



Annual Report  
at December 31, **2023**

Financial Statements

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## BALANCE SHEET

(in euros)		Year 2023	Year 2022
<b>ASSETS:</b>			
note *	NON-CURRENT ASSETS		
1	Intangible assets	2.362	2.413
2	Property, plant and equipment	8.412.984	8.684.316
3	Non-current financial assets	859.818	865.257
	Total non-current assets	9.275.164	9.551.986
	CURRENT ASSETS		
4	Inventories	5.034.052	6.272.690
5	Trade and other receivables	4.005.205	4.519.508
6	Cash and cash equivalents	11.914.955	4.557.762
7	Current financial assets	2.381.152	1.295.120
8	Other current assets	136.702	92.022
	Total current assets	23.472.066	16.737.102
	<b>TOTAL ASSETS</b>	<b>32.747.230</b>	<b>26.289.088</b>

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

<b>EQUITY AND LIABILITIES:</b>		<b>Year 2023</b>	<b>Year 2022</b>
note	EQUITY		
9	Share capital	8.000.000	8.000.000
	Revaluation reserve	383.633	383.633
	Other reserves	1.600.000	1.600.000
	Retained earnings	3.752.618	3.749.122
	Reserve from exchange gains	45.595	15.256
	Net profit	2.998.254	2.726.322
	Total equity	16.780.100	16.474.333
<b>NON-CURRENT LIABILITIES</b>			
10	Provisions for employee benefits	201.149	224.162
11	Other non-current liabilities	229.110	229.938
	Total non-current liabilities	430.259	454.100
<b>CURRENT LIABILITIES</b>			
12	Trade payables	4.066.966	3.189.518
12	Current tax liabilities	180.782	148.099
12	Other current liabilities	10.809.431	5.524.026
13	Accrued liabilities and deferred income	479.692	499.012
	Total current liabilities	15.536.871	9.360.655
	<b>TOTAL LIABILITIES</b>	<b>15.967.130</b>	<b>9.814.755</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>32.747.230</b>	<b>26.289.088</b>

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

## INCOME STATEMENT

(in euros)		Year 2023	Year 2022
note	REVENUES		
14	Net sales from operations	18.376.598	20.823.032
	Other revenues and income	253.968	110.304
	Total revenues	18.630.566	20.933.336
	OPERATING EXPENSES		
15	Raw materials and consumables	5.798.669	7.277.106
16	Services	3.728.682	4.437.119
17	Payroll and related costs	4.373.771	4.164.165
18	Depreciation and amortization	731.363	747.145
	Provision for risk and charges	---	---
	Other operating expenses	717.013	716.004
	Total operating expenses	15.349.498	17.341.539
	OPERATING PROFIT	3.281.068	3.591.797
	Financial income (expense)		
	Financial income	587.376	88.066
	Financial expense	9.829	49.533
	Total financial income (expense)	577.547	38.533
	Adjustments to financial assets		
	Write-downs of financial receivables	---	---
	PROFIT BEFORE INCOME TAXES	3.858.615	3.630.330
	Income taxes	860.361	904.008
	NET PROFIT	2.998.254	2.726.322

(\*) 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, 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	-
Distributed dividends							-2.780.053	-2.780.053
share capital increases	500.000			-400.000	-100.000		-	-
Rounding				2				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
Retained earnings and allocation to reserve from exchange gains				3.497		30.341	-33.838	-
Distributed dividends							-2.692.484	-2.692.484
share capital increases							-	-
Rounding				-1		-2		-3
Net profit 2023							2.998.254	2.998.254
December 31, 2023	8.000.000	383.633	1.600.000	3.752.618	---	45.595	2.998.254	16.780.100

	Year 2023	Year 2022
<b><u>CASH FLOW STATEMENT 2023</u></b>		
<b><u>A.CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Net profit	2.998.254	2.726.322
Income taxes	860.361	904.008
Interests (Income) and expenses	-266.695	-16.689
Loss (Gain) on disposal of non-current assets	-100	-756
1. Profit before income taxes, interests, dividends, gains/losses on disposals	3.591.820	3.612.885
Adjustments for		
Provisions	7.893	16.391
Amortization	731.363	729.654
2. Cash flow from operating activities before changes in net working capital	4.331.076	4.358.930
Changes in net working capital		
Decrease (Increase) in inventories	1.238.638	-2.570.704
Decrease (Increase) in trade receivables	482.240	645.295
Increase (Decrease) in trade payables	877.448	-106.664
Decrease (Increase) in other current assets	-12.316	-22.059
Increase (Decrease) in accrued liabilities and deferred income	-19.320	-118.688
Other changes in net working capital	5.413.434	770.659
3. Cash flow after changes in net working capital	12.311.200	2.956.769
Other changes		
Interest received (paid)	234.331	9.940
(Income taxes paid)	-924.475	-1.172.795
(Release of provisions)	-30.906	---
<b>CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>11.590.150</b>	<b>1.793.914</b>

