

PERIOD	1ST HALF
YEAR	2021

ANNEX I

GENERAL

1st

SEMESTRAL FINANCIAL INFORMATION TO THE YEAR

2021

CLOSE OF PERIOD DATE

30/06/2021

I.- IDENTIFYING DATA

Corporate Name: Miquel y Costas & Miquel, S.A.

REGISTERED ADDRESS

Tuset 10, 7^a - 08006 Barcelona

COMPANY TAX CODE

A-08020729

II.- COMPLEMENTARY INFORMATION PERIODIC INFORMATION TO PREVIOUSLY PUBLISHED

Explanation of the main modifications to the previously published information:

III.- DECLARATION BY OF RESPONSIBLE FOR THE INFORMATION

Comments on the declaration:	
Person/s who assume or taken responsibility for this information:	
In accordance with the power delegated by the Board of Directors, the Secretary of the Board certifies that the Semestral Annual Financial Report has been signed by the directors	
Name/ Corporate Name	Position
Mr. Jorge Mercader Miró	Chairman
Mr. Jorge Mercader Barata	Vice President
Mr. Francisco Javier Basañez Villaluenga	Director
Mr. Álvaro de la Serna Corral	Director
Mr. Joaquin Coello Brufau	Director
Mrs. Marta Lacambra Puig	Director
Mr. Eusebio Díaz-Morera Puig-Sureda	Director
Mr. Claudio Aranzadi Martínez	Director
Mr. Joaquin Faura Batlle	Director-Coordinator
Joanfra, S.A.	Director
Mrs. Victoria Lacasa Estébanez	Secretary of de Board of Directors
Date of signing of this Interim Financial report for the relevant Board of Directors: 27/09/2021	

IV.- SELECT FINANCIAL INFORMATION

1.- INDIVIDUAL BALANCE SHEET 1/2 (THE CURRENT NATIONAL FINANCIAL REPORTING STANDARDS)

Units: Thousand Euros

ASSETS		CURRENT YEAR 30/06/2021	PREVIOUS YEAR 31/12/2020
A) TOTAL NON-CURRENT ASSETS	0040	156,410	147,978
1. Intangible fixed assets	0030	817	765
a) Goodwill	0031		
b) Other intangible assets	0032	817	765
2. Tangible fixed assets	0033	83,677	82,482
3. Investment property	0034		
4. Investments in group companies and associated long-term	0035	45,738	40,469
5. Non-current Financial assets	0036	24,884	22,955
6. Deferred tax assets	0037	1,294	1,307
7. Other non-current assets	0038		
B) CURRENT ASSET	0085	182,927	171,775
1. Non-Current Assets Classified as held for sale	0050		
2. Stocks	0055	36,240	37,664
3. Trade debtors and other accounts receivable	0060	44,177	34,955
a) Customers by sales and services	0061	40,437	34,838
b) Other debtors	0062	3,740	117
c) Current tax asset	0063		
4. Investments in group companies and associated short-term	0064	17,832	21,105
5. Short-term financial investments	0070	66,918	70,908
6. Time Period adjustment a Short-term	0071	3	2
7. Cash and cash equivalent	0072	17,807	7,141
TOTAL ASSETS (A+B)	0100	339,387	319,753

Comments:

IV.- SELECT FINANCIAL INFORMATION

1.- INDIVIDUAL BALANCE SHEET 2/2 (THE CURRENT NATIONAL FINANCIAL REPORTING STANDARDS)

Units: Thousand Euros

LIABILITIES AND EQUITY		CURRENT YEAR 30/06/2021	PREVIOUS YEAR 31/12/2020
A) NET EQUITY	0195	213,882	200,611
A.1) Common Stocks	0180	213,447	200,385
1. Capital	0171	62,000	62,000
a) Subscribed capital	0161	62,000	62,000
b) Less: uncalled capital	0162		
2. Share premium	0172	40	40
3. Retained earnings	0173	161,757	148,428
4. Minus: Own Shares	0174	(35,027)	(30,991)
5. Results of previous year	0178		
6. Other contributions from shareholders	0179		
7. Result of the period	0175	24,076	30,629
8. Minus: Interim dividend	0176		(10,200)
9. Other instruments net equity	0177	601	479
A.2) Valuation adjustments	0188		
1. Financial assets available for sale	0181		
2. Hiding Operations	0182		
3. Others	0183		
A.3) Grants, donations and bequests received	0194	435	226
B) NON-CURRENT LIABILITIES	0120	41,355	33,177
1. Long-term provisions	0115	1,608	1,612
2. Long-term debt	0116	38,156	30,045
a) Issue of Debentures and Other Marketable Securities	0131	38,156	30,045
b) Other financial liabilities	0132		
3. Debts with group and associated companies in a long-term	0117		
4. Deferred tax liabilities	0118	1,490	1,420
5. Other liabilities	0135		
6. Time Period adjustment a Long-Term	0119	101	100
C) CURRENT LIABILITIES	0130	84,150	85,965
1. Liabilities Directly Associate with Non-Current Assets classified as held for sale	0121		
2. Short-terms Provisions	0122	5,103	1,179
3. Short-term financial debt	0123	8,981	14,864
a) Borrowing with banks and bonds and other securities	0133	3,322	13,385
b) Other financial liabilities	0134	5,659	1,479
4. Debts with enterprises and associated short-term	0129	39,786	40,246
5. Trade creditors and other accounts payable	0124	30,280	29,676
a) Suppliers	0125	22,200	18,251
b) Other creditors	0126	7,565	10,910
c) Current earning tax liabilities	0127	515	515
6. Other current liabilities	0136		
07. Time period adjustment short-term	0128		
TOTAL NET LIABILITY	0200	339,387	319,753

Comments:

IV.- SELECT FINANCIAL INFORMATION
2.- INDIVIDUAL PROFIT AND LOSS ACCOUNT
(THE CURRENT NATIONAL FINANCIAL REPORTING STANDARDS)

Units: Thousand Euros

		Current Year (2 ^{on} half)	Previous Year (2 ^{on} Half)	Accumulated Current 30/06/2021	Accumulated Previous 30/06/2020
(+) Net Turnover	0205			94,605	86,158
(+/-) Variation in stocks of finished goods and work in progress	0206			(156)	(977)
(+) Work done by the company for its active	0207			297	301
(+) Supplies	0208			(37,463)	(32,466)
(+) Other operating income	0209			2,693	2,166
(+) Personnel costs	0217			(15,062)	(14,609)
(-) Other operating expenses	0210			(20,221)	(18,340)
(-) Depreciation of fixed assets	0211			(4,514)	(4,412)
(+) Imputation of capital grants and others	0212				354
(+) Excess of provisions	0213				
(+/-) Result on Disposal or Valuation of Non-Current Assets	0214			(150)	
(+/-) Other results	0215				
= OPERATING RESULTS	0245			20,029	18,175
(+) Financial income	0250			9,072	5,755
(-) Financial expenses	0251			(145)	(145)
(+/-) Variation in fair value of financial instruments	0252				
(+/-) Exchange rate differences	0254			(68)	(96)
(+/-) Results on Disposal of Financial Assets	0255				
= FINANCIAL RESULTS	0256			8,859	5,514
= PROFITS BEFORE TAX	0265			28,888	23,689
(+/-) Profit tax expenses	0270			(4,812)	(4,475)
= PROFITS / (LOSS) FOR THE PERIOD OF CONTINUING OPERATIONS	0280			24,076	19,214
(+/-) Result after discontinued Operations Tax (net)	0285				
= PROFIT OF THE YEAR	0300			24,076	19,214

EARNINGS PER SHARE		Amount (X.XX Euros)	Amount (X.XX Euros)	Amount (X.XX Euros)	Amount (X.XX Euros)
Basic	0290			0.83	0.65
Diluted	0295			0.83	0.65

Comments:

IV.- SELECT FINANCIAL INFORMATION
3.- STATEMENTS OF INCOME AND EXPENSES RECOGNIZED INDIVIDUALLY
A. STATEMENTS OF INCOME AND EXPENSES RECOGNIZED INDIVIDUALLY (THE CURRENT NATIONAL FINANCIAL REPORTING STANDARDS)

