

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of report (date of earliest event reported): April 6, 2022**

**Array Technologies, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-39613**  
(Commission  
File Number)

**83-2747826**  
(I.R.S. Employer  
Identification No.)

**3901 Midway Place NE**  
**Albuquerque, New Mexico**  
(Address of principal executive offices)

**87109**  
(Zip Code)

**Registrant's telephone number, including area code: (505) 881-7567**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                       | Trading<br>Symbol(s) | Name of each exchange<br>on which registered |
|---|----------------------|--|
| Common Stock, par value \$0.001 per share | ARRY                 | Nasdaq Global Market                         |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## Explanatory Note

On January 11, 2022, Array Technologies, Inc. (the “Company”) filed a Current Report on Form 8-K (the “Prior Report”) with the U.S. Securities and Exchange Commission (the “SEC”) announcing the consummation of its previously announced acquisition (the “STI Acquisition”) of Soluciones Técnicas Integrales Norland, S.L., a Spanish private limited liability company, and its subsidiaries (collectively, “STI”).

This Current Report on Form 8-K is being filed to provide certain additional unaudited pro forma financial information relating to the STI Acquisition and certain historical financial information of STI.

### Item 8.01. **Other Events.**

The unaudited pro forma condensed combined balance sheet of the Company for the year ended December 31, 2021 and the unaudited pro forma condensed combined statement of operations of the Company for the year ended December 31, 2021 is filed herewith as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

The historical consolidated financial statements of STI which include the consolidated balance sheet of as of December 31, 2021 and the consolidated income statement, the statement of changes in consolidated net equity and statement of consolidated cash flows for the year ended December 31, 2021, and the notes related thereto, is filed herewith as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

### Item 9.01. **Financial Statements and Exhibits.**

(d) Exhibits.

| <b>Exhibit Number</b> | <b>Description</b>  |
|-----------------------|---|
| 23.1                  | <a href="#">Consent of KPMG Auditores, S.L., independent auditors.</a>  |
| 99.1                  | <a href="#">Unaudited pro forma condensed combined financial information of the Company, which includes the unaudited pro forma condensed combined balance sheet as of December 31, 2021 and the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2021.</a> |
| 99.2                  | <a href="#">Audited consolidated financial statements of Soluciones Técnicas Integrales Norland, S.L. and its subsidiaries as of and for the year ended December 31, 2021.</a>  |
| 104                   | The cover page from this Current Report on Form 8-K, formatted in Inline XBRL   |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 6, 2022

**ARRAY TECHNOLOGIES, INC.**

By: /s/ Tyson Hottinger  
Tyson Hottinger  
Chief Legal Officer

**Consent of Independent Auditors**

We consent to the incorporation by reference in the registration statements (No. 333-249552) on Form S-8 and (No. 333-261045) on Form S-3 of Array Technologies, Inc. of our report dated March 21, 2022 with respect to the consolidated financial statements of Soluciones Técnicas Integrales Norland, S.L. and its subsidiaries, which report appears in the Form 8-K of Array Technologies, Inc. dated April 5, 2022.

The audit report contains a qualification due to no comparative financial information being presented as required by the Spanish General Chart of Accounts approved by Royal Decree 1514/2007, the Standards for the Preparation of Consolidated Annual Accounts approved by Royal Decree 1159/2010 and subsequent amendments.

/s/ KPMG Auditores, S.L.

Pamplona, Spain  
April 5, 2022

## UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

On November 10, 2021, Array Technologies, Inc., a Delaware corporation (the “Company,” “we,” “us” or “our”) entered into a purchase agreement (“Purchase Agreement”) to acquire 100% of the share capital of Soluciones Técnicas Integrales Norland, S.L., a Spanish private limited liability company, and its subsidiaries (collectively, “STI”) (the “STI Acquisition”). On January 11, 2022 (the “Closing Date”), the Company paid closing consideration to STI consisting of €361 million (approximately \$410.5 million) in cash (the “Cash Consideration”) and 13,894,800 shares of the Company’s common stock (the “Equity Consideration”) in accordance with the Purchase Agreement.

In connection with the STI Acquisition, the Company completed the following Financing, as defined below:

- On December 3, 2021 and December 9, 2021, the Company completed a private offering of \$375 million and \$50 million over allotment, respectively, in aggregate principal amount of 1.00% Convertible Senior Notes due 2028 (the “Notes”) resulting in proceeds of \$364.7 million and \$48.6 million, respectively, after deducting the original issue discount of 2.75%. The Company’s historical consolidated balance sheet as of December 31, 2021 already reflects the issuance of the Notes. The unaudited pro forma condensed combined statement of operations has been prepared to reflect the issuance of the Notes as if it had been completed on January 1, 2021.
- On January 7, 2022, the Company issued and sold 50,000 shares of Series A Perpetual Preferred Stock (“Preferred Shares”) and 1,125,000 shares of Common Stock for an aggregate purchase price of \$49,376,125. The unaudited pro forma condensed combined statement of operations has been prepared to reflect the issuance of the Preferred Shares as if it had been completed on January 1, 2021. The unaudited pro forma condensed combined balance sheet has been prepared to reflect the issuance of the Preferred Shares as if it had been completed on December 31, 2021.

The following unaudited pro forma condensed combined financial information reflects adjustments to the historical financial results of the Company in connection with the Transactions, as defined below. The following sets forth the unaudited pro forma condensed combined financial information after giving effect to the STI Acquisition and issuance of the Notes and Preferred Shares (“Financing”) (together the “Transactions”) as if they had occurred on or as of the dates for the periods indicated. The unaudited pro forma condensed combined financial information has been derived from the historical financial statements of each of Array, which are incorporated by reference in this Form 8-K, and of STI, which are filed with this Form 8-K. The unaudited pro forma condensed combined financial information has been prepared using the acquisition method of accounting and applying the assumptions and adjustments described in the accompanying notes to the unaudited pro forma condensed combined financial information. The unaudited pro forma condensed combined financial information has been prepared to illustrate how the Transactions may have impacted the Company’s financial statements as follows:

- unaudited pro forma condensed combined financial information as of December 31, 2021 to illustrate the effect that the STI Acquisition and the issuance of Preferred Shares might have had on the Company if it had been completed on December 31, 2021, for purposes of presenting an unaudited pro forma condensed combined balance sheet as of December 31, 2021; and
- unaudited pro forma condensed combined financial information for the year ended December 31, 2021 to illustrate the effect that the Transactions might have had on the Company if they had been completed on January 1, 2021 for purposes of presenting an unaudited pro forma condensed combined statement of operations for the year ended December 31, 2021.

The unaudited pro forma condensed combined financial information has been derived from the audited consolidated financial statements of the Company as of and for the year ended December 31, 2021 prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”), which are incorporated by reference into this Form 8-K. The unaudited pro forma condensed combined financial information has also been derived from the audited consolidated financial statements of STI as of and for the year ended December 31, 2021 prepared in accordance with Spanish GAAP and reconciled to U.S. GAAP, which are filed with this Form 8-K.

The unaudited pro forma condensed combined financial information is prepared, unless otherwise specified, on a basis that is consistent with the accounting policies used in the preparation of the Company’s audited consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The unaudited pro forma condensed combined financial information relating to STI reflected in the unaudited pro forma condensed combined financial information has been derived from the consolidated financial statements prepared in accordance with Spanish GAAP and reconciled to U.S. GAAP in the reconciliation footnote and the accounting policies as applied by the Company. Therefore, the unaudited pro forma condensed combined financial information relating to STI includes any material differences identified between U.S. GAAP and Spanish GAAP.

The unaudited pro forma condensed combined financial information is presented in thousands of U.S. dollars. Accordingly, STI consolidated financial data has been converted from Euros to U.S. dollars at the rates provided by the United States Federal Reserve for the relevant periods as disclosed below:

| <u>Period</u>                                     | <u>Euro to U.S.<br/>dollars</u> |
|---|---------------------------------|
| Rate as of December 31, 2021                      | 1.1373                          |
| Average rate for the year ended December 31, 2021 | 1.1830                          |

The STI Acquisition will be accounted for under the acquisition method of accounting in accordance with Accounting Standard Codification 805, Business Combinations (“ASC 805”). Under the acquisition method of accounting, the total estimated purchase price, calculated as described in Note (4) to the unaudited pro forma condensed combined financial information, is allocated to the net tangible and intangible assets of STI acquired in connection with the STI Acquisition, based on their estimated fair values. Management has made a preliminary allocation of the estimated purchase price to the net tangible and intangible assets acquired and liabilities assumed based on various preliminary estimates. These preliminary estimates and assumptions are subject to change during the measurement period (up to the time it takes to gather the necessary information and no longer than one year from the acquisition date). The final determination of the values of assets and liabilities and integration costs may result in actual values, assets, liabilities and expenses that are different from those set forth in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information does not include all information required for financial statements under U.S. GAAP, and should be read in conjunction with both the audited financial statements of the Company for the year ended December 31, 2021, which are incorporated by reference into this Form 8-K, and the audited financial statements of STI for the year ended December 31, 2021, which are filed with this Form 8-K.

The unaudited pro forma condensed combined financial information was prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 “Amendments to Financial Disclosures about Acquired and Disposed Businesses,” using the assumptions set forth in the notes to the unaudited pro forma condensed combined financial information. The unaudited pro forma condensed combined financial information has been adjusted to include Transaction Accounting Adjustments, which reflect the application of the accounting required by U.S. GAAP, linking the effects of the Transactions listed above to the Company’s historical consolidated financial statements.

The unaudited pro forma condensed combined financial information is presented for informational purposes only and are not necessarily indicative of the financial position or results of operations that would have occurred had the events been consummated as of the dates indicated, nor are they indicative of any future results. The information presented in the unaudited pro forma condensed combined financial information does not give effect to the potential impact of current financial conditions, or any anticipated revenue enhancements, cost savings or operating synergies that may result from the STI Acquisition.

All unaudited pro forma adjustments and their underlying assumptions are described more fully in the notes to the unaudited pro forma condensed combined financial information.

**ARRAY TECHNOLOGIES, INC.**  
**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**  
**AS OF DECEMBER 31, 2021**  
**(IN THOUSANDS)**

|  | Array<br>Note (1)  | Adjusted STI<br>Note (2a) | Alignment<br>Adjustments<br>Note (3) |          | STI<br>Acquisition<br>Adjustments<br>Note (4) |      | Financing<br>Transactions<br>Adjustments<br>Note (5) |      | Pro Forma<br>Combined |
|--|--------------------|---------------------------|--------------------------------------|----------|---|------|--|------|-----------------------|
| <b>Assets</b>  |                    |                           |                                      |          |   |      |  |      |                       |
| <b>Current Assets</b>  |                    |                           |                                      |          |   |      |  |      |                       |
| Cash and cash equivalents  | \$ 367,670         | \$ 36,305                 | \$ —                                 |          | \$ (410,543)                                  |      | \$ 48,751  | (5a) | \$ 42,183             |
| Accounts receivable, net   | 236,009            | —                         | 116,727                              | (3a)     | —   |      | —  |      | 352,736               |
| Inventories, net   | 205,653            | —                         | 48,612                               | (3b)     | —   |      | —  |      | 254,265               |
| Income tax receivables   | 9,052              | —                         | 101                                  | (3a)     | —   |      | —  |      | 9,153                 |
| Prepaid expenses and other   | 33,649             | —                         | 14,728                               | (3a,c,e) | —   |      | —  |      | 48,377                |
| STI Short-term accruals  | —                  | 325                       | (325)                                | (3c)     | —   |      | —  |      | —                     |
| STI Short-term financial investments   | —                  | 122                       | (122)                                | (3c)     | —   |      | —  |      | —                     |
| STI Commercial debtors and other<br>accounts receivable                      | —                  | 130,099                   | (130,099)                            | (3a)     | —   |      | —  |      | —                     |
| STI Inventory  | —                  | 48,612                    | (48,612)                             | (3b)     | —   |      | —  |      | —                     |
| <b>Total Current Assets/ STI<br/>Current Assets</b>                          | <b>852,033</b>     | <b>215,463</b>            | <b>1,010</b>                         |          | <b>(410,543)</b>                              |      | <b>48,751</b>  |      | <b>706,714</b>        |
| Property, plant and equipment, net   | 10,692             | —                         | 3,282                                | (3d)     | 1,141   | (4)  | —  |      | 15,115                |
| Goodwill   | 69,727             | —                         | —                                    |          | 132,956                                       | (4)  | —  |      | 202,683               |
| Other intangible assets, net   | 174,753            | —                         | 378                                  | (3e)     | 409,427                                       | (4)  | —  |      | 584,558               |
| Deferred tax assets  | 9,345              | —                         | —                                    |          | —   |      | —  |      | 9,345                 |
| Other assets   | 26,429             | —                         | 34                                   | (3f)     | —   |      | —  |      | 26,463                |
| STI Deferred tax assets  | —                  | 194                       | (194)                                | (3k)     | —   |      | —  |      | —                     |
| STI Long-term financial investments  | —                  | 34                        | (34)                                 | (3f)     | —   |      | —  |      | —                     |
| STI Property, plant and equipment  | —                  | 3,282                     | (3,282)                              | (3d)     | —   |      | —  |      | —                     |
| STI Intangible assets  | —                  | 1,388                     | (1,388)                              | (3e)     | —   |      | —  |      | —                     |
| <b>Total Assets</b>  | <b>\$1,142,979</b> | <b>\$ 220,361</b>         | <b>\$ (194)</b>                      |          | <b>\$ 132,981</b>                             |      | <b>\$ 48,751</b>                                     |      | <b>\$1,544,878</b>    |
| <b>Liabilities and Stockholders' Deficit</b>                                 |                    |                           |                                      |          |   |      |  |      |                       |
| <b>Current Liabilities</b>   |                    |                           |                                      |          |   |      |  |      |                       |
| Accounts payable   | \$ 91,392          | \$ —                      | \$ 74,200                            | (3g)     | \$ —  |      | \$ —   |      | \$ 165,592            |
| Accounts payable – related party   | 610                | —                         | —                                    |          | —   |      | —  |      | 610                   |
| Accrued expenses and other   | 38,494             | —                         | 248                                  | (3h)     | —   |      | (331)  | (5c) | 38,411                |
| Accrued warranty reserve   | 3,192              | —                         | —                                    |          | —   |      | —  |      | 3,192                 |
| Income tax payable   | 60                 | —                         | 6,111                                | (3g)     | —   |      | —  |      | 6,171                 |
| Deferred revenue   | 99,575             | —                         | 20,154                               | (3g)     | —   |      | —  |      | 119,729               |
| Current portion of contingent<br>consideration                               | 1,773              | —                         | —                                    |          | —   |      | —  |      | 1,773                 |
| Current portion of term loan   | 4,300              | —                         | 35,021                               | (3i)     | —   |      | —  |      | 39,321                |
| Other current liabilities  | 5,909              | —                         | 549                                  | (3i,j)   | —   |      | —  |      | 6,458                 |
| STI Short-term accruals  | —                  | 248                       | (248)                                | (3h)     | —   |      | —  |      | —                     |
| STI Commercial creditors and other<br>accounts payable                       | —                  | 100,465                   | (100,465)                            | (3g)     | —   |      | —  |      | —                     |
| STI Short-term debt  | —                  | 35,435                    | (35,435)                             | (3i)     | —   |      | —  |      | —                     |
| STI Short-term provisions  | —                  | 135                       | (135)                                | (3j)     | —   |      | —  |      | —                     |
| <b>Total Current Liabilities/ STI<br/>Current Liabilities</b>                | <b>245,305</b>     | <b>136,283</b>            | <b>—</b>                             |          | <b>—</b>                                      |      | <b>(331)</b>   |      | <b>381,257</b>        |
| Long-term Liabilities/ STI   |                    |                           |                                      |          |   |      |  |      |                       |
| Non-Current Liabilities  |                    |                           |                                      |          |   |      |  |      |                       |
| Deferred tax liability   | —                  | —                         | —                                    |          | —   |      | —  |      | —                     |
| Contingent consideration, net of current<br>portion                          | 12,804             | —                         | —                                    |          | —   |      | —  |      | 12,804                |
| Other long-term liabilities  | 5,557              | —                         | 4,548                                | (3l)     | —   |      | —  |      | 10,105                |
| Long term debt, net of current portion,<br>debt discounts and issuance costs | 711,056            | —                         | 12,093                               | (3m)     | —   |      | (142)  | (5c) | 723,007               |
| STI Long-term debt   | —                  | 12,093                    | (12,093)                             | (3m)     | —   |      | —  |      | —                     |
| STI Long-term provisions   | —                  | 4,523                     | (4,523)                              | (3l)     | —   |      | —  |      | —                     |
| STI Subsidies, gifts, and legacies   | —                  | 25                        | (25)                                 | (3l)     | —   |      | —  |      | —                     |
| STI Deferred tax liabilities   | —                  | 313                       | (313)                                | (3k)     | —   |      | —  |      | —                     |
| Total Long-Term Liabilities/ STI<br>Non-Current Liabilities                  | 729,417            | 16,954                    | (313)                                |          | —   |      | (142)  |      | 745,916               |
| <b>Total Liabilities</b>   | <b>974,722</b>     | <b>153,237</b>            | <b>(313)</b>                         |          | <b>—</b>                                      |      | <b>(473)</b>   |      | <b>1,127,173</b>      |
| <b>Commitments and Contingencies</b>   |                    |                           |                                      |          |   |      |  |      |                       |
| Series A Redeemable Perpetual Preferred<br>Stock                             | 237,462            | —                         | —                                    |          | —   |      | 39,687   | (5a) | 277,149               |
| <b>Stockholders' equity/(deficit)</b>  |                    |                           |                                      |          |   |      |  |      |                       |
| Preferred stock  | —                  | —                         | —                                    |          | —   |      | —  |      | —                     |
| Common stock   | 135                | —                         | —                                    |          | 14  | (4)  | 1  | (5a) | 150                   |
| Additional paid in capital   | 202,562            | —                         | —                                    |          | 200,210                                       | (4)  | 9,063  | (5a) | 411,835               |
| Accumulated deficit  | (271,902)          | —                         | 67,243                               | (3n,k)   | (67,243)                                      | (4a) | 473  | (5a) | (271,429)             |

|  |                    |                   |                 |      |                   |                  |                    |
|--|--------------------|-------------------|-----------------|------|-------------------|------------------|--------------------|
| STI Net equity   | —                  | 67,124            | (67,124)        | (3n) | —                 | —                | —                  |
| <b>Total member's equity/stockholders' deficit / STI Net Equity</b>  | <b>(69,205)</b>    | <b>67,124</b>     | <b>119</b>      |      | <b>132,981</b>    | <b>9,537</b>     | <b>140,556</b>     |
| <b>Total liabilities, Redeemable perpetual preferred stock and Members Equity/Stockholders' Deficit / STI Total net equity and liabilities</b> | <b>\$1,142,979</b> | <b>\$ 220,361</b> | <b>\$ (194)</b> |      | <b>\$ 132,981</b> | <b>\$ 48,751</b> | <b>\$1,544,878</b> |

