Article 12 bis below).

(v) As a result of the above and also taking into account the increases referred to in paragraphs (iii) and (iv) above, the Interest Rate may increase to up to 6.75% (six point seventy-five per cent).

(vi) If the Interest Rate (including any increase as per the preceding paragraph (iv)) and/or any other amount payable by the Issuer by way of expenses, commissions, penalties and/or costs, as well as any other amount payable by the Issuer in relation to the Bonds should exceed the maximum limit permitted by Italian Law 108 of 7 March 1996 ("*Regulations on Usury*"), as amended, such amounts will be deemed to be automatically reduced to within the maximum limit permitted in each case by the aforementioned law.

(vii) As soon as possible (and in any event no later than close of business on the relevant Interest Setting Date), the Issuer (or the Calculation Agent on its behalf) will ensure that the Interest Amount for each Bond with respect to the relevant Interest Period and the Interest Payment Date relating to each such Interest Amount, are communicated to Monte Titoli.

Article 11 - Bond Issue redemption method

The Bond Issue will be redeemed, according to an amortisation schedule, in semi-annual instalments of principal falling due on 12 (twelve) November and 12 (twelve) May of each calendar year, beginning on 12 (twelve) May 2023 (two thousand and twenty-three) and ending at the maturity date of 12 (twelve) November 2028 (two thousand and twenty-eight):

Repayment date	Principal repaid per individual bond with a nominal value of 100.000 euros	Decreasing amount
12 May 2023	*8,333.00*	*91,667.00*
12 November 2023	*8,333.00*	*83,334.00*
12 May 2024	*8,333.00*	*75,001.00*
12 November 2024	*8,333.00*	*66,668.00*
12 May 2025	*8,333.00*	*58,335.00*
12 November 2025	*8,333.00*	*50,002.00*
12 May 2026	*8,333.00*	*41,669.00*
12 November 2026	*8,333.00*	*33,336.00*
12 May 2027	*8,333.00*	*25,003.00*
12 November 2027	*8,333.00*	*16,670.00*
12 May 2028	*8,333.00*	*8,337.00*
12 November 2028	*8,337.00*	*0*

Article 12 – Mandatory Early Redemption

Each of the following events constitutes a material event (each a "**Material Event**"):

(i) non-payment by the Issuer, when due, of any amount, whether principal or interest, owed in respect of the Bonds;

(ii) the Net Debt/EBITDA Ratio of the Group, as shown in the Consolidated Financial Statements at any period during the term of the Bond Issue, exceeding 5 (five);

(iii) except as provided for in Article 12 bis below, exceeding the value of one or more Financial Covenants by more than 15% (fifteen per cent) of the parameters set out in Article 14 for two (2) consecutive calculation points;

(iv) failure by the Issuer or a Group company to comply with any of the requirements set out in article 14 of the Issue Terms and Conditions, it being understood that a breach of the Financial Covenants will constitute a Material Event only in the circumstances set out in (ii) and (iii) above;

(v) insolvency of the Issuer and/or a Group company pursuant to article 5 of Italian Royal Decree 267 of 16 March 1942, as amended from time to time (the "**Italian Bankruptcy Law**"), or under the relevant provision of the Italian Corporate Crisis and Insolvency Code or pursuant to other legislation applicable to the Issuer and/or the relevant Group company;

(vi) the failure of the Issuer and/or of a Group company 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 Group company resolving to liquidate the Issuer and/or the relevant company of the Group, or the cessation of all or a substantial part of its business;

(vii) the bankruptcy of the Issuer and/or a Group company; the filing by the Issuer and/or a Group company of any application for an arrangement with creditors under article 161, including under paragraph 6 of such article, the Italian Bankruptcy Law, with the competent court; the Issuer and/or a Group company applying for approval of an agreement to restructure debts pursuant to article 182-bis of the Italian Bankruptcy Law or the respective provisions of the Italian Corporate Crisis and Insolvency Code; the Issuer and/or a Group company setting out a reorganisation agreement pursuant to article 67(3)(d) of the Italian Bankruptcy Law; or the Issuer and/or a Group company commencing negotiations with creditors (even if only one) to obtain moratoria and/or debt restructuring and/or rescheduling agreements (including agreements to be finalised in the forms referred to in article 182-bis of the Italian Bankruptcy Law or under the respective provision in the Italian Corporate Crisis and Insolvency Code, i.e. article 67[3][d]) and/or out-of-court settlements and/or in order to sell assets to its creditors;

