



FINANCIAL STATEMENTS

as at 31 December 2024

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Dear Shareholders,

2024 was a very successful year for STAR7. We achieved record results, strengthened our competitive position, and fully leveraged our Integrale7 business model. In a still uncertain macroeconomic environment, we have effectively and adaptively responded to the evolving needs of our customers, expanding our allocation in their budgets and offering increasingly integrated and value-added solutions.

Consolidated revenues reached **€119.8 million**, up **14.8%** compared to 2023, marking a new all-time high for the Group. This result also reflects the success of integrating the new 7AI offering, launched last October, which is a pillar of our innovation strategy.

Profitability has shown a strong improvement: EBITDA at **€18.1 million (+23.7%)**, with a margin of **15.1%**, Adjusted EBITDA at **€18.8 million (+17.2%)**, with a margin of **15.7%**, showing further growth compared to 15.3% in the previous year. Net profit rose to **€3.7 million**, an increase of 67% compared to €2.2 million in 2023, while net profit, before amortisation related to M&A operations, stands at **€7.7 million**.

Internationalization has also yielded excellent results, with significant growth in the USA and Brazil, supported by M&A operations. The goal of increasing the share of revenues generated abroad is becoming more and more realised and will remain strategic in the future.

The recovery of operating margins reflects greater management efficiency and an increasingly extensive and structural use of offshoring in Albania. The optimization of working capital, resulting from a rigorous and systematic management control policy, has decisively contributed to cash generation, with Free Cash Flow reaching **€10 million**, allowing for a significant reduction in net financial debt, which as of 31 December 2024 stands at **€-27.8 million**, an improvement of €10 million compared to the end of 2023. Adjusted NFP amounted to **€-32.7 million**.

The Board of Directors also resolved to propose to the Shareholders' Meeting that the Parent Company's profit for the year, amounting to **€2,035,689.48**, be allocated to reserves, carrying it forward in full. In addition, the authorization to purchase and dispose of treasury shares will be submitted to the Shareholders' Meeting for approval, in accordance with the provisions of articles 2357 and 2357-ter of the Civil Code.

In 2025, we will focus on consolidating our presence in foreign markets, with particular attention to South America and the aerospace and defense sectors, laying the groundwork for a significant expansion in 2026. This will be supported by our growth in America and India, the development of the agricultural automotive sector, and the full integration of Generative Artificial Intelligence into our service offerings.

I wish to thank all our collaborators for the passion and professionalism with which they contribute every day to the success of the Group, our customers for the trust they continue to place in us, and you, dear Shareholders, for the constant support of our growth journey.

Lorenzo Mondo
CEO – STAR7 S.p.A.



Corporate Governance

Board of Directors

Lorenzo Mondo: Chairman of the Board of Directors and Chief Executive Officer

Josef Zibung: Director

Isabella Mondo: Director

Maria Luisa Vada: Director

Andrea Farina: Director

Roberto Manzoni: Director

Paolo Rebaudengo: Independent director

Board of Statutory Auditors

Fabio Venegoni: Chairman of the Board of Statutory Auditors

Alberto Bodiglio: Standing auditor

Vincenzo Gambaruto: Standing auditor

Cristiano Lenti: Alternate auditor **Stefano**

Cernuschi: Alternate auditor

Independent Auditors

BDO Italia S.p.A.

Supervisory Board

231 Compliance Programme pursuant to Legislative Decree 231/2001

Giordano Balossi

Silvia Campagna

Vincenzo Gambaruto

REPORT ON OPERATIONS

Consolidated Financial Statements as at 31/12/2024

Dear Shareholders,
the Consolidated Financial Statements
as at 31.12.2024 show a profit of:

€3,726,764
(€2,231,713 as at 31/12/2023)

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Company and Group situation

Financial statements and revenues

The Consolidated Financial Statements as of 31/12/2024 show a net profit of €3,726,764 (€2,231,713 as at 31/12/2023) in a very complex financial year, still marked by significant uncertainty.

Regardless, the results achieved are the best in recent years.

Revenues amounted to €119.8 million, up 14.8% compared to the previous year, with an EBITDA of €18.1 million (15.1% of revenue).

The market has therefore rewarded STAR7's ability to ensure a high level of service in a highly complex global environment; the Group has succeeded in consolidating its market position thanks to the quality and reliability of its services. The "fundamental" factors that characterise the Company's operations have proven to be crucial: breadth of professional skills; ability to offer technologically advanced solutions; orientation towards efficiency with the right amount of flexibility; wide range of services to meet market needs.

The results for 2024 confirm that our "Integrale7" business model continues to work effectively, offering us the ability to cross-sell additional services to newly acquired customers.

STAR7

STAR7 provides an integrated range of product-information services, from product and process engineering support to the creation and management of technical and marketing content, translation, printing and virtual experience.

The Group has continued its programme to enhance its structure and reinforce the core values of the parent company, in line with the project initiated prior to listing. This includes strengthening and expanding the services provided, introducing innovative solutions, and promoting and encouraging its skilled workforce to adapt to a changing market, which is now leaning towards solutions that incorporate AI.

The research and development activities in the field of AI, adopting a technology-agnostic approach, have enabled continuous evaluation of leading, emerging, and promising technologies for the target markets. This has led to the development of a know-how that is conducive to creating flexible solutions, which are not tied to any particular platforms.

This strategy, alongside the development of demonstrative Proof of Concepts with leading industry clients, has resulted in the creation of a new suite of AI-driven services and applications (known as "7AI"), encompassing both language technologies and the generation and analysis of content.

This new suite of services enables the STAR7 Group to provide AI-based solutions that are natively multilingual in the areas of Virtual Assistants, Customer Support, and Academy Training.

In-house "human" capabilities used in training artificial intelligence, aimed at enhancing its reliability and responsiveness, are an asset in this new suite of services.

Research and development continues to focus on Virtual, Immersive and Augmented Reality by developing products and solutions that, with progressive improvements thanks to generative AI technologies, cater to the growing need for virtualisation within customer businesses.

Today, the STAR7 Group is able to deliver increasingly cutting-edge solutions in the areas of Virtual Training, Virtual Showrooms and Product Experience, by making the most of its technical information management skills acquired over time through engineering and technical authoring.

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Operating highlights

The table "Adjusted reclassified consolidated income statement" shows the main adjusted earnings indicators of the STAR7 Group for 2024, compared with the equivalent values for 2023.

The adjusted measures are not sanctioned by the Italian Accounting Standards (IT GAAP) issued by the OIC. The Group believes that these adjusted measures provide useful information to management and investors to evaluate operating performance and compare it to companies operating in the same sector, while providing an additional view of the results.

In line with the Group's desire to provide additional disclosures and better comparability, the consolidated figures have been adjusted to take into account integration and restructuring costs mainly related to the C.A.A.R. S.p.A. and S.T.I. s.r.l. business units, as further specified in the following paragraphs.

Please note that the statutory and management figures reflect the earnings of the C.A.A.R. S.p.A. and S.T.I. s.r.l. business units.

As of 1 January 2023, two lease contracts are operational for business divisions of the companies C.A.A.R. S.p.A. (registered office in Turin, via Treviso 36) and S.T.I. s.r.l. (registered office in Bolzano, via Buoizzi 14/16).

The leases were preparatory to the definitive acquisition of the two business units, formalized on 13 January 2025.

The above companies are strategic and complementary to the development of the engineering and defence business, with offices located both in Italy (Turin and Bolzano) and abroad (Brazil and Serbia). Given the financial situation of the two companies in December 2022, a business leasing contract was used in order to minimise legal, financial and operational risks. Meanwhile, the judicial liquidation of both companies has occurred, and STAR7 has made an irrevocable offer to purchase both business units within a protected procedure conducted in October 2024, which concluded with the definitive acquisition on 13 January 2025.

The cost of the acquisition of the two business divisions of C.A.A.R. and S.T.I., which STAR7 acquired through the judicial liquidation of the two companies, amounted to €5.8 million, net of transaction costs. STAR7 – it should be emphasised – did not take on the financial debts of the acquired businesses.

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Operating performance

In 2024, STAR7 achieved a growth in revenues of 14.8% that is extremely significant not only due to its scale but also its quality, considering the purely organic nature of the increase in revenues and the significant contribution offered by the Engineering and Product Knowledge segments, against a backdrop of significant progress in the most relevant Service Lines.

Behind these numerical results are some fundamental forward steps that have been made in recent months:

- the completion of the C.A.A.R. integration process: the clear benefits in terms of the increase in revenues that have been achieved in the Engineering service line in Brazil are just part of the positive repercussions that STAR7 expects as a result of the finalised integration process.
- the internationalisation of the business: In view of ongoing international expansion: STAR7 has opened its new operating office in India, in Hyderabad, enabling it to cover even more effectively the localisation services needs of one of its most important Global Content clients.

Adjusted reclassified consolidated income statement

	31/12/2024	31/12/2023	CHANGE	CHANGE %
Net revenues	119,824,608	104,405,634	15,418,973	14.8%
EBITDA adjusted (*)	18,770,746	16,014,930	2,755,816	17.2%
<i>Adjusted EBITDA %</i>	<i>15.7%</i>	<i>15.3%</i>		
EBITDA	18,085,699	14,614,930	3,470,769	23.7%
<i>EBITDA %</i>	<i>15.1%</i>	<i>14.0%</i>		
EBIT	9,336,040	6,367,794	2,968,247	46.6%
<i>R.o.S. %</i>	<i>7.8%</i>	<i>6.1%</i>		
EBT	6,028,610	3,410,496	2,618,114	76.8%
Consolidated net income	3,726,764	2,231,713	1,495,050	67.0%

*Adjusted EBITDA was adjusted in 2024 to remove the integration and restructuring costs of €685 thousand mainly related to the business units of C.A.A.R. S.p.A. and S.T.I. s.r.l.

Group Revenues for 2024 amounted to €119.8 million, marking an increase of 14.8% compared to the €104.4 million level in 2023.

The key factor in the progress achieved in 2024 can be identified in significant organic growth in the USA and Brazil, driven by the Product Knowledge and Engineering service lines.

STAR7 has also confirmed its ability to activate all available organic growth levers, through the continuous acquisition of new customers and an effective cross-selling and upselling process in the services offered to existing customers.

Service Lines as a % of Group Revenues	FY 2024	FY 2023
Global Content	34.9%	35.9%
Experience and Product Knowledge	31.7%	29.0%
Engineering	20.4%	19.6%
Printing	13.0%	15.5%

The geographical distribution of Revenues for 2024 (with a weight of the international market equal to approximately 51.7%, compared to approximately 46.8% in 2023, finally surpassing domestic revenues) is testament to the success of the strategy for the increasing internationalisation of STAR7.

Geographical breakdown of Group revenues	FY 2024	FY 2023
Italy	48.3%	53.2%
USA	26.1%	22.8%
Brazil	19.3%	17.1%
Others	6.3%	6.9%

EBITDA

In the first half of 2024, STAR7 Group EBITDA was €18.1 million (EBITDA Margin stood at 15.1%), while Adjusted EBITDA (adjusted for integration and restructuring costs mainly related to the CAAR Group business unit) reached €18.8 million with Adjusted EBITDA Margin of 15.7% (+40 bps compared to 15.3% in 2023).

The results for 2024 were achieved thanks to a high-quality order book and efficiency initiatives to maximise the profitability of current orders.

EBIT

The EBIT of the STAR7 Group amounted to €9.3 million, an increase of 46.6% compared to €6.4 million in 2023.

Net profit for the year

The STAR7 Group reported a Net Profit of €3.7 million, an increase of 67% compared to €2.2 million in 2023.

The M&A transactions carried out to date have generated net goodwill as at 31 December 2024 in the amount of €26 million, resulting in amortisation of €4 million, as better detailed in the Notes to the Financial Statements. Gross of this amortisation, in line with the representation of the main international standards, the Net Profit for 2024 would have been €7.7 million.

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Consolidated balance sheet data

The reclassified balance sheet compared with the previous year's figures is as follows (in €):

	31/12/2024	31/12/2023	CHANGE	CHANGE %
Net intangible fixed assets	33,804,372	38,215,878	-4,411,506	-11.5%
Net property, plant and equipment	10,902,322	9,194,650	1,707,672	18.6%
Equity investments and other financial fixed assets	434,141	277,808	156,333	56.3%
NON-CURRENT ASSETS	45,140,834	47,688,336	-2,547,501	-5.3%
Inventories	2,013,303	2,541,276	-527,973	-20.8%
Trade receivables	32,587,921	37,172,859	-4,584,937	-12.3%
Receivables due from associates and subsidiaries not consolidated line by line	749,254	855,010	-105,756	-12.4%
Other receivables	7,652,433	5,811,728	1,840,705	31.7%
Accrued income and prepaid expenses	2,480,934	1,714,080	766,853	44.7%
CURRENT ASSETS	45,483,845	48,094,953	-2,611,108	-5.4%
Trade payables	-11,306,470	-8,678,976	-2,627,494	30.3%
Payables due to associates and subsidiaries not consolidated line by line	-810,365	-442,162	-368,203	83.3%
Payments on account	-30,222	-39,885	9,664	0.0%
Tax and social security payables	-5,390,124	-3,907,864	-1,482,260	37.9%
Other payables	-3,723,621	-3,486,607	-237,014	6.8%
Accrued expenses and deferred income	-1,450,129	-2,189,703	739,574	-33.8%
CURRENT LIABILITIES	-22,710,931	-18,745,198	-3,965,733	21.2%
NET WORKING CAPITAL	22,772,914	29,349,755	-6,576,841	-22.4%
Employee severance indemnity	-6,614,644	-6,368,713	-245,931	3.9%
Other medium- and long-term liabilities	-604,117	-1,040,398	436,280	-41.9%
NON-CURRENT LIABILITIES	-7,218,761	-7,409,110	190,349	-2.6%
INVESTED CAPITAL	60,694,987	69,628,981	-8,933,994	-12.8%
Net equity	32,907,076	31,873,399	1,033,677	3.2%
Short-term net financial position	-6,740,029	10,693,185	-17,433,215	-163.0%
Medium/long-term net financial position	34,527,941	27,062,397	7,465,544	27.6%
EQUITY AND NET FINANCIAL DEBT	60,694,987	69,628,981	-8,933,994	-12.8%

Non-current assets

Non-current assets amounted to €45.1 million and decreased by a total of €2.5 million mainly due to:

- depreciation and amortisation (total €8.3 million); partially offset by
- investments in intangible assets (€2.4 million) and tangible assets (€3.7 million);
- reclassification of derivative financial assets and other non-current financial assets (€0.3 million) that were not included in this macro-item as of 31-12-2023 because they were included in the medium- to long-term Net Financial Position.

Net intangible assets amounted to €33.8 million and mainly included:

- i) goodwill (€26 million), mostly related to Localeyes (€21.7 million);
- ii) industrial patents and intellectual property rights (€1.7 million);
- iii) assets under construction/development (€0.9 million) mostly related to the integration of the business units of C.A.A.R. and S.T.I. (€0.7 million);
- iv) other (€5.2 million): this item includes:
 - a) leasehold improvements (€1.8 million),
 - b) other charges (€3.4 million) including Smart7 development projects, Translation Management System, etc. (€0.8 million), costs for C.A.A.R. and S.T.I. operations (€0.7 million), start-up costs related to multi-year contracts with major brands in the Automotive sector (€0.6 million), listing charges (€0.6 million) and rebranding (€0.4 million).

The item under examination decreased by €4.4 million due to amortisation for the period totaling €6.9 million, partially offset by investments amounting to €2.4 million. These investments mainly involved new development projects such as Smart7, Translation Management System, etc. (€0.9 million), integration of C.A.A.R. and S.T.I. (€0.7 million), and concessions and licenses (€0.4 million).

Net property, plant and equipment amounted to €10.9 million and included:

- i) property (€3.7 million);
- ii) plant and machinery (€3.6 million);
- iii) other assets (€1.9 million);
- iv) assets under development/construction and payments on account (€1.7 million).

The item under review increased by €1.7 million due to new investments made and ongoing (€3.7 million), primarily in advanced capital goods related to the Brazilian subsidiaries, net of disposals (€0.2 million), depreciation of €1.4 million, and negative exchange rate differences (€0.4 million).

Equity investments and other financial fixed assets amounted to €0.4 million and included:

- positive mark-to-market of financial derivative assets (€0.1 million);
- security deposits (€0.2 million);
- investments in the associate IAM.DEV and other minor securities.

Net working capital amounted to €22.8 million, down by €6.6 million.

The change is mainly attributable to the optimisation of working capital management:

- trade receivables down by €4.6 million (DSO improved from 131 at 31.12.2023 to 98 at 31.12.2024) and
- payables to suppliers increased by €2.6 million (DPO improved from 68 at 31.12.2023 to 81 at 31.12.2024).

Other items in working capital mainly related to:

- other receivables (€7.7 million) including tax receivables for direct and indirect taxes (€2.4 million), deferred tax assets (€1 million), amounts advanced by STAR7 at the closing of the acquisitions of C.A.A.R. and S.T.I. (€2.7 million), and amounts advanced for the acquisition of SDS (€0.5 million); The variation of €1.8

million compared to the previous year is mainly attributable to the security deposit mentioned for the C.A.A.R. and S.T.I. transaction (€1.2 million) and to insurance compensations (€0.3 million);

- Accrued income and prepaid expenses (€2.5 million) increased by €0.8 million mainly as a result of early discounts granted to important customers in the Automotive sector against the renewal in 2024 of multi-year contracts;
- other payables (€3.7 million): related mainly to current and deferred salaries to employees (€3.5 million);
- tax and social security liabilities (€5.4 million) including €1.2 million for corporate income taxes, €0.7 million for VAT and consumption taxes, €1.3 million for withholding taxes to be paid as a tax substitute, and €2.2 million for contributions to social security institutions;
- accrued expenses and deferred income (€1.5 million) mainly made up of advance revenues (€0.9 million), which fell €0.7 million compared to 31/12/2023.

Non-current liabilities of €7.2 million mainly relate to the provision for severance pay of €6.6 million and to various provisions for risks and expenses (provision for employees' leaving entitlement of €0.3 million, deferred tax fund of €0.2 million).

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Financial highlights

The net financial position as at 31/12/2024 was as follows (in €):

	31/12/2024	31/12/2023	CHANGE
Bank deposits	25,472,445	8,077,810	17,394,635
Cash and other valuables on hand	13,119	1,209,615	-1,196,496
CASH ON HAND (A)	25,485,564	9,287,425	16,198,139
Due to banks (within one year)	-13,091,311	-13,678,433	587,122
Payables due to other financial institutions (within one year)	-1,364,801	-2,267,614	902,814
Bonds (within one year)	-4,289,423	-4,034,563	-254,860
SHORT-TERM FINANCIAL LIABILITIES (B)	-18,745,535	-19,980,610	1,235,075
NET SHORT-TERM FINANCIAL POSITION (A-B)	6,740,029	-10,693,185	17,433,215
Due to banks (beyond the next financial year)	-8,158,447	-8,936,946	778,500
Due to other financial institutions (after one year)	-1,678,900	-2,001,845	322,945
Bonds (after one year)	-24,690,594	-16,404,602	-8,285,991
Financial receivables	0	280,997	-280,997
MEDIUM- AND LONG-TERM NET FINANCIAL POSITION	-34,527,941	-27,062,397	-7,465,544
NET FINANCIAL POSITION (A-B-C)	-27,787,912	-37,755,582	9,967,670

The Net Financial Position at 31 December 2024 was €27.8 million (€37.8 million at 31 December 2023), an improvement of €10 million. This result confirms the effectiveness of the strategies implemented by management to improve working capital management and reflects the sales results achieved by the Group in 2024. Gross debt stood at €53.3 million (€47.3 million at 31/12/2023). The Net Debt/EBITDA ratio as at 31 December 2024, which stands at 1.54 (as shown in the table below), has decreased from the figure of 2.60 as of 31 December 2023.

It should be noted that the composition of the net financial position as at 31/12/2024 has been modified compared to that indicated in the Consolidated Financial Statements as at 31/12/2023 because financial derivative assets and other financial assets recognised under non-current assets have been excluded (effect on NFP at 31/12/2023 of €0.3 million).

It should also be noted that in September 2024, the Parent Company successfully closed the placement of a bond for a total nominal amount of €13 million, issued in November, repayable in 2031. The proceeds from the new issuance were used for the definitive acquisition of the C.A.A.R. and S.T.I. business units, for expansion plans abroad, and to finance projects aimed at developing artificial intelligence for the new 7AI business line. The transaction also enabled STAR7 to accelerate the process of rescheduling debt maturities by extending their average maturity.

The table below presents the adjusted Net Financial Position as of 31 December 2024, reflecting the financial effects of the finalization of the acquisition of the C.A.A.R. and S.T.I. business units (completed on 13 January 2025):

in millions of euros	31/12/2024	31/12/2023	CHANGE
Reported net financial position	-27.8	-37.8	10.0
Adjustments:			
Cash-out for definitive acquisition of the C.A.A.R. and S.T.I.	-4.9	-4.9	-
Adjusted net financial position	-32.7	-42.7	10.0

The acquisition of an additional 10% of the share capital of CAAR do Brasil Consultoria Tecnica LTDA, in which STAR7 already held a 66% stake, is being finalized for an amount of R\$3.2 million, equivalent to approximately €520,000 at the current exchange rate. This further acquisition further strengthens STAR7's presence in Brazil and its positioning in the engineering sector.

In order to provide a better description of the financial situation, the table below shows some balance sheet ratios, compared with the same ratios for the previous year.

	31/12/2024	31/12/2023
Gross financial debt / Net equity	1.62	1.48
Net financial debt / Net equity	0.84	1.19
Gross financial debt / EBITDA	2.95	3.24
Net financial debt / EBITDA	1.54	2.60
DSO	98	131
DPO	81	68

The Group is in a stable position, with bank/financial debt structured over the medium to long term. It maintains sufficient liquidity to continue its growth trajectory and consistently meets the covenants stipulated by the bonds issued to facilitate the acquisition of LocalEyes and the new bond issued in November 2024.

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Operating conditions and business development

Pursuant to Article 2428 of the Civil Code, we inform you that the Parent Company's activities are carried out at the head office of Alessandria, in the area of Valle San Bartolomeo, and at the local units in Asti, Turin, Pistoia, Maranello, La Spezia and Bolzano.

In legal terms, the Parent Company STAR7 S.p.A. directly or indirectly controls the following companies, which carry out activities that are complementary to and/or functional for the Group's core business:

Name	Registered office	Currency	Share capital in foreign currency	Shareholding	Share held in %	Interest in %	Assets
STAR7 PRINTING S.R.L.	Asti - Italy	Euro	10,000	Direct	60%	60%	Printing
STAR COMUNICAÇÃO E SERVIÇOS LTDA	Belo Horizonte - Brazil	Real	1,448,205	Direct	75%	75%	Printing, Product Knowledge
CAL COMUNICAÇÃO LTDA	Belo Horizonte - Brazil	Real	500,000	Direct	75%	75%	Printing
STAR7 LLC	Rochester Hills - Michigan - U.S.A.	USD	3,000	Direct	100%	100%	Global Content, Product Knowledge
STAR7 ALBANIA SHPK	Tirana - Albania	Lek	500,000	Direct	100%	100%	Global Content, Product Knowledge
STAR7 GMBH	Linz - Austria	Euro	35,000	Direct	100%	100%	Global Content, Product Knowledge
LOCALEYES LTD	Cork - Ireland	Euro	-	Direct	100%	100%	Global Content, Product Knowledge
LOCALEYES TIRANA	Tirana - Albania	Lek	-	Indirect	100%	100%	Global Content, Product Knowledge
LOCALEYES MADRID	Madrid - Spain	Euro	-	Indirect	100%	100%	Global Content, Product Knowledge
LOCALEYES AMSTERDAM	Amsterdam - Netherlands	Euro	-	Indirect	100%	100%	Global Content, Product Knowledge
LOCALEYES HELSINKI	Helsinki - Finland	Euro	-	Indirect	100%	100%	Global Content, Product Knowledge
LOCALEYES USA	San Francisco - California - U.S.A.	USD	-	Indirect	100%	100%	Global Content, Product Knowledge
STAR7 TECHNOLOGY INDIA PRIVATE LTD	Hyderabad - India	Rupee	100,000	Direct	100%	100%	Global Content, Product Knowledge

In view of the business unit lease agreement, the results of the following companies controlled by C.A.A.R S.p.A. were included in the consolidated financial statements as at 31/12/2024 and 31/12/2023:

- "C.A.A.R. do Brasil Consultoria Tecnica Ltda" based in Belo Horizonte (Brazil);
- "Abacaar Doo Kragujevac" based in Kragujevac - Miloja Pavlovica 9 (Serbia).

The two aforementioned companies were acquired outright on 13 January 2025 following the acquisition of the business units of C.A.A.R. S.p.A. and S.T.I. s.r.l..

The new 100% owned subsidiary company "Star7 Technology India Private Limited" was established on 13 August 2024, with headquarters in Hyderabad (India).

For the scope of consolidation, please refer to the Notes to the Financial Statements.

7

Research and development activities

The following disclosures are made pursuant to article 2428, paragraph 3, number 1 of the Italian Civil Code.

The Group has developed high value-added authoring technologies in the various Business Areas (Authoring, Language Services, After Sales), succeeding in developing innovative ideas and applications of already existing services, as well as co-developing – also with dedicated internal resources – and increasing the potential and integration of already available software and creating new integrated platforms.

In particular, new applications based on artificial intelligence have been developed, with the establishment from 01/01/2025 of a new service line (7AI).

The actual operational development activity involved integrating some market A.I. engines into its service lines (primarily Global Content and Product Knowledge, and to a lesser extent Printing), aimed at meeting the growing needs of customers.

In particular, the objectives that STAR7 has set itself are as follows:

- identify repetitive activities and time consuming and low value-added processes;
- train the A.I. to teach the processes to be performed and compress the time of such activities;
- verify and measure the results achieved to identify critical issues and correct them with a view to "continuous improvement";
- on the basis of the errors detected, reduce as much as possible the review time that necessarily must be spent by human beings for control activities;
- optimise the ability of the trained AI to generate and disseminate content based on corporate know-how with the highest degree of accuracy, consistency and reliability.

To achieve this, the Company has dedicated internal human resources (developers, programmers, engineers) and external suppliers.

It is the Group's intention to continue to boost, also in subsequent years, the development of new activities characterised by a degree of innovation with respect to its reference market, through a series of initiatives that will primarily involve internal human resources, external consultants and technical equipment.

8

Environmental and personnel information

In view of the Company's social role, as highlighted in the document on Report on Operations issued by the Italian Accounting Profession, it is deemed appropriate to provide the following information regarding the environment and personnel.

Environment

The Group companies do not carry out polluting industrial processes.

Staff

- No on-the-job deaths occurred during the year among personnel listed in the register.
- During the year, there were no serious accidents at work involving serious or very serious injuries to personnel listed in the register of employees.
- During the year there were no charges relating to occupational illnesses on employees or former employees and mobbing cases.

9

Investments

During 2024, investments were made in the following categories of property, plant and equipment:

FIXED ASSETS	ACQUISITIONS DURING THE YEAR
Land and buildings	1,101
Plant and machinery	1,248,436
Industrial and commercial equipment	72,098
Other assets	863,849
Assets under development/construction and payments on account	1,500,000
TOTAL	3,685,484

These are ordinary investments for renovations and/or equipment for employees, as well as investments to enhance the production structure and improve efficiency.

10

Relations with associated, parent and sister companies

The Group had the following transactions with the following associated companies:

	Trade receivables 31/12/2024	Other receivables 31/12/2024	Trade payables 31/12/2024	Sundry payables 31/12/2024	Trade costs 31/12/2024	Trade revenues 31/12/2024
Star AG	211	-	134,513	-	417,561	205,384
Star Deutschland GmbH	12,843	-	4,575	-	4,592	65,833
Star Software, Translation, Artwork, Recording GmbH	102,909	-	-	-	-	42,713
Star Paris	7,854	-	7,200	-	960	50,925
Star Technology Solutions	7,747	-	557	-	10,672	13,045
Star Japan Co., LTD	11,430	-	-	-	89,456	4,758
Star UK Limited	79	-	5,119	-	16,250	1,652
Star SA	1,170	-	35	-	1,078	31,595
Star Group Scandinavia AB	1,916	-	88	-	367	13,533
Star Czech S.R.O.	566	-	34,755	-	159,756	6,544
Star Hungary KFT	-	-	15,330	-	50,940	-
Dante S.r.l.	-	-	123,097	-	251,168	-
Star Prevajalske Storitve D.O.O Ljubljana	-	-	81,412	-	260,425	-
Star Poland	-	-	54,496	-	130,463	-
IAMDEV S.t.p. S.r.l.	-	-	25,730	-	192,857	-
Star Servicios Linguisticos LDA	-	-	56,567	-	141,084	-
Star Information Engineering S.L.	-	-	-	-	8,276	-
Star Software Shanghai Co. LTD	-	-	27,419	-	72,624	-
Star Egitto Middle East Ltd Cairo	-	-	6,146	-	13,521	-
Star Information Services & Tools S.R.L.	-	-	16,745	-	62,574	-
Star Korea AG	-	-	8,607	-	41,827	-
Star SPB - Russia	-	-	-	-	-562	-
Star Translation & Software Thailand Co., Ltd	-	-	792	-	868	-
Star AG Taiwan Branch	-	-	1,686	-	3,212	-
Star do Brasil Localizacao E Tecnologia Ltda	-	-	1,478	-	2,655	-
Star Software Indonesia	-	-	3,434	-	6,574	-
Star Turchia Inf.Services Ltd Sti	-	-	21,435	-	46,777	-
Star J&M Finland OY	-	-	161	-	3,083	-
Star Co.,Ltd	-	-	1,358	-	-	-
Star Servicios Linguisticos SLU	30	-	252	-	4,162	133
Star Group America, LLC	-	-	728	-	-	49
Star Vietnam Translation & Software Co., LTD.	-	-	-	-	2,517	-
SCP's	2,321	-	-	-	-	-
Shareholders of CAAR do Brasil	-	89,412	-	176,650	-	-
Toth Comunicaçao e Logistica Ltda	-	381,703	-	-	-	-
TOTAL	149,077	471,116	633,714	176,650	1,995,738	436,162

These transactions, which do not include any atypical and/or unusual operations, are conducted on an arm's length basis.

11

Information on risks and uncertainties pursuant to art. 2428, paragraph 3, point 6-bis of the Italian Civil Code

Credit risk

Receivables from customers are carefully monitored, and therefore credit risk is deemed to be adequately covered by the relevant allowance for doubtful accounts.

Liquidity risk

Note:

- there are adequate lines of credit to meet liquidity needs;
- group companies hold deposits with credit institutions to meet liquidity requirements;
- there are no significant concentrations of liquidity risk on either the side of financial assets or sources of funding;
- The terms of collection are adjusted to those of payment.

Market risk

The effects of possible changes on the income statement in relation to relevant risk variables are limited and acceptable for each of the following components:

- interest rate risk
- price risk
- exchange rate risk

Considering the level of risks involved, the companies within the Group do not engage in hedging activities, with the exception of certain interest rate swap and collar cap-floor contracts. These contracts are comprehensively detailed in the Notes to the Financial Statements, which should be referred to for further information.

Key risks are constantly monitored by the Boards of Directors.

Information on own shares

At the reporting date, the Parent Company did not hold any treasury shares and/or shares and/or quotas of parent companies, either directly or through trust companies or third parties.

