

Press Release

THE BOARD OF DIRECTORS OF PIOVAN S.P.A. APPROVES THE HALF-YEAR CONSOLIDATED FINANCIAL REPORT AS OF JUNE 30, 2020 AND CALLS A SHAREHOLDERS' MEETING FOR PROPOSING THE ALLOCATION OF AN EXTRAORDINARY DIVIDEND AND THE APPOINTMENT OF THE DIRECTOR MARIO CESARI (PREVIOUSLY CO-OPTATED BY THE BOD)

The Board of Directors of Piovan S.p.A. today approved the Half-Year Consolidated Financial Report as of June 30, 2020:

- **Consolidated revenue of € 102.6 million, contracting 13.6% from € 118.8 on June 30, 2019 (-12.8% at like-for-like exchange rates);**
- **EBITDA of € 13.1 million (12.8% margin), contracting 11.9% from € 14.9 million on June 30, 2019;**
- **Consolidated Operating Profit (EBIT) of € 10.3 million (10.1% margin), - 15.9% compared to € 12.3 million on June 30, 2019;**
- **Consolidated Net Profit of € 7.2 million (7.0% margin), compared to € 8.6 million on June 30, 2019;**
- **Pre-IFRS 16 Consolidated Net Financial Position of € 5.0 million, improving by € 14.3 million on June 30, 2019;**
- **Proposal of an extraordinary dividend per share of € 0.11.**

Santa Maria di Sala (Venice), September 10, 2020 – The Board of Directors of Piovan S.p.A. ("Piovan" or the "Company") today reviewed and approved the Half-Year Consolidated Financial Report as of June 30, 2020.

"We are moderately satisfied with the results achieved by the Group in the first half of the year influenced by the effects of the Covid 19 pandemic. Against a contained contraction in revenues, margins held up excellently and above all, working capital confirmed to be positively managed, which contributed to improve the Group's equity and financial structure. In view of the above, we have considered proposing the distribution of an extraordinary dividend from the Company's earnings reserves" declared Nicola Piovan, Executive Chairman. "In this complicated context, the Group has demonstrated good resilience even in the most difficult times, largely because of a good geographical diversification and its presence in countercyclical sectors, such as medical and food packaging. Even in difficult times like this, the Group has invested heavily in new technologies for the recycling of food-use plastics, filing 8 patents in 2020 alone; these patents will allow the Group to seize the opportunities of this new market and strengthen its global leadership in the circular economy sector" adds Filippo Zuppichin, Chief Executive Officer.

Piovan S.p.A.

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The key financial highlights of the Half-Year Consolidated Financial Report as of June 30, 2020 follow:

(amounts in €'000)	Half-year ended 30 June				Changes	
	2020	% on total revenues and other income	2019	% on total revenues and other income	2020 vs 2019	%
Revenue	100,643	98.1%	116,439	98.0%	(15,796)	(13.6%)
Other revenue and income	1,953	1.9%	2,325	2.0%	(372)	(16.0%)
TOTAL REVENUE AND OTHER INCOME	102,596	100.0%	118,764	100.0%	(16,168)	(13.6%)
EBITDA	13,088	12.8%	14,853	12.5%	(1,765)	(11.9%)
OPERATING PROFIT	10,338	10.1%	12,287	10.3%	(1,949)	(15.9%)
PROFIT BEFORE TAXES	10,232	10.0%	11,944	10.1%	(1,712)	(14.3%)
Income taxes	3,006	2.9%	3,358	2.8%	(352)	(10.5%)
NET PROFIT	7,226	7.0%	8,586	7.2%	(1,360)	(15.8%)

There are no non-recurring amounts in the first half of 2020. The comparative figures at June 30, 2019 were stated at their total amounts. We highlight however that they included non-recurring costs for a total of Euro 230 thousand.

Revenue overview

Consolidated revenue (and other income)

Piovan Group reports **revenue and other income** of € 102.6 million in the first half of 2020, reducing by 13.6% from € 118.8 million in the first half of 2019.

In terms of **revenue** only, in the first half of 2020, Piovan Group revenue was € 100.6 million, reducing by 13.6% on € 116.4 million in the first half of 2019.