(viii) the commencement of any insolvency proceedings similar to those referred to in paragraph (vii) above against the Target Company;

(ix) the commencement of any insolvency proceedings similar to those referred to in paragraph (vii) above against any foreign company of the Group other than the Target Company, if this circumstance results in a Significant Adverse Event for the Group;

(x) the sale of the equity interest in the Target Company;

(xi) a notice raised against the Issuer and/or a Group company of failures to honour promissory note or cheque payments of any amount;

(xii) notices of judicial liens or other adverse entries (including, but not limited to, seizures, foreclosures, confiscations and confiscations by equivalent) raised against the Issuer and/or a Group company where the value exceeds 500,000 euros (five hundred thousand euros);

(xiii) the sale of assets to creditors by the Issuer or a Group company pursuant to article 1977 of the Italian Civil Code;

(xiv) the occurrence of any event or circumstance as a result of which a Change of Control occurs;

(xv) the failure of the Issuer and/or a Group company to comply with a legal or regulatory provision, where such failure results in a Significant Adverse Event;

(xvi) the occurrence of any event as a result of which one or more obligations of the Issuer and/or a Group company under these Issue Terms and Conditions become invalid, illegitimate, or cease to be effective or enforceable for the Issuer and/or for any Group company, unless the Terms and Conditions have been amended or adjusted with the consent of the Bondholders;

(xvii) the adoption of any act or measure resulting in the Bonds being excluded from trading on the PRO^3 Segment of the ExtraMOT Market (i.e. delisting);

(xviii) the occurrence in relation to the Issuer's contractual obligations under the 5-million Bond Issue of any default by the Issuer, including

a. non-payment of any amount on the contractually agreed due date (after the expiry of any grace period originally provided for); or

b. invocation of an acceleration clause; or

c. a request for early redemption;

(xix) in relation to any contractual obligation arising from a debt item falling within the definition of Net Debt of the Issuer and the Group companies (other than that of the 5-million Bond Issue), any default by the Issuer and/or a Group company, including:

a. non-payment of any amount on the contractually agreed due date (after the expiry of any grace period originally provided for); or

b. invocation of an acceleration clause; or

c. a request for early repayment by the relevant lenders,

it being clear that the circumstances referred to in this paragraph will apply and be deemed to have occurred provided that the payment obligations referred to in one of the events described in the preceding paragraphs exceed 200,000 euros (two hundred thousand euros) either individually or overall;

(xx) the occurrence of a Significant Adverse Event;

(xxi) the authorisations, permits and/or licences necessary for the Issuer and the Group companies to carry out its business being revoked, lapsing or otherwise ceasing to exist;

(xxii) the sole auditor or the auditing firm appointed to the statutory audit of the Issuer's financial statements and the Consolidated Financial Statements not certifying such documents on the basis that it cannot express an opinion, has issued an adverse opinion or has raised particularly serious concerns in relation to them or where those concerns constitute a Significant Adverse Event;

(xxiii) invalidity, ineffectiveness, unenforceability or reduction in the Collateral, or invalidity, ineffectiveness or unenforceability of the Intercreditor Agreement and/or the Acquisition Contract;

(xxiv) one or more of the representations and warranties made by the Issuer to the Bondholders under these terms and conditions and/or the Underwriting Agreement and/or the contracts constituting the Collateral being untrue or inaccurate, in whole or in part;

(xxv) failure to publish the Covenants Statement on its website within the timeframe and in the manner set out in Article 14;

(xxvi) if under any law or regulation or under any administrative or legal provision should it become unlawful for any of the Bondholders to retain ownership of the Bonds or fulfil any of their obligations under these Issue Terms and Conditions; and

(xxvii) failure to use the proceeds of the Bond Issue in accordance with article 9 and/or failure to complete the Acquisition and/or the Target Company Pledge by 16 (sixteen) November 2021 (two thousand and twenty-one), it being understood that all proceeds of the Bond Issue which are not so used by such date will be immediately allocated to the mandatory early redemption of the Bond Issue.

