



# 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

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## 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

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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)

# 1

## 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.

## 2

## 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.



## 3

## 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%        |
| <b>EBITDA adjusted (*)</b>     | <b>18,770,746</b> | <b>16,014,930</b> | <b>2,755,816</b> | <b>17.2%</b> |
| Adjusted EBITDA %              | 15.7%             | 15.3%             |                  |              |
| <b>EBITDA</b>                  | <b>18,085,699</b> | <b>14,614,930</b> | <b>3,470,769</b> | <b>23.7%</b> |
| EBITDA %                       | 15.1%             | 14.0%             |                  |              |
| <b>EBIT</b>                    | <b>9,336,040</b>  | <b>6,367,794</b>  | <b>2,968,247</b> | <b>46.6%</b> |
| R.o.S. %                       | 7.8%              | 6.1%              |                  |              |
| <b>EBT</b>                     | <b>6,028,610</b>  | <b>3,410,496</b>  | <b>2,618,114</b> | <b>76.8%</b> |
| <b>Consolidated net income</b> | <b>3,726,764</b>  | <b>2,231,713</b>  | <b>1,495,050</b> | <b>67.0%</b> |

\*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.

## 4

## 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%         |
| <b>NON-CURRENT ASSETS</b>  | <b>45,140,834</b>  | <b>47,688,336</b>  | <b>-2,547,501</b> | <b>-5.3%</b>  |
| 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%         |
| <b>CURRENT ASSETS</b>  | <b>45,483,845</b>  | <b>48,094,953</b>  | <b>-2,611,108</b> | <b>-5.4%</b>  |
| 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%        |
| <b>CURRENT LIABILITIES</b>   | <b>-22,710,931</b> | <b>-18,745,198</b> | <b>-3,965,733</b> | <b>21.2%</b>  |
| <b>NET WORKING CAPITAL</b>   | <b>22,772,914</b>  | <b>29,349,755</b>  | <b>-6,576,841</b> | <b>-22.4%</b> |
| 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%        |
| <b>NON-CURRENT LIABILITIES</b>   | <b>-7,218,761</b>  | <b>-7,409,110</b>  | <b>190,349</b>    | <b>-2.6%</b>  |
| <b>INVESTED CAPITAL</b>  | <b>60,694,987</b>  | <b>69,628,981</b>  | <b>-8,933,994</b> | <b>-12.8%</b> |
| 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%         |
| <b>EQUITY AND NET FINANCIAL DEBT</b>   | <b>60,694,987</b>  | <b>69,628,981</b>  | <b>-8,933,994</b> | <b>-12.8%</b> |

### 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).

## 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  | 25,472,445         | 8,077,810          | 17,394,635        |
| Cash and other valuables on hand                               | 13,119             | 1,209,615          | -1,196,496        |
| <b>CASH ON HAND (A)</b>  | <b>25,485,564</b>  | <b>9,287,425</b>   | <b>16,198,139</b> |
| 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          |
| <b>SHORT-TERM FINANCIAL LIABILITIES (B)</b>                    | <b>-18,745,535</b> | <b>-19,980,610</b> | <b>1,235,075</b>  |
| <b>NET SHORT-TERM FINANCIAL POSITION (A-B)</b>                 | <b>6,740,029</b>   | <b>-10,693,185</b> | <b>17,433,215</b> |
| 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          |
| <b>MEDIUM- AND LONG-TERM NET FINANCIAL POSITION</b>            | <b>-34,527,941</b> | <b>-27,062,397</b> | <b>-7,465,544</b> |
| <b>NET FINANCIAL POSITION (A-B-C)</b>                          | <b>-27,787,912</b> | <b>-37,755,582</b> | <b>9,967,670</b>  |

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      |
|--|--------------|--------------|-------------|
| <b>Reported net financial position</b>                         | <b>-27.8</b> | <b>-37.8</b> | <b>10.0</b> |
| Adjustments:   |              |              |             |
| Cash-out for definitive acquisition of the C.A.A.R. and S.T.I. | -4.9         | -4.9         | -           |
| <b>Adjusted net financial position</b>                         | <b>-32.7</b> | <b>-42.7</b> | <b>10.0</b> |

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 |
|--|------------|------------|
| <b>Gross financial debt / Net equity</b> | 1.62       | 1.48       |
| <b>Net financial debt / Net equity</b>   | 0.84       | 1.19       |
| <b>Gross financial debt / EBITDA</b>     | 2.95       | 3.24       |
| <b>Net financial debt / EBITDA</b>       | 1.54       | 2.60       |
| <b>DSO</b>                               | 98         | 131        |
| <b>DPO</b>                               | 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.

## 6

## 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                            |
|---|-------------------------------------|----------|-----------------------------------|--------------|-----------------|---------------|-----------------------------------|
| <b>STAR7 PRINTING S.R.L.</b>              | Asti - Italy                        | Euro     | 10,000                            | Direct       | 60%             | 60%           | Printing                          |
| <b>STAR COMUNICAÇÃO E SERVIÇOS LTDA</b>   | Belo Horizonte - Brazil             | Real     | 1,448,205                         | Direct       | 75%             | 75%           | Printing, Product Knowledge       |
| <b>CAL COMUNICAÇÃO LTDA</b>               | Belo Horizonte - Brazil             | Real     | 500,000                           | Direct       | 75%             | 75%           | Printing                          |
| <b>STAR7 LLC</b>                          | Rochester Hills - Michigan - U.S.A. | USD      | 3,000                             | Direct       | 100%            | 100%          | Global Content, Product Knowledge |
| <b>STAR7 ALBANIA SHPK</b>                 | Tirana - Albania                    | Lek      | 500,000                           | Direct       | 100%            | 100%          | Global Content, Product Knowledge |
| <b>STAR7 GMBH</b>                         | Linz - Austria                      | Euro     | 35,000                            | Direct       | 100%            | 100%          | Global Content, Product Knowledge |
| <b>LOCALEYES LTD</b>                      | Cork - Ireland                      | Euro     | -                                 | Direct       | 100%            | 100%          | Global Content, Product Knowledge |
| <b>LOCALEYES TIRANA</b>                   | Tirana - Albania                    | Lek      | -                                 | Indirect     | 100%            | 100%          | Global Content, Product Knowledge |
| <b>LOCALEYES MADRID</b>                   | Madrid - Spain                      | Euro     | -                                 | Indirect     | 100%            | 100%          | Global Content, Product Knowledge |
| <b>LOCALEYES AMSTERDAM</b>                | Amsterdam - Netherlands             | Euro     | -                                 | Indirect     | 100%            | 100%          | Global Content, Product Knowledge |
| <b>LOCALEYES HELSINKI</b>                 | Helsinki - Finland                  | Euro     | -                                 | Indirect     | 100%            | 100%          | Global Content, Product Knowledge |
| <b>LOCALEYES USA</b>                      | San Francisco - California - U.S.A. | USD      | -                                 | Indirect     | 100%            | 100%          | Global Content, Product Knowledge |
| <b>STAR7 TECHNOLOGY INDIA PRIVATE LTD</b> | 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:

| <b>FIXED ASSETS</b>   | <b>ACQUISITIONS DURING THE YEAR</b> |
|---|-------------------------------------|
| 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                           |
| <b>TOTAL</b>  | <b>3,685,484</b>                    |

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<br>receivables<br>31/12/2024 | Other<br>receivables<br>31/12/2024 | Trade<br>payables<br>31/12/2024 | Sundry<br>payables<br>31/12/2024 | Trade costs<br>31/12/2024 | Trade<br>revenues<br>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,<br>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<br>Thailand Co., Ltd       | -                                  | -                                  | 792                             | -                                | 868                       | -                               |
| Star AG Taiwan Branch                                  | -                                  | -                                  | 1,686                           | -                                | 3,212                     | -                               |
| Star do Brasil Localizacao<br>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 Finnland 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<br>Co., LTD.       | -                                  | -                                  | -                               | -                                | 2,517                     | -                               |
| SCP's  | 2,321                              | -                                  | -                               | -                                | -                         | -                               |
| Shareholders of CAAR do Brasil                         | -                                  | 89,412                             | -                               | 176,650                          | -                         | -                               |
| Toth Comunica o e Logistica Ltda                       | -                                  | 381,703                            | -                               | -                                | -                         | -                               |
| <b>TOTAL</b>   | <b>149,077</b>                     | <b>471,116</b>                     | <b>633,714</b>                  | <b>176,650</b>                   | <b>1,995,738</b>          | <b>436,162</b>                  |

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.

