

PERIOD	1ST HALF
YEAR	2020

ANNEX I

GENERAL

1st

SEMESTRAL FINANCIAL INFORMATION TO THE YEAR

2020

CLOSE OF PERIOD DATE

30/06/2020

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 i Puig	Director
Mr. Eusebio Díaz-Morera Puig-Sureda	Director
Mr. Claudio Aranzadi Martínez	Director
Mr. Joaquin Faura Batlle	Director
Joanfra, S.A.	Director

Date of signing of this Interim Financial report for the relevant Board of Directors: 28/09/2020

IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

ASSETS		CURRENT YEAR 30/06/2020	PREVIOUS YEAR 31/12/2019
A) TOTAL NON-CURRENT ASSETS	0040	159,609	156,730
1. Intangible fixed assets	0030	834	759
a) Goodwill	0031		
b) Other intangible assets	0032	834	759
2. Tangible fixed assets	0033	80,730	79,261
3. Investment property	0034		
4. Investments in group companies and associated long-term	0035	43,230	43,262
5. Non-current Financial assets	0036	33,527	32,230
6. Deferred tax assets	0037	1,275	1,218
7. Other non-current assets	0038		
B) CURRENT ASSET	0085	156,622	146,842
1. Non-Current Assets Classified as held for sale	0050		
2. Stocks	0055	40,548	41,971
3. Trade debtors and other accounts receivable	0060	41,320	37,836
a) Customers by sales and services	0061	37,677	37,752
b) Other debtors	0062	3,643	84
c) Current tax asset	0063		
4. Investments in group companies and associated short-term	0064	22,968	23,636
5. Short-term financial investments	0070	44,575	37,358
6. Time Period adjustment a Short-term	0071	2	1
7. Cash and cash equivalent	0072	7,209	6,040
TOTAL ASSETS (A+B)	0100	316,231	303,572

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	PREVIOUS YEAR
		30/06/2020	31/12/2019
A) NET EQUITY	0195	205,326	196,713
A.1) Common Stocks	0180	205,079	196,450
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	148,437	131,816
4. Minus: Own Shares	0174	(25,091)	(21,483)
5. Results of previous year	0178		
6. Other contributions from shareholders	0179		
7. Result of the period	0175	19,214	30,321
8. Minus: Interim dividend	0176		(6,600)
9. Other instruments net equity	0177	479	356
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	247	263
B) NON-CURRENT LIABILITIES	0120	45,884	36,675
1. Long-term provisions	0115	970	970
2. Long-term debt	0116	43,222	34,009
a) Issue of Debentures and Other Marketable Securities	0131	43,222	34,009
b) Other financial liabilities	0132		
3. Debts with group and associated companies in a long-term	0117		
4. Deferred tax liabilities	0118	1,596	1,600
5. Other liabilities	0135		
6. Time Period adjustment a Long-Term	0119	96	96
C) CURRENT LIABILITIES	0130	65,021	70,184
1. Liabilities Directly Associate with Non-Current Assets classified as held for sale	0121		
2. Short-terms Provisions	0122	4,980	557
3. Short-term financial debt	0123	9,274	12,276
a) Borrowing with banks and bonds and other securities	0133	2,891	10,175
b) Other financial liabilities	0134	6,383	2,101
4. Debts with enterprises and associated short-term	0129	26,545	28,329
5. Trade creditors and other accounts payable	0124	24,222	29,022
a) Suppliers	0125	18,597	19,570
b) Other creditors	0126	5,090	8,917
c) Current earning tax liabilities	0127	535	535
6. Other current liabilities	0136		
07. Time period adjustment short-term	0128		
TOTAL NET LIABILITY	0200	316,231	303,572

