

Companies Registry registration no. 09640920964  
 Chamber of Commerce (REA) reg. no. 230875

## GLASS TO POWER S.p.A.

Registered Office 38068 ROVERETO (TN) – via Fortunato Zeni, 8  
 Share capital €uro 528.812,00 i.v.

### Financial statements at 31/12/2021

#### Balance Sheet

<b>Assets</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>A) Accounts receivable from shareholders in respect of unpaid share capital</b> (of which called up)		<b>9.798</b>
<b>B) Fixed assets</b>		
<i>I. Intangible assets</i>		
1) Start-up and expansion costs	462.735	412.533
2) Development costs	1.460.110	1.436.625
3) Industrial patent and intellectual property rights	650.234	743.273
7) Other intangible assets	60.959	126.139
	2.634.038	2.718.571
<i>II. Tangible assets</i>		
1) Land and buildings		
2) Plant and machinery	78.683	94.634
3) Industrial and commercial equipment	546.430	382.464
4) Other assets	11.779	10.912
	636.891	488.011
<i>III. Financial assets</i>		
<b>Total fixed assets</b>	<b>3.270.929</b>	<b>3.206.582</b>
<b>C) Current assets</b>		
<i>I. Stock</i>		
1) Raw materials, subsidiary materials and consumables	30.581	32.194
	30.581	32.194
<i>II. Accounts receivable</i>		
1) From customers		
- due within the subsequent year	342.890	25
	342.890	25
5-bis) Tax credits		
- due within the subsequent year	535.813	782.359
	535.813	782.359
5-quater) Other accounts receivable		
- due within the subsequent year	42.366	32.687
- due beyond the subsequent year	47.897	37.897
	90.263	70.584

	968.966	852.968
<i>IV. Cash-in-hand, cash-at-bank and cash equivalents</i>		
1) Bank and postal accounts	621.144	305.822
2) Cheques		
3) Cash and cash equivalents	309	573
	<u>621.453</u>	<u>306.395</u>
<b>Total current assets</b>	<b>1.621.000</b>	<b>1.191.557</b>
<b>D) Accrued income and Prepayments</b>		
	<u>14.104</u>	<u>12.829</u>
<b>Total assets</b>	<b>4.906.033</b>	<b>4.420.766</b>
<b>Liabilities</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>A) Shareholders' equity</b>		
<i>I. Share capital</i>	528.812	475.397
<i>II. Share premium reserve</i>	4.142.991	3.013.632
Others ...		1
<i>IX. Loss for the year</i>	<u>(1.618.048)</u>	<u>(1.034.486)</u>
<b>Total shareholders' equity</b>	<b>3.053.755</b>	<b>2.454.544</b>
<b>B) Provisions for contingent liabilities and charges</b>		
1) Provision for pensions and similar benefits	40.000	30.000
<b>Total provisions for contingent liabilities and charges</b>	<b>40.000</b>	<b>30.000</b>
<b>C) Employees' leaving indemnity</b>	<b>36.561</b>	<b>32.782</b>

<b>D) Accounts Payables</b>			
4)	Accounts payable to banks		
	- due within the subsequent year	334.792	301.421
	- due beyond the subsequent year	465.238	700.000
			<u>800.030</u>
5)	Accounts payable to third party lenders		1.001.421
	- due within the subsequent year	3.115	
			<u>3.115</u>
6)	Advances		
	- due within the subsequent year	300.000	
			<u>300.000</u>
7)	Accounts payable to suppliers		
	- due within the subsequent year	456.283	814.567
			<u>456.283</u>
			<u>814.567</u>
12)	Tax liabilities		
	- due within the subsequent year	14.016	13.703
			<u>14.016</u>
			<u>13.703</u>
13)	Accounts payable to social security institutions		
	- due within the subsequent year	21.207	21.567
			<u>21.207</u>
			<u>21.567</u>
14)	Other accounts payable		
	- due within the subsequent year	65.198	52.183
			<u>65.198</u>
			<u>52.183</u>
	<b>Total accounts payable</b>		<b>1.659.849</b>
			<b>1.903.440</b>
<b>E) Accrued liabilities and deferred income</b>			
			115.868
<b>Total shareholders' equity and liabilities</b>			<b>4.906.033</b>
			<b>4.420.766</b>