## 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**

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**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>B) FIXED ASSETS</b>   |                   |                   |
| <b>I – INTANGIBLE FIXED ASSETS</b>                               |                   |                   |
| 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         |
| <b>TOTAL INTANGIBLE ASSETS</b>                                   | <b>33,804,372</b> | <b>38,215,878</b> |
| <b>II – PROPERTY, PLANT AND EQUIPMENT</b>                        |                   |                   |
| 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           |
| <b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>                       | <b>10,902,322</b> | <b>9,194,650</b>  |
| <b>III – FINANCIAL FIXED ASSETS</b>                              |                   |                   |
| 1) Equity investments in   |                   |                   |
| a) subsidiaries  | 0                 | 0                 |
| b) associated companies  | 130,500           | 130,500           |
| <b>Total equity investments</b>                                  | <b>130,500</b>    | <b>130,500</b>    |
| 2) Receivables   |                   |                   |
| d bis) from others   |                   |                   |
| due after the next financial year                                | 163,698           | 147,308           |
| <b>Total receivables from others</b>                             | <b>163,698</b>    | <b>147,308</b>    |
| <b>Total receivables</b>   | <b>163,698</b>    | <b>147,308</b>    |
| 3) other instruments   | 57,115            | 57,115            |
| 4) financial derivative instrument assets                        | 82,828            | 223,882           |
| <b>TOTAL FINANCIAL FIXED ASSETS</b>                              | <b>434,141</b>    | <b>558,805</b>    |
| <b>TOTAL FIXED ASSETS (B)</b>                                    | <b>45,140,834</b> | <b>47,969,333</b> |

|  | 31/12/2024         | 31/12/2023         |
|--|--------------------|--------------------|
| <b>C) CURRENT ASSETS</b>                           |                    |                    |
| <b>I. INVENTORY</b>                                |                    |                    |
| 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             |
| <b>TOTAL INVENTORIES</b>                           | <b>2,013,303</b>   | <b>2,541,276</b>   |
| <b>II - RECEIVABLES</b>                            |                    |                    |
| 1) from customers                                  |                    |                    |
| due within the next financial year                 | 32,587,921         | 37,172,859         |
| <b>Total trade receivables</b>                     | <b>32,587,921</b>  | <b>37,172,859</b>  |
| 2) from subsidiaries                               |                    |                    |
| due within the next financial year                 | 129,061            | 128,249            |
| <b>Total receivables from subsidiaries</b>         | <b>129,061</b>     | <b>128,249</b>     |
| 3) from associates                                 |                    |                    |
| due within the next financial year                 | 620,193            | 726,761            |
| <b>Total receivables from associated companies</b> | <b>620,193</b>     | <b>726,761</b>     |
| 5-bis) tax receivables                             |                    |                    |
| due within the next financial year                 | 2,392,802          | 2,855,792          |
| <b>Total tax receivables</b>                       | <b>2,392,802</b>   | <b>2,855,792</b>   |
| 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          |
| <b>Total receivables from others</b>               | <b>4,247,000</b>   | <b>2,640,197</b>   |
| <b>TOTAL RECEIVABLES</b>                           | <b>40,989,608</b>  | <b>44,177,685</b>  |
| <b>IV - CASH ON HAND</b>                           |                    |                    |
| 1) Bank and postal deposits                        | 25,472,445         | 8,077,810          |
| 3) Cash and cash equivalents                       | 13,119             | 1,209,615          |
| <b>Total cash and cash equivalents</b>             | <b>25,485,564</b>  | <b>9,287,425</b>   |
| <b>TOTAL CURRENT ASSETS (C)</b>                    | <b>68,488,475</b>  | <b>56,006,386</b>  |
| <b>D) PREPAYMENTS AND ACCRUED INCOME</b>           |                    |                    |
|  | 2,480,934          | 1,714,080          |
| <b>TOTAL ASSETS</b>                                | <b>116,110,243</b> | <b>105,689,800</b> |

## Liabilities

|  | 31/12/2024        | 31/12/2023        |
|--|-------------------|-------------------|
| <b>A) EQUITY ATTRIBUTABLE TO OWNERS OF THE GROUP</b>               |                   |                   |
| <b>I - CAPITAL</b>   | 599,340           | 599,340           |
| <b>II - SHARE PREMIUM RESERVE</b>                                  | 11,728,160        | 11,728,160        |
| <b>IV - LEGAL RESERVE</b>  | 119,868           | 119,868           |
| <b>VI - OTHER RESERVES, INDICATED SEPARATELY</b>                   |                   |                   |
| 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           |
| <b>TOTAL OTHER RESERVES</b>  | <b>15,276,146</b> | <b>15,179,751</b> |
| <b>VII - RESERVE FOR TRANSACTIONS TO HEDGE EXPECTED CASH FLOWS</b> | 60,952            | 168,861           |
| <b>IX - PROFIT (LOSS) FOR THE YEAR</b>                             | 2,689,046         | 1,812,709         |
| <b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>           | <b>30,473,512</b> | <b>29,608,690</b> |
| <b>MINORITY INTERESTS</b>  |                   |                   |
| Capital and reserves attributable to minority interests            | 1,395,846         | 1,845,705         |
| Profit (loss) attributable to minority interests                   | 1,037,717         | 419,004           |
| <b>TOTAL EQUITY ATTRIBUTABLE TO MINORITY INTERESTS</b>             | <b>2,433,563</b>  | <b>2,264,709</b>  |
| <b>TOTAL CONSOLIDATED NET EQUITY</b>                               | <b>32,907,075</b> | <b>31,873,399</b> |
| <b>B) PROVISIONS FOR RISKS AND CHARGES</b>                         |                   |                   |
| 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           |
| <b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>                      | <b>604,117</b>    | <b>1,040,398</b>  |

|   | 31/12/2024         | 31/12/2023         |
|---|--------------------|--------------------|
| <b>C) EMPLOYEE SEVERANCE INDEMNITY</b>                |                    |                    |
|   | 6,614,644          | 6,368,713          |
| <b>D) PAYABLES</b>                                    |                    |                    |
| 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         |
| <b>Total bonds</b>                                    | <b>28,980,017</b>  | <b>20,439,165</b>  |
| 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          |
| <b>Total due to banks</b>                             | <b>21,249,758</b>  | <b>22,615,379</b>  |
| 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          |
| <b>Total borrowings from other lenders</b>            | <b>3,043,701</b>   | <b>4,269,459</b>   |
| 6) payments on account                                |                    |                    |
| due within the next financial year                    | 30,222             | 39,885             |
| <b>Total advances</b>                                 | <b>30,222</b>      | <b>39,885</b>      |
| 7) Trade payables                                     |                    |                    |
| due within the next financial year                    | 11,306,470         | 8,678,976          |
| <b>Total trade payables</b>                           | <b>11,306,470</b>  | <b>8,678,976</b>   |
| 10) Payables to associated companies                  |                    |                    |
| due within the next financial year                    | 810,365            | 442,162            |
| <b>Total payables to associated companies</b>         | <b>810,365</b>     | <b>442,162</b>     |
| 12) Tax payables                                      |                    |                    |
| due within the next financial year                    | 3,133,418          | 2,012,102          |
| <b>Total taxes payable</b>                            | <b>3,133,418</b>   | <b>2,012,102</b>   |
| 13) Due to social security institutions               |                    |                    |
| due within the next financial year                    | 2,256,706          | 1,895,762          |
| <b>Total payables to social security institutions</b> | <b>2,256,706</b>   | <b>1,895,762</b>   |
| 14) Other payables                                    |                    |                    |
| due within the next financial year                    | 3,723,621          | 3,824,696          |
| <b>Total other payables</b>                           | <b>3,723,621</b>   | <b>3,824,696</b>   |
| <b>TOTAL PAYABLES</b>                                 | <b>74,534,277</b>  | <b>64,217,587</b>  |
| <b>E) ACCRUALS AND DEFERRALS</b>                      |                    |                    |
|   | 1,450,129          | 2,189,703          |
| <b>TOTAL LIABILITIES</b>                              | <b>116,110,243</b> | <b>105,689,800</b> |