*See accompanying notes to unaudited pro forma condensed combined financial information.*



**ARRAY TECHNOLOGIES, INC.**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)**

|   | Array<br>Historical<br>Note (1) | Adjusted<br>STI<br>Historical<br>Note (2b) | Alignment<br>Adjustments<br>Note (3) |      | STI<br>Acquisition<br>Adjustments<br>Note (4) |        | Financing<br>Transactions<br>Adjustments<br>Note (5) |      | Pro Forma<br>Combined |
|---|---------------------------------|--|--------------------------------------|------|---|--------|--|------|-----------------------|
| <b>Revenue</b>  | \$853,318                       | \$ —                                       | \$ 265,539                           | (3o) | \$ —  |        | \$ —   |      | \$1,118,857           |
| Cost of Revenue   | 770,459                         | —  | 191,327                              | (3p) | —   |        | —  |      | 961,786               |
| STI Net turnover  | —                               | 265,539                                    | (265,539)                            | (3o) | —   |        | —  |      | —                     |
| Gross profit  | 82,859                          | —  | (191,327)                            |      | —   |        | —  |      | 157,071               |
| <b>Operating Expenses</b>   |                                 |  |                                      |      |   |        |  |      |                       |
| STI Changes in inventories of finished goods and work in progress                 | —                               | (34,430)                                   | 34,430                               | (3p) | —   |        | —  |      | —                     |
| STI Supplies  | —                               | 225,757                                    | (225,757)                            | (3p) | —   |        | —  |      | —                     |
| General and administrative  | 80,974                          | —  | 27,128                               | (3q) | —   |        | —  |      | 108,102               |
| Contingent consideration  | 2,696                           | —  | —                                    |      | —   |        | —  |      | 2,696                 |
| Depreciation and amortization   | 23,930                          | —  | 619                                  | (3r) | 167,453                                       | (4b,c) | —  |      | 192,002               |
| STI Other operating income  | —                               | (69)                                       | 69                                   | (3q) | —   |        | —  |      | —                     |
| STI Staff expenses  | —                               | 14,769                                     | (14,769)                             | (3q) | —   |        | —  |      | —                     |
| STI Other operating expenses  | —                               | 12,620                                     | (12,620)                             | (3q) | —   |        | —  |      | —                     |
| STI Amortisation and depreciation   | —                               | 619  | (619)                                | (3r) | —   |        | —  |      | —                     |
| STI Non-financial and other capital grants  | —                               | (39)                                       | 39                                   | (3q) | —   |        | —  |      | —                     |
| STI Impairment and result on disposal of fixed assets                             | —                               | 4  | (4)                                  | (3q) | —   |        | —  |      | —                     |
| STI Other results   | —                               | (157)                                      | 157                                  | (3q) | —   |        | —  |      | —                     |
| <b>Total Operating Expenses</b>   | <u>107,600</u>                  | <u>219,074</u>                             | <u>(191,327)</u>                     |      | <u>167,453</u>                                |        | <u>—</u>   |      | <u>302,800</u>        |
| Income (loss) from Operations / STI Operating income                              | (24,741)                        | 46,465                                     | —                                    |      | (167,453)                                     |        | —  |      | (145,729)             |
| <b>Other Expense</b>  |                                 |  |                                      |      |   |        |  |      |                       |
| Other expense, net  | (905)                           | —  | (1,272)                              | (3s) | —   |        | —  |      | (2,177)               |
| Interest expense  | (35,475)                        | —  | —                                    |      | —   |        | (5,624)  | (5c) | (41,099)              |
| STI Financial income  | —                               | 814  | (814)                                | (3s) | —   |        | —  |      | —                     |
| STI Financial expenses  | —                               | (2,302)                                    | 2,302                                | (3s) | —   |        | —  |      | —                     |
| STI Variation in fair value of financial instruments                              | —                               | (321)                                      | 321                                  | (3s) | —   |        | —  |      | —                     |
| STI Exchange differences  | —                               | 537  | (537)                                | (3s) | —   |        | —  |      | —                     |
| <b>Total Other Expense / STI Financial results</b>                                | <u>(36,380)</u>                 | <u>(1,272)</u>                             | <u>—</u>                             |      | <u>—</u>                                      |        | <u>(5,624)</u>                                       |      | <u>(43,276)</u>       |
| <b>Income (Loss) Before Income Tax Expense (Benefit) / STI Results before tax</b> | <u>(61,121)</u>                 | <u>45,193</u>                              | <u>—</u>                             |      | <u>(167,453)</u>                              |        | <u>(5,624)</u>                                       |      | <u>(189,005)</u>      |
| Income Tax Expense (Benefit)  | (10,718)                        | —  | 11,134                               | (3t) | (50,567)                                      | (4d)   | (1,321)  | (5d) | (51,472)              |
| STI Income tax  | —                               | 11,134                                     | (11,134)                             | (3t) | —   |        | —  |      | —                     |
| <b>Net Income (loss)/ STI Results for the Year</b>                                | <u>(50,403)</u>                 | <u>34,059</u>                              | <u>—</u>                             |      | <u>(116,886)</u>                              |        | <u>(4,303)</u>                                       |      | <u>(137,533)</u>      |
| Preferred dividends and accretion   | (15,715)                        | —  | —                                    |      | —   |        | (4,784)  | (5b) | (20,499)              |
| <b>Net Income (loss) to common shareholders</b>                                   | <u>\$ (66,118)</u>              | <u>\$ 34,059</u>                           | <u>\$ —</u>                          |      | <u>\$ (116,886)</u>                           |        | <u>\$ (9,087)</u>                                    |      | <u>\$ (158,032)</u>   |
| Earnings (loss) per share   |                                 |  |                                      |      |   |        |  |      |                       |
| Basic   | <u>\$ (0.51)</u>                |  |                                      |      |   |        |  |      | <u>\$ (1.09)</u>      |
| Diluted   | <u>\$ (0.51)</u>                |  |                                      |      |   |        |  |      | <u>\$ (1.09)</u>      |
| Weighted average number of shares   |                                 |  |                                      |      |   |        |  |      |                       |
| Basic   | <u>129,984</u>                  |  |                                      |      |   |        |  |      | <u>145,004</u>        |
| Diluted   | <u>129,984</u>                  |  |                                      |      |   |        |  |      | <u>145,004</u>        |

*See accompanying notes to unaudited pro forma condensed combined financial information.*

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

(In thousands)

***Basis of Pro Forma Presentation***

The Array historical financial information has been derived from the Company's historical financial statements which are incorporated by reference in this Form 8-K. The STI historical financial information has been derived from the STI's historical financial statements which are filed in this Form 8-K. Certain of STI's historical amounts have been reclassified to conform to Array's financial statement presentation, as discussed further in Note 3. The unaudited pro forma condensed combined financial information should be read in conjunction with each company's historical financial statements and the notes thereto. The unaudited pro forma condensed combined balance sheet gives effect to the STI Acquisition and the issuance of the Preferred Shares as if they had been completed on December 31, 2021. The issuance of the Notes is included in the Array historical consolidated balance sheet as of December 31, 2021. The unaudited pro forma condensed combined statement of operations gives effect to the Transactions as if they had been completed on January 1, 2021. In the opinion of Array's management, all material adjustments have been made that are necessary to present fairly the unaudited pro forma condensed combined financial information in accordance with Article 11. Array has elected not to present Management's Adjustments and is presenting only Transaction Accounting Adjustments in the unaudited pro forma condensed combined financial information. The adjustments presented in the unaudited pro forma condensed combined financial information has been identified and presented to provide relevant information necessary to assist in understanding the post-combination company.

The unaudited pro forma condensed combined financial information do not purport to be indicative of the financial position or results of operations of the combined company that would have occurred if the Transactions had occurred on the dates indicated, nor are they indicative of Array's future financial position or results of operations. In addition, future results may differ significantly from those reflected in the unaudited pro forma condensed combined financial information.

***Note (1): Company Historical Financial Statements***

The historical financial information of the Company for the year ended December 31, 2021 has been derived from the consolidated financial statements of Company as of and for the year ended December 31, 2021, which is prepared in accordance with U.S. GAAP, and which are incorporated by reference into this Form 8-K.

***Note (2): Adjusted STI Historical Financial Statements***

(a) STI historical information as of December 31, 2021

The historical financial information of STI as of December 31, 2021 has been derived from STI's audited consolidated financial statements as of and for the year ended December 31, 2021, which are prepared in accordance with Spanish GAAP and reconciled to U.S. GAAP as presented in the footnotes to the audited consolidated financial statements which are filed with this Form 8-K.

The following table reconciles the historical financial information of STI in U.S. GAAP as of December 31, 2021 prepared in euros and converted to U.S. dollars.

| <i>(in thousands)</i>                               | <b>Historical Adjusted STI<br/>U.S. GAAP<br/>(EUR)</b> | <b>Historical Adjusted STI<br/>U.S. GAAP (USD)</b> |
|---|--|--|
| <b>Assets</b>                                       |  |  |
| <b>Current assets:</b>                              |  |  |
| Cash and cash equivalents                           | € 31,922   | \$ 36,305  |
| Short-term accruals                                 | 286  | 325  |
| Short-term financial investments                    | 107  | 122  |
| Commercial debtors and other accounts<br>receivable | 114,393  | 130,099  |
| Inventory   | 42,743   | 48,612   |
| <b>Current assets</b>                               | <b>189,451</b>   | <b>215,463</b>                                     |
| Deferred tax assets                                 | 171  | 194  |
| Long-term financial investments                     | 30   | 34   |
| Property, plant and equipment                       | 2,886  | 3,282  |
| Intangible assets                                   | 1,220  | 1,388  |
| <b>Non-current assets</b>                           | <b>4,307</b>   | <b>4,898</b>                                       |
| <b>Total assets</b>                                 | <b>€ 193,758</b>                                       | <b>\$ 220,361</b>                                  |
| <b>Net Equity and Liabilities</b>                   |  |  |
| <b>Current liabilities</b>                          |  |  |
| Short-term accruals                                 | € 218  | \$ 248   |
| Commercial creditors and other accounts payable     | 88,336   | 100,465  |
| Short-term debt                                     | 31,157   | 35,435   |
| Short-term provisions                               | 119  | 135  |
| <b>Current liabilities</b>                          | <b>119,830</b>   | <b>136,283</b>                                     |
| <b>Non-current liabilities</b>                      |  |  |
| Long-term debt                                      | 10,633   | 12,093   |
| Long-term provisions                                | 3,977  | 4,523  |
| Subsidies, gifts, and legacies                      | 22   | 25   |
| Deferred tax liabilities                            | 275  | 313  |
| <b>Non-current liabilities</b>                      | <b>14,907</b>  | <b>16,954</b>                                      |
| <b>Total liabilities</b>                            | <b>134,737</b>   | <b>153,237</b>                                     |
| Net equity  | 59,021   | 67,124   |
| <b>Total net equity and liabilities</b>             | <b>€ 193,758</b>                                       | <b>\$ 220,361</b>                                  |

(b) STI historical information for the year ended December 31, 2021

The historical financial information of STI for the year ended December 31, 2021 has been derived from STI's audited consolidated financial statements as of and for the year ended December 31, 2021, which are prepared in accordance with Spanish GAAP and reconciled to U.S. GAAP as presented in the footnotes to the audited consolidated financial statements which are filed with this Form 8-K.

The following table presents a reconciliation of the historical financial information of STI for the year ended December 31, 2021 prepared in euros and converted to U.S. dollars.

| <i>(in thousands)</i>   | Historical STI<br>(EUR) | Spanish<br>GAAP to U.S.<br>GAAP and<br>Reconciliation<br>(EUR) | Historical<br>Adjusted STI<br>(EUR) | Historical<br>Adjusted STI<br>(USD) |
|---|-------------------------|--|-------------------------------------|-------------------------------------|
| Net turnover  | € 224,462               | € —  | € 224,462                           | \$ 265,539                          |
| Changes in inventories of finished goods and work in progress | 29,104                  | —  | 29,104                              | 34,430                              |
| Supplies  | (190,834)               | —  | (190,834)                           | (225,757)                           |
| Other operating income  | 58                      | —  | 58                                  | 69                                  |
| Staff expenses  | (12,484)                | —  | (12,484)                            | (14,769)                            |
| Other operating expenses                                      | (10,668)                | —  | (10,668)                            | (12,620)                            |
| Amortisation and depreciation                                 | (541)                   | 18   | (523)                               | (619)                               |
| Non-financial and other capital grants                        | 33                      | —  | 33                                  | 39                                  |
| Impairment and result on disposal of fixed assets             | (3)                     | —  | (3)                                 | (4)                                 |
| Other results   | 133                     | —  | 133                                 | 157                                 |
| <b>Operating Income</b>                                       | <b>39,260</b>           | <b>18</b>  | <b>39,278</b>                       | <b>46,465</b>                       |
| Financial income  | 688                     | —  | 688                                 | 814                                 |
| Financial expenses  | (1,946)                 | —  | (1,946)                             | (2,302)                             |
| Variation in fair value of financial instruments              | (271)                   | —  | (271)                               | (321)                               |
| Exchange differences  | 454                     | —  | 454                                 | 537                                 |
| <b>Financial Results</b>                                      | <b>(1,075)</b>          | <b>—</b>   | <b>(1,075)</b>                      | <b>(1,272)</b>                      |
| <b>Results before tax</b>                                     | <b>38,185</b>           | <b>18</b>  | <b>38,203</b>                       | <b>45,193</b>                       |
| Income tax  | 9,412                   | —  | 9,412                               | 11,134                              |
| <b>Results for the Year</b>                                   | <b>€ 28,773</b>         | <b>€ 18</b>  | <b>€ 28,791</b>                     | <b>\$ 34,059</b>                    |

The STI historical amounts included in the unaudited pro forma condensed combined balance sheet and statements of operations have been formatted to reflect the number convention used by Array.

### Note (3): Alignment adjustments

Alignment adjustments represent the adjustments required to conform STI historical financial statements to the Company's historical financial statements with respect to accounting policies and Company's presentation.

#### Accounting Policies

During the preparation of the unaudited pro forma condensed combined financial information, the Company performed a preliminary analysis to identify differences in accounting policies and methodologies between the Company and STI. As a result of that review, management did not become aware of any material differences between the accounting policies of the two companies, other than certain reclassifications necessary to conform STI to Array's financial statement presentation.

The Company made the following reclassification adjustments to the unaudited pro forma condensed combined balance sheet as of December 31, 2021:

- (a) STI's Commercial debtors and other accounts receivable balance was reclassified to Accounts receivable, net, Prepaid expenses and other and Income tax receivables to conform with Array's balance sheet presentation. This reclassification has no impact on Total Assets.
- (b) STI's Inventory was reclassified to Inventories, net to conform with Array's balance sheet presentation. This reclassification has no impact on Total Assets.
- (c) STI's Short-term accruals and Short-term financial investments balances were reclassified to Prepaid expenses and other to conform with Array's balance sheet presentation. This reclassification has no impact on Total Assets.
- (d) STI's Property, plant and equipment balance was reclassified to Property, plant and equipment, net to conform with Array's balance sheet presentation. This reclassification has no impact on Total Assets.
- (e) STI's Intangible assets balance was reclassified to Other intangible assets, net and Prepaid expenses and other to conform with Array's balance sheet presentation. This reclassification has no impact on Total Assets.
- (f) STI's Long-term financial investments balances was reclassified to Other assets to conform with Array's balance sheet presentation. This reclassification has no impact on Total Assets.

- (g) STI's Commercial creditors and other accounts payable balance was reclassified to Accounts payable, Income tax payable and Deferred revenue to conform with Array's balance sheet presentation. This reclassification has no impact on Total Liabilities.
- (h) STI's Short-term accruals balance was reclassified to Accrued expenses and other to conform with Array's balance sheet presentation. This reclassification has no impact on Total Liabilities.
- (i) STI's Short-term debt balance was reclassified to Current portion of term loan and Other current liabilities to conform with Array's balance sheet presentation. This reclassification has no impact on Total Liabilities.
- (j) STI's Short-term provisions balance was reclassified to Current portion of term loan and Other current liabilities to conform with Array's balance sheet presentation. This reclassification has no impact on Total Liabilities.
- (k) STI's Deferred tax liabilities and Deferred tax assets balances were removed as book and tax basis were reset to fair value. The offsetting entry was made to Accumulated Deficit to conform with Array's balance sheet presentation.
- (l) STI's Long-term provisions and Subsidies, gifts, and legacies balances were reclassified to Other long-term liabilities to conform with Array's balance sheet presentation. This reclassification has no impact on Total Liabilities.
- (m) STI's Long-term debt balance was reclassified to Long term debt, net of current portion, debt discounts and issuance costs to conform with Array's balance sheet presentation. This reclassification has no impact on Total Liabilities.
- (n) STI's Net equity was reclassified to Accumulated deficit to conform with Array's balance sheet presentation. This reclassification has no impact on Total Liabilities and Member's Equity/Stockholders' Deficit.

The Company made the following reclassification adjustments to the unaudited pro forma condensed combined statements of operations for the year ended December 31, 2021:

- (o) STI's Net turnover was reclassified to Revenue to conform with Array's statement of operations presentation. This reclassification has no impact on Net Income.
- (p) STI's Supplies and Changes in inventories of finished goods and work in progress was reclassified to Cost of Revenues to conform with Array's statement of operations presentation. This reclassification has no impact on Net Income.
- (q) STI's Other operating income, Staff expenses, Other operating expenses, Non-financial and other capital grants, Impairment and result on disposal of fixed assets and Other results were reclassified to General and administrative to conform with Array's statement of operations presentation. This reclassification has no impact on Net Income.
- (r) STI's Amortisation and depreciation was reclassified to Depreciation and amortization to conform with Array's statement of operations presentation. This reclassification has no impact on Net Income.
- (s) STI's Financial income, Financial expenses, Variation in fair value of financial instruments and Exchange differences were reclassified to Other expense, net to conform with Array's statement of operations presentation. This reclassification has no impact on Net Income.
- (t) STI's Income tax was reclassified to Income tax expense to conform with Array's statement of operations presentation. This reclassification has no impact on Net Income.