<b>Profit and loss account</b>		<b>31/12/2021</b>	<b>31/12/2020</b>
<b>A) Revenues</b>			
1)	From sales and services	54.810	2.499
4)	Capitalised internal work in progress	208.512	236.591
5)	Other revenues and proceeds:		
	- others	105.470	3.434
	- contributions toward operating expenses	10.375	12.526
			<u>115.845</u>
			<u>15.960</u>
	<b>Total revenues</b>	<b>379.167</b>	<b>255.050</b>
<b>B) Expenses</b>			
6)	Raw materials, subsidiary materials, consumables and goods	82.703	51.900
7)	Services	414.884	226.479
8)	Rent/lease	98.801	83.814
9)	Personnel costs		
	a) salaries and wages	353.055	329.215
	b) social contributions	98.103	102.698
	c) employees' leaving indemnity	24.933	24.177
	e) other costs	22.008	14.622
			<u>498.099</u>
			<u>470.712</u>

10) Amortisation, depreciation and value adjustments			
a) amortisation of intangible assets	808.113		387.544
b) depreciation of tangible assets	62.459		49.908
		870.572	437.452
11) Changes in raw materials, subsidiary materials, consumables and goods		1.614	(3.504)
14) Miscellaneous running costs		10.509	6.166
<b>Total expenses</b>		1.977.182	1.273.019

<b>Difference between revenues and expenses (A - B)</b>		<b>(1.598.015)</b>	<b>(1.017.969)</b>
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**C) Financial income and costs**

15) Income from shareholdings:

16) Other financial income:

- other income

17) Interest and other financial costs:

- other financial costs

17-bis) Exchange gains and losses

**Total financial income and costs**

<b>Result before taxes (A – B ± C ± D ± E)</b>		<b>(1.618.048)</b>	<b>(1.034.486)</b>
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20) Taxes on the income for the year: current taxes and deferred tax assets and liabilities

<b>21) Profit (loss) for the year</b>		<b>(1.618.048)</b>	<b>(1.034.486)</b>
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## Notes to the financial statements at 31/12/2021

### Introduction

Dear Shareholders,

These financial statements, submitted to you for your examination and approval, show a loss for the year of Euro (1.618.048).

### Area of Business

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.

### Layout 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.

The book values are represented in units of Euro by rounding off the relative amounts. Any rounding differences have been indicated in the item "Euro rounding reserve" included between the items of Shareholders' Equity and "rounding from Euro" under the item "Extraordinary income and charges" of the Income Statement.

The criteria used for the formation and evaluation of the Financial Statements for the year ended at 31/12/2021 take into consideration the new provisions introduced into national law by Italian Legislative Decree 139/2015, by which Directive 2013/34 /EU was implemented.

### Valuation criteria

*(Ref. Article 2423 and Article 2423-bis of the Italian Code of Civil)*

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.

Although it is considered plausible to start the production and marketing of a first product intended as a smart window already before the end of 2022, business continuity has been ascertained from a financial point of view, even without relying on any resulting turnover. from the sale of products.

Although encouraged by the signals coming from the market, which suggest that there is a certain interest in the product that the company intends to market within a relatively short time (smart windows), it was preferred to work on a strategy of rationalizing the resources present in the company, looking for precisely to concentrate efforts on the finalization of a first product that can be sold in the short term, rather than on the hypothesis of high turnover.

It is therefore believed that, also for the next twelve months, we can speak of business continuity.

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

### Exceptions

*(article 2423 (5) of the Civil Code)*

No exceptional cases have occurred which have made it necessary to adopt the derogations pursuant to article 2423(5) of the civil code.

## Valuation criteria applied

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

### Fixed assets

*Intangible assets*

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. For 2021, the rate is 20%.

The **improvements to third party assets** are amortized with rates that depend on the duration of the service contracts.

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.

Start-up and expansion costs as well as research and development costs have been entered with the consent of the board of statutory auditors.

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.

**Revenue recognition**

Revenues from product sales are recognized at the time of the transfer of risks and benefits, which normally is identified with the delivery or shipment of the goods.

Revenues deriving from the provision of services are recognized on an accrual basis.

**Capital / plant contributions**

With reference to the contribution approved by the Autonomous Province of Trento in favor of the company, following the approval of the project for the creation in Rovereto of a production plant of nanoparticles (more commonly known as NanoFarm), also for the year 2021 the company has deemed not to allocate any sum as a contribution in the financial statements as this, despite having been confirmed in the project approval documents, will be materially disbursed at the end of the reporting process which, at the moment, is estimated in June 2022.

