



Annual Report  
at December 31, **2021**

Financial Statements

## CONTENTS

### Accounting prospects

Balance Sheet Assets	3
Balance Sheet Liabilities	4
Income Statement	5
Statement of Changes in Equity	6
Cash Flow Statement	7

### Notes

Basis of presentation	9
Summary of significant accounting policies	10
Notes to the Balance Sheet	14
Notes to the Income Statement	20
Additional information	22

## BALANCE SHEET

(in euros)		Year 2021	Year 2020
<b>ASSETS:</b>			
note * NON-CURRENT ASSETS			
1	Intangible assets	3.520	28.249
2	Property, plant and equipment	9.073.432	7.691.518
3	Non-current financial assets	853.311	840.721
	Total non-current assets	9.930.263	8.560.488
CURRENT ASSETS			
4	Inventories	3.701.986	3.707.896
5	Trade and other receivables	4.942.974	3.110.531
6	Cash and cash equivalents	6.004.563	2.970.762
7	Current financial assets	1.185.077	3.146.111
8	Other current assets	63.214	67.931
	Total current assets	15.897.814	13.003.231
<b>TOTAL ASSETS</b>		<b>25.828.077</b>	<b>21.563.719</b>

(\*) The Notes constitute an integral part of the Financial Statements.

<b>EQUITY AND LIABILITIES:</b>		<b>Year 2021</b>	<b>Year 2020</b>
note	EQUITY		
9	Share capital	7.500.000	7.500.000
	Revaluation reserve	383.633	383.633
	Other reserves	1.500.000	1.500.000
	Retained earnings	4.145.738	2.171.356
	Reserve from exchange gains	2.123	17.754
	Reserve for share capital increases for assignment of shares article 2.349 CC	100.000	---
	Net profit	2.896.568	2.058.750
	Total equity	16.528.062	13.631.493
<b>NON-CURRENT LIABILITIES</b>			
10	Provisions for employee benefits	207.771	204.668
11	Other non-current liabilities	221.547	216.696
	Total non-current liabilities	429.318	421.364
<b>CURRENT LIABILITIES</b>			
12	Trade payables	3.296.182	2.135.865
12	Current tax liabilities	401.241	127.543
12	Other current liabilities	4.555.574	4.831.443
13	Accrued liabilities and deferred income	617.700	416.011
	Total current liabilities	8.870.697	7.510.862
	<b>TOTAL LIABILITIES</b>	<b>9.300.015</b>	<b>7.932.226</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>25.828.077</b>	<b>21.563.719</b>

(\*) The Notes constitute an integral part of the Financial Statements.

## INCOME STATEMENT

(in euros)	Year 2021	Year 2020
note REVENUES		
14 Net sales from operations	18.375.047	13.112.546
Other revenues and income	66.183	65.811
Total revenues	18.441.230	13.178.357
OPERATING EXPENSES		
15 Raw materials and consumables	5.953.814	3.366.470
16 Services	3.351.291	2.550.346
17 Payroll and related costs	3.981.954	3.299.049
18 Depreciation and amortization	786.701	708.738
Provision for risk and charges		---
Other operating expenses	674.707	608.645
Total operating expenses	14.748.467	10.533.248
OPERATING PROFIT	3.692.763	2.645.109
Financial income (expense)		
Financial income	123.271	92.402
Financial expense	---	46.131
Total financial income (expense)	123.271	46.271
Adjustments to financial assets		
Write-downs of financial receivables	764	25.244
PROFIT BEFORE INCOME TAXES	3.815.270	2.666.136
Income taxes	918.702	607.386
NET PROFIT	2.896.568	2.058.750

(\*) The Notes constitute an integral part of the Financial Statements.

## STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

in euros	Share capital	Revaluation reserve	Legal reserve	Retained earnings	Reserve - assignment of shares article 2.349 Cc	Reserve from exchange gains	Net profit	Total
December 31, 2019	7.500.000	---	1.310.452	665.519	---	13.469	5.149.669	14.639.109
Retained earnings and allocation to legal reserve and reserve from exchange gains			189.548	1.505.836		4.285	-1.699.669	
Distributed dividends							-3.450.000	-3.450.000
Revaluation		383.633						383.633
Rounding				1				1
Net profit 2020							2.058.750	2.058.750
December 31, 2020	7.500.000	383.633	1.500.000	2.171.356	---	17.754	2.058.750	13.631.493
Retained earnings				2.058.750			-2.058.750	---
Partial release of reserve from exchange gains				15.631		-15.631		---
Variation for share capital increases for assignment of shares - article 2.349 CC				-100.000	100.000			---
Rounding				-2				1
Net profit 2021							2.896.568	2.896.568
December 31, 2021	7.500.000	383.633	1.500.000	4.145.735	100.000	2.123	2.896.568	16.528.062

Year 2021      Year 2020

**CASH FLOW STATEMENT 2021**

**A.CASH FLOW FROM OPERATING ACTIVITIES**

Net profit	2.896.568	2.058.750
Income taxes	918.702	607.386
Interests (Income) and expenses	-71.247	-92.402
(Dividends)	---	---
Loss (Gain) on disposal of non-current assets	7.725	-3.955
1. Profit before income taxes, interests, dividends, gains/losses on disposals	3.751.748	2.569.779
<hr/>		
Adjustments for		
Provisions	7.331	7.711
Amortization	764.954	708.738
2. Cash flow from operating activities before changes in net working capital	772.285	3.286.228
<hr/>		
Changes in net working capital		
Decrease (Increase) in inventories	5.910	136.503
Decrease (Increase) in trade receivables	-2.167.659	483.976
Increase (Decrease) in trade payables	1.160.317	-206.379
Decrease (Increase) in other current assets	4.717	-2.039
Increase (Decrease) in accrued liabilities and deferred income	201.689	-411.989
Other changes in net working capital	-185.995	-20.803
3. Cash flow after changes in net working capital	-981.021	3.265.497
<hr/>		
Other changes		
Interest received (paid)	71.247	92.402
(Income taxes paid)	-394.809	-1.384.601
Dividends received	---	---
(Release of provisions)	-4.228	-4.819

<b>CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	3.215.222	1.968.479
<hr/>		
<b><u>B. CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Property, plant and equipment		
(Investments)	-2.153.199	-1.626.687
Proceeds from disposal of property, plant and equipment	27.780	9.960
Intangible assets		
(Investments)	-4.446	-43.807
Non-current financial assets		
(Investments)	-12.590	---
Proceeds from disposal of non-current financial assets	---	15.630
Current financial assets		
(Investments)	---	-603.612
Proceeds from disposal of current financial assets	1.961.034	---
<b>CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	-181.421	-2.248.516
<hr/>		
<b><u>C. CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Dividends paid	---	-3.450.000
<b>CASH FLOWS FROM FINANCING ACTIVITIES (C)</b>	---	-3.450.000
<hr/>		
<b>Increase (Decrease) in cash and cash equivalents</b>	2.970.762	-3.730.037
<hr/>		
<b>Cash and cash equivalents at beginning of period</b>	6.004.563	6.700.799
<hr/>		
<b>Cash and cash equivalents at end of period</b>	3.033.801	2.970.762
<hr/>		



## BASIS OF PRESENTATION

### Structure and Contents of Balance Sheet and Income Statement

These Financial Statements as per December 31, 2021, are composed of the Balance Sheet, the Income Statement, the Cash Flow Statement and the Notes and are prepared according to the general principles set forth in the Italian Legislative Decree n. 127 dated April 9, 1991, which fulfils the Fourth and Seventh EC Directives and in the Italian Legislative Decree n. 139 dated August 18, 2015. These principles have been integrated with the accounting principles elaborated by the Organismo Italiano Contabilità (O.I.C.).