12

Main events in FY 2024

November 2024

- Modefinance Ratings upgraded STAR7's debt rating to "B1+" from "B1". The rating agency announced this in a note. The agency's decision is supported by the Group's improved financial performance and reduced financial leverage. Modefinance points out that "the Company now has an appreciable diversification of the products and services it offers and is progressively internationalising its business – both factors that are contributing to the continuous expansion of its turnover".
- STAR7 issued a non-convertible bond for a value of €13 million, at floating rate, maturing November 2031, fully underwritten by Unicredit with partial SACE guarantee and a grace period of about 13 months. The financial resources were allocated partly to the acquisition of the C.A.A.R. and S.T.I. business divisions and partly to supporting related activities, including cash flow and investments, with particular reference to Artificial Intelligence projects that will bolster the commercial development of STAR7 in the near future.

Events after the end of the financial year

Acquisition of C.A.A.R. and S.T.I. completed

On 13 January 2025, STAR7 completed the final acquisition of the business divisions of C.A.A.R. S.p.A. and S.T.I. S.r.l., both in court-ordered liquidation. This step represented the formalisation of an integration process that began in January 2023, when the lease of the two business units began. The transaction has allowed STAR7 to consolidate its strategy, seamlessly integrating the acquired businesses and strengthening its position in the automotive, commercial and heavy vehicles sectors.

The acquisition also allowed STAR7 to significantly expand its presence in Brazil, a strategic engineering market, and granted access to a team of highly qualified professionals. This has had a positive impact on innovation and growth at the company.

From a financial point of view, the total cost of the transaction was €5.8 million, net of transaction costs, without STAR7 having to take on the financial liabilities of the acquired businesses.

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Business outlook for the financial year 2025

The STAR7 Group will continue to strengthen its presence in key markets through targeted commercial expansion initiatives, investing in innovation and digitalisation to improve operational efficiency and the quality of its products and services.

A central element of the 2025 strategy will be the focus on cash generation and debt reduction. Particular attention will be paid to margin management, with an approach aimed at improving profitability through a careful pricing policy and effective management of operating costs.

However, the macroeconomic environment remains uncertain due to international tensions and geopolitical developments that could impact international trade dynamics.

The company aims to be resilient in the face of challenges in the economic environment, maintaining a sustainable growth trajectory and continuing to create value for all stakeholders in the long term.

14

Compliance pursuant to Articles 375 and 377 of Legislative Decree 14/2019 (Code of Business Crisis)

On 16 March 2019, the Corporate Crisis Code, which amended Article 2086 of the Civil Code, came into force, thereby placing the onus on the Administrative Body to verify the adequacy of organisational structures in order to prevent the onset of any corporate crisis. This must be done at least every 6 months.

The Companies of the Group have an adequate organisation chart, also in view of the listing on the Euronext Growth Milan market, and have adequate instruments for the constant monitoring of corporate activities, economic and financial trends and a management control system.

The indicators relating to negative or below-par shareholders' equity and the DSGR (Debt Service Coverage Ratio) do not reveal any critical aspects.

Valle San Bartolomeo (Alessandria), 25 March 2025

The Chairman of the Board of Directors
Lorenzo Mondo



CONSOLIDATED FINANCIAL STATEMENTS

as at 31/12/2024

REGISTRY DETAILS

HEADQUARTERS IN	ALESSANDRIA
TAX IDENTIFICATION NUMBER	01255170050
REA INDEX NUMBER	AL 208355
VAT No.	01255170050
SHARE CAPITAL IN EURO	599,340
LEGAL FORM	COMPANY LIMITED BY SHARES (SPA)
COMPANY IN LIQUIDATION	no
SINGLE MEMBER COMPANY	no
COMPANY SUBJECT TO MANAGEMENT AND COORDINATION BY ANOTHER PARTY	no
GROUP MEMBERSHIP	no
NAME OF THE PARENT COMPANY	STAR7 S.P.A.
COUNTRY OF THE PARENT COMPANY	ITALY

1

Consolidated balance sheet (figures in Euros)

Assets

	31/12/2024	31/12/2023
B) FIXED ASSETS		
I – INTANGIBLE FIXED ASSETS		
1) Start-up and expansion costs	590,727	836,129
4) Industrial patents and intellectual property rights	1,681,970	1,865,431
5) Goodwill	26,014,762	29,710,394
6) Assets under development/construction and payments on account	861,658	493,651
7) Others	4,655,255	5,310,273
TOTAL INTANGIBLE ASSETS	33,804,372	38,215,878
II - PROPERTY, PLANT AND EQUIPMENT		
1) Land and buildings	3,695,078	3,799,469
2) Plant and machinery	3,641,899	3,566,185
3) Industrial and commercial equipment	78,651	18,227
4) Other assets	1,825,871	1,658,809
5) Assets under development/construction and payments on account	1,660,823	151,960
TOTAL PROPERTY, PLANT AND EQUIPMENT	10,902,322	9,194,650
III - FINANCIAL FIXED ASSETS		
1) Equity investments in		
a) subsidiaries	0	0
b) associated companies	130,500	130,500
Total equity investments	130,500	130,500
2) Receivables		
d bis) from others		
due after the next financial year	163,698	147,308
Total receivables from others	163,698	147,308
Total receivables	163,698	147,308
3) other instruments	57,115	57,115
4) financial derivative instrument assets	82,828	223,882
TOTAL FINANCIAL FIXED ASSETS	434,141	558,805
TOTAL FIXED ASSETS (B)	45,140,834	47,969,333

	31/12/2024	31/12/2023
C) CURRENT ASSETS		
I. INVENTORY		
1) Raw and ancillary materials and consumables	1,379,136	1,433,269
3) Orders-in-progress	315,490	574,342
4) Finished products and goods	223,188	455,360
5) Payments on account	95,489	78,305
TOTAL INVENTORIES	2,013,303	2,541,276
II - RECEIVABLES		
1) from customers		
due within the next financial year	32,587,921	37,172,859
Total trade receivables	32,587,921	37,172,859
2) from subsidiaries		
due within the next financial year	129,061	128,249
Total receivables from subsidiaries	129,061	128,249
3) from associates		
due within the next financial year	620,193	726,761
Total receivables from associated companies	620,193	726,761
5-bis) tax receivables		
due within the next financial year	2,392,802	2,855,792
Total tax receivables	2,392,802	2,855,792
5-ter) Deferred tax assets/liabilities	1,012,631	653,828
5-quater) from others		
due within the next financial year	4,247,000	2,640,197
Total receivables from others	4,247,000	2,640,197
TOTAL RECEIVABLES	40,989,608	44,177,685
IV - CASH ON HAND		
1) Bank and postal deposits	25,472,445	8,077,810
3) Cash and cash equivalents	13,119	1,209,615
Total cash and cash equivalents	25,485,564	9,287,425
TOTAL CURRENT ASSETS (C)	68,488,475	56,006,386
D) PREPAYMENTS AND ACCRUED INCOME		
	2,480,934	1,714,080
TOTAL ASSETS	116,110,243	105,689,800

Liabilities

	31/12/2024	31/12/2023
A) EQUITY ATTRIBUTABLE TO OWNERS OF THE GROUP		
I - CAPITAL	599,340	599,340
II - SHARE PREMIUM RESERVE	11,728,160	11,728,160
IV - LEGAL RESERVE	119,868	119,868
VI - OTHER RESERVES, INDICATED SEPARATELY		
Extraordinary reserve	13,339,515	12,725,340
Capital contributions	2,846	2,846
Merger surplus reserve	1,105,814	1,105,814
Consolidation reserve	1,272,366	944,174
Reserve from translation differences	-853,720	-7,747
Misc. other reserves	409,324	409,324
TOTAL OTHER RESERVES	15,276,146	15,179,751
VII - RESERVE FOR TRANSACTIONS TO HEDGE EXPECTED CASH FLOWS	60,952	168,861
IX - PROFIT (LOSS) FOR THE YEAR	2,689,046	1,812,709
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	30,473,512	29,608,690
MINORITY INTERESTS		
Capital and reserves attributable to minority interests	1,395,846	1,845,705
Profit (loss) attributable to minority interests	1,037,717	419,004
TOTAL EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	2,433,563	2,264,709
TOTAL CONSOLIDATED NET EQUITY	32,907,075	31,873,399
B) PROVISIONS FOR RISKS AND CHARGES		
1) For pensions and similar obligations	346,930	282,930
2) For taxes, including deferred taxes	204,575	273,065
3) Financial derivative liabilities	2,612	0
4) others	50,000	484,402
TOTAL PROVISIONS FOR RISKS AND CHARGES	604,117	1,040,398

	31/12/2024	31/12/2023
C) EMPLOYEE SEVERANCE INDEMNITY		
	6,614,644	6,368,713
D) PAYABLES		
1) Bonds		
due within the next financial year	4,289,423	4,034,563
due after the next financial year	24,690,594	16,404,602
Total bonds	28,980,017	20,439,165
4) Borrowings from banks		
due within the next financial year	13,091,311	13,678,433
due after the next financial year	8,158,447	8,936,946
Total due to banks	21,249,758	22,615,379
5) Borrowings from other lenders		
due within the next financial year	1,364,801	2,267,614
due after the next financial year	1,678,900	2,001,845
Total borrowings from other lenders	3,043,701	4,269,459
6) payments on account		
due within the next financial year	30,222	39,885
Total advances	30,222	39,885
7) Trade payables		
due within the next financial year	11,306,470	8,678,976
Total trade payables	11,306,470	8,678,976
10) Payables to associated companies		
due within the next financial year	810,365	442,162
Total payables to associated companies	810,365	442,162
12) Tax payables		
due within the next financial year	3,133,418	2,012,102
Total taxes payable	3,133,418	2,012,102
13) Due to social security institutions		
due within the next financial year	2,256,706	1,895,762
Total payables to social security institutions	2,256,706	1,895,762
14) Other payables		
due within the next financial year	3,723,621	3,824,696
Total other payables	3,723,621	3,824,696
TOTAL PAYABLES	74,534,277	64,217,587
E) ACCRUALS AND DEFERRALS		
	1,450,129	2,189,703
TOTAL LIABILITIES	116,110,243	105,689,800

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Consolidated Income Statement (figures in Euros)

Income Statement

	31/12/2024	31/12/2023
A) VALUE OF PRODUCTION		
1) revenues from sales and services	119,824,608	104,405,634
2) Change in inventories of work in progress, semi-finished and finished products	-127,396	125,543
4) internal work capitalized	0	150,000
5) Other revenues and income		
grants related to income	698,244	314,153
others	746,949	627,500
Total other revenues and income	1,445,194	941,653
TOTAL VALUE OF PRODUCTION	121,142,405	105,622,830
B) COST OF PRODUCTION		
6) raw and ancillary materials, consumables and goods	5,730,899	5,431,922
7) for services	43,250,678	38,415,549
8) leases and rentals	2,789,699	2,324,222
9) personnel		
a) wages and salaries	37,589,087	31,977,796
b) social security contributions	9,556,248	8,459,480
c) employees' leaving entitlement	1,551,569	1,266,571
e) other costs	1,266,945	1,532,806
Total personnel costs	49,963,848	43,236,653
10) Amortisation, depreciation and write-downs		
a) amortisation	6,948,566	6,602,167
b) depreciation	1,372,498	1,570,743
d) write-downs of receivables included in current assets and of cash and cash equivalents	364,595	10,226
Total amortisation, depreciation and write-downs	8,685,659	8,183,136
11) changes in inventories of raw, ancillary and consumable materials and goods	144,109	320,261
12) Provisions for risks	64,000	64,000
14) Sundry operating expenses	1,177,473	1,279,293
TOTAL COSTS OF PRODUCTION	111,806,365	99,255,036
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A - B)	9,336,040	6,367,794

	31/12/2024	31/12/2023
C) FINANCIAL INCOME AND EXPENSES		
16) Other financial income		
d) income other than the above		
others	129,863	112,159
Total income other than the above	129,863	112,159
Total other financial income	129,863	112,159
17) Interest and other financial expenses		
others	3,506,426	3,139,255
Total interest and other financial expenses	3,506,426	3,139,255
17-bis) exchange gains and losses	69,132	69,798
TOTAL FINANCIAL INCOME AND EXPENSES (15 + 16 - 17 + - 17-BIS)	-3,307,431	-2,957,298
PROFIT (LOSS) BEFORE TAX (A - B + - C + - D)	6,028,610	3,410,496
20) Current, deferred and prepaid income taxes for the period		
current taxes	1,715,504	1,403,336
prior year taxes	-19,616	44,585
Deferred tax assets and liabilities	605,958	-269,139
Total current and deferred income tax assets and liabilities	2,301,846	1,178,782
21) Consolidated net income (loss) for the year		
Consolidated net income (loss) for the year	3,726,764	2,231,714
Result attributable to the group	2,689,046	1,812,709
Profit (loss) attributable to minority interests	1,037,717	419,005

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Consolidated cash flow statement, indirect method (figures in Euros)

Cash flow statement, indirect method

	31/12/2024	31/12/2023
A) CASH FLOW FROM OPERATING ACTIVITIES (INDIRECT METHOD)		
Profit (loss) for the year	3,726,764	2,231,713
Income Taxes	2,301,846	1,178,782
Interest expense/(income)	3,376,563	3,027,096
(Gains)/Losses from disposal of assets	-25,311	124,822
1) Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses on disposal	9,379,862	6,562,413
Adjustments for non-cash items that did not have a balancing entry in net working capital		
Provisions	1,615,569	1,398,667
Depreciation/amortisation of fixed assets	8,321,064	8,172,910
Value adjustments to financial assets and liabilities of derivative financial instruments not involving monetary movements	35,757	48,584
Other adjustments up/(down) for non-cash items	-20,420	1,273,118
Total adjustments for non-monetary items that did not have a balancing entry in net working capital	9,951,970	10,893,279
2) Cash flow before changes in net working capital	19,331,833	17,455,692
Change in net working capital		
Decrease/(Increase) in inventories	527,973	-73,125
Decrease/(Increase) in trade receivables	4,584,937	-7,687,100
Increase/(Decrease) in trade payables	2,627,494	104,121
Decrease/(Increase) in accrued income and prepaid expenses	-766,853	289,210
Increase/(Decrease) in accrued expenses and deferred income	-739,574	-290,274
Other decreases/(Other increases) in net working capital	-2,143,916	1,611,946
Total change in net working capital	4,090,060	-6,045,222
3) Cash flow after changes in net working capital	23,421,893	11,410,470
Other adjustments		
Interest received/(paid)	-3,375,085	-2,877,237
(Income taxes paid)	-2,424,653	-917,219
(Use of provisions)	-1,411,638	-1,157,359
Total other adjustments	-7,211,376	-4,951,815
CASH FLOW FROM OPERATING ACTIVITIES (A)	16,210,517	6,458,655

	31/12/2024	31/12/2023
B) CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment		
(Investments)	-3,685,484	-4,047,358
Divestments	216,582	311,615
Intangible fixed assets		
(Investments)	-2,431,000	-5,660,436
Financial fixed assets		
(Investments)	-16,390	-43,503
CASH FLOW FROM INVESTING ACTIVITIES (B)	-5,916,292	-9,439,682
C) CASH FLOW FROM FINANCING ACTIVITIES		
Loan funds		
Increase/(Decrease) in short-term payables to banks	-1,540,734	1,084,035
Financing	19,578,386	4,877,568
(Repayment of loans)	-12,088,178	-12,218,923
Own funds		
(Dividends and interim dividends paid)	0	0
CASH FLOW FROM FINANCING ACTIVITIES (C)	5,949,474	-6,257,320
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	16,243,699	-9,238,347
Exchange rate effect on cash and cash equivalents	-45,560	39,461
Cash and cash equivalents at beginning of year		
Bank and postal deposits	8,077,810	18,475,779
Cash and cash equivalents	1,209,615	10,533
Total cash and cash equivalents at beginning of year	9,287,425	18,486,312
Of which restricted	0	0
Cash and cash equivalents at end of year		
Bank and postal deposits	25,472,445	8,077,810
Cash and cash equivalents	13,119	1,209,615
Total cash and cash equivalents at end of year	25,485,564	9,287,425
Of which restricted	0	0

Statement of Budget Compliance

The undersigned Alessandro Trotter, pursuant to art. 31 paragraph 2-quinquies of Law 340/2000, declares that this document is in conformity with the original filed with the company.

NOTES

to the Consolidated Financial Statements as at 31/12/2024

1

Introduction

The STAR7 Group Consolidated Financial Statements as at 31 December 2024 include the financial statements of the parent company STAR7 S.P.A. and of the Group companies directly or indirectly controlled by it.

Activities performed

The STAR7 Group carries out activities of production and translation of technical documentation, interpreting, automation of authoring processes, dedicated IT development, printing on demand and is distinguished by its competence and experience.

During 2024, commercial transactions were carried out with the associated companies Dante S.r.l., IAM.DEV. S.r.l. and STAR AG and other subsidiaries of STAR AG for the provision of services regulated according to market criteria.

The Notes to the Financial Statements illustrate the items in the financial statements, while the Report on Operations illustrates in detail the operations, including those of an extraordinary nature, that took place in the year.

Research and development activities

The Group has developed high value-added authoring technologies, including deploying AI, in the various Business Areas (Authoring, Language Services, After Sales), succeeding in developing innovative ideas and applications of already existing services, as well as co-developing – also with dedicated internal resources – and increasing the potential and integration of already available software and creating new integrated platforms.

It is the Group's intention to continue to boost, also in subsequent years, the development of new activities characterised by a degree of innovation with respect to its reference market, through a series of initiatives that will primarily involve internal human resources, external consultants and technical equipment.

Significant events occurring during the year

As of 1 January 2023, two lease contracts are operational for business divisions of the companies C.A.A.R. S.p.A. (registered office in Turin, via Treviso 36) and S.T.I. s.r.l. (registered office in Bolzano, via Buoizzi 14/16): These companies are active in the same market in which STAR7 operates but specialise in important complementary but strategic segments.

Both companies entered into judicial liquidation proceedings, with judgments of the Court of Turin issued on 6 March and 30 April 2024, respectively.

At the end of June 2024, STAR7 submitted an irrevocable offer to purchase both business units in a protected procedure that concluded in October 2024, after which STAR7 Spa was awarded the two business units: Since the special powers provided by Decree 21/2012 (Golden Power) were not exercised, the acquisition was definitively formalized with a notarial deed signed on 13 January 2025.

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Basis of presentation

The Consolidated Financial Statements of STAR7 Group have been prepared in accordance with art. 25 et seq. of Legislative Decree no. 127/1991 and include the Balance Sheet, Income Statement, Cash Flow Statement and the Explanatory Notes, which form an integral part thereof.

In addition to the attachments required by law, reconciliations are provided between the net result and shareholders' equity of the Parent Company and the respective values resulting from the Consolidated Financial Statements.

The criteria used in the preparation of the Consolidated financial statements as at 31/12/2024 and in the valuations take into account the changes introduced into the national legislation by Legislative Decree 139/2015, through which Directive 2013/34/EU was implemented.

Figures in the Consolidated Financial Statements are in units of Euro, rounding off the relative amounts. Any rounding differences were posted to the item "Euro rounding reserve" under shareholders' equity.

These Notes provide the data and information required by Art. 38 of Legislative Decree 127/1991. The Notes to the Financial Statements present information on items in the Balance Sheet and Income Statement in the order in which the relevant items are shown in the respective financial statements.

3

Scope and methods of consolidation

The Consolidated Financial Statements include the individual financial statements of the Parent Company STAR7 S.p.A. and of those companies in which STAR7 S.p.A. directly or indirectly holds the majority of voting rights at Ordinary General Meetings.

The individual financial statements of the following subsidiaries have been consolidated on a line-by-line basis:

Name	Registered office	Currency	Share capital in foreign currency	Shareholding	Share held in %	Interest in %	Assets
STAR7 PRINTING S.R.L.	Asti - Italy	Euro	10,000	Direct	60%	60%	Printing
STAR COMUNICAÇÃO E SERVIÇOS LTDA	Belo Horizonte - Brazil	Real	1,448,205	Direct	75%	75%	Printing, Product Knowledge
CAL COMUNICAÇÃO LTDA	Belo Horizonte - Brazil	Real	500,000	Direct	75%	75%	Printing
STAR7 LLC	Rochester Hills - Michigan - U.S.A.	USD	3,000	Direct	100%	100%	Global Content, Product Knowledge
STAR7 ALBANIA SHPK	Tirana - Albania	Lek	500,000	Direct	100%	100%	Global Content, Product Knowledge
STAR7 GMBH	Linz - Austria	Euro	35,000	Direct	100%	100%	Global Content, Product Knowledge
LOCALEYES LTD	Cork - Ireland	Euro	-	Direct	100%	100%	Global Content, Product Knowledge
LOCALEYES TIRANA	Tirana - Albania	Lek	-	Indirect	100%	100%	Global Content, Product Knowledge
LOCALEYES MADRID	Madrid - Spain	Euro	-	Indirect	100%	100%	Global Content, Product Knowledge
LOCALEYES AMSTERDAM	Amsterdam - Netherlands	Euro	-	Indirect	100%	100%	Global Content, Product Knowledge
LOCALEYES HELSINKI	Helsinki - Finland	Euro	-	Indirect	100%	100%	Global Content, Product Knowledge
LOCALEYES USA	San Francisco - California - U.S.A.	USD	-	Indirect	100%	100%	Global Content, Product Knowledge
STAR7 TECHNOLOGY INDIA PRIVATE LTD	Hyderabad - India	Rupee	100,000	Direct	100%	100%	Global Content, Product Knowledge

The changes in the scope of consolidation were as follows:

- entry of Star7 Technology India Private Ltd, incorporated on 13 August 2024; the company did not start operations in 2024.

For completeness of information, please note the following:

- Vertere s.r.l. was merged by incorporation into the Parent Company in December 2023, but with retroactive effect from 01/01/2023 (the merger by incorporation is neutral for consolidation purposes);
- Star USA LLC, Techworld Language Services Inc. and The Geo Group Corporation were merged into Star7 LLC effective 01/01/2024.

Furthermore, by virtue of the business unit leases of C.A.A.R. S.p.A. and S.T.I. s.r.l., which commenced on 01/01/2023, the data of the following subsidiaries of C.A.A.R. S.p.A. are also included:

- "C.A.A.R. do Brasil Consultoria Tecnica Ltda" based in Belo Horizonte (Brazil) -

66% owned subsidiary;

- - "Abacaar Doo Kragujevac" based in Kragujevac - Miloja Pavlovica 9 (Serbia) – 100% owned subsidiary.

LocalEyes Ltd has prepared its own consolidated financial statements, containing the subsidiaries indicated in the previous table. For consolidation purposes, these sub-consolidated financial statements have been used.

The financial statements of each subsidiary were used for consolidation purposes, adjusted if necessary to bring them into line with the Parent Company's accounting policies ("Italian GAAP" issued by the OIC").

As of 31 December 2024, the subsidiary "STAR Comunicação e Serviços Ltda" owned 100% of Starcom Argentina S.A.S., a company with a share capital of 20,000 Pesos, located in Córdoba, Argentina. This subsidiary was not consolidated in the financial statements due to the insignificance of its balance sheet figures and was valued at €0.

Reporting date

In compliance with art. 30 of Legislative Decree no. 127/1991, the reporting date of the Consolidated Financial Statements coincides with the date of the Parent Company's separate annual financial statements as at 31/12/2024. All of the companies included in the consolidation area have financial years coinciding with the calendar year and their financial statements are all ended at 31/12/2024, as is the case for the consolidating parent company.

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Consolidation principles and criteria

The financial statements used for consolidation purposes are the individual financial statements of the individual companies, prepared by their Administrative Bodies, unless they have already been approved directly by the Shareholders' Meeting. These financial statements are reclassified and adjusted, where necessary, in order to bring them into line with the accounting standards and valuation criteria of the Parent Company, which are in line with those laid down in the Civil Code and issued by the OIC.

In preparing the Consolidated Financial Statements, the assets and liabilities shown in the Balance Sheet and the income and expenditure shown in the Income Statement of companies consolidated on a line-by-line basis are included in full. Receivables and payables as well as income and charges and profits and losses originating from transactions between consolidated companies are eliminated. In this regard, it should be noted that transactions between Group companies during the year were carried out under normal market conditions.

The difference, at the date of acquisition of control, between the book value of the investee company and the corresponding portion of shareholders' equity, which are eliminated, if positive, is posted to the higher value of the consolidated assets

of the investee company, including goodwill, if this is justified by the substance of the transaction, otherwise it is deducted from the consolidation reserves under liabilities. If the difference is negative, it is posted to the shareholders' equity item "Consolidation reserve" or to a specific "Consolidation reserve for future risks and charges", in compliance with the criterion set out in Art. 33, paragraph 3 of Legislative Decree 127/91. The difference is charged to this provision when losses or liabilities are expected from the consolidated investee.

"Goodwill" and the "Allowance for risks and charges" thus determined are respectively amortised or posted to the Income Statement in relation to the economic performance of the investee companies by applying the criterion indicated in the section "Accounting policies" below.

The amount of capital and reserves of subsidiaries attributable to minority shareholders is recognised in shareholders' equity under an item entitled "Capital and reserves attributable to minority interests"; the portion of net income (loss) for the period pertaining to minority interests is shown under "Profit (loss) for the year pertaining to minority interests".

The income statement shows separately the minority interest in net income.

Balance sheet and income statement relationships between the Companies included in the scope of consolidation have been totally eliminated. Gains and losses arising from transactions between Consolidated Companies, which are not realised from transactions with third parties, are eliminated. During pre-consolidation any items of exclusive tax relevance are eliminated and the related deferred taxes are provided for.

It should be noted that leased assets have been accounted for in accordance with the provisions of international accounting standard IFRS 16 (financial method), which envisages recording the leased assets under assets, net of depreciation, and the amount of the residual principal under payables.

Translation of individual financial statements in currencies other than the Euro

Financial statements denominated in currencies other than the Euro are converted:

- at the year-end exchange rate for assets and liabilities on the balance sheet;
- at the average exchange rate for the period for positive and negative income components in the income statement;
- at the historical exchange rate at the time of their formation for the equity reserves.

The difference between the result for the period translated at the average exchange rate for the income statement and the result for the period translated at the spot exchange rate for the shareholders' equity items, as well as the effects on assets and liabilities deriving from fluctuations in exchange rates at the beginning and end of the period, are allocated to the shareholders' equity item "Reserve for foreign exchange differences".

The exchange rates used are listed in the table below:

CURRENCY	SPOT RATE		AVERAGE RATE	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
US Dollar to 1 Euro	1.0389	1.1050	1.0824	1.0813
Brazilian Real to 1 Euro	6.4253	5.3618	5.8283	5.4010
Albanian Lek to 1 Euro	98.07	103.79	100.710	108.7800
Serbian Dinar to 1 Euro	116.8022	116.98	117.0799	117.2500
Indian Rupee to 1 Euro	88.9335	n/a	90.556	n/a

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Measurement criteria

The valuation of the items in the financial statements was carried out in accordance with the general criteria of prudence and competence, on a going-concern basis.

It should be noted that for the purposes of the business continuation prospect referred to in Article 2423-bis of the Italian Civil Code, none of the Group's Italian companies made use in previous financial years of the waiver option provided for by paragraph 2 of Article 38-quater of Law No. 77/2020 converting Decree-Law No. 34/2020 ("Relaunch Decree"), an option introduced following the Covid-19 epidemic emergency.

The application of the principle of prudence has entailed the individual valuation of the elements making up the individual items or items of assets or liabilities, in order to avoid offsetting losses that must be recognised and profits that must not be recognised because they have not been realised.

In compliance with the accruals principle, the effect of transactions and other events has been recorded in the accounts and attributed to the period to which such transactions and events refer and not to the period in which the related cash movements (receipts and payments) take place.

In application of the principle of relevance, the obligations relating to recognition, measurement, presentation and disclosure have not been complied with when their observance would have an irrelevant effect for the purposes of giving a true and fair view. Continuity in the application of the valuation criteria over time is a necessary element for the purposes of comparability of the financial statements in the various periods. The recognition and presentation of items in the financial statements has been made taking into account the substance of the transaction or contract (principle of substance over form).

Exceptional cases pursuant to Article 2423, fifth paragraph, of the Civil Code

There were no exceptional circumstances that made it necessary to resort to derogations pursuant to art. 2423, paragraph 5 of the Italian Civil Code.

Suspension of depreciation/amortisation - art. 60 Law 126/2020

It should be borne in mind that, pursuant to Article 60 of Law 126/2020, the Parent Company and STAR7 Printing, as an exception to Article 2426, first paragraph, number 2) of the Civil Code, deemed it appropriate not to carry out annual amortisation and depreciation of the cost of certain intangible assets and property, plant and equipment in the Separate Financial Statements for the year ended 31/12/2020; this option was not exercised in the financial statements of the financial years subsequently closed. As provided for by the above-mentioned provision, the amortisation and depreciation charge not applied, was recognised in the Income Statement for the following year, thus extending the original amortisation/depreciation schedule by one year. The Parent Company and STAR7 Printing had to use this option in the year ended 31/12/2020, because the pandemic caused by the Covid-19 virus had significantly slowed down the growth process undertaken and interrupted some activities such as the rebranding of the Group and its listing.

In 2023, amortization on software licenses amounting to €249,796 was attributed to STAR7, while in 2024, amortization on electronic printing systems and some automatic printing machinery amounting to €257,190 was attributed. In the following table, the impact of the derogation as at 31/12/2024 is shown:

BALANCE SHEET	WITHOUT DEROGATION	WITH DEROGATION	DIFFERENCE
Intangible fixed assets	33,664,165	33,804,372	-140,207
Property, plant and equipment	10,879,408	10,902,322	-22,914
Financial fixed assets	434,141	434,141	-
FIXED ASSETS	44,977,713	45,140,834	-163,121
CURRENT ASSETS	68,488,475	68,488,475	-
ACCRUED INCOME AND PREPAID EXPENSES	2,480,934	2,480,934	-
TOTAL ASSETS	115,947,122	116,110,243	-163,121
Share capital	599,340	599,340	-
Reserves	26,927,148	27,185,126	-257,978
Net profit (loss) attributable to owners of the Parent	2,800,307	2,689,046	111,260
EQUITY ATTRIBUTABLE TO OWNERS OF THE GROUP	30,326,794	30,473,512	-146,718
Capital and reserves attributable to minority interests	1,315,064	1,395,846	-80,782
Net profit (loss) attributable to minority interests	1,111,891	1,037,717	74,174
MINORITY INTERESTS	2,426,955	2,433,563	-6,608
PROVISIONS FOR RISKS AND CHARGES	594,322	604,117	-9,795
PROVISIONS FOR SEVERANCE	6,614,644	6,614,644	-
PAYABLES	74,534,277	74,534,277	-
ACCRUED EXPENSES AND DEFERRED INCOME	1,450,130	1,450,130	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	115,947,122	116,110,243	-163,121

INCOME STATEMENT	WITHOUT DEROGATION	WITH DEROGATION	DIFFERENCE
Value of production	121,142,405	121,142,405	-
Cost of production	-111,549,175	-111,806,365	257,190
Difference between value and cost of production	9,593,230	9,336,040	257,190
Financial income and charges	-3,307,431	-3,307,431	-
Profit before tax	6,285,800	6,028,610	257,190
Taxes for the year	-2,373,602	-2,301,846	-71,756
NET PROFIT(LOSS)	3,912,198	3,726,764	185,434
attributable to owners of the Parent	2,800,307	2,689,046	111,260
attributable to minority interests	1,111,891	1,037,717	74,174

Changes in accounting policies

There were no changes in accounting policies, net of the new accounting standard on revenues OIC 34.

