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Oggetto : The BoD of Servizi Italia approves the
financial results as at 30 June 2020

Testo del comunicato

Vedi allegato.

The Board of Directors of Servizi Italia approves the financial results as at 30 June 2020

In the first half of 2020, the Servizi Italia Group demonstrated its ability to adapt to a social and economic context strongly influenced by the spread of the Covid-19 virus and the consequent health emergency, which has stressed the National Health System and polarized activities on the emergency. The Group, while having an impact on ordinary operations and results, guaranteed its essential services and the highest level of safety for all its employees.

- Consolidated **Revenues** equal to **Euro 117.9 million** (Euro 131.7 million in 1H2019)
- Consolidated **EBITDA** equal to **Euro 27.5 million** (Euro 34.1 million in 1H2019)
- Consolidated **EBIT** equal to **Euro 0.2 million** (Euro 6.2 million in 1H2019)
- Consolidated **Net Income** equal to **Euro -0.2 million** (Euro 4.8 million in 1H2019)
- **Net financial position** equal to **Euro 135.9 million** (Euro 127.4 million as at 31 December 2019)

Castellina di Soragna (PR), Italy, 7 August 2020

The Board of Directors of Servizi Italia, a company listed on the STAR segment of the Italian Stock Exchange and leading operator in the outsourcing of hospital services in Italy, Brazil, Turkey, India, Albania, Morocco and Singapore, today approved the Half-year Financial Report as at 30 June 2020.

*"The results of the first half of 2020 – said **Roberto Olivi**, Chairman of the Executive Committee of Servizi Italia – have been affected by the epidemiological crisis and by the effects of containment measures in the various countries where the Group operates and continued to guarantee its services, as essential activities for the health system.*

In particular, the performance for the period has been characterized by a contraction in revenues in Italy, as result of a different customer portfolio composition in the wash-hire segment and as a consequence of the aforementioned epidemic emergency with effects primarily on sterilization and hotel laundry service, which led to an increase in costs related to the introduction of measures to ensure the continuity of services and to support and protect all Group stakeholders, with particular attention to customers, employees and suppliers.

Nevertheless, the reduction in operating margins was partly limited by the excellent performance recorded in Brazil and Turkey, although negatively impacted by the exchange rate translation effect and the simultaneous measures implemented by Group management to contain operating and structural costs.

In this context, however, we remain highly confident in a recovery of the Group's results starting from the first months of 2021; this also in consideration of the confirmation of the award of the tender for the Veneto Region's healthcare facilities. With a total value of more than Euro 90 million, over a duration of 5 years, this award – together with further efficiency initiatives already implemented and others under consideration for 2020 – lays the foundations for a positive evolution of the Group's revenues and margins in the medium-long term".

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CONSOLIDATED RESULTS AS AT 30 JUNE 2020

During the first semester 2020, the Servizi Italia Group recorded a **consolidated turnover** equal to **Euro 117.9 million**, down by 10.5% (-7.7% at constant exchange rates) compared to the first semester 2019, with the following sectorial trends:

- Revenues coming from **wash-hire services** business line - which represent 76.4% of the Group's revenues and include all activities relating to the washing, hiring, collection and reconditioning of textile and mattress products – pass from Euro 97.4 million in the first six months of 2019 to Euro 90.1 million in the first half of 2020 (-7.5%), only partially sustained by the excellent organic growth registered in Brazil and Turkey (however offset by a negative exchange rate variation) and by the acquisitions made during 2019 influencing the whole 6-month period (+3.3%). In Italy, the decrease is due to lower revenues recorded by the Parent Company in Lazio, to the start of new contracts in Lombardia and Emilia-Romagna with prices on average lower than in the past, as well as to a significant decrease in revenues generated by hotel and restaurants sector starting from March 2020 (entirely due to the Covid-19 epidemiological emergency situation).
- Revenues coming from **linen sterilization services** business line – which represent 7.1% of the Group's revenues and include all activities relating to sterilization of sterile sets and the supply of disposable items used in surgical procedures for setting up the operating field and dressing the medical team – decrease from Euro 10.6 million in the first six months of 2019 to Euro 8.4 million in the first semester of 2020, down by 20.3%. This segment is affected by the effects of the current epidemiological situation in terms of lower volumes due to a reduction of surgical activities, in addition to the end of some contracts in Friuli Venezia Giulia and Lombardia together with the contraction of some supplies abroad.
- Revenues coming from **surgical instruments sterilization services** business line – which represent 16.5% of Group's revenues and include all activities related to the rental, sterilization, collection and reconditioning of surgical instruments – pass from Euro 23.8 million in the first half of 2019 to Euro 19.5 million in 2020, down by 18.3%. In particular, it should be noted that this segment – although showing positive signs of recovery as early as June 2020, due to the gradual resumption of surgical activities – recorded a drop in revenues during the period, starting from March 2020, mainly because of the reduction of surgical operations due to Covid-19 emergency.

For what concerns geographical distribution, **revenues generated from foreign markets** amount to Euro 16.8 million (of which Euro 13.1 million relating to Brazil and Euro 3.7 million relating to Turkey), covering the 14.3% of first semester 2020 consolidated turnover (14.7% in the same period of 2019). Revenues in the Brazilian area are characterized by an organic growth in local currency of 3.8%, which has been offset by a negative exchange rate effect of 20.5% (depreciation of the Brazilian Real against Euro), which led to a negative variation for the period of 16.7%. Turkish revenues as well have registered

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a positive organic growth for the period (13.2%), however offset by a negative exchange effect of 12.6% (depreciation of the Turkish Lira against the Euro), which led to a net positive change in turnover of 0.7%;

Consolidated EBITDA passes from Euro 34.1 million in the first half of 2019 to Euro 27.5 million in the first half of 2020. Despite the strong reduction of revenues of the period, the reduction of EBITDA margin has been limited, passing from 25.9% to 23.3% (23.6% at constant exchange rates and on a like-for-like basis). This data reflects in particular the positive performances of Brazil and Turkey, as well as the measures taken to contain operating and structural costs. However, there was a higher incidence of raw material costs compared to turnover, mainly due to the purchase of disposable devices and P.P.E. related to the Covid-19 emergency, and a higher incidence of costs for services, in particular due to a wider use of outsourcing of core services, i.e. external laundries and wardrobe services related to Covid-19 emergency. Personnel costs increased as percentage on turnover, despite a less recourse to temporary work and, for facing the Covid-19 emergency, a higher use of holidays, permits and wages guarantee funds (Italian acronym: CIG), which contributed to a 9% decrease in absolute terms of personnel costs. Despite the Covid-19 emergency, the excellent results of operating margins at an international level were confirmed in the first half of 2020 both in Brazil (EBITDA margin 33.9%), which recorded a significant increase compared to the first half of 2019, and in Turkey (EBITDA margin 31.3%).

The **operating result (EBIT)** passes from Euro 6.2 million in the first semester of 2019 to Euro 0.2 million in the same period of 2020, mainly due to the dynamics already described in the commentary on the change in turnover and EBITDA.

Therefore, the consolidated financial statements as at 30 June 2020 closes with a **net income of Euro -0.2 million** compared to Euro 4.8 million in the same period of the year.

Net financial debt as at 30 June 2020 is equal to **Euro 135.9 million**, up compared to Euro 127.4 million as at 31 December 2019.

SIGNIFICANT EVENTS DURING THE HALF

On 7 January 2020, the Company announced the resignation of its CEO Mr. Enea Righi from every office, function and role covered in the Company and in any other company of the Servizi Italia Group. The Board of Directors, upon consultation with the Nomination and Remuneration Committee, activated the succession planning policy and assigned the management powers to an Executive Committee consisting of the following members Roberto Olivi (Chairman of the Board of Directors), Ilaria Eugeni (Director, appointed Vice-Chairman of the Board of Directors) and Michele Magagna (Director), assisted by the Chief Operating Officer Andrea Gozzi. For additional information, please refer to the press release.