If a Material Event occurs, following the adoption of a specific resolution of the Bondholders' Meeting confirming the occurrence of the Material Event, the Bondholders may request the early redemption, in whole but not in part, of the Bonds (including through the Joint Representative, if appointed, or the person designated by the Bondholders' Meeting) by means of a written request to be sent by PEC to the Issuer at star-7@pec-star-7.com (the "**Request for Early Redemption**"). In the event of inaction by the Joint Representative or any other party designated by the Bondholders' Meeting, the right of each Bondholder to send a Request for Early Redemption to the Issuer will remain unaffected.

Following the submission of the Request for Early Redemption, without prejudice to the provisions of Article 12 bis, all sums due by the Issuer in relation to the Bond Issue by way of principal, interest and any other type will become immediately due and payable, without the need for further action and the Issuer must pay to the Bondholders all the amounts due in relation to the Bond Issue on the tenth Business Day following receipt of the Request for Early Redemption. The early redemption referred to in this Article (Mandatory Early Redemption) will take place at par and will include any interest accrued in relation to the Bonds up to the date of early redemption (not inclusive), without additional expenses or fees for the Bondholders.

The Issuer shall promptly notify the Bondholders' joint representative of the receipt of requests for early redemption from one or more Bondholders, specifically indicating the event which, in the opinion of the Bondholder in question, would give rise to cause for early redemption of the Bonds.

As an alternative to the above, if the joint representative of the Bondholders has not been appointed, the Issuer must promptly notify the Bondholders through Monte Titoli, as well as via the methods set out in the Issue terms and conditions and those which may be required by Borsa Italiana (for example, through publication on the Issuer's website), of the receipt of requests for early redemption from one or more Bondholders, indicating the specific event which the Bondholder in question believes is cause for early redemption.

Article 12 bis - Remedies if Financial Covenants are breached

Without prejudice to the provisions of the following paragraph of this Article, if a Material Event referred to in paragraphs (ii) and/or (iii) of Article 12 occurs, such Material Event will be deemed to have been rectified provided that within 60 (sixty) calendar days of the Calculation Date on which such Material Event was established:

(i) the Issuer has communicated to the Bondholders that it has received funds by way of payment of capital or a Subordinated Shareholder Loan with respect to the Bond Issue, and has provided accounting evidence of its account having been credited;
(ii) the amount of the payment of capital or Subordinated Shareholder Loan is allocated by the Issuer to the early redemption of the Bond Issue to such an extent as to restore the relative Financial Covenants to the levels established by Article 14 within 60 (sixty) calendar days from the last Calculation Date;
(iii) the Issuer has sent the Bondholders a written statement drawn up in the form set out in Annex A to these Issue Terms and Conditions, signed by the Issuer's legal representative (and countersigned by the auditor or the issuer's audit firm) certifying the restoration of the relative Financial Covenants to the levels established by Article 14, complete with the calculations necessary to demonstrate the relative results.

The provision referred to in the previous paragraph of this Article will apply once only for the entire duration of the Bond Issue.

The Issuer will notify the Bondholders of the date of early redemption of the Bond Issue pursuant to this Article with 10 Business Days' notice.

Any amount repaid in advance pursuant to this Article will be deducted from the payments still due on the Bond Issue in reverse order of maturity with respect to the repayment plan established in Article 11, without prejudice to the requirement that each principal amount has full value (no decimals).

The repayment will take place pro-rata until a principal amount of 7,333.00 euros (seven thousand, three hundred and thirty-three euros) is reached for each principal amount of 8,333.00 euros (eight thousand, three hundred and thirty-three euros) or 7,337.00 euros (seven thousand, three hundred and thirty-seven euros) for the principal amount of 8,337.00 euros (eight thousand, three hundred and thirty-seven euros), leaving for each instalment a minimum principal amount of 1,000 euros (one thousand euros); if, to restore the Financial Covenants to the levels set out in Article 14, early repayment takes place for amounts exceeding 7,333.00 euros (seven thousand three hundred and thirty-three euros) or 7,337.00 euros (seven thousand three hundred and thirty-seven euros) per Bond, the necessary amount will be deducted from the immediately preceding principal amounts:

Example: requirement to repay a total of 10,000 euros to restore the Financial Covenants

- *Early repayment of 7,337.00 euros of the principal amount maturing on 12 (twelve) November 2028 (two thousand and twenty-eight);*
- *Early repayment of 2,663.00 euros of the principal amount maturing on 12 (twelve) May 2028 (two thousand and twenty-eight).*

If, during the life of the Bond Issue, the Financial Covenants are overrun to such an extent that the residual value of the Bond Issue is exceeded, the Bond Issue will be redeemed early in the manner indicated in Article 12 above.