# Consolidated Income Statement (figures in Euros)

## Income Statement

|   | 31/12/2024         | 31/12/2023         |
|---|--------------------|--------------------|
| <b>A) VALUE OF PRODUCTION</b>   |                    |                    |
| 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            |
| <b>Total other revenues and income</b>  | <b>1,445,194</b>   | <b>941,653</b>     |
| <b>TOTAL VALUE OF PRODUCTION</b>  | <b>121,142,405</b> | <b>105,622,830</b> |
| <b>B) COST OF PRODUCTION</b>  |                    |                    |
| 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          |
| <b>Total personnel costs</b>  | <b>49,963,848</b>  | <b>43,236,653</b>  |
| 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             |
| <b>Total amortisation, depreciation and write-downs</b>                                   | <b>8,685,659</b>   | <b>8,183,136</b>   |
| 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          |
| <b>TOTAL COSTS OF PRODUCTION</b>  | <b>111,806,365</b> | <b>99,255,036</b>  |
| <b>DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A - B)</b>                            | <b>9,336,040</b>   | <b>6,367,794</b>   |

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

## 3

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

### Cash flow statement, indirect method

|  | 31/12/2024        | 31/12/2023        |
|--|-------------------|-------------------|
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES (INDIRECT METHOD)</b>  |                   |                   |
| 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           |
| <b>1) Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses on disposal</b>         | <b>9,379,862</b>  | <b>6,562,413</b>  |
| 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         |
| <b>Total adjustments for non-monetary items that did not have a balancing entry in net working capital</b>                 | <b>9,951,970</b>  | <b>10,893,279</b> |
| <b>2) Cash flow before changes in net working capital</b>  | <b>19,331,833</b> | <b>17,455,692</b> |
| 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         |
| <b>Total change in net working capital</b>   | <b>4,090,060</b>  | <b>-6,045,222</b> |
| <b>3) Cash flow after changes in net working capital</b>   | <b>23,421,893</b> | <b>11,410,470</b> |
| 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        |
| <b>Total other adjustments</b>   | <b>-7,211,376</b> | <b>-4,951,815</b> |
| <b>CASH FLOW FROM OPERATING ACTIVITIES (A)</b>   | <b>16,210,517</b> | <b>6,458,655</b>  |



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

## 2

## 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.

## 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                            |
|---|-------------------------------------|----------|-----------------------------------|--------------|-----------------|---------------|-----------------------------------|
| <b>STAR7 PRINTING S.R.L.</b>              | Asti - Italy                        | Euro     | 10,000                            | Direct       | 60%             | 60%           | Printing                          |
| <b>STAR COMUNICAÇÃO E SERVIÇOS LTDA</b>   | Belo Horizonte - Brazil             | Real     | 1,448,205                         | Direct       | 75%             | 75%           | Printing, Product Knowledge       |
| <b>CAL COMUNICAÇÃO LTDA</b>               | Belo Horizonte - Brazil             | Real     | 500,000                           | Direct       | 75%             | 75%           | Printing                          |
| <b>STAR7 LLC</b>                          | Rochester Hills - Michigan - U.S.A. | USD      | 3,000                             | Direct       | 100%            | 100%          | Global Content, Product Knowledge |
| <b>STAR7 ALBANIA SHPK</b>                 | Tirana - Albania                    | Lek      | 500,000                           | Direct       | 100%            | 100%          | Global Content, Product Knowledge |
| <b>STAR7 GMBH</b>                         | Linz - Austria                      | Euro     | 35,000                            | Direct       | 100%            | 100%          | Global Content, Product Knowledge |
| <b>LOCALEYES LTD</b>                      | Cork - Ireland                      | Euro     | -                                 | Direct       | 100%            | 100%          | Global Content, Product Knowledge |
| <b>LOCALEYES TIRANA</b>                   | Tirana - Albania                    | Lek      | -                                 | Indirect     | 100%            | 100%          | Global Content, Product Knowledge |
| <b>LOCALEYES MADRID</b>                   | Madrid - Spain                      | Euro     | -                                 | Indirect     | 100%            | 100%          | Global Content, Product Knowledge |
| <b>LOCALEYES AMSTERDAM</b>                | Amsterdam - Netherlands             | Euro     | -                                 | Indirect     | 100%            | 100%          | Global Content, Product Knowledge |
| <b>LOCALEYES HELSINKI</b>                 | Helsinki - Finland                  | Euro     | -                                 | Indirect     | 100%            | 100%          | Global Content, Product Knowledge |
| <b>LOCALEYES USA</b>                      | San Francisco - California - U.S.A. | USD      | -                                 | Indirect     | 100%            | 100%          | Global Content, Product Knowledge |
| <b>STAR7 TECHNOLOGY INDIA PRIVATE LTD</b> | 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.

## 4

# 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 |
| <b>US Dollar to 1 Euro</b>      | 1.0389     | 1.1050     | 1.0824       | 1.0813     |
| <b>Brazilian Real to 1 Euro</b> | 6.4253     | 5.3618     | 5.8283       | 5.4010     |
| <b>Albanian Lek to 1 Euro</b>   | 98.07      | 103.79     | 100.710      | 108.7800   |
| <b>Serbian Dinar to 1 Euro</b>  | 116.8022   | 116.98     | 117.0799     | 117.2500   |
| <b>Indian Rupee to 1 Euro</b>   | 88.9335    | n/a        | 90.556       | n/a        |

## 5

### 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:

| <b>BALANCE SHEET</b>                                    | <b>WITHOUT<br/>DEROGATION</b> | <b>WITH DEROGATION</b> | <b>DIFFERENCE</b> |
|---|-------------------------------|------------------------|-------------------|
| 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                | -                 |
| <b>FIXED ASSETS</b>                                     | <b>44,977,713</b>             | <b>45,140,834</b>      | <b>-163,121</b>   |
| <b>CURRENT ASSETS</b>                                   | <b>68,488,475</b>             | <b>68,488,475</b>      | <b>-</b>          |
| <b>ACCRUED INCOME AND PREPAID EXPENSES</b>              | <b>2,480,934</b>              | <b>2,480,934</b>       | <b>-</b>          |
| <b>TOTAL ASSETS</b>                                     | <b>115,947,122</b>            | <b>116,110,243</b>     | <b>-163,121</b>   |
| 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           |
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE GROUP</b>       | <b>30,326,794</b>             | <b>30,473,512</b>      | <b>-146,718</b>   |
| 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            |
| <b>MINORITY INTERESTS</b>                               | <b>2,426,955</b>              | <b>2,433,563</b>       | <b>-6,608</b>     |
| <b>PROVISIONS FOR RISKS AND CHARGES</b>                 | <b>594,322</b>                | <b>604,117</b>         | <b>-9,795</b>     |
| <b>PROVISIONS FOR SEVERANCE</b>                         | <b>6,614,644</b>              | <b>6,614,644</b>       | <b>-</b>          |
| <b>PAYABLES</b>   | <b>74,534,277</b>             | <b>74,534,277</b>      | <b>-</b>          |
| <b>ACCRUED EXPENSES AND DEFERRED INCOME</b>             | <b>1,450,130</b>              | <b>1,450,130</b>       | <b>-</b>          |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>       | <b>115,947,122</b>            | <b>116,110,243</b>     | <b>-163,121</b>   |



| 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        |
| <b>Difference between value and cost of production</b> | <b>9,593,230</b>   | <b>9,336,040</b> | <b>257,190</b> |
| Financial income and charges                           | -3,307,431         | -3,307,431       | -              |
| <b>Profit before tax</b>                               | <b>6,285,800</b>   | <b>6,028,610</b> | <b>257,190</b> |
| Taxes for the year                                     | -2,373,602         | -2,301,846       | -71,756        |
| <b>NET PROFIT(LOSS)</b>                                | <b>3,912,198</b>   | <b>3,726,764</b> | <b>185,434</b> |
| 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.

