



# GLASS to POWER

GLASS TO POWER S.p.A.

VIA FORTUNATO ZEVI, 8 - C/O MECCATRONICA

38068 ROVERETO (TN)

ITALY

Share capital: EURO 528,812.00, paid-up for EURO 528,812.00

Registered with the Companies Register of Trento under registration no. 09640920964

REGISTRATION OF SHARES FOR NEGOTIATIONS ON EURONEXT ACCESS+ PARIS THROUGH  
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## DEFINITIONS

<b>"Articles" or "Articles of Association"</b>	the articles of association of the Issuer in force as at the date of the Information Document;
<b>"Auditors" or "Auditing Firm"</b>	Crowne Bompani S.p.A., with registered office in Milan, via Leone XIII no.14 – 20145, Italy (from 2022 up to the financial year closed on 31 December 2024);
<b>"Board", "Board of Directors" or "Directors"</b>	the directors of the Issuer, whose names are set out in this Information Document;
<b>"Board of Statutory Auditors" or "Statutory Auditors"</b>	the statutory auditors of the Company, whose names are set out in this Information Document;
<b>"Business Day"</b>	a day other than Saturday or Sunday or a public holiday in Italy;
<b>"Class-A Shares"</b>	the no. 412,060 (four hundred twelve thousand and sixty) Class-A Shares with voting rights representing 77.92% (seventy seven point per cent.) of the share capital of the Company;
<b>"Class-A1 Shares"</b>	the no. 20,000 (twenty thousand) Class-A1 Shares with voting rights representing 3.78% (three point seventy-eight per cent.) of the share capital of the Company;
<b>"Class-B Shares"</b>	the no. 96,752 (ninety-six thousand and seven fifty two hundred) Class-B Shares with no voting rights representing 18.30% (eighteen point thirty per cent.) of the share capital of the Company;
<b>"CONSOB"</b>	the Italian Authority for the supervision of financial markets ( <i>Commissione Nazionale per le Società e la Borsa</i> ), with registered office in Rome (RM), via G.B. Martini no. 3 – 00198, Italy;
<b>"CONSOB Regulation on Online Crowdfunding Platforms"</b>	the regulation approved by CONSOB with its resolution no. 18592 of 26 June 2013, as subsequently amended and in force as at the date of this Information Document, on the raising of capital through online crowdfunding platforms ( <i>Regolamento sulla raccolta di capitali tramite portali on-line</i> );



<b>"Corporate Governance Code"</b>	the Italian Corporate Governance Code as published by the Comitato per la Corporate Governance of Borsa Italiana S.p.A. from time to time;
<b>"Crowdfunding Capital Increase"</b>	<p>(a) the capital increase for a maximum overall amount of Euro 4,992,000.00 (four million nine hundred ninety-two thousand/00) including share premium, with the issuance of maximum no. 124,800 (one hundred twenty-four thousand eight hundred) Shares, with the application of the pre-emption right pursuant to Article 2441, paragraph 1, of the Italian Civil Code, carried out on the crowdfunding platform of Opstart in the period comprised between 1 March 2021 and 31 May 2021; and</p> <p>(b) the capital increase for a maximum overall amount of Euro 9,002,940.00 (nine million two thousand nine hundred and forty/00) including share premium, with the issuance of maximum no. 150,049 (one hundred fifty-thousand and forty-nine) Class-B Shares, with the application of the pre-emption right pursuant to Article 2441, paragraph 1, of the Italian Civil Code, for the exercise of the Warrants (the "Warrant Capital Increase"),</p> <p>both as resolved upon by the Shareholders' Meeting of the Issuer on 1 February 2021;</p>
<b>"EU" or "European Union"</b>	the European Union;
<b>"Euronext"</b>	Euronext Paris SA;
<b>"Euronext Access"</b>	the commercial name under which the MTF operated by Euronext is run;
<b>"Euronext Access+"</b>	a dedicated segment within Euronext Access in which the admission to trading of the Shares is requested by the Issuer with the present Information Document;
<b>"Euronext Access Rule Book"</b>	the rule book titled "Euronext Access Rule Book", applicable to the MTF operated by Euronext, as in force as at the date of this Information Document;

<b>"European Monetary Union" or "Eurozone"</b>	the economic region formed by those member States of the European Union that have adopted the euro currency;
<b>"Glass to Power" or the "Issuer" or the "Company"</b>	Glass to Power S.p.A., a company limited by shares ( <i>società per azioni</i> ) incorporated under the laws of Italy, with registered office in via Fortunato Zevi, 8 – c/o Meccatronica – 38068 Rovereto (TN), Italy, registered with the Companies Register of Trento under no. 09640920964;
<b>"Information Document"</b>	the present document and its contents and annexes;
<b>"Listing Sponsor" or "Pairstech"</b>	Pairstech Capital Management LLP, a limited liability partnership incorporated under the laws of England and Wales, authorized to conduct its activities by the Financial Conduct Authority, authorisation no. 477155, with registered office in 1/1a Telegraph Street, London, EC2R 7AR, United Kingdom, registered within the Companies House under no. OC333807;
<b>"Listing Price"</b>	EUR 48,00 per Share (Class-A and Class-B Share);
<b>"MAR" or "Market Abuse Regulation"</b>	EU Regulation 596/2014 of the European Parliament and the Council of 16 April 2014, as amended and supplemented from time to time;
<b>"MTF" or "Multilateral Trading Facility"</b>	any multilateral trading facility within the scope of article 4(1)(15) of directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014, as amended and supplemented from time to time;
<b>"Opstart"</b>	Opstart S.r.l., a limited liability company, incorporated under the laws of the Republic of Italy, with registered office in Largo Adua, no. 1 – 24128 Bergamo (BG), Italy, registered within the Companies' Register of Bergamo under no. 04067590168, REA – BG - 432364, authorized by CONSOB pursuant to the CONSOB Regulation on Online Crowdfunding Platforms to manage the crowdfunding platform available on the website <a href="http://www.opstart.it">www.opstart.it</a> ;
<b>"Persons Discharging Managerial Responsibility"</b>	as defined in MAR, as amended and supplemented from time to time, refers to any person fulfilling such function for the Issuer or any of its subsidiaries from time to time and as at the date of this Information Document;

<b>"Regulated Market"</b>	any regulated market for financial instruments within the scope of Article 4(1)(14) Directive 2004/39/EC;
<b>"Shares"</b>	the no. 528,812.00 (five hundred twenty-eight thousand eight hundred twelve) shares representing the entire share capital of the Company;
<b>"Shareholders"</b>	the persons who are registered as the holders of the Shares from time to time;
<b>"Technical Admission"</b>	admission of the Shares on Euronext Access+, in accordance with the Euronext Access Rule Book;
<b>"UK" or "United Kingdom"</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>"US", "USA" or "United States"</b>	the United States of America;
<b>"US Securities Act"</b>	the United States Securities Act of 1933, as amended and supplemented from time to time.
<b>"Warrants"</b>	the no. 150,049 (one hundred fifty thousand forty-nine) warrants, named " <i>Warrant Glass to Power S.p.A. 2021-2024</i> ", issued in the context of the Crowdfunding Capital Increase and assigned for no consideration to the Shareholders of the Issuer in the proportion of no. 1 (one) Warrant <i>per</i> no. 4 (four) Shares held by each Shareholder.

## **1. RESPONSIBLE PERSONS**

### **1.1 PERSON RESPONSIBLE FOR THE INFORMATION DOCUMENT**

Glass to Power S.p.A., a company limited by shares incorporated under the laws of Italy, with registered office at Via Fortunato Zevi, 8 – c/o Meccatronica – 38068 Rovereto (TN), Italy, registered within the Companies Register of Trento under no. 09640920964, is duly represented by Mr. Emilio Sassone Corsi, Chief Executive Officer and legal representative of the Issuer, who is also the person responsible for the present Information Document.

### **1.2 LIABILITY STATEMENT**

Pursuant to as provided for by the Euronext Access Rule Book, Glass to Power's Board of Directors declare the following:

"We declare that, to the best of our knowledge, the information provided in the Information Document is fair and accurate and that, to the best of our knowledge, the Information Document is not subject to any material omissions, and that all relevant information is included in the Information Document".

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Emilio Sassone Corsi – Chief Executive Officer of Glass to Power S.p.A.

## **2. AUDIT OF THE ISSUER**

### **2.1 AUDITOR OF THE ISSUER**

Pursuant to Italian law, the articles of incorporation of a company may provide for the appointment of a supervisory body or an external auditor.

In the case of companies limited by shares (*società per azioni*) which do not operate on the capital market (so-called “private” companies) and do not prepare the consolidated balance sheet, the Board of Statutory Auditors ("*Collegio Sindacale*") may carry out, pursuant to a specific statutory provision, both the function of internal audit and that of statutory audit of accounting records.

Until the financial year closed on 31 December 2020, the audit functions of the Company have been assigned to the Issuer's Board of Statutory Auditors ("*Collegio Sindacale*"). From the 2021 financial year up to the financial year closed on 31 December 2023 the audit functions will be performed by the Auditing Firm Crowe Bompani S.p.A..

The last annual report released by the Board of Statutory Auditors covered the Company's annual accounts for the financial year closed on 31 December 2020. The Statutory Auditors audited the annual accounts of the Company in accordance with the provisions of the Italian Civil Code and the Italian Accounting Standards issued by OIC ("*Organismo Italiano di Contabilità*"). Please note that the Company's annual accounts for the financial year ending on 31 December 2019 and 31 December 2020 have been also audited on a voluntary basis by the Auditing Firm.

### 3. KEY FINANCIAL INFORMATION

#### 3.1 RESUME

This section provides selected financial information on the Company for the financial years ended on 31 December 2019 and 31 December 2020.

The selected financial information has been extracted and / or processed on the basis of the financial statements for the financial year ended on 31 December 2020, drawn up in accordance with the legislative provisions and accounting standards issued by the Italian Accounting Council, and reviewed by the Statutory Auditors who issued their report, without remarks, on 21 June 2021.

The selected financial information presented below should be read in conjunction with the aforementioned financial statements of the Company, whose English translation is included in Chapter 16 (*Financial Statements for the financial year ended on 31 December 2019*) and in Chapter 17 (*Financial Statements for the financial year ended on 31 December 2020*) of this Information Document.

#### 3.2 SELECTED FINANCIAL INFORMATION FOR THE FINANCIAL YEARS ENDED ON 31 DECEMBER 2019 AND 31 DECEMBER 2020

The main economic data of the Company for the financial years ended on 31 December 2019 and 31 December 2020 are represented below.

	2020	2019
Revenues from the sale of goods and services	2.499	1.452
Change in Inventories of finished products, semi-finished products		
Capitalised internal work in progress	236.591	463.517
Other revenues	15.960	682.376
Total Revenues	255.050	1.147.345
Raw materials	51.900	66.048
Total direct costs	51.900	66.048
First margin	203.150	1.081.297
Cost for services	226.479	297.465
Rents and leases	83.814	68.526
Other costs	2.662	-9.261

	2020	2019
Total external costs	312.955	356.730
Gross profit	-109.805	724.567
Personnel cost	470.712	619.876
EBITDA	-580.517	104.691
D&A	437.452	379.874
EBIT	-1.017.969	-275.183
Interest cost / (expenses)	-16.736	-2.031
Non-recurrent gains	219	25
EBT	-1.034.486	-277.189
Tax expenses		
Net Income	-1.034.486	-277.189

### 3.2.1 Revenues

The breakdown of the “*Revenue from sales of goods and services*” for the financial years ended on 31 December 2019 and 31 December 2020, carried out by business sector, is represented below.

	2020	%	2019	%
Segment 1				
- quantum dots	2.499	100,00%	1.452	100,00%
Total revenues	2.499	100,00%	1.452	100,00%

As of 31 December 2020, “*Revenue from Segment 1*” amounted to Euro 2.499, with a 72% grow compared to 31 December 2019.

**Capitalised internal work in progress** consists of salaries, wages and other costs for the personnel employed in the development activity, as well as collaboration with external companies and the Department of Material Sciences at the Bicocca University of Milan. Taking into account that these costs must be recovered through future revenues, the company, in their absence, has decided not to proceed with amortisation. The decrease

amount from 2019 to 2020 is due to the reduction of the activity of R&D. In 2021 the R&D activity is expected to decrease further. The Company has registered revenues with an one off order for Euro 15,960 in 2020. The Other revenues for 2019 refer to Euro 667,851 and constitutes the entry in the balance sheet of the tax credit for research and development for the financial year 2018.

### **3.2.2 Costs**

As far as costs are concerned, variable costs represent the purchase of external services, mainly purchase of third-party professional services relating to product development and marketing costs. Fixed costs are almost entirely due to staff costs.

The costs relating to external services were Euro 226.479 for the financial year ended on 31 December 2020, with a decrease compared to the financial year ended on 31 December 2019, where such costs amounted to Euro 297.465. The majority of the change is due to meeting costs, travel costs and directors fees. During the financial year ended on 31 December 2020, the Company employed an average of 9 employees, of which 7 were employed in technical services and 2 in commercial services (1 part time). For the financial year ended on 31 December 2020, the cost relating to employees therefore amounted to a total amount of Euro 470.712,

Cost decrease of personnel between 2019 to 2020 is mainly due to:

1. pandemic events referred to COVID-19 enforced a stop of the business activity for a number of months in spring 2020, covered by extraordinary layoffs;
2. the change of personnel from senior R&D researchers to younger personnels with lower cost level.

### **3.2.3 Operating result (EBITDA)**

Operating result (EBITDA) decreased from Euro 104.691 as of 31 December 2019 to Euro (580.517) as of 31 December 2020. This was primarily due to the relevant tax credit booked in *Other revenues* 2019.

### **3.2.4 Profit for the year**

Net loss increased from Euro -277.189 as of 31 December 2019 to a loss of Euro -1.034.486 as of 31 December 2020.

It's important to stress that the Company, during the 2019 and 2020 financial years, has focused only on product industrialization and certification; commercial activities had not yet been initiated and the reported net losses are to be entirely attributed to investment and start-up costs.

The pandemic has not played any negative impact on revenues for the abovementioned period; instead, COVID-19 restrictions imposed on movement of people and services have resulted in delays in the start-up and industrialization process.



The Company has funded its development and industrialization commitments by raising equity from several investors, via multiple crowdfunding campaigns (including the Crowdfunding Capital Increase).

In particular, through the Crowdfunding Capital Increase, the Company has raised the financial resources needed to ensure business continuity for at least the whole 2022 (as confirmed by the Statutory Auditors).

Furthermore, within the first quarter of the 2022 financial year, the Company will receive the full financial contribution from the Autonomous Province of Trento – through its *Agenzia per gli Investimenti APIAE* – that will bring additional financial resources to the company. For additional information see Paragraph 13 (*Main contracts*).

Finally, the Issuer is confident to be able to receive before the end of the 2021 financial year the first commercial orders for its products, due to the advanced discussions with no. 2/3 (two-three) important commercial prospects for a total potential value of around Euro 1.5 million (one point five), 30% (thirty per cent.) of which will be paid upfront and translate in the 2021 turnover.

As a result, it is the opinion of the Directors and the Statutory Auditors of the Issuer that the latter is not at risk of bankruptcy.

### 3.3 BALANCE SHEET INFORMATION FOR THE YEARS ENDED ON 31 DECEMBER 2019 AND 31 DECEMBER 2020

The following table shows the main balance sheet items for the financial years closed on 31 December 2020 and 31 December 2019:

	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	306.395	434.546
Other current assets	875.595	932.685
Assts held for sale		
Work in progress	32.194	28.690
<b>TOTAL CURRENT ASSETS</b>	<b>1.214.184</b>	<b>1.395.921</b>
NON-CURRENT ASSETS		
Plant, property and equipment	488.011	347.749

	2020	2019
Intangible assets	2.718.571	2.680.635
Financial assets	0	0
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3.206.582</b>	<b>3.028.384</b>
<b>TOTAL ASSETS</b>	<b>4.420.766</b>	<b>4.424.305</b>

	2020	2019
<b>OTHER LIABILITIES</b>	<b>964.801</b>	<b>848.681</b>
Trade and other payables	814.567	761.366
Tax liabilities	13.703	19.431
Other liabilities	136.531	67.884
<b>FINANCIAL LIABILITIES</b>	<b>1.001.421</b>	<b>101.510</b>
<b>SHAREHOLDERS EQUITY</b>	<b>2.454.544</b>	<b>3.419.841</b>
<b>TOTAL LIABILITIES</b>	<b>4.420.766</b>	<b>4.424.305</b>

Current assets were Euro 1.214.184 on 31 December 2020 with a decrease of Euro 181.737 compared to the previous year, mostly due to the reduction of cash that went from Euro 434.546 as of 31 December 2019 to Euro 306.395 as of 31 December 2020. Other current assets decreased from Euro 932.685 to Euro 875.595; these assets represent VAT and R&D incentives receivables from Italian authorities.

### 3.3.1 Net financial indebtedness

The net financial position as of 31 December 2020 and 31 December 2019 is represented in the table below:

	2020	2019
Financial indebtedness	-1.001.421	-101.510
Long term borrowings	-700.000	-100.000
Short term borrowings	-301.421	-1.510
Cash and cash equivalents	306.395	434.546
Net financial indebtedness	-695.026	333.036

On the basis of the financial information, the Company's net cash position decreased from Euro 333.036 as of 31 December 2019 to Euro (695.026) as of 31 December 2020. The above mentioned decrease is not considered a financial issue for the Company because the main borrowing of Euro 900,000 with Intesa San Paolo is an advance for the grant that the Company will receive from the Autonomous Province of Trento, through its *Agenzia per gli Investimenti APIAE*. The amount borrowed under this facility, matches the schedule of release of the grant. In the event of a temporal mismatch between the two, the Company can use the existing cash balance, following the latest capital raise. The Company's strategy is to continue to fund its growth mainly through the use of equity capital, with limited recourse of financial debt and borrowing. Between beginning of March 2021 and end of May 2021, the Company has launched the Crowdfunding Capital Increase aimed at the listing of the Company to manage the Net Financial Indebtedness.

In particular, it is worth noting that the Company does not have any significant payable as at the date of this Information Document. The existing accounts payable, excluding the long term borrowings with Intesa San Paolo mentioned above, are mostly related to the payment to the Università Milano Bicocca for the acquisition of the patents. These payables will be paid before year end 2021 through the financial resources obtained due to the abovementioned Crowdfunding Capital Increase.

### 3.3.2 Equity

On the basis of the financial information and the financial statements:

- total equity decreased from Euro 3.419.841 as of 31 December 2019 to Euro 2.454.544 as of 31 December 2020;
- share capital amounted to EUR 475.397 as of December 31, 2020 and consisted of 475.397 shares that were issued and fully paid up.

## 3.4 SELECTED CASH FLOW INFORMATION FOR THE FINANCIAL YEARS ENDED AT 31 DECEMBER 2019 AND 31 DECEMBER 2020

The following table presents cash flow for the periods indicated:

	2020	2019
Cash and cash equivalent at the beginning of the year	434.546	1.473.355
Net cash generated from operating activities	-482.809	-711.985
Net cash used in investing activities	-615.649	-1.449.617
Net cash generated from financing activities	970.308	1.122.793
Cash and cash equivalent at the end of year	306.396	434.546

Net operating cash flow improved from a cash outflow in the amount of Euro (711.985) for the financial year ended on 31 December 2019 to a cash outflow in the amount of Euro (482.809) for the financial year ended on 31 December 2020.

In 2021, the Company successfully executed the Crowdfunding Capital Increase, which provided the resources to cover the expected financial needs for the 2021 and 2022. In particular, the resources collected in the context of the Crowdfunding Capital Increase were used by the Company (i) to cover the costs related to the completion of the industrial site in Rovereto and (ii) to set-up its commercial structure and implementing an ERP application used to standardize, streamline and integrate business processes across the Company's departments.

For additional information on the Crowdfunding Capital Increase, please refer to Paragraph 12.1.7 (*Description of changes in share capital for the period covered by the historical financial information*) of this Information Document.

### 3.5 INVESTMENTS

The following table presents an overview of certain of the Group's non-current assets at net book value as of December 31, 2019 and December 31, 2020:

	2020	2019
Intangible assets	2.178.571	2.680.635
1) Start-up and expansion costs	412.533	454.297
2) Development costs	1.436.625	1.090.034
3) Industrial patent and intellectual property rights	743.273	947.989
Other intangible assets	126.139	188.314
Property, Plant and Equipment	94.634	23.027
Other properties	382.464	311.134

Other non-current assets	10.912	13.588
Total non-current assets	3.206.582	3.028.384

On the basis of the financial statements:

- Non-current assets increased from Euro 3.206.582 as of December 31, 2019 to Euro 3.028.384 as of December 31, 2020;
- Other intangible assets decreased from Euro 188.134 as of December 31, 2019 to Euro 126.139 as of December 31, 2020 and represents costs about the improvements to third party assets.
- Properties, plant and equipment grow from an amount of Euro 23.027 as of December 31, 2019 to Euro 94.634 as of December 31, 2020;
- Other non-current assets remained unchanged with an amount of Euro 11.000 and included personal computers.

The following table presents an overview of the Company's investments in non-current assets as of December 31, 2020 and December 31, 2019:

	2020	2019
Investments in Property, Plant and Equipment	488.011	347.749
Investments in Intangible Assets	2.718.571	2.680.635
Investments in other non-current assets	0	0

As of December 31, 2020, investments were made and related to 2020 for Euro 3.206.582.

As of today the Company, in order to continue the industrial scale-up and develop further the commercial operations, is continuing to heavily invest as represented in the business plan of the Company for the period 2021-2023 (the "**Business Plan**"), which was approved by the Directors of the Company on 11 June 2021. According to the approved Business Plan, the investments will be financed with existing cash resources.

## **4. RISK FACTORS**

This section provides an overview of the material risks factors relating to the Issuer and an investment into the Shares.

Prospective investors should carefully review and consider the following risks as well as other information contained in this Information Document.

An investment in the Shares presents the typical risk factors of an investment in shares of companies admitted to trading on a non-regulated market such as Euronext Access that is a Multilateral Trading Facility.

In order to properly evaluate their investment, investors should be aware of the specific risk factors relating (i) to the Issuer, (ii) the industries and markets in which the Issuer operates and (iii) the financial instruments themselves, as well as all the information contained in the Information Document.

Circumstances described in any of the following risk factors – despite being based on assumptions that may prove to be incorrect – may materialize individually or cumulatively and could have an adverse effect on (a) the Issuer's business, economic, financial, cash-flow and asset situation and conditions and/or (b) the price of the Shares; as a result, investors could lose all or part of their investments. Such adverse effects on the Issuer and the Shares could also occur (i) if other events not currently known to the Issuer materialize, thus exposing the Issuer to other risks or uncertainties, or (ii) if risk factors currently considered negligible become significant.

The order in which the following risks are presented is not an indication of the likelihood of such risks actually materializing, their potential significance or the scope of their potential harm to Issuer's business, economic, financial, cash-flow and asset situation and conditions as well as to the price of the Shares.

The Issuer considers that as at the date of this Information Document, there are no significant risk factors other than those presented in this section. Investors should note, however, that the list of risk factors and uncertainties described below is not exhaustive. Risks or uncertainties that, as at the date of this Information Document, are unknown or whose realization is not considered likely to have a material adverse effect on (i) the Issuer, (ii) its business, economic, financial, cash-flow and asset situation and conditions and/or (iii) the price of the Shares, may exist or become significant and have such a material adverse effect.

Investing in the Issuer's Shares involves a high level of risk, and the Issuer believes that the risks described below are important for potential investors. Accordingly, before deciding to invest in the Shares, potential investors are advised to carefully evaluate the risk factors described below, as well as all of the information contained in the Information Document.

### **4.1 RISKS RELATED TO THE ISSUER**

#### **4.1.1 Risks related to the financial results of the Issuer**

For the fiscal year closed on 31 December 2020, the financial statement of the Issuer reported negative results. In particular, the Issuer reported an operating loss of Euro

1,034,486 (compared to Euro 277,189 recorded in the fiscal year closed on 31 December 2019), with an increase in the level of indebtedness to Euro 1,903,400 (compared to Euro 950,191 recorded in the fiscal year closed on 31 December 2019). Moreover, certain concerns about the capacity of the Issuer to operate on a going concern basis have been expressed by a shareholder during the shareholders' meeting held on 9 July 2021.

The Directors of the Issuer have replied to such concerns by highlighting that the loss for the 2020 fiscal year is exclusively due to the material and significant investments carried out by the Issuer in order to develop and industrialise its products and that all such expenses have been diligently and carefully monitored in order to ensure their use for the abovementioned purposes. Moreover, the Directors of the Issuer have clarified to the shareholders that the net financial exposure of the Issuer will significantly decrease during the 2022 fiscal year, during which a significant increase in the level of revenues is also expected, as well as that the cash on balance of the Issuer as at 1 July 2021 amounts to Euro 1,942,000. As a result, the Directors of the Issuer are of the opinion that the Company is fully able to continue operating on a going concern basis in a short as well as medium-term period.

The Board of Statutory Auditors, in its annual report, confirmed that the financial resources collected by the Company following the execution of the Crowdfunding Capital Increase are sufficient to ensure the capacity of Glass to Power to operate on a going concern basis for a period of at least 12 months.

Should the Issuer be unable to reduce its financial exposure and/or to increase its revenues, this could have a material adverse effect on the Issuer's economic, equity and financial situation and consequently a material adverse effect on the market price of the Shares.

#### **4.1.2 Risk related to the Issuer's ability to earn acceptable returns from projects / sale of products**

The Issuer has not generated significant amount of revenues to date. No assurance can be given that the Company will achieve commercial viability through the Company's technology or otherwise. Until the Company is able to realise substantial value from its technology, it is likely to incur ongoing operating losses.

There is no certainty that the Company will achieve profitability nor derive acceptable returns from the projects it undertakes. The Company's ability to achieve growth, in terms of both the numbers of projects and the revenue from its products and services sold and licensing undertaken and to increase profitability depends, in part, on the successful implementation of its business plan. There can be no assurance that the Company will be successful in implementing its strategy or that the Company will be able to anticipate or meet the needs of the market generally. If the Company is unable to implement its business strategy there may be adverse effects on its results of operations or financial condition. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer.

In light of the above, material negative performance and/or material negative results of operations of the Company may have a material adverse effect (i) on Issuer's results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### **4.1.3 Risk related to Research and Development**

The Company's products are the subject of continuous research and development and will likely need to be substantially developed further in order to enable the Company to remain competitive, increase sales and improve the products' scalability. There are no guarantees that the Company will be able to undertake such research and development successfully. Failure to successfully undertake such research and development, anticipate technical problems, or estimate research and development costs or timeframes accurately will adversely affect the Company's results and viability and consequently have a material adverse effect on the market price of the Shares.

#### **4.1.4 Technology Risk**

The Company's market involves rapidly evolving products and technological change. To succeed, the Company will need to research, develop, design, manufacture, assemble, test, market and support (i) substantial enhancements to its existing products and (ii) new products, on a timely and cost-effective basis. The Company cannot guarantee that it will be able to engage in research and development at the requisite levels. The Company cannot assure investors that it will successfully identify new technological opportunities and continue to have the needed financial resources to develop new products in a timely or cost-effective manner. At the same time, products and technologies developed by others may render the Company's products and systems obsolete or non-competitive.

The impossibility for the Company to engage in research and development at the requisite levels or to identify new technological opportunities and continue to have the needed financial resources to develop new products in a timely or cost-effective manner may have a material adverse effect (i) on Issuer's results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### **4.1.5 Risks related to manufacturing and supply chain**

The Company's products and component parts of its products are comprised of products and materials (such as Plexiglas and or glass) available in the commercial market. The ability to source underlying products and materials to use in the manufacture of the Company's products may be impacted by any number of variables.

Additionally, the Company's estimated cost of components such as for plexiglass elements may also vary due to availability of products, resources, materials or any variables that may impact on the cost of components or elements in its products.



Further the availability of licensees, subcontractors and suppliers to manufacture or create the final products to an acceptable quality may impact on the supply of products and the delivery of projects.

As at the date of this Information Document, the Company is mainly dependant on Poly (methyl methacrylate) ("PMMA") producers and double glazing window producers. In order to minimize the risks related to incidents, lack of quality, delivery issues or credit risks of these suppliers, the Company has diversified its supply chain in order to mitigate the risk of dependence from 1 (one) or more key suppliers; in particular the Company currently has 3 (three) suppliers for PMMA products and 4 (four) suppliers for double glazing windows. Each supplier is fully interchangeable and can be replaced at short notice, with minimal costs.

Notwithstanding that, should any of the negative events above materialise and in case the Company is not able to address such negative events and mitigate the negative consequences thereof quickly and effectively, they may have a material adverse effect (i) on Issuer's results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### **4.1.6 Risk related to construction and installation**

Construction / installation issues may arise due to variables that impact on the ability of the Company (or its licensees) to manufacture and install its products into new buildings, retrofit into existing buildings, employ in greenhouses including without limitation issues that arise in relation to building design, electrical integration and interconnection, any necessary development approvals, the availability of materials, the availability of subcontractors, performance of subcontractors, fabrication of elements, accessibility to sites, weather or any other aspect relating to the design, procurement, management or construction of projects where the Company's products are to be deployed.

The supply and installation of the Company products or their use will require various government and other approvals relevant to the product itself, the integration and interconnection of the product into the fabric of built structures and the use of the products at specific sites or for specific applications. The Company expects that for each use and for different territories where it will sell and install its products a range of government approvals will be required. There is no guarantee that any such required approvals will be granted in a particular situation which may limit or even prevent the sale of the Company's products.

Should any of the negative events above materialise and in case the Company is not able to address such negative events and mitigate the negative consequences thereof quickly and effectively, they may have a material adverse effect (i) on Issuer's results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### **4.1.7 Risks related to licensees**

The Company's business model is reliant upon engaging licensees to manufacture and distribute its products. Whilst the Company will undertake all reasonable due diligence in its dealings with licensees and potential licensees and will endeavour to control licensees through license and other agreements, the Company may ultimately have limited control over the activities or actions of its licensees, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's business.

Any inability to control the activities or actions of the licensees may have a material adverse effect (i) on Issuers' results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### **4.1.8 Risk related to the ability to source and deliver project**

The ability of the Company to generate and grow revenues depends in part on its capacity to source and develop new projects. There is no guarantee that the Company will be able to secure projects in the future nor deliver them in a way that will provide acceptable returns to shareholders.

The inability of the Company to source and develop new projects may have a material adverse effect (i) on Issuers' results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### **4.1.9 Risks related to intellectual property rights**

A substantial part of the Company's commercial success will depend on its ability to maintain or as the case may be establish, and protect, its intellectual property, maintain trade secret protection and operate without infringing the proprietary rights of third parties.

The Company currently has 2 (two) granted patent and 3 (three) patent applications throughout the World. The 3 (three) pending patent applications have successfully completed an Italian evaluation phase and are now completing the European validation process, either at the level of the Patent Cooperation Treaty or international (country by country) level.