Units: Thousand Euros

		CURRENT YEAR 30/06/2020	PREVIOUS YEAR 30/06/2020
A) PROFIT / LOSS OF FINANCIAL	0305	24,076	19,214
B) INCOME AND EXPENSES CHARGED DIRECTLY TO EQUITY	0310	209	250
1. Valuation of financial instruments	0320		
a) Financial assets classified as held for sale	0321		
b) Other incomes / expenses	0323		
2. Hedging operations	0330		
3. Grants, donations and bequests received	0340	279	333
4. Actuarial gains and losses an other adjustments	0344		
5. Other income and expenses charged directly to equity	0343		
6. Tax Rate Effect	0345	(70)	(83)
C) TRANSFERS TO THE PROFIT AND LOSS ACCOUNT	0350		(266)
1. Valuation of financial instruments	0355		
a) Financial assets classified as held for sale	0356		
b) Other / income (expenses)	0358		
2. Hedging operations	0360		
3. Grants, donations and bequests received	0366		(354)
4. Other income and expenses charged directly to equity	0365		
5. Tax Rate Effect	0370		88
TOTAL INCOME (A+B+C)	0400	24,285	19,198

Comments:

IV.- SELECT FINANCIAL INFORMATION

3.- STATEMENTS OF CHANGE IN EQUITY INDIVIDUAL

B. STATEMENTS OF CHANGE IN EQUITY INDIVIDUAL (1/2)
(THE CURRENT NATIONAL FINANCIAL REPORTING STANDARDS)

Units: Thousand Euros

CURRENT YEAR		Own Funds					Adjustments for change in value	Grants and donations and bequests received	Total Net Equity
		Share Capital	Stock premium and reserves	Shares and stocks in their own Equity	Results of exercise	Other equity instruments of net assets			
OPENING BALANCE AT 01/01/2020	3010	62,000	138,268	(30,991)	30,629	479		226	200,611
Adjustments for change in accounting principle	3011								
Adjustments by mistake	3012								
Opening balance adjusted	3015	62,000	138,268	(30,991)	30,629	479		226	200,611
I. Total Income / (expenses)	3020				24,076			209	24,285
II. Operations with shareholder	3025		(7,100)	(4,036)					(11,136)
1. Increase (Decrease) of capital	3026								
2. Conversion of financial liabilities in net liabilities	3027								
3. Distribution of dividends	3028		(7,100)						(7,100)
4. Operations with company's own shares (net)	3029			(4,036)					(4,036)
5. Increase (Decrease) by business combination	3030								
6. Other operation with shareholders	3032								
III. Other changes in equity	3035		30,629		(30,629)	122			122
1. Payment based in equity instruments	3036					122			122
2. Transfers between items of net equity	3037								
3. Other changes	3038		30,629		(30,629)				
Closing Balance at 30/06/2020	3040	62,000	161,767	(35,027)	24,076	601		435	213,882

Comments:

IV.- SELECT FINANCIAL INFORMATION
3.- STATEMENTS OF CHANGE IN EQUITY INDIVIDUAL
B.. STATEMENTS OF CHANGE IN EQUITY INDIVIDUAL (2/2) (THE CURRENT NATIONAL FINANCIAL REPORTING STANDARDS) (THE CURRENT NATIONAL FINANCIAL REPORTING STANDARDS)

Units: Thousand Euros

PREVIOUS YEAR		OWN FUNDS					Adjustments for change in value	Grants and donations and bequests received	Total net equity
		Share Capital	Stock premium and reserves	Shares and stocks in their own Equity	Results of exercise	Other equity instrument of net assets			
OPENING BALANCE AT 01/07/2017	3050	62,000	125,256	(21,483)	30,321	356		263	196,713
Adjustments for change in accounting principle	3051								
Adjustments by mistake	3052								
Opening balance adjusted	3055	62,000	125,256	(21,483)	30,321	356		263	196,713
I.Total Income / (expenses)	3060				19,214			(16)	19,198
II. Operations with shareholder	3065		(7,100)	(3,608)					(10,708)
1.Increase (Decrease) of capital	3066								
2.Conversion of financial liabilities in net liabilities	3067								
3.Distribution of dividends	3068		(7,100)						(7,100)
4.Operations with company's own shares (net)	3069			(3,608)					(3,608)
5.Increase(Decrease) by business combination	3070								
6.Other operation with shareholders	3072								
III. Other changes in equity	3075		30,321		(30,321)	123			123
1.Payment based in equity instruments	3076					123			123
2.Transfers between items of net equity	3077								
3.Other changes	3078		30,321		(30,321)				
Closing Balance at 31/12/2018	3080	62,000	148,477	(25,091)	19,214	479		247	205,326

Comments:

IV.- SELECT FINANCIAL INFORMATION
4. - CASH FLOW STATEMENTS INDIVIDUAL
(THE CURRENT NATIONAL FINANCIAL REPORTING STANDARDS)

Units: Thousand Euros

		CURRENT YEAR 30/06/2021	PREVIOUS YEAR 30/06/2020
A) CASH FLOWS FROM THE ACTIVITIES OF PROFIT TAX	0435	16,607	15,204
1. Profit before tax	0405	28,888	23,689
2. Adjusts by results	0410	(5,134)	(1,654)
(+) Depreciation of fixed assets	0411	4,514	4,298
(+/-) Others adjustments results	0412	(9,648)	(5,952)
3. Changes in capital flow	0415	1,682	416
4. Cash Flow	0420	(8,829)	(7,247)
(-) Interest payment	0421	(199)	(211)
(+) Dividend collection	0422		
(+) Interest collection	0423	861	835
(+/-) Payment profit tax	0430	(9,491)	(7,871)
(+/-) Other payment in activities of depreciation and amortization	0425		
B) CASH FLOW FROM INVESTMENT (1+2)	0460	2,530	(9,750)
1. Payment for investment	0440	(44,115)	(41,625)
(-) Companies Group, associates and business units	0441	5,678	3,866
(-) Intangible fixed assets and investment property	0442	(5,284)	(5,058)
(-) Other financial assets	0443	(44,509)	(40,433)
(-) Non-current assets and liabilities that have been classified as held for sale	0459		
(-) Other assets	0444		
2. Des-investments by collection	0450	46,645	31,875
(+) Companies Group, associates and business units	0451		
(+) Intangible fixed assets and investment property	0452		
(+) Other financial assets	0453	46,645	31,875
(-) Non-current assets and liabilities that have been classified as held for sale	0461		
(+) Other assets	0454		
C) CASH FLOW USED IN FINANCIAL ACTIVITIES (1+2+3)	0490	(8,471)	(4,285)
1. Collection and payment for equity instruments	0470	(3,757)	(3,608)
(+) Issue	0471		
(-) Depreciation and amortization	0472		
(-) Acquisition	0473	(4,036)	(3,608)
(+) Disposition	0474		
(+) Grants, donations and bequests received	0475	279	
2. Payment for liability instruments	0480	(1,898)	2,269
(+) Issue	0481	17,000	9,213
(-) Return and redemption	0482	(18,898)	(6,944)
3. Dividend payment and pay other equity instruments	0485	(2,816)	(2,946)
D) EFFECT OF CHANGES IN EXCHANGE RATES	0492		
E) INCREASE/DECREASE IN NET CASH AND EQUIVALENTS	0495	10,666	1,169
F) CASH AND EQUIVALENTS AT THE BEGINNING OF THE PERIOD	0499	7,141	6,040
„G) CASH AND EQUIVALENT AT END OF THE PERIOD (E+F)	0500	17,807	7,209

		CURRENT YEAR 30/06/2021	PREVIOUS YEAR 30/06/2020
COMPONENTS OF THE CASH AND EQUIVALENT AT THE END OF THE PERIOD			
(+) Cash and banks	0550	17,807	7,209
(+) Other financial assets	0552		
(-) Less: bank overdrafts repayable in sight	0553		
CASH AND EQUIVALENT AT END OF THE PERIOD	0600	17,807	7,209