It should be noted that, as already stated in the previous 2020 Budget, the lack of certainty on the amount of the sum (which could undergo small "adjustment" changes) recommended following the principle of prudence in not allocating certain positive income components in the an, but still not in the quantum.

The disbursement of the grant will entail some restrictions and constraints on the sale of fixed assets.

**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.

**Assets****A) Accounts receivable from shareholders in respect of unpaid share capital**

	Opening balance	Changes during the year	Closing balance
Receivables due from shareholders for subscribed share capital	9.798	(9.798)	
<b>Total</b>	<b>9.798</b>	<b>(9.798)</b>	

Called up amount Euro .

The post shows, in the year of comparison, the residual parts of capital subscribed by shareholders but not yet paid present in the 2020 financial statements. In the financial year 2021 the post was zeroed.

## B) Fixed assets

	Intangibles assets	Tangibles assets	Total assets
<b>Opening balance</b>			
Cost	3.473.006	552.882	4.025.888
Depreciation (accumulated depreciation)	754.436	64.872	819.308
<b>Book value</b>	<b>2.718.571</b>	<b>488.011</b>	<b>3.206.582</b>
<b>Changes during the year</b>			
Increase due to acquisitions	723.580	211.341	934.921
Depreciation for the year	808.113	62.459	870.572
Total changes	(84.533)	148.880	64.347
<b>Closing value</b>			
Cost	4.196.586	764.224	4.960.810
Depreciation (accumulated depreciation)	1.562.548	127.332	1.689.880
<b>Balance at 31.12.2021</b>	<b>2.634.038</b>	<b>636.891</b>	<b>3.270.929</b>

### I. Intangible assets

Balance at 31/12/2021	Balance at 31/12/2020	Difference
2.634.038	2.718.571	(84.533)

### Analysis of changes in intangible assets (article 2427(1)(2) of the Civil Code)

	Start-up and expansion costs	Development costs	Industrial patent rights	Other intangible assets	Total intangible assets
Purchase value	467.342	1.436.625	1.222.213	346.826	3.473.006
Accumulated depreciation	54.809		478.940	220.687	754.436
Balance at	412.533	1.436.625	743.273	126.139	2.718.571
Increases for the year	143.670	388.513	174.854	16.543	723.580
Amortisation charge for the year	93.468	365.028	267.893	81.723	808.113
Other changes					
Total changes	50.202	23.485	(93.039)	(65.180)	(84.533)
Purchase value	611.012	1.825.138	1.395.067	365.369	4.196.586
Accumulated depreciation	148.277	365.028	744.833	304.410	1.562.548
<b>Balance at 31.12.2021</b>	<b>462.735</b>	<b>1.460.110</b>	<b>650.234</b>	<b>60.959</b>	<b>2.634.038</b>

Intangible fixed assets mainly include set-up and plant costs for Euro 462.735, development costs for Euro 1.460.110, industrial patent rights for Euro 650.234 and incremental expenses on leased third party assets for Euro 60.959.

The company decided not to make use of the right to suspend the depreciation rates for the year 2021 provided for by art. 1, paragraph 711 of Law 234/2021 (Budget Law 2022), which extends the faculty initially provided for by article 60, paragraphs 7-bis to 7-quinquies of Law Decree 104/2020 (converted by law 126/2020 ) only for the year in progress as of 08/15/2020.

Therefore, the depreciation of tangible and intangible fixed assets is determined and charged to the income statement according to the ordinary calculation and allocation rules.

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	Value 31/12/2020	Increase for the year	Decrease for the year	Amortisation for the year	Value 31/12/2021
Share capital increase	328.217			(65.643)	262.574
Business start up costs	84.316	143.670		(27.825)	200.161
<b>Total</b>	<b>412.533</b>			<b>93.468</b>	<b>462.735</b>

Start-up and enlargement costs are entered by virtue of the cause and effect ratio between the costs in question and the benefits we expect of them.

### Reclassifications

(article 2427(1)(2) of the civil code)

To ensure accurate and more transparent accounting, it was not considered appropriate to reclassify some intangible assets from the prior year's financial statements presentation.