It is worth noting that the patent protecting Glass to Power's intellectual property concerning the type of colloidal nanoparticles necessary to produce PV windows has already been granted in the European Union and several other countries including the USA.

Notwithstanding the above, there is a risk that each pending application will not be granted. There is a further risk that the claims of each patent application, as filed, may change in scope during examination by the various patent and trade mark offices. Further, if and where a patent is granted, there can be no guarantee that such patent is valid or enforceable or that the patent will be granted in all countries in which applications have been filed.

The commercial value of these intellectual property assets is dependent on any relevant legal protections. These legal mechanisms, however, do not guarantee that the intellectual

property will be protected or that the Company's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information, or that competitors will not be able to produce non-infringing competitive products. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. There can be no assurance that any intellectual property which the Company (or entities it deals with) may have an interest in now or in the future will afford the Company commercially significant protection of technologies, or that any of the projects that may arise from technologies will have commercial applications.

It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against the Company under copyright, trade secret, patent, or other laws. While the Company is not aware of any claims of this nature in relation to any of the intellectual property rights in which it has or will acquire an interest, such claims, if made, may harm, directly or indirectly, the Company's business. If the Company is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in the Company's favour, the costs of such litigation will be potentially significant and may divert management's attention from normal commercial operations.

Additionally, securing rights to (or developing) technologies complementing the Company's existing intellectual property will also play an important part in the commercial success of the Company. There is no guarantee that such rights can be secured or such technologies can be developed.

Therefore, the inability of the Company to protect its intellectual property rights or to secure or develop technologies complementing the Issuer's existing intellectual property may have a material adverse effect (i) on the Issuer's results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### **4.1.10 Risks related to third party relationship**

The Company is dependent in part upon its relationships and alliances with industry participants. Some of the Company's partners do, or may in the future, assist the Company in the development of its products through testing, research and development, contract manufacturing, supplier or teaming arrangements. If any of the Company's existing relationships with partners were impaired or terminated, or if the Company was unable to implement additional partnering arrangements it may require from time to time, the Company could experience significant delays in the development of products, and would incur additional costs. Additionally, the Company may take a credit risk with regard to parties to whom it supplies products. In the event of such parties failing to meet its obligations to the Company on time or at all, the Company may be adversely affected.

The occurrence of any of the above-mentioned events may have a material adverse effect (i) on Issuer's results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### **4.1.11 Risks related to competition**

The market in which the Company participates is competitive and characterised by rapid technological change.

In order to preserve its technology in the long period and maintain the current gap with potential competitors, the Company is constantly investing in R&D in order to develop new nanoparticles and other innovative products and technologies. Moreover, the Issuer always protects its technological know-how by filing patent applications with the competent authorities.

The Company's potential inability to improve existing product lines and develop new products and technologies could have a material adverse effect on the Company's business. In addition, the Company's competitors could introduce new products with greater capabilities or better pricing which could have a material adverse effect on the Company's business. The Company competes with larger companies with greater resources on the basis of performance, cost, overall value, delivery and reputation. Additionally, while the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's business. This competition could result in decreased revenue, increased pricing pressure, increased sales and marketing expenses and loss of market shares, any of which could adversely affect the Company's business and results of operations.

The occurrence of any of the above-mentioned events, in turn, may have a material adverse effect (i) on Issuer's results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

The Company may also face competition from companies entering the market, including companies that could expand their offerings or acquire one of the Company's competitors. They may have significantly greater financial resources and longer operating histories than the Issuer does. As a result, competitors and potential competitors may be able to respond more quickly and effectively than the Issuer can to new or changing opportunities, technologies or clients requirements. Further, some potential clients, particularly large corporates, may elect to develop their own internal solutions. The ability to compete is also subject to the risk of future disruptive technologies. If new technologies emerge that are able to deliver similar or better solutions at lower prices, more efficiently, or more conveniently, such technologies could adversely affect the Issuer's ability to compete. With the introduction of new technologies and market entrants, competition is expected to intensify in the future.

If the Issuer is unable to keep up with these developments, (i) Issuer's results of operations, financial and economic position and profits in the future and consequently (ii) the market price of the Shares, may be negatively affected.

#### **4.1.12 Risk related to Government regulation**

The Company is subject to government regulation which may require it to obtain additional licenses and could limit its ability to sell their products. Failure to obtain the requisite licenses (if such licenses are required), meet registration standards or comply with other government export regulations, may affect the Company's ability to export such products or to generate revenues from the sale of products outside Italy, which could have a material adverse effect on the Company's business, financial condition and results of operations. Compliance with government regulations may also subject the Company to additional fees and costs. The absence of comparable restrictions on competitors in other countries may adversely affect the Company's competitive position and may have a material adverse effect (i) on Issuer's results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### **4.1.13 Risk related to the Issuer's inability to retain key personnel**

A failure to attract and retain executive, business development, technical and other key personnel could reduce the Company's revenues and operational effectiveness. There is a continuing demand for relevant qualified personnel, and the Company believes that its future growth and success will depend upon its ability to attract, train and retain such personnel. Competition for personnel in the Company's industry is intense, and there is a limited number of persons with knowledge of, and experience in, this industry. An inability to attract or maintain a sufficient number of requisite personnel could have a material adverse effect on the Company's performance or on the Company's ability to capitalise on market opportunities.

In addition, since the Company's future success is dependent on its ability to continue to enhance its existing services and introduce new services, the Company is heavily dependent on the ability to attract and retain qualified personnel with the requisite education, background, and industry experience. In particular, as the Company expands its business, its success will also depend, in part, on the ability to attract and retain qualified personnel capable of supporting a larger and more diverse customer base.

The termination of the employment relationships with a significant number of key persons could be disruptive. In addition, if any of the key persons joins a competitor or decides to otherwise compete with the Company, the Issuer may experience a material disruption of operations and business strategy, which may result in a loss of clients, in an increase in operating expenses and in a diversion of personnel's focus.

The occurrence of any of the above-mentioned events may have a material adverse effect (i) on Issuer's results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### **4.1.14 Risk related to litigation**

Legal proceedings may arise from time to time in the course of the Company's businesses.

In particular, the Issuer (i) is exposed to possible litigation risks including, but not limited to, regulatory interventions and proceedings as well as third party claims.

The Issuer cannot exclude that litigation may be brought against the Company and that such litigation may have a material adverse effect on its financial conditions and results of operations.

As far as the Company is aware, however, there is no current, pending or threatened litigation in which the Company is directly or indirectly concerned, which may have a material adverse effect on its reputation, business, financial conditions and results of operations.

Should any of the events above materialise, they may have a material adverse effect (i) on Issuer's results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### **4.1.15 Risk related to the limited experience of Company's management in managing a listed company**

Members of the Company's management team have limited or no experience in managing a listed company, interacting with investors, and complying with the increasingly complex laws and regulations pertaining to listed companies. Therefore, the Company's management team may not be able to successfully, or efficiently, manage the transition to a listed company status that is subject to significant regulatory oversight and reporting obligations as set forth under the applicable securities laws and the continuous scrutiny of investors. These new obligations will require significant attention from the Company's senior management and could divert their attention away from the day-to-day management of business, which could harm the Company's business, financial and economic conditions and results of operations.

### **4.2 RISKS RELATED TO THE MARKET IN WHICH THE ISSUER OPERATES**

#### **4.2.1 Risk related to the Company's capital requirements**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

The business plan of the Company does not provide for additional financing resources other than the amounts raised under the Crowdfunding Capital Increase, which – in the opinion of the Directors and of the Statutory Auditors – are sufficient to ensure the capacity of the Company to operate in a going concern basis for a period of at least 12 (twelve) months.

The Company believes that – once the first orders for its products are received – it may be able to resort to the traditional banking channel should potential future financial needs emerge.

Notwithstanding the above, if the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development and research programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. The inability of the Company to secure any additional funding or be able to secure funding in terms favourable to the Company may have a material adverse effect (i) on Issuers' results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### **4.2.2 Risks related to acquisition**

As at the date of the Information Document, a sale to, or a merger with, larger competitors is not envisaged by the shareholders and the Directors of the Company. On the contrary, the Company's growth strategy may involve finding and consummating acquisitions in areas complimentary to the Company's business, through the identification of industrial or financial partner(s) to support a quicker business development.

The Company may not be successful in identifying and acquiring suitable acquisition targets at acceptable cost. Further, acquisitions may require additional funding on acceptable terms, which may or may not be available at the relevant time. Further, the Company will experience competition in making acquisitions from larger companies with significantly greater resources. The occurrence of any of the above-mentioned events may have a material adverse effect (i) on Issuer's results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### **4.2.3 Risk related to international operations**

The Company expects to do business around the world. The internationalization strategy included in the business plan provides for a first expansion, which will cover EU markets during the 2023 financial year, while, during the 2024 financial year, the Company plans to expand its operations worldwide.

Measures foreseen to implement such strategy will include, *inter alia*, the sale of the transparent BiPV modules, the sale of the LSC technology or the lease of all or part of its industrial process. The Company is aiming at implementing a flexible business model, to be adapted according to the local markets and needs, with the exception of Glass to Power's production of nanoparticles that will be maintained in Italy.

By defining and implementing local "*ad hoc*" business strategies for each territory that will be included in Glass to Power's internationalization process, the Company aims at reducing the risks inherent in its international operations.

The Company's operations will in any case be subject to a number of risks inherent in global operations, including political and economic instability in foreign markets, inconsistent product regulation by foreign agencies or governments, imposition of product tariffs and burdens, cost of complying with a wide variety of international export laws and regulatory requirements, risks stemming from the Company's lack of local business experience in specific foreign countries, foreign currency fluctuations, difficulty in enforcing intellectual property rights, foreign taxes, and language and other cultural barriers. Additionally, operating an international business with sales in a number of legal jurisdictions will necessarily require substantial input from a variety of legal counsel and expose the Company to legal costs that may be disproportionately high relative to its revenues, and will be incurred regardless of whether the Company derives revenues from a given jurisdiction or at all. The occurrence of any of the above-mentioned events may have a material adverse effect (i) on Issuer's results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### **4.2.4 Risks relating to the Company strategy**

There are no limits on strategies that the Company may pursue. The strategy discussed in this Information Document may evolve over time due to, among other things, market developments and trends, technical challenges, the emergence of new or enhanced technology, changing regulation and/or industry practice, and otherwise in the Company's sole discretion. As a result, the strategy, approaches, markets and products described in this Information Memorandum may not reflect the strategies, approaches, markets and products relevant to, or pursued by, the Company at a later date.

Further, a change in strategy may involve material and as yet unanticipated risks, as well as a high degree of risk, including a higher degree of risk than the Company's strategy in place as of the date hereof.

#### **4.2.5 Risks relating to product liability**

The Company sells various kinds of goods and services, from "core products" such as photovoltaic transparent façade modules of its own production (active glazing modules), to products supplied as accessories for the assembling of active systems for transparent envelopes, up to support services for design (architectural, systems engineering, energy) and support to construction phases such as the assembly of the components of a façade system. Each of these goods and services is strictly governed by the applicable standards and regulations in each geographical market, with which the Company will preliminarily comply. Technical responsibility, with all entailed legal liabilities, for all purchased goods and services, typically remains by law to Glass to Power's suppliers (e.g. external design professionals).

"Core products", on the other hand, are precisely those put on the market by the Company. These contain transparent photovoltaic devices. For all products, the Company will comply with national and international rules and applicable standards, which include the



assumption of responsibility for declared and undeclared performances (contractual and extra-contractual responsibilities, *de facto*).

The Company qualifies products and/or processes according to the applicable standards, considering that products may, due to their innovative features, be subject to several regulatory frameworks. For example, photovoltaic insulating triple glazing units are both photovoltaic devices and construction products: *i.e.* insulating glass units with given optical, energy, acoustic and mechanical performance.

The applicable EU markings are therefore all considered. Typically, every national or international product qualification carries a performance promise, whether it is a mandatory minimum (*e.g.* for mechanical strength or safety in use) or a specific performance (*e.g.* a given unit's electricity generation under standard conditions).

In fact, in the member states of the EU, and in many others where the system is recognised, the manufacturer assumes responsibility also, and above all, through the declaration of performance. The same happens in the case of national technical approvals, also internationally recognised.

Generally speaking, all product qualifications include initial type tests or calculations, implementation of process controls, possible certification by recognised/accredited/notified bodies of products and/or factory production control (FPC), performance of tests at notified or authorised laboratories, preliminary and possibly on a regular basis. The implementation of a factory production control (which includes possibly outsourced phases) is consistent with (families of) international (ISO) standards that are the reference for management system certifications, starting with quality (ISO 9001), up to ISO 14001, and ISO45001. The management of any non-compliance, and especially of formal complaints, is set up and carried out according to these international references, while applying in detail in all applicable product/sector standards.

It should also be noted that, the Issuer's factory production control is implemented together and via an Enterprise Resource Management of the highest international level, which will also cover manufacturing and quality assurance, as well as including, of course, the most accurate and detailed traceability of products and processes incorporated in products installed on site.

The combination of the implementation of factory production controls compliant with the highest applicable (even voluntary) standards, an ERP with traceability and the incorporation of a quality assurance system, and full compliance with a multitude of mandatory technical standards, is then factored into the contractual apparatus for the marketing of goods and services, but also purchases according to the supply chain controlled in accordance with adopted standards and systems.

Finally, all this constitutes the structure that is assessed by the insurance companies supplying insurance policies to the Company against possible claims for damages, for example for the alleged failure to achieve a given performance.

Therefore, in summary, the Company intends to deal with product liability by implementing controls and systems verified or certified by an accredited third party and managing them in accordance with ISO references, with the necessary insurance cover for civil liability. However, there is no assurance that unforeseen adverse events or manufacturing defects will not arise in the Company's products. Adverse events could expose the Company to product liability claims or litigation, resulting in the removal of regulatory approval for the relevant products and/or monetary damages being awarded against the Company. In such event, the Company's liability may exceed the Company's insurance coverage, if any. The occurrence of any of the above-mentioned events may have a material adverse effect (i) on Issuer's results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### **4.2.6 Risks relating to data loss, theft or corruption**

The Company stores data in its own systems and networks and also with a variety of third party service providers. Exploitation or hacking of any of these systems or networks could lead to corruption, theft or loss of the data which could have a material adverse effect on the Company's business, financial condition and results. Further, if the Company's systems, networks or technology are subject to any type of 'cyber' crime, its technology may be perceived as unsecure which may lead to a decrease in the number of customers. The occurrence of any of the above-mentioned events may have a material adverse effect (i) on Issuer's results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

### **4.3 RISK RELATED TO THE LISTING OF SHARES**

#### **4.3.1 Risk related to the creation and continuous presence of an active trading market for the Shares**

The Issuer has applied to list its Shares on Euronext Access+. Prior to the admission to trading on Euronext Access+, there has been no public market for the Shares and, after the Listing, there can be no guarantee that an active trading market will develop or, if such market develops, that it will persist. The Listing Price has been determined on the basis of an evaluation report prepared by Mr. Giuseppe Sancetta, full professor of Economy and Business Administration at La Sapienza University in Rome and is not an indication of the market price of the Shares following their admission to trading on Euronext Access+, which may vary substantially from such price.

If a liquid trading market does not develop or, if developed, is not maintained, the liquidity and price of the Shares may be adversely affected.

The Company's management is not able to predict at what price the Shares will trade and there can be no assurance that an active trading market will develop after the Listing or, if developed, that such a market will be sustained at the price level of the Listing. The Company is not in the position to guarantee to the investors that the market price of its

Shares will trade at or above the price level of the Listing. Accordingly, an investment in the Shares is suitable solely for investors able to bear risk.

#### **4.3.2 Risk related to the Shares' volatility**

The market price of the Shares may be affected by high level of volatility. In fact, market price for newly listed shares, as the Shares, is often volatile for a period subsequent to the Listing. The share market in general, and for smaller companies in particular, may be subject to significant price and volume fluctuations, which are not possible to predict out of the companies developments or disclosed results.

As a result of this potential volatility, Shareholders may not be able to sell their Shares at or above the initial Listing Price. The market price of the Shares may fluctuate significantly in response to several factors, many of which are beyond the Company's control, including, among others:

- actual or anticipated fluctuations in the Company's revenues and results of operations;
- announcements by the Company or its competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments;
- the standalone and/or consolidated financial projections that the Company may provide to the public, any changes in these projections, or the Company's failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of the Company, changes in ratings and financial estimates and the publication of other news by any securities analysts who follow the Company, or the Company's failure to meet these estimates or the expectations of investors;
- the size of the Issuer's free-float;
- price and volume fluctuations in the trading of the Shares and in the overall stock market, including as a result of trends in the economy as a whole;
- new laws or regulations or new interpretations of existing laws or regulations applicable to the Company's business or industry, including data privacy, data protection, and information security;
- lawsuits threatened or filed against the Company;
- changes in the Company's Board of Directors or key management;
- other events or factors, including changes in general economic, industry, and market conditions, and trends, as well as any natural disasters, which may affect the Company's operations.

#### **4.3.3 Risk related to increased costs following Listing of the Shares**

As a listed company, the Issuer will be subject to rules and regulations that listed companies have to be in compliance with. In order to be compliant, the Issuer may need to establish

certain procedures as well as adopt certain policies, which may result in significant compliance costs for the Issuer.

Such increased costs may adversely affect the Issuer's business, financial and economic positions and results of operations.

#### **4.3.4 Risk of existing Shareholders selling their shares**

Even if the Founding Shareholders (as defined below, and with the exception of Mr. Sergio Brovelli) on 9 September 2021 have entered into a lock-up agreement pursuant to which they are prevented from selling their shares for a period of 12 months following the admission to listing of the Company, the sale of a substantial number of Shares by existing Shareholders in the public market could occur at any time. If Shareholders sell, or the market perceives that Shareholders intend to sell, substantial amounts of Shares in the public market following the Listing, the market price of Shares could decline.

#### **4.3.5 Risk related to the issuance of new shares and to the acquisition of additional financing**

The Company may seek to raise financing to fund future acquisitions or other growth opportunities by issuing additional equity or convertible equity securities. As part of its business strategy, the Company may acquire or make investments in companies, products or technologies and issue equity or convertible securities to pay for any such acquisition or investment.

Any such issuances of additional Shares may cause Shareholders to experience significant dilution of their ownership interests and the per-share value of Shares to decline.

The Company may also raise capital through equity financings in the future. Any additional capital raised through the sale of equity or convertible securities may dilute the then existing Shareholders' ownership in the Company and Shareholders could be asked in the future to approve the creation of new equity securities which could have rights, preferences and privileges superior to those of the holders of the Shares.

Conversely, capital raised through debt financing would require the Company to make periodic interest payments and may impose restrictive covenants on the conduct of the business. Furthermore, additional financings may not be available on terms favourable to the Company, or at all. A failure to obtain additional funding could prevent the Issuer from making expenditures that may be required to implement its growth strategy and grow or maintain its operations.

#### **4.3.6 Risk related to the payment of dividends**

The Company's ability to pay dividends on Shares may be restricted by the terms of any future debt incurred or preferred securities issued by the Company or law. Payments of future dividends, if any, may be proposed after taking into account various factors, including Glass to Power's business, financial conditions, results of operations, current and anticipated cash needs, plans for expansion and any legal or contractual limitation on the

Company's ability to pay dividends. There can be no assurance that, in the future, the Company will be in a position to make dividend payments.

**4.3.7 Risk related to the status of Shareholder of the Issuer**

Shareholders of the Issuer are subject to the general risk associated with such position (*i.e.* risk directly related to the performance of the Issuer, residual claim on the Issuer's assets).

**4.3.8 Risk related to the suitability of an investment in the Shares**

Investments in the Shares may not be suitable for all recipients of this Information Document. Accordingly, investors are advised to consult an appropriate person before making their decision.

**4.3.9 Tax risk**

By purchasing and holding the Shares, investors should take their own tax advice as to the consequences of owning such Shares as well as receiving returns from them. In particular, investors should be aware that ownership of the Shares could be treated in different ways in different jurisdictions.

**4.3.10 Changes in law adversely affecting the Shareholders**

The Issuer is a company incorporated under the laws of Italy. The laws and regulations of Italy may be amended from time to time on matters affecting the rights of Shareholders or other circumstances regarding the Shareholder status.

## **5. INFORMATION ON THE ISSUER**

### **5.1 HISTORY AND DEVELOPMENT OF THE ISSUER'S ACTIVITY**

#### **5.1.1 Company legal name**

The Company's legal name is Glass to Power S.p.A..

#### **5.1.2 Company's business register and registration number**

The Issuer is registered within the Companies Register of Trento under no. 09640920964.

#### **5.1.3 Company's legal form and date of incorporation**

Glass to Power is an Italian company limited by shares (*società per azioni*) but was initially incorporated under the laws of Italy on 28 September 2016 as a limited liability company (*società a responsabilità limitata*).

#### **5.1.4 Registered office and contacts**

Glass to Power's registered office is at via Fortunato Zevi, 8 – c/o Meccatronica – 38068 Rovereto (TN), Italy. The Company's headquarters are located in Rovereto, at the above-mentioned address. The Company has also opened a local unit at via Roberto Cozzi, 55 – 20125 Milan.

The contact details of the Company are the following:

- telephone no: +39 0464 443269;
- website: <https://www.glasstopower.com>;
- e-mail address: [info@glasstopower.com](mailto:info@glasstopower.com).

Please note that the information contained on the Issuer's website should not be considered part of this Information Document, unless otherwise explicitly indicated.

#### **5.1.5 Development of the Issuer's activity**

##### **5.1.5.1 History of the Company**

Glass to Power was established in September 2016 as a spin-off of the University of Milan Bicocca and aims to introduce transparent photovoltaic windows to international markets. This is possible thanks to a technology called LSC – Luminescent Solar Concentrator: semi-transparent slabs of plastic materials doped with chromophores, which, due to the absorption of sunlight, re-emit infrared photons. These photons are guided for total reflection to the edges of the device where they are converted into electricity by standard photovoltaic cells. Energy flows invisibly from the transparent windows of houses, offices, shopping centers, directly to storage systems or for immediate use by any user. These glasses are produced at an increasingly expanding nanoparticle factory in Rovereto, which today is able to produce over 250g/d ( $\approx 30\text{m}^2/\text{d}$ ) of nanoparticles.

The project began as a partnership between the technology's inventors: Francesco Meinardi, Professor of Physics of Matter and Experimental Physics of the Department of Materials Science of the University of Milan Bicocca, and Sergio Brovelli, Management Innovation, a technology consulting company. Eleven founders (including DeNora the world-leading electrochemistry company, Karma, of the Amodeo family, and TEC Milan, energy efficiency specialists) provided an initial share capital of Euro 300,000 and incorporated the project as a limited liability company (società a responsabilità limitata) in September 2016.

In May 2017, Glass to Power approved a capital increase and the Company was evaluated at Euro 1.5M. 10.9% of Glass to Power's equity (equivalent to Euro 183,750) was made available to new shareholders through crowdfunding. The campaign was launched in June 2017, on CrowdFundMe, an Italian equity crowdfunding platform, and the target was successfully reached after less than two weeks. In 2018, a further capital increase was approved and in July, a second crowdfunding campaign was launched on the CrowdFundMe platform. In less than 50 days, Euro 2.25M were raised from 500 new investors. The last capital increase was in March 2021 and was carried out through a crowdfunding campaign on the Opstart platform. The campaign was over by the end of the month and Euro 2,301,800 were raised.

In 2017, pursuant to the provisions of Italian Legislative Decree n. 179/2012, Glass to Power was enrolled in the special section of the Companies Register as an innovative start-up.

On 28 March 2018 the Shareholders' Meeting of the Company resolved upon the transformation of Glass to Power in a company limited by shares (società per azioni).

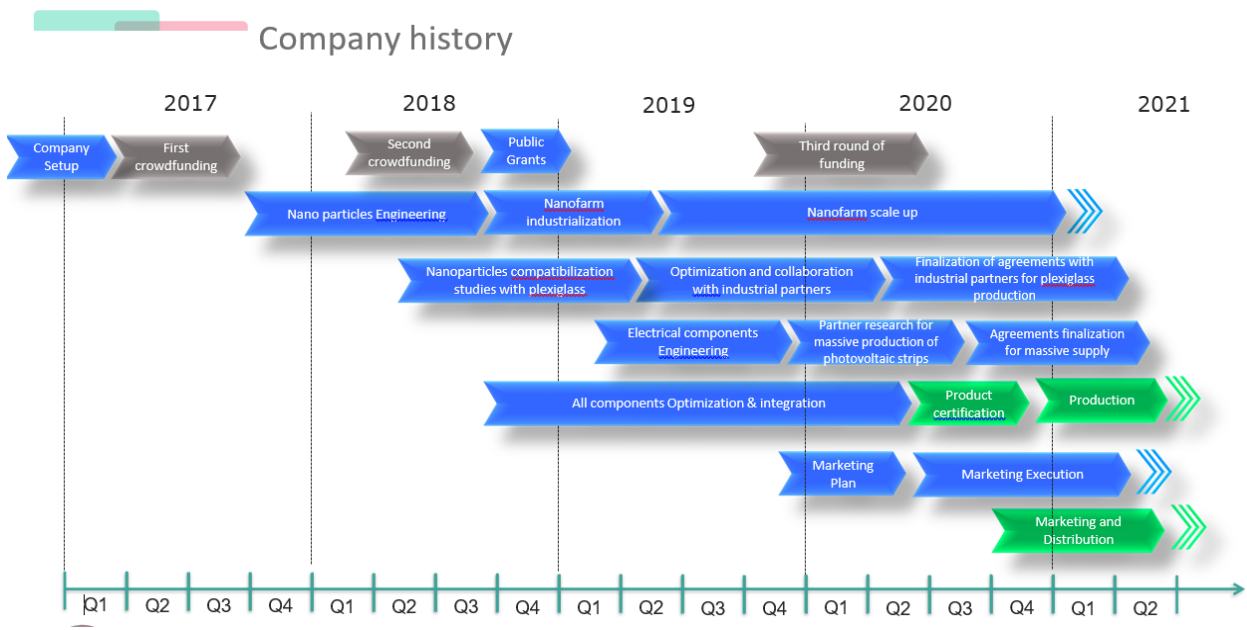
In January 2019, the Company set up its operational headquarters in Rovereto with the support of a grant from the Province of Trento (amounting to about Euro1.1 million), covering 66.6% of the project costs.

In early 2021, the company achieved product certification and a subsequent CE marking, allowing for much greater market interaction.

#### **5.1.5.2 Development of the Company's activities**

Glass to Power is an industrial company that aims to make nZEB (near Zero Energy Buildings) a reality. It does so by designing, producing and marketing patented and highly innovative windows with embedded photovoltaic nanoparticles, while maintaining transparency.

The following chart below visualizes the evolution of the Company's business and its activities since its founding.





## **6. DESCRIPTION OF ACTIVITIES**

### **6.1 RESUME**

#### **6.1.1 Mission, philosophy and value proposition**

The Issuer's mission is to produce transparent photovoltaic windows for modern buildings, in order to reach the Near Zero Energy Building (NZEB) target and improve the comfort of those who live in them.

Glass to Power's windows are part of the building enclosure. They produce electricity, maintain thermal and acoustic insulation and help make the buildings more energy independent.

Glass to Power's photovoltaic technology consists of the Luminescent Solar Concentrator (LSC) based on nanoparticles produced in the Rovereto plant.

The Company's philosophy and vision can be described in the following three objectives:

- to be recognised as a major player in the development of smart cities, Zero Energy Buildings and "greenhouses" of the future;
- to tackle the issues surrounding the climate and resources, the Company envisions a world in which all buildings are energetically efficient, capable of meeting their own energy needs;
- to make significant contributions to the rebirth of Italy's Chemistry 2.0 sector, through the production of nanoparticles in its Rovereto plant.

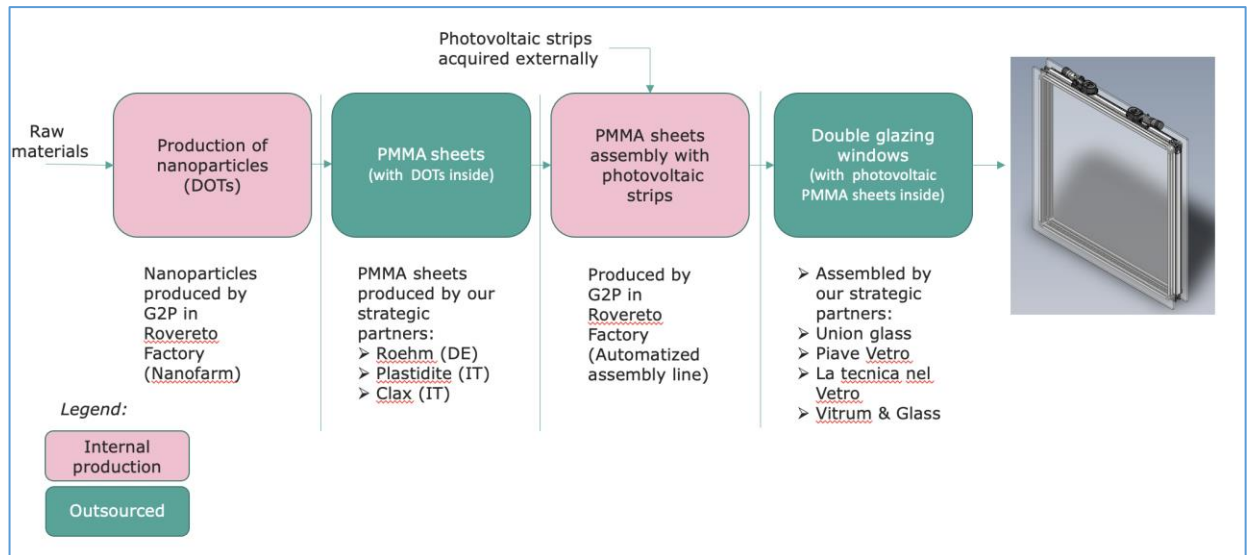
These objectives, better described in the following Paragraphs of the Information Document, are heavily embedded in the strategic vision and in the business model of the Company.

### 6.1.2 Products and markets

All products are based, and differentiated from the competition, on the Company proprietary nanotechnology to the Luminescent Solar Concentrator (LSC). The nanoparticles are embedded in window glasses and used in the construction industry.

The infographic below represents the Company's products value chain, from the nanoparticles to the finished glass windows.

*Glass to Power product value chain*



Source: Glass to Power

There are three products in the Company value chain, each of which represent a different depth in the same chain.