Revenue calculated on a like-for-like basis (i.e. at the first half of 2019 average exchange rate) would have been Euro 853 thousand higher at Euro 101,496 thousand and a decrease of approx. 12.8% on the first half of 2019. Revenue was in fact mainly impacted by a negative effect from Brazilian Real movements.

Revenue by Business Segment

	First half 2020	Restated First half 2020	First half 2019	Change	% Change
<i>Plastic</i>	80,420	92,775	95,409	-12,355	-13.3%
<i>Food & non plastic</i>	7,469	9,614	6,979	-2,145	-22.3%
<i>Services</i>	12,754	14,050	14,050	-1,296	-9.2%
Revenue	100,643	116,439	116,439	-15,796	-13.6%

*the restated column incorporates the reclassification of a Plastic order to Food & non plastic, made for the 2019 half-year report.

Revenue by market indicates:

- Plastic Systems revenue in the first half of 2020 decreased compared to the same period of the previous year. This was substantially as a result of the restrictions imposed initially in China and thereafter in Europe to fight the COVID-19 outbreak, which delayed the delivery and installation of a number of orders.
- Food & non plastic system revenue in the first half of 2020 contracted, substantially due to the reasons outlined in terms of the Plastics area. The order backlog at June 30, 2020 however indicates a recovery for the sector in the second half of the year, where permitted by the restrictions required by COVID-19 which may be applied over the coming months.
- Services in H1 2020 reported revenue of Euro 12,754 thousand, decreasing Euro 1,296 thousand on the same period of the previous year (-9.2%). Again in this case, the contraction is due to the mobility restrictions imposed across various countries to fight the pandemic outbreak, which did not permit for the normal provision of post-sale services to customers.

Revenue by region

	First half 2020	First half 2019	Change	% Change
EMEA	61,444	72,771	-11,327	-15.6%
ASIA	12,967	14,796	-1,829	-12.4%
NORTH AMERICA	21,299	23,904	-2,605	-10.9%
SOUTH AMERICA	4,933	4,968	-35	-0.7%
Revenue	100,643	116,439	-15,796	-13.6%

Asian revenues were impacted by COVID-19, which led to the closure for three weeks in the first quarter of the year (four weeks considering the holiday period for the Chinese New Year) of the facility in China.

EMEA revenues were impacted by the mobility restrictions imposed from the end of February, initially in Italy and thereafter in the rest of Europe, which slowed and imposed greater difficulties on the start-up of delivered systems and also the deliveries themselves.

Results substantially held up in South America thanks to the Group's entry into the Food & non Plastic market.

Consolidated operating and net results

EBITDA

In the first half of 2020, **EBITDA** was € 13.1 million, down 11.9% on € 14.9 million in the first half of 2019.

EBITDA however improved as a percentage of total revenue, increasing from 12.5% in H1 2019 to 12.8% in H1 2020, partly due to the optimization and cost cutting measures taken in the first half of 2020. In particular, with reference to the personnel costs, utilization of previous accrued holidays has been incentivized and with reference to the Italian subsidiaries only, from March on, they appealed to the lay-off scheme; foreign subsidiaries have adopted similar measures. The reduction in the absolute figure was thus mainly due to lower sales volumes.

Operating Profit

In the first half of 2020, **Operating Profit** was € 10.3 million, reducing 15.9% on € 12.3 million in the same period of the previous year, with a revenue and other income margin of 10.1% (10.3% in the same period of 2019).

Net Profit

In the first half of 2020, **net profit** was € 7.2 million, with a revenue and other income margin of 7.0%, down on € 8.6 million in the same period of the previous year.

	2020	2019
Net Profit attributable to:		
- owners of the parent company	7.427	8.464
- Non-controlling interests	(201)	122
Earnings per share		
- basic	0,15	0,17
- diluted	0,15	0,17

Earnings per share

Earnings per share were € 0.15 on June 30, 2020, compared to € 0.17 on June 30, 2019.

Consolidated Equity Overview

Consolidated Net Financial Position

The **consolidated net financial position** at June 30, 2020 (pre-IFRS 16 application) was € 5.0 million, compared to € 6.9 million at December 31, 2019 and € - 9.3 million at June 30, 2019.