Starting from the financial statements for the fiscal years beginning on January 1, 2024, accounting standard OIC 34, which governs the criteria for recognizing and measuring revenues, as well as the information to be presented in the notes to the financial statements, came into force. In compliance with Article 2427, paragraph 1, of the Italian Civil Code, it is noted that the application of accounting standard OIC 34 has not resulted in any significant impact on the representation of revenues in these financial statements.

Comparability and adjustment issues

There are no problems with the comparability and adjustment of the figures in the Consolidated Financial Statements with those of the previous year.

Measurement criteria applied

Ref. Article 2426, first paragraph, Civil Code and Accounting Standards OIC 12.

Fixed assets

Intangible fixed assets

These are recognised at purchase or production cost, revalued if necessary in accordance with the law, net of depreciation and write-downs.

Research and advertising costs are normally charged to the income statement.

Amortisation using the direct method is carried out in accordance with the following Group criteria:

- start-up and expansion costs, and development costs with long-term utility are amortised over a period of 5 years;
- industrial patents, intellectual property rights, licenses and concessions are over a period of 3 years;
- Goodwill is amortised over 10 years, in consideration of the actual prospect of profitability of the acquired or merged companies. For the amortisation of

goodwill relating to the business unit acquired by Dante S.r.l., the exception already referred to, in Law 126/2020 relating to the suspension of amount referring to 2020, was applied;

- leasehold improvements are amortised at rates that depend on the duration of the underlying contract.

If, irrespective of the amortisation already recognised, an impairment loss occurs, the asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer apply, the original value is restored, adjusted only for depreciation/amortisation.

Property, plant and equipment

These are recognised at purchase or production cost, revalued if necessary in accordance with the law, net of depreciation and write-downs.

Depreciation/amortisation charged to the Income Statement has been calculated on the basis of the criterion of the residual useful life of the assets, taking into account their use, destination and economic-technical duration. This criterion is deemed to be well represented by the following rates, which have remained unchanged with respect to the previous year and are reduced by half in the year the asset enters service:

- Land and buildings: 3%
- Lightweight constructions: 10%
- Plant and machinery: 15%
- Alarm, fire prevention and air conditioning systems: 30%
- Industrial and commercial equipment: 25%
- Office furniture: 12%
- Office machines: 20%
- Cars: 25%
- Trucks: 20%
- Forklifts: 10%
- Lifting equipment: 15%

If, irrespective of depreciation already recognised, there is a permanent impairment of value, the asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer apply, the original value is restored, adjusted only for depreciation/amortisation.

Property, plant and equipment are only revalued if permitted by law (special, general or sector). No discretionary or voluntary revaluations were carried out, and the valuations carried out are limited to the objectively determined value in use of the asset itself.

Maintenance costs are expensed during the year if they are of an ordinary nature, or capitalised if they increase the value of the asset, and depreciated at the depreciation rate applicable to the asset in question.

Assets held under leasing contracts are recognised under technical fixed assets in the relevant classes and are depreciated, like owned assets, on a straight-line basis over their residual useful lives. As a balancing entry to the asset, short and

medium/long-term payables to the lessor financial institution are recorded; rentals are reversed from lease and rental costs and the interest accruing during the period is recorded under financial charges. In this way, we obtain a representation of the leasing transaction according to the so-called "financial method" provided for by the international accounting standard IFRS 16, which better represents the economic substance of the leasing contracts in place.

Financial fixed assets

Investments in subsidiaries not consolidated on a line-by-line basis and in associated companies are valued by the equity method.

Equity investments in other companies are posted at purchase or subscription cost, adjusted if necessary for impairment losses.

Financial receivables are recorded at nominal value, adjusted if necessary for impairment losses.

Inventories

Raw and ancillary materials and finished products are recorded at the lower of purchase and/or production cost and estimated realisable value. The adjustment to their estimated realisable value by means of a specific allowance for doubtful accounts, taking into account the existence of indicators of impairment. The amount of the write-down is recognised in the income statement.

Trade

Receivables are recorded in the financial statements according to the amortised cost criterion, taking into account the time factor and their presumed realisable value. The amortised cost criterion is not applied when the effects are insignificant, i.e. when the transaction costs, commissions paid between the parties and any other difference between the initial value and the value at maturity are insignificant or if the receivables are short-term (i.e. with a maturity of less than 12 months).

The value of receivables is adjusted to their estimated realisable value by means of a specific allowance for doubtful accounts, taking into account the existence of indicators of impairment. The amount of the write-down is recognised in the income statement.

Cash on hand

Cash and cash equivalents at the end of the fiscal year are valued at face value, which reasonably approximates fair value. Cash denominated in foreign currency is translated at the spot rate at the end of the year.

Accruals and deferrals

They have been determined in accordance with the criterion of actual accrual for the period.

Provisions for risks and charges

These are set aside to cover losses or debts whose existence is certain or likely, but whose exact amount and/or date of occurrence could not be determined at the end of the financial year.

In the valuation of these provisions, the general criteria of prudence and competence were respected, and no generic risk provisions without economic justification were set up.

Contingent liabilities have been recorded in the financial statements and posted to the provisions since they are considered probable and the amount of the related charge can be reasonably estimated.

Provisions for risks and charges are recorded with priority in the cost items of the income statement of the relevant classes (B, C or D). Whenever this correlation between the nature of the provision and one of the items in the above classes is not feasible, the provisions for risks and charges are posted to items B12 and B13 in the Income Statement.

Provision for severance pay

Represents the actual debt accrued to employees in accordance with applicable law and labour agreements. This liability is subject to revaluation by means of indices. This item includes the amount due to employees for severance indemnities accrued up to the month prior to the date on which each employee expressly or tacitly chose the provision to which to allocate the accruing severance indemnity pursuant to Legislative Decree 252 of 5 December 2005 and subsequent amendments and additions. In fact, it should be noted that, following the entry into force of the above-mentioned decree, the following were taken into account:

- i) the employees' decision to allocate the severance indemnity fund to a pension fund (private or professional);
- ii) of employees' decision to keep their severance pay with their employer.

Payables

Payables are recognised according to the amortised cost method, taking into account the time factor. The amortised cost criterion is not applied to payables if its effects are insignificant. Generally, the effects are considered insignificant for short-term payables (i.e. with maturities of less than 12 months).

Any discounting of trade payables is only carried out if the nominal value of the payables significantly exceeds the market price of the goods purchased with a short-term payment and if the extension granted significantly exceeds the following year.

Amounts due for vacations accrued by employees and deferred remuneration, including amounts due to social security institutions, are provided for on the basis of the amount that would be payable in the event of termination of employment at the balance sheet date.

Criteria for converting values expressed in foreign currency

Monetary assets and liabilities denominated in currencies other than the Euro are recorded in the balance sheet at the official exchange rate at the end of the year (rates at 31 December); the gains and losses arising from the translation of individual receivables and payables at year-end exchange rates are respectively recognised in the income statement under financial income and expenses, in a single item (separately indicated), as a result of offsetting gains and losses. Any net gains are set aside, when allocating profit for the period, in the appropriate "Reserve for net exchange gains" that cannot be distributed until realised (in the case of minor profit for the year or a loss, the provision is reduced or not due). Any hedging transactions are taken into account.

Revenue and cost recognition

Revenues from sales of finished products and goods are recognised at the time of transfer of ownership with the associated risks and rewards, which is normally identified with delivery or shipment.

Revenue from the provision of services is recognised in profit and loss based on progress when both of the following conditions are met:

- a) the contract provides that the right to consideration shall accrue as the service is performed; and
- b) the amount of accrual revenue can be measured reliably.

Depending on the type of transaction, the method of measuring revenue can be:

- a) a proportion of the hours of work performed at the reporting date to the estimated total hours of work to perform the work; or
- b) proportion of the costs incurred at the reporting date to the total estimated transaction costs; or
- c) proportion of the services performed on the reporting date to the total services provided for in the contract.

In cases where revenue cannot be recognized based on the progress criterion, the revenue for the service provided is recorded in the income statement once the service has been definitively completed.

In the case of a group of contracts, they are treated as a single contract when they are negotiated simultaneously with the same client and when one of the following conditions is met:

- a) the group of contracts has been jointly negotiated with a single commercial objective and there is appropriate documentation of this;
- b) the price of one contract depends on the prices or performance of the other contracts.

Revenues and income, costs and charges relating to transactions in foreign currency are determined at the exchange rate in force on the date on which the transaction is carried out. Income and expenses relating to sale and purchase transactions with the obligation to retrocession forward, including the difference between the forward price and the spot price, are recorded for the portion pertaining to the year.

The same criteria apply to cost entry.

Income Taxes

Income taxes include all taxes calculated on the taxable income of individual Group companies. Income taxes are recognised in the income statement.

Other non-income-related taxes, such as property taxes, are included in other operating expenses.

Deferred taxes are allocated using the global allocation method. They are calculated on all temporary differences arising between the tax base of an asset or liability and its carrying amount in the consolidated financial statements. Deferred tax assets on tax losses and temporary differences are recognised to the extent that it is probable that future taxable income will be available against which they can be recovered. Deferred tax assets and liabilities are determined using the tax rates that are expected to apply, under the respective laws of the countries in which the Group operates, in the periods in which the temporary differences will be realised or settled.

Cash flow statement

The Statement of Cash Flows has been prepared in accordance with the format indicated in Article 2425 bis of the Civil Code and with the instructions given in OIC 10.

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Employment figures

The number of employees of the companies consolidated on a line-by-line basis is shown separately by category.

Company	Number of employees as at 31/12/24					Number of employees as at 31/12/23				
	Executives	Middle managers	Office workers	Manual workers	Total	Executives	Middle managers	Office workers	Manual workers	Total
STAR7 S.P.A.	9	15	523	8	555	10	14	534	8	566
STAR7 PRINTING S.r.l.			12	30	42			12	34	46
STAR7 GMBH			5		5			5		5
STAR ALBANIA			135		135			119		119
STAR7 LLC			52		52			46		46
LOCALEYES			96		96			101		101
STAR COMUNICACAO			45	172	217			21	139	160
CAL COMUNICACAO					0					0
C.A.A.R. do BRASIL			24	297	321			212		212
ABACAAR			15		15			14		14
STAR7 INDIA					0					0
TOTAL	9	15	907	507	1438	10	14	1064	181	1269

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Assets

B) FIXED ASSETS

I - Intangible assets

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
33,804,372	38,215,878	-4,411,506

Changes in this item were as follows:

Description	31/12/2023	Increases	Amortisation/ depreciation	Reclassifications	Change in the scope of consolidation	Exchange rate delta	31/12/2024
Start-up and expansion costs	836,130	0	-245,403	0	0	0	590,727
Industrial patents and intellectual property rights	1,865,431	439,614	-620,949	0	0	-2,126	1,681,970
Goodwill	29,710,394	119,144	-3,971,950	0	0	157,173	26,014,762
Assets under construction/development	493,651	438,629	0	-70,622	0	0	861,658
Others	5,310,273	1,433,613	-2,110,264	19,722	0	1,912	4,655,256
Total intangible assets	38,215,878	2,431,000	-6,948,566	-50,900	0	156,960	33,804,372

Foreign exchange changes mainly relate to goodwill recorded in Star7 LLC related to Techworld Language Services Inc. and The Geo Group Corporation.

Goodwill is broken down as follows (year of initial recognition in brackets):

	31/12/2023	Increases/ Decreases	Amortisation/ depreciation	Exchange rate delta	31/12/2024
Localeyes Ltd (2021)	31,497,612				31,497,612
Accumulated amortisation/depreciation	-6,696,479		-3,149,761		-9,846,240
	24,801,133	0	-3,149,761	0	21,651,372
Techworld Language Services Inc. (2019)	3,361,240			213,859	3,575,099
Accumulated amortisation/depreciation	-1,499,625		-323,282	-108,950	-1,931,857
	1,861,614	0	-323,282	104,909	1,643,242
The Geo Group Corporation (2021)	1,192,027			78,904	1,270,931
Accumulated amortisation/depreciation	-292,088		-119,277	-26,640	-438,005
	899,938	0	-119,277	52,264	832,926
Business unit acquired by Dante s.r.l. (2020 - start of amortisation in 2021)	1,286,356				1,286,356
Accumulated amortisation/depreciation	-385,283		-128,635		-513,918

	31/12/2023	Increases/ Decreases	Amortisation/ depreciation	Exchange rate delta	31/12/2024
	901,073	0	-128,635	0	772,438
Vertere s.r.l. (2022)	894,521	119,144			1,013,665
Accumulated amortisation/depreciation	-126,725		-118,245		-244,970
	767,796	119,144	-118,245	0	768,695
RES s.r.l. (2018)	816,481				816,481
Accumulated amortisation/depreciation	-488,640		-81,527		-570,167
	327,841	0	-81,527	0	246,314
STAR U.S.A. (2018)	287,889				287,889
Accumulated amortisation/depreciation	-211,760		-28,788		-240,548
	76,129	0	-28,788	0	47,341
STAR7 GmbH (2016)	164,350				164,350
Accumulated amortisation/depreciation	-131,481		-16,435		-147,916
	32,869	0	-16,435	0	16,434
Grafitec (2021)	60,000				60,000
Accumulated amortisation/depreciation	-18,000		-6,000		-24,000
	42,000	0	-6,000	0	36,000
	29,710,394	119,144	-3,971,950	157,173	26,014,761

The item goodwill relating to consolidated companies originates from the allocation of the positive difference resulting from the elimination of the investment account against the shareholders' equity of the fully consolidated companies at the date of acquisition, where justified by the nature and substance of the transaction. Goodwill is amortised over 10 years and is subject to impairment testing in order to identify any impairment losses. Specifically:

- Localeyes Ltd: goodwill derives from the acquisition of the group on 15/11/2021 and amortisation was calculated pro-rata from that date;
- Techworld Language Services Inc.: company acquired by STAR USA LLC on 15 July 2019; goodwill originates when the sub-consolidated financial statements of STAR7 LLC were prepared, it is amortised over 10 years and in 2019 the amortisation rate was measured at 6 months because in the Consolidated Financial Statements the revenues and expenses of the investee were assumed from the date control was acquired;
- The Geo Group Corporation: company acquired by STAR USA LLC on 24 April 2021; the goodwill originates when the sub-consolidated financial statements of STAR7 LLC were prepared, it is amortised over 10 years and in 2021 the amortisation charge was calculated from the date of acquisition of control as the revenues and costs of the investee were assumed from that date;
- company branch acquired in 2020 from Dante s.r.l.: entered in the Parent Company's individual financial statements with the consent of the Board of Statutory Auditors, it is supported by an expert's report drawn up by independent third party professionals; has not been exempted for tax purposes;

- Vertere s.r.l.: company acquired on 26 July 2022; revenues and expenses were included in the consolidated financial statements from the date of acquisition; the gross amount changed in 2024 as a result of contractually agreed price adjustments and ancillary charges;
- RES: goodwill at the date of acquisition (2018) amounts to €816,481 and is supported by a sworn expert's report that has certified the fairness of the purchase price; in 2020 RES was merged by incorporation into STAR7 S.p.A.;
- Grafitec s.r.l.: company acquired in the first half of 2021.

No tax effect has been calculated on the goodwill recorded in the Consolidated Financial Statements, as such goodwill is only valid for statutory purposes and has no tax implications.

The categories other than goodwill are as follows:

- start-up and expansion costs: as regards Star7, these are related to start-up costs for multi-year projects/contracts for the management of online technical documentation for major clients in the Automotive sector;
- licences, trademarks and similar rights: mainly software licensing, website development, etc.;
- assets under construction/development: for the most part, these are costs related to the completion of the C.A.A.R. S.p.A. and S.T.I. s.r.l. transaction, which took place on 13/01/2025 (€724,722 of which €330,520 is the increase for the year);
- other intangible assets mainly relating to:
 - 1) leasehold property improvements (€1,847,220) relate to a new leased building located in Valle San Bartolomeo (Alessandria) as well as to work carried out above all on the Turin and Bolzano offices of the companies C.A.A.R. S.p.A. and S.T.I. s.r.l.;
 - 2) development expenses especially with regard to generative AI (€802,320), which also represent the majority of the increase in the year (€932,823);
 - 3) charges related to the start-up and integration of the C.A.A.R. and S.T.I. business divisions (€732,180);
 - 4) listing costs (€629,322) and rebranding costs (€396,280, of which Star7 LLC €301,475).

There are no indicators of impairment of intangible fixed assets at 31/12/2024.

It should be noted that in 2020, the Parent Company, as a result of the Covid-19 epidemic, which prevented the completion of planned activities and slowed down the growth process undertaken, exercised its right to suspend amortisation for the following categories of intangible assets:

- licences, trademarks and similar rights: €261,991 (of which €249,796 recouped in 2023);
- goodwill on the company branch acquired from Dante s.r.l.: €128,012.

As a result, amortisation and depreciation of €390,003 were suspended in 2020 (of which €261,991 were deducted for tax purposes as goodwill has not been redeemed for tax purposes). It should also be noted that amortisation charges not recorded in the Income Statement but deducted for tax purposes gave rise to deferred taxation of €73,095 (theoretical tax rate of 27.9%). In subsequent years, Group companies no longer made use of this option.

Pursuant to article 10 of Law no. 72/1983, it should be noted that no monetary revaluation has ever been carried out on intangible fixed assets.

II Tangible assets

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
10,902,322	9,194,650	1,707,672

Changes in this item were as follows:

Description	31/12/2023	Increases	Decreases	Reclassifications/ other changes	Amortisation/de preciation	Change in the scope of consolidation	Exchange rate delta	31/12/2024
Land and buildings	3,799,469	1,101	0	3,228	-108,720	0	0	3,695,078
Plant and machinery	3,566,185	1,248,436	-135,895	8,619	-665,027	0	-380,419	3,641,899
Industrial and commercial equipment	18,227	72,098	0	0	-11,674	0	0	78,650
Other assets	1,658,809	863,849	-55,376	-319	-587,077	0	-54,015	1,825,871
Assets under development/constru ction and payments on account	151,960	1,500,000	0	0	0	0	8,863	1,660,824
	9,194,650	3,685,484	-191,271	11,528	-1,372,498	0	-425,570	10,902,322

The foreign exchange differences primarily relate to the tangible assets of the subsidiaries in Brazil and the United States.

The item land/buildings includes a plot of building land currently used as a car park, not depreciated (€201,000) located in Alessandria in the hamlet of Valle San Bartolomeo.

Additions for the year mostly concern printing systems, electronic machines and hardware. The increase in assets under construction/development relates to advances paid for the purchase of high-tech machinery by Star Comunicação e Serviços Ltda.

Land and buildings also includes land and buildings held by the Parent Company under lease agreements for the following net book values:

- land €634,910
- buildings €1,834,613

Property, plant and equipment do not include any allocation of consolidation differences arising from the elimination of the investment account against the shareholders' equity of subsidiaries.

There are no indicators of the impairment of property, plant and equipment at 31/12/2024.

It should be noted that in 2020 Star7 Printing, as a result of the Covid-19 epidemiological emergency, which prevented the completion of planned activities and slowed down the growth process undertaken, exercised its right to suspend depreciation for the following categories of property, plant and equipment:

- electronic printing systems: €223,614;
- automatic operating machinery: €56,490;

of which €257,190 recouped in 2024.

Therefore, depreciation for a total of €280,104 was suspended in 2020, but deducted for tax purposes, and the related deferred taxes of €78,149 were recorded (theoretical tax rate of 27.9%). In subsequent years, Group companies no longer made use of this option.

Total revaluations of property, plant and equipment at the end of the year (Ref. Article 2427, first paragraph, no. 2, Civil Code)

Pursuant to article 10 of Law no. 72/1983, in 2020 Star7 Printing carried out a revaluation of €250,000 on certain electronic printing systems and automatic operating machinery owned pursuant to Legislative Decree no. 104/2020 ("Relaunch" Decree). The revaluation was also carried out for tax purposes, with a balancing entry in the revaluation reserve in shareholders' equity net of substitute tax.

III - Financial fixed assets

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
434,141	558,805	-124,664

The category includes Equity Investments, Long-term Receivables, Other Securities and Derivative Assets, the movements of which are shown in the tables below.

Equity investments

DESCRIPTION	31/12/2024	31/12/2023	CHANGE
Starcom Argentina S.A.S.	-	-	-
Total subsidiaries	-	-	-
IAMdev S.t.p. s.r.l.	130,500	130,500	-
Total associates	130,500	130,500	-
Total equity investments	130,500	130,500	-

Equity investments in subsidiary undertakings refer exclusively to Starcom Argentina S.A.S., 100% owned, recorded in the financial statements of "Star Comunicação e Serviços Ltda" at zero, and not consolidated on a line-by-line basis due to the immateriality of the amounts.

Equity investments in associated companies refer exclusively to "IAMdev S.t.p. s.r.l." since the companies "Star Comunicação e Serviços Ltda - SCP" and "STAR Comunicacao e Servicos - SCP II Felipe Caputo" were terminated in 2023.

Name	City, if in Italy, or Foreign State	Tax code (for Italian companies)	Share capital in €	Profit (Loss) Last financial year in €	Net equity in €	Share held in %	Net equity pro-rata in €	Book value or corresponding receivable
IAMdev S.t.p. s.r.l	PISA	02173930500	10,000	9,499	107,115	33%	35,348	130,500
								130,500

Long-term receivables

Long-term receivables are broken down as follows:

DESCRIPTION	31/12/2024	31/12/2023	CHANGE		WITHIN 12 MONTHS	AFTER 12 MONTHS
From others	163,698	147,308	16,390	of which	-	163,698
	163,698	147,308	16,390		-	163,698

Long-term receivables from others refer to security deposits and are broken down by geographical area.

DESCRIPTION	31/12/2024	31/12/2023	CHANGE
Italy	129,790	120,149	9,641
EU	6,804	6,804	-
Non EU	9,525		9,525
North America	9,626	10,825	-1,199
South America	7,953	9,530	-1,577
	163,698	147,308	16,390

The carrying value of long-term receivables reasonably approximates their fair value.

Bonds

This item, unchanged from 31/12/2023, relates to an insurance policy to partially cover the provision for severance indemnities from the absorbed company Vertere s.r.l. (€57,115).

Financial derivative assets

This item, which amounted to €223,882 as of 31/12/2023, is broken down as follows:

Counterpart	Type	Purpose	Date	Date	Notional value	Mark-to-market	Deferred	
			of execution	of maturity			IRES	Equity reserve
Intesa Sanpaolo	Interest rate swap	Hedging	29/01/21	31/12/26	3,000,000	33,574	8,058	25,516
Unicredit	Interest rate swap	Hedging	18/11/20	30/09/26	1,900,000	15,794	3,791	12,004
Credit Agricole	Interest rate swap	Hedging	05/10/20	05/10/26	2,250,000	33,419	8,021	25,398
Intesa Sanpaolo	Interest rate swap	Hedging	03/02/20	31/01/25	850,000	41	10	31
						82,828	19,879	62,950

C) Current assets

I Inventory

The changes in and breakdown of the item is shown in the following table (amounts shown net of any provision for impairment):

DESCRIPTION	31/12/2024	31/12/2023	CHANGE
Raw and consumable materials	1,379,136	1,433,269	-54,133
Orders in progress	315,490	574,342	-258,852
Finished products and goods	223,188	455,360	-232,172
Payments on account	95,489	78,305	17,185
	2,013,303	2,541,276	-527,973

Orders in progress relates to ongoing orders placed by Localeyes on behalf of major customers worldwide.

II Receivables

Consolidated receivables, after elimination of intercompany amounts, are broken down by maturity as follows.

DESCRIPTION	Balance as at 31/12/2024			Total	Balance as at	Change
	<12 months	After 12 months	After 5 years		31/12/2023	
From customers	32,587,921			32,587,921	37,172,859	-4,584,938
From subsidiaries not consolidated on a line-by-line basis	129,061			129,061	128,249	812
From associates	620,193			620,193	726,761	-106,568
For tax receivables	2,392,802			2,392,802	2,855,792	-462,990
Deferred tax assets/liabilities	1,012,631			1,012,631	653,828	358,804
From others	4,247,000			4,247,000	2,640,197	1,606,803
	40,989,608	-	-	40,989,608	44,177,685	-3,188,078

Group Companies have exercised the option not to apply the amortised cost method to receivables in cases where the effects are immaterial, such as receivables due within 12 months; the receivables are then measured at the estimated realisable value and recognised net of the allowance for doubtful accounts, which changed as follows:

Balance as at 31/12/2023	441,246
Uses	0
Accruals	364,595
Balance as at 31/12/2024	805,841

Trade receivables include invoices sold to the factoring company and “subject to collection”.

Receivables from subsidiaries not fully consolidated as at 31/12/2024 and 31/12/2023 are entirely attributable to Starcom Argentina S.A.S.

Receivables due from associated undertakings break down as follows:

	Balance as at 31/12/2024			Balance as at 31/12/2023	CHANGE
	TRADE	SUNDRY	TOTAL		
Star AG	211		211	31,078	-30,867
Star Deutschland GmbH	12,843		12,843	40,038	-27,195
Star Technology Solutions	7,747		7,747	5,970	1,777
Star Software, Translation, Artwork, Recording GmbH	102,909		102,909	59,441	43,468
Star Paris	7,854		7,854	10,026	-2,172
Star Group America, LLC	-		-	-777	777
Star SA	1,170		1,170	4,706	-3,536
Star Group Scandinavia AB	1,916		1,916	4,691	-2,775
Star Czech S.R.O.	566		566	-118	684
Star Japan Co., LTD	11,430		11,430	1,625	9,805
Dante S.r.l.	-		-	404	-404
Star Prevajalske Storitve D.O.O Ljubljana	-		-	27,410	-27,410
Star Servicios Linguisticos SLU	30		30	30	-
Star UK LIMITED	79		79	-154	233
Star Hungary KFT	-		-	223	-223
Shareholders of CAAR do Brasil	-		-	96,236	-96,236
SCP's	2,321		2,321	2,781	-460
Shareholders of CAAR do Brasil		89,412	89,412		89,412
Toth Comunicação e Logística Ltda	-	381,703	381,703	443,150	-61,447
	149,078	471,115	620,193	726,761	-106,568

Tax credits include tax credits for Research and Development / Industry 4.0 amounting to €1,041,590 (€1,206,448 as at 31.12.2023).

It should also be noted that tax receivables for IRES, IRAP and other income taxes are shown net of taxes paid for the year, offsetting advances paid, withholding taxes incurred and tax credits, showing the net tax credit in the financial statements.

Tax receivables are broken down as follows:

	31/12/2024	31/12/2023	CHANGE
VAT and consumption taxes	875,422	640,552	234,870
Tax credits for:			
Research and Development	904,285	1,069,142	-164,858
Industry 4.0	137,306	137,306	-
other minor	8,573	7,147	1,425
Income tax paid on account	304,706	917,219	-612,513
Other minor and foreign tax credits	162,511	84,425	78,086
	2,392,802	2,855,792	-462,990

The following table shows the details of deferred tax assets:

	Taxable				Deferred tax assets			
	31/12/23	Increases	Returns	31/12/24	31/12/23	Increases	Returns	31/12/24
Allowance for doubtful accounts - portion exceeding the tax limit (24%)	325,178	231,496		556,674	78,043	55,559		133,602
Provisions for risks and charges - other (24%)	50,000			50,000	12,000			12,000
Carry-over interest expense (24%)		642,933		642,933		154,304		154,304
Costs allocated but not certain and final (24%)		784,042		784,042		188,170		188,170
Tax losses carried forward (24%)	1,865,805		-81,756	1,784,049	447,793		-19,621	428,172
Financial derivative liabilities		2,612		2,612		627		627
STAR7 Printing and Car Leasing (27.9%)	268,621	38,079	-138,490	168,210	74,945	10,624	-38,639	46,931
Other from Localeyes Ltd and Localeyes Espana	328,376	62,232		390,608	41,047	7,779		48,826
	2,837,980	1,761,394	-220,246	4,379,128	653,828	417,063	-58,260	1,012,631

The temporary differences of the companies under Localeyes mainly relate to:

- Localeyes Espana: tax losses carried forward
- Localeyes Ltd: misalignments between book and tax values of technical fixed assets.

Receivables from others mainly include:

- €2,696,239 related to advances to C.A.A.R. S.p.A. and S.T.I. s.r.l. (of which €1,543,963 for the assumption of the severance fund accrued as of 31/12/2022 by employees hired at Star7 and €1,152,276 for security deposits paid on 28/06/2024 to judicial liquidation proceedings);
- €536,061 related mainly to the portion accrued for severance pay by the employees of SDS (the same amount has been charged to liabilities under the item severance pay), to which advance payments on account must be added. STAR7's lease of this business unit for a period of three years, originally expiring in November 2020, was extended for another year; the company was declared bankrupt on 3 March 2022 by the Civil Court of La Spezia. At the end of the lease of the business unit and in case of return of the same to the company SDS s.r.l., the amounts will be offset;
- €453,072 for insurance compensation;
- €412,861 for NRRP contribution - Competence Industry Manufacturing 4.0 call;

The breakdown of receivables by geographical area is as follows:

	ITALY	EU	NON EU	TOTAL
Trade receivables	19,914,053	2,706,901	9,966,968	32,587,921
Receivables from subsidiaries			129,061	129,061
Receivables from associated companies		133,866	486,327	620,193
Tax receivables	2,001,113	266,754	124,935	2,392,802
Deferred tax assets	963,805	48,826		1,012,631
Receivables due from others	4,197,304	16,405	33,291	4,247,000
TOTAL RECEIVABLES	27,076,275	3,172,752	10,740,581	40,989,608

III - Cash and banks

The item is broken down as follows:

DESCRIPTION	31/12/2024	31/12/2023	CHANGE
Bank and postal deposits	25,472,445	8,077,810	17,394,635
Cash and cash equivalents	13,119	1,209,615	-1,196,496
	25,485,564	9,287,425	16,198,139

This item represents cash and cash equivalents and the existence of cash and valuables at the end of the financial year. Reference should be made to the Statement of Cash Flows for a quantitative analysis of the cash flows that generated the change in the period.

The significant change in the item "Cash and other valuables on hand" is justified by the issuance of a bank draft in the amount of €1,198,814 for the payment in favour of the ongoing legal proceedings of CAAR S.p.A. and STI s.r.l.: the cheque was withdrawn and unpaid in early 2024.

D) Accrued income and prepaid expenses

These represent the liaison items for the financial year calculated on an accruals basis and consist mainly of prepaid expenses. They are broken down as follows:

DESCRIPTION	31/12/2024	31/12/2023	CHANGE
ACCRUED INCOME			
Others	45,130	18,916	26,214
	45,130	18,916	26,214
PREPAID EXPENSES			
Multi-year prepaid expenses	548,068	-	548,068
Other deferrals	1,887,736	1,695,164	192,572
	2,435,804	1,695,164	740,640
TOTAL ACCRUED INCOME AND PREPAID EXPENSES	2,480,934	1,714,080	766,854

Multi-year prepaid expenses refers to discounts granted to major customers operating in the Automotive sector, recognised in advance to them at multi-year renewal of supply contracts.

Other prepaid expenses mainly relate to lease/rental fees (of buildings, motor vehicles, other assets), scheduled maintenance, software use, etc., which are brought forward on an accrual basis.

As of 31/12/2024 there are no prepaid expenses with a duration of more than five years.

