

PERIOD	2ND HALF
YEAR	2020

ANNEX I

GENERAL

2ND

SEMESTRAL FINANCIAL INFORMATION TO THE YEAR

2020

CLOSE OF PERIOD DATE

31/12/2020

I.- IDENTIFYING DATA

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

REGISTERED ADDRESS

Tuset 10, 7^e - 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:

The Observations section of Chapter III of the Report is completed and an error is auctioned in Chapter IV 13

III.- DECLARATION BY OF RESPONSIBLE FOR THE INFORMATION

Comments on the declaration:

The Board of Directors has delegated to the Secretary of the meeting of February 22, 2021 to verify, and where necessary, state that the Semi-Annual Financial Report has been signed by each of the Company's administrators.

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
Joanfra, S.A.	Director
Mr. Francisco Javier Basañez Villaluenga	Director
Mr. Claudio Aranzadi Martinez	Director
Mr. Álvaro de la Serna Corral	Director
Mrs. Marta Lacambra i Puig	Director
Mr. Eusebio Díaz-Morera Puig-Sureda	Director
Mr. Joaquin Coello Brufau	Director
Mr. Jorge Mercader Barata	Vice President
Mr. Joaquin Faura Batlle	Director

Date of signing of this Interim Financial report for the relevant Board of Directors: 22/02/2021

IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

ASSETS		CURRENT YEAR 31/12/2020	PREVIOUS YEAR 31/12/2019
A) TOTAL NON-CURRENT ASSETS	0040	147,978	156,730
1. Intangible fixed assets	0030	765	759
a) Goodwill	0031		
b) Other intangible assets	0032	765	759
2. Tangible fixed assets	0033	82,482	79,261
3. Investment property	0034		
4. Investments in group companies and associated long-term	0035	40,469	43,262
5. Non-current Financial assets	0036	22,955	32,230
6. Deferred tax assets	0037	1,302	1,218
7. Other non-current assets	0038		
B) CURRENT ASSET	0085	171,775	146,842
1. Non-Current Assets Classified as held for sale	0050		
2. Stocks	0055	37,664	41,971
3. Trade debtors and other accounts receivable	0060	34,955	37,836
a) Customers by sales and services	0061	34,838	37,752
b) Other debtors	0062	117	84
c) Current tax asset	0063		
4. Investments in group companies and associated short-term	0064	21,105	23,636
5. Short-term financial investments	0070	70,908	37,358
6. Time Period adjustment a Short-term	0071	2	1
7. Cash and cash equivalent	0072	7,141	6,040
TOTAL ASSETS (A+B)	0100	319,753	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 31/12/2020	PREVIOUS YEAR 31/12/2019
A) NET EQUITY	0195	200,611	196,713
A.1) Common Stocks	0180	200,385	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	148,428	131,816
4. Minus: Own Shares	0174	(30,991)	(21,483)
5. Results of previous year	0178		
6. Other contributions from shareholders	0179		
7. Result of the period	0175	30,629	30,321
8. Minus: Interim dividend	0176	(10,200)	(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	226	263
B) NON-CURRENT LIABILITIES	0120	33,177	36,675
1. Long-term provisions	0115	1,612	970
2. Long-term debt	0116	30,045	34,009
a) Issue of Debentures and Other Marketable Securities	0131	30,045	34,009
b) Other financial liabilities	0132		
3. Debts with group and associated companies in a long-term	0117		
4. Deferred tax liabilities	0118	1,420	1,600
5. Other liabilities	0135		
6. Time Period adjustment a Long-Term	0119	100	96
C) CURRENT LIABILITIES	0130	85,965	70,184
1. Liabilities Directly Associate with Non-Current Assets classified as held for sale	0121		
2. Short-terms Provisions	0122	1,179	557
3. Short-term financial debt	0123	14,864	12,276
a) Borrowing with banks and bonds and other securities	0133	13,385	10,175
b) Other financial liabilities	0134	1,479	2,101
4. Debts with enterprises and associated short-term	0129	40,246	28,329
5. Trade creditors and other accounts payable	0124	29,676	29,022
a) Suppliers	0125	18,251	19,570
b) Other creditors	0126	10,910	8,917
c) Current earning tax liabilities	0127	515	535
6. Other current liabilities	0136		
07. Time period adjustment short-term	0128		
TOTAL NET LIABILITY	0200	319,753	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 31/12/2020	Accumulated Previous 31/12/2019
(+) Net Turnover	0205	82,487	80,916	168,645	168,766
(+/-) Variation in stocks of finished goods and work in progress	0206	(1,270)	3,923	(2,247)	4,229
(+) Work done by the company for its active	0207	335	379	636	984
(+) Supplies	0208	(31,813)	(33,369)	(64,279)	(69,342)
(+) Other operating income	0209	2,639	2,947	4,805	5,108
(+) Personnel costs	0217	(13,375)	(13,326)	(27,984)	(27,699)
(-) Other operating expenses	0210	(19,950)	(21,896)	(38,290)	(41,683)
(-) Depreciation of fixed assets	0211	(4,410)	(4,596)	(8,822)	(8,683)
(+) Imputation of capital grants and others	0212	52	330	406	603
(+) Excess of provisions	0213				
(+/-) Result on Disposal or Valuation of Non-Current Assets	0214				
(+/-) Other results	0215				
= OPERATING RESULTS	0245	14,695	15,308	32,870	32,283
(+) Financial income	0250	1,021	1,500	6,776	7,110
(-) Financial expenses	0251	(340)	(368)	(485)	(543)
(+/-) Variation in fair value of financial instruments	0252				
(+/-) Exchange rate differences	0254	(205)	(112)	(301)	(238)
(+/-) Results on Disposal of Financial Assets	0255				
= FINANCIAL RESULTS	0256	476	1,020	5,990	6,329
= PROFITS BEFORE TAX	0265	15,171	16,328	38,860	38,612
(+/-) Profit tax expenses	0270	(3,756)	(4,187)	(8,231)	(8,291)
= PROFITS / (LOSS) FOR THE PERIOD OF CONTINUING OPERATIONS	0280	11,415	12,141	30,629	30,321
(+/-) Result after discontinued Operations Tax (net)	0285				
= PROFIT OF THE YEAR	0300	11,415	12,141	30,629	30,321

