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Annual Report

Fiscal Year 2021

Drawn up pursuant to article 2428 of the Italian Civil Code

Management Report on the Financial Statements closed on 31/12/2021

Financial year 01/01/2021 to 31/12/2021

Registered office at Piazza Manifattura 1, 38068 ROVERETO TN, Italy
Share capital € 10,000, fully paid-up
Tax ID Code 02284640220
Registered in the Register of Companies of TRENTO **under no.** 02284640220
Economic and Administrative Index no. 213161

Introduction

Dear Shareholders,

The financial statements submitted for your approval are the clearest demonstration of the company’s current position. Based on the figures presented therein, we can express a favourable opinion on the results achieved during the last financial year ended 31/12/2021, which resulted in a profit of €7,366,620.

This report contains a management analysis pursuant to article 2428 of the Italian Civil Code and is intended to provide an overview of the company’s situation and its performance during the year, with a particular focus on costs, revenues and investments.

The Shareholders' Assembly was convened in derogation of the ordinary term of approval, established by article 2364, paragraph 2, of the Italian Civil Code, due to the existence of the following cause for postponement: 'the reorganisation and strengthening of corporate processes and internal control system, necessary as a result of the significant increase in business volumes achieved during the financial year 2021 and expected also for subsequent financial years'.

Please note that the financial statements to 31/12/2021 have been drawn up according to the provisions of the Italian civil code, as well as in compliance with the tax regulations in force.

HISTORY OF THE COMPANY

Energy Srl was born in 2013 as an Innovative Start-up. After spending about a year developing innovative technologies for residential systems, it launched a technical adaptation, marketing and after-market solution for photovoltaic energy storage systems. Its major technical partners are leading producers. These products are partly marketed under OEM brands. Since its foundation, Energy has achieved ambitious growth goals. Since 2020, it has further expanded its product range and introduced some original solutions, including own-brand products (zero CO_2).

GOVERNANCE AND CORPORATE STRUCTURE

The company's mission is to create value for all those directly involved in its activities - customers, employees, shareholders - as well as, ultimately, the related industries, the local community and society as a whole.
This objective is pursued by offering goods/services and solutions that we believe reflect the needs of the market.

The corporate governance structure is based on a traditional organisational model and consists of the following bodies:

- shareholders' assembly, a body that represents the interests of the shareholding structure in general and which is tasked with making the most important decisions for

the life of the company, appointing the board of directors, approving the financial statements and amending the articles of association;
- board of directors, which operates through a chief executive officer;
- statutory auditor.

The board of directors plays a central role in the corporate organisation. It is responsible for setting the strategic and organisational direction and, in pursuing the company's purpose, it has all the powers that are not expressly reserved by law or the articles of association for the shareholders' assembly, in order to provide for the ordinary and extraordinary administration of the company.

The highest managerial responsibilities within the company are assigned to the CEO, according to the powers granted by the Board of Directors.

The company has an internal control system consisting of rules, procedures and an organisational structure intended to monitor:
- the efficiency and effectiveness of business processes;
- the reliability of financial information;
- compliance with laws, regulations, by-laws and internal procedures;
- the safeguarding of company assets.

The organisational structure of the company is divided into different areas - the number of employees refers to 31/12/2021 and stands at 24:
- Production area: consists of a logistics, assembly and warehouse area, with a total of 6 employees.
- Administrative area: consists of a management control and accounting area, with a total of 5 employees.
- Sales area: consists of 5 employees.
- Purchasing area: answers to the CEO and another employee, total of 2 employees.
- Research and Development Area, After Sales Technical Department: answers to the Technical Manager, with a total of 6 employees.

ANALYSIS OF THE COMPANY'S SITUATION, PERFORMANCE AND OPERATING RESULT

Characteristics of the company in general

Context and results

Energy storage systems are essential products for the energy transition from fossil to renewable energy sources and are attracting substantial public and private investments. This market is developing rapidly and has considerable potential due to numerous factors, including (i) increases in energy prices, which will boost the demand for energy storage systems, (ii) the risks of blackouts, (iii) the falling price of lithium-ion batteries and other key technologies, (iv) the complementarity with renewable energy sources, such as wind and solar, which are by nature intermittent, (iv) the increase in the demand for electric vehicles,

(v) public incentive policies for the energy transition (PNRR, Decree-Law 34/2020 so-called "110% Superbonus").

Energy is a first mover on the Italian market and has grown rapidly since its foundation, gaining a substantial share of the national market for energy storage systems.

The year covered by this report was a year in which the Company's business evolved by expanding the range of Energy Storage Systems (ESS) intended for residential use and small and medium-sized commercial or industrial users with the production of larger (Extra Large, XL) systems, based on an Energy Management System (EMS), developed by the Company to allow efficient integration between power converters and batteries.
The growth path outlined in the 2022-2024 Business Plan for the next few years refers to the following strategies: development of the Commercial & Industrial (C&I) market segment, investments in infrastructure capital, expansion of the business in Europe and North America and process optimisation in terms of efficiency.

The strategic development objectives are:

- to internalise of some production activities, also in "Industry 4.0" mode, for greater control of the supply chain;
- to maintain or increase the market share in Italy and increase exports;
- to increase the visibility of the Brand to generate qualified demand.

Significant events during the year

In 2021, the Italian market showed signs of strong recovery after the shock caused by the COVID-19 pandemic. In order to be able to fully benefit from the recovery, the Company strengthened its logistical, financial and human resource capabilities. It also increased the visibility of its brand through advertising initiatives in magazines and portals, both specialised and general.
In March 2022, the Company moved to the new administrative and production headquarters in Sant'Angelo di Piove di Sacco (Padua). This new plant with a total area of 9,185 m^2 is bound by a rent-to-buy contract with a monthly rental cost of €15,000, of which €9,000 is a down payment on the sales price. The option to purchase the building can be exercised in 2024 at an agreed price of €3.6 million.

Market and product data

Prior to illustrating the points required by article 2428 of the Italian Civil Code, some market and product information is provided below.

Final data
An analysis of the data for the last financial year 31/12/2021 shows that turnover has more than doubled and has been accompanied by a more than proportional growth in profits.

Foreign trade data
During the year, 13% of revenues were generated abroad and 87% in Italy. The greater weight of sales in Italy in 2021, compared to the previous year, is consistent with the strategic

decision to intensify commercial relations with distributors operating in the Italian market, although the Company has maintained its position in the foreign markets in which it operates. The change of course in 2021 is justified by the introduction of the incentive measure implemented by the Italian government through the promulgation of Decree-Law 34/2020.

Range of products and services offered
The Company offers two product categories:

- The “Small & Large ESS” category, launched in 2014, consisting of energy storage systems of less than 50 kW (<50 kW ESS) and intended for residential users and small or medium-sized industrial and commercial users (industrial and commercial) with energy storage requirements of up to 50 kW. In this context, the Company carries out system integration activities for small (up to 6 kW) and medium (between 6 and 50 kW) energy storage systems.
- The “Extra Large ESS” category, consisting of energy storage systems of more than 50 kW (50kW+ ESS), launched in the fourth quarter of 2021 for larger industrial and commercial users with energy storage requirements of more than 50 kW. In this area, the Company carries out system integration activities for large energy storage systems (over 50 kW) based on its own Energy Management System and it sold and commissioned two complex units (larger than 1 MWh) during the course of 2021.

The Company offers a “smart” ESS management cloud service, which provides a historical data management service and continuous maintenance of the algorithms. In relation to this, the Company carries out constant research and development and updating activities to improve the services offered and allow the use of new features.

General situation of the company
The financial year 2021 was a year of strong growth for the Company, which recorded considerable results in terms of turnover and profitability, while maintaining a balanced capital structure. The Company financed its growth with operating cash flows generated by operations and resorted to bank debt with short and long-term relationships being established.

The shareholders' equity, consisting of the share capital and reserves set aside in previous periods, amounts to €9,878,264.

Investments in intangible, tangible and financial assets amount to €228,787, mainly due to increases in intangible assets.

Economic, equity and financial situation

The result indicators illustrate the situation, performance and operating result of the company.
The result indicators examined here are mainly of an economic-financial nature (“financial indicators”).
At the end of the analysis of the financial and non-financial indicators, the paragraph entitled “Economic, equity and financial situation according to management plans” presents the balance sheet, net financial position, profit and loss account and a cash flow analysis table for the years 2021, 2020 and 2019, prepared according to a management classification used

by the board of directors to support the economic, equity and financial analysis of the company.

Financial indicators

The term "financial indicators" refers to the indicators that can be extrapolated from the accounts, i.e. any aggregate of significant summary information that can be represented by means of a margin, an index, a quotient, extrapolated from accounting and useful for illustrating the equity, financial, monetary and economic value of the company.
Information on the profitability analysis and the equity-financial analysis are provided below.

Economic, equity and financial situation according to management plans

Shown below are some of the tables used by the board of directors to analyse the equity, economic and financial situation of the company.

Profit and loss account

Year to 31st December *(thousands of €)*	**2021**	%	**2020**	%	**2019**	%	
Revenues from sales and services	51,514	100%	20,295	100%	12,492	100%	
Increases in fixed assets for internal work	39	0%	378	2%	279	2%	
Other revenues and income	189	0%	182	1%	294	2%	
Cost of materials	(38,203)	-74%	(16,183)	-80%	(9,905)	-79%	(1)
Cost of services	(1,918)	-4%	(1,838)	-9%	(1,250)	-10%	
Staff costs	(1,014)	-2%	(687)	-3%	(510)	-4%	
Other costs	(176)	0%	(58)	0%	(151)	-1%	
Gross operating margin	10,431	20%	2,088	10%	1,249	10%	
D&A	(279)	-1%	(253)	-1%	(195)	-2%	
Write-downs	(20)	0%	-	0%	-	0%	
Operating income	10,132	20%	1,835	9%	1,054	8%	
Financial income/(charges)	(173)	0%	(116)	-1%	(127)	-1%	
Result before taxes	9,959	19%	1,719	8%	927	7%	
Taxes	(2,592)	-5%	(381)	-2%	(241)	-2%	
Net profit	7,367	14%	1,338	7%	686	5%	

(1) cost for purchase of materials + change in inventories
(2) cost of rents and leases and other operating expenses

The economic situation shows particularly positive aspects.

The total turnover amounts to €51,514,126, showing a variation of €31,219,233 (+154%) compared to the previous year.

Below is a breakdown of revenues by geographical area, in euro:

	2021		2020	
Italy	44,791,936	87%	10,959,242	54%
EU	5,792,602	11%	9,132,702	45%
Extra EU	929,588	2%	202,949	1%

Below is a breakdown of revenues by product category:

	2021		2020	
Small&Large scale (<50 kW)	50,709,765	98%	20,294,893	100%
Extra Large (>50 kW)	804,360	2%	-	0%

Below is a breakdown of revenues by sales channel:

	2021		2020	
Specialist distributors	21,445,957	42%	10,155,639	50%
VARs	18,127,797	35%	9,392,589	46%
Generalist distributors	8,529,890	17%	107,442	1%
EPCs / Other	3,410,481	6%	639,223	3%

In 2021, the Company concentrated its growth in the Italian market and introduced a new "Extra Large" product category >50 kW. Regarding the type of customers, in 2021 the relative weight of VARs (Value-Added Resellers) decreased, as did that of specialist distributors of photovoltaic material, in favour of generalist distributors of electrical material and EPCs (Engineering Procurement & Construction).

The costs borne by the Company during the financial year 2021, gross of financial charges and taxes, amount to €41,610,389, compared to the financial year 2020 when they amounted to €19,019,888.

Balance sheet

31st December *(thousands of €)*	2021	2020	2019
Intangible fixed assets	549	668	465
Tangible fixed assets	39	21	24
Financial fixed assets	58	27	27
Total fixed assets	646	717	516
Inventories	5,258	4,762	1,844
Receivables from customers	9,729	2,766	724
Payables to suppliers and advances	(1,708)	(1,377)	(507)
Trade working capital	13,279	6,151	2,061
Other receivables and accrued income/prepaid expenses	3,043	608	959
Other payables and accrued liabilities/deferred income	(3,931)	(1,291)	(995)
Net working capital	12,391	5,467	2,025
Employee severance indemnity and other provisions	(305)	(166)	(135)
Invested capital	12,732	6,017	2,405
Shareholders' equity	9,878	2,553	1,215

Net financial debt	2,854	3,464	1,190
Total sources	12,732	6,017	2,405

Total fixed assets as of 31 December 2021 amounted to €645,840, a decrease of €70,680 compared to 31 December 2020, mainly due to the effect of depreciation in the period. Fixed assets mainly consisted of intangible assets recognised in the balance sheet for €548,913 and mainly comprised capitalised development costs of €484,033 as of 31 December 2021.

Trade working capital changed during the year, presenting a result as of 31 December 2021 of €13,278,781, mainly consisting of inventories for €5,257,720, trade receivables for €9,728,798, and trade payables and advances for € -1,707,736. This item increased during the year by €7,128,022, mainly due to the increase in trade receivables as a result of the increase in revenue recorded during the year 2021.

Net working capital as of 31 December 2021 amounted to €12,390,977, up from €5,467,228 as of 31 December 2020. Other payables and accrued expenses/deferred income increased by € 2,639,761 in the year 2021, mainly due to the increase in tax payables for IRES and IRAP as a result of the increase in taxable income for the year. Other receivables and accrued income/receivables increased by €2,435,487, mainly due to the increase in receivables from factors and the increase in IRES advances paid during the year.

Invested capital as of 31 December 2021 amounted to €12,731,919, up €6,714,610 from 31 December 2020. Its change in 2021 compared to net working capital of €304,898 is mainly attributable to the increase in the product warranty provision of €89,000.

Total sources, which amounted to €12,731,918, consist of shareholders' equity and net financial debt of €2,853,657. Net financial debt is made up of current financial debt for €470,075 and non-current bank debts for €2,383,582, compared to the previous year when the two items amounted to €1,714,708 and €1,749,191, respectively. The reduction in net financial indebtedness compared to the previous year, for €610,242, is mainly generated by the operating cash flow for the year for €1,054,130, net of the investments made during the period for €228,787, partially mitigated by the increase in non-current bank payables for €634,391 following the contraction of a new loan.

Net financial position

31st December *(thousands of €)*	**2021**	**2020**	**2019**
Liquid assets	(1,995)	(782)	(1,557)
Current payables to banks	2,465	1,754	2,249
Current payables to other lenders	-	743	370
Current financial debt	470	1,715	1,062
Non-current payables to banks	2,384	1,749	128
Non-current payables to other lenders	-	-	-
Net financial debt	2,854	3,464	1,190

Cash Flow

31st December *(thousands of €)*	**2021**	**2020**	**2019**
Operating income	10,132	1,835	1,054
Income taxes	(2,592)	(381)	(241)
D&A and write-downs	299	253	195
Changes in trade working capital	(7,128)	(4,090)	(165)
Changes in other receivables/(other payables), severance pay and other provisions	343	679	138
Operating cash flow	1,054	(1,703)	980
Investments in tangible, intangible and financial fixed assets	(229)	(454)	(327)
Cash flow before financing activity	825	(2,158)	653
Change in payables to banks and other lenders	602	1,499	764
Financial income/(charges)	(173)	(116)	(127)
Change in shareholders' equity	(42)	0	-
Net cash flow	1,212	(775)	1,290

Liquid assets at the beginning of the year	783	1,558	268
Net cash flow	1,212	(775)	1,290
Liquid assets at the end of the year	1,995	783	1,558

Economic indices

The following table summarises some of the main economic indices used to measure economic performance:

Index description	31/12/2021	31/12/2020
ROE - (Return on Equity)	74.57%	52.42%
ROI - (Return on Investment)	54.25%	20.73%
ROA – (Return on Assets)	49.02%	19.04%
ROS - (Return on Sales)	19.67%	9.04%

Comment on the indices shown above:
an evolution that indicates an overall improvement of all the main indicators shown is the result of careful company management in a favourable market. The concurrent increase in the profitability of assets, sales and consequently capital and equity demonstrates how Energy's employees, management and directors have been able to interpret strategic choices wisely, combining effectiveness and efficiency. It should be noted that in the year under review there were no significant fixed capital investments, keeping the structure light and adapting it to the needs of the market, saturating its production capacity. 2021 was therefore a preparatory step towards a subsequent "evolutionary leap forward".