## II. Tangible assets

Balance at 31/12/2021	Balance at 31/12/2020	Difference
636.891	488.011	148.880

	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Total tangible assets
<b>Opening balance</b>				
Purchase value	106.344	431.009	15.529	552.882
Accumulated depreciation	11.710	48.545	4.617	64.872
<b>Balance at</b>	<b>94.634</b>	<b>382.464</b>	<b>10.912</b>	<b>488.011</b>
<b>Changes during the year</b>				
Increases for the year	1	207.510	3.830	211.341
Amortisation charge for the year	15.952	43.544	2.963	62.459
Total changes	(15.951)	163.966	867	148.880

<b>Closing balance</b>				
Purchase value	106.345	638.519	19.360	764.224
Accumulated depreciation	27.662	92.089	7.581	127.332
<b>Balance at 31.12.2021</b>	<b>78.683</b>	<b>546.430</b>	<b>11.779</b>	<b>636.891</b>

The tangible fixed assets mainly contain the investment made for the construction of the NanoFarm in Rovereto: air conditioning and extraction systems for Euro 78,683, specific industrial equipment for Euro 546,430, office fixtures and fittings and electronic machines for Euro 11,779.

The company decided not to make use of the right to suspend the depreciation rates for the year 2021 provided for by art. 1, paragraph 711 of Law 234/2021 (*Budget Law 2022*), which extends the faculty initially provided for by article 60, paragraphs 7-bis to 7-quinquies of Law Decree 104/2020 (converted by law 126/2020) only for the year in progress as of 08/15/2020.

Therefore, in the current year, the depreciation of tangible and intangible fixed assets are determined and charged to the income statement according to the ordinary rules of calculation and attribution.

#### Write-downs and reversals of write-downs made during the year

(article 2427(1)(2) and (3-bis) of the Civil Code)

No write-downs or write-backs of tangible fixed assets have been carried out in these financial statements

### C) Current assets

#### I. Inventory

Balance at 31/12/2021	Balance at 31/12/2020	Difference
30.581	32.194	(1.613)

Accounting policies have been applied consistently with the prior year as explained in the introduction to these notes.

For any changes in individual classes of goods, please refer to the profit and loss account.

Description	Opening balance	Changes during the year	Closing balance
Raw and subsidiary materials and consumables	32.194	(1.613)	30.581
<b>Total</b>	<b>32.194</b>	<b>(1.613)</b>	<b>30.581</b>

#### II. Accounts receivable

Balance at 31/12/2021	Balance at 31/12/2020	Difference
968.966	852.968	115.998

Changes and expiration of receivables entered in the circulating assets

Description	Opening balance	Changes during the year	Closing balance	Due within one year	Due after more than one year
From customers	25	342.865	342.890	342.890	
Tax credits	782.359	(246.546)	535.813	535.813	
Other accounts receivable	70.584	19.679	90.263	42.366	47.897
<b>Total</b>	<b>852.968</b>	<b>115.998</b>	<b>968.966</b>	<b>921.069</b>	<b>47.897</b>

Accounts receivable have been recognised at their presumed realisable value, which corresponds to the book value: the amortized cost criterion has not been applied as the effects are irrelevant in order to give a true and correct representation.

The accounts receivable of a significant amount at 31/12/2021 can be broken down as follows:

Descrizione	Importo
2021 TVA credit asked for refund	250.000
2021 TVA credit reported	57.759
SuperACE so called credit	79.821
Residual R&D 2019 credit	21.602

The item "Other accounts receivable" at 31/12/2021, in an amount of Euro { } can be broken down as follows:

Descrizione	Importo
Advances to suppliers	40.468
Security deposits	7.897
Receivables from insurances on TFM	40.000

#### Break-down of the accounts receivable by geographical area

The following table shows a break-down of the accounts receivable at 31/12/2021 by geographical area (*article 2427(1)(6) of the Civil Code*):

Accounts receivable by geographical area	From customers	From undertakings under control by the controlling companies	Advances on tax payments	Total
Italy	342.890	535.813	90.263	968.966
<b>Total</b>	<b>342.890</b>			<b>968.966</b>

#### IV. Cash-in-hand, cash-at-bank and cash equivalents

Balance at 31/12/2021	Balance at 31/12/2020	Difference
621.453	306.395	315.058

Description	Opening balance	Changes during the year	Closing balance
Bank and postal deposits	305.822	315.322	621.144
Cash and cash equivalents	573	(264)	309
<b>Rounding off</b>	<b>306.395</b>	<b>315.058</b>	<b>621.453</b>

The balance reflects the cash-in-hand, cash-at-bank and cash equivalents at the year-end.

