

<b>PERIOD</b>	<b>1<sup>ST</sup> HALF</b>
<b>YEAR</b>	<b>2019</b>

**ANNEX I**

**GENERAL**

1<sup>st</sup>

**SEMESTRAL FINANCIAL INFORMATION TO THE YEAR**

2019

**CLOSE OF PERIOD DATE**

30/06/2019

**I.- IDENTIFYING DATA**

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

**REGISTERED ADDRESS**

Tuset 10, 7<sup>e</sup> - 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**

<b>Comments on the declaration:</b>	
<b>Person/s who assume or taken responsibility for this information:</b>	
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	
<b>Name/ Corporate Name</b>	<b>Position</b>
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
Mr. Emilio Coco Foriscot	Secretary Non-Director

**Date of signing of this Interim Financial report for the relevant Board of Directors: 17/09/2019**

## IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

ASSETS		CURRENT YEAR 30/06/2019	PREVIOUS YEAR 31/12/2018
<b>A) TOTAL NON-CURRENT ASSETS</b>	<b>0040</b>	163,543	147,708
1. Intangible fixed assets	0030	836	719
a) Goodwill	0031		
b) Other intangible assets	0032	836	719
2. Tangible fixed assets	0033	77,273	71,190
3. Investment property	0034		
4. Investments in group companies and associated long-term	0035	42,236	42,240
5. Non-current Financial assets	0036	41,819	32,211
6. Deferred tax assets	0037	1,379	1,348
7. Other non-current assets	0038		
<b>B) CURRENT ASSET</b>	<b>0085</b>	<b>141,323</b>	<b>152,034</b>
1. Non-Current Assets Classified as held for sale	0050		
2. Stocks	0055	37,908	37,866
3. Trade debtors and other accounts receivable	0060	39,016	40,888
a) Customers by sales and services	0061	35,721	40,307
b) Other debtors	0062	3,295	581
c) Current tax asset	0063		
4. Investments in group companies and associated short-term	0064	22,980	20,276
5. Short-term financial investments	0070	35,624	36,276
6. Time Period adjustment a Short-term	0071	2	1
7. Cash and cash equivalent	0072	5,793	16,727
<b>TOTAL ASSETS (A+B)</b>	<b>0100</b>	<b>304,866</b>	<b>299,742</b>

Comments:

## IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

LIABILITIES AND EQUITY		CURRENT YEAR 30/06/2019	PREVIOUS YEAR 31/12/2018
<b>A) NET EQUITY</b>	<b>0195</b>	194,837	190,420
A.1) Common Stocks	<b>0180</b>	194,491	190,201
1. Capital	<b>0171</b>	62,000	62,000
a) Subscribed capital	<b>0161</b>	62,000	62,000
b) Less: uncalled capital	<b>0162</b>		
2. Share premium	<b>0172</b>	40	40
3. Retained earnings	<b>0173</b>	131,512	113,947
4. Minus: Own Shares	<b>0174</b>	(17,599)	(10,339)
5. Results of previous year	<b>0178</b>		
6. Other contributions from shareholders	<b>0179</b>		
7. Result of the period	<b>0175</b>	18,181	30,520
8. Minus: Interim dividend	<b>0176</b>		(6,200)
9. Other instruments net equity	<b>0177</b>	357	233
<b>A.2) Valuation adjustments</b>	<b>0188</b>		
1. Financial assets available for sale	<b>0181</b>		
2. Hiding Operations	<b>0182</b>		
3. Others	<b>0183</b>		
<b>A.3) Grants, donations and bequests received</b>	<b>0194</b>	346	219
<b>B) NON-CURRENT LIABILITIES</b>	<b>0120</b>	<b>47,066</b>	<b>43,991</b>
1. Long-term provisions	<b>0115</b>	1,781	1,750
2. Long-term debt	<b>0116</b>	43,566	40,565
a) Issue of Debentures and Other Marketable Securities	<b>0131</b>	43,566	40,565
b) Other financial liabilities	<b>0132</b>		
3. Debts with group and associated companies in a long-term	<b>0117</b>		
4. Deferred tax liabilities	<b>0118</b>	1,626	1,584
5. Other liabilities	<b>0135</b>		
6. Time Period adjustment a Long-Term	<b>0119</b>	93	92
<b>C) CURRENT LIABILITIES</b>	<b>0130</b>	<b>62,963</b>	<b>65,331</b>
1. Liabilities Directly Associate with Non-Current Assets classified as held for sale	<b>0121</b>		
2. Short-terms Provisions	<b>0122</b>	4,496	153
3. Short-term financial debt	<b>0123</b>	11,062	5,971
a) Borrowing with banks and bonds and other securities	<b>0133</b>	2,373	3,386
b) Other financial liabilities	<b>0134</b>	8,689	2,585
4. Debts with enterprises and associated short-term	<b>0129</b>	23,820	26,191
5. Trade creditors and other accounts payable	<b>0124</b>	23,585	33,016
a) Suppliers	<b>0125</b>	17,478	24,439
b) Other creditors	<b>0126</b>	5,436	7,906
c) Current earning tax liabilities	<b>0127</b>	671	671
6. Other current liabilities	<b>0136</b>		
07. Time period adjustment short-term	<b>0128</b>		
<b>TOTAL NET LIABILITY</b>	<b>0200</b>	<b>304,866</b>	<b>299,742</b>

Comments:

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

Units: Thousand Euros

		Current Year (2 <sup>on</sup> half)	Previous Year (2 <sup>on</sup> Half)	Accumulated Current 30/06/2019	Accumulated Previous 30/06/2018
(+) Net Turnover	0205			87,850	84,665
(+/-) Variation in stocks of finished goods and work in progress	0206			306	3,571
(+) Work done by the company for its active	0207			606	269
(+) Supplies	0208			(35,973)	(34,072)
(+) Other operating income	0209			2,161	2,097
(+) Personnel costs	0217			14,373	(14,658)
(-) Other operating expenses	0210			(19,787)	(19,599)
(-) Depreciation of fixed assets	0211			(4,087)	(4,066)
(+) Imputation of capital grants and others	0212			273	93
(+) Excess of provisions	0213				
(+/-) Result on Disposal or Valuation of Non-Current Assets	0214				
(+/-) Other results	0215				
<b>= OPERATING RESULTS</b>	0245			16,976	18,300
(+) Financial income	0250			5,610	5,285
(-) Financial expenses	0251			(175)	(447)
(+/-) Variation in fair value of financial instruments	0252				
(+/-) Exchange rate differences	0254			(126)	25
(+/-) Results on Disposal of Financial Assets	0255				(47)
<b>= FINANCIAL RESULTS</b>	0256			5,309	4,816
<b>= PROFITS BEFORE TAX</b>	0265			22,285	23,116
(+/-) Profit tax expenses	0270			(4,104)	(4,529)
<b>= PROFITS / (LOSS) FOR THE PERIOD OF CONTINUING OPERATIONS</b>	0280			18,181	18,587
(+/-) Result after discontinued Operations Tax (net)	0285				
<b>= PROFIT OF THE YEAR</b>	0300			18,181	18,587

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

**Comments:**

Earnings per share data for the previous period have been adjusted for comparative purposes with this year due to the effect of the capital increase of November 2018

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

Units: Thousand Euros

		CURRENT YEAR 30/06/2019	PREVIOUS YEAR 30/06/2018
<b>A) PROFIT / LOSS OF FINANCIAL</b>	<b>0305</b>	18,181	18,587
<b>B) INCOME AND EXPENSES CHARGED DIRECTLY TO EQUITY</b>	<b>0310</b>	332	83
1. Valuation of financial instruments	<b>0320</b>		
a) Financial assets classified as held for sale	<b>0321</b>		
b) Other incomes / expenses	<b>0323</b>		
2. Hedging operations	<b>0330</b>		
3. Grants, donations and bequests received	<b>0340</b>	443	111
4. Actuarial gains and losses an other adjustments	<b>0344</b>		
5. Other income and expenses charged directly to equity	<b>0343</b>		
6. Tax Rate Effect	<b>0345</b>	(111)	(28)
<b>C) TRANSFERS TO THE PROFIT AND LOSS ACCOUNT</b>	<b>0350</b>	(205)	(70)
1. Valuation of financial instruments	<b>0355</b>		
a) Financial assets classified as held for sale	<b>0356</b>		
b) Other / income (expenses)	<b>0358</b>		
2. Hedging operations	<b>0360</b>		
3. Grants, donations and bequests received	<b>0366</b>	(273)	(93)
4. Other income and expenses charged directly to equity	<b>0365</b>		
5. Tax Rate Effect	<b>0370</b>	68	23
<b>TOTAL INCOME (A+B+C)</b>	<b>0400</b>	18,308	18,600

Comments:
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## 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			
<b>OPENING BALANCE AT 01/07/2017</b>	<b>3010</b>	62,000	107,787	(10,339)	30,520	233		219	190,420
Adjustments for change in accounting principle	<b>3011</b>								
Adjustments by mistake	<b>3012</b>							219	190,420
<b>Opening balance adjusted</b>	<b>3015</b>	62,000	107,787	(10,339)	30,520	233		127	18,308
<b>I. Total Income / (expenses)</b>	<b>3020</b>				18,181				(14,010)
<b>II. Operations with shareholder</b>	<b>3025</b>		(6,750)	(7,260)					
1. Increase (Decrease) of capital	<b>3026</b>								
2. Conversion of financial liabilities in net liabilities	<b>3027</b>								
3. Distribution of dividends	<b>3028</b>		(6,750)						(6,750)
4. Operations with company's own shares (net)	<b>3029</b>			(7,260)					(7,260)
5. Increase (Decrease) by business combination	<b>3030</b>								
6. Other operation with shareholders	<b>3032</b>								
<b>III. Other changes in equity</b>	<b>3035</b>		30,515		(30,520)	124			119
1. Payment based in equity instruments	<b>3036</b>								124
2. Transfers between items of net equity	<b>3037</b>					124			
3. Other changes	<b>3038</b>		30,515		(30,520)				(5)
<b>Closing Balance at 31/12/17</b>	<b>3040</b>	62,000	131,552	(17,599)	18,181	357		346	194,837

Comments:



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

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			
<b>OPENING BALANCE AT 01/07/2017</b>	<b>3050</b>	41,300	146,888	(34,909)	31,399	118		222	185,018
Adjustments for change in accounting principle	<b>3051</b>								
Adjustments by mistake	<b>3052</b>								
<b>Opening balance adjusted</b>	<b>3055</b>	41,300	146,888	(34,909)	31,399	118		222	185,018
<b>I.Total Income / (expenses)</b>	<b>3060</b>				18,587			13	18,600
<b>II. Operations with shareholder</b>	<b>3065</b>		(6,500)	(5,222)					(11,722)
1.Increase (Decrease) of capital	<b>3066</b>								
2.Conversion of financial liabilities in net liabilities	<b>3067</b>								
3.Distribution of dividends	<b>3068</b>		(6,500)						(6,500)
4.Operations with company's own shares (net)	<b>3069</b>			(5,222)					(5,222)
5.Increase(Decrease) by business combination	<b>3070</b>								
6.Other operation with shareholders	<b>3072</b>								
<b>III. Other changes in equity</b>	<b>3075</b>		31,399		(31,399)	119			119
1.Payment based in equity instruments	<b>3076</b>					119			119
2.Transfers between items of net equity	<b>3077</b>								
3.Other changes	<b>3078</b>		31,399		(31,399)				
<b>Closing Balance at 31/12/2018</b>	<b>3080</b>	41,300	171,787	(40,131)	18,587	237		235	192,015

Comments:

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

Units: Thousand Euros

		CURRENT YEAR 30/06/2019	PREVIOUS YEAR 30/06/2018
<b>A) CASH FLOWS FROM THE ACTIVITIES OF PROFIT TAX</b>	<b>0435</b>	13,666	12,759
<b>1. Profit before tax</b>	<b>0405</b>	22,285	23,116
<b>2. Adjusts by results</b>	<b>0410</b>	(2,006)	(965)
(+) Depreciation of fixed assets	<b>0411</b>	4,087	4,066
(+/-) Others adjustments results	<b>0412</b>	(6,093)	(5,031)
<b>3. Changes in capital flow</b>	<b>0415</b>	404	(2,686)
<b>4. Cash Flow</b>	<b>0420</b>	(7,017)	(6,706)
(-) Interest payment	<b>0421</b>	(207)	(484)
(+) Dividend collection	<b>0422</b>		
(+) Interest collection	<b>0423</b>	989	1,409
(+/-) Payment profit tax	<b>0430</b>	(7,799)	(7,631)
(+/-) Other payment in activities of depreciation and amortization	<b>0425</b>		
<b>B) CASH FLOW FROM INVESTMENT (1+2)</b>	<b>0460</b>	(16,633)	(5,267)
<b>1. Payment for investment</b>	<b>0440</b>	(44,534)	(27,007)
(-) Companies Group, associates and business units	<b>0441</b>	(362)	(3,625)
(-) Intangible fixed assets and investment property	<b>0442</b>	(7,227)	(4,093)
(-) Other financial assets	<b>0443</b>	(36,945)	(19,289)
(-) Non-current assets and liabilities that have been classified as held for sale	<b>0459</b>		
(-) Other assets	<b>0444</b>		
<b>2. Des-investments by collection</b>	<b>0450</b>	27,901	21,740
(+) Companies Group, associates and business units	<b>0451</b>		
(+) Intangible fixed assets and investment property	<b>0452</b>		
(+) Other financial assets	<b>0453</b>	27,901	21,740
(-) Non-current assets and liabilities that have been classified as held for sale	<b>0461</b>		
(+ Other assets	<b>0454</b>		
<b>C) CASH FLOW USED IN FINANCIAL ACTIVITIES (1+2+3)</b>	<b>0490</b>	(7,967)	(10,169)
<b>1. Collection and payment for equity instruments</b>	<b>0470</b>	(7,167)	(5,222)
(+) Issue	<b>0471</b>		
(-) Depreciation and amortization	<b>0472</b>		
(-) Acquisition	<b>0473</b>	(7,260)	(5,222)
(+) Disposition	<b>0474</b>		
(+) Grants, donations and bequests received	<b>0475</b>	93	
<b>2. Payment for liability instruments</b>	<b>0480</b>	1,899	(2,288)
(+) Issue	<b>0481</b>	3,001	200
(-) Return and redemption	<b>0482</b>	(1,102)	(2,488)
<b>3. Dividend payment and pay other equity instruments</b>	<b>0485</b>	(2,699)	(2,659)
<b>D) EFFECT OF CHANGES IN EXCHANGE RATES</b>	<b>0492</b>		
<b>E) INCREASE/DECREASE IN NET CASH AND EQUIVALENTS</b>	<b>0495</b>	(10,934)	(2,677)
<b>F) CASH AND EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>0499</b>	16,727	9,655
<b>G) CASH AND EQUIVALENT AT END OF THE PERIOD (E+F)</b>	<b>0500</b>	5,793	6,978

		CURRENT YEAR 30/06/2019	PREVIOUS YEAR 30/06/2018
<b>COMPONENTS OF THE CASH AND EQUIVALENT AT THE END OF THE PERIOD</b>			
(+) Cash and banks	<b>0550</b>	5,793	6,978
(+) Other financial assets	<b>0552</b>		
(-) Less: bank overdrafts repayable in sight	<b>0553</b>		
<b>CASH AND EQUIVALENT AT END OF THE PERIOD</b>	<b>0600</b>	5,793	6,978

Comments:

## IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

ASSETS		CURRENT YEAR 30/06/2019	PREVIOUS YEAR 31/12/2018
<b>A) TOTAL NON-CURRENT ASSETS</b>	<b>1040</b>	230,560	216,365
1. Intangible fixed assets	1030	2,707	1,632
a) Goodwill	1031		
b) Other intangible assets	1032	2,707	1,632
2. Tangible Fixed assets	1033	166,216	159,737
3. Investment property	1034		
4. Investments in group companies and associated long-term	1035		
5. Non-current Financial assets	1036	58,072	51,421
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	15,837	18,776
of which "designated at the initial moment"	1043		
c) at amortized cost	1044	42,235	32,645
6. Non-current Derivative	1039		
a) hedging derivative	1045		
b) Others	1046		
7. Deferred tax assets	1037	3,565	3,575
8. Other non-current assets	1038		
<b>B) CURRENT ASSET</b>	<b>1085</b>	182,855	188,660
1. Non-Current Assets Classified as held for sale	1050		
2. Stocks	1055	86,875	82,039
3. Trade debtors and other accounts receivable	1060	47,364	42,279
a) Customers by sales and services	1061	46,922	46,993
b) Other debtors	1062	442	286
c) Current tax asset	1063		
4. Non-current Financial assets	1070	35,639	36,277
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	35,639	36,277
5. Non-current Derivative	1076		
c) hedging derivative	1077		
d) Others	1078		
6. Other Current Assets	1075	6,881	6,060
7. Cash and cash equivalent	1072	6,096	17,005
<b>TOTAL ASSETS (A+B)</b>	<b>1100</b>	413,415	405,025

Comments:

## V.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

LIABILITIES AND EQUITY		CURRENT YEAR 30/06/2019	PREVIOUS YEAR 31/12/2018
<b>A) NET EQUITY</b>	<b>1195</b>	273,619	269,905
A.1) Common Stocks	1180	269,125	262,472
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	204,259	179,460
<b>4. Minus: Own shares and equity instruments</b>	<b>1174</b>	<b>(17,599)</b>	<b>(10,338)</b>
5. Results of previous year	1178		
6. Other contributions from shareholders	1179		
7. Equity attributable to results of the Parent	1175	20,068	37,277
8. Minus: Interim dividends	1176		(6,200)
9. Other equity instruments	1177	357	233
<b>A.2) Valuation adjustments</b>	<b>1188</b>	<b>4,494</b>	<b>7,433</b>
1. Items that are not reclassified to the result of the period	1186	4,494	7,433
a) Equity instruments with changes in other comprehensive income	1185	4,494	7,433
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		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>1189</b>	<b>273,619</b>	<b>269,905</b>
<b>A.3) MINORITY INTERESTS</b>	<b>1193</b>		
<b>B) NON-CURRENT LIABILITIES</b>	<b>1120</b>	<b>77,670</b>	<b>72,796</b>
1. Grants	1117	2,166	1,459
2. Long-Term provisions	1115	1,705	1,705
3. Long-Term debt	1116	69,268	66,145
a) Issue of Debentures and Other Marketable Securities	1131	69,268	66,145
b) Other financial liabilities	1132		
4. Deferred tax liabilities	1118	3,090	3,072
5. Non-current Derivative	1145		
f) hedging derivative	1146		
g) Others	1147		
6. Current Other liabilities	1135	1,441	415
<b>C) CURRENT LIABILITIES</b>	<b>1130</b>	<b>62,126</b>	<b>62,324</b>
1. Liabilities Directly Associate with Non-Current Assets classified as held for sale	1121		
2. Short-term provisions	1122	7,706	1,468
3. Short-term financial debt	1123	10,542	9,541
a) Borrowing with banks and bonds and other securities	1133	6,092	8,741
b) Other financial liabilities	1134	4,450	800
4. Trade creditors and other accounts payable	1124	34,637	40,179
a) Suppliers	1125	33,864	39,406
c) Other creditors	1126		
c) Current earning tax liabilities	1127	773	773
5. Current Derivative	1145		
h) hedging derivative	1146		
i) Others	1147		
6. Other current liabilities	1136	9,241	11,136
<b>TOTAL LIABILITY AND SHAREHOLDER'S EQUITY (A+B+C)</b>	<b>1200</b>	<b>413,415</b>	<b>405,025</b>

Comments:

## IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

		CURRENT YEAR	PREVIOUS YEAR	CURRENT ACCUMULATED 30/06/2019	PREVIOUS ACCUMULATED 30/06/2019
(+) Net Turnover	1205			138,490	125,830
(+/-) Variation in stocks of finished goods and work in progress	1206			6,763	8,793
(+) Work done by the company for its active	1207			1,069	640
(+) Supplies	1208			(54,597)	(49,319)
(+) Other operating income	1209			1,358	1,213
(+) Personnel costs	1217			(24,253)	(22,223)
(-) Other operating expenses	1210			(35,300)	(31,921)
(-) Depreciation of fixed assets	1211			(8,331)	(8,012)
(+) Imputation of capital grants and others	1212			944	278
(+/-) Impairment losses	1214				
(+/-) Result from disposals of fixed asset	1216			35	9
(+/-) Other results	1215				6
<b>= OPERATING RESULTS</b>	<b>1245</b>			<b>26,178</b>	<b>25,294</b>
(+) Financial income	1250			885	1,381
a) Interest income calculated according to the effective interest rate method	1262			736	1,015
b) Others	1263			149	366
(-) Financial expenses	1251			(388)	(618)
(+/-) 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			(692)	(182)
(+/-) Results on Disposal of Financial Assets	1255				15
(+/-) Result from disposals of financial instruments	1257				
a) financial instruments at amortized cost	1260				
b) Others financial instruments	1261				
<b>= FINANCIAL RESULTS</b>	<b>1256</b>			<b>(195)</b>	<b>596</b>
Other Results / Loss	1253			9	6
<b>= PROFITS BEFORE TAX</b>	<b>1265</b>			<b>25,992</b>	<b>25,896</b>
(+/-) Profit Tax Expenses	1270			(5,924)	(6,084)
<b>= PROFITS / (LOSS) FOR THE PERIOD OF CONTINUING OPERATIONS</b>	<b>1280</b>			<b>20,068</b>	<b>19,812</b>
(+/-) Result after discontinued Operations Tax (net)	1285				
<b>= CONSOLIDATED RESULTS OF YEAR</b>	<b>1288</b>			<b>20,068</b>	<b>19,812</b>
a) Result attributable to the parent entity	1300			20,068	19,812
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			0.66	0.64
Diluted	1295			0.66	0.64

## Comments:

Earnings per share data for the previous period have been adjusted for comparative purposes with this year due to the effect of the capital increase of November 2018.