Note: The unaudited pro forma condensed combined statement of operations has been presented by function consistent with Array's historical presentation. STI's historical Income Statement is presented by nature. For the purposes of preparing the unaudited pro forma condensed combined statement of operations, this difference in presentation was not considered material for the purpose of this Form 8-K and has not been included in the alignment adjustments. The Company's management will continue to conduct reviews of STI's accounting policies and methodologies and may identify differences that, when adjusted or reclassified, could have a material impact on the unaudited pro forma condensed combined financial information.

## Note (4): STI Acquisition Adjustments

### Preliminary Acquisition Price Allocation

Represents adjustments based on preliminary estimates of fair value and the adjustment to goodwill, property, plant and equipment, and intangible assets derived from the difference in the estimated total consideration and the estimated fair value of assets acquired and liabilities assumed. Upon completion of the fair value assessment after the STI Acquisition, it is anticipated that the ultimate purchase price allocation will differ from the preliminary assessment outlined below. Any changes to the initial estimates of the fair value of the acquired assets and assumed liabilities will be recorded as adjustments to those assets and liabilities, and residual amounts will be allocated to goodwill. The estimated consideration is based on the cash paid and common stock issued.

The calculated value assigned to the property, plant, and equipment, and intangible assets has been estimated by management utilizing third-party preliminary valuation studies utilizing valuation techniques including the income, cost and market approaches. Property, plant, and equipment was valued using a cost approach based on the fixed asset registers provided by STI. Reproduction cost new is defined as the current cost of reproducing a new replica of a property with the same or closely similar materials. Reproduction cost new was estimated as a starting point using the historical costs and acquisition dates in the fixed asset registers and then deductions for physical deterioration, functional obsolescence, and economic obsolescence were made to estimate calculated value. Further, we also held multiple discussions with the STI's accounting and operations personnel to understand the age, condition, utility, maintenance, and other factors that would impact the calculated value of the assets. Working capital amounts are assumed to have fair values equal to historical book values. The final purchase price allocation will be based on a subsequent appraisal which may result in materially different allocations for assets than those presented in this unaudited pro forma condensed combined balance sheet. Any change in the amount of the final purchase price allocated to amortizable, finite-lived intangible assets as well as property, plant and equipment could materially affect the amount of amortization and depreciation expense. The preliminary purchase price and purchase price allocation are presented as follows:

| (\$ in thousands)                             |                  |
|---|------------------|
| <b>Purchase Price</b>                         |                  |
| Cash consideration <sup>(i)</sup>             | \$410,543        |
| Stock consideration <sup>(ii)</sup>           | 200,224          |
| <b>Total purchase price</b>                   | <u>610,767</u>   |
| <b>Allocated To</b>                           |                  |
| Cash and cash equivalents                     | 36,305           |
| Accounts receivable                           | 116,727          |
| Inventories                                   | 48,612           |
| Income tax receivables                        | 101              |
| Prepaid expenses and other                    | 14,728           |
| Property, plant and equipment                 | 4,423            |
| Other intangible assets                       | 409,805          |
| Other assets                                  | 34               |
| Accounts payable                              | (74,200)         |
| Deferred revenue                              | (20,154)         |
| Short-term debt                               | (35,021)         |
| Accrued expenses and other                    | (248)            |
| Other current liabilities                     | (549)            |
| Income tax payable                            | (6,111)          |
| Other long-term liabilities                   | (4,548)          |
| Long-term debt                                | <u>(12,093)</u>  |
| Preliminary fair value of net assets acquired | 477,811          |
| Preliminary allocation to goodwill            | <u>\$132,956</u> |

(i) The cash considered includes \$0.9 million of management transaction bonus and transaction costs.

(ii) The stock consideration is based on the Company's Stock price of \$14.41, which is the closing stock price at closing of the STI Purchase Agreement on January 11, 2022.

- (a) Represents adjustments to adjust the stockholders' equity of STI to zero upon closing of the STI Acquisition.
- (b) Represents adjustments to reflect the depreciation expense related to the net increase in fair value of the acquired property, plant and equipment.

| <i>(in thousands)</i>           | <b>Year ended<br/>December 31,<br/>2021</b> |
|---------------------------------|---|
| Historical depreciation expense | \$ (466)                                    |
| Pro forma depreciation expense  | 524   |
| <b>Pro forma adjustment</b>     | <b>\$ 58</b>                                |

- (c) As part of the valuation analysis, the Company identified backlog, customer relationships and tradename as intangible assets. The final fair value determinations for identifiable intangible assets may differ from this preliminary determination, and such differences could be material. The remaining useful life of the acquired intangible assets was estimated based on a preliminary estimate of the period over which substantially all of the cumulative discounted cash flows are expected to be realized. The pro forma adjustment to recognize additional expense related to the increased carrying value of the intangible assets has been computed with the assumption that these will be amortized over the estimated useful lives on a straight-line basis.

The following table summarizes the estimated fair values and useful lives of STI's identifiable intangible assets (using the exchange rate as of December 31, 2021, of €1:1.1373):

| <i>(in thousands, except<br/>useful lives)</i> | <b>Estimated<br/>Fair Value<br/>(in EUR)</b> | <b>Estimated<br/>Fair Value<br/>(in USD)</b> | <b>Estimated<br/>Weighted<br/>Average<br/>Useful Life<br/>in Years</b> |
|--|--|--|--|
| Backlog  | € 120,000                                    | \$ 136,476                                   | 1  |
| Customer Relationships                         | 215,000                                      | 244,520                                      | 10   |
| Tradename                                      | 25,000                                       | 28,433                                       | Indefinite   |
| <b>Total</b>                                   | <b>€ 360,000</b>                             | <b>\$ 409,429</b>                            |  |

The following table represents total intangible amortization expense in conjunction with the STI Acquisition:

| <i>(\$ in thousands)</i>     |            |
|------------------------------|------------|
| Year ended December 31, 2021 | \$ 167,395 |

- (d) Reflects the income tax effect of acquisition pro forma adjustments by applying the statutory rate to each adjustment based on the applicable jurisdiction.

**Note (5): Financing Transactions Adjustments**

- (a) The table below represents the incurrence of notes offered hereby to fund the STI Acquisition. A detailed estimate of the sources and uses of cash associated with the transaction are as follows:

| (\$ in thousands)  |                  |
|--|------------------|
| <b>Sources:</b>  |                  |
| Series A Redeemable Perpetual Preferred Stock <sup>(i)</sup> | \$ 48,751        |
| Existing Array cash <sup>(ii)</sup>                          | 367,670          |
| Existing STI cash  | 36,305           |
| <b>Total Sources</b>   | <b>\$452,726</b> |
| <b>Uses:</b>   |                  |
| Cash Consideration   | \$410,543        |
| Cash to balance sheet  | 42,183           |
| <b>Total Uses</b>  | <b>\$452,726</b> |

- (i) Proceeds from the Series A Redeemable Perpetual Preferred Stock. The Company issued 50,000 of Preferred Shares and 1,125,000 shares of the Company's common stock for an aggregate purchase price of \$49.4 million. The fair value of the Preferred Shares and common stock amounted to \$55.2 million, net of fees. The fair value of the common stock was derived from the Company's closing stock price of \$14.12 as of January 7, 2022. The breakdown of the \$55.2 million fair value, net of fees is comprised of \$39.7 million to Series A Redeemable Perpetual Preferred Stock, \$1.1 thousand to common stock and \$15.5 million to additional paid-in capital.
- (ii) Existing Array cash includes proceeds of from the issuance of the Notes in December 3, 2021 and December 7, 2021.

- (b) The table below represents the total preferred dividends and accretion on the Preferred Shares calculated at the dividend rate of 5.75%:

| (\$ in thousands)                           |         |
|---|---------|
| Year ended December 31, 2021 <sup>(i)</sup> | \$5,732 |

- (i) The Company has presented the Preferred Shares in temporary equity and is accreting the discount on the increasing rate dividends using the effective interest method. Such accretion totaled \$2.9 million for the year ended December 31, 2021.

- (c) The table below represents the total interest expense and amortization of the discount and fees on the Convertible Senior Notes:

| (in thousands)  | Year ended<br>December 31,<br>2021 |
|---|------------------------------------|
| Historical interest expense and amortization of discount and fees | \$ (472)                           |
| Pro forma interest expense and amortization of discount and fees  | 6,096                              |
| <b>Pro forma adjustment</b>                                       | <b>\$ (5,624)</b>                  |

- (d) Reflects the income tax effect of the financing pro forma adjustments by applying the statutory rate to each adjustment based on the applicable jurisdiction.



**Note (6): Earnings Per Share**

The following table sets forth the calculation of pro forma basic and diluted earnings per share:

|   | <b>Year Ended<br/>December 31,<br/>2021</b> |
|---|---|
| <i>(in thousands, except per share amounts)</i>                                 |   |
| Basic earnings available to common shareholders                                 | \$ (158,032)                                |
| Historical Array weighted average number of common shares outstanding (Basic)   | 129,984                                     |
| Stock issued for Stock Consideration  | 13,895                                      |
| Common stock issued for Series A Preferred Shares                               | 1,125                                       |
| Weighted average number of common shares outstanding (Basic)                    | <u>145,004</u>                              |
| <b>Basic earnings per share</b>   | <b>\$ (1.09)</b>                            |
| Historical Array weighted average number of common shares outstanding (Diluted) | 129,984                                     |
| Stock issued for Stock consideration  | 13,895                                      |
| Common stock issued for Series A Preferred Shares                               | 1,125                                       |
| Stock to be issued upon conversion of 2028 Notes <sup>(1)</sup>                 |   |
| Weighted average number of common shares outstanding (Diluted)                  | <u>145,004</u>                              |
| <b>Diluted earnings per share</b>   | <b>\$ (1.09)</b>                            |

- (1) In connection with the issuance of the 2028 Notes, the Company entered into capped calls, which are not included for purposes of calculating the number of diluted shares outstanding, as their effect would have been anti-dilutive. The capped calls reduce the potential dilution to the Company's common stock (or, in the event a conversion of the 2028 Notes is settled in cash, to reduce its cash payment obligation) in the event that at the time of conversion of the Notes the Company's common stock price exceeds the conversion price of the Notes.



KPMG Auditores, S.L.  
Edificio Iruña Park  
Arcadio M. Larraona, 1  
31008 Pamplona

### **Independent Auditors' Report**

To the Shareholders and to the Directors of Soluciones Técnicas Integrales Norland, S.L. (Sociedad Unipersonal)

#### **Qualified Opinion**

We have audited the consolidated financial statements of Soluciones Técnicas Integrales Norland, S.L.U., and its subsidiaries (the Company) which comprise the consolidated balance sheet as of 31 December 2021, and the consolidated income statement, statement of changes in consolidated net equity and statement of consolidated cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, except for the omission of the comparative financial information as described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with the Spanish General Chart of Accounts approved by Royal Decree 1514/2007, the Standards for the Preparation of Consolidated Annual Accounts approved by Royal Decree 1159/2010 and subsequent amendments.

#### **Basis for Qualified Opinion**

As more fully disclosed in Note 2.4 and 2.1 to the consolidated financial statements, the Spanish General Chart of Accounts approved by Royal Decree 1514/2007 requires that consolidated financial statements be presented with comparative financial information. These consolidated financial statements as of and for the year ended 31 December 2021 have been prepared solely for the inclusion in the U.S. Securities and Exchange Commission filings of Array Technologies Inc. Accordingly, no comparative financial information is presented.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



### **Emphasis of Matter**

We draw attention to the explanatory note 23 in which the Directors state that the accounting principles and criteria used in the preparation of the accompanying consolidated financial statements, differ in certain material respects from generally accepted accounting principles in the United States of America. Information with regard to the nature and effect of these differences on consolidated results for the year and the consolidated balance sheet as of 31 December 2021 is presented in note 23 to the accompanying consolidated financial statements. Our opinion is not modified in respect of this matter.

### **Responsibilities of the Directors for the Consolidated Financial Statements**

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Spanish General Chart of Accounts approved by Royal Decree 1514/2007, the Standards for the Preparation of Consolidated Annual Accounts approved by Royal Decree 1159/2010 and subsequent amendments, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.



- 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG Auditores, S.L.

KPMG Auditores, S.L.

Pamplona, Spain

21 March 2022



SOLUCIONES TÉCNICAS INTEGRALES NORLAND, S.L. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET FOR THE  
YEAR ENDED 31 DECEMBER 2021

| ASSETS   | Notes       | 31/12/2021         |
|--|-------------|--------------------|
| <b>A) NON-CURRENT ASSETS</b>                                       |             | <b>3.567.245</b>   |
| <b>I. Intangible assets</b>  | <b>4</b>    | <b>480.891</b>     |
| 1. Consolidated Goodwill   |             | 148.646            |
| 2. Other Intangible assets   |             | 332.245            |
| <b>II. Property, plant and equipment</b>                           | <b>5</b>    | <b>2.885.475</b>   |
| 1. Land and Constructions  |             | 769.594            |
| 2. Technical installations and other property, plant and equipment |             | 2.060.350          |
| 3. Under construction and advances                                 |             | 55.531             |
| <b>V. Long-term financial investments</b>                          | <b>7.1</b>  | <b>29.479</b>      |
| <b>VI. Deferred tax assets</b>                                     | <b>14.3</b> | <b>171.400</b>     |
| <b>B) CURRENT ASSETS</b>   |             | <b>189.450.837</b> |
| <b>II. Inventory</b>   | <b>12</b>   | <b>54.411.945</b>  |
| <b>III. Commercial debtors and other accounts receivable</b>       |             | <b>102.724.181</b> |
| 1. Trade receivables for sales and services                        | 7.1         | 95.062.741         |
| 3. Current tax assets  | 14.2        | 88.770             |
| 4. Other receivables   | 7.1 - 14.2  | 7.572.670          |
| <b>V. Short-term financial investments</b>                         | <b>7.1</b>  | <b>107.305</b>     |
| <b>VI. Prepayments for current assets</b>                          |             | <b>286.034</b>     |
| <b>VII. Cash and cash equivalents</b>                              | <b>7.1</b>  | <b>31.921.372</b>  |
| <b>TOTAL ASSETS</b>  |             | <b>193.018.082</b> |
| <b>NET EQUITY AND LIABILITIES</b>                                  |             | <b>193.018.082</b> |
| <b>A) NET EQUITY</b>   | Notes       | 31/12/2021         |
| <b>A-1) Equity</b>   |             | <b>52.808.803</b>  |
| <b>I. Capital</b>  | <b>10.1</b> | <b>275.000</b>     |
| 1. Registered capital  |             | 275.000            |
| <b>III. Reserves</b>   | <b>10.2</b> | <b>28.937.535</b>  |
| <b>VI. Result attributed to parent company</b>                     |             | <b>23.596.268</b>  |
| 1. Consolidated profit and loss                                    |             | 28.772.636         |
| 2. (Profit and loss non-controlling interests)                     |             | -5.176.368         |
| <b>VII. Interim dividend</b>                                       |             | <b>0</b>           |
| <b>A-2) Adjustments for change in value</b>                        | <b>11</b>   | <b>-2.119.973</b>  |
| <b>I. Conversion difference</b>                                    |             | <b>-2.119.973</b>  |
| <b>A-3) Grants, donations and bequests received</b>                | <b>20</b>   | <b>22.401</b>      |
| <b>A-4) Non-controlling interests</b>                              | <b>10.5</b> | <b>8.480.677</b>   |
| <b>B) NON-CURRENT LIABILITIES</b>                                  |             | <b>14.361.176</b>  |
| <b>I. Long-term provisions</b>                                     | <b>16</b>   | <b>3.977.282</b>   |
| <b>II. Long-term debt</b>  | <b>8.1</b>  | <b>10.108.995</b>  |
| 2. Debts with financial institutions                               |             | 10.000.000         |
| 4. Other financial liabilities                                     |             | 108.995            |
| <b>IV. Deferred tax liabilities</b>                                | <b>14.3</b> | <b>274.899</b>     |
| <b>C) CURRENT LIABILITIES</b>                                      |             | <b>119.464.998</b> |
| <b>II. Short-term provisions</b>                                   |             | <b>118.449</b>     |
| <b>III. Short-term debt</b>  | <b>8.1</b>  | <b>30.792.418</b>  |
| 2. Debts with financial institutions                               |             | 30.792.418         |
| 4. Other financial liabilities                                     |             | 0                  |
| <b>V. Commercial creditors and other accounts payable</b>          |             | <b>88.335.862</b>  |
| 1. Suppliers   | 8.1         | 60.968.236         |
| 3. Current tax liabilities   | 14.2        | 5.372.728          |
| 4. Other payables  | 8.1 - 14.2  | 21.994.898         |
| <b>VI. Short-term accruals</b>                                     |             | <b>218.269</b>     |
| <b>TOTAL NET EQUITY AND LIABILITIES</b>                            |             | <b>193.018.082</b> |

The accompanying notes form an integral part of the consolidated balance sheet for the year ended 31 December 2021.