#### D) Accrued income/prepayments

Balance at 31/12/2021	Balance at 31/12/2020	Difference
14.104	12.829	1.275

They constitute the adjustment to costs and income pertaining to more than one fiscal year, incurred and earned before actual payment or collection and calculated on an accrual basis.

The criteria adopted for the recognition and translation of items in foreign currency have been reported in the first part of these notes.

At 31/12/2021, there were no accrued income/prepayments of a duration exceeding five years.

	Accrued income	Prepayments	Total
Opening balance		12.829	12.829
Changes during the year		1.275	1.275
<b>Closing balance</b>		<b>14.104</b>	<b>14.104</b>

#### Liabilities

##### A) Shareholder equity

(article 2427(1)(4),(7) and (7-bis) of the Civil Code)

Balance at 31/12/2021	Balance at 31/12/2020	Difference
3.053.755	2.454.544	599.211

	Opening balance	Allocation of the profit for the previous fiscal year		Other changes			Profit for the fiscal year	Closing balance
		Allocation of dividends	Other allocations	Increases	Decreases	Reclassifications		
Share capital	475.397			53.415				528.812
Share premium reserve	3.013.632			2.170.585	1.041.226			4.142.991

Others ...	1		(1)				
Retained earnings (loss carryovers)	(1.034.486)				(1.034.486)		(1.618.048) (1.618.048)
<b>Total</b>	<b>2.454.544</b>		<b>(1)</b>	<b>2.224.000</b>	<b>6.740</b>		<b>(1.618.048) 3.053.755</b>

During the 2021 financial year, a capital increase in crowdfunding placed for € 2,224,000 was carried out, of which € 53,415 allocated to capital and € 2,170,585 allocated to the share premium reserve. In addition, the loss for the year 2020 of Euro 1,034,486 was covered with the use of the share premium reserve.

### Use of shareholders' equity

The items of the shareholders' equity are broken down as follows according to their origin, possible use, distributability and use made in the three prior years (*article 2427(1)(7-bis) of the Civil Code*):

Nature/description	Amount	Possible use (*)
Share capital	528.812	B
Share premium reserve	4.142.991	A,B,C,D
<b>Total</b>	<b>4.671.803</b>	

(\*) A: for capital increase; B: for loss coverage; C: for distribution to shareholders; D: for other obligations imposed by the articles of association

### Information on the creation and use of shareholders' equity

As provided by article 2427(1)(4) of the civil code, we set out below the information on the creation and use of shareholders' equity items:

	Share capital	Share premium reserve	Result for the year	Total
<b>At the beginning of the prior year</b>	<b>476.768</b>	<b>3.220.262</b>	<b>(277.189)</b>	<b>3.419.841</b>
Appropriation of the result for the year				
- other appropriations	1.371	1	1.034.486	1.034.487
Other changes:				
+ Increases	1.467	72.407	(1.034.486)	(960.612)
- Decreases	2.838	279.037	(277.189)	4.686
Result of the prior year			(1.034.486)	(1.034.486)
<b>At the prior year-end</b>	<b>475.397</b>	<b>3.013.633</b>	<b>(1.034.486)</b>	<b>2.454.544</b>
Appropriation of the result for the year				
- other appropriations		(1)		(1)
Other changes:				
+ Increases	53.415	2.170.585		2.224.000
- Decreases		1.041.226	(1.034.486)	6.740
Current year's result			(1.618.048)	(1.618.048)
<b>At the current year-end</b>	<b>528.812</b>	<b>4.142.991</b>	<b>(1.618.048)</b>	<b>3.053.755</b>

We provide below the following complementary information about the revaluation reserves: NOT PRESENT

Reserves or other funds which in the event of distribution are included in the company's taxable income, regardless of the period in which they were created: NOT PRESENT

Reserves or other funds which in the event of distribution are not included in the company's taxable income, regardless of the period in which they were created.