Article 12 ter – Voluntary Early Redemption of the Bond Issue

The Issuer has the right to redeem the Bond Issue, in whole but not in part, from the Interest Payment Date of 12 November 2024 and on each subsequent Interest Payment Date.

Voluntary early redemption must be made via a binding communication to the Bondholders (the "**Voluntary Early Redemption Notice**") to be sent following the procedures referred to in Article 20 and, in any case, with at least 60 (sixty) days' notice in respect of the Interest Payment Date following the date of the Voluntary Early Redemption Notice and, in any event, in accordance with the regulations applicable to the ExtraMOT Market. The Voluntary Early Redemption Notice must indicate the expected date for such early redemption, which must in any case coincide with the Interest Payment Date immediately following communication of the relevant Voluntary Early Redemption Notice.

Bonds may be redeemed early by payment to the Bondholders of a total redemption amount (the "**Early Redemption Price**") calculated, in relation to each Bond, on the basis of the following table:

Year of early redemption	Early Redemption Price
2024	104.5% of the Residual Nominal Value
2025	104.5% of the Residual Nominal Value
2026	103% of the Residual Nominal Value
2027	101.5% of the Residual Nominal Value

Article 12 quater – Mandatory Early Redemption – Acquisition Contract Income

The Issuer undertakes to allocate to mandatory early redemption of the Bond Issue, in whole or in part, an amount equal to 80% (eighty per cent) of the Acquisition Contract Income received by it from time to time, on the Interest Payment Date immediately following the date on which such proceeds are received.

Mandatory early redemption must be made via a binding communication to the Bondholders (the "**Mandatory Early Redemption Notice**") to be sent following the procedures referred to in Article 20 and, in any case, with at least three (3) Business Days' notice in respect of the Interest Payment Date following the date of the Mandatory Early Redemption Notice and, in any event, in accordance with the regulations applicable to the ExtraMOT Market.

Any amount repaid in advance pursuant to this Article will be repaid at par and deducted from the payments still due on the Bond Issue and charged *pro quota* to the remaining scheduled instalments of the repayment plan established in Article 11, without prejudice to the requirement that each principal amount has full value (no decimals).

Article 13 - Payment on a Business Day

If any payment date of any amount relating to this Bond Issue falls on a day which is not a Business Day, such payment will be made on the first Business Day thereafter, without any additional amount being due to the Bondholders.

Article 14 – Issuer's Undertakings

For the entire duration of the Bond Issue, the Issuer undertakes to the Bondholders that:

(i) it will not use the funds arising from the Bond Issue for purposes unrelated to those outlined in Article 9, except in the case of prior approval from the Bondholders;

(ii) (a) it will not make (and will ensure that, pursuant to article 1381 of the Italian Civil Code, the companies of the Group do not make) amendments to 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 (b) will promptly notify the bondholders of any amendment referred to in point (a) above;

(iii) it will not make Distributions other than Permitted Distributions;

(iv) without prejudice to the provisions of paragraph (iii) above with reference to Distributions, (a) it will not pay (and will ensure that, pursuant to article 1381 of the Italian Civil code, the Group companies do not pay) in any case gross annual remuneration to the shareholders and directors of the Issuer exceeding a total of 945,000 euros (nine hundred and forty-five thousand euros) for each year of the duration of the Bond Issue, it being understood that (x) if, starting from the Calculation Date relating to the Valuation Date of 31 December 2023, the Company meets the profitability targets (EBITDA) and/or the financial targets (Equity and Net Debt) set out in the business plan, the Issuer will be entitled to resolve to increase the gross annual remuneration up to a maximum of 30% (thirty per cent) above the threshold indicated in this point, provided that the Issuer gives evidence to Bondholders that the pro forma Financial Covenants are met after the increase of the remuneration, and (y) if, as of the Calculation Date relating to the Valuation Date of 31 December 2023, the Issuer does not comply with the Financial Covenants, the maximum value indicated in this point will be reduced by 30% (thirty per cent). The reduction in gross annual remuneration will remain in force for as long as the Financial Covenants are not met;