1. **Nanoparticles:** this is the core competence of the Company, based on their patented technology and produced in their Rovereto nanofarm. The Company currently does not sell nanoparticle standalone, but it has focused its marketing efforts to develop a sale pipeline of downstream products. In the future, it may consider partnerships whereby it supplies nanoparticles to PMMA producers (please refer to Paragraph 6.4.2 "Commercial Strategy" of this Information Document).
2. **Photovoltaic PMMA sheets:** this is the first real commercial product in the value chain that the Company markets. It includes all photovoltaic product characteristics and can be marketed to traditional double glazing windows producers without any photovoltaic expertise. The production of this product requires an outsourced production phase with PMMA sheet producers; this is a large scale, high throughput industrial activity and it can not be profitably replicated in Rovereto.
3. **Double glazing windows:** this the final product of the value chain which is sold to the construction industry. It requires assembling the photovoltaic PMMA sheet in between

the two glasses of the double glazing window. Double glazing windows assembly is a specialized work which the Company outsources to strategic partners.

As the Company has a unique technology, the product value chain presents a unique market opportunity, whereby the outsourcing strategic partners can also be customer for the Company intermediates products.

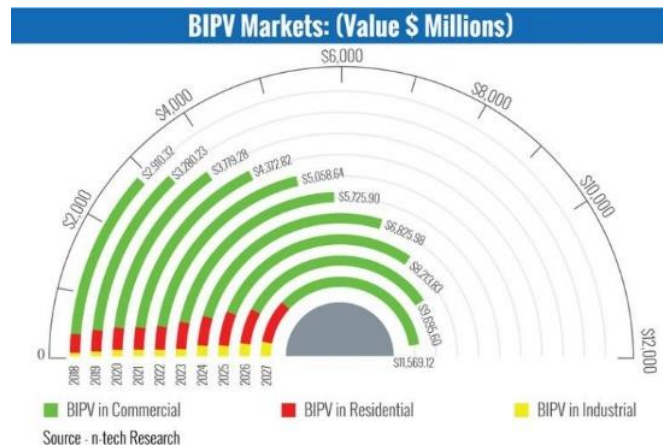
In accordance with its product and market strategy, the Company is targeting different type of customers, according to each of the three products categories:

1. Clients that purchase Double glazing windows or other actors in the construction industry:
  - Real estate/constructor companies both in Italy and at international level
  - Curtain walling & building envelope producers
  - Important architects to influence the constructors acting as “ambassador”
  - Greenhouse corporation or greenhouse builders
2. Clients that purchase photovoltaic PMMA sheets with nanoparticles inside and photovoltaic strips on the edge to assemble them into double glazing windows:
  - Double glazing windows producers
  - Other specific partners for special product (like decorative photovoltaics walls)
3. Clients purchasing nanoparticles only, to produce photovoltaic PMMA sheets themselves:
  - PMMA producers for different applications (non-windows)
  - International PMMA or double glazing windows producers operating under our licences

### **6.1.3 Industry Overview**

Glass to Power operates in the Building Integrated Photovoltaic (BIPV) sector. A BIPV system is one that integrates photovoltaic modules into the building enclosure, acting both as an envelope and as a power generator, saving material and electrical costs, reducing the use of fossil fuels, reducing the emission of gases harmful to the ozone and adding architectural value.

The total "BIPV systems" market was worth \$3B in 2018 and, according to the n- tech Research of August 2018, is expected to grow to approximately \$5.7B by 2023, then to \$11.6B by 2027.



Interest in integrating photovoltaics in buildings is growing worldwide. The photovoltaic elements become an integral part of the building (often serving as the exterior weather skin). Photovoltaic specialists and innovative designers in Europe, Japan, and the U.S. are exploring creative ways of incorporating solar power devices into buildings.

The advantage of integrated photovoltaics over more common non-integrated systems is that the initial cost can be offset by reducing the amount spent on building materials and labour that would normally be used to construct those parts of the building that the BIPV modules replace. These advantages make the BIPV sector one of the fastest growing of the photovoltaic industry.

BIPV glass offers the ideal solution for achieving the energy efficiency, and aesthetics, required for the green building market, with a global value in excess of \$1,000B. In addition, BIPV façade applications costs are competitive as an alternative to conventional façade solutions.

The BIPV sector is finally emerging in the marketplace, after more than 20 years of R&D projects. New products that incorporate photovoltaic (PV) modules into actual building materials are also available from a variety of developers in the BIPV supply chain.

Market researchers believe that BIPV's best chance to take off commercially is to emphasize aesthetics on top of energy efficiency. This will allow BIPV manufacturers to enter new addressable markets, especially in the U.S., Europe and China, where there is already large demand the demand for solar panels. BIPV roofing is already the largest segment of this market, yet significant growth is expected in both glass and walling applications, according to market analysts like Navigant Market Research, NanoMarkets, n-tech Research.

These analysts also believe that the BIPV market segment will experience a fast evolution process, transitioning from a niche market to a wider segment in the next future.

While the global outlook for NZEBs is strong, the market will start slowly, according to a new report from Navigant Research.

Navigant's report "Zero Energy Buildings" estimates that for the next two decades, total NZEB revenues will mostly be concentrated in European Union member states. Navigant

also forecasts that the global NZEB market will reach \$1.4T by 2035, which represents a CAGR of 44.5%.

The global market is dominated by Europe, with about 40% of the market share, followed by North America, with 27% of annual installations.

#### 6.1.4 Market Highlights

An n-tech Research<sup>1</sup> report published in July 2015, shown in the graph below, suggests that the total BIPV systems market grew from about \$3B in 2015 to over \$9B in 2019, and will surge to \$26B by 2022.

While BIPV roofing will remain the largest segment of this market until 2022, significant growth is expected particularly in the glass sector, representing roughly \$2.1B in shipments in 2018 and an estimated \$6.3B by 2022 (30.1% CAGR).



The graph shown below analyses the trend of the glass sector, with a breakdown of the typology of application. The NZEB sector will experience the greatest increase, while Prestige Buildings is the only class showing a modest reduction: this is mainly due to NZEBs' high-energy efficiency and aesthetics requirements.

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<sup>1</sup> N-tech Research is a leading independent provider of Research and Industry Analysis for Markets Related (as reported in their web site). The Company uses graphs and data developed by the N-Tech research company in July 2015, in its report "BIPV market forecast", upon its prior approval and permission but has no control over the activities of N-tech Research.



### 6.1.5 Types of BIPV Applications

1. Rooftops: in-roof systems are crystalline silicon PV industry's favoured BIPV approach due to its simplicity, as they are made simply by modifying existing panel designs and mounting systems, making them thinner, more uniform, and flush-mountable on top of existing roofing;
2. Façades: PV glass modules can be used to convert large areas of façades into PV generating surfaces. These modules are mounted onto the façade of the building, over the existing structure, potentially increasing the appeal of the building;
3. Glazing: (semi) transparent modules can replace several architectural elements.

### 6.1.6 Target Market

New types of PV glass technologies and price reduction will allow BIPV glass to be used not only in prestige buildings, which currently constitute the largest sources of revenue (over 90% in 2015 according to NanoMarkets report), but also in nZEBs, which constitute a much larger market and should become a greater source of revenue in the long term (largest sub-segment by 2018).

The following table displays the BIPV Glass addressable market: in this forecast, Glass to Power aims to take 1% of the European market (40% of the International market), meaning a niche of the overall market that accounted for \$8M in 2018 and will account for \$26M in 2022.

(\*) BIPV Glass Application

Data in \$ B

Region	2015	2018	2022
Global	1.0	2.1	6.3
Europe	0.4	0.8	2.6
Target Market	0	0.008	0.026

### **6.1.7 Overview of the so-called Building Integrated PhotoVoltaic ("BIPV") glass market**

Glass to power intends to produce commercial, aesthetic transparent photovoltaic panels with a 2-3% energy efficiency level that could be seamlessly integrated into the architecture of modern buildings. In particular, the Company intends to commercialise a highly innovative product, which through the embedding of nanoparticles, will enable the customisation of transparent photovoltaic glass windows. The management believes that energy-saving and energy-producing glass is gaining substantial interest on a global level. As at the date of this Information Document, the Company has a significant pipeline of potential orders in the BIPV market, and a first preliminary agreement for an order of the total value of Euro 950,000 has been signed on 19<sup>th</sup> October 2021 (please refer to Paragraph 13 "*Main Contracts*" of this Information Document). Overview of Glass to Power's greenhouse market

Glass to Power is committed on several fronts to the development of innovative solutions for smart greenhouses. Energy production systems such as Luminescent Solar Concentrators (LSC) and sunlight manipulation devices developed by Glass to Power can influence the growth and quality of crops. Glass to Power is able to produce photovoltaic devices that convert light radiation into electricity, while maintaining high degrees of transparency. The transparency of the devices is in fact customisable during production phase, by regulating the quantity of emitters inserted into the device. This will allow a production efficiency bracket between 1.5 and 2.5%, with the degree of transparency ranging between 30 and 70%. This transparency range always maintains a high level of brightness of the internal environments. Therefore, this design offers a number of advantages for the creation of new zero-energy greenhouses: high-efficiency devices with reduced transparency may be installed in the sunniest portions of a greenhouse or above crops that require greater irradiation control, while high-transparency devices may be positioned in areas less exposed to sunlight or areas that require higher degrees of natural light.

### **6.1.8 Trends and key drivers**

A number of trends and key drivers concerning the glass industry have been identified, including:

#### **6.1.8.1 Renewable energy generation**

Glass is used extensively for greenhouses across the Global North due to its long lifetime, ability to withstand harsh winters and the fact that it is unlikely to be damaged from strong winds, unlike plastic sheets that tear more easily. The management of the Company is aware of a worldwide effort to increase and improve renewable energy generation capacity, in order to reduce carbon emissions and pollution arising from energy generation.

#### **6.1.8.2 Sustainable building development - Energy efficiency index**

The European Union aims to construct “nearly zero energy buildings” using solar generation to increase renewable energy generation.

### 6.1.8.3 Demand for Glass Products with Solar Control & Impact Resistance Features

Solar control glass has been widely adopted on a global scale. Glass to Power believes it is well positioned to capitalise on this key driving factor.

## 6.1.9 The Opportunity

The environment is at the centre of global concern, as countries across the globe have committed to mitigate the negative effects of climate change, as shown through numerous international agreements such as the 2016 Paris Agreement. In fact, research conducted by the Lancet Commission on Pollution and Health concludes that about one sixth of global deaths, about 9,000,000 a year, are caused by pollution.

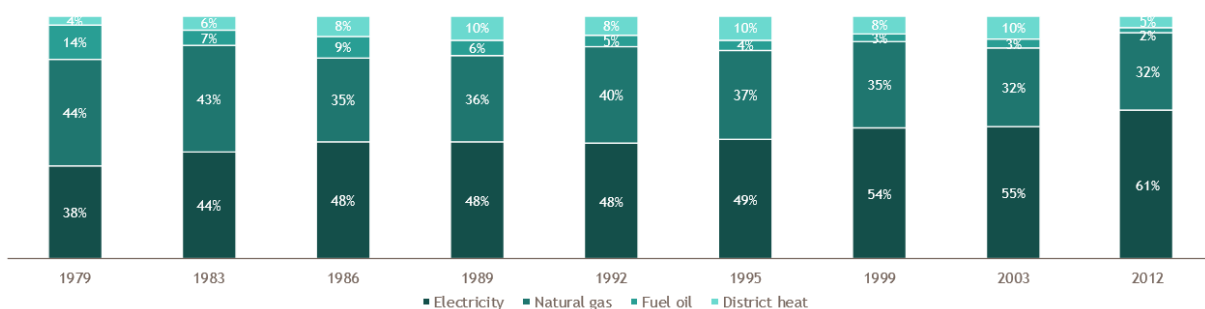
Consequently, a series of directives aimed at reducing gas emissions and energy consumption levels have been passed, affecting everyone’s daily lives. These are EU Directive 2010/31, the Energy Performance of Buildings Directive, and EU Directive 2012/27, the Energy Efficiency Directive, which in Italy correspond to Italian Law Decree No. 63 of 4 June 2013, No.90 of 3 August 2013 and Legislative Decree No. 102 of 4 July 2014.

The European Union and the Office of Energy Efficiency and Renewable Energy (OEERE), require net zero emissions for all new buildings starting from year 2020 (“Near-Zero Energy Buildings”) and from 2018 for all public buildings.

It is incontrovertible that commercial and residential buildings play an important role in the environmental sector. Buildings represent the largest energy-consuming sector, with a level of energy consumption that accounts for up to 80% of overall consumption, depending on the region in question.

Energy consumption in buildings is caused by heating, water heating, air conditioning, lighting, appliances and various tech products. Therefore, the task of reducing consumption levels in the coming years is daunting.

New generation buildings will consume less energy but their construction costs will be higher. Furthermore, upgrade existing buildings will be costly. The following graph shows the trend in energy sources of buildings from 1979 to 2012.





The graph shows that use of natural gas, fuel oil and district heat has been declining in the past decades, whilst electricity is the only source continually increasing proportionally.

#### **6.1.10 The Solution**

Glass to Power specifically focuses on tackling these environmental issues. By embedding nanoparticles, Glass to Power presents highly innovative Transparent Photovoltaic Glass Windows, based on a unique and patented technology made by Glass to Power's scientists. This product matches the goals set by the EU and OEERE while maintaining timeliness, efficiency, aesthetics and quality.

Luminescent Solar Concentrators (LSCs) are photon-managing devices, typically consisting of a glass, or plastic, light-guide, coated or doped with highly emissive chromophores.

Nano-crystals convert solar light into infrared rays. They are then reflected to the edges of the windowpane where a very thin strip of silicon photovoltaic cells converts these infrared photons into electricity.

The key feature of LSCs is its self-absorption, due to the (partial) overlap between absorption and emission spectra in conventional chromophores, which prevent light from reaching the LSC edges. Prof. Brovelli and Prof. Meinardi of the University of Milano Bicocca's Department of Material Science discovered how to prevent reabsorption in semiconductor colloidal quantum dots (QDs).

The QDs required by Glass to Power technology do not contain toxic metals and are environmentally friendly and stable.

Computer modelling performed at Los Alamos National Laboratory suggests that, in order to attain the desired efficiency level, QDs must have emission efficiencies of more than 85–90% and a LSC quality factor (QLSC) of approximately 50. QLSC is defined as the ratio between the absorption coefficient average across the solar spectrum and the absorption coefficient at the emission wavelength.

Targets for the product's characteristics are:

1. Optical Efficiency: 2-5% (20-50 watt on 1,000 watt produced by sun light);
2. Device size: customized according to customers' needs;
3. Transparency: 70-40% (depending on the required level of optical efficiency) and consequently more or less transparent.

The technology developed by Glass to Power uses nanoparticles as chromophores, which decouple the processes of absorption and emission of light thanks to an appropriate engineering. This made it possible to build prototypes with good generation efficiency that will allow the production of custom made modules. Moreover, LSCs are essentially colorless, which is a key requirement for their application in building-integrated photovoltaics. A complete colorimetric characterization demonstrated that Glass to Power's

LSC do not introduce relevant distortion of the transmitted light nor modifications to the indoor-to-outdoor chromatic perception. In conclusion, it is now possible to produce stable, environmentally friendly large-area LSC, with good efficiency ready for BIPV modules.

Glass to Power's technology allows the development of low-impact photovoltaic windows that can be easily integrated into the architecture of passive buildings, virtually invisible both from the outside and from the interior. Thanks to their homogeneous behavior over the entire sunlight spectrum, Glass to Power's LSCs are of a slightly amber color, resulting quite similar to sunglasses' lenses rather than films that are commonly applied to glazed windows to reduce indoor sunlight. The degree of transparency of LSCs, moreover, can be determined at the production stage according to customer's needs, to obtain the best compromise between absorbed energy and amount of light for indoor lighting. The quality of light transmitted, according to the UNI 10380 certification, is located in group 1A, that is the group with highest quality sources suitable for the lighting of houses, graphic studies, hospitals, etc. In addition, as demonstrated by the Farnsworth-Munsell 100 test, the innovative Glass to Power's LSCs do not alter color perception when viewing through a photovoltaic window.

Thanks to their easy integration into active architectural elements, LSCs are considered one of the most promising complement for the achievement of near zero-energy balance buildings in highly- populated urban areas, where rooftop surfaces are insufficient for collecting all the energy required for the building operations.

Glass to Power's product will fulfil the following four necessities for a product of its kind to be successful:

**Aesthetics:** semi-transparent PV glass with a pleasant, uniform colour, which does not alter colour perception and is free of light-obstructing electrodes.

**Performance:** average electric efficiency is between 2-5%.

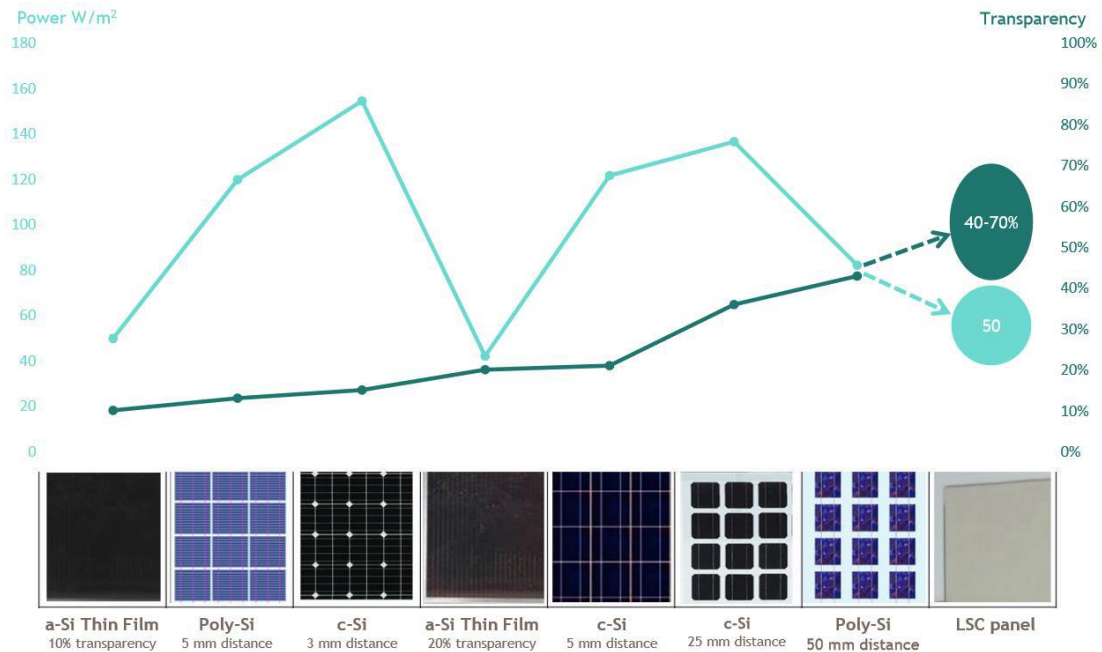
**Stability:** because of the absence of organic dyes, stability is intrinsically high.

**Eco-friendly:** quantum dots are based on abundant eco-friendly elements.

PV cells can be implemented through different technological processes. The following table shows potential Optical Efficiency levels for different methodologies, highlighting their specific weaknesses and captured market shares.

Technology		Efficiency (lab cell)	Aesthetic	Cell Cost (\$ / Wp)	Disadvantages	Market share
Thin Film PV	Crystalline Si	> 25%	: (	0.8 - 1	Opacity, Fragility	> 80%
	CIGS	> 20%	:	1 - 1.2	Scalability	2%
	CdTe	15%	:	1 - 1.2	Toxicity, Opacity	5%
	Amorphous Si	10%	:	1 - 1.2		2%
Emerging PV	DSSC	10%	:	n.a.	Electrolyte stability	< 5%
	Organic PV	8%	:	n.a.	Degradation	< 5%
	QD LSC	5%	: )	n.a.		< 5%

The following graph compares different PV cells in terms of power and transparency.



Parameter	LSC based on ClSeS/ZnS QD	LSC based on Lumogen	Dual LSC based on Perylene	Thin-Film Amorphous Silicon Photovoltaic Cells
Power Efficiency	5%	1.8%	2.5%	5%
Transparency	40-70%	Opaque	Opaque	10-20%
Device color	Colorless	Red	Red	Colorless
Alteration of color perception	No distortion of transmitted or reflected colours	Strong colour distortion that leads to severe, artificially induced colour blindness	Strong color distortion that leads to severe, artificially induced color blindness	No colour distortion but strong lowering of the contrast caused by low transparency level

G2P

In the QD LSC segment, Glass to Power has two types of competitors: those that use QDs in different structures, usually ones of cadmium and lead, and those that base LSCs on dye molecules.

QD LSCs however, are the only technology capable of producing amber-coloured and "electrode-free" sunlight collectors. This is a key to integrating solar glass into building façades without distorting transmitted colours or altering colour perception.

#### 6.1.11 Intellectual Property

The term "intellectual property" refers to the collection of registrable and non-registrable rights, including rights in patents, designs, trademarks, plant varieties, copyright, confidential information and trade secrets. Intellectual property shares many of the characteristics associated with real and personal property. For example, intellectual property is an asset, and as such, it can be bought, sold, licensed, exchanged, or gratuitously given away like any other form of property. Further, the intellectual property owner, in this instance Glass to Power, has the right to prevent the unauthorized use or sale of the property.

### 6.1.12 Patents

Patent rights constitute an important component of intellectual property. Patents cover inventions and provide a monopoly in exchange for an inventor's full disclosure of his or her invention to the public. A patent provides protection for novel (new), inventive (non-obvious) and useful inventions for a limited period, typically 20 years (subject to the payment of renewal fees). Patents may be granted in respect of new or improved products and methods in almost all areas of current scientific, commercial and industrial activities. However, as there is no such thing as a worldwide patent, patents must be obtained in every country where protection is required. Commercialisation of patented products and processes may require any party other than the patent owner wishing to use such developments to obtain a license, subject to payment of royalties.

In most countries of the world the process of protecting patent rights begins with the submission of a patent application comprising a patent specification describing the invention. A fundamental requirement of the patent system is that the invention is novel and inventive at the time of filing, relative to what was publicly known or used at the date of the application.

Accordingly, it is imperative that the specification contains a full disclosure of the invention. A patent specification generally consists of a description of the invention and so-called "claim(s)", which define the scope of the invention. The description also typically provides background information, such as a description of existing products, manufacturing or testing methods or processes and related problems, which enables an examiner and others to assess the application for inventiveness.

Once the initial application has been filed, further applications in other overseas countries must be filed within twelve (12) months, pursuant to an International Treaty called the Paris Convention, otherwise rights to the invention may be lost in these countries. In this regard, the Paris Convention provides that the filing of an initial patent application establishes a priority date for the invention in all other countries which are party to this Convention.

The filing of further patent applications in overseas countries may be pursued individually or in some instances by filing an application with a regional patent office that does the work for a number of countries, such as the European Patent Office. Under such regional systems, an applicant requests protection for the invention in one or more countries, and each country decides as to whether to offer patent protection within its borders. The World Intellectual Property Organization-administered Patent Cooperation Treaty ("PCT") provides for the filing of a single international patent application which has the same effect as national applications filed in the designated countries. An applicant seeking protection may file one application and request protection in as many signatory states as needed.

It should be noted that at present, there are approximately 190 member states that are party to the PCT and if patent protection is required in a country that is not party to the PCT then

individual applications must be filed in these countries by the twelve (12) month anniversary of the initially filed application.

Applications filed individually in countries rather than via the PCT are examined under the national laws of those countries. However, a PCT application is considered under the terms of the PCT. Once the PCT application has been filed it is subjected to what is called an “international search”, carried out by one of the major patent offices. The search results are then communicated to the patent applicant in an “international search report”, which is a listing of published documents that might affect the patentability of the invention claimed in the international application. On the basis of the international search report the applicant may decide to withdraw the application. However, if the PCT application is not withdrawn, it is, together with the international search report, published by the International Bureau.

If the applicant decides to continue with the international application, then within thirty (30) months of the provisional patent application filing date, national patent applications need to be filed. The applicant can also request preliminary examination, which is a report prepared by one of the major patent offices that gives a preliminary and non-binding opinion on the patentability of the claimed invention.

Once the PCT process has been completed then the national or regional phase is undertaken, as the PCT application itself does not mature into patents. The applicant may choose to enter one or more of the countries designated in the original PCT application. Entry into the national phase is essentially the same as filing a national application in the first instance.

Once a patent has been granted renewal fees will need to be paid, otherwise the patent will cease. Once a patent has been granted and throughout the lifetime of a patent, the proprietor has the exclusive rights to use the patented technology. This means that they can decide to exclusively use it for their own benefit (for instance, by means of application in their own products) and prevent others from using it. Alternatively, they can allow others to use it under the terms of a license agreement. The terms of the license agreement generally define the limited scope of the use of the patent and the consideration to be paid for the use of it.

#### **6.1.13 Glass to Power Patent Portfolio**

Glass to Power Patent and Intellectual Property Portfolio was originally developed by the University of Milano Bicocca but now belongs to Glass to Power, as all the patents were bought from the University of Milano Bicocca by the Company in 2018 for a total consideration of Euro 1,000,000.00 (one million). In December 2021, Glass to Power is expected to pay the last of the 5 (five) payment tranches.

Patents regarding specifically designed emitters for Luminescent Solar Concentration:

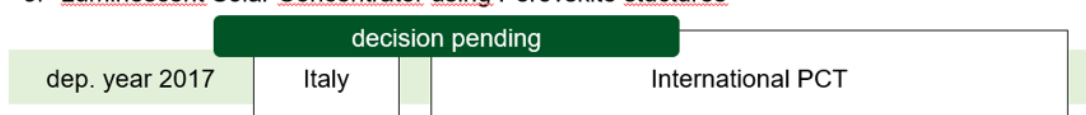
1. Colourless Luminescent Solar Concentrator, free of heavy metals, based on at least ternary chalcogenide semiconductor nanocrystals with absorption extending to the near infrared



2. Large area Luminescent Solar Concentrator based on indirect band-gap semiconductor nanocrystals



3. Luminescent Solar Concentrator using Perovskite structures

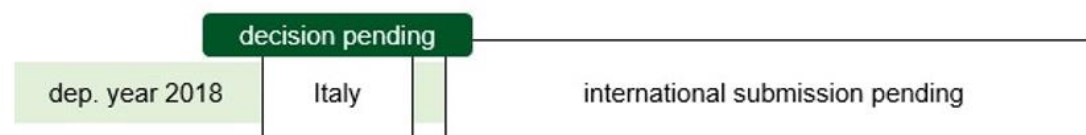


Patents regarding specifically designed devices for electrical generation thanks to Luminescent Solar Concentrators:

4. Window Glazing Unit featuring Luminescent Solar Concentrator for electrical energy generation



5. Glassblock containing Luminescent Solar Concentrator for electrical energy generation



## 6.2 MAIN MARKET AND COMPETITIVE POSITIONING

Main market segments and customer base

Glass to Power's target market can be divided in the following segments:

- real estate companies: as a part of its core business, the Company sells the complete double glazing window, focusing more on commercial buildings rather than on residential buildings;
- architects: the Company proposes its architectural solutions to the architect, who in turn acts as a sponsor to the final buyer (the real estate company);
- curtain wall producers; the Company sells to such producers its windows and the curtain wall producers sell the final good to the real estate company;
- double glazing windows producers: the Company sells the plastic sheet with DOTS inside and the photovoltaic strips around the edge. The double glazing window producers in turn sell the

double glazing windows with Glass to Power's technology; in relation to such market segment, the Company is now in the process of finalizing several open framework agreements with no. 4 (four) to 5 (five) companies based in Italy;

- PMMA (plastic sheets) producers: the Company sells the DOTs to such producers; in relation to such market segment, the Company is now in the process of finalizing several open framework agreements.

### 6.2.1 Competitors

Glass to Power commissioned Philips Consulting to carry out a market and competitor analysis to. The following seven companies have been identified as the major competition:

<i><b>Competitors</b></i>	<i><b>Company overview</b></i>
SolarWall	<p>Solarwall is a Building Integrated PV solutions provider, which can replace the conventional construction materials, such as facades, windows, roofs.</p> <ul style="list-style-type: none"> <li>• It also provides glasses and materials with thermal and sound insulation and filter UV and IR radiations. In addition, it provides consulting to the real estate developers and architects in design phase of BiPV projects.</li> </ul>
<i><b>Competitors</b></i>	<i><b>Company overview</b></i>
Onyx Solar	<p>Onyx Solar manufactures photovoltaic glass for buildings and provides BiPV consultancy services to aid clients and architects in BiPV solutions. It provides a smartphone app to aid users with feasibility studies of installing Onyx Solar's BiPV glass. It also provides photovoltaic pavers for terrace floors and sidewalks.</p> <ul style="list-style-type: none"> <li>• It has developed the world's first ventilated façade, which can be customized onsite, as per customer requirements.</li> <li>• Customer Segments: Government, Healthcare, Commercial, Transportation, Retail, Corporate, and Education.</li> </ul>
Guardian Glass	<p>Guardian Glass, a subsidiary of Guardian Industries, manufactures float and fabricated glass products. It offers glass and glass coating solutions across electronics, lighting, and commercial refrigeration products</p> <ul style="list-style-type: none"> <li>• PV Glass: Guardian offers PV glass window, SunGuard PVGU powered by Pythagoras, in partnership with Pythagoras Solar, which offers PV glass technology. It started working together to manufacture PVGU in 2012</li> <li>• Customer Segments: Commercial, Residential, and Transportation applications.</li> <li>• Vision: To create value for our customers and society, and to constantly innovate to improve the value we create.</li> </ul>
Morgan Solar	<p>Morgan Solar Inc. is a manufacturer of solar modules, PV Balance Of System (BOS) components, low cost light-guiding Concentrated Photovoltaic (CPV) systems, which provides various technologies, including SPOTlight— Translucent photovoltaic sun shading technology for buildings.</p> <ul style="list-style-type: none"> <li>• Vision: To develop and take to market new high concentration solar photovoltaic technologies that achieve unprecedented price and performance levels.</li> <li>• Mission: To make solar energy the most widely used and affordable power source in the world.</li> </ul>
<i><b>Competitors</b></i>	<i><b>Company overview</b></i>
ClearVue PV	<p>ClearVue (formerly Tropiglas Technologies Ltd) is an Australia-based publicly traded company, which develops Building integrated Photovoltaic (BiPV) solutions in the form of nano- and micro-solar PV cells. It procures glass from a third-party manufacturer for making its solar PV technology-integrated glasses</p> <ul style="list-style-type: none"> <li>• Vision: Imagine a world where consumers are part of the energy solution.</li> <li>• Mission: Our mission is to enable consumers to generate their own electricity to power their own homes, businesses, greenhouses, cars and mobile devices from one of the world's most common building materials, glass.</li> </ul>
Ubiquitous energy	<p>It develops transparent photovoltaics, which can generate power using solar energy. Its technology can be integrated across a range of products, such as wearables, tablets, IoT devices, and buildings.</p> <ul style="list-style-type: none"> <li>• It was spun-out of Massachusetts Institute of Technology in 2012.</li> <li>• It has a strategic development agreement with Japan-based AGC (Asahi Glass) to create windows that generate power (Jun 2018).</li> </ul>
Physee	<p>Physee develops transparent energy generating windows, called 'Power Windows'. The windows can be integrated into a building to generate power and make the building energy neutral.</p> <ul style="list-style-type: none"> <li>• It is a spin-off of Delft University of Technology.</li> <li>• Vision: We envision a future of energy neutral buildings where users' comfort and productivity levels are increased.</li> <li>• Mission: At Physee our mission is to make buildings comfortable self-thinking power plants.</li> </ul>

However, many of these competitors do not operate with the same technologies as Glass to Power. For such reason, they could become partners of the Company because their

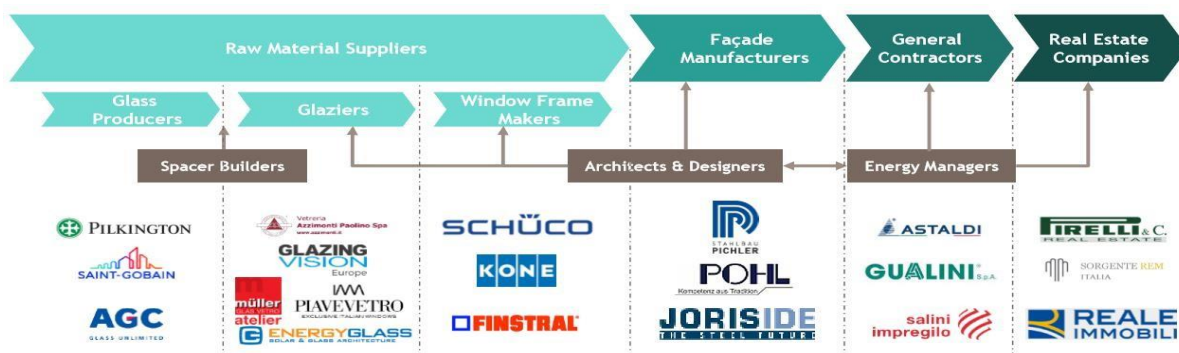


BIPV systems solutions products are often complementary to Glass to Power's windows. In fact, the range of products offered by companies traditionally included in the BIPV market is mainly composed of completely different technologies. As a result of this, the Company believes it will be able to collaborate with those competitors in order to provide a superior product solution to the common clients which includes more advanced technologies that are the most efficient and will allow to reach a higher level of sustainability for the buildings.