Comments:

IV.- SELECT FINANCIAL INFORMATION

5.- CONSOLIDATED BALANCE SHEET 1/2 (IFRS ADOPTED)

Units: Thousand Euros

ASSETS		CURRENT YEAR 30/06/2021	PREVIOUS YEAR 31/12/2020
A) TOTAL NON-CURRENT ASSETS	1040	216,843	211,937
1. Intangible fixed assets	1030	1,172	3,030
a) Goodwill	1031		
b) Other intangible assets	1032	1,172	3,030
2. Tangible Fixed assets	1033	170,933	171,666
3. Investment property	1034		
4. Investments in group companies and associated long-term	1035		
5. Non-current Financial assets	1036	40,044	32,410
a) air value through profit or loss in its results	1047		
of which "designated at the initial moment"	1041		
b) air value through profit or loss in other integral results	1042	16,582	10,813
of which "designated at the initial moment"	1043		
c) at amortized cost	1044	23,462	21,597
6. Non-current Derivative	1039		
a) hedging derivative	1045		
b) Others	1046		
7. Deferred tax assets	1037	2,984	3,121
8. Other non-current assets	1038	1,710	1,710
B) CURRENT ASSET	1085	226,292	204,982
1. Non-Current Assets Classified as held for sale	1050		
2. Stocks	1055	75,266	81,565
3. Trade debtors and other accounts receivable	1060	57,489	41,886
a) Customers by sales and services	1061	57,116	41,635
b) Other debtors	1062	373	251
c) Current tax asset	1063		
4. Non-current Financial assets	1070	66,984	70,911
d) air value through profit or loss in its results	1080		
of which "designated at the initial moment"	1081		
e) air value through profit or loss in other integral results	1082		
of which "designated at the initial moment"	1083		
f) at amortized cost	1084	66,984	70,911
5. Non-current Derivative	1076		
c) hedging derivative	1077		
d) Others	1078		
6. Other Current Assets	1075	7,888	2,885
7. Cash and cash equivalent	1072	18,665	7,735
TOTAL ASSETS (A+B)	1100	443,135	416,919

Comments:

V.- SELECT FINANCIAL INFORMATION

5.- CONSOLIDATED BALANCE SHEET 2/2 (IFRS ADOPTED)

Units: Thousand Euros

LIABILITIES AND EQUITY		CURRENT YEAR 30/06/2021	PREVIOUS YEAR 31/12/2020
A) NET EQUITY	1195	312,445	293,627
A.1) Common Stocks	1180	319,009	301,158
1. Capital	1171	62,000	62,000
a) Subscribed capital	1161	62,000	62,000
b) Less: uncalled capital	1162		
2. Share premium	1172	40	40
3. Reserves	1173	262,523	234,953
4. Minus: Own shares and equity instruments	1174	(35,027)	(30,992)
5. Results of previous year	1178		
6. Other contributions from shareholders	1179		
7. Equity attributable to results of the Parent	1175	28,872	44,878
8. Minus: Interim dividends	1176		(10,200)
9. Other equity instruments	1177	601	479
A.2) Valuation adjustments	1188	(6,564)	(7,531)
1. Items that are not reclassified to the result of the period	1186	(1,021)	(1,452)
a) Equity instruments with changes in other comprehensive income	1185	(1,021)	(1,452)
b) Others	1190		
2. Items that are reclassified to the result of the period	1187	(5,543)	(6,079)
a) hedging transactions	1182		
b) conversion differences	1184	(5,543)	(6,079)
c) Investments in other comprehensive income for investments in joint ventures and other	1192		
d) debt instruments at fair value with changes in other comprehensive income	1191		
e) Non-Current Other liabilities	1183		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	1189	312,445	293,627
A.3) MINORITY INTERESTS	1193		
B) NON-CURRENT LIABILITIES	1120	64,547	55,537
1. Grants	1117	1,362	1,042
2. Long-Term provisions	1115	1,828	1,828
3. Long-Term debt	1116	57,767	49,145
a) Issue of Debentures and Other Marketable Securities	1131	57,767	49,145
b) Other financial liabilities	1132		
4. Deferred tax liabilities	1118	2,621	2,520
5. Non-current Derivative	1145		
f) hedging derivative	1146		
g) Others	1147		
6. Current Other liabilities	1135	969	1,002
C) CURRENT LIABILITY	1130	66,143	67,755
1. Liabilities Directly Associate with Non-Current Assets classified as held for sale	1121		
2. Short-term provisions	1122	9,269	3,038
3. Short-term financial debt	1123	9,738	18,582
a) Borrowing with banks and bonds and other securities	1133	5,738	18,582
b) Other financial liabilities	1134	4,000	
4. Trade creditors and other accounts payable	1124	36,080	31,750
a) Suppliers	1125	35,543	31,213
c) Other creditors	1126		
c) Current earning tax liabilities	1127	537	537
5. Current Derivative	1145		
h) hedging derivative	1146		
i) Others	1147		
6. Other current liabilities	1136	11,056	14,385
TOTAL LIABILITY AND SHAREHOLDER'S EQUITY (A+B+C)	1200	443,135	416,919

Comments:

IV.- SELECT FINANCIAL INFORMATION

6.- STATEMENT OF THE CONSOLIDATED REGULATIONS (IFRS ADOPTED)

Units: Thousand Euros

		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR 30/06/2021	PREVIOUS YEAR 30/06/2020
(+) Net Turnover	1205			158,180	139,618
(+/-) Variation in stocks of finished goods and work in progress	1206			(2,458)	(4,895)
(+) Work done by the company for its active	1207			601	606
(+) Supplies	1208			(51,007)	(43,596)
(+) Other operating income	1209			1,736	1,214
(+) Personnel costs	1217			(25,001)	(23,617)
(-) Other operating expenses	1210			(35,550)	(32,319)
(-) Depreciation of fixed assets	1211			(8,984)	(8,743)
(+) Imputation of capital grants and others	1212				1,014
(+/-) Impairment losses	1214				
(+/-) Result from disposals of fixed asset	1216				
(+/-) Other results	1215			(130)	
= OPERATING RESULTS	1245			17	1
(+) Financial income	1250			37,404	29,283
a) Interest income calculated according to the effective interest rate method	1262			852	718
b) Others	1263			551	518
(-) Financial expenses	1251			301	200
(+/-) Variation in fair value of financial instruments	1252			(244)	(264)
(+/-)Result derived from the reclassification of financial assets at amortized cost to financial assets at fair value	1258				
(+/-)Result derived from the reclassification of financial assets at fair value with changes in other comprehensive income to financial assets at fair value	1259				
(+/-) Exchange rate differences	1254			(301)	(206)
(+/-) Results on Disposal of Financial Assets	1255				
(+/-) Result from disposals of financial instruments	1257				
a) financial instruments at amortized cost	1260				
b) Others financial instruments	1261				
= FINANCIAL RESULTS	1256			307	248
Other Results / Loss	1253			5	5
= PROFITS BEFORE TAX	1265			37,716	29,536
(+/-) Profit Tax Expenses	1270			(8,844)	(6,836)
= PROFITS / (LOSS) FOR THE PERIOD OF CONTINUING OPERATIONS	1280			28,872	22,700
(+/-) Result after discontinued Operations Tax (net)	1285				
= CONSOLIDATED RESULTS OF YEAR	1288			28,872	22,700
a) Result attributable to the parent entity	1300			28,872	22,700
b) Result attributable to minority interests	1289				

EARNINGS PER SHARE		Amount (X.XX Euros)	Amount (X.XX Euros)	Amount (X.XX Euros)	Amount (X.XX Euros)
Basic	1290			1.00	0.77
Diluted	1295			1.00	0.77

Comments:

IV.- SELECT FINANCIAL INFORMATION

7.- OTHER CONSOLIDATED COMPREHENSIVE RESULT (IFRS ADOPTED)