EARNINGS PER SHARE		Amount (X.XX Euros)	Amount (X.XX Euros)	Amount (X.XX Euros)	Amount (X.XX Euros)
Basic	0290	0.39	0.41	1.04	1.01
Diluted	0295	0.39	0.41	1.04	1.01

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 31/12/2020	PREVIOUS YEAR 31/12/2019
A) PROFIT / LOSS OF FINANCIAL	0305	30,629	30,321
B) INCOME AND EXPENSES CHARGED DIRECTLY TO EQUITY	0310	259	594
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	357	662
4. Actuarial gains and losses an other adjustments	0344	(12)	130
5. Other income and expenses charged directly to equity	0343		
6. Tax Rate Effect	0345	(86)	(198)
C) TRANSFERS TO THE PROFIT AND LOSS ACCOUNT	0350	(305)	(452)
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	(406)	(603)
4. Other income and expenses charged directly to equity	0365		
5. Tax Rate Effect	0370	101	151
TOTAL INCOME (A+B+C)	0400	30,583	30,463

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 01/07/2017	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		(9)		30,629			(37)	30,583
II. Operations with shareholder	3025		(17,300)	(9,508)					(26,808)
1. Increase (Decrease) of capital	3026								
2. Conversion of financial liabilities in net liabilities	3027								
3. Distribution of dividends	3028		(17,300)						(17,300)
4. Operations with company's own shares (net)	3029			(9,508)					(9,508)
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								
2. Transfers between items of net equity	3037								
3. Other changes	3038		30,321		(30,321)	123			123
Closing Balance at 31/12/17	3040	62,000	138,268	(30,991)	30,629	479		226	200,611

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		98		30,321			44	30,463
II. Operations with shareholder	3065		(13,350)	(11,144)					(24,494)
1.Increase (Decrease) of capital	3066								
2.Conversion of financial liabilities in net liabilities	3067								
3.Distribution of dividends	3068		(13,350)						13,350)
4.Operations with company's own shares (net)	3069								(11,144)
5.Increase(Decrease) by business combination	3070								
6.Other operation with shareholders	3072								
III. Other changes in equity	3075		30,721		(30,520)	123			324
1.Payment based in equity instruments	3076								
2.Transfers between items of net equity	3077								
3.Other changes	3078		30,721		(30,520)	123			324
Closing Balance at 31/12/2018	3080	62,000	125,256	(21,483)	30,321	356		263	196,713

Comments:

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

Units: Thousand Euros

		CURRENT YEAR 31/12/2020	PREVIOUS YEAR 31/12/2019
A) CASH FLOWS FROM THE ACTIVITIES OF PROFIT TAX	0435	46,520	32,903
1. Profit before tax	0405	38,860	38,612
2. Adjusts by results	0410	4,240	1,723
(+) Depreciation of fixed assets	0411	8,822	8,683
(+/-) Others adjustments results	0412	(4,582)	(6,960)
3. Changes in capital flow	0415	5,465	(4,314)
4. Cash Flow	0420	(2,045)	(3,118)
(-) Interest payment	0421	(497)	(510)
(+) Dividend collection	0422	4,964	4,709
(+) Interest collection	0423	1,812	3,051
(+/-) Payment profit tax	0430	(8,324)	(10,368)
(+/-) Other payment in activities of depreciation and amortization	0425		
B) CASH FLOW FROM INVESTMENT (1+2)	0460	(29,786)	(21,051)
1. Payment for investment	0440	(119,179)	(82,801)
(-) Companies Group, associates and business units	0441	(2,023)	(4,213)
(-) Intangible fixed assets and investment property	0442	(11,166)	(16,866)
(-) Other financial assets	0443	(105,990)	(61,722)
(-) Non-current assets and liabilities that have been classified as held for sale	0459		
(-) Other assets	0444		
2. Des-investments by collection	0450	89,393	61,750
(+) Companies Group, associates and business units	0451	7,347	
(+) Intangible fixed assets and investment property	0452	72	68
(+) Other financial assets	0453	81,924	61,682
(-) 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	(15,633)	(22,539)
1. Collection and payment for equity instruments	0470	(9,508)	(11,047)
(+) Issue	0471		
(-) Depreciation and amortization	0472		
(-) Acquisition	0473	(9,508)	(11,144)
(+) Disposition	0474		
(+) Grants, donations and bequests received	0475		97
2. Payment for liability instruments	0480	11,175	1,858
(+) Issue	0481	31,201	30,555
(-) Return and redemption	0482	(20,026)	(28,697)
3. Dividend payment and pay other equity instruments	0485	(17,300)	(13,350)
D) EFFECT OF CHANGES IN EXCHANGE RATES	0492		
E) INCREASE/DECREASE IN NET CASH AND EQUIVALENTS	0495	1,101	(10,687)
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	7,141	6,040