Balance Sheets, Income Statements and Cash Flow Statements items having a balance equal to zero are not disclosed; all amounts indicated in these Financial Statements are expressed in euros and compared with previous year.

### Presentation Criteria

The Financial Statements are comprised of the Balance Sheet, Income Statement, Statement of Changes in Equity, Cash Flow Statement and the Notes thereto.

The Income Statement is classified on the basis of the nature of costs.

In the Balance Sheet, assets and liabilities are classified on a current/non-current basis.

Current assets, which include cash and cash equivalents, are those held for realization, sale or consumption in the Company's normal operating cycle. Current liabilities are those expected to be settled in the Company's normal operating cycle or within one year from the Balance Sheet date.

The Financial Statements have been prepared using the historic cost method.

The Financial Statements and the figures in the Notes have been prepared in euros, unless otherwise specified.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The most significant accounting policies used for the preparation of the Financial Statements are shown below.

### **Current Assets**

#### **Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which have no risk of changes in value.

#### **Receivables**

Receivables are shown at estimated realizable value and written down by way of the doubtful credits allowance.

#### **Inventories**

Inventories, with the exception of work-in-progress and semi-finished goods, are stated at the lower of purchase cost and net realizable value. Net realizable value is defined as the estimated selling price of the inventory in the ordinary course of business.

The cost of inventories is determined by applying the L.I.F.O. method.

Work-in-progress and semi-finished goods are stated on the basis of production cost calculated on the basis of the work performed.

The valuation of work-in-progress considers all directly related costs.

### **Non-current Assets**

#### **Property, Plant and Requirement**

Tangible assets, including investment properties, are recognized using the cost model and stated at their purchase or production cost including ancillary costs which can be directly attributed to them as are required to make the asset ready for use.

Tangible assets, from the moment they begin or should begin to be used, are depreciated systematically.

The amount to be depreciated is represented by the book value.

Assets are depreciated systematically on the basis of rates determined in accordance with their residual value and estimated useful lives and according to the amortization rates stated by Decree by Ministry – D.M. 29/10/1974 and 31/12/1988.

The rates used are as follows:

Industrial buildings	3%
Plant and machinery	10%
Industrial equipment	25%
Photovoltaic plant	9%
Office equipment	20%
Office furniture	12%
Trucks	20%
Cars	25%

Ordinary maintenance and repair costs are expensed when incurred.

#### Intangible Assets

Intangible assets are assets without physical substance, controlled by the Company and able to produce future economic benefits. Intangible assets are stated at cost as determined by the criteria used for tangible assets.

No revaluation is made of intangible assets.

Intangible assets are amortized systematically over their useful life estimated as the period over which the assets will be used by the Company.

### Financial Fixed Assets

Investments in associates are accounted for at cost.

Receivables and other financial assets are stated at cost.

### **Liabilities**

#### Payables

Payables are booked at face value.

#### Accruals and Deferrals

Costs and incomes pertaining to more than one year are booked on an accruals basis.

#### Reserve for Severance Indemnities

The reserve for severance indemnities covers the liability to all employees, accrued in accordance with current laws and labour contracts. The liability is index-linked.

### **Revenues**

Revenues associated with sales of products and services, with the exception of contract work-in-progress, are recorded when significant risks and rewards of ownership pass to the customer or when the transaction can be considered settled and associated revenue can be reliably measured.

Revenues are stated net of returns, discounts, rebates and bonuses.

### **Costs**

Costs are recognized when the related goods and services are sold, consumed or allocated.

Labour costs comprise remuneration paid, provisions made to pension funds, accrued holidays, national insurance and social security contributions in compliance with national contracts of employment and current legislation.

#### Exchange Rate Differences

Revenues and costs concerning transactions in currencies are stated at the exchange rate on the date of the transaction.

Assets and liabilities in currencies are converted into euros by applying the year-end exchange rate and the effect is stated in the Income Statement.