These companies has been defined as competitors, but looking in details at their technical solutions, in reality, they are often producing different products. Given the technology complementarity, there are concrete possibilities for collaboration for the Company with these competitors, to suggest to the final clients a solution that, including the respective different technologies, will be more efficient and will allow to reach a higher level of sustainability for the Zero Emission Building. Only ClearVue based in Australia is really a competitor, with a potentially competitive technology. All the other companies identified by the analysis are complementary and are identified as potential partners.

### 6.3 Market Highlights / Glass Value Chain and potential partnership

As a LSCs producer, Glass to Power operates in the BIPV suppliers / façade manufacturers segments: from the raw materials Glass to Power produces a plexiglass sheet with included the nanoparticles having on the edge photovoltaic strips to be included into a double glazing window; the picture below represent all the potential relationship that Glass to Power have with suppliers and with facades manufacturer that can implement Glass to Power' solution; in order to proactively suggest Glass to Power solution, it is necessary to interact with architects, designers and real estate company that it is our final buyer; once in the future Glass to Power' solution will be successfully implemented in several projects, it is possible to have as a final client the window frame makers (P1 strategy)



Partnership agreements can potentially be pursued by Glass to Power. In particular:

- Distribution partnerships (P1) with glass producers, glaziers, window frame manufacturers and spacers builders;
- Supply Partnerships (P2) with façade manufacturers, general contractors and real estate companies;
- General partnerships with architects & designers and energy managers.



### 6.3.1 BIPV Key Market Players

The following table shows the main players in the BIPV market:

Company name	Location	Technology		Application
Ascent Solar Technologies	USA	CIGS	flexible laminate	Roof
Canadian Solar	Canada	c-Si	glass-glass	Roof, Walling
Centrosolar Group	Germany	c-Si	glass-back foil	Roof
Dyesol	Australia	DSC		cell technology
3GSolar	Israel	DSC		cell technology
Ertex-solartechnik	Austria	c-Si	façade cladding	Façade
First Solar	USA	Cd-Te		cell technology
Global Solar	USA	CIGS	flexible laminate	Roof
Hanergy	China	CIGS	Glass substrate	Roof, Walling
Heliatek	Germany	OPV	Foils, Polymer, Glass	Facade
Onyx Solar Group	Spain	c-Si, TF	PV Glass	Façade, Walling
Power Film	USA	a-Si		cell technology
Pythagoras Solar	USA	n.a.	PV Glass	glazing, window
Sapa Solar	Europe	c-Si	PV Glass	glazing, window
Sharp Solar	Japan	poly-Si	Shingle	roof
Suntech Holding	Switzerland	c-Si	solar tile	roof

Glass to Power's competitive advantage lies in the transparency of its photovoltaic devices, the use of inorganic stable components not subject to decay and the high level of integration of its devices.

## 6.4 The Strategy

### *Growth strategy and prospects of the Issuer*

The business plan's projections and forecasts are based on the major following assumptions:

- innovative and disruptive nature of Glass to Power's technologies that will allow products to overcome low-tech competition in the market, directly or through product partners;
- capacity to execute the production scale-up to cope with product demand forecasted for the 2023 and 2024 financial years.

With particular reference to the last assumption, the Issuer believe that, if product demand and production scale-up follows the approved Business Plan, it will have the possibility to produce enough nanoparticles to produce thousands of square meters of double glazing windows.

Moreover, in order to increase the Issuer's sale and commercial force, the Issuer is negotiation a relevant number of open framework agreements with potential partners to increase sales capabilities both locally and internationally.

### 6.4.1 Product Strategy

Glass to Power has defined a new strategy related the "photovoltaic window", which includes:

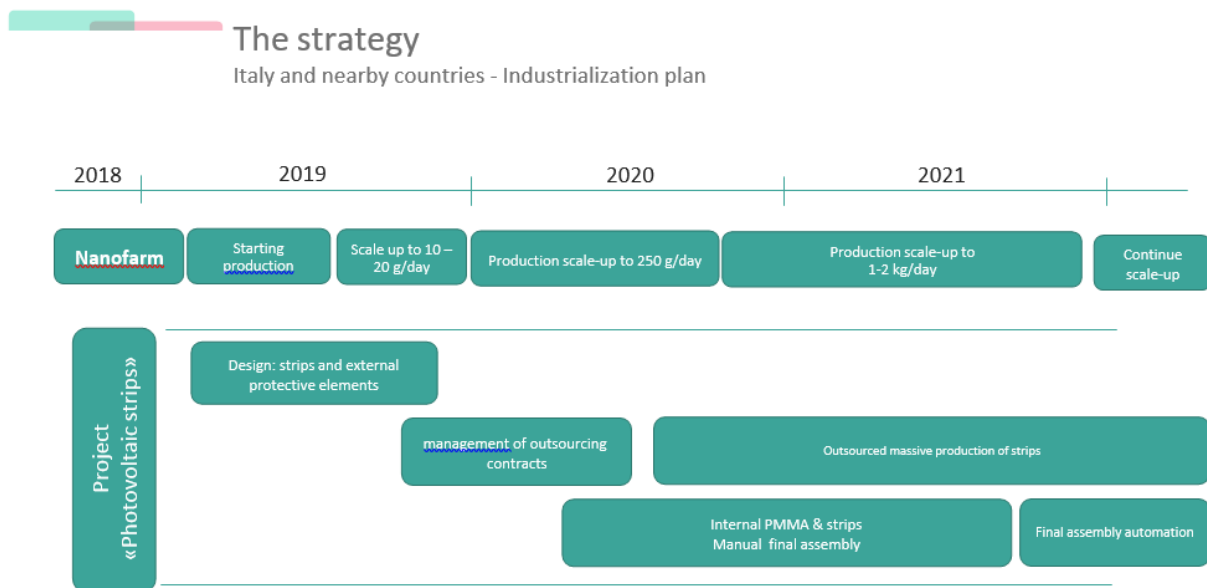
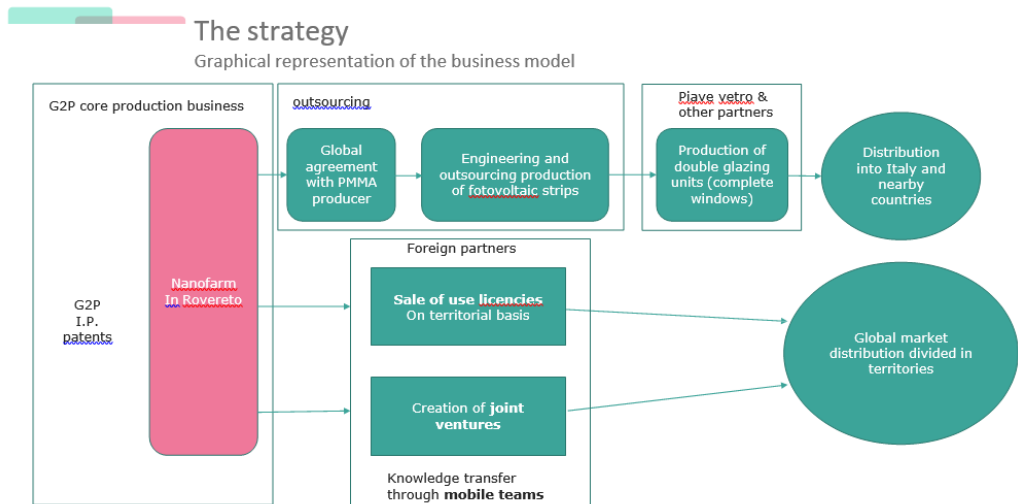
- Nano particles produced by Nanofarm, owned by Glass to Power, which has been operative since early 2019;

- Glass to Power modified the initial idea, producing (PMMA) panels that are internally part of the polymethylmethacrylate, creating the so-called Plexifarm. Today, thanks to numerous, deep relationships with strategic and international PMMA producers (in particular Roehm GmbH, a German company with a global presence), Glass to Power decided to fully outsource the Plexifarm, rather than set it up itself;
- As of today, the photovoltaic energy strips located on the windows' edges, necessary to transform optical power into electrical power, have been engineered by Glass to Power in collaboration with Voltaic System and the production is outsourced to external producers capable of manufacturing large quantities of strips;
- Glass to Power has formed a strategic partnership with window producers (including Piave Vetro S.r.l., La Tecnica nel Vetro, Union Glass) so that the final product, the photovoltaic window, is ready to be sold;
- For diversification purposes, Glass to Power is developing further partnerships for other products not strictly related to transparent windows; a recent agreement has been signed with Sicis S.p.A. to develop a new Sicis product (but "powered by Glass to Power technology" using both logos), "semi-transparent mosaics";
- In more general terms, Glass to Power is working to finalize several open framework agreements with a number of external suppliers to produce/assemble the products it cannot produce in-house.

#### **6.4.2 Commercial Strategy**

Glass to Power's commercial strategy is based on the following guidelines:

- In-house Production and direct Distribution of the final product into Italy and nearby countries.
- Internationally, Glass to Power acts as an Intellectual Property Company transferring the licence to local companies willing to produce PMMAs and energy strips, while maintaining production of nanoparticles: Nanofarm in Rovereto enables the Company to produce 250 grams of nanoparticles per day, corresponding to approximately 30 square meters of transparent photovoltaic windows per day. The production scale-up is continuous and is expected to reach 1 kg/day in the coming years. The economics of each licencing agreement with local suppliers will depend on the partner (dimension and market share in a specific territory), and the territory itself.
- "Mobile Teams" of Glass to Power professionals will assist local manufacturers in implementing the solution locally.

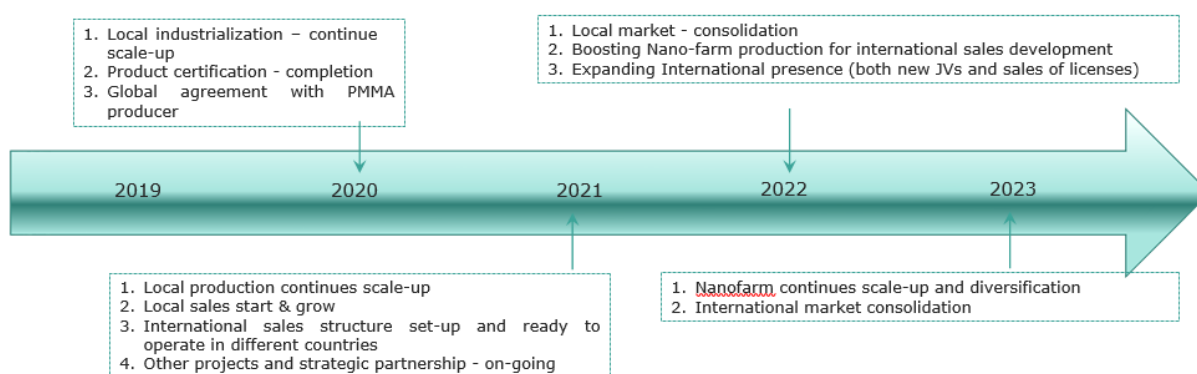


#### 6.4.3 Focus on current goals

Glass to Power's current goals are the following:

- Continuing the scale-up of Nanofarm (currently at a production capacity of 250 grams/day)
- Reaching a global international agreement with PMMA producers (like Roehm in Germany)
- Transitioning the “electrical components” factory and final assembly from semi-automated to fully automated
- Product certifications for European countries and other applicable regions
- Sales & Distribution Structure consolidation in Italy and nearby countries
- Set-up of an International Distribution Structure and a global commercial agreement

#### 6.4.4 Go-to market strategy



The competition is focused on products that are different from Glass to Power's technology (with the only exception of ClearVue, based in Australia). The Directors believe that Glass to Power's technology is really distinctive and plan to move from this competitive advantage to further strengthen the Issuer's presence in the market internationalization strategy. The go-to market strategy has been defined at multi-level: directly to the end customer with final products or as technology providers for low-tech incumbents which can become partners, marketing joint products. Currently the key strategy is to address the domestic markets directly wherever possible, with international markets addressed through local partnerships.

#### 6.4.5 Potential Customers

Despite the difficulties brought about by the COVID-19 pandemic and the absence of an articulate commercial structure, Glass to Power has already received multiple expressions of interest from companies such as BlueThink and Fresia Alluminio.

Moreover, the Issuer is confident to be able to receive before the end of the 2021 financial year the first commercial orders for its products, due to the advanced discussions with no. 2/3 (two-three) important commercial prospects for a total potential value of around Euro 1.5 million (one point five), 30% (thirty per cent.) of which will be paid upfront and translate in the 2021 turnover.

Moreover, with specific reference to double glazing windows industry, the Issuer is confident to be able to enter no. 4 (four) to 5 (five) open framework agreements with potential clients.

## 7. ADMINISTRATION, MANAGEMENT AND SUPERVISION OF THE ISSUER

### 7.1 CORPORATE BODIES AND KEY MANAGEMENT PEOPLE

#### 7.1.1 Board of Directors

As at the date of this Information Document, the Issuer is managed by a Board of Directors composed of seven members, appointed by way of a resolution of the ordinary Shareholders' meeting of the Company adopted on 9 July 2021. The Directors shall remain in office until 30 September 2022.

name, surname and nationality	position	date of birth	FIRST APPOINTMENT
Meinardi francesco Italian Citizen	Chairman	18 May 1965	9 July 2021
Sassone Corsi Emilio Italian Citizen	Executive Director - Chief Executive Officer	22 May 1955	9 July 2021
Massari Guido Italian Citizen	Executive Director – Chief Financial Officer	6 January 1963	9 July 2021
amodeo rosario Italian Citizen	Non- Executive Director	29 September 1936	9 July 2021
Angelo Giuliana Italian Citizen	Non-Executive Director	23 March 1959	9 July 2021
Dario Tognazzi Italian Citizen	Non-Executive Director	7 June 1962	9 July 2021
Francesco Limatola Italian Citizen	Non-Executive Director	14 May 1949	9 July 2021

Please find below a short curriculum vitae of each Director:

#### Francesco Meinardi – Chairman

Mr. Meinardi is a Professor of Physics of Matter at UNIMIB – Università degli Studi Milano Bicocca. During his academic career, Mr. Meinardi has published more than 170 papers and successfully completed 2 patent applications; he has also supervised 6 research projects, combined worth over €1.1M.

Emilio Sassone Corsi – Director and Chief Executive Officer

Mr. Sassone Corsi has a Bachelor's Degree in Physics from the Università degli Studi di Napoli.

Mr. Sassone Corsi has founded many start-ups and is an accomplished entrepreneur, with more than 30-years of experience in leading Italian and international companies. He is also an Innovation Manager Professor in 3 Italian universities.

He was appointed Chief Executive Officer on 5 December 2018.

Guido Massari – Director and Chief Financial Officer

Mr. Massari has a Bachelor's Degree in Mechanical Engineering from the University of Genoa and an MBA from the IMD Business School of Lausanne.

He is currently a Partner in the consulting division of Medigest S.p.A.; he previously worked as an Associate Partner at IBM Global Business Services and at PwC Management Consulting.

He was appointed Chief Financial Officer on 18 April 2018.

Rosario Amodeo – Non Executive Director

Mr. Amodeo has a Bachelor's Degree in Economic Studies from INSEAD.

Mr. Amodeo is the founder and Vice-President of Ingegneria Informatica S.p.A. and is the founder and director of Karma S.r.l..

Dario Tognazzi – Non Executive Director

Mr. Tognazzi has a Bachelor's Degree in Information Science from the University of Milan and a Master's Degree in Business from the Politecnico di Milano. Mr. Tognazzi currently holds the position of Chairman of Gruppo Servizi Innovativi e Tecnologici and Chief Executive Officer of Centax Telcom S.p.A.. He previously worked as a Principal of Ernst & Young Consulting and held several important positions in the telecom sector.

Angelo Giuliana – Non Executive Director

Mr. Giuliana has a Master's Degree in Physics and a Euratom Scholarship from the Max Institut for Plasma Physics. He is the Nano Farm Project Manager of the Company. He also has several experience working in international organizations and in digital, engineering and telco companies.

Francesco Limatola – Non Executive Director

Mr. Limatola has a Master's Degree in Electronic Engineering. He also has several experience working in international organizations, including 10 years at IBM, and in digital, engineering and telco companies.

### 7.1.2 Responsibilities

Pursuant to Clause 24 of the Articles of Association, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

### 7.1.3 Compensation and benefits

The members of the Board of Directors have not been assigned any remuneration or compensation for their role as Directors of the Company. The Chief Executive Officer and the Chief Financial Officer will receive a fixed gross yearly compensation of Euro 80,000.00 each as of 1 July 2021.

### 7.1.4 Board of Statutory Auditors

As at the date of this Information Memorandum, the Board of Statutory Auditors of the Issuer is composed of 5 (five) members (3 (three) effective and 2 (two) alternate) appointed to office on 9 July 2021. They shall remain in office until the date of the ordinary Shareholders' meeting, convened to approve the financial statements for the financial year ending on 31 December 2023.

The table below lists the Issuer's members of the Board of Statutory Auditors as of the date of this Information Memorandum.

Name, Surname and Nationality	Position	Place of Birth	Date of Birth
Paolo Lenzi Italian citizen	Chairman	Roma	7 June 1945
Loredana Lulli Italian citizen	Effective Statutory Auditor	Roma	19 October 1973
Francesca Masotti Italian citizen	Effective Statutory Auditor	Milano	21 August 1969
Matteo Castronovo Italian citizen	Alternate Statutory Auditor	Cantù (VA)	21 July 1986
Cristiano Fasanari Italian citizen	Alternate Statutory	Verona	4 July 1969

	Auditor		
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From the 2021 financial year up to the financial year closed on 31 December 2023 the audit functions will be performed by the auditing firm Crowe Bompani S.p.A..

#### **7.1.5 Key management people**

As at the date of this Information Document, in addition to the members of the Board of Directors, the principal executives of the Issuer are the following:

**Sergio Brovelli – Chairman of the Scientific Committee**

Mr. Brovelli has a Master's Degree in Material Sciences from UNIMIB – Università degli Studi Milano Bicocca. He has received a fellowship from the London Centre for Nanotechnology and he is a director at Los Alamos. Mr. Brovelli is a Professor in Experimental Physics at UNIMIB – Università degli Studi Milano Bicocca.

**Stefano Della Puppa – Chief Technology Officer**

Mr. Della Puppa has a Master's Degree in Chemical Engineering. He has more than 30 years of experience in managing and designing processes and industrial chemical plants in both Italian and international companies.

**Marina Gemmi – Business Development Specialist**

Ms. Gemmi has a Master's Degree in Communication from PNLMetaA Milan. Her work includes translating the designs of Architects into active shells and rooves capable of generating zero-energy buildings.

**Francesco Bruni – Senior Research & Development**

Mr. Bruni has a PhD in Science and Nanotechnology of Materials from UNIMIB – Università degli Studi Milano Bicocca. He is currently working on polymeric nanocomposites.

**Claudio Castellan – Product Industrialization**

Mr. Castellan has a PhD in Physic from the Università di Trento. He is currently working on optical-electrical conversion and optimization of devices.

**Marcello La Rosa – Nanoparticles Production**

Mr. La Rosa has a PhD in Chemistry from the University of Bologna and Bordeaux. He is currently working on production design and optimization of semiconductor inorganic nanocrystals.

**Luca Mariani – Nanoparticles Production**

Mr. Mariani has a Bachelor's Degree from UNIMIB – Università degli Studi Milano Bicocca. He is currently working on the production of nanoparticles through colloidal synthesis.

**Chiara Capitani – Research & Development**



Ms. Chiara Capitani has a Bachelor's Degree in Materials Sciences from UNIMIB – Università degli Studi Milano Bicocca. She is currently working on the production of nanoparticles through colloidal synthesis.

Alessia Patscheider – Nanoparticles Production

Ms. Patscheider has a Diploma from the Technical Institute for Chemistry and Biotechnology Michelangelo Buonarroti in Trento. He is currently working on synthesis and production of nanoparticles.

Francesco Perin – Product Industrialization

Mr. Perin has a Diploma from the Technical Institute for Industrial Automation Guglielmo Marconi in Rovereto. He is currently working on the electrical development of the devices.

Alessandra Fiorini – Marketing & Communication

Ms. Fiorini is in charge of Glass to Power's media and social media channels, E2BNews newsletter and the commercial and promotional business relationship.

The Scientific Committee

Glass to Power's Scientific Committee reflects the scientific and strategic vision of the Company and represents Glass to Power in institutional bodies in the discussions of scientific projects. Scientific and technical management tasks are assigned to the Scientific Committee, except for activities relating to the guidance and supervision of R&D.

The committee is composed of prominent professors with outstanding academic backgrounds linked to the development of Glass to Power's technology.

Prof. Sergio Brovelli is the Chairman of the Scientific Committee, which counts the following among its members:

Luigi Nicolais

- Professor Emeritus at University of Naples - "Federico II"
- President of CNR (2012-2016)
- Former Minister for public administration reforms and innovation (2006-2008)

Gianfranco Pacchioni

- Pro-Rector of UNIMIB and Academic of Lincei
- Member of the Academia Europe and of the European Academy of Sciences

Lorenzo Pavesi

- Director of the Department of Physics at University of Trento
- Director of NanoScience Lab

Liberato Manna

- Director of the NanoChemistry Department at the Italian Institute of Technology in Genoa

#### **7.1.6 Founding Shareholders**

Core Shareholders:

UNIMIB – Università di Milano Bicocca

Francesco Meinardi

Sergio Brovelli

Management Innovation S.r.l.

Financial Shareholders:

Karma S.r.l.

Federico De Nora S.p.A.

TEC S.r.l.

Angelo Giuliana

Lucio Sassone Corsi

Francesco Limatola

Michele Mauri

#### **7.1.7 Relationship between the persons referred to in the preceding paragraphs**

As of the date of the Information Document, there are no relationships between the main executives and the members of the Board of Directors of the Issuer.

### **7.2 CONFLICTS OF INTEREST OF THE MEMBERS OF THE BOARD OF DIRECTORS, AND KEY MANAGEMENT PEOPLE**

To the best of the Issuer's knowledge, as of the date of this Information Document, none of the members of the Board of Directors or the Issuer's key management are aware of any conflicts of interest regarding their respective duties to the Issuer and their private interests and/or other obligations.

## **8. BOARD OF DIRECTORS PRACTICES**

### **8.1 EXPIRY TERM OF THE OFFICE**

The Board of Directors' term in office is of three financial years, unless a shorter term is established at the time of appointment, and ends on the date of the Shareholders' Meeting called to approve the financial statements of their final year in office.

The incumbent Board of Directors was appointed by the Ordinary Shareholders' Meeting on 9<sup>th</sup> July 2021. The Directors shall remain in office until 30 September 2022.

From the financial year 2021 up to the financial year closed on 31 December 2023, the audit functions will be carried out by the auditing firm Crowe Bompani S.p.A..

### **8.2 INFORMATION RELATING TO EMPLOYMENT CONTRACTS SIGNED BETWEEN MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES AND THE ISSUER OR ITS SUBSIDIARIES PROVIDING FOR SEVERANCE PAYMENTS**

As of the date of this Information Document, no employment contracts have been signed between members of the administrative, management or supervisory bodies and the Issuer providing for severance payments.

### **8.3 DECLARATION OF COMPLIANCE BY THE ISSUER WITH THE PROVISIONS IN FORCE IN THE COUNTRY IN WHICH IT OPERATES WITH REGARD TO CORPORATE GOVERNANCE**

As stated by the Euronext Access Rule Book, since Euronext Access+ is a Multilateral Trading Facility, the Issuer is not required to meet the corporate governance requirements that are applicable to companies trading on a Regulated Market.

Therefore, the Issuer is not required to comply with the Corporate Governance Code.

However, the Directors are committed to maintain high standards of corporate governance, and wish to comply with the Corporate Governance Code, insofar as it is practically possible, given the Issuer's size and nature.

## **9. EMPLOYEES**

### **9.1 EMPLOYEES**

As of the date of this Information Document, the Company has twelve employees.

### **9.2 SHAREHOLDINGS AND STOCK OPTIONS PLANS**

#### **9.2.1 Board of Directors**

The following members of the Board of Directors or key management personnel hold, directly or indirectly, an interest in the Issuer's share capital (for a better description of the shareholding structure of the Issuer see Paragraph 10.1 (*Main Shareholders*) of this Information Document):

Mr. Rosario Amodeo (through Karma S.r.l.) owns 75,000 (seventy five thousand) Shares;

Mr. Angelo Giuliani owns 24,000 (twenty four thousand) Shares;

Mr. Francesco Limatola owns 22,426 (twenty two thousand four hundred twenty six) Shares

Mr Francesco Meinardi owns 20,000 (twenty thousand) Shares;

Mr. Sergio Brovelli owns 20,000 (twenty thousand) Shares.

#### **9.2.2 Key executives**

As of the date of this Information Document, none of the executives of the Company hold an equity interest in the share capital of the Company or option rights to acquire or subscribe for shares issued by the Company.

### **9.3 DESCRIPTION OF ANY AGREEMENT FOR THE PARTICIPATION OF EMPLOYEES IN THE ISSUER'S CAPITAL**

As of the date of this Information Document, there are no agreements or Articles of Association provisions or Company resolutions providing for employee participation schemes in the share capital or profits of the Issuer.

### **9.4 FEES AND OTHER BENEFITS**

Not applicable.

## 10. MAIN SHAREHOLDERS

### 10.1 MAIN SHAREHOLDERS

The table below represents the shareholding structure of the Issuer:

SHAREHOLDER	NUMBER OF SHARES	% OF THE SHARE CAPITAL	% OF THE VOTING RIGHTS
Federico De Nora S.p.A.	112,500	21.27 %	26.04%
Karma S.r.l.	77,500	14.65%	17.94%
TEC S.r.l.	30,000	5.67%	6.94%
Angelo Giuliana	24,000	4.54%	5.55%
Francesco Limatola	22,426	4.24%	5.19%
Sergio Brovelli	20,000	3.78%	4.63%
Francesco Meinardi	20,000	3.78%	4.63%
Management Innovation S.r.l.	21,000	3.97%	4.86%
Università degli Studi Milano Bicocca (Class-A1 Shareholder)	20,000	3.78%	4.63%
Sassone Corsi Lucio	12,000	2.27%	2.78%
Michele Mauri	6,000	1.13%	1.39%
other Class-A Shareholders	66,634	12.60%	15.42%
Class-B Shareholders	96,752	18.30%	22.39%
Total	528,812	100%	100%
Free Float <sup>2</sup>	163,386	30.90%	

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<sup>2</sup> As provided for by Euronext Access Rule Book, the free float has been calculated following the Euronext index rules and, therefore, excluding: (i) insider holdings (e.g. shares held by directors, employees, founders and family of such subjects); (ii) government holdings; (iii) holdings of the Company itself (including subsidiaries); and (iv) shareholdings exceeding 5% of the outstanding capital except where such interests are held by: a) collective investment schemes or; b) pension funds; or c) mutual funds.

## 10.2 DIFFERENT VOTING RIGHTS OF THE PRINCIPAL SHAREHOLDERS OF THE ISSUER

As of the date of this Information Document, the Issuer has issued no. 3 (three) different classes of shares:

Class-A1 Shares: Class-A1 Shares carry ordinary voting rights and special economic rights. In particular, Class-A1 Shares (i) attribute to any relevant Shareholder the right to vote in the Shareholders' Meetings of the Issuer and the right to be paid dividends; and (ii) are privileged in the absorption of losses and are vested with a withdrawal right exercisable at any time *ad nutum*. Class-A1 Shares shall not be admitted to trading on Euronext Access+;

Class-A Shares: Class-A Shares attribute to any relevant Shareholder the right to vote in the Shareholders' Meetings of the Issuer and the right to be paid dividends;

Class-B Shares: Class-B Shares attribute to any relevant Shareholder the right to be paid dividends but do not attribute any voting right in the Shareholders' Meetings of the Issuer.

The reasons for the creation of the different classes of Shares are the following:

- Class-A1 Shares have been issued and assigned to the Università degli Studi Milano Bicocca, which is the institutional research-partner of Glass to Power;
- Classes A and B were issued and assigned to the relevant Shareholders on the basis of the number of Shares subscribed in the context of the different capital increases carried out by the Issuer since its incorporation. More precisely, (i) Class-A Shares – carrying full voting rights – have been assigned only to the Shareholders that have subscribed for a minimum number of Shares in the context of such capital increases whereas (ii) Class-B Shares – carrying no voting rights – have been assigned to the Shareholders who have subscribed for a number of Shares below the abovementioned minimum number.