Units: Thousand Euros

		CURRENT YEAR	PREVIOUS YEAR	CURRENT ACCUMULATED 30/06/2021	PREVIOUS ACCUMULATED 30/06/2020
A) PROFIT/LOSS FOR THE YEAR	1305			28,872	22,700
B) INCOME AND EXPENSES CHARGED DIRECTLY TO EQUITY	1310			431	(3,453)
1. Revaluation of tangible and intangible assets	1311				
2. Actuarial gains and losses and other adjustments	1344				
3. Entities rated by the method of participation	1342				
4.	1346				
5. Other income and expenses charged directly to equity	1343			431	(3,453)
6. Tax Rate Effect	1345				
C) OTHER GLOBAL RESULTS - ITEMS THAT CAN BE RECLASSIFIED AFTER THE RESULTS OF THE PERIOD	1350				
1. Cash flow hedges	1360				
a) Valuation profit / losses	1361				
b) Amounts transferred to the profit and loss account	1362				
c) Amounts transferred to the initial value of the hedged items	1363				
d) Other classifications	1364				
2. Conversion differences	1365				
a) Valuation profit / losses	1366				
b) Amounts transferred to the profit and loss account	1367				
c) Other classifications	1368				
3. Participation in other comprehensive income recognized by investments in joint and associated businesses	1370				
a) Valuation profit / losses	1371				
b) Amounts transferred to the profit and loss account	1372				
c) Other classifications	1373				
4. Debt instruments at fair value with changes in other comprehensive income	1381				
d) Valuation profit / losses	1382				
e) Amounts transferred to the profit and loss account	1383				
f) Other classifications	1384				
5. Other income and expenses that may be reclassified after the period result	1375				
g) Valuation profit / losses	1376				
h) Amounts transferred to the profit and loss account	1377				
i) Other classifications	1378				
6. Tax Effect	1380				
TOTAL INCOME (A+B+C)	1400			29,303	19,247
a) Attributable to the dominant entity	1398			29,303	19,247
b) Attributable to minority interests	1399				

Comments:

IV.- SELECT FINANCIAL INFORMATION

8.- STATES OF CHANGES IN EQUITY CONSOLIDATION (IFRS ADOPTED) 1/2

Units: Thousand Euros

ACTUAL PERIOD		Net patrimony attributed to the dominant entity					Adjustments for change in value	Minority Interests	Total equity
		Own Funds							
		Share Capital	Return of capital	Shares and stocks in their own heritage	Results of exercise attributable to Parent Company	Other equity instruments			
OPENING BALANCE 01/07/2016	3110	62,000	218,713	(30,991)	44,878	479	(1,452)	293,627	
Adjustments for change in accounting principle	3111								
Adjustments by mistake	3112								
Opening balance adjusted	3115	62,000	218,713	(30,991)	44,878	479	(1,452)	293,627	
Total Income	3120				28,872		431	29,303	
Operations with shareholder	3125		(7,100)	(4,036)				(11,136)	
Increase/(Decrease) of capital	3126								
Conversion of financial liabilities in net liabilities	3127								
Distribution of dividends	3128		(7,100)					(7,100)	
Operations with company's own shares (net)	3129			(4,036)				(4,036)	
Increase/ (Decrease) by business combination	3130								
Other operation with shareholders	3132								
Other changes in equity	3135		45,407		(44,878)	122		651	
Payment based in equity instruments	3136								
Transfers between items of net equity	3137								
Other changes	3138		45,407		(44,878)	122		651	
Closing Balance 31/12/2016	3140	62,000	257,020	(35,027)	28,872	601	(1,021)	312,445	

Comments:

IV.- SELECT FINANCIAL INFORMATION

8.- STATES TOTAL CHANGES IN EQUITY CONSOLIDATION (INFI ADOPTED) 2/2

Units: Thousand Euros

PREVIOUS PERIOD		Shareholder's Equity					Adjustments for change value	Minority Interests	Total Equity
		Share Capital	Share and premium reserves	Shares and stocks in their own heritage	Results of exercise attributable to Parent Company	Other equity instruments			
OPENING BALANCE 01/07/2016	3150	62,000	197,290	(21,484)	39,218	355	3,201		280,580
Adjustments for change in accounting principle	3151								
Adjustments by mistake	3152								
Opening balance adjusted	3155	62,000	197,290	(21,484)	39,218	355	3,201		280,580
Total Income	3160				22,700		(3,453)		19,247
Operations with shareholder	3165		(7,100)	(3,607)					(10,707)
Increase/(Decrease) of capital	3166								
Conversion of financial liabilities in net liabilities	3167								
Distribution of dividends	3168		(7,100)						(7,100)
Operations with company's own shares (net)	3169			(3,607)					(3,607)
Increase/ (Decrease) by business combination	3170								
Other operation with shareholders	3172								
Other changes in equity	3175		38,940		(39,218)	124			(154)
Payment based in equity instruments	3176								
Transfers between items of net equity	3177								
Other changes	3178		38,940		(39,218)	124			(154)
Closing Balance 31/12/2016	3180	62,000	229,130	(25,091)	22,700	479	(252)		288,966

Comments:

IV.- SELECT FINANCIAL INFORMATION

9. A.- STATE OF CONSOLIDATED CASH FLOWS (INDIRECT METHOD) 1/2

Units: Thousand Euros

		CURRENT YEAR 30/06/2021	PREVIOUS YEAR 30/06/2020
A) CASH FLOWS FROM THE ACTIVITIES OF PROFIT TAX	1435	33,517	20,943
1. Profit before tax	1405	37,716	29,536
2. Adjusts by results	1410	7,956	7,488
(+) Depreciation of fixed assets	1411	8,983	8,743
(+/-) Others adjustments results	1412	(1,027)	(1,255)
3. Changes in capital flow	1415	(4,340)	(6,514)
4. Cash Flow	1420	(7,815)	(9,567)
(-) Interest payment	1421	(235)	(265)
(+) Dividend payments and pay other equity instruments	1430		
(+) Dividend collection	1422	1	8
(+) Interest collection	1423	713	604
(+/-) Payment / collect profit tax	1424	(9,491)	(7,871)
(+/-) Other payment in activities of depreciation and amortization	1425	1,197	(2,043)
B) CASH FLOW FROM INVESTMENT (1+2)	1460	(11,505)	(16,295)
1. Payment for investment	1440	(58,039)	(45,112)
(-) Companies Group, associates and business units	1441	(5)	(5)
(-) Intangible fixed assets and investment property	1442	(8,108)	(7,850)
(-) Other financial assets	1443	(49,926)	(37,257)
(-) Other assets	1444		
2. Des-investments by collection	1450	46,534	28,817
(+) Companies Group, associates and business units	1451	69	41
(+) Intangible fixed assets and investment property	1452		
(+) Other financial assets	1453	46,465	28,776
(+) Non-current assets and liabilities that have been classified as held for sale	1461		
(+) Other assets	1454		
3. Other streams assets in investing activities	1455		
(+) Dividends collect	1456		
(+) Investments collect	1457		
(+/-) Others payments / collects in activities of investments	1458		
C) CASH FLOW USED IN FINANCIAL ACTIVITIES (1+2+3)	1490	(11,082)	(3,810)
1. Collection and payment for equity instruments	1470	(4,036)	(3,608)
(+) Issue	1471		
(-) Depreciation and amortization	1472		
(-) Acquisition	1473	(4,036)	(3,608)
(+) Disposition	1474		
2. Payment for liability instruments	1480	(4,230)	2,744
(+) Issue	1481	25,000	12,979
(-) Return and redemption	1482	(29,230)	(10,235)
3. Dividend payment and pay other equity instruments	1485	(2,816)	(2,946)
4. Other cash-flows in financial activities	1486		
(-) Interest payment	1487		
(+/-) Others payments /collect in financial activities	1488		
D) EFFECT OF CHANGES IN EXCHANGE RATES	1492		
E) INCREASE/DECREASE IN NET CASH AND EQUIVALENTS	1495	10,930	838
F) CASH AND EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1499	7,735	6,947
G) CASH AND CASH EQUIVALENT AT END OF THE PERIOD (E+F)	1500	18,665	7,785

Comments:

IV.- SELECT FINANCIAL INFORMATION

9. A.- STATE OF CONSOLIDATED CASH FLOWS (INDIRECT METHOD)2/2

Units: Thousand Euros

COMPONENTS AND CASH EQUIVALENTS AT END OF PERIOD		CURRENT YEAR 30/06/2021	PREVIOUS YEAR 30/06/2020
(+) Cash and banks	1550	18,665	7,785
(+) Other financial assets	1552		
(-) Less: bank overdrafts repayable in sight	1553		
CASH AND EQUIVALENT AT END OF THE PERIOD	1600	18,665	7,785

Comments:

IV.- SELECT FINANCIAL INFORMATION

9. B.- STATE OF CONSOLIDATED CASH FLOWS (INDIRECT METHOD) 1/2

Units: Thousand Euros

		CURRENT YEAR 30/06/2021	PREVIOUS YEAR 30/06/2020
A) CASH FLOWS FROM OPERATING ACTIVITIES	8435		
(+) Operating charges	8410		
(-) Payments to suppliers and staff for operating expenses	8411		
(-) Interest payments	8421		
(-) Payments of dividends and remunerations of other equity instruments	8422		
(+) Dividends receivable	8430		
(+) Interest charges	8423		
(+/-)Charges / payments for income tax	8424		
(+/-) Other payment in activities of depreciation and amortization	8425		
B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2+3)	8460		
1. Payment for investment	8440		
(-) Companies Group, associates and business units	8441		
(-) Intangible fixed assets and investment property	8442		
(-) Other financial assets	8443		
	8459		
(-) Other assets	8444		
2. Des-investments by collection	8450		
(+) Companies Group, associates and business units	8451		
(+) Intangible fixed assets and investment property	8452		
(+) Other financial assets	8453		
(+)Non-current assets and liabilities that have been classified as held for sale	8461		
(+) Other assets	8454		
3. Other streams assets in investing activities	8455		
(+) Dividends collect	8456		
(+) Investments collect	8457		
(+/-) Others payments / collects in activities of investments	8458		
C) CASH FLOW USED IN FINANCIAL ACTIVITIES (1+2+3)	8490		
1. Collection and payment for equity instruments	8470		
(+) Issue	8471		
(-) Depreciation and amortization	8472		
(-) Acquisition	8473		
(+) Disposition	8474		
2. Payment for liability instruments	8480		
(+) Issue	8481		
(-) Return and redemption	8482		
3. Dividend payment and pay other equity instruments	8485		
4. Other cash-flows in financial activities	8486		
(-) Interest payment	8487		
(+/-) Others payments /collect in financial activities	8488		
D) EFFECT OF CHANGES IN EXCHANGE RATES	8492		
E) INCREASE/DECREASE IN NET CASH AND EQUIVALENTS (A+B+C+D)	8495		
F) CASH AND EQUIVALENTS AT THE BEGINNING OF THE PERIOD	8499		
G) CASH AND CASH EQUIVALENT AT END OF THE PERIOD (E+F)	7500		

Comments:

IV.- SELECT FINANCIAL INFORMATION

9. B.- STATE OF CONSOLIDATED CASH FLOWS (INDIRECT METHOD)2/2

Units: Thousand Euros

COMPONENTS AND CASH EQUIVALENTS AT END OF PERIOD		CURRENT YEAR 30/06/2021	PREVIOUS YEAR 30/06/2020
(+) Cash and banks	8550		
(+) Other financial assets	8552		
(-) Less: bank overdrafts repayable in sight	8553		
CASH AND EQUIVALENT AT END OF THE PERIOD	8600		

Comments:

IV.- SELECT FINANCIAL INFORMATION

10.- PAYMENT DIVIDENDS

Units: Thousand Euros

		CURRENT YEAR			PREVIOUS YEAR		
		Euros per share	Amount (thousands €)	Number of shares to be delivered	Euros per share	Amount (thousands €)	Number of shares to be delivered
Ordinary shares	2158	0.11	3,100		0.11	3,300	
Other shares	2159						
TOTAL DIVIDENDS PAY	2160	0.11	3,100		0.11	3,300	
a) dividends from results	2155	0.11	3,100		0.11	3,300	
b) dividends from premium account	2156						
c) dividends in kind	2157						

Comments:

IV.- SELECT FINANCIAL INFORMATION

11.- INFORMATION BY SEGMENT

Units: Thousand Euros

GEOGRAPHICAL AREA		DISTRIBUTION OF NET AMOUNT OF TURNOVER BY GEOGRAPHICAL AREA			
		INDIVIDUAL		CONSOLIDATED	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Domestic Market	2210	13,042	11,598	19,127	14,379
Export	2215	81,563	74,560	139,053	125,329
a) European Union	2216	30,748	28,124	47,785	43,341
b) Countries: OCDE	2217	17,499	14,484	31,205	26,341
c) Other Countries	2218	13,249	13,640	16,580	17,180
b) Rest	2219	50,815	46,436	91,268	81,178
TOTAL	2220	94,605	86,158	158,180	139,618

Comments:

SEGMENTS		CONSOLIDATED			
		Ordinary income coming from external customers		Results	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Tobacco Industries	2221	98,296	88,550	28,754	23,897
Industrial Products	2222	47,670	39,801	7,643	4,423
Others	2223	12,214	11,267	617	943
	2224				
	2225				
	2226				
	2227				
	2228				
	2229				
	2230				
TOTAL	2235	158,180	139,618	37,014	29,263

Comments:

IV.- SELECT FINANCIAL INFORMATION
12.- PERSONAL AVERAGE

		INDIVIDUAL		CONSOLIDATED	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
AVERAGE WORKFORCE	2295	530	532	916	904
Men	2296	354	355	664	652
Women	2297	176	177	252	252

177

Comments:

IV.- SELECT FINANCIAL INFORMATION
13.- REMUNERATION RECEIVED BY DIRECTORS AND MANAGERS

Administrators		INDIVIDUAL	
		CURRENT YEAR	PREVIOUS YEAR
Salary / Wages fixed	2310	108	88
Variable Salary	2311	542	543
Expenses	2312		
Statutory attentions	2313		
Compensations	2314		
Operations on actions and financial instruments	2315		
Others	2316	2	2
TOTAL	2320	652	633

MANAGEMENT		INDIVIDUAL	
		CURRENT YEAR	PREVIOUS YEAR
Total remuneration received by management	2325	717	540

Comments:

In this report, the number of Executives amounts to 10, increasing by 3 compared to the first half of the previous year.

IV.- SELECT FINANCIAL INFORMATION

16.- OPERATED RELATED PARTY 1/2

Units: Thousand Euros

EXPENSES AND INCOMES		CURRENT YEAR				
		Relevant shareholders	Administrators and managements	Individuals, companies or entities of the group	Other related parties	Total
1) Financial expenses	2340					
2) Rent	2343					
3) Reception service	2344					
4) Purchase of goods	2345					
5) Other expenses	2348					
EXPENSES (1+2+3+4+5)	2350					
6) Income financial	2351					
7) Dividends received	2354					
8) Provide service	2356					
9) Sale of assets	2357					
10) Other expenses	2359					
INCOME (6+7+8+9+10)	2360					

OTHERS TRANSACTIONS		CURRENT YEAR				
		Relevant shareholders	Administrators and managements	Individuals, companies or entities of the group	Other related parties	Total
Financing agreement credits	2372					
Financing agreement credits	2375					
Warranties and guaranties provided	2381					
Warranties and guaranties received	2382					
Commitments made	2383					
Dividends and other profit distributions	2386	619	1,481			2,100
Other operations	2385				1	1

		CURRENT YEAR				
		Relevant shareholders	Administrators and managements	Individuals, companies or entities of the group	Other related parties	Total
1) Customers and commercial debtors	2341					
2) Loans and credits granted	2342					
3) Other collection rights	2346					
TOTAL DEBTS BALANCE	2347					
4) Suppliers and Commercial Creditors	2352					
5) Loans and credits received	2353					
6) Other payment obligations	2355					
TOTAL CREDITORS BALANCE (4 + 5 + 6)	2358					