SOLUCIONES TÉCNICAS INTEGRALES NORLAND, S.L. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT FOR THE  
YEAR ENDED 31 DECEMBER 2021

| <u>CONSOLIDATED INCOME STATEMENT</u>                                    | <u>Notes</u> | <u>31/12/2021</u>   |
|---|--------------|---------------------|
| <b>A) CONTINUING OPERATIONS</b>   |              |                     |
| <b>1. Net turnover</b>  | <b>15</b>    | <b>224.461.953</b>  |
| a) Sales  |              | 210.025.613         |
| b) Services rendered  |              | 14.436.340          |
| <b>2. Changes in inventories of finished goods and work in progress</b> | <b>15</b>    | <b>29.104.396</b>   |
| <b>4. Supplies</b>  | <b>15</b>    | <b>-190.834.077</b> |
| b) Consumption of raw materials and other consumables                   |              | -172.440.855        |
| c) Work carried out by other companies                                  |              | -18.393.222         |
| <b>5. Other operating income</b>  |              | <b>57.726</b>       |
| b) Operating grants taken to income                                     | <b>20</b>    | 57.726              |
| <b>6. Staff expenses</b>  |              | <b>-12.484.287</b>  |
| a) Wages, salaries and related items                                    |              | -9.748.076          |
| b) Social charges   | <b>15</b>    | -2.736.211          |
| <b>7. Other operating expenses</b>                                      |              | <b>-10.668.390</b>  |
| a) Losses, impairment and changes in trade provisions                   |              | -623.452            |
| b) Other current management expenses                                    |              | -10.044.938         |
| <b>8. Amortisation and depreciation</b>                                 |              | <b>-540.838</b>     |
| <b>9. Non-financial and other capital grants</b>                        | <b>20</b>    | <b>32.912</b>       |
| <b>11. Impairment and result on disposal of fixed assets</b>            |              | <b>-2.883</b>       |
| b) Result for disposal and others                                       |              | -2.883              |
| <b>14. Other results</b>  |              | <b>132.889</b>      |
| <b>A.1) OPERATING INCOME</b>  |              | <b>39.259.401</b>   |
| <b>15. Financial income</b>   |              | <b>688.765</b>      |
| b) Marketable securities and other financial instruments                |              | 688.765             |
| <b>16. Financial expenses</b>   |              | <b>-1.946.342</b>   |
| <b>17. Variation in fair value of financial instruments</b>             |              | <b>-271.192</b>     |
| <b>18. Exchange differences</b>   | <b>13</b>    | <b>454.080</b>      |
| b) Other exchange differences   |              | 454.080             |
| <b>A.2) FINANCIAL RESULTS</b>   |              | <b>-1.074.689</b>   |
| <b>A.3) RESULT BEFORE TAX</b>   |              | <b>38.184.712</b>   |
| <b>23. Income tax</b>   | <b>14.1</b>  | <b>-9.412.076</b>   |
| <b>A.4) RESULT FOR THE YEAR FROM CONTINUING OPERATIONS</b>              |              | <b>28.772.636</b>   |
| <b>B) DISCONTINUED OPERATIONS</b>                                       |              |                     |
| <b>A.5) RESULT FOR THE YEAR</b>   |              | <b>28.772.636</b>   |
| Result attributed to parent company                                     |              | 23.596.268          |
| Result attributed to non-controlling interests                          |              | 5.176.368           |

The accompanying notes form an integral part of the consolidated income statement for the year ended 31 December 2021.

SOLUCIONES TÉCNICAS INTEGRALES NORLAND, S.L. AND SUBSIDIARIES

STATEMENT OF CHANGES IN CONSOLIDATED NET EQUITY FOR THE  
YEAR ENDED 31 DECEMBER 2021

A) STATEMENT OF RECOGNIZED CONSOLIDATED INCOME AND EXPENSES FOR THE  
YEAR ENDED 31 DECEMBER 2021

|   | Notes | 31/12/2021               |
|---|-------|--------------------------|
| <b>A) Consolidated result for the year</b>  |       | <b><u>28.772.636</u></b> |
| Income and expenses directly attributable to net equity                           |       |                          |
| I. by valuation of financial instruments  |       | 0                        |
| II. By cash flow hedges   |       | 0                        |
| III. Grants, donations and bequests received                                      |       | 23.751                   |
| IV. By actuarial profit and loss and other adjustments                            |       | 0                        |
| V. Conversion difference  | 14.1  | 390.963                  |
| VI. Tax effect  |       | -6.650                   |
| <b>B) Total income and expenses allocated directly to consolidated net equity</b> |       | <b><u>408.064</u></b>    |
| Transfers to the consolidated income statement                                    |       |                          |
| VII. by valuation of financial instruments  |       | 0                        |
| VIII. By cash flow hedges   |       | 0                        |
| IX. Grants, donations and bequests received                                       | 20    | -32.912                  |
| X. Conversion difference  |       | 0                        |
| XI. Tax effect  | 20    | 9.215                    |
| <b>C) Total of transfers to the consolidated income statement</b>                 |       | <b><u>-23.697</u></b>    |
| <b>TOTAL OF CONSOLIDATED RECOGNIZED INCOME AND EXPENSES (A + B + C)</b>           |       | <b><u>29.157.003</u></b> |
| Total income and expenses attributed to the parent company                        |       | 23.980.635               |
| Total income and expenses attributed to external partners                         |       | 5.176.368                |

The accompanying notes form an integral part of the statement recognized consolidated income and expenses for the year ended 31 December 2021.



SOLUCIONES TÉCNICAS INTEGRALES NORLAND, S.L. AND SUBSIDIARIES

STATEMENT OF CHANGES IN CONSOLIDATED NET EQUITY FOR THE  
YEAR ENDED 31 DECEMBER 2021

STATEMENT OF CHANGES IN CONSOLIDATED NET EQUITY FOR THE  
YEAR ENDED 31 DECEMBER 2021

|  | <u>Capital</u>                 |  | <u>Other partner contributions</u><br>Note 10.2 | <u>result attributed to parent company</u> | <u>Interim dividend</u> | <u>Adjustments for change in value</u><br>Notes 11 and 13 | <u>Grants, donations and bequests received</u><br>Note 20 | <u>Non-controlling interests</u><br>Note 10.5 | <u>TOTAL</u>      |
|--|--------------------------------|--|---|--|-------------------------|---|---|---|-------------------|
|  | <u>Registered</u><br>Note 10.1 | <u>Reserves and results from previous years</u><br>Note 10.2 |   |  |                         |   |   |   |                   |
| <b>C) BALANCE AT THE END OF YEAR 2020</b>            | <b>275.000</b>                 | <b>11.971.732</b>  | <b>1.616.495</b>                                | <b>25.029.340</b>                          | <b>-8.000.000</b>       | <b>-3.836.335</b>   | <b>28.997</b>   | <b>2.949.675</b>                              | <b>30.034.904</b> |
| I. Adjustments for changes in criteria from 2020     |                                |  |   |  |                         |   |   |   |                   |
| II. Adjustments for errors in 2020                   |                                |  |   |  |                         |   |   |   |                   |
| <b>D) ADJUSTED BALANCE AT THE START OF YEAR 2021</b> | <b>275.000</b>                 | <b>11.971.732</b>  | <b>1.616.495</b>                                | <b>25.029.340</b>                          | <b>-8.000.000</b>       | <b>-3.836.335</b>   | <b>28.997</b>   | <b>2.949.675</b>                              | <b>30.034.904</b> |
| I. Total recognized consolidated income and expenses |                                |  |   | 23.596.268                                 |                         | 390.963   | -6.596  | 5.176.368                                     | 29.157.003        |
| II. Transactions with partners or owners             | 0                              | 15.349.308   | 0   | -25.029.340                                | 8.000.000               | 1.325.399   | 0   | 354.634                                       | 1                 |
| 3. (-) Dividend distribution                         |                                |  |   |  |                         |   |   |   |                   |
| 7. Other transactions with partners or owners        |                                | 15.349.308   |   | -25.029.340                                | 8.000.000               | 1.325.399   |   | 354.634                                       | 1                 |
| III. Other variations in net equity                  |                                |  |   |  |                         |   |   |   | 0                 |
| <b>E) BALANCE AT THE END OF YEAR 2021</b>            | <b>275.000</b>                 | <b>27.321.040</b>  | <b>1.616.495</b>                                | <b>23.596.268</b>                          | <b>0</b>                | <b>-2.119.973</b>   | <b>22.401</b>   | <b>8.480.677</b>                              | <b>59.191.908</b> |

The accompanying notes form an integral part of the statement of changes in consolidated net equity for the year ended 31 December 2021.

SOLUCIONES TÉCNICAS INTEGRALES NORLAND, S.L. AND SUBSIDIARIES

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE  
YEAR ENDED 31 DECEMBER 2021

|   | Notes | 31/12/2021         |
|---|-------|--------------------|
| <b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>                                  |       |                    |
| <b>1. result before tax</b>   |       | <b>38.184.712</b>  |
| <b>2. Adjustments to result</b>   |       | <b>2.869.858</b>   |
| (+) a) Amortisation and depreciation  |       | 540.838            |
| (+/-) c) Change in provisions   |       | 981.702            |
| (-) d) Grants recognised in the income statement                                |       | -32.912            |
| (+/-) e) Profit / loss on the disposal of fixed assets                          |       | 2.883              |
| (-) g) Financial income   |       | -688.765           |
| (+) h) Financial expenses   |       | 1.946.342          |
| (+/-) i) Exchange differences   |       | 390.962            |
| (+/-) j) Variation in fair value of financial instruments                       |       | -271.192           |
| <b>3. Changes in current capital</b>  |       | <b>-67.816.291</b> |
| (+/-) a) Inventory  |       | -39.399.862        |
| (+/-) b) Trade receivables for sales and services                               |       | -81.378.102        |
| (+/-) c) Other current assets   |       | -41.629            |
| (+/-) d) Creditors and other accounts payable                                   |       | 54.637.184         |
| (+/-) e) Other current liabilities  |       | -1.633.882         |
| (+/-) f) Other non-current assets and liabilities                               |       | 0                  |
| <b>4. Other cash flows from operating activities</b>                            |       | <b>-10.141.735</b> |
| (-) a) Interest payments  |       | -1.946.342         |
| (+) c) Interest collection  |       | 688.765            |
| (+/-) d) Income tax collection/payment  |       | -8.884.158         |
| <b>5. Cash flows from operating activities</b>                                  |       | <b>-36.903.456</b> |
| <b>B) CASH FLOWS FROM INVESTMENT ACTIVITIES</b>                                 |       |                    |
| <b>6. Investment payments</b>   |       | <b>-1.406.793</b>  |
| (-) d) Intangible assets  |       | -146.094           |
| (-) e) Property, plant and equipment  |       | -1.260.699         |
| (-) g) Other financial assets   |       | 0                  |
| <b>7. Payments received for divestitures</b>                                    |       | <b>430.399</b>     |
| (+) d) Intangible assets  |       | 132.428            |
| (+) e) Property, plant and equipment  |       | 99.995             |
| (+) g) Other financial assets   |       | 197.976            |
| <b>8. Cash flows from investment activities</b>                                 |       | <b>-976.394</b>    |
| <b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>                                  |       |                    |
| <b>10. Collection and payment for financial liability instruments</b>           |       | <b>27.256.999</b>  |
| a) Issue  |       | 35.147.862         |
| (+) 2. Debts with financial institutions  |       | 35.124.111         |
| (+) 3. Other debt   |       | 0                  |
| (+) 4. Grants, donations and bequests received                                  |       | 23.751             |
| b) Return and amortization of   |       | -7.890.863         |
| (-) 2. Debts with financial institutions  |       | -7.760.065         |
| (-) 3. Other debt   |       | -130.798           |
| <b>11. Payments for dividends and remuneration of other equity instruments.</b> |       | <b>0</b>           |
| (-) a) Dividends  |       | 0                  |
| <b>12. Cash flows from financing activities</b>                                 |       | <b>27.256.999</b>  |
| <b>D) EFFECT OF VARIATIONS IN THE EXCHANGE RATE</b>                             |       |                    |
|   |       | <b>0</b>           |
| <b>E) NET INCREASE/REDUCTION IN CASH AND CASH EQUIVALENTS</b>                   |       |                    |
|   |       | <b>-10.622.851</b> |
| Cash or equivalent at the beginning of the year                                 |       | 42.544.223         |
| Cash or equivalent at the end of the year                                       |       | 31.921.372         |

The accompanying notes form an integral part of the statement of consolidated cash flows for the year ended 31 December 2021.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER 2021**

**1. GROUP COMPANIES**

**1.1. PARENT COMPANY**

**SOLUCIONES TÉCNICAS INTEGRALES NORLAND, S.L.** (hereinafter STI Norland S.L. or the Parent Company) was incorporated as a Limited Company on 2 April 1996 and has not changed its name since. Its current head office is at Avenida de Sancho el Fuerte, 26, Oficina 1, Pamplona (Spain).

The Parent Company's corporate purpose, according to its incorporation documents, include:

- Industrial, commercial, managerial and technical office consultancy work;
- Construction (including contracting), rehabilitation, promotion, management, purchase and sale of buildings;
- Production of renewable energy (solar and photovoltaic) and the implementation, assembly, repairs and maintenance of electrical installation in general (both low and medium voltage)

The Parent Company's current activity consists in manufacturing and selling solar trackers and providing services related to installation of the solar trackers.

The Parent Company's year runs from 1 January to 31 December.

The Parent Company's functional currency is the euro.

For all foreign companies in the STI Norland Group whose functional currency is not the euro, their functional currency is the local currency of the foreign jurisdiction.

The financial information presented in these consolidated financial statements are expressed in euros.

**1.2. SUBSIDIARIES**

Soluciones Técnicas Integrales Norland, S.L. together with its subsidiaries forms the STI Norland Group (the Group).

It is understood that a company forms part of the Group when both are connected by a control relationship, direct or indirect, similar to that set out in article 42 of the Spanish Commercial Code, or when companies are controlled by any means by one or several legal entities that act jointly or are under sole management using statutory agreements or clauses.

The Subsidiaries included in the scope of consolidation are the following:

| <u>Entity</u>                    | <u>2021 - % participation</u> | <u>Head office</u>   | <u>Location</u>                           | <u>Functional currency</u> |
|----------------------------------|-------------------------------|--|---|----------------------------|
| STI SOLAR, SpA.                  | 100%                          | Padre Mariano, 82 – office 1102  | Providencial, Santiago (Chile)            | Chilean peso (CLP)         |
| STINORLAND ISRAEL, LTD.          | 100%                          | 78 Rothschild Bv., 6578605   | Tel-Aviv (Israel)                         | Israeli Shekel (ILS)       |
| STINORLAND USA, INC.             | 100%                          | 2804 Gateway Oaks Dr #100, Sacramento                                      | California (USA)                          | American dollar (USD)      |
| STINORLAND SOUTH AFRICA PTY LTD  | 100%                          | 48 Main Road, Walmer, 6065   | Port Elizabeth - Gqeberha (South Africa)  | South African rand (ZAR)   |
| STINORLAND BRASIL, LTDA.         | 80%                           | Quadra 1112 Sul, Alameda 11 Lote 02 a 06, Plano Diretor Sul, CEP 77024-182 | Palmas, Estado do Tocantins (Brazil)      | Brazilian real (BRL)       |
| STINORLAND MEXICO, S.A. DE C.V.  | 99%                           | Calle Darwin 74, Interior 301, Col. Anzures, 11590                         | Miguel Hidalgo, Ciudad de México (Mexico) | Mexican peso (MXN)         |
| STINORLAND INDIA PRIVATE LIMITED | 100%                          | 39 NGEF Lane, 2nd Floor, Suite No. 985, Indiranagar,                       | Bangalore, Karnataka (India)              | Indian rupee (INR)         |
| KTRSOLAR TECH, S.L.              | 80%                           | Plaza Mayor, 17 - 1º A 31621   | Sarriguren, Navarre (Spain)               | Euro (EUR)                 |
| STINORLAND AUSTRALIA PTY LTD     | 100%                          | 14 Hastings St. McKinnon 3204  | Victoria (Australia)                      | Australian dollar (AUD)    |

None of the Group companies are listed on a stock exchange or in any other market.

During the 2021 year the only dividend distribution approved was the following:

| <u>Entity</u>           | <u>Date of approval</u> | <u>Amount of dividend approved</u> | <u>Amount in euros</u> |
|-------------------------|-------------------------|------------------------------------|------------------------|
| STINORLAND ISRAEL, LTD. | 01/07/2021              | 170,000 euros                      | 170,000 euros          |

The operating activities of the Group companies is the design, engineering, assembly and supply of structures and solar trackers for developing renewable energy, particularly photovoltaic energy.

No subsidiaries have been excluded from the scope of consolidation.

In 2021 the Group has incorporated a new company, STY NORLAND AUSTRALIA PTY LTD, a 100% subsidiary to manage the Group operations in Australia.

## **2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

### **2.1. FAIR PRESENTATION**

On 10 November 2021 Array Technologies, Inc, a US company, entered into a purchase agreement with the shareholders of the Parent Company pursuant to which, Array agreed to acquire all of the outstanding equity interests of the Parent Company. The closing of this agreement is dated 11 January 2022. The Board of Directors is preparing these consolidated financial statements as of and for the year ending 31 December 2021 to be used during the acquisition process and to be filed as part of the 8 K filing of Array Technologies, Inc. These Consolidated Financial Statements are prepared in accordance with accounting rules in Spain and include a separate note with a reconciliation to generally accepted accounting principles in the United States of America (US GAAP). These Consolidated Financial Statements comprise the Consolidated Balance Sheet, Consolidated Income Statement, Statement of Changes in Consolidated Net Equity, Statement of Consolidated Cash Flows and Notes (the Consolidated Financial Statements).

As mention above, these Consolidated Financial Statements have not been prepared to comply with statutory legal requirements.

The accompanying Consolidated Financial Statements have been prepared on the basis of the accounting records of the Parent Company and its subsidiaries. The Consolidated Financial Statements for the year ended 31 December 2021 have been prepared in accordance with the Spanish General Chart of Accounts approved by Royal Decree 1514/2007, the Standards for the Preparation of Consolidated Annual Accounts approved by Royal Decree 1159/2010, and its subsequent amendments, to give a true and fair view of the consolidated equity and consolidated financial position at 31 December 2021 and consolidated results of operations, changes in consolidated equity, and consolidated cash flows for the year then ended.

There are no exceptional reasons why the legal provisions for accounting matters have not been applied in order to present an accurate picture.

The end of the year for the financial statements in all the consolidated companies is 31 December 2021, and coincides with that of the Parent Company, except for the subsidiary STINORLAND INDIA PRIVATE LIMITED, whose year ends on 31 March 2022, as established in local legislation. However, the financial information used to prepare the Consolidated Financial Statements corresponds to 31 December 2021.

## **2.2. ACCOUNTING PRINCIPLES**

The accounting principles and criteria applied in preparing these Consolidated Financial Statements are those summarized in Note 3 of this report. The mandatory accounting principles that have a significant effect on these Consolidated Financial Statements have been applied. Non-mandatory accounting principles have not been applied.