€/000	30.06.2020	31.12.2019	30.06.2019
A. Cash	18	15	25
B. Current accounts and post office deposits	57,422	59,108	28,066
C. Cash & cash equivalent (A+B)	57,440	59,123	28,091
D. Current financial assets	6,149	6,319	6,176
E. Current bank loans and borrowings	(23,013)	(25,026)	(14,092)
F. Current portion of non-current debt	(10,040)	(11,961)	(9,243)
G. Other current financial liabilities	(401)	(189)	(205)
H. Current financial position (E+F+G)	(33,455)	(37,176)	(23,540)
I. Net current financial position (H+C+D)	30,134	28,267	10,727
J. Long term loans	(24,873)	(20,939)	(19,505)
K. Bond issued	-	-	-
L. Other non-current financial liabilities	(242)	(404)	(503)
M. Non-current financial position (J+K+L)	(25,115)	(21,343)	(20,008)
N. Net financial position (I+M) before IFRS16	5,020	6,924	(9,281)
€/000	30.06.2020	31.12.2019	30.06.2019
IFRS16 - Lease - impact	(7,654)	(7,864)	(5,446)
Current portion	(1,642)	(1,537)	(1,060)
Non-current portion	(6,012)	(6,327)	(4,386)
N. Net financial position (N+IFRS 16 impact)	(2,634)	(940)	(14,728)

* The captions "Other current and non current financial liabilities" in the table above do not include the effect related to the application of IFRS 16, which is indicate below.

The slowdown and/or non-completion of the installation activities, due to the COVID-19 mobility restrictions, delayed in certain cases the achievement of the contractual milestones required for a number of payment receipts from projects in progress. At the same time, payments to suppliers involved in these projects were made according to that originally agreed under contract, with consequent temporary absorptions of cash.

In the first half of 2020, investments totaled Euro 1,032 thousand.

The Group's net financial position at June 30, 2019 was significantly lower if compared to the end of June 2020. This is mainly due to the distribution of dividends for Euro 7.7 million and to the significant non-recurring investment, which are extraordinary events that did not occur in the first half of 2020. Net cash of Euro 14 million was generated between June 2019 and June 2020.

The financial position includes medium/long-term loans, mainly relating to the Parent Company, for Euro 32.4 million, of which Euro 9.4 million repayable within 12 months and the remaining Euro 23.0 million within 5 years. The loans are not supported by guarantees and are almost entirely undersigned in Euro.

In March and April 2020, the parent company benefitted from a moratorium on the medium/long-term loans, with a consequent extension of their duration up to a maximum of 12 months.

Significant events occurred during the first half of 2020

Implications from COVID-19 pandemic

As stated above, the first six months of 2020 have been featured by the global diffusion of the pandemic, also known as COVID-19. The pandemic, and mostly the lockdown policies imposed by governments, have had wide repercussions in many sectors of the worldwide economy; however, thanks to the fact that the Group is present in a variety of geographic areas and in much diversified sectors, it has been possible to mitigate the total risk and to contain the sales volume reduction.

The pandemic effects and the restrictive measures imposed by the different governments have affected the Group companies in different ways, in terms of timing and significance. The main impacts that COVID-19 have had in terms of Group processes, are outlined here below:

- Production plants: the production of the Chinese subsidiary Piovan Plastic Machinery suffered a stall of about 3 weeks. The full recovery of the production related efficiency occurred only around end of February 2020. The other Group productions plants have instead continued with production activities, while adopting safety measures for the employees' health. However, due to restrictions introduced on peoples' mobility, there has been a slowdown during March, April and May, for activities that involve business trips and in particular for the service and installation activities of certain projects, at the client's site. As of today all production plants are fully operating.
- Supply chain and logistics: the Group was not particularly affected by delays in procurement.
- Health & Safety: in order to mitigate the risk of spreading the infection, attention to manage all business processes has been maximized, on all Group subsidiaries. In particular, the precautions and measures included respectively in each national protocols have been implemented in all plants, so that the production activities could continue in safety, while in regards to the administrative and export area personnel, the option of working from home was preferred, also known as smart working.
- Use of support measures: during this particular time, when possible, the Group appealed to the supporting measures offered by the governments. In particular, from March on, the Group Italian subsidiaries have used, in limited measure, the lay-off scheme (ie. *Cassa Integrazione*). Other subsidiaries have adopted similar measures.