### Income Taxes

Current income taxes are determined on the basis of estimated taxable income. The estimated liability is recognized in “Current tax liabilities”. Current tax assets and liabilities are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates and tax laws that have been enacted by the Balance Sheet date.

## NOTES TO THE BALANCE SHEET

### ASSETS

#### NON CURRENT ASSETS

##### 1 Intangible Assets

The breakdown of intangible assets at the end of the financial year is as follows:

	<b>Year 2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Year 2021</b>
Industrial patents and rights to use intellectual properties	124.538	---	---	124.538
(Depreciation)	-124.188	-350	---	-124.538
Brands	2.457	---	---	2.457
(Depreciation)	-1.024	-137	---	-1.161
Software	74.173	4.447	-71.241	7.379
(Depreciation)	-72.707	-3.689	71.241	-5.155
Other intangible assets	25.000	---	-25.000	---
				<hr/>
				3.519

##### 2 Tangible Assets

The breakdown of net tangible assets, compared with 2020, is as follows:

	<b>Year 2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Year 2021</b>
Land and buildings	6.398.115	2.086.289	---	8.484.404
(Depreciation)	-2.562.724	-181.801	---	-2.744.525
Vehicles	259.037	18.182	-16.470	260.749
(Depreciation)	-166.932	-30.343	8.235	-189.041
Plant and machinery	7.536.063	18.160	-29.295	7.524.928
(Depreciation)	-3.864.188	-487.725	2.025	-4.349.888

Industrial equipment	200.665	6.340	---	207.005
(Depreciation)	-196.217	-4.081	---	-200.298
Office furniture	57.728	1.365	---	59.093
(Depreciation)	-45.610	-2.299	---	-47.909
Office equipment	301.055	22.862	-9.656	314.261
(Depreciation)	-229.329	-29.529	9.656	-249.202
Other tangible assets	20.382	---	---	20.382
(Depreciation)	-16.527	---	---	-16.527
				9.073.432

Tangible assets were subject to monetary revaluations in accordance to specific regulations (Italian laws no. 576/1975 - 72/1983 - 413/1991 - 185/2008 - 104/2020). The detail of monetary revaluations made during the years is the following:

Asset	Original cost	Rev. 576/75	Rev. 72/83	Rev. 413/91	Rev. 185/08	Rev. 104/20
Machinery	53.907	9.145	13.487			
Industr. equip.nt	216		151			
Office equip.nt	3.675		1.395			
Buildings	244.792	45.412	164.151	40.006		
Buildings	1.302.540				4.208.617	395.498

### 3 Non-current Financial Assets

INTERESTS IN ASSOCIATES AND OTHER COMPANIES (balances at the date of Financial Statement - December 31, 2021)

Name	Head office	Share capital	Total equity	Net profit (loss)	% held	Cost
SICMA USA CORP*	Concord New Hampshire – USA	885	29.269	11.599	100,00%	16.376

\* Balance sheet at December 31, 2020

**OTHER NON CURRENT FINANCIAL ASSETS - FINANCIAL RECEIVABLES**

Consists of:

- investment in the Conai Consortium (euros 6);
- euro 176.929 in interest-free loan to the subsidiary Sicma USA Corp.

**CURRENT ASSETS**

**4 Inventories**

	<b>dec.31.2021</b>	<b>dec.31.2020</b>	<b>difference</b>
Raw materials and supplies	485.989	502.479	-16.490
Work in progress and semi-finished goods	3.215.997	3.205.417	10.580
	<hr/> 3.701.986	<hr/> 3.707.896	<hr/> -5.910

