vimi fasteners

fastening your success

Consolidated Financial Statements at 30 June 2021

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CORPORATE BODIES

BOARD OF DIRECTORS

FIRST AND LAST NAME	POSITION
Storchi Fabio	Chairman of the Board of Directors
Sargenti Marco	Chief Executive Officer
Storchi Fabrizio	Director
Accorsi Ivano	Independent Director
Storchi Alessandro	Director

OTHER POSITIONS

FIRST AND LAST NAME	POSITION
Storchi Aimone	Honorary Chairman

BOARD OF STATUTORY AUDITORS

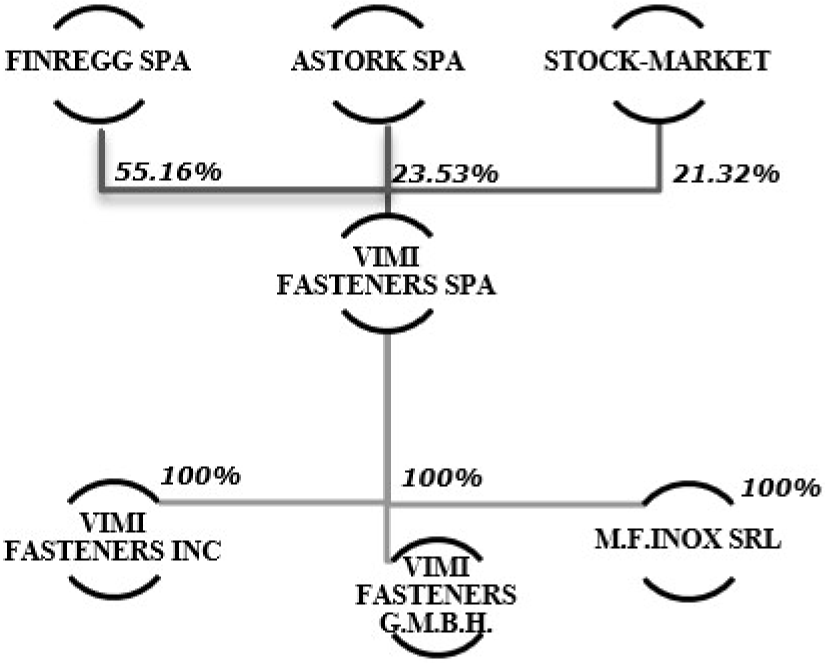
FIRST AND LAST NAME	POSITION
Signoriello Gaetano	Chairman of the Board of Statutory Auditors
Tanturli Gianni	Standing auditor
Corradini Michele	Standing auditor
Esposito Paolo	Alternate auditor
Davoli Claudio	Alternate auditor

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.

THE GROUP'S STRUCTURE

The table below shows the structure of the Vimi Group, which includes the Parent Company Vimi Fasteners S.p.A. and its three subsidiaries.



Report on operations for the consolidated financial statements at 30 June 2021

CONSOLIDATED INCOME STATEMENT, BALANCE SHEET AND CASH FLOW HIGHLIGHTS AT 30 JUNE 2021

REVENUES

Consolidated revenues for the period amount to Euro 22.8 million, showing an increase of 19.97% compared to the first half of 2020, as a result of the upturn in business activities following the outbreak of the Covid-19 pandemic, which is affecting the various market sectors in which the Group operates.

EBITDA

As at 30 June 2021 the Group recorded EBITDA of Euro 3 million, showing an improvement compared to Euro 1.8 million in the first half of 2020.
In percentage terms, consolidated EBITDA achieved 13.3% at 30 June 2021, compared to 9.3% as at the same date of the previous period.
This result is attributable to the Group's ability to take advantage of the trend of recovery in the target markets, together with careful management of structural costs and improved production efficiency at the Novellara plant that has just been refurbished.

NET PROFIT

The Group closed the half-year with a profit of Euro 650 thousand, compared to a loss of Euro 417 thousand reported in the first half of 2020. As in previous financial periods, the result was affected by a significant amount of amortisation and depreciation, arising from the plan of substantial investments implemented in recent years.

NET FINANCIAL POSITION

As at 30 June 2021, the Net Financial Position was in line with the value of Euro 19.7 million posted at 31 December 2020. This is a satisfactory result if we consider the impact due to the resumption of business activities following the lockdown months, with the consequent generation of new stock and a higher amount of trade receivables, against a recovery in sales that is strengthening in the second half of 2021.
Furthermore, it should be noted that this value includes an Earn-Out of Euro 2.8 million to be paid to the former quotaholders of subsidiary MF Inox; the amount is Euro 1 million less than at 31 December 2020 since it was already paid out during the first half of 2021.
Medium/long-term loans showed a reduction of more than Euro 3 million in the first half of 2021, as a result of the termination of the moratorium periods that had been granted by credit institutions during the previous year in order to allow businesses to cope with the emergency due to the Covid-19 pandemic; conversely, there was an increase of about Euro 1 million in the current portion of loans.