COMPONENTS OF THE CASH AND EQUIVALENT AT THE END OF THE PERIOD		CURRENT YEAR 31/12/2020	PREVIOUS YEAR 31/12/2019
(+) Cash and banks	0550	7,141	6,040
(+) Other financial assets	0552		
(-) Less: bank overdrafts repayable in sight	0553		
CASH AND EQUIVALENT AT END OF THE PERIOD	0600	7,141	6,040

Comments:

IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

ASSETS		CURRENT YEAR 31/12/2020	PREVIOUS YEAR 31/12/2019
A) TOTAL NON-CURRENT ASSETS	1040	211,937	220,759
1. Intangible fixed assets	1030	3,030	2,537
a) Goodwill	1031		
b) Other intangible assets	1032	3,030	2,537
2. Tangible Fixed assets	1033	171,666	167,946
3. Investment property	1034		
4. Investments in group companies and associated long-term	1035		
5. Non-current Financial assets	1036	32,410	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	10,813	14,535
of which "designated at the initial moment"	1043		
c) at amortized cost	1044	21,597	30,915
6. Non-current Derivative	1039		
a) hedging derivative	1045		
b) Others	1046		
7. Deferred tax assets	1037	3,121	3,043
8. Other non-current assets	1038	1,710	1,783
B) CURRENT ASSET	1085	204,982	183,283
1. Non-Current Assets Classified as held for sale	1050		
2. Stocks	1055	81,565	93,045
3. Trade debtors and other accounts receivable	1060	41,886	42,698
a) Customers by sales and services	1061	41,635	42,460
b) Other debtors	1062	251	238
c) Current tax asset	1063		
4. Non-current Financial assets	1070	70,911	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	70,911	37,366
5. Non-current Derivative	1076		
c) hedging derivative	1077		
d) Others	1078		
6. Other Current Assets	1075	2,885	3,227
7. Cash and cash equivalent	1072	7,735	6,947
TOTAL ASSETS (A+B)	1100	416,919	404,042

Comments:

V.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

LIABILITIES AND EQUITY		CURRENT YEAR 31/12/2020	PREVIOUS YEAR 31/12/2019
A) NET EQUITY	1195	293,627	280,580
A.1) Common Stocks	1180	301,158	282,978
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	234,953	209,840
4. Minus: Own shares and equity instruments	1174	(30,992)	(21,483)
5. Results of previous year	1178		
6. Other contributions from shareholders	1179		
7. Equity attributable to results of the Parent	1175	44,878	39,218
8. Minus: Interim dividends	1176	(10,200)	(6,600)
9. Other equity instruments	1177	479	355
A.2) Valuation adjustments	1188	(7,531)	(2,398)
1. Items that are not reclassified to the result of the period	1186	(1,452)	3,200
a) Equity instruments with changes in other comprehensive income	1185	(1,452)	3,200
b) Others	1190		
2. Items that are reclassified to the result of the period	1187	(6,079)	(5,598)
a) hedging transactions	1182		
b) conversion differences	1184	(6,079)	(5,598)
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	293,627	280,580
A.3) MINORITY INTERESTS	1193		
B) NON-CURRENT LIABILITIES	1120	55,537	60,739
1. Grants	1117	1,042	1,351
2. Long-Term provisions	1115	1,828	1,079
3. Long-Term debt	1116	49,145	54,489
a) Issue of Debentures and Other Marketable Securities	1131	49,145	54,489
b) Other financial liabilities	1132		
4. Deferred tax liabilities	1118	2,520	2,811
5. Non-current Derivative	1145		
f) hedging derivative	1146		
g) Others	1147		
6. Current Other liabilities	1135	1,002	1,009
C) CURRENT LIABILITIES	1130	67,755	62,723
1. Liabilities Directly Associate with Non-Current Assets classified as held for sale	1121		
2. Short-term provisions	1122	3,038	1,760
3. Short-term financial debt	1123	18,582	15,789
a) Borrowing with banks and bonds and other securities	1133	18,582	15,789
b) Other financial liabilities	1134		
4. Trade creditors and other accounts payable	1124	31,750	32,734
a) Suppliers	1125	31,123	32,435
c) Other creditors	1126		
c) Current earning tax liabilities	1127	537	299
5. Current Derivative	1145		
h) hedging derivative	1146		
i) Others	1147		
6. Other current liabilities	1136	14,385	12,350
TOTAL LIABILITY AND SHAREHOLDER'S EQUITY (A+B+C)	1200	416,919	404,042