## **2.3. CRITICAL ISSUES REGARDING THE MEASUREMENT AND ESTIMATION OF UNCERTAINTIES**

The information contained in these Consolidated Financial Statements is the responsibility of the Parent Company's Board of Directors. In preparing these Consolidated Financial Statements, the Board has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Specifically, estimates have been used relating to:

- The useful life of intangible assets and property, plant and equipment (Notes 4 and 5)
- Provisions for responsibilities (Note 16)

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

## **2.4. COMPARATIVE INFORMATION**

The consolidated balance sheet, consolidated income statement, statement of changes in consolidated net equity, statement of consolidated cash flows and the notes thereto for 2021 do not include comparative figures for 2020.

These Consolidated Financial Statements have been prepared solely for the purpose of meeting the requirements of US Securities and Exchange Commission ("SEC") Rule 3-05 of Regulation S-X, following the acquisition by Array Technologies (see note 2.1). These Consolidated Financial Statements have been prepared in accordance with the Spanish General Chart of Accounts approved by Royal Decree 1514/2007, which have been applied consistently except that no comparative information has been presented in these Consolidated Financial Statements, as no comparatives are required under SEC Rule 3-05 of Regulation S-X. Nonetheless, this is a departure from accounting rules in Spain, as comparative figures are required to be presented.

## **2.5. AGGREGATION OF ITEMS**

These Consolidated Financial Statements are presented consistently with the Spanish chart of accounts and do not contain any items that have been aggregated into one caption.

## **2.6. ITEMS DISCLOSED UNDER SEVERAL LINE ITEMS**

There are no elements of a similar nature included in different items on the balance sheet.

## **2.7. CHANGES TO ACCOUNTING POLICIES**

Royal Decree 1/2021 was published on 30 January 2021 amending the Spanish General Chart of Accounts. Consequently, the recognition and measurement standards 14 Revenue from sales and services and 9 Financial instruments have been amended in 2021.

## **2.8. RELATIVE IMPORTANCE**

When determining the information to be disclosed in these Consolidated Financial Statements, on the different items of the Consolidated Financial Statements or other matters, the Group, in accordance with the Conceptual Accounting Framework, has taken into account relative importance in relation to the 2021 Consolidated Financial Statements.

## **3. RECOGNITION AND MEASUREMENT STANDARDS**

The principal standards of recording and measurement applied in preparing the attached Consolidated Financial Statements, in accordance with the General Accounting Plan, were the following:

### **3.1. CONSOLIDATION METHOD**

The attached Consolidated Financial Statements have been prepared in accordance with the global integration method for all the Subsidiaries over which the Parent Company has effective control: STI SOLAR, SpA., STINORLAND ISRAEL, LTD., STINORLAND SOUTH AFRICA (PTY), LTD., STINORLAND USA, INC., STINORLAND BRASIL, LTDA., STINORLAND MÉXICO, S.A. DE C.V., STINORLAND INDIA PRIVATE LIMITED, KTRSOLAR TECH, S.L. and STINORLAND AUSTRALIA PTY LTD.

For companies consolidated by the global integration method (full consolidation), 100% of the items on the balance sheet and income statement are incorporated, recognizing, if applicable, the value of the participation of non-controlling interest in net equity and in the consolidated income statement in the corresponding proportion.

In the investment-net equity elimination in the consolidation process, the offsetting of the book values representing the Parent Company's equity instruments with the proportional part of the net equity items of the above-mentioned subsidiaries, has been carried out on the basis of values obtained from applying the acquisition method. If the date of first consolidation is later than the acquisition date, the figures resulting from applying the global integration method have been referred to the acquisition date.

### **3.2. TRANSACTIONS BETWEEN CONSOLIDATED COMPANIES**

Results of internal transactions in the scope of consolidation have been eliminated, provided that their amount is relevant, being deferred until they are carried out with third parties outside the Group. If there are works carried out by the Group for its own fixed assets, the intra-group results are eliminated, arising at the rate of amortization of the affected items or when sold to third parties.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated

### **3.3. HOMOGENISATION**

Consolidation of the companies that make up the scope of consolidation has been carried out using their individual financial statements that are prepared in accordance with Royal Decree 1514/2007 for the Parent Company headquartered in Spain, and their own local legislation for foreign companies. All the necessary standardization operations have been carried out in the Group's companies to unify the measurement criteria and structure of the consolidated annual reports with those used by the Parent Company in its financial statements.

### **3.4. CONVERSION OF FINANCIAL RESULTS IN CURRENCY OTHER THAN THE EURO**

Financial results in a currency other than the euro of foreign companies have been converted to euros using the exchange rate at balance sheet date. In this way the goods, rights and obligations have been converted at the exchange rate current at the close date, equity at historic exchange rate and items on the income statement at the average exchange rate for the year. The differences in conversion arising from the application of this method will be shown, where applicable, in the caption “Adjustments for change in value” in the section on equity on the consolidated balance sheet, the part that corresponds to non-controlling interest being deducted. During the year 2021 the conversion differences amounted to -2,119,973 euros.

### **3.5. INTANGIBLE ASSETS**

As a general rule, intangible assets are initially measured at cost, whether this be acquisition price or production cost. The cost of intangible assets acquired through combinations of business is its fair value on the date of acquisition.

After initial recognition, intangible assets are measured at cost, minus accumulated depreciation and, if applicable, the accumulated amount of recorded impairment corrections.

Intangible assets are assets of a defined useful life and are amortized systematically in accordance with their estimated useful life and residual value. The methods and periods of amortization applied are revised at the end of each year and adjusted prospectively, if need be.

At least annually, indicators of impairment are evaluated, in which case the recoverable amounts are estimated, to the extent that the carrying value exceeds the recoverable amounts, an impairment is recorded for the difference.

For accounting, the Group recognizes any loss that may have occurred in the recorded value of these assets due to impairment, using the heading “Impairment and result on disposal of fixed assets”. The criteria for recognizing losses due to impairment is similar to the one described in section 3.6. Property, plant and Equipment.

#### **3.5.1. IT APPLICATIONS**

These are valued at acquisition price or production cost. The useful life of these items is estimated at 4 years, being amortized on a straight-line basis during this period.

#### **3.5.2. CONCESSIONS**

The costs incurred to obtain the concession of two parking places for the Group are amortized on a straight-line basis in the 75-year concession period. If the circumstances of non-compliance with conditions meant the rights derived from this concession are lost, the recorded value for it would be adjusted in its entirety to cancel its net book value.



### 3.6. *PROPERTY, PLANT AND EQUIPMENT*

These are valued at acquisition price or production cost that includes, besides the amount billed after deducting any discount or rebate in the price, all the additional and directly related expenses arising up to its commissioning, such as costs of earthworks and demolition, transport, insurance, installation, assembly and the like.

In the cost of property, plant and equipment that needs a period of more than one year before it is ready for use, exploitation or sale, the Group includes the financial expenses related to specific or generic financing, directly attributable to acquisition, construction or production. In 2021 no financial expenses have been capitalized in property, plant and equipment.

The initial estimate of the actual value of the obligations assumed derived from decommissioning or retirement and other associated obligations is also included in the value of property, plant and equipment. Other obligations associated with the asset include the costs of restoration when these give rise to recording of provisions.

The Group does not have any commitments for decommissioning, retirement or restoration of its fixed assets. Therefore, under assets, no values have been booked for hedging such obligations in the future.

The Parent Company's Board of Directors considers that the accounting value of the assets does not exceed their recoverable value.

An impairment loss in the value of an item of property, plant and equipment arises when its net book value exceeds its recoverable amount, this being understood as the higher amount between its fair value minus costs to sell and its value in use.

Expenditure during the year due to repairs and maintenance carried out by the Group will be charged to the corresponding expenditure accounts. Expansion or improvement costs that give rise to an increase in production capacity or extension of the useful life of goods are incorporated into the asset as the higher value of that asset.

The property, plant and equipment accounts in progress are debited by the amount of those expenses, with a credit to the income item that includes the works carried out by the Group for itself.

Amortization of property, plant and equipment commences from the moment the assets are available for commissioning, on a straight-line basis during their estimated useful life, with an estimated residual value of zero. The periods of estimated useful life translate into the following annual depreciation ratios:

|                                  |      |
|----------------------------------|------|
| Construction                     | 4-5% |
| Other installations              | 15%  |
| Machinery                        | 15%  |
| Tools                            | 25%  |
| Transport items                  | 20%  |
| Furniture                        | 15%  |
| Information processing equipment | 25%  |

### 3.7. *LEASES*

Whether to classify a lease as operating or financial depends on the circumstances of each of the contracting parties, since they can be classified differently as lessor or lessee.

The Group classifies as a financing lease, any lease provided that its conditions infer that the risks and benefits inherent in the ownership of the asset that is the object of the contract have been substantially transferred to the lessee. The assumptions for transferring risks and benefits established in the PGC (General Accounting Plan) are assumed by the companies.

Other leases are classified as operating leases. In these ownerships of the leased good and, substantially all the risks and benefits that are devolved to the good, remains with the lessor.

When the Group acts as lessor, the leasing expenses are charged on a straight-line basis to the income statement according to the agreements and life of the contract.

### **3.8. FINANCIAL INSTRUMENTS**

#### **3.8.1. RECOGNITION AND CLASSIFICATION OF FINANCIAL INSTRUMENTS**

Since 1 January 2021 the Group has applied the new recognition and measurement standard 9 Financial instruments in accordance with Royal Decree 1/2021 amending the Spanish General Chart of Accounts.

No significant differences in the valuation of financial instruments existing in the Group at 1 January 2021 have been identified as a result of applying the new recognition and measurement standard

9. Consequently, the Group has applied the new recognition and measurement standard retroactively. This note on valuation only includes the Group's policies in relation to the new standard.

The Company classifies financial instruments on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument.

The Company recognises a financial instrument when it becomes party to the contract or legal transaction, in accordance with the terms set out therein, either as the issuer or holder or acquirer thereof.

For measurement purposes, the Company classifies financial instruments into the following categories: financial assets and financial liabilities at fair value through profit or loss, showing separately those designated as such upon initial recognition from those that are held for trading and those mandatorily measured at fair value through profit or loss; financial assets and financial liabilities measured at amortised cost; financial assets measured at fair value through equity, showing separately equity instruments designated as such from other financial assets; and financial assets measured at cost. The Company classifies financial assets at amortised cost and at fair value through equity, except for equity instruments designated as such, according to the business model and the contractual cash flow characteristics. The Company classifies financial liabilities as measured at amortised cost, except those designated as at fair value through profit or loss and those held for trading.

The Company classifies a financial asset or liability as held for trading when:

- It is originated, acquired or issued or assumed principally for the purpose of selling or repurchasing it in the near term;
- On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of recent actions in pursuit of short-term profit-taking;
- It is a derivative financial instrument, provided that it is not a financial guarantee contract or it has not been designated as a hedging instrument or
- It is an obligation that the Company has in a short position to deliver financial assets that it has been loaned.

The Company classifies a financial asset at amortised cost, even if it is admitted to trading, if it is held within a business model whose objective is to hold the investment in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

The Company classifies a financial asset at fair value through equity if it is held within a business model whose objective involves collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

The business model is determined by key personnel of the Company and at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Company's business model represents the manner in which it manages its financial assets to generate cash flows.

The Company classifies other financial liabilities as financial liabilities at amortised cost, except for financial guarantee contracts, commitments to provide a loan at a below-market interest rate or financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

#### 3.8.2. *OFFSET PRINCIPLES*

A financial asset and a financial liability are offset only when the Company currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 3.8.3. *FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS*

The Company recognises financial assets and financial liabilities at fair value through profit or loss initially at fair value. Transaction costs directly attributable to the acquisition or issue are recognised as an expense when incurred.

#### 3.8.4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT AMORTISED COST

Financial assets and financial liabilities at amortised cost are initially recognised at fair value, plus or minus transaction costs, and are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the discount rate that equates the carrying amount of a financial instrument to the estimated cash flows expected over the life of the instrument based on the contractual terms and for the financial assets, excluding future losses due to credit risk.

#### 3.8.5. INTEREST AND DIVIDENDS

The Company recognises interest and dividends accrued on financial assets after acquisition as income in the income statement.

#### 3.8.6. IMPAIRMENT OF FINANCIAL ASSETS

A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and the event or events have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated

- Impairment of financial assets carried at amortised cost

The amount of the impairment loss of financial assets carried at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. For floating-rate financial assets, the effective interest rate corresponding to the measurement date under the contractual conditions is used. Nevertheless, the Company uses their market value, provided this is sufficiently reliable to be considered representative of the recoverable amount

#### 3.8.7. DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets are derecognized when the rights to receive related cash flows have expired or have been transferred and the Group has substantially transferred the risks and benefits derived from their ownership.

Financial liabilities are derecognized when the obligations that generated them have ended.

#### 3.8.8. REVERSE FACTORING

The Group has contracted reverse factoring facilities with various financial institutions to manage payments to suppliers. Trade payables settled under the management of financial institutions are recognised under trade and other payables in the consolidated balance sheet until they are settled, repaid or have expired.

Payables to financial entities as a result of the transfer of trade liabilities are recognised as trade payables advanced by banks under trade and other payables in the consolidated balance sheet.

When the Group requests a deferral of the initial payment term of trade payables, these debts are derecognised within the original maturity period and a financial liability is recognised under loans and borrowings in the consolidated balance sheet.

The Group presents the net amount of collections and payments relating to reverse factoring in the statement of cash flows, as these collections and payments have a high turnover, as established in the applicable standards

### **3.9. INVENTORY**

Goods included in Inventory are measured at their production cost, which is determined by adding the costs directly attributable to the product to the purchase price of raw materials and other consumables. To this is also added the part that reasonably corresponds to the indirectly attributable costs of the products, to the extent that such costs correspond to the period of manufacturing, processing or construction, which may have been incurred in placing them for sale and are based on the level of utilization of the normal working capacity of the means of production.

Indirect taxes on inventory are only incorporated into the acquisition price or production cost when they are not directly recoverable from the tax authorities.

Advances to suppliers on account for future inventory supplies are measured at cost.

The measurement of obsolete, defective or slow-moving products is reduced to their potential realization value.

### **3.10. TRANSACTIONS IN FOREIGN CURRENCY**

Transactions carried out in foreign currency are recorded at the exchange rates current at the time of the transaction. During the year, the differences between the booked exchange rate and the one that is current at the time of receiving or paying are recorded as financial results in the income statement. The Parent Company has not changed the functional currency during the year, which is the euro.

Likewise, on 31 December of each year the conversion of balances receivable or payable originating in a foreign currency is made with the closing exchange rate. The resulting differences in measurement are recorded as financial results in the income statement.

### **3.11. INCOME TAX**

The current tax expense is determined by adding the current tax expense and the deferred tax. The current tax expense is determined by applying the current tax rate to the financial profit for the year and reducing the result thus obtained by the amount of allowances and general deductions applied during the year.

Deferred tax assets and liabilities come from temporary differences defined as the amounts expected to be payable or recoverable in the future and that derive from the difference between the book value of assets and liabilities and their tax base. Those amounts are recorded by applying the tax rate at which they are expected to be recovered or settled to the temporary difference.

Deferred tax assets also arise as a result of negative tax bases pending compensation and from the credits for tax deductions generated and not applied.

The corresponding deferred tax liability is recognized for all the temporary tax differences, unless the temporary difference is derived from the initial recognition of goodwill or initial recognition (except in a business combination) of other assets and liabilities in a transaction that, at the time it is carried out, affects neither the tax nor accounting result.

On the other hand, deferred tax assets, identified with deductible temporary differences, are only recognized in the event that it is probable that the Group will have sufficient future financial earnings against which they can be made effective and do not come from initial recognition (except in a business combination) of other assets and liabilities in a transaction that affects neither the financial nor the accounting result. The remaining deferred tax assets (tax loss carryforwards and deductions pending compensation) are only recognized in the event that it is probable that the Group will have sufficient future financial earnings against which they can be made effective.

At each accounting close, recorded deferred taxes are reviewed (both assets and liabilities) with the aim of checking that they are still recoverable, making appropriate adjustments to them, in accordance with the results of the analyses carried out.

The deferred tax expense or income corresponds to the recognition and cancellation of deferred tax liabilities and assets, as well as, where appropriate, by recognizing and allocating to the income statement, the income directly attributable to net equity that may result from accounting for those deductions and other financial benefits that have the economic nature of grants.

### **3.12. INCOME AND EXPENSES**

Income and expenses are allocated in accordance with the accrual criterion, regardless of the time when the monetary or financial flow derived from them occurs.

Since 1 January 2021 the Group has applied the new recognition and measurement standard 14 Revenue from sales and services in accordance with Royal Decree 1/2021 amending the Spanish General Chart of Accounts.

The effect of applying the new recognition and measurement standard 14 to 2020 revenues and its related trade receivables is not significant.

#### *(i) Sale of goods*

The Company manufactures and sells parts and components that are installable in solar panel tracking systems in energy parks. The installable parts and components are designed and manufactured exclusively for the customers; the level of customisation is not significant and they have alternative uses for the Company. Consequently, the revenue is recognised when control of these parts and components is transferred and not over time.

The Company sells the parts on F.O.B or delivery to the customer's warehouse terms, therefore the revenue is recognised when the customer receives the products at the agreed point. The Company records these sales at the nominal amount, without considering the financial effect thereof, because this effect is not significant.

The Company grants customers a standard product warranty that is recognised in accordance with the indications of the accounting policy for provisions.

*(ii) Rendering of services*

The Company performs the service of installing the parts and components that it sells to some of its customers. Installation is not complex or specialised and a high level of integration is not required, therefore the goods and installation are considered separate obligations.

Revenues from this service are recognised over time because the Company's performance creates an asset controlled by the customers and it has no alternative use for the Company, which has an enforceable right to payment for performance completed up to the reporting date.

Each month the Company invoices the actual stage of completion of the project, measured in units installed in each period, so that at the end of each period the revenue is recognised for the service effectually carried at any time.

**3.13. PROVISIONS AND CONTINGENCIES**

The Consolidated Financial Statements include all provisions with respect to which it is estimated that the probability that the obligation will have to be met is greater than the converse situation. Contingent liabilities are not recognized in the consolidated Balance sheet, but information on them is given in the notes, to the extent that they are not considered remote.

Where appropriate, provisions are valued at the actual value of the best possible estimate of the amount necessary to cancel or transfer the obligation, taking into account the information available about the event and its consequences, and recording adjustments that arise from updating of those provisions as a financial expense as it accrues.