From a financial viewpoint, the parent company obtained 3, 6 and 12-month moratoriums on loan repayment commitments. In addition, the US company received in May 2020 a government loan as per the

“Paycheck Protection Program” (PPP) of USD 1,855,042, of which approximately USD 1,400,000 may be converted into a non-refundable grant on meeting certain conditions. The conditions refer to the fact that the loan shall be used to pay salaries and wages, interests on loans, rents and utilities; moreover, maintaining the working force and their salaries and wages for a specific period of time, represents a mandatory condition. It is reasonable that such conditions could be respected, even though, considering that the request for the reimbursement exemption is expected to be during the fourth quarter of the year and that it will be subjected to verification and approval by the issuing authority and the competent body (SBA – US Small Business Administration), the loan have been entirely recorded among financial liabilities as at June 30, 2020. For the amount of the loan that will not be converted into non-refundable grant, this loan shall be reimbursed with constant instalments in 18 months, inclusive of interests, starting from the sixth month from its issuing.

Incentive plans

On May 12, 2020, the Shareholders' Meeting of the Parent Company approved three new medium/long-term incentive plans, which aim to retain and incentivize those beneficiaries who are key players in achieving the Group's objectives. This will align the remuneration of these beneficiaries with increases in value and return on shareholder investment.

For further details, please refer to Information Documents of the plans published on the Company website.

Significant events occurred after June 30, 2020

It should be noted that, within September 2020, the Company will proceed with the acquisition of the remaining 10% stake in the subsidiary Penta S.r.l, currently held by the Managing Director of the subsidiary itself, due to the exercise of the put option that he owns. This acquisition, which will bring Piovan S.p.A. to hold 100% of the capital of Penta S.r.l., constitutes a further step in the path of strengthening the Group in the Food.

For further information, please refer to the Half-Year Consolidated Financial Report.

Outlook

The Group confirms what already depicted in the Annual Financial Report as of December 31, 2019, in regards to its development of strategies in place, which include among its goals (i) the increase of its contribution to the circular economy developing products and solutions dedicated to the recycling industry; (ii) the growth through acquisitions and; (iii) the increase in its market share in the Food & non-plastic area.

After the first half of 2020, that was impacted by the effects of COVID-19, particularly in terms of revenues, which reduced on the same period of 2019, the environment continues to present uncertainties, whose development and relative effects are difficult to forecast.

The order backlog at June 30, 2020 is substantially in line with the Group's usual volumes, although amid the restrictions on mobility and the degree of general uncertainty the execution of orders in portfolio may

be slowed, particularly in the third quarter of 2020 - while from the fourth quarter onwards the situation may truly normalize except for further relapses.

Finally, it is to be noted that Piovan Group is present in a variety of geographic areas and in highly diversified sectors, which allow for a comprehensive risk mitigation linked to the current crisis. Furthermore, the Group is considering if and to what extent, to make use of the social safety nets established by the governments of the concerned countries.

Proposal for the distribution of an extraordinary dividend from retained earnings reserves

In consideration of the current scenario, of the results achieved by the Group and by Piovan S.p.A. during the first half of 2020 and the solid economic and financial situation, as indicated in the Consolidated half-yearly Financial Report as at June 30, 2020, taking into account that Piovan S.p.A. achieved a largely positive result in the first six months of 2020, the Board of Directors resolved to convene the ordinary Shareholders' Meeting on October 13, 2020 and to propose the distribution of an extraordinary dividend for total Euro 5,602,223.00. The dividend will be taken entirely from the extraordinary reserve, made by retained earnings, and will be equal to Euro 0.11 for each share entitled to profits, having therefore already excluded the treasury shares held by the Company, pursuant to art. 2357-ter, paragraph 2, of the Civil Code.

The dividend will be paid starting from October 28, 2020, with ex-dividend set for October 26, 2020 and record date October 27, 2020.

For further information, please refer to Directors' Report.

Appointment of an independent Director, pursuant to art. 2386 Italian Civil Code

On May 14, 2020, following the resignation of Eng. Marco Milani from the office of member of the Board of Directors of the Company and from the further offices held in the Control, Risk and Sustainability Committee and in the Related Parties Committee, the Board of Directors resolved upon the co-optation of his substitute, Eng. Mario Cesari, pursuant to art. 2386 of the Italian Civil Code and art. 14.4 of the Company Bylaws.