ROE - (Return on Equity)

The summary indicator of a company's profitability is the ROE and is defined by the ratio between:

Net result for the year
Equity

It represents the percentage remuneration of the share capital attributable to the shareholders (own capital). It is an indicator of the company's overall profitability, resulting from the combination of characteristic, ancillary, financial and tax management operations.

ROI - (Return on Investment)

The ROI is defined as the relationship between:

Net operating margin
Operating capital invested

It indicates the profitability of the company’s operations, measuring the company's ability to generate profits in the transformation of inputs into outputs.

ROA - (Return on Assets)

It is defined as the relationship between:

Net operating margin
Total assets

The ROA indicates the company’s ability to achieve a flow of income from its activities.

ROS - (Return on Sales)

The ROS is defined as the relationship between:

Net operating margin
Revenue

It is the most widely used indicator to analyse the operational management of the entity or sector and consists of the percentage of revenue represented by the net operating margin. In essence, it indicates the incidence of the main production factors (materials, personnel, depreciation, other costs) on turnover.

EBITDA reconstruction

Year to 31st December *(thousands of €)*	**2021**	**2020**	**2019**
Net profit	7,367	1,339	686
Taxes	2,592	381	241
Financial income/(charges)	148	116	127
EBIT	10,106	1,835	1,054
EBIT %	20%	9%	8%
D&A and Write-downs	299	253	195
EBITDA	10,406	2,088	1,249
EBITDA %	20%	10%	10%

EBITDA is defined as: earnings for the year, adjusted for the following components: (i) income taxes for the year, (ii) financial items and (iii) depreciation and amortisation of tangible and intangible assets, impairments and other provisions.

Equity-financial analysis

To verify the company's ability to meet its commitments, one has to examine its financial solidity and solvency. To this end, it is advisable to re-read the statutory Balance Sheet applying a "financial" logic. The balance sheet reclassified according to financial criteria is shown below:

Financial Balance Sheet

Intangible fixed assets	548,914	Share capital	10,000
Tangible fixed assets	38,646	Reserves	21,316
Financial fixed assets	58,2814	Profits/losses	9,846,945
Fixed assets	**645,841**	**Own funds**	**9,878,264**
Warehouse	5,257,720		
Deferred liquidities	12,126,053		
Immediate liquidities	1,994,615		
Current assets	**20,024,229**	**Consolidated liabilities**	**2,688,478**
		Current liabilities	**8,103,328**
Capital invested	**20,670,070**	**Financing capital**	**20,670,070**

Solidity indicators

The equity soundness analysis aims to study the company's ability to maintain financial balance in the medium to long term.
This ability depends on:

- methods used to finance medium-long term loans;
- composition of funding sources

With reference to the first aspect, considering that the recovery time of the loans must be "logically" correlated to the recovery time of the sources, the indicators considered useful to show this correlation are the following:

Index description	31/12/2021	31/12/2020
Structure margin	9,232,423	1,836,890
Self-hedging of fixed capital	15.30	3.56
Medium- and long-term net working capital	11,920,901	3,752,521
Fixed capital hedging index	19.46	6.24

The structure margin is a correlation indicator that is calculated as the difference between:

Equity - Fixed assets

The self-hedging of fixed capital is calculated as the correlation ratio between:

$$\frac{\text{Equity}}{\text{Fixed assets}}$$

The medium and long-term net working capital is a correlation indicator that is calculated as the difference between:

(Equity + Consolidated liabilities) – Fixed assets

The fixed capital hedging index capital is calculated as the correlation ratio between:

$$\frac{\text{Equity + Consolidated liabilities}}{\text{Fixed assets}}$$

As regards the composition of the sources of funding, the useful indicators are the following:

Index description	31/12/2021	31/12/2020
Total debt ratio	1.09	2.77
Financial debt ratio	0.49	1.37

The total debt ratio is calculated as the correlation ratio between:

$$\frac{\text{Consolidated liabilities + Current liabilities}}{\text{Equity}}$$

The financial debt ratio is calculated as the correlation ratio between:

$$\frac{\text{Financing liabilities}}{\text{Equity}}$$

Solvency (or liquidity) indicators

The purpose of the liquidity analysis is to study the ability of the company to maintain financial equilibrium in the short term, i.e., to face the expected short-term outflows (current liabilities) with the existing liquidity (immediate liquidity) and the expected revenues in the short term (deferred liquidity).
Considering that the recovery time of the loans must be "logically" correlated to the recovery time of the sources, the indicators considered useful to show this correlation are the following:

Index description	31/12/2021	31/12/2020
Current assets minus current liabilities	11,920,901	3,752,521
Current ratio	2.47	1.73
Liquidity margin	6,017,340	-1,009,481
Cash ratio	1.74	0.80

The **current assets minus current liabilities** figure is a correlation indicator that is calculated as the difference between:

Current assets - Current liabilities

The **current ratio** is calculated as the correlation ratio between:

$$\frac{\text{Current assets}}{\text{Current liabilities}}$$

The **liquidity margin** is a correlation indicator that is calculated as the difference between:

(Deferred liabilities + Immediate liabilities) - Current liabilities

The **cash ratio** is calculated as the correlation ratio between:

$$\frac{\text{(Deferred liabilities + Immediate liabilities)}}{\text{Current liabilities}}$$

Cash flow statement of movements in liquid assets

Fundamental information for assessing the financial situation of the company (including liquidity and solvency) is provided by the cash flow statement.
In compliance with the provisions of articles 2423 and 2425-ter of the Italian Civil Code, the financial statements include the cash flow statement in which the positive or negative changes in the liquid assets that occurred during the current year and the previous year are presented. In particular, it provides information about:

- liquid assets produced and absorbed by operating, investment and financing activities;
- methods of use and hedging of liquid assets;
- the company's ability to address short-term financial commitments;
- self-financing capacity of the company.

The dynamics of the liquidity highlight the predominance of commercial net working capital over the other financial flow items. Its variation is essentially determined by the dynamics of receivables and payables, which largely absorbs the flow generated by EBITDA. The higher purchase volumes compared to 2020, driven by the business, were characterised by an overall amount of advances on supplies which depressed the compensatory effect of the trade debt. In total, the cash flow from operations is in any case positive by €1,054,130, with the final result generating liquidity of €1,212,283.

Notice regarding operations to suspend the payment of instalments of medium/long-term loans pursuant to Law no. 102 of 3/8/2009 (Common notice - debt moratorium)

As of the 2020 financial year, the company took up the option to suspend payment of the full instalments due on a loan of €200,000. The suspension ended during the 2021 financial year (30.06.2021).

Information about the main risks and uncertainties

In this part of this report, in compliance with the provisions of article 2428 of the Italian Civil Code, the undersigned intend to state the potential risks, i.e. events that might, potentially, negatively affect the pursuit of the corporate objectives and which therefore hinder the creation of value.
Identifying and managing risks is strategically important for protecting, maintaining and improving the company's value over time.

FINANCIAL RISKS

Credit risk

Credit risk represents the Company's exposure to the risk of potential losses resulting from non-fulfilment of the obligations assumed by counterparties.
Trade receivables in the financial statements are shown net of the provision for bad debt. This value is believed to give a correct representation of the estimated realisable value of the same. There are no particular risks deriving from any concentration of receivables. The new customers gained in 2021 have a good credit rating. In general, an examination of the overall rating of Energy's trade receivables, in March 2022, revealed an average risk level below the national average.

Liquidity risk

Liquidity risk is the danger of the financial resources available to the Company being insufficient to meet the financial and commercial obligations within the pre-established terms and deadlines.
The financial structure that the administrative body has established with the banking and financial institutions has allowed the company to regularly meet its financial needs, and to continue to do so in future. The cash flows generated by the Company in addition to the financial resources that can be provided by the banking system are sufficient to meet foreseeable ordinary financial needs, therefore there is no liquidity risk.
In order to stabilise the expected cash flows of an “underlying cost”, consisting of the variable interest rate paid on financial debt, the Company has put in place derivative financial instruments for hedging purposes.

Exchange risk

Exchange rate risk can be defined as the set of effects on economic and financial results arising from the fluctuations undergone by the various currencies other than the euro that companies operating in foreign markets have to face.
The main aim of the Company is to protect the profit margin on its sales and purchases from external factors.
Considering the limited value of sales and purchases in currencies other than the euro, this risk is considered not to be significant. The Company constantly monitors the risks that may arise from the exchange rate risk in order to be able to promptly adopt the necessary management tools to reduce the risk itself.

OPERATING RISKS

Dependence on suppliers

The Company mainly uses long-term technological and production partnerships with selected suppliers, with whom it has established lasting and profitable relationships for both parties. This strategic choice also resulted in the Company having a competitive advantage on the market during 2021. Naturally, these de facto alliances expose Energy to a certain degree of risk, as the termination, for any reason, or the occurrence of critical issues in the supply relationships could negatively affect the business. Even though the probability of this occurring is considered to be low, demonstrating the strategic importance of the partnerships in 2022, the Company has undertaken and will continue to undertake mitigation measures in this respect, both on the supplier portfolio and in acquiring the skills and processes needed to reduce the degree of dependence or to reduce recovery times if necessary.

Key management figures
It is in the nature of SMEs to be particularly bound to the small number of managers and directors who have determined their fate since they first came into existence. The Company is aware of the consequences of any interruption of relations with these individuals who have determined its success. With this in mind, it has undertaken a process extending the management, creating teams and setting up business processes to reduce dependence on historical figures.

Economic situation and COVID-19
During 2021 (and in the first part of 2022), some tensions occurred along the supply chain upstream of the Company which temporarily impacted on the business, and which also highlighted the good resilience of the Company, as can in any case be seen from the economic and financial results achieved. The main pressures that the economic situation and COVID-19 have placed on Energy's business include but are not limited to: changes in external demand for the components needed for its products, the rising price of some raw materials, partial supply interruptions, slow-downs in maritime transport, the general effects of the restrictions linked to the pandemic, inflationary effects in general. Faced with these pressures, the Company has been able to react promptly, mitigating their effects, and is implementing some medium-term measures to contain the impact that these external factors may have on business continuity.

Geopolitical risks
Geopolitical tensions related to relations between NATO and other emerging hegemonic blocs (Russia, China) can have an impact on relations between international companies, both through restrictive regulatory actions and as a result of the macroeconomic effect on the markets of interest to the Company. In particular, however, the former USSR bloc is not a significant market for Energy, nor a strategic territory for procurement. However, the issue of relations with China, from which most of the supplies come, appears much more relevant. For this reason, the Company has set up a development programme consistent with a scenario of complex relations between the EU/US and China, in order to reduce the negative impacts and leverage the potential opportunities that may arise from a geopolitical structure of this nature.

Cyber Security Risk
The Company is exposed to the cyber security risk due to the increasing use of computer systems and the spread of digitisation processes. The consequences of this risk could be loss of data, business interruptions or breaches of privacy.
Although the Company is not particularly exposed to this risk, it is nevertheless engaged in a constant activity of strengthening its IT systems, constantly implementing security procedures, training personnel and protecting its IT infrastructure with ad hoc measures.

Information about environmental management

The Italian Civil Code requires that, in addition to being consistent with the size and complexity of the company's business, the analysis of the operating situation and performance also contains "*to the extent required to understand the company's situation and performance and the operating result, the financial result indicators and, if necessary, the non-financial indicators relevant to the specific activity of the company, including information relating to the environment and personnel*" (article 2428, paragraph 2).

As can be seen from the above provision, the Italian Civil Code requires directors to assess whether or not additional information on the environment can contribute to understanding the company's situation.
In view of the above, the board of directors believes it can omit the information in question as it is not currently significant and is not believed to contribute to understanding the company's situation and the operating result. This information will be provided whenever there are concrete, tangible and significant environmental impacts, such as to generate potential financial and income consequences for the Company.

Information about relations with the staff

The information provided here is intended to illustrate the relationship between the company and the people it employs.
During 2021 there were 2 voluntary resignations - 1 technical employee (internship, stage), 1 laboratory technician (permanent contract) - and 10 net hirings in total, from 14 to 24 people. By the end of the year, the number of employees had therefore increased by 9, from 14 to 23. Two temporary warehouse workers were employed for about 12 man-months in total - these people then joined the employees in 2022. The gender at the end of the year shows a balance of 30% women and 70% men. Given the small amount of manufacturing activities that took place, the nature of the contracts was above all clericals. With the exception of 1 fixed-term contract (expiring November 2022) and 2 apprenticeship contracts, all the other employees are employed on a permanent basis.

Overall, the employees benefited from 85 hours of training, which covered safety, marketing, lean and agile methods, digitalisation. Further training activities were provided in on-the-job coaching mode.

In relation to Safety and Health at Work, there were no accidents. The Risk Assessment Document was updated in 2021 and all the safety documentation will be updated in 2022 for the new operational headquarters in Sant'Angelo di Piove di Sacco (PD).

Research and Development

The constant effort to predict how the market is going to evolve led us, even in the years prior to 2021, to start a multi-year research project to develop larger storage systems made of modular elements that can be systematised.
In 2921, this project achieved concrete results, allow the company's commercial proposal to be expanded beyond residential applications.
Large storage systems can be used by condominiums, commercial and industrial buildings, public buildings or energy utility systems.

The investments required were mostly in human resources, software, hardware equipment, laboratory equipment.

To implement the above research project, the Company incurred "eligible" costs to qualify for the tax credit for research, development, technological innovation activities pursuant to article 1, paragraphs 198-209 of Law 160/2019, as amended and supplemented by article 1,

paragraph 1064, letters a) - h) of Law 178/2020. The company intends to make use of the tax credit for the 2021 costs as well.
The costs related to the development of capitalised products during the year amounted to €38,790.
The expenses incurred allowed benefits to be achieved in terms of new products, cost savings and organisational efficiency that significantly exceeded the costs incurred.
These costs relate to a clearly defined project for which the Company has already obtained benefits in the 2021 financial statements.

Transactions with related parties

The company is not part of any corporate group nor is it the parent company of any corporate chain with a controlling interest or connection.
The Company does not own any shareholdings.
The only stake held by the company was sold during 2021.
The Company does not own, directly or indirectly, any own shares and shares or stakes in parent companies, and has never held any, not even through a trust company or intermediary.
There are no relations between the Company and individuals related to the Company except for the remuneration of two directors-founders of the Company, as employees. As directors, they received remuneration amounting to €370,195, while their remuneration as employees amounted to €278,760 (company cost), for a total of €648,955.

Business outlook

As regards the future of our company, we believe it is appropriate to inform you of the following aspects to illustrate the main direction of our actions over the coming months.
First of all, we should note the transfer, starting from March 2022, to the new and larger administrative and production site in Sant'Angelo di Piove di Sacco (Padua).
In light of market developments, and the presumable increase in competition in our sector, we believe it is more than ever appropriate to strengthen expansion abroad and our presence in channels dedicated to the development of the "Extra Large ESS" business, while maintaining our market share in the "Small&Large ESS" segment.
The aim is to offer our product even in geographical areas where our current presence is only sporadic.
Furthermore, the board of directors intends to establish a new production policy, based on a greater share of internal production thanks to the industrialisation of assemblies. To this end, there is a plan to move to a new location in the first half of 2022.

Secondary offices

In addition to the registered office, our company also has an operational office. The details are shown in the following list:

- in Sant'Angelo di Piove di Sacco, PD (new office from 2022) – Via Zona Industriale, 8/10
- in Vigonovo (VE) – fraz. Galta – Via Seconda Strada, 26 (operational until the transfer to the new office)

Result for the year

As regards the allocation of the profit for the year, the directors intend to carry forward the profit for 2021 of €7,366,620.
Based on the information that has been provided, we invite you to approve the financial statements to 31/12/2021 and the proposed allocation of the profit as stated above.

