MONNALISA®

PRESS RELEASE

MONNALISA: H1 2020 REVENUES OF EURO 15.1 MILLION, OF WHICH 66% OVERSEAS

Innovation, digital transformation and corporate social responsibility, mainly concentrated on human resources and supply chain, are the strategic assets the Group will keep on focusing in the coming years

- **Revenues of Euro 15.1 million (Euro 24.6 million in H1 2019), of which 66% overseas**
- **EBITDA adjusted of -€2.4 million (€2.8 million in H1 2019)**
- **Net Financial Position of Euro 9.5 million (Euro 3.4 million at December 31, 2019)**
- **Recovery of consumption in China and Russia and the subchannel outlet; opening of three new concessions at the Galeries Lafayette department stores in Paris Haussmann, Nice Cap and Nice Massena and, in August, of the new store at the renowned Marina Bay Sands mall in Singapore**
- **Recovery in the July-September period of turnover, and related margin, linked to the delay of the pre-fall 2020 shipments on the wholesale channel**
- **Digital transformation policy continues with the launch of the new e-commerce platform, the virtual showroom and the new Monnalisa App**

Arezzo (AR), September 30, 2020 - the Board of Directors of **Monnalisa S.p.A.**, the operative holding company of the Monnalisa Group, the high-end childrenswear leader and listed on the AIM Italia market organised and managed by Borsa Italiana, met today and approved the Consolidated Half-Year Report at June 30, 2020.

Christian Simoni, Chief Executive Officer of Monnalisa, stated: *"The period results have clearly been very impacted by the global health emergency which hit - and continues to hit - the fashion industry and particularly the high-end segment, with the closure of sales points and the interruption to visitors with a strong consumption propensity, in addition to the industry-specific problem of quick product obsolescence. These extraordinary events impacted for Monnalisa a season that had started very well, with double-digit sell-out growth for the direct store network and for a large section of the wholesale customer base, crowning the success of one of the best collections in recent years. Facing the pandemic, the initial reaction was to ensure the safety of our personnel, followed by the prompt introduction of remote working. This allowed us to at least launch the pre and main spring-summer 2021 collections respectively only three and four weeks behind schedule and to produce with only a slight delay the autumn-winter 2020 season. Despite the lockdown, we were able to maintain the production and logistics process ongoing, with high levels of customer service. We were in a position to launch the new collection and ship autumn-winter 2020 merchandise to customers awaiting their receipt - particularly for those sold online - which from July began also to be restocked thanks to strong sellouts. At the same time, in order to protect customer value over the long-term, we have supported wholesale customers by extending payment deadlines and in some cases providing additional commercial support. We are also ready to introduce over the coming weeks a virtual showrooming system which our top international customers have judged as highly effective. This is thanks also to the investment made over recent years to develop the digital identity of products and more generally the digitalisation of our processes. I expect the choices made and the fact that we have been ready to tackle this emergency to significantly boost the company's reputation, with clear benefits over the medium/long-term. All of this has been achieved thanks to the support of our personnel who have given more than we could have ever expected in terms of efficiency, commitment, solidarity and proactivity in finding new solutions and in being ready to adapt to new or re-thought processes. I firmly believe that embarking on the road of corporate social responsibility some time ago has paid off and that continuing - even during this pandemic - to invest in the well-being of our personnel, customers and suppliers will be crucial to our future success. In addition to the significant strength of our balance sheet and the streamlining policy which we are introducing and is delivering results in line with expectations, the other key asset - now and for the future - shall be a continued close focus on innovation. Over this* *period, in addition to the virtual showrooming outlined above, we have designed new and more efficient internal processes, rolling out the new PLM (Product Lifecycle Management) system, launching the new Monnalisa App, and we are in particular adapting how we deal with end customers quickly, with the gradual introduction of the new CRM, of sales via social media and the adoption of a consignment sales system - to name just a few projects. We have also begun to work on a two-year plan - which in my humble opinion is potentially disruptive - with a multi-channel focus and the involvement of the wholesale network, accompanying the integration of the e-commerce wholesale channels and the localisation of a number of processes of Group companies in order to best leverage local logistics and provide better end customer service. Despite the size of this challenge, our brand, our vision and our values shall emerge stronger than ever".*

H1 2020 key financial highlights

Sales revenues totalled Euro 15.1 million, compared to Euro 24.6 million in the first half of the previous year, with a drop of 38% at current and like-for-like exchange rates. The significant drop in revenues was caused by the COVID-19 pandemic which led to the shutdown of commercial activity across the globe, in addition to international traffic bans and restrictions. This resulted in the closure of the direct and indirect distribution network for a large part of the period. In the remaining months, after the reopening, traffic significantly dropped, with a particular impact on operations in tourist hotspots.