The term of office given to Eng. Cesari, as a Director co-opted by the Board of Directors, appears to be until the first useful Shareholders' Meeting, that is the one called on October 13, 2020 to resolve upon the proposed distribution of dividends. Therefore, the Board resolved to propose to the Shareholders to confirm Eng. Mario Cesari as a Director of the Company.

For further information, please refer to Directors' Report.

Other Board of Directors' motions

The Board of Directors today approved, among other matters:

- the adaptation of the Bylaws to the legal provisions on gender representation, with particular reference to art. 14.3 and 25.2, in the text that will be published in the Company website, *Corporate Governance* section, after the notarial filling.
- the adoption of a Diversity Policy aimed at identifying an appropriate composition of the corporate bodies and ensuring that they can effectively carry out their functions by making use of the contribution of a plurality of qualified points of view. For further information, please refer to the policy published in the *Corporate Governance* section of the Company website.

CONFERENCE CALL

The results as of June 30, 2020 shall be presented to the financial community through a conference call to be held on **September 11 at 14:00 PM CET**. You may participate in the conference call by calling one of the following numbers:

ITALY:	+39 02 805 88 11
UK:	+44 121 281 8003
GERMANY:	+49 6917415713
FRANCE:	+33 170918703
SWITZERLAND:	+41 225954727
US (international local number)	+1 718 7058794
US (toll-free number)	1 855 2656959

Before the start of the conference call a number of slides shall be made available on the website www.piovangroup.com, in the Investor Relations / Presentations section.

This document contains “forward-looking statements” relating to future events and operating and financial results of the Piovan Group. These statements by nature contain an element of risk and uncertainty in that they depend on future events and developments. The actual results may even diverge significantly from those announced, due to a range of factors.

The Executive Officer for Financial Reporting, Elisabetta Floccari, declares in accordance with Article 154 bis, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in this press release corresponds to the underlying accounting documents, records and accounting entries.

Half-Year Consolidated Financial Report as of June 30, 2020 will be filed in accordance with the time limit set out by law at the registered office of the Company (Via delle Industrie no 16 – Santa Maria di Sala (Venice)) and at Borsa Italiana S.p.A., available to any person who submits a request, and will also be available on the website of the Company (www.piovangroup.com) as well as on the authorized storage mechanism “1Info” (www.1Info.it).

Piovan S.p.A. hereby announces that, in accordance with the laws and regulations in force, Half-Year Consolidated Financial Report as of June 30, 2020, as approved by the Board of Directors on September 10, 2020, has been filed, available to the public, at the registered office of the Company, on its website, (www.piovangroup.com) under the “Investor Relations”/“Financial statements” section, as well as on the authorized storage mechanism 1Info (www.1Info.it).

FOR FURTHER DETAILS:

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Piovan

Piovan Group is a global leader in the development and manufacturing of auxiliary automation systems for the storage, shipping and processing of polymers, bio-resins, recycled plastic, food fluids and food and non-food powders. Over recent years, the Group has been particularly engaged in developing and producing auxiliary systems to automate production processes for the bio-economies and circular economies for recycling and reusing plastic and for the production of plastics which are naturally compostable, tapping into cross-selling opportunities.

The consolidated financial statements of the Piovan Group follow.

CONSOLIDATED STATEMENTS OF EQUITY AND FINANCIAL POSITION

(€'000)

ASSETS	Notes	30.06.2020	31.12.2019
NON-CURRENT ASSETS			
Property, plant and equipment	Note 1	50,945	52,430
Intangible assets	Note 2	7,397	7,510
Equity investments	Note 3	270	270
Other non-current assets	Note 4	552	427
Deferred tax assets	Note 5	4,125	4,489
TOTAL NON-CURRENT ASSETS		63,289	65,126
CURRENT ASSETS			
Inventories	Note 6	32,528	29,264
Contract assets for work in progress	Note 7	6,448	3,712
Trade receivables	Note 8	43,787	52,816
- of which related parties	Note 41	141	200
Current financial assets	Note 9	6,149	6,319
Tax receivables	Note 10	3,579	3,735
Other current assets	Note 11	4,087	3,705
- of which related parties	Note 41	32	431
Cash and cash equivalents	Note 12	57,440	59,123
TOTAL CURRENT ASSETS		154,019	158,675
TOTAL ASSETS		217,307	223,801