**3.14. ENVIRONMENTAL INFORMATION**

The costs incurred, where appropriate, from systems, equipment and installations whose purpose is to minimize the environmental impact whilst carrying out the activity, and/or the protection and improvement of the environment are recorded as investments in property, plant and equipment.

The remaining expenses related to the environment, other than the above, are expensed as incurred. The calculation of potential environmental provisions that may arise, is made according to the best estimate of the provision at the time they are known, and under the assumption that insurance policies will not cover any damage caused.

**3.15. CRITERIA USED FOR RECORDING AND VALUING EMPLOYEE EXPENSES**

Employee expenses include all salaries and mandatory or voluntary social obligations accrued at all times, recognizing obligations for extra payments, holidays or variable salaries and their associated expenses.

Except for justifiable cause, companies are obliged to compensate their employees when their services cease.

In the absence of any foreseeable need for irregular termination of employment and given that those employees who retire or voluntarily end their services, do not receive severance payments, severance payments, when they arise, are booked to expenses at the time the decision is taken to terminate the employment.

### 3.16. GRANTS, DONATIONS AND BEQUESTS RECEIVED

Non-refundable capital grants are valued at the amount granted, initially being recognized as income directly attributable to net equity and attributable to the results during the period in the proportion of depreciation experienced by the assets financed by those grants, unless it is a question of non-depreciable assets, in which case they will be attributed to the income for the year in which they are sold or derecognized from the inventory.

While they have the features of repayable grants, they are booked as debts that can be converted into grants.

When grants are granted to finance specific expenses, they are booked as income in the year in which the expenses they are financing occur.

### 3.17. CRITERIA USED IN TRANSACTIONS BETWEEN RELATED PARTIES

If they exist, transactions between companies in the same Group, regardless of the degree of connection, are accounted for in line with the general rules. The items that are the subject of the transactions carried out will be booked at their fair value initially. Subsequent measurement is made in accordance with the specific rules that may apply.

### 3.18. CLASSIFICATION BETWEEN CURRENT AND NON-CURRENT BALANCES

In the attached consolidated balance sheet, balances with a maturity of less than one year from the date of the balance sheet are classed as current, those with a maturity of more than a year are considered non-current.

## 4. INTANGIBLE ASSETS

The detail of the items under this heading and transactions throughout the 2021 year is the following:

### 2021 YEAR

|                            | Initial<br>balance | Additions       | Disposals       | Transfers      | Final<br>Balance |
|----------------------------|--------------------|-----------------|-----------------|----------------|------------------|
| <b>COST</b>                |                    |                 |                 |                |                  |
| IT applications            | 368,388            | 79,792          | -15,926         | 102,300        | 534,554          |
| Other Intangible assets    | 530,273            | 0               | -503,829        | 0              | 26,444           |
| Consolidated Goodwill      | 185,807            | 0               | 0               | 0              | 185,807          |
| <b>TOTAL COST</b>          | <b>1,084,468</b>   | <b>79,792</b>   | <b>-519,755</b> | <b>102,300</b> | <b>746,805</b>   |
| <b>AMORTIZATIONS</b>       |                    |                 |                 |                |                  |
| IT applications            | -181,632           | -84,936         | 15,926          | 0              | -250,642         |
| Other Intangible assets    | -92,770            | -353            | 88,882          | 0              | -4,241           |
| Consolidated Goodwill      | -18,581            | -18,580         | 0               | 0              | -37,161          |
| <b>TOTAL AMORTIZATIONS</b> | <b>-292,983</b>    | <b>-103,869</b> | <b>104,808</b>  | <b>0</b>       | <b>-292,044</b>  |
| Advances paid to suppliers | 62,128             | 66,302          | 0               | -102,300       | 26,130           |
| <b>NET TOTAL</b>           | <b>853,613</b>     | <b>42,225</b>   | <b>-414,947</b> | <b>0</b>       | <b>480,891</b>   |

The cost of intangible assets totally amortized is 96,713 euros at the end of the 2021 year.

The Group has not made any impairment adjustments to intangible assets.



#### 4.1. CONSOLIDATED GOODWILL

The balance included under this heading corresponds to net goodwill arising from the acquisition of KTRSolar Tech S.L. carried out on 31 January 2020.

Transactions under this heading of the consolidated balance sheet in the 2021 year, were as follows:

#### 2021 YEAR

|                      | <u>Initial<br/>balance</u> | <u>Additions</u> | <u>Amortization</u> | <u>Final<br/>Balance</u> |
|----------------------|----------------------------|------------------|---------------------|--------------------------|
| KTR Solar Tech, S.L. | 167,226                    | 0                | -18,581             | 148,645                  |
| <b>TOTAL</b>         | <b>167,226</b>             | <b>0</b>         | <b>-18,581</b>      | <b>148,645</b>           |

#### 5. PROPERTY, PLANT AND EQUIPMENT

Transactions made under this heading of the consolidated balance sheet in the years 2021, as well as the most significant information that affects this heading, were the following:

#### 2021 YEAR

|  | <u>Initial balance</u> | <u>Additions</u> | <u>Disposals</u> | <u>Transfers</u> | <u>Final Balance</u> |
|--|------------------------|------------------|------------------|------------------|----------------------|
| <b>COST</b>                              |                        |                  |                  |                  |                      |
| Land and Constructions                   | 1,590,448              | 0                | -252,768         | 0                | 1,337,680            |
| Technical Installations and Machinery    | 950,216                | 754,348          | -58,742          | 19,734           | 1,665,556            |
| Other Installations, Tools and Furniture | 1,982,031              | 258,990          | -25,268          | 0                | 2,215,753            |
| Other assets                             | 845,841                | 186,917          | -134,907         | 0                | 897,851              |
| <b>TOTAL COST</b>                        | <b>5,368,536</b>       | <b>1,200,255</b> | <b>-471,685</b>  | <b>19,734</b>    | <b>6,116,840</b>     |
| <b>DEPRECIATION</b>                      |                        |                  |                  |                  |                      |
| Constructions                            | -607,812               | -57,502          | 97,228           | 0                | -568,086             |
| Technical Installations and Machinery    | -255,403               | -157,591         | 971              | 0                | -412,023             |
| Other Installations, Tools and Furniture | -1,799,325             | -52,795          | 25,268           | 0                | -1,826,852           |
| Other assets                             | -466,999               | -125,868         | 112,932          | 0                | -479,935             |
| <b>TOTAL DEPRECIATION</b>                | <b>-3,129,539</b>      | <b>-393,756</b>  | <b>236,399</b>   | <b>0</b>         | <b>-3,286,896</b>    |
| under construction and advances          | 14,821                 | 60,444           | 0                | -19,734          | 55,531               |
| <b>NET TOTAL</b>                         | <b>2,253,818</b>       | <b>866,943</b>   | <b>-235,286</b>  | <b>0</b>         | <b>2,885,475</b>     |

The principal additions for 2021 correspond to the elements acquired to cover the needs associated with the Group's growth.

There has been no circumstance that has meant a significant impact affecting the current year or future years and that may affect cost estimates for decommissioning, retirement or restoration, useful life and depreciation methods.

The grants received for financing various investment projects relating to property, plant and equipment, are explained in Note 20.

The cost of property, plant and equipment completely depreciated in the 2021 year is detailed as follows:

| <b>Item</b>                      | <b>2021</b>      |
|----------------------------------|------------------|
| Machinery                        | 59,408           |
| Tools                            | 42,396           |
| Other installations              | 1,595,246        |
| Furniture                        | 62,330           |
| Information processing equipment | 87,828           |
| Transport items                  | 179,793          |
| <b>TOTALS</b>                    | <b>2,027,001</b> |

Group policy is to take out insurance policies to cover potential risks that the different elements of property, plant and equipment are subject to. The Parent's Company Board of Directors reviews on an annual basis, or when an event makes it necessary, the coverage and risks covered. Amounts that must be reasonably covered for the following year are also agreed.

The Group has not made any impairment adjustments to property, plant and equipment.

The details of property, plant and equipment items located abroad at 31 December is as follows:

|  | <b>Balance at<br/>31/12/2021</b> |
|--|----------------------------------|
| <b>COST</b>                              |                                  |
| Technical Installations and Machinery    | 1,022,481                        |
| Other Installations, Tools and Furniture | 387,004                          |
| Other assets                             | 365,717                          |
| <b>TOTAL COST</b>                        | <b>1,775,202</b>                 |
| <b>DEPRECIATION</b>                      |                                  |
| Technical Installations and Machinery    | -149,445                         |
| Other Installations, Tools and Furniture | -49,045                          |
| Other assets                             | -92,126                          |
| <b>TOTAL AMORTIZATIONS</b>               | <b>-290,616</b>                  |
| <b>NET TOTAL</b>                         | <b>1,484,586</b>                 |

## 6. LEASES AND OTHER OPERATIONS OF A SIMILAR NATURE

### 6.1. OPERATING LEASES

The Group has been granted the use of various assets under operating leases, the most significant information is the following:

|  | <b>2021 year</b> |
|--|------------------|
| Lease payments recognized as expenses for the period | 385,012          |

The minimum payments amount for operating leases mainly relates to the leasing of both offices and industrial premises where the Group companies carry out their daily activity and the leasing of furniture, equipment and vehicles to cover the needs of different projects. The Group also makes payments to lease apartments in other countries such as Mexico, India, South Africa and China, due to the different projects carried out by the Group in those countries.

Details of the minimum payments for leasing, broken down by time period are as follows:

|                            | <u>2021</u>             |
|----------------------------|-------------------------|
| Up to a year               | 452,380                 |
| Between one and five years | 731,017                 |
| More than five years       | <u>0</u>                |
| <b>TOTAL</b>               | <b><u>1,183,397</u></b> |

## 7. FINANCIAL ASSETS

### 7.1. CATEGORIES OF FINANCIAL ASSETS

Information of long-term financial investments as shown in the consolidated balance sheet is not itemized as it is not material, as it relates mainly to security deposits and amounts to 29,479 euros for 2021.

Information of short-term financial assets on the consolidated balance sheet, classified by category, is shown below:

#### YEAR 2021

| CATEGORY                           | CLASSES               |                          |  | TOTAL                     |
|------------------------------------|-----------------------|--------------------------|--|---------------------------|
|                                    | Security deposits     | Term deposits            | Short-term credits, derivatives and others |                           |
| Financial assets at amortised cost | 107,305               | 0                        | 95,071,074                                 | 95,178,379                |
| - Other financial assets           | 107,305               | 0                        | 95,071,074                                 | 95,178,379                |
| Cash and cash equivalents          | 0                     | 25,192,953               | 6,728,419                                  | 31,921,372                |
| <b>TOTAL</b>                       | <b><u>107,305</u></b> | <b><u>25,192,953</u></b> | <b><u>101,799,493</u></b>                  | <b><u>127,099,751</u></b> |

The breakdown of the section “Other financial assets” is as follows:

| Item                                     | <u>2021</u>              |
|--|--------------------------|
| Trade receivables for sales and services | 95,062,741               |
| Other debtors                            | 8,333                    |
| <b>TOTAL</b>                             | <b><u>95,071,074</u></b> |

### 7.2. RECLASSIFICATIONS

There were no reclassifications among the different categories of financial assets.

### 7.3. CLASSIFICATION BY MATURITIES

Classification by maturity of the Group's financial assets of the amounts that mature in each of the years following the end of the year until their final maturity are shown in the following table:

#### 2021 YEAR

|   | Maturity in years  |            |          |          |               | 2026 and beyond    | TOTAL |
|---|--------------------|------------|----------|----------|---------------|--------------------|-------|
|   | 2022               | 2023       | 2024     | 2025     |               |                    |       |
| <b>Financial investments</b>                            |                    |            |          |          |               |                    |       |
| Others  | 107,305            | 808        | 0        | 0        | 28,671        | <b>136,784</b>     |       |
| <b>Commercial debtors and other accounts receivable</b> |                    |            |          |          |               |                    |       |
| Net Trade receivables for sales and services            | 95,062,741         | 0          | 0        | 0        | 0             | <b>95,062,741</b>  |       |
| Other debtors   | 8,333              | 0          | 0        | 0        | 0             | <b>8,333</b>       |       |
| <b>Cash and cash equivalents</b>                        |                    |            |          |          |               |                    |       |
| Treasury  | 31,921,372         | 0          | 0        | 0        | 0             | <b>31,921,372</b>  |       |
| <b>TOTAL</b>  | <b>127,099,751</b> | <b>808</b> | <b>0</b> | <b>0</b> | <b>28,671</b> | <b>127,129,230</b> |       |

### 7.4. ASSETS ASSIGNED AND ACCEPTED AS COLLATERAL

In 2021 the Group does not have, nor has had financial assets delivered as collateral.

In 2021 the Group does not have third-party assets as collateral although it does have bank guarantees in its favour from suppliers in the amount of 1.289.539,59 euros that expire in the years 2022, 2023, 2024 and 2025.

### 7.5. IMPAIRMENT OF VALUE ARISING FROM CREDIT RISK

The following is the analysis of transactions of corrective accounts by asset class, representing impairment losses caused by credit risk in the years 2021:

| <u>Asset class</u>                          | <u>Credits, derivatives and others (1)</u><br><u>Short-term</u> |
|---|---|
| Impairment loss at the end of the 2020 year | 687   |
| (+) Measurement adjustment for impairment   | 0   |
| (-) Impairment reversal                     | -687  |
| (-) Disposals and reductions                | 0   |
| Impairment loss at the end of the 2021 year | 0   |

(1) Includes impairment adjustments arising from credit risk in "Commercial debtors and other receivables"

During the 2021 year the Group has considered the impairment registered in 2019 as definitive. Consequently, impairment has been applied to the corresponding account balance.

### 7.6. NON-PAYMENT OR NON-COMPLIANCE WITH CONTRACTUAL CONDITIONS

During the year there was no contractual non-compliance which would have granted the lender the right to claim early repayment of its loans.

## 8. FINANCIAL LIABILITIES

### 8.1. CATEGORIES OF FINANCIAL LIABILITIES

Long-term financial liabilities on the consolidated balance sheet, classified by category, are shown below:

#### YEAR 2021

|   | CLASSES                           |                                  | TOTAL             |
|---|-----------------------------------|----------------------------------|-------------------|
|   | Debts with financial institutions | Long-term derivatives and others |                   |
| Financial liabilities at amortised cost | 10,000,000                        | 108,995                          | 10,108,995        |
| <b>TOTAL</b>                            | <b>10,000,000</b>                 | <b>108,995</b>                   | <b>10,108,995</b> |

Under the heading “Debts with financial institutions” it is included the long term loans obtained during 2021 (see 8.3).

Included under the heading “Long-term derivatives and others” and amounting 108,995 euros is an advance payment received by the Parent Company during the 2019 year relating to a loan granted by the Centre for Industrial Technology Development, the payment of which was earmarked for the year 2020, but which has been delayed until 2022, once the applicable documentation had been provided. Total loan granted amounts to euros 332 thousand. This loan includes a non-repayable allowance (euros 33 thousand), and its maturity extends to 2027.

Information on the short-term financial liabilities on the consolidated balance sheet, classified by category, is shown below:

#### YEAR 2021

|                    | CLASSES                           |                                   | TOTAL              |
|--------------------|-----------------------------------|-----------------------------------|--------------------|
|                    | Debts with financial institutions | Short-term derivatives and others |                    |
| Debts and payables | 30,792,418                        | 82,103,763                        | 112,896,181        |
| <b>TOTAL</b>       | <b>30,792,418</b>                 | <b>82,103,763</b>                 | <b>112,896,181</b> |

The breakdown of the “Short-term derivatives and others” section is as follows:

| Item              | 2021              |
|-------------------|-------------------|
| Suppliers         | 60,968,236        |
| Creditors         | 2,330,209         |
| Staff             | 1,083,913         |
| Customer advances | 17,721,405        |
| <b>TOTAL</b>      | <b>82,103,763</b> |

## 8.2. CLASSIFICATION BY MATURITIES

Classification by maturity of the Group's financial liabilities of the amounts that mature in each of the years following the end of the year until their final maturity are shown in the following table:

### 2021 YEAR

| Debts   | Maturity in years  |                  |                  |               | 2026 and beyond | TOTAL              |
|---|--------------------|------------------|------------------|---------------|-----------------|--------------------|
|   | 2022               | 2023             | 2024             | 2025          |                 |                    |
| <b>Debts with financial institutions</b>                  | 30,792,418         | 5,000,000        | 5,000,000        | 0             | 0               | <b>40,792,418</b>  |
| <b>Other financial liabilities</b>                        | 0                  | 9,506            | 19,012           | 19,012        | 61,465          | <b>108,995</b>     |
| <b>Commercial creditors and other accounts receivable</b> |                    |                  |                  |               |                 |                    |
| Suppliers   | 60,968,236         | 0                | 0                | 0             | 0               | <b>60,968,236</b>  |
| Creditors   | 2,330,209          | 0                | 0                | 0             | 0               | <b>2,330,209</b>   |
| Staff   | 1,083,913          | 0                | 0                | 0             | 0               | <b>1,083,913</b>   |
| Customer advances   | 17,721,405         | 0                | 0                | 0             | 0               | <b>17,721,405</b>  |
| <b>TOTAL</b>  | <b>112,896,181</b> | <b>5,009,506</b> | <b>5,019,012</b> | <b>19,012</b> | <b>61,465</b>   | <b>123,005,176</b> |

## 8.3. OTHER INFORMATION

Other significant facts that affect financial liabilities are the following:

- Insurance: the Group has contracted, and paid for the premiums at maturity, current civil liability insurance that reasonably covers the risks inherent in its activity, as well as at least a significant part of the net book value or, where appropriate, inventory and non-current assets.
- At the date of preparing these Consolidated Financial Statements no significant disputes that could affect them are known. The credit policy and lines of credit limits are as follows:

| Financial entities 2021                 | Limit granted      | Arranged          | Available         |
|---|--------------------|-------------------|-------------------|
| Total of lines of credit and guarantees | 98,839,745         | 58,942,886        | 39,896,859        |
| Total lines of confirming               | 23,900,000         | 6,986,551         | 16,913,449        |
| Total multiproduct lines                | 35,539,008         | 22,792,329        | 12,746,679        |
| <b>TOTAL RISK LINES</b>                 | <b>158,278,753</b> | <b>88,721,766</b> | <b>69,556,987</b> |

During the 2021 year the Parent Company received seven loans from financial institutions for a total amount of 15,000,000 euros and 6,500,000 USD (5,732,428 euros). All these loans in euros were agreed with a maturity of three years with annual amortization. The ones in USD were agreed with a maturity of one year, so they all expire during the 2022 year.