The **retail** channel reported a 41% sales volume contraction on the same period of the preceding year, with revenues of Euro 4.2 million (compared to Euro 7.1 million). From mid-March, Monnalisa ordered the closure of its showrooms and directly managed retail outlets in Italy. In terms of foreign subsidiaries, the retail stores managed directly by companies belonging to the Monnalisa Group were gradually closed as the pandemic spread around the world. In mid-March, stores in France, the USA, Spain, Belgium, Brazil, the UK, Russia and Turkey were closed according to local laws and according to the example of eastern countries, where the emergency originated at the end of January. The retail channel accounted for an almost unchanged proportion of revenues (28%, compared to 29% in H1 2019). Pre-lockdown sales saw double-digit growth across all comparable stores, highlighting both the success of the spring-summer 2020 collection and the strength of the retail plan introduced over the preceding months.

During the period, three new sales points were opened - at Galeries Lafayettes in Paris, Nice Cap and Nice Massena. In the same period, five low-traffic sales points were closed (MIXC Shenzhen and Florentia Village Shanghai in China, European Center in Russia, Recife in Brazil and Istanbul Airport in Turkey). At the end of H1 2020, the Monnalisa Group therefore owns a total of forty-seven direct sales points, between both DOS's and DOO's, compared to forty-eight at December 31, 2019.

Wholesale channel revenues were Euro 10.3 million at current and like-for-like exchange rates, compared to Euro 16.7 million in H1 2019. In particular, the summer collection, delivered before the lockdown, saw a significant drop in reorders and a delay in deliveries in Russia, due to its lockdown shortly after Italy's. Finally, over half of the drop in wholesale revenues was from the winter collection, whose shipments - differing from usual and due to the lockdown - were delayed until after June. The winter shipments in July, August and September fully recovered the lack of shipments in June.

E-commerce channel revenues, though falling 17%, both at current and like-for-like exchange rates. In the second quarter of the year, sales were up 20% over Q2 2019, owing to the considerably improved website performance, particularly in terms of the higher conversion rate.

The general course of the semester was affected by the start-up of a totally re-purposed e-commerce ecosystem (e-commerce platform, PIM-DAM, CRM, marketing automation and multi-channel system), in addition to the domain switch from monnalisa.eu to monnalisa.com, which required a review of the SEO and indexing strategy.

We also indicate the doubling of online sales in China through the TMall platform. The figures are so far negligible, although confirming the development of Monnalisa's online sales, both directly and through third party e-commerce platforms.

Six months ended 30 June at current exchange rates						
In thousands of €	**2020**	**Inc. %**	**2019**	**Inc. %**	**Var**	**Var %**
Retail	4,184	28%	7,122	29%	(2,939)	-41%
Wholesale	10,314	68%	16,671	68%	(6,357)	-38%
B2C	639	4%	767	3%	(128)	-17%
Total	**15,137**	**100%**	**24,561**	**100%**	**(9,424)**	**-38%**

Six months ended 30 June at constant exchange rates						
In thousands of €	**2020**	**Inc. %**	**2019**	**Inc. %**	**Var**	**Var %**
Retail	4,214	28%	7,122	29%	(2,908)	-41%
Wholesale	10,346	68%	16,671	68%	(6,326)	-38%
B2C	640	4%	767	3%	(127)	-17%
Total	**15,200**	**100%**	**24,561**	**100%**	**(9,361)**	**-38%**

Revenues by region indicate a similar drop in Europe and the Rest of the World (-40%) and a more contained contraction in Italy (-35%). The revenue breakdown by region remained substantially unaltered compared to the comparative period.

