

Company Announcement

The following is a company announcement issued by SFA S.p.A., hereinafter the “Company” of 5/7, Via Dell’Industria, 30030Pianiga (VE), Italy, issued in terms of the rules of Prospects, the market regulated as a multi-lateral trading facility operated by the Malta Stock Exchange (“**Prospects**”).

Quote

The Board of Directors of the Company is pleased to announce that unaudited interim Financial Statements for the period ended 30th June 2017 were duly considered and approved.

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

<http://investor.sfspa.com/bilancio-e-relazioni-finanziarie/>

Unquote

A handwritten signature in blue ink, appearing to read 'Tonino Alferi', is written over a horizontal line.

Mr. Tonino Alferi

V.P. - CEO

Pianiga, 30th August 2017



Company Information

SFA SpA

Registered office:	Via dell'Industria n. 5/7 PIANIGA (VE)
Registered with the Registry of Companies of:	VENEZIA
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. Giovanni Petris
- V.P.–CEO: dr. Tonino Alferi
- CEO: ing. Samuele Salotti
- CEO: pi Maurizio Mazzucco
- Non Executive: dr. Marco Sciannameo

Board of Statutory Auditors

- President: dr. Gianpaolo Graberi
- Statutory auditor: dr. Fabrizio Giglio
- Statutory auditor: dr. Michele de Faveri

The Board of Directors was appointed by the General Meetings of 18 April 2016 and 24 November 2016, and remains in office until the approval of the financial statements as at 31 December 2018

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



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 € 78.035.

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.

Financial Statements (period from 1st January to 30th June 2017)

Statement of Comprehensive Income

as at 30/06/2017

OPERATING RESULTS	30/06/2017	Year 2016
<i>Units of EUR</i>		
REVENUE	1.481.402	2.574.505
Sales and service revenue	1.481.402	2.574.505
Cost of sales	-422.891	-938.270
Cost sales	-422.891	-938.270
GROSS PROFIT	1.058.511	1.636.235
OPERATING EXPENSES	-453.860	-827.821
FIXED Non-VATable	-419.492	-750.842
Salaries	-403.171	-718.204
Insurance	-16.321	-32.638
FIXED VATable	-34.368	-76.979
Rent	-18.300	-36.450
Utilities	-5.458	-17.882
Maintenance	-10.610	-22.647
VARIABLE Non VATable	-68.430	-153.484
Travelling & Lodging	-68.430	-153.484
VARIABLE VATable	-390.670	-644.812
Consultants	-4.157	-10.894
Office & Admin costs	-279.442	-326.486
Business development	-76.275	-213.208
Legal & professional fees	-30.796	-94.224
Other income	173	192.676
Other income	173	192.676
TOTAL OPERATING EXPENSES	-912.787	-1.433.441
EBITDA	145.724	202.794
Intangibles - impairment charge	-10.557	-21.128



Half-yearly Financial Statements

Freehold property- depreciation	-2380	-4.800
PPM- depreciation charge	-29.553	-56.382
EBIT	103.234	120.484
Interest	-25.199	-42.127
Taxation	-41.608	-22.772
NET PROFIT/LOSS	36.427	55.585

Statement of Financial Position

as at 30/06/2017

BALANCE SHEET	30/06/2017	Year 2016
<i>Units of EUR</i>		
ASSETS		
FIXED ASSETS		
Intangibles – cost	979.199	978.399
Intangibles - additions		
Intangibles - impairment	-44.994	-23.866
Intangibles - impairment charge	-10.556	-21.128
Freehold property - cost	200.000	200.000
Freehold property - depreciation	-4826	-26
Freehold property - depreciation charge	-2380	-4.800
PPM – cost	353.535	344.235
PPM – additions		
PPM - depreciation	-108.504	-52.122
PPM - depreciation charge	-29.553	-56.382
Equity investments	62.126	62.126
Long Term Receivables	84000	84.000
TOTAL FIXED ASSETS	1.742.047	1.510.436
CURRENT ASSETS		
		-
Inventory	30.327	35.089
Accounts receivable	2.105.934	1.556.507
Cash at bank and in hand	-1.232.648	-483.933
Other receivables	1.187.801	1.082.340
TOTAL CURRENT ASSETS	2.091.414	2.190.003
CURRENT LIABILITIES		
Accounts payable	-874.647	-1.038.234
VAT	-201.317	-35.685
Tax and SSC liability	-480.926	-152.328
Corporation tax	-64.380	-22.772
Other payables	-113.117	-91.554