**5 Trade and Other Receivables**

	<b>dec.31.2021</b>	<b>dec.31.2020</b>	<b>difference</b>
<b>RECEIVABLES</b>			
Trade receivables	3.842.963	2.152.477	1.690.486
Commercial paper	506.506	36.749	469.757
Invoices to be issued	63.570	34.407	29.163
(Allowance for doubtful credits)	-131.208	-109.461	-21.747
Trade receivables (net of allowance for doubtful credits)	<hr/> 4.281.831	<hr/> 2.114.172	<hr/> 2.167.659
VAT credit – Italy	449.876	690.874	-240.998
Income tax credits	18.396	272.403	-254.007
VAT credit – Czech Republic	6.809	6.809	0
Advances to suppliers	149.893	---	149.893
Guarantee deposits	6.015	4.415	1.600
Other receivables	<hr/> 30.154	<hr/> 21.858	<hr/> 8.296



	4.942.974	3.110.531	1.832.443
<b>6</b>	<b><u>Cash and Cash Equivalents</u></b>		
	<b>dec.31.2021</b>	<b>dec.31.2020</b>	<b>difference</b>
Cash on hand	13.044	11.807	1.237
Bank Accounts	5.991.519	2.958.955	3.032.564
	6.004.563	2.970.762	3.033.801

<b>7</b>	<b><u>Current Financial Assets</u></b>		
	<b>dec.31.2021</b>	<b>dec.31.2020</b>	<b>difference</b>
Administratively Regulated Deposits	1.185.077	3.146.111	-1.961.034

<b>8</b>	<b><u>Other Current Assets: Pre-Paid Expenses and Accruals</u></b>		
	<b>dec.31.2021</b>	<b>dec.31.2020</b>	<b>difference</b>
Prepayments	63.214	67.931	-4.717

Consist of the following:

Prepayments:

Insurance	38.195
Sureties commissions	3.485
Service fees	13.036
Accident prevention material	2.957
Others	5.541

**EQUITY & LIABILITIES**

**9 NET EQUITY**

The breakdown is as follows (movements are disclosed in the Statement of Changes in Shareholders

Equity):

	<b>dec.31.2021</b>	<b>dec.31.2020</b>	<b>difference</b>
Share capital	7.500.000	7.500.000	---
Revaluation reserve	383.633	383.633	---
Legal reserve	1.500.000	1.500.000	---
Retained earnings	4.145.738	2.171.356	1.974.382
Reserve for share capital increases for assignment of shares article 2.349 CC	100.000	---	100.000
Reserve from exchange gains	2.123	17.754	-15.631
Net profit	2.896.568	2.058.750	837.818
	<b>16.528.062</b>	<b>13.631.493</b>	<b>2.896.569</b>

## **NON-CURRENT LIABILITIES**

### **10** Provisions for Employee Benefits

Provisions for employee benefits concern indemnities upon termination of employment. The balance at December 31, 2021 consists of euros 207.771 and fully provides for liabilities towards affected employees according to current legislation; variations in this fund were as follows:

opening balance	decreases	increases	closing balance
204.668	10.944	14.047	207.771

### **11** Provisions

	<b>Year 2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Year 2021</b>
Managing directors termination indemnity	55.535	---	---	55.535

Agents termination indemnity	10.652	1.699	---	12.351
Deferred tax liabilities	509	3.152	---	3.661
Reserves for contingencies	150.000	---	---	150.000
	<hr/>			
	216.696	4.851	---	221.547

## 12 CURRENT LIABILITIES

Current liabilities consist of the following:

	<b>dec.31.2021</b>	<b>dec.31.2020</b>	<b>difference</b>
Trade payables	<hr/> 3.296.182	2.135.865	1.160.317
Due to tax offices	264.803	---	264.803
Employee income tax withholding	<hr/> 129.092	112.040	17.052
	393.895	112.040	281.855
Advances from customers	3.914.383	4.379.399	-465.016
Contributions to social security and welfare organizations	207.727	149.975	57.752
Payables to Employees	303.672	211.679	91.993
Other payables	<hr/> 137.138	105.893	31.245
	8.252.997	7.094.851	1.158.146

At December 31, 2021 there were no short or long term bank loans.