On 5 March 2020, the Board of Directors appointed Roberto Olivi as Director responsible for the internal control and risk management system ad interim. This role was previously held by the outgoing CEO.

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On 15 April 2020, the minority shareholders of the Brazilian companies Maxlav Lavanderia Especializada S.A. and Vida Lavanderia Especializada S.A., which were already indirectly controlled by Servizi Italia through a 65.1% stake, exercised the put option to sell their 34.9% stake in the share capital of the two companies for a total consideration of Real 19,994 thousand (Euro 3,501 thousand at the exchange rate of 15 April 2020). Servizi Italia therefore, through SRI Empreendimentos and Participacoes LTDA., holds the 100% of the share capital of both companies.

On 28 April 2020, the Ordinary Shareholders' Meeting:

- approved the Parent Company's financial statements as at 31 December 2019 and the distribution of a gross unit dividend of Euro 0.14 per share, treasury shares in portfolio excluded;
- (ii) renewed the authorization to purchase and dispose treasury shares, according to what proposed by the Board of Directors, subject to revocation of the previous authorization (dated 20 April 2018) for anything not used;
- renewed the authorization to purchase and dispose treasury shares, as proposed by the Board of Directors. The resolution authorizes to purchase a maximum of 6,361,890 ordinary shares with a par value of Euro 1.00 each, corresponding to the fifth part of Company's share capital (taking into account the shares already held by the Company from time to time) for a period of 18 months from today's date, while the duration of the authorization relating to the disposal of treasury shares has no time limit;
- approved the remuneration policy of Servizi Italia S.p.A.;
- appointed the members of the Board of Statutory Auditors, who will remain in office until the Shareholders' Meeting called to approve the financial statements as at 31 December 2022, also determining their remuneration;
- resolved to integrate the Board of Directors by appointing the candidate proposed by the majority Shareholder Aurum S.p.A., Giovanni Manti, manager with strategic responsibilities. He will remain in office until the expiry of the current Board of Directors and, therefore, until the Shareholders' Meeting called to approve the financial statements as at 31 December 2020.

On 28 April 2020, the Board of Directors appointed Mr. Angelo Minotta as Financial Reporting Manager, in view of the additional positions of Deputy Chairman of the Board of Directors and member of the Executive Committee assigned to Ms. Ilaria Eugeniani, who holds the role of CFO of the Company.

On 30 April 2020, Servizi Italia received the resignation with immediate effect of Director Paola Schwizer, who resigned as director of the Company due to the add up of professional commitments. It should be noted that the resigning director is not entitled to indemnities or other benefits resulting from the termination of the office and that at the date of resignation she holds no share in Servizi Italia S.p.A.

On 13 May 2020, following the resignation of director Paola Schwizer, the Company's Board of Directors resolved, pursuant to art. 2386 of the Italian Civil Code and art. 15.5 of the Articles of

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Association, having the favourable opinion of the Board of Statutory Auditors, to co-opt Simona Campanini, an executive manager with strategic responsibilities of the Company, as a new director and she will remain in office until next Shareholders' Meeting. On the same date, the Board appointed as a member of the Control and Risk Committee and the Nominations and Remuneration Committee Mr. Antonio Mastrangelo, a non-executive and independent director, who was also appointed Lead Independent Director of the Company. Then, on 5 May 2020, the Board of Directors took note that the Board of Statutory Auditors ascertained the existence of the independence requirements provided by current legislation and by the Corporate Governance Code for Listed Companies.