LIABILITIES AND EQUITY	Notes	30.06.2020	31.12.2019
EQUITY			
Share capital	Note 13	6,000	6,000
Legal reserve	Note 13	1,200	1,200
Reserve for own shares in portfolio	Note 13	(2,250)	(2,250)
Translation reserve	Note 13	(2,664)	(1,211)
Other Reserves and retained earnings	Note 13	57,638	38,938
Net profit (loss)	Note 13	7,427	18,700
Equity attributable to the owners of the parent		67,351	61,377
Equity attributable to non-controlling interests	Note 15	3,575	3,774
TOTAL EQUITY		70,926	65,151
NON-CURRENT LIABILITIES			
Long-term loans	Note 16	24,873	20,939
Non-current financial liabilities	Note 16	6,254	6,516
Employee benefits plans	Note 17	4,867	4,814
Provision for risks and charges	Note 18	2,720	2,954
Non current liabilities for options granted to non-controlling interest	Note 19	2,306	2,535
Other non-current liabilities	Note 20	272	268
Deferred tax liabilities	Note 5	1,470	1,987
TOTAL NON-CURRENT LIABILITIES		42,763	40,013
CURRENT LIABILITIES			
Current portion of long-term loans	Note 16	10,041	11,962
Current bank loans and borrowings	Note 16	23,013	25,026
Current financial liabilities	Note 16	2,043	1,942
Trade payables	Note 21	25,929	40,556
- of which related parties	Note 41	434	698
Advance from costumers	Note 22	16,990	16,063
Contract liabilities for work in progress	Note 7	4,532	2,527
Current liabilities for options granted to non-controlling interest	Note 19	2,721	2,721
Tax liabilities and social security contributions	Note 23	5,622	6,738
Other current liabilities	Note 24	12,727	11,102
- of which related parties	Note 41	3,040	888
TOTAL CURRENT LIABILITIES		103,619	118,636
TOTAL LIABILITIES		146,381	158,650
TOTAL LIABILITIES AND EQUITY		217,307	223,801

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
(€'000)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS	Notes	30.06.2020	30.06.2019
Revenue	Note 25	100,643	116,439
- of which related parties	Note 41		3
Other revenue and income	Note 26	1,953	2,325
- of which related parties		8	
TOTAL REVENUE AND OTHER INCOME		102,596	118,764
Costs of raw materials, components and goods and changes in inventories	Note 27	39,313	45,721
- of which related parties	Note 41	703	1,139
Services	Note 28	21,101	25,722
- of which related parties	Note 41	822	864
Use of third party assets	Note 29	548	790
Personnel expenses	Note 30	27,599	29,597
- of which related parties	Note 41	213	263
Other expenses	Note 31	946	2,081
Provisions for risks and charges	Note 32	3	420
Amortisation and depreciation	Note 33	2,748	2,146
- of which related parties	Note 41	88	140
TOTAL COSTS		92,258	106,477
OPERATING PROFIT		10,338	12,287
Financial income	Note 34	302	91
Financial Expenses	Note 34	(473)	(273)
- of which related parties	Note 41	2	5
Net exchange rate gain (losses)	Note 35	(165)	10
Gains (losses) on liabilities for option granted to non-controlling interest	Note 36	230	(96)
Profit (losses) from equity investments carried at equity	Note 37	-	75
PROFIT BEFORE TAXES		10,232	11,944
Income taxes	Note 38	3,006	3,358
NET PROFIT		7,226	8,586
ATTRIBUTABLE TO:			
Owners of the parent		7,427	8,464
Non-controlling interests		(201)	122
Earnings per share			
Basic and diluted earnings per share (in Euros)	Note 14	0.15	0.17

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(€'000)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	30.06.2020	30.06.2019
Net profit	7,226	8,586
Items that may be subsequently reclassified to profit or loss:		
- Exchange rate differences	(1,451)	254
Items that may not be subsequently reclassified to profit or loss:		
- Actuarial gains (losses) on employee benefits net of the tax effect	3	5
- Actuarial gains on agents' termination benefits net of the tax effect	(3)	
Total Comprehensive income	5,776	8,845
attributable to:		
- Owners of the parent	5,977	8,723
- Non-controlling interests	(201)	122