Comments:

Following the decision of the March 2020 IFRIC hyperinflation agenda, the Group has reclassified the differences by exchange rate, and by inflation adjustment from the reserves heading to the OCI heading. Said reclassification has no impact on the newly consolidated equity for the year.

IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

		CURRENT YEAR	PREVIOUS YEAR	CURRENT ACCUMULATED 31/12/2020	PREVIOUS ACCUMULATED 31/12/2019
(+) Net Turnover	1205	134,533	124,143	274,151	262,633
(+/-) Variation in stocks of finished goods and work in progress	1206	(4,050)	8,898	(8,945)	15,661
(+) Work done by the company for its active	1207	592	601	1,198	1,670
(+) Supplies	1208	(41,598)	(46,760)	(85,194)	(101,357)
(+) Other operating income	1209	1,698	2,669	2,912	4,027
(+) Personnel costs	1217	(21,116)	(20,795)	(44,733)	(45,048)
(-) Other operating expenses	1210	(32,419)	(36,192)	(64,738)	(71,492)
09(-) Depreciation of fixed assets	1211	(9,370)	(9,253)	(18,113)	(17,584)
(+) Imputation of capital grants and others	1212	746	833	1,760	1,777
(+/-) Impairment losses	1214				
(+/-) Result from disposals of fixed asset	1216	1		1	
(+/-) Other results	1215	8	31	9	66
= OPERATING RESULTS	1245	29,025	24,175	58,308	50,353
(+) Financial income	1250	620	1,184	1,338	2,069
a) Interest income calculated according to the effective interest rate method	1262	561	899	1,079	1,635
b) Others	1263	59	285	259	434
(-) Financial expenses	1251	(196)	(172)	(460)	(560)
(+/-) Variation in fair value of financial instruments	1252				
(+/-) 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	(742)	(121)	(948)	(813)
(+/-) 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	(318)	891	(70)	696
Other Results / Loss	1253	19	8	24	17
= PROFITS BEFORE TAX	1265	28,726	25,074	58,262	51,066
(+/-) Profit Tax Expenses	1270	(6,548)	(5,924)	(13,384)	(11,848)
= PROFITS / (LOSS) FOR THE PERIOD OF CONTINUING OPERATIONS	1280	22,178	19,150	44,878	39,218
(+/-) Result after discontinued Operations Tax (net)	1285				
= CONSOLIDATED RESULTS OF YEAR	1288	22,178	19,150	44,878	39,218
a) Result attributable to the parent entity	1300	22,178	19,150	44,878	39,218
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	0.76	0.64	1.53	1.30
Diluted	1295	0.76	0.64	1.53	1.30

Comments:

IV.- SELECT FINANCIAL INFORMATION
7.- OTHER CONSOLIDATED COMPREHENSIVE RESULT (IFRS ADOPTED)

Units: Thousand Euros

		CURRENT YEAR	PREVIOUS YEAR	CURRENT ACCUMULATED	PREVIOUS ACCUMULATED
A) PROFIT/LOSS FOR THE YEAR	1305	22,178	19,150	44,878	39,218
B) INCOME AND EXPENSES CHARGED DIRECTLY TO EQUITY	1310	(1,209)	(1,173)	(4,662)	(4,112)
1. Revaluation of tangible and intangible assets	1311				
2. Actuarial gains and losses and other adjustments	1344	(13)	161	(13)	161
3. Entities rated by the method of participation	1342				
4.	1346	(1,199)	(1,294)	(4,652)	(4,233)
5. Other income and expenses charged directly to equity	1343				
6. Tax Rate Effect	1345	3	(40)	3	(40)
C) OTHER GLOBAL RESULTS - ITEMS THAT CAN BE RECLASSIFIED AFTER THE RESULTS OF THE PERIOD	1350	(481)		(481)	(73)
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	(481)		(481)	(73)
a) Valuation profit / losses	1366	(481)		(481)	(73)
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	20,488	17,977	39,735	35,033
a) Attributable to the dominant entity	1398	20,488	17,977	39,735	35,033
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	202,888	(21,483)	39,218	355	(2,398)	280,580	
Adjustments for change in accounting principle	3111								
Adjustments by mistake	3112								
Opening balance adjusted	3115	62,000	202,888	(21,483)	39,218	355	(2,398)	280,580	
Total Income	3120		(10)		44,878		(5,133)	39,735	
Operations with shareholder	3125		(17,300)	(9,509)				(26,809)	
Increase/(Decrease) of capital	3126								
Conversion of financial liabilities in net liabilities	3127								
Distribution of dividends	3128		(17,300)					(17,300)	
Operations with company's own shares (net)	3129			(9,509)				(9,509)	
Increase/ (Decrease) by business combination	3130								
Other operation with shareholders	3132								
Other changes in equity	3135		39,215		(39,218)	124		121	
Payment based in equity instruments	3136								
Transfers between items of net equity	3137								
Other changes	3138		39,215		(39,218)	124		121	
Closing Balance 31/12/2016	3140	62,000	224,793	(30,992)	44,878	479	(7,531)	293,627	