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**B. CASH FLOW FROM INVESTING ACTIVITIES**

Property, plant and equipment		
(Investments)	-457.303	-336.923
Proceeds from disposal of property, plant and equipment	100	756
Intangible assets		
(Investments)	-2.677	-2.506
Non-current financial assets		
(Investments)	---	-11.946
Proceeds from disposal of non-current financial assets	5.439	---
Current financial assets		
(Investments)	-1.086.032	---
Proceeds from disposal of current financial assets	---	-110.043
<b>CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>-1.540.473</b>	<b>-460.662</b>

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**C. CASH FLOW FROM FINANCING ACTIVITIES**

Dividends paid	-2.692.484	-2.780.053
<b>CASH FLOWS FROM FINANCING ACTIVITIES (C)</b>	<b>-2.692.484</b>	<b>-2.780.053</b>
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>7.357.193</b>	<b>-1.446.801</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>4.557.762</b>	<b>6.004.563</b>
<b>Cash and cash equivalents at end of period</b>	<b>11.914.955</b>	<b>4.557.762</b>

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## BASIS OF PRESENTATION

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

These Financial Statements as per December 31, 2023, 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 2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>Year 2023</b>
Industrial patents and rights to use intellectual properties	124.538	---	---	124.538
(Depreciation)	-124.538	---	---	-124.538
Brands	2.457	---	---	2.457
(Depreciation)	-1.298	-137	---	-1.435
Software	6.953	2.677	-4.446	5.184
(Depreciation)	-5.699	-2.591	4.446	<u>-3.844</u>
				2.362

##### **2 Tangible Assets**

The breakdown of net tangible assets, compared with 2022, is as follows:

	<b>Year 2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>Year 2023</b>
Land and buildings	8.484.404	---	---	8.484.404
(Depreciation)	-2.936.859	-192.153	---	-3.129.012
Vehicles	264.768	---	---	264.768
(Depreciation)	-198.307	-27.015	---	-225.322
Plant and machinery	7.524.928	724.206	-11.514	8.237.620
(Depreciation)	-4.820.695	-476.549	11.514	-5.285.730
Industrial equipment	207.005	1.333	---	208.338

(Depreciation)	-202.682	-2.113	---	-204.795
Office furniture	59.093	2.940	---	62.033
(Depreciation)	-50.290	-2.557	---	-52.847
Office equipment	336.445	14.564	-26.866	324.143
(Depreciation)	-273.089	-28.248	26.866	-274.471
Other tangible assets	20.382	---	---	20.382
(Depreciation)	-16.527	---	---	-16.527
Assets in progress	285.740	---	-285.740	---
				8.412.984

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	909	33.212	5.630	100,00%	16.376

## OTHER NON CURRENT FINANCIAL ASSETS - FINANCIAL RECEIVABLES

Consists of:

- investment in the Conai Consortium (euros 6);
- euro 183.436 in interest-free loan to the subsidiary Sicma USA Corp.

## CURRENT ASSETS

### 4 Inventories

	<b>dec.31.2023</b>	<b>dec.31.2022</b>	<b>difference</b>
Raw materials and supplies	641.022	599.329	41.693
Work in progress and semi-finished goods	4.393.030	5.673.361	-1.280.331
	<hr/> 5.034.052	<hr/> 6.272.690	<hr/> -1.238.638

### 5 Trade and Other Receivables

RECEIVABLES	<b>dec.31.2023</b>	<b>dec.31.2022</b>	<b>difference</b>
Trade receivables	2.808.718	3.498.266	-689.548
Commercial paper	75.114	45.847	29.267
Invoices to be issued	94.941	241.122	-146.181
(Allowance for doubtful credits)	-145.161	-148.699	3.538
Trade receivables (net of allowance for doubtful credits)	<hr/> 2.833.612	<hr/> 3.636.536	<hr/> -802.924
VAT credit – Italy	405.009	750.270	-345.261
Income tax credits	124.789	85.617	39.172
VAT credit – Germany	10.952	5.460	5.492
Advances to suppliers	271.770	2.170	269.600
Guarantee deposits	5.765	4.161	1.604
Other receivables	<hr/> 353.308	<hr/> 35.294	<hr/> 318.014



	4.005.205	4.519.508	-514.303
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**6** Cash and Cash Equivalents

	<b>dec.31.2023</b>	<b>dec.31.2022</b>	<b>difference</b>
Cash on hand	12.304	12.761	-457
Bank Accounts	11.902.651	4.545.001	7.357.650
	11.914.955	4.557.762	7.357.193

**7** Current Financial Assets

	<b>dec.31.2023</b>	<b>dec.31.2022</b>	<b>difference</b>
Administratively Regulated Deposits	2.381.152	1.295.120	1.086.032

