

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		
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)
Interest payable/(receivable)	16,736	1,764
1) Profit (loss) for the year before income tax, interest, dividends and transfer capital gains/losses	(1,017,750)	(275,425)
Adjustments for non-monetary elements which did not have a contra in the net current assets		
Appropriations to provisions	23,358	37,309
Amortisation/depreciation of fixed assets	437,452	379,874
Other upwards /(downwards) adjustments for non-monetary elements	-	155,617
Total adjustments for non-monetary elements which did not have a contra in the net current assets	460,810	572,800
2) Cash flow before variations to the net current assets	(556,940)	297,375
Variations to the net current assets		
Decrease /(Increase) in inventories	(3,504)	(22,051)
Decrease /(Increase) in receivables from clients	-	(25)
Decrease /(Increase) in payables to suppliers	53,201	(398,786)
Decrease /(Increase) in prepaid expenses and accrued income	(988)	45,372
Other decreases/(Other Increases) in the net current assets	57,587	(624,412)
Total variations to the net current assets	106,296	(999,902)
3) Cash flow after variations to the net current assets	(450,644)	(702,527)
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		
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 lack 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

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 and machinery	Industrial and commercial equipment	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



Glass To Power SpA

Financial statement at December 31, 2020

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Glass To Power SpA

Opinion

We have audited the financial statements of Glass To Power SpA (the Company), which comprise the statement of financial position as at December 31, 2020 and the income statements for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2020, and its financial performance for the year then ended in accordance with Italian Accounting Standards issued by the Italian Accounting Standards Setter (OIC).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical and independence regulations and standards applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our opinion is not modified in respect of this matter.

Other matters

The financial statements of Glass To Power for the year ended December 31, 2019, were audited by statutory auditors who expressed an unmodified opinion on those statements on June 9, 2020.

This report is not issued in conformity with Italian law as, at December 31, 2020, the statutory audit referred to in article 2409 bis of the Civil Code has been performed by another auditor other than us.

As requested by the Company, this report has been prepared directly in English.

On June 11, 2021, the Board of Directors approved by majority vote the updated and revised 2021 - 2023 business plan, that prudentially reduced revenues compared to the previous budget, also highlighting that the extraordinary shareholders' meeting of February 1, 2021 resolved a capital increase for a maximum of 4.9 million euros to be subscribed in an equity crowdfunding campaign. Up to now, 2.2 million euros have been subscribed and paid in. In the business plan, the cash

flows shown appear to be sufficient to cover the needs to ensure continuity for the next twelve months.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Italian Accounting Standards Setter (OIC) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance the Board of Statutory Auditors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required

- to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as requested by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Milan, July 30, 2021

Crowe Bompani SpA


Alessandro Ruina

(Revisore legale)