Reserves	Amount
Share premium reserve	4.142.992
	<b>4.142.992</b>

### Reserves included in the share capital

Reserves or other funds which in the event of distribution are included in the company's taxable income, regardless of the period in which they were created by a capital increase through capitalization of reserves: NOT PRESENT

## B) Provision for contingent liabilities and charges

(article 2427(1)(4) of the Civil Code)

Balance at 31/12/2021	Balance at 31/12/2020	Difference
40.000	30.000	10.000

	Provision for pension and similar benefits	Total
Value at the beginning of the year	30.000	30.000
Increases as a result of changes in the fair value	10.000	10.000
Total changes	10.000	10.000
<b>Value at the end of the year</b>	<b>40.000</b>	<b>40.000</b>

The increases are in connection with the accrual for the year.

During the 2021 financial year, the provision of the TFM in favor of the CEO continued, in the manner and terms approved by the shareholders' meeting of 27.04.2018. The Shareholders' Meeting for the renewal of corporate offices of 09.07.2021 confirmed the provision of the TFM in favor of the CEO.

## C) Employees' leaving indemnity

(article 2427(1)(4) of the Civil Code)

Balance at 31/12/2021	Balance at 31/12/2020	Difference
36.561	32.782	3.779

The difference can be described as follows:

	employees' leaving indemnity
<b>Value at the beginning of the year</b>	<b>32.782</b>
Increases as a result of changes in the fair value	24.933
Decreases as a result of changes in the fair value	21.154
Total changes	3.779
<b>Value at the end of the year</b>	<b>36.561</b>

The provision consists of the amounts payable at 31/12/2021 to the employees on the company's payroll at that date, net of any advances paid.

#### D)Accounts payable

(article 2427(1)(4) of the Civil Code)

Balance at 31/12/2021	Balance at 31/12/2020	Difference
1.659.849	1.903.440	(243.591)

The balance can be broken down by due date as follows (article 2427(1)(6) of the Civil Code):

	Value at the beginning of the year	Changes in the year	Value at the end of the year	Falling due within one year	Falling due after more than one year
Accounts payable to banks	1.001.421	(201.391)	800.030	334.792	465.238
Accounts payable to third party lenders		3.115	3.115	3.115	
Advances		300.000	300.000	300.000	
Accounts payable to suppliers	814.567	(358.284)	456.283	456.283	
Taxes payable	13.703	313	14.016	14.016	
Accounts payable to social security institutions	21.567	(360)	21.207	21.207	
Other accounts payable	52.183	13.015	65.198	65.198	
<b>Total</b>	<b>1.903.440</b>	<b>(243.591)</b>	<b>1.659.849</b>		

The following table shows a breakdown of the most significant accounts payable at 31/12/2021:

Descrizione	Importo
Intesa San Paolo loan: <i>Euro 299.970 due within 12 mesi</i>	600.030
Payables to other suppliers	373.478
Advances from customers	300.000
Loan from Banco BPM: <i>Euro 38.822 due within 12 mesi</i>	200.000
Invoices to receive	82.804
Payables to employees	61.578
Payables to Inland Revenue for withholding tax	14.016
Payables to social security and welfare institutions	21.207

The balance of "**Due to banks**" as at 31/12/2021, equal to Euro 800,030, including loans payable, expresses the actual debt for principal, interest and accessory charges accrued and payable.

The item "**Advances**" includes customer advances relating to supplies of goods and services not yet carried out.

"**Trade payables**" are recognized net of any commercial discounts; cash discounts, on the other hand, are recognized at the time of payment.

The item "**Tax payables**" only includes liabilities for certain and determined taxes, as the liabilities for taxes are probable or uncertain in the amount or date of occurrence, or for deferred taxes, recorded in item B.2 of the liabilities (Tax provision) .