During the year there has been a repayment of the principal of loans granted in previous years for the amount of 13,831,992 euros.

## 9. INFORMATION ON THE NATURE AND LEVEL OF RISK FROM FINANCIAL INSTRUMENTS

### 9.1. QUALITATIVE INFORMATION

#### a MARKET RISK

During 2021 the Group has been operating in the international environment (EU, Chile, Israel, South Africa, Brazil, Mexico, the United States, Japan, Senegal and Egypt) and as such is exposed to exchange rate risk for currency transactions. To minimize this risk, the Group enters into exchange rate insurance contracts to hedge exchange rates when it is considered that these will perform unfavourably.

#### b CREDIT RISK

The Group has significant concentrations of credit risk, however, it has policies and procedures to ensure that the products are sold to customers with a satisfactory credit history. In addition it manages the limits on individualized outstanding amounts for each debtor, on the basis of prior knowledge of each one and/or financial reports from third parties, supported by an integrated information management system. The Group also enters into credit insurance contracts to cover risks that may arise.

#### c LIQUIDITY RISK

The Group carries out prudent liquidity risk management, based on maintaining adequate cash, and especially on the availability of financing through a sufficient amount of dedicated credit facilities and sufficient capacity to settle market positions. The Group's objective is to maintain flexibility in financing through the availability of lines of credit if they are needed.

### 9.2. QUANTITATIVE INFORMATION

Given the characteristics and specifications of the Group's product and sector, the future quantification of credit risk will depend on potential failed customer transactions and the percentage that may not be insured. The Group expects that in the conditions described the credit risk is less than 1% of ordinary sales to customers who are not group companies or associates.

Commercial credit risk is not associated with any other financial instrument that shares the same characteristics.

## 10. EQUITY

### 10.1. SHARE CAPITAL

At the end of the 2021 year, the Parent Company's share capital is made up of 2,750 company shares of 100 euros each in nominal value, fully subscribed and paid up.

All the shares that make up the share capital have the same rights, there being no statutory restrictions to their transferability, nor are they admitted to trading.

The Group's shareholders at 31 December 2021, were as follows:

|                       | <u>Number<br/>of<br/>shares</u> | <u>%<br/>participation</u> |
|-----------------------|---------------------------------|----------------------------|
| Amixa Capital, S.L.   | 1,609                           | 58.51%                     |
| Aurica Trackers, S.L. | 1,141                           | 41.49%                     |

### 10.2. RESERVES

Reserves at the end of the 2021 year are as follows:

| <u>Name</u>                        | <u>2021</u>              |
|------------------------------------|--------------------------|
| Legal reserve                      | 55,000                   |
| Voluntary reserves                 | 12,864,789               |
| Amortized capital reserves         | 225,000                  |
| Reserves in consolidated companies | 14,176,251               |
| Other Partner Contributions        | 1,616,496                |
| <b>TOTAL RESERVES</b>              | <b><u>28,937,536</u></b> |

#### 10.2.1. LEGAL RESERVE

The Legal Reserve, which amounted to the 55,000 euros at the end of 2021 has been allocated in compliance with article 274 of the Consolidated Text of the Commercial Companies Law which establishes that, in any event, a figure equal to 10% of the annual profits should be allocated for this until it reaches at least 20% of the share capital. This reserve, while it does not exceed the indicated limit, may only be allocated to compensate for losses in the event that there are no other reserves available for this purpose.

At the end of the 2021 year the Legal Reserve is fully allocated.

#### 10.2.2. VOLUNTARY RESERVES

Voluntary reserves are freely available and may be distributed if the value of net equity is not or does not become less than the share capital as a result of the distribution. If there are losses from previous years that made the Group's net equity lower than its share capital, these losses must be offset prior to its distribution.



The Voluntary Reserve is freely available and as of 31 December 2021 amounts to 12,864,789, euros.

#### 10.2.3. AMORTIZED CAPITAL RESERVES

In January 2018, the General Shareholders' Meeting of the Parent Company agreed to allocate an unavailable reserve of 225,000 euros in compliance with the provisions of article 332 of the Capital Companies Act for the cases of acquisition of treasury shares.

#### 10.2.4. RESERVES IN CONSOLIDATED COMPANIES

This relates to the variation in Reserves of Consolidated Companies fully consolidated from the date of their incorporation into the Group, in accordance with the distribution shown below:

| <b>Entity</b>                                   | <b>2021</b>       |
|---|-------------------|
| STI SOLAR, SpA.                                 | 241,909           |
| STINORLAND ISRAEL, LTD.                         | -40,702           |
| STINORLAND USA, INC.                            | 575,364           |
| STINORLAND SOUTH AFRICA (PTY), LTD.             | 315,541           |
| STINORLAND BRASIL, LTDA.                        | 11,871,185        |
| STINORLAND MEXICO, S.A. DE C.V.                 | 537,941           |
| STINORLAND INDIA PVT LTD                        | -66,091           |
| KTRSOLAR TECH, S.L.                             | 741,104           |
| <b>TOTAL RESERVES IN CONSOLIDATED COMPANIES</b> | <b>14,176,251</b> |

#### 10.3. INTERIM DIVIDEND

In its meeting of 23 December 2020, the Parent Company's Board of Directors approved the payment of an interim dividend for a total amount of 8,000,000 euros charged to the profit for the year 2020.

This amount to be distributed did not exceed the results obtained since the last year by the Parent Company, deducting the estimate for Corporation Tax to be paid on those results, in accordance with the provisions of article 277 of the Consolidated Text of the Capital Companies Law.

The forecast accounting statement prepared in accordance with the legal requirements that reveals the existence of sufficient liquidity for the distribution of the above-mentioned dividend is shown below:

|  | <b>Thousands of euros</b> |
|--|---------------------------|
| <b>Forecast of distributable profits for 2020:</b>                         |                           |
| Projected results net of tax up to 31/12/2020                              | 18,500                    |
| Estimate of distributable profits for 2020:                                | 18,500                    |
| Interim dividend distributed:  | (8,000)                   |
| <b>Treasury forecast for the period between 23/12/2020 and 23/12/2021:</b> |                           |
| Treasury balances at 23 December 2020                                      | 21,886                    |
| Projected receivables  | 82,500                    |
| Projected payments, including the dividend on account                      | (87,500)                  |
| Projected treasury balances at 23 December 2021                            | 16,886                    |

#### 10.4. DISTRIBUTION OF THE RESULT OF THE PARENT COMPANY

The Company's Board of Directors will propose the approval of distribution of the 2021 results to the General Shareholders' Meeting in the following way:

| <u>2021 YEAR</u>             |                  |
|------------------------------|------------------|
| <u>Basis of distribution</u> | <u>Amount</u>    |
| Income statement balance     | 4,088,400        |
| <b>Total</b>                 | <b>4,088,400</b> |
|                              |                  |
| <u>Distribution</u>          | <u>Amount</u>    |
| To Voluntary Reserves        | 4,088,400        |
| <b>Total</b>                 | <b>4,088,400</b> |

#### 10.5. NON-CONTROLLING INTEREST

A detailed of the non-controlling interest and its movement is as follows:

| <u>Company</u> | <u>December 2020</u> | <u>Results</u>   | <u>Additions</u> | <u>Dividends</u> | <u>Conversion Differences</u> | <u>December 2021</u> |
|----------------|----------------------|------------------|------------------|------------------|-------------------------------|----------------------|
| Brasil         | 2,626,506            | 4,857,793        | 0                | 0                | 354,771                       | 7,839,070            |
| México         | 4,881                | -185             | 0                | 0                | -137                          | 4,559                |
| KTRSolar Tech  | 318,288              | 318,760          | 0                | 0                | 0                             | 637,048              |
|                | <u>2,949,675</u>     | <u>5,176,368</u> | <u>0</u>         | <u>0</u>         | <u>354,634</u>                | <u>8,480,677</u>     |

#### 11. ADJUSTMENTS FOR CHANGE IN VALUE

The breakdown under the heading "Adjustment for change in value" of net equity at the close of the 2021 year is -2,119,973 euros and is derived from the Parent Company's part of the subsidiaries' adaptation of their financial statements to euros, the functional currency of the Parent Company.

#### 12. INVENTORY AND ADVANCES TO SUPPLIERS

At 31 December 2021 inventory is made up of the following:

| <u>Description</u>    | <u>2021</u>       |
|-----------------------|-------------------|
| Work in progress      | 42,743,086        |
| Advances to suppliers | 11,668,859        |
| <b>TOTAL</b>          | <b>54,411,945</b> |

The Group has taken out insurance policies that reasonably guarantee that the net book value of the inventory can be recovered.

Measurement adjustments to value impairment have not been recorded during either the 2021 year.

During the 2021 year the Group has not operated with emission allowances.

### 13. FOREIGN CURRENCY

The overall amount in euros of the assets and liabilities denominated in foreign currency, including a breakdown of the most significant assets and liabilities classified by currency, is set out in the tables below:

| Assets and liabilities denominated in foreign currency | 2021              |                   |                  |                  |                  |
|--|-------------------|-------------------|------------------|------------------|------------------|
|  | In euros          |                   |                  |                  |                  |
|  | USD               | BRL               | MXN              | ZAR              | Other currencies |
| <b>A) NON-CURRENT ASSETS</b>                           | <b>0</b>          | <b>28,431</b>     | <b>0</b>         | <b>0</b>         | <b>0</b>         |
| 5. Long-term financial investments                     | 0                 | 28,431            | 0                | 0                | 0                |
| <b>B) CURRENT ASSETS</b>                               | <b>13,681,340</b> | <b>74,591,592</b> | <b>1,155,090</b> | <b>7,625,686</b> | <b>95,212</b>    |
| 3. Commercial debtors and other accounts receivable    | 11,278,309        | 49,182,646        | 1,114,678        | 7,557,206        | 15,099           |
| 5. Short-term financial investments                    | 0                 | 1,664             | 0                | 2,820            | 3,109            |
| 7. Cash and cash equivalents                           | 2,403,031         | 25,407,282        | 40,412           | 65,660           | 77,004           |
| <b>C) CURRENT LIABILITIES</b>                          | <b>8,322,746</b>  | <b>39,320,927</b> | <b>0</b>         | <b>3,278,097</b> | <b>14,244</b>    |
| 5. Commercial creditors and other accounts payable     | 8,322,746         | 39,320,927        | 0                | 3,278,097        | 14,244           |

Due to them having little relevance, the following are included in "Other currencies": ILS (Israeli shekel), CLP (Chilean peso), CNY (Chinese yuan), INR (Indian rupee), AUD (Australian dollar) and JPY (Japanese yen).

The amounts corresponding to the most significant sales, purchases and services received and provided in foreign currency are the following:

| Transactions in foreign currency (in euros) | 2021 year                  |            |             |                  |
|---|----------------------------|------------|-------------|------------------|
|   | Classification by currency |            |             |                  |
|   | Total                      | USD        | BRL         | Other currencies |
| Sales and other income                      | 180,346,417                | 38,582,294 | 133,243,461 | 8,520,662        |
| Purchases and other expenses                | 142,402,261                | 34,026,139 | 103,679,801 | 4,696,321        |

The amount of the differences in exchange recognized in the result by classes of financial instruments is shown in the following table:

| Item   | 2021 year      |                |
|--|----------------|----------------|
|  | Settled        | Pending        |
| <b>CURRENT ASSETS</b>                              |                |                |
| 3. Trade Receivables for sales and services        | 897,581        | 284,423        |
| 5. Other financial assets                          | 17,456         | 0              |
| 7. Cash and cash equivalents                       | -451,880       | 144,021        |
| <b>CURRENT LIABILITIES</b>                         |                |                |
| 3. Short-term debt                                 | 8,013          | -35,089        |
| 5. Commercial creditors and other accounts payable | -422,567       | 12,122         |
| <b>TOTAL</b>                                       | <b>48,603</b>  | <b>405,477</b> |
|  | <b>454,080</b> |                |

The amount of the differences in conversion into net equity of the Parent Company recognized in the result is shown in the following table:

|  | 2021              |
|--|-------------------|
| <b>BALANCE AT THE BEGINNING OF THE YEAR</b>                | <b>-3,836,335</b> |
| Variation due to applying the exchange rate                | 390,963           |
| Variation due to intra-group dividends distributed in 2020 | 1,325,399         |
| <b>BALANCE AT THE END OF THE YEAR</b>                      | <b>-2,119,973</b> |

#### 14. TAX SITUATION

##### 14.1. INCOME TAX

The Group companies do not benefit from the consolidated tax regime.

Reconciliation of the result with the taxable base of Corporation Tax in the 2021 year is the following:

|  | 2021              |  |
|--|-------------------|--|
|  | Income statement  | Income and expenses attributable to net equity |
| <b>Balance of annual income and expenses</b> | <b>28,772,636</b> | <b>384,367</b>                                 |
| Income Tax                                   | 9,412,076         | -2,565   |
| <b>Permanent differences</b>                 |                   |  |
| of individual companies                      | 177,689           |  |
| of consolidation adjustments                 | 161,500           | -390,963                                       |
| <b>Temporary differences</b>                 |                   |  |
| of individual companies                      |                   |  |
| • Increases                                  | 1,676,405         | -23,751  |
| • Reductions                                 | -981,494          | 32,912   |
| of consolidation adjustments                 |                   |  |
| • Increases                                  |                   | 0  |
| • Reductions                                 | -59,595           | 0  |
| <b>Taxable base (tax result)</b>             | <b>39,159,217</b> | <b>0</b>                                       |

The breakdown of expense/(income) by income tax is the following:

#### YEAR 2021

|   | 2 Variation of deferred tax |                       |                                      |               |                       | 3 TOTAL<br>(1+2) |
|---|-----------------------------|-----------------------|--------------------------------------|---------------|-----------------------|------------------|
|   | 1 Current tax               | Temporary Differences | a) of assets                         |               | b) of liabilities     |                  |
|   |                             |                       | Tax credit for industrial profit (-) | Other credits | Temporary Differences |                  |
| <b>Tax on profit and loss, of which:</b>    | <b>9,219,363</b>            | <b>-64,423</b>        |                                      |               | <b>257,136</b>        | <b>9,412,076</b> |
| - To continuing operations                  | 9,219,363                   | -64,423               |                                      |               | 257,136               | 9,412,076        |
| - To discontinued operations                |                             |                       |                                      |               |                       |                  |
| <b>Tax on net equity, of which:</b>         |                             |                       |                                      |               | <b>-2,565</b>         | <b>-2,565</b>    |
| For grants, donations and bequests received |                             |                       |                                      |               | -2,565                | -2,565           |

The relationship between the tax expense and accounting profit for the year is as follows:

|                           | 2021              |
|---------------------------|-------------------|
| Results before tax        | <b>38,184,712</b> |
| Tax at applicable rates   | 12,562,760        |
| Permanent differences     | 114,380           |
| <b>Tax Benefits</b>       | <b>-4,307,870</b> |
| <b>DTA not recognized</b> | <b>845,000</b>    |
| <b>Other</b>              | <b>197,742</b>    |
| <b>Total Tax expense</b>  | <b>9,412,012</b>  |

The expense of Corporation Tax in the consolidated income statement is broken down into:

|                      | 2021             |
|----------------------|------------------|
| Current tax expense  | <b>9,219,363</b> |
| Deferred tax expense | 192,713          |
| <b>Total</b>         | <b>9,412,076</b> |

The deferred tax expense has been generated by the temporary differences caused by the difference in accounting-tax criteria. In 2021, it mainly comes from the South African subsidiary.

The balances of deferred tax assets and liabilities are detailed in Note 14.3.

The Group submits Corporation Tax statements in the different jurisdictions where it operates. Here, Brazil is the most significant jurisdiction outside Spain. During the 2021 year, in its Brazilian subsidiary, the Group submitted a corporation tax expense of 7,209,997 euros and has an account payable for current tax at 31 December 2021 of 4,144,274 euros.

#### **14.2. BALANCES WITH TAX AUTHORITIES**

The detail of the balances with tax authorities on the consolidated balance sheet at 31 December 2021 and 2020, in euros, is as follows:

| <u>Item</u>                   | 2021             |                  |
|-------------------------------|------------------|------------------|
|                               | <u>Debtor</u>    | <u>Creditor</u>  |
| VAT                           | 6,111,174        | 20,380           |
| Withholding tax               | 0                | 144,915          |
| Other items                   | 339,092          | 359,303          |
| Social Security Organizations | 363              | 334,659          |
| Corporate tax                 | 1,113,708        | 5,372,841        |
| <b>TOTAL</b>                  | <b>7,564,337</b> | <b>6,232,098</b> |

### 14.3. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities at the end of the 2021 year are as follows:

| Item  | 2021 year      |                |
|---|----------------|----------------|
|   | Debtor         | Creditor       |
| Temporary difference – Tax effect of intra-group inventories at year end        | 0              | 0              |
| Temporary difference – R&D+i projects financed                                  | 100,004        | 0              |
| Temporary difference – Accelerated amortization/depreciation                    | 0              | 10,856         |
| Temporary difference – Grants   | 0              | 0              |
| Temporary difference – CDTI (Centre for Industrial Technology Development) loan | 0              | 2,061          |
| Temporary difference – Prepayments  | 0              | 68,282         |
| Temporary difference – Income received in advance                               | 71,396         | 0              |
| Temporary difference – Work in progress   | 0              | 136,886        |
| Temporary difference – Debtors retention  | 0              | 56,814         |
| <b>TOTAL</b>  | <b>171,400</b> | <b>274,899</b> |

In the 2021 year the Group recorded deferred tax assets related to deductions for R&D+i projects financed pending application, as well as the effect of the sale of merchandise between Group companies.

Similarly, in the same years the Group recorded a deferred tax liability corresponding to the temporary differences originating from the difference in accounting-tax criteria in recording amortizations, work in progress, prepayments, debtors retentions, grants pending to be allocated to income (Note 20) and the loan received from the CDTI.