Place and date
Rovereto, 19/05/2022

FOR THE BOARD OF DIRECTORS
The Chairman GHIRLANDA MASSIMILIANO

FINANCIAL STATEMENTS

General information about the company

Details

Name:	ENERGY SRL
Registered office:	Piazza Manifattura 1 ROVERETO 38068 TN Italy
Share capital:	€10,000.00
Share capital fully paid-up:	Yes
Chamber of Commerce No.:	TN
VAT No.:	02284640220
Tax ID code:	02284640220
Economic & Administrative Index No.:	213161
Legal form:	LIMITED LIABILITY COMPANY
Main business sector (ATECO):	466920
Company in liquidation:	No
Sole shareholder company:	No
Company subject to management and coordination by others:	No
Name of the company or body in charge of management and coordination:	
Membership of a group:	
Name of the parent company:	
Country of the parent company:	
Registration number in the register of cooperatives:	

Balance sheet

	31-12-2021	31-12-2020
Balance sheet		
Assets		
B) Fixed assets		
I - Intangible fixed assets		
1) start-up and expansion costs	0	0
2) development costs	484,033	619,361
3) industrial patent rights and rights to use intellectual property	60,191	14,834
4) concessions, licenses, trademarks and similar rights	4,690	5,471
7) others	0	28,227
Total intangible fixed assets	548,914	667,893
II - Tangible fixed assets		
2) plant and machinery	42	78
3) industrial and commercial equipment	15,771	6,195
4) other assets	22,833	15,160
Total tangible fixed assets	38,646	21,433
III - Financial fixed assets		
1) equity investments in		
d-bis) other companies	0	12,500
Total holdings	0	12,500
2) receivables		
d-bis) from others		
due within the next financial year	340	2,214
due beyond the next financial year	57,941	12,480
Total receivables from others	58,281	14,694
Total receivables	58,281	14,694
Total financial fixed assets	58,281	27,194
Total fixed assets (B)	645,841	716,520
C) Current assets		
I - Inventories		
1) raw, ancillary and consumable materials	0	0
4) finished products and goods	5,257,720	4,762,002
Total inventories	5,257,720	4,762,002
II - Receivables		
1) from customers		
due within the next financial year	9,728,798	2,765,987
Total receivables from customers	9,728,798	2,765,987
5-ii) tax receivables		
due within the next financial year	443,587	240,205
due beyond the next financial year	16,663	-
Total tax receivables	460,250	240,205
5-iii) prepaid taxes	62,117	-
5-iv) from others		
due within the next financial year	2,453,788	333,575
Total receivables from others	2,453,788	333,575
Total receivables	12,704,953	3,339,767
III - Financial assets that are not fixed assets		
5) active derivative financial instruments	14,779	-
Total financial assets that are not fixed assets	14,779	-
IV - Liquid assets		
1) bank and post office deposits	1,994,571	782,288
3) cash and cash equivalents	44	43
Total liquid assets	1,994,615	782,331
Total current assets (C)	19,972,067	8,884,100
D) Accruals and deferrals	52,162	33,830
Total assets	20,670,070	9,634,450

Liabilities		
A) Shareholders’ equity		
I - Share capital	10,000	10,000
IV - Legal reserve	4,874	4,874
VI - Other reserves, indicated separately		
Extraordinary reserve	5,210	5,210
Payments for future capital increase	0	-
Capital contributions	0	53,000
Various other reserves	3	1
Total other reserves	5,213	58,211
VII - Reserve for expected cash flow hedging transactions	11,232	-
VIII - Profits (losses) carried forward	2,480,325	1,141,907
IX - Profit (loss) for the year	7,366,620	1,338,418
Total shareholders’ equity	9,878,264	2,553,410
B) Provisions for risks and charges		
2) for taxes, including deferred	3,547	112
4) others	149,000	60,000
Total provisions for risks and charges	152,547	60,112
C) Employee severance indemnity	152,351	106,328
D) Payables		
4) payables to banks		
due within the next financial year	2,464,690	1,753,995
due beyond the next financial year	2,383,582	1,749,191
Total payables to banks	4,848,272	3,503,186
5) payables to other lenders		
due within the next financial year	0	743,044
Total payables to other lenders	0	743,044
6) advances		
due within the next financial year	632,393	114,623
Total advances	632,393	114,623
7) payables to suppliers		
due within the next financial year	1,075,343	1,262,607
Total payables to suppliers	1,075,343	1,262,607
12) tax payables		
due within the next financial year	3,392,998	881,390
Total tax payables	3,392,998	881,390
13) payables to welfare and social security institutions		
due within the next financial year	72,365	59,796
Total payables to welfare and social security institutions	72,365	59,796
14) other payables		
due within the next financial year	420,544	340,662
Total other payables	420,544	340,662
Total payables	10,441,917	6,905,309
E) Accruals and deferrals	44,993	9,292
Total liabilities	20,670,070	9,634,450

Profit and loss account

	31-12-2021	31-12-2020
Profit and loss account		
A) Value of production		
1) revenues from sales and services	51,514,126	20,294,893
4) increases in fixed assets for internal work	38,790	377,915
5) other revenues and income		
operating grants	54,852	128,601
Others	134,578	53,277
Total other revenues and proceeds	189,430	181,878
Total value of production	51,742,346	20,854,687
B) Production costs		
6) for raw, ancillary and consumable materials and goods	38,698,402	19,100,494
7) for services	1,868,134	1,825,519
8) for use of third-party assets	37,696	27,622
9) for staff		
a) wages and salaries	801,186	527,656
b) social security contributions	200,133	130,497
C) severance indemnity	53,219	35,188
e) other costs	9,350	6,488
Total staff costs	1,063,888	699,829
10) depreciation and write-downs		
a) depreciation of intangible fixed assets	269,245	244,364
b) depreciation of tangible fixed assets	10,143	9,071
c) other fixed asset write-downs	20,079	-
Total depreciation and write-downs	299,467	253,435
11) changes in inventories of raw, ancillary and consumable materials and goods	(495,717)	(2,917,511)
13) other provisions	89,000	-
14) various management charges	49,518	30,501
Total production costs	41,610,388	19,019,888
Difference between value and costs of production (A - B)	10,131,958	1,834,799
C) Financial income and charges		
16) other financial income		
d) income other than the above		
Others	117	117
Total income other than the above	117	117
Total other financial income	117	117
17) interest and other financial charges		
Others	156,074	107,253
Total interest and other financial charges	156,074	107,253
17-ii) exchange gains and losses	(17,377)	(8,730)
Total financial income and charges (15 + 16 - 17 + - 17-ii)	(173,334)	(115,866)
Result before taxes (A - B + - C + - D)	9,958,624	1,718,933
20) Income taxes for the year, current, deferred and prepaid		
current taxes	2,654,233	413,537
Taxes relating to previous years	-	(33,022)
deferred and prepaid taxes	(62,229)	-
Total income taxes for the year, current, deferred and prepaid	2,592,004	380,515
21) Profit (loss) for the year	7,366,620	1,338,418

Cash flow statement, indirect method

	31-12-2021	31-12-2020
Cash flow statement, indirect method		
A) Cash flows from operating activities (indirect method)		
Profit (loss) for the year	7,366,620	1,338,418
Income taxes	2,592,004	380,515
Interest payables/(receivable)	93,813	95,871
(Capital gains)/Losses from the sale of assets	12,450	-
1) Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses on disposal	10,064,887	1,814,804
Adjustments for non-monetary items with no net working capital counterpart		
Provisions to funds	89,000	-
Depreciation of fixed assets	279,388	253,435
Write-downs for permanent losses in value	20,079	-
Other upward/(downward) adjustments for non-monetary items	53,219	35,188
Total adjustments for non-monetary items with no net working capital counterpart	441,686	288,623
2) Cash flow before changes in net working capital	10,506,573	2,103,427
Changes in net working capital		
Decrease/(Increase) in inventories	(495,718)	(2,917,511)
Decrease/(Increase) in trade receivables	(6,962,811)	(2,042,314)
Increase/(Decrease) in trade payables	(187,264)	781,082
Decrease/(Increase) in accrued income and prepaid expenses	(18,332)	(2,074)
Decrease/(Increase) in accrued liabilities and deferred income	35,701	2,615
Other decreases/(Other increases) in net working capital	(1,459,125)	564,235
Total changes in net working capital	(9,087,549)	(3,613,967)
3) Cash flow after changes in net working capital	1,419,024	(1,510,540)
Other adjustments		
Interest received/(paid)	(93,813)	(95,871)
(Income taxes paid)	(413,537)	(209,022)
(Use of funds)	3,547	-
Other collections/(payments)	(7,196)	(3,850)
Total other adjustments	(510,999)	(308,743)
Cash flow from operating activities (A)	908,025	(1,819,283)
B) Cash flows deriving from investment activity		
Tangible fixed assets		
(Investments)	(27,356)	(6,670)
Intangible fixed assets		
(Investments)	(170,345)	(447,683)
Financial fixed assets		
(Investments)	(31,087)	-
Divestments	(12,450)	-
Non-fixed financial assets		
(Investments)	(14,779)	-
Cash flow from investment activities (B)	(256,017)	(454,353)
C) Cash flows deriving from financing activity		
Third-party means		
Increase/(Decrease) in short-term payables to banks	710,695	(647,250)
Opening of loans	63,4391	2,145,969
(Repayment of loans)	(743,044)	-
Own funds		
Capital increase by payment	-	2
(Repayment of capital)	(41,766)	-
Cash flow from financing activities (C)	560,276	1,498,721
Increase (decrease) in liquid assets (A ± B ± C)	1,212,284	(774,915)
Liquid assets at the beginning of the year		

Bank and post office deposits	782,288	1,556,948
Cash and cash equivalents	43	298
Total liquid assets at the beginning of the year	782,331	1,557,246
Liquid assets at the end of the year		
Bank and post office deposits	1,994,571	782,288
Cash and cash equivalents	44	43
Total liquid assets at the end of the year	1,994,615	782,331

Explanatory Notes, initial part

Introduction

The financial statements for the year ended 31/12/2021, drawn up in compliance with the rules contained in articles 2423 *et seq.* of the Italian Civil Code, interpreted and supplemented by the accounting principles issued by the Italian accountancy standards body *Organismo Italiano di Contabilità* (the "OIC accounting principles"), consists of the following documents: Balance Sheet, Profit & Loss Account, Cash Flow Statement and Explanatory Notes.
The Cash Flow Statement presents the changes in liquid assets, positive or negative, that occurred during the year and was drawn up by the indirect method, using the scheme provided in the OIC 10 accounting standard.
These financial statements have been prepared taking into account the regulatory changes introduced by Legislative Decree 139/2015, applicable from the 2016 financial year, and the resulting update to the OIC accounting standards.
The corresponding values as at 31 December 2020 are stated for each item of the Balance Sheet, Profit & Loss Account and Cash Flow Statement. If the items are not comparable, those relating to the previous year have been adapted, commenting on any relevant circumstances in the Explanatory Notes.
The Balance Sheet, Profit & Loss Account and Cash Flow Statement have been drawn up in units of Euro, without decimal figures, while the values shown in the Notes are expressed in thousands of Euro, unless otherwise specified.
If the information required by specific legal provisions is not sufficient to give a truthful and correct representation, additional information deemed necessary for the purpose is provided.
Any significant events that occurred after the end of the financial year and the proposed use of the results for the financial year are set out in the relevant paragraphs of these Explanatory Notes.
If the effects of fulfilling the recognition, evaluation, presentation and disclosure obligations are not relevant to giving a truthful and correct representation, they will not be implemented and this failure to comply will be highlighted in the rest of these explanatory notes.
The reference to tax laws relates to the provisions of the Consolidated Income Tax Law (*Testo unico delle imposte sui redditi - TUIR*), Presidential Decree 917/1986, as amended and supplemented.
These Explanatory Notes have been drawn up in compliance with the requirements of the XBRL taxonomy currently in force.

Drafting principles

General principles for drafting the financial statements

Pursuant to article 2423, paragraph 2, of the Italian Civil Code, these financial statements provide a clear, truthful and correct representation of the equity and financial situation of the company and the financial result for the year. The following general principles were applied in drafting the financial statements:

- a prudent valuation was made of all the items. The elements making up the individual asset and liability items were valued separately, to prevent any capital gains in some elements offsetting the losses in others. To this end, only the profits made as of the closing date of the financial year have been stated, while the risks and losses pertaining to the financial year have been recognised even if they only became known after the closing date; furthermore, there are no diverse elements included in the individual items;
- the items are recognised and presented taking into account the substance of the transaction or contract; in other words, the correctness of the posting or deletion of equity and financial elements has been ascertained by comparing the accounting principles with the rights and obligations arising from the contractual terms of the transactions;
- the income and charges for the year have been recorded regardless of the date of collection or payment. Accrual is the criterion by which the positive and negative income have been posted to the profit and loss account for the purpose of determining the result for the year. It should be noted that costs are related to income for the year;
- the components of the financial statements have been valued in compliance with the principle of "consistency of the valuation criteria", that is to say that the valuation criteria used are identical to those used in the previous year, except for any necessary exceptions made to ensure a truthful and correct representation of company data;

- the relevance of the individual elements that make up the items in the financial statements was judged in the overall context of the financial statements, taking into account both qualitative and quantitative elements;
- the comparability of the balance sheet items over time was taken into account; therefore, for each item of the balance sheet and profit and loss account, the amount of the corresponding item of the previous year has been shown, except in exceptional cases of incomparability or unadaptability of one or more items. If the items are not comparable, those relating to the previous year have been adapted, commenting on any relevant circumstances in the Explanatory Note;

The structure of the Balance Sheet and Profit & Loss Account is the following:

- the Balance Sheet and the Profit & Loss Account reflect the provisions of articles 2423-ter, 2424 and 2425 of the Italian Civil Code;
- the items in the balance sheet and profit & loss account have been posted in accordance with the principles of articles 2424-bis and 2425-bis of the Italian Civil Code.

The Cash Flow Statement has been drawn up in accordance with article 2425-ter of the Italian Civil Code and in compliance with the provisions of accounting standard OIC 10 “Cash flow statement”.

The Explanatory Note, drawn up in compliance with articles 2427 and 2427-bis of the Italian Civil Code and provisions of the Italian Civil Code other than the previous ones, as well as in compliance with specific laws other than the above, also contains all the complementary information deemed necessary to provide a true and correct representation of the economic, financial and equity situation, even if it is not required by specific legal provisions.
In relation to the provisions of article 2423-ter, sixth paragraph, of the Italian Civil Code, it is specified that no offsets permitted by law have been made.
Pursuant to article 2423-bis, paragraph 1, no. 1, of the Italian Civil Code, the valuation of the balance sheet items was carried out according to the going concern principle, while also taking into account an assessment of the effects that the Covid-19 pandemic and, from February 2022, the war in Ukraine, have had on the national and global economy. There were no negative impacts, as shown by the stability of the year's revenues, which have not fallen but grown significantly compared to 2020.

Exceptional cases pursuant to article 2423, paragraph 5, of the Italian Civil Code

There are no exceptional cases in these financial statements involving use of the exception referred to in the fifth paragraph of article 2423.

Correction of material errors

No significant errors were found during the year covered by this financial statement.

Valuation criteria applied

The valuation criteria adopted are those specifically provided for in article 2426 and in the other provisions of the Italian Civil Code.
For valuation of specific cases not expressly regulated by the aforementioned rules, the national accounting standards prepared by the *Organismo Italiano di Contabilità* (OIC) have been used.

Intangible fixed assets

Intangible fixed assets are recognised at their purchase or production cost and are shown net of depreciation and any write-downs. The purchase cost also includes ancillary costs. The production cost includes all directly attributable costs and the reasonably attributable portion of other costs related to the production period, up to the moment when the fixed asset can be used.