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 30/06/2020	Accumulated Previous 30/06/2019
(+) Net Turnover	0205			86,158	87,850
(+/-) Variation in stocks of finished goods and work in progress	0206			(977)	306
(+) Work done by the company for its active	0207			301	606
(+) Supplies	0208			(32,466)	(35,973)
(+) Other operating income	0209			2,166	2,161
(+) Personnel costs	0217			(14,609)	(14,373)
(-) Other operating expenses	0210			(18,340)	(19,787)
(-) Depreciation of fixed assets	0211			(4,412)	(4,087)
(+) Imputation of capital grants and others	0212			354	273
(+) Excess of provisions	0213				
(+/-) Result on Disposal or Valuation of Non-Current Assets	0214				
(+/-) Other results	0215				
= OPERATING RESULTS	0245			18,175	16,976
(+) Financial income	0250			5,755	5,610
(-) Financial expenses	0251			(145)	(175)
(+/-) Variation in fair value of financial instruments	0252				
(+/-) Exchange rate differences	0254			(96)	(126)
(+/-) Results on Disposal of Financial Assets	0255				
= FINANCIAL RESULTS	0256			5,514	5,309
= PROFITS BEFORE TAX	0265			23,689	22,285
(+/-) Profit tax expenses	0270			(4,475)	(4,104)
= PROFITS / (LOSS) FOR THE PERIOD OF CONTINUING OPERATIONS	0280			19,214	18,181
(+/-) Result after discontinued Operations Tax (net)	0285				
= PROFIT OF THE YEAR	0300			19,214	18,181

EARNINGS PER SHARE		Amount (X.XX Euros)	Amount (X.XX Euros)	Amount (X.XX Euros)	Amount (X.XX Euros)
Basic	0290			0.65	0.60
Diluted	0295			0.65	0.60

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 30/06/2019
A) PROFIT / LOSS OF FINANCIAL	0305	19,214	18,181
B) INCOME AND EXPENSES CHARGED DIRECTLY TO EQUITY	0310	250	332
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	333	443
4. Actuarial gains and losses an other adjustments	0344		
5. Other income and expenses charged directly to equity	0343		
6. Tax Rate Effect	0345	(83)	(111)
C) TRANSFERS TO THE PROFIT AND LOSS ACCOUNT	0350	(266)	(205)
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)	(273)
4. Other income and expenses charged directly to equity	0365		
5. Tax Rate Effect	0370	88	68
TOTAL INCOME (A+B+C)	0400	19,198	18,308

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	125,256	(21,483)	30,321	356		263	196,713
Adjustments for change in accounting principle	3011								
Adjustments by mistake	3012								
Opening balance adjusted	3015	62,000	125,256	(21,483)	30,321	356		263	196,713
I. Total Income / (expenses)	3020				19,214			(16)	19,198
II. Operations with shareholder	3025		(7,100)	(3,608)					(10,708)
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			(3,608)					(3,608)
5. Increase (Decrease) by business combination	3030								
6. Other operation with shareholders	3032								
III. Other changes in equity	3035		30,321		(30,321)	123			123
1. Payment based in equity instruments	3036					123			123
2. Transfers between items of net equity	3037								
3. Other changes	3038		30,321		(30,321)				
Closing Balance at 30/06/2020	3040	62,000	148,477	(25,091)	19,214	479		247	205,326

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	107,787	(10,339)	30,520	233		219	190,420
Adjustments for change in accounting principle	3051								
Adjustments by mistake	3052								
Opening balance adjusted	3055	62,000	107,787	(10,339)	30,520	233		219	190,420
I.Total Income / (expenses)	3060				18,181			127	18,308
II. Operations with shareholder	3065		(6,750)	(7,260)					(14,010)
1.Increase (Decrease) of capital	3066								
2.Conversion of financial liabilities in net liabilities	3067								
3.Distribution of dividends	3068		(6,750)						(6,750)
4.Operations with company's own shares (net)	3069			(7,260)					(7,260)
5.Increase(Decrease) by business combination	3070								
6.Other operation with shareholders	3072								
III. Other changes in equity	3075		30,515		(30,520)	124			119
1.Payment based in equity instruments	3076					124			124
2.Transfers between items of net equity	3077								
3.Other changes	3078		30,515		(30,520)				(5)
Closing Balance at 31/12/2018	3080	62,000	131,552	(17,599)	18,181	357		346	194,837

Comments:

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

Units: Thousand Euros

		CURRENT YEAR 30/06/2020	PREVIOUS YEAR 30/06/2019
A) CASH FLOWS FROM THE ACTIVITIES OF PROFIT TAX	0435	15,204	13,666
1. Profit before tax	0405	23,689	22,285
2. Adjusts by results	0410	(1,654)	(2,006)
(+) Depreciation of fixed assets	0411	4,298	4,087
(+/-) Others adjustments results	0412	(5,952)	(6,093)
3. Changes in capital flow	0415	416	404
4. Cash Flow	0420	(7,247)	(7,017)
(-) Interest payment	0421	(211)	(207)
(+) Dividend collection	0422		
(+) Interest collection	0423	835	989
(+/-) Payment profit tax	0430	(7,871)	(7,799)
(+/-) Other payment in activities of depreciation and amortization	0425		
B) CASH FLOW FROM INVESTMENT (1+2)	0460	(9,750)	(16,633)
1. Payment for investment	0440	(41,625)	(44,534)
(-) Companies Group, associates and business units	0441	3,866	(362)
(-) Intangible fixed assets and investment property	0442	(5,058)	(7,227)
(-) Other financial assets	0443	(40,433)	(36,945)
(-) Non-current assets and liabilities that have been classified as held for sale	0459		
(-) Other assets	0444		
2. Des-investments by collection	0450	31,875	27,901
(+) Companies Group, associates and business units	0451		
(+) Intangible fixed assets and investment property	0452		
(+) Other financial assets	0453	31,875	27,901
(-) 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	(4,285)	(7,967)
1. Collection and payment for equity instruments	0470	(3,608)	(7,167)
(+) Issue	0471		
(-) Depreciation and amortization	0472		
(-) Acquisition	0473	(3,608)	(7,260)
(+) Disposition	0474		
(+) Grants, donations and bequests received	0475		93
2. Payment for liability instruments	0480	2,269	1,899
(+) Issue	0481	9,213	3,001
(-) Return and redemption	0482	(6,944)	(1,102)
3. Dividend payment and pay other equity instruments	0485	(2,946)	(2,699)
D) EFFECT OF CHANGES IN EXCHANGE RATES	0492		
E) INCREASE/DECREASE IN NET CASH AND EQUIVALENTS	0495	1,169	(10,934)
F) CASH AND EQUIVALENTS AT THE BEGINNING OF THE PERIOD	0499	6,040	16,727
„G) CASH AND EQUIVALENT AT END OF THE PERIOD (E+F)	0500	7,209	5,793

COMPONENTS OF THE CASH AND EQUIVALENT AT THE END OF THE PERIOD		CURRENT YEAR 30/06/2020	PREVIOUS YEAR 30/06/2019
(+) Cash and banks	0550	7,209	5,793
(+) Other financial assets	0552		
(-) Less: bank overdrafts repayable in sight	0553		
CASH AND EQUIVALENT AT END OF THE PERIOD	0600	7,209	5,793

Comments:

IV.- SELECT FINANCIAL INFORMATION
5.- CONSOLIDATED BALANCE SHEET 1/2 (IFRS ADOPTED)

Units: Thousand Euros

ASSETS		CURRENT YEAR 30/06/2020	PREVIOUS YEAR 31/12/2019
A) TOTAL NON-CURRENT ASSETS	1040	219,593	220,759
1. Intangible fixed assets	1030	2,498	2,537
a) Goodwill	1031		
b) Other intangible assets	1032	2,498	2,527
2. Tangible Fixed assets	1033	169,127	167,946
3. Investment property	1034		
4. Investments in group companies and associated long-term	1035		
5. Non-current Financial assets	1036	43,260	45,450
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	11,082	14,435
of which "designated at the initial moment"	1043		
c) at amortized cost	1044	32,178	30,915
6. Non-current Derivative	1039		
a) hedging derivative	1045		
b) Others	1046		
7. Deferred tax assets	1037	2,998	3,043
8. Other non-current assets	1038	1,710	1,783
B) CURRENT ASSET	1085	201,394	183,283
1. Non-Current Assets Classified as held for sale	1050		
2. Stocks	1055	88,425	93,045
3. Trade debtors and other accounts receivable	1060	53,263	42,698
a) Customers by sales and services	1061	53,002	42,460
b) Other debtors	1062	261	238
c) Current tax asset	1063		
4. Non-current Financial assets	1070	44,728	37,366
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	44,728	37,366
5. Non-current Derivative	1076		
c) hedging derivative	1077		
d) Others	1078		
6. Other Current Assets	1075	7,193	3,277
7. Cash and cash equivalent	1072	7,785	6,947
TOTAL ASSETS (A+B)	1100	420,987	404,042

Comments:

V.- SELECT FINANCIAL INFORMATION
5.- CONSOLIDATED BALANCE SHEET 2/2 (IFRS ADOPTED)