Half-yearly Financial Statements

TOTAL CURRENT LIABILITIES	-1.734.387	-1.340.573
NET CURRENT ASSETS	357.027	849.430
LONG TERM LOAN	0	-
Provisions	-328.800	-322.088
Long term loan	-377.614	-681.546
TOTAL LONG TERM LOAN	-706.414	-1.003.634
	0	-
NET ASSETS	1.392.660	1.356.232
CAPITAL AND RESERVES		
Share capital brought forward	1.233.738	1.228.737
New share capital		
Profit and loss account b/f	122.495	71.910
Current period profit/loss	53.156	72.314
TOTAL CAPITAL AND RESERVES	1.409.389	1.372.961

Statement of Changes in Equity

as at 30/06/2017

	30/06/2017	Year 2016
Shareholders' equity		
I - Share capital	700.000	700.000
II - Share premium reserve	10.000	10.000
IV - Legal reserve	10.000	5.000
VI - Other reserves (Miscellaneous other reserves)	510.977	510.973
VIII - Retained earnings (accumulated losses)	122.495	71.910
IX - Profit (loss) for the year	36.427	55.585
Total Shareholders' Equity	1.389.899	1.353.468

Statement of Cash Flows

as at 30/06/2017

	Amount as at 30/06/2017	Amount as at 31/12/2016
A) Financial flow from operations (indirect method)		
Net profit (loss) for the year	36.427	55.585
Income taxes	41.608	22.772
Interest expenses/(income)	25.199	42.127
(Dividends)		
(Capital gains)/Capital losses resulting from asset disposal		6.886
<i>1) Profit (loss) for the fiscal year before income taxes, dividends and capital gains/losses from disposals</i>	<i>103.234</i>	<i>127.370</i>
Adjustments for non-monetary elements with no offset in working capital		
Accruals to provisions	15.886	40.666
Depreciation of assets	42.490	82.310
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	54.998	-7.655
<i>Total adjustments for non-monetary items with no offset in net working capital</i>	<i>113.374</i>	<i>115.321</i>
2) Financial flow before changes to the net working capital		
	216.608	242.691
Changes in net working capital		
Decrease/(Increase) of inventories	-75.808	-332.891
Decrease/(Increase) of credits towards customers	-484.739	-223.728
Increase/(Decrease) in payables due to suppliers	-163.587	465.347
Decrease/(Increase) in accrued income and deferred expenses	152.840	-174.318
(Increase)/Decrease in accrued liabilities and deferred income	-3.064	2.971
Other decreases/(Other increases) of net working capital	-6.890	-612.614
<i>Total changes in net working capital</i>	<i>-581.248</i>	<i>-875.233</i>
3) Financial flow after changes to the net working capital		
	-364.640	-632.542
Other adjustments		
Interest collected/(paid)	-25.199	-42.127
(income taxes paid)	-41.608	-22.772
Dividends collected		
(Use of provisions)		

Half-yearly Financial Statements

Other collections/(payments)	-48.286	-861
<i>Total other adjustments</i>	<i>-115.093</i>	<i>-65.760</i>
Financial flow from operations (A)	-479.733	-698.302
B) Financial flow from investing activities		
Tangible fixed assets		
(Investments)	-9.300	-21.984
Disinvestments		
Intangible fixed assets		
(Investments)	-800	-1.997
Disinvestments		
Financial fixed assets		
(Investments)	-264.000	-43.176
Disinvestments		
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)	-274.100	-67.157
C) Financial flow from financing activities		
Loan capital		
Increase/(Decrease) in short-term payables due to banks	775.688	227.984
New loans		30.000
(Reimbursement of loans)	-15.069	-9.330
Equity		
Increase in paid share capital		510.976
(Capital reimbursement)		
Disposal/(Purchase) of treasury shares		
(Dividends and advances on dividends paid)		
Cash flow from financing activities (C)	760.619	759.630
Increase (decrease) in cash and cash equivalents (A ± B ± C)	6.786	-5.829
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	2.992	8.008
cheques		
Cash and equivalents on hand	1.825	2.638



Half-yearly Financial Statements

Total cash and cash equivalents at the beginning of the fiscal year	4.817	10.646
Of which, not freely usable		
Cash and cash equivalents at the fiscal year end		
bank and post office deposits	8.434	2.992
cheques		
Cash and equivalents on hand	3.169	1.825
Total cash and cash equivalents at the end of the fiscal year	11.603	4.817

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, 30th August 2017

On behalf of the Board of Directors

Mr. Tonino Alferi