## 6

## 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 | Executives | Middle managers | Office workers | Manual workers | Number of employees as at 31/12/23 | Executives | Middle managers | Office workers | Manual workers |
|-----------------------|------------------------------------|------------|-----------------|----------------|----------------|------------------------------------|------------|-----------------|----------------|----------------|
| STAR7 S.P.A.          | 555                                | 9          | 15              | 523            | 8              | 566                                | 10         | 14              | 534            | 8              |
| STAR7 PRINTING S.r.l. | 42                                 |            |                 | 12             | 30             | 46                                 |            |                 | 12             | 34             |
| 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      | 217                                |            |                 | 45             | 172            | 160                                |            |                 | 21             | 139            |
| CAL COMUNICACAO       | 0                                  |            |                 |                |                | 0                                  |            |                 |                |                |
| C.A.A.R. do BRASIL    | 321                                |            |                 | 24             | 297            | 212                                |            |                 | 212            |                |
| ABACAAR               | 15                                 |            |                 | 15             |                | 14                                 |            |                 | 14             |                |
| STAR7 INDIA           | 0                                  |            |                 |                |                | 0                                  |            |                 |                |                |
| <b>TOTAL</b>          | <b>1438</b>                        | <b>9</b>   | <b>15</b>       | <b>907</b>     | <b>507</b>     | <b>1269</b>                        | <b>10</b>  | <b>14</b>       | <b>1064</b>    | <b>181</b>     |

# 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/<br>depreciation | Reclassifications | Change in the<br>scope of<br>consolidation | Exchange<br>rate delta | 31/12/2024        |
|--|-------------------|------------------|-------------------------------|-------------------|--|------------------------|-------------------|
| Start-up and expansion costs                           | 836,130           | 0                | -245,403                      | 0                 | 0  | 0                      | 590,727           |
| Industrial patents and<br>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<br>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         |
| <b>Total intangible assets</b>                         | <b>38,215,878</b> | <b>2,431,000</b> | <b>-6,948,566</b>             | <b>-50,900</b>    | <b>0</b>                                   | <b>156,960</b>         | <b>33,804,372</b> |

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

|  | 31/12/2023 | Increases/<br>Decreases | Amortisation/<br>depreciation | Exchange<br>rate delta | 31/12/2024 |
|--|------------|-------------------------|-------------------------------|------------------------|------------|
|  | 901,073    | 0                       | -128,635                      | 0                      | 772,438    |
| <b>Vertere s.r.l. (2022)</b>                 | 894,521    | 119,144                 |                               |                        | 1,013,665  |
| <b>Accumulated amortisation/depreciation</b> | -126,725   |                         | -118,245                      |                        | -244,970   |
|  | 767,796    | 119,144                 | -118,245                      | 0                      | 768,695    |
| <b>RES s.r.l. (2018)</b>                     | 816,481    |                         |                               |                        | 816,481    |
| <b>Accumulated amortisation/depreciation</b> | -488,640   |                         | -81,527                       |                        | -570,167   |
|  | 327,841    | 0                       | -81,527                       | 0                      | 246,314    |
| <b>STAR U.S.A. (2018)</b>                    | 287,889    |                         |                               |                        | 287,889    |
| <b>Accumulated amortisation/depreciation</b> | -211,760   |                         | -28,788                       |                        | -240,548   |
|  | 76,129     | 0                       | -28,788                       | 0                      | 47,341     |
| <b>STAR7 GmbH (2016)</b>                     | 164,350    |                         |                               |                        | 164,350    |
| <b>Accumulated amortisation/depreciation</b> | -131,481   |                         | -16,435                       |                        | -147,916   |
|  | 32,869     | 0                       | -16,435                       | 0                      | 16,434     |
| <b>Grafitec (2021)</b>                       | 60,000     |                         |                               |                        | 60,000     |
| <b>Accumulated amortisation/depreciation</b> | -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/<br>other changes | Amortisation/de<br>preciation | Change in the scope<br>of consolidation | Exchange<br>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/construction 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**

| <b>BALANCE AS AT 31/12/2024</b> | <b>BALANCE AS AT 31/12/2023</b> | <b>CHANGE</b> |
|---------------------------------|---------------------------------|---------------|
| 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**

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

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 of execution | Date of maturity | Notional value | Mark-to-market | Deferred 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 |                 |               |            | Balance as at 31/12/2023 | Change     |
|--|--------------------------|-----------------|---------------|------------|--------------------------|------------|
|  | <12 months               | After 12 months | After 5 years | Total      |                          |            |
| 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:

|                                 |                |
|---------------------------------|----------------|
| <b>Balance as at 31/12/2023</b> | <b>441,246</b> |
| Uses                            | 0              |
| Accruals                        | 364,595        |
| <b>Balance as at 31/12/2024</b> | <b>805,841</b> |

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

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

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

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

### III - Cash and banks

The item is broken down as follows:

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

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

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.

# 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         |
| <b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>   | 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         |
| <b>TOTAL EQUITY ATTRIBUTABLE TO MINORITY INTERESTS</b>     | 2,264,709         | -662,591                             | 0                     | 0             | -206,272          | 1,037,717                  | 2,433,563         |
| <b>TOTAL NET EQUITY</b>                                    | <b>31,873,399</b> | <b>-662,591</b>                      | <b>0</b>              | <b>0</b>      | <b>-2,030,497</b> | <b>3,726,763</b>           | <b>32,907,075</b> |

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 Localeyes 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 Técnica 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        |
| <b>TOTAL</b>   | <b>409,324</b> |

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

## 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     |
|--|------------------|----------------|----------------|-----------------|----------------|
| <b>Pensions and similar obligations</b>              | 282,930          | 64,000         |                |                 | 346,930        |
| <b>Provision for taxes, including deferred taxes</b> | 273,065          | 45,758         | -80,396        | -33,853         | 204,575        |
| <b>Financial derivative liabilities</b>              | 0                |                |                | 2,612           | 2,612          |
| <b>Others</b>  | 484,403          |                |                | -434,403        | 50,000         |
|  | <b>1,040,398</b> | <b>109,758</b> | <b>-80,396</b> | <b>-465,644</b> | <b>604,117</b> |

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

"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 of execution | Date of maturity | Notional value | Mark-to-market | Deferred 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:

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

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

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

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    | MEDIOCRECITO |
| 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    | MEDIOCRECITO |
| BPM                        | 500,000           | 450,000                               | 17,811                   | Guarantee Fund Law 662/96    | MEDIOCRECITO |
| BPM                        | 1,500,000         | 1,200,000                             | 47,495                   | Guarantee Fund Law 662/96    | MEDIOCRECITO |
| 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    | MEDIOCRECITO |
| BPM                        | 350,000           | 315,000                               | -                        | Guarantee Fund Law 662/96    | MEDIOCRECITO |
| CASSA DI RISPARMIO DI ASTI | 600,000           | 600,000                               | 19,075                   | Guarantee Fund Law 662/96    | MEDIOCRECITO |
| <b>TOTAL</b>               | <b>14,600,000</b> | <b>12,990,000</b>                     | <b>230,209</b>           |                              |              |

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        |
|   | <b>633,714</b>           | <b>176,650</b> | <b>810,365</b> | <b>394,263</b>           | <b>47,899</b> | <b>442,162</b> | <b>368,203</b> |

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         |
|  | <b>66,949,472</b> | <b>2,539,071</b> | <b>5,045,734</b> | <b>74,534,277</b> |

## 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        |
| <b>TOTAL</b>     | <b>1,450,129</b> | <b>2,189,702</b> | <b>-739,573</b> |

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

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

The breakdown of revenues by geographical area is as follows:

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

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

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

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

## 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           |
|---|--------------------|-------------------|-------------------|
| <b>Raw and ancillary materials and goods</b>            | 5,730,899          | 5,431,922         | 298,977           |
| <b>Language</b>   | 43,250,678         | 38,415,549        | 4,835,129         |
| <b>Leased assets</b>                                    | 2,789,699          | 2,324,222         | 465,477           |
| <b>Personnel costs:</b>                                 |                    |                   |                   |
| 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          |
| <b>Total personnel costs:</b>                           | <b>49,963,848</b>  | <b>43,236,653</b> | <b>6,727,195</b>  |
| <b>Amortization, depreciation and write-downs:</b>      |                    |                   |                   |
| 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           |
| <b>Total amortisation, depreciation and write-downs</b> | <b>8,685,659</b>   | <b>8,183,136</b>  | <b>502,523</b>    |
| <b>Change in inventories Raw materials</b>              | 144,109            | 320,261           | -176,152          |
| <b>Provisions for risks</b>                             | 64,000             | 64,000            | -                 |
| <b>Sundry operating expenses</b>                        | 1,177,473          | 1,279,293         | -101,820          |
| <b>TOTAL</b>  | <b>111,806,365</b> | <b>99,255,036</b> | <b>12,551,329</b> |