Comments:

IV.- SELECT FINANCIAL INFORMATION

14.- OPERATED RELATED PARTY 2/2

Units: Thousand Euros

EXPENSES AND INCOME		PREVIOUS YEAR				Total
		Relevant shareholders	Administrators and managements	Individuals, companies or entities of the group	Other related parties	
1) Financial expenses	6340					
2) Rent	6343					
3) Reception service	6344					
4) Purchase of goods	6345					
5) Other expenses	6348					
EXPENSES (1+2+3+4+5)	6350					
6) Income financial	6351					
7) Dividends received	6354					
8) Provide service	6356					
9) Sale of assets	6357					
10) Other expenses	6359					
INCOME (6+7+8+9+10)	6360					

OTHER COMMUNICATIONS		PREVIOUS YEAR				Total
		Relevant shareholders	Administrators and managements	Individuals, companies or entities of the group	Other related parties	
Financing agreement credits	6372					
Financing agreement credits	6375					
Warranties and guaranties provided	6381					
Warranties and guaranties received	6382					
Commitments made	6383					
Dividends and other profit distributions	6386	673	1,472			2,145
Other operations	6385					

		CURRENT YEAR				Total
		Relevant shareholders	Administrators and managements	Individuals, companies or entities of the group	Other related parties	
4) Customers and commercial debtors	6341					
5) Loans and credits granted	6342					
6) Other collection rights	6346					
TOTAL DEBTS BALANCE	6347					
4) Suppliers and Commercial Creditors	6352					
5) Loans and credits received	6353					
6) Other payment obligations	6355					
TOTAL CREDITORS BALANCE (4 + 5 + 6)	6358					

Comments:

V.- INTERMEDIATE FINANCIAL STATEMENTS**Content of that Section**

		Individual	Consolidated
Explanatory Notes	2376	x	X
Summary biannual account	2377		
Completed biannual account	2378		
Intermediate financial statements	2379	x	X
Auditor Report	2380		

INTERMEDIATE FINANCIAL STATEMENTS

The consolidated accumulative results the first half of 2021 are stated in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, subject to the new standards, modifications and interpretations in force since the beginning of this fiscal year and that have not had a significant impact. For their part, the results of individual companies are presented in accordance with the accounting principles and valuation standards contained in the General Accounting Plan, approved by Royal Decree 1514/2007, of November 16 and subsequent changes*. In both cases the data are comparative with those of the same period of the previous year.

CONSOLIDATED RESULTS

Despite the exceptionality of the semester, derived from the spread and subsequent outbreaks of COVID-19 in the markets in which the Group operates, the rigorous application of the Group's internal protocols has managed to prevent and minimize risks to people and operations, actions that have allowed the work centres to maintain their activities in the normal course of business and, with this, have fulfilled their commitments with the different interest groups.

The main figures are summarized as follows and compared with the previous year was:

<u>Thousand euros</u>	<u>1st Half 2021</u>	<u>1st Half 2020</u>	<u>Variation %</u>
Net turnover amount	158,180	139,618	13.3
EBITDA ¹	46,388	38,026	22.0
Operating Profit	37,404	29,283	27.7
Profit before tax	37,716	29,536	27.7
Profit after tax	28,872	22,700	27.2
Cash-flow after tax ²	37,855	31,443	20.4

The net turnover consolidated for the first half of the year amounted to EUR 158.2 million, representing an increase EUR 18.6 million to the same period last year.

By business lines, the line of products for the Tobacco Industry increases its sales by 11.0% the same period of last year by EUR 9.7 million by an improvement in volumes and, in particular, product mix.

In the line of Industrial Products sales increased by EUR 7.9 million, representing an increase of 19.8% compared to those obtained in the same period of the previous year. It is worth noting the good evolution of both Terranova and the rest of the range of industrial products, as well as the pulp belonging to this line of business, all despite the volatile evolution of the exchange rate.

In the "Others" line, turnover has been 8.4% higher compared to the previous, recovering part of the decrease in volume due to the impact of the COVID-19 pandemic in the publishing markets and coloured papers.

The sales of the Parent Company in this first half have reached the figure of EUR 94.6 million, with an increase of EUR 8.5 million with respect to the same semester of the previous year as a result of the good evolution of the segments in which it operates.

1. Gross operating income, plus amortization.

2. Profit after taxes plus amortizations.

* RD 1159/2010, of September 17; RD 3029/2016, of December 2; RD1 / 2021 of January 12, in force from the beginning of the fiscal year

The consolidated operating result for the first half of this year was 27.7% higher than in the same period of the previous year. In this way, the Tobacco Industry line has improved the result obtained by EUR 4.9 million and the Industrial Products line has improved its result by EUR 3.2 million, driven by demand and the smooth running of operations. All this despite the impact in the second quarter of the increase in pulp and energy prices, which show a clear upward trend and whose real implications in terms of results will be reflected in the following periods.

The consolidated profit before taxes has been EUR 37.7 million in the first half, EUR 8.2 million higher than the profit obtained in the first half of the previous year, which represents an increase of 27.7%, having presented little significance hyperinflation in Argentina.

For its part, the BDI has reached the figure of EUR 28.9 million, exceeding the result obtained in the previous year by 27.2%. The estimated effective tax rate for the period was 23.45%, slightly higher than that of the first semester of last year.

The Parent Company has obtained until the month of June a profit before tax of EUR 28.9 million, surpassing by 21.9% the one achieved in the same period of the previous year, mainly due to the higher result of the line of the Tobacco Industry described above, as well as favored by the increase in dividends received from the Group's subsidiaries.

CONSOLIDATED BALANCE SHEET

Consolidated balance sheet is stated in accordance with the current International Financial Reporting Standards in force.

The main figures compared to the previous financial year as follows:

<u>Thousand Euros</u>	<u>June 2021</u>	<u>December 2020</u>
Net fix assets ³	172,106	174,697
Working capital requirement ⁴	84,237	77,163
Other Net Assets/Liabilities	(2,086)	(1,561)
Capital employed	254,257	250,299
Equity	(312,445)	(293,627)
Net financial debt ⁵	58,188	43,328

The reduction in net fixed assets in the first semester is mainly caused by the delivery of CO2 rights for financial year 2020 (no new allocations have been received until the balance sheet date) for a value of EUR 2 million. The Group plans to start operating the most relevant investments in the second half of the year.

The increase in NOF by EUR 7.1 million is mainly explained by the temporary increase in the debtors item, the application of the provision for emission rights (EUR 2.5 million) and is partially offset by the decrease in inventories and a slight increase in credit balances.

FINANCIAL SITUATION

The financial situation of the consolidated Group, prepared in accordance with the adopted IFR Standards at the end of the first half, and compared to the previous financial year breaks down as follows:

3. Intangible assets and net tangible assets.

4. Stock more commercial debtors and other accounts receivable and other current assets, less current provisions, commercial creditors and other accounts payable and other current liabilities.

5. Current and non-current financial assets, cash and other equivalent means less debt with current and non-current credit entities.

<u>Thousand Euros</u>	<u>June 2021</u>	<u>December 2020</u>
Long-term financial debt	(57,767)	(49,145)
Short-term financial debt	(5,738)	(18,582)
Cash and and other current financial assets	81,649	78,645
Non-current financial assets	40,044	32,410
Net financial debt⁵	58,188	43,328
Net equity	312,445	293,627
Leverage ratio	n/a	n/s

The net financial debt position to closing the second half, presents a debit balance for EUR 58.2 million, higher than to that of the close of year 2020 in EUR 14.9 million.

Given the uncertainty generated by the international spread of COVID-19 and with the aim of providing the Group with the flexibility and liquidity necessary in the face of the difficult predictability of events, the Group has restructured its debt with credit institutions, increasing its average life and in more favourable conditions. Cash and current similar assets increased by EUR 3.0 million to reach EUR 81.7 million and non-current by EUR 7.6 million, both at the end of the first half of 2021.

