



Annual Report  
at December 31, **2022**

Financial Statements

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## BALANCE SHEET

(in euros)		Year 2022	Year 2021
<b>ASSETS:</b>			
note * NON-CURRENT ASSETS			
1	Intangible assets	2.413	3.520
2	Property, plant and equipment	8.684.316	9.073.432
3	Non-current financial assets	865.257	853.311
	Total non-current assets	9.551.986	9.930.263
CURRENT ASSETS			
4	Inventories	6.272.690	3.701.986
5	Trade and other receivables	4.519.508	4.942.974
6	Cash and cash equivalents	4.557.762	6.004.563
7	Current financial assets	1.295.120	1.185.077
8	Other current assets	92.022	63.214
	Total current assets	16.737.102	15.897.814
<b>TOTAL ASSETS</b>		<b>26.289.088</b>	<b>25.828.077</b>

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

<b>EQUITY AND LIABILITIES:</b>		<b>Year 2022</b>	<b>Year 2021</b>
note	EQUITY		
9	Share capital	8.000.000	7.500.000
	Revaluation reserve	383.633	383.633
	Other reserves	1.600.000	1.500.000
	Retained earnings	3.749.122	4.145.738
	Reserve from exchange gains	15.256	2.123
	Reserve for share capital increases for assignment of shares article 2.349 CC	---	100.000
	Net profit	2.726.322	2.896.568
	Total equity	16.474.333	16.528.062
<b>NON-CURRENT LIABILITIES</b>			
10	Provisions for employee benefits	224.162	207.771
11	Other non-current liabilities	229.938	221.547
	Total non-current liabilities	454.100	429.318
<b>CURRENT LIABILITIES</b>			
12	Trade payables	3.189.518	3.296.182
12	Current tax liabilities	148.099	401.241
12	Other current liabilities	5.524.026	4.555.574
13	Accrued liabilities and deferred income	499.012	617.700
	Total current liabilities	9.360.655	8.870.697
	<b>TOTAL LIABILITIES</b>	<b>9.814.755</b>	<b>9.300.015</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>26.289.088</b>	<b>25.828.077</b>

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

## INCOME STATEMENT

(in euros)	Year 2022	Year 2021
note REVENUES		
14 Net sales from operations	20.823.032	18.375.047
Other revenues and income	110.304	66.183
Total revenues	20.933.336	18.441.230
OPERATING EXPENSES		
15 Raw materials and consumables	7.277.106	5.953.814
16 Services	4.437.119	3.351.291
17 Payroll and related costs	4.164.165	3.981.954
18 Depreciation and amortization	747.145	786.701
Provision for risk and charges	---	---
Other operating expenses	716.004	674.707
Total operating expenses	17.341.539	14.748.467
OPERATING PROFIT	3.591.797	3.692.763
Financial income (expense)		
Financial income	88.066	123.271
Financial expense	49.533	---
Total financial income (expense)	38.533	123.271
Adjustments to financial assets		
Write-downs of financial receivables	---	764
PROFIT BEFORE INCOME TAXES	3.630.330	3.815.270
Income taxes	904.008	918.702
NET PROFIT	2.726.322	2.896.568

(\*) 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, 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				1				1
Net profit 2021							2.896.568	2.896.568
December 31, 2021	7.500.000	383.633	1.500.000	4.145.738	100.000	2.123	2.896.568	16.528.062
Retained earnings and allocation to legal reserve and reserve from exchange gains			100.000	3.382		13.133	-116.515	-116.515
Distributed dividends							-2.780.053	-2.780.053
share capital increases	500.000			-400.000	-100.000		-	-
Rounding				2				
Net profit 2022							2.726.322	2.726.322
December 31, 2022	8.000.000	383.633	1.600.000	3.749.122	---	15.256	2.726.322	16.474.333