## IV.- SELECT FINANCIAL INFORMATION

## 7.- OTHER CONSOLIDATED COMPREHENSIVE RESULT (IFRS ADOPTED)

Units: Thousand Euros

		CURRENT YEAR	PREVIOUS YEAR	CURRENT ACCUMULATED 30/06/2019	PREVIOUS ACCUMULATED 30/06/2019
<b>A) PROFIT/LOSS FOR THE YEAR</b>	<b>1305</b>			20,068	19,812
<b>B) INCOME AND EXPENSES CHARGED DIRECTLY TO EQUITY</b>	<b>1310</b>			(2,939)	3,816
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			(2,939)	3,816
6. Tax Rate Effect	1345				
<b>C) OTHER GLOBAL RESULTS - ITEMS THAT CAN BE RECLASSIFIED AFTER THE RESULTS OF THE PERIOD</b>	<b>1350</b>				
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				
<b>TOTAL INCOME (A+B+C)</b>	<b>1400</b>			17,129	23,628
a) Attributable to the dominant entity	1398			17,129	23,628
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			
<b>OPENING BALANCE 01/07/2016</b>	<b>3110</b>	62,000	173,300	(10,338)	37,277	233	7,433	269,905	
Adjustments for change in accounting principle	3111								
Adjustments by mistake	3112								
<b>Opening balance adjusted</b>	<b>3115</b>	62,000	173,300	(10,338)	37,277	233	7,433	269,905	
Total Income	3120				20,068		(2,939)	17,129	
Operations with shareholder	3125		(6,750)	(7,261)				(14,011)	
Increase/( Decrease) of capital	3126								
Conversion of financial liabilities in net liabilities	3127								
Distribution of dividends	3128		(6,750)					(6,750)	
Operations with company's own shares (net)	3129			(7,261)				(7,261)	
Increase/ (Decrease) by business combination	3130								
Other operation with shareholders	3132								
Other changes in equity	3135		37,749		(37,277)	124		596	
Payment based in equity instruments	3136								
Transfers between items of net equity	3137								
Other changes	3138		37,749		(37,277)	124		596	
<b>Closing Balance 31/12/2016</b>	<b>3140</b>	62,000	204,299	(17,599)	20,068	357	4,494	273,619	

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			
<b>OPENING BALANCE 01/07/2016</b>	<b>3150</b>	41,300	205,343	(34,909)	37,073	118	5,259	254,184	
Adjustments for change in accounting principle	3151								
Adjustments by mistake	3152								
<b>Opening balance adjusted</b>	<b>3155</b>	41,300	205,343	(34,909)	37,073	118	5,259	254,184	
Total Income	3160				19,812		3,816	23,628	
Operations with shareholder	3165		(6,500)	(5,222)				(11,722)	
Increase/( Decrease) of capital	3166								
Conversion of financial liabilities in net liabilities	3167								
Distribution of dividends	3168		(6,500)					(6,500)	
Operations with company's own shares (net)	3169			(5,222)				(5,222)	
Increase/ (Decrease) by business combination	3170								
Other operation with shareholders	3172								
<b>Other changes in equity</b>	<b>3175</b>		35,801		(37,073)	119		(1,153)	
Payment based in equity instruments	3176					119		119	
Transfers between items of net equity	3177								
Other changes	3178		35,801		(37,073)			(1,272)	
<b>Closing Balance 31/12/2016</b>	<b>3180</b>	41,300	234,644	(40,131)	19,812	237	9,075	264,937	

Comments:



## IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

		CURRENT YEAR 30/06/2019	PREVIOUS YEAR 30/06/2018
<b>A) CASH FLOWS FROM THE ACTIVITIES OF PROFIT TAX</b>	<b>1435</b>	17,374	13,488
<b>1. Profit before tax</b>	<b>1405</b>	25,992	25,896
<b>2. Adjusts by results</b>	<b>1410</b>	7,715	6,740
(+) Depreciation of fixed assets	1411	8,523	7,981
(+/-) Others adjustments results	1412	(808)	(1,241)
<b>3. Changes in capital flow</b>	<b>1415</b>	(8,475)	(12,293)
<b>4. Cash Flow</b>	<b>1420</b>	(7,858)	(6,855)
(-) Interest payment	1421	(268)	(461)
(+)dividend payments and pay other equity instruments	1430		
(+) Dividend collection	1422	316	315
(+) Interest collection	1423	651	922
(+/-) Payment / collect profit tax	1424	(7,799)	(7,631)
(+/-) Other payment in activities of depreciation and amortization	1425	(758)	
<b>B) CASH FLOW FROM INVESTMENT (1+2)</b>	<b>1460</b>	(18,667)	(4,452)
<b>1. Payment for investment</b>	<b>1440</b>	(46,596)	(27,304)
(-) Companies Group, associates and business units	1441	(9)	(6)
(-) Intangible fixed assets and investment property	1442	(9,633)	(7,050)
(-) Other financial assets	1443	(36,954)	(20,248)
(-) Other assets	1444		
<b>2. Des-investments by collection</b>	<b>1450</b>	27,929	22,852
(+) Companies Group, associates and business units	1451	28	28
(+) Intangible fixed assets and investment property	1452		
(+) Other financial assets	1453	27,901	22,824
(+)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		
<b>C) CASH FLOW USED IN FINANCIAL ACTIVITIES (1+2+3)</b>	<b>1490</b>	(9,616)	(11,708)
<b>1. Collection and payment for equity instruments</b>	<b>1470</b>	(7,260)	(5,222)
(+) Issue	1471		
(-) Depreciation and amortization	1472		
(-) Acquisition	1473	(7,260)	(5,222)
(+) Disposition	1474		
<b>2. Payment for liability instruments</b>	<b>1480</b>	271	(3,827)
(+) Issue	1481	3,122	10,933
(-) Return and redemption	1482	(2,851)	(14,760)
<b>3. Dividend payment and pay other equity instruments</b>	<b>1485</b>	(2,699)	(2,659)
4. Other cash-flows in financial activities	1486	72	
(-) Interest payment	1487		
(+/-) Others payments /collect in financial activities	1488	72	
<b>D) EFFECT OF CHANGES IN EXCHANGE RATES</b>	<b>1492</b>		
<b>E) INCREASE/DECREASE IN NET CASH AND EQUIVALENTS</b>	<b>1495</b>	(10,909)	(2,672)
<b>F) CASH AND EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>1499</b>	17,005	9,874
<b>G) CASH AND CASH EQUIVALENT AT END OF THE PERIOD (E+F)</b>	<b>1500</b>	6,096	7,202

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	PREVIOUS YEAR
		30/06/2019	30/06/2018
(+) Cash and banks	1550	6,096	7,202
(+) Other financial assets	1552		
(-) Less: bank overdrafts repayable in sight	1553		
<b>CASH AND EQUIVALENT AT END OF THE PERIOD</b>	<b>1600</b>	<b>6,096</b>	<b>7,202</b>

