

GLASS TO POWER S.p.A.

Financial statements at 31-12-2022

Dati anagrafici	
Headquartered in	VIA FORTUNATO ZENI, 8 - 38068 ROVERETO (TN)
Tax ID Code	09640920964
Rea Code	TN 230875
V.T.A. Code	09640920964
Share Capital Euro	528.812 i.v.
Legal Form	SOCIETA' PER AZIONI (SP)
Main sector of activity (ATECO Code)	RICERCA E SVILUPPO SPERIMENTALE NEL CAMPO DELLE ALTRE SCIENZE NATURALI E DELL'INGEGNERIA (721909)
Company in liquidation	no
Single shareholder company	no
Company subject to the management and coordination activities of others	no
Membership in a group	no

Financial statements at 31/12/2022

Balance Sheet			
Assets		31/12/2022	31/12/2021
A) Accounts receivable from shareholders in respect of unpaid share capital (of which called up)			
B) Fixed assets			
<i>I. Intangible assets</i>			
1) Start-up and expansion costs			462.735
2) Development costs		476.937	1.460.110
3) Industrial patent and intellectual property rights		381.901	650.234
7) Other intangible assets		42.125	60.959
		900.963	2.634.038
<i>II. Tangible assets</i>			
1) Land and buildings			78.683
2) Plant and machinery		82.822	78.683
3) Industrial and commercial equipment		514.401	546.430
4) Other assets		11.518	11.779
		608.740	636.891
Total fixed assets		1.509.703	3.270.929
C) Current assets			
<i>I. Stock</i>			
1) Raw materials, subsidiary materials and consumables		38.768	30.581
		38.768	30.581
<i>II. Accounts receivable</i>			
1) From customers			342.890
- due within the subsequent year	366		
- due beyond the subsequent year			
		366	342.890
5-bis) Tax credits			535.813
- due within the subsequent year	225.311		
- due beyond the subsequent year			
		225.311	535.813
5-quater) Other accounts receivable			42.366
- due within the subsequent year	17.085		
- due beyond the subsequent year	14.784		
		31.869	90.263
		257.547	968.966
<i>IV. Cash-in-hand, cash-at-bank and cash equivalents</i>			
1) Bank and postal accounts		43.761	621.144
3) Cash and cash equivalents		228	309
		43.989	621.453
Total current assets		340.304	1.621.000

D) Accrued income and Prepayments			
		4.583	14.104
Total assets		3.043.960	4.906.033
Liabilities		31/12/2022	31/12/2021
A) Shareholders' equity			
<i>I. Share capital</i>		528.812	528.812
<i>II. Share premium reserve</i>		2.524.943	4.142.991
<i>IX. Loss for the year</i>		(2.951.695)	(1.618.048)
Total shareholders' equity		102.060	3.053.755
B) Provisions for contingent liabilities and charges			
1) Provision for pensions and similar benefits			40.000
Total provisions for contingent liabilities and charges			40.000
C) Employees' leaving indemnity		32.473	36.561
D) Accounts Payables			
3) Shareholders' loans			
- due within the subsequent year	306.600		
- due beyond the subsequent year			
		306.600	
4) Accounts payable to banks			
- due within the subsequent year	341.128		334.792
- due beyond the subsequent year	426.300		465.238
		767.428	800.030
5) Accounts payable to third party lenders			
- due within the subsequent year	910		3.115
- due beyond the subsequent year			
		910	3.115
6) Advances			
- due within the subsequent year			300.000
- due beyond the subsequent year			
			300.000
7) Accounts payable to suppliers			
- due within the subsequent year	509.175		456.283
- due beyond the subsequent year			
		509.175	456.283
12) Tax liabilities			
- due within the subsequent year	7.337		14.016
- due beyond the subsequent year			
		7.337	14.016
13) Accounts payable to social security institutions			
- due within the subsequent year	16.139		21.207
- due beyond the subsequent year			
		16.139	21.207
14) Other accounts payable			
- due within the subsequent year	53.285		65.198
- due beyond the subsequent year			
		53.285	65.198
Total accounts payable		1.660.873	1.659.849