## 13 Other Current Liabilities: Accrued Liabilities and Deferred Income

	<b>dec.31.2021</b>	<b>dec.31.2020</b>	<b>difference</b>
Accrued liabilities	---	11	-11
Deferred income	<hr/> 617.700	416.000	201.700
	617.700	416.011	201.689

Deferred income consists of euros 617.700 suspended revenues in relation to specific jobs that are not yet fully complete.

## NOTES TO THE INCOME STATEMENT

### 14 REVENUES

In the year 2021, the headcount by products and by geographic area is the following.

Sales of plants and machinery (in euros):

Italy	3.725.492
EU Countries	4.792.228
Americas	2.080.747
Russian Federation	1.905.378
Asia	1.881.112
United Kingdom	1.353.919
Oceania	11.800
Spare parts, maintenance service and others	2.613.791
+/- Changes in contract work in progress	10.580
	<hr/>
	18.375.047

### OPERATING EXPENSES

### 15 Raw Materials and Consumables

This caption includes costs incurred to purchase materials used in ordinary operations and plant maintenance. It consists of the following:

	<b>dec.31.2021</b>	<b>dec.31.2020</b>	<b>difference</b>
Raw, ancillary and consumable materials and goods	5.937.324	3.288.423	2.648.901
Variations in inventories	16.490	78.047	-61.557
	<hr/>		
	5.953.814	3.366.470	2.587.344

### 16 Services

This caption includes especially industrial services.

	<b>dec.31.2021</b>	<b>dec.31.2020</b>	<b>difference</b>
Services	3.351.291	2.550.346	800.945

## **17** Payroll and Related Costs

This caption includes the cost of wages and salaries, social security contributions and other costs incurred by the Company.

It consists of the following:

	<b>dec.31.2021</b>	<b>dec.31.2020</b>	<b>difference</b>
Wages and salaries	2.817.511	2.308.978	508.533
Social security contributions	826.621	681.187	145.434
Employee termination indemnities	179.916	148.137	31.779
Others	157.906	160.747	-2.841
	<hr/>	<hr/>	
	3.981.954	3.299.049	682.905

## **18** Depreciation and Amortization

These relate to accruals during the year calculated on the basis of amortization rates that reflect the useful lives of the Company's plant, property and equipment and intangible assets.

The breakdown is as follows:

	<b>dec.31.2021</b>	<b>dec.31.2020</b>	<b>difference</b>
Amortization of intangible assets	29.176	68.593	-39.417
Amortization of tangible assets	735.778	640.145	95.633
Write-down of receivables among current assets	21.747	---	21.747
	<hr/>	<hr/>	
	786.701	708.738	77.963

## ADDITIONAL INFORMATION

### A) FINANCIAL EXPENSES BOOKED TO ASSETS IN THE BALANCE SHEET

No material financial interest costs are booked to assets in the Balance Sheet.

### B) MEMORANDUM ACCOUNTS – GUARANTEES, COMMITMENTS AND COLLATERALS

Sureties: these consist of sureties issued by banks in favour of costumers to guarantee the regular construction of plants and machinery (euros 3.067.424).

### C) AVERAGE NUMBER OF EMPLOYEES

The average number of employees, by category, is as follows:

White collar 31, Blue collar 48.

### D) EMOLUMENTS TO THE DIRECTORS AND TO THE STATUTORY AUDITORS

Emolument to Managing Directors: euros 380.000.

Emolument to Statutory Auditors: euros 15.288.

### E) SHARE CAPITAL

As of December 31, 2021, share capital was made up as follows:

Shares	number	value €	total share capital
Ordinary	7.500.000	1,00	7.500.000

### F) OBLIGATIONS NOT RECORDED IN THE BALANCE SHEET

There are no obligations not recorded in the Statement of Assets and Liabilities.

### G) DERIVATIVE CONTRACTS

At December 31, 2021, the Company had no derivative instruments.

### H) LEASING CONTRACTS

At December 31, 2021, the Company had no leasing contracts.

On behalf of the Board of Directors

*The Chairman Michele Bertolino*