The Company, in line with the actions set out in the 2020-2022 sustainability plan (which considers the Group's activities and investments for one or more "SDGs" sustainable development objectives), on 18 May 2020 obtained the EPD (Environmental Product Declaration) certification for Washing and Sterilization Service of Drapes and Gowns in R.T.T. and, on 29 May 2020, the UNI CEI EN ISO 50001:2018 certification for the energy management system.

Information about Covid-19

During the first semester of 2020, the Group's activities, which operate in strict compliance with the relevant regulations, have been affected by the viral pandemic SARS-Cov-2 or Covid-19 (also known as Coronavirus), which had its first displays in Italy from February 2020 and in other countries where the Group operates from the beginning of March 2020.

The Group has promptly started to monitor the effects of the pandemic on its results and the related analyses are still ongoing. In the first semester of 2020, there were different impacts on Group's results, depending on the sector of reference and relevant geographical area.

For what concerns the Group's activities in Italy, the following should be particularly noted:

- since the beginning of Coronavirus emergency, the wash-hire sector in healthcare has seen an increase in the reconditioning activities of certain categories of hospital textiles, with particular regard to the reconditioning of uniforms of healthcare workers, as well as a greater demand for equipment. These higher volumes compensated the lower demand for bed linen, since hospitals, in their strategy to contain the virus, reduced hospital accesses and interrupted outpatient services, thus causing a reduction in bed linen consumption. As of the date of this document, there has been a gradual recovery of ordinary healthcare services and hospitalisation;
- surgical instrument sterilization services have recorded an activity contraction, which is considered temporary. In fact, in this emergency, hospitals have generally adopted a strategy to reduce the number of scheduled surgical operations in operating theatres, confirming only emergency services. As of the date of this document, there has been a gradual recovery of ordinary healthcare services and therefore hospitalisation;
- wash-hire services for homecare and nursing homes have recorded a reduction in production volumes, connected to the number of deaths of elderly guests of residential facilities and a temporary slowdown in access to the residential facilities. It is believed that the effect on business

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is temporary, since the service is considered defensive, essential and of public utility. It is therefore estimated that over the next few months there will be a gradual recovery in health and social services to fragile adults, who are partially or totally non-autonomous, in favour of day and night hospitality, personal care, surveillance, but also medical care, rehabilitation services and socialising activities;

- the wash-hire services for hotel and catering sector have recorded a contraction in sales volumes and, to date, Government's actions to incentive/sustain domestic and foreign tourism and therefore the recovery in the short term of the activities are not foreseeable. In this regard, it should be noted that the hotel and catering services represent a minority share of Servizi Italia's business;
- Government's provisions for the lockdown of production activities of industrial companies have led to a temporary contraction in the volume of laundry services for community and industry (Workwear). The effect on business is temporary since, at the present time, the gradual resumption of activities is being promoted, in compliance with the provisions of the law. In this regard, it should be noted that workwear laundry services represent a minority share of Servizi Italia's business.

The current health emergency represents an extraordinary and unpredictable event which alters the synallagma of some contracts, considered as essential. In support of these facts, it should be noted that the National Anti-Corruption Authority (Italian acronym: ANAC) expressed its opinion on "issues relating to contracts concerning integrated services for the rental, sanitization and sterilization of textile and medical devices used in hospital and outpatient facilities, both public and private, as a result of the health emergency situation" by means of resolution no. 540 dated 1 July 2020. The resolution took note of the "serious economic imbalance of the current contractual relationships concerning the provision of hospital wash-hire services determined by the current emergency situation", and establishes the "prerequisite to justify the use of a variant in progress for unforeseen and unforeseeable circumstances pursuant to Article 106, paragraph 1, letter c) of the Code of Public Contracts". These elements put the Group in a position to initiate discussions with customer administrations in order to define the conditions for the recovery of excess costs incurred during the period of crisis resulting from the pandemic.