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 30/06/2018
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>8435</b>		
(+) 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>B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2+3)</b>	<b>8460</b>		
<b>1. Payment for investment</b>	<b>8440</b>		
(-) Companies Group, associates and business units	8441		
(-) Intangible fixed assets and investment property	8442		
(-) Other financial assets	8443		
	8459		
(-) Other assets	8444		
<b>2. Des-investments by collection</b>	<b>8450</b>		
(+) 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		
<b>3. Other streams assets in investing activities</b>	<b>8455</b>		
(+) Dividends collect	8456		
(+) Investments collect	8457		
(+/-) Others payments / collects in activities of investments	8458		
<b>C) CASH FLOW USED IN FINANCIAL ACTIVITIES (1+2+3)</b>	<b>8490</b>		
<b>1. Collection and payment for equity instruments</b>	<b>8470</b>		
(+) Issue	8471		
(-) Depreciation and amortization	8472		
(-) Acquisition	8473		
(+) Disposition	8474		
<b>2. Payment for liability instruments</b>	<b>8480</b>		
(+) Issue	8481		
(-) Return and redemption	8482		
<b>3. Dividend payment and pay other equity instruments</b>	<b>8485</b>		
<b>4. Other cash-flows in financial activities</b>	<b>8486</b>		
(-) Interest payment	8487		
(+/-) Others payments /collect in financial activities	8488		
<b>D) EFFECT OF CHANGES IN EXCHANGE RATES</b>	<b>8492</b>		
<b>E) INCREASE/DECREASE IN NET CASH AND EQUIVALENTS (A+B+C+D)</b>	<b>8495</b>		
<b>F) CASH AND EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>8499</b>		
<b>G) CASH AND CASH EQUIVALENT AT END OF THE PERIOD (E+F)</b>	<b>7500</b>		

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	PREVIOUS YEAR
		30/06/2019	30/06/2018
(+) Cash and banks	8550		
(+) Other financial assets	8552		
(-) Less: bank overdrafts repayable in sight	8553		
<b>CASH AND EQUIVALENT AT END OF THE PERIOD</b>	<b>8600</b>		

Comments:

<b>IV.- SELECT FINANCIAL INFORMATION</b>
<b>10.- PAYMENT DIVIDENDS</b>

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	0.10	3,100		0.16	3,000	
Other shares	2159						
<b>TOTAL DIVIDENDS PAY</b>	<b>2160</b>	0.10	3,100		0.16	3,000	
a) dividends from results	2155	0.10	3,100		0.16	3,000	
b) dividends from premium account	2156						
c) dividends in kind	2157						

**Comments:**

## IV.- SELECT FINANCIAL INFORMATION

## 11.- INFORMATION BY SEGMENT

Units: Thousand Euros

GEOGRAPHICAL AREA		DISTRIBUTION OF NET AMOUNT OF TURNOVER BY GEOGRAPHICAL AREA			
		INDIVIDUAL		CONSOLIDATED	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Domestic Market	2210	13,795	17,062	16,483	20,099
Export	2215	74,055	67,603	122,007	105,731
a) European Union	2216	29,065	14,652	46,298	24,017
b) Countries: OCDE	2217	14,717	7,419	26,937	12,161
c) Other Countries	2218	14,348	7,233	19,361	11,856
b) Rest	2219	44,990	52,951	75,709	81,714
TOTAL	2220	87,850	84,665	138,490	125,830

## Comments:

See explanatory notes in the interim financial statements.

SEGMENTS		CONSOLIDATED			
		Ordinary income coming from external customers		Results	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Tobacco Industries	2221	86,451	80,373	21,685	21,823
Industrial Products	2222	39,527	38,986	3,885	3,018
Others	2223	12,512	6,471	792	704
	2224				
	2225				
	2226				
	2227				
	2228				
	2229				
	2230				
TOTAL	2235	138,490	125,830	26,358	25,545

## Comments:

See explanatory notes in the interim financial statements.

<b>IV.- SELECT FINANCIAL INFORMATION</b>
<b>12.- PERSONAL AVERAGE</b>

		INDIVIDUAL		CONSOLIDATED	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
<b>AVERAGE WORKFORCE</b>	<b>2295</b>	529	519	901	803
<b>Men</b>	<b>2296</b>	354	344	650	564
<b>Women</b>	<b>2297</b>	175	175	251	239

**Comments:**

See Report Management Report for the first half.

<b>IV.- SELECT FINANCIAL INFORMATION</b>
<b>13.- REMUNERATION RECEIVED BY DIRECTORS AND MANAGERS</b>

Administrators		INDIVIDUAL	
		CURRENT YEAR	PREVIOUS YEAR
<b>Salary / Wages fixed</b>	<b>2310</b>	89	89
<b>Variable Salary</b>	<b>2311</b>	539	530
<b>Expenses</b>	<b>2312</b>		
<b>Statutory attentions</b>	<b>2313</b>		
<b>Compensations</b>	<b>2314</b>		
<b>Operations on actions and financial instruments</b>	<b>2315</b>		
<b>Others</b>	<b>2316</b>	2	2
<b>TOTAL</b>	<b>2320</b>	630	621

MANAGEMENT		INDIVIDUAL	
		CURRENT YEAR	PREVIOUS YEAR
<b>Total remuneration received by management</b>	<b>2325</b>	533	900

**Comments:**

See explanatory notes in the interim financial statements.