Comments:

Following the decision of the March 2020 IFRIC hyperinflation agenda, the Group has reclassified the differences by exchange rate, and by inflation adjustment from the reserves heading to the OCI heading. Said reclassification has no impact on the consolidated equity for the year.

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	173,301	(10,339)	37,277	233	7,433		269,905
Adjustments for change in accounting principle	3151		(5,525)				(5,525)		
Adjustments by mistake	3152								
Opening balance adjusted	3155	62,000	178,826	(10,339)	37,277	233	1,908		269,905
Total Income	3160		121		39,218		(4,306)		35,033
Operations with shareholder	3165		(13,350)	(11,144)					(24,494)
Increase/(Decrease) of capital	3166								
Conversion of financial liabilities in net liabilities	3167								
Distribution of dividends	3168		(13,350)						(13,350)
Operations with company's own shares (net)	3169			(11,144)					(11,144)
Increase/ (Decrease) by business combination	3170								
Other operation with shareholders	3172								
Other changes in equity	3175		37,291		(37,277)	122			136
Payment based in equity instruments	3176								
Transfers between items of net equity	3177								
Other changes	3178		37,291		(37,277)	122			136
Closing Balance 31/12/2016	3180	62,000	202,888	(21,483)	39,218	355	(2,398)		280,580

Comments:

Following the decision of the March 2020 IFRIC hyperinflation agenda, the Group has reclassified the differences by exchange rate, and by inflation adjustment from the reserves heading to the OCI heading. Said reclassification has no impact on the consolidated equity for the year.

IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

		CURRENT YEAR 31/12/2020	PREVIOUS YEAR 31/12/2019
A) CASH FLOWS FROM THE ACTIVITIES OF PROFIT TAX	1435	72,887	43,735
1. Profit before tax	1405	58,262	51,066
2. Adjusts by results	1410	19,811	14,750
(+) Depreciation of fixed assets	1411	18,113	17,585
(+/-) Others adjustments results	1412	1,698	(2,834)
3. Changes in capital flow	1415	5,200	(10,337)
4. Cash Flow	1420	(10,386)	(11,744)
(-) Interest payment	1421	(475)	(523)
(+) dividend payments and pay other equity instruments	1430		
(+) Dividend collection	1422	218	403
(+) Interest collection	1423	1,260	2,385
(+/-) Payment / collect profit tax	1424	(11,389)	(13,387)
(+/-) Other payment in activities of depreciation and amortization	1425		(622)
B) CASH FLOW FROM INVESTMENT (1+2)	1460	(42,652)	(25,556)
1. Payment for investment	1440	(124,706)	(88,688)
(-) Companies Group, associates and business units	1441	(25)	(17)
(-) Intangible fixed assets and investment property	1442	(17,760)	(26,942)
(-) Other financial assets	1443	(106,921)	(61,729)
(-) Other assets	1444		
2. Des-investments by collection	1450	82,054	63,132
(+) Companies Group, associates and business units	1451	69	55
(+) Intangible fixed assets and investment property	1452	73	1,456
(+) Other financial assets	1453	81,912	61,621
(+) 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	(29,447)	(28,237)
1. Collection and payment for equity instruments	1470	(9,508)	(11,144)
(+) Issue	1471		
(-) Depreciation and amortization	1472		
(-) Acquisition	1473	(9,508)	(11,144)
(+) Disposition	1474		
2. Payment for liability instruments	1480	(2,626)	(3,855)
(+) Issue	1481	26,476	28,863
(-) Return and redemption	1482	(29,102)	(32,718)
3. Dividend payment and pay other equity instruments	1485	(17,300)	(13,350)
4. Other cash-flows in financial activities	1486	(13)	112
(-) Interest payment	1487		
(+/-) Others payments /collect in financial activities	1488	(13)	112
D) EFFECT OF CHANGES IN EXCHANGE RATES	1492		
E) INCREASE/DECREASE IN NET CASH AND EQUIVALENTS	1495	788	(10,058)
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	7,735	6,947

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 31/12/2020	PREVIOUS YEAR 31/12/2019
(+) Cash and banks	1550	7,735
(+) Other financial assets	1552	6,947
(-) Less: bank overdrafts repayable in sight	1553	
CASH AND EQUIVALENT AT END OF THE PERIOD	1600	7,735

Comments:

IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

		CURRENT YEAR 31/12/2020	PREVIOUS YEAR 31/12/2019
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 31/12/2020	PREVIOUS YEAR 31/12/2019
(+) 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		17,300		13,350		
Other shares	2159						
TOTAL DIVIDENDS PAY	2160		17,300		13,350		
a) dividends from results	2155		17,300		13,350		
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	23,672	26,352	28,615	31,277
Export	2215	144,973	142,414	245,536	231,356
a) European Union	2216	53,587	54,480	83,824	84,382
b) Countries: OCDE	2217	28,257	28,309	51,716	49,414
c) Other Countries	2218	25,330	26,171	32,108	34,968
b) Rest	2219	91,386	87,934	161,712	146,974
TOTAL	2220	168,645	168,766	274,151	262,633

Comments:

SEGMENTS		CONSOLIDATED			
		Ordinary income coming from external customers		Results	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Tobacco Industries	2221	176,616	164,845	46,830	41,840
Industrial Products	2222	79,447	75,631	9,915	7,255
Others	2223	18,088	22,157	1,547	1,507
	2224				
	2225				
	2226				
	2227				
	2228				
	2229				
	2230				
TOTAL	2235	274,151	262,633	58,292	50,602

Comments:

IV.- SELECT FINANCIAL INFORMATION
12.- PERSONAL AVERAGE

		INDIVIDUAL		CONSOLIDATED	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
AVERAGE WORKFORCE	2295	530	528	893	902
Men	2296	347	354	639	652
Women	2297	183	174	254	250

Comments:

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

Administrators		INDIVIDUAL	
		CURRENT YEAR	PREVIOUS YEAR
Salary / Wages fixed	2310	1,531	1,516
Variable Salary	2311	1,086	1,076
Expenses	2312	1,041	898
Statutory attentions	2313		
Compensations	2314		
Operations on actions and financial instruments	2315		
Others	2316	3	3
TOTAL	2320	3,667	3,493

MANAGEMENT		INDIVIDUAL	
		CURRENT YEAR	PREVIOUS YEAR
Total remuneration received by management	2325	1,530	1,475

Comments:

Due to transcription errors, it was reported that the remuneration accrued by the directors in the 2020 financial year amounted to EUR 3,613 thousand when the real figure amounts to EUR 3,667 thousand.

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	3,223	8,412			11,635
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 COMUNICATIONS		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	3,166	5,819			8,985
Other operations	6385				1	1

		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 second 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 except for what is stated in the explanatory notes to the interim financial statements (presentation bases).

CONSOLIDATED RESULTS

In the course of the successive declarations of states of alarm that began with Royal Decree 463/2020 of March 14 due to COVID-19, the activities of the Miquel y Costas Group have been considered essential, consequently, with limited exceptions, the Group has been able to develop its activity during the health crisis.

The early and rigorous application of the internal protocols has help 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.

During the different phases of the first 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 in the Odena basin (Anoia county) confinement decreed by the authorities, which has forced the presentation of ERTE due to force majeure.

After the end of the first state of alarm and as a consequence of the decrease in demand aggravated by the pandemic in the graphic arts and printing markets, a partial lay-off was implemented for economic, productive and organisational reasons, affecting part of the employees at the Mislata and Clariana production centres.

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

<u>Thousand euros</u>	<u>2020</u>	<u>2019</u>	<u>Variation %</u>
Net turnover amount	274,151	262,633	4.4%
EBITDA ¹	76,421	67,937	12.5%
Operating Profit	58,308	50,353	15.8%
Profit before tax	58,262	51,066	14.1%
Profit after tax	44,878	39,218	14.4%
Cash-flow after tax ²	62,991	56,802	10.9%

The net turnover consolidated in the exercise 2020 amounted to EUR 274.2 million, representing an increase EUR 11.5 million to the same period last year.

By business lines, the Tobacco Industry line has increased its sales mainly due to the positive evolution of both paper and pulp sales corresponding to this line. The Industrial Products line also saw growth in sales, with Terranova's good performance in the second half of the year offsetting lower demand for certain speciality papers. Finally, the "Others" line, whose sales performance has been uneven, highlights the decline in coloured papers, especially affected by the impact of the COVID-19 pandemic.

The sales of the Parent Company in this exercise have reached the figure of EUR 168.6 million, in line with those of the previous year.

The consolidated operating result for the first half of this year was 15.8% higher than in the same period of the previous year, reflecting the favourable evolution of pulp and energy prices in all business lines, as well as the reduction in costs derived from the investment program.

In this way, the Tobacco Industry line has improved the result obtained and so has the Industrial Products line, driven by demand and the good performance of the Terranova and MB operations. Despite the decrease in sales mentioned above, thanks to the improvement in costs, the "Others" line has maintained the results of the previous year.

The exceptional expenses originated with especial situation happened with the COVID-19 in the exercise 2020 amount to EUR 275 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 and to respond to the new defined safety and hygiene measures and to some extent the previously mentioned labour measures.