CONSOLIDATED STATEMENT OF CASH FLOW

(€'000)

Consolidated Statement of Cash Flow	30.06.2020	30.06.2019
OPERATING ACTIVITIES		
Net profit	7,226	8,586
Adjustments for:		
Amortisation and depreciation	2,748	2,146
Inventory write-down and bad debt provision	228	1,123
- Net non-monetary financial (income)	170	106
Change in provisions for risks and charges and employee benefits liabilities	(13)	440
Net capital (gains) losses on sale of fixed assets and equity investments	(16)	(12)
Non-monetary changes related to liabilities for options granted to non-controlling shareholders	(230)	95
Investment equity valuation	-	75
Other non-monetary variations	(207)	(12)
Taxes	3,006	3,358
Cash flows from operating activities before changes in net working capital	12,912	15,907
(Increase)/decrease in trade receivables	7,358	(3,406)
- of which related parties	(59)	(118)
Increase in inventories	(4,708)	1,131
(Increase)/decrease in other current assets	(2,806)	(1,958)
- of which related parties	(399)	(628)
Increase/(decrease) in trade payables	(13,500)	(10,350)
- of which related parties	264	(303)
Increase/(decrease) in advance from customers	1,129	(579)
Increase/(decrease) in other current liabilities	705	(2,314)
- of which related parties	(2,152)	(341)
(Increase)/decrease in non-current assets	428	(83)
Increase/(decrease) in non-current liabilities	(498)	134
Income taxes paid	(1,144)	(2,313)
CASH FLOWS FROM OPERATING ACTIVITIES (A)	(122)	(3,833)
INVESTING ACTIVITIES		
Investments in property, plant and equipment	(918)	(4,906)
Investments in intangible assets	(113)	(549)
Disinvestments/(investments) in financial assets	-	(6,283)
Disinvestments in equity investments	-	(92)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	(1,032)	(11,829)
FINANCING ACTIVITIES		
Issuance of bank loans	3,731	15,000
Repayment of bank loans	(1,680)	(3,006)
Change in current bank loans and borrowings	(2,013)	1,097
Repayment of bonds	-	-
Increase/(decrease) in other financial liabilities	(774)	(740)
Purchase of minority interests in subsidiaries	-	-
Contribution	-	-
Dividends paid	-	(7,723)
CASH FLOWS USED IN FINANCING ACTIVITIES	(736)	4,628
	-	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	(1,890)	(11,034)
EFFECT OF EXCHANGE RATE CHANGES ON BALANCE OF CASH HELD IN FOREIGN CURRENCY	207	12
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (E)	59,123	39,113
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	57,440	28,091
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,890)	(11,034)
INTERESTS PAID	360	226

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(€'000)

	Share Capital	Legal reserve	Treasury shares	Translation reserve	Other reserves and retained earnings	Profit for the year att, To the owner of the parent	Equity attributable to the owners of the parent	Equity att, To non-controlling interests	TOTAL EQUITY
Balance at Jan, 1st, 2019	6,000	1,200	(2,250)	(1,594)	25,748	23,881	52,985	3,791	56,775
Distribution of dividends	-	-	-	-	(7,639)	-	(7,639)	(83)	(7,723)
Allocation of prior year profit	-	-	-	-	23,881	(23,881)	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	254	5	8,464	8,723	122	8,845
Balance at June 30th, 2019	6,000	1,200	(2,250)	(1,340)	41,994	8,464	54,068	3,829	57,897

	Share Capital	Legal reserve	Treasury shares	Translation reserve	Other reserves and retained earnings	Profit for the year att, To the owner of the parent	Equity attributable to the owners of the parent	Equity att, To non-controlling interests	TOTAL EQUITY
Balance at Jan, 1st, 2020	6,000	1,200	(2,250)	(1,211)	38,938	18,700	61,377	3,774	65,151
Distribution of dividends	-	-	-	-	-	-	-	-	-
Allocation of prior year profit	-	-	-	-	18,700	(18,700)	-	-	-
Change in non-controlling interests	-	-	-	(2)	-	-	(2)	2	-
Total comprehensive income	-	-	-	(1,451)	1	7,427	5,976	(201)	5,775
Balance at June 30th, 2020	6,000	1,200	(2,250)	(2,664)	57,639	7,427	67,351	3,575	70,926