E) Accrued liabilities and deferred income		
	59.184	115.868
Total shareholders' equity and liabilities	1.854.590	4.906.033

Profit and loss account	31/12/2022	31/12/2021
--------------------------------	-------------------	-------------------

A) Revenues		
1) From sales and services	23.032	54.810
4) Capitalised internal work in progress		208.512
5) Other revenues and proceeds:		
- others	334.550	105.470
- contributions toward operating expenses	66.604	10.375
Total revenues	401.154	115.845
	424.186	379.167

B) Expenses		
6) Raw materials, subsidiary materials, consumables and goods	67.155	82.703
7) Services	318.382	414.884
8) Rent/lease	114.664	98.801
9) Personnel costs		
a) salaries and wages	311.895	353.055
b) social contributions	86.005	98.103
c) employees' leaving indemnity	19.932	24.933
d) accruals for pension and similar benefits		
e) other costs	12.296	22.008
	430.128	498.099
10) Amortisation, depreciation and value adjustments		
a) amortisation of intangible assets	826.098	808.113
b) depreciation of tangible assets	67.351	62.459
c) other value adjustments	1.189.370	
d) write-down of accounts receivable recorded among current assets and liquid assets	312.000	
	2.394.819	870.572
11) Changes in raw materials, subsidiary materials, consumables and goods	(8.187)	1.614
12) Accruals to provisions for contingent liabilities and charges		
13) Other accruals		
14) Miscellaneous running costs	42.211	10.509
Total expenses	3.359.172	1.977.182
Difference between revenues and expenses(A-B)	(1.740.366)	(1.598.015)

C) Financial income and costs		
15) Income from shareholdings:		
16) Other financial income:		
d) other income:		
- other income	3	8
		8
	3	8
17) Interest and other financial costs:		
- other financial costs	17.504	20.032
	17.504	20.032

17-bis) Exchange gains and losses	792	(9)
Total financial income and costs	(16.709)	(20.033)
D) Value adjustments of financial assets		
18) Write-ups:	_____	_____
19) Write downs:	_____	_____
Total value adjustments of financial assets		
Result before taxes (A – B ± C ± D ± E)	(2.951.695)	(1.618.048)
20) Taxes on the income for the year: current taxes and deferred tax assets and liabilities	_____	_____
21) Profit (loss) for the year	(2.951.695)	(1.618.048)

Notes to the financial statements at 31/12/2022

Introduction

Dear Shareholders,

these financial statements, submitted to you for your examination and approval, show a loss for the year of Euro (2.951.695).

The financial statements as at 31 December 2022 were drawn up in the perspective of the non-continuity of the company activity, in consideration of the poor performance, at the date of preparation of this document, of the current capital increase resolved on 22.06.2023 for 2 million Euro by the shareholders' meeting, held in extraordinary session.

Pursuant to the provisions of art. 2364, paragraph 2 of the Civil Code, and in compliance with the statutory provisions, the extended deadline of 180 days was used for the approval of the budget. The reasons that justified this delay are the need to evaluate the economic and financial situation in light of important company events that could lead to an important industrial turning point.

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.

However, the management report was also drawn up to offer further information to shareholders.

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.

Training criteria

The financial statements submitted to you are drawn up in abbreviated form as the requirements of the art. 2435 bis, 1st paragraph. However, in order to provide broader and more comprehensive information on the performance of the company's management in the context in which it operates, it was deemed appropriate to accompany it with the Management Report.

The balance sheet values are represented in Euro units by rounding the relative amounts. Any rounding differences have been indicated under the item "Euro rounding reserve" included between the Net Equity items and "roundings from Euro" under the item "extraordinary income and expenses" of the Income Statement.

In cases where compensation is permitted by law (tax credits and debts offset between each other, public contributions recorded as a reduction in the value of the fixed asset, exchange gains and losses indicated in item 17-bis of the Income Statement, prepaid and deferred taxes included in item 20 of the Income Statement), the gross amounts subject to compensation are indicated in the explanatory notes, as required by art. 2423 ter, sixth paragraph of the Civil Code.