Six months ended 30 June at current exchange rates						
In thousands of €	**2020**	**Inc. %**	**2019**	**Inc. %**	**Var**	**Var %**
Italy	5,072	34%	7,749	32%	(2,678)	-35%
Europe	3,992	26%	6,705	27%	(2,713)	-40%
Rest of the world	6,073	40%	10,106	41%	(4,033)	-40%
Total	**15,137**	**100%**	**24,561**	**100%**	**(9,423)**	**-38%**

Six months ended 30 June at constant exchange rates						
In thousands of €	**2020**	**Inc. %**	**2019**	**Inc. %**	**Var**	**Var %**
Italy	5,072	33%	7,749	32%	(2,678)	-35%
Europe	3,992	26%	6,705	27%	(2,713)	-40%
Rest of the world	6,136	40%	10,106	41%	(3,971)	-39%
Total	**15,200**	**100%**	**24,561**	**100%**	**(9,361)**	**-38%**

Adjusted EBITDA was a loss of approx. Euro 2.4 million (Adjusted EBITDA profit in 2019 of Euro 2.8 million). The adjustments to EBITDA concerned the sales point openings and closings in the period, one-off costs incurred and the extraordinary items indicated above, regarding inventory, the doubtful debt accrual and the capital depreciations at the subsidiaries.

In view of the challenging economic environment arising from the pandemic, the company also reviewed its assumptions and estimates used to prepare the consolidated financial statements, carrying out an extraordinary adjustment to the expected realisable value of inventories - both raw materials and finished products - for a total of

Euro 2.1 million and allocating a larger accrual to the Doubtful debt provision in view of possible wholesale customer insolvencies.

Reported EBITDA was a loss of Euro 6.2 million, compared to a profit of Euro 1.9 million in H1 2019.

The significant decline in the margin is directly related to the considerable drop in retail and wholesale channel revenues across all regions in which the Group operates due to COVID-19 pandemic. The loss of margin on the wholesale channel for winter shipments was entirely recovered in the third quarter of 2020, to which the winter collection shipments were postponed.

The margin was also impacted by a number of capital depreciations at the subsidiaries following the closure of some stores during the period and in July and August. Specifically, during the period two stores closed in China, one in Russia, one in Brazil and one in Turkey at Istanbul airport. The Korean company was also closed in the period. In the subsequent months, a store of the Brazilian subsidiary was closed, while the two remaining stores became TPOS (third party operated store) managed by the company owning, among others, the well-known Cidade Jardim shopping centre in San Paolo, where one of the stores is located, thereby maintaining a presence in a key market. The economic impact of this operation, in terms of capital depreciation, has already been reflected in the H1 2020 financial statements.

The Group introduced during the period a cost review policy to contain non-strategic and deferable costs, without impacting product quality and the medium-term operating outlook. Operating cost control included: the closure of under-performing sales points, the cutting and postponement of marketing spend, the renegotiation of rents, the use of government subsidies and business supports where existing, the voluntary reduction of remuneration by the Chairman and Chief Executive Officer and the voluntary reduction of remuneration by the creative director and two executives, all related parties.

After amortisation and depreciation of Euro 1.7 million (increasing Euro 0.1 million over June 30, 2019), **EBIT** was a loss of Euro 7.9 million (profit of Euro 0.3 million in H1 2019).

A **Net Loss** of Euro 6.8 million was reported (loss of Euro 0.1 million in H1 2019).

The **Net Financial Position** was Euro 9.5 million, compared to Euro 3.4 million at December 31, 2019, due mainly to the reduction in bank and postal deposits and increased non-current bank payables. Specifically, it was agreed with clients to defer April due dates to July, with the others remaining unchanged. Added to this, the NPF was affected by the temporary liquidity investment made in January 2020 and mobilized in July.

Besides, an unsecured Euro 1 million loan was agreed in April, which was then included within the consolidation transactions under the Liquidity Decree, completed in the third quarter.

Investing activity, limited exclusively to what agreed before the outbreak of the pandemic, used cash of approximately Euro 740 thousand, of which Euro 470 thousand was invested in intangible assets, specifically expenses incurred on third-party assets for the opening of direct stores and the costs incurred to develop the e-commerce site and the digital transformation.

The Group reports **shareholders' equity** of Euro 31.8 million.

Covid-19 update

By February 2020, Monnalisa's management team had put in place initial measures to combat the spread of Covid-19. These measures were subsequently updated and supplemented as the situation developed. A "shared protocol to regulate the measures put in place to combat the spread of Covid-19 in the workplace" was adopted and signed by trade unions and trade associations.