8

Liabilities

A) Net equity

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
32,907,075	31,873,399	1,033,676

The following table shows changes during the year:

Description	31/12/2023	Allocation of previous year's result		Other changes		Profit (loss) for the year	31/12/2024
		Allocation of dividends	Allocation to reserve	Increases	Decreases		
Share capital	599,340						599,340
Share premium reserve	11,728,160						11,728,160
Legal reserve	119,868						119,868
Extraordinary reserve	12,725,340		614,174				13,339,514
Capital contributions	2,846						2,846
Merger surplus	1,105,814						1,105,814
Consolidation reserve	944,174		1,198,535		-870,343		1,272,366
Reserve for foreign exchange translation differences	-7,747				-845,973		-853,720
Amnesty reserve	19,321						19,321
Reserve from suspended depreciation (art. 60 Law 126/2020)	390,003						390,003
Reserve for transactions to hedge expected cash flows	168,861				-107,909		60,952
Profit (loss) for the year	1,812,709		-1,812,709			2,689,046	2,689,046
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	29,608,690	-	-	-	-1,824,225	2,689,046	30,473,512
Capital and reserves attributable to minority interests	1,845,705	-662,591	419,004		-206,272		1,395,846
Profit (loss) attributable to minority interests	419,004		-419,004			1,037,717	1,037,717
TOTAL EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	2,264,709	-662,591	0	0	-206,272	1,037,717	2,433,563
TOTAL NET EQUITY	31,873,399	-662,591	0	0	-2,030,497	3,726,763	32,907,075

The change in total net equity, aside from the profit for the period, was mainly due to:

- change in the exchange rate translation reserve (€845,973 attributable to the Group and €206,272 to minority interests);
- allocation to the opening balance (hence to the Consolidation Reserve) of current income taxes pertaining to the previous year, settled after the closing of the 2023 consolidated annual accounts (€596,778);
- dividends collected from third-party shareholders (€662,591);
- the change in Reserve for transactions to hedge expected cash flows (€107,909).

The consolidation reserve includes:

- the reserves for accumulated profits made by subsidiaries, net of amortisation of goodwill for previous years; the “Merger Surplus” reserve was replenished from this reserve as a result of the merger of Star7 Engineering and AD Studio in 2022;
- the revaluation reserve of €145,500 (Group’s share) pursuant to Legislative Decree no. 104/2020 (“Relaunch” Decree), originated from the revaluation carried out in 2020 on certain electronic printing systems and automatic operating machinery owned by Star7 Printing;
- the Reserve from suspended depreciation (pursuant to art. 60 of Law 126/2020) of 280,104 euros for the portion of depreciation pertaining to 2020 suspended on certain advanced printing machinery of Star7 Printing.

The Parent Company has deferred a portion of the depreciation and amortisation for 2020, in accordance with Article 60 of Law 126/2020, allocating €390,003 to a designated equity reserve. Of this amount, €180,103—net of the tax impact—pertaining to software licences, was reinstated in 2023.

The “Reserve for transactions to hedge expected cash flows” (item A.VII of shareholders’ equity) was recorded as a balancing entry to “Derivative financial assets and liabilities” (see notes on Financial Fixed Assets and Provisions for Risks and Charges), net of deferred tax liabilities and the portion pertaining to minority shareholders of Star7 Printing.

On 25/10/2021, a share capital increase of €27,650 was approved, reserved for the Kairos investment fund, with a simultaneous share premium of €2,972,350. The share capital was then further increased by €71,690 for the purpose of subsequent listing on Borsa Italiana, Euronext Growth Milan segment, with the issue of a premium of €8,755,810. These increases were fully subscribed and paid.

In 2022, the pledge on 4% of the shares of STAR7 S.p.A. as security for the balance of the purchase price of the 100% shareholding in Localey Ltd was extinguished (last instalment of €1.5 million paid by 31/12/2024). The pledge was replaced by a bank guarantee issued by Unicredit Corporate S.p.A. with a SACE guarantee.

The entry 'Third-party capital and reserves' pertains to the third-party shares of Star7 Printing s.r.l., 'Star Comunicação e Serviços Ltda,' 'Cal Comunicação Ltda,' 'C.A.A.R. do Brasil Consultoria Tecnica Ltda,' and 'Abacaar Doo Kragujevac.' The latter two companies are consolidated as a result of the lease of the business division of C.A.A.R. S.p.A..

Details of the various other reserves

DESCRIPTION	AMOUNT
Reserve as per Law 289/2002	19,321
Reserve from suspended depreciation (art. 60 Law 126/2020)	390,003
TOTAL	409,324

Reconciliation between the Parent Company's statutory financial statements and the consolidated financial statements

The following table shows a reconciliation between shareholders' equity of the Parent Company, STAR7 S.p.A., and consolidated shareholders' equity:

Description	Net Equity as at 31/12/2023	Dividends	Changes in the scope of consolidation	Other changes	Profit/loss for the period	Net Equity as at 31/12/2024
STAR7 S.P.A.	27,471,794	-	-	-105,994	2,035,689	29,401,490
Operating results of pro-rata subsidiaries	6,828,198			-6,828,198	8,414,857	8,414,857
Intercompany dividends	-2,475,149			2,475,149	-4,266,232	-4,266,232
Pro-quota reserves of subsidiary companies' profits	4,841,357			3,588,704		8,430,061
Amortisation of goodwill	-7,959,677				-3,226,728	-11,186,405
Reversal of intercompany profits net of tax effect	-8,480				4,241	-4,239
Leasing accounting with the financial method	198,913			-3	158,416	357,326
Alignment of intercompany costs / revenues	-29,979				-17,573	-47,552
STAR USA LLC (USA) Rebranding	435,100				-133,624	301,476
Other central consolidation entries					-280,000	-280,000
Writeback under Italian Decree-Law 104/2020	145,500					145,500
Reserve for transactions to hedge expected cash flows	168,861			-107,909		60,952
Exchange rate differences on conversion of foreign currency items	-7,747			-845,973		-853,720
CONSOLIDATED FINANCIAL STATEMENTS - GROUP SHARE	29,608,691	-	-	-1,824,224	2,689,046	30,473,513

B) Provisions for risks and charges

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
604,117	1,040,398	-436,281

The breakdown of this item is as follows.

Description	31/12/2023	Accruals	Uses	Other changes	31/12/2024
Pensions and similar obligations	282,930	64,000			346,930
Provision for taxes, including deferred taxes	273,065	45,758	-80,396	-33,853	204,575
Financial derivative liabilities	0			2,612	2,612
Others	484,403			-434,403	50,000
	1,040,398	109,758	-80,396	-465,644	604,117

The "Retirement reserve" refers to the reserve for severance indemnities of the Parent Company's Directors.

The provision for deferred taxes mainly relates to the tax effect of:

- the recognition of property leases in accordance with IFRS 16 (financial method);
- the deferral of certain depreciation/amortisation allowances for 2020 as per art. 60 of Decree Law 104/2020 converted into Law 126/2000 (for further details, please consult the notes on intangible assets and PPE);
- the mark-to-market at 31/12/2024 of the interest rate swap and collar cap-floor hedging contracts; please refer to the notes on “Derivative Assets” and “Information on the fair value of financial derivatives” for further details.

Changes are illustrated in the following table:

	Taxable				Deferred tax liabilities					
	31/12/23	Increases	Other changes	Returns	31/12/24	31/12/23	Increases	Other changes	Returns	31/12/24
Suspended amortisation Article 60 Decree Law 104/2020 (27.9%)	12,195				12,195	3,402	0		0	3,402
Suspended depreciation Article 60 Decree Law 104/2020 (27.9%)	280,104			-257,190	22,914	78,149	0		-71,756	6,393
Property leases (27.9%)	457,917	164,008			621,925	127,759	45,758		0	173,517
Financial derivative assets (24%)	223,882		-141,054		82,828	53,732	0	-33,853	0	19,879
Leaving incentives (24%)	36,000			-36,000	0	8,640	0		-8,640	0
5% dividends to be received from Star Comunicacao Ltda (24%)	5,762				5,762	1,383	0		0	1,383
	1,015,861	164,008	-141,054	-293,190	745,624	273,065	45,758	-33,853	-80,396	204,575

“Other changes” concern items without a balancing entry in the income statement (derivative assets).

The breakdown of derivative financial liabilities is as follows:

Counterpart	Type	Purpose	Date	Date	Notional value	Mark-to-market	Deferred	
			of execution	of maturity			IRES	Equity reserve
Banco BPM	Collar cap-floor	Hedging	26/01/2024	31/12/2026	2,000,000	2,612	627	1,985
						2,612	627	1,985

Other provisions include:

- 1) a risk provision of €50,000 set aside in previous years for commercial risks and prudently maintained;
- 2) provision for the amnesty provided for R&D bonuses (Decree Law 146/2021), following the Report on R&D activities, carried out by STAR7 and Star7 Engineering, prepared by the Federico II University of Naples - D.I.E.T.I. Department; this provision has been fully accounted for in tax liabilities (€328,403) because it is final;
- 3) provision for staff leaving incentives, reset to zero at 31/12/2024 as it was fully used in the year for €106,000.

C) Employee severance indemnity

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
6,614,644	6,368,713	245,931

The change was as follows:

Balance as at 31/12/2023	6,368,713
Accruals	1,551,569
Uses	-1,305,638
Other changes	-
Balance as at 31/12/2024	6,614,644

The provision represents the actual debt, net of advances, accrued to employees in accordance with the law and current labor contracts, taking into account all forms of remuneration of an ongoing nature.

This corresponds to the total of the individual indemnities accrued in favour of employees at the closing date of the financial statements, net of advances paid, and is equal to the amount that would have been payable to employees if they had terminated their employment on that date.

The fund does not include allowances accrued as at 1 January 2007, allocated to supplementary pension schemes pursuant to Legislative Decree no. 252 of 5 December 2005.

The item also includes the severance indemnity of employees of C.A.A.R. S.p.A. and S.T.I. s.r.l., acquired by STAR7 by virtue of the business division lease.

D) Payables

The composition, changes and maturities of debts are shown in the following table:

DESCRIPTION	Balance as at 31/12/2024				Total	Balance as at 31/12/2023	Change
	Within 12 months	Within 5 years	After 5 years				
Bonds	4,289,423	20,357,266	4,333,328		28,980,017	20,439,165	8,540,852
Borrowings from banks	13,091,311	8,158,447			21,249,758	22,615,379	-1,365,621
Borrowings from other lenders	1,364,801	1,336,302	342,598		3,043,701	4,269,459	-1,225,758
Payments on account	30,222				30,222	39,885	-9,663
Trade payables	11,306,470				11,306,470	8,678,976	2,627,494
Payables to associated companies	810,365				810,365	442,162	368,203
Tax payables	3,133,418				3,133,418	2,012,102	1,121,316
Payables to social security institutions	2,256,706				2,256,706	1,895,762	360,944
Other payables	3,723,621				3,723,621	3,824,696	-101,075
	40,006,337	29,852,015	4,675,926		74,534,277	64,217,587	10,316,691

The most significant payables as at 31/12/2024 are:

- bonds the item consists of:
 - 1) two “mini-bond” issues totalling €25 million to partially finance the acquisition of 100% of the LocalEyes Ltd. Group; the duration is 7 years with one-year grace period (full repayment by 25/10/2028), and a fixed interest rate of 4.75%; as security, a pledge on 100% of the shares/shares of LocalEyes Ltd. was issued, replaced in 2022 by a bank guarantee issued by Unicredit Corporate S.p.A. with SACE guarantee; the payable was measured according to the amortised cost criterion;
 - 2) €13 million non-convertible bond at a variable rate maturing in November 2031, fully subscribed by Unicredit with 50% SACE coverage and a grace period of about 13 months (subscription and circulation of the securities are reserved exclusively for qualified investors); The issue is secured by Collateral Assignment of the CAAR division. The financial resources were allocated partly to the acquisition of the CAAR business and partly to supporting related activities, including working capital and investments, with particular reference to Artificial Intelligence projects that will bolster the commercial development of STAR7 in the near future. the payable was measured according to the amortised cost criterion;
- borrowings from banks: this item includes several medium/long-term loans provided by various banks; it also includes short term loans granted by various banks relating to invoice advance accounts and to “hot money” loans, all short-term loan transactions used by the Group to cover short-term needs;
- borrowings from other lenders: the item mainly comprises:
 - 1) payables to leasing companies (€2,023,346), of which €342,598 is due after 5 years);
 - 2) other sundry payables mainly related to costs associated with loans/minibonds entered into during 2024 and included in the determination of the amortised cost of bonds;

- 3) payables related to the acquisition of multi-year contracts with important players in the Automotive sector.

The item "Trade payables" includes payables arising from the purchase of services and goods destined directly for the production of finished products and services.

The item "Tax liabilities" is broken down in the following table:

	31/12/2024	31/12/2023	CHANGE
Income Taxes	1,157,064	167,479	989,585
VAT and consumption taxes	699,193	177,175	522,018
Withholding substitute taxes to be paid	1,259,166	1,129,955	129,211
Other minor	17,995	537,493	-519,498
	3,133,418	2,012,102	1,121,316

The balance of other payables mainly includes current and deferred salaries and wages of employees (€3,493,663): as already anticipated in the comment on "receivables from others".

There are no payables secured by collateral on corporate assets (Article 2427, first paragraph, no. 6, of the Italian Civil Code), with the exception of what was previously reported with regard to payables for bonds/minibonds (100% pledge on shares/quotas of Localeyes, replaced in 2022 by a bank guarantee issued by Unicredit Corporate S.p.A. with SACE guarantee).

On 31/12/2024, the debt to other lenders of 1.5 million for the remaining price to be paid against the acquisition of the LocalEyes Ltd Group is guaranteed by a surety issued by UNICREDIT CORPORATE SPA in favour of CUBIC VENTURE S.A.

As far as bank loans are concerned, the Group's Italian companies benefited in 2020 from the moratorium introduced by legislation to offset the Covid-19 epidemiological emergency, starting with Decree Law 23/2020 (Liquidity Decree). The amount of the capital shares subject to the benefit totalled €1,436,388 in 2020.

As the moratorium did not entail any change in contractual conditions or in the interest rates applied, which are in line with market rates, the amortised cost method was not applied to these loans, partly because the effects would not be significant.

The Parent Company and Star7 Printing obtained the SACE / Mediocredito guarantee provided for by the Covid-19 epidemiological emergency regulations on the following loans:

LENDING INSTITUTION	AMOUNT OF LOAN	MAXIMUM AMOUNT GUARANTEED BY THE FUND	STATE AID QUANTIFICATION	LEGAL REFERENCE	GUARANTOR
UNICREDIT	2,000,000	1,800,000	-	Article 1 Decree Law 23/2020	SACE
CREDIT AGRICOLE	2,250,000	2,030,000	89,117	Guarantee Fund Law 662/96	MEDIOCREBITO
BANCA SELLA	1,000,000	1,000,000	-	Innovfin Guarantee	FEI FUND
INTESA SANPAOLO	1,650,000	1,320,000	52,245	Guarantee Fund Law 662/96	MEDIOCREBITO
BPM	500,000	450,000	17,811	Guarantee Fund Law 662/96	MEDIOCREBITO
BPM	1,500,000	1,200,000	47,495	Guarantee Fund Law 662/96	MEDIOCREBITO
INTESA SANPAOLO	3,000,000	2,700,000	-	Article 1 Decree Law 23/2020	SACE
INTESA SANPAOLO	1,500,000	1,350,000	-	Article 1 Decree Law 23/2020	SACE
BANCA SELLA	250,000	225,000	4,465	Guarantee Fund Law 662/96	MEDIOCREBITO
BPM	350,000	315,000	-	Guarantee Fund Law 662/96	MEDIOCREBITO
CASSA DI RISPARMIO DI ASTI	600,000	600,000	19,075	Guarantee Fund Law 662/96	MEDIOCREBITO
TOTAL	14,600,000	12,990,000	230,209		

Payables to associated companies may be broken down as follows:

	Balance as at 31/12/2024			Balance as at 31/12/2023			Change
	Trade	Other	TOTAL	Trade	Other	TOTAL	
Star AG	134,513		134,513	48,856		48,856	85,657
Star Deutschland GmbH	4,575		4,575	10,669		10,669	-6,094
Star Paris	7,200		7,200	9,600		9,600	-2,400
Star Technology Solutions	557		557	223		223	334
Star Japan Co., LTD	0		0	24,483		24,483	-24,483
Star UK Limited	5,119		5,119	10,039		10,039	-4,920
Star SA	35		35	35		35	0
Star Group Scandinavia AB	88		88	174		174	-87
Star Group America, LLC	728		728			0	728
Star Czech S.R.O.	34,755		34,755	35,499		35,499	-744
Star Hungary KFT	15,330		15,330	15,513		15,513	-183
Dante S.r.l.	123,097		123,097	2,600		2,600	120,497
Star Prevajalske Storitve D.O.O Ljubljana	81,412		81,412	79,412		79,412	2,000
Star Poland	54,496		54,496	23,259		23,259	31,237
IAMDEV S.t.p. S.r.l.	25,730		25,730	22,323		22,323	3,407
Star Servicios Linguisticos LDA	56,567		56,567	44,192		44,192	12,374
Star Information Engineering S.L.	0		0	5,321		5,321	-5,321
Star Software Shanghai Co. LTD	27,419		27,419	23,462		23,462	3,957
Star Egitto Middle East Ltd Cairo	6,146		6,146	1,461		1,461	4,685
Star Information Services & Tools S.R.L.	16,745		16,745	15,821		15,821	924
Star Korea AG	8,607		8,607	4,894		4,894	3,713
Star SPB - Russia	0		0	562		562	-562

	Balance as at 31/12/2024			Balance as at 31/12/2023			Change
	Trade	Other	TOTAL	Trade	Other	TOTAL	
Star Translation & Software Thailand Co., Ltd	792		792	164		164	628
Star AG Taiwan Branch	1,686		1,686	2,360		2,360	-674
Star do Brasil Localizacao E Tecnologia Ltda	1,478		1,478	1,431		1,431	47
Star Software Indonesia	3,434		3,434	1,453		1,453	1,981
Star Turchia Inf.Services Ltd Sti	21,435		21,435	8,513		8,513	12,922
Star J&M Finland OY	161		161	1,687		1,687	-1,526
Star Co.,Ltd	1,358		1,358	257		257	1,101
Star Servicios Linguisticos SLU	252		252	0		0	252
Shareholders of CAAR do Brasil	0	176,650	176,650	0	47,899	47,899	128,751
	633,714	176,650	810,365	394,263	47,899	442,162	368,203

Payables are broken down by geographical area as follows:

DESCRIPTION	Italy	EU	Non EU	Total
Bonds	28,980,017			28,980,017
Borrowings from banks	21,079,284	16,656	153,818	21,249,758
Borrowings from other lenders	3,043,701			3,043,701
Payments on account			30,222	30,222
Trade payables	7,386,291	1,811,948	2,108,231	11,306,470
Payables to associated companies	148,827	272,137	389,400	810,365
Tax payables	1,440,373	191,715	1,501,330	3,133,418
Payables to social security institutions	1,523,143	338	733,225	2,256,706
Other payables	3,347,837	246,277	129,507	3,723,621
	66,949,472	2,539,071	5,045,734	74,534,277

E) Accrued expenses and deferred income

These represent the liaison items for the year calculated on an accruals basis, and consist primarily of deferred income for revenues paid in advance but pertaining to subsequent periods. The item breaks down as follows:

DESCRIPTION	31/12/2024	31/12/2023	CHANGE
Accrued expenses	224,578	375,593	-151,015
Deferred income	1,225,551	1,814,109	-588,558
TOTAL	1,450,129	2,189,702	-739,573

The most significant amounts of accrued liabilities include expenses made via credit cards in December but debited from the current account in January, employee expense reports, and bank fees.

Deferred income relates to invoices issued in advance in 2024 but related to activities that will be performed in 2025.

As of 31/12/2024 there are no accruals or deferrals with a duration of more than five years.

Income statement

A) Value of production

The details are as follows:

	31/12/2024	31/12/2023	CHANGE
Revenues from sales and services	119,824,608	104,405,634	15,418,974
Changes in inventories of finished goods, semi-finished goods	-127,396	125,543	-252,939
Internal work capitalised	0	150,000	-150,000
Other revenues and income:			
grants related to income	698,244	314,153	384,091
others	746,949	627,500	119,449
Total other revenues and income	1,445,194	941,653	503,541
TOTAL	121,142,405	105,622,830	15,519,575

The increase in revenues is closely related to what is fully explained in the Report on Operations, to which reference is made. In particular, revenues increased due to organic business growth, and for the first time, revenues generated abroad (51.7%) exceeded those generated domestically.

The breakdown of revenues by business segment is as follows:

REVENUE CATEGORY	31/12/2024	31/12/2023	CHANGE
Authoring / Product Knowledge, Engineering and Experience	62,284,647	50,458,593	11,826,054
Translation and Interpreting / Global content	41,756,508	37,531,272	4,225,236
Printing	15,577,630	16,185,850	-608,220
Other services	205,823	229,919	-24,096
TOTAL	119,824,608	104,405,634	15,418,974

The breakdown of revenues by geographical area is as follows:

GEOGRAPHICAL AREA	31/12/2024	31/12/2023	CHANGE
Italy	57,929,314	55,514,623	2,414,691
EU	5,762,989	5,004,677	758,312
Non EU	56,132,305	43,886,334	12,245,971
Total	119,824,608	104,405,634	15,418,974

“Other revenues and income” include, among others, operating grants, detailed as follows:

	STAR7 S.p.A.	STAR7 Printing s.r.l	TOTAL
Competence Industry Manufacturing 4.0 (PNRR)	412,861		412,861
Industry 4.0 goods tax credit	27,499	229,402	256,901
Fondimpresa	26,745		26,745
Ecobonus		1,737	1,737
	467,105	231,139	698,244

The grants are posted to item A5 “Other revenues and income” in the Income Statement, on an accruals basis and in the period in which the right to receive them arises with certainty.

Other revenues mainly comprise insurance claims (€334,054) and ordinary contingent assets (€292,838).

Revenues recognised from related parties are as follows:

ASSOCIATED COMPANY	31/12/2024 TRADE	31/12/2023 TRADE	CHANGE
STAR AG	205,384	213,171	-7,787
STAR DEUTSCHLAND GMBH	65,833	123,568	-57,735
STAR GROUP AMERICA LLC	49	55,601	-55,552
STAR PARIS	50,925	56,965	-6,040
STAR Software, Translation, Artwork, Recording GmbH	42,713	33,442	9,271
STAR SA	31,595	46,606	-15,011
STAR JAPAN CO., LTD	4,758	18,575	-13,817
STAR TECHNOLOGY SOLUTIONS	13,045	15,880	-2,835
STAR GROUP SCANDINAVIA AB	13,533	15,060	-1,527
STAR CZECH S.R.O.	6,544	8,682	-2,139
STAR SERVICIOS LINGUISTICOS SLU	133	1,308	-1,175
STAR UK LIMITED	1,652	915	737
STAR J&M FINNLAND OY	-	59	-59
DANTE S.R.L.	-	79	-79
	436,162	589,913	-153,750

B) Costs of production

Costs of production are all inherent in the generation of revenues and accrued during the year. The breakdown with the changes is shown in the table.

DESCRIPTION	31/12/2024	31/12/2023	CHANGES
Raw and ancillary materials and goods	5,730,899	5,431,922	298,977
Language	43,250,678	38,415,549	4,835,129
Leased assets	2,789,699	2,324,222	465,477
Personnel costs:			
Wages and salaries	37,589,087	31,977,796	5,611,291
Social security contributions	9,556,248	8,459,480	1,096,768
Employees' leaving entitlement	1,551,569	1,266,571	284,998
Other personnel costs	1,266,945	1,532,806	-265,861
Total personnel costs:	49,963,848	43,236,653	6,727,195
Amortization, depreciation and write-downs:			
Amortisation	6,948,566	6,602,167	346,399
Depreciation	1,372,498	1,570,743	-198,245
Write-downs of receivables in current assets	364,595	10,226	354,369
Total amortisation, depreciation and write-downs	8,685,659	8,183,136	502,523
Change in inventories Raw materials	144,109	320,261	-176,152
Provisions for risks	64,000	64,000	-
Sundry operating expenses	1,177,473	1,279,293	-101,820
TOTAL	111,806,365	99,255,036	12,551,329

Cost of raw materials, ancillary materials, consumables and goods for resale and Cost of services

They are closely related to the information provided in the Report on Operations and the performance of item A (Value of production) in the Income Statement.

Personnel costs

This item includes all expenses for employees, including merit payments, changes in category, contingency payments, the cost of unused vacation time and provisions pursuant to legislation and collective labour agreements.

Amortisation and depreciation

Depreciation/amortisation has been calculated on the basis of the useful life of the assets and their participation in the production phase. For details, please refer to the comment notes on intangible and tangible assets.

The costs received from related parties are as follows:

ASSOCIATED COMPANY	31/12/2024 TRADE	31/12/2023 TRADE	CHANGE
Dante S.r.l.	251,168	451,792	-200,624
IAMDEV S.t.p. S.r.l.	192,857	-	192,857
Star AG	417,561	439,733	-22,172
Star AG Taiwan Branch	3,212	12,608	-9,396
Star Czech S.R.O.	159,756	161,521	-1,765
Star Deutschland GmbH	4,592	10,669	-6,077
Star do Brasil Localizacao E Tecnologia Ltda	2,655	5,161	-2,506
Star Egitto Middle East Ltd Cairo	13,521	3,897	9,624
Star Group Scandinavia AB	367	3,440	-3,073
Star Hungary KFT	50,940	63,785	-12,845
Star Information Engineering S.L.	8,276	39,066	-30,790
Star Information Services & Tools S.R.L.	62,574	51,893	10,681
Star J&M Finland OY	3,083	7,230	-4,146
Star Japan Co., LTD	89,456	122,591	-33,135
Star Korea AG	41,827	23,779	18,049
Star Poland	130,463	175,060	-44,596
Star Prevajalske Storitve D.O.O Ljubljana	260,425	216,707	43,718
Star Servicios Linguisticos LDA	141,084	119,350	21,734
Star Servicios Linguisticos SLU	4,162	2,845	1,316
Star Software Indonesia	6,574	10,244	-3,670
Star Software Shanghai Co. LTD	72,624	53,819	18,806
Star Spb - Russia	-562	562	-1,125
Star Technology Solutions	10,672	653	10,019
Star Translation & Software Thailand Co., Ltd	868	343	524
Star Turchia Inf.Services Ltd Sti	46,777	8,513	38,263
Star Group America, LLC		17,668	-17,668
Star UK Limited	16,250	39,378	-23,128
Star Paris	960	-	960
Star Vietnam Translation & Software Co., LTD.	2,517	395	2,122
Star SA	1,078	-	1,078
Star Vertalingen BV		144	-144
	1,995,738	2,042,846	-47,108

C) Financial income and expenses

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
-3,307,431	-2,957,298	-350,133

Financial income

	31/12/2024	31/12/2023	CHANGE
Other financial income	129,863	112,159	17,704
TOTAL FINANCIAL INCOME	129,863	112,159	17,704

Almost all of the financial income was attributable to the Brazilian subsidiaries (€65,248) and the Parent Company (€64,602).

Breakdown of interest and other financial expense by type of debt

	31/12/2024	31/12/2023	CHANGE
Interest expenses on current accounts, advances, hot money	624,347	471,958	152,389
Interest expenses on bonds/minibonds	1,074,472	1,281,580	-207,108
Interest expenses on loans (net of hedging flows)	768,778	655,082	113,696
Interest payable on leases	104,685	108,720	-4,035
Interest due to suppliers and other charges	70,314	109,008	-38,694
Sace commissions	49,901	43,404	6,497
Cash discounts for advance payments from customers	813,929	469,503	344,426
TOTAL FINANCIAL EXPENSES	3,506,426	3,139,255	367,171

Starting in December 2022, interest expenses increased, mainly due to the sharp rise in interest rates by the European Central Bank (ECB), which intervened six times, raising the rate for main refinancing operations from 2.50% at the end of 2022 to 4.50% at the end of 2023. From June 2024 the decline began, initially by 25 basis points, and continued until the second half of December with a further 3 cuts.

The details of exchange gains and losses are not indicated as the amounts are not significant. The balance in the income statement refers entirely to realised exchange differences.

Current, deferred and prepaid income taxes for the year

DESCRIPTION	31/12/2024	31/12/2023	CHANGE
Current taxes: IRES - IRAP - other income taxes	1,715,504	1,403,336	312,168
Prior year taxes	-19,616	44,585	-64,201
(Deferred) tax assets	605,958	-269,139	875,097
TOTAL	2,301,846	1,178,782	1,123,064

Taxes for the year have been recorded.

Taxes relating to previous years concern differences between the taxes definitively settled in tax returns filed after the closure of the annual accounts and those allocated in the relevant financial statements.

Deferred tax assets/liabilities

For details of deferred tax assets, please refer to the table included in the note on receivables from current assets, while reference is made for details of deferred tax liabilities to the table included in the note on provisions for risks and charges.

Cash flow statement

With regard to the Cash Flow Statement, the following should be noted:

- in FY 2023, the "Total adjustments for non-monetary items that did not have a balancing entry in net working capital" includes, among other components, the provision for severance indemnities of the employees of C.A.A.R. S.p.A. and S.T.I. srl acquired by STAR7 by virtue of the leasing of business divisions (€1.273.118).

Fees, advances and credits granted to directors and statutory auditors and commitments undertaken on their behalf

During the year, the following remuneration was paid to the directors and members of the Board of Statutory Auditors of the Parent Company:

	DIRECTORS	STATUTORY AUDITORS
Fees	865,680	44,412

No advances were paid or loans granted to directors and auditors, nor were guarantees issued in their favour.

Fees to the statutory auditor or auditing company

In accordance with the law, the fees for the year for services provided to the Parent Company by the Independent Auditors and by entities belonging to their network are shown:

	AMOUNT
Legal audit of annual accounts	21,375
Total fees payable to the statutory auditor or the auditing firm	21,375

Information on financial instruments issued by Group companies

The share capital of the Parent Company, fully subscribed and paid-up, is composed as follows (Article 2427, first paragraph, Nos. 17 and 18, Italian Civil Code).

SHARES/QUOTAS	NUMBER	NOMINAL VALUE IN EURO
Ordinary Shares	8,999,752	without par value
	8,999,752	

In 2021 the Parent Company issued the following shares (Extraordinary Shareholders' Meeting of 29/11/2021 and Board of Directors' meeting of 20/12/2021):

SHARES ISSUED IN 2021 BY THE PARENT COMPANY BY CATEGORY	
DESCRIPTION	ORDINARY SHARES
Shares subscribed during the year: number	8,999,752
Shares subscribed during the year: nominal value	not indicated
Closing amount of shares: number	8,999,752
Closing amount of shares: nominal value	not indicated

For the purpose of admission to listing on the Euronext Growth Milan market, the existing ordinary shares as at 31/12/2020 (500,000 with a unit value of €1.00) were cancelled as new ordinary shares were issued, dematerialised, with no indication of the par value.

On 20 December 2021, the Board of Directors subsequently resolved on a capital increase with the issue of 1,499,752 new ordinary shares, of which 429,752 subscribed by Kairos Partners SGR S.p.A. and 1,070,000 offered for placement on the market.

Securities issued by Group companies

As already mentioned, the Parent Company issued the following securities in 2021, which are not included in the share capital:

two bond/minibond issues totalling €25 million to partially finance the acquisition of 100% of the Localeyes Ltd. Group; the duration is 7 years with one-year grace period (full repayment by 25/10/2028), and a fixed interest rate of 4.75%; as security, a pledge on 100% of the shares/shares of Localeyes Ltd. was issued, replaced in 2022 by a bank guarantee issued by Unicredit Corporate S.p.A. with SACE guarantee.