(v) except in the case of Permitted Acquisitions, it will not approve, nor carry out – and will ensure that, pursuant to Article 1381 of the Italian Civil Code, no Group company approves or completes – acquisitions of property or assets of any kind, or of equity interest in other companies or entities or businesses or business units;

(vi) it will ensure that the Issuer's payment obligations in relation to the Bond Issue are not subordinated with respect to any unsecured financial obligation on the part of the Issuer;

(vii) except in the case of Permitted Disposals, it will not approve or carry out – and will ensure, pursuant to Article 1381 of the Italian Civil Code, that no Group company approves or carries out – any sale, transfer and/or disposal of (including by way of lease) any of its Assets;

(viii) except in the case of Permitted Exceptional Transactions, it will not approve, nor carry out – and will ensure, pursuant to Article 1381 of the Italian Civil Code, that no Group company approves or carries out – Exceptional Transactions;

(ix) it will not carry out transactions to reduce the share capital, except where compulsorily required by law; in the event that the share capital of the Issuer is reduced due to losses in accordance with the law, it will ensure that the share capital of the Issuer is promptly restored to at least the level of the share capital on the Issue Date;

(x) it will ensure that, on each Calculation Date and with reference to the information in the Consolidated Financial Statements or Consolidated Half-Year Report (as the case may be) preceding said Calculation Date, the following financial covenants (the "**Financial Covenants**") are met:

Net Debt/EBITDA ratio not to exceed the values indicated year by year in the table below:

31/12/2021	30/06/2022	31/12/2022	30/06/2023	31/12/2023	30/06/2024	31/12/2024
4.10	**4.10**	**3.50**	**3.50**	**3.00**	**3.00**	**2.70**
30/06/2025	31/12/2025	30/06/2026	31/12/2026	30/06/2027	31/12/2027	
2.70	**2.50**	**2.50**	**2.50**	**2.50**	**2.50**	

Net Debt/Equity ratio not to exceed the values indicated year by year in the table below:

31/12/2021	30/06/2022	31/12/2022	30/06/2023	31/12/2023	30/06/2024	31/12/2024
4.45	**4.45**	**2.00**	**2.00**	**1.80**	**1.80**	**1.70**
30/06/2025	31/12/2025	30/06/2026	31/12/2026	30/06/2027	31/12/2027	
1.50	**1.50**	**1.50**	**1.50**	**1.50**	**1.50**	

The Financial Covenants will be calculated on an annual basis (i.e. for half-yearly data, reference will be made to the preceding 12 months) and notified within 10 (ten) Business Days from the date of publication of the Consolidated Financial Statements or the Consolidated Half-Year Report (as the case may be) approved by the Issuer (each a "**Calculation Date**"), with reference to the information in the annual Consolidated Financial Statements as at 31 December preceding the relevant Calculation Date or the information in the Consolidated Half-Year Report as at 30 June preceding the relevant Calculation Date.

(xi) it will administer any relationships with Group companies and any other related parties according to market conditions;

(xii) it will not make any payment to shareholders and creditors of subordinated debts (including debts to shareholders) without the prior written consent of the Bondholders;

(xiii) it will approve the Consolidated Financial Statements within 180 (one hundred and eighty) days of the end of the financial year, and it will approve the Consolidated Half-Year Report within 90 (ninety) days of the end of the relevant six-month period;

(xiv) by 15 May and by 15 November of each year (in relation to the first and third quarters, respectively), it will publish the following documents regarding the Company on the Issuer's website for consultation by Bondholders and the Joint Representative (where appointed):

- indication of the consolidated net financial position;
- indication of turnover and EBITDA for the quarter and for the year to date, including management figures;
- any other material information (appointment and/or replacement of key managers) regarding the performance of the Issuer and its subsidiaries, in particular key financials (turnover, EBITDA, debt and net financial position)

(xv) it will not place – and will ensure, pursuant to Article 1381 of the Italian Civil Code, that each Group company does not place – any Liens on its Assets other than Permitted Liens;

(xvi) it will not allocate capital towards a sole and specific business purpose pursuant to article 2447-bis of the Italian Civil Code and not request loans intended for a specific business purpose pursuant to article 2447-decies of the Italian Civil Code. These same restrictions will also apply to each Group company (pursuant to article 1381 of the Italian Civil Code);

(xvii) it will not transfer its registered office nor the centre of its main interests (pursuant to EU Regulation 2015/848) beyond the territory of the Italian Republic;