Working methods were being restructured according to the tasks performed by employees. Individuals working in the administrative-financial, sales, style, design and production planning departments were encouraged to adopt an agile/smart-working approach, with 58 contracts drawn up, in addition to the remote contracts that were already in place. Before the site was closed, production department employees saw their working hours reduced to six continuous hours. An alternate-day shift system was also put in place to reduce the number of employees on site at the same time, so that social distancing could be properly enforced. Employees not belonging to the previous categories were encouraged to take leave or make use of paid holidays, while thereafter utilising the temporary lay-off scheme on the basis of the COVID-19 outbreak, which was partially and for certain periods utilised also by staff working remotely. The lay-off scheme was paid in advance by the company and then reconciled with the INPS Uniemens system and is still in place month-by-month.

Monnalisa began producing surgical masks using non-woven fabric, which were subsequently donated to the local government, police forces and to Arezzo Hospital in order to strengthen the company's social responsibility projects.

As a corporate welfare measure, the company management team took out an insurance policy for all Monnalisa Italia employees in the event of contagion from Covid-19.

In terms of foreign subsidiaries, the retail stores managed directly by companies belonging to the Monnalisa Group were gradually closed as the pandemic spread around the world. In mid-March, stores in France, the USA, Spain, Belgium, Brazil, the UK, Russia and Turkey were closed according to local laws and following the example of eastern countries, where the emergency originated at the end of January.

Each of the subsidiaries has made use, within its remit, of the national legislation in force regarding social security benefits for its sales staff, and therefore using leave and holidays accrued in the first instance as well as applying the local lay-off schemes, or opting for the payment by each State of part or all of the cost of personnel, or putting employees on unpaid leave so as to allow them to receive unemployment benefits. Not all governments introduced extraordinary measures to contain personnel costs in view of the pandemic, leaving the entire cost of the emergency to be borne by businesses.

Subsequent events

July, 25 - Publication of the Annual Report - a prime example of modern reporting - addressing Governance and product, social and environmental responsibility.

August, 2 - Opening of a store in Singapore at the renowned Marina Bay Sands.

September, 1 - Concession on the renovated fifth-floor childrenswear section at the famous "La Rinascente" store in Milan's "Piazza Duomo".

September, 9 - Monnalisa, partner of the 63rd "Zecchino d'oro", dresses the children of the Mariele Ventre Children's Choir and the 16 soloists.

September, 16 - First mono-brand boutique in India with the opening of a local partnership boutique in New Delhi, in the luxurious Chanakya Mall.

September, 22- Monnalisa is confirmed champion at the SME Welfare Index Awards, which this year recognised, in particular, the "great ability to react and resilience to the impact of the COVID crisis".

September, 23 - Funding completed under the Liquidity Decree.

Outlook

The economic-social impacts of COVID-19 continue to be severe across the globe and the major uncertainty with regards to the duration and extent of the consequences of the pandemic makes forecasts on the FY 2020 results difficult. The fashion industry in fact has been particularly hit by the difficult general economic environment, with spending power and consumption propensity dropping. The impact has been sharpened by international travel restrictions and the consequent significant fall in tourist numbers.

As outlined, the company promptly acted to introduce all necessary measures to contain the impacts of the pandemic, through reviewing costs, closely managing commercial relations and the supply chain, while strengthening the financial situation.

In the third quarter, medium/long-term unsecured loans for over Euro 5 million were sought and obtained, of which Euro 3.3 million new funding, with the residual through the consolidation of existing debts and a consequent extension of the original repayment period. Guarantees have been issued for the transactions, all under the Liquidity Decree, by the Central Guarantee Fund for SME's up to the maximum permitted amount of Euro 5 million. In addition to the above, the company obtained an additional loan of over Euro 0.8 million from Simest S.p.A. to support the launch of Italian enterprises on non-EU markets and particularly for the opening of the new sales point in Singapore at the luxury "Marina Bay Sands" in August. Thanks to the Relaunch Decree, this loan was disbursed without guarantees. The first tranche, accounting for 50% of the total, has already been disbursed, with the remainder to be released within 29 months from the contract conclusion date.

At the same time, Monnalisa confirms its commitment to improve the strategic positioning of its collections and to ongoing brand development. The company therefore has invested in its e-commerce B2C platform and launched new digital-oriented components to expand the commercial network's capacity and boost customer interaction. The significant technological acceleration in this period involved everyone. Monnalisa has stepped up its digital focus, adopting a visual showroom platform which hosted the PE21 sales campaign just after the lockdown ended, strongly promoting the collections and sharing technical, style and inspirational details with customers - particularly those overseas who cannot travel internationally and make their seasonal showroom visit.