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

	<b>dec.31.2023</b>	<b>dec.31.2022</b>	<b>difference</b>
Accrued income	39.113	6.749	32.364
Prepayments	97.589	85.273	12.316
	136.702	92.022	44.680

Consist of the following:

Accrued income:

Interest income 39.113

Prepayments:

Insurance 37.897

Sureties commissions 9.496

Service fees 17.176

Commissions 24.960

Accident prevention material 6.638

Others 1.422

## **EQUITY & LIABILITIES**

### **9 NET EQUITY**

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

	<b>dec.31.2023</b>	<b>dec.31.2022</b>	<b>difference</b>
Share capital	8.000.000	8.000.000	---
Revaluation reserve	383.633	383.633	---
Legal reserve	1.600.000	1.600.000	---
Retained earnings	3.752.618	3.749.122	3.496
Reserve from exchange gains	45.595	15.256	30.339
Net profit	2.998.254	2.726.322	271.932
	<b>16.780.100</b>	<b>16.474.333</b>	<b>305.767</b>

## **NON-CURRENT LIABILITIES**

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

Provisions for employee benefits concern indemnities upon termination of employment. The balance at December 31, 2023 consists of euros 201.149 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
224.162	30.906	7.893	201.149

### **11 Provisions**

	<b>Year 2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>Year 2023</b>
Managing directors termination indemnity	55.535	---	---	55.535

Agents termination indemnity	13.460	1.562	---	15.022
Deferred tax liabilities	10.943	---	-2.390	8.553
Reserves for contingencies	150.000	---	---	150.000
	229.938	1.562	-2.390	229.110

## 12 CURRENT LIABILITIES

Current liabilities consist of the following:

	<b>dec.31.2023</b>	<b>dec.31.2022</b>	<b>difference</b>
Trade payables	4.066.966	3.189.518	877.448
Due to tax offices	---	5.321	-5.321
Employee income tax withholding	173.641	132.766	40.875
	173.641	138.087	35.554
Advances from customers	10.124.692	4.878.486	5.246.206
Contributions to social security and welfare organizations	242.290	225.942	16.348
Payables to Employees	330.390	339.324	-8.934
Other payables	119.200	90.286	28.914
	15.057.179	8.861.643	6.195.536

At December 31, 2023 there were no short or long term bank loans.

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

	<b>dec.31.2023</b>	<b>dec.31.2022</b>	<b>difference</b>
Accrued liabilities	124	12	130
Deferred income	479.550	499.000	-19.450
	479.692	499.012	-19.320

Deferred income consists of euros 479.550 suspended revenues in relation to specific jobs that are

not yet fully complete, whereas accrued liabilities consist of euros 142 referred to sureties fees.

## NOTES TO THE INCOME STATEMENT

### 14 REVENUES

In the year 2023, the headcount by products and by geographic area is the following.

Sales of plants and machinery (in euros):

Italy	3.117.289
EU Countries	8.369.245
Americas	713.382
Russian Federation	658.500
Asia	4.571.045
United Kingdom	19.930
Spare parts, maintenance service and others	2.207.538
+/- Changes in contract work in progress	-1.280.331
	18.376.598

### 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:

	dec.31.2023	dec.31.2022	difference
Raw, ancillary and consumable materials and goods	5.840.362	7.390.446	-1.550.084
Variations in inventories	-41.693	-113.340	71.647
	5.798.669	7.277.106	-1.478.437

## 16 Services

This caption includes especially industrial services.

	<b>dec.31.2023</b>	<b>dec.31.2022</b>	<b>difference</b>
Services	3.728.682	4.437.119	-708.437

## 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.31.2023</b>	<b>dec.31.2022</b>	<b>difference</b>
Wages and salaries	3.135.259	2.988.990	146.269
Social security contributions	962.574	889.373	73.201
Employee termination indemnities	200.402	203.473	-3.071
Others	75.536	82.329	-6.793
	<hr/> 4.373.771	<hr/> 4.164.165	<hr/> 209.606

## 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.31.2023</b>	<b>dec.31.2022</b>	<b>difference</b>
Amortization of intangible assets	2.728	3.613	-885
Amortization of tangible assets	728.635	726.041	2.594
Write-down of receivables among current assets	---	17.491	-17.491
	<hr/> 731.363	<hr/> 747.145	<hr/> -15.782

## 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 8.756.545).

### C) AVERAGE NUMBER OF EMPLOYEES

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

White collar 31, Blue collar 57.

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

Emolument to Managing Directors: euros 380.000.

Emolument to Statutory Auditors: euros 16.848.

### E) SHARE CAPITAL

As of December 31, 2023, 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, 2023, the Company had no derivative instruments.

### H) LEASING CONTRACTS

At December 31, 2023, the Company had no leasing contracts.

On behalf of the Board of Directors

*The Chairman Michele Bertolino*