Units: Thousand Euros

LIABILITIES AND EQUITY		CURRENT YEAR 30/06/2020	PREVIOUS YEAR 31/12/2019
A) NET EQUITY	1195	288,966	280,580
A.1) Common Stocks	1180	289,218	277,380
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	229,090	203,489
4. Minus: Own shares and equity instruments	1174	(25,091)	(21,483)
5. Results of previous year	1178		
6. Other contributions from shareholders	1179		
7. Equity attributable to results of the Parent	1175	22,700	39,218
8. Minus: Interim dividends	1176		(6,600)
9. Other equity instruments	1177	479	356
A.2) Valuation adjustments	1188	(252)	3,200
1. Items that are not reclassified to the result of the period	1186	(252)	3,200
a) Equity instruments with changes in other comprehensive income	1185	(252)	3,200
b) Others	1190		
2. Items that are reclassified to the result of the period	1187		
a) hedging transactions	1182		
b) conversion differences	1184		
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	288,966	280,580
A.3) MINORITY INTERESTS	1193		
B) NON-CURRENT LIABILITIES	1120	74,207	60,739
1. Grants	1117	1,835	1,351
2. Long-Term provisions	1115	1,079	1,079
3. Long-Term debt	1116	67,468	54,489
a) Issue of Debentures and Other Marketable Securities	1131	67,468	54,489
b) Other financial liabilities	1132		
4. Deferred tax liabilities	1118	2,816	2,811
5. Non-current Derivative	1145		
f) hedging derivative	1146		
g) Others	1147		
6. Current Other liabilities	1135	1,009	1,009
C) CURRENT LIABILITY	1130	57,814	62,723
1. Liabilities Directly Associate with Non-Current Assets classified as held for sale	1121		
2. Short-term provisions	1122	8,631	1,760
3. Short-term financial debt	1123	9,169	15,879
a) Borrowing with banks and bonds and other securities	1133	5,369	15,879
b) Other financial liabilities	1134	3,800	
4. Trade creditors and other accounts payable	1124	31,835	32,734
a) Suppliers	1125	31,536	32,435
c) Other creditors	1126		
c) Current earning tax liabilities	1127	299	299
5. Current Derivative	1145		
h) hedging derivative	1146		
i) Others	1147		
6. Other current liabilities	1136	8,179	12,350
TOTAL LIABILITY AND SHAREHOLDER'S EQUITY (A+B+C)	1200	420,987	404,042

Comments:

IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR 30/06/2020	PREVIOUS YEAR 30/06/2019
(+) Net Turnover	1205			139,618	138,490
(+/-) Variation in stocks of finished goods and work in progress	1206			(4,895)	6,763
(+) Work done by the company for its active	1207			606	1,069
(+) Supplies	1208			(43,596)	(54,597)
(+) Other operating income	1209			1,214	1,358
(+) Personnel costs	1217			(23,617)	(24,253)
(-) Other operating expenses	1210			(32,319)	(35,300)
(-) Depreciation of fixed assets	1211			(8,743)	(8,331)
(+) Imputation of capital grants and others	1212			1,014	944
(+/-) Impairment losses	1214				
(+/-) Result from disposals of fixed asset	1216				
(+/-) Other results	1215				
= OPERATING RESULTS	1245			1	35
(+) Financial income	1250			29,283	26,178
a) Interest income calculated according to the effective interest rate method	1262			718	885
b) Others	1263			518	736
(-) Financial expenses	1251			200	149
(+/-) Variation in fair value of financial instruments	1252			(264)	(388)
(+/-)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			(206)	(692)
(+/-) 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			248	(195)
Other Results / Loss	1253			5	9
= PROFITS BEFORE TAX	1265			29,536	25,992
(+/-) Profit Tax Expenses	1270			(6,836)	(5,924)
= PROFITS / (LOSS) FOR THE PERIOD OF CONTINUING OPERATIONS	1280			22,700	20,068
(+/-) Result after discontinued Operations Tax (net)	1285				
= CONSOLIDATED RESULTS OF YEAR	1288			22,700	20,068
a) Result attributable to the parent entity	1300			22,700	20,068
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			0.77	0.66
Diluted	1295			0.77	0.66

Comments:

IV.- SELECT FINANCIAL INFORMATION

7.- OTHER CONSOLIDATED COMPREHENSIVE RESULT (IFRS ADOPTED)