### 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<br>TRADE | 31/12/2023<br>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 Finnland 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           |
|   | <b>1,995,738</b>    | <b>2,042,846</b>    | <b>-47,108</b> |

## 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        |
| <b>TOTAL FINANCIAL INCOME</b> | <b>129,863</b> | <b>112,159</b> | <b>17,704</b> |

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        |
| <b>TOTAL FINANCIAL EXPENSES</b>                            | <b>3,506,426</b> | <b>3,139,255</b> | <b>367,171</b> |

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          |
| <b>TOTAL</b>                                    | <b>2,301,846</b> | <b>1,178,782</b> | <b>1,123,064</b> |

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 |
|-------------|-----------|--------------------|
| <b>Fees</b> | 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 |
|---|--------|
| <b>Legal audit of annual accounts</b>                                   | 21,375 |
| <b>Total fees payable to the statutory auditor or the auditing firm</b> | 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     |
|                 | <b>8,999,752</b> |                       |

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 Localeyes 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        |
|                 |                    |         |                   |                  |                | <b>82,828</b> | <b>2,612</b> |

## 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**

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**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.*

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The BDO logo is located in the bottom right corner of the page, within a red triangular graphic. 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.



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**Report on other legal and regulatory requirements**

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**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

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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%           |
| <b>EBITDA adjusted (*)</b> | <b>4,253,259</b> | <b>4,811,211</b> | <b>-557,952</b>  | <b>-11.6%</b>  |
| Adjusted EBITDA %          | 6.3%             | 7.5%             |                  |                |
| <b>EBITDA</b>              | <b>3,568,212</b> | <b>3,411,211</b> | <b>157,001</b>   | <b>4.6%</b>    |
| EBITDA %                   | 5.3%             | 5.3%             |                  |                |
| <b>EBIT</b>                | <b>-77,754</b>   | <b>395,299</b>   | <b>-473,053</b>  | <b>-119.7%</b> |
| R.o.S. %                   | -0.1%            | 0.6%             |                  |                |
| <b>EBT</b>                 | <b>1,764,915</b> | <b>436,657</b>   | <b>1,328,258</b> | <b>304.2%</b>  |
| <b>Net income</b>          | <b>2,035,689</b> | <b>614,175</b>   | <b>1,421,514</b> | <b>231.5%</b>  |

\* 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%         |
| <b>NON-CURRENT ASSETS</b>                                | <b>54,425,526</b>  | <b>50,829,934</b>  | <b>3,595,592</b>  | <b>7.1%</b>   |
| 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%         |
| <b>CURRENT ASSETS</b>                                    | <b>32,719,760</b>  | <b>38,824,481</b>  | <b>-6,104,721</b> | <b>-15.7%</b> |
| 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%        |
| <b>CURRENT LIABILITIES</b>                               | <b>-23,185,600</b> | <b>-19,439,787</b> | <b>-3,745,813</b> | <b>19.3%</b>  |
| <b>NET WORKING CAPITAL</b>                               | <b>9,534,160</b>   | <b>19,384,694</b>  | <b>-9,850,534</b> | <b>-50.8%</b> |
| 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%        |
| <b>NON-CURRENT LIABILITIES</b>                           | <b>-6,707,601</b>  | <b>-6,856,977</b>  | <b>149,376</b>    | <b>-2.2%</b>  |
| <b>INVESTED CAPITAL</b>                                  | <b>57,252,085</b>  | <b>63,357,651</b>  | <b>-6,105,566</b> | <b>-9.6%</b>  |
| 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%         |
| <b>EQUITY AND NET FINANCIAL DEBT</b>                     | <b>57,252,085</b>  | <b>63,357,651</b>  | <b>-6,105,566</b> | <b>-9.6%</b>  |



## 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        |
| <b>CASH ON HAND (A)</b>  | <b>21,366,190</b>  | <b>6,698,655</b>   | <b>14,667,535</b> |
| 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          |
| <b>SHORT-TERM FINANCIAL LIABILITIES (B)</b>                    | <b>-16,875,004</b> | <b>-18,261,381</b> | <b>1,386,377</b>  |
| <b>NET SHORT-TERM FINANCIAL POSITION (A-B)</b>                 | <b>4,491,186</b>   | <b>-11,562,726</b> | <b>16,053,912</b> |
| 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                 |
| <b>MEDIUM- AND LONG-TERM NET FINANCIAL POSITION</b>            | <b>-32,341,781</b> | <b>-24,323,130</b> | <b>-8,018,651</b> |
| <b>NET FINANCIAL POSITION (A-B-C)</b>                          | <b>-27,850,595</b> | <b>-35,885,856</b> | <b>8,035,261</b>  |

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 |
|--|------------|------------|
| <b>Gross financial debt / Net equity</b> | 1.67       | 1.55       |
| <b>Net financial debt / Net equity</b>   | 0.95       | 1.31       |
| <b>Gross financial debt / EBITDA</b>     | 13.79      | 12.48      |
| <b>Net financial debt / EBITDA</b>       | 7.81       | 10.52      |
| <b>DSO</b>                               | 128        | 184        |
| <b>DPO</b>                               | 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.

## 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                            |
|---|-------------------------------------|----------|-----------------------------------|--------------|-----------------|---------------|-----------------------------------|
| <b>STAR7 PRINTING S.R.L.</b>              | Asti - Italy                        | Euro     | 10,000                            | Direct       | 60%             | 60%           | Printing                          |
| <b>STAR COMUNICAÇÃO E SERVIÇOS LTDA</b>   | Belo Horizonte - Brazil             | Real     | 1,448,205                         | Direct       | 75%             | 75%           | Printing, Product Knowledge       |
| <b>CAL COMUNICAÇÃO LTDA</b>               | Belo Horizonte - Brazil             | Real     | 500,000                           | Direct       | 75%             | 75%           | Printing                          |
| <b>STAR7 LLC</b>                          | Rochester Hills - Michigan - U.S.A. | USD      | 3,000                             | Direct       | 100%            | 100%          | Global Content, Product Knowledge |
| <b>STAR7 ALBANIA SHPK</b>                 | Tirana - Albania                    | Lek      | 500,000                           | Direct       | 100%            | 100%          | Global Content, Product Knowledge |
| <b>STAR7 GMBH</b>                         | Linz - Austria                      | Euro     | 35,000                            | Direct       | 100%            | 100%          | Global Content, Product Knowledge |
| <b>LOCALEYES LTD</b>                      | Cork - Ireland                      | Euro     | -                                 | Direct       | 100%            | 100%          | Global Content, Product Knowledge |
| <b>LOCALEYES TIRANA</b>                   | Tirana - Albania                    | Lek      | -                                 | Indirect     | 100%            | 100%          | Global Content, Product Knowledge |
| <b>LOCALEYES MADRID</b>                   | Madrid - Spain                      | Euro     | -                                 | Indirect     | 100%            | 100%          | Global Content, Product Knowledge |
| <b>LOCALEYES AMSTERDAM</b>                | Amsterdam - Netherlands             | Euro     | -                                 | Indirect     | 100%            | 100%          | Global Content, Product Knowledge |
| <b>LOCALEYES HELSINKI</b>                 | Helsinki - Finland                  | Euro     | -                                 | Indirect     | 100%            | 100%          | Global Content, Product Knowledge |
| <b>LOCALEYES USA</b>                      | San Francisco - California - U.S.A. | USD      | -                                 | Indirect     | 100%            | 100%          | Global Content, Product Knowledge |
| <b>STAR7 TECHNOLOGY INDIA PRIVATE LTD</b> | 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:

| <b>FIXED ASSETS</b>   | <b>ACQUISITIONS DURING THE YEAR</b> |
|---|-------------------------------------|
| 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                                   |
| <b>TOTAL</b>  | <b>384,592</b>                      |