Deferred charges, which include start-up and expansion costs and development costs, are recognised when their future usefulness is demonstrated, there is an objective correlation with the relative future benefits that the company will enjoy and their recoverability can be estimated with reasonable certainty.
Intangible assets, consisting of patent rights, rights to use intellectual property, licenses and software, are recorded in the assets only if individually identifiable, if the company gains an entitlement to enjoy the future economic benefits deriving from the same asset and it can limit third-party access to such benefits and if their cost can be estimated with sufficient reliability.
Intangible assets are systematically depreciated and the depreciation charged to each year refers to the distribution of the cost incurred over the entire period of use. Depreciation starts from the moment the fixed asset is available and ready for use. The systematic nature of the depreciation is functional to the expected benefits.
Intangible fixed assets are depreciated on a straight-line basis as follows:

- The installation and expansion costs are depreciated over a period of five years;
- Development costs are depreciated according to their useful life and in any case over a period not exceeding five years.
- Intangible assets (patent rights, intellectual property rights, concessions, licences and trademarks) are depreciation either over their legal or contractual duration or their potential residual use, whichever is the shorter. The estimated useful life of the brands does not exceed twenty years

Description	Depreciation coefficients
Development costs	20%
Industrial patent rights and use of intellectual property	33.33%
Concessions, licences, trademarks and similar rights	10%

Tangible fixed assets

Tangible fixed assets are initially recognised on the date on which the risks and benefits associated with the acquired asset are transferred and are recorded at their purchase or production cost, adjusted for the respective accumulated depreciation and any write-downs. The purchase cost is the cost actually incurred to acquire the asset and also includes ancillary costs. The production cost includes all direct costs and the reasonably attributable portion of general production costs related to the production period, up to the moment when the fixed asset can be used.
Ordinary maintenance costs, relating to recurring maintenance and repairs carried out to keep the assets in good working order to ensure their expected useful life, original capacity and productivity, are recognised in the profit and loss account in the year in which they are incurred.
Extraordinary maintenance costs, which consist of extensions, modernisations, replacements and other improvements relating to the asset that produce a significant and measurable increase in the capacity, productivity or safety of the assets or extend their useful life, can be capitalised within the limits of recoverable value of the asset.
Depreciation is calculated in a systematic and consistent way based on the potential residual use of the assets.
Depreciation starts from the moment the fixed asset is available and ready for use. Applying the principle of relevance referred to in article 2423, paragraph 4, of the Italian Civil Code, and the provisions of the relevant accounting standard, in the first depreciation year the rates are reduced by half.
Depreciation is also calculated on temporarily unused assets.
The value to be depreciated is the difference between the cost of the fixed asset and, if it can be determined, the residual value at the end of the useful life, which is estimated at the time the depreciation plan is drawn up and regularly reviewed in order to check that the initial estimate is still valid.
Depreciation is interrupted if, when the estimate is updated, the presumed residual value is equal to or greater than the net book value.

Description	Depreciation coefficients
Plant and machinery Generic Plant	15%
Industrial and commercial equipment Various and minor equipment	15%
Transport vehicles Transport vehicles	20%
Other assets Office furniture and machines Electronic office machines and computers	 12% 20%

Permanent losses in value of tangible and intangible fixed assets

If there are indicators of permanent losses in value of intangible and tangible fixed assets as of the balance sheet date, their recoverable value is estimated.
If their recoverable value, i.e. their value in use or their fair value, whichever is the greatest, net of sales costs, is lower than the corresponding net book value, the fixed assets are written down.
When it is not possible to estimate the recoverable value of an individual fixed asset, this analysis is carried out with reference to the so-called "cash-generating unit" (hereinafter CGU), i.e. the smallest identifiable group of assets that includes the fixed asset being valued and generates cash inflows that are largely independent of cash inflows generated by other assets or groups of assets.
The value in use is determined based on the current value of the future cash flows expected to originate from the fixed asset over its useful life, resulting from the most recent plans approved by the administrative body. Future cash flows are estimated by reference to the current conditions of the fixed assets and, therefore, do not include inflows or outflows, which are assumed to derive from future restructuring to which the company has not yet committed itself, or from an improvement or optimisation of the yield from the fixed asset.
The discount rate used to calculate the current value is the pre-tax rate that reflects current market valuations of the value of money, as well as the specific risks of the fixed asset, for which the estimates of future cash flows have not been rectified.
This rate is estimated using the implicit rate used for similar assets or in negotiations currently taking place on the market or the weighted average cost of the company's capital.
The fair value is determined by taking as a priority reference any price agreed in a binding sale agreement established in a free transaction or the market price in an active market. If there is no binding sales agreement or active market, the fair value is determined on the basis of the best information available to reflect the amount that the company could obtain, as of the balance sheet date, from the sale of the asset in a free transaction between knowledgeable and willing parties. In determining this amount, the result of recent transactions for similar activities carried out within the same sector in which the company operates is considered.
For the purposes of determining the recoverable value, the selling costs are deducted from the fair value.
If there is a permanent loss in value, this is first recognised as a reduction in the value of the goodwill recorded in the financial statements and, subsequently, other assets, in proportion to their net book value.
The write-down for permanent losses in value is reinstated if the reasons that justified it no longer exist. The reinstatement of value is carried out within the limits of the value that the asset would have had if the adjustment had never taken place, i.e. taking into account the depreciation that would have been applied in the absence of write-downs. It is not possible to restore any write-down recognized on goodwill and on deferred charges.

Financial fixed assets

Equity investments and debt securities intended to remain permanently among the company's assets by decision of the management and in light of the company's effective ability to hold them for a prolonged period of time, normally for a period of no less than 12 months, are classified under financial fixed assets. Otherwise, they are recognised under current assets. During the holding period, any movement between fixed assets and current assets, or vice versa, is recognised according to the specific valuation criteria of the original portfolio.
Receivables are classified as financial fixed assets or current assets based on their destination in respect of ordinary activity and, therefore, regardless of the maturity, financial receivables are classified under financial fixed assets, while those of commercial origin are classified under current assets.

Inventories

Assets included in inventories are initially recognised on the date on which the risks and benefits associated with the acquired asset are transferred. Inventories are initially posted at their purchase or production cost and subsequently valued at cost or at the corresponding realisable value inferable from the market, whichever is the lower.
Purchase cost means the actual purchase price plus ancillary charges. In addition to the price of the material, the purchase cost of materials also includes the costs of transport, customs, other taxes and other costs directly attributable to that material. Returns, commercial discounts, allowances and bonuses are deducted from costs.
The cost calculation method adopted for fungible assets is the weighted average cost.

Receivables

The receivables recorded in the financial statements represent rights to demand, at an identified or identifiable maturity, fixed or determinable amounts of cash, or goods/services of equivalent value, from customers or other entities. Receivables originating from the sale of goods and the provision of services are recognised according to the requirements stated in the comment paragraph relating to revenues. The depreciated cost criterion is not applied in cases where its effects are irrelevant, generally for short-term receivables or when transaction costs, commissions paid between the parties and any other difference between the initial value and maturity value of the receivable are of little importance.
These receivables are initially recognised at their nominal value, net of premiums, discounts, rebates provided for in the contract or otherwise granted, and are subsequently always valued at their nominal value plus interest calculated at the nominal interest rate, less the proceeds received for principal and interest and net of estimated write-downs and credit losses accounted for to adjust the credit to the estimated realisable value.
Discounts and allowances of a financial nature, which did not contribute to the determination of the estimated realisable value, as they were not foreseeable at the time of the initial recognition of the credit, are recognised at the time of collection as charges of a financial nature.
With reference to the presumed realisable value, the book value of the receivables is adjusted by means of a bad debt provision to account for the likelihood that the receivables may have lost value. To this end, indicators are considered, both specific and based on experience and any other useful element, which make a loss in the value of receivables probable. Estimating the provision for bad debts involves an analysis of significant individual receivables and of the remaining portfolio of receivables, determining the losses that will presumably be incurred on outstanding receivables as of the balance sheet date. The appropriation made to the provision for bad debts secured by guarantees takes into account the effects of enforcing these guarantees. With reference to insured receivables, the provision is limited to the amount not covered by the insurance, only if there is reasonable certainty of the compensation being paid.

Financial assets that are not fixed assets

A financial derivative instrument is considered to be a financial instrument or other contract that has the following three characteristics:
a) its value changes as a result of a change in a particular interest rate, price of financial instruments, price of goods, exchange rate, price or rate index, credit rating or credit index or other variable, provided that, in the case of a non-financial variable, that variable is not specific to one of the contractual counterparties (sometimes called the underlying);
b) does not require an initial net investment or requires an initial net investment that is less than what would be required for other types of contracts from which a similar response to changes in market factors would be expected;
c) is settled at a future date.
Derivative financial instruments (hereinafter also only “derivatives”) are initially recognised when the company, having become a party to the contractual clauses, i.e. on the date when the contract is signed, becomes subject to the related rights and obligations, and are recognised at fair value, even if they are incorporated in other financial derivative instruments.
At each balance sheet date, derivative financial instruments are measured at fair value and classified in the balance sheet under the relevant current or fixed asset items (based on whether they provide hedging for fixed assets or liabilities due beyond 12 months) in cases of fair positive value, or as provisions for risks and charges in cases of negative fair value. The fair value is the price that would be received for the sale of an asset or that would be paid for the transfer of a liability in a regular transaction between market operators as of the valuation date and, in the case of unlisted derivatives, is determined by the company making use of appropriate valuation techniques, through

assumptions, parameters and hierarchy levels of fair value established by the accounting standard of reference.

Hedging transactions

Financial derivative instruments can be designated as hedging transactions when:
a) the hedging relationship consists only of eligible hedging instruments and eligible hedged items;
b) at the beginning of the hedging relationship there is a designation and formal documentation of the hedging relationship, the company's risk management objectives and the strategy in carrying out the hedge;
c) the hedging relationship satisfies both qualitative and quantitative requirements for the effectiveness of the hedge.
Consequently, if the derivatives are used operationally and purely for hedging purposes, but do not fully comply with the criteria required to be designated as hedging instruments, they are valued according to the general rules previously described.
The effectiveness of the hedging relationship is documented initially and on an ongoing basis. At each balance sheet date, the company assesses whether the hedging relationship still satisfies the effectiveness requirements.
When all the previously described requirements are met, the hedging transactions can be accounted for according to the following accounting models.
When the hedging transactions concern derivative financial instruments with characteristics entirely similar to those of the hedged item and the derivative financial instrument is stipulated at market conditions (for example a forward or swap which have a fair value close to zero) on the date of initial recognition, the accounting model envisaged for the so-called simple hedges is applied, described below, if:
a) the hedging relationship consists only of eligible hedging instruments and eligible hedged items;
b) at the beginning of the hedging relationship there is a designation and formal documentation of the hedging relationship, the company's risk management objectives and the strategy in carrying out the hedge;
c) the supporting elements of the hedging instrument and the hedged element (such as the nominal amount, the date of settlement of the cash flows, the maturity and the underlying variable) match or are closely aligned and the credit risk of the counterparty is not such as to significantly affect the fair value of both the hedging instrument and the hedged instrument.
At each balance sheet date, the company assesses the existence of the effectiveness requirements described above, including a verification of the credit risk of the counterparty of the hedging instrument and of the hedged item which, if significant, could lead to the termination of the hedging relationship
The changes in fair value of both the hedging instrument and the hedged item are recognised entirely in the appropriate items of the profit and loss account, without the need to calculate the difference to be recognised in the profit and loss account entry for the hedged item.
The changes in the fair value of the hedging instrument are recognised entirely in the specific equity reserve, without the need to calculate how much of the hedge is ineffective and therefore must be recognised in the profit and loss account. The same accounting models described above are then followed for the release of the amounts accumulated in the shareholders' equity reserve.
The information required by article 2427-bis, paragraph 1, of the Italian Civil Code on the fair value of derivative financial instruments and that required by OIC 32 is provided in the relevant section of the explanatory note.

Liquid assets

These represent the positive balances of bank and post office deposits, cheques, as well as cash and cash equivalents at the end of the financial year. Bank and post office deposits and cheques are valued at their presumed realisable value, cash and duty stamps at their nominal value, while foreign currency holdings are valued at the exchange rate applicable as of the closing date of the financial year.

Accrued and deferred income and expenses

Accrued income and expenses respectively represent portions of income and costs pertaining to the year that will manifest financially in subsequent years.
Deferred income and expenses respectively represent portions of costs and income that manifest financially during the year or in previous years but which are attributable to one or more subsequent years.
Therefore, only portions of costs and income common to two or more financial years, the amount of which varies according to physical or economic time, are recorded in these items.

At the end of each financial year, the conditions that determined their initial recognition are verified and, if necessary, the necessary value adjustments are made. In particular, in addition to the passage of time, the presumed realisation value is considered for accrued income, while for prepaid expenses the existence of the future economic benefit related to deferred costs is considered.

Shareholders' equity

Transactions between the company and its shareholders (acting as shareholders) may give rise to receivables or payables in respect of shareholders. The company records a receivable from shareholders when the shareholders take on an obligation towards the company while it records a payable when it takes on an obligation towards the shareholders.
Payments made by shareholders that are not repayable are entered in the relevant item of shareholders' equity while loans received from shareholders that are repayable entered under payables.

Provisions for risks and charges

Provisions for risks and charges represent actual or probable liabilities of a specific nature, with an undetermined date of occurrence or amount. Provisions for risks in particular represent liabilities of a determined nature and probable existence, the values of which are estimated, while the provisions for charges represent liabilities of a determined nature and certain existence, estimated in terms of amount or date of occurrence, associated with obligations already taken on as of the balance sheet date, but which will manifest financially in subsequent years.
The provisions are recorded in compliance with the accrual principle against sums that are expected to be paid or goods and services that will have to be provided at the time the obligation is satisfied.
Provisions for risks and charges are recognised as a priority in the profit and loss accounts items of the relevant classes, classified primarily according to the nature of the costs. The amount of appropriations made to the provisions is determined based on the best estimate of costs, including legal fees, as of the balance sheet date.
Moreover, where a provision is made for charges, the estimation process can take into consideration the reference time horizon if a reasonably reliable estimate can be made of the outlay connected to the obligation and the date of occurrence and the latter is so distant in time as to make the present value of the obligation and the estimated liability at the time of disbursement significantly different.
The provisions for risks and charges recognised in a previous period are subject to review to check that they are correctly estimated as of the balance sheet date.
Subsequent use of the funds is made directly and only to cover the expenses and liabilities for which the funds were originally set up. Any negative or positive differences with respect to the costs actually incurred are recognised in the profit and loss account consistently with the original provision.

Severance indemnity

Severance pay or TFR (*Trattamento di fine rapporto*) is the payment to which employees are entitled in the event of termination of their employment contract, pursuant to article 2120 of the Italian Civil Code and taking into account the regulatory changes made by Law 296/2006. It is a definite remuneration charge to be recorded in each financial year on an accrual basis and corresponds to the total of the accrued indemnities, considering every form of remuneration of a continuous nature, net of advances and partial advances paid under collective agreements or individual or corporate agreements for which reimbursement is not required, as well as net of the shares transferred to supplementary pension funds or to the treasury fund managed by INPS.
The liability for TFR is equal to the amount that would have been payable to employees if the employment contract had terminated as of the balance sheet date. Any amounts of TFR relating to employment contracts terminated as of the balance sheet date, which are paid in the following year, are classified under payables.

Payables

Payables are liabilities of a specific nature and certain existence that represent obligations to pay fixed or determinable amounts of liquidity to lenders, suppliers and other subjects. Payables are classified among the various debt items based on the nature (or origin) of the same, regardless of the period of time within which the liabilities must be extinguished.
Payables originating from the purchase of goods and the provision of services are recognised according to the requirements stated in the comment paragraph relating to costs. Loan payables and those arising for reasons other than the purchase of goods and services are recognised when the company's obligation to pay the counterpart

arises, which is identified on the basis of legal and contractual provisions. Payables for advances from customers are recognised when the right to collect the advance arises.
Payables are recognised in the financial statements according to the depreciated cost criterion, taking the time factor into account.
The depreciated cost criterion is not applied in cases where its effects are irrelevant, generally for short-term payables or when transaction costs, commissions paid between the parties and any other difference between the initial value and maturity value of the payable are of little importance.

Foreign currency transactions, assets and liabilities

The assets and liabilities arising from a foreign currency transaction are initially recognised in euros, by applying the spot exchange rate between the euro and the foreign currency in force on the date of the transaction to the amount in foreign currency. Monetary items in foreign currencies, including provisions for risks and charges related to liabilities in foreign currency, are converted in the financial statements at the spot exchange rate on the closing date of the financial year. The related exchange gains and losses are charged to the profit and loss account for the year. Non-monetary assets and liabilities in foreign currency remain recognised in the balance sheet at the exchange rate at the time of their purchase and therefore positive or negative exchange differences are not recognised separately. Any net profit deriving from the exchange rate adjustment of monetary items in foreign currencies contributes to the operating result and, upon approval of the financial statements and consequent allocation of the result, is recorded in a special non-distributable reserve. If the net result for the year is lower than the unrealised profit on foreign currency items, the amount entered in the non-distributable reserve is equal to the economic result for the year.