The consolidated profit before taxes has been EUR 58.3 million, EUR 7.2 million higher than the profit obtained during the previous year, which represents an increase of 14.1%, having presented little significance hyperinflation in Argentina.

For its part, the BDI has reached the figure of EUR 44.9 million, exceeding the result obtained in the previous year by 14.4%. The estimated effective tax rate for the period was 23.0%, slightly lower than that of previous exercise (23.2%).

In the Parent Company the result before tax to EUR 30.6 million, exceeding by 1.0% the one achieved in the same period of the previous year, mainly due to the improvement in the prices of supplies and of energy, and as well to the return to the investments.

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>December 2020</u>	<u>December 2019</u>
Net fix assets ³	174,697	170,482
Working capital requirement ⁴	77,163	92,588
Other Net Assets/Liabilities	(1,561)	(1,885)
Capital employed	250,299	261,185
Equity	(293,627)	(280,580)
Net financial debt ⁵	43,328	19,395

The capital employed fell by about EUR 11.0 million, mainly due to the variation in NOF, which is explained especially by the reduction of EUR 11.6 million in raw materials and finished products and by the increase in accounts at pay and current provisions amounting to EUR 2.9 million.

FINANCIAL SITUATION

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

<u>Thousand Euros</u>	<u>December 2020</u>	<u>December 2019</u>
Long-term financial debt	(49,145)	(54,489)
Short-term financial debt	(18,582)	(15,879)
Cash and other current financial assets	78,645	44,313
Non-current financial assets	32,410	45,450
Net financial debt⁵	43,328	19,395
Net equity	293,627	280,580

The net financial debt position to closing the second half, presents a debit balance for EUR 43.3 million, higher than to that of the close of year 2019 in EUR 23.9 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 increased its cash position and current similar assets by EUR 34.3 million, reaching to EUR 78.6 million at the end of the 2020 financial year.

The net cash flow during the second half of the year amounted to EUR 63.0 million, exceeding by 10.9% obtained in the same period of the previous year. The cash flow of the parent company stood at EUR 39.5 million, higher than to that of the close of year 2019 in EUR 0.5 million.

The main allocations of the generated funds have been the investment in fixed assets materials and immaterial, for an amount of EUR 18.5 million, the acquisition of own shares for treasury stock, for a value of EUR 9.5 million, the payment of dividends at EUR 17.3 million, as well as the net position or classified with the previously specified.

STOCK EXCHANGE SITUATION

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

Days of trading	257 days
Number of shares traded	8,328,718
Value of shares traded	€ 106,223 thousand
Maximum price	€ 16.72 per share
Minimum price	€ 10.10 per share
Average price	€ 12.76 per share
Final price	€ 14.72 per share

TREASURY STOCK

The Parent Company, in the exercise 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 725,001 shares on the stock market, which represent 2.34% of the Share Capital within the framework of the share buyback program reported to the CNMV on January 16, and 27 of November to 2020 and of the special operations that have been duly notified.

It should be noted that the current stock option, framed in the personnel remuneration 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 exercise 2020 that would require disclosure as per EHA 3050/2004 of 15th September.

Likewise, in the referred period there is no evidence that relevant operations have been carried out by both the parent company and other companies of the Group and its directors 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 2020, capital increases were carried out in the subsidiaries Miquel y Costas Argentina, S.A. and DESVI, S.A. that have been fully subscribed by companies of the Group that were previously participants.

With the exception of the aforementioned capital increases and the paid dividends, there have been no significant transactions that could give rise to a conflict of interest between the companies of the Group other than those: 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 exercise 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, allocating investments in this area to saving and optimising energy consumption and reducing waste, favouring the development of the circular economy in its productive activity.

For its financing, it has applied financial resources amounting to EUR 8.0 million, aimed at reducing the consumption of water, energy and the generation of waste as well as the management of the latter.

As a result of its commitment to sustainability and the circular economy, in 2020 the Group obtained an A- rating, corresponding to “leadership”, the highest step awarded by the independent body CDP in the CDP Climate Change and CDP Agua categories. The rating is especially important since it is only awarded to 10 Spanish companies according to Europapress, the Group being the only one of its size and industrial activity.

R&D+I ACTIVITIES

During the 2020, the Group has continued its activities and its expansion in R&D+ i, dedicating resources to them amounting to EUR 3.2 million. In this period the activities have continued to focus mainly on the lines of research largely aimed at obtaining new products and technological innovation in the production 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 in their environment and in particular with their commitments to customers and suppliers.

The management of the situation has been channelled by the Crisis Committee, which was created last March two. The Committee 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 2020 amounted to 893 people, in line of the exercise 2019. The resources allocated in the period to safety, health and prevention of occupational risks have been EUR 2.9 million and those allocated to the various training programs have been significantly reduced respect to the previous exercises, 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 sales 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 solvency 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. In 2020 no relevant events have occurred as a result has 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. The events that have taken place from the end of the financial year to the date of issuance of this Report are described in the following section on subsequent events.

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 and work on potential adverse scenarios in the framework of this pandemic and to maintain active the action plans to minimize its impact.