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

## Relations with associated, parent and sister companies

### Relations with subsidiaries

The Company had the following relationships with associated companies:

|                                     | Trade<br>receivables<br>31/12/2024 | Other<br>receivables<br>31/12/2024 | Trade<br>payables<br>31/12/2024 | Sundry<br>payables<br>31/12/2024 | Trade costs<br>31/12/2024 | Interest<br>expense<br>31/12/2024 | Trade<br>revenues<br>31/12/2024 | Interest<br>income<br>31/12/2024 |
|-------------------------------------|------------------------------------|------------------------------------|---------------------------------|----------------------------------|---------------------------|-----------------------------------|---------------------------------|----------------------------------|
| Star7 Printing s.r.l.               | 10,485                             |                                    | 2,142,454                       |                                  | 6,827,671                 |                                   | 12,464                          |                                  |
| Star Comunicacao e<br>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<br>Kragujevac           | 1,368                              |                                    | 170,088                         |                                  | 469,026                   |                                   | 1,368                           |                                  |
| <b>TOTAL</b>                        | <b>1,659,331</b>                   | <b>5,577,798</b>                   | <b>2,997,273</b>                | <b>5,735,215</b>                 | <b>9,562,191</b>          | <b>83,466</b>                     | <b>2,882,760</b>                | <b>59,177</b>                    |

### Relationships with associates

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

|   | Trade receivables<br>31/12/2024 | Trade<br>payables<br>31/12/2024 | Trade<br>costs 31/12/2024 | Trade revenues<br>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<br>31/12/2024 | Trade<br>payables<br>31/12/2024 | Trade<br>costs 31/12/2024 | Trade revenues<br>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 Finnland 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                     |                              |
| <b>TOTAL</b>                                  | <b>146,757</b>                  | <b>632,163</b>                  | <b>1,995,738</b>          | <b>436,162</b>               |

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.

## 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**

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**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

# Balance sheet (figures in Euros)

## Assets

|  | 31/12/2024        | 31/12/2023        |
|--|-------------------|-------------------|
| <b>B) FIXED ASSETS</b>   |                   |                   |
| <b>I – INTANGIBLE FIXED ASSETS</b>                               |                   |                   |
| 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         |
| <b>TOTAL INTANGIBLE ASSETS</b>                                   | <b>8,726,662</b>  | <b>9,385,886</b>  |
| <b>II - PROPERTY, PLANT AND EQUIPMENT</b>                        |                   |                   |
| 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           |
| <b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>                       | <b>1,507,926</b>  | <b>1,441,958</b>  |
| <b>III - FINANCIAL FIXED ASSETS</b>                              |                   |                   |
| 1) Equity investments in   |                   |                   |
| a) subsidiaries  | 38,219,694        | 34,998,768        |
| b) associated companies  | 130,500           | 130,500           |
| <b>Total equity investments</b>                                  | <b>38,350,194</b> | <b>35,129,268</b> |
| 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                 |
| <b>Total receivables from subsidiaries</b>                       | <b>5,577,798</b>  | <b>4,477,728</b>  |
| d bis) from others   |                   |                   |
| due after the next financial year                                | 123,043           | 118,339           |
| <b>Total receivables from others</b>                             | <b>123,043</b>    | <b>118,339</b>    |
| <b>Total receivables</b>   | <b>5,700,841</b>  | <b>4,596,067</b>  |
| 3) other instruments   | 57,115            | 57,115            |
| 4) financial derivative instrument assets                        | 82,787            | 219,640           |
| <b>TOTAL FINANCIAL FIXED ASSETS</b>                              | <b>44,190,938</b> | <b>40,002,090</b> |
| <b>TOTAL FIXED ASSETS (B)</b>                                    | <b>54,425,526</b> | <b>50,829,934</b> |



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

## Liabilities

|  | 31/12/2024        | 31/12/2023        |
|--|-------------------|-------------------|
| <b>A) NET EQUITY</b>   |                   |                   |
| <b>I - CAPITAL</b>   | 599,340           | 599,340           |
| <b>II - SHARE PREMIUM RESERVE</b>                                  | 11,728,160        | 11,728,160        |
| <b>IV - LEGAL RESERVE</b>  | 119,868           | 119,868           |
| <b>VI - OTHER RESERVES, INDICATED SEPARATELY</b>                   |                   |                   |
| 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           |
| <b>TOTAL OTHER RESERVES</b>  | <b>14,857,500</b> | <b>14,243,325</b> |
| <b>VII - RESERVE FOR TRANSACTIONS TO HEDGE EXPECTED CASH FLOWS</b> | 60,933            | 166,927           |
| <b>IX - PROFIT (LOSS) FOR THE YEAR</b>                             | 2,035,689         | 614,175           |
| <b>TOTAL NET EQUITY</b>  | <b>29,401,490</b> | <b>27,471,795</b> |
| <b>B) PROVISIONS FOR RISKS AND CHARGES</b>                         |                   |                   |
| 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           |
| <b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>                      | <b>424,197</b>    | <b>763,471</b>    |
| <b>C) EMPLOYEE SEVERANCE INDEMNITY</b>                             |                   |                   |
|  | 6,283,404         | 6,093,506         |

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

# Income statement (figures in Euros)

## Income Statement

|   | 31/12/2024        | 31/12/2023        |
|---|-------------------|-------------------|
| <b>A) VALUE OF PRODUCTION</b>   |                   |                   |
| 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           |
| <b>Total other revenues and income</b>  | <b>1,126,010</b>  | <b>426,770</b>    |
| <b>TOTAL VALUE OF PRODUCTION</b>  | <b>68,516,810</b> | <b>64,521,449</b> |
| <b>B) COST OF PRODUCTION</b>  |                   |                   |
| 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           |
| <b>Total personnel costs</b>  | <b>28,947,119</b> | <b>27,300,411</b> |
| 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                 |
| <b>Total amortisation, depreciation and write-downs</b>                                   | <b>3,581,966</b>  | <b>2,951,912</b>  |
| 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           |
| <b>TOTAL COSTS OF PRODUCTION</b>  | <b>68,594,565</b> | <b>64,126,150</b> |
| <b>DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A - B)</b>                            | <b>-77,754</b>    | <b>395,299</b>    |

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

## Cash flow statement (in euros)

### Cash flow statement, indirect method

|  | 31/12/2024        | 31/12/2023        |
|--|-------------------|-------------------|
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES (INDIRECT METHOD)</b>  |                   |                   |
| 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           |
| <b>1) Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses</b>                     | <b>-139,872</b>   | <b>517,552</b>    |
| 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         |
| <b>Total adjustments for non-monetary items that did not have a balancing entry in net working capital</b>                 | <b>4,807,664</b>  | <b>6,626,691</b>  |
| <b>2) Cash flow before changes in net working capital</b>  | <b>4,667,792</b>  | <b>7,144,243</b>  |
| 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           |
| <b>Total change in net working capital</b>   | <b>6,572,432</b>  | <b>-3,262,595</b> |
| <b>3) Cash flow after changes in net working capital</b>   | <b>11,240,224</b> | <b>3,881,648</b>  |
| 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)  |                   |                   |
| <b>Total other adjustments</b>   | <b>510,660</b>    | <b>-1,091,842</b> |
| <b>CASH FLOW FROM OPERATING ACTIVITIES (A)</b>   | <b>11,750,884</b> | <b>2,789,806</b>  |