Year 2022                      Year 2021

**CASH FLOW STATEMENT 2022**

**A.CASH FLOW FROM OPERATING ACTIVITIES**

Net profit	2.726.322	2.896.568
Income taxes	904.008	918.702
Interests (Income) and expenses	-16.689	-71.247
(Dividends)	---	---
Loss (Gain) on disposal of non-current assets	-756	7.725
1. Profit before income taxes, interests, dividends, gains/losses on disposals	3.612.885	3.751.748
<hr/>		
Adjustments for		
Provisions	16.391	7.331
Amortization	729.654	764.954
2. Cash flow from operating activities before changes in net working capital	746.045	772.285
<hr/>		
Changes in net working capital		
Decrease (Increase) in inventories	-2.570.704	5.910
Decrease (Increase) in trade receivables	645.295	-2.167.659
Increase (Decrease) in trade payables	-106.664	1.160.317
Decrease (Increase) in other current assets	-22.059	4.717
Increase (Decrease) in accrued liabilities and deferred income	-118.688	201.689
Other changes in net working capital	770.659	-185.995
3. Cash flow after changes in net working capital	-1.402.161	-981.021
<hr/>		
Other changes		
Interest received (paid)	9.940	71.247
(Income taxes paid)	-1.172.795	-394.809
Dividends received	---	---
(Release of provisions)	---	-4.228

<b>CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	1.793.914	3.215.222
<hr/>		
<b><u>B. CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Property, plant and equipment		
(Investments)	-336.923	-2.153.199
Proceeds from disposal of property, plant and equipment	756	27.780
Intangible assets		
(Investments)	-2.506	-4.446
Non-current financial assets		
(Investments)	-11.946	-12.590
Proceeds from disposal of non-current financial assets	---	---
Current financial assets		
(Investments)	---	---
Proceeds from disposal of current financial assets	-110.043	1.961.034
<b>CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	-460.662	-181.421
<hr/>		
<b><u>C. CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Dividends paid	-2.780.053	---
<b>CASH FLOWS FROM FINANCING ACTIVITIES (C)</b>	-2.780.053	---
<hr/>		
<b>Increase (Decrease) in cash and cash equivalents</b>	-1.446.801	3.033.801
<hr/>		
<b>Cash and cash equivalents at beginning of period</b>	6.004.563	2.970.762
<hr/>		
<b>Cash and cash equivalents at end of period</b>	4.557.762	6.004.563
<hr/>		



## BASIS OF PRESENTATION

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

These Financial Statements as per December 31, 2022, 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:

	Year 2021	Increases	Decreases	Year 2022
Industrial patents and rights to use intellectual properties	124.538	---	---	124.538
(Depreciation)	-124.538	-350	---	-124.538
Brands	2.457	---	---	2.457
(Depreciation)	-1.161	-137	---	-1.298
Software	7.379	2.506	-2.932	6.953
(Depreciation)	-5.155	-3.476	2.932	-5.699
				2.413

##### 2 Tangible Assets

The breakdown of net tangible assets, compared with 2021, is as follows:

	Year 2021	Increases	Decreases	Year 2022
Land and buildings	8.484.404	---	---	8.484.404
(Depreciation)	-2.744.525	-192.334	---	-2.936.859
Vehicles	260.749	23.049	-19.030	264.768
(Depreciation)	-189.041	-28.296	19.030	-198.307
Plant and machinery	7.524.928	---	---	7.524.928
(Depreciation)	-4.349.888	-470.807	---	-4.820.695
Industrial equipment	207.005	---	---	207.005

(Depreciation)	-200.298	-2.384	---	-202.682
Office furniture	59.093	---	---	59.093
(Depreciation)	-47.909	-2.381	---	-50.290
Office equipment	314.261	28.134	-5.950	336.445
(Depreciation)	-249.202	-29.837	5.950	-273.089
Other tangible assets	20.382	---	---	20.382
(Depreciation)	-16.527	---	---	-16.527
Assets in progress	---	285.740	---	<u>285.740</u>
				8.684.316