Documentation

The consolidated half-year report at June 30, 2020 shall be made available to the public according to the terms and means established by the AIM Italia Issuers' Regulation, and also on the website of Monnalisa Spa www.monnalisa.eu/it/ in the "Investor Relations" section.

This Press Release is available on the company website www.monnalisa.eu/it/, in the "Investor Relations/Press Releases" section and at www.emarketstorage.com.

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Monnalisa SpA (**Aim Italia -Ticker MNL**), listed on the AIM Italia market since July 12, 2018 and engaged in the high-end childrenswear segment for fifty years, was founded in Arezzo in 1968. It distributes **in over 60 countries**, both through direct flagship stores and at the world's best-known Department Stores and over 700 multibrand sales points. Focusing on high-quality and made in Italy style, its research and development investment is matched by a commitment to sustainability. The company complies with the SA8000 regulation and environmental certification ISO 14001.

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The following financial statements are annexed to this press release:

- Consolidated Balance Sheet
- Consolidated Income Statement
- Consolidated Cash Flow Statement

Reclassified Consolidated Balance Sheet

ASSETS	30.06.2020	31.12.2019
A) Subscribed capital unpaid		
B) Fixed Assets		
I - Intangibles Assets		
1) Start-up and expansion costs	674,355	859,656
3) Industrial Patent and Intellectual Property Rights	472,244	318,551
5) Goodwill	749,682	909,103
6) Work in progress and advance payments	151,190	0
7) Others	1,487,761	2,074,589
Total Intangible assets	**3,535,232**	**4,161,899**
II - Tangible Assets		
1) Land and Buildings	10,852,848	10,991,664
2) Plants and equipment	3,461,695	3,811,577
3) Industrial and commercial equipment	385,166	518,590
4) Other Assets	2,719,673	3,011,673
5) Work in progress and advance payments	93,684	5,400
Total Tangible Assets	**17,513,066**	**18,338,905**
III - Financial Assets		
1) Equity investments in:		
D bis) other companies	8,624	8,624
Total Equity Investments	**8,624**	**8,624**
2) Receivables		
d bis) due from others		
- beyond 12 months	1,433,791	1,712,281
3) Other Securities	2,200,000	1,200,000
Total Financial Assets	**3,642,415**	**2,920,906**
B) Total Fixed Assets	**24,690,713**	**25,421,710**
C) Current Assets		
I - Inventories		
1) Raw, supplies and consumable materials	2,569,150	2,351,518
2) Work in progress and semi-finished products	1,318,523	1,734,271
4) Finished products and goods	12,608,010	14,339,822
5) Advances	50,202	84,393
Total inventories	**16,545,884**	**18,510,004**
II - Receivables		
1) Due from customers		
- within 12 months	9,314,874	9,611,253
Total Due from customers	**9,314,874**	**9,611,253**
5-bis) Tax Receivables		
- within 12 months	3,484,498	3,231,350
Total Tax Receivables	**3,484,498**	**3,231,350**
5-ter) Deferred tax assets		
- within 12 months	617,891	589,618
- beyond 12 months	1,705,176	569,572
Total Deferred tax assets	**2,323,067**	**1,159,190**
5-quater) Due from others		
- within 12 months	222,770	825,071
Total Due from others	**222,770**	**825,071**
Total Receivables	**15,345,210**	**14,826,864**
III - Financial Assets (other than fixed assets)		

5) Derivative financial instrument assets	6,928	11,811
Total financial assets (other than fixed assets)	**6,928**	**11,811**
IV - Cash and cash equivalents		
1) Bank and postal deposits	2,088,501	8,280,643
3) Cash on hand	43,816	76,242
Total cash and cash equivalents	**2,132,317**	**8,356,884**
C) Totale current assets	**34,030,339**	**41,705,563**
D) Accrued income and prepaid expenses		
Prepaid expenses	1,518,285	891,683
D) Total accrued income and prepaid expenses	**1,518,285**	**891,683**
TOTAL ASSETS	**60,239,337**	**68,018,956**