Units: Thousand Euros

		CURRENT YEAR	PREVIOUS YEAR	CURRENT ACCUMULATED 30/06/2020	PREVIOUS ACCUMULATED 30/06/2019
A) PROFIT/LOSS FOR THE YEAR	1305			22,700	20,068
B) INCOME AND EXPENSES CHARGED DIRECTLY TO EQUITY	1310			(3,453)	(2,939)
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			(3,453)	(2,939)
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			19,247	17,129
a) Attributable to the dominant entity	1398			19,247	17,129
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	197,290	(21,484)	39,218	355	3,201	280,580	
Adjustments for change in accounting principle	3111								
Adjustments by mistake	3112								
Opening balance adjusted	3115	62,000	197,290	(21,484)	39,218	355	3,201	280,580	
Total Income	3120				22,700		(3,453)	19,247	
Operations with shareholder	3125		(7,100)	(3,607)				(10,707)	
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			(3,607)				(3,607)	
Increase/ (Decrease) by business combination	3130								
Other operation with shareholders	3132								
Other changes in equity	3135		38,940		(39,218)	124		(154)	
Payment based in equity instruments	3136								
Transfers between items of net equity	3137								
Other changes	3138		38,940		(39,218)	124		(154)	
Closing Balance 31/12/2016	3140	62,000	229,130	(25,091)	22,700	479	(252)	288,966	

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	173,300	(10,338)	37,277	233	7,433	269,905
Adjustments for change in accounting principle	3151							
Adjustments by mistake	3152							
Opening balance adjusted	3155	62,000	173,300	(10,338)	37,277	233	7,433	269,905
Total Income	3160				20,068		(2,939)	17,129
Operations with shareholder	3165		(6,750)	(7,261)				(14,011)
Increase/(Decrease) of capital	3166							
Conversion of financial liabilities in net liabilities	3167							
Distribution of dividends	3168		(6,750)					(6,750)
Operations with company's own shares (net)	3169			(7,261)				(7,261)
Increase/ (Decrease) by business combination	3170							
Other operation with shareholders	3172							
Other changes in equity	3175		37,749		(37,277)	124		596
Payment based in equity instruments	3176							
Transfers between items of net equity	3177				(37,277)	124		
Other changes	3178		37,749					596
Closing Balance 31/12/2016	3180	62,000	204,299	(17,599)	20,068	357	4,494	273,619

Comments:

IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

		CURRENT YEAR 30/06/2020	PREVIOUS YEAR 30/06/2019
A) CASH FLOWS FROM THE ACTIVITIES OF PROFIT TAX	1435	20,943	17,374
1. Profit before tax	1405	29,536	25,992
2. Adjusts by results	1410	7,488	7,715
(+) Depreciation of fixed assets	1411	8,743	8,523
(+/-) Others adjustments results	1412	(1,255)	(808)
3. Changes in capital flow	1415	(6,514)	(8,475)
4. Cash Flow	1420	(9,567)	(7,858)
(-) Interest payment	1421	(265)	(268)
(+) Dividend payments and pay other equity instruments	1430		
(+) Dividend collection	1422	8	316
(+) Interest collection	1423	604	651
(+/-) Payment / collect profit tax	1424	(7,871)	(7,799)
(+/-) Other payment in activities of depreciation and amortization	1425	(2,043)	(758)
B) CASH FLOW FROM INVESTMENT (1+2)	1460	(16,295)	(18,667)
1. Payment for investment	1440	(45,112)	(46,596)
(-) Companies Group, associates and business units	1441	(5)	(9)
(-) Intangible fixed assets and investment property	1442	(7,850)	(9,633)
(-) Other financial assets	1443	(37,257)	
(-) Other assets	1444		
2. Des-investments by collection	1450	28,817	27,929
(+) Companies Group, associates and business units	1451	41	28
(+) Intangible fixed assets and investment property	1452		
(+) Other financial assets	1453	28,776	27,901
(+) 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	(3,810)	(9,616)
1. Collection and payment for equity instruments	1470	(3,608)	(7,260)
(+) Issue	1471		
(-) Depreciation and amortization	1472		
(-) Acquisition	1473	(3,608)	(7,260)
(+) Disposition	1474		
2. Payment for liability instruments	1480	2,744	271
(+) Issue	1481	12,979	3,122
(-) Return and redemption	1482	(10,235)	(2,851)
3. Dividend payment and pay other equity instruments	1485	(2,946)	(2,699)
4. Other cash-flows in financial activities	1486		72
(-) Interest payment	1487		
(+/-) Others payments /collect in financial activities	1488		72
D) EFFECT OF CHANGES IN EXCHANGE RATES	1492		
E) INCREASE/DECREASE IN NET CASH AND EQUIVALENTS	1495	838	(10,909)
F) CASH AND EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1499	6,947	17,005
G) CASH AND CASH EQUIVALENT AT END OF THE PERIOD (E+F)	1500	7,785	6,096