Revenues and costs

Revenues from the sale of products and goods or from the provision of services are recognised net of returns, commercial discounts, allowances and bonuses, as well as taxes directly connected with the sale of products and the provision of services, on an accrual basis and in compliance with the principle of prudence.
Revenues from transactions for the sale of goods are recognised when the production process of the goods has been completed and the trade has already taken place, or when the substantial and non-formal transfer of the title has taken place, taking the transfer of risks and benefits as the parameter. Revenues for the provision of services are recognised when the service is rendered, or when the service has been performed.
Production costs are recognised net of returns, commercial discounts, allowances and bonuses. The costs originating from the purchase goods are recognised when the production process of the goods is completed and the substantial transfer of the title has taken place, taking the transfer of risks and benefits as the parameter. Costs originating from purchases of services are recognised when the services are received, i.e. when the service has been performed.
Revenues and income, costs and charges relating to foreign currency transactions are determined at the spot exchange rate on the day on which the related transaction is completed.
Income and charges relating to sales transactions subject to a repurchase agreement, including the difference between the forward price and spot price, are recorded in the amounts pertaining to the year.
Operating grants due both under the law and under contractual provisions are recognised on an accrual basis in the year in which the right to receive them arose with certainty.

Income taxes

Current taxes are calculated on the basis of a realistic forecast of the taxable income for the year, determined in accordance with tax legislation, and applying the tax rates in force as of the balance sheet date. The related tax liability is recognised in the balance sheet net of advances paid, withholding taxes and tax receivables that can be offset and are not required to be reimbursed; if the advances paid, withholdings and receivables exceed the taxes due, the related tax receivable is recognised. Tax receivables and payables are determined by applying the depreciated cost criterion, unless they are due within 12 months.
Deferred and prepaid income taxes are calculated on the cumulative amount of all the temporary differences existing between the values of the assets and liabilities determined with statutory valuation criteria and their recognised value for tax purposes, destined to cancel each other out in subsequent years.
Deferred and prepaid income taxes are recognised in the year in which the temporary differences emerge and are calculated by applying the tax rates in force in the year in which the temporary differences will arise, if these rates are already defined as of the balance sheet date, otherwise they are calculated on the basis of the rates in force as of the balance sheet date.

Income taxes are recognised on the basis of the taxable income computation, in accordance with the provisions in force, and reflect both current and deferred tax charges.
The current tax charge was determined by applying:
- the ordinary rate of 24% on taxable income for IRES [corporation tax] purposes;
- for IRAP [regional production tax] purposes, the rate of 3.90% for the Veneto Region (Euro) and 1.50% for the Autonomous Province of Trento were applied to the taxable income.
Prepaid and deferred tax, relating to temporary variations between the value attributed to assets and liabilities according to statutory criteria and the corresponding values for tax purposes, was determined as required by document OIC 25, applying the rates of 24% for IRES [corporation tax] and 3.29% for IRAP [regional production tax].

Use of estimates

Preparing the financial statements requires estimates to be made that have an effect on the values of assets and liabilities and on the related financial statement information. The actual results may differ from these estimates. The estimates are regularly reviewed and the effects of changes in estimates, unless they arise from incorrect estimates, are recognised in the profit and loss account for the year in which the changes occur, if they only affect that year, and also in subsequent years if they affect both the current and subsequent years.

Events occurring after the end of the financial year

Events occurring after the end of the year that highlight conditions already existing as of the balance sheet date and that require changes to the values of assets and liabilities, in accordance with the reference accounting standard, are recognised in the balance sheet, on an accrual basis, to reflect the effect that such events have on the equity and financial situation and on the financial result at the end of the financial year.
The date by which the event must occur for it to be taken into account is the date on which the draft financial statements are drawn up by the Directors, unless events occur that have a significant effect on the financial statements between that date and the date scheduled for the approval of the financial statements by the Shareholders' Meeting.

Explanatory notes, assets

Fixed assets

Intangible fixed assets

Movements of intangible fixed assets

B I - INTANGIBLE FIXED ASSETS

Balance as of 31/12/2021	548,914
Balance as of 31/12/2020	667,893
Changes	-118,979

The following table shows the movements in intangible fixed assets recorded under item B.I of assets.

	Start-up and expansion costs	Development costs	Industrial patent rights and intellectual property rights	Concession, licences, trademarks and similar rights	Other intangible fixed assets	Total intangible fixed assets
Value at the beginning of the year						
Cost	5,132	1,264,128	49,265	7,816	40,739	1,367,080
Depreciation (Depreciation fund)	5,132	644,767	34,431	2,345	12,513	699,188
Book value	0	619,361	14,834	5,471	28,227	667,893
Changes during the year						
Increases due to acquisitions	-	91,290	79,054	-	-	170,344
Decreases due to disposals and divestments (of the book value)	-	-	-	-	0	0
Depreciation for the year	-	226,619	33,697	782	8,148	269,246
Write-downs made during the year	-	-	-	-	20,079	20,079
Other changes	-	0	-	-	-	0
Total changes	-	(135,329)	45,357	(782)	(28,227)	(118,979)
Value at year end						
Cost	5,132	1,355,418	128,319	7,816	-	1,496,685
Depreciation (Depreciation fund)	5,132	871,385	68,128	3,126	-	947,771
Book value	0	484,033	60,191	4,690	0	548,914

Development costs are recognised in the amount of €484,033 and relate to a specific project for the development of a new accumulator for energy generated by photovoltaic/solar systems.
The development costs were capitalised mainly because:

- they relate to a clearly defined product or process, are identifiable and measurable, that is, they have a direct bearing on the product, process or project for which they were incurred;
- they relate to a technically feasible project, for which the company has the necessary resources;
- they are recoverable, i.e. the company expects sufficient revenues from the project to cover the costs incurred.

During the year, where the requirements of OIC 24 were fulfilled, the company capitalised development costs of €91,290, including €52,500 for the purchase of materials used for the development activity and €38,790 for wages and salaries related to the staff employed.
Development costs are amortised on a straight-line basis according to their useful life, which corresponds to 5 years.
The “industrial patent rights and intellectual property rights” item includes costs incurred for industrial patents, rights to use software programs and for the purchase/development of proprietary software.
During the year, a total of €79,054 were posted to this item, including €50,000 for the purchase of proprietary software and other costs for the development of software already owned by the company.
The “concessions, licenses, trademarks and similar rights” item includes the costs incurred to acquire trademarks, the cost of which is amortised over 10 years, or over the expected production/marketing period of the products protected by the trademark.
The “other intangible fixed assets” included the costs incurred for improvements and incremental expenses on third party assets as of 31 December 2020, the residual amount of which has been fully written down as they relate to the warehouse located in Galta di Vigonovo (Venice), no longer used following the transfer of the warehouse to the new headquarters in Sant'Angelo di Piove di Sacco (Padua).
No revaluation of the assets owned by the company was carried out in the year under review and in previous years.

Tangible fixed assets

Movements of tangible fixed assets

B II - TANGIBLE FIXED ASSETS

Balance as of 31/12/2021	38,646
Balance as of 31/12/2020	21,433
Changes	17,213

The following table shows the movements in tangible fixed assets recorded under item B.II of assets.

	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Total tangible fixed assets
Value at the beginning of the year				
Cost	6,689	8,036	35,648	50,373
Depreciation (Depreciation fund)	6,611	1,841	20,487	28,939
Book value	78	6,195	15,160	21,433
Changes during the year				
Increases due to acquisitions	-	11,655	15,700	27,355
Depreciation for the year	36	2,080	8,027	10,143
Total changes	(36)	9,575	7,673	17,213
Value at year end				
Cost	6,689	19,691	51,348	77,728
Depreciation (Depreciation fund)	6,647	3,920	28,515	39,082
Book value	42	15,771	22,833	38,646

The “plant and machinery” item mainly includes the costs incurred for the purchase of the alarm system, the depreciation process of which was essentially completed as of the balance sheet date.

The industrial and commercial equipment includes the purchase costs of the equipment used in the production process. During the year, the item increased by €11,655.

The "other tangible fixed assets" item consists of the costs incurred for the purchase of office machines, forklift trucks, furniture and furnishings. The increase recorded during the year refers entirely to the purchase of a forklift for €15,700.

No revaluation of the assets owned by the company was carried out in the year under review and in previous years.

Financial leasing transactions

The company did not have any financial leasing transactions in place as at the end of the financial year in question.

Financial fixed assets

B III - Financial fixed assets

The following financial fixed assets were recognised in the balance sheet as of 31/12/2021:

Balance as of 31/12/2021	58,281
Balance as of 31/12/2020	27,194
Changes	31,087

Movements in equity investments, other securities and fixed asset derivative financial instruments

The following table shows the movements in financial fixed assets recorded in sub-class B.III of assets under items 1) Equity investments

	Investments in other companies	Total Investments
Value at the beginning of the year		
Cost	12,500	12,500
Book value	12,500	12,500
Changes during the year		
Decreases due to disposals (of the book value)	12,500	12,500
Total changes	(12,500)	(12,500)
Value at year end		
Book value	0	0

As of 31 December 2020, the "Investments in other companies" item included the cost incurred for the purchase of the investment in "EOT Plus S.r.l.". The investment was sold during 2021, resulting in a capital loss of €12,450.
No revaluation of financial fixed assets was carried out in the year under review and in previous years.

Variations and maturity of long-term receivables

The following table of the XBRL taxonomy shows, separately for each item, the total amounts of long-term receivables, as well as any amount maturing beyond five years. In determining the maturity, the contractual conditions and, where applicable, the factual situation were taken into account.

	Value at the beginning of the year	Changes during the year	Value at year end	Portion due within the year	Portion due beyond the year
Fixed receivables from others	14,694	43,587	58,281	340	57,941
Total fixed receivables	14,694	43,587	58,281	340	57,941

As this table shows, there are no long-term loans with a residual duration of more than five years.

Based on the instructions given by OIC 15, the nature of the debtors and the composition of item B.III.2.d-ii) "*receivables from others*" are reported below, as recorded in the Balance Sheet for a total of €58,281.

Amounts due within 12 months

Description	Amount
Security deposits for electricity	340

Amounts due beyond 12 months

Description	Amount
Security deposits for rentals	57,941

Details of long-term investments in subsidiaries

The company does not hold equity investments in subsidiaries.

Details of long-term investments in associated companies

The company does not hold equity investments in associated companies.

Breakdown of long-term receivables by geographical area

With reference to the provisions of the last part of no. 6, paragraph 1, article 2427 of the Italian Civil Code, as regards the breakdown of receivables by geographical area, we should point out that all long-term receivables shown in the financial statements relate to subjects residing in Italy.

Geographical area	Fixed receivables from others	Total fixed receivables
Italy	58,281	58,281
Total	58,281	58,281

Long-term loans relating to transactions with a repurchase agreement obligation

As of the closing date of the financial year, there are no transactions that required the purchaser to enter into a repurchase agreement.

Value of financial fixed assets

In compliance with the provisions of article 2427-*bis*, paragraph 1, no. 2, of the Italian Civil Code, we should point out that there are no financial fixed assets recorded at a value higher than their fair value.

Current assets

C - CHANGE IN CURRENT ASSETS

Current assets bring following sub-classes of the "Assets" section of the balance sheet together under letter "C":

- Sub-class I - Inventories;
- Sub-class II - Receivables;
- Sub-class III - Financial assets that are not fixed assets;
- Sub-class IV - Liquid assets

The current assets were €19,972,067 as of 31/12/2021. This is an increase of €11,087,967 compared to the previous year.

The details (evaluation criteria, handling, etc.) of each of these sub-classes and their constituent items are provided according to the scheme dictated by the XBRL taxonomy.

Inventories

I - INVENTORIES
Inventories consist of assets intended for sale and are valued in the financial statements at the purchase cost or the realisable value inferable from the market, whichever is the lower.
The valuation of inventories at the cost or realisation value, whichever is the lower, was carried out by consistently applying the valuation methods.
Returns, discounts, allowances and bonuses were deducted from costs.
The valuation of inventories was determined using the weighted average cost method.

Changes in Inventories
Inventories are recorded in the "assets" section of the balance sheet in sub-class "C.I" and amount to €5,257,720 in total.
The following table shows the details of the changes that occurred in the year ended 31/12/2021 in the items that make up the Inventories sub-class.

	Value at the beginning of the year	Changes during the year	Value at year end
Raw, ancillary and consumable materials	0	0	0
Finished products and goods	4,762,002	495,718	5,257,720
Total inventories	4,762,002	495,718	5,257,720

Write-downs
In order to take into account the unlikely future use of some goods in stock, a provision for inventory write-downs was set aside to adjust the overall value of inventories.
In 2021, the changes in the provision were the following:

Description	Value at the beginning of the year	Release 2021	Provision 2021	Value at year end
Inventory write-down provision	-20,690	4,570	-42,420	-58,540
Total	-20,690	4,570	-42,420	-58,540

Below is a summary table of the "net value" of inventories:

	Value at the beginning of the year	Value at year end
Value of inventories gross of the inventory write-down provision	4,782,692	5,316,260
Inventory write-down provision	-20,690	-58,540
Total	4,762,002	5,257,720

The appropriate to the provision is entered under item "B) 11 - Change in inventories of raw, ancillary and consumable materials and goods" of the profit and loss account; the release of the provision was entered under the same item of the profit and loss account as an adjustment to the value recorded previously.

Receivables recognised in current assets

II. RECEIVABLES
In the balance sheet to 31/12/2021, Asset sub-class C.II Receivables includes the following items:

- 1) from customers
- 5-bis) tax receivables
- 5-ter) prepaid taxes
- 5-quater) from others

Receivables are classified under current assets according to the destination of the same in ordinary operations.
Article 2426, paragraph 1, no. 8) of the Italian Civil Code requires receivables to be recognised in the financial statements with the depreciated cost criterion, taking into account the time factor and the estimated realisable value.

The depreciated cost is the value at which the asset was valued at the time of initial recognition, net of capital repayments, increased or decreased by the accumulated depreciation using the actual interest criterion on any difference between the initial value and the value at maturity and deducting any reduction in value or irrecoverability.

Changes and maturity of receivables recorded in current assets

Changes in Receivables

The total Receivables are recorded in the "assets" section of the balance sheet in sub-class "C.II" and amount to €12,704,953 in total.

The following table details the changes that occurred during the year covered by this financial statement in the individual items that make up the receivables recorded in current assets.

	Value at the beginning of the year	Changes during the year	Value at year end	Portion due within the year	Portion due beyond the year
Receivables from customers recognised in current assets	2,765,987	6,962,811	9,728,798	9,728,798	-
Tax receivables recognised in current assets	240,205	220,045	460,250	443,587	16,663
Deferred tax assets recognised in current assets	-	62,117	62,117		
Receivables from others recognised in current assets	333,575	2,120,213	2,453,788	2,453,788	-
Total receivables recognised in current assets	3,339,767	9,365,186	12,704,953	12,626,173	16,663

There are no receivables recorded in current assets with a residual duration of more than five years.

Trade receivables

The company has not carried out any valuation of trade receivables at their depreciated cost, nor with any discounting of the same, as all the trade receivables recognised have a maturity of less than 12 months.

Therefore, the trade receivables stated to in item C.II.1) have been recorded in the financial statements at their estimated realisable value, which corresponds to the difference between the nominal value and the allowance for doubtful debts.

	2020	2021	Change
Provision for bad debts	2,401	2,401	0
Balance	2,401	2,401	0

COVID-19 tax credits

The company did not benefit from the tax credits related to COVID-19.

Tax receivables

The "Tax receivables" recorded in the financial statements are shown at their nominal value, which coincides with the presumed realisable value and includes €422,453 for tax advances paid in 2021 and €16,663 relating to the amount due in financial year 2022 of the research and development tax credit. The part of the research and development tax credit due beyond the following year amounts to €16,663.