## 10.3 SHAREHOLDERS AGREEMENTS

On 28 September 2016, Università degli Studi di Milano Bicocca, Sergio Brovelli, Francesco Meinardi and Management Innovation S.r.l. (the "Core Shareholders") on one side, and Karma S.r.l., Federico de Nora S.p.A., TEC S.r.l., Angelo Giuliana, Lucio Sassone Corsi, Francesco Limatola and Michele Mauri (the "Financial Shareholders", and, together the Core Shareholders, the "Founding Shareholders") on the other, signed a Founding' Shareholder Agreement which will remain in force until 28 September 2022. Pursuant to the provisions of the Founding Shareholders' Agreement, the Core Shareholders appointed two Board members (the Chairman and the Chief Executive Director), two members were appointed by Federico de Nora S.p.A. and Karma S.r.l. respectively (since they each held more than 25% of the Company's share capital), while the last member was appointed by TEC S.r.l. on behalf of the remaining shareholders.

On 9 September 2021, some of the Founding Shareholders (who currently hold a total of no. 325,526 Shares representing 61.56% of total share capital, the "Lock-Up Shares") signed a lock-up, whereby the Founding Shareholders agreed to lock-up commitments for a one-year period from the Listing Date, subject to certain exceptions, which prevent them from, among other things, directly or indirectly selling, contracting to sell or entering into transactions that are intended to or

have the effect, of transferring, directly or indirectly, in whole or in part, to third parties ownership of their Lock-Up Shares or right over the Lock-Up Shares.

## **11. TRANSACTIONS WITH RELATED PARTY**

### **11.1 INTRA-GROUP TRANSACTIONS**

This Paragraph illustrates the transactions carried out by the Issuer with related parties.

In order to make every intra-group transaction at arm's length price, every transaction is specifically approved by Glass to Power's Board of Directors.

### **11.2 TRANSACTIONS WITH OTHER RELATED PARTY**

As of the date of this Information Document, the Company has not carried out any transaction *vis-à-vis* other related parties.

### **11.3 LOANS AND GUARANTEES GRANTED TO DIRECTORS AND STATUTORY AUDITORS**

As of the date of this Information Document, the Company has not granted any loans and/or guarantees *vis-à-vis* members of the Board of Directors and key management people.

## **12. ADDITIONAL INFORMATION**

### **12.1 SHARE CAPITAL**

#### **12.1.1 Subscribed share capital**

As at the date of this Information Document, the paid-up share capital of the Issuer is equal to a nominal amount of Euro 528,812.00 (five hundred twenty-eight thousand eight hundred twelve/00), divided into no. 528,812 (five hundred twenty-eight thousand eight hundred twelve) Shares without nominal value, and more specifically:

- no. 20,000 (twenty thousand) Class-A.1 Shares, which shall not be admitted to trading on Euronext Access+;
- no. 412,060 (four hundred twelve thousand and sixty) Class-A Shares;
- no. 96,752 (ninety-six thousand and seven fifty two hundred) Class-B Shares.

#### **12.1.2 Shares with different voting rights**

Under Italian law, the general rule is that all shares grant shareholders the same rights. However, the articles of association may provide for the issuance of special classes of shares (*categorie di azioni*) granting different administrative or economic rights to those granted to holders of ordinary shares (Article 2348(2), of the Italian Civil Code). If classes of share are issued, all shares of the same class must grant the same rights. Within the limits set out in the law, each company may discretionally determine the content of the rights granted by the special classes of shares.

For additional information see Paragraph 10.2 (Different voting rights of the principal Shareholders of the Issuer).

#### **12.1.3 Treasury shares**

As of the date of the Information Document, the Issuer held no treasury shares.



#### **12.1.4 Amount of convertible bonds, exchangeable bonds or bonds with warrants attached**

With resolution dated 1 February 2021, the Shareholders' Meeting of the Issuer has resolved upon the issuance of the Warrants and the Warrant Capital Increase.

The Warrants have been assigned, for no consideration, to the existing Shareholders of the Company at the end of the Crowdfunding Capital Increase in the ratio of no. 1 (one) Warrant *per* no. 4 (four) Shares held.

The rationale behind the decision of the Company to issue and assign for no consideration the Warrants to the Shareholders is two-fold: (i) first, the assignment of the Warrants to the investors in the Crowdfunding Capital Increase was aimed at incentivising the subscription of the latter; (ii) secondly, the assignment of the Warrants to the already existing Shareholders was aimed at rewarding the original investors in the Company and ensure a level-playing field between the different Shareholders of the Issuer.

The Warrants give to the relevant holders the right to subscribe for Class-B Shares that will be issued pursuant to the Warrant Capital Increase according to the ratio of no. 1 (one) Warrant *per* no. 1 (one) newly-issued Class-B Share; in particular, with the exception of the so-called black-out periods, the Warrants can be exercised, in whole or in part, during (i) the first month of the first calendar year after the listing of the Company, at an exercise price of Euro 50.00 *per* Class-B Share, (ii) the first month of the second calendar year following the listing of the Company at an exercise price of Euro 55.00 *per* Class-B and (iii) the first month of the third calendar year following the listing of the Company at an exercise price of Euro 60.00 *per* Class-B.

With the exception of the above, as at the date of the Information Document, the Company has not issued any convertible bonds, exchangeable bonds or bonds with warrants attached.

#### **12.1.5 Existence of purchase rights and/or obligations on authorised but not issued capital or of a constraint on the capital increase**

Please refer to Paragraph 12.1.4 (*Amount of convertible bonds, exchangeable bonds or bonds with warrants attached*) of this Information Document.

#### **12.1.6 Information regarding the capital of any Shareholder of the Company offered as options**

As at the date of this Information Document, there is no interest in the share capital of the Issuer of any Shareholder which has been offered as options or that has been decided to be offered conditionally or unconditionally as options.

#### **12.1.7 Description of changes in share capital for the period covered by the historical financial information**

Glass to Power is currently a company limited by shares (*società per azioni*) incorporated under Italian law, but initially established on 28 September 2016 as a limited liability company (*società a responsabilità limitata*) spin-off of the University of Milan.

On 28 March 2018 the Company was transformed in a company limited by shares.

The Company was incorporated with an initial share capital of Euro 300,000.00 (three hundred thousand) in September 2016. In 2017, the Company approved a capital increase of Euro 300,000.00 (three hundred thousand), 10.9% (ten point nine per cent.) of which (amounting to Euro 183,750.00 (one hundred eighty-three thousand seven hundred and fifty)) was raised through a successful equity crowdfunding campaign. On 5 July 2018 a second equity crowdfunding campaign, hosted on the crowdfunding platform managed by CrowdFundMe S.p.A., ended successfully for Glass to Power. Through this second crowdfunding campaign Glass to Power completed a capital increase of Euro 2,250,000.00 (two million two hundred and fifty thousand), gathering about 500 (five hundred) new investors in less than 50 (fifty) days.

In the context of the Crowdfunding Capital Increase, Glass to Power gathered additional Euro 2,222,400.00 (two million two hundred twenty-two thousand four hundred/00).

The Crowdfunding Capital Increase provides for the following terms and conditions:

- a Shareholders' pre-emption period of 14 (fourteen) days;
- after the expiration of the pre-emption period, the offer of the newly-issued Shares to third-party investors as follows:
  - ✓ a first indivisible lot of a maximum of Euro 1,000,000.00 (one million/00) of which a maximum of Euro 25,000.00 (twenty-five thousand/00) for capital and a maximum of Euro 975,000.00 (nine hundred and seventy-five thousand/00) as premium, to be implemented through the issue of a maximum of 25,000 (twenty-five thousand) Class-A and Class-B Shares with a subscription term ending on 31 May 2021;
  - ✓ a second lot, divisible and with progressive efficacy, of a maximum of Euro 3,992,000.00 (three million nine hundred and ninety-two thousand/00) of which a maximum of Euro 99,800.00 (ninety-nine thousand eight hundred/00) for capital and a maximum of Euro 3,892,200.00 (three million eight hundred ninety-two thousand two hundred/00) for premium, to be implemented through the issue of a maximum of 99,800 (ninety-nine thousand eight hundred) Class-A and Class-B Shares with a subscription term ending on 31 December 2021;
- different subscription prices based on the relevant subscription timings and in particular:
  - ✓ a total subscription price of Euro 40.00 (forty/00) per Share, of which Euro 39.00 (thirty-nine/00) for premium, for subscriptions executed and fully settled no later than 23:59 CET on 31 March 2021 (so-called "early bird booking bonus");
  - ✓ a total subscription price of Euro 48.00 (forty-eight/00) per Share, of which Euro 47.00 (forty-seven/00) for premium, for subscriptions executed and fully settled after 00:00 CET on 1 April 2021;

- a minimum number of Shares to be subscribed in order to participate to the Crowdfunding Capital Increase equal to no. 25 (twenty-five), on the basis of the subscription prices indicated above, and the possibility of subscribing to further Shares only for subsequent multiples of 25 (twenty-five) Shares;
- an assignment mechanism based on the number of Shares subscribed for and, more precisely:
  - ✓ the assignment of Class-B Shares against subscription of a number of Shares between 25 (twenty-five) and 975 (nine hundred and seventy-five);
  - ✓ the assignment of Class-A Shares against subscription of a number of Shares equal to or greater than 1,000 (one thousand).

## **12.2 MEMORANDUM AND ARTICLES OF ASSOCIATION**

### **12.2.1 Description of the corporate purpose and objectives of the Issuer**

The corporate purpose is to research, develop mass-produce and commercialize highly innovative energy products related to solar energy technology, particularly photovoltaic systems based on LSC (Luminescent Solar Concentrator) technology.

### **12.2.2 Summary of the Issuer's statutory provisions regarding the administrative, management and supervisory bodies**

#### **12.2.2.1 Directors' meeting**

Pursuant to Clause 21 of the Articles of Association, the Directors are responsible for the management of the Issuer's business, for which purpose they may exercise all the powers of the Issuer, within the limits set out by Italian law.

#### **12.2.2.2 Powers**

According to Clause 21.2 of the Article of Association, the Directors may delegate any of the powers which are conferred on them under the Articles of Association to a person or a committee.

#### **12.2.2.3 Resolutions**

According to Clause 22 of the Articles of Association, Directors must take decisions collectively at the Directors' meeting. When a Directors' meeting is called, proposals may be voted on condition that the quorum is attained, as provided for in Clause 22 of the Articles of Association.

Directors may appoint among them a Chairman who is entitled to chair their meetings.

When a Directors' meeting is called, pursuant to Clause 20 of the Article of Association, decisions are taken by a majority of the votes of the participating Directors. Each Director participating in a Directors' meeting

has one vote. With reference to the matters set out in Clause 22.3 of the Articles of Association, decisions are taken by a majority of  $\frac{3}{4}$  of the Directors.

#### **12.2.2.4 Appointment**

As stated in Clause 19 of the Articles of Association, Directors are appointed by ordinary resolution of the Shareholders' General Meeting, which determined the number (from a minimum of three to a maximum of fifteen) and the term of their office.

#### **12.2.2.5 Termination**

As stated in Clause 19.3 of the Articles of Association, a person ceases to be a Director in the cases provided for by the Italian law.

#### **12.2.2.6 Remuneration and expenses**

Pursuant to Clause 24 of the Articles of Association, Directors are entitled to receive a remuneration, The Shareholders' Meeting of the Company, in accordance to Clause 24 of the Articles of Association, may resolve upon the overall remuneration to be granted to the Directors.

### **12.2.3 Supervisory Body**

Pursuant to Clause 25 of the Articles of Association, members of the Board of Statutory Auditors are appointed by the Shareholders' Meeting of the Company, which may also resolve upon the appointment of a Chairman and the overall remuneration to be granted to the Statutory Auditors. Pursuant to Clause 25 of the Articles of Association the Board of Statutory Auditors of the Company is composed of 5 (five) members, 3 (three) effective and 2 (two) alternate.

### **12.2.4 Description of rights, privileges and restrictions attached to the Shares**

As at the date of this Information Document, the Company issued three different classes of Shares (please refer to paragraph 12.1.2 "*Shares with different voting rights*" above).

### **12.2.5 Provisions of the Articles of Association and regulations on amending Shareholders' rights**

The amendments to the Shareholders' rights are regulated by the relevant provisions of Italian law.

### **12.2.6 Description of the conditions for convening annual general meetings and extraordinary meetings, including the conditions of admission**

The operations of the general meeting are governed in accordance to Clauses 13 to 18 of the Articles of Association.

**12.2.7 Description of any statutory provisions that could have the effect of delaying, deferring or preventing a change in the control structure of the Issuer**

The Articles of Association do not provide for any particular rules that could have the effect of delaying, deferring or preventing a change in the control structure of the Issuer.

**12.2.8 Indication of the provisions of the Issuer's Articles of Association governing the threshold above which there is an obligation to disclose the portion of the Shares held**

The Articles of Association do not provide for any particular rules relating to disclosure obligations concerning shareholdings in the share capital of the Issuer.

**12.2.9 Description of the conditions provided for in the Memorandum and Articles of Association for the modification of the share capital**

The Articles of Association do not contain provisions setting out conditions more restrictive than those provided for by the law regarding the amendments to the share capital.

### 13. MAIN CONTRACTS

On 1 June 2017, Glass to Power applied for a grant (the "Grant") from the Autonomous Province of Trento – through its *Agenzia per gli Investimenti APIAE* – to secure funding to develop a system for producing silicon QD nanoparticles. The project objective was to utilise these nanoparticles to mass-produce transparent photovoltaic windows, which have embedded nanoparticles that allow high-quantity clean energy production.

The Company has been assigned the Grant on the basis of a framework agreement with the Autonomous Province of Trento dated 25 September 2018 and a resolution by responsible officer of the Autonomous Province of Trento dated 7 December 2018. The Grant is for an overall amount of Euro 1,133,222.70 (one million one hundred thirty-three thousand two hundred and twenty-two/70) payable in no. 5 (five) yearly instalments of equal amount on 31 December of each year in the period 2018-2022. The concession of the Grant was subject to compliance with several conditions, obligations and undertakings assumed by the Issuer, including, *inter alia*, (i) certain employment levels to be assured; (ii) the obligation to carry-out its business activity in the Province of Trento; (iii) the obligation to do business with local suppliers; (iv) the obligation to enter into certain cooperation agreements with the University of Trento and with local foundations and associations; (v) the obligation to abide by specific administrative and financial commitments. The Grant and the disbursement of the contribution due will be made in 5 (five) equal yearly instalments capitalized on 31 December of each year since the start of the project to ensure financial equivalence with the contribution in a single solution equal to Euro 1,133,222.70 (one million one hundred thirty-three thousand two hundred and twenty-two/70) in current value. The disbursement of past capitalized instalments is expected to occur upon completion of the research project and subject to verification of the successful outcome and its compliance with the conditions, obligations and undertakings assumed by the Issuer set out in the framework agreement with the Autonomous Province of Trento.

The entire project cost was originally approved for approximately Euro 1,500,000.00 (one million five hundred thousand), with an investment from Glass to Power of the difference between Euro 1,500,000.00 (one million five hundred thousand) and the Euro 1,133,222.70 70 (one million one hundred thirty-three thousand two hundred and twenty-two/70) from the Grant. The Grant has been used to cover part of the costs related to the construction of the nanoparticle factory and operational headquarters at Rovereto.

The project objectives related to the Grant were originally estimated to be completed by 8th November 2020, but the two-year duration of the project was later postponed by one year (due to delays linked to Covid-19) until 8 November 2021.

The Company has completed the project in time and has complied with all conditions, obligations and undertakings assumed by the Issuer, as confirmed by the positive outcome of two intermediate checks carried out by the Autonomous Province of Trento. The Company has also been able to realise a substantially more advanced project, with final total investments amounting to approximately Euro 3,000,000.00 (three million).

It is worth noting that Glass to Power has entered into a borrowing agreement of Euro 900,000.00 (nine hundred thousand) with Intesa San Paolo Bank which represents an advance for the Grant that the Company will receive from the Autonomous Province of Trento, through its *Agenzia per gli Investimenti APIAE*. As at the date of this Information Document, one third of the loan has already been reimbursed, leaving only Euro 600,000.00 (six hundred thousand) to be paid in two instalments (Q3 2022 and Q3 2023). The outstanding loan amount is quite small compared with the overall value and projected earnings of the Company. In case of a shortfall or delay in receiving the Grant from the Autonomous Province of Trento, the Company believes there will be no issue in meeting the repayment schedule through operating cash flows, bank refinancing or a mix of both.

In case of non-compliance with the investment objectives, the Autonomous Province of Trento is entitled to contribute less of the agreed amount (but not to cancel the entire Grant), if they report that the Company has invested less than the agreed Euro 1,500,000.00 (one million five hundred thousand). As the total investment has totalled about Euro 3,000,000.00 (three million), the chance that the Autonomous Province of Trento will find faults with the results achieved are extremely low, also considering the very good scientific and industrialization results (as recently evaluated by the Autonomous Province of Trento technical office) and the meeting of almost all of the objectives set out in the framework agreement. To this regard, there has been just one point of non-compliance (with a maximum penalty of about Euro 5,000.00) for the lack of correct alternation between school and work regarding some students utilized in Glass to Power's laboratories for teaching purposes; the non-compliance was caused by logistic issues caused by COVID-19 during the lockdown months.

According to the Grant schedule and procedures, the Company expects to receive the first payment by the Autonomous Province of Trento by Q3 2022, ahead of the next instalment due for the Intesa Sanpaolo Bank loan. This first payment will comprise of the first 4 (four) instalments, capitalized since 2018. The last payment is expected by Q1 2023.

On 19<sup>th</sup> October 2021 Glass to Power has entered into a preliminary agreement (the "**Preliminary Agreement**") with an Italian innovative start-up active in the construction/building sector. According to the terms and conditions of the Preliminary Agreement, Glass to Power will act as General Contractor in relation to the realization of an integrated photovoltaic module (which will include, *inter alia*, both photovoltaic transparent glasses and a photovoltaic transparent façade module) to be applied to a residential building located in Lissone (MB). The Preliminary Agreement provides for an initial 3-year term of collaboration between Glass to Power and the Italian innovative start-up, with the possibility to extend the duration as a result of an agreement between the parties, while it is envisaged that the supply of the integrated photovoltaic module will be completed in 12-15 months. According to the terms and conditions of the Preliminary Agreement, for its role of General Contractor Glass to Power will be entitled to receive a total remuneration of Euro 950,000, to be paid in instalments according to the following payment schedule: Euro 300,000 by 30 November 2021, Euro 400,000 by March 2022 and Euro 250,000 upon completion of the product testing.

## **14. INFORMATION ON THE FINANCIAL INSTRUMENTS ELIGIBLE FOR ADMISSION TO NEGOTIATION**

### **14.1 NATURE OF FINANCIAL INSTRUMENTS ADMITTED TO NEGOTIATION**

The financial instruments whose Technical Admission is required are represented by no. 508,812.00 (five hundred twenty-eight thousand eight hundred twelve) Shares, which constitute the 96.22% of the Company's share capital as of the date of this Information Document.

In particular, the Shares to be listed are:

- no. 96,752 (ninety-six thousand and seven fifty two hundred) Class-B Shares representing 18.30% (eighteen point thirty per cent.) of the share capital of the Company;
- no. 412,060 (four hundred twelve thousand and sixty) Class-A Shares representing 77.92% (seventy seven point per cent.) of the share capital of the Company

Class-A1 Shares shall not be admitted to trading on Euronext Access+.

### **14.2 LAW APPLICABLE TO FINANCIAL INSTRUMENTS ADMITTED TO NEGOTIATION**

The Shares have been issued under the laws of Italy.

### **14.3 CHARACTERISTICS OF FINANCIAL INSTRUMENTS ADMITTED TO NEGOTIATION**

The Shares are denominated in Euro, with no nominal value, have been issued in the dematerialised form.

In particular, Class-A Shares are represented by the ISIN Code no. IT0005454167 and Class-B Shares are represented by the ISIN Code no. IT0005454175.

For the Shares' description, please refer to Paragraph 12.2.4 (*Description of rights, privileges and restrictions attached to the Shares*) of this Information Document.

The Warrants are represented by the ISIN Code no. IT0005454134. For the Warrants' description, please refer to Paragraph 12.1.4 (*Amount of convertible bonds, exchangeable bonds or bonds with warrants attached*) of this Information Document.

### **14.4 RESTRICTIONS ON THE FREE TRADING OF SHARES**

#### **14.4.1 Foreign Securities Regulations**

Except for the following, the Shares are freely transferable both in Italy and abroad.

Potential investors should note that the Shares have not been and will not be registered under the US Securities Act or the applicable securities laws and regulations of any state of the United States and may not be offered or sold within the United States, Canada, Australia, Japan and South Africa except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

An investor who is in the US or otherwise a US person (as defined in Regulation "S" under the US Securities Act), must confirm that he falls within a relevant exemption and that he



will not offer or sell Shares within the United States except in accordance with applicable exemptions.

#### **14.5 LISTING SPONSOR**

Pairstech Capital Management LLP, a limited liability partnership incorporated under the laws of England and Wales, authorized to conduct its activities by the Financial Conduct Authority, authorisation no. 477155, with registered office in 1/1a Telegraph Street, London, EC2R 7AR, United Kingdom, registered within the Companies House under no. OC333807.

Authorisation no.: n. 17725 of 29 March 2011.

Contacts: Dott. Mauro Grandinetti – Pairstech Capital Management LLP

Email: [mauro.grandinetti@alephfinance.com](mailto:mauro.grandinetti@alephfinance.com)

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On 25 November 2020, the Company and the Listing Sponsor entered into a listing sponsor agreement pursuant to which the Listing Sponsor has agreed to assist the Company as its listing sponsor in connection with the Technical Admission of the Shares on Euronext Access+, including due diligence, organization, drafting of required documentation and the listing sponsor declaration. On 10 September 2021, the Company and the Listing Sponsor entered into a listing sponsor agreement pursuant to which the Listing Sponsor has agreed to assist the Company as its listing sponsor after the Listing date and shall assist the Company with reporting and other post-listing obligations.

## **15. OTHER INFORMATION**

### **15.1 PURPOSE OF THE TECHNICAL ADMISSION TO TRADING OF THE SHARES**

The Technical Admission to trading described in this Information Document will allow the Company and its Group to:

- support the implementation of its business strategy;
- increase its international recognition as an important player in the global BIPV market;
- benefit from better and more convenient conditions for accessing capital markets, thus facilitating further capital raisings;
- increase the liquidity level of the investment of its Shareholders.

### **15.2 APPROVAL OF THE TECHNICAL ADMISSION**

On 1<sup>st</sup> February 2021, the Company' Shareholders' meeting resolved upon the approval of (i) the project related to the Technical Admission to trading of the Shares on Euronext Access+ and (ii) the documentation to be filed with Euronext.

### **15.3 ONGOING LISTING OBLIGATIONS**

In accordance with Euronext Access Rule Book, the next Shareholders' meeting following the Technical Admission will be held by the end of the month of April 2022, in order to resolve upon the approval of the financial statements for financial year ending on 31 December 2021.

In addition to the above, due to the Technical Admission to trading on Euronext Access+, the Company shall, *inter alia*, (i) publish, within 4 (four) months after the end of its financial year its annual report, which will comprise the annual financial statements, the management discussion and analysis and the auditor's report in respect of the annual financial statements; (ii) publish, within 4 (four) months after the end of the second quarter of its financial year, a semi-annual report, which will comprise the half-year financial statements and an operations report in respect of the half-year financial statements; and (iii) permanently have a listing sponsor.

### **15.4 FIRST TRADING PRICE OF THE SHARES**

The price per Share on the date of Technical Admission to trading on Euronext Access+ is Euro 48.00 (forty-eight/00)). Thus, at the date of the Technical Admission, the market capitalization of the Company will be Euro 25,382,976 (twenty-five million three hundred eighty-two thousand nine hundred and seventy-six).

**16. FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2019****GLASS TO POWER S.p.A.****Financial statements for the year ended 31-12-2019**

Company details	
Registered Office	VIA FORTUNATO ZENI, 8 - 38068 ROVERETO (TN)
Tax Code	09640920964
REA No.	TN 230875
VAT Reg. No.	09640920964
Share Capital Euro	450,000.00 fully paid in
Legal status	LIMITED COMPANY (SP)
Main activity sector (ATECO)	EXPERIMENTAL RESEARCH AND DEVELOPMENT IN THE FIELD OF OTHER NATURAL SCIENCES AND ENGINEERING (721909)
Company under liquidation	no
Single member company	no
Company subject to the direction and coordination of others	no
Membership of a group	no

**Balance Sheet**

	31-12-2019	31-12-2018
<b>Balance Sheet</b>		
<b>Assets</b>		
A) Receivables for shareholders for payments still due	11,914	-
<b>B) Fixed assets</b>		
I – Intangible fixed assets	2,680,635	2,079,600
II – Tangible fixed assets	347,749	34,659
<b>Total fixed assets (B)</b>	<b>3,028,384</b>	<b>2,114,259</b>
<b>C) Current assets</b>		
I - Inventories	28,690	6,639
<b>II – Accounts Receivable</b>		
due within one year	881,033	236,355
due after one year	27,897	10,000
<b>Total receivables</b>	<b>908,930</b>	<b>246,355</b>
IV - Liquid assets	434,546	1,473,355
<b>Total current assets (C)</b>	<b>1,372,166</b>	<b>1,726,349</b>
D) Accruals and prepayments	11,841	57,213
<b>Total assets</b>	<b>4,424,305</b>	<b>3,897,821</b>
<b>Liabilities</b>		
<b>A) Shareholders' equity</b>		
I - Capital	476,768	450,000
II - Share premium reserve	3,408,115	2,400,000
VI - Other reserves	-	1

VIII - Retained earnings (losses)	(187,853)	(18,018)
IX - Net profit / (loss)	(277,189)	(169,835)
Total shareholders' equity	3,419,841	2,662,148
B) Provisions for risks	20,000	10,000
C) Employees' leaving indemnities	34,273	14,160
D) Accounts payable		
due within one year	450,190	811,512
due after one year	500,001	400,001
Total accounts payable	950,191	1,211,513
Total liabilities	4,424,305	3,897,821

**Profit and loss account**

	31-12-2019	31-12-2018
Profit and loss account		
A) Value of production		
1) revenue from sales and services	1,452	12,295
4) own work capitalised	463,517	187,379
5) other revenue and income		
contributions to the year's account	14,525	
others	667,851	70,509
Total other revenue and income	682,376	70,509
Total value of production	1,147,345	270,183
B) Production costs		
6) for raw, subsidiary and expendable material and goods	66,048	32,491
7) for services	297,465	203,377
8) for the use of third parties' assets	68,526	36,439
9) for personnel		
a) salaries and wages	394,092	122,274
b) social charges	119,146	31,020
c), d), e) employees' leaving indemnities, retirement plan, other personnel costs	106,638	14,795
c) employees' leaving indemnities	27,309	9,117
e) other costs	79,329	5,678
Total personnel costs	619,876	168,089
10) depreciation, amortisation and write-downs		

	31-12-2019	31-12-2018
a), b), c) depreciation of tangible and intangible fixed assets, other fixed asset write-downs	379,874	1,983
a) amortisation of intangible fixed assets	366,892	
b) amortisation of tangible fixed assets	12,982	1,983
Total depreciation, amortisation and write-downs	379,874	1,983
11) changes in inventories of raw materials, subsidiary and consumable materials and goods	(22,051)	(4,396)
14) sundry operating costs	12,790	1,873
Total costs of production	1,422,528	439,856
Difference between value and costs of production (A - B)	(275,183)	(169,673)
C) Financial revenue and charges		
16) other financial income:		
d) income other than the above		
others	25	-
Total income other than the above	25	-
Total other financial income:	25	-
17) interest and other financial charges		
others	1,789	-
Total interest and other financial charges	1,789	-
17-bis) exchange rate gains and losses	(242)	(162)
Total income and financial charges (15 + 16 - 17 + - 17-bis)	(2,006)	(162)
Pre-tax result (A - B + - C + - D)	(277,189)	(169,835)
21) Year's profit (loss)	(277,189)	(169,835)

**Indirect Cash Flow Statement**

	<b>31-12-2019</b>	<b>31-12-2018</b>
Indirect Cash Flow Statement		
A) Financial flow from operating activities (indirect method)		
Year's profit (loss)	(277,189)	(169,835)
Interest payable/(receivable)	1,764	
1) Profit (loss) for the year before income tax, interest, dividends and transfer capital gains/losses	(275,425)	(169,835)
Adjustments for non-monetary elements which did not have a contra in the net current assets		
Appropriations to provisions	37,309	
Amortisation/depreciation of fixed assets	379,874	1,983
Other upwards /(downwards) adjustments for non-monetary elements	155,617	350
Total adjustments for non-monetary elements which did not have a contra in the net current assets	572,800	2,333
2) Cash flow before variations to the net current assets	297,375	(167,502)
Variations to the net current assets		
Decrease /(Increase) in inventories	(22,051)	(3,776)
Decrease /(Increase) in receivables from clients	(25)	500
Decrease /(Increase) in payables to suppliers	(398,786)	1,129,865
Decrease /(Increase) in prepaid expenses and accrued income	45,372	(57,213)
Increase/(Decrease) in accruals and deferred income	-	(7,502)
Other decreases/(Other Increases) in the net current assets	(624,412)	(170,610)
Total variations to the net current assets	(999,902)	891,264
3) Cash flow before variations to the net current assets	(702,527)	723,762



	31-12-2019	31-12-2018
Other adjustments		
Interest collected/(paid)	(1,764)	
(Income taxes paid)	(498)	(791)
(Use of provisions)	(7,196)	20,186
Total other adjustments	(9,458)	19,395
Cash flow from operating activities (A)	(711,985)	743,157
B) Cash flows from investment activities		
Tangible fixed assets		
(Investments)	(326,075)	(15,458)
Intangible fixed assets		
(Investments)	(1,123,542)	(1,696,368)
Cash flow from investment activities (B)	(1,449,617)	(1,711,826)
C) Cash flows from financing activities		
Loan capital		
Increase/(Decrease) of short-term loans with banks	(1,083)	2,593
Taking-out of loans	100,908	
Own means		
Increase in share capital	1,022,968	2,250,001
Cash flow from financing activities (C)	1,122,793	2,252,594
Increase (decrease) in liquid assets (A ± B ± C)	(1,038,809)	1,283,925
Initial liquid assets		
Bank and postal deposits	1,473,243	189,179
Cash and cash equivalents	111	250

	31-12-2019	31-12-2018
Total initial liquid assets	1,473,355	189,429
Final liquid assets		
Bank and postal deposits	434,054	1,473,243
Cash and cash equivalents	491	111
Total final liquid assets	434,546	1,473,355

**SUPPLEMENTARY NOTES TO THE FINANCIAL STATEMENTS AS AT 31-12-2019****Supplementary Notes, part I**

To the Shareholders,

These financial statements, put to your scrutiny and approval, show a loss for the year of Euro (277,189).

**Business carried out**

Your company, as you well know, carries out its business in the experimental research sector for the development of nanoparticles in order to create photovoltaic windows with LSC technology.

**Important events occurring over the year**

2019 has been a year full of events that have brought us much nearer to making the first product. Not all the episodes that I am going to list below were positive and have inevitably determined some delays in the development of the project as a whole.