SUBSEQUENT EVENTS

In January 2021, the Provincial Court of Barcelona issued a ruling in the lawsuit against the former Italian distributor Tobacco's Import-Export SPA, confirming the origin of the resolution by Miquel y Costas & Miquel, S.A. of the distribution contract and condemning the Distributor to the corresponding compensation for damages, through the payment of EUR 1,999 thousand . On February 1, the defendant has filed an appeal against the sentence before the Supreme Court and is in the admission process.

There is no knowledge of other significant additional subsequent events corresponding to the period reported on the date of issuance of this Report.

PROSPECTS

The Group's results in the fourth quarter of the year have recognized the returns derived from investments and energy prices better than what was foreseeable, thus consolidating the improvement in results compared to those of that period of the year 2020.

The Group estimates that this trajectory of results will continue in the first quarter of fiscal year 2021, thus exceeding those obtained in the same period of the previous year.

However, as of the second quarter, the increases in the prices of raw materials and energy, as well as the volatility of demand, make it difficult to predict the evolution of the results.

In any case, the expectation of the Group for the year 2021 is to consolidate the results of the year 2020 thanks mainly to the good start in the first months of the year and the performance of the investments made.

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 second 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, IFRS 9, IFRS 7, 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 2020. The modification of accounting standards applied in this year has not had a significant impact. The data are comparative with those of the same period of the previous year, with the exception of the reclassification to fixed assets of certain stocks of finite-life spare parts.

However, the previous information, 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:

- No significant adjustment has been made to inventories to their net realizable value after applying the Group's standard valuation criteria.

- Regarding the acquisitions and significant dispositions 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 to improve a machine and new winding machine at the Besós, improvements in the processes in Mislata, a new dehydration system in Celesa 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 although in the year, the amount of the adjustment has been little 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

In 2020, the Company, making use of the authorization for the derivative purchase of its own shares granted by the General Shareholders' Meeting of June 22, 2016 and June 20, 2018, within the framework of the Programs of repurchase of shares reported to the CNMV on January 16 and November 27, 2020 and of the special operations that have been duly communicated, it has acquired 725,001 shares on the stock market that represent 2.34% of the Capital Share. The amount of the acquisitions amounted to EUR 9.5 million (EUR 11.1 million in 2019). With respect to the plan of stock options framed in the staff compensation plan in force, it remains in the vesting period.

6. PAYMENT DIVIDENDS

The dividends paid in 2020 have been a total of EUR 17.3 million and include the payment of a dividend of extraordinary amount made in the month of December that added the amount of the interim dividend traditionally distributed in the month of April following year (EUR 13.4 million in 2019), which implies a nominal DPA of 0.558 euros per share, and an effective DPA, this is increased by the attribution of the rights of treasury shares in application of the provisions of Article 148 of the LSC, of 0.591 euros per share (0.447 in 2019).

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 the 2020 financial year includes, in accordance with the revised IAS 14, the segments that must be presented separately or that because they share a significant amount of the factors that define the segment are combinable. The aforementioned information is comparable with that of the 2019 financial year in qualifying terms and is detailed in chapter IV "Selected Financial Information", section 11.

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.

It is not known that significant additional events have occurred subsequent to the date of issuance of this Report, except for those that have not been mentioned in the management report.

10. VARIATIONS IN THE CONSOLIDATION PERIMETER.

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 proceeded to analyze the possible accounting implications as a consequence of the pandemic, not detecting to date any effect that should be significantly highlighted in the financial information for the second half of the year.

In view of the evolution of the business in 2020 compared to the same period of the previous year, it is not considered that the going concern principle may be at risk, nor is the Group's ability to meet its obligations. No changes have been made to the rental contracts in force, and there is no workforce restructuring plan for this reason. The parent company has not only maintained its dividend distribution policy throughout 2020, but in the month of December it has advanced the usual payment for April of the following year. The parent company does not propose any adjustment in the stock option plan in force beyond those established by law.

Regarding the valuation of assets and liabilities on the balance sheet, the impact of items such as collectability from customers, the net realizable value of inventories, investments in Group entities and associates or the recoverability of tax assets, proceeding if necessary to provide the corresponding valuation correction, not having detected any case with a significant impact.

The early and rigorous application of internal protocols has made it possible to prevent and minimize the risks of the spread of COVID-19 for the Group's people and operations, a fact that has allowed the work centers to maintain their activities in compliance with your commitments within the exceptional situation. During the different phases of the state of alarm, some productive assets were subjected to force majeure contingencies due to the fact that production personnel affected by them were affected by a total territorial confinement decreed by the authorities, which forced the presentation of ERTE of force majeure.

The worsening and acceleration of the decrease in demand due to the pandemic has led to the processing of ERTE for economic, productive and organizational reasons in some plants.

To date, it is unknown whether future economic impacts will take place derived from the prevalence of the health crisis, which is why the Group continues to pay special attention to business continuity plans, in addition to operational resilience carrying out continuous monitoring.