Amounts due beyond 12 months

Description	Amount
Tax credit for research and development, innovation and design	16,663

Tax credit for research and development

Asset item C.II 5-bis of the balance sheet records the tax credit for investments in research and development activities, ecological transition, technological innovation 4.0 and other innovative activities (design and aesthetic ideation), as per article 1, paragraphs 198-209, of Law 160/2019, as amended and supplemented by article 1, paragraph 1064, letters a) -h) of Law 178/2020, and extended by article 1, paragraph 45, of Law 234/2021. The total receivable accrued amounts to €49,989, entirely relating to 2020, including €16,663 used for offsetting via form F24, pursuant to article 17 of Legislative Decree 241/97, during 2021.
The subsequent two annual instalments of the same amount will be offset in subsequent years, subject to the fulfilment of the relevant certification obligations, already obtained by the Company.

Deferred tax assets

Deferred tax assets of €62,117 are posted to asset item C.II 5-ter of the balance sheet according to the provisions of OIC 25.
These are "current" taxes (IRES [corporation tax] and IRAP [regional production tax) relating to the period in question, connected to "temporary deductible changes", the application of which to the taxable income earned in future tax periods is reasonably certain in terms of existence and size of the "net" taxable income that can be expected.
The breakdown of the receivable is provided in the "current, deferred and prepaid income taxes" paragraph.

Receivables from others

The "Receivables from others" recognised in the financial statements are shown at their nominal value, which coincides with their estimated realisable value. They have not been valued at their depreciated cost, nor discounted as all receivables from others have a maturity of less than 12 months.

Nature and composition of Receivables from others

Based on the instructions given by OIC 15, the nature of the debtors and the composition of item C.II.5-quater) "*receivables from others*" are reported below, as recorded in the Balance Sheet for a total of €2,453,788.

Amounts due within 12 months

Description	Amount
Receivables for advances paid to suppliers	1,404,376
Various receivables	200
Receivables from Unicredit Factoring	1,049,213

Breakdown of receivables recorded under current assets by geographic area

In order to highlight the "country risk", the receivables recorded under current assets relating to the geographical areas in which the company operates are indicated separately in the table below.

Geographical area	Italy	Europe	USA	China	Total
Receivables from customers recognised in current assets	9,462,250	20,597	46,848	199,103	9,728,798
Tax receivables recognised in current assets	460,250	-	-	-	460,250
Deferred tax assets recognised in current assets	62,117	-	-	-	62,117
Receivables from others recognised in current assets	1,053,986	0	0	1,399,802	2,453,788
Total receivables recognised in current assets	11,038,603	20,597	46,848	1,598,905	12,704,953

Receivables recorded under current assets relating to transactions with a repurchase agreement obligation

Sale and purchase transactions with a repurchase obligation (Article 2427 no. 6-ter Italian Civil Code)

As of the closing date of the financial year, there are no transactions that required the purchaser to enter into a repurchase agreement.

Financial assets that are not fixed assets

III - FINANCIAL ASSETS THAT ARE NOT FIXED ASSETS

HEDGING DERIVATIVES

As of 31/12/2021 the "mark to market" of 2 derivative financial instruments hedging the interest rate on bank loans was recognised in the financial statements under asset item C.III.5, in the amount of €14,779. The counterpart of this amount is the recognition of a net equity reserve called "Reserve for expected cash flow hedging transactions" (sub-class A.VII) of €11,232 and the appropriation to the provision for deferred taxes of €3,547.

CIII- Changes in financial assets that are not Fixed Assets

Below is a detailed statement of the movements of the individual items that make up the financial assets that are not fixed assets.

	Changes during the year	Value at year end
Non-fixed asset derivative financial instruments	14,779	14,779
Total financial assets that are not fixed assets	14,779	14,779

Liquid assets

IV - LIQUID ASSETS

The liquid assets of €1,994,615, shown in the "assets" section of the balance sheet, under sub-class C.IV, correspond to the balances on current accounts held with banks and to the liquidity held by the company at the end of the year and were valued at face value.
The following table shows the details of the movements of the individual items that make up the liquid assets.

	Value at the beginning of the year	Changes during the year	Value at year end
Bank and post office deposits	7,822,88	1,212,283	1,994,571
Cash and cash equivalents	43	1	44
Total	782,331	1,212,284	1,994,615

Accrued income and prepaid expenses

Class D. "Accruals and deferrals", shown in the "assets" section of the balance sheet, includes income pertaining to the year but payable in subsequent years and costs incurred by the end of the year but pertaining to subsequent years. In particular, only portions of costs and income common to two or more financial years, the amount of which varies over time, have been recorded.

The accrued income and prepaid expenses recorded in the financial statements for the year to 31/12/2021 amount to €52,162.
Compared to the previous year, the changes shown in the following table are noted.

	Value at the beginning of the year	Changes during the year	Value at year end
Prepaid expenses	33,830	18,332	52,162
Total accrued income and prepaid expenses	33,830	18,332	52,162

The changes that have taken place relate to normal operational events.

Composition of the Accrued income and prepaid expenses item (article 2427, paragraph 1, no. 7, of the Italian Civil Code)

The composition of the items "Accrued income and prepaid expenses" is as follows:

Prepaid expenses	**31/12/2021**	**31/12/2020**
Prepayments on insurance	31,420	7,693
Prepayments on expenses for compliance with workplace safety regulations	940	942
Prepayments on rental liabilities	249	276
Prepayments on website	73	197
Prepayments on membership fees	0	2,251
Prepayments on advertising expenses	0	1,700
Prepayments on maintenance fees	225	522
Prepayments on bank commissions	4,255	20,249
Prepayments on commissions payable	15,000	0
TOTAL	**52,162**	**33,830**

Duration of accrued income and prepaid expenses

Below is a breakdown of the accrued income and prepaid expenses within and beyond the financial year as well as beyond five years:

Description	Amount within financial year	Amount beyond financial year	Amount beyond five years
Prepaid expenses	52,162		

Capitalised financial charges

Capitalised financial charges

During the year, no financial charges were charged to values recognised in the asset section of the balance sheet.

Explanatory Notes, liabilities and net equity

This section of the Explanatory Notes, according to the structure dictated by the XBRL taxonomy and in compliance with the provisions of Article 2427 of the Italian Civil Code, comments on the items which make up the Net Equity and Balance Sheet Liabilities in the financial statements to 31/12/2021.

Net equity

The **net equity** is the difference between the balance sheet assets and liabilities. The net equity items are recognised in the liabilities section of the balance sheet under class A "Net equity" with the following classification:
I – Share capital
II – Share premium reserve
III – Revaluation reserves
IV – Legal reserve
V – Statutory reserves
VI – Other reserves, indicated separately
VII – Reserve for expected cash flow hedging transactions
VIII – Profits (losses) carried forward
IX – Profit (loss) for the year
Loss written off
X – Negative reserve for treasury shares in portfolio

Changes in shareholders' equity items

A - Changes in Net Equity

Shareholders' equity amounts to €9,878,264, having increased by €7,324,854.
The changes that have occurred in the shareholders' equity items are highlighted below, as required by article 2427, paragraph 1, no 4, of the Italian Civil Code, as well as the composition of the "Miscellaneous Other Reserves" item.

The changes in shareholders' equity in 2020 are shown below:

	Value at the beginning of the year	Allocation of the result for the previous year	Other changes		Result for the year	Value at year end
		Other allocations	Increases	Decreases		
Share capital	10,000	-	-	-		10,000
Legal reserve	4,874	-	-	-		4,874
Other reserves						
Extraordinary reserve	5,210	-	-	-		5,210
Payments for future capital increase	53,000	-	-	-		53,000
Capital contributions	0	-	-	-		0
Various other reserves	(1)	-	2	-		1
Total other reserves	58,209	-	2	-		58,211
Profits (losses) carried forward	455,819	686,088	-	-		1,141,907
Profit (loss) for the year	686,088	(686,088)	-	-	1,338,418	1,338,418
Total shareholders' equity	1,214,990	-	2	-	1,338,418	2,553,410

The following table shows the changes in shareholders' equity in 2021:

	Value at the beginning of the year	Allocation of the result for the previous year	Other changes		Result for the year	Value at year end
		Other allocations	Increases	Decreases		
Share capital	10,000	-	-	-		10,000
Legal reserve	4,874	-	-	-		4,874
Other reserves						
Extraordinary reserve	5,210	-	-	-		5,210
Payments for future capital increase	-	-	-	-		0
Capital contributions	53,000	-	-	53,000		0
Various other reserves	1	-	2	-		3
Total other reserves	58,211	-	2	53,000		5,213
Reserve for expected cash flow hedging transactions	-	-	11,232	-		11,232
Profits (losses) carried forward	1,141,907	1,338,418	-	-		2,480,325
Profit (loss) for the year	1,338,418	(1,338,418)	-	-	7,366,620	7,366,620
Total shareholders' equity	2,553,410	-	11,234	53,000	7,366,620	9,878,264

Details of the various other reserves

Description	Amount
Difference from rounding to € unit	3
Total	3

Availability and use of equity

Shareholders' equity increased during the year by €7,366,620 from the profit for the year, and by €11,232 following recognition of the hedging derivative on the interest rate on loans and was reduced by €53,000 following repayment to one of the shareholders of the entire amount of the reserve for "payments for future capital increases". This repayment was made possible following the cancellation of the capital increase for which the reserve was intended, and which had a maximum term of 31 December 2019.

Equity reserves can be used for different transactions depending on their nature and requirements. The distributability of a reserve may not coincide with its availability. Availability refers to the possibility of using the reserve (for example for free capital increases), while distributability refers to the possibility of disbursement to shareholders (for example in the form of a dividend) of sums that can be withdrawn in whole or in part from the reserve in question. Therefore, availability and distributability may or may not coexist.

The origin, usability and distributability, as well as the actual use in previous years, for each item of the book equity, are shown in the following tables.

	Amount	Origin/nature	Possibility of use	Available portion
Share capital	10,000		B	10,000
Legal reserve	4,874	Profits	B	4,874
Other reserves				
Extraordinary reserve	5,210	Profits	A,B,C	5,210
Payments for future capital increase	0			-
Capital contributions	0			-
Various other reserves	3		0	-
Total other reserves	5,213			5,210
Reserve for expected cash flow hedging operations	11,232	Profits	A,B	-
Profits carried forward	2,480,325	Profits	A,B,C	2,480,235
Total	2,511,645			2,500,319
Remaining distributable portion				2,500,319

Key: A: for capital increase B: to cover losses C: for distribution to shareholders D: for other statutory requirements E: other

Origin, possibility of use and distributability of the various other reserves

Description	Amount	Possibility of use	Available portion
Difference from rounding to € unit	3	0	0
Total	3		

Key: A: for capital increase B: to cover losses C: for distribution to shareholders D: for other statutory requirements E: other

Changes in the reserve for expected cash flow hedging transactions

Reserve for expected cash flow hedging transactions

As of the balance sheet date, the company recognised the hedging instrument at fair value of €14,779 in the balance sheet, under item "CIII - Financial assets that are not fixed assets", and entered the net equity reserve called Reserve for expected cash flow hedging transactions as a counter-entry (sub-class A.VII).
The reserve will be posted to the profit and loss account, in the amount at the time corresponding to the occurrence of or changes to the cash flows of the hedged instrument (or upon the occurrence of the hedged transaction).
Note that the net equity reserves deriving from the fair value measurement of derivatives used to hedge the expected cash flows of another financial instrument or of a scheduled transaction are not considered in the calculation of net equity for the purposes referred to in Articles 2412, 2433, 2442, 2446 and 2447 of the Italian Civil Code and, if positive, they are not available and cannot be used to cover losses.

	Reserve for expected cash flow hedging transactions
Changes during the year	
Increase to change in fair value	14,779
Deferred tax effect	(3,547)
Value at year end	11,232

Reserve from rounding to € unit

For the sole purpose of allowing the balance sheet to be reconciled, a rounding reserve equal to €3 was entered in the financial statements for the year ended 31/12/2021. Since this reserve is not explicitly provided for in the XBRL taxonomy for balance sheets, it has been included in the Various other reserves sub-item.

Provisions for risks and charges

B - Provisions for risks and charges

The appropriations made to the provisions for risks for the year in question were entered under item B.13 and relate to the product warranty provision.

Provisions for taxes, including deferred ones

With reference to the "Provisions for taxes, including deferred ones", recorded in class "B.2) of Liabilities" in the amount of €3,547, note that these are deferred taxes payable on the overall taxable temporary differences between the financial result for the year and the taxable income, determined in accordance with the procedures provided for by OIC 25 and entirely relating to the entries in asset item C.III5 of the hedging derivative financial instrument of €14,779.
As these are deferred taxes payable, an allocation has been made based on a prudent criterion, allocating an IRES [corporation tax] amount estimated according to a rate of 24%, which is the rate applicable under current tax legislation as of the date of these financial statements.
In the financial statements for the year to 31/12/2021, there are no financial derivative instruments, nor have any financial instruments that meet the requirements for passive derivatives been separated from the company contracts.
The following table provides details of the movements that occurred during the year covered by this financial statement in the items under the item Provisions for risks and charges.

	Provision for taxes, including deferred ones	Other provisions	Total provisions for risks and charges
Value at the beginning of the year	112	60,000	60,112
Changes during the year			
Appropriation in the financial year	3,547	89,000	92,547
Other changes	(112)	-	(112)
Total changes	3,435	89,000	92,435
Value at year end	3,547	149,000	152,547

Composition of the Other provisions items

In compliance with the provisions of article 2427, paragraph 1, no. 7, of the Italian Civil Code, the following table provides the breakdown of the "Other provisions" item:

Other provisions	31/12/2021	31/12/2020
Product warranty provision	149,000	60,000
Total	149,000	60,000

Product warranty provision

With regard to the product warranty provision, note that this provision was set aside to cover the contractual commitments to customers to provide free assistance on the systems built.
Therefore, an amount of €89,000 has been allocated in the year under review, estimated on the basis of the costs expected to be incurred to repair faults and replace faulty materials as provided for in the contract.

Employee severance indemnity

C - Severance indemnity
Severance pay is the actual debt accrued in respect of employees in accordance with the law and the employment contract in force, pursuant to article 2120 of the Italian Civil Code.
It is a definite remuneration charge recorded in each financial year on an accrual basis.
Pursuant to Law no. 296 (2007 Finance Law):

- severance indemnity accrued from 1 January 2007 has been allocated, at the discretion of the employee, to forms of supplementary pension or retained by the company, which regularly transfers the severance indemnity amounts to the Treasury Fund managed by INPS.

Please note the following:

a. class C of the liabilities records the portion retained by the company, net of the substitute tax on the revaluation of the severance indemnity, of €152,351;
b. items D.13/D.14 of the liabilities record the payables relating to the portions not yet paid as of 31/12/2021 of €3,682. The portions paid into the aforementioned funds have not been revalued as the revaluation is the responsibility of the pension funds.

The respective appropriation is posted to the profit and loss account under sub-item B.9 c) for €53,219 and is made up of € 52,235 relating to the annual appropriate to the provision and €984 relating to severance indemnities paid during the year.
Therefore, the liability for severance indemnities corresponds to the total of the individual indemnities accrued in favour of employees as of the balance sheet date, net of the advances paid, and is equal to the amount that would have been paid to the employees in the event of termination of their employment contract as of that date.
The following table provides details of the movements that occurred in the severance indemnity during the year covered by this financial statement.

	Employee severance indemnity
Value at the beginning of the year	106,328
Changes during the year	
Appropriation in the financial year	52,235
Other changes	(6,212)
Total changes	46,023
Value at year end	152,351

The uses of this provision include the amounts of the liability for severance indemnity transferred to the INPS treasury fund, to the supplementary pension funds and to employees following advances and/or resignations.

Payables

For ease of comparison of the balance sheet items, the item "D4) - Payables to banks" of the 2020 balance sheet has been reclassified as per the following table:

Description	2020	2020 reclassified
Payables to banks - due within the next financial year	1,601,392	1,753,995
Payables to banks - due beyond the next financial year	1,901,794	1,749,191
Total	**3,503,186**	**3,503,186**

Payables of a financial nature

The following financial payables were recognised in the financial statements in particular:

- under item D 4) Payables to banks: €4,848,272 (including € 2,383,582 due beyond the next financial year)

Note that, given the irrelevant effects of applying the depreciated cost rather than the nominal value, the financial payables with a maturity of less than 12 months have been valued at their nominal value.
Finally, note that for financial payables with a maturity of more than 12 months, no valuation at depreciated cost was carried out as the transaction costs, commissions and any other difference between the initial value and the value at maturity are of little significance.
Furthermore, no discounting of these payables was carried out as the actual interest rate was not significantly different from the market interest rate.