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

# NOTES

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

### 1

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## 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      |
|---|--------------------|--------------------|-----------------|
| <b>Intangible fixed assets</b>              | 8,586,455          | 8,726,662          | -140,207        |
| <b>Property, plant and equipment</b>        | 1,507,926          | 1,507,926          | -               |
| <b>Financial fixed assets</b>               | 44,190,938         | 44,190,938         | -               |
| <b>FIXED ASSETS</b>                         | <b>54,285,319</b>  | <b>54,425,526</b>  | <b>-140,207</b> |
| <b>CURRENT ASSETS</b>                       | <b>51,928,409</b>  | <b>51,928,409</b>  | <b>-</b>        |
| <b>ACCRUED INCOME AND PREPAID EXPENSES</b>  | <b>2,157,541</b>   | <b>2,157,541</b>   | <b>-</b>        |
| <b>TOTAL ASSETS</b>                         | <b>108,371,270</b> | <b>108,511,477</b> | <b>-140,207</b> |
| <b>Share capital</b>                        | 599,340            | 599,340            | -               |
| <b>Reserves</b>                             | 26,629,656         | 26,766,461         | -136,805        |
| <b>Net profit for the year</b>              | 2,035,689          | 2,035,689          | -               |
| <b>NET EQUITY</b>                           | <b>29,264,686</b>  | <b>29,401,490</b>  | <b>-136,805</b> |
| <b>PROVISIONS FOR RISKS AND CHARGES</b>     | <b>420,795</b>     | <b>424,197</b>     | <b>-3,402</b>   |
| <b>PROVISIONS FOR SEVERANCE</b>             | <b>6,283,404</b>   | <b>6,283,404</b>   | <b>-</b>        |
| <b>PAYABLES</b>                             | <b>71,165,029</b>  | <b>71,165,029</b>  | <b>-</b>        |
| <b>ACCRUED EXPENSES AND DEFERRED INCOME</b> | <b>1,237,356</b>   | <b>1,237,356</b>   | <b>-</b>        |
| <b>TOTAL LIABILITIES AND NET EQUITY</b>     | <b>108,371,270</b> | <b>108,511,477</b> | <b>-140,207</b> |

| 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      | -          |
| <b>Difference between value and cost of production</b> | <b>-77,754</b>     | <b>-77,754</b>   | -          |
| Financial income and charges                           | 1,842,669          | 1,842,669        | -          |
| <b>Profit before tax</b>                               | <b>1,764,915</b>   | <b>1,764,915</b> | -          |
| Taxes for the year                                     | 270,774            | 270,774          | -          |
| <b>NET PROFIT(LOSS)</b>                                | <b>2,035,689</b>   | <b>2,035,689</b> | -          |

## 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.



## 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<br>expansion<br>costs | Rights* | Industrial patents<br>and intellectual<br>property rights | Goodwill  | Intangible fixed assets                               |           |            |
|--|------------------------------------|---------|---|-----------|---|-----------|------------|
|  |                                    |         |   |           | under<br>development/<br>construction<br>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<br>(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<br>acquisitions           | 0                                  |         | 391,550   | 119,144   | 352,624   | 1,388,450 | 2,251,768  |
| Amortisation/depreciation<br>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<br>(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<br>AMORTISATION/DEPRECIATION | NET VALUE        |
|--|------------------|--|------------------|
| <b>Company branch acquired from Dante s.r.l.</b> | 1,286,356        | 514,542                                  | 771,814          |
| <b>RES s.r.l. merger</b>                         | 485,824          | 244,038                                  | 241,786          |
| <b>Grafitec s.r.l.</b>                           | 60,000           | 24,000                                   | 36,000           |
| <b>Vertere s.r.l. merger</b>                     | 1,020,639        | 209,093                                  | 811,546          |
|  | <b>2,852,819</b> | <b>991,673</b>                           | <b>1,861,146</b> |

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

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

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

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                               |
|                                  |                                       |               |                                   |  |                 |                 | <b>38,219,694</b>                      | <b>14,663,167</b>                   |

## 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                                |
|                     |                                     |                                  |                    |  |                 |                 | <b>130,500</b>                         |

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 Localeyes 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<br>RECEIVABLES DUE<br>FROM SUBSIDIARY<br>UNDERTAKINGS | NON-CURRENT<br>RECEIVABLES DUE<br>FROM ASSOCIATED<br>UNDERTAKINGS | LONG-TERM<br>RECEIVABLES FROM<br>OTHERS | TOTAL LONG-TERM<br>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         |
|                 |                    |         |                   |                  |                | <b>82,787</b>  | <b>19,869</b> | <b>62,918</b>  |



## 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               |
| <b>TOTAL INVENTORIES</b>    | <b>437,927</b>         | <b>-268,187</b>         | <b>169,740</b>       |

### 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 |                 |               |                   | Balance as at 31/12/2023 | Change            |
|---------------------------------|--------------------------|-----------------|---------------|-------------------|--------------------------|-------------------|
|                                 | Within 12 months         | After 12 months | After 5 years | Total             |                          |                   |
| 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         |
|                                 | <b>30,392,479</b>        | <b>-</b>        | <b>-</b>      | <b>30,392,479</b> | <b>36,944,084</b>        | <b>-6,551,605</b> |

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

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<br>Trade | 31/12/2023<br>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              |
|                                  | <b>1,659,331</b>    | <b>3,727,573</b>    |

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<br>Trade | 31/12/2023<br>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                  | - 154               |
| STAR SA   | 1,170               | 4,706               |
| STAR GROUP SCANDINAVIA AB                           | 1,916               | 4,691               |
| STAR GROUP AMERICA, LLC                             | -                   | - 777               |
| STAR CZECH S.R.O.                                   | 566                 | - 118               |
| STAR SERVICIOS LINGUISTICOS SLU                     | 30                  | 30                  |
| STAR HUNGARY KFT                                    | -                   | 223                 |
| DANTE S.R.L.  | -                   | 404                 |
| STAR PREVAJALSKE STORITVE D.O.O Ljubljana           | -                   | 27,410              |
|   | <b>146,757</b>      | <b>184,593</b>      |

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

Movements in the allowance for doubtful accounts were as follows:

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

## 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 |
|---|------------------------|------------------------|----------------------|
| <b>Bank and postal deposits</b>         | 5,496,695              | 15,862,099             | 21,358,794           |
| <b>Cash and other valuables on hand</b> | 1,201,960              | -1,194,563             | 7,397                |
| <b>TOTAL CASH AND CASH EQUIVALENTS</b>  | <b>6,698,655</b>       | <b>14,667,535</b>      | <b>21,366,190</b>    |

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         |
|--|------------------|------------------|----------------|
| <b>Accrued income</b>  | <b>45,091</b>    | <b>18,916</b>    | <b>26,175</b>  |
| <b>Prepaid expenses:</b>                                     |                  |                  |                |
| 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        |
| <b>TOTAL</b>   | <b>2,157,541</b> | <b>1,442,470</b> | <b>715,071</b> |

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.

## 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       |                            |                   |
| <b>Share capital</b>  | 599,340           |                                      |                |               |                 |                            | 599,340           |
| <b>Share premium reserve</b>                                    | 11,728,160        |                                      |                |               |                 |                            | 11,728,160        |
| <b>Legal reserve</b>  | 119,868           |                                      |                |               |                 |                            | 119,868           |
| <b>Other reserves:</b>  |                   |                                      |                |               |                 |                            |                   |
| 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            |
| <b>Total other reserves:</b>                                    | <b>14,243,324</b> | <b>0</b>                             | <b>614,175</b> | <b>0</b>      | <b>0</b>        | <b>0</b>                   | <b>14,857,499</b> |
| <b>Reserve for transactions to hedge expected cash flows</b>    | 166,927           |                                      |                |               | -105,993        |                            | 60,934            |
| <b>Profit (loss) for the year</b>                               | 614,175           |                                      | -614,175       |               |                 | 2,035,689                  | 2,035,689         |
| <b>TOTAL NET EQUITY</b>   | <b>27,471,794</b> | <b>0</b>                             | <b>0</b>       | <b>0</b>      | <b>-105,993</b> | <b>2,035,689</b>           | <b>29,401,490</b> |

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         |
| <b>Total</b>  | <b>409,324</b> |

## 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  |
|---|-------------------|---------------|---------------|-------------------|
| <b>Capital</b>  | 599,340           |               | B             |                   |
| <b>Share premium reserve</b>                                    | 11,728,160        |               | A, B, C, D    | 11,728,160        |
| <b>Legal reserve</b>  | 119,868           | Gains         | A, B          |                   |
| <b>Other reserves</b>   |                   |               |               |                   |
| 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            |
| <b>Total other reserves</b>                                     | <b>14,857,499</b> |               |               | <b>14,467,496</b> |
| <b>Reserve for transactions to hedge expected cash flows</b>    | 60,934            |               |               |                   |
| <b>TOTAL</b>  | <b>27,365,801</b> |               |               | <b>26,195,656</b> |
| <b>Non-distributable portion</b>                                |                   |               |               | 594,968           |
| <b>Residual distributable amount</b>                            |                   |               |               | <b>25,600,688</b> |