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	59.687	6.727	12.583			
Industr. equip.nt	216		151			
Office equip.nt	3.675		1.395			
Buildings	244.792	45.412	164.152	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, 2022)

Name	Head office	Share capital	Total equity	Net profit (loss)	% held	Cost
SICMA USA CORP*	Concord New Hampshire – USA	935	30.061	2.822	100,00%	16.376

\* Balance sheet at December 31, 2021

## OTHER NON CURRENT FINANCIAL ASSETS - FINANCIAL RECEIVABLES

Consists of:

- investment in the Conai Consortium (euros 6);
- euro 188.875 in interest-free loan to the subsidiary Sicma USA Corp.

## CURRENT ASSETS

### 4 Inventories

	<b>dec.31.2022</b>	<b>dec.31.2021</b>	<b>difference</b>
Raw materials and supplies	599.329	485.989	113.340
Work in progress and semi-finished goods	5.673.361	3.215.997	2.457.364
	<hr/> 6.272.690	<hr/> 3.701.986	<hr/> 2.570.704

### 5 Trade and Other Receivables

RECEIVABLES	<b>dec.31.2022</b>	<b>dec.31.2021</b>	<b>difference</b>
Trade receivables	3.498.266	3.842.963	-344.697
Commercial paper	45.847	506.506	-460.659
Invoices to be issued	241.122	63.570	177.552
(Allowance for doubtful credits)	-148.699	-131.208	-17.491
Trade receivables (net of allowance for doubtful credits)	<hr/> 3.636.536	<hr/> 4.281.831	<hr/> -645.295
VAT credit – Italy	750.270	449.876	300.394
Income tax credits	85.617	18.396	67.221
VAT credit – Czech Republic	---	6.809	-6.809
VAT credit – Germany	5.460	---	5.460
Advances to suppliers	2.170	149.893	-147.723
Guarantee deposits	4.161	6.015	-1.854



Other receivables	35.294	30.154	5.140
	4.519.508	4.942.974	423.466

**6** Cash and Cash Equivalents

	<b>dec.31.2022</b>	<b>dec.31.2021</b>	<b>difference</b>
Cash on hand	12.761	13.044	-283
Bank Accounts	4.545.001	5.991.519	-1.446.518
	4.557.762	6.004.563	-1.446.801

**7** Current Financial Assets

	<b>dec.31.2022</b>	<b>dec.31.2021</b>	<b>difference</b>
Administratively Regulated Deposits	1.295.120	1.185.077	110.043

**8** Other Current Assets: Pre-Paid Expenses and Accruals

	<b>dec.31.2022</b>	<b>dec.31.2021</b>	<b>difference</b>
Accrued income	6.749	---	6.749
Prepayments	85.273	63.214	22.059
	92.022	63.214	28.808

Consist of the following:

Accrued income:

Interest income	6.749
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Prepayments:

Insurance	38.325
Sureties commissions	1.031
Service fees	16.198
Commissions	20.625

Accident prevention material	7.002
Others	2.092

## **EQUITY & LIABILITIES**

### **9 NET EQUITY**

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

	<b>dec.31.2022</b>	<b>dec.31.2021</b>	<b>difference</b>
Share capital	8.000.000	7.500.000	500.000
Revaluation reserve	383.633	383.633	---
Legal reserve	1.600.000	1.500.000	100.000
Retained earnings	3.749.122	4.145.738	-396.616
Reserve for share capital increases for assignment of shares article 2.349 CC	---	100.000	-100.000
Reserve from exchange gains	15.256	2.123	13.133
Net profit	2.726.322	2.896.568	-170.246
	<u>16.474.333</u>	<u>16.528.062</u>	<u>-53.729</u>

## **NON-CURRENT LIABILITIES**

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

Provisions for employee benefits concern indemnities upon termination of employment. The balance at December 31, 2022 consists of euros 224.162 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
207.771	6.134	22.525	224.162