(xviii) it will not transfer its administrative headquarters outside the territory of the Italian Republic. For clarity, this refers to the location where the strategic decisions (of a managerial nature) required for the Issuer and the Group's activities as a whole are taken. The Issuer also undertakes not to transfer a substantial part of the production and research and development activities which, as of the Issue Date, are carried out in Italy;

(xix) it will not use, directly or indirectly, the proceeds of the Bond Issue to finance Sanctioned Parties and/or Sanctioned Countries, or finance the activities of a party organised, operating or resident in a Sanctioned Country;

(xx) it will ensure that the Issuer, the Group companies and their directors, managers, employees and agents do not become Sanctioned Parties and that they are not located, incorporated or resident in a Sanctioned Country.

(xxi) it will not violate in the ordinary course of business and/or in the implementation of the Acquisition any applicable law or regulation on corruption and money laundering (including, by way of a single example where applicable, Italian Legislative Decree 231/2001). The Issuer shall also ensure (pursuant to article 1381 of the Italian Civil Code) that this applies to all Group companies that have implemented, will implement or are expected to implement the Acquisition; and (b) will maintain internal procedures designed to prevent the violation of any law, regulation or other provision relating to corruption and money laundering by the Issuer and any Group Company which has implemented, will implement or is expected to implement the Acquisition;

(xxii) it will comply with the regulations on international corruption set out in the OECD (Organisation for Economic Co-operation and Development) Convention of 17 December 1997 (as amended and supplemented from time to time) on combating bribery of foreign public officials in international business transactions as well as Italian Legislative Decree 231 of 8 June 2001 regarding the administrative liability of legal persons. The Issuer will also ensure that (pursuant to article 1381 of the Italian Civil Code), each Group company and its directors, managers and employees comply with the above;

(xxiii) it will maintain and update the organisation and management model referred to in Italian Legislative Decree 231/2001;

(xxiv) it will not request the exclusion of the Bonds from trading on the ExtraMOT PRO^3 Segment (i.e. delisting), nor allow or permit such exclusion;

(xxv) it will comply with all of the Rules of ExtraMOT PRO^3, where the Bonds will be traded, in order to avoid Borsa Italiana imposing any sanction or exclusion on the Bonds from trading;

(xxvi) it will diligently comply with all the commitments undertaken towards Monte Titoli in relation to the centralised management of the Bonds;

(xxvii) it will submit to a statutory audit by an external auditor and publish on its website no later than 10 (ten) Business Days after approval the Issuer's financial statements and the Consolidated Financial Statements for each financial year following the Issue Date until the Bonds are redeemed in full;

(xxviii) it will publish on its website no later than 10 (ten) Business Days after approval a copy of the Consolidated Half-Year Report;

(xxix) it will promptly notify the Bondholders, as soon as it becomes aware of such, of the occurrence of any Material Event (and any steps taken to remedy it) and/or any Change of Control;

(xxx) it will promptly notify the Bondholders of the occurrence of any natural, technical, administrative, corporate or fiscal event (including any claim, demand, action or threatened action by a third party in writing and any notice of tax assessment) which may cause a Significant Adverse Event;

(xxxi) it will promptly notify the Bondholders of the occurrence of, and any information relating to (i) any litigation, arbitration or administrative proceedings threatened in writing or pending against it; and (ii) of any tax proceeding initiated or threatened in writing by the Italian Tax Authorities against the Issuer and any Group company, provided that the disputed amount exceeds 500,000.00 euros (five hundred thousand euros);

(xxxii) it will promptly notify the Bondholders of any decision by Borsa Italiana to suspend and/or revoke the Bonds from trading;

(xxxiii)it will promptly notify the Bondholders of the completion of the Acquisition by 16 November 2021;

(xxxiv) it will update the rating issued by a leading rating agency each year, for the entire term of the Bond Issue, and promptly inform Bondholders thereof;

(xxxv) no later than 10 (ten) Business Days from the date of publication of either its Consolidated Financial Statements or the Consolidated Half-Year Report, it will make available to the Bondholders a written statement prepared in the form set out in annex A of these Issue Terms and Conditions, signed by the Issuer's legal representative (and countersigned by the Issuer's auditor or auditing firm) and certifying that as, of the Valuation Date, the Issuer has complied or has not complied with the Financial Covenants, including the calculations necessary to demonstrate the results ("**Covenants Statement**"), the Group and the Group companies' financial statements and half-yearly reports; and

(xxxvi) will not grant (and will ensure that, 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.