### 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<br>Capital | Share<br>premium<br>reserve | Legal<br>reserve | Extraordinary<br>reserve | Merger<br>surplus | Reserve<br>Decree<br>Law<br>104/2020 | Reserve<br>Law<br>289/2002 | Capital<br>contribution | Reserve* | Profit (loss)<br>for the<br>year | TOTAL      |
|---|------------------|-----------------------------|------------------|--------------------------|-------------------|--------------------------------------|----------------------------|-------------------------|----------|----------------------------------|------------|
| <b>At the beginning of the previous year</b>    | 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 |
| <b>Allocation of the result for the year:</b>   |                  |                             |                  |                          |                   |                                      |                            |                         |          |                                  |            |
| other uses                                      |                  |                             |                  | 4,095,010                |                   |                                      |                            |                         |          | -4,095,010                       | 0          |
| <b>Other changes</b>                            |                  |                             |                  |                          |                   |                                      |                            |                         |          |                                  |            |
| increases                                       |                  |                             |                  |                          |                   |                                      |                            |                         |          |                                  | 0          |
| decreases                                       |                  |                             |                  |                          |                   |                                      |                            |                         | -139,641 |                                  | -139,641   |
| <b>Previous year's result</b>                   |                  |                             |                  |                          |                   |                                      |                            |                         |          | 614,175                          | 614,175    |
| <b>At the end of the previous year</b>          | 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 |
| <b>Allocation of the result for the year:</b>   |                  |                             |                  |                          |                   |                                      |                            |                         |          |                                  |            |
| allocation of dividends                         |                  |                             |                  |                          |                   |                                      |                            |                         |          |                                  | 0          |
| other uses                                      |                  |                             |                  | 614,175                  |                   |                                      |                            |                         |          | -614,175                         | 0          |
| <b>Other changes</b>                            |                  |                             |                  |                          |                   |                                      |                            |                         |          |                                  |            |
| increases                                       |                  |                             |                  |                          |                   |                                      |                            |                         |          |                                  | 0          |
| decreases                                       |                  |                             |                  |                          |                   |                                      |                            |                         | -105,993 |                                  | -105,993   |
| <b>Result for the current year</b>              |                  |                             |                  |                          |                   |                                      |                            |                         |          | 2,035,689                        | 2,035,689  |
| <b>At the end of the current financial year</b> | 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       |
|------------------------------|--------------|
| <b>Capital contributions</b> | 2,846        |
| <b>Total</b>                 | <b>2,846</b> |



## 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 |
|--------------------------------|--|---|----------------------------------|------------------|--|
| <b>Value at start of year</b>  | <b>282,930</b>                                 | <b>66,138</b>                                 | <b>0</b>                         | <b>414,403</b>   | <b>763,471</b>                                 |
| <b>Changes during the year</b> |  |   |                                  |                  |  |
| 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                                       |
| <b>Total changes</b>           | <b>64,000</b>                                  | <b>-41,484</b>                                | <b>2,612</b>                     | <b>-364,403</b>  | <b>-339,274</b>                                |
| <b>Value at end of year</b>    | <b>346,930</b>                                 | <b>24,654</b>                                 | <b>2,612</b>                     | <b>50,000</b>    | <b>424,197</b>                                 |

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

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

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         |
| <b>TOTAL</b>        | <b>13,400,000</b> | <b>11,850,000</b>                     | <b>206,669</b>           |                              |              |

The table below shows amounts due to subsidiaries:

|   | 31/12/2024       |                  |                  | 31/12/2023       |
|---|------------------|------------------|------------------|------------------|
| Payables to subsidiaries                      | 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              |
|   | <b>2,997,273</b> | <b>5,735,215</b> | <b>8,732,488</b> | <b>2,080,812</b> |

The tables below show payables to associated companies:

|   | 31/12/2024 | 31/12/2023 |
|---|------------|------------|
| Payables to associated companies          | 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             |
|   | <b>632,164</b> | <b>394,263</b> |

## 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         |
| <b>TOTAL PAYABLES</b>                    | <b>63,020,058</b> | <b>6,918,255</b> | <b>1,226,715</b> | <b>71,165,029</b> |

## 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 |
|---|------------------------|------------------------|----------------------|
| <b>Accrued expenses</b>                           | 418,245                | -211,909               | 206,336              |
| <b>Deferred income</b>                            | 1,413,231              | -382,211               | 1,031,020            |
| <b>Total accrued expenses and deferred income</b> | <b>1,831,476</b>       | <b>-594,120</b>        | <b>1,237,356</b>     |

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.

## 5

## 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          |
| <b>TOTAL VALUE OF PRODUCTION</b>   | <b>68,516,810</b> | <b>64,521,449</b> | <b>3,995,361</b> |

“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         |
| <b>TOTAL</b>                                  | <b>67,429,065</b> | <b>64,067,457</b> | <b>3,361,608</b> |



## 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       |
| <b>TOTAL</b>      | <b>67,429,065</b> | <b>64,067,457</b> | <b>3,361,608</b> |

## 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          |
| <b>TOTAL</b>                                 | <b>68,594,565</b> | <b>64,126,150</b> | <b>4,468,415</b> |

## 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          |
| <b>TOTAL</b>                                 | <b>1,842,669</b> | <b>41,357</b> | <b>1,801,312</b> |

Income from equity investments refers to dividends distributed by the subsidiaries Localeyes 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        |
| <b>TOTAL</b>  | <b>2,511,016</b> | <b>2,458,754</b> | <b>52,262</b> |

## 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         |
| <b>TOTAL</b>                  | <b>123,779</b> | <b>7,042</b> | <b>116,737</b> |

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 |
|                                     |         | <b>7,150,000</b> | <b>82,787</b> | -        |                   |            |

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         |
|---|-----------------|-----------------|----------------|
| <b>Current taxes:</b>                                   | <b>118,943</b>  | <b>97,300</b>   | <b>21,643</b>  |
| IRES  | 4,906           | 0               | 4,906          |
| IRAP  | 114,037         | 97,300          | 16,737         |
| <b>Prior year taxes</b>                                 | <b>-21,410</b>  | <b>44,585</b>   | <b>-65,995</b> |
| <b>Deferred tax liabilities (assets):</b>               | <b>-368,307</b> | <b>-319,403</b> | <b>-48,904</b> |
| 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              |
| <b>TOTAL</b>  | <b>-270,774</b> | <b>-177,518</b> | <b>-93,256</b> |

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).

## 6

## 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           |
|                 | <b>555</b> | <b>566</b> | <b>-11</b> | <b>561</b>  |

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        |
| <b>TOTAL FEES DUE TO THE STATUTORY AUDITOR OR THE AUDITING FIRM</b> | <b>21,375</b> |

### 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     |
|                 | <b>8,999,752</b> |                       |

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        |
| <b>TOTAL</b> | <b>1,941,366</b> |

## 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:

| <b>PROFIT FOR THE YEAR AS AT 31/12/2024</b>                      | <b>EUROS</b> | <b>2,035,689</b> |
|--|--------------|------------------|
| <b>to the legal reserve</b>                                      | Euro         | -                |
| <b>to the extraordinary reserve</b>                              | Euro         | 2,035,689        |
| <b>to dividends</b>  | Euro         | -                |
| <b>to unavailable reserve art. 60 of Law Decree no. 104/2020</b> | 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**

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**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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10121 - Torino

**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.



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**Report on other legal and regulatory requirements**

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**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**

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**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.

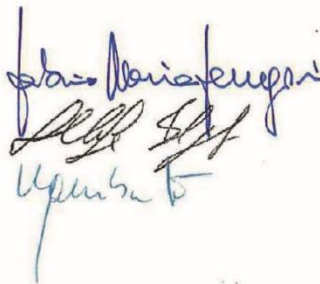
Milan, 10 April 2025

THE BOARD OF STATUTORY AUDITORS

Mr. Fabio Maria Venegoni

Mr. Alberto Bodiglio

Mr. Vincenzo Gambaruto



## **STAR7 S.p.A.**

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VAT number and Tax ID No.: 01255170050, REA  
(Economic and Administrative Index): AL 208355

Share Capital: €599,340

[star-7.com](http://star-7.com)