Payables to banks	2021	2020
Payables for advances subject to collection	498,215	0
Short-term loans	1,465,609	1,252,030
Long-term loans	2,383,582	1,749,191
Payables for advances on invoices	500,866	501,965
Total	**4,848,272**	**3,503,186**

The “Payables to other lenders” item of €743,044, recognised as of 31 December 2020, includes the amounts payable to factoring companies for the financial advances received. This item had a balance of 0 as of 31 December 2021.

Payables for payments on account

The valuation of payables for payments on account, recorded in the liabilities under item D6) for €632,393, was carried out at nominal value.
Note that the company has not carried out any depreciated cost valuation or discounted these payables, as all the payments on account relate to payables that will be paid within 12 months and the effects deriving from the application of the depreciated cost would be irrelevant.

Trade payables

The valuation of trade payables, recorded in the liabilities under item D.7- Payables to suppliers for €1,075,343, was carried out at nominal value.
Note that the company has not carried out any depreciated cost valuation or discounted these payables, as all the commercial payables recognised are due within 12 months and the effects deriving from the application of the depreciated cost would be irrelevant.

Tax payables

Tax payables for current taxes are recorded on the basis of a realistic estimate of taxable income (IRES - corporation tax) and of the value of net production (IRAP - regional production tax) in compliance with the provisions in force, taking into account any concessions in force and any tax receivables due. If the taxes payable are lower than the tax receivables, the advances paid and the withholding taxes incurred, the difference represents a receivable and is recorded in the balance sheet under item C.II.5-bis “Tax receivables”.
Among the most significant items that make up the tax payables are those relating to IRES [corporation tax] and IRAP [regional production tax], amounting to €2,654,233, and VAT, amounting to €516,483.

Payables to welfare and social security institutions

The valuation of payables to social security and social security institutions, recorded in the liabilities under item D13) Payables to social security and social security institutions for €72,365 (and almost entirely related to the amount payable to INPS), was carried out at the nominal value.
Note that the company has not carried out any depreciated cost valuation or discounted these payables, as all payables to welfare and social security institutions relate to payables that will be paid within 12 months and the effects deriving from the application of the depreciated cost would be irrelevant.

Other payables

The Other payables recorded under item D.14 of the liabilities, also all with a maturity of less than 12 months, are shown at nominal value. Below is the composition of this item as of the closing date of the financial year covered by these financial statements:

Description	Amount
Payables to employees and directors	357,460
Other payables	63,084

Changes and due dates of payables

The total payables are recorded in the "liabilities" section of the balance sheet in class "D" and amount to €10,441,917 in total.

The following table details the changes that occurred during the year covered by this financial statement in the individual items that make up the Payables class.

	Value at the beginning of the year	Changes during the year	Value at year end	Portion due within the year	Portion due beyond the year	With a residual duration of over 5 years
Payables to banks	3,503,186	1,345,086	4,848,272	2,464,690	2,383,582	802,681
Payables to other lenders	743,044	(743,044)	0	0	-	-
Payments on account	114,623	517,770	632,393	632,393	-	-
Payables to suppliers	1,262,607	(187,264)	1,075,343	1,075,343	-	-
Tax payables	881,390	2,511,608	3,392,998	3,392,998	-	-
Payables to welfare and social security institutions	59,796	12,569	72,365	72,365	-	-
Other payables	340,662	79,882	420,544	420,544	-	-
Total payables	6,905,309	3,536,608	10,441,917	8,058,333	2,383,582	802,681

As required by article 2427, paragraph 1, no. 6, of the Italian Civil Code, the amount of payables with a residual duration exceeding five years has also been shown separately for each item. In determining the maturity, the contractual conditions and, where applicable, the factual situation were taken into account.

Breakdown of payables by geographical area

In relation to the provisions of the last part of no. 6, paragraph 1, article 2427 of the Italian Civil Code, in order to highlight the "country risk", the company's payables related to the geographical areas in which it operates are clearly shown in the following table.

Geographical area	Italy	Europe	China	Total
Payables to banks	4,848,272	-	-	4,848,272
Payables to other lenders	-	-	-	0
Payments on account	466,729	165,664	-	632,393
Payables to suppliers	769,382	(818)	306,780	1,075,343
Tax payables	3,392,998	-	-	3,392,998
Payables to welfare and social security institutions	72,365	-	-	72,365
Other payables	361,184	-	59,360	420,544

Geographical area	Italy	Europe	China	Total
Payables	9,910,930	164,846	366,140	10,441,917

Payables secured by collateral on corporate assets

In relation to the provisions of the last part of paragraph 1, no. 6, of article 2427 of the Italian Civil Code, note that there are no debts secured by collateral on corporate assets.

	Payables not secured by collateral	Total
Payables to banks	4,848,272	4,848,272
Payables to other lenders	-	0
Payments on account	632,393	632,393
Payables to suppliers	1,075,343	1,075,343
Tax payables	3,392,998	3,392,998
Payables to welfare and social security institutions	72,365	72,365
Other payables	420,544	420,544
Total payables	10,441,917	10,441,917

Payables relating to transactions with a repurchase agreement obligation

As of the closing date of the financial year, there are no transactions that required the purchaser to enter into a repurchase agreement.

Loans made company shareholders

Loans made company shareholders (Article 2427, paragraph 1, no. 19-bis of the Italian Civil Code)
The company has not raised any kind of financing from its shareholders.

Loans moratorium
As of the 2020 financial year, the company took up the option to suspend payment of the full instalments due on a loan of €200,000. The suspension ended during the 2021.
Following the health emergency due to the spread of the COVID-19 epidemic, in order to address the temporary lack of liquidity created both by the lower collections resulting from the fall in revenues and the delay in the collection of trade receivables, applied the support measure intended to suspend payment of the following loan requiring repayment in instalments:
- no. 7915618, originally for €200,000.

The concessionary measure, initially introduced by article 56 of Decree Law 18/2020, converted by Law no. 27/2020, has been extended several times, therefore the company has made use of the provision of article 1, paragraphs 248-254, of Law no. 178/2020, suspending the payment of the aforementioned loan until 30.06.2021.

Since the company has decided to suspend the entire instalment, i.e. both capital and interest, the interest that will accrue during the suspension (calculated on the residual capital suspended at the interest rate of the original loan agreements), will be repaid in portions as part of the residual depreciation plan.

Debt restructuring operations
The company did not carry out any debt restructuring operations.

Accrued liabilities and deferred income

The accrued liabilities and deferred income recorded in the financial statements for the year to 31/12/2021 amount to €44,993.

Compared to the previous year, the changes shown in the following table are noted.

	Value at the beginning of the year	Changes during the year	Value at year end
Accrued liabilities	9,292	32,216	41,508
Deferred income	-	3,485	3,485
Total accrued liabilities and deferred income	9,292	35,701	44,993

The change that has taken place relates to normal operational events.

Composition of the Accrued liabilities and deferred income item (article 2427, paragraph 1, no. 7, of the Italian Civil Code)

The composition of the "Accrued liabilities and deferred income" item is analysed in the following tables:

Deferred income	31/12/2021	31/12/2020
Deferred income on bank commissions	3,485	0
Total	**3,485**	**0**

Accrued liabilities	31/12/2021	31/12/2020
Accrued liabilities on insurance	29,765	4,865
Accrued liabilities on interest payable	10,355	4,398
Accrued liabilities on bank charges	1,388	29
Total	**41,508**	**9,292**

Below is a breakdown of the accrued liabilities and deferred income within and beyond the financial year as well as beyond five years:

Description	Amount within financial year	Amount beyond financial year	Amount beyond five years
Accrued liabilities	41,508		
Deferred income	3,485		

Explanatory Notes, profit and loss account

Introduction

This section of the Explanatory Notes, according to the structure dictated by the XBRL taxonomy and in compliance with the provisions of Article 2427 of the Italian Civil Code, comments on the items which make up the Profit and Loss Account in the financial statements to 31/12/2021.
In accordance with OIC 12, the distinction between characteristic and ancillary activities, not expressly provided for by the Italian Civil Code, was maintained to allow a distinction to be made, exclusively on the revenue side, between the components that must be classified under item A.1) "Revenues from the sale of goods and services" from those under item A.5) "Other revenues and income".

A) Value of production

Description	2021	2020	Change
A1) Revenues from sales and services	51,514,126	20,294,893	31,219,233
4) Increases in fixed assets for internal work	38,790	377,915	-339,125
5) Other revenues and income - Contributions for operating expenses	54,852	128,601	-73,749
5) Other revenues and income - Other revenues	134,578	53,277	81,301
Total value of production	51,742,346	20,854,687	30,887,659

Value of production

Revenues from sales and services

Revenues from the sale of products and goods or from the provision of services are shown net of returns, commercial discounts, allowances and bonuses, as well as taxes directly connected with the sale of products and the provision of services and amount to €51,514,126 compared to €20,294,893 on 31 December 2020. This increase is mainly attributable to the significant increase in sales volumes as already fully described in the report on operations.
Other revenues, relating to ancillary activities, have been recorded under item A.5) and amount to €189,430.
Increases in fixed assets for internal work for the financial year 2021 are equal to €38,790 compared to €377,0915 in 2020, showing a decrease of €339,125 mainly due to the investments made in the 2020 financial year relative to the development of large-scale storage systems usable for a market other than the residential market

Breakdown of revenues from sales and services by business category

In relation to the requirements of article 2427, paragraph 1, no. 10, of the Italian Civil Code, it not considered significant to divide the revenues by category of activity as the company essentially carries out only one activity.

Breakdown of revenues from sales and services by geographical area

As required by article 2427, paragraph 1, no. 10, of the Italian Civil Code, the breakdown of revenues by geographical area of destination is shown in the following table.

Geographical area	Value in current year
Italy	44,791,936
Europe	5,792,602
Non-EU	929,588
Total	51,514,126

Other revenues

Item A.5) includes the amount of the operating grants that is subject to the tax credit for investments in research and development, ecological transition, technological innovation 4.0 and other innovative activities (design and aesthetic conception), referred to in article 1, paragraphs 198-209, of Law 160/2019, amended and supplemented by article 1, paragraph 1064, letters a) -h) of Law 178/2020, and extended by article 1, paragraph 45, of Law 234/2021.
This tax credit of €49,989 relates to tax credit for 2020.
The income related to the tax credit in question does not contribute to the formation of income for the purposes of income taxes and to the value of production for IRAP [regional production tax] purposes and is not relevant for the purposes of the relationship pursuant to article 109, paragraph 5, of the TUIR [consolidated income tax law].
The total amount of the operating grants stated in item A.5) of the profit and loss account is €54,852 and includes:

- the tax credit for investments in research and development of €49,989 (tax described above);
- the tax credit for incentives to companies of Confidi Trentino Imprese (Law 6/99) of €4,485;
- the contribution paid by Trentino Sviluppo on the Rovereto (TN) office lease invoices of €378.

Item A.5) also includes other revenue, which, as of 31 December 2021, mainly included transport reimbursements in the amount of €101,863, while as of 31 December 2020 the item consisted mainly of transport reimbursements in the amount of €42,112.

Production costs

The costs and charges in class B of the profit and loss account, classified by nature, are shown net of returns, commercial discounts, allowances and bonuses, while discounts of a financial nature are recognized in item C.16, as they constitute financial income.
The costs for raw materials, ancillary materials, consumables and goods also include ancillary purchase costs (transport, insurance, loading and unloading, etc.) if the supplier has included them in the purchase price of the materials and goods. Otherwise, they have been entered among the costs for services (item B.7).
Note that the non-recoverable VAT was incorporated in the purchase cost of the goods. Both definite costs evidenced by invoices received from suppliers and estimated ones not yet documented, for which specific checks have been carried out, have been attributed to items B.6, B.7 and B.8.
Note that, since the requirement to classify costs “by nature” must prevail, the provisions for risks and charges have been entered among the items related to the operation to which the transaction refers, other than items B.12 and B.13.
Overall, the production costs for the year to 31/12/2021, net of returns, commercial discounts and rebates, amount to €41,610,388.

Tables are provided below for categories B6) raw materials, consumables and goods, B7) services, B9) personnel, B14) Other operating expenses, showing the balance by type of cost for 2021 and 2020, and the respective changes:

6) For raw, ancillary and consumable materials and goods	2021	2020	Change
Purchase of consumables and maintenance	10,436	11,826	-1,390
Goods and product purchases	38,575,277	18,965,289	19,609,988
Warehouse and packaging costs	45,726	12,067	33,659
Customs duties	714,755	447,625	267,130
Stationery and prints	20,748	16,594	4,154
Returns and rewards on purchases	-668,540	-352,907	-315,633
Total	**38,698,402**	**19,100,494**	**19,597,908**

Raw material costs amounted to €38,698,402 as of 31 December 2021 compared to €19,100,494 as of 31 December 2020, showing an increase of €19,597,908. The increase is mainly attributable to the growth in the company's sales volumes, which guaranteed a reduction in the percentage incidence on revenues of these costs equal to 5.6%.

7) For services	2021	2020	Change
Costs for transport	584,396	281,503	302,892
Compensation for directors and auditor	375,507	269,997	105,510
Costs for commercial consultancy and contract costs	198,984	951,036	-752,053
Costs of marketing and entertainment expenses	179,910	88,137	91,773
Insurance costs	129,662	37,808	91,854
Ancillary costs for staff	125,221	76,217	49,004
Bank fees and charges	117,001	34,369	82,632
Costs for ancillary services	77,341	45,713	31,627
Legal, tax and accounting consultancy fees	55,413	22,911	32,502
Utilities costs	13,584	10,414	3,170
Maintenance costs	11,116	7,412	3,704
Total	**1,868,135**	**1,825,519**	**42,616**

Costs for services amounted to €1,868,134 as of 31 December 2021, compared to €1,825,519 as of 31 December 2020, with a change of €42,617,000, mainly due to the increase in transport costs incurred during the year.

9) For staff	2021	2020	Change
Wages and salaries	801,186	527,656	273,530
Social security contributions	200,133	130,497	69,636
Severance indemnity	53,219	35,188	18,031
Other costs	9,350	6,488	2,862
Total	**1,063,888**	**699,829**	**364,059**

Costs for staff amounted to €1,063,888 as of 31 December 2021, compared to €699,829 as of 31 December 2020, showing an increase of €364,059,000, mainly due to the growth in the workforce during the year.

14) Various management charges	2021	2020	Change
Costs for taxes	24,172	11,257	12,915
Losses on receivables/contingent liabilities and roundings down	1,981	5,338	-3,357
Various administrative expenses and membership fees	23,365	13,906	9,459
Totals	**49,518**	**30,501**	**19,017**

Other operating expenses amounted to €49,518 as of 31 December 2021 compared to €30,501 as of 31 December 2020, showing an increase of €19,017. This increase is mainly due to a combined effect of an increase in non-deductible costs in the amount of €8,832 and an increase in costs incurred for compliance with occupational safety regulations in the amount of €8,482.

The changes in the “purchase costs” category are attributable to the significant increase in production volumes that occurred in 2021 compared to 2020.
For the “personnel cost” category, the increase in 2021 compared to 2020 is due to the increase in the workforce that took place in 2021.

Financial income and charges

In class C of the Income Statement, all the positive and negative components of the financial result for the year connected with the financial activity of the company have been recognised, characterised by transactions that generate income, charges, capital gains and losses from sales, relating to securities, equity investments, bank accounts, receivables recorded in fixed assets and loans of any kind, both made and received, and gains and losses on exchange rates.
Financial income and expenses have been recorded on an accrual basis.

Breakdown of interest and other financial charges by type of debt

Interest and other financial charges are entered under item C.17 of the profit and loss account on the basis of the amount accrued in the year net of the related deferrals.
In compliance with the provisions of article 2427, paragraph 1, no. 12, of the Italian Civil Code, details are provided, based on their origin, of the interest and financial charges recorded under item C.17 of the profit and loss account.

Interest and other financial charges	2021	2020	Change
Interest payable to banks	143,624	107,249	36,375
Others (capital losses)	12,450	0	12,450
Total	**156,074**	**107,249**	**48,825**

Details are provided of the net gains/losses on exchange rates recorded under item C.17-bis of the profit and loss account of €-17,377.