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	1550	CURRENT YEAR 30/06/2020	PREVIOUS YEAR 30/06/2019
(+) Cash and banks	1550	7,785	6,096
(+) Other financial assets	1552		
(-) Less: bank overdrafts repayable in sight	1553		
CASH AND EQUIVALENT AT END OF THE PERIOD	1600	7,785	6,096

Comments:

IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

		CURRENT YEAR 30/06/2019	PREVIOUS YEAR 30/06/2019
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 30/06/2019	PREVIOUS YEAR 30/06/2018
(+) 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	3,300		0.10	3,100	
Other shares	2159						
TOTAL DIVIDENDS PAY	2160	0.11	3,300		0.10	3,100	
a) dividends from results	2155	0.11	3,300		0.10	3,100	
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	11,598	13,795	14,379	16,483
Export	2215	74,560	74,055	125,239	122,007
a) European Union	2216	28,124	29,065	43,521	46,298
b) Countries: OCDE	2217	14,484	14,717	26,341	26,937
c) Other Countries	2218	13,640	14,348	17,180	19,361
b) Rest	2219	46,436	44,990	81,718	75,709
TOTAL	2220	86,158	87,850	139,618	138,490

Comments:

SEGMENTS		CONSOLIDATED			
		Ordinary income coming from external customers		Results	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Tobacco Industries	2221	88,550	86,451	23,897	21,685
Industrial Products	2222	39,801	39,527	4,423	3,881
Others	2223	11,267	12,512	943	792
	2224				
	2225				
	2226				
	2227				
	2228				
	2229				
	2230				
TOTAL	2235	139,618	138,490	29,263	26,358

Comments:

IV.- SELECT FINANCIAL INFORMATION
12.- PERSONAL AVERAGE

		INDIVIDUAL		CONSOLIDATED	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
AVERAGE WORKFORCE	2295	532	529	904	901
Men	2296	355	354	652	650
Women	2297	177	175	252	251

Comments:

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

Administrators		INDIVIDUAL	
		CURRENT YEAR	PREVIOUS YEAR
Salary / Wages fixed	2310	88	89
Variable Salary	2311	543	539
Expenses	2312		
Statutory attentions	2313		
Compensations	2314		
Operations on actions and financial instruments	2315		
Others	2316	2	2
TOTAL	2320	633	630

MANAGEMENT		INDIVIDUAL	
		CURRENT YEAR	PREVIOUS YEAR
Total remuneration received by management	2325	540	533

Comments:

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	673	1,472			2,145
Other operations	2385					

		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				
		Relevant shareholders	Administrators and managements	Individuals, companies or entities of the group	Other related parties	Total
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				
		Relevant shareholders	Administrators and managements	Individuals, companies or entities of the group	Other related parties	Total
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	691	1,302			1,993
Other operations	6385					

		CURRENT YEAR				
		Relevant shareholders	Administrators and managements	Individuals, companies or entities of the group	Other related parties	Total
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 2020 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. In both cases the data are comparative with those of the same period of the previous year.

CONSOLIDATED RESULTS

The consolidated accumulative results for the first half of 2020 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. In both cases the data are comparative with those of the same period of the previous year.

During the state of alarm due to COVID-19, the activities of the Miquel y Costas Group were considered essential, in accordance with the provisions of Royal Decree 463/2020, of March 14, and consequently, with limited exceptions, have continued to be developed during the health crisis.

The early and rigorous application of the internal protocols has made it possible to prevent and minimize the risks of the spread of the coronavirus for the people and operations of the Group, actions that have allowed the work centres to have maintained their activities and, this, have complied with your commitments within the exceptional situation. However, during the different phases of the state of alarm, some productive assets have been subjected to force majeure contingencies due to the fact that production personnel have been affected by a total territorial confinement decreed by the authorities, which has forced the presentation of ERTE. Additionally, in two centres the annual calendar has been modified, in agreement with the workers' representatives.