### Accounts payable secured by collaterals on corporate assets

The following accounts payable are secured by collaterals on corporate assets (*article 2427(1)(6) of the Civil Code*):

	Accounts payable secured by collaterals on corporate assets				Accounts payable not secured by collaterals on corporate assets	Total
	Accounts payable secured by a mortgage	Accounts payable upon pledge	Accounts payable secured by a special lien	accounts payable secured by collaterals on corporate		
Accounts payable to banks					800.030	800.030
Accounts payable to third party lenders					3.115	3.115
Advances					300.000	300.000
Accounts payable to suppliers					456.283	456.283
Taxes payable					14.016	14.016
Accounts payable to social security institutions					21.207	21.207
Other accounts payable					65.198	65.198
<b>Total</b>					<b>1.659.849</b>	<b>1.659.849</b>

### E) Accrued liabilities/Deferred income

Balance at 31/12/2021	Balance at 31/12/2020	Difference
115.868		115.868

	Accrued liabilities	Deferred income	Total
Changes during the year		115.868	115.868
<b>Closing balance</b>		<b>115.868</b>	<b>115.868</b>

This item can be broken down as follows (article 2427(1)(7) of the Civil Code):

Description	Value
Risconti passivi	47.699
Altri di ammontare non apprezzabile	68.169
	<b>115.868</b>

They constitute the adjustment to costs and income calculated on an annual basis. These are mainly the amounts for the credit on investments 4.0 and no 4.0, fully rediscounted as the assets, equal to Euro 41,812.00, have not entered into operation or interconnected, and the deferral of the contribution for Research and Development for Euro 65,946

## Profit and loss account

### A) Revenue

Balance at 31/12/2021	Balance at 31/12/2020	Difference
379.167	255.050	124.117

Description	Balance at 31.12.2021	Balance at 31.12.2020	Difference
From sales and services	54.810	2.499	52.311
Capitalised internal work in progress	208.512	236.591	(28.079)
Other revenues and proceeds	115.845	15.960	99.885
	<b>379.167</b>	<b>255.050</b>	<b>124.117</b>

**Capitalised internal work in progress** refer to the capitalization of research and development costs incurred during the year.

**Other revenues and income** include operating grants for Euro 10,375, the registration of the contribution for SuperACE for Euro 79,821, the contribution for Research and Development for Euro 16,486 (share of the year), contingent assets for Euro 9,157 and other amounts minor.

### Revenue by activity

(Article 2427(1)(10) of the civil code)

Activity	31/12/2021
Sale of products	38.021
Service supplies	16.789
<b>Total</b>	<b>54.810</b>

**Revenue by geographical area**

(Article 2427(1)(10) of the civil code)

Area	31/12/2021
Italia	40.694
Extra-UE	14.116
<b>Total</b>	<b>54.810</b>

The company has entered revenue of an exceptional amount or incidence equal to { } Euros. For more details refer to the specific table shown here below in these Notes to the Accounts.

**B) Expenses**

Balance at 31/12/2021	Balance at 31/12/2020	Difference
1.977.182	1.273.019	704.163

Description	Balance at 31.12.2021	Balance at 31.12.2020	Difference
Raw materials, subsidiary materials and goods	82.703	51.900	30.803
Services	414.884	226.479	188.405
Rent/lease	98.801	83.814	14.987
Salaries and wages	353.055	329.215	23.840
Social security contributions	98.103	102.698	(4.595)
Employees' leaving indemnity	24.933	24.177	756
Other personnel costs	22.008	14.622	7.386
Amortisation of intangible assets	808.113	387.544	420.569
Depreciation of tangible assets	62.459	49.908	12.551
Changes to stocks of raw materials	1.614	(3.504)	5.118
Miscellaneous running costs	10.509	6.166	4.343
	<b>1.977.182</b>	<b>1.273.019</b>	<b>704.163</b>

**Costs of raw materials, subsidiary materials, consumables and goods and costs of services**

They are closely related to the information provided in the Directors' report and to point A (Revenue) of the Profit and loss account.

**Personnel costs**

This item includes all employee costs, including bonuses, promotions, cost-of-living increases, untaken holidays and the provisions made pursuant to the law and the national collective bargaining agreements.

**Depreciation of intangible assets**

As regards the depreciation, it is specified that the same have been calculated:

- expenses on third party assets, on the basis of the service contract in force with Trentino Sviluppo;
- industrial patents on the basis of the residual duration of the patent law.

**Depreciation of tangible assets**

As regards depreciation, it is specified that these have been calculated on the basis of the useful life of the asset and its use in the production phase.

**Miscellaneous running costs**

The item includes membership fees of 5,420 euros, contingent liabilities for 3,405 euros, taxes and duties (not related to taxable income) for 1,073 euros and others of a lesser amount.