The net cash flow during the first half of the year amounted to EUR 37.9 million, exceeding by 20.4% obtained in the same period of the previous year. The cash flow of the parent company stood at EUR 28.6 million, higher than to that of the close of year 2020 in EUR 5.0 million.

The main allocations of the generated funds have been the investment in fixed assets materials and immaterial, for an amount of EUR 8.7 million, the acquisition of own shares for treasury stock, for a value of EUR 4.0 million, the payment of dividends at EUR 3.1 million, the amortization of financial debt for an amount of EUR 4.2 million, as well as changes in the operating needs of funds, less the effect of emission rights, for an amount of EUR 4.6 million. The remaining funds have been allocated to financial investments and liquidity instruments.

STOCK EXCHANGE SITUATION

The main information on share trading during the first half of 2021, was as follows:

Days of trading	126 days
Number of shares traded	2,521,378
Value of shares traded	€ 37,688 thousand
Maximum price	€ 16.52 per share
Minimum price	€ 13.60 per share
Average price	€ 14.94 per share
Final price	€ 16.36 per share

TREASURY STOCK

The Company, in the first half of 2021 and making use of the authorization for the derivative purchase of its own shares granted by the General Shareholders Meeting of June 20, 2018, and the new authorization for a period of 5 years, granted by The General Shareholders' Meeting of June 22, 2021, which annulled the previous authorization, within the framework of the Share Repurchase Program reported to the CNMV on November 27, 2020, has acquired 265,336 shares on the stock market, representing the 0.86% of the share capital (275,120 in the first half of 2020, representing 0.89% of the share capital).

It should be noted that the current stock option plan is in its consolidation phase.

LINKED OPERATIONS

There is no evidence that the Company and the Parent Company have not carried out any significant transactions with their main shareholders during the first half of 2021 that would require disclosure as per EHA 3050/2004 of 15th September.

During that period operations were performed either of the parent company and other companies of the Group and its board members or directors, or with the parties related to them, according to the express manifestation of the same, who must be informed in accordance with the provisions of section 1.a) article 229 of the Capital Companies Act, except dividends paid, the remuneration received by reason of their position as the board members and / or directors, and where appropriate the remuneration related to instruments on financial assets of the parent company.

In the first semester, a shareholder contribution amounting to EUR 3 million was made in the company DESVI, S.A. by two of the Group's shareholders.

That have not been eliminated in the process of preparing the consolidated financial statements other than those that: i) as part of the normal business of the companies or entities in terms of their purpose and conditions, ii) as part of the ordinary business of the company, have been carried out under normal market conditions and are of little relevance, as for example those from whom information is not necessary to express the true and fair view of the financial situation and performance of the Group

ENVIRONMENT INFORMATION

During the first half of 2021, the Group has continued to carry out various actions for the preservation of the environment and to continue ensuring a responsible use of natural resources, developing the circular economy in its production processes.

For its financing, it has applied financial resources amounting to EUR 5.0 million, aimed at reducing the consumption of water, energy as well as the development of the plan for the implementation of photovoltaic technology in the Group.

R&D+I ACTIVITIES

During the first half of 2021, the Group has allocated to R&D+I, resources, amounted to EUR 1.8 million. In this period the activities have continued to focus mainly on the lines of research aimed at obtaining new products and innovation in the productive processes.

INFORMATION ON STAFF

The Group's top priority in the face of the health crisis has been to apply all the measures at its disposal to protect the health and safety of its employees and, in turn, comply with its commitments to customers and suppliers.

The management of the situation is channelled by the governing bodies, who follow the evolution of the pandemic in real time, taking the necessary measures presided over by the attention to the Group's employees. Additionally, they coordinate actions in management matters that preserve the interest of their customers and suppliers and anticipate the actions that ensure supplies and minimize the impacts that the situation is generating. To date, the measures adopted have proven to be effective, preventing the spread of the virus in the workplace and enabling the continuity of operations.

The average workforce in the first half of 2021 amounted to 916 people, a figure slightly higher than that of the same period of 2020. The resources allocated in the period to safety, health and prevention of occupational risks have been EUR 1.0 million and those allocated to the various training programs of EUR 285 thousand, whose amount is slightly higher given the improvement in the health situation compared to the previous period.

MAIN RISKS AND OPPORTUNITIES

The international fields in which the society is operating and most of the companies in the group make that are exposed foreign exchange risk against operational currencies in different markets. The effects of exchange rates of fluctuations from their business operations are partially compensated, by the opposite way monetary flows generated by imports. In addition to that, as the group is a net exporter in aggregate terms, it mitigates the additional risk of fluctuation through the recruitment of financial hedging instruments.

At the same time, the Group's activity is carried out in very diverse markets and costumers that expose it to risks linked from commercial credit. For its control and, where appropriate, minimization, the Group has established and observes a strict internal credit classification policy and, additionally, covers its risks with credit insurance.

The Group, being petitioner energy sources, mainly electricity and gas, is affected by the volatility of commodity prices. For its reduction, the Group allocates a significant part of its investments to technologies aimed at improving productive yields and thereby reducing external energy consumption and dependence, and with it to reduce the consumption and external energy dependence, in addition to trying an effective of supply management of these resources.

The parent company and the majority of its subsidiaries have a solid balance sheet structure that provides them with strength and funding capacity. When it is considered that there is objective evidence that the value of a financial asset is appropriate to be adjusted, the correction is made to values based on the estimates and judgments arising from the information produced by independent third parties.

The continuous effort in research, development and innovation, essential in a global market and competitive, allows the group apply their knowledge to obtain new products and applications from them as well as to have last generation technology, in many cases exclusive, maintaining and increasing the productivity and the production of its range of products ones that can satisfy the highest demands of quality and enabling it to be consistent and to lay the foundations for the growing needs in the future.

The parent company and the Group maintain litigation and contention in the normal course of business. During the period, the economic-administrative claim filed against the liquidation of the corporation tax derived from the inspection procedure, regarding which the Company has filed a contentious-administrative appeal before the National Court, has taken place. No other significant changes have taken place in ongoing litigation and litigation, and consequently no significant amounts have been recorded in the Group's financial statements in this period.

Although the Group has adopted all the measures available to it to minimize the impact of COVID-19 both on its workforce and on operations, there is a risk of outbreaks that could affect both the Group's operational activity and demand. That is why the Group has worked on potential adverse scenarios in the framework of this pandemic and has developed action plans to minimize its impact.

However as noted above, given the unpredictability of the current situation and its future evolution, the Group continues to analyze possible scenarios that could occur, their impacts and the additional measures to adopt.

SUBSEQUENT EVENTS

There is no knowledge that significant additional subsequent events have occurred on the date of issuance of this Report.

PROSPECTS

The Group has achieved good results in the first half of the year, thus confirming the expectations announced in the First Quarter Report, thereby significantly improving the results of the same period of 2020. The shipments accumulated in the previous year accompanied by a higher demand, the gradual application of the price increases for pulps and energy, the proper functioning of operations and the start-up of the investments made, explain the results achieved.

The Group continues to record the increase in the prices of raw materials and in particular of electricity and gas, which, in conjunction with a trend towards moderation in demand and despite commercial policies aimed at recognizing these exogenous factors in prices suggest results in the lower third and fourth quarters.

Based on the results of the first half and despite the lower expectations for the second half of the year that make it necessary to significantly moderate its growth, the Group endorses the prospect of exceeding the results of 2020. However, the intensity of the volatility of the demand, the evolution of the price of raw materials and energy, the effect of the inflationary environment, as well as the unforeseen events that may arise from the evolution of the pandemic, despite the improvement achieved, are factors to take into account due to their possible impact on the immediate future.

EXPLANATORY NOTES

According to the Instructions for completing the general model of half financial report of the CNMV in relation to the Notes to the Interim Financial Statements of Chapter V and paragraph 16 of IAS 34 in force Notes, are described below events and transactions, accordance with the principle of materiality, produced from the date of the last annual report, which are relevant for understanding the changes in financial position, business performance or significant changes in the quantities and comparability with the annual financial statements.