These securities are listed on the Extra-MOT segment of the Italian Stock Exchange.

In 2024, STAR7 issued a non-convertible bond for a value of €13 million, at floating rate, maturing November 2031, fully underwritten by Unicredit with 50% SACE guarantee and a grace period of about 13 months. The issue is secured by Collateral Assignment of the CAAR division.

Commitments, guarantees and contingent liabilities not shown in the balance sheet

As security for the replayment of the minibonds issues in 2021, a pledge on 100% of the shares/shares of Localey Ltd. was issued, replaced in 2022 by a bank guarantee issued by Unicredit Corporate S.p.A. with SACE guarantee.

Information on the fair value of financial derivatives

Pursuant to Article 2427-bis, first paragraph, Civil Code, we inform you that some Group Companies have entered into the following, unlisted, derivative financial contracts, of which the main characteristics and their fair value, recognised in the financial statements in accordance with accounting standard OIC 32, are summarised below.

Counterpart	Type	Purpose	Date of execution	Date of maturity	Notional value	Fair value	
						Positive	Negative
Intesa Sanpaolo	Interest rate swap	Hedging	29/01/2021	31/12/2026	3,000,000	33,574	-
Unicredit	Interest rate swap	Hedging	18/11/2020	30/09/2026	1,900,000	15,794	-
Credit Agricole	Interest rate swap	Hedging	05/10/2020	05/10/2026	2,250,000	33,419	-
Intesa Sanpaolo	Interest rate swap	Hedging	03/02/2020	31/01/2025	850,000	41	-
Banco BPM	Collar cap-floor	Hedging	26/01/2024	31/12/2026	2,000,000	-	2,612
						82,828	2,612

Information on financial fixed assets recorded at a value higher than fair value

No financial assets are recorded in the consolidated financial statements at a value greater than their fair value.

Information on transactions carried out with related parties (ref. art. 38, first paragraph, letter o-quinquies), Legislative Decree no. 127/1991)

Transactions with related parties were carried out on terms in line with market conditions and are mainly with STAR AG, Dante s.r.l. and their subsidiaries, and IAMdev S.t.p. (associate).

The Parent Company is 33.4% owned by Switzerland-based STAR AG, which has shareholdings in subsidiaries and associated companies in Italy and abroad. During the year, only commercial relationships at market conditions were maintained with the associated companies DANTE S.r.l. and STAR AG. The costs for services rendered by DANTE S.r.l. amounted to €251,168 and refer to consulting in the areas of finance, technical management, human resources, marketing, external relations and insurance consulting.

Details of costs and revenues with associated companies are set out in the notes to the Income Statement as well as in the Report on Operations.

Information on agreements not shown in the balance sheet (ref. art. 38, first paragraph, letter o-sexies), Legislative Decree no. 127/1991

There are no agreements not reflected on the Balance Sheet that need to be reported.

Information on significant events after the end of the financial year

On 13 January 2025, STAR7 completed the final acquisition of the business divisions of C.A.A.R. S.p.A. and S.T.I. S.r.l., both in court-ordered liquidation. This step represented the formalisation of an integration process that began in January 2023, when the lease of the two business units began. The transaction has allowed STAR7 to consolidate its strategy, seamlessly integrating the acquired businesses and strengthening its position in the automotive, commercial and heavy vehicles sectors.

The acquisition also allowed STAR7 to significantly expand its presence in Brazil, a strategic engineering market, and granted access to a team of highly qualified professionals. This has had a positive impact on innovation and growth at the company.

From a financial point of view, the total cost of the transaction was €5.8 million, net of transaction costs, without STAR7 having to take on the financial liabilities of the acquired businesses.

No other significant events occurred after the end of the year that could have significant effects on the balance sheet, income statement or cashflows in the consolidated financial statements as at 31/12/2024.

Information pursuant to Article 1, paragraph 125 of Law No. 124 of 4 August 2017

It should be noted that operating grants, the details of which are included in the table in the note on "Other revenues and income", have been recognised.

With regard to the quantification of State aid relating to the guarantees obtained by Sace/Mediocredito on the loans payable, under the Covid-19 regulation, reference should be made to the specific table shown in the Notes to the Payables.

With a grant date falling in 2024, the Parent Company received the following benefits qualifying as “state aid”:

Description/regulatory source	Date granted	Granting authority	Regulation/ communication	Objective	Aid element
Urgent measures strengthening the administrative capacity of the PA...functional to the NRRP	17/06/2024	Competence Industry Manufacturing 4.0	EC Reg. 651/2014 General Block Exemption (GBER) and following	Aid for research, development and innovation Feasibility studies (Article 25(2)(d))	234,374
Urgent measures strengthening the administrative capacity of the PA...functional to the NRRP	17/06/2024	Competence Industry Manufacturing 4.0	EC Reg. 651/2014 General Block Exemption (GBER) and following	Aid for research, development and innovation Industrial research (Article 25) (Article 25(2)(b))	101,190
Urgent measures strengthening the administrative capacity of the PA...functional to the NRRP	15/05/2024	Competence Industry Manufacturing 4.0	EC Reg. 651/2014 General Block Exemption (GBER) and following	Training Aid (Art.31)	250

With a grant date falling in 2024, Star7 Printing S.r.l. received the following benefits qualifying as “state aid”:

Description/regulatory source	Date granted	Granting authority	Regulation/ communication	Objective	Aid element
Urgent measures related to the COVID-19 emergency, for businesses, employment, youth, health and local services.	12/03/2024	Revenue Agency	TF Covid-19 - Section 3.1 of the Commission Communication of 19.03.2020 C(2020) 1863 final as amended	Remedying a serious disturbance in the economy	5,318

For a complete overview of State Aid, please refer to the National State Aid Register (at <https://www.rna.gov.it/RegistroNazionaleTrasparenza>).

Business outlook for the financial year 2025

The STAR7 Group will continue to strengthen its presence in key markets through targeted commercial expansion initiatives, investing in innovation and digitalisation to improve operational efficiency and the quality of its products and services.

A central element of the 2025 strategy will be the focus on cash generation and debt reduction. Particular attention will be paid to margin management, with an approach aimed at improving profitability through a careful pricing policy and effective management of operating costs.

However, the macroeconomic environment remains uncertain due to international tensions and geopolitical developments that could impact international trade dynamics.

The company aims to be resilient in the face of challenges in the economic environment, maintaining a sustainable growth trajectory and continuing to create value for all stakeholders in the long term.

Firms that prepare the financial statements of the larger/smaller set of firms to which you belong as a subsidiary

Pursuant to the law, we provide the information required by Article 2427, first paragraph, no. 22 quinquies and sexies) of the Italian Civil Code.

Following the listing of the shares on the Euronext Growth Milan market, the case no longer exists, as STAR AG (based in Switzerland, tax identification number CHE-02.892.540), which at 31/12/2020 held 50% of the shares of STAR7 S.p.A., currently holds 33.4%.

Other information

These consolidated financial statements, which comprise the balance sheet, income statement, cash flow statement and notes, present a true and fair view of the Company's financial position and results of operations for 2024, and correspond to the accounting records of the Parent Company and to the information provided by the businesses included in the consolidation.

Valle San Bartolomeo (Alessandria), 25 March 2025

Chairman of the Board of Directors
Lorenzo Mondo



INDEPENDENT AUDITOR'S REPORT

**on the Consolidated Financial
Statements as at 31/12/2024**

STAR7 S.p.A.

Independent auditor's report
pursuant to article 14 of Legislative Decree n. 39

Consolidated financial statements
as at 31 December 2024

This independent auditor's report has been translated into English solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

MSCC/FFCI/Abro-RC085002024BD1523

The BDO logo is located in the bottom right corner of the page, set against a red triangular background. It consists of the letters 'BDO' in a bold, white, sans-serif font, with a horizontal line underneath the letters.



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Independent auditor's Report
pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010

To the Shareholders of
Star7 S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Star7 Group (the "Group"), which comprise the balance sheet as at 31 December 2024, the income statement and the cash flow statement for the year then ended and the explanatory notes.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Star7 Group as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the Italian regulations and accounting principles governing financial statements preparation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of Star7 S.p.A. (the "Parent") in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the directors and board of statutory auditors for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the Italian regulations and accounting principles governing financial statements preparation and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Parent Star7 S.p.A. or ceasing operations exist, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, within the terms established by Italian law, the Group's financial reporting process.

Bari, Bologna, Brescia, Cagliari, Firenze, Genova, Milano, Napoli, Padova, Roma, Torino, Verona

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Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgment and maintained professional skepticism throughout the audit. We also have:

- identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We have communicated with those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control we identified during our audit.



Report on other legal and regulatory requirements

Opinion and statement pursuant to Article 14, paragraph 2, letters e), e-bis) and e-ter), of Legislative Decree no. 39/10

The directors of Star7 S.p.A. are responsible for the preparation of the report on operations of Star7 Group at 31 December 2024, including its consistency with the consolidated financial statements and its compliance with the applicable law.

We have performed the procedures required under Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations with the consolidated financial statements;
- express an opinion on the compliance of the report on operations with the applicable law;
- issue a statement of any material misstatements in the report on operations.

In our opinion, the report on operations is consistent with the consolidated financial statements of Star7 Group at 31 December 2024.

Moreover, in our opinion, the report on operations has been prepared in compliance with the applicable law.

With reference to the statement pursuant to Article 14, paragraph 2, letter e-ter), of Legislative Decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Turin, 10 April 2025

BDO Italia S.p.A.

Massimo Siccardi
Partner

REPORT ON OPERATIONS

accompanying the Separate Financial
Statements as at 31/12/2024

Dear Shareholders,
the Separate Financial Statements as
at 31.12.2024 show a profit of:

€2,035,689
(€614,175 as at 31/12/2023)

1

Company and Group situation

Financial statements and revenues

The separate financial statements at 31/12/2024 report a profit of €2,035,689 (€614,175 at 31/12/2023) in a very complex financial year that remained characterised by great uncertainty.

Regardless, the results achieved are the best in recent years.

Sales amounted to €67.4 million, up 5.2% compared to the previous year, with an EBITDA of €3.6 million (5.3% of revenue).

The market has therefore rewarded STAR7's ability to ensure a high level of service in a highly complex global environment; the Company and the Group have succeeded in consolidating their market position thanks to the quality and reliability of its services. The "fundamental" factors that characterise the Company's operations have proven to be crucial: breadth of professional skills; ability to offer technologically advanced solutions; orientation towards efficiency with the right amount of flexibility; wide range of services to meet market needs.

The results for 2024 confirm that our "Integrale7" business model continues to work effectively, offering us the ability to cross-sell additional services to newly acquired customers.

STAR7

STAR7 provides an integrated range of product-information services, from product and process engineering support to the creation and management of technical and marketing content, translation, printing and virtual experience.

The Company and the Group have continued their programme to enhance their structure and reinforce the core values of the parent company, in line with the project initiated prior to listing. This includes strengthening and expanding the services provided, introducing innovative solutions, and promoting and encouraging its skilled workforce to adapt to a changing market, which is now leaning towards solutions that incorporate AI.

The research and development activities in the field of AI, adopting a technology-agnostic approach, have enabled continuous evaluation of leading, emerging, and promising technologies for the target markets. This has led to the development of a know-how that is conducive to creating flexible solutions, which are not tied to any particular platforms.

This strategy, alongside the development of demonstrative Proof of Concepts with leading industry clients, has resulted in the creation of a new suite of AI-driven services and applications (known as "7AI"), encompassing both language technologies and the generation and analysis of content.

This new suite of services enables the STAR7 Group to provide AI-based solutions that are natively multilingual in the areas of Virtual Assistants, Customer Support, and Academy Training.

In-house "human" capabilities used in training artificial intelligence, aimed at enhancing its reliability and responsiveness, are an asset in this new suite of services.

Research and development continues to focus on Virtual, Immersive and Augmented Reality by developing products and solutions that, with progressive improvements thanks to generative AI technologies, cater to the growing need for virtualisation within customer businesses.

Today, the STAR7 Group is able to deliver increasingly cutting-edge solutions in the areas of Virtual Training, Virtual Showrooms and Product Experience, by making the most of its technical information management skills acquired over time through engineering and technical authoring.

2

Operating highlights

The table “Adjusted reclassified income statement” shows the main adjusted earnings indicators of STAR7 for 2024, compared with the equivalent values for 2023.

The adjusted measures are not sanctioned by the Italian Accounting Standards (IT GAAP) issued by the OIC. The Company believes that these adjusted measures provide useful information to management and investors to evaluate operating performance and compare it to companies operating in the same sector, while providing an additional view of the results.

In line with the Company’s desire to provide additional disclosures and better comparability, the figures have been adjusted to take into account integration and restructuring costs mainly related to the C.A.A.R. S.p.A. and S.T.I. s.r.l. business units, as further specified in the following paragraphs.

Please note that the statutory and management figures reflect the earnings of the C.A.A.R. S.p.A. and S.T.I. s.r.l. business units.

As of 1 January 2023, two lease contracts are operational for business divisions of the companies C.A.A.R. S.p.A. (registered office in Turin, via Treviso 36) and S.T.I. s.r.l. (registered office in Bolzano, via Buoizzi 14/16).

The leases were preparatory to the definitive acquisition of the two business units, formalized on 13 January 2025.

The above companies are strategic and complementary to the development of the engineering and defence business, with offices located both in Italy (Turin and Bolzano) and abroad (Brazil and Serbia). Given the financial situation of the two companies in December 2022, a business leasing contract was used in order to minimise legal, financial and operational risks. Meanwhile, the judicial liquidation of both companies has occurred, and STAR7 has made an irrevocable offer to purchase both business units within a protected procedure conducted in October 2024, which concluded with the definitive acquisition on 13 January 2025.

The cost of the acquisition of the two business divisions of C.A.A.R. and S.T.I., which STAR7 acquired through the judicial liquidation of the two companies, amounted to €5.8 million, net of transaction costs. STAR7 – it should be emphasised – did not take on the financial debts of the acquired businesses.

3

Operating performance

In 2024, STAR7 achieved net revenue growth of 5.2%.

Behind these numerical results are some fundamental forward steps that have been made in recent months:

- the completion of the C.A.A.R. and S.T.I. integration process: the clear benefits in terms of the increase in revenues that have been achieved in the Engineering service line in Brazil are just part of the positive repercussions that STAR7 expects as a result of the finalised integration process.

Adjusted reclassified income statement

	31/12/2024	31/12/2023	CHANGE	CHANGE %
Net revenues	67,429,065	64,067,457	3,361,608	5.2%
EBITDA adjusted (*)	4,253,259	4,811,211	-557,952	-11.6%
<i>Adjusted EBITDA %</i>	6.3%	7.5%		
EBITDA	3,568,212	3,411,211	157,001	4.6%
<i>EBITDA %</i>	5.3%	5.3%		
EBIT	-77,754	395,299	-473,053	-119.7%
<i>R.o.S. %</i>	-0.1%	0.6%		
EBT	1,764,915	436,657	1,328,258	304.2%
Net income	2,035,689	614,175	1,421,514	231.5%

* Adjusted EBITDA is adjusted to remove the integration and restructuring costs of €685 thousand mainly related to the business units of C.A.A.R. S.p.A. and S.T.I. s.r.l.

Revenues for 2024 amounted to €67.4 million, an increase of 5.2% from the level of €64.1 million in 2023.

The key factor in the progress achieved in 2024 is identifiable in the significant organic growth driven by the Product Knowledge and Engineering service lines.

STAR7 has confirmed its ability to activate all available organic growth levers, through the continuous acquisition of new customers and an effective cross-selling and upselling process in the services offered to existing customers.

EBITDA

In 2024, STAR7's EBITDA was €3.6 million (EBITDA Margin stood at 5.3%), while the Adjusted EBITDA (net of integration and restructuring costs mainly related to the business units of C.A.A.R. and S.T.I.) reached €4.3 million with an Adjusted EBITDA Margin of 6.3% (7.5% in 2023).

EBIT

STAR7 EBIT amounted to €-0.1 million, compared to €0.4 million in 2023.

Net profit for the year

STAR7 reported a net profit of €2.0 million, up 231.5% from €0.6 million in 2023.

4**Balance sheet data**

The reclassified balance sheet compared with the previous year's figures is as follows (in €):

	31/12/2024	31/12/2023	CHANGE	CHANGE %
Net intangible fixed assets	8,726,662	9,385,886	-659,224	-7.0%
Net property, plant and equipment	1,507,926	1,441,958	65,968	4.6%
Equity investments and other financial fixed assets	44,190,938	40,002,090	4,188,848	10.5%
NON-CURRENT ASSETS	54,425,526	50,829,934	3,595,592	7.1%
Inventories	169,740	437,927	-268,187	-61.2%
Trade receivables	22,110,780	28,848,598	-6,737,819	-23.4%
Receivables due from associated and subsidiary companies	1,806,088	3,912,166	-2,106,078	-53.8%
Other receivables	6,475,612	4,183,320	2,292,292	54.8%
Accrued income and prepaid expenses	2,157,541	1,442,470	715,071	49.6%
CURRENT ASSETS	32,719,760	38,824,481	-6,104,721	-15.7%
Trade payables	-6,771,260	-5,457,279	-1,313,981	24.1%
Payables to associated and subsidiary companies	-9,364,652	-6,898,288	-2,466,364	35.8%
Payments on account	0	0	0	0.0%
Tax and social security payables	-2,579,829	-2,431,999	-147,830	6.1%
Other payables	-3,232,503	-2,820,745	-411,758	14.6%
Accrued expenses and deferred income	-1,237,356	-1,831,476	594,120	-32.4%
CURRENT LIABILITIES	-23,185,600	-19,439,787	-3,745,813	19.3%
NET WORKING CAPITAL	9,534,160	19,384,694	-9,850,534	-50.8%
Employee severance indemnity	-6,283,404	-6,093,506	-189,898	3.1%
Other medium- and long-term liabilities	-424,197	-763,471	339,274	-44.4%
NON-CURRENT LIABILITIES	-6,707,601	-6,856,977	149,376	-2.2%
INVESTED CAPITAL	57,252,085	63,357,651	-6,105,566	-9.6%
Net equity	29,401,490	27,471,795	1,929,695	7.0%
Short-term net financial position	-4,491,186	11,562,726	-16,053,912	-138.8%
Medium/long-term net financial position	32,341,781	24,323,130	8,018,651	33.0%
EQUITY AND NET FINANCIAL DEBT	57,252,085	63,357,651	-6,105,566	-9.6%

Non-current assets

Non-current assets amounted to €54.4 million and increased by a total of €3.6 million mainly due to:

- investments in intangible assets (€2.3 million) and property, plant and equipment (€0.4 million);
- reclassification of receivables from subsidiaries from short-term to long-term (€1.5 million);
- provision of financing to Star Comunicacao (Brazil) for the purchase of machinery (€2.3 million) and financing to Star7 LLC (USA) (€0.5 million);
- net of depreciation and amortisation (total €3.2 million).

Net intangible assets amounted to €8.7 million and included:

- i) goodwill (€1.9 million);
- ii) Industrial patents and intellectual property rights (€1.3 million);
- iii) assets under construction/development (€0.8 million) mostly related to the integration of the business units of C.A.A.R. and S.T.I. (€0.7 million);
- iv) start-up costs related to multi-year contracts with major brands in the Automotive sector (€0.6 million);
- v) other (€4.1 million): this item includes:
 - a. leasehold improvements (€1.7 million);
 - b. other charges primarily include Smart7 development projects, Translation Management System, etc. (€0.8 million), costs for C.A.A.R. and S.T.I. operations (€0.7 million), listing charges (€0.6 million), and rebranding (€0.1 million).

The item under examination decreased by €0.7 million due to amortization for the period totaling €2.9 million, partially offset by investments amounting to €2.2 million. These investments mainly involved new development projects such as Smart7, Translation Management System, etc. (€0.9 million), integration of C.A.A.R. and S.T.I. (€0.7 million), and concessions and licenses (€0.4 million).

Net property, plant and equipment amounted to €1.5 million and included:

- i) property (€0.8 million);
- ii) plant, machinery and other assets (€0.7 million).

This item increased by €0.1 million as a result of new investments made net of disposals (€0.4 million) and amortisation of €0.3 million.

Equity investments and other financial fixed assets amounted to €44.2 million and included:

- equity investments (€38.4 million);
- financial receivables from subsidiaries (€5.6 million);
- positive mark-to-market of financial derivative assets (€0.1 million);
- security deposits (€0.1 million);

The increase of €4.2 million is justified by:

- reclassification of receivables from subsidiaries from short-term to long-term (€1.5 million);
- provision of financing to Star Comunicacao (Brazil) for the purchase of machinery (€2.3 million) and financing to Star7 LLC (USA) (€0.5 million);

- net of the decrease in the mark-to-market of derivative financial assets (€0.1 million).

Working capital amounted to €9.5 million, down by €9.9 million.

The change is mainly attributable to the optimisation of working capital management:

- receivables from customers (including trade receivables from subsidiaries and affiliates) decreased by €8.8 million, of which third-party customers decreased by €6.7 million (DSO improved from 184 on 31.12.2023 to 128 on 31.12.2024) and
- debts to suppliers (including trade debts to subsidiaries and affiliates) increased by €3.8 million, of which third-party suppliers accounted for €1.3 million (DPO improved from 132 on 31.12.2023 to 161 on 31.12.2024).

Other items in working capital mainly related to:

- other receivables (€6.5 million) which include tax credits for direct and indirect taxes (€1.6 million), deferred tax assets (€0.7 million), amounts advanced by STAR7 at the time of closing the acquisitions of C.A.A.R. and S.T.I. (€2.7 million), amounts advanced for the acquisition of SDS (€0.5 million), insurance reimbursements (€0.5 million), and other minor items; The variation of €2.3 million compared to the previous year is mainly attributable to the security deposit mentioned for the C.A.A.R. and S.T.I. transaction (€1.2 million), insurance compensations (€0.3 million), and deferred and current taxes (€0.5 million);
- Accrued income and prepaid expenses (€2.2 million) increased by €0.7 million mainly as a result of early discounts granted to important customers in the Automotive sector against the renewal in 2024 of multi-year contracts;
- other payables (€3.2 million): these related mainly to current and deferred salaries to employees (€3.1 million);
- tax and social security liabilities (€2.6 million) including €0.3 million for income taxes/tax credit repayments, €0.8 million for withholding taxes to be paid as a withholding agent, and €1.5 million for contributions to social security institutions;
- accrued expenses and deferred income (€1.2 million) mainly made up of advance revenues (€0.9 million), which fell €0.6 million compared to 31/12/2023.

Non-current liabilities of €6.7 million relate to the provision for severance pay of €6.3 million and to various provisions for risks and expenses (provision for employees' leaving entitlement of €0.3 million, other provisions of €0.1 million).

5

Financial highlights

The net financial position as at 31/12/2024 was as follows (in €):

	31/12/2024	31/12/2023	CHANGE
Bank deposits	21,358,794	5,496,695	15,862,099
Cash and other valuables on hand	7,397	1,201,960	-1,194,564
CASH ON HAND (A)	21,366,190	6,698,655	14,667,535
Due to banks (within one year)	-11,565,225	-12,460,962	895,737
Payables due to other financial institutions (within one year)	-1,020,356	-1,765,856	745,500
Bonds (within one year)	-4,289,423	-4,034,563	-254,860
SHORT-TERM FINANCIAL LIABILITIES (B)	-16,875,004	-18,261,381	1,386,377
NET SHORT-TERM FINANCIAL POSITION (A-B)	4,491,186	-11,562,726	16,053,912
Due to banks (beyond the next financial year)	-7,651,187	-7,918,528	267,341
Due to other financial institutions (after one year)	0	0	0
Bonds (after one year)	-24,690,594	-16,404,602	-8,285,991
Financial receivables	0	0	0
MEDIUM- AND LONG-TERM NET FINANCIAL POSITION	-32,341,781	-24,323,130	-8,018,651
NET FINANCIAL POSITION (A-B-C)	-27,850,595	-35,885,856	8,035,261

The Net Financial Position at 31 December 2024 was €27.9 million (€35.9 million at 31 December 2023), an improvement of €8 million.

This result confirms the effectiveness of the strategies implemented by management to improve working capital management and reflects the sales results achieved in the first half of 2024. Gross debt stood at €49.2 million (€42.6 million at 31/12/2023). The Net Debt/EBITDA ratio at 31 December 2024, which is 7.81 (as shown in the table below), has decreased from 10.52 on 31 December 2023.

It should be noted that the composition of the net financial position as at 31/12/2024 has been modified compared to that indicated in the Separate Financial Statements as at 31/12/2023 because financial derivative assets and other financial assets recognised under non-current assets have been excluded (effect on NFP as at 31/12/2023 was €0.3 million).

It should also be noted that in September 2024, STAR7 successfully closed the placement of a bond for a total nominal amount of €13 million, repayable in 2031. The proceeds from the new issuance were used for the definitive acquisition of the C.A.A.R. and S.T.I. business units, for expansion plans abroad, and to finance projects aimed at developing artificial intelligence for the new 7AI business line. The transaction also enabled STAR7 to accelerate the process of rescheduling debt maturities by extending their average maturity.

In order to provide a better description of the financial situation, the table below shows some balance sheet ratios, compared with the same ratios for the previous year.

	31/12/2024	31/12/2023
Gross financial debt / Net equity	1.67	1.55
Net financial debt / Net equity	0.95	1.31
Gross financial debt / EBITDA	13.79	12.48
Net financial debt / EBITDA	7.81	10.52
DSO	128	184
DPO	161	132

The Company is in a stable position, with bank/financial debt structured over the medium to long term. It maintains sufficient liquidity to continue its growth trajectory and consistently meets the covenants stipulated by the bonds issued to facilitate the acquisition of LocalEyes and the new bond issued in November 2024.

6

Operating conditions and business development

Pursuant to Article 2428 of the Civil Code, we inform you that STAR7's activities are carried out at the head office of Alessandria, in the area of Valle San Bartolomeo, and at the local units in Asti, Turin, Pistoia, Maranello, La Spezia and Bolzano.

In legal terms, STAR7 S.p.A. directly or indirectly controls the following companies, which carry out activities that are complementary to and/or functional for the Parent Company's core business:

Name	Registered office	Currency	Share capital in foreign currency	Shareholding	Share held in %	Interest in %	Assets
STAR7 PRINTING S.R.L.	Asti - Italy	Euro	10,000	Direct	60%	60%	Printing
STAR COMUNICAÇÃO E SERVIÇOS LTDA	Belo Horizonte - Brazil	Real	1,448,205	Direct	75%	75%	Printing, Product Knowledge
CAL COMUNICAÇÃO LTDA	Belo Horizonte - Brazil	Real	500,000	Direct	75%	75%	Printing
STAR7 LLC	Rochester Hills - Michigan - U.S.A.	USD	3,000	Direct	100%	100%	Global Content, Product Knowledge
STAR7 ALBANIA SHPK	Tirana - Albania	Lek	500,000	Direct	100%	100%	Global Content, Product Knowledge
STAR7 GMBH	Linz - Austria	Euro	35,000	Direct	100%	100%	Global Content, Product Knowledge
LOCALEYES LTD	Cork - Ireland	Euro	-	Direct	100%	100%	Global Content, Product Knowledge
LOCALEYES TIRANA	Tirana - Albania	Lek	-	Indirect	100%	100%	Global Content, Product Knowledge
LOCALEYES MADRID	Madrid - Spain	Euro	-	Indirect	100%	100%	Global Content, Product Knowledge
LOCALEYES AMSTERDAM	Amsterdam - Netherlands	Euro	-	Indirect	100%	100%	Global Content, Product Knowledge
LOCALEYES HELSINKI	Helsinki - Finland	Euro	-	Indirect	100%	100%	Global Content, Product Knowledge
LOCALEYES USA	San Francisco - California - U.S.A.	USD	-	Indirect	100%	100%	Global Content, Product Knowledge
STAR7 TECHNOLOGY INDIA PRIVATE LTD	Hyderabad - India	Rupee	100,000	Direct	100%	100%	Global Content, Product Knowledge

The new 100% owned subsidiary company "Star7 Technology India Private Limited" was established on 13 August 2024, with headquarters in Hyderabad (India).

7

Research and development activities

The following disclosures are made pursuant to article 2428, paragraph 3, number 1 of the Italian Civil Code.

STAR7 has developed high value-added authoring technologies in the various Business Areas (Authoring, Language Services, After Sales), succeeding in developing innovative ideas and applications of already existing services, as well as co-developing – also with dedicated internal resources – and increasing the potential and integration of already available software and creating new integrated platforms.

In particular, new applications based on artificial intelligence have been developed, with the establishment from 01/01/2025 of a new service line (7AI).

The actual operational development activity involved integrating some market A.I. engines into its service lines (primarily Global Content and Product Knowledge, and to a lesser extent Printing), aimed at meeting the growing needs of customers.

In particular, the objectives that STAR7 has set itself are as follows:

- identify repetitive activities and time consuming and low value-added processes;
- train the A.I. to teach the processes to be performed and compress the time of such activities;
- verify and measure the results achieved to identify critical issues and correct them with a view to "continuous improvement";
- on the basis of the errors detected, reduce as much as possible the review time that necessarily must be spent by human beings for control activities;
- optimise the ability of the trained AI to generate and disseminate content based on corporate know-how with the highest degree of accuracy, consistency and reliability.

To achieve this, the Company has dedicated internal human resources (developers, programmers, engineers) and external suppliers.

It is the Company's intention to continue to boost the development of new activities characterized by a dose of innovation with respect to its reference market, through a series of initiatives that will primarily involve internal human resources, external consultants and technical equipment.

8

Environmental and personnel information

In view of the Company's social role, as highlighted in the document on Report on Operations issued by the Italian Accounting Profession, it is deemed appropriate to provide the following information regarding the environment and personnel.

Environment

The Company does not engage in polluting industrial processes.

Staff

- No on-the-job deaths occurred during the year among personnel listed in the register.
- During the year, there were no serious accidents at work involving serious or very serious injuries to personnel listed in the register of employees.
- During the year there were no charges relating to occupational illnesses on employees or former employees and mobbing cases.

9

Investments

During 2024, investments were made in the following categories of property, plant and equipment:

FIXED ASSETS	ACQUISITIONS DURING THE YEAR
Land and buildings	0
Plant and machinery	5,749
Industrial and commercial equipment	68,215
Other assets	310,628
Assets under development/construction and payments on account	0
TOTAL	384,592

These are ordinary investments for renovations and/or equipment for employees, as well as investments to enhance the production structure and improve efficiency.