**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					
<b>EXPENSES (1+2+3+4+5)</b>	<b>2350</b>					
6) Income financial	2351					
7) Dividends received	2354					
8) Provide service	2356					
9) Sale of assets	2357					
10) Other expenses	2359					
<b>INCOME (6+7+8+9+10)</b>	<b>2360</b>					

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	691	1,302			1,993
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					
<b>TOTAL DEBTS BALANCE</b>	<b>2347</b>					
4) Suppliers and Commercial Creditors	2352					
5) Loans and credits received	2353					
6) Other payment obligations	2355					
<b>TOTAL CREDITORS BALANCE (4 + 5 + 6)</b>	<b>2358</b>					

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					
<b>EXPENSES (1+2+3+4+5)</b>	<b>6350</b>					
6) Income financial	6351					
7) Dividends received	6354					
8) Provide service	6356					
9) Sale of assets	6357					
10) Other expenses	6359					
<b>INCOME (6+7+8+9+10)</b>	<b>6360</b>					

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	896	1,211			2,107
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					
<b>TOTAL DEBTS BALANCE</b>	<b>6347</b>					
4) Suppliers and Commercial Creditors	6352					
5) Loans and credits received	6353					
6) Other payment obligations	6355					
<b>TOTAL CREDITORS BALANCE (4 + 5 + 6)</b>	<b>6358</b>					

Comments:

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

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

## INTERMEDIATE FINANCIAL STATEMENTS

The consolidated accumulative results for the first half of 2019 are stated in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and the results of the individual companies have been prepared in accordance with the General Accounting Plan approved by the Royal Decree 1514/2007 of 16<sup>th</sup> November standing out the increase in the scope of consolidation due to the acquisition of Clariana and its subsidiary Boncompte and the hyperinflation treatment of the Argentine subsidiary, for the purposes of comparability with those of the same period of the previous year. It is worth noting the variation in the consolidation perimeter for the acquisition of the company Clariana and its subsidiary Boncompte in the month of July of the previous year and the application for your input, and the hyperinflation treatment of the Argentine subsidiary.

### CONSOLIDATED RESULTS

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

<u>Thousand euros</u>	<u>1<sup>st</sup> Half 2019</u>	<u>1<sup>st</sup> Half 2018</u>	<u>Variation %</u>
Sales	138,490	125,830	10.1
EBITDA <sup>1</sup>	34,509	33,306	3.6
Operating Profit	26,178	25,294	3.5
Profit before tax	25,992	25,896	0.4
Profit after tax	20,068	19,812	1.3
Cash-flow after tax <sup>2</sup>	28,399	27,824	2.1

The net turnover consolidated for the first half of the year amounted to EUR 138,5 million, representing an increase EUR 12.7 million to the same period last year.

By business lines, the line of products for the Tobacco Industry increases its sales by 7.6% which represents an increase of more than 6.1% over the same period of previous year. This increase is mainly explained by the volume of sales accompanied by an improvement in the exchange rate of the euro against the dollar and in the opposite sign by the depreciation of the Argentine peso.

In the line of Industrial Products sales increased by EUR 0.5 million, representing an increase of 1.4% compared to those obtained in the same period of the previous year, with Terranova sales mainly explaining this increase for an improvement in prices. Clariana's contribution to this line in the period has offset the lower amount of sales of special pulps.

In the "Others" line, turnover has been 93.4% higher compared to the previous period as a result of the incorporation of sales of products corresponding to this business line of the Clariana company.

The sales of the Parent Company in this first half have reached the figure of EUR 87.9 million, assuming an increase of 3.8% compared to the same half of the previous year, as a result of a greater volume sold, an increase in prices and a more favourable euro-dollar exchange rate.

The consolidated operating result for the first half of this year was 3.5% higher than in the same period of the previous year, despite having been influenced by the highest price level of pulp and energy. As a result of these costs, the Tobacco Industry line has obtained a lower result of 0.6% compared to the same period of the previous year, while in the Industrial Products line, mainly Terranova its result has improved almost EUR 900 thousand.

The consolidated profit before taxes has been EUR 26.0 million in the first half, higher by EUR 0.1 million than the results obtained in the same period of 2018, which represents an increase of 0.4% although it has been negatively affected by the financial result collected by the hyperinflation treatment in Argentina.

Furthermore, profit after tax totalled EUR 20.1 million, slightly exceeding the result obtained in the previous year by 1.3% despite the aforementioned unfavourable factors.

The effective tax rate estimated for the period has been of the order of 22.8%, lower than that of the first half of the previous year due to the application of the tax deductions in force.

The Parent Company has obtained until the month of June a result before tax to EUR 22.3 million, was slightly below compared to the same period of the previous year due to the increase in the cost of supplies.

## 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 2019</u>	<u>December 2018</u>
Net fix assets <sup>3</sup>	168,923	161,369
Working capital requirement <sup>4</sup>	85,086	81,794
Other Net Assets/Liabilities	(4,837)	(3,076)
<b>Capital employed</b>	<b>249,172</b>	<b>240,087</b>
Equity	273,619	269,905
Net financial debt <sup>5</sup>	(24,447)	(29,818)

The increase in net fixed assets corresponds to the investments made in the period. The variation of the NOF has come mainly from the increase in the stock of inventories, while the rest of the items register non-significant variations with respect to the year-end closing. The variation in other net non-current assets and liabilities includes the recognition of the liability after the entry into force of the new International Financial Reporting Standard (IFRS 16) that establishes the principles applicable to the recognition, valuation and accounting presentation of Leases whose impact does not It is significant.

## 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 2019</u>	<u>December 2018</u>
Long-term financial debt	(69,268)	(66,145)
Short-term financial debt	(6,092)	(8,740)
Cash and and other current financial assets	41,735	53,282
Non-current financial assets	58,072	51,421
<b>Net financial debt<sup>5</sup></b>	<b>24,447</b>	<b>29,818</b>
<b>Net equity</b>	<b>273.619</b>	<b>269.905</b>
<b>Leverage ratio</b>	<b>n/a</b>	<b>n/a</b>

The net financial debt position to closing the first half, presents a debit balance for EUR 24.4 million, lower than to that of the close of year 2018 in EUR 5.4 million.

The net cash flow from operating activities generated in the first half of the year amounted to EUR 28.4 million, exceeding EUR 0.6 million obtained in the same period of the previous year. The cash flow of the Parent Company stood at EUR 22.3 million, such to the obtained in the same period of 2018.

The main allocations of the generated funds have been the investment in fixed assets, for an amount of EUR 11 million, the acquisition of own shares for treasury stock, for a value of EUR 7.3 million, the payment of dividends at EUR 3.1 million and variations in operating capital.