LIABILITIES AND SHAREHOLDERS' EQUITY	**30.06.2020**	**31.12.2019**
A) Shareholders' Equity		
I Share capital	10,000,000	10,000,000
II Share premium reserve	9,063,125	9,063,125
III Revaluation reserve	2,959,446	2,959,446
IV Legal reserve	1,108,276	1,108,276
VI Other reserves, indicated separately		
Translation differences	(903,319)	(608,669)
Other reserves	51,576	189,187
Total other reserves	(851,742)	(419,482)
VII Cash flow hedge reserve	4,653	8,364
VIII Profit (loss) carried forward	16,462,737	24,740,642
IX Profit (loss) for the period	(6,791,054)	(8,415,516)
X Negative reserve for own portfolio shares	(149,915)	(149,915)
Total Group Shareholder's Equity	**31,805,526**	**38,894,939**
Third Party capital and reserves	5,259	12,394
Profit (loss) attributable to minority interests	(5,575)	(6,691)
Total Minority Shareholder's Equity	**(316)**	**5,703**
Total Shareholder's Equity	**31,805,210**	**38,900,642**
B) Provisions for risks and charges		
1) Provisions for pensions or similar obligations	60,115	59,397
2) Provisions for taxes, including deferred	186,303	264,928
4) Other	326,855	489,175
Total provisions for risks and charges	**573,273**	**813,499**
C) Employee termination indemnities	**1,895,207**	**1,809,749**
D) Payables		
4) Payables due to banks		
- within 12 months	7,882,002	8,127,152
- beyond 12 months	7,205,472	6,564,737
Total payables due to banks	**15,087,474**	**14,691,889**
5) Payable due to other financial institutions		
- beyond 12 months	181,999	-
Total payable due to other financial institutions	**181,999**	**-**
6) Advances		

- within 12 months	388,640	951,813
Total advances	**388,640**	**951,813**
7) Trade payables		
- within 12 months	7,889,925	7,942,570
Totale trade payables	**7,889,925**	**7,942,570**
12) Tax payables		
- within 12 months	482,403	580,504
Total tax payables	**482,403**	**580,504**
13) Payables to pension funds and social security agencies		
- within 12 months	346,068	540,079
Total payables to pension funds and social security funds	**346,068**	**540,079**
14) Other payables		
- within 12 months	1,251,334	1,252,322
- beyond 12 months	87,804	87,804
Total other payables	**1,339,138**	**1,340,126**
Total payables	**25,715,648**	**26,046,982**
E) Accrued liabilities and deferred income		
Accrued liabilities	-	148,084
Deferred Income	250,000	300,000
Total accrued liabilities and deferred income	**250,000**	**448,084**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**60,239,337**	**68,018,956**

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Reclassified Consolidated Income Statement

INCOME STATEMENT	30.06.2020	30.06.2019
A) Value of Production		
1) Revenues from sales	15,137,096	24,560,083
2) Changes in inventories of work in progress, semi-finished goods and finished products	(1,950,907)	1,824,502
4) Capitalization of internal work	12,147	100,843
5) Other revenues and income	419,459	726,047
Total value of production	**13,617,795**	**27,211,475**
B) Costs of Production		
6) Raw materials, consumables and goods for resale	5,034,853	6,885,226
7) Services	5,973,402	9,268,928
8) Use of third-party assets	2,900,913	3,323,758
9) Personnel Costs		
a) Wages and salaries	3,616,567	4,482,541
b) Social security charges	865,992	1,027,912
c) Termination indemnities	120,554	147,327
d) Pensions and similar obligations	124,793	76,688
e) Other costs	24,661	89,380
Total personnel Costs	*4,752,567*	*5,823,847*
10) Amortization, depreciation and write-downs		
a) Amortization of intangible fixed assets	782,095	775,990
b) Depreciation of tangible fixed assets	901,246	841,838
c) Write-downs of other assets	-	-
d) Write-downs of receivables in current assets and cash and cash equivalents	464,328	49,147
Totale amortization, depreciation and write-downs	*2,147,669*	1,666,975
11) Change in inventory of raw, ancillary, consumable materials and goods	(215,591)	*(271,068)*
14) Other operating costs	618,699	242,533
Total production costs	**21,212,512**	**26,940,198**
Difference between value and production costs (A-B)	**(7,594,717)**	**271,277**
C) Financial income and expenses		
16) Other financial income:		-
a) from receivbales classified as fixed assets	8,800	
b) from securities classified as fixed assets	15,000	15,000
d) others	4,698	4,197
Totale financial income	*28,498*	*19,197*
17) Interests and other financial expenses		
-other	186,968	222,633
Total financial expenses	186,968	*222,633*
17-bis) (Losses) and gains on currency exchange	276,084	56,080
Total financial income and expenses	**(434,554)**	**(147,356)**
18) Write-backs:		
d) financial derivative instruments		
Totale write-backs		
19) Write-downs:		
d) financial derivative instruments	8,563	8,563
Total write-downs	8,563	8,563
Total value adjustments to financial assets (D)	**(8,563)**	**(8,563)**
Profit/(Loss) before taxes (A-B±C±D)	**(8,037,834)**	**115,359**
a) Current taxes	-	500,497
b) Deferred taxes	(1,241,205)	(261,327)
Total Income, current, deferred taxes	(1,241,205)	239,170
21) Profit (loss) for the period	**(6,796,630)**	**(123,811)**
Profit (loss) attributable to the Group	(6,791,054)	(122,438)
Profit (loss) attributable to minority interests	(5,575)	(1,373)