10

Relations with associated, parent and sister companies

Relations with subsidiaries

The Company had the following relationships with associated companies:

	Trade receivables 31/12/2024	Other receivables 31/12/2024	Trade payables 31/12/2024	Sundry payables 31/12/2024	Trade costs 31/12/2024	Interest expense 31/12/2024	Trade revenues 31/12/2024	Interest income 31/12/2024
Star7 Printing s.r.l.	10,485		2,142,454		6,827,671		12,464	
Star Comunicacao e Servicos Ltda	50,980	3,229,039	2,111		1,333		19,186	10,755
Star7 LLC	1,047,083	1,747,468	27,616		50,460		2,184,198	18,357
Star7 Albania Shpk	275,575	601,291	446,825		2,035,270		111,759	30,065
Star7 Gmbh	1,604		49,600		163,388		6,581	
Localeyes Ltd	272,237		156,580	5,735,215	9,043	83,466	547,205	
CAAR do Brasil			2,000		6,000			
Abacaar Doo Kragujevac	1,368		170,088		469,026		1,368	
TOTAL	1,659,331	5,577,798	2,997,273	5,735,215	9,562,191	83,466	2,882,760	59,177

Relationships with associates

The Group had the following transactions with the following associated companies:

	Trade receivables 31/12/2024	Trade payables 31/12/2024	Trade costs 31/12/2024	Trade revenues 31/12/2024
Star AG	211	134,513	417,561	205,384
Star Deutschland GmbH	12,843	4,575	4,592	65,833
Star Software, Translation, Artwork, Recording GmbH	102,909			42,713
Star Paris	7,854	7,200	960	50,925
Star Technology Solutions	7,747	557	10,672	13,045
Star Japan Co., LTD	11,430		89,456	4,758
Star UK Limited	79	5,119	16,250	1,652
Star SA	1,170	35	1,078	31,595
Star Group Scandinavia AB	1,916	88	367	13,533
Star Czech S.R.O.	566	34,755	159,756	6,544
Star Hungary KFT		15,330	50,940	
Dante S.r.l.		123,097	251,168	
Star Prevajalske Storitve D.O.O Ljubljana		81,412	260,425	
Star Poland		54,496	130,463	
IAMDEV S.t.p. S.r.l.		25,730	192,857	

	Trade receivables 31/12/2024	Trade payables 31/12/2024	Trade costs 31/12/2024	Trade revenues 31/12/2024
Star Servicios Linguisticos LDA		56,567	141,084	
Star Information Engineering S.L.			8,276	
Star Software Shanghai Co. LTD		27,419	72,624	
Star Egitto Middle East Ltd Cairo		6,146	13,521	
Star Information Services & Tools S.R.L.		15,194	62,574	
Star Korea AG		8,607	41,827	
Star SPB - Russia			-562	
Star Translation & Software Thailand Co., Ltd		792	868	
Star AG Taiwan Branch		1,686	3,212	
Star do Brasil Localizacao E Tecnologia Ltda		1,478	2,655	
Star Software Indonesia		3,434	6,574	
Star Turchia Inf.Services Ltd Sti		21,435	46,777	
Star J&M Finland OY		161	3,083	
Star Co.,Ltd		1,358		
Star Servicios Linguisticos SLU	30	252	4,162	133
Star Group America, LLC		728		49
Star Vietnam Translation & Software Co., LTD.			2,517	
TOTAL	146,757	632,163	1,995,738	436,162

These transactions, which do not include any atypical and/or unusual operations, are conducted on an arm's length basis.

11

Information on risks and uncertainties pursuant to art. 2428, paragraph 3, point 6-bis of the Italian Civil Code

Credit risk

Receivables from customers are carefully monitored, and therefore credit risk is deemed to be adequately covered by the relevant allowance for doubtful accounts.

Liquidity risk

Note:

- there are adequate lines of credit to meet liquidity needs;
- the Company holds deposits with credit institutions to meet liquidity needs;
- there are no significant concentrations of liquidity risk on either the side of financial assets or sources of funding;
- The terms of collection are adjusted to those of payment.

Market risk

The effects of possible changes on the income statement in relation to relevant risk variables are limited and acceptable for each of the following components:

- interest rate risk
- price risk
- exchange rate risk

Considering the level of risks involved, the Company does not engage in hedging activities, with the exception of certain interest rate swap and collar cap-floor contracts, comprehensively detailed in the Notes to the Financial Statements, which should be referred to for further information.

Key risks are continuously monitored by the Board of Directors.

Information on own shares

It should be underlined that as at the closing date of these Separate Financial Statements, the Company did not hold any of its own shares and/or shares and quotas of parent companies, including through trust companies or third parties.

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Main events in FY 2024

November 2024

- Modefinance Ratings upgraded STAR7's debt rating to "B1+" from "B1". The rating agency announced this in a note. The agency's decision is supported by the Group's improved financial performance and reduced financial leverage. Modefinance points out that "the Company now has an appreciable diversification of the products and services it offers and is progressively internationalising its business – both factors that are contributing to the continuous expansion of its turnover".
- STAR7 issued a non-convertible bond for a value of €13 million, at floating rate, maturing November 2031, fully underwritten by Unicredit with partial SACE guarantee and a grace period of about 13 months. The financial resources were allocated partly to the acquisition of the C.A.A.R. and S.T.I. business divisions and partly to supporting related activities, including cash flow and investments, with particular reference to Artificial Intelligence projects that will bolster the commercial development of STAR7 in the near future.

Events after the end of the financial year

Acquisition of C.A.A.R. and S.T.I. completed

On 13 January 2025, STAR7 completed the final acquisition of the business divisions of C.A.A.R. S.p.A. and S.T.I. S.r.l., both in court-ordered liquidation. This step represented the formalisation of an integration process that began in January 2023, when the lease of the two business units began. The transaction has allowed STAR7 to consolidate its strategy, seamlessly integrating the acquired businesses and strengthening its position in the automotive, commercial and heavy vehicles sectors.

The acquisition also allowed STAR7 to significantly expand its presence in Brazil, a strategic engineering market, and granted access to a team of highly qualified professionals. This has had a positive impact on innovation and growth at the company.

From a financial point of view, the total cost of the transaction was €5.8 million, net of transaction costs, without STAR7 having to take on the financial liabilities of the acquired businesses.

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Business outlook for the financial year 2025

The STAR7 Group will continue to strengthen its presence in key markets through targeted commercial expansion initiatives, investing in innovation and digitalisation to improve operational efficiency and the quality of its products and services.

A central element of the 2025 strategy will be the focus on cash generation and debt reduction. Particular attention will be paid to margin management, with an approach aimed at improving profitability through a careful pricing policy and effective management of operating costs.

However, the macroeconomic environment remains uncertain due to international tensions and geopolitical developments that could impact international trade dynamics.

The company aims to be resilient in the face of challenges in the economic environment, maintaining a sustainable growth trajectory and continuing to create value for all stakeholders in the long term.

14

Compliance pursuant to Articles 375 and 377 of Legislative Decree 14/2019 (Code of Business Crisis)

On 16 March 2019, the Corporate Crisis Code, which amended Article 2086 of the Civil Code, came into force, thereby placing the onus on the Administrative Body to verify the adequacy of organisational structures in order to prevent the onset of any corporate crisis. This must be done at least every 6 months.

The Company has an adequate organisation chart, also in view of the listing on the Euronext Growth Milan market, and has adequate instruments for the constant monitoring of corporate activities, economic and financial trends and a management control system.

The indicators relating to negative or below-par shareholders' equity and the DSGR (Debt Service Coverage Ratio) do not reveal any critical aspects.

Valle San Bartolomeo (Alessandria), 25 March 2025

The Chairman of the Board of Directors
Lorenzo Mondo



SEPARATE FINANCIAL STATEMENTS

as at 31/12/2024

REGISTRY DETAILS

HEADQUARTERS IN	ALESSANDRIA
TAX IDENTIFICATION NUMBER	01255170050
REA INDEX NUMBER	AL 208355
VAT No.	01255170050
SHARE CAPITAL IN EURO	599,340
LEGAL FORM	COMPANY LIMITED BY SHARES (SPA)
COMPANY IN LIQUIDATION	no
SINGLE MEMBER COMPANY	no
COMPANY SUBJECT TO MANAGEMENT AND COORDINATION BY ANOTHER PARTY	no
GROUP MEMBERSHIP	no
NAME OF THE PARENT COMPANY	STAR7 S.P.A.
COUNTRY OF THE PARENT COMPANY	ITALY

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Balance sheet (figures in Euros)

Assets

	31/12/2024	31/12/2023
B) FIXED ASSETS		
I - INTANGIBLE FIXED ASSETS		
1) Start-up and expansion costs	594,968	844,611
4) Industrial patents and intellectual property rights	1,305,277	1,348,587
5) Goodwill	1,861,146	2,044,665
6) Assets under development/construction and payments on account	826,553	473,929
7) Others	4,138,719	4,674,094
TOTAL INTANGIBLE ASSETS	8,726,662	9,385,886
II - PROPERTY, PLANT AND EQUIPMENT		
1) Land and buildings	797,748	815,249
2) Plant and machinery	15,923	15,629
3) Industrial and commercial equipment	72,563	13,237
4) Other assets	621,693	597,843
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,507,926	1,441,958
III - FINANCIAL FIXED ASSETS		
1) Equity investments in		
a) subsidiaries	38,219,694	34,998,768
b) associated companies	130,500	130,500
Total equity investments	38,350,194	35,129,268
2) Receivables		
a) from subsidiaries		
due within the next financial year	1,385,916	4,477,728
due after the next financial year	4,191,882	0
Total receivables from subsidiaries	5,577,798	4,477,728
d bis) from others		
due after the next financial year	123,043	118,339
Total receivables from others	123,043	118,339
Total receivables	5,700,841	4,596,067
3) other instruments	57,115	57,115
4) financial derivative instrument assets	82,787	219,640
TOTAL FINANCIAL FIXED ASSETS	44,190,938	40,002,090
TOTAL FIXED ASSETS (B)	54,425,526	50,829,934

	31/12/2024	31/12/2023
C) CURRENT ASSETS		
I. INVENTORY		
4) Finished products and goods	113,940	154,174
5) Payments on account	55,800	283,753
TOTAL INVENTORIES	169,740	437,927
II - RECEIVABLES		
1) from customers		
due within the next financial year	22,110,780	28,848,598
Total trade receivables	22,110,780	28,848,598
2) from subsidiaries		
due within the next financial year	1,659,331	3,727,573
Total receivables from subsidiaries	1,659,331	3,727,573
3) from associates		
due within the next financial year	146,757	184,593
Total receivables from associated companies	146,757	184,593
5-bis) tax receivables		
due within the next financial year	1,622,721	1,447,156
Total tax receivables	1,622,721	1,447,156
5-ter) Deferred tax assets/liabilities	731,648	371,354
5-quater) from others		
due within the next financial year	4,121,243	2,364,810
Total receivables from others	4,121,243	2,364,810
TOTAL RECEIVABLES	30,392,479	36,944,084
IV - CASH ON HAND		
1) Bank and postal deposits	21,358,794	5,496,695
3) Cash and cash equivalents	7,397	1,201,960
Total cash and cash equivalents	21,366,190	6,698,655
TOTAL CURRENT ASSETS (C)	51,928,409	44,080,666
D) PREPAYMENTS AND ACCRUED INCOME		
	2,157,541	1,442,470
TOTAL ASSETS	108,511,477	96,353,070

Liabilities

	31/12/2024	31/12/2023
A) NET EQUITY		
I - CAPITAL	599,340	599,340
II - SHARE PREMIUM RESERVE	11,728,160	11,728,160
IV - LEGAL RESERVE	119,868	119,868
VI - OTHER RESERVES, INDICATED SEPARATELY		
Extraordinary reserve	13,339,515	12,725,340
Capital contributions	2,846	2,846
Merger surplus reserve	1,105,814	1,105,815
Misc. other reserves	409,324	409,324
TOTAL OTHER RESERVES	14,857,500	14,243,325
VII - RESERVE FOR TRANSACTIONS TO HEDGE EXPECTED CASH FLOWS	60,933	166,927
IX - PROFIT (LOSS) FOR THE YEAR	2,035,689	614,175
TOTAL NET EQUITY	29,401,490	27,471,795
B) PROVISIONS FOR RISKS AND CHARGES		
1) For pensions and similar obligations	346,930	282,930
2) For taxes, including deferred taxes	24,655	66,139
3) Financial derivative liabilities	2,612	0
4) others	50,000	414,402
TOTAL PROVISIONS FOR RISKS AND CHARGES	424,197	763,471
C) EMPLOYEE SEVERANCE INDEMNITY		
	6,283,404	6,093,506

	31/12/2024	31/12/2023
D) PAYABLES		
1) Bonds		
due within the next financial year	4,289,423	4,034,563
due after the next financial year	24,690,594	16,404,602
Total bonds	28,980,017	20,439,165
4) Borrowings from banks		
due within the next financial year	11,565,225	12,460,962
due after the next financial year	7,651,187	7,918,528
Total due to banks	19,216,413	20,379,490
5) Borrowings from other lenders		
due within the next financial year	1,020,356	1,765,856
Total borrowings from other lenders	1,020,356	1,765,856
7) Trade payables		
due within the next financial year	6,771,260	5,457,279
Total trade payables	6,771,260	5,457,279
9) Payables to subsidiaries		
due within the next financial year	8,732,488	6,504,025
Total payables to subsidiaries	8,732,488	6,504,025
10) Payables to associated companies		
due within the next financial year	632,164	394,263
Total payables to associated companies	632,164	394,263
12) Tax payables		
due within the next financial year	1,129,484	856,663
Total taxes payable	1,129,484	856,663
13) Due to social security institutions		
due within the next financial year	1,450,345	1,575,336
Total payables to social security institutions	1,450,345	1,575,336
14) Other payables		
due within the next financial year	3,232,503	2,820,745
Total other payables	3,232,503	2,820,745
TOTAL PAYABLES	71,165,029	60,192,822
E) ACCRUALS AND DEFERRALS		
	1,237,356	1,831,476
TOTAL LIABILITIES	108,511,477	96,353,070

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Income statement (figures in Euros)

Income Statement

	31/12/2024	31/12/2023
A) VALUE OF PRODUCTION		
1) revenues from sales and services	67,429,065	64,067,457
2) Change in inventories of work in progress, semi-finished and finished products	-38,265	27,222
5) Other revenues and income		
grants related to income	467,105	135,643
others	658,905	291,127
Total other revenues and income	1,126,010	426,770
TOTAL VALUE OF PRODUCTION	68,516,810	64,521,449
B) COST OF PRODUCTION		
6) raw and ancillary materials, consumables and goods	1,439,058	1,370,166
7) for services	32,101,598	29,885,817
8) leases and rentals	1,820,357	1,814,530
9) personnel		
a) wages and salaries	20,669,475	19,230,526
b) social security contributions	6,053,952	5,907,438
c) employees' leaving entitlement	1,481,497	1,204,510
e) other costs	742,195	957,937
Total personnel costs	28,947,119	27,300,411
10) Amortisation, depreciation and write-downs		
a) amortisation	2,910,991	2,614,751
b) depreciation	317,705	337,161
d) write-downs of receivables included in current assets and of cash and cash equivalents	353,270	0
Total amortisation, depreciation and write-downs	3,581,966	2,951,912
11) changes in inventories of raw, ancillary and consumable materials and goods	1,970	32,683
12) Provisions for risks	64,000	64,000
14) Sundry operating expenses	638,497	706,631
TOTAL COSTS OF PRODUCTION	68,594,565	64,126,150
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A - B)	-77,754	395,299

	31/12/2024	31/12/2023
C) FINANCIAL INCOME AND EXPENSES		
15) Income from shareholdings		
from subsidiaries	4,266,232	2,475,149
Total income from equity investments	4,266,232	2,475,149
16) Other financial income		
d) income other than the above		
from subsidiaries	59,177	1,235
others	64,602	5,808
Total income other than the above	123,779	7,043
Total other financial income	123,779	7,043
17) Interest and other financial expenses		
others	2,511,016	2,458,754
Total interest and other financial expenses	2,511,016	2,458,754
17-bis) exchange gains and losses	-36,326	17,920
TOTAL FINANCIAL INCOME AND EXPENSES (15 + 16 - 17 + - 17-BIS)	1,842,669	41,358
PROFIT (LOSS) BEFORE TAX (A - B + - C + - D)	1,764,915	436,657
20) Current, deferred and prepaid income taxes for the period		
current taxes	118,943	97,300
prior year taxes	-21,410	44,585
Deferred tax assets and liabilities	-368,307	-319,403
Total current and deferred income tax assets and liabilities	-270,774	-177,518
21) Profit/(loss) for the year		
Total profit (loss) for the year	2,035,689	614,175

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Cash flow statement (in euros)

Cash flow statement, indirect method

	31/12/2024	31/12/2023
A) CASH FLOW FROM OPERATING ACTIVITIES (INDIRECT METHOD)		
Profit (loss) for the year	2,035,689	614,175
Income Taxes	-270,774	-177,518
Interest expense/(income)	2,387,237	2,451,712
(Dividends)	-4,266,232	-2,475,149
(Gains)/Losses from disposal of assets	-25,791	104,332
1) Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses	-139,872	517,552
Adjustments for non-cash items that did not have a balancing entry in net working capital		
Provisions	1,545,497	1,304,510
Depreciation/amortisation of fixed assets	3,228,696	2,951,912
Value adjustments to financial assets and liabilities of derivative financial instruments not involving monetary movements	33,471	44,098
Other adjustments up/(down) for non-cash items	0	2,326,171
Total adjustments for non-monetary items that did not have a balancing entry in net working capital	4,807,664	6,626,691
2) Cash flow before changes in net working capital	4,667,792	7,144,243
Change in net working capital		
Decrease/(Increase) in inventories	268,187	-265,106
Decrease/(Increase) in trade receivables	6,737,819	-4,335,390
Increase/(Decrease) in trade payables	1,313,981	492,954
Decrease/(Increase) in accrued income and prepaid expenses	-715,071	299,707
Increase/(Decrease) in accrued expenses and deferred income	-594,120	-4,271
Other decreases/(Other increases) in net working capital	-438,363	549,511
Total change in net working capital	6,572,432	-3,262,595
3) Cash flow after changes in net working capital	11,240,224	3,881,648
Other adjustments		
Interest received/(paid)	-2,387,237	-2,409,092
(Income taxes paid)	-40,736	-257,495
Dividends received	4,266,232	2,547,633
(Use of provisions)	-1,327,599	-972,888
Other income/(payments)		
Total other adjustments	510,660	-1,091,842
CASH FLOW FROM OPERATING ACTIVITIES (A)	11,750,884	2,789,806

	31/12/2024	31/12/2023
B) CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment		
(Investments)	-384,592	-528,531
Divestments	26,710	29,114
Intangible fixed assets		
(Investments)	-2,251,768	-5,824,327
Financial fixed assets		
(Investments)	-1,105,974	-165,092
Divestments		0
(Acquisition of subsidiaries net of cash and cash equivalents)		0
CASH FLOW FROM INVESTING ACTIVITIES (B)	-3,715,624	-6,488,836
C) CASH FLOW FROM FINANCING ACTIVITIES		
Loan funds		
Increase/(Decrease) in short-term payables to banks	-1,618,020	1,093,637
Financing	19,375,836	7,423,213
(Repayment of loans)	-11,125,542	-10,813,287
Own funds		
(Dividends and interim dividends paid)	0	0
CASH FLOW FROM FINANCING ACTIVITIES (C)	6,632,275	-2,296,437
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	14,667,535	-5,995,467
Exchange rate effect on cash and cash equivalents	0	0
Cash and cash equivalents at beginning of year		
Bank and postal deposits	5,496,695	12,689,867
Cash and cash equivalents	1,201,960	4,255
Total cash and cash equivalents at beginning of year	6,698,655	12,694,122
Of which restricted	0	0
Cash and cash equivalents at end of year		
Bank and postal deposits	21,358,794	5,496,695
Cash and cash equivalents	7,397	1,201,960
Total cash and cash equivalents at end of year	21,366,190	6,698,655
Of which restricted	0	0

NOTES

to the Separate Financial Statements as at 31/12/2024

1

Introduction

Dear Shareholders,

These financial statements, submitted for your examination and approval, show a net profit for the year of €2,035,689 (€614,175 as at 31/12/2023).

Your company produces and translates technical documentation, provides interpreting services, automates editorial processes, develops dedicated software, and prints on demand. It stands out for its competence and experience, as well as its great commitment to the search for new and innovative solutions.

Research and development activities

The company has developed high added-value editorial technologies in the various Business Areas (Editorial, Language Services, After Sales), succeeding in developing innovative ideas and applications of already existing services, as well as co-developing - also with dedicated internal resources - and increasing the potential and integration of already available software and creating new integrated platforms.

It is the Company's intention to continue to boost the development of new activities characterized by a dose of innovation with respect to its reference market, through a series of initiatives that will primarily involve internal human resources, external consultants and technical equipment.

Significant events occurring during the year

As of 1 January 2023, two lease contracts are operational for business divisions of the companies C.A.A.R. S.p.A. (registered office in Turin, via Treviso 36) and S.T.I. s.r.l. (registered office in Bolzano, via Buoizzi 14/16): These companies are active in the same market in which STAR7 Spa operates but specialise in important complementary but strategic segments.

Both companies entered into judicial liquidation proceedings, with judgments of the Court of Turin issued on 6 March and 30 April 2024, respectively.

At the end of June 2024, STAR7 Spa submitted an irrevocable offer to purchase both business units in a protected procedure that concluded in October 2024, after which STAR7 Spa was awarded the two business units: Since the special powers provided by Decree 21/2012 (Golden Power) were not exercised, the acquisition was definitively formalized with a notarial deed signed on 13 January 2025.

2

Basis of presentation

The criteria used in the preparation and measurement of the Separate Financial Statements items for the year ended 31/12/2024 take into account the changes introduced into the national legislation by Legislative Decree 139/2015, through which Directive 2013/34/EU was implemented. As a result of said decree, the national accounting standards OIC were updated.

These Separate Financial Statements comply with the provisions of articles 2423 et seq. of the Italian Civil Code, as illustrated in these Notes, which have been drawn up in accordance with article 2427 of the Italian Civil Code and constitute, pursuant to article 2423, an integral part of the Financial Statements.

Carrying amounts are shown in Euro units by rounding off the relevant amounts. Any rounding differences were posted to the item "Euro rounding reserve" under shareholders' equity; pursuant to Article 2423, sixth paragraph, of the Civil Code.

The Notes to the Financial Statements present information on items in the Balance Sheet and Income Statement in the order in which the relevant items are shown in the respective financial statements.

Basis of preparation

(Ref. articles 2423 and 2423-bis C.C.)

The valuation of the items in the financial statements was carried out in accordance with the general criteria of prudence and competence, with a view to the continuation of the business.

The application of the principle of prudence has entailed the individual valuation of the elements making up the individual items of assets or liabilities, in order to avoid offsetting losses that must be recognized with profits that must not be recognized as they have not yet been realized.

In accordance with the accruals principle, the effect of transactions and other events has been recorded in the accounts and attributed to the period to which such transactions and events refer, and not to the period in which the related cash movements (receipts and payments) take place.

In application of the principle of materiality, the obligations concerning recognition, measurement, presentation and disclosure have not been complied with when their observance would have an irrelevant effect on the true and fair view.

Continuity in the application of the valuation criteria over time is a necessary element for the purposes of comparability of the company's financial statements in the various financial years.

Recognition and presentation of items in the financial statements has been made taking into account the substance of the transaction or contract.

Exceptional cases pursuant to Article 2423, fifth paragraph, of the Civil Code

(Ref. art. 2423, fifth paragraph, C.C.)

There were no exceptional circumstances that made it necessary to resort to derogations pursuant to art. 2423, paragraph 5 of the Italian Civil Code.

Suspension of depreciation/amortisation - art. 60 Law 126/2020

It should be borne in mind that pursuant to Article 60 of Law no. 126/2020 the Company, as an exception to Article 2426, first paragraph, number 2) of the Civil Code, had decided not to carry out annual amortisation of the cost of certain intangible assets in the Separate Financial Statements as at 31/12/2020; this option was not exercised in the separate financial statements of the financial years subsequently closed. As provided for by the above-mentioned legal provision, the portion of amortisation not carried out is charged to the Income Statement for the following year, thus extending the original amortisation schedule by one year. The Company had been led to use the aforementioned exception in the financial year ended 31/12/2020, as the pandemic caused by the Covid-19 virus had significantly slowed the growth process undertaken and interrupted certain activities such as the Group's rebranding and listing.

In 2023, amortisation on software licences in the amount of €249,796 was reversed. In the following tables, the impact of the derogation as at 31/12/2024 is shown.

BALANCE SHEET	WITHOUT DEROGATION	WITH DEROGATION	DIFFERENCE
Intangible fixed assets	8,586,455	8,726,662	-140,207
Property, plant and equipment	1,507,926	1,507,926	-
Financial fixed assets	44,190,938	44,190,938	-
FIXED ASSETS	54,285,319	54,425,526	-140,207
CURRENT ASSETS	51,928,409	51,928,409	-
ACCRUED INCOME AND PREPAID EXPENSES	2,157,541	2,157,541	-
TOTAL ASSETS	108,371,270	108,511,477	-140,207
Share capital	599,340	599,340	-
Reserves	26,629,656	26,766,461	-136,805
Net profit for the year	2,035,689	2,035,689	-
NET EQUITY	29,264,686	29,401,490	-136,805
PROVISIONS FOR RISKS AND CHARGES	420,795	424,197	-3,402
PROVISIONS FOR SEVERANCE	6,283,404	6,283,404	-
PAYABLES	71,165,029	71,165,029	-
ACCRUED EXPENSES AND DEFERRED INCOME	1,237,356	1,237,356	-
TOTAL LIABILITIES AND NET EQUITY	108,371,270	108,511,477	-140,207

INCOME STATEMENT	WITHOUT DEROGATION	WITH DEROGATION	DIFFERENCE
Value of production	68,516,810	68,516,810	-
Cost of production	-68,594,565	-68,594,565	-
Difference between value and cost of production	-77,754	-77,754	-
Financial income and charges	1,842,669	1,842,669	-
Profit before tax	1,764,915	1,764,915	-
Taxes for the year	270,774	270,774	-
NET PROFIT(LOSS)	2,035,689	2,035,689	-

Changes in accounting policies

There were no changes in accounting policies, net of the new accounting standard on revenues OIC 34.

Starting from the financial statements for the fiscal years beginning on January 1, 2024, accounting standard OIC 34, which governs the criteria for recognizing and measuring revenues, as well as the information to be presented in the notes to the financial statements, came into force. In compliance with Article 2427, paragraph 1, of the Italian Civil Code, it is noted that the application of accounting standard OIC 34 has not resulted in any significant impact on the representation of revenues in these financial statements.

Comparability and adjustment issues

There are no problems with the comparability and adjustment of the figures in the Financial Statements for the year with those in the Financial Statements for the previous year.

Measurement criteria applied

Ref. Article 2426, first paragraph, Civil Code and Accounting Standards OIC 12.

Fixed assets

Intangible fixed assets

These are recorded at the historical cost of acquisition and shown net of amortisation charged directly to the individual items.

Start-up and expansion costs benefiting future periods have been capitalized with the consent of the Board of Statutory Auditors. Start-up and expansion costs are amortised over five years.

Licenses and software are amortized at an annual rate of 33.33%.

The costs of creating the website are amortized at an annual rate of 20%.

Goodwill, recognised with the consent of the Board of Statutory Auditors, can be amortised over 10 years, in consideration of the actual profitability profile of the acquired or incorporated companies. For the amortisation of goodwill relating to the business unit acquired by Dante S.r.l., the exception already referred to, in Law

126/2020 relating to the suspension of depreciation, had been applied in the 2020 financial year;

Leasehold improvements are depreciated at rates that depend on the duration of the lease of the property being improved.

No development costs and/or assets in progress relating to Research and Development projects capitalized pursuant to OIC 24 have been recorded.

If, irrespective of the depreciation/amortisation already recorded, an impairment loss occurs, the asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer apply, the original value is restored, adjusted only for depreciation/amortisation.

Property, plant and equipment

This item is recorded at historic or production cost and adjusted by corresponding accumulated depreciation.

Ancillary charges and costs incurred in using the asset were taken into account in the value recorded in the financial statements, reducing the cost of trade discounts and cash discounts of a significant amount.

The depreciation quotas charged to the Income Statement have been calculated on the basis of the criterion of the residual useful life of the assets, taking into account their use, destination and economic-technical duration, a criterion which we consider to be well represented by the following rates, which have not been modified with respect to the previous year and which are reduced by half in the year the asset enters service:

ASSET CATEGORY	% AMORTISATION/DEPRECIATION
Buildings	3%
Plant and machinery	15%
Equipment	15%
Furniture	12%
Electronic office machines	20%
Trucks	20%

If, irrespective of the depreciation/amortisation already recorded, an impairment loss occurs, the asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer apply, the original value is restored, adjusted only for depreciation/amortisation.

There is no property, plant and equipment with monetary or economic revaluation. There are no capitalised borrowing costs.

Equity investments

Shareholdings in subsidiaries, associates and other companies, entered under financial fixed assets, are valued at purchase or subscription cost.

Investments recorded as fixed assets represent a long-term, strategic investment by the Company.

If an impairment loss occurs, the asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer apply, the original value is restored.

Inventories

Raw and ancillary materials and finished products are recorded at the lower of purchase or production cost and estimated realisable value.

Trade

Receivables are recognised according to the amortised cost method, taking into account the time factor. Differences arising from subsequent revisions of the receivable value are recorded in financial income and expenses.

The amortised cost rule has not been applied where the effects are irrelevant for the purposes of giving a true and fair view;

The nominal value of receivables is adjusted to their estimated realizable value by means of a specific allowance for doubtful accounts, taking into account the existence of indicators of uncollectibility as well as the general economic situation. Receivables include invoices issued and invoices still to be issued, but relating to services rendered in the financial year in question.

Cash on hand

Cash on hand is measured according to the following criteria:

- bank deposits, postal deposits and cheques (current account, cashier's and cash equivalents), constituting receivables, shall be measured at their assumed realisable value. This amount normally coincides with the nominal value, while in difficult situations the estimated net realisable value is reported;
- cash in hand is measured at face value;
- foreign currency holdings are measured at the exchange rate in force at the end of the financial year.

Other

The amortised cost rule has not been applied where the effects are irrelevant for the purposes of giving a true and fair view; therefore, in these cases payables are shown at their nominal value, which reasonably approximates their discharge value.

Provisions for risks and charges

These are set aside to cover losses or debts whose existence is certain or likely, but whose exact amount and/or date of occurrence could not be determined at the end of the financial year.

In the valuation of these provisions, the general criteria of prudence and accruals were respected and no generic risk provisions without economic justification were set up.

Contingent liabilities have been recorded in the financial statements and posted to the provisions since they are considered probable and the amount of the related charge can be reasonably estimated.

Provision for severance pay

The provision represents the actual debt accrued to employees in accordance with the law and current labor contracts, considering all forms of remuneration of an ongoing nature.

The fund does not include the indemnities accrued as at 1 January 2007 and destined for complementary pension schemes pursuant to Legislative Decree no. 252 of 5 December 2005.

Accruals and deferrals

They have been determined in accordance with the criterion of actual accrual for the period.

For long-term accruals and deferrals, the conditions that determined their original booking were verified, adopting the appropriate changes where necessary.

Income Taxes

Taxes are accounted for on an accruals basis and therefore represent provisions for taxes settled for the year, determined in accordance with current rates and regulations. Deferred taxation has been recorded on temporary differences between the book values and tax bases of positive and negative income components.

Revenue and cost recognition

Revenues from sales of finished products and goods are recognised at the time of transfer of ownership with the associated risks and rewards, which is normally identified with delivery or shipment.

Revenue from the provision of services is recognised in profit and loss based on progress when both of the following conditions are met:

- a) the contract provides that the right to consideration shall accrue as the service is performed; and
- b) the amount of accrual revenue can be measured reliably.

Depending on the type of transaction, the method of measuring revenue can be:

- a) a proportion of the hours of work performed at the reporting date to the estimated total hours of work to perform the work; or
- b) proportion of the costs incurred at the reporting date to the total estimated transaction costs; or
- c) proportion of the services performed on the reporting date to the total services provided for in the contract.