In addition to Italy, the activities consolidated on a line-by-line basis by the Group concern laundry services for healthcare in Brazil and Turkey as well. In these countries, the Coronavirus emergency started to have effects some weeks later than in Italy. On the basis of the preliminary analysis carried out, it is estimated that the effects of the emergency on business volumes in these areas follow the same trend for hospital laundry services as in Italy. On the basis of the analyses carried out, it should be noted that in the Brazil area, despite the high virologic impact throughout the country, volumes did not fall significantly, thanks in part to the ability to primarily serve emergency facilities set up to deal with the epidemiological crisis, while in the Turkish area, volumes processed by industrial plants followed a trend indirectly proportional to the cases of Covid-19, recording a negative peak in April, but recovering from June on.

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The mix of factors highlighted here above, in relation to how Coronavirus emergency impacted service demand trends, had a direct impact on productive and business support activities. In particular:

- The operations within laundries working with the healthcare sector increased, with changes in shifts, transfers of production activities among Group's operating sites having available production capacity, recourse to the outsourcing to qualified third parties of washing services;
- Changes in the provision and delivery of services at hospitals;
- Reduction of operations in CSSDs and laundries dedicated to activities other than healthcare, with a consequent need for targeted personnel management;
- Remote working in order to reduce travels and contacts for both management and employees, who had been previously trained in correct and safe use of hardware and software, also using holidays and days of leave, if possible;
- Increase in the procurement of goods and services to avoid the spread of contagion and protect the health and safety of personnel, with a substantial increase in costs for the purchase of personal protective equipment that will also impact the coming months (i.e. devices for access control) , as well as the environment and business continuity. In order to maintain the supply chain, measures have been taken to review contracts for the supply of goods and services in order to guarantee emergency services and contain costs and/or investments in response to the contraction in demand for services and production volumes.

In view of the fact that the services provided by the Group are considered essential, crucial and of public utility and therefore defensive with respect to the current epidemiological situation, the Group has implemented risk & project management and project control activities in order to (i) avoid the spread of contagion and protect the health and safety of its personnel and the environment, (ii) ensure business continuity, (iii) mitigate any possible negative impact on economic results coming from a drop in demand for certain types of services; (iv) have an updated mapping of risks, related impacts and mitigation actions in the various areas of Company organization, in line with the requirements of Risk Management and Internal Audit processes.

Moreover, management did not detect a worsening of the liquidity risk for the Group that, in the emergency phase, was able to manage its financial needs with the sole use of self-liquidating and short-term lines without resorting to new medium/long-term finance at worse conditions.

SIGNIFICANT EVENTS AFTER THE END OF THE HALF

With regard to the procedure launched by Veneto Region for the awarding of the wash-hire service of linen, mattresses and clothing for healthcare companies of the area, in the first ten days of July, the cases pending before the Italian State Council has been successfully concluded for Servizi Italia, resulting the winner of the tender. With regard to the above-mentioned tender, Servizi Italia has been awarded 5 lots relating to public healthcare facilities located in the Veneto Region, relating both to re-adjustments of customers already in portfolio and new awards. The contract, with a duration of 5 years, has a total value

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of approximately Euro 90.4 million for the entire period and includes the revision of service prices according to the ISTAT index.

On 30 July 2020, the Board of Directors of the Company appointed Mr. Andrea Gozzi, former Chief Operating Officer and Manager with strategic responsibilities, as General Manager, in order to enhance and strengthen the constant and profitable collaboration with the Executive Committee and top management functions.

The Company, as at 31 July 2020, had purchased on the regulated market managed by Borsa Italiana 1,403,610 treasury shares, equal to 4.41% of the share capital.