Here below is the list of the various approach milestones and the opportunities arising from them:

- the NanoFarm in Rovereto was inaugurated on the 10th January for the components regarding the production of CIS nanoparticles; in fact, it should be remembered that the NanoFarm project started formally on 9th November 2018. So, after only two months, we managed, starting from practically nothing, to create a production laboratory for the scale production of CIS (Copper and Indium Sulphites) nanoparticles, essential elements to then proceed with the production of transparent photovoltaic glass; it was not possible to start up one part of the NanoFarm because of problems with the builders of the walls;
- a Memorandum of Understanding was signed in February with BIG Investments of Dubai which will enable the development of the G2P business throughout the Gulf Area;
- in March, it was acknowledged that the manager hired in October 2018 to manage the Rovereto production unit was not able to have a calm relationship with the G2P researchers and the suppliers; it was decided to terminate his/her employment, with an increase in costs and, above all, an extension of the development times;
- an agreement was signed with the Brazilian company Multivetro in April to develop the South American market; Multivetro stated that it was interested in developing all the parts in the process locally, which starting from the nanoparticles produced in by G2P in Rovereto, which would end up in the creation of the transparent photovoltaic glass panes.
- a project for a further capital increase was started in May: the first activity tackled was the creation and sharing of a precise five-year Business Plan; this activity, entrusted mainly to Mr Massari, led to a first discussion during the Board of Directors' meeting of 5th June;
- in July, after evaluating the various offers from the main international consultancy companies, the task of developing a Vendor Due Diligence was awarded to Orrick Herrington & Sutcliffe and in particular to Marco Nicolini (Avv.) and his staff; the financial valuation of the company, based on the previously developed Business Plan, was awarded to Prof. Giuseppe Sancetta, Professor of Economics and

Business Management at La Sapienza University of Rome; the technical-scientific evaluation of the G2P activities was awarded to the Fraunhofer Institute and all the market analysis was awarded to the Philips Consulting Division;

- it was resolved to call an Extraordinary Shareholders' Meeting at the Board of Directors' Meeting of 18th September; this was to propose a capital increase based on the documents prepared by the various professionals involved; the same meeting, owing to the bureaucratic rigmarole of Banca Intesa San Paolo in activating the transfer of credit to the NanoFarm project, decided to activate a credit line with Banco BPM for € 100K which allowed us to achieve the planned capital increase with the necessary liquidity;
- the extraordinary shareholders' meeting was held on 16th October at the Department of Materials Science of the Bicocca University of Milan in the presence of many shareholders holding type A shares (with the right to vote) and also many holders of type B shares (without the right to vote): the Meeting unanimously resolved a capital increase which, starting from the valuation of Prof. Sancetta, about € 22m, is proposed for acquiring new equity for a total of 8,000,000 euros, nominal value and share premium; the capital increase is still in progress and will conclude on 30/06/2020; the financial advisory was awarded to the company Arkios SpA and a further number of advisory companies that are coordinated by Arkios.
- as at 31/12, over 200 shareholders, small and medium sized, have subscribed over € 1m, a more than significant collection;
- the deed of release to the District of Trento for the contribution regarding the Nanofarm project was (finally) obtained from the Banca Intesa San Paolo ; overall, the procedure required a year and three months and put our company in serious difficulty;
- the transfer of credit from Intesa San Paolo was completed in the first months of 2020 and payment of € 900k for ¾ of the value of the District of Trento non-repayable loan;
- the activity of the financial advisor Arkios and the companies involved was ceaseless. This led to several shows of interest from some industrial and financial operators, the request for in-depth meetings and visits to the laboratories in Milan and Rovereto;
- the negotiations were abruptly interrupted in March 2020 after the lockdown caused by the COVID-19 pandemic; the company re-dimensioned its development objectives and had to put its employees on "Cassa Integrazione" [Income Support] to try to limit costs. Negotiations with some potential investors resumed at the end of May 2020.

With reference to the product development stage, G2P is currently capable of repeatedly producing solar concentrators with dimensions up to 40x40 cm that achieve an electrical efficiency of 0.7-0.8% when coupled by gluing with bi-adhesive tapes to commercial solar cells. The design for custom-made solar cells and a system for coupling them with the concentrator by gluing with high performance silicones and for extracting the electricity generated has also been completed. The first tests for this solution will be carried out before the end of this month, and simulations carried out using the specifications of how much is applied as a starting basis indicate that an electrical efficiency for the concentrator close to 2% could be achieved

with the new system. On the other hand, it is reasonable to assume, on the basis of the experience acquired, that the subsequent insertion of the concentrator into double glazing may introduce system losses of around 25% of the energy produced. Consequently, the best estimate available at the moment for the final efficiency of the prototypes ready to be incorporated into a casing or a façade is around 1.5%.

Tests are planned next July for the concentrator-solar cell coupling solution described above, and, if no critical issues arise, we will then move on to the accelerated ageing tests to check the system's stability in view of its subsequent certification. Once the stability required by the regulations is achieved, particularly concerning stability to UV exposure, high temperatures and repeated thermal cycles, the product certification procedure can be started up with an external body and this requires approximately 4 months. If there is a positive result for the certification process, G2P will immediately be capable of independently making small productions of transparent photovoltaic modules with the efficiency and dimensions shown above.

It should be noted that, currently, optimized nanomaterials with an efficiency of 40-60% above those used in the prototypes up to now are being developed. These, once they have been made suitably compatible with the concentrator's polymer matrix, should raise its efficiency by a similar factor. Moreover, the company R&D has already started up research for completely new systems so as to identify solutions that allow further improvement margins.

Finally, in the months that separate us from the finalization of the product, the usual checks will be made to guarantee that the G2P patent coverage is adequate for what has been created.

### **Important events after the end of the financial year**

Over the first part of 2020, taking into account the progress in collecting for the capital increase, the Board of Directors thought it right to suspend part of the investment programme provided for by the industrial plan dismissed last summer in the context of the preparatory work to the increase operation itself.

At the date of drafting of these financial statements, the financial budget for the year 2020 is fully covered with a cash advance of about 1,000k, which is sufficient to cover the commitments taken on for personnel (including employees' severance indemnity), the existing loans and the residual debt for the patents acquired; nevertheless, we expect a significant financial push from the signing of the AuCap2019 (still open) by important industrial partners, with whom negotiations are pending, to allow the 2019-2023 industrial plan to go ahead.

The crisis produced by the COVID-19 pandemic in our country and more generally at a worldwide level has also affected the company's activity.

Thanks to the fact that it has not yet started mass productions of the photovoltaic windows, the company is limiting the damage, but there is no doubt that the restrictive measures on economic activities will have repercussions that cannot be fully predicted.

All the risk factors linked to the current health emergency have been met by the company which suspended the research activities in the two laboratories at Milan and Rovereto for about a month and a half and, on resumption, adopted the prescribed health protocols.

Finally, notice is given of the conclusion of the capital increase operation which was resolved upon on 16th October 2019 and concluded through expiry of the terms on 30th June 2020. It determined a collection of Euro 1,103,860.00 between capital and premium.

### **Formation criteria**

The criteria used for the formation and evaluation of the Financial Statements for the year ended at 31/12/2019 take into consideration the new provisions introduced into national law by Italian Legislative Decree 139/2015, by which Directive 2013/34 /EU was implemented. The OIC national accounting standards were amended by effect of Italian Legislative Decree 139/2015.

The following financial statements comply with the provisions of Articles 2423 et seq. of the Italian Code of Civil Procedure, as shown by these supplementary notes, which were drawn up in accordance with Article 2427 of the Italian Code of Civil procedure and, to the intents and purposes of Article 2423, are an integral part of the financial statements for the year.

The values in the financial statements are represented in units of Euro with the amounts being rounded off. Any rounding off differences have been indicated in the item "Euro rounding off reserve" included in the entries in the Shareholders' Equity.

The supplementary notes present the information in the shareholders' equity and the profit and loss account according to the order in which those items are indicated in the respective financial statement reporting formats.

### **Accounting principles**

(Ref. Article 2423, Article 2423-bis of the Italian Code of Civil Procedure)

The items in the financial statements were valued using the general criteria of prudence and accrual in the perspective of the business continuing.

Adopting the principle of prudence entailed individual measurement of the constituent elements of each entry or item of the assets and liabilities so as to avoid counterbalancing between losses that should have been recognised and profits that are not to be recognised as they have not been collected.

In accordance with the accrual based accounting principle, the effect of the transactions and other events has been recognised in the accounts and attributed to the year in which these transactions and events refer, and not to the one in which the related cash movements took place (collection and payments).

When applying the principle of relevance, the obligations in terms of relevance, valuation, presentation and information were not observed when observance of them had irrelevant effects for the purpose of giving a correct and truthful representation. More specifically, the criteria identified for implementing the principle of relevance are { }.

Continuity in the valuation criteria over time is a necessary element for comparing the company's financial statements over several; years.

The financial statement items were collected and presented taking into account the substance of the transaction or contract.

## Exceptional cases as per Article 2423, paragraph five, of the Italian Civil Code

(Ref. Article 2423, paragraph five, of the Italian Civil Code)

There were no exceptional cases that made recourse to the exceptions as of Article 2423, paragraph 5, of the Italian Civil Code necessary.

## Valuation criteria applied

(Ref. Article 2426, paragraph one, of the Italian Civil Code)

### Fixed assets

#### Intangible

These are entered at the historical cost of acquisition.

The **start up and expansion costs** have been amortized over period of not more than five years.

In the absence of revenue, company expenses have not been amortized, in line with OIC provision 24.

The **royalties on industrial patents** have been amortized at an annual rate of 20% according to the residual life of the patent.

The capitalised **research and development costs** consist of salaries, wages and other costs for the personnel employed in the development activity, as well as collaboration with external companies and the Department of Material Sciences at the Bicocca University of Milan. Taking into account that these costs must be recovered through future revenue, the company, in their absence, has decided not to proceed with amortisation.

The **improvements to third party assets** are amortized with rates that depend on the duration of the service contracts. For 2019, the rate is 35% on the total amount of expenses incurred.

It should be specified that, by virtue of the collection of the grant approved by the District of Trento, the aforesaid expenses will be proportionally reduced by the amount of the grant paid back. Consequently, the amount of future amortizations may be of a lesser amount.

If there is a permanent loss in value, regardless of the amortisation already entered in the accounts, the asset is correspondingly written down. If the assumptions for the write-down should no longer be valid in subsequent years, the original value will be restored, adjusted only to take into account the amortisation.

### Materials

These are entered at the purchase or production cost and adjusted by the corresponding write-down provisions.

The amortisation rates, charged to the Profit and Loss Account, have been calculated bearing in mind the utilisation, destination and economic-technical life of the assets based on the criterion of residual possibility of use, a criterion we consider appropriately represented by the following rates which are the same as those of the previous year and reduced to half over the year the asset enters operation:

Type of asset	% Amortisation
---------------	----------------

Air conditioning systems	15%
Fixtures and fittings	15%
Electronic office machines	20%
Equipment	10%

Amortisation has not been calculated for the following equipment as the final inspection of the assets took place in 2020:

Description	Amount
Carbolite instruments, Rovereto lab	7,600.00
Carbolite instruments, Rovereto lab	7,600.00
Full equipment, Rovereto lab	52,009.11
Full equipment, Rovereto lab	34,672.74
Full equipment, Rovereto lab	60,000.00
Total equipment not amortized	161,881.85

If there is a permanent loss in value, the asset will be correspondingly written down. If the assumptions for the write-down should no longer be valid in subsequent years, the original value will be restored, adjusted only to take into account the amortisation.

### Receivables

Receivables are shown in the financial statements taking into account the time factor and the assumed liquidation value.

The amortized cost method was not applied in that the effects are irrelevant for giving a correct and truthful representation.

### Payables

These are shown at the face value.

The amortized cost method was not applied in that the effects are irrelevant for giving a correct and truthful representation.



**Accruals and deferrals**

These have been determined by adopting the accrual basis accounting principle for the year.

For multi-year accruals and deferrals, the conditions that determined their original entry were checked and suitable changes were adopted, if necessary.

**Warehouse inventories**

Raw materials, auxiliary and finished products are valued at the lower of purchase or production cost and realisable value, which can be deduced from the market trend, by applying the specific cost.

**Employees' leaving indemnities**

This represents the actual payable accrued to employees according to the law and current labour contracts, taking into consideration every form of remuneration that has a continuous nature.

The provision corresponds to the total of each indemnity accrued by each employee at the balance sheet date, net of advances paid, and is equal to the amount that would have to be paid to employees in the case of termination of employment on said date.

**Other Information**

The company, as provided for by Italian Legislative Decree 14/2019 (Crisis and Business Insolvency Code), adopts an organizational, administrative and accounting set-up that is fit for the nature of the company, also for the function of prompt detection of company crisis and the taking on of suitable initiatives.

In completion of the proper information, it must be specified here that, under Article 2428, points 3) and 4), of the Italian Civil Code, the company:

- does not hold any of its own shares or shares or stock in parent companies, also through trust funds or an intermediary;
- has not acquired and/or transferred any of its own shares or shares or stock in parent companies over the year, also through trust funds or an intermediary;

**ABBREVIATED SUPPLEMENTARY NOTES, ASSETS****Receivables from shareholders for payments still due**

	Changes in the year	Final value
Receivables for payments due but not called	11,914	11,914
Total receivables for payments due	11,914	11,914

This accounting entry represents the residual part of subscription to the capital increase resolved over the year, which are paid in January 2020.

**Fixed assets****Intangible fixed assets**

Balance at 31/12/2019	Balance at 31/12/2018	Variations
2,680,635	2,079,600	601,035

**Variations in intangible fixed assets**

(Ref. Article 2427, paragraph one, No. 2, of the Italian Civil Code)

	Start-up and expansion costs	Development costs	Royalties on industrial patents and rights to use original works	Intangible fixed assets in progress and down payments	Other intangible assets	Total intangible fixed assets
Initial value						
Cost	355,779	467,517	1,082,737	155,617	17,950	2,079,600
Balance sheet value	355,729	467,517	1,082,737	155,617	17,950	2,079,600
Changes in the year						
Increases for acquisitions	111,562	622,517	89,750	134,097	10,000	967,927

Reclassifications (of balance sheet value)	-	-	(10,000)	-	10,000	
Year's depreciation	27,404	-	234,497	101,400	3,590	366,891
Total variations	84,159	622,517	(154,747)	32,697	16,410	601,036
Final value						
Cost	467,342	1,090,034	1,162,486	289,714	37,950	3,047,525
Depreciation (Depreciation provision)	27,404	-	234,497	101,400	3,590	366,891
Balance sheet value	439,938	1,090,034	927,990	188,314	34,360	2,680,635

### Composition of the start-up and expansion costs and the development costs

(Ref. Article 2427, paragraph one, No. 3, of the Italian Civil Code)

The composition of the start-up and expansion cost items, as well as the reasons for their entry, are indicated below:

#### Start-up and expansion costs

Description of costs	Value 31/12/2018	Increase year	Decrease year	Year's amortisation	Value 31/12/2019
Establishment and company capital increases 2017-18-19	216,654	111,563		0	328,217
Activity start-up costs	139,125	0		27,404	111,721
Total	355,779	111,563		27,404	439,938

The start-up and expansion costs are entered because of the cause/effect relationship between the costs in question and the benefits expected from them.

#### Grants/plant

With reference to the grant resolved by the District of Trento in the company's favour following approval of the project to create a nanoparticle production plant (more commonly known as NanoFarm) in Rovereto,

which was subject to the negotiated agreement of 25.09.2018 and supplemented on 09.01.2019, it is specified that the company considered it proper not to allocate any grant amount in the year ended 31/12/2019 because, though being confirmed in the aforesaid documents, it will be physically paid starting from the 2020 financial year following account rendering. The lack of certainty over the amount (which could be "adjusted") advised us to follow the principle of prudence in not allocating certain positive revenue components over the year, and again not in the total.

The payment of the grant will entail some restricts and constraints on the free use of the fixed assets until the end of the project.

### Tangible fixed assets

Balance at 31/12/2019	Balance at 31/12/2018	Variations
347,749	34,659	313,090

### Variations in tangible fixed assets

	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Total tangible fixed assets
Initial value				
Cost	-	33,622	3,020	36,642
Depreciation (Depreciation provision)		1,681	302	1,983
Balance sheet value	-	31,941	2,718	34,659
Changes in the year				
Increases for acquisitions	24,894	288,668	12,510	326,072
Year's depreciation	1,867	9,475	1,640	12,982
Total variations	23,027	279,193	10,870	313,090
Final value				
Cost	24,894	322,290	15,530	362,714
Depreciation (Depreciation provision)	1,867	11,156	1,942	14,965

	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Total tangible fixed assets
Balance sheet value	23,027	311,134	13,588	347,749

## Current assets

### Inventories

Balance at 31/12/2019	Balance at 31/12/2018	Variations
28,690	6,639	22,051

The valuation criteria adopted are unchanged against the previous year and are justified in the first part of these supplementary notes.

	Initial value	Variation in the year	Final value
Raw, subsidiary materials and consumables	6,639	22,051	28,690
Total inventories	6,639	22,051	28,690

### Receivables entered in the current assets

Balance at 31/12/2019	Balance at 31/12/2018	Variations
908,930	246,355	662,575

### Variations to and expiry of receivables entered in the current assets

	Initial value	Variation in the year	Final value	Quota expiring within the year	Quota expiring after one year
Receivables from clients entered in the current assets	-	25	25	25	-
Tax receivables entered in the current assets	229,259	649,736	878,995	878,995	-

Receivables from others entered in the current assets	17,096	12,813	29,909	2,013	27,897
Total receivables entered in the current assets	246,355	662,575	908,930	881,033	27,897

The receivables are valued and entered at the estimated liquidation value, which corresponds to the face value: this is because the company has not made use of the right to the amortized cost method and/or to discount the receivables as the accounting policies adopted by the company include the non-application of the amortized cost method for receivables with an expiry of less than 12 months.

#### Breakdown of receivables entered in the current assets by geographic area

The breakdown of the receivables at 31/12/2019 by geographic area is shown in the following table (Article 2427, paragraph one, no. 6, of the Italian Civil Code):

Geographical area	Italy	Total
Receivables from clients entered in the current assets	25	25
Tax receivables entered in the current assets	878,995	878,995
Receivables from others entered in the current assets	29,909	29,909
Total receivables entered in the current assets	908,929	908,930

#### Liquid assets

Balance at 31/12/2019	Balance at 31/12/2018	Variations
434,546	1,473,355	(1,038,809)

	Initial value	Variation in the year	Final value
Bank and postal deposits	1,473,243	(1,039,189)	434,054
Cash and cash equivalents	111	380	491

Total liquid assets	1,473,355	(1,038,809)	434,546
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The balance represents the liquid assets and cash and cash equivalents existing at the balance sheet closing date.

#### Accrued income and pre-paid expenses

Balance at 31/12/2019	Balance at 31/12/2018	Variations
11,841	57,213	(45,372)

They refer to income and charges due before or after their cash and/or documental manifestation; they do not take into account the date of payment or collection of the relative income and charges, pertaining to two or more years and distributable over time.

As at 31/12/2019, there are no accrued income and pre-paid expenses with a duration of over five years.

	Initial value	Variation in the year	Final value
Prepaid expenses	57,213	(45,372)	11,841
Total accruals and pre-payments	57,213	(45,372)	11,841

The composition of this item is broke down thus (Article 2427, paragraph one, no. 7, of the Italian Civil Code):

Description	Amount
Prepaid expenses	11,841
	11,841

## ABBREVIATED SUPPLEMENTARY NOTES, LIABILITIES AND SHAREHOLDERS' EQUITY

### Shareholders' equity

(Ref. Article 2427, paragraph one, No. 4, 7 and 7-bis, of the Italian Civil Code)

Balance at 31/12/2019	Balance at 31/12/2018	Variations
3,419,841	2,662,148	757,693

### Variations in shareholders' equity items

	Initial value	Allocation of the previous year's profit	Other changes		Year's result	Final value
		Other allocations	Increases	Decreases		
Share capital	450,000	-	26,768	-		476,768
Share premium reserve	2,400,000	-	1,008,115	-		3,408,115
Other reserves						
Other sundry reserves	1	(1)	-	-		-
Total other reserves	1	(1)	-	-		-
Retained earnings (losses)	(18,018)	-	(169,835)	-		(187,853)
Year's profit (loss)	(169,835)	-	(277,189)	(169,835)	(277,189)	(277,189)
Total shareholders' equity	2,662,148	(1)	587,859	(169,835)	(277,189)	3,419,841

### Availability and utilization of the shareholders' equity

The entries in the shareholders' equity are thus broken down by origin, the possibility of use, distributability and any use in the previous three years (Article 2427, paragraph one, no. 7-bis, of the Italian Civil Code):



	Amount	Possibility of use
Share capital	476,768	B
Share premium reserve	3,408,115	A, B, C, D
Retained earnings	(187,853)	A, B, C, D
Total	3,697,030	

Key: A: for capital increase; B: for coverage of losses; C: for distribution to shareholders; D: for other statutory constraints; E: other

#### Formation and use of the items in shareholders' equity

As provided for by Article 2427, paragraph 1, number 4), of the Italian Civil Code, the following information is supplied:

	Share capital	Share premium reserve	Year's result	Total
At the start of the previous year	360,000	236,682	(14,700)	581,982
Increase in capital 2018	90,000	2,145,301		2,235,301
Year's result 2018			(155,135)	(155,135)
At the close of the previous year	450,000	2,381,983	(169,835)	2,662,148

	Share capital	Share premium reserve	Year's result	Total
rounding		(1)		(1)
Increase in capital 2019	26,768	838,280		865,280
Current year's result			(277,189)	(277,189)
At the close of the current year	476,768	3,220,262	(277,189)	3,419,841

The following supplementary information regarding movements in the shareholders' equity over the 2019 financial year; the loss in the 2018 financial year was brought forward, as resolved by the shareholders' meeting of 11.05.2019. The payments made for capital in the context of the increase resolved on 16.10.2019 have also been allocated to capital in that they are irrevocable and definitive, because the fully "divisible" nature of that increase allows every single subscription to be considered as acquired.

The following entries are in the shareholders' equity:

- Reserves or other provisions which in the case of distribution contribute to forming the company's taxable income, regardless of when they were formed: NOT PRESENT
- Reserves or other provisions which in the case of distribution do not contribute to forming the shareholders' taxable income, regardless of when they were formed:

Reserves	Value
Premium share reserve	3,220,262
	3,220,262

#### Reserves incorporated into the shareholders' equity

Reserves or other provisions which in the case of distribution contribute to forming the company's taxable income, regardless of when they were formed through free increase of the shareholders' equity using of the reserve: NOT PRESENT

#### Provisions for risks and charges

(Ref. Article 2427, paragraph one, No. 4, of the Italian Civil Code)

Balance at 31/12/2019	Balance at 31/12/2018	Variations
20,000	10,000	10,000

	Provision for retirement and similar obligations	Total provisions for risks and charges
Initial value	10,000	10,000
Changes in the year		

Appropriation in the year	10,000	10,000
Total variations	10,000	10,000
Final value	20,000	20,000

The increases concern appropriations for the year. The increases concern use during the year.

### Employees' leaving indemnities

(Ref. Article 2427, paragraph one, No. 4, of the Italian Civil Code)

Balance at 31/12/2019	Balance at 31/12/2018	Variations
34,273	14,160	20,113

	Employees' leaving indemnities
Initial value	14,160
Changes in the year	
Appropriation in the year	27,309
Use in the year	7,196
Total variations	20,113
Final value	34,273

The appropriated provision represents the company's actual payables on 31/12/2019 to employees in the workforce at that date, net of any advance payments paid.

### Payables

(Ref. Article 2427, paragraph one, No. 4, of the Italian Civil Code)

Balance at 31/12/2019	Balance at 31/12/2018	Variations
950,191	1,211,513	(261,322)

### Variations and expiry of payables

The expiry of the payables is broke down thus (Article 2427, paragraph one, no. 6, of the Italian Civil Code):

	Initial value	Variation in the year	Final value	Quota expiring within the year	Quota expiring after one year
Payables to banks	2,593	98,917	101,510	1,510	100,000
Payables to other lenders	-	908	908	908	
Payables to suppliers	1,160,152	(398,786)	761,366	361,365	400,001
Tax payables	15,641	3,790	19,431	19,431	
Payables to social security and welfare institutions	15,566	8,078	23,644	23,644	-
Other payables	17,561	25,771	43,332	43,332	
Total accounts payable	1,211,513	(261,322)	950,191	450,190	500,001

The most significant payables at 31/12/2019 are the following:

Description	Amount
Payables to Bicocca University of Milan	601,000.00

Loan from Banco BPM	100,000.00
Payables to suppliers	91,711.95
Invoices to receive	68,654.47
Payables to employees	42,188.94
Payables to Inland Revenue for withholding tax	19,430.71
Payables to social security and welfare institutions	23,430.71

The company made use of the right not to use the amortized cost method and/or to discount the payables as shown in the Valuation Criteria section. Payables are entered at their face value.

There are no significant changes in "Tax payables".

### Breakdown of payables by geographic area

The breakdown of the payables at 31/12/2019 by geographic area is shown in the following table (Article 2427, paragraph one, no. 6, of the Italian Civil Code):

Geographical area	Italy	Total
Payables to banks	101,510	101,510
Payables to other lenders	908	908
Payables to suppliers	761,366	761,366
Tax payables	19,431	19,431
Payables to social security and welfare institutions	23,644	23,644
Other payables	43,332	43,332
Payables	950,191	950,191

### Payables with a duration of over five years and payables supported by real guarantees on company assets

There are no payables supported by real guarantee on company assets (Article 2427, paragraph one, no. 6, of the Italian Civil Code).

	Payables not supported by real guarantees	Total
Payables to banks	101,510	101,510
Payables to other lenders	908	908
Payables to suppliers	761,366	761,366
Tax payables	19,431	19,431
Payables to social security and welfare institutions	23,644	23,644
Other payables	43,332	43,332

Total accounts payable	950,191	950,191
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**ABBREVIATED SUPPLEMENTARY NOTES, PROFIT AND LOSS ACCOUNT****Value of production**

Balance at 31/12/2019	Balance at 31/12/2018	Variations
1,147,345	270,183	877,162

Description	31/12/2019	31/12/2018	Variations
Revenue from sales and services	1,452	12,295	(10,843)
Own work capitalised	463,517	187,379	276,138
Other revenue and income	682,376	70,509	611,867
Total	1,147,345	270,183	877,162

The change is strictly correlated to what is expounded upon in the first part of the supplementary notes.

**Breakdown of revenue from sales and services by category of activity**

(Ref. Article 2427, paragraph one, No. 10, of the Italian Civil Code)

Category of activity	Current year value
Other	1,452
Total	1,452

**Breakdown of revenue from sales and services by geographic area**

(Ref. Article 2427, paragraph one, No. 10, of the Italian Civil Code)

Geographical area	Current year value
Italy	1,452
Total	1,452

The company has entered revenue with an exceptional size or effect for 667,850.90 euros and this constitutes the entry in the balance sheet of the tax credit for research and development for the financial year 2018.

### Production costs

Balance at 31/12/2019	Balance at 31/12/2018	Variations
1,422,528	439,856	982,672

Description	31/12/2019	31/12/2018	Variations
Raw, subsidiary materials and goods	66,048	32,491	33,557
Services	297,465	203,377	94,088

Description	31/12/2019	31/12/2018	Variations
Use of third parties' assets	68,526	36,439	32,087
Salaries and wages	394,092	122,274	271,818
Social charges	119,146	31,020	88,126
Employees' leaving indemnities	27,309	9,117	18,192
Other personnel costs	79,329	5,678	73,651
Amortisation of intangible assets	366,892		366,892
Depreciation of tangible assets	12,982	1,983	10,999
Variations in raw material inventories	(22,051)	(4,396)	(17,655)
Sundry operating costs	12,790	1,873	10,917
Total	1,422,528	439,856	982,672

### Costs for raw, subsidiary and expendable materials and goods and Costs for services



These are strictly correlated to what is expounded upon in the first part of these supplementary notes and the trend in point A (Value of production) of the profit and loss account.

### Personnel costs

This item includes the total cost of employees including pay rises, promotions, automatic cost of living increases, cost of holidays accrued but not taken and appropriations to be made in accordance with the provisions of law or collective bargaining agreements.

### Amortisation of intangible fixed assets

As regards amortisations, it is specified that the following have been calculated:

- expenses on third party assets, based on the service contracts in force with Trentino Sviluppo;
- industrial patents based on the residual duration of the patent right.

### Amortisation of tangible fixed assets

As regards amortisations, it is specified that they have been calculated on the basis of the useful life of the asset and its exploitation in the production stage.

### Sundry operating costs

The company has entered costs with an exceptional size or effect for 11,959.42 euros. For further details, see the specific table shown below in these supplementary notes.

### Financial income and expenses

Balance at 31/12/2019	Balance at 31/12/2018	Variations
(2,006)	(162)	(1,844)

Description	31/12/2019	31/12/2018	Variations
Income other than the above	25		25
(Interest and other financial charges)	(1,789)		(1,789)
Gains (losses) on exchange rates	(242)	(162)	(80)
Total	(2,006)	(162)	(1,844)

### Break-down of interest and other financial charges by type of payables

(Ref. Article 2427, paragraph one, No. 12, of the Italian Civil Code)

	Interest and other financial charges
Payables to banks	1,789
Total	1,789

Description	Other	Total
Bank interest	1,000	1,000
Average payable interest	789	789
Total	1,789	1,789

#### Other financial income

Description	Other	Total
Bank and postal interest	25	25
Total	25	25

#### Year's income tax, current, deferred and prepaid

##### Information on tax losses

	Current year	Previous year
	Tax rate	Tax rate
Tax losses brought forward and recoverable with reasonable certainty	24.00%	24.00%

**ABBREVIATED SUPPLEMENTARY NOTES, OTHER INFORMATION****Employment data**

(Ref. Article 2427, paragraph one, No. 15, of the Italian Civil Code)

The average company staff, divided into categories, underwent the following changes against the previous year:

Staff	31/12/2019	31/12/2018	Variations
Office staff	9	4	5
Total	9	4	5

	Average number
Office staff	9
Total employees	9

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

	Directors	Statutory Auditors
Compensation	65,095	41,488

**Categories of shares issued by the company**

The shareholders' equity is broken down thus (Article 2427, paragraph one, no. 17 and 18, of the Italian Civil Code):

Shares/Stocks	Number
Ordinary shares	450,000
Total	450,000

Description	Initial amount, number	Initial amount, face value	Final amount, number	Final amount, face value
Ordinary shares	450,000	1	450,000	1
Total	450,000	-	450,000	-

At the closing date for the financial statements, there were 450,000 ordinary shares in circulation; nevertheless, it should be stressed that, in the context of the aforesaid AuCap 2019, 26,768 shares were subscribed to and paid in over autumn 2019 by shareholders who exercised the pre-emption right as per Article 2441 of the Italian Civil Code and, in several cases, also shareholder pre-emption on the not-underwritten shares (in line with the underwriting rules determined by the extraordinary shareholders' meeting of 16.10.2019).