In cases where revenue cannot be recognized based on the progress criterion, the revenue for the service provided is recorded in the income statement once the service has been definitively completed.

In the case of a group of contracts, they are treated as a single contract when they are negotiated simultaneously with the same client and when one of the following conditions is met:

- a) the group of contracts has been jointly negotiated with a single commercial objective and there is appropriate documentation of this;
- b) the price of one contract depends on the prices or performance of the other contracts.

Revenues and income, costs and charges relating to transactions in foreign currency are determined at the exchange rate in force on the date on which the transaction is carried out.

Income and expenses relating to sale and purchase transactions with the obligation to retrocession forward, including the difference between the forward price and the spot price, are recorded for the portion pertaining to the year.

The same criteria apply to cost entry.

Translation of monetary assets and liabilities not denominated in euro

There are no monetary assets or liabilities denominated in foreign currencies in these financial statements.

3

Note: Assets

Fixed assets

Intangible fixed assets

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
8,726,662	9,385,886	-659,224

Changes in intangible fixed assets
(Ref. art. 2427, first paragraph, no. 2, C.C.)

	Start-up and expansion costs	Rights*	Industrial patents and intellectual property rights	Goodwill	Intangible fixed assets		
					under development/ construction and advances	Others	Total
Value at start of year							
Cost	2,630,696	0	4,784,107	2,733,675	473,929	8,373,563	18,995,970
Amortisation/depreciation (accumulated)	1,786,085	0	3,435,520	689,010		3,699,469	9,610,084
Book value	844,611	0	1,348,587	2,044,665	473,929	4,674,094	9,385,886
Changes during the year							
Increases due to acquisitions	0		391,550	119,144	352,624	1,388,450	2,251,768
Amortisation/depreciation for the year	249,643		434,860	302,663		1,923,826	2,910,992
Other changes					0		0
Total changes	-249,643	0	-43,310	-183,519	352,624	-535,376	-659,224
Value at end of year							
Cost	2,630,696	0	5,175,657	2,852,819	826,553	9,762,013	21,247,738
Amortisation/depreciation (accumulated)	2,035,728	0	3,870,380	991,673	0	5,623,295	12,521,076
Book value	594,968	0	1,305,277	1,861,146	826,553	4,138,718	8,726,662

*Industrial patent rights and intellectual property rights

The increases in 2024 mainly concerned:

- licences, trademarks and similar rights: €391,550 related to investments in Artificial Intelligence is to be noted;
- goodwill: €119,144 originated from the merger by incorporation of Vertere S.r.l.;
- assets under construction/development: €352,624 for costs incurred in connection with the purchase of the business unit CAAR S.p.A. and STI S.r.l. (which took place on 13/01/2025);
- other intangible fixed assets: leasehold improvements (€79,576) relate to a new leased building located in Valle San Bartolomeo (Alessandria) as well as to work

carried out mainly on the Turin offices; Multi-year costs (€932,823) related to internal development projects.

Goodwill was recognised with the approval of the Board of Statutory Auditors, supported by appraisals drawn up by independent third-party professionals for the business unit acquired from Dante s.r.l. and the RES s.r.l. merger, and taking into account that there are no indicators of impairment. The details are as follows:

	HISTORICAL COST	ACCUMULATED AMORTISATION/DEPRECIATION	NET VALUE
Company branch acquired from Dante s.r.l.	1,286,356	514,542	771,814
RES s.r.l. merger	485,824	244,038	241,786
Grafitec s.r.l.	60,000	24,000	36,000
Vertere s.r.l. merger	1,020,639	209,093	811,546
	2,852,819	991,673	1,861,146

There are no indicators of impairment of intangible fixed assets at 31/12/2024.

In the financial statements for the year ended 31/12/2020, the Company, as a result of the Covid-19 epidemiological emergency, which prevented it from completing planned activities and slowed the growth process it had undertaken, exercised its right to suspend amortisation for the following categories of intangible assets:

- licences, trademarks and similar rights: €261,991;
- goodwill of Dante S.r.l. company branch: €128,012.

In 2020, €390,003 of amortisation had been suspended overall (of which €261,991 deducted for tax purposes as goodwill was not redeemed for tax purposes). It should also be noted that amortisation charges not recorded in the Income Statement but deducted for tax purposes gave rise to deferred taxation of €73,095 (theoretical tax rate of 27.9%).

Breakdown of start-up and expansion costs and development costs

(Ref. Article 2427, first paragraph, no. 3, Civil Code)

The breakdown of start-up and expansion costs and the reasons for their recognition are shown below.

In accordance with OIC 24, we note that the start-up costs for the years 2020, 2021, 2022, and 2023 amounting to €130,000, €200,000, €266,900, and €639,872 respectively, have been recorded under item BI1, pertaining to software services for online technical documentation management projects, serving significant clients in the automotive industry.

Property, plant and equipment

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
1,507,926	1,441,958	65,968

Changes in property, plant and equipment (Ref. Article 2427, first paragraph, no. 2, Civil Code)

	Property, plant and equipment					Total
	Land and buildings	Plant and machinery	Industrial and commercial equipment	Others	Under development/construction and advances	
Value at start of year						
Cost	847,861	130,671	125,733	2,593,470		3,697,735
Amortisation/depreciation (accumulated)	32,612	115,042	112,496	1,995,627		2,255,777
Book value	815,249	15,629	13,237	597,843	0	1,441,958
Changes during the year						
Increases due to acquisitions	0	5,749	68,215	310,628		384,592
Reclassifications						0
Decreases due to disposals and divestments (of book value)				-76,327		-76,327
Amortisation/depreciation for the year	17,501	5,455	8,889	285,860		317,705
Other changes				-75,409		-75,409
Total changes	-17,501	294	59,326	23,850	0	65,968
Value at end of year						
Cost	847,861	136,420	193,948	2,827,771		4,006,000
Amortisation/depreciation (accumulated)	50,113	120,497	121,385	2,206,078		2,498,073
Other changes						0
Book value	797,748	15,923	72,563	621,693	0	1,507,926

The item land/buildings includes a building plot currently used as a car park, not depreciated (€201,000).

Other increases for the year mostly concern electronic machines and hardware.

There are no indicators of the impairment of property, plant and equipment at 31/12/2024.

Real estate leasing

Finance lease transactions: The table below summarises the cumulative figures for two ongoing property lease agreements, as if they were recognised in accordance with international accounting standards (the so-called financial method).

	AMOUNT
Total amount of leased assets at year end	2,469,523
Depreciation that would have been charged during the year	76,189
Present value of instalments of fees not yet due at year end	1,613,667
of which due over 5 years	342,598
Financial charges for the year based on the effective interest rate	70,439

Leases relating to other assets

Finance lease transactions: The table below summarises the cumulative figures for three ongoing lease agreements for capital vehicles, as if they were recognised in accordance with international accounting standards (the so-called financial method).

	AMOUNT
Total amount of leased assets at year end	299,538
Depreciation that would have been charged during the year	67,804
Present value of instalments of fees not yet due at year end	327,699
of which due over 5 years	0
Financial charges for the year based on the effective interest rate	16,298

Financial fixed assets

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
44,190,938	40,002,090	4,188,848

The category includes Equity Investments, Long-term Receivables, Other Securities and Derivative Assets, the movements of which are shown in the tables below.

Changes in equity investments

	Equity investments in subsidiaries	Equity investments in other companies	Total equity investments
Value at start of year			
Cost	34,998,768	130,500	35,129,268
Book value	34,998,768	130,500	35,129,268
Changes during the year			
Increases due to acquisitions	3,220,926		3,220,926
Decreases in carrying amount	0		0
Total changes	3,220,926	0	3,220,926
Value at end of year			
Cost	38,219,694	130,500	38,350,194
Book value	38,219,694	130,500	38,350,194

The increase in shareholdings in subsidiaries is related to:

- loans to strengthen the capital of the subsidiary STAR7 USA LLC (€3,219,726) and the acquisition of the newly formed company STAR7 INDIA (€1,200).

Equity investments

Investments in subsidiaries and other companies recorded as fixed assets represent a long-term, strategic investment by the Company and are valued at purchase/subscription cost.

The following additional information is provided for investments in subsidiaries:

- the financial statements used for valuation purposes are the financial statements for the year ended 31/12/2024, given that the dates of closure of the annual accounts of the Parent Company and the investee companies coincide; if not yet approved by the Shareholders' Meeting, the 2024 draft financial statements prepared by the Administrative Body were used; if the latter are also not available, the approved separate financial statements for the previous year were used;
- the exchange rate used for the Balance Sheet is that reported by the Bank of Italy as at 31/12/2024, whilst the average exchange rate for the year was used for the Income Statement.

Most of the subsidiaries ended the 2024 financial year posting a profit/breakeven, with good performances, consolidating their market positions and investing significantly in both R&D and new printing technologies to be always competitive in the market and provide their customers with targeted and quality services.

It is believed that, despite the general economic situation and ongoing international tensions, no indicators of impairment of the value of equity investments have emerged precisely because of their strategic nature and the complementary nature of the activities they carry out with respect to the Company's business; there were no cases of "reversal of value".

No non-current investments have undergone any changes in destination.

There are no restrictions on the availability of any investment by the participating company, nor are there any stock options or other privileges; The pledge on 100% of the shares/shares of Localeyes Ltd. securing the minibond issued for the partial financing of the acquisition, was replaced by a bank guarantee issued by Unicredit Corporate S.p.A. with SACE guarantee (see note on payables).

No significant transactions, other than ordinary commercial transactions, were carried out with investee companies.

Details of long-term investments in subsidiaries

Name	City, if in Italy, or foreign country	Currency	Share capital in foreign currency	Profit (loss) for the last financial year in €	Net equity in €	Share held in %	Book value or corresponding receivable	Shareholders' equity in € pro-quota
STAR7 PRINTING S.R.L.	ASTI	Euro	10,000	46,762	1,053,985	60%	6,000	632,391
LOCALEYES LTD	CORK (IRELAND)	Euro	1,376,453	5,630,053	7,448,938	100%	33,982,013	7,448,938
STAR7 AUSTRIA GMBH	LINZ (AUSTRIA)	Euro	35,000	51,638	119,422	100%	199,350	119,422
STAR ALBANIA SHPK	TIRANA (ALBANIA)	Lek	500,000	27,507	68,499	100%	4,143	68,499
STAR COMUNICAÇÃO E SERVIÇOS LTDA	BELO HORIZONTE (BRAZIL)	Real	1,448,205	1,195,686	4,330,702	75%	379,679	3,248,027
CAL COMUNICAÇÃO LTDA	BELO HORIZONTE (BRAZIL)	Real	500,000	4,135	3,644	75%	122,228	2,733
STAR USA LLC	USA	USD	3,000	334,194	3,140,266	100%	3,512,200	3,140,266
STAR INDIA	INDIA	Rupees	100,000	0	1,124	100%	1,200	1,124
ABACAAR DOO	KRAGUJEVAC (SERBIA)	Serbian Dinar	1,159,341	111,236	176,580	1%	12,881	1,766
							38,219,694	14,663,167

Details of equity investments in other companies

Name	City, if in Italy, or Foreign State	Tax code (for Italian companies)	Share capital in €	Profit (loss) for the last financial year in €	Net equity in €	Share held in %	Book value or corresponding receivable
IAMdev S.t.p. s.r.l	Montacchiello (PI)	02173930500	10,000	not avail.	not avail.	33%	130,500
							130,500

For investments recognised at a higher value than the portion of shareholders' equity investments in Localeyes Ltd, Star7 Austria Gmbh, Cal Comunicacao Ltda, Star7 USA LLC and Abacaar Doo), no impairment losses were deemed to exist, as the investments are strategic.

In particular, with reference to the investment in LocalEyes Ltd, the higher value recognised the financial statements with respect to the net book value (€26,533,075) reflects the goodwill inherent in the purchase made during the year 2021, as shown by appraisals of independent professionals, deriving from the high levels of profitability achieved by the investee company in the financial years prior to the acquisition and the average normal income expected. In support of this, it is

recalled that Localeyces paid dividends to STAR7 of €4 million during 2024. The impairment test showed no indicators of impairment.

Changes in and maturity of long-term receivables

	NON-CURRENT RECEIVABLES DUE FROM SUBSIDIARY UNDERTAKINGS	NON-CURRENT RECEIVABLES DUE FROM ASSOCIATED UNDERTAKINGS	LONG-TERM RECEIVABLES FROM OTHERS	TOTAL LONG-TERM RECEIVABLES
Value at start of year	4,477,728		118,339	4,596,067
Changes during the year	1,100,070		4,704	1,104,774
Value at end of year	5,577,798	0	123,043	5,700,841
Portion due within the year	1,385,916		0	1,385,916
Portion due after the end of the year	4,191,882		123,043	4,314,925
Of which with residual duration of more than 5 years				0

Receivables from subsidiaries are entirely due from:

- Star7 USA LLC: €1,747,468;
- Star Comunicacao Ltda: €3,229,039;
- Star Albania Shpk: €601,291

Other receivables refer to security deposits.

Breakdown of long-term receivables by geographical area

Receivables at 31/12/2024 are broken down by geographical area as follows (Article 2427, first paragraph, no. 6, Civil Code):

- United States: €1,747,468 (Star7 USA LLC);
- Brazil: €3,229,039 (Star Comunicacao Ltda);
- Europe: €601,291 (Star Albania Shpk);
- Italy: €123,043,

Other securities

This item relates to an insurance policy taken out by Vertere s.r.l. against the provision for severance pay for employees (€57,115). Following the merger by incorporation into STAR7 S.p.A. with accounting and tax effects from 01/01/2023, the policy was transferred to STAR7.

Changes in long-term derivative assets

FINANCIAL DERIVATIVE ASSETS	
Value at start of year	219,640
Changes during the year	-136,853
Value at end of year	82,787

The item is broken down as follows as at 31/12/2024:

Counterpart	Type	Purpose	Date of execution	Date of maturity	Notional value	Mark-to-market	Deferred IRES	Equity Reserve
Intesa Sanpaolo	Interest rate swap	Hedging	29/01/2021	31/12/2026	3,000,000	33,574	8,058	25,516
Unicredit	Interest rate swap	Hedging	18/11/2020	30/09/2026	1,900,000	15,794	3,791	12,003
Credit Agricole	Interest rate swap	Hedging	05/10/2020	05/10/2026	2,250,000	33,419	8,021	25,398
						82,787	19,869	62,918

Current assets

Inventories

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
169,740	437,927	-268,187

Closing inventories are valued at the lower of purchase or production cost and estimated realisable value. Details are shown in the following table.

	VALUE AT START OF YEAR	CHANGES DURING THE YEAR	VALUE AT END OF YEAR
Finished products and goods	154,174	-40,234	113,940
Advances to suppliers	283,753	-227,953	55,800
TOTAL INVENTORIES	437,927	-268,187	169,740

Current receivables

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
30,392,479	36,944,084	-6,551,605

Changes in and maturity of receivables posted to current assets

Description	Balance as at 31/12/2024			Total	Balance as at 31/12/2023	Change
	Within 12 months	After 12 months	After 5 years			
From customers	22,110,780			22,110,780	28,848,598	-6,737,818
From subsidiaries	1,659,331			1,659,331	3,727,573	-2,068,242
From associates	146,757			146,757	184,593	-37,836
For tax receivables	1,622,721			1,622,721	1,447,156	175,565
Deferred tax assets/liabilities	731,648			731,648	371,354	360,294
From others	4,121,243			4,121,243	2,364,810	1,756,433
	30,392,479	-	-	30,392,479	36,944,084	-6,551,605

The Company has exercised the option not to apply the amortised cost method in all cases where the effects are immaterial, such as receivables due within 12 months; receivables are therefore valued at their estimated realisable value.

Trade receivables include invoices sold to the factoring company and "subject to collection".

Tax credits include tax credits for Research and Development amounting to €588,894 (€588,894 as at 31/12/2023); the balance refers to the benefit resulting from the incurrence of costs classifiable as research and development up to 31/12/2024. The "Industry 4.0" tax credit of €137,306 has also been recorded.

This includes VAT credits (€653,383) and Ires-Irap (€223,365): the latter are shown net of taxes paid for the year, offsetting advances paid, withholding taxes incurred and tax credits, showing the net tax credit in the financial statements.

Deferred tax assets have been allocated. The amount as at 31/12/2024 relates to the advance payment of IRES on the following temporary differences between the balance sheet values and values recognised for tax purposes:

Deferred tax assets	Taxable				Deferred tax liabilities			
	31/12/23	Increases	Returns	31/12/24	31/12/23	Increases	Returns	31/12/24
Allowance for doubtful accounts - portion exceeding the tax limit (24%)	315,059	231,496		546,555	75,614	55,559		131,173
Provisions for risks and charges - other (24%)	50,000			50,000	12,000			12,000
Tax losses carried forward (24%)	1,182,250		-159,858	1,022,392	283,740		-38,366	245,374
Carry-over interest expense (24%)		642,933		642,933		154,304		154,304
Allocated but not certain and final costs of MBO (24%)		784,042		784,042		188,170		188,170
Financial derivative liabilities		2,612		2,612		627		627
	1,547,309	1,661,083	-159,858	3,048,534	371,354	398,660	-38,366	731,648

Amounts due from others, amounting to €4,121,243, primarily include:

- €2,696,239 related to advances to C.A.A.R. S.p.A. and S.T.I. S.r.l. (of which €1,543,963 for the assumption of the severance fund accrued as of 31/12/2022 by employees hired at Star7 and €1,152,276 for security deposits paid on 28/06/2024 to the judicial liquidation procedures);
- €536,061 related mainly to the portion accrued for severance pay by the employees of SDS (the same amount has been charged to liabilities under the item severance pay), to which advance payments on account must be added. STAR7's lease of this business unit for a period of three years, originally expiring in November 2020, was extended for another year; the company was declared bankrupt on 3 March 2022 by the Civil Court of La Spezia. At the end of the lease of the business unit and in case of return of the same to the company SDS s.r.l., the amounts will be offset;
- €453,072 for insurance compensation recognized during the year;
- €412,861 related to the NRRP contribution - Competence Industry Manufacturing 4.0 call.

The following table shows the relationships with subsidiaries, broken down by financial or commercial nature.

Receivables from subsidiaries	31/12/2024 Trade	31/12/2023 Trade
STAR7 USA LLC	1,047,083	1,809,986
STAR ALBANIA	275,575	804,030
STAR COMUNICACAO E SERVICOS LTDA	50,980	850,765
LOCALEYES LTD	272,236	232,031
STAR GMBH - AUSTRIA	1,604	862
ABACAAR DOO KRAGUJEVAC	1,368	
STAR7 PRINTING S.R.L.	10,485	29,899
	1,659,331	3,727,573

The following tables also show transactions with subsidiary and associated companies (Dante s.r.l. and the various companies of the STAR AG group), broken down according to their financial or trade nature.

Receivables due from associated companies	31/12/2024 Trade	31/12/2023 Trade
STAR AG	211	31,078
STAR DEUTSCHLAND GMBH	12,843	40,038
STAR PARIS	7,854	10,026
STAR TECHNOLOGY SOLUTIONS	7,747	5,970
STAR Software, Translation, Artwork, Recording GmbH	102,909	59,441
STAR JAPAN CO., LTD	11,430	1,625
STAR UK LIMITED	79	-
STAR SA	1,170	4,706
STAR GROUP SCANDINAVIA AB	1,916	4,691
STAR GROUP AMERICA, LLC	-	-
STAR CZECH S.R.O.	566	-
STAR SERVICIOS LINGUISTICOS SLU	30	30
STAR HUNGARY KFT	-	223
DANTE S.R.L.	-	404
STAR PREVAJALSKE STORITVE D.O.O Ljubljana	-	27,410
	146,757	184,593

Breakdown of receivables posted to current assets by geographical area

The breakdown of receivables as at 31/12/2024 by geographical area is shown in the following table (amounts shown gross of the allowance for doubtful accounts); Article 2427, first paragraph, no. 6, Civil Code).

	ITALY	EU	NON EU	TOTAL
Trade receivables	19,744,636	1,905,849	460,294	22,110,780
Receivables from subsidiaries	10,485	273,840	1,375,006	1,659,331
Receivables from associated companies	-	133,866	12,891	146,757
Tax receivables	1,622,721			1,622,721
Deferred tax assets	731,648			731,648
Receivables due from others	4,121,243			4,121,243
Total receivables posted to current assets	26,230,733	2,313,555	1,848,191	30,392,479

Movements in the allowance for doubtful accounts were as follows:

Balance as at 31/12/2023	376,847
Uses during the year	-
Provision for the year	353,270
Balance as at 31/12/2024	730,117

Cash on hand

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
21,366,190	6,698,655	14,667,535

The details are as follows:

	VALUE AT START OF YEAR	CHANGE DURING THE YEAR	VALUE AT END OF YEAR
Bank and postal deposits	5,496,695	15,862,099	21,358,794
Cash and other valuables on hand	1,201,960	-1,194,563	7,397
TOTAL CASH AND CASH EQUIVALENTS	6,698,655	14,667,535	21,366,190

The balance represents cash and cash equivalents and the existence of cash and valuables at the end of the fiscal year. Reference should be made to the Statement of Cash Flows for a quantitative analysis of the cash flows that generated the change in the period.

The significant change in the item "Cash and other valuables on hand" is justified by the issuance of a bank draft in the amount of €1,198,814 for the payment in favour of the ongoing legal proceedings of CAAR S.p.A. and STI S.r.l.: the cheque was withdrawn and unpaid in early 2024.

Accrued income and prepaid expenses

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
2,157,541	1,442,470	715,071

This item can be broken down as follows (Article 2427, first paragraph, no. 7, Civil Code).

	31/12/2024	31/12/2023	CHANGE
Accrued income	45,091	18,916	26,175
Prepaid expenses:			
Property leases	74,379	283,195	-208,816
Vehicle leasing	47,348	22,118	25,230
Other (telephone, insurance, rent, loan applications, etc.)	1,990,723	1,118,241	872,482
TOTAL	2,157,541	1,442,470	715,071

As at 31/12/2024, prepaid expenses with a duration of more than five years refer to:

- €572,000 related to a contractual discount to STELLANTIS spread over a period of five years.

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Note: liabilities and net equity

Net equity

(Ref. Article 2427, first paragraph, no. 4, 7 and 7-bis, C.C.)

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
29,401,490	27,471,794	1,929,696

Changes during the year in equity items:

Description	31/12/2023	Allocation of previous year's result		Other changes		Profit/loss for the period	31/12/2024
		Dividends	Other uses	Increases	Decreases		
Share capital	599,340						599,340
Share premium reserve	11,728,160						11,728,160
Legal reserve	119,868						119,868
Other reserves:							
Extraordinary reserve	12,725,339		614,175				13,339,514
Capital contributions	2,846						2,846
Merger surplus reserve	1,105,815						1,105,815
Reserve Article 60 Decree Law 104/2020 (converted Law 126/2020)	390,003						390,003
Misc. other reserves	19,321						19,321
Total other reserves:	14,243,324	0	614,175	0	0	0	14,857,499
Reserve for transactions to hedge expected cash flows	166,927				-105,993		60,934
Profit (loss) for the year	614,175		-614,175			2,035,689	2,035,689
TOTAL NET EQUITY	27,471,794	0	0	0	-105,993	2,035,689	29,401,490

We recall that on 25 October 2021, a share capital increase of €27,650 was approved, reserved for the entry of the Kairos investment fund, with a concurrent premium of €2,972,350. The share capital was then further increased by €71,690 for the purpose of subsequent listing on Borsa Italiana, Euronext Growth Milan segment, with a premium of €8,755,810. These increases were fully subscribed and paid.

The "merger surplus reserve" arose in the financial year 2022 as a result of the merger of STAR7 Engineering (€1,003,057) and AD Studio (€102,758).

The "Reserve Article 60 Decree-Law 104/2020 (converted into Law 126/2020)", equal to €390,003, corresponds to the lower amortisation of intangible fixed assets charged to the income statement in 2020 by virtue of the suspension/reduction option pursuant to Article 60 Decree-Law 104/2020. The reserve is currently unavailable; it will become available following the reversal of suspended

depreciation (in 2023, €249,796 was reversed, as explained in the section on "Suspension of Depreciation").

The "Reserve for expected cash flow hedging transactions" (which became positive in 2022) is shown net of deferred taxes. It was recognised against "Derivative Assets" under Financial fixed assets.

Details of the various other reserves

Description	Amount
Reserve Article 60 Decree Law 104/2020 (converted Law 126/2020)	390,003
Amnesty reserve	19,321
Total	409,324

Availability and use of shareholders' equity

Shareholders' equity items are broken down according to origin, possibility of utilization, distributability and utilization in the previous three years as follows (article 2427, first paragraph, no. 7-bis, of the Italian Civil Code)

	Amount	Origin/nature	Possible uses	Amount available
Capital	599,340		B	
Share premium reserve	11,728,160		A, B, C, D	11,728,160
Legal reserve	119,868	Gains	A, B	
Other reserves				
Extraordinary reserve	13,339,514	Gains	A, B, C, D	13,339,514
Capital contributions	2,846		A, B, C, D	2,846
Merger surplus reserve	1,105,815	Gains	A, B, C, D	1,105,815
Reserve Article 60 Decree Law 104/2020 (converted Law 126/2020)	390,003		AND	
Misc. other reserves	19,321		A, B, C, D	19,321
Total other reserves	14,857,499			14,467,496
Reserve for transactions to hedge expected cash flows	60,934			
TOTAL	27,365,801			26,195,656
Non-distributable portion				594,968
Residual distributable amount				25,600,688

Legend:

A: for capital increase B: to cover losses
C: for distribution to shareholders D: for other statutory constraints:
E: other

There are non-distributable reserves pursuant to Article 2426 of the Civil Code: the extraordinary reserve (of an optional nature) is indirectly unavailable to the extent of the net book value of start-up and expansion costs (€594,968). There are no

restrictions on distributability arising from the translation at year-end exchange rates of assets and liabilities in currencies other than the Euro.

Formation and use of shareholders' equity items

As required by article 2427, paragraph 1, number 4) of the Italian Civil Code, the following information is provided (changes during the last two years):

	Share Capital	Share premium reserve	Legal reserve	Extraordinary reserve	Merger surplus	Reserve Decree Law 104/2020	Reserve Law 289/2002	Capital contribution	Reserve*	Profit (loss) for the year	TOTAL
At the beginning of the previous year	599,340	11,728,160	119,868	8,630,329	1,105,815	390,003	19,321	2,846	306,568	4,095,010	26,997,260
Allocation of the result for the year:											
other uses				4,095,010						-4,095,010	0
Other changes											
increases											0
decreases									-139,641		-139,641
Previous year's result										614,175	614,175
At the end of the previous year	599,340	11,728,160	119,868	12,725,339	1,105,815	390,003	19,321	2,846	166,927	614,175	27,471,794
Allocation of the result for the year:											
allocation of dividends											0
other uses				614,175						-614,175	0
Other changes											
increases											0
decreases									-105,993		-105,993
Result for the current year										2,035,689	2,035,689
At the end of the current financial year	599,340	11,728,160	119,868	13,339,514	1,105,815	390,003	19,321	2,846	60,934	2,035,689	29,401,490

*Reserve for transactions to hedge expected cash flows

In equity, the following items are present:

Reserves or other funds which, in the event of distribution, do not form part of the shareholders' taxable income regardless of the period of formation:

Description	Amount
Capital contributions	2,846
Total	2,846

Provisions for risks and charges

(Ref. Article 2427, first paragraph, no. 4, Civil Code)

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023				CHANGE
424,197	763,471				-339,274
	Provision for pensions and similar obligations	Provision for taxes, including deferred taxes	Financial derivative liabilities	Other provisions	Total provisions for contingencies and charges
Value at start of year	282,930	66,138	0	414,403	763,471
Changes during the year					
Provision for the year	64,000		2,612	0	66,612
Use during the year		-41,484		-36,000	-77,484
Other changes				-328,403	-328,403
Total changes	64,000	-41,484	2,612	-364,403	-339,274
Value at end of year	346,930	24,654	2,612	50,000	424,197

Provisions for risks and charges are made up as follows:

- provisions for Directors' Severance Indemnity equal to €346,930;
- provision for deferred taxes: details are shown in the table below:

	Taxable				Deferred tax liabilities					
	31/12/23	Increases	Other changes	Returns	31/12/24	31/12/23	Increases	Other changes	Returns	31/12/24
Suspended amortisation Article 60 Decree Law 104/2020 (27.9%)	12,195				12,195	3,402	0		0	3,402
Financial derivative assets (24%)	219,640		-136,853		82,787	52,714	0	-32,845	0	19,869
Leaving incentives (24%)	36,000			-36,000	0	8,640	0		-8,640	0
5% dividends to be received from Star Comunicacao Ltda (24%)	5,762				5,762	1,383	0		0	1,383
	273,597	0	-136,853	-36,000	100,745	66,139	0	-32,845	-8,640	24,655

- others include:
 - 1) a risk provision of €50,000 set aside in previous years for commercial risks;
 - 2) the provision made in prior years for the amnesty for R&D bonuses (Decree Law 146/2021), following the Report on R&D activities, carried out by STAR7 and Star7 Engineering, prepared by the Federico II University of Naples - D.I.E.T.I. Department; was fully accounted for in tax liabilities (€328,403) as it became certain and definitive;
 - 3) The provision for staff leaving incentives, set aside in previous years, was zero as at 31/12/2024, having been fully utilised during the year for €36,000.

Provision for employee severance indemnity

(Ref. Article 2427, first paragraph, no. 4, Civil Code)

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
6,283,404	6,093,506	189,898

Changes during the year are shown in the following table:

EMPLOYEE SEVERANCE INDEMNITIES	
Value at start of year	6,093,506
Changes during the year	
Provision for the year	1,489,947
Use during the year	-908,613
Other changes	-391,435
Total changes	189,899
Value at end of year	6,283,404

The allowance represents the actual debt accrued to employees in accordance with the law and current labor contracts, taking into account all forms of remuneration of an ongoing nature.

The provision corresponds to the total of the individual indemnities accrued up to 31/12/2024 December 2022 in favour of employees at the closing date of the financial statements, net of advances paid, and is equal to the amount that would have been payable to employees if they had terminated their employment on that date.

The provision does not include allowances accrued as at 1 January 2007, allocated to supplementary pension schemes pursuant to Legislative Decree no. 252 of 5 December 2005.

Payables

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
71,165,029	60,192,822	10,972,207

Changes and maturity of payables

The maturity of payables is broken down as follows (Article 2427, first paragraph, no. 6, Civil Code).