## 11 Provisions

	<b>Year 2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>Year 2022</b>
Managing directors termination indemnity	55.535	---	---	55.535
Agents termination indemnity	12.351	1.109	---	13.460
Deferred tax liabilities	3.661	7.282	---	10.943
Reserves for contingencies	150.000	---	---	150.000
	<hr/>			
	221.547	8.391	---	229.938

## 12 **CURRENT LIABILITIES**

Current liabilities consist of the following:

	<b>dec.31.2022</b>	<b>dec.31.2021</b>	<b>difference</b>
Trade payables	3.189.518	3.296.182	-106.664
Due to tax offices	5.321	264.803	-259.482
Employee income tax withholding	132.766	129.092	3.674
	<hr/>		
	138.087	393.895	-255.808
Advances from customers	4.878.486	3.914.383	964.103
Contributions to social security and welfare organizations	225.942	207.727	18.215
Payables to Employees	339.324	303.672	35.652
Other payables	90.286	137.138	-46.852
	<hr/>		
	8.861.643	8.252.997	608.646

At December 31, 2022 there were no short or long term bank loans.

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

	<b>dec.31.2022</b>	<b>dec.31.2021</b>	<b>difference</b>
Accrued liabilities	12	---	12
Deferred income	499.000	617.700	-118.700
	<u>499.012</u>	<u>617.700</u>	<u>-118.688</u>

Deferred income consists of euros 499.00 suspended revenues in relation to specific jobs that are not yet fully complete, whereas accrued liabilities consist of euros 12 referred to sureties fees.

## NOTES TO THE INCOME STATEMENT

### 14 REVENUES

In the year 2022, the headcount by products and by geographic area is the following.

Sales of plants and machinery (in euros):

Italy	2.363.984
EU Countries	5.969.276
Americas	277.273
Russian Federation	3.148.650
Asia	4.763.916
United Kingdom	18.637
Africa	16.513
Spare parts, maintenance service and others	1.807.419
+/- Changes in contract work in progress	<u>2.457.364</u>
	20.823.032

## 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.31.2022</b>	<b>dec.31.2021</b>	<b>difference</b>
Raw, ancillary and consumable materials and goods	7.390.446	5.937.324	1.453.122
Variations in inventories	-113.340	16.490	-129.830
	<hr/>	<hr/>	
	7.277.106	5.953.814	1.323.292

### 16 Services

This caption includes especially industrial services.

	<b>dec.31.2022</b>	<b>dec.31.2021</b>	<b>difference</b>
Services	4.437.119	3.351.291	1.085.828

### 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.31.2022</b>	<b>dec.31.2021</b>	<b>difference</b>
Wages and salaries	2.988.990	2.817.511	171.479
Social security contributions	889.373	826.621	62.752
Employee termination indemnities	203.473	179.916	23.557
Others	82.329	157.906	-75.577
	<hr/>	<hr/>	
	4.164.165	3.981.954	182.211

## 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.31.2022</b>	<b>dec.31.2021</b>	<b>difference</b>
Amortization of intangible assets	3.613	29.176	-25.563
Amortization of tangible assets	726.041	735.778	-9.737
Write-down of receivables among current assets	17.491	21.747	-4.256
	<hr/>	<hr/>	
	747.145	786.701	-39.556

### **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 1.870.680).

#### C) AVERAGE NUMBER OF EMPLOYEES

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

White collar 32, Blue collar 54.

#### 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, 2022, share capital was made up as follows:

Shares	number	value €	total share capital
Category “A” Shares - Ordinary shares	7.900.000	1,00	7.900.000
Category “B” Shares - shares assigned in accordance with 2.349 CC	100.000	1,00	100.000
	8.000.000		8.000.000

#### 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, 2022, the Company had no derivative instruments.

#### H) LEASING CONTRACTS

At December 31, 2022, the Company had no leasing contracts.

On behalf of the Board of Directors

*The Chairman Michele Bertolino*