The criteria used in the preparation and evaluation of the financial statements closed at 31/12/2022 take into account the changes introduced into the national law by Legislative Decree 139/2015, through which Directive 2013/34/EU was implemented. As a result of Legislative Decree 139/2015, the OIC national accounting standards have been modified.

Drafting principles

(Ref. art. 2423, and art. 2423-bis of the Civil Code)

The evaluation of the balance sheet items was made based on general criteria of prudence and competence, in the perspective of the non-continuity of the company activity.

The application of the principle of prudence involved the individual evaluation of the elements making up the individual items or items of the assets or liabilities, to avoid compensations between losses that had to be recognized and profits not to be recognized as they were not realised.

In compliance with the accrual principle, the effect of the operations and other events was recognized in the accounts and attributed to the financial year to which such operations and events refer, and not to the one in which the related cash movements materialize (collections and payments).

In application of the principle of relevance, the obligations regarding detection, evaluation, presentation and disclosure were waived when their observance had irrelevant effects in order to give a truthful and correct representation.

The use of different evaluation criteria in the preparation of this financial statement represents an element of discontinuity for the purposes of comparability of the 2021 financial statement and previous financial statements.

Evaluation criteria applied

(Ref. art. 2426, first paragraph, Civil Code)

Fixed assets

They are recorded at the historical acquisition cost.

The start-up and expansion costs and company expenses have been entirely written down as there is no prospect of their use in the future.

Industrial patent rights are amortized at an annual rate of 20% based on the residual life of the patent.

Capitalized research and development costs are made up of salaries, wages and other costs relating to personnel engaged in development activities, as well as collaborations with external companies and with the Department of Materials Sciences of the Milan Bicocca University. Partially written down as it is believed that part of the research expenses are unlikely to have future usefulness.

Leasehold improvements are amortized at rates depending on the duration of the service contract.

It is specified that, in the event of the collection of the Contribution approved by the province of Trento, the aforementioned expenses would be proportionally reduced by the relevant amount of the reimbursed contribution. Consequently, the amount of future depreciation may be lower.

Research and development costs were recorded with the consent of the board of auditors.

Tangible fixed assets

They are recorded at purchase or production cost and adjusted by the corresponding depreciation funds.

The depreciation rates, charged to the income statement, were calculated taking into account the use, destination and economic-technical life of the assets, on the basis of the criterion of the residual possibility of use, a criterion which we considered well represented by the following rates, not modified compared to the previous financial year and reduced by half in the year in which the asset came into operation:

Type of asset	% Depreciation
Air conditioning system	15%
Furniture	15%
Electronic office machines	20%
Specific industrial 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

B) Fixed assets

Movimenti delle immobilizzazioni

Viene fornito il dettaglio dei movimenti delle immobilizzazioni, informazioni che verranno meglio definite nel seguito della presente Nota integrativa:

	Intangibles assets	Tangibles assets	Total assets
Opening balance			
Cost	4.196.586	764.224	4.960.810
Depreciation (accumulated depreciation)	1.562.548	127.332	1.689.880
Book value	2.634.038	636.891	3.270.929
Changes during the year			
Increase due to acquisitions	209.283	112.311	321.594
Depreciation for the year	826.098	67.351	893.449
Write-downs carried out during the year	1.116.259	73.111	1.189.370
Total changes	(1.733.075)	(28.151)	(1.761.226)
Closing value			
Cost	4.405.868	876.534	5.282.402
Depreciation (accumulated depreciation)	2.388.646	194.682	2.583.328
Write-downs	1.116.259	73.111	1.189.370
Balance at 31.12.2021	900.963	608.740	1.509.703

Intangible assets mainly include development costs for Euro 476,937, industrial patent rights for Euro 381,901 and incremental expenses on leased third-party assets for Euro 42,125.

Following the change in the criteria for preparing the financial statements, the intangible assets were partially written down.