BUSINESS OUTLOOK

The Group's activities are influenced by the general economic conditions and the epidemiological situation of the countries in which it operates. In relation to the impact of the crisis caused by the Covid-19 virus, the first economic effects appeared in March 2020 and, in response to these events, the Group re-adapted its strategy on the basis of the new medium/long-term guidelines, integrating it with the new post-Covid-19 corporate strategy, aligning objectives and targets to the new context. In addition to what has been described above regarding the effects of the Covid-19 viral epidemic, it should be noted that the Italian market for industrial laundries is experiencing a structural contraction related to certain critical issues specific to the healthcare services sector, such as the phenomenon of the awarding of contracts with downward economic offers, the effects of which have affected the Parent Company, with the failure to reconfirm contracts in portfolio and the awarding of contracts already in portfolio at lower prices than in the past. While maintaining forecasts of an overall positive operating margin in the foreseeable future, management will be affected in the medium term by a reduction in turnover in the domestic wash-hire sector and a reduction in operating margins which, in part, can be offset by the further development of the sectors with higher margins and by the following targets:

- modification of both commercial and operational strategy, according to the market context of the countries in which the Group operates;
- revision of technical and economic guidance, re-engineering and reorganization of the organizational model, thanks to the support of technologies and digitization of processes that allow the efficiency of operational activities and business support, and finally the use of institutes and legal instruments for personnel management (e.g. CIGO, Italian acronym for Ordinary Wages Guarantee Fund);
- implementation of appropriate measures to ensure business continuity, managing the epidemiological risk to ensure health, safety and working activities of employees, in compliance with the regulatory requirements of governments in the countries where the Group operates, protocols on safety in the workplace and internal operating procedures.

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Moreover, the Group as a whole will be able to benefit from the effects of the internationalization strategy by consolidating the positive results achieved in the countries where it operates, particularly in Brazil and Turkey.

The Group has a solid financial position which, despite the period of crisis, allowed the Shareholders' Meeting of 28 April 2020 to approve the distribution of dividends to the shareholders, to face the period of crisis with a wide recourse to self-liquidating and short-term lines without resorting to new medium/long-term finance at worse conditions in terms of onerousness, which would have led to a future burden on financial management, and to maintain good creditworthiness with banking institutions.

Following the above considerations, the Group remains confident to be able to effectively manage both the effects of the current epidemiological crisis together and its future objectives.

TREASURY SHARES

As at 30 June 2020, following the transactions on the market regulated and managed by Borsa Italiana, the Company held n. 1,360,717 treasury shares, equal to 4.28% of the share capital.

PUBLICATION OF THE DOCUMENTATION

The Half-year Financial Report as at 30 June 2020 will be made available to the public today at Company's registered office, published on Company website www.servizitaliagroup.com, as well as on the authorized storage mechanism eMarket Storage at www.emarkestorage.com.

Declaration of the Executive Responsible for the preparation of the accounting documents

The Executive Responsible for the preparation of the corporate accounting documents, Angelo Minotta, declares in accordance with Article 154 bis, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in the present press release corresponds to the underlying accounting documents, records and accounting entries.

Alternative performance indicators

The present document uses an "alternative performance indicator" not provided by the IFRS accounting standards. Here is the calculation method used and the composition of these ratios, in line with the guidelines of the European Securities and Market Authority (ESMA). The Group management has defined: (i) EBITDA as the difference between the value of sales and services and operating costs before depreciation, amortisation, write-downs, impairment and provisions; (ii) net financial debt as the sum of amounts Due to banks and other lenders net of Cash and cash equivalents and Current financial receivables.



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This press release is disclosed using eMarket SDIR system and it is now available on Company's website (www.servizitaliagroup.com) as well as on eMarket STORAGE system (www.emarketstorage.com).

Servizi Italia S.p.A., a company based in Castellina di Soragna (PR) and listed on the STAR segment of the MTA of Borsa Italiana S.p.A., has been a leader in Italy in the field of integrated rental, washing and sterilization services for textile materials and medical devices in the healthcare sector for over thirty years. The company, which together with its Italian and foreign subsidiaries forms the Servizi Italia Group, has also expanded its services to the industrial, community and hotel sectors. The Group has a highly technological production platform, articulated in over 50 production plants in 7 countries and counts about 3,700 employees and collaborators: these are the numbers with which Servizi Italia contributes daily to the health and safety of professionals, patients and workers, respecting ethics and the environment in which it operates.