1. BASIS OF PRESENTATION

The Consolidated Intermediate Financial Statements in this included in the first half of 2021, that they have been reviewed and approved by the directors, which have been obtained based on the Company's accounting records and those of its subsidiary companies, have been prepared by the Corporate management in accordance with what is established in the International Accounting Standard 34 "Intermediate Financial Information" and with the principles contained in accounting standards modified with effect from January 1 of 2021.

The amounts contained in these Consolidated Intermediate Financial Statements are expressed, unless otherwise, indicate in thousand Euros. The Euro is the Group's operational and business currency.

The accounting policies, principles and methods used by the Group management in the creation of the Consolidated Intermediate Financial Statements included in this Intermediate Financial Report does not significantly differ from those used in the preparation of the Company's Consolidated Annual Accounts corresponding with the tax year which ended on 31 December 2020 and the amendment of accounting rules has not had a significant impact.

However, this Semi-annual Financial Report does not include the information and breakdown required in the consolidated Annual Accounts, which are exposed and available in the aforementioned Accounts.

2. SEASONALITY

The main activities carried out by the Parent Company and its subsidiary companies do not have a seasonal nature nor are the cycles within the annual economic tax year significantly affect the assets their equity, result or financial situation by the Parent Company and its subsidiary companies.

3. UNUSUAL ENTRIES

During the exercise 2021 there were no unusual items that significantly affect the assets, liabilities, equity, net income or cash flows of the Group-

In particular:

- There has been no significant adjustment of inventories to net realizable value after applying the Group's standard endpoints.
- Regarding the acquisitions and significant disposals of elements of property, plant and equipment, they have been duly collected in the Financial Statements and attached information. Among the first, it is worth highlighting the investments made in the completion of improvements in one of the machines at the Besós plant, the start-up of a new process to reduce waste generation in Mislata, the adaptation of a logistics warehouse for Clariana and the preparation for the future installation of photovoltaic panels in Terranova.
- There have been no significant collections arising from litigation.
- It has not been necessary to make significant corrections of errors from previous exercises.

- In relation to the Group's subsidiary located in Argentina, the corresponding adjustments have been made for inflation in the financial information, in relation with the IARS 29, as a result of the Argentine economy's consideration as hyperinflationary, although in the year the amount of the adjustment has been scarcely significant.

4. ACCOUNTING ESTIMATES.

There have been no changes carried out with significant effects, in the criteria applied, in accounting estimates of items of prior interim periods within the same accounting period or on estimates of amounts presented for prior periods.

5. ISSUANCES, REPURCHASES, AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

During the first half 2021, the Company, using the authorization for the derivative purchase of its own shares granted by the General Shareholders Meeting of June 20 2018, within the framework of The share buy-back program reported to the CNMV on November 27, 2020 and of the special operations that have been duly notified, has acquired 265,336 shares on the stock market, representing 0.86% of the Capital Stock. The amount of the acquisitions amounted to EUR 4.0 million (EUR 3.6 million in the first half of 2020).

Additionally, at the General Shareholders' Meeting of June 22, 2021, the Board of Directors was granted a new authorization for the derivative purchase of the Company's own shares for a period of 5 years, leaving without effect, the unused part of the authorization granted to the Board of Directors by the Ordinary and Extraordinary General Meeting of June 20, 2018.

The stock option plan included in the current staff compensation plan remains in the vesting period.

6. PAYMENT DIVIDENDS

Dividends paid during 2021, in which the month of April was advanced to the month of December 2020, amounted to EUR 3.1 million (EUR 3.3 million in the first half of 2020), resulting in nominal DPA of EUR 0.100 per share effective (during the first half of 2020 was EUROS 0.106) and DPA 0.108 per share (during the first half of 2020 was 0.112 EUROS), following the attribution of the economics rights of the treasury shares in accordance with the provisions of Article 148 of the LSC.

7. SEGMENT INFORMATION

The criteria for identifying operating segments are based on the management information prepared for the decision-taking that, in turn, is based on the organizational structure of the Group. Such organizational structure consists of three lines of business from which the general policies are established and which are as follows:

- Tobacco industry
- Industrial products
- Others

The financial information by operating segments presented for June 2021 is comparable with that of June 2020 in qualifying terms and is detailed in chapter IV, section 11 of the "Selected Financial Information".

8. REMUNERATIONS RECEIVED BY ADMINISTRATORS AND DIRECTORS

In relation to section IV-13 of the Semi-annual Report, it is indicated that the remuneration of the Directors (boxes 2310 to 2320) and those of the Directors (box 2325), include the amount of the remuneration accrued in the period. In this first half the number of the Directors was 10, increasing by 3 compared to the first half of the previous year.

9. EVENTS SUBSEQUENT TO THE CLOSING OF THE INTERIM PERIOD.

There is no knowledge of significant additional subsequent events, that have been produced, as of the date of issuance of this Report, that have not mentioned in this rapport.

10. VARIATIONS IN THE CONSOLIDATION PERIMETRER.

There have been no variations in the scope of consolidation until June 2021.

11. CHANGES IN ASSETS OR LIABILITIES OF CONTINGENT CHARACTER

There have been no changes in contingent assets or liabilities that may have a material effect on the Group's equity, results or financial position that have not been included in this rapport.

12. USE OF ALTERNATIVE PERFORMANCE MEASURES RENDIMIENTO (MARs).

The Company has complied with the ESMA guidelines on MAR (APM) (ESMA/2015/1415 of October 2015) was:

- Release the definitions of each MAR.
- Provide comparative information for each MAR submitted, maintaining the coherence of MARs definitions and calculations over time.

The breakdown of all MARs including their denomination, definition and use is as follows:

NAME	DEFINITION	USE
Non-Current Net fixed assets	Net Property plant and equipment Net Intangible Assets	Information on the accounting balance of these assets including the investments made,
NOF	Inventories (+) Trade and other receivables (+) Other current assets (+) (Current liabilities including provision for CO2 rights) (-) (Trade and other payables) (-) Other current liabilities (-)	To analyse the need for operating funds of current activity
Others Assets/ (Liabilities.) Non-current net	Deferred tax assets (+) Other non-current assets (+) (Other non-current liabilities) (-) (Deferred tax liabilities) (-) (Grants (-)) (Non-Current Provisions (-))	Result of compensation of current balance sheet items that complement the capital employed

NAME	DEFINITION	USE
Net Equity	Equity Capital (+) Value adjustments (+)/(-) Others items for the external sources(-)	Information explain the financing of the net equity employed
Total Net Financial Position	Long term borrowings (-) Short term borrowings (-) Cash and financial investments (+) Long term financial investments (+)	Determination of the Group's net financial position
EBITDA	Operating profit and loss (+) Depreciation and amortization (+) allowance	To analyse the company's ability to generate profit considering solely its productive activity.
CFDI	Profit / (loss) after tax (+) Depreciation and amortization (+)	To know the operational capacity of the company to generate liquidity.

13. ACCOUNTING CONSIDERATIONS AS A CONSEQUENCE OF THE COVID-19 CORONAVIRUS PANDEMIC

The parent company and its subsidiaries have analyzed the possible accounting implications of the pandemic, and to date no significant effect has been detected in the financial information during the first half.

In view of business performance in the first half of 2021 compared to the same period in the previous year, the going concern principle is not considered to be at risk, nor is the Group's ability to meet its obligations. Because of Covid-19, no changes have been made to current rental contracts and there is no workforce restructuring plan. The parent company has maintained the plan planned for the first half of 2021 with regard to dividend payments and does not propose any adjustment to the current share option plan.

The impact of items such as collectability from customers, net realizable value of inventories, investments in Group entities and associates and the recoverability of tax assets has been assessed and, where necessary, the corresponding valuation adjustment has been made.

The continued application of internal protocols has enabled the Group's people and operations to prevent and minimize the risk of COVID-19 spreading. This has enabled the work centers to maintain their activities in compliance with their commitments,

At present, is unknown whether future economic impacts will occur derived from the prevalence of the health crisis, which is why the Group continues to pay special attention to the operational plans, in addition to operational resilience, with ongoing monitoring.