	Value at start of year	Change during the year	Value at end of year	Portion due within the year	Portion due after the end of the year	Of which with residual duration of more than 5 years
Bonds	20,439,165	8,540,852	28,980,017	4,166,500	24,813,517	
Borrowings from banks	20,379,490	-1,163,077	19,216,413	11,565,225	7,651,187	
Borrowings from other lenders	1,765,856	-745,500	1,020,356	1,020,356		
Trade payables	5,457,279	1,313,981	6,771,260	6,771,260		
Due to subsidiaries	6,504,025	2,228,463	8,732,488	8,732,488		
Payables to associated companies	394,263	237,901	632,164	632,164		
Tax payables	856,663	272,821	1,129,484	1,129,484		
Payables to social security institutions	1,575,336	-124,991	1,450,345	1,450,345		
Other payables	2,820,745	411,758	3,232,503	3,232,503		
TOTAL PAYABLES	60,192,822	10,972,207	71,165,029	38,700,325	32,464,704	-

The most significant payables as at 31/12/2024 are as follows:

- bonds the item consists of the following bonds:
 - 1) two “mini-bond” issues totalling €25 million to partially finance the acquisition of 100% of the LocalEyes Ltd. Group; the duration is 7 years with one-year grace period (full repayment by 25/10/2028), and a fixed interest rate of 4.75%. As security, a pledge on 100% of the shares/shares of Localeyes Ltd. was issued, replaced in 2022 by a bank guarantee issued by Unicredit Corporate S.p.A. with SACE guarantee; the payable was recognised according to the amortised cost criterion;
 - 2) €13 million non-convertible bond at a variable rate maturing in November 2031, fully subscribed by Unicredit with 50% SACE coverage and a grace period of about 13 months (subscription and circulation of the securities are reserved exclusively for qualified investors); The issue was secured by Collateral Assignment of the CAAR division. The financial resources were allocated partly to the acquisition of the CAAR business and partly to supporting related activities, including working capital and investments, with particular reference to Artificial Intelligence projects that will bolster the commercial development of STAR7 in the near future. the payable was recognised according to the amortised cost criterion;
- borrowings from banks: this item includes several medium/long-term loans provided by various banks; the item also includes loans granted by various

banks relating to invoice advance accounts and to “hot money” loans, all short-term loan transactions used by the Company to cover very short-term needs;

- borrowings from other lenders: the item includes:
 - 1) payables related to the acquisition of multi-year contracts with important players in the Automotive sector;
 - 2) other sundry payables mainly related to costs associated with loans/minibonds entered into during 2024 and included in the determination of the amortised cost of bonds.

Tax payables refer almost exclusively to withholding taxes to be paid as withholding agent.

Other payables include mainly payables to employees for current and deferred remuneration (€2,848,527).

There are no payables secured by collateral on corporate assets (Article 2427, first paragraph, no. 6, of the Italian Civil Code), with the exception of what was previously reported with regard to payables for bonds/minibonds (for which a 100% pledge on shares/quotas of Localeyes was issued, replaced in 2022 by a bank guarantee issued by Unicredit Corporate S.p.A. with SACE guarantee).

On 31/12/2024, the debt to other lenders of 1.5 million for the remaining price to be paid against the acquisition of the LocalEyes Ltd Group is guaranteed by a surety issued by UNICREDIT CORPORATE SPA in favour of CUBIC VENTURE S.A.

As far as bank loans are concerned, the Company benefited from the moratorium in 2020 introduced by legislation to combat the Covid-19 epidemiological emergency, starting from Decree Law 23/2020 (Liquidity Decree). The amount of the capital shares subject to the benefit totalled €705,471 in 2020.

As the moratorium did not entail any change in contractual conditions or in the interest rates applied, which are in line with market rates, the amortised cost method was not applied to these loans, also because the effects would not be significant.

The Company has obtained the SACE / Mediocredito guarantee provided for by the Covid-19 epidemiological emergency regulations on the following loans:

Lending institution	Amount of loan	Maximum amount guaranteed by the fund	State aid quantification	Legal reference	Guarantor:
UNICREDIT	2,000,000	1,800,000	-	Article 1 Decree Law 23/2020	SACE
CREDIT AGRICOLE	2,250,000	2,030,000	89,117		MEDIOCREDITO
BANCA SELLA	1,000,000	1,000,000	-	Innovfin Guarantee	FEI FUND
INTESA SANPAOLO	1,650,000	1,320,000	52,245	Guarantee Fund Law 662/96	MEDIOCREDITO
BPM	500,000	450,000	17,811	Guarantee Fund Law 662/96	MEDIOCREDITO
BPM	1,500,000	1,200,000	47,495	Guarantee Fund Law 662/96	MEDIOCREDITO
INTESA SANPAOLO	3,000,000	2,700,000	-	Article 1 Decree Law 23/2020	SACE
INTESA SANPAOLO	1,500,000	1,350,000	-	Article 1 Decree Law 23/2020	SACE
TOTAL	13,400,000	11,850,000	206,669		

The table below shows amounts due to subsidiaries:

Payables to subsidiaries	31/12/2024			31/12/2023
	Trade	Financial	Total	Trade
STAR7 PRINTING S.R.L.	2,142,454		2,142,454	1,753,159
STAR ALBANIA SH.P.K	446,825		446,825	222,863
STAR GMBH	49,600		49,600	53,300
STAR7 USA LLC - TECHWORLD LANGUAGE SERVICES	27,616		27,616	25,487
LOCALEYES LTD	156,580	5,735,215	5,891,795	25,224
ABACAAR DOO KRAGUJEVAC	170,088		170,088	-
C.A.A.R DO BRASIL TECHNICAL CONSULTATION LTDA	2,000		2,000	-
STAR COMUNICACAO E SERVICOS LTDA	2,111		2,111	779
	2,997,273	5,735,215	8,732,488	2,080,812

The tables below show payables to associated companies:

Payables to associated companies	31/12/2024	31/12/2023
	Trade	Trade
STAR AG	134,513	48,856
STAR CZECH S.R.O.	34,755	35,499
STAR POLAND	54,496	23,259
STAR PREVAJALSKE STORITVE D.O.O Ljubljana	81,412	79,412
STAR JAPAN TOKYO	-	24,483
IAMDEV	25,730	22,323
STAR SERV.LINGUISTICOS LDA	56,567	44,072
STAR INFORMATION ENGINEERING S.L.	-	5,321
STAR SERVICIOS LINGUISTICOS	252	120
STAR SOFTWARE SHANGHAI CO. LTD	27,419	23,462
STAR HUNGARY KFT	15,330	15,513
STAR EGYPT MIDDLE EAST LTD CAIRO	6,146	1,461
STAR UK LIMITED	5,119	10,039

	31/12/2024	31/12/2023
Payables to associated companies	Trade	Trade
STAR Information Services & Tools S.R.L.	15,194	15,821
STAR KOREA AG	8,607	4,894
STAR SPB - RUSSIA	-	562
STAR TRANSLATION & SOFTWARE THAILAND CO., LTD	792	164
STAR DEUTSCHLAND GMBH	24	10,669
STAR AG TAIWAN BRANCH	1,686	2,360
STAR PARIS	7,200	9,600
STAR GROUP AMERICA LLC	728	-
STAR DO BRASIL LOCALIZACAO E TECNOLOGIA LTDA	1,478	1,431
DANTE S.R.L.	123,097	2,600
STAR SOFTWARE INDONESIA	3,434	1,453
STAR GROUP SCANDINAVIA AB	88	174
STAR TURKEY INF.SERVICES LTD STI	21,435	8,513
STAR TECHNOLOGY SOLUTIONS	557	223
STAR J&M FINNLAND OY	161	1,687
STAR CO., LTD	1,358	257
STAR SL	-	-
STAR GMBH	4,552	-
STAR SA	35	35
	632,164	394,263

Breakdown of payables by geographical area

The breakdown of payables as at 31/12/2024 according to geographical area is shown in the following table (Article 2427, first paragraph, no. 6 of the Civil Code).

	Italy	EU	Non EU	TOTAL
Bonds	28,980,017			28,980,017
Borrowings from banks	19,216,413			19,216,413
Borrowings from other lenders	1,020,356			1,020,356
Trade payables	5,699,660	706,274	365,325	6,771,260
Due to subsidiaries	2,142,454	5,941,395	648,639	8,732,488
Payables to associated companies	148,827	270,586	212,751	632,164
Tax payables	1,129,484			1,129,484
Payables to social security institutions	1,450,345			1,450,345
Other payables	3,232,503			3,232,503
TOTAL PAYABLES	63,020,058	6,918,255	1,226,715	71,165,029

Accrued expenses and deferred income

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
1,237,356	1,831,476	-594,120

The division between accruals and deferrals is as follows:

	Value at start of year	Change during the year	Value at end of year
Accrued expenses	418,245	-211,909	206,336
Deferred income	1,413,231	-382,211	1,031,020
Total accrued expenses and deferred income	1,831,476	-594,120	1,237,356

The most significant amounts of accrued expenses include interest accrued on the bond loan (€111,379) and other minor amounts for credit card expenses incurred in December but debited to the current account in January, employee expense accounts, and bank fees.

Deferred income relates to invoices issued in advance in 2024 but related to activities that will be performed in 2025.

As of 31/12/2024 there are no accruals or deferrals with a duration of more than five years.

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Note: income statement**Value of production**

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
68,516,810	64,521,449	3,995,361

The details are as follows:

Description	31/12/2024	31/12/2023	Change
Revenues from sales and services	67,429,065	64,067,457	3,361,608
Change in inventories of work in progress, semi-finished and finished products	-38,265	27,222	-65,487
Other revenues and income			
grants related to income	467,105	135,643	331,462
others	658,905	291,127	367,778
Total other revenues and income	1,126,010	426,770	699,240
TOTAL VALUE OF PRODUCTION	68,516,810	64,521,449	3,995,361

“Other revenues and income” include operating grants relating to:

- revenues related to projects developed in collaboration with CIM 4.0 (€412,861);
- €273,072 related to an insurance reimbursement on the Kering project;

Other income mainly comprises ordinary contingent assets (€286,860).

Breakdown of revenues from sales and services by category of activity

(Ref. Article 2427, first paragraph, no. 10, Civil Code)

BUSINESS SECTOR	31/12/2024	31/12/2023	Changes
Product knowledge, Engineering and Experience	43,668,598	38,782,031	4,886,567
Global Content	14,620,065	15,210,060	-589,995
Printing	8,935,564	9,241,151	-305,587
Other services	204,838	834,215	-629,377
TOTAL	67,429,065	64,067,457	3,361,608

Breakdown of revenues from sales and services by geographical area

(Ref. Article 2427, first paragraph, no. 10, Civil Code)

GEOGRAPHICAL AREA	31/12/2024	31/12/2023	Changes
Italy	60,067,725	55,083,763	4,983,962
EU	6,328,655	4,953,371	1,375,284
non EU	1,032,684	4,030,323	-2,997,639
TOTAL	67,429,065	64,067,457	3,361,608

Cost of production

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
68,594,565	64,126,150	4,468,415

Description	31/12/2024	31/12/2023	Change
Raw and ancillary materials and goods	1,439,058	1,370,166	68,892
Language	32,101,598	29,885,818	2,215,780
Leased assets	1,820,357	1,814,530	5,827
Wages and salaries	20,669,475	19,230,527	1,438,948
Social security contributions	6,053,952	5,907,438	146,514
Employees' leaving entitlement	1,481,497	1,204,510	276,987
Pensions and similar obligations	-	-	-
Other personnel costs	742,195	957,936	-215,741
Amortisation	2,910,991	2,614,751	296,240
Depreciation	317,705	337,160	-19,455
Other write-downs of fixed assets	-	-	-
Write-downs of receivables in current assets	353,270	-	353,270
Change in inventories Raw materials	1,970	32,683	-30,713
Provisions for risks	64,000	64,000	-
Other provisions	-	-	-
Sundry operating expenses	638,497	706,631	-68,134
TOTAL	68,594,565	64,126,150	4,468,415

Cost of raw materials, ancillary materials, consumables and goods for resale and Cost of services

They are closely related to the information provided in the section of the Report on Operations and the performance of Item A (Value of Production) of the Income Statement.

Personnel costs

This item includes all expenses for employees, including merit payments, changes in category, contingency payments, the cost of unused vacation time and provisions pursuant to legislation and collective labour agreements.

Amortisation and depreciation

Depreciation/amortisation has been calculated on the basis of the useful life of the assets and their participation in the production phase.

Financial income and charges

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
1,842,669	41,357	1,801,312

The details are as follows:

Description	31/12/2024	31/12/2023	Change
Dividends from investee companies	4,266,232	2,475,149	1,791,083
Income other than the above	123,779	7,042	116,737
Interest expense and other financial charges	-2,511,016	-2,458,754	-52,262
Exchange gains (losses)	-36,326	17,920	-54,246
TOTAL	1,842,669	41,357	1,801,312

Income from equity investments refers to dividends distributed by the subsidiaries Localeytes Ltd (€4,014,785) and Star Comunicação e Serviços Ltda (€251,447), all received.

Breakdown of interest and other financial expense by type of debt

Description	31/12/2024	31/12/2023	Change
Payables to banks for current accounts and advances	527,575	420,538	107,037
Borrowings from banks - mortgages	573,711	555,356	18,355
Bonds/mini-bonds	1,187,052	1,281,580	-94,528
Others	222,678	201,280	21,398
TOTAL	2,511,016	2,458,754	52,262

Other financial income

Description	31/12/2024	31/12/2023	Change
Bank and post office interest	64,602	5,809	58,793
Others	59,177	1,233	57,944
TOTAL	123,779	7,042	116,737

The details of exchange gains and losses are not indicated as the amounts are not significant. The balance in the income statement refers entirely to realised exchange differences.

Value adjustments to financial assets and liabilities

No adjustments were made to the value of financial assets and liabilities

Information on the fair value of financial derivatives

Pursuant to Article 2427-bis, first paragraph, Civil Code, we inform you that the Company has entered into the following, unlisted, derivative financial contracts, of which the main characteristics and their fair value, recognised in the financial statements in accordance with accounting standard OIC 32, are summarised below.

Type of contract	Purpose	Notional value	Fair value		Date of execution	Expiry
			positive	negative		
Intesa San Paolo Interest rate swap	hedging	3,000,000	33,574		29/01/2021	31/12/2026
Unicredit interest rate swap	hedging	1,900,000	15,794		18/11/2020	30/09/2026
Credit Agricole interest rate swap	hedging	2,250,000	33,419		05/10/2020	05/10/2026
		7,150,000	82,787	-		

Please refer to the note on "derivative assets" under financial fixed assets.

Current, deferred and prepaid income taxes for the year

BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGE
-270,774	-177,518	-93,256

The details are as follows:

Description	31/12/2024	31/12/2023	Change
Current taxes:	118,943	97,300	21,643
IRES	4,906	0	4,906
IRAP	114,037	97,300	16,737
Prior year taxes	-21,410	44,585	-65,995
Deferred tax liabilities (assets):	-368,307	-319,403	-48,904
Deferred IRES/IRAP arising during the year	0	0	0
Deferred IRES/IRAP liabilities reversed during the year	-8,640	-61,923	53,283
Prepaid IRES/IRAP arising during the year	-359,667	-257,480	-102,187
Deferred IRES/IRAP assets reversed during the year	0	0	0
TOTAL	-270,774	-177,518	-93,256

Taxes for the year have been recorded.

Taxes related to previous years (€21,410) refer to the difference between what was settled with the submission of the 2024 tax returns and what was booked in the 2023 income statement.

Deferred tax assets/liabilities

For details of deferred tax assets, please refer to the table included in the note on receivables from current assets, while reference is made for details of deferred tax liabilities to the table included in the note on provisions for risks and charges.

Cash flow statement

With regard to the Cash Flow Statement, the following should be noted:

- in FY 2023, the "Total adjustments for non-monetary items that did not have a balancing entry in net working capital" includes, among other components, the provision for severance indemnities of the employees of C.A.A.R. S.p.A. and S.T.I. srl acquired by STAR7 by virtue of the leasing of business divisions (€1.273.118).

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Note: other information

Employment figures

The average number of staff, broken down by category, underwent the following changes with respect to the previous year:

Staff	31/12/2024	31/12/2023	Change	Average no.
Executives	9	10	-1	10
Middle managers	15	14	1	15
Office workers	523	534	-11	529
Manual workers	8	8	-	8
Others	-	-	-	0
	555	566	-11	561

The national employment contract applied is that of the commerce, tertiary, distribution and services sector.

Fees, advances and credits granted to directors and statutory auditors and commitments undertaken on their behalf

	Administrators	Statutory auditors
Fees	865,680	44,412

No advances were paid or loans granted to directors and auditors, nor were guarantees issued in their favour.

Fees to the statutory auditor or auditing company

In accordance with the law, the fees for the year for services provided by the Independent Auditors and by entities belonging to their network are shown:

	Amount
Legal audit of annual accounts	21,375
TOTAL FEES DUE TO THE STATUTORY AUDITOR OR THE AUDITING FIRM	21,375

Categories of shares issued by the company

The share capital, fully subscribed and paid-up, is composed as follows (Article 2427, first paragraph, nos. 17 and 18, Civil Code)

Stocks/Quotas	Number	Nominal value in Euro
Ordinary shares	8,999,752	without par value
	8,999,752	

We recall that in 2021 the following shares were issued (Extraordinary Shareholders' Meeting of 29/11/2021 and Board of Directors' meeting of 20/12/2021):

SHARES ISSUED BY THE COMPANY BY CATEGORIES	
Description	Ordinary shares
Shares subscribed during the year, number	8,999,752
Shares subscribed during the year, par value	not indicated
Opening amount, number	
Closing amount, number	8,999,752
Opening amount, par value	
Closing amount, par value	not indicated

For the purpose of admission to listing on the Euronext Growth Milan market, the existing ordinary shares as at 31/12/2020 (500,000 with a unit value of €1.00) were cancelled as new ordinary shares were issued, dematerialised, with no indication of the par value.

On 20 December 2021, the Board of Directors subsequently resolved on a capital increase with the issue of 1,499,752 new ordinary shares, of which 429,752 subscribed by Kairos Partners SGR S.p.A. and 1,070,000 offered for placement on the market.

Securities issued by the company

As already mentioned, the Company issued the following securities during the year 2021 that are not included in the share capital:

two bond/minibond issues totalling €25 million to partially finance the acquisition of 100% of the Localeyes Ltd. Group; the duration is 7 years with one-year grace period (full repayment by 25/10/2028), and a fixed interest rate of 4.75%; as security, a pledge on 100% of the shares/shares of Localeyes Ltd. was issued, replaced in 2022 by a bank guarantee issued by Unicredit Corporate S.p.A. with SACE guarantee.

These securities are listed on the Extra-MOT segment of the Italian Stock Exchange.

In 2024, STAR7 issued a non-convertible bond for a value of €13 million, at floating rate, maturing November 2031, fully underwritten by Unicredit with 50% SACE guarantee and a grace period of about 13 months. The issue is secured by Collateral Assignment of the CAAR division.

Commitments, guarantees and contingent liabilities not shown in the balance sheet

Commitments for instalments due under current lease agreements are as follows.

	Amount
Commitments	1,941,366
TOTAL	1,941,366

Information on transactions with related parties

Transactions with related parties were carried out on terms in line with market conditions and are mainly with STAR AG, Dante s.r.l. and their subsidiaries, and IAMdev S.t.p. (associate).

The Company is 33.4% owned by Switzerland-based STAR AG, which has shareholdings in subsidiaries and associated companies in Italy and abroad.

During the year, only commercial relationships at market conditions were maintained with the associated companies DANTE S.r.l. and STAR AG. The costs for services rendered by DANTE S.r.l. amounted to €251,168 and refer to consulting in the areas of finance, technical management, human resources, marketing, external relations and insurance consulting.

Details of costs and revenues with associated companies are set out in the notes to the Consolidated Income Statement as well as in the Report on Operations.

Details of other financial instruments issued by the company

(Ref. Article 2427-bis, first paragraph, no. 1, Civil Code)

The Company has not issued any financial instruments other than shares and the mini-bond, already commented on.

Information on assets and financing allocated to a specific business

Not applicable.

Information on agreements not shown in the balance sheet

(Ref. Article 2427, first paragraph, no. 22-ter, Civil Code)

Not applicable.

Information on significant events after the end of the financial year

On 13 January 2025, STAR7 completed the final acquisition of the business divisions of C.A.A.R. S.p.A. and S.T.I. S.r.l., both in court-ordered liquidation. This step represented the formalisation of an integration process that began in January 2023, when the lease of the two business units began. The transaction has allowed STAR7 to consolidate its strategy, seamlessly integrating the acquired businesses and strengthening its position in the automotive, commercial and heavy vehicles sectors.

The acquisition also allowed STAR7 to significantly expand its presence in Brazil, a strategic engineering market, and granted access to a team of highly qualified professionals. This has had a positive impact on innovation and growth at the company.

From a financial point of view, the total cost of the transaction was €5.8 million, net of transaction costs, without STAR7 having to take on the financial liabilities of the acquired businesses.

No other significant events occurred after the end of the year that could have significant effects on the balance sheet, income statement or cashflows in the consolidated financial statements as at 31/12/2024.

Information pursuant to art.1, paragraph 125 of Law 4 August 2017 n.124

It should be noted that operating grants, the details of which are included in the table in the note on "Other revenues and income", have been recognised.

With regard to the quantification of State aid relating to the guarantees obtained by Sace/Mediocredito on the loans payable, under the Covid-19 regulation, reference should be made to the specific table shown in the Notes to the Payables.

With a grant date falling in 2024, the Company received the following benefits qualifying as "state aid":

Description/regulatory source	Date granted	Granting authority	Regulation/ communication	Objective	Aid element
Urgent measures strengthening the administrative capacity of the PA...functional to the NRRP	17/06/2024	Competence Industry Manufacturing 4.0	EC Reg. 651/2014 General Block Exemption (GBER) and following	Aid for research, development and innovation Feasibility studies (Article 25(2)(d))	234,374
Urgent measures strengthening the administrative capacity of the PA...functional to the NRRP	17/06/2024	Competence Industry Manufacturing 4.0	EC Reg. 651/2014 General Block Exemption (GBER) and following	Aid for research, development and innovation Industrial research (Article 25) (Article 25(2)(b))	101,190
Urgent measures strengthening the administrative capacity of the PA...functional to the NRRP	15/05/2024	Competence Industry Manufacturing 4.0	EC Reg. 651/2014 General Block Exemption (GBER) and following	Training Aid (Art.31)	250

For a complete overview of State Aid, please refer to the National State Aid Register (at <https://www.rna.gov.it/RegistroNazionaleTrasparenza>).

Firms that prepare the financial statements of the larger/smaller set of firms to which you belong as a subsidiary

Pursuant to the law, we provide the information required by Article 2427, first paragraph, no. 22 quinquies and sexies) of the Italian Civil Code.

Following the listing of the shares on the Euronext Growth Milan market, the case no longer exists, as STAR AG (based in Switzerland, tax identification number CHE-02.892.540), which at 31/12/2020 held 50% of the shares of STAR7 S.p.A., currently holds 33.4%.

Communications pursuant to Article 10 Law 72/1983 and subsequent revaluation laws

It is acknowledged that in preparing the financial statements of previous years, with reference to assets still existing, no monetary revaluations were carried out in the past pursuant to law, nor were any exceptions made to the valuation criteria pursuant to Article 2423, third paragraph, of the Civil Code.

Proposed allocation of profits or coverage of losses

It is proposed to the Shareholders' Meeting that the profit for the year be allocated as follows:

PROFIT FOR THE YEAR AS AT 31/12/2024	EUROS	2,035,689
to the legal reserve	Euro	-
to the extraordinary reserve	Euro	2,035,689
to dividends	Euro	-
to unavailable reserve art. 60 of Law Decree no. 104/2020	Euro	-

These notes have been prepared in accordance with the provisions of the Civil Code and accounting standards issued by the OIC. In order to comply with publication requirements in the Companies Register, once approved, it will be converted to XBRL format; therefore, there may be some formal changes necessary to make this note compatible with the filing format.

These financial statements, which comprise the Balance Sheet, Income Statement, Cash Flow Statement and Notes, present a true and fair view of the Company's financial position and results of operations for the period, and correspond to the underlying accounting records.

Valle San Bartolomeo (Alessandria), 25 March 2025

Chairman of the Board of Directors
Lorenzo Mondo



INDEPENDENT AUDITOR'S REPORT

**on the Separate Financial Statements as
at 31/12/2024**

STAR7 S.p.A.

Independent auditor's report
pursuant to article 14 of Legislative Decree n. 39

Financial Statements as at 31 December 2024

This independent auditor's report has been translated into English solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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Independent auditor's report
pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010

To the Shareholders of
Star7 S.p.A.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Star7 S.p.A. (the "Company"), which comprise the balance sheet as at 31 December 2024, the income statement and the cash flow statement for the year then ended and the explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of the result of its operations and its cash flows for the year then ended in accordance with the Italian regulations and accounting principles governing financial statements preparation.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the directors and board of statutory auditors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the Italian regulations and accounting principles governing financial statements preparation and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Company or ceasing operations exist, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, within the terms established by Italian law, the Company's financial reporting process.

Bari, Bologna, Brescia, Cagliari, Firenze, Genova, Milano, Napoli, Padova, Roma, Torino, Verona

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgment and maintained professional skepticism throughout the audit. We also have:

- identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control we identified during our audit.



Report on other legal and regulatory requirements

Opinion and statement pursuant to Article 14, paragraph 2, letters e), e-bis) and e-ter), of Legislative Decree no. 39/10

The directors of Star7 S.p.A. are responsible for the preparation of the report on operations of Star7 S.p.A. as at 31 December 2024, including its consistency with the financial statements and its compliance with the applicable law.

We have performed the procedures required under Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations with the financial statements;
- express an opinion on the compliance of the report on operations with the applicable law;
- issue a statement of any material misstatements in the report on operations.

In our opinion, the report on operations is consistent with the financial statements of Star7 S.p.A. as at 31 December 2024.

Moreover, in our opinion, the report on operations has been prepared in compliance with the applicable law.

With reference to the statement pursuant to Article 14, paragraph 2, letter e-ter), of Legislative Decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Turin, 10 April 2025

BDO Italia S.p.A.

Massimo Siccardi
Partner

BOARD OF STATUTORY AUDITORS' REPORT

on the Financial Statements as at 31/12/2024

STAR7 SPA

Share capital €599,340 fully paid up
Registered office in Valle San Bartolomeo
Via Alessandria 37/B
Tax ID No 01255170050

**Report of the Board of Statutory Auditors
on the Financial Statements as at 31 December 2024**

To the Shareholders' Meeting,

The financial statements for the year ended 31 December 2024, which the Board of Directors is submitting for your approval, show a profit for the year of €2,035,689.

They are:

- made up of the Balance Sheet and Income Statement, drawn up in compliance with the relevant legislation, as well as the Notes to the Accounts and the Cash Flow Statement;
- accompanied by the Report on Operations.

Pursuant to Article 2429 of the Italian Civil Code, the Board of Statutory Auditors shall report to the Shareholders' Meeting on its observations and proposals regarding the financial statements approved by the Board of Directors on 25 March 2025 and proposed for approval.

In carrying out its duties, the Board of Statutory Auditors has supervised compliance with the law and the Articles of Association, as well as respect for the principles of proper administration and, in particular, the adequacy of the organisational, administrative and accounting structure adopted by the company, making reference in the performance of its duties to the guidelines contained in the rules of conduct for Boards of Statutory Auditors recommended by the Italian Accounting Profession.

During the year ended 31 December 2024, the Board of Statutory Auditors' activities were carried out through the acquisition of documentation and the holding of meetings both in person and via audio-video conference. The Board of Statutory Auditors met 4 times.

During the year, we carried out the supervisory activity required by law pursuant to art. 2403 of the Italian Civil Code, since the legal audit of the accounts was carried out by the Independent Auditors BDO S.p.A., appointed by shareholders' resolution on 7 May 2024, which today issued its reports on the separate and consolidated financial statements as at 31 December 2024, without any remarks or requests for information.

Having regard to the manner in which our activity has been carried out we acknowledge:

- to have attended the meetings of the Board of Directors and the Shareholders' Meetings during the year;
- that we have acquired the information necessary to carry out the activity for which we are responsible concerning the assessment of the degree of adequacy of the Company's organisational structure and compliance with the principles of correct administration, by means of direct inquiries and the gathering of information from the heads of the functions concerned;

- to have ascertained the reliability of the administrative-accounting system in receiving and correctly representing management events and in translating them into reliable data systems for compulsory external information and internal control requirements.

During the course of the year, we were periodically informed about the company's operating performance, its outlook and the most important economic, financial and capital transactions carried out by the Company and its subsidiaries. The Company did not carry out any further transactions in the course of the year that were significant enough to be worthy of mention here given the extensive and thorough information provided in the Report on Operations, to which reference should be made. In this regard, we can reasonably affirm that the actions taken are in the company's interest, comply with the law and the bylaws and are not manifestly imprudent, risky or such as to compromise the integrity of the company's assets.

On the basis of what has emerged from direct interventions and the information gathered, the resolutions adopted by the Board of Directors comply with the law and the Bylaws, as well as with the principles of proper administration, are consistent and compatible with the size of the Company's assets, and comply with the provisions of Article 2391 of the Italian Civil Code, concerning the interests carried by the Directors, on their own behalf or on behalf of third parties.

During the year, no reports were made pursuant to articles 2408 or 2409 of the Italian Civil Code, no complaints were received, and no omissions, reprehensible acts or irregularities were reported by the heads of company departments that would require mention in this Report.

During the year, we did not make any reports to the Board of Directors pursuant to art. 15 D.L. no. 118/2021 or pursuant to and for the purposes of art. 25-octies of Legislative Decree 14 of 12 January 2019 and no reports were received from qualified public creditors pursuant to and for the purposes of art. 25-novies of Legislative Decree 14 of 12 January 2019.

At the Board meeting of 25 March 2025 the Supervisory Board's annual report was reviewed. The activities carried out and the checks carried out, in the light of the information received and the documents handed over, did not reveal any reprehensible facts or violations of the Model or any acts or conduct entailing a breach of the provisions contained in Legislative Decree no. 231/2001.

During the year, the Board of Statutory Auditors exchanged information with the Independent Auditors and the Supervisory Board.

We did not issue any opinions during the year.

With reference to the financial statements, we acknowledge that:

- the draft financial statements, accompanied by the Notes to the Accounts and the Cash Flow Statement, and the Report on Operations, prepared by the Directors, were delivered to us within the time limits required by law;
- the draft financial statements correspond to the results of the accounting books and records;
- the draft financial statements correspond to the facts and information that have come to our knowledge following our participation in the meetings of the Corporate Bodies, which made it possible to acquire adequate information on the most important economic, financial and asset operations carried out by the Company;

- we have verified compliance with the legal requirements relating to the formation and layout of the financial statements; in particular, that the financial statements are prepared in accordance with the statutory schemes, possibly also reclassifying the quantitative evidence of the previous year as at 31 December 2023;
- the valuation of the Company's assets was carried out with a view to the continuation of the Company's business, in accordance with the provisions of article 2426 of the Italian Civil Code;
- there were no changes in the valuation criteria with respect to the previous year; no recourse was made to departures from legal provisions pursuant to art. 2423, paragraph 4 of the Italian Civil Code; we expressed our consent to the recognition of start-up and expansion costs of €594,968 and goodwill of €1,861,146;
- the administrative body also approved the consolidated financial statements for the year ended 31 December 2024, together with the notes, the cash flow statement and the Report on operations, which it delivered to us together with the financial statements for the same period. The Board of Statutory Auditors also acknowledges that it has supervised the observance of procedural and legal standards regarding its formation and the respect of the Directors' and Independent Auditor's duties in this area.

Considering the outcomes of the work we have performed and the opinion expressed in the audit report issued by the statutory auditor, we do not find any reasons to prevent the shareholders from approving the financial statements for the year ended 31 December 2024, as prepared by the directors.

The Board of Statutory Auditors agrees with the directors' proposal on the allocation of the profit for the year as per the notes to the financial statements.

Milan, 10 April 2025

THE BOARD OF STATUTORY AUDITORS

Mr. Fabio Maria Venegoni

Mr. Alberto Bodiglio

Mr. Vincenzo Gambaruto



STAR7 S.p.A.

Via Alessandria 37B, 15122

Valle San Bartolomeo, Alessandria - Italy

VAT number and Tax ID No.: 01255170050, REA
(Economic and Administrative Index): AL 208355

Share Capital: €599,340

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