Article 15 – Payments, Calculation Agent and Paying Agent

The calculations and decisions of the Calculation Agent will be made in accordance with these Issue Terms and Conditions and, assuming no manifest error, will be final, conclusive and binding in relation to the Bondholders.

Any payment of any amount due by the Issuer in relation to the Bond Issue under these Issue Terms and Conditions will be made by the Paying Agent, on behalf of the Issuer, through the Monte Titoli account holders in whose accounts the Bonds are deposited and, subsequently, will be credited by such holders from those accounts to the Monte Titoli accounts of the beneficiary of such Bonds, all in accordance with the rules and procedures of Monte Titoli.

The Issuer reserves the right to replace the Paying Agent at any time, it being understood that such replacement will become effective only after the appointment of a new Paying Agent. In such case, the Issuer will promptly inform the Bondholders and the Joint Representative (if appointed).

All payments relating to the Bond Issue are, in any case, subject to all taxation laws or regulation. No fees or expenses will be charged to Bondholders in connection with such payments.

Article 16 – Taxation

The interest, premiums and other gains produced by the Bonds, if meeting the appropriate conditions, are subject to the provisions of Italian Legislative Decree no. 239 of 1 April 1996 and subsequent amendments (application, to specifically identified parties, of a substitute tax of 26%).

If the necessary conditions are met, the provisions of Italian Legislative Decree no. 461 of 21 November 1997 and subsequent amendments (application of a substitute tax to "other income of a financial nature" of 26%) are also applied.

Any payment made by the Issuer in relation to the Bonds will be net of, and without any withholding or deduction (with the exception of the substitute tax referred to in Decree

239) arising from taxes and duties collected, received, withheld or imposed by any applicable law, unless the Issuer is required to apply any such deduction under the law. Following the imposition of any withholding or deduction (other than a substitute tax under Decree 239) due to taxes and duties, the amount due from the Issuer on the relevant Payment Date will be increased by an additional amount such that (following the imposition of the relevant withholding or deduction) the amount is equal to that which would have been due if no withholding or deduction had been imposed. Following the imposition of a substitute tax referred to in Decree 239, the Issuer will not be required to pay the Bondholders any additional amount.

Article 17 – Guarantees on the Issue and Representative pursuant to article 2414-bis of the Italian Civil Code

The Loan is supported by Collateral.

Pursuant to the Underwriting Agreement, Banca Sella has been appointed as representative under article 2414-bis(3), of the Italian Civil Code in relation, in particular, to the exercise, in the name of and on behalf of the Bondholders, of all rights, both substantive and procedural, relating to the Collateral to be established in favour of the Bondholders, including through Banca Sella S.p.A. as representative pursuant to article 2414-bis of the Italian Civil Code.

For each Bondholder, the acceptance and ownership of the Bonds will entail the acceptance and automatic recognition of the appointment of Banca Sella as representative pursuant to article 2414-bis of the Italian Civil Code.

Article 18 – Intercreditor Agreement

The acceptance and ownership of the Bonds by the Bondholders will entail their recognition and acceptance of the provisions of the Intercreditor Agreement and their automatic adherence to the same.

Article 19 – Markets on which the Bonds are to be traded

The Bonds are expected to be admitted to trading on the ExtraMOT PRO^3 Segment of the ExtraMOT Market from the Date of Issue. The decision of Borsa Italiana and the date of commencement of trading of the Bonds on the ExtraMOT PRO^3 Segment of the ExtraMOT Market, together with the information necessary for trading, will be communicated by Borsa Italiana via a specific notice.

It should be noted that there are no parties who have undertaken to act as intermediaries on the secondary market.

Article 20 – Communication

Unless otherwise provided for by applicable law, all communications by the Issuer to the Bondholders will be deemed valid by publication on the Issuer's website at https://www.star-7.com and in compliance with the disclosure requirements of the ExtraMOT Market and applicable regulations in force.

Without prejudice to the provisions in the previous paragraph, the Issuer's right to also make certain communications to Bondholders through Monte Titoli remains unaffected.

