

Company Announcement

The following is a company announcement issued by SFA S.p.A. ("SFA" or the "Company") in terms of the rules of Prospects MTF".

Quote

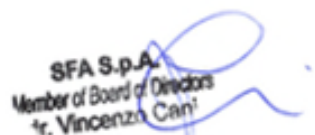
The Board of Directors of the Company is pleased to announce that unaudited interim Financial Statements for the period ended 30th June 2019 were duly considered and approved.

The Financial Statements are available for viewing on the Investor Relations section on the Company's website:

<https://www.sfaspa.com/comunicati-finanziari/>

Unquote

Pianiga, 1st August 2019



SFA S.p.A.
Member of Board of Directors
Mr. Vincenzo Cani

Mr. Vincenzo Cani
Compliance Officer

Company Information

SFA SpA

Registered office:	Via dell'Industria n. 5/7 PIANIGA (VE)
Registered with the Registry of Companies of:	VENEZIA - ROVOGO
Tax Registration Number:	03612200166
Registered with the REA of VENEZIA	no. 379695
Subscribed share capital	€: 700.000,00 Fully paid
VAT registration number:	03612200166

Board of Directors

- Chairman: dr. Marco Sciannameo
- V.P.–CEO: dr. Tonino Alferi
- CEO: ing. Samuele Salotti
- CEO: dr. Vincenzo Cani
- Non Executive: dr. Giovanni Petris

Independent Auditors

- Baker Tilly Revisa SpA
Via Cavour 81
50129 Firenze – Italy
<https://www.bakertilly.it>

Board of Statutory Auditors

- President: dr. Gianpaolo Graberi
- Statutory auditor: dr. Silvia Brini
- Statutory auditor: dr. Michele De Faveri

The Board of Directors was appointed by the General Meetings of 25 October 2018, and remains in office until the approval of the financial statements as at 31 December 2021.

The Independent Auditors was appointed by the General Meeting of 29 June 2017, and remains in office until the approval of the financial statements as at 31 December 2019.

The Board of Statutory Auditors was appointed by the General Meeting of 18 April 2016 and 25 October 2018 and remains in office until the approval of the financial statements as at 31 December 2021.

Interim Directors' Report

Principal activity

The company's principal activities are the same as in the previous period: site reclamation, asbestos reclamation, decommissioning and the management of special waste.

Performance review

During the half year under review, the company registered a profit before taxation of € 95.999. The Directors expect that the activities of the company will increase in the second half of the year.

Dividend

No interim dividends are being proposed.

Operation sectors

From 1995 SFA operates, in Italy and abroad, in the sectors of ecology and site reclamation, asbestos reclamation, environmental engineering, industrial insulation and plant decommissioning.

Half-Yearly-Report

The Half-Yearly Report comprises the unaudited condensed interim financial statements for the six months ended 30 June 2019. The comparative statement of financial position has been extracted from the audited financial statements for the year ended 31 December 2018.

Financial Statements (period from 1st January to 30th June 2019)

Statement of Comprehensive Income

as at 30/06/2019

OPERATING RESULTS	30/06/2019	Year 2018
<i>Units of EUR</i>		
REVENUE	1.925.451	5.401.476
Sales and service revenue	1.925.451	5.401.476
Cost of sales	- 872.706	- 1.781.125
Cost sales	- 872.706	- 1.781.125
GROSS PROFIT	1.052.746	3.620.352
OPERATING EXPENSES	- 714.910	- 1.973.910
FIXED Non-VATable	- 676.853	- 1.805.748
Salaries	- 659.268	- 1.770.887
Insurance	- 17.586	- 34.861
FIXED VATable	- 38.056	- 168.162
Rent	- 6.015	- 6.635
Utilities	- 9.828	- 11.071
Maintenance	- 22.213	- 150.456
VARIABLE Non VATable	- 128.961	- 375.377
Travelling & Lodging	- 128.961	- 375.377
VARIABLE VATable	- 407.014	- 883.551
Consultants	- 102.650	- 110.085
Office & Admin costs	- 275.116	- 668.642
Business development	- 22.260	- 80.664
Legal & professional fees	- 6.987	- 24.161
Other income	434.493	19.647
Other income	434.493	19.647
TOTAL OPERATING EXPENSES	- 816.392	- 3.213.191
EBITDA	236.354	407.160
Intangibles - impairment charge	- 18.423	- 37.152
Freehold property- depreciation	- 14.719	- 29.682
PPM- depreciation charge	- 34.597	- 75.840
EBIT	168.615	264.487
Interest	- 72.617	- 74.450
Taxation	- 51.340	- 140.171
NET PROFIT/LOSS	44.658	49.865

Statement of Financial Position

as at 30/06/2019

BALANCE SHEET	30/06/2019	Year 2018
<i>Units of EUR</i>		
ASSETS		
FIXED ASSETS		
Intangibles - cost	1.069.595	1.069.595
Intangibles - additions	-	-
Intangibles - impairment	- 117.618	- 80.466
Intangibles - impairment charge	- 18.423	- 37.152
Freehold property - cost	1.236.747	1.236.747
Freehold property - depreciation	- 51.749	- 22.067
Freehold property - depreciation charge	- 14.719	- 29.682
PPM - cost	474.343	458.105
PPM - additions	-	-
PPM - depreciation	- 213.022	- 176.946
PPM - depreciation charge	- 34.597	- 75.840
Equity investments	997.602	847.602
Long Term Receivables	345.136	338.572
TOTAL FIXED ASSETS	3.673.294	3.528.468
CURRENT ASSETS	-	
Inventory	82.500	87.787
Accounts receivable	5.272.728	4.466.867
Cash at bank and in hand	17.676	3.696
Other receivables	1.279.846	1.088.553
TOTAL CURRENT ASSETS	6.652.750	5.646.903
CURRENT LIABILITIES		
Accounts payable	- 2.490.183	- 2.551.160
VAT	-	-
Tax and SSC liability	- 1.414.344	- 1.213.588
Corporation tax	- 191.511	- 140.171
Other payables	- 3.165.463	- 2.468.409
TOTAL CURRENT LIABILITIES	- 7.261.501	- 6.373.328
NET CURRENT ASSETS	- 608.751	- 726.425