#### Information on transactions with related parties

(Ref. Article 2427, paragraph one, no. 22-bis, of the Italian Civil Code)

The company has not had transactions with related parties.

#### Information on agreements that are not in the balance sheet

(Ref. Article 2427, paragraph one, no. 22-ter, of the Italian Civil Code)

The company does not have agreements that are not in the balance sheet.

#### Information regarding start-ups, also social ones, and innovative SMEs

The registration of the company was kept for the financial year 2019 in the special section of the Companies' Register as an Innovative Start-up, in accordance with Article 25 et seq. of Law Decree no. 179/2012. In fact, the company possesses the following requirements:

- (a) it is established and has carried out business activity for not more than sixty months;
- (b) its residence is in Italy;
- (c) starting from the second year of the innovative start-up's business, the total value of the annual production, as shown in the latest financial statements approved within six months of the end of the financial year is not more than 5 million euros;
- (d) it does not distribute, and has not distributed, profits;
- (e) its exclusive or main company purpose is the development, production and marketing of innovative high technological value products or services;
- (f) it has not been established from a merger, company split-up or following the transfer of a company or business line;

- (g) The research and development expenses, Euro 712,267, are equal to or greater than 15% of the greater value between cost and total value of the innovative start-up's production. This amount includes the capitalisation of the costs for employees for € 463,517.00 as well as collaboration with universities and other competitive companies in the energy field for € 159,000.00 and the increase in costs for national and international patents for € 89,750.00. Expenses for the purchase and leasing of real estate have been excluded from the calculation for research and development expenses. In addition to the provisions of the accounting standards, the following research and development expenses must be counted for the purposes of the provision: expenses for pre-competitive and competitive development, such as experimentation, prototyping, and the development of the business plan, expenses for incubation services provided by certified incubators, gross costs for internal personnel and external consultants employed in research and development, including shareholders and directors, and legal expenses for the registration and protection of intellectual property, terms and user licences.

**Information as of Article 1, paragraph 125, of Act No. 124 dated 4th August 2017**

Under Article 1, paragraph 125, of Act No. 124 dated 4th August 2017 and in compliance with the transparency obligation, it should be noted that the company has been allocated a grant of 1,133,222.70 euros which, at the time of closure of these financial statements, has not yet been paid because it is subject to account rendering over financial year 2020.

**Proposal regarding the allocation of the profit or coverage of the losses**

These supplementary notes are drawn up in accordance with the provisions of the Italian Civil Code and the accounting standards. In order to comply with the obligations for publication in the Companies Register, this will be converted into XBRL format after it has been approved; there could therefore be some formal changes necessary to make these notes compatible with the deposit format.

These Financial Statements, comprising the Balance Sheet, Profit and Loss Account, Cash Flow Statement and Supplementary Notes truthfully and correctly represent the equity and financial situation of the Company as well as the economic result of the year and correspond to the results of the accounting books.

**To the Shareholders,**

We invite you to approve the Financial Statements for the year ended 31.12.2019 as drawn up and to carry over the year's loss.

Milan, 29th May 2020,

On behalf of the Board of Directors

(Francesco Meinardi)

**Declaration of compliance of the financial statements**

The undersigned Alberto Blotto, registered with the ODCEC of Biella at no. 190/A and tasked by the company under Article 31, paragraph 2-quinquies, of Act 340/2000, declares that the electronic document

in Xbrl format containing the Balance Sheet, Profit and Loss Account, Cash Flow Statement and Supplementary Notes conforms to the corresponding original documents deposited with the company.

Rovereto, 11/08/2020

**GLASS TO POWER S.P.A.****38068 Rovereto (TN) Via Fortunato Zeni, 8****Trento Companies Register no. 09640920964****Trento Economic and Administrative Index no. 230875****Tax Code and VAT Registration no. 09640920964****Joint report of the Board of Auditors to the Shareholders' Meeting**

To the Shareholders' Meeting of GLASS TO POWER S.P.A.

**Introduction**

The Board of Auditors, in the year ended 31st December 2019, carried out the functions provided for by both Articles 2403 et seq. and Article 2409-bis of the Italian Civil Code.

This joint report contains: Section A) the "Independent Auditor's Report pursuant to Article 14 of Italian Legislative Decree no. 39 of 27th January 2010" and Section B) the "Report pursuant to Article 2429, paragraph 2, of the Italian Civil Code".

**A) Independent Auditor's Report pursuant to Article 14 of Italian Legislative Decree no. 39 of 27th January 2010****Audit report for the year's financial statements****Opinion**

We carried out the audit of the year's financial statements for the company Glass to Power S.p.A. These comprised the balance sheet as at 31st December 2019, the profit and loss account and the cash flow statement for the year ending at that date, and the supplementary notes.

In our opinion, the year's financial statements provide a correct and truthful representation of the company's equity and financial situation as at 31st December 2019, the financial result and cash flows for the year ending on that date in compliance with the Italian regulations governing the preparation criteria.

**Elements at the basis of the opinion**

We carried out the audit in compliance with ISA Italy international audit standards. Our responsibilities under those standards are further described in the section on the *Auditor's responsibilities for the auditing of the year's financial statements* in this report. We are independent of the company in compliance with the ethics and independence regulations and standards that are applicable in the Italian auditing system for financial statements.

We consider that we have acquired sufficient appropriate evidential elements on which to base our opinion.

**Significant uncertainty regarding the company continuity**

We draw attention to the section ***Important events after the end of the financial year*** as of page 5 of the Supplementary Notes to the financial statements which illustrates the uncertainty regarding events taking place after the end of the financial year and the related analyses in terms of company continuity.

At the date of drawing up this report, the financial budget for the year 2020 is fully covered; despite this, it is fundamental that the company implements all possible action to find sure financial sources to that it can continue its activity. This element is a pointer regarding the existence of a significant uncertainty for the company to continue operations as a going concern.

**Attention is also drawn to the section**

***Important events occurring over the financial year***, in which the Directors have provided information regarding the state of development of the research and the product (pages 4-5).

Our opinion is not expressed with comments referring to these aspects.

**Responsibilities of the Directors and the Board of Auditors regarding the year's financial statements**

The Directors are responsible for preparing the year's financial statements which provide correct truthful representation in compliance with the Italian regulations governing the preparation principles and, in the terms provided for by law, for that part of the audit deemed necessary by them to allow the financial statements, which do not contain significant errors due to fraud or unintentional behaviour or events, to be drawn up.

The Directors are responsible for assessing the ability of the company to continue to operate as an ongoing concern and, in preparing the year's financial statements, for the appropriateness of using the assumption of company continuity, as well as for proper information on the subject.

The Directors use the presumption of company continuity when drawing up the financial statements unless they have assessed that conditions for the liquidation of the company or for the interruption of business exist or they have no realistic alternatives to such choices.

The Board of Auditors has the responsibility to oversee, in the terms provided for by law, the process for preparing the company's financial information.

**Auditor's responsibilities for the auditing of the year's financial statements.**

Our objectives are the acquisition of a reasonable certainty that the year's financial statements as a whole do not contain significant errors, due to fraud or unintentional behaviour or events, and the release of an audit report that includes our opinion. Reasonable certainty means a high level of certainty which, nevertheless, does not provide a guarantee that an audit carried out in accordance with ISA Italy international accounting standards always identifies a significant error, if one exists.

Errors can arise from fraud or unintentional behaviour or events and are considered significant if one can reasonably expect that they, singularly or together, are capable of influencing the financial decisions taken by users on the basis of the year's financial statements.



In the scope of the audit carried out in accordance with the ISA Italy international standards, we have exercised professional judgement and maintained professional scepticism throughout the audit. Moreover:

- we have identified and assessed the risks of significant errors in the financial statements caused by fraud or unintentional behaviour or events;
- we have defined and carried out auditing procedures in response to those risks;
- we have acquired sufficient appropriate evidential elements on which to base our opinion; The risk of not identifying a significant error caused by fraud is higher than the risk of not identifying a significant error arising from unintentional behaviour or events, since fraud can imply the existence of collusion, falsification, intentional omission, misleading representation or distortion of the internal audit;
- we have acquired an understanding of the internal audit that is relevant for the purposes of the audit so as to define appropriate auditing procedures for the circumstances and not to express an opinion on the effectiveness of the company's internal audit;
- we have assessed the appropriateness of the accounting standards used as well as the reasonableness of the accounting estimates made by the Directors, including their supplementary notes;
- we have reached a conclusion on the appropriateness of the Directors using the assumption of company continuity and, on the basis of the evidential elements acquired, and on the existence of any significant uncertainty regarding events or circumstances that can cause significant doubts on the ability of the company to continue operations as a going concern to arise. If there is a significant uncertainty, we are bound to draw attention to it in the audit report on the related supplementary note to the financial statements or, if that note is inadequate, to reflect that circumstance when we draw up our opinion. Our conclusions are based on the evidential elements acquired up to the date of this report. Nevertheless, events or circumstances can lead to the company ceasing operations as an ongoing concern;
- we have assessed the presentation, structure and content of the year's financial statements as a whole, including the supplementary notes, and whether the year's financial statements represents the operations and underlying events in such a way as to provide a correct representation;
- we have communicated, inter alia, the range and schedule for the audit and the significant results arising, including any significant deficiencies in the internal audit arising during this audit, to those responsible for governance, who have been identified at an appropriate level as required by ISA Italy.

### **Report on other legal and regulatory provisions**

The Directors of Glass to Power S.p.A. are not responsible for drawing up the report on operations as at 31st December 2019, since the size of the company does not make this compulsory. The Directors have appropriately supplemented the supplementary notes with information on operations and have also taken responsibility for their consistency with the year's financial statements and their compliance with the rules of law.

In our opinion, the information on operations contained in the supplementary notes is consistent with the financial statements of Glass to power S.p.A. for the year ending 31st December 2019 and we consider that the documents have been drawn up in compliance with the rules of law.

With reference to the statement as of Article 14, paragraph 2, letter e), of Italian Legislative Decree no. 39 of 27th January 2010, issued on the basis of the knowledge and understanding of the company and its context acquired during the audit, we have nothing to report.

## **B) Report on the supervision activities under Article 2429, paragraph 2, of the Italian Civil Code**

Our activity over the financial year ending 31st December 2019 has been steered by the provisions of law and the rules of conduct for a Board of Auditors issued by the National Council of Bookkeepers and Accountants.

### **B1) Supervision activities under Articles 2403 et seq. of the Italian Civil Code**

We have supervised compliance with the law and the company by-laws and observance of the principles of proper administration.

We have attended the shareholders' meetings and the meetings of the Board of Directors and, based on the information available, have not found any breaches of the law or the company by-laws or operations that are clearly imprudent, reckless, in potential conflict of interests or such as to compromise the integrity of the shareholders' equity.

We have acquired from the administrative body and the managing director, also during the meetings held, information about the general trend of operations and their foreseeable evolution as well as about the major transactions, in terms of size or characteristics, carried out by the company; we have no particular observations to report.

We have acquired knowledge about and supervised, as far as our remit goes, the adequacy of the organisational, administrative and accounting set up, as well as its reliability to correctly represent the management operations, also through obtaining information from the function managers and examining the company documents, and in this regard we have no particular observations to report.

No reports as of Article 2408 of the Italian Civil Code were received from the shareholders.

We have not issued opinions provided for by law over the year.

As mentioned above, no other significant facts requiring mention in this report have arisen during the supervisory activity.

### **B2) Observations regarding the year's financial statements**

As far as we are aware, the Directors, in preparing the financial statements, have not departed from the rules of law pursuant to Article 2423, paragraph 5, of the Italian Civil Code.

In consideration of the exception contained in Article 106, first paragraph, of Italian Law Decree no. 18 of 17th March 2020, the ordinary shareholders' meeting for the approval of the financial statements was convened before the greater term of 180 days from the close of the financial year.

Under Article 2426, no. 5, we have expressed our consent for the following to be entered in the shareholders' equity assets:

- start up and expansion costs of € 111,563 regarding the expenses incurred for the capital increase
- research and development costs of € 622,517

The results of the statutory audit of the financial statements carried out by us are contained in section A) of this report.

### **B3) Observations and proposals regarding the approval of the financial statements**

Considering the results of the activity carried out by us, the Board proposes that the shareholders approve the financial statements for the year ending 31st December 2019, as drawn up by the Directors.

The Board agrees with the proposal made by the Directors in the supplementary note regarding the allocation of the year's result.

### **Certification for the purposes of verifying the requirements held by innovative START UPS**

It is certified that the research and development expenses incurred in the 2019 financial year and capitalised in the balance sheet with the consent of the Board of Auditors, which are understood to be used in the broadest sense by the legislator for verifying the requirements held by innovative start ups, amount to a total of €uro 702,267.

These expenses are equal to or greater than fifteen percent of the greater value between cost and total value of the company's production.

The research and development expenses include the costs for personnel directly employed in laboratory research activities. Expenses for the purchase and leasing of real estate have been excluded from the calculation for research and development expenses. In addition to the provisions of the accounting standards, it is specified, for the purposes of the provision, that the following, by way of example but not limited to, must be counted among the research and development expenses:

- the cost for employees with the title of researcher and other professionals with qualifications that comply with the requirements of the regulations and who have carried out research and development activity;
- the external costs for research contracts signed with the Bicocca University of Milan;
- the costs incurred for maintaining patents.

Milan, 9th June 2020

Loredana Lulli - San Cesareo (Rome) - 00030 Via Carzolese, 4

Sabino Dente – Desio (Monza and Brianza) – 20832 Via Alcide De Gasperi, 21

Marcello del Prete – Milan - 20122 Via Dante 4

The Board of Auditors

Loredana Lulli (Chairperson)

Sabino Dente (Statutory Auditor)

Marcello del Prete (Statutory Auditor)

17. FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2020

GLASS TO POWER S.P.A.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-12-2020

Company details	
Registered Office	38068 VIA FORTUNATO ZENI 8, ROVERETO (TN)
Tax Code	09640920964
REA No.	TN 230875
VAT Reg. No.	09640920964
Share Capital Euro	475397.00 fully paid in
Legal status	LIMITED COMPANY (SP)
Main activity sector (ATECO)	EXPERIMENTAL RESEARCH AND DEVELOPMENT IN THE FIELD OF OTHER NATURAL SCIENCES AND ENGINEERING (721909)
Company under liquidation	no
Single member company	no
Company subject to the direction and coordination of others	no
Membership of a group	no

**Balance Sheet**

	31-12-2020	31-12-2019
Balance Sheet		
Assets		
A) Receivables from shareholders for payments still due	9,798	11,914
B) Fixed assets		
I – Intangible fixed assets	2,718,571	2,680,635
II – Tangible fixed assets	488,011	347,749
Total fixed assets (B)	3,206,582	3,028,384
C) Current assets		
I - Inventories	32,194	28,690
II – Accounts Receivable		
due within one year	815,071	881,033
due after one year	37,897	27,897
Total receivables	852,968	908,930
IV - Liquid assets	306,395	434,546
Total current assets (C)	1,191,557	1,372,166
D) Accruals and prepayments	12,829	11,841
Total assets	4,420,766	4,424,305
Liabilities		
A) Shareholders' equity		
I - Capital	475,397	476,768
II - Share premium reserve	3,013,632	3,408,115

VI - Other reserves	1(1)	-
VIII - Retained earnings (losses)	-	(187,853)
IX - Net profit / (loss)	(1,034,486)	(277,189)
Total shareholders' equity	2,454,544	3,419,841
B) Provisions for risks	30,000	20,000
C) Employees' leaving indemnities	32,782	34,273
D) Accounts payable		
due within one year	1,203,440	450,190
due after one year	700,000	500,001
Total accounts payable	1,903,440	950,191
Total liabilities	4,420,766	4,424,305

(1)

Other reserves	31/12/2020
Difference from rounding to Euro unit	1

**Profit and loss account**

	31-12-2020	31-12-2019
Profit and loss account		
A) Value of production		
1) revenue from sales and services	2,499	1,452
4) own work capitalised	236,591	463,517
5) other revenue and income		
contributions to the year's account	12,526	14,525
others	3,434	667,851
Total other revenue and income	15,960	682,376
Total value of production	255,050	1,147,345
B) Production costs		
6) for raw, subsidiary and expendable material and goods	51,900	66,048
7) for services	226,479	297,465
8) for the use of third parties' assets	83,814	68,526
9) for personnel		
a) salaries and wages	329,215	394,092
b) social charges	102,698	119,146
c), d), e) employees' leaving indemnities, retirement plan, other personnel costs	38,799	106,638
c) employees' leaving indemnities	24,177	27,309
e) other costs	14,622	79,329
Total personnel costs	470,712	619,876
10) depreciation, amortisation and write-downs		



	31-12-2020	31-12-2019
a), b), c) depreciation of tangible and intangible fixed assets, other fixed asset write-downs	437,452	379,874
a) amortisation of intangible fixed assets	387,544	366,892
b) amortisation of tangible fixed assets	49,908	12,982
Total depreciation, amortisation and write-downs	437,452	379,874
11) changes in inventories of raw materials, subsidiary and consumable materials and goods	(3,504)	(22,051)
14) sundry operating costs	6,166	12,790
Total costs of production	1,273,019	1,422,528
Difference between value and costs of production (A - B)	(1,017,969)	(275,183)
C) Financial revenue and charges		
16) other financial income:		
d) income other than the above		
others	-	25
Total income other than the above	-	25
Total other financial income:	-	25
17) interest and other financial charges		
others	16,736	1,789
Total interest and other financial charges	16,736	1,789
17-bis) exchange rate gains and losses	219	(242)
Total income and financial charges (15 + 16 - 17 + - 17-bis)	(16,517)	(2,006)
Pre-tax result (A - B + - C + - D)	(1,034,486)	(277,189)
21) Year's profit (loss)	(1,034,486)	(277,189)



**Indirect Cash Flow Statement****31-12-2020    31-12-2019****Indirect Cash Flow Statement****A) Financial flow from operating activities (indirect method)**

Year's profit (loss)	(1,034,486)	(277,189)
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Interest payable/(receivable)	16,736	1,764
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1) Profit (loss) for the year before income tax, interest, dividends and transfer capital gains/losses	(1,017,750)	(275,425)
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Adjustments for non-monetary elements which did not have a contra in the net current assets

Appropriations to provisions	23,358	37,309
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Amortisation/depreciation of fixed assets	437,452	379,874
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Other upwards /(downwards) adjustments for non-monetary elements	-	155,617
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Total adjustments for non-monetary elements which did not have a contra in the net current assets	460,810	572,800
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2) Cash flow before variations to the net current assets	(556,940)	297,375
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**Variations to the net current assets**

Decrease /(Increase) in inventories	(3,504)	(22,051)
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Decrease /(Increase) in receivables from clients	-	(25)
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Decrease /(Increase) in payables to suppliers	53,201	(398,786)
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Decrease /(Increase) in prepaid expenses and accrued income	(988)	45,372
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Other decreases/(Other Increases) in the net current assets	57,587	(624,412)
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Total variations to the net current assets	106,296	(999,902)
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3) Cash flow after variations to the net current assets	(450,644)	(702,527)
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	31-12-2020	31-12-2019
Other adjustments		
Interest collected/(paid)	(16,736)	(1,764)
(Income taxes paid)	(580)	(498)
(Use of provisions)	(14,849)	(7,196)
Total other adjustments	(32,165)	(9,458)
Cash flow from operating activities (A)	(482,809)	(711,985)
B) Cash flows from investment activities		
Tangible fixed assets		
(Investments)	(190,169)	(326,075)
Intangible fixed assets		
(Investments)	(425,480)	(1,123,542)
Cash flow from investment activities (B)	(615,649)	(1,449,617)
C) Cash flows from financing activities		
Loan capital		
Increase/(Decrease) of short-term loans with banks	299,911	(1,083)
Taking-out of loans	600,000	100,908
(Loan repayment)	(908)	
Own means		
Increase in share capital	71,304	1,022,968
Cash flow from financing activities (C)	970,307	1,122,793
Increase (decrease) in liquid assets (A ± B ± C)	(128,151)	(1,038,809)
Initial liquid assets		

	31-12-2020	31-12-2019
Bank and postal deposits	434,054	1,473,243
Cash and cash equivalents	491	111
Total initial liquid assets	434,546	1,473,355
Final liquid assets		
Bank and postal deposits	305,822	434,054
Cash and cash equivalents	573	491
Total final liquid assets	306,395	434,546

**SUPPLEMENTARY NOTES TO THE FINANCIAL STATEMENTS AS AT 31-12-2020****Supplementary Notes, part I**

To the Shareholders,

These financial statements, put to your scrutiny and approval, show a net loss for the year of Euro (1,034,486).

For the approval of these financial statements, recourse was made to the greater term of 180 days provided for by Article 106 of Law Decree no. 18 of 17th March 2020 (in the Official Gazette - General Series - Extraordinary Edition no. 70 of 17th March 2020), coordinated with the conversion Act no. 27 of 24th April 2020, with terms extended by Act no. 21 of 26th February 2021.

**Business carried out**

Your company, as you well know, carries out its business in the experimental research sector for the development of nanoparticles in order to create photovoltaic windows with LSC technology.

**Important events occurring over the 2020 financial year**

2020 has been a very complex year because of the pandemic which has affected the worldwide socio-economic balance. G2P has also suffered consequences in terms of delays in the completion of the product and its certifications.

With resolution of the Board of Directors of 23rd March 2020, activities at the Rovereto and Milan sites were halted. The personnel was put on employees on "Cassa Integrazione" [Income Support], both those operating at the Bicocca University of Milan and those at the Meccatronica complex in Rovereto. This situation dragged out until mid-May 2020, significantly slowing down all the operations in progress. The personnel was assured a subsidy during the period on income support to make it up to full pay; on the other hand, all staff continued to work remotely within the limits of their possibilities.

Another very important consequence of the COVID-19 pandemic was the effect on the progress of the capital increase, which was resolved upon on 16th October 2019 and was expected to close in June 2020. All the negotiations with institutional investors were interrupted because of the COVID-19 pandemic and it already appeared necessary in April 2020 to put forward an extension so that the restrictions caused by the pandemic could be overcome. Despite a meeting of the Board of Directors held on 29th May 2020, where the directors unanimously resolved to put forward an extension of the expiry terms for the capital increase to the Shareholders' Meeting, the Shareholders' Meeting, held on 24th June 2020, was unable to resolve upon what had already been decided in the Board of Directors' meeting because it lacked the qualified majority provided for the company by-laws. The consequence was that the capital increase was abruptly interrupted on 30th June 2020 with a collection of about € 1.1 m, a long way from what had previously been resolved and in any case not sufficient to allow calm management of the company.

On resumption of activities, we wanted to make certification of the product the primary objective, even though it is not currently the best product in terms of electricity production. Following studies carried out in a building belonging to IREN in Turin, it emerged that the product has many other characteristics that can

be marketed, amongst which thermal and acoustic insulation. We started the electrical safety certification for the product, identifying the company ICIM S.p.A. as the technical interlocutor to deal with. The large number of tests for the IEC61730 certification concerning electrical safety, as well as the other tests for so-called “fire tests”, involved all of the structural organisation up to December 2020 and allowed the corresponding certification to be obtained in the first few days of 2021.

Parallel to this activity, and in relation to the need to improve the company’s financial situation from a perspective of future investment, both for the completion of the production processes in Rovereto and their ongoing scale-up, it was decided (as provided for by the contingency plan in the previous collection) to redo a new crowdfunding. After a series of assessments, a different formula called “crowdlisting”, put forward by the Opstart platform of Bergamo was decided upon.

This choice provided for a combination of equity crowdfunding and listing. After careful assessment, it was decided to carry out direct listing on Euronext Paris (access + or growth).

To do this, all the preparatory activities were started for the listing, starting from amending the company by-laws which were not fit for a listed company. Other activities carried out were the search for and identification of a listing sponsor and preparation of all the updated material for the launch of the new campaign. All the fundamental steps were completed at the beginning of 2021. These led to the shareholders’ extraordinary meeting of 1st February 2021 to resolve unanimously upon this new operation.

### **Formation criteria**

These financial statements have been drawn in an abbreviated form as the requirements as per Article 2435 bis, paragraph 1, of the Italian Civil Code exist; a report on operations was therefore not drawn up.

In completion of the proper information, it must be specified here that, under Article 2428, points 3) and 4), of the Italian Civil Code, the company:

- does not hold any of its own shares or shares or stock in parent companies, also through trust funds or an intermediary;
- has not acquired and/or transferred any of its own shares or shares or stock in parent companies over the year, also through trust funds or an intermediary;

The criteria used for the formation and evaluation of the Financial Statements for the year ended at 31/12/2020 take into consideration the new provisions introduced into national law by Italian Legislative Decree 139/2015, by which Directive 2013/34 /EU was implemented. The OIC national accounting standards were amended by effect of Italian Legislative Decree 139/2015.

### **Accounting principles**

(Ref. Article 2423 and Article 2423-bis of the Italian Code of Civil Procedure)

The items in the financial statements were valued using the general criteria of prudence and accrual in the perspective of the business continuing.

Adopting the principle of prudence entailed individual measurement of the constituent elements of each entry or item of the assets and liabilities so as to avoid counterbalancing between losses that should have been recognised and profits that are not to be recognised as they have not been collected.

In accordance with the accrual based accounting principle, the effect of the transactions and other events has been recognised in the accounts and attributed to the year in which these transactions and events refer, and not to the one in which the related cash movements took place (collection and payments).

When applying the principle of relevance, the obligations in terms of relevance, valuation, presentation and information were not observed when observance of them had irrelevant effects for the purpose of giving a correct and truthful representation.

Continuity in the valuation criteria over time is a necessary element for comparing the company's financial statements over several years.

The financial statement items were collected and presented taking into account the substance of the transaction or contract.

#### **Exceptional cases as per Article 2423, paragraph five, of the Italian Civil Code**

(Ref. Article 2423, paragraph five, of the Italian Civil Code)

There were no exceptional cases that made recourse to the exceptions as of Article 2423, paragraph 5, of the Italian Civil Code necessary.

#### **Valuation criteria applied**

(Ref. Article 2426, paragraph one, of the Italian Civil Code)

#### **Fixed assets**

##### **Intangible**

These are entered at the historical cost of acquisition.

The **start up and expansion costs** have been amortized over period of not more than five years.

In the absence of revenue, company expenses have not been amortized, in line with OIC provision 24.

The **royalties on industrial patents** have been amortized at an annual rate of 20% according to the residual life of the patent.

The capitalised **research and development costs** consist of salaries, wages and other costs for the personnel employed in the development activity, as well as collaboration with external companies and the Department of Material Sciences at the Bicocca University of Milan. Taking into account that these costs must be recovered through future revenue, the company, in their absence, has decided not to proceed with amortisation.

The **improvements to third party assets** are amortized with rates that depend on the duration of the service contracts. For 2020, the rate is 35% on the total amount of expenses incurred.



It should be specified that, by virtue of the collection of the grant approved by the District of Trento, the aforesaid expenses will be proportionally reduced by the amount of the grant paid back. Consequently, the amount of future amortizations may be of a lesser amount.

If there is a permanent loss in value, regardless of the amortisation already entered in the accounts, the asset is correspondingly written down. If the assumptions for the write-down should no longer be valid in subsequent years, the original value will be restored, adjusted only to take into account the amortisation.

### Materials

These are entered at the purchase or production cost and adjusted by the corresponding write-down provisions.

The amortisation rates, charged to the Profit and Loss Account, have been calculated bearing in mind the utilisation, destination and economic-technical life of the assets based on the criterion of residual possibility of use, a criterion we consider appropriately represented by the following rates which are the same as those of the previous year and reduced to half over the year the asset enters operation:

Type of asset	% Amortisation
Air conditioning systems	15%
Fixtures and fittings	15%
Electronic office machines	20%
Equipment	10%

If there is a permanent loss in value, the asset will be correspondingly written down. If the assumptions for the write-down should no longer be valid in subsequent years, the original value will be restored, adjusted only to take into account the amortisation.

### Receivables

Receivables are shown in the financial statements taking into account the time factor and the assumed liquidation value.

The amortized cost method was not applied in that the effects are irrelevant for giving a correct and truthful representation.

### Payables

These are shown at the face value.

The amortized cost method was not applied in that the effects are irrelevant for giving a correct and truthful representation.

**Accruals and deferrals**

These have been determined by adopting the accrual basis accounting principle for the year.

For multi-year accruals and deferrals, the conditions that determined their original entry were checked and suitable changes were adopted, if necessary.

**Warehouse inventories**

Raw materials, auxiliary and finished products are valued at the lower of purchase or production cost and realisable value, which can be deduced from the market trend, by applying the specific cost.

**Employees' leaving indemnities**

This represents the actual payable accrued to employees according to the law and current labour contracts, taking into consideration every form of remuneration that has a continuous nature.

The provision corresponds to the total of each indemnity accrued by each employee at the balance sheet date, net of advances paid, and is equal to the amount that would have to be paid to employees in the case of termination of employment on said date.

**Other Information**

The company, as provided for by Italian Legislative Decree 14/2019 (Crisis and Business Insolvency Code), adopts an organizational, administrative and accounting set-up that is fit for the nature of the company, also for the function of prompt detection of company crisis and the taking on of suitable initiatives.

**ABBREVIATED SUPPLEMENTARY NOTES, ASSETS****Receivables from shareholders for payments still due**

	Initial value	Changes in the year	Final value
Receivables for payments due but not called	11,914	(2,116)	9,798
Total receivables for payments due	11,914	(2,116)	9,798

The balance represents the residual parts of capital to be paid by the four subscribing shareholders.

**Fixed assets****Variations in fixed assets**

The details of the variations in fixed assets are provided; the information will be better defined below in these supplementary notes:

	Intangible fixed assets	Tangible fixed assets	Total fixed assets
Initial value			
Cost	3,047,525	362,714	3,410,239
Depreciation (Depreciation provision)	366,891	14,965	381,856
Balance sheet value	2,680,635	347,749	3,028,384
Changes in the year			
Increases for acquisitions	425,480	190,169	615,649
Year's depreciation	387,544	49,908	437,452
Total variations	37,936	140,262	178,198
Final value			
Cost	3,473,006	552,882	4,025,888

Depreciation (Depreciation provision)	754,436	64,872	819,308
Balance sheet value	2,718,571	488,011	3,206,582

### Intangible fixed assets

Balance at 31/12/2020	Balance at 31/12/2019	Variations
2,718,571	2,680,635	37,936

Variations in intangible fixed assets (Ref. Article 2427, paragraph one, No. 2, of the Italian Civil Code)

	Start-up and expansion costs	Development costs	Royalties on industrial patents and rights to use original works	Other intangible assets	Total intangible fixed assets
Initial value					
Cost	485,291	1,090,034	1,182,486	289,714	3,047,525
Depreciation (Depreciation provision)	30,994	-	234,497	101,400	366,891
Balance sheet value	454,297	1,090,034	947,989	188,314	2,680,635
Changes in the year					
Increases for acquisitions	(6,770)	591,034	(204,716)	45,932	425,480
Year's depreciation	34,994	244,443	-	108,107	387,544
Total variations	(41,764)	346,591	(204,716)	(62,175)	37,936
Final value					
Cost	467,342	1,436,625	1,222,213	346,826	3,473,006
Depreciation (Depreciation provision)	54,809	-	478,940	220,687	754,436

Balance sheet value	412,533	1,436,625	743,273	126,139	2,718,571
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### Composition of the start-up and expansion costs and the development costs

(Ref. Article 2427, paragraph one, No. 3, of the Italian Civil Code)

The composition of the start-up and expansion cost items, as well as the reasons for their entry, are indicated below:

#### Start-up and expansion costs

Description of costs	Value 31/12/2019	Increase in year	Decrease in year	Year's amortisation	Value 31/12/2020
Establishment and company capital increases 2017-18-19	328,217				328,217
Activity start-up costs	111,721			(27,404)	84,316
Total	439,938			(27,404)	412,533

The start-up and expansion costs are entered because of the cause/effect relationship between the costs in question and the benefits expected from them.