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In attachment:

- Consolidated statement of financial position as at 30 June 2020
- Consolidated income statement as at 30 June 2020
- Consolidated statement of comprehensive income as at 30 June 2020
- Consolidated statement of cashflow as at 30 June 2020
- Consolidated net financial position as at 30 June 2020

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(thousands of Euros)</i>	30 June 2020	31 December 2019
ASSETS		
Non-current assets		
Property, plant and equipment	169,788	175,575
Intangible assets	5,828	5,901
Goodwill	67,322	71,025
Equity-accounted investments	24,538	25,372
Equity investments in other companies	3,322	3,677
Financial receivables	6,841	6,577
Deferred tax assets	6,694	4,960
Other assets	4,446	5,821
Total non-current assets	288,779	298,908
Current assets		
Inventories	7,174	6,882
Trade receivables	70,536	72,126
Current tax assets	2,059	2,085
Financial receivables	6,579	8,310
Other assets	10,124	9,604
Cash and cash equivalents	4,001	7,141
Total current assets	100,473	106,148
TOTAL ASSETS	389,252	405,056
SHAREHOLDERS' EQUITY AND LIABILITIES		
Group shareholders' equity		
Share capital	30,449	30,935
Other reserves and retained earnings	86,828	94,728
Net profit of the period	(300)	8,990
Total shareholders' equity attributable to shareholders of the parent	116,977	134,653
Total shareholders' equity attributable to non-controlling interests	2,514	3,604
TOTAL SHAREHOLDERS' EQUITY	119,491	138,257
LIABILITIES		
Non-current liabilities		
Due to banks and other lenders	57,661	68,558
Deferred tax liabilities	2,419	2,408
Employee benefits	9,782	10,321
Provisions for risks and charges	4,019	4,429
Other financial liabilities	3,396	3,877
Total non-current liabilities	77,277	89,593
Current liabilities		
Due to banks and other lenders	88,801	74,301
Trade payables	79,100	72,364
Current tax liabilities	234	191
Other financial liabilities	3,145	9,269
Provisions for risks and charges	1,363	1,453
Other liabilities	19,841	19,628
Total current liabilities	192,484	177,206
TOTAL LIABILITIES	269,761	266,799
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	389,252	405,056

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CONSOLIDATED INCOME STATEMENT

<i>(thousands of Euros)</i>	30 June 2020	30 June 2019
Revenues from sales	117,943	131,745
Other income	2,501	2,244
Raw materials and consumables	(13,290)	(13,725)
Costs for services	(37,303)	(39,995)
Personnel expenses	(41,443)	(45,537)
Other costs	(942)	(664)
Depreciation/amortization and provisions	(27,233)	(27,851)
Operating profit (loss)	233	6,217
Financial income	1,003	958
Financial expenses	(2,866)	(2,703)
Income/(Expense) from equity investments	1,052	211
Revaluation/impairment of equity-accounted investments	(914)	493
Profit (Loss) before taxes	(1,492)	5,176
Income taxes	1,278	(372)
Profit (Loss) of the period	(214)	4,804
of which: Share pertaining to the Shareholders of the Parent Company	(300)	4,570
Share pertaining to the minority shareholders	86	234
Base earnings/(losses) per share (Euro per share)	(0.01)	0.15
Diluted earnings/(losses) per share (Euro per share)	(0.01)	0.15