### 14.4. OTHER INFORMATION

According to current legal provisions, settling tax bills cannot be considered final until they have been inspected by the tax authorities or the 4-year statute of limitations has passed. At year end, Group companies keep all years within the statute of limitations period of the last four years open for inspection (or, if applicable, all years since their incorporation). The Parent Company's Board of Directors considers that any additional tax liability that could arise as a consequence of an inspection would not have a significant effect on the Consolidated Financial Statements.

## 15. INCOME AND EXPENSES

The breakdown of the consolidated income statement attached is as follows:

| <b>Breakdown of the income statement</b>                               | <b>2021 year</b>    |
|--|---------------------|
| <b>1 Net turnover</b>  | <b>224,461,953</b>  |
| <b>2 Changes in inventories of finished goods and work in progress</b> | <b>29,104,396</b>   |
| <b>3 Supplies</b>  | <b>-190,834,077</b> |
| a) Purchases, net of refunds and any discount of which:                | -172,440,855        |
| - national   | -30,785,674         |
| - intra-community (within European Union) acquisitions                 | -1,408,253          |
| - imports  | -140,246,928        |
| b) Work carried out by other companies                                 | -18,393,222         |
| <b>4 Other operating income</b>  | <b>57,726</b>       |
| <b>5 Staff expenses:</b>   | <b>-12,484,287</b>  |
| a) Wages, salaries and related items                                   | -9,748,076          |
| b) Social charges  | -2,736,211          |
| <b>6. Other operating costs:</b>                                       | <b>-10,668,390</b>  |
| a) External services   | -9,638,070          |
| b) Taxes   | -406,868            |
| c) Other operating costs:  | -623,452            |
| <b>7 Other results</b>   | <b>132,889</b>      |

## 16. PROVISIONS AND CONTINGENCIES

The Long-term Provisions heading has had the following transactions:

### YEAR 2021

|                                   | <u>Initial balance</u>  | <u>Addition</u>         | <u>Reversal</u>          | <u>Final Balance</u>    |
|-----------------------------------|-------------------------|-------------------------|--------------------------|-------------------------|
| Provisions for guarantees         | 3,095,193               | 3,977,282               | -3,095,193               | 3,977,282               |
| <b>Total Long-term provisions</b> | <b><u>3,095,193</u></b> | <b><u>3,977,282</u></b> | <b><u>-3,095,193</u></b> | <b><u>3,977,282</u></b> |

Long-term provisions relate fully to the provision of guarantees calculated on the basis of sales with outstanding guarantees according to the historical data on observed repairs.

During the 2021 year the Group has recorded expenses related to guarantees granted to customers directly in the income statement according to their nature for a total amount of 71,625 euros. The Group keeps a record to manage expenses generated by guarantees provided.

At the date of preparing these financial statements no significant disputes that could affect them are known.

## **17. ENVIRONMENTAL INFORMATION**

Given the Group's business activity, it has no responsibilities, expenses, assets nor provisions and contingencies of an environmental nature that could be significant in relation to equity, financial situation and earnings thereof. For this reason, this consolidated report does not include breakdowns relating to information on environmental matters.

The Parent Company's Board of Directors states that in the Group's accounting for these Consolidated Financial Statements there is no item that should be included in the document other than the environmental information pursuant to the indication of the third part of the General Accounting Plan (Royal Decree 1514/2007 of 16 November).

## **18. SUBSEQUENT EVENTS**

On 10 November 2021 Array Technologies, Inc, a US public company, entered into a purchase agreement with the shareholders of the Parent Company pursuant to which, Array agreed to acquire all of the outstanding equity interests of the Parent Company. The acquisition was subject to the receipt of required regulatory approvals. At 11 January 2022 all regulatory approvals have been granted and Array Technologies acquired 100% of the shares of the Group. On the same date and prior to this acquisition, Soluciones Técnicas Integrales Norland, S.L. acquired non controlling interest of STI Norland Brazil, LTDA (20,01%) and KTRSolar (20%).

There has been no other relevant event after the close of the year that may significantly affect the information contained in these financial statements and that are not reflected therein.

## **19. TRANSACTIONS WITH RELATED PARTIES**

### ***19.1. INFORMATION RELATING TO THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT***

Members of the Parent Company's Board of Directors earned remuneration relating to carrying out their functions of 149 thousand euros in 2021.

In 2021, members of the Board of Directors of the Parent Company and senior management of the Group earned 738, 611 and 629 thousand euros respectively, as salaries. These are set out in the section "Wages and Salaries" in the Consolidated Income Statement.

There are no advance payments or credits granted to members of the Board of Directors and nor are there any obligations for pensions or life insurance matters.

During the 2021 the Parent Company paid premiums for civil liability insurance of directors and executives for damage caused in the exercise of functions for net amounts of 3.5 thousand euros in 2021.

In compliance with article 229 of Royal Legislative Decree 1/2010 of 2 July, which proves the Consolidated Text of the Capital Companies Law, at 31 December 2021, no members of the Board of Directors of the Parent Company or any persons related to it have declared any direct or indirect conflict of interest that they may have had with the Group's interest.

Members of the Board of Directors have not, in that year, carried out on their own, or others' behalf, any similar or complementary activity as that which constitutes the corporate purpose of the Group.



This statement does not include, nor considers participations or activities that they may exercise in “companies associated” with this one, as it is considered that these do not affect the provisions of those articles as they are known by all partners and by the Board of Directors of the Parent Company.

#### 19.2. PARENT COMPANY TRANSACTIONS AND BALANCES WITH OTHER RELATED PARTIES

The credit balance of Amixa Capital, S.L. is 36,300 euros at 31 December 2021.

The volume of operations for Amixa Capital S.L.’s provision of services was 92,420 euros during 2021.

The volume of operations with the entity Enerta, S.L., related to the General Manager of Brazilian affiliate, has provided services to the Group amounting 87,963 euros during 2021.

#### 20. GRANTS, DONATIONS AND BEQUESTS

The following table shows a breakdown of the amounts and features of grants, gifts and legacies received that appear on the consolidated balance sheet, as well as those apportioned on the consolidated income statement:

| <u>Grants, donations and bequests</u>  | <u>2021</u> |
|--|-------------|
| That appear on the net equity in the consolidated balance sheet (net of tax) | 22,401      |
| Allocated on the consolidated income statement <sup>(1)</sup>                | 90,638      |

(1) Including the operating grants incorporated in the result for the year

The analysis of transactions under this heading in the 2021 and 2020 years is as follows:

| <u>Grants, donations and bequests on the balance sheet</u>     | <u>2021</u>   |
|--|---------------|
| <b>BALANCE AT THE START OF THE YEAR</b>                        | <b>28,997</b> |
| (+) Grants received during the year                            | 23,751        |
| (+) Tax effect on grants received during the year              | -6,650        |
| (-) Grants transferred to income during the year               | -32,912       |
| (-) Tax effect on Grants transferred to income during the year | 9,215         |
| <b>BALANCE AT THE END OF THE YEAR</b>                          | <b>22,401</b> |

In the 2021 year the Australian subsidiary received a non-repayable grant to cover part of the expenses related to commercial events. Moreover, the Parent Company transferred the part corresponding to capital grants received in 2012 discounted for tax at 28% to earnings for the year.

In the 2012 year the Parent Company received two non-repayable grants: one from the Ministry of the Economy and Finance, for 160,866 euros, the result of applying the 18% percentage to the approved investment of 893,698 euros. Additionally, it received 151,930 euros from the Department of Employment, Companies and Innovation of Extremadura, the result of applying 17% to the approved investment of 893,698 euros.

The Parent Company is complying with the legal requirements demanded to obtain and maintain these grants.

## 21. OTHER INFORMATION

### 21.1. STAFF

The average number of employees during the year and the number of employees at the end of the year of the Group companies is as follows:

| <u>Average number of employees during the course of the year by categories and gender</u> | 2021      |            |
|---|-----------|------------|
|   | F         | M          |
| Senior management   | 1         | 17         |
| Technicians and administrators  | 40        | 100        |
| Commercial, sales people and similar  | 6         | 9          |
| Unskilled workers   | 13        | 225        |
| <b>Total average employment</b>   | <b>60</b> | <b>351</b> |

| <u>Breakdown of employees in the Group at the end of the year, by category and gender</u> | 2021      |            |
|---|-----------|------------|
|   | F         | M          |
| Senior management   | 1         | 16         |
| Technicians and administrators  | 48        | 122        |
| Commercial, sales people and similar  | 4         | 10         |
| Unskilled workers   | 24        | 323        |
| <b>Total staff at the end of the year</b>   | <b>77</b> | <b>471</b> |

At 31 December 2021 the Group employs three people with a disability above 33%.

### 21.2. AUDITING FEES

The fees for provision of services by the company KPMG Auditores, S.L., for auditing the Group's annual accounts for the year ended 31 December 2021, regardless of when they were invoiced, amounted to 60 thousand euros for auditing services.

In addition, other entities affiliated to KPMG International invoiced the Group during the year ended 31 December 2021 fees for auditing services related to the audit of the 2021 annual accounts in the amount of 5 thousand euros, and other tax services for an amount of 6 thousand euros.

During 2021 KPMG Auditores, S.L. has provided services to the Group related to audit services and audit related services amounting to 264 thousand euros corresponding to audits and reviews of financial statements ended in 2020 and 2021 and other works related to the acquisition process mentioned in note 2. Other entities affiliated to KPMG International invoiced the Group 28 thousand euros for the same concepts.

## 22. INFORMATION BY SEGMENT

All the Group companies are involved in the same sector of activity which means that all assets and liabilities refer to that sector, as do the amounts in the consolidated income statement.

The breakdown of Group turnover by activity is shown in the following table:

| <u>Market</u> | <u>2021</u>        |
|---------------|--------------------|
| Internal:     | 20%                |
| External:     |                    |
| -EU.          | 0%                 |
| -Rest         | 80%                |
| <b>Total</b>  | <b><u>100%</u></b> |

### 23. RECONCILIATION FROM SPANISH GENERAL CHART OF ACCOUNTS (“SPANISH GAAP”) TO U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (“U.S. GAAP”)

#### Accounting Principles

The Consolidated Financial Statements of STI Norland S.L. have been prepared in accordance with Spanish GAAP which differs from U.S. GAAP in certain respects. The following is a summary of the adjustments to results for the year 2021.

#### Adjustments to the Results for the year included in the Consolidated Income Statement for the year ending 31 December 2021:

|  | <u>Notes</u> | <u>Euros</u>      |
|--|--------------|-------------------|
| <b>Result for the year in conformity with Spanish GAAP</b> |              | 28,772,636        |
| <b>Adjustments on account of:</b>                          |              |                   |
| <b>Historical goodwill amortization</b>                    | (a)          | 18,581            |
| <b>Total impact of all adjustments, net of tax</b>         |              | 18,581            |
| <b>Results for the year in conformity with U.S. GAAP</b>   |              | <b>28,791,217</b> |

Adjustments to the Balance sheet as of 31 December 2021 reconciliation:

| Financial Statement Line                              | Spanish GAAP<br>Balance | Euros           |       |                    |
|---|-------------------------|-----------------|-------|--------------------|
|   |                         | Adjustment      | Notes | US GAAP            |
| <b>A) NON-CURRENT ASSETS</b>                          | <b>3,567,245</b>        | <b>739,483</b>  |       | <b>4,306,728</b>   |
| <b>I. Intangible Assets</b>                           | <b>480,891</b>          | <b>739,483</b>  |       | <b>1,220,374</b>   |
| 1. Consolidated Goodwill                              | 148,645                 | -148,645        | (a)   | 0                  |
| 2. Other Intangible assets                            | 332,246                 | 888,128         | (b)   | 1,220,374          |
| <b>II. Property, plant and equipment</b>              | <b>2,885,475</b>        |                 |       | <b>2,885,475</b>   |
| V. Long-term financial investments                    | 29,479                  |                 |       | 29,479             |
| VI. Deferred tax assets                               | 171,400                 |                 |       | 171,400            |
| <b>B) CURRENT ASSETS</b>                              | <b>189,450,837</b>      |                 |       | <b>189,450,837</b> |
| II. Inventory   | 54,411,945              | -11,668,859     | (d)   | 42,743,086         |
| III. Commercial debtors and other accounts receivable | 102,724,181             | 11,668,859      | (d)   | 114,393,040        |
| V. Short-term financial investments                   | 107,305                 |                 |       | 107,305            |
| VI. Short-term accruals                               | 286,034                 |                 |       | 286,034            |
| VII. Cash and cash equivalents                        | 31,921,372              |                 |       | 31,921,372         |
| <b>TOTAL ASSETS</b>                                   | <b>193,018,082</b>      | <b>739,483</b>  |       | <b>193,757,565</b> |
| <b>NET EQUITY AND LIABILITIES</b>                     |                         |                 |       |                    |
| <b>A) NET EQUITY</b>                                  | <b>59,191,908</b>       | <b>-171,046</b> |       | <b>59,020,862</b>  |
| A-1) Equity   | 52,808,803              | -148,645        |       | 52,660,157         |
| I. Capital  | 275,000                 |                 |       | 275,000            |
| III. Reserves   | 28,937,535              | -167,226        |       | 28,770,309         |
| VI. Annual result attributed to parent company        | 23,596,268              | 18,581          |       | 23,614,849         |
| 1. Consolidated profit and loss                       | 28,772,636              | 18,581          | (a)   | 28,791,217         |
| 2. (Profit and loss external partners)                | -5,176,368              |                 |       | -5,176,368         |
| VII. (Interim dividend)                               | 0                       |                 |       | 0                  |
| A-2) Adjustments for change in value                  | -2,119,973              |                 |       | -2,119,973         |
| 1. Conversion difference                              |                         |                 |       |                    |
| A-3) Subsidies, gifts and legacies                    | 22,401                  | -22,401         | (c)   | 0                  |
| A-4) External partners                                | 8,480,677               |                 |       | 8,480,677          |
| <b>B) NON-CURRENT LIABILITIES</b>                     | <b>14,361,176</b>       | <b>546,135</b>  |       | <b>14,907,311</b>  |
| I. Long-term provisions                               | 3,977,282               |                 |       | 3,977,282          |
| II. Long-term debt                                    | 10,108,995              | 523,734         |       | 10,632,729         |
| 2. Debts with credit institutions                     | 10,000,000              |                 |       | 10,000,000         |
| 4. Other financial liabilities                        | 108,995                 | 523,734         | (b)   | 632,729            |
| III. Subsidies, gifts, and legacies                   | 0                       | 22,401          | (c)   | 22,401             |
| IV. Deferred tax liabilities                          | 274,899                 |                 |       | 274,899            |
| <b>C) CURRENT LIABILITIES</b>                         | <b>119,464,998</b>      | <b>364,394</b>  |       | <b>119,829,392</b> |
| I. Short-term provisions                              | 118,449                 |                 |       | 118,449            |
| III. Short-term debt                                  | 30,792,418              | 364,394         |       | 31,156,812         |
| 2. Debts with credit institutions                     | 30,792,418              |                 |       | 30,792,418         |
| 4. Other financial liabilities                        | 0                       | 364,394         | (b)   | 364,394            |
| V. Commercial creditors and other accounts payable    | 88,335,862              |                 |       | 88,335,862         |
| VI. Short-term accruals                               | 218,269                 |                 |       | 218,269            |
| <b>TOTAL NET EQUITY AND LIABILITIES</b>               | <b>193,018,082</b>      | <b>739,483</b>  |       | <b>193,757,565</b> |

## **Adjustments to the Cash Flows for the year included in the Consolidated Cash flow statement for the year ending 31 December 2021:**

There are no reconciling items in the statement of consolidated cash flows.

### **a. Historical goodwill and related amortization**

Under ASC 805 Business Combinations, when accounting for a transfer of assets or exchange of shares between entities under common control, the receiving entity recognizes the assets and liabilities transferred at the historical cost of the parent with no step-up in basis or recognition of goodwill. Under Spanish GAAP as applied by STI, such transfers are recorded at fair value with any difference in the net assets acquired recognized as goodwill. In accordance with ASC 805 Business Combinations, the historical goodwill recognized by STI has been reversed.

Under Spanish GAAP, goodwill is subject to amortization on a straight-line basis over 10 years. In accordance with US GAAP, goodwill is not amortized; therefore, the goodwill amortization recognized by STI has been reversed.

### **b. Leases**

In accordance with ASC 842 Leases, which has been adopted as if effective on 1 January 2020 the value of the lease liability and right of use asset related to STI's operating leases, have been presented on the balance sheet. The current and non-current lease liability recognised as at 31 December 2021 was Euros 364,394 and Euros 523,734 respectively. The right of use asset recognised as at 31 December 2021 was Euros 888,128. Under Spanish GAAP, operating leases are accounted as expenses as incurred and the right of use asset and right of use liability are not shown in the consolidated balance sheet.

### **c. Grants**

Under Spanish GAAP, subsidies are initially recognized in equity, net of tax. The subsidies are recycled to the income statement when the expenses which are being subsidized are recognized. In accordance with US GAAP, the equity balance has been reclassified as a liability on the consolidated balance sheet.

### **d. Alignment of Presentation - Spanish GAAP to U.S. GAAP**

Under Spanish GAAP prepayment to suppliers are recognized in Inventories in the Consolidated Balance Sheet. In accordance with U.S. GAAP, the prepayments to suppliers were reclassified to Commercial debtors and other accounts receivable. The adjustment has no net impact on profit for the period or current assets.

## SIGNATURES CERTIFICATE

The Parent Company's Board of Directors has prepared, at its meeting on 17 March 2022, the Consolidated Financial Statements (made up of the Consolidated Balance Sheet, the Consolidated Income Statement, Statement of Changes in Consolidated Net Equity, Statement of Consolidated Cash Flows and Notes) of the STI Norland Group, whose Parent Company is SOLUCIONES TÉCNICAS INTEGRALES NORLAND, S.L., for the Group year between 1 January 2021 and 31 December 2021 and has drafted (including this certificate) a total of 41 sheets consecutively numbered from 1 to 41, inclusive, signed, as evidence of agreement, by the president of the Board of Directors, Mr. James MacMillan Fusaro by virtue of the authorization granted for this purpose in that meeting and by Mr. Javier Martí-Fluxa, Secretary non-Board member.

/s/ Mr. James MacMillan Fusaro

---

Mr. James MacMillan Fusaro  
President

/s/ Mr. Javier Martí-Fluxá Elías de Tejada

---

Mr. Javier Martí-Fluxá Elías de Tejada  
Secretary non-Board member