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

<u>Thousand euros</u>	<u>1st Half 2020</u>	<u>1st Half 2019</u>	<u>Variation %</u>
Net turnover amount	139,618	138,490	0.8
EBITDA ¹	38,026	34,509	10.2
Operating Profit	29,283	26,178	11.9
Profit before tax	29,536	25,992	13.6
Profit after tax	22,700	20,068	13.1
Cash-flow after tax ²	31,443	28,399	10.7

The net turnover consolidated for the first half of the year amounted to EUR 139.6 million, representing an increase EUR 1.1 million to the same period last year.

By business lines, the line of products for the Tobacco Industry increases its sales by 2.4% the same period of last year by EUR 2.1 million due to the positive evolution of pulp sales corresponding to this line.

In the line of Industrial Products sales increased by EUR 0.3 million, representing an increase of 1.0% compared to those obtained in the same period of the previous year. It should be noted that the Terranova company has performed very well, which has made it possible to compensate for the reduction in the volume of paper for industrial use and pulp in this line of business.

In the "Others" line, turnover has been 9.9% lower compared to the previous period as a result of the impact of the COVID-19 pandemic on demand in the publishing and colored paper markets.

The sales of the Parent Company in this first half have reached the figure of EUR 86.2 million, assuming a slight increase compared to the same half of the previous year, as a result of a greater volume sold.

The consolidated operating result for the first half of this year was 11.9% higher than in the same period of the previous year, reflecting the favorable evolution of pasta and energy prices in all business lines. In this way, the Tobacco Industry line has improved the result obtained by 10.2%. The Industrial Products line, driven by demand and the smooth running of the Terranova operations, improved its results by 14.0%.

The exceptional costs originated with COVID-19 in the first half amount to EUR 98.1 thousand and include, among other concepts, the supply of disinfectants, masks and gloves, tests and various equipment to respond to the new security measures and hygiene defined.

The consolidated profit before taxes has been EUR 29.5 million in the first half, EUR 3.5 million higher than the profit obtained in the first half of the previous year, which represents an increase of 13.6%, having presented little significance hyperinflation in Argentina.

For its part, the BDI has reached the figure of EUR 22.7 million, exceeding the result obtained in the previous year by 13.1%. The estimated effective tax rate for the period was 23.2%, slightly higher than that of the first semester of last year.

The Parent Company has obtained until the month of June a result before tax to EUR 23.7 million, exceeding by 6.3% the one achieved in the same period of the previous year, mainly due to the improvement in the prices of supplies and of energy.

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 2020</u>	<u>December 2019</u>
Net fix assets ³	171.626	170.482
Working capital requirement ⁴	96.436	92.588
Other Net Assets/Liabilities	(1.960)	(1.885)
Capital employed	266.102	261.185
Equity	(288.966)	(280.580)
Net financial debt ⁵	22.864	19.395

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:

<u>Thousand Euros</u>	<u>June 2020</u>	<u>December 2019</u>
Long-term financial debt	(67.468)	(54.489)
Short-term financial debt	(5.369)	(15.879)
Cash and and other current financial assets	52.513	44.313
Non-current financial assets	43.188	45.450
Net financial debt⁵	22.864	19.395
Net equity	288.966	280.580
Leverage ratio	(67.468)	(54.489)

STOCK EXCHANGE SITUATION

The main information on share trading during the first half of 2020, was as follows:

Days of trading	126 days
Number of shares traded	2,931,858
Value of shares traded	€ 38,524 thousand
Maximum price	€ 16.72 per share
Minimum price	€ 10.10 per share
Average price	€ 13.15 per share
Final price	€ 12.76 per share

OTHER INFORMATION

The Company informs that compliance with the commitment adopted by the three main shareholder groups with representation on the Board of Directors has already taken place, to invest a part of the dividend collected in April in the purchase of shares of the Company, ratifying with this their commitment to the project.

TREASURY STOCK

The Company, in the first half of 2020 and making use of the authorization for the derivative purchase of its own shares granted by the General Shareholders Meeting of June 20, 2018, has acquired 275,120 shares on the stock market, which represent 0.89% of the Share Capital (450,334 in the first half of 2019, which representing 1.75% of the share capital) within the framework of the share buyback program reported to the CNMV on January 16, 2020 and of the special operations that have been duly notified.

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 2020 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.

With the exception of the contribution to the capital increase carried out by the company Miquel y Costas Argentina, S.A. by one of the Group's shareholders significant operations between the Group 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 iii) correspond to other diverse operations.