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(thousands of Euros)</i>	30 June 2020	30 June 2019
Profit (Loss) of the period	(214)	4,804
<i>Other comprehensive income that will not be reclassified to the Income Statement</i>		
Actuarial gains (losses) on defined benefit plans	-	-
Income taxes on other comprehensive income	-	-
<i>Other comprehensive income that may be reclassified to the Income Statement</i>		
Gains (losses) from translation of foreign financial statements	(12,300)	(396)
Portion of comprehensive income of the investments measured using the equity method	(288)	(935)
Income taxes on other comprehensive income	-	-
Total other comprehensive income after taxes	(12,588)	(1,331)
Total comprehensive income for the period	(12,802)	3,473
of which: Attributable to shareholders of the parent	(12,873)	3,312
Attributable to non-controlling interests	71	161

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CONSOLIDATED STATEMENT OF CASHFLOW

<i>(thousands of Euros)</i>	as at 30 June 2020	as at 30 June 2019
<i>Generated (absorbed) cash flow from operating activities</i>		
Profit (loss) before taxes	(1,493)	5,178
Current taxes payment	(153)	(116)
Depreciation	26,701	27,516
Impairment and provisions	532	335
Gain/losses on equity investments	(138)	(704)
Capital gains/(losses) from divestment	(542)	(318)
Interest and expense income	1,863	1,745
Received interest incomes	558	327
Paid interest expenses	(1,161)	(1,035)
Paid interest on lease liabilities	(1,128)	(994)
Provisions for employee benefits	(195)	600
	24,844	32,534
(Increase)/Decrease in inventories	(706)	(490)
(Increase)/Decrease in trade receivables	(2,998)	(7,684)
(Increase)/Decrease in trade payables	9,756	6,816
(Increase)/Decrease in other assets and liabilities	(6,320)	(6,521)
Settlement of employee benefits	(341)	(220)
Generated (Absorbed) cash flow from operating activities	24,235	24,435
<i>Generated (Absorbed) cashflow net of investing activities in:</i>		
Intangible assets	(621)	(663)
Property, plant and equipment	(27,871)	(26,909)
Dividends received	122	211
Acquisitions	-	(1,377)
Equity investments	1,098	(430)
Generated (Absorbed) cashflow net of investment activities	(27,272)	(29,168)
<i>Generated (Absorbed) cashflow from investment activities in:</i>		
Financial receivables	1,392	(276)
Dividends paid	(4,738)	(5,152)
Purchase of treasury shares	(1,226)	(499)
Share capital increase (minority shareholders)	-	524
Short-term liabilities due to banks and other lenders	17,750	10,580
Long-term liabilities due to banks and other lenders	(9,912)	5,756
Reimbursement of leasing liabilities	(1,882)	(1,384)
Generated (Absorbed) cashflow from financing activities	1,384	9,549
Increase/(Decrease) in cash and cash equivalents	(1,654)	4,816
Cash and cash equivalents at the beginning of the period	7,141	7,003
Effect of exchange rates on cash and cash equivalents	1,486	39
Cash and cash equivalents at the end of the period	4,001	11,780
Increase/(Decrease) in cash and cash equivalents	(1,654)	4,816

PRESS RELEASE

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CONSOLIDATED NET FINANCIAL POSITION

<i>(thousands of Euros)</i>	as at 30 June 2020	as at 31 December 2019	as at 30 June 2019
Cash and cash equivalent in hand	147	44	47
Cash at bank	3,854	7,097	11,733
Cash and cash equivalents	4,001	7,141	11,780
Current financial receivables	6,579	8,310	9,674
Current liabilities to banks and other lenders	(88,801)	(74,301)	(74,700)
<i>of which financial liabilities for IFRS 16</i>	(3,400)	(3,707)	(3,603)
Current net financial debt	(82,222)	(65,991)	(65,026)
Non-current liabilities to banks and other lenders	(57,661)	(68,558)	(77,176)
<i>of which financial liabilities for IFRS 16</i>	(30,088)	(32,552)	(32,035)
Non-current net financial debt	(57,661)	(68,558)	(77,176)
Net financial debt	(135,882)	(127,408)	(130,422)

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