#### Grants/plant

With reference to the grant resolved by the District of Trento in the company's favour following approval of the project to create a nanoparticle production plant (more commonly known as NanoFarm) in Rovereto, which was subject to the negotiated agreement of 25.09.2018 and supplemented on 09.01.2019, it is also specified that the company considered it proper not to allocate any grant amount in the year ended 31/12/2020 because, though being confirmed in the aforesaid documents, it will be physically paid starting from the 2021 financial year following account rendering at the end of the project. It is for this purpose that it is specified that the project end, originally planned for November 2020, was extended to November 2021.

The lack of certainty over the amount (which could be "adjusted") advised us to follow the principle of prudence in not allocating certain positive revenue components over the year, and again not in the total. The payment of the grant will entail some restricts and constraints on the free use of the fixed assets until the end of the project.

#### Tangible fixed assets

Balance at 31/12/2020	Balance at 31/12/2019	Variations
-----------------------	-----------------------	------------

488,011                                      347,749                                      140,262

**Variations in tangible fixed assets (Ref. Article 2427, paragraph one, No. 2, of the Italian Civil Code)**

	Plant machinery	and Industrial and commercial equipment	and Other tangible assets	Total tangible fixed assets
Initial value				
Cost	24,894	322,290	15,530	362,714
Depreciation (Depreciation provision)	1,867	11,156	1,942	14,965
Balance sheet value	23,027	311,134	13,588	347,749
Changes in the year				
Increases for acquisitions	81,450	108,719	-	190,169
Year's depreciation	9,843	37,389	2,676	49,908
Total variations	71,607	71,330	(2,676)	140,262
Final value				
Cost	106,344	431,009	15,529	552,882
Depreciation (Depreciation provision)	11,710	48,545	4,617	64,872
Balance sheet value	94,634	382,464	10,912	488,011

The tangible fixed assets mainly contain the investment made for the construction of the NanoFarm in Rovereto: air conditioning and extraction systems for Euro 94,634, specific industrial equipment for Euro 382,464, office fixtures and fittings for Euro 6,666 and electronic machines for Euro 4,246.

Total revaluation of tangible fixed assets at the end of the financial year

(Ref. Article 2427, paragraph one, No. 2, of the Italian Civil Code) No tangible fixed asset has been revalued.

**Current assets**

**Inventories**

Balance at 31/12/2020	Balance at 31/12/2019	Variations
32,194	28,690	3,504

The valuation criteria adopted are unchanged against the previous year and are justified in the first part of these supplementary notes.

	Initial value	Variation in the year	Final value
Raw, subsidiary materials and consumables	28,690	3,504	32,194
Total inventories	28,690	3,504	32,194

#### Receivables entered in the current assets

Balance at 31/12/2020	Balance at 31/12/2019	Variations
852,968	908,930	(55,962)

#### Variations to and expiry of receivables entered in the current assets

	Initial value	Variation in the year	Final value	Quota expiring within the year	Quota expiring after one year
Receivables from clients entered in the current assets	25	-	25	25	-
Tax receivables entered in the current assets	878,995	(96,636)	782,359	782,359	-
Receivables from others entered in the current assets	29,909	40,675	70,584	32,687	37,897
Total receivables entered in the current assets	908,930	(55,962)	852,968	815,071	37,897

The tax receivables mainly consist of:

VAT credits claimed back for the years 2018-2019-2020, for a total of Euro 512,183, for which the Revenue Office has already paid back for years 2018 and 2019 in the first few months of 2021; collection of the 2020 VAT credit is expected in June 2021;

- the Research and Development credit of Euro 268,207.

The receivables are valued and entered at the estimated liquidation value, which corresponds to the face value: this is because the company has not made use of the right to the amortized cost method and/or to discount the receivables as the accounting policies adopted by the company include the non-application of the amortized cost method for receivables with an expiry of less than 12 months.

#### **Breakdown of receivables entered in the current assets by geographic area**

The breakdown of the receivables at 31/12/2020 by geographic area is shown in the following table (Article 2427, paragraph one, no. 6, of the Italian Civil Code):

Geographical area	Italy	Total
Receivables from clients entered in the current assets	25	25
Tax receivables entered in the current assets	782,359	782,359
Receivables from others entered in the current assets	70,584	70,584
Total receivables entered in the current assets	852,968	852,968

#### **Liquid assets**

Balance at 31/12/2020	Balance at 31/12/2019	Variations
306,395	434,546	(128,151)

	Initial value	Variation in the year	Final value
Bank and postal deposits	434,054	(128,232)	305,822



Cash and cash equivalents	491	82	573
Total liquid assets	434,546	(128,151)	306,395

The balance represents the liquid assets and cash and cash equivalents existing at the balance sheet closing date.

#### Accrued income and pre-paid expenses

Balance at 31/12/2020	Balance at 31/12/2019	Variations
12,829	11,841	988

They refer to income and charges due before or after their cash and/or documental manifestation; they do not take into account the date of payment or collection of the relative income and charges, pertaining to two or more years and distributable over time.

The criteria adopted in valuing and converting the values expressed in foreign currency are also shown for these entries in the first part of these supplementary notes.

As at 31/12/2020, there are no accrued income and pre-paid expenses with a duration of over five years.

	Initial value	Variation in the year	Final value
Prepaid expenses	11,841	988	12,829
Total accruals and pre-payments	11,841	988	12,829

**ABBREVIATED SUPPLEMENTARY NOTES, LIABILITIES AND SHAREHOLDERS' EQUITY****Shareholders' equity**

(Ref. Article 2427, paragraph one, No. 4, 7 and 7-bis, of the Italian Civil Code)

Balance at 31/12/2020	Balance at 31/12/2019	Variations
2.454.544	3.419.841	(965.297)

**Variations in shareholders' equity items**

	Initial value	Allocation of the previous year's profit	Other changes		Year's result	Final value
		Other allocations	Increases	Decreases		
Share capital	476,768	-	1,467	2,838		475,397
Share premium reserve	3,408,115	-	72,407	466,890		3,013,632
Other reserves						
Other sundry reserves	-	1	-	-		1
Total other reserves	-	1	-	-		1
Retained earnings (losses)	(187,853)	-	-	(187,853)		-
Year's profit (loss)	(277,189)	-	(1,034,486)	(277,189)	(1,034,486)	(1,034,486)
Total shareholders' equity	3,419,841	1	(960,612)	4,686	(1,034,486)	2,454,544

**Detail of the other sundry reserves**

Description	Amount
Difference from rounding to Euro unit	1
Total	1

The capital increase resolved by the extraordinary shareholders' meeting of 16.10.2019 and ended on 30.06.2020 was completed in the 2020 financial year. Moreover, the loss in 2020, Euro 277,189, and the losses in the previous years, a total of Euro 187,853, were covered by using the share premium reserve.

### Availability and utilization of the shareholders' equity

The entries in the shareholders' equity are thus broken down by origin, the possibility of use, distributability and any use in the previous three years (Article 2427, paragraph one, no. 7-bis, of the Italian Civil Code):

	Amount	Possibility of use
Share capital	475,397	B

	Amount	Possibility of use
Share premium reserve	3,013,632	A, B, C, D
Other reserves		
Other sundry reserves	1	
Total other reserves	1	
Total	3,489,030	

Key: A: for capital increase; B: for coverage of losses; C: for distribution to shareholders; D: for other statutory constraints; E: other

### Origin, possibility of utilisation and distributability of the other sundry reserves

Description	Amount	Possibility of utilisation
Difference from rounding to Euro unit	1	A, B, C, D
Total	1	

Key: A: for capital increase; B: for coverage of losses; C: for distribution to shareholders; D: for other statutory constraints; E: other

### Formation and use of the items in shareholders' equity

As provided for by Article 2427, paragraph 1, number 4), of the Italian Civil Code, the information regarding the formation and use of the items in the net shareholders' equity is provided:

	Share capital	Share premium reserve	Retained losses	Year's result	Total
At the start of the 2019 financial year	450,000	2,400,000	-18,017	-169,835	2,662,148
Allocation of the year's result:					
- 2018 loss brought forward			-169,835	169,835	0
Other changes:					
- AuCap 2019		1,008,115			1,034,883
- rounding to the Euro			-1		-1
Year's result 2019				-277,189	-277,189
At the close of the 2019 financial year	476,768	3,408,115	-187,853	-277,189	3,419,841
Allocation of the year's result:					
- to cover the 2019 and previous years' losses		-465,042	187,853	277,189	0
AuCap2019 closure:					
- increases	1,467	72,406			73,873
- decreases	-2,838	-1,848			-4,686
- rounding to the Euro		1			1
Year's result 2020				-1,034,486	-1,034,486
At the close of the 2020 financial year	475,397	3,013,632	0	-1,034,486	2,454,543

The following supplementary information is provided regarding the revaluation reserves: NOT PRESENT

The following entries are in the shareholders' equity:

Reserves or other provisions which in the case of distribution contribute to forming the company's taxable income, regardless of when they were formed: NOT PRESENT

Reserves or other provisions which in the case of distribution do not contribute to forming the shareholders' taxable income, regardless of when they were formed:

Reserves	Value
Premium share reserve	3,013,632
	3,013,632

### Reserves incorporated into the shareholders' equity

Reserves or other provisions which in the case of distribution contribute to forming the company's taxable income, regardless of when they were formed through free increase of the shareholders' equity using of the reserve: NOT PRESENT

### Provisions for risks and charges

(Ref. Article 2427, paragraph one, No. 4, of the Italian Civil Code)

Balance at 31/12/2020	Balance at 31/12/2019	Variations
30,000	20,000	10,000

	Provision for retirement and similar obligations	Total provisions for risks and charges
Initial value	20,000	20,000
Changes in the year		
Appropriation in the year	10,000	10,000
Total variations	10,000	10,000
Final value	30,000	30,000

The increases concern appropriations for the year. The increases concern use during the year.

The allocation of the TFM [Golden Handshake] to the Managing Director continued over the 2020 financial year, in the manners and terms resolved upon by the Shareholders' Meeting of 27.04.2018.

### Employees' leaving indemnities

(Ref. Article 2427, paragraph one, No. 4, of the Italian Civil Code)

Balance at 31/12/2020	Balance at 31/12/2019	Variations
32,782	34,273	(1,491)

	Employees' leaving indemnities
Initial value	34,273
Changes in the year	
Appropriation in the year	13,358
Use in the year	14,849
Total variations	(1,491)
Final value	32,782

The appropriated provision represents the company's actual payables on 31/12/2020 to employees in the workforce at that date, net of any advance payments paid.

### Payables

(Ref. Article 2427, paragraph one, No. 4, of the Italian Civil Code)

Balance at 31/12/2020	Balance at 31/12/2019	Variations
1,903,440	950,191	953,249

### Variations and expiry of payables

The expiry of the payables is broke down thus (Article 2427, paragraph one, no. 6, of the Italian Civil Code):

	Initial value	Variation in the year	Final value	Quota expiring within the year	Quota expiring

					after one year
Payables to banks	101,510	899,911	1,001,421	301,421	700,000
Payables to other lenders	908	(908)	-	-	-
Payables to suppliers	761,366	53,201	814,567	814,567	-
Tax payables	19,431	(5,728)	13,703	13,703	-
Payables to social security and welfare institutions	23,644	(2,077)	21,567	21,567	-
Other payables	43,332	8,851	52,183	52,183	
Total accounts payable	950,191	953,249	1,903,440	1,203,441	700,000

The most significant payables at 31/12/2020 are the following:

Description	Amount
Intesa San Paolo loan	900,000
Payables to the supplier Bicocca University of Milan	400,001
Payables to other suppliers	332,438
Loan from Banco BPM	100,000
Invoices to receive	48,134
Payables to employees	47,107
Payables to Inland Revenue for withholding tax	13,703
Payables to social security and welfare institutions	21,567

“Payables to suppliers” are entered net of trade discounts; the cash discounts, on the other hand, are shown at the time of payment.

“Tax payables” contains only the payables for certain set taxes. There are no significant changes in “Tax payables”.

**Payables with a duration of over five years and payables supported by real guarantees on company assets**

	Payables not supported by real guarantees	Total
Payables to banks	1,001,421	1,001,421
Payables to suppliers	814,567	814,567
Tax payables	13,703	13,703
Payables to social security and welfare institutions	21,567	21,567
Other payables	52,183	52,183
Total accounts payable	1,903,440	1,903,440



**ABBREVIATED SUPPLEMENTARY NOTES, PROFIT AND LOSS ACCOUNT****Value of production**

Balance at 31/12/2020	Balance at 31/12/2019	Variations
255,050	1,147,345	(892,295)

Description	31/12/2020	31/12/2019	Variations
Revenue from sales and services	2,499	1,452	1,047
Own work capitalised	236,591	463,517	(226,926)
Other revenue and income	15,960	682,376	(666,416)
Total	255,050	1,147,345	(892,295)

The increases in own work capitalised refer to the capitalisation of the research and development costs incurred in the year.

**Breakdown of revenue from sales and services by category of activity**

(Ref. Article 2427, paragraph one, No. 10, of the Italian Civil Code)

Category of activity	Current year value
Other	2,499
Total	2,499

**Breakdown of revenue from sales and services by geographic area**

(Ref. Article 2427, paragraph one, No. 10, of the Italian Civil Code)

Geographical area	Current year value
Italy	2,499
Total	2,499

The company has entered revenue with an exceptional size or effect for 3,432 euros, which refer to extraordinary income. Furthermore, 12,526 euros of grants were collected in the year's account.

**Production costs**

Balance at 31/12/2020	Balance at 31/12/2019	Variations
1,273,019	1,422,528	(149,509)

Description	31/12/2020	31/12/2019	Variations
Raw, subsidiary materials and goods	51,900	66,048	(14,148)
Services	226,479	297,465	(70,986)
Use of third parties' assets	83,814	68,526	15,288
Salaries and wages	329,215	394,092	(64,877)
Social charges	102,698	119,146	(16,448)
Employees' leaving indemnities	24,177	27,309	(3,132)
Other personnel costs	14,622	79,329	(64,707)
Amortisation of intangible assets	387,544	366,892	20,652
Depreciation of tangible assets	49,908	12,982	36,926
Variations in raw material inventories	(3,504)	(22,051)	18,547
Sundry operating costs	6,166	12,790	(6,624)
Total	1,273,019	1,422,528	(149,509)

### **Costs for raw, subsidiary and expendable materials and goods and Costs for services**

These are strictly correlated to what is expounded upon in the first part of these supplementary notes and the trend in point A (Value of production) of the profit and loss account.

### **Personnel costs**

This item includes the total cost of employees including pay rises, promotions, automatic cost of living increases, cost of holidays accrued but not taken and appropriations to be made in accordance with the provisions of law or collective bargaining agreements.

### **Amortisation of intangible fixed assets**

As regards amortisations, it is specified that the following have been calculated:

- expenses on third party assets, based on the service contracts in force with Trentino Sviluppo;
- industrial patents based on the residual duration of the patent right.

### **Amortisation of tangible fixed assets**

As regards amortisations, it is specified that they have been calculated on the basis of the useful life of the asset and its exploitation in the production stage.

### Sundry operating costs

The company has entered costs with an exceptional size or effect for 5,140 euros.

### Financial income and expenses

Balance at 31/12/2020	Balance at 31/12/2019	Variations
(16,517)	(2,006)	(14,511)

Description	31/12/2020	31/12/2019	Variations
Income other than the above		25	(25)
(Interest and other financial charges)	(16,736)	(1,789)	(14,947)
Gains (losses) on exchange rates	219	(242)	461
Total	(16,517)	(2,006)	(14,511)

### Year's income tax, current, deferred and prepaid

There are no taxes for the current year.

Pursuant to Article 2427, paragraph 14, of the Civil Code, the information required regarding deferred tax assets and liabilities is given below. NOT PRESENT

## ABBREVIATED SUPPLEMENTARY NOTES, OTHER INFORMATION

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

	Directors	Statutory Auditors
Compensation	54,905	38,282

The payments referring to the Board of Directors regard the fees paid to the Managing Director and the Chief Financial Officer

### Details on the other financial instruments issued by the company

#### Information regarding the fair value of the derivative financial instruments

(Ref. Article 2427-bis, paragraph one, no. 1, of the Italian Civil Code)

The company does not have derivative financial instruments.

#### Information on transactions with related parties

(Ref. Article 2427, paragraph one, no. 22-bis, of the Italian Civil Code)

The company has not had transactions with related parties.

#### Information on agreements that are not in the balance sheet

(Ref. Article 2427, paragraph one, no. 22-ter, of the Italian Civil Code)

The company does not have agreements that are not in the balance sheet.

### Important events after the end of the financial year

As already shown in the first part of these supplementary notes, the extraordinary shareholders' meeting of 01 February 2021 unanimously resolved to adjust the company by-laws to the standards for companies listed in official markets, to propose a capital increase for a maximum of € 4,992,000 to be subscribed in the context of an equity crowdfunding campaign on the Opstart platform and to listed the company on the Euronext exchange platform.

Moreover, the most interesting event in the first part of 2021 was obtaining the IEC61730 electrical safety certification and the related CE marking fro the product, as documented here: <https://www.glasstopower.com/pages/certificazione-prodotto/>. For the purpose of completing the qualification on a voluntary basis, all that remains is to acquire certification according to the IEC 61215 standard or the IEC 63092-1:2020 standard when it is acknowledge at national or European level.

Information regarding start-ups, also social ones, and innovative SMEs

The registration of the company was kept for the financial year 2020 in the special section of the Companies' Register as an Innovative Start-up, in accordance with Article 25 et seq. of Law Decree no. 179/2012. In fact, the company possesses the following requirements:

- (a) it is established and has carried out business activity for not more than sixty months;
- (b) its residence is in Italy;
- (c) starting from the second year of the innovative start-up's business, the total value of the annual production, as shown in the latest financial statements approved within six months of the end of the financial year is not more than 5 million euros;
- (d) it does not distribute, and has not distributed, profits;
- (e) its exclusive or main company purpose is the development, production and marketing of innovative high technological value products or services;
- (f) it has not been established from a merger, company split-up or following the transfer of a company or business line;
- (g) The research and development expenses, Euro 406,317, are equal to or greater than 15% of the greater value between cost and total value of the innovative start-up's production. This amount includes the capitalisation of the costs for employees for € 236,591 as well as collaboration with universities and other competitive companies in the energy field for € 110,000 and the increase in costs for national and international patents for € 59,726. Expenses for the purchase and leasing of real estate have been excluded from the calculation for research and development expenses. In addition to the provisions of the accounting standards, the following research and development expenses must be counted for the purposes of the provision: expenses for pre-competitive and competitive development, such as experimentation, prototyping, and the development of the business plan, expenses for incubation services provided by certified incubators, gross costs for internal personnel and external consultants employed in research and development, including shareholders and directors, and legal expenses for the registration and protection of intellectual property, terms and user licences.

**Information as of article 1, sub-paragraph 125, of law no. 124 dated 4 August 2017**

Under Article 1, paragraph 125-bis, of Act no. 124 of 4th August 2017 and in compliance with the transparency obligation, it should be noted that grants, paid appointments and in any case economic advantages of any kind have been received from public administrations.

**Proposal regarding the allocation of the profit or coverage of the losses**

These supplementary notes are drawn up in accordance with the provisions of the Italian Civil Code and the accounting standards. In order to comply with the obligations for publication in the Companies Register, this will be converted into XBRL format after it has been approved; there could therefore be some formal changes necessary to make these notes compatible with the deposit format.

These Financial Statements, comprising the Balance Sheet, Profit and Loss Account, Cash Flow Statement and Supplementary Notes truthfully and correctly represent the equity and financial situation of the Company as well as the economic result of the year and correspond to the results of the accounting books.

To the Shareholders,

We invite you to approve the financial statements as at 31.12.2020 as drawn up and to cover the loss for the 2020 financial year by using the share premium reserve.

Rovereto, 11th June 2021,

The Chairman of the Board of Directors

(Francesco Meinardi)

#### **Declaration of compliance of the financial statements**

The undersigned Alberto Blotto, registered with the ODCEC as an appointee of the company under Article 31, paragraph 2-quinquies, of Act 340/2000, declares that the electronic document in Xbrl format containing the Balance Sheet, Profit and Loss Account, Cash Flow Statement and Supplementary Notes conforms to the corresponding original documents deposited with the company. Rovereto, 11/06/2021

**GLASS TO POWER S.P.A.****38068 Rovereto (TN) Via Fortunato Zeni, 8****Trento Companies Register no. 09640920964****Trento Economic and Administrative Index no. 230875****Tax Code and VAT Registration no. 09640920964****Joint report of the Board of Auditors to the Shareholders' Meeting****To the Shareholders' Meeting of GLASS TO POWER S.P.A.****JOINT REPORT OF THE BOARD OF AUDITORS TO THE SHAREHOLDERS**

To the Shareholders of Glass to Power S.p.A.

**Introduction**

The Board of Auditors, in the year ended 31st December 2020, carried out the functions provided for by both Articles 2403 et seq. and Article 2409-bis of the Italian Civil Code.

This joint report contains: Section A) the "Independent Auditor's Report pursuant to Article 14 of Italian Legislative Decree no. 39 of 27th January 2010" and Section B) the "Report pursuant to Article 2429, paragraph 2, of the Italian Civil Code.

**A) Independent Auditor's Report pursuant to Article 14 of Italian Legislative Decree no. 39 of 27th January 2010****Audit report for the year's financial statements****Opinion**

We carried out the audit of the year's financial statements for the company Glass to Power S.p.A. These comprised the balance sheet as at 31st December 2020, the profit and loss account and the cash flow statement for the year ending at that date, and the supplementary notes.

In our opinion, the year's financial statements provide a correct and truthful representation of the company's equity and financial situation as at 31st December 2020, the financial result and cash flows for the year ending on that date in compliance with the Italian regulations governing the preparation criteria.

**Elements at the basis of the opinion**

We carried out the audit in compliance with ISA Italy international audit standards.

Our responsibilities under those standards are further described in the section on the auditor's responsibilities for the auditing of the year's financial statements in this report. We are independent of the company in compliance with the ethics and independence regulations and standards that are applicable in the Italian auditing system for financial statements.

We consider that we have acquired sufficient appropriate evidential elements on which to base our opinion.



The company resolved a capital increase on 1st February 2021 for a maximum amount of 4,992,000 euros and to date an amount of 2,225,000 has been underwritten and paid in.

The company has so far exclusively carried out research and development activities. These are aimed at achieving the proposed objectives, which will permit the first revenues to be realised. Consequently, its continuity is today unavoidably tied to financial independence, in the medium term, and not yet to the capacity to produce revenue; its independence, and thus its continuity, at least for the next 12 months, is ensured by the financial resources arriving from the capital increase.

As regards its future prospects, the Board of Directors, with a majority decision, approved a business plan on 11th June 2021. This provided for, in the short term, the start of production and sales activities with the realisation of revenue. It is the Board's opinion that these prospective drafts do not have the characteristics, in terms of assumption, to enable us to express an opinion on their validity.

### **Responsibilities of the Directors and the Board of Auditors regarding the year's financial statements**

The Directors are responsible for preparing the year's financial statements which provide correct truthful representation in compliance with the Italian regulations governing the preparation principles and, in the terms provided for by law, for that part of the audit deemed necessary by them to allow the financial statements, which do not contain significant errors due to fraud or unintentional behaviour or events, to be drawn up.

The Directors are responsible for assessing the ability of the company to continue to operate as an ongoing concern and, in preparing the year's financial statements, for the appropriateness of using the assumption of company continuity, as well as for proper information on the subject. The Directors use the presumption of company continuity when drawing up the financial statements unless they have assessed that conditions for the liquidation of the company or for the interruption of business exist or they have no realistic alternatives to such choices.

The Board of Auditors has the responsibility to oversee, in the terms provided for by law, the process for preparing the company's financial information.

### **Auditor's responsibilities for the auditing of the year's financial statements**

Our objectives are the acquisition of a reasonable certainty that the year's financial statements as a whole do not contain significant errors, due to fraud or unintentional behaviour or events, and the release of an audit report that includes our opinion. Reasonable certainty means a high level of certainty which, nevertheless, does not provide a guarantee that an audit carried out in accordance with ISA Italy international accounting standards always identifies a significant error, if one exists. Errors can arise from fraud or unintentional behaviour or events and are considered significant if one can reasonably expect that they, singularly or together, are capable of influencing the financial decisions taken by users on the basis of the year's financial statements.

In the scope of the audit carried out in accordance with the ISA Italy international standards, we have exercised professional judgement and maintained professional scepticism throughout the audit. Moreover:

- we have identified and assessed the risks of significant errors in the year's financial statements due to fraud or unintentional behaviour or events; we have defined and carried out audit procedures in response to those risks; we have acquired sufficient appropriate evidential elements on which to base our opinion. The risk of not identifying a significant error caused by fraud is higher than the risk of not identifying a significant error arising from unintentional behaviour or events, since fraud can imply the existence of collusion, falsification, intentional omission, misleading representation or distortion of the internal audit;
- we have acquired an understanding of the internal audit that is relevant for the purposes of the audit so as to define appropriate auditing procedures for the circumstances and not to express an opinion on the effectiveness of the company's internal audit;
- we have assessed the appropriateness of the accounting standards used as well as the reasonableness of the accounting estimates made by the Directors, including their supplementary notes;
- we have reached a conclusion on the appropriateness of the Directors using the assumption of company continuity based on the considerations linked to the financial independence of the company and its nature of mere start up. These have been expressed by us in the section on the elements at the basis of the opinion. Our conclusions are based on the evidential elements acquired up to the date of this report. Nevertheless, events or circumstances can lead to the company ceasing operations as an ongoing concern;
- we have assessed the presentation, structure and content of the year's financial statements as a whole, including the supplementary notes, and whether the year's financial statements represents the operations and underlying events in such a way as to provide a correct representation;
- we have communicated, inter alia, the range and schedule for the audit and the significant results arising, including any significant deficiencies in the internal audit arising during this audit, to those responsible for governance, who have been identified at an appropriate level as required by ISA Italy.

### **Report on other legal and regulatory provisions**

#### **Opinion under Article 14, paragraph 2, letter e), of Italian Legislative Decree 39/10**

The Directors of Glass to Power S.p.A. are not responsible for drawing up the report on operations as at 31st December 2020, since the size of the company does not make this compulsory. The Directors have appropriately supplemented the supplementary notes with information on operations and have also taken responsibility for their consistency with the year's financial statements and their compliance with the rules of law.

In our opinion, the information on operations contained in the supplementary notes is consistent with the financial statements of Glass to power S.p.A. for the year ending 31st December 2020 and we consider that the documents have been drawn up in compliance with the rules of law.

With reference to the statement as of Article 14, paragraph 2, letter e), of Italian Legislative Decree 39/10, issued on the basis of the knowledge and understanding of the company and its context acquired during the audit, we have nothing to report.

## **B) Report on the supervision activities under Article 2429, paragraph 2, of the Italian Civil Code**

Our activity over the financial year ending 31st December 2020 has been steered by the provisions of law and the rules of conduct for a Board of Auditors issued by the National Council of Bookkeepers and Accountants.

### **B1) Supervision activities under Articles 2403 et seq. of the Italian Civil Code**

We have supervised compliance with the law and the company by-laws and observance of the principles of proper administration.

We have attended the shareholders' meetings and the meetings of the Board of Directors and, based on the information available, have not found any breaches of the law or the company by-laws or operations that are clearly imprudent, reckless, in potential conflict of interests or such as to compromise the integrity of the shareholders' equity.

We have acquired from the administrative body, also during the meetings held, information about the general trend of operations and their foreseeable evolution and about the measures adopted by the administrative body to tackle the COVID-19 emergency situation as well as about the major transactions, in terms of size or characteristics, carried out by the company. We have no particular observations to report on the basis of the information acquired.

We have acquired knowledge about and supervised, as far as our remit goes, the adequacy of the organisational, administrative and accounting set up, its operation and its reliability to correctly represent the management operations, also through obtaining information from the function managers and examining the company documents. In this regard, the board suggests a strengthening of the administrative structure, in line with the discussions held by the Board of Directors and in anticipation of the future operating efficiency of the company.

No reports as of Article 2408 of the Italian Civil Code were received from the shareholders.

Opinions provided for by law have not been issued by the Board of Auditors over the year.

As mentioned above, no other significant facts requiring mention in this report have arisen during the supervisory activity.

### **B2) Observations regarding the year's financial statements**

As far as we are aware, the Directors, in preparing the financial statements, have not departed from the rules of law pursuant to Article 2423, paragraph 5, of the Italian Civil Code.

In consideration of the exception contained in Article 106, first paragraph, of Italian Law Decree no. 18 of 17th March 2020, converted by Act no. 27 of 24th April 2020 as amended, the ordinary shareholders'

meeting for the approval of the financial statements was convened before the greater term of 180 days from the close of the financial year.

Under Article 2426, no. 5, we have expressed our consent for the following to be entered in the shareholders' equity assets:

- start-up and expansion costs;
- development costs.

The results of the statutory audit of the financial statements carried out by us are contained in section A) of this report.

### **B3) Observations and proposals regarding the approval of the financial statements**

Considering the results of the activity carried out by us, we invite the shareholders to approve the financial statements for the year ending 31st December 2020, which shows a loss of Euro 1,034,486, as drawn up by the Directors.

The Board agrees with the proposal made by the Directors in the supplementary notes for the allocation of the year's result

Signed original, Milan, 22nd June 2021

The Board of Auditors

*Loredana Lulli* (Chairperson)

*Marcello del Prete* (Statutory Auditor)

*Sabino Dente* (Statutory Auditor)

The undersigned Alberto Blotto (Dottor), in accordance with Article 31, paragraph 2-quinquies of Act 340\2000, declares that this document conforms to the original deposited with the company. Biella, 05 August 2021.

Stamp duty discharged electronically via the Trento Chamber of Commerce: No. 2390 of

25.01.1978