As already mentioned in the introduction, the installation and expansion costs have therefore been entirely eliminated, while the development costs related to:

- the development of silicon quantum dots, as they are not currently considered useful for future applications;
- to the production of the so-called device, as it is believed that the market to which it refers (photovoltaic glass) has not shown the expected interest, with the current characteristics of the product.

However, the fixed assets linked to the production of CIS type quantum dots were not written down as the current plant produces them of excellent quality, and with good prospects of use in the reference market, given the orders acquired and/or in progress of definition.

Tangible fixed assets mainly include investments made for the construction of the NanoFarm in Rovereto: air conditioning and extraction systems for Euro 82,822, specific industrial equipment for Euro 514,400, office furniture and furnishings and electronic machines for Euro 11,518. In consideration of the change in criteria and the time perspective, the design and development costs of the "self-produced" reactor were also written down by Euro 73,111, as a resumption of development is not foreseeable at this time.

The company decided not to avail itself of the right to suspend the depreciation quotas relating to the 2022 financial year provided for by article 60, paragraphs 7-bis to 7-quinquies of Legislative Decree 104/2020 (converted by Law 126 /2020), as amended by Law 25/2022, converting the legislative decree of 27 January 2022, n. 4, which extended this option to the financial years in progress at 31 December 2021 and 31 December 2022.

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

C) Current assets**II. Accounts receivable**

	Opening balance	Changes during the year	Due within one year	Due after more than one year	Quota scadente oltre l'esercizio
From customers	342.890	(342.524)	366	366	-
Tax credits	535.813	(310.502)	225.311	225.311	-
Other accounts receivable	90.263	(58.394)	31.869	17.085	14.784
Totale	968.966	(711.419)	257.547	242.762	14.784

Break-down of the accounts receivable by geographical area

The following table shows a break-down of the accounts receivable at 31/12/2022 by geographical area (*article 2427(1)(6) of the Civil Code*):

Accounts receivable by geographical area	From customers	Others accounts receivable	Advances on tax payments	Total
Italy	366	31.869	225.311	257.546
Total	366	31.869	225.311	257.546

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.

Credits vs. customers are valued and recorded at their presumed realizable value: the amortized cost criterion was not applied as the effects are irrelevant in order to give a true and correct representation. Please note that, with reference to credits vs. customers, a prudential provision for the Domutopia credit write-down of Euro 312,000 was set aside, based on the age and information gathered on the debtor.

The accounts receivable of a significant amount at 31/12/2022 can be broken down as follows:

Descrizione	Importo
2021 TVA credit asked for refund	65.000
2021 TVA credit reported	65.958
Other tax credit	9.725
Residual R&D 2019 credit	82.432

The item "Other accounts receivable" at 31/12/2022, in an amount of Euro { } can be broken down as follows:

Descrizione	Importo
Advances to suppliers	14.904
Security deposits	14.784

There are no credits expiring beyond 5 years.

Liabilities

A) Shareholder equity

	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	528.812							528.812
Share premium reserve	4.142.991				1.618.048			2.524.943
Others ...								
Retained earnings (loss carryovers)	(1.618.048)				(1.618.048)		(2.951.695)	(2.951.695)
Total	3.053.755				0		(2.951.695)	102.060

During the 2022 financial year the loss for the year 2020 of Euro 1,618,048 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	2.524.943	A,B,C,D
Total	3.053.755	

(*) 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
At the beginning of the prior year	475.397	3.013.633	(1.034.486)	2.454.544
Appropriation of the result for the year				
- Increase	53.415	2.170.585		2.224.000
- Decrease		(1.041.226)	1.034.486	6.740
Result of the prior year			(1.618.048)	(1.618.048)
At the prior year-end	528.812	4.142.991	(1.618.048)	3.053.755
Appropriation of the result for the year				
- loss coverage 2021		(1.618.048)	1.618.048	0
Current year's result			(2.951.695)	(2.951.695)

At the current year-end	528.812	2.524.943	(2.951.695)	102.060
-------------------------	---------	-----------	-------------	---------