## STOCK EXCHANGE SITUATION

The main information on share trading during the first half of 2019, was as follows:

Days of trading	125 days
Number of shares traded	2,220,351
Value of shares traded	€ 35,811 thousand
Maximum price	€ 17.68 per share
Minimum price	€ 14.82 per share
Average price	€ 16.13 per share
Final price	€ 15.32 per share

## TREASURY STOCK

The Company, in the first half of 2019 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 450,334 shares on the stock market, which represent 1.45% of the Share Capital (153,666 in the first half of 2018, which representing 0.74% of the share capital). The current stock option plan is in the consolidation period (vesting).

## 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 2019 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, 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.

There were no have been produced 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 2019 the Group has continued its actions for the preservation of the environment and responsible use of natural resources.

For its financing, it has applied financial resources for an amount of EUR 1.7 million, aimed at reducing water consumption, energy and waste handling.

## **R&D+I ACTIVITIES**

During the first half of 2019, the Group has allocated to R&D+I, resources, amounted to EUR 1.4 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 average workforce in the first half of 2019 amounts to 901 people. A substantial part of the increase over the same period of 2018 corresponds to Clariana personnel acquired at the beginning of the second half of that year. The resources allocated in the period to safety, health and prevention of occupational hazards have been EUR 710 thousand those allocated to the various training programs EUR 100 thousand.

## **MAIN RISKS AND OPPORTUNITIES**

The international field in which the society is operating and most of the companies in the group makes that are exposed foreign exchange risk Against operational currencies in different markets. The effects of exchange rates of fluctuations from their business operations are to some extent cushioned 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 that expose it to risks linked from commercial credit. For its control and, if necessary, minimization, the Group has established and observes a strict internal credit policy and, in addition, protects its debts with credit insurance contracts.

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 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 disputes in the normal course of business. The most important change since the last published information has occurred in the process of the Parent Company with the previous commercial distributor in Italy, in which the Court of First Instance has issued a judgment partially estimating the demand of the Parent Company. Subsequently, the Company has submitted a written response to the appeal filed by the opposing party against the judgment in the First Instance. The Directors, in accordance with their advisers, continue to maintain that, in accordance with current accounting regulations, the Parent Company should not record any amount in its consolidated financial statements.

## **SUBSEQUENT EVENTS**

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

## **PROSPECTS**

The Group estimates that the uncertainties in the economic environment that originate in trade tensions between the United States and China and Brexit, among other international factors and nations, may be the cause of growing market volatility. Also, the political and economic situation in Argentina is adverse, so the effects of hyperinflation will continue to have an accounting impact on the consolidated results.

Despite the uncertainties contained in this framework, the Group maintains its forecast of moderate growth in results for this year, supported by the investments made in some of the manufacturing plants, as well as by other factors such as the moderation of the prices of the pulp and a possible evolution of the exchange rates in particular of the US dollar, favoring exports.

## **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 2019, 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 IFRS 9 and IFRS 15, as well as IFRS16 in force since the beginning of the year.

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 2018. 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 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 2019 there were no unusual items that significantly affect the assets, liabilities, equity, net income or cash flows of the Group although it should be noted that some items are affected, on the one hand, by the treatment of Argentina as a hyperinflationary economy and consequent application of IAS 29, which has meant that with an inflation of 22.4% in the first half of 2019, the result before taxes in pesos before the indicated treatment was 18.6 million pesos (EUR 0.4 million) and instead, after its application the result is 3.0 million pesos of loss (EUR 0.06 million) and, on the other, by the incorporation of the consolidated perimeter of the Society Clariana.

In particular:

- There has been no significant adjustment of inventories to net realizable value.
- Regarding the acquisitions and significant dispositions of elements of property, plant and equipment, it is worth highlighting those carried out at the Mislata plant.
- There have been no significant payments 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, as indicated above, the corresponding adjustments have been made for inflation in the financial information as a result of the Argentine economy's consideration as hyperinflationary.

#### **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.

In relation to IFRS 16, whose application is reported in the previous Note 1, its impact has been evaluated and the resulting values are not significant.

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

During the first half 2019, the Company, using the authorization for the derivative purchase of its own shares granted by the General Shareholders Meeting of June 20, 2018, has acquired 450,334 shares on the stock market, representing 1.45% of the Share Capital. The amount of acquisitions amounted to EUR 7.3 million (EUR 5.2 million in the first half of 2018). In relation with the options plan on current shares, it is in the consolidation period (vesting).

#### **6. PAYMENT DIVIDENDS**

Dividends paid during 2019 amounted to EUR 3.1 million (EUR 3.0 million in the first half of 2018), resulting in nominal DPA of EUR 0.100 per share effective (during the first half of 2018 was EUROS 0.091) and DPA 0.103 per share (during the first half of 2018 was 0.096 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 2019 is comparable with that of June 2018 in qualifying terms and is detailed in chapter IV, section 11 of the "Selected Financial Information", although it includes the derived quantities of the incorporation of the Clariana Company.

#### **8. REMUNERATIONS RECEIVED BY ADMINISTRATORS AND DIRECTORS**

In relation to section IV-13 of the Semi-annual Report, it is indicated that the remuneration of the Directors (boxes 2310 to 2320) and those of the Directors (box 2325), include the amount of the remuneration accrued in the period.

In relation to the Director's (box 2325 of the Semi-annual Report), the amount of the total remunerations corresponding to the previous exercise, exceptionally included compensation.

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

There is no knowledge of significant additional subsequent events as of the date of issuance of this Semiannual Report.

**10. VARIATIONS IN THE CONSOLIDATION PERIMETER.**

There have been no variations in the scope of consolidation until June 2019, with the company Clariana, S.A. being incorporated into the consolidation scope of the Group during 2018 and its subsidiary Boncompte-Sierra S.L.U.

The merger by absorption of this company by Clariana, S.A. is in process 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 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

NAME	DEFINITION	USE
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.