ENVIRONMENT INFORMATION

During the first half of 2020, 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 1.6 million, aimed at reducing the consumption of water, energy and the generation of waste as well as the management of the latter.

R&D+I ACTIVITIES

During the first half of 2020, 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 has been channeled by the Crisis Committee, which was created last March 2 and which follows the evolution of the pandemic in real time, taking the necessary measures presided over by the attention to the Group's employees. Additionally, the aforementioned Committee coordinates actions in management matters that preserve the interest of its customers and suppliers and anticipates 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 2020 amounted to 904 people, a figure slightly higher than that of the same period of 2019. 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 25 thousand, the amount of this last section being lower than in previous periods as a result of the current health situation derived from the pandemic.

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, no other significant changes have taken place in addition to the filing of contentious-administrative appeal against the settlement agreement of the Tax Inspection in relation to Corporation Tax. The Administrators, in agreement with their advisers, continue to maintain that, in accordance with current accounting regulations, the parent company must not record any amount in its consolidated Annual Accounts.

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 managed to achieve good results in the first half of the year, thereby improving those of the previous year in accordance with its forecasts, and maintains its estimate for the coming quarters.

Specifically, the results for the following third quarter will continue to be positive

Therefore, it is expected that the annual result will be in line with growth, depending on the behaviour of the fourth quarter. However, the high degree of demand volatility, the effects that may arise from the evolution of the pandemic and international political uncertainties and their economic repercussions may be factors that affect the results of this exercise.

A longer-term forecast will not be possible to advance until the end of the fourth quarter of the year.

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 2020, 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 (IFRS 3, IAS 39, IAS 1 and IAS 8) with effect from January 1 of 2020.

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 2019 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 2020 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.
- Regarding the acquisitions and significant dispositions of elements of property, it is worth noting the preparation work carried out to improve a machine at the Besós plant and the acquisition of a logistics warehouse for Clariana.
- There have been no significant collections arising from litigation.
- It has not been necessary to make significant corrections of errors from previous periods.
- 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 whose amount has been barely significant.

4. ACCOUNTING ESTIMATES.

There have been no changes carried out with significant effects 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 2020, the Company, using the authorization for the derivative purchase of its own shares granted by the General Shareholders Meeting of June 22, 2016, and o June 20 2018, has acquired 275,120 shares on the stock market, representing 0.89% of the Share Capital. The amount of acquisitions amounted to EUR 3.6 million (EUR 7.3 million in the first half of 2019). In relation with the options plan on current shares, it is in the consolidation period (vesting).

6. PAYMENT DIVIDENDS

Dividends paid during 2020 amounted to EUR 3.3 million (EUR 3.1 million in the first half of 2019), resulting in nominal DPA of EUR 0.106 per share effective (during the first half of 2019 was EUROS 0.100) and DPA 0.112 per share (during the first half of 2019 was 0.104 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 2020 is comparable with that of June 2019 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.

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.

10. VARIATIONS IN THE CONSOLIDATION PERIMETRER.

There have been no variations in the scope of consolidation until June 2020, with the company Clariana, S.A. having being completed the process the merger by absorption of Boncompte-Sierra S.L.U. by Clariana was completed in 2019 through an improper merger process.

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 the interim financial statements.

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
Net fixed assets	Net Property plant and equipment Net Intangible Assets	Information on the position of these assets including the investments made
NOF	Inventories (+) Trade and other receivables (+) Other current assets (+) (Current liabilities) (-) (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) (-)	Result of compensation of current balance sheet items that complement the capital employed
Own resources	Net Equity is understood as such.	Information to explain the financing of the capital 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	To analyse the company's ability to generate profit considering only 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 analysed the possible accounting implications of the pandemic, and to date no significant effect has been detected in the interim financial information.

In view of business performance in the first half of 2020 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. 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 2020 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 realisable 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 early and rigorous application of internal protocols has enabled the Group's people and operations to prevent and minimise the risk of COVID-19 spreading. This has enabled the work centres to maintain their activities in compliance with their commitments within the exceptional situation. During the different phases of the state of alarm, some production assets were subject to force majeure contingencies due to production personnel being affected by total territorial confinement decreed by the authorities, which made it necessary to present ERTE. In addition, the annual calendar has been modified in two centres, in agreement with the workers' representatives.

At present, the future economic impacts of the generalized crisis situation that have occurred are unknown, and the Group is continuously monitoring.