LONG TERM LOAN		
Provisions	- 303.477	- 362.544
Long term loan	- 1.432.822	- 1.155.913
TOTAL LONG TERM LOAN	- 1.736.299	- 1.518.456
	-	
NET ASSETS	1.328.244	1.283.586
CAPITAL AND RESERVES		
Share capital brought forward	1.116.226	1.111.226
New share capital	-	-
Profit and loss account b/f	167.360	122.495
Current period profit/loss	44.659	49.865
TOTAL CAPITAL AND RESERVES	1.328.244	1.283.586

Statement of Changes in Equity

as at 30/06/2019

	30/06/2019	Year 2018
Shareholders' equity		
I - Share capital	700.000	700.000
IV - Legal reserve	20.000	15.000
VI - Other reserves (Miscellaneous other reserves)	396.226	396.226
VIII - Retained earnings (accumulated losses)	167.360	122.495
IX - Profit (loss) for the period/year	44.659	49.865
Total Shareholders' Equity	1.328.244	1.283.586

Statement of Cash Flows

as at 30/06/2019

Financial Statement - Indirect method

	Amount as at 30/06/2019	Amount as at 31/12/2018
A) Financial flow from operations (indirect method)		
Net profit (loss) for the year	44.659	49.865
Income taxes	51.340	140.171
Interest expenses/(income)	74.411	101.395
(Dividends)		
(Capital gains)/Capital losses resulting from asset disposal		
<i>1) Profit (loss) for the fiscal year before income taxes, dividends and capital gains/losses from disposals</i>	<i>170.410</i>	<i>291.431</i>
Adjustments for non-monetary elements with no offset in working capital		
Accruals to provisions		
Depreciation of assets	67.739	142.673
Writedowns due to impairment		
Adjustment of value of financial assets and liabilities of derivative financial instruments not involving cash transactions		
Other increasing/(decreasing) adjustments for non-monetary items	25.634	47.832
<i>Total adjustments for non-monetary items with no offset in net working capital</i>	<i>93.373</i>	<i>190.505</i>
<i>2) Financial flow before changes to the net working capital</i>	<i>263.783</i>	<i>481.936</i>
Changes in net working capital		
Decrease/(Increase) of inventories	5.287	1.593
Decrease/(Increase) of credits towards customers	(805.861)	(1.619.886)
Increase/(Decrease) in payables due to suppliers	(60.977)	537.828
Decrease/(Increase) in accrued income and deferred expenses	6.092	(9.178)
(Increase)/Decrease in accrued liabilities and deferred income	(878)	878
Other decreases/(Other increases) of net working capital	504.816	849.194
<i>Total changes in net working capital</i>	<i>(351.521)</i>	<i>(239.571)</i>
<i>3) Financial flow after changes to the net working capital</i>	<i>(87.738)</i>	<i>242.365</i>
Other adjustments		
Interest collected/(paid)	(74.411)	(101.395)
(income taxes paid)	(51.340)	(140.171)
Dividends collected		

	Amount as at 30/06/2019	Amount as at 31/12/2018
(Use of provisions)		
Other collections/(payments)	(84.701)	(74.093)
<i>Total other adjustments</i>	<i>(210.452)</i>	<i>(315.659)</i>
Financial flow from operations (A)	(298.190)	(73.294)
B) Financial flow from investing activities		
Tangible fixed assets		
(Investments)	(64.385)	(56.609)
Disinvestments	8.383	5.858
Intangible fixed assets		
(Investments)		(19.470)
Disinvestments		
Financial fixed assets		
(Investments)	(356.564)	(828.430)
Disinvestments	200.000	10.000
Financial assets not classified as noncurrent		
(Investments)		
Disinvestments		
(Acquisition of company branches net of cash and cash equivalents)		
Sale of company branches net of cash and cash equivalents		
Cash flow from investing activities (B)	(212.566)	(888.651)
C) Financial flow from financing activities		
Loan capital		
Increase/(Decrease) in short-term payables due to banks	313.836	777.460
New loans	210.900	179.749
(Reimbursement of loans)		
Equity		
Increase in paid share capital		
(Capital reimbursement)		
Disposal/(Purchase) of treasury shares		
(Dividends and advances on dividends paid)		
Cash flow from financing activities (C)	524.736	957.209
Increase (decrease) in cash and cash equivalents (A ± B ± C)	13.980	(4.736)
Effect of exchange rates on cash and cash equivalents		
Cash and cash equivalents at the beginning of the fiscal year		
bank and post office deposits	1.703	5.344
cheques		

	Amount as at 30/06/2019	Amount as at 31/12/2018
Cash and equivalents on hand	1.993	3.088
Total cash and cash equivalents at the beginning of the fiscal year	3.696	8.432
Of which, not freely usable		
Cash and cash equivalents at the fiscal year end		
bank and post office deposits	2.252	1.703
cheques		
Cash and equivalents on hand	15.424	1.993
Total cash and cash equivalents at the end of the fiscal year	17.676	3.696
Of which, not freely usable		
Balance difference		

Closing Remarks

These financial statements, consisting of the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows, comply with IFRS and give a true and fair view of the Company's financial position, financial performance and cash flows; they are consistent with the accounting records.

Pianiga (Ve), 26th July 2019

On behalf of the Board of Directors

Mr. Tonino Alferi