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	2.524.943
	2.524.943

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

D) Accounts payable

	Debts not backed by real guarantees	Totale
Accounts payable to shareholders for loans	306.600	306.600
Accounts payable to banks	767.428	767.428
Accounts payable to third party lenders	910	910
Accounts payable to suppliers	509.175	509.175
Taxes payable	7.337	7.337
Accounts payable to social security institutions	16.139	16.139
Other accounts payable	53.285	53.285
Totale debiti	1.660.873	1.720.057

Debts vs. members for loans represents the interest-free shareholder loan disbursed in June 2022 for a duration of one year, expiring on 06.30.2023. As of the drafting date of this document, the loan has not been repaid.

Debts vs. banks, with a maturity of less than 12 months, are represented by the installment of the Intesa San Paolo mortgage, backed by MCC guarantee, expiring in 2023 for Euro 300,000, and by the installment falling due in 2024 for Euro 300,030. The difference represents the residual debt of the Covid-19 loan disbursed in 2020 by Banco BPM for a total of 165,178, of which 38,908 Euros expire within 12 months, and 126,270 Euros beyond 12 months. At the date of preparation of this document, the installment due on 06.30.2023 is unpaid.

Debts vs. suppliers include invoices to be received for Euro 115,675.

Other debts include salaries to be paid for Euro 20,008, debts vs. employees to be paid for Euro 21,910 and debts for items to be paid for Euro 11,224.

There are no debts due beyond 5 years.

Accruals and deferred income

Deferred income refers to the portion of research and development costs.

Profit and loss account

Amount and nature of individual revenue/cost elements of exceptional size or impact

Revenues of exceptional size or impact

(Ref. art. 2427, first paragraph, n. 13, Civil Code)

The company received the following operating grants::

Revenue item	Amount
Contingent assets	300.369
Compensation for damages	5.509
Operating contributions	66.604
Capital contributions	16.486
Totale	388.968

Cost elements of exceptional size or impact

(Ref. art. 2427, first paragraph, n. 13, Civil Code)

Cost item	Amount
Non-deductible contingent liabilities	30.553
Totale	30.553

Supplementary note, other information

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	31/12/2022	31/12/2021	Variazioni
Employees	9	12	-3
Others	0	2	-2
Total	9	14	-5

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

	Directors	Statutory auditors
Remunerations	14.911	44.265

Remunerations, advances, and credits granted to auditors

	Auditors
Remunerations	5.640

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 reference to significant events that occurred after the end of the financial year, please refer to the specific paragraph of the Management Report.

Information relating to derivative financial instruments pursuant to art. 2427-bis of the Civil Code

The company does not have derivative financial instruments.

Own shares and those of parent companies

During the financial year, the company did not own its own shares or shares or quotas of parent companies, including through a trust company or through a third party.

The company did not acquire or sell its own shares or shares of parent companies during the financial year, including through a trust company or third party.

Information pursuant to art. 1, paragraph 125, of law 4 August 2017 n. 124

Pursuant to art. 1, paragraph 125-bis, of Law 4 August 2017, n. 124, in compliance with the obligation of transparency, it is noted that no grants, contributions, paid positions and in any case economic advantages of any kind were received from public administrations

Proposal for the allocation of profits or coverage of losses

The meeting is informed that, with the approval of this financial statement, a result for the 2022 financial year emerges such that the case referred to in the art. 2446/2447 civil code, for the provisions of which please refer to the specific section of the Management Report.

This explanatory note is drawn up in accordance with the provisions of the Civil Code and accounting principles. To comply with the obligations of publication in the Company Register, once approved, it will be converted into XBRL format; therefore, some formal changes necessary to make this note compatible with the filing format could be implemented.

This financial statement, consisting of the balance sheet, income statement and explanatory notes, represents in a truthful and correct manner the equity and financial situation as well as the economic result for the year and corresponds to the results of the accounting records.

Rovereto/Milan, 18 August 2023

p. the Board of Directors

Francesco Meinardi