Article 21 – Limitation periods

The rights of the Bondholders with regard to interest will lapse after five (5) years from the interest due date and, as regards the principal, after 10 (ten) years from the date on which the Bond became redeemable.

Article 22 – Joint Representative

A joint representative may be appointed to represent the Bondholders. All communications to the Issuer by the Bondholders will be made through the Joint Representative (if appointed).

All costs relating to the appointment and maintenance of a Joint Representative (including related fees) are to be borne by the Issuer.

Article 23 – Bondholders' meetings

All costs relating to Bondholders' Meetings and the related resolutions are to be borne by the Issuer in the event that the meeting was called by the Issuer and/or is the consequence of the Issuer breaching an undertaking under these Issue Terms and Conditions.

The Bondholders may come together in a meeting (the "**Bondholders' Meeting**") in order to protect their interests.

In accordance with Article 2415 of the Italian Civil Code, the Bondholders' Meeting decides on (with the majorities outlined in Article 2415 of the Civil Code): (a) the appointment and dismissal of the joint representative (the "Joint Representative"); (b) changes to the terms of the Bond Issue; (c) the establishment of a fund for the expenses necessary to protect joint interests and the related report; (d) other subjects of common interest to the Bondholders.

All costs relating to any appointment and maintenance of a Joint Representative (including related fees) are to be borne by the Issuer.

The provisions of articles 2415 et seq. of the Italian Civil Code concerning bondholders' meetings are to apply.

Article 24 – Status of the Bonds

The Bonds are direct, unconditional and unsubordinated to all other debts of the Issuer and will 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.

The Bonds are not and will not be convertible into shares or equity instruments related to the Issuer or any other company. Therefore, the Bondholders will not be granted any right of direct and/or indirect participation in the management of the Issuer nor of control over the management of the Issuer and/or any other company.

Article 25 – Bond Issue Reopening

The Issuer will not issue, without the prior consent of the Bondholders' Meeting, further bonds with the precise same terms and conditions as the Bonds in such a way as to form a single series of bonds pursuant to and for the purposes of article 11(2) of Italian Legislative Decree no. 239 of 1 April 1996, and subsequent amendments.

Article 26 – Governing Law and Competent Court

The Bond Issue is regulated by Italian law. For any dispute connected with the Bond Issue or these Issue Terms and Conditions, the Court of Rome will be the sole competent court.

Article 27 – Resolutions, authorisations, approvals and further information

The Bond issue was decided by the Issuer with a resolution adopted by its Board of Directors on 25 October 2021 and filed on 29 October 2021 at the Alessandria Register of Companies. Specifically, the Issuer decided to proceed with the issue of non-convertible Bonds for a total nominal value up to 5,000,000.00 euros (five million euros). At the Date of Issue, the Issuer's share capital was equal to 527,650 euros with reserves of 8,410,160 euros.

Article 28 – Amendments to the Issue Terms and Conditions

The Issuer may only amend these Issue Terms and Conditions with the prior consent of the Bondholders, unless the changes have, in the opinion of the Issuer, sufficient motivation and have been previously communicated to the Bondholders, or are necessary or even merely appropriate in order to eliminate material errors, ambiguities or inaccuracies in the text, provided that such changes do not affect the rights and interests of the Bondholders and that they are promptly communicated to the Bondholders in the manner outlined in Article 20.

Annex A
Format for Covenants Statement

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Covenants Statement
pursuant to Article 14 of the Issue Terms and Conditions

We refer to the "**Star7 Tf 4,75% Ott2028 Amort Eur'**" Bond Issue for a total nominal amount up to 5,000,000.00 euros (five million euros) identified under the "**IT0005460917**" ISIN code and issued on 12 (twelve) November 2021 (two thousand and twenty-one).

The terms used here in capital letters and not otherwise defined have the meaning set out in the Issue Terms and Conditions.

This letter constitutes a Covenants Statement for the purposes of the Issue Terms and Conditions.

This letter confirms, as at the Valuation Date of [...], the following Financial Covenant values:

	value	reference value
Net Debt/EBITDA	[•]	< = [•]
Net Debt/Equity	[•]	< = [•]

[The failure of] Compliance with the Financial Covenants is hereby confirmed. Complete evidence of the calculations necessary to demonstrate this result is provided below.

EBITDA of: [•]

Net financial debt of: [•]

Equity of: [•]

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Star7 S.p.A.

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[•] as [Legal Representative]