**C) Financial income and costs**

Balance at 31/12/2021	Balance at 31/12/2020	Difference
(20.033)	(16.517)	(3.516)

**Financial income**

Description	Balance at 31/12/2021	Balance at 31/12/2020	Difference
Other income	8		8
(Interest and other financial costs)	(20.032)	(16.736)	(3.296)
Exchange gains and losses	(9)	219	(228)
<b>Total</b>	<b>(20.033)</b>	<b>(16.517)</b>	<b>(3.516)</b>

**Other financial income**

Description	Other companies	Total
Bank and postal interest	8	8
	<b>8</b>	<b>8</b>

**Taxes on the income of the period**

Pursuant to article 2427(1)(14) of the civil code, we set out below the required information on deferred tax assets and liabilities: NOT PRESENT

**Employee information**

(article 2427(1)(15) of the Civil Code)

Compared to the previous year the personnel broken down by category has changed as shown below:

Staff	31/12/2021	31/12/2020	Variazioni
Employees	12	11	1
Others	2	2	0
<b>Total</b>	<b>14</b>	<b>13</b>	<b>1</b>

**Remunerations, advances, and credits granted to directors and statutory auditors, as well as commitments assumed on their behalf**

	Directors	Auditors
Remunerations	52.523	34.558

**Information on related-party transactions**

(Article 2427(1)(22-bis) of the civil code)

The company did not carry out any related-party transactions.

**Information on arrangements not disclosed in the balance sheet**

(Article 2427(1)(22-ter) of the civil code)

The company has no agreements in place not disclosed in the balance sheet.

**Significant events occurred after the year-end**

With a communication dated January 31, 2022, Euronext Paris informed the company that the request for listing on the multilateral trading system has been accepted. The admission to exchanges took place on February 16, 2022.

In addition, during the meeting of the Board of Directors on April 13, 2022, the CEO, Emilio Sassone Corsi, resigned from all corporate offices, while the CFO, Guido Massari, remitted the proxies received. The Board of Directors, again in this meeting, has entrusted the powers of both managing directors out of office to the Chairman Francesco Meinardi.

**Information required by the law regarding startups and innovative SMEs**

Following admission to listing, the company lost the innovative start-up requirements and became an innovative SME.

The company meets the following conditions:

- a) it has been in existence and carrying on business for not longer than sixty months;
- b) it is resident in Italy;
- c) starting from the second year of business of the innovative start-up company, its total annual revenue as shown in the latest financial statements approved within six months from the year-end does not exceed 5 million euro;
- d) it does not, nor did it, distribute any profits;
- e) its sole or main corporate objects are the development, manufacture and sale of innovative or high-tech products or services;
- f) it was not incorporated in connection with a merger, demerger or sale of business or business concern.
- g) expenses in research and development, equal to € 208.512, are equal to or greater than three per cent of the higher value between cost and total value of the production of the innovative SME. This sum includes the capitalization of the costs of employees for € 208,512. The cost of research and development does not include expenses for the purchase and leasing of real estate.

**Information pursuant to art. 1, paragraph 125-bis, of law no. 124**

Pursuant to art. 1, paragraph 125-bis, of the Law of 4 August 2017, n. 124, in compliance with the obligation of transparency, it should be noted that grants, contributions, paid positions and in any case economic benefits of any kind from public administrations have been received, for a total of Euro 210,375, as specified

below:

Name of the lender	Tax code of the lender	Amount collected	Collection date	Reason (short description)	Help type	Subject to Publication
Provincia di Trento/Trentino Sviluppo Spa	00123240228	10.375	in tranches	Rovereto rental Non-repayable grant	De minimis	Yes
Banca del Mezzogiorno Medio Credito Centrale	00915101000	200.000	18/01/2021	SME guarantee fund		yes

**210.375**

### Final considerations

These explanatory notes have been prepared in accordance with the provisions of the Civil Code and accounting principles. To comply with the obligations of publication in the Register of Companies, once approved, it will be converted into XBRL format; therefore, some formal changes may be implemented, necessary to make this note compatible with the format for filing.

These financial statements, composed of the balance sheet, profit and loss account and notes, are a true and fair view of the company's state of affairs and economic result for the year and are in accordance with the underlying accounting records.

Dear Shareholders,

we invite you to approve the financial statements at 31.12.2021 as drawn up and to cover the loss for the year 2021 by using the share premium reserve.

Rovereto, 31 May 2022

p. the Board of Directors  
(*Francesco Meinardi*)