Consolidated Cash Flow Statement

CASH FLOW STATEMENT CASH AND CASH EQUIVALENTS	30.06.2020	30.06.2019
A) Cash flow from operating activities (indirect method)		
Profit for the period	(6,796,630)	(123,811)
Income tax	(1,241,205)	239,170
Interest expenses/(income)	158,470	203,436
(Dividends)		
(Gains)/losses on asset disposals		
1) Profit for the period before taxes, interest, dividends and capital gains/losses on disposals	**(7,879,364)**	**318,795**
Non-cash adjustments not impacting working capital		
Provisions	265,393	261,582
Amortisation & depreciation	1,683,341	1,617,828
Impairments		
Adjustments to non-cash financial instrument assets and liabilities	(5,756)	42
Other non-cash increases/(decreases)	286,625	-
Non-cash adjustments not impacting working capital	**2,229,602**	**1,879,452**
2) Cash flow before working capital changes	**(5,649,762)**	**2,198,247**
Change in net working capital		
Decrease/(Increase) in inventories	1,964,120	(2,165,902)
Decrease/(Increase) in trade receivables	296,379	(231,045)
Increase/(Decrease) in trade payables	(52,644)	898,379
Decrease/(Increase) in accrued income and prepaid expenses	(626,602)	(232,109)
Increase/(Decrease) in accrued liabilities and deferred income	(198,084)	314,784
Other Decreases/(Other Increases) in net working capital	(492,641)	(643,270)
Total changes in net working capital	**890,527**	**(2,059,163)**
3) Cash flow after net working capital changes	**(4,759,235)**	**139,084**
Other adjustments		
Interest received/(paid)	(158,470)	(203,436)
(Income taxes paid)	(98,697)	(80,459)
Dividends received		
(Utilisation of provisions)	(341,536)	(308,859)
Other receipts/(payments)	360,489	-
Total other adjustments	**(238,214)**	**(592,754)**
Cash flow from operating activities (A)	**(4,997,448)**	**(453,670)**
Tangible fixed assets	(248,536)	(852,866)
(Investments)	(269,722)	(892,969)
Divestments	21,186	40,103
Intangible fixed assets	(474,167)	(937,563)
(Investments)	(474,167)	(937,563)
Divestments		
Financial fixed assets	(900,000)	(734,204)
(Investments)	(1,000,000)	(834,204)
Divestments	100,000	100,000
Current financial assets		
(Investments)		
Divestments		
Cash flow from investing activities (B)	**(1,622,703)**	**(2,524,633)**
Third party funds		
Increase/(Decrease) in short-term bank payables	(245,150)	69,654
New loans	1,000,000	2,000,000

(Repayment of loans)	(359,265)	(1,067,946)
Own funds		
Paid-in share capital increase		
(Repayment of share capital)		
Disposal/(Acquisition) of treasury shares	-	(95,913)
(Dividends and advances on dividends paid)		
Cash flow from financing activities (C)	**395,585**	**905,795**
Increase/(decrease) in cash and cash equivalents (A ± B ± C)	**(6,224,566)**	**(2,072,507)**

Opening cash and cash equivalents	**8,356,884**	**13,578,749**
Bank and postal deposits	8,280,642	13,518,370
Cash on hand	76,242	60,379

Closing cash and cash equivalents	**2,132,317**	**11,506,243**
Bank and postal deposits	2,088,501	11,431,290
Checks		
Cash on hand	43,816	74,953

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