Description	31/12/2021	31/12/2020
Profits made during the year	7,594	1,489
Losses made during the year	24,462	1,468
"Expected" profits from valuation	0	0
"Expected" losses from valuation	509	8,751
Provision for foreign exchange risks	0	0
Total Exchange Gains and Losses	**-17,377**	**-8,730**

Value adjustments of financial assets and liabilities

The company did not carry out any write-downs or revaluations or reinstatements of the value of financial assets and liabilities.

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

During the financial year in question, the company did not record any amounts for revenues/costs of exceptional size or incidence under items A, B or C of the profit and loss account.

Income taxes for the year, current, deferred and prepaid

This item includes the direct taxes pertaining to the year in question or to previous years.

Current taxes	**2,654,233**
Taxes relating to previous years	0

Deferred taxes: IRES [corporation tax]:	0
Deferred taxes: IRAP [regional production tax]:	0
Re-absorption of deferred IRES [corporation tax]	112
Re-absorption of deferred IRAP [regional production tax]	0
Total deferred taxes	-112
Prepaid taxes: IRES [corporation tax]:	54,628
Prepaid taxes: IRAP [regional production tax]:	7,489
Re-absorption of prepaid IRES [corporation tax]	0
Re-absorption of prepaid IRAP [regional production tax]	0
Total prepaid taxes	-62,117
Total taxes (20)	**2,592,004**

The following table shows the values of the deferred tax provision and the deferred tax assets of the current year compared with those of the previous year:

Balance Sheet item Description	Current year	Previous year
Deferred tax provision: IRES [corporation tax]:	3,547	112
Deferred tax provision: IRAP [regional production tax]:	0	0
Totals	3,547	112
Deferred tax assets: IRES [corporation tax]:	54,628	0
Deferred tax assets: IRAP [regional production tax]:	7,489	0
Totals	62,117	0

The following tables show, in detail, the temporary differences that led to the recognition of deferred and prepaid taxes in the current and previous years, with details of the rates applied. Due to the specific IRAP [regional production tax] rules on taxability and deductibility, separate calculations were done to determine the tax burden on temporary differences.

Statement of deferred and prepaid taxes and consequent effects - Current year				
	Amount of temporary differences of IRES [corporation tax]	Tax effect IRES rate 24%	Amount of temporary differences of IRAP [corporation tax]	Tax effect IRAP rate 3.29% (average rate between the rates for Trento and Veneto)
Deductible temporary differences				
Prepaid taxes calculated in relation to:				
1. Product warranty provision	149,000	35,760	149,000	4,902
2. Inventory write-down provision	58,539	14,049	58,539	1,926
3. Intangible fixed asset write-down	20,079	4,819	20,079	661
Total temporary differences	227,618		227,618	
Total prepaid taxes		54,628		7,489
Taxable temporary differences				
Deferred taxes				

1. From Derivative valuation	14,779	3,547		
Total temporary differences	**14,779**		**0**	
Total deferred taxes (B)		3,547		**0**

The sum of the IRES [corporation tax] and IRAP [regional production tax] effects, amounting to €62,117, is recorded under item E20) Current, deferred and prepaid income taxes for the year.

In order to provide a clearer picture of item "20-Income taxes for the year, current, deferred and prepaid", the following table "reconciles" the theoretical tax burden from the financial statements with the taxable amount, while also showing the rate actually applied.

Reconciliation statement between the result for the year and the taxable amount
IRES [corporation tax]:

		31.12.2021	**31.12.2020**
Result before tax on balance sheet		9,958,624	1,718,933
Theoretical IRES tax burden	24%	2,390,070	412,544
Permanent (net) differences		110,804	-105,652
Temporary differences deductible in subsequent years		1,048	8,751
Temporary differences not deducted in previous years		0	0
Temporary differences from previous years taxed in the current year		0	0
Temporary differences taxable in future years		0	
IRES tax burden - pre fiscal transp. and consolid.		10,070,476	1,622,032
Current IRES tax burden - on balance sheet	24%	2,416,914	389,288
ACE [economic growth tax relief]		-186,389	-15,626
Tax loss and interest payable for tax consolidation		0	0
IRES tax burden - post fiscal transp. and consolid.		9,884,087	1,606,406
Current IRES tax burden - actual	24%	2,372,181	385,537

IRAP [regional production tax]:

		31.12.2021	**31.12.2020**
Difference between value and costs of production		10,131,958	1,834,799
Costs not relevant for IRAP purposes		1,123,229	687,392
Theoretical IRAP tax base		11,255,187	2,521,990
Theoretical IRAP tax burden	3.90%	438,952	98,356
Permanent differences		-524,759	-485,281
Temporary differences deductible in subsequent years		0	0
Temporary differences not deducted in previous years		0	0
IRAP tax burden - Total		10,730,428	2,036,672
IRAP tax burden - Province of Trento		5,684,766	1,079,008
IRAP tax burden - Other regions		5,045,662	957,664
Current IRAP tax burden - Trentino	1.50%	85,271	0
Current IRAP tax burden - Other regions (for 2020 net of 1st notional deposit)	3.90%	196,781	28,000

Current IRAP tax burden - Total	282,052	28,000

Determination of taxes for the year

IRES and IRAP payables for the year, recorded under item D.12 of the liabilities in the balance sheet, are posted in the amounts recognized under item E.20 of the profit and loss account for the year to 31/12/2021, taking into account the tax return and IRAP return that the company is required to by the deadline set by the regulations in force.

Explanatory Note, other information

For the year to 31/12/2021, this section of the Explanatory Notes provides the following information in accordance with the XBRL taxonomy and in compliance with the provisions of article 2427 of the Italian Civil Code, as well as other legal provisions:
- Employment data
- Remuneration, advances and loans granted to directors and statutory auditors and undertakings given on their behalf
- Remuneration of the statutory auditor or auditing company
- Categories of shares issued by the company
- Securities issued by the company
- Information on other financial instruments issued by the company
- Undertakings, guarantees and potential liabilities not appearing on the balance sheet
- Information on assets and loans intended for a specific business deal
- Information on transactions with related parties
- Information on agreements not appearing on the balance sheet
- Information on significant events occurring after the end of the year (including any significant effects of changes in currency exchange rates occurring after the end of the year under article 2427 c.1 6-bis of the Italian Civil Code)
- Information relating to derivative instruments pursuant to art. 2427-bis of the Italian Civil Code
- Summary of the financial statements of the company in charge of management and coordination
- Information pursuant to article 1, paragraph 125, of law no. 124 of 4 August 2017
- Proposal for allocation of profits or coverage of losses

Furthermore, the following additional information has been provided in the final comment to this section of the Explanatory Note:
- Table and information on revaluations
- Reserves incorporated into the share capital

Employment data

Average number of employees broken down by categories (article 2427, paragraph 1, no. 15, Italian Civil Code)

The average number of employees, broken down by category, is shown in the following table:

	Average number
Managers	2
Clerical workers	13
Manual workers	1
Other employees	2
Total employees	18

Remuneration, advances and loans granted to directors and statutory auditors and undertakings given on their behalf

Total amount of the remuneration, advances and loans granted to directors and statutory auditors and of the undertakings given on their behalf (article 2427, paragraph 1, no. 16, of the Italian Civil Code)

The remuneration payable, the advances and loans granted to the Directors during the financial year in question, as well as the undertakings given on their behalf as a result of guarantees of any kind given, are shown in the following table:

	Directors
Remuneration	370,195

The remuneration payable to the directors was awarded in accordance with the specific resolution of the shareholders' meeting.

No advances and no credit were granted to directors during the financial year, and no guarantees or undertakings were given in respect of them.

Remuneration of the statutory auditor or auditing company

Fees due for statutory audits, other verification services, tax consultancy and various services (Article 2427, paragraph 1, no. 16-bis, of the Italian Civil Code)

The fees paid to the statutory auditor for the services provided pursuant to article 2427, n. 16-bis, of the Italian Civil Code are shown in the following table:

	Amount
Statutory audit of annual accounts	5,312
Total fee payable to the statutory auditor or auditing company	5,312

Categories of shares issued by the company

Number and nominal value of each category of shares in the company and of the new shares subscribed (article 2427, paragraph 1, no. 17, of the Italian Civil Code)

The share capital of €10,000 is represented by ordinary quotas with a nominal value of €1.
Note that, as of 31/12/2021, there were no quotas of categories other than ordinary.

Securities issued by the company

Entitlement shares, bonds convertible into shares, securities or similar securities issued by the company (article 2427, paragraph 1, no. 18, of the Italian Civil Code)

The company has not issued convertible bonds, securities or other similar securities.

Information about other financial instruments issued by the company

Number and characteristics of the other financial instruments issued by the company (article 2427, paragraph 1, no. 19, of the Italian Civil Code)

The company has not issued any type of financial instrument.

Undertakings, guarantees and potential liabilities not appearing on the balance sheet

Undertakings

Undertakings not appearing on the balance sheet are obligations taken on by the company towards third parties, with definite obligatory effects, but not yet executed. The company has no undertakings.

Guarantees

Guarantees not appearing on the balance sheet include guarantees given by the company, i.e. guarantees issued by the company in respect of an obligation to be fulfilled by itself or others.
There are no guarantees.

Contingent liabilities

Contingent liabilities are liabilities associated with situations that already existed as of the balance sheet date, but with a pending outcome, as they will be resolved in the future, the amount of which cannot be determined except in a random and arbitrary manner.
There are no contingent liabilities.

Information on assets and loans intended for a specific business deal

Assets intended for a specific business deal (article 2427, paragraph 1, no. 20 of the Italian Civil Code)
The company did not set up assets intended for a specific business deal.

Loans intended for a specific business deal (article 2427, paragraph 1, no. 21 of the Italian Civil Code)
The company did not have any loan agreements intended for a specific business deal as of the closing date of the financial year in question.

Information on transactions with related parties

Transactions with related parties (Article 2427, paragraph 1, no. 22-bis of the Italian Civil Code)

For the purposes of the provisions in force, note that during the year ended 31/12/2021 no atypical and/or unusual transactions were carried out which, due to their significance and/or relevance, could give rise to doubts regarding the safeguarding of company assets and the protection of minority shareholders, neither with related parties nor with subjects other than related parties.

Information on agreements not appearing on the balance sheet

Nature and economic purpose of agreements not appearing on the balance sheet (article 2427, paragraph 1, no. 22-ter, of the Italian Civil Code)

There are no agreements not appearing on the balance sheet that fulfil the requirements of no. 22-ter of art. 2427 of the Italian Civil Code.

Information on significant events occurring after the close of the financial year

Significant events occurring after the close of the financial year (Article 2427, paragraph 1, no. 22-quater, of the Italian Civil Code)

After the end of the financial year, no significant events were found that could be illustrated in these explanatory notes.
For the information purposes of point 22-quater, article 2427, of the Civil Code, in March 2022 the company moved to the new operational headquarters, consisting of an office building and a production and warehouse unit, in Sant'Angelo di Piove di Sacco (Padua) following the signing of a rent to buy contract pursuant to article 23 of Decree Law no. 133 of 12/09/2014 n. 133.

Any significant effects of changes in exchange rates occurring after the end of the financial year (article 2427, paragraph 1, no 6-bis of the Italian Civil Code)
After the end of the year, there were no changes in currency exchange rates such as to generate significant effects on foreign currency assets and liabilities.

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

Information relating to the fair value of derivative financial instruments (Article 2427-bis, paragraph 1, no. 1, of the Italian Civil Code)

As of the closing date of the financial year, there were two hedging derivative financial instruments.
The first derivative financial instrument contract was signed in 2020, effective from 31.01.2021, with Unicredit, while the second was signed in 2021, effective from 03.15.2021, with Intesa SanPaolo.
The following table shows the size, nature and maturities of each financial instrument:

Type of Derivative Contract	Interest rate cap
Purpose	Hedge
Reference amount	€1,750,000
Underlying financial risk	Interest rate risk
Start date	31/01/2021
Expiry date	30/10/2026
Fair value - mark to market	€12,714
Liability hedged	Unicredit SpA loan

Type of Derivative Contract	Interest rate cap
Purpose	Hedge
Reference amount	€1,000,000
Underlying financial risk	Interest rate risk
Start date	15/03/2021
Expiry date	15/03/2027
Fair value - mark to market	€2,065
Liability hedged	Intesa SanPaolo loan

The total value (fair value - mark to market) of the two derivatives of €14,779 is recorded in asset item “CIII - Financial assets that are not fixed assets - 5) Derivative financial instruments”.

Summary table of the financial statements of the company in charge of management and coordination

Information about the company or entity in charge of management and coordination activities (Article 2497-bis of the Italian Civil Code)

The company is not subject to management or coordination by third-party companies or entities.

Information pursuant to article 1, paragraph 125, of law no. 124 of 4 August 2017

Paragraphs 125-bis and 127 – "Non-general" financial benefits received

Pursuant to article 1, paragraph 125-bis, of Law no. 124 of 04/08/2017, we hereby stated that, during the financial year in question, the company received payment from public bodies, pursuant to article 2 of Legislative Decree 165/2001 and the entities referred to in art. 2-bis of Legislative Decree 33/2013, of contributions in cash not of a general nature and not of a remunerative or compensatory nature, amounting to less than €10,000. The total amount disbursed was €4,863.

In order to avoid any accumulation of irrelevant information, pursuant to paragraph 127 of Law 124/2017, there is no duty to publish information about these benefits under article 1, paragraph 125-bis.

Sections 125-bis and 125-quinquies - Aid contained in the National Register of State Aid

The company has benefited from the minimum aid contained in the "National Register of State Aid" pursuant to article 52, Law no. 234 of 12/24/2012, registered in the aforementioned system, with consequent publication in the transparency section provided therein by the subjects who grant or manage the aid itself pursuant to the respective regulations.

For this aid, publication in the aforementioned Register replaces the obligation for the beneficiary to publish it the Explanatory Notes.

Proposal for allocation of profits or coverage of losses

Proposal for allocation of the profit for the year

Based on the foregoing, a proposal is made to allocate the profit for the year, amounting to a total of € 7,366,620, entirely carried forward, as the legal reserve has already reached one fifth of the share capital pursuant to article 2430 of the Italian Civil Code

In addition to completing the information required by article 2427 of the Italian Civil Code, further mandatory information is provided as required by legal provisions, or complementary ones, in order to provide a true and accurate representation of the equity, financial and economic situation of the company.

List of revaluations carried out

As of the closing date of the financial year referred to in these financial statements, the company's assets do not appear to have been subject to revaluations.

Reserves incorporated into the share capital

No reserves have been incorporated into the share capital in the current year or in previous years.

Explanatory Notes, final part

These financial statements, consisting of balance sheet, profit and loss account explanatory note, have been drawn up with clarity and provide a complete, truthful and correct representation of the equity and financial situation of the company, as well as the economic result for the year, and correspond to the contents of the accounting records.

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Rovereto, 19/05/2022

Chairman of the Board of Directors
Massimiliano Ghirlanda

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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report

To the quotaholders of
Energy S.r.l.

Opinion

We have audited the financial statements of Energy S.r.l. (the "company"), which comprise the balance sheet as at 31 December 2021, the profit and loss account and cash flow statement for the year then ended and notes thereto.

In our opinion, the financial statements give a true and fair view of the financial position of Energy S.r.l. as at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with the Italian regulations governing their preparation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the financial statements*" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

Nature of the audit engagement

This report is not issued pursuant to any legal requirements as the company assigned the engagement for the statutory audit pursuant to article 13 of Legislative decree no. 39/10 to another party. Accordingly, we did not carry out the audit procedures required by Standard on Auditing (SA Italia) 250B to check that the company's accounts were regularly kept or those required by Standard on Auditing (SA Italia) 720B to express an opinion pursuant to article 14.2.e) of Legislative decree no. 39/10.

Comparative figures

The company's 2020 financial statements were audited by other auditors, who expressed their unqualified opinion thereon on 1 June 2021.

Responsibilities of the company's directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian regulations governing their preparation and, in accordance with the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 ISA Italia, we exercise professional judgement and maintain professional scepticism 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 the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 the appropriate level required 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.

Padua, 10 June 2022

KPMG S.p.A.

(signed on the original)

Silvia Di Francesco
Director of Audit