INTRODUCTION

Dear Shareholders,

We submit for your attention the consolidated financial statements at 30 June 2021 of the Vimi Fasteners Group, which is composed of the following companies:

- Vimi Fasteners S.p.A., the parent company with registered office in Novellara (Reggio Emilia);
- MF Inox S.r.l., a wholly-owned subsidiary with registered office in Albese con Cassano (Como);
- Vimi Fasteners GmbH, a wholly-owned subsidiary with registered office in Rommerskirchen (Germany);
- Vimi Fasteners Inc., a wholly-owned subsidiary with registered office in Charlotte, NC (USA).

SIGNIFICANT EVENTS DURING THE PERIOD

Since the end of last year, and even more significantly in early 2021, Vimi witnessed a rise in demand following the slowdown in the spread of Covid-19 and the expectations placed on the vaccination campaigns carried out on a global scale.

The low levels of stock achieved by the main global OEMs during the darkest period of the pandemic generated an effect that boosted demand, resulting in bottlenecks and critical issues along the entire supply chain. These circumstances then gave rise to a sharp increase in prices of raw materials, with particular reference to industrial metals, as well as in logistics chain and services.

Vimi has carefully monitored the trends in price changes, while renegotiating long-term supply contracts, under clauses governing adjustments to the prices of raw materials, on the one hand and, on the other, also applying price increases on ordinary supplies.

It should be noted that in the first half of the year Vimi reviewed its strategic growth plan, adapting it to the new market trends and the technological changes taking place in our customers' products.

Furthermore, it should be pointed out that Vimi also commenced work on qualifying supplies for a new major global manufacturer of turbochargers, thus strengthening its leading position in this specific market sector.

The Group will continue to monitor the evolution of the emergency due to the spread of Covid-19 on an ongoing basis, in consideration of both the changing regulatory framework of reference and the complexity of the global economic environment, in order to assess whether additional measures are to be put in place to safeguard the health and well-being of its employees, collaborators and customers and to protect its sources of revenue and assets.

In this context, given the impact the pandemic has had on global economy, the Group monitors the achievement of the results forecast in the approved long-term business plans on an ongoing basis, while also abiding by the recommendations issued by the Italian and European regulators, in order to put in place impairment test procedures aimed at assessing whether goodwill and net invested capital may be recovered, if necessary.

On the basis of the results achieved so far by the Group and of financial, operational and performance indicators, the Group's Directors have established that, despite the uncertain global economic and financial scene, no uncertainties are noted with regard to the ability to continue as a going concern, nor are any critical issues regarding the Group’s ability to meet its obligations over the next 12 months.

MACROECONOMIC SCENARIO

GENERAL OVERVIEW

During the first half of 2021, the progress of vaccination gave rise to a marked decline in Covid-19 infections on a global scale and allowed for a gradual easing of social distancing measures in those areas where the share of the vaccinated population was larger, such as in the United States, the United Kingdom, and the European Union. However, infections remained high in some emerging economies. The emergence of a more contagious variant of the virus led to an increase in case numbers in many countries as from June, but nevertheless this did not entail an increase in deaths where vaccination coverage had been higher.

With the progress of vaccination campaigns, global GDP has grown even more and the outlook is for further improvement, although unevenly distributed across different areas. A considerable increase in inflation in the United States has led to delays in adjusting supply in line with the strong recovery in demand, but has not so far extended significantly to medium-term forecasts. Monetary policies remain expansionary in all major countries.

The composite Purchasing Managers' Index (PMI) relating to GDP, excluding the Eurozone, rose to its highest level in 15 years during the second quarter of 2021. Business remained solid in economic activities in the manufacturing sector and gained momentum in services. The rate of expansion eased slightly toward the end of the second quarter, when PMIs normalised somewhat in several countries, including the United States and China.

Supplier lead times outside the Eurozone extended in June beyond the peak observed during the global shutdown in April 2020. Supply-side restrictions lead to friction in global value chains, such as a shortage of microprocessors, which causes delays in production and delivery of cars and a range of electrical products.

In the Organization for Economic Cooperation and Development (OECD) countries, twelve-month inflation as measured on the basis of the consumer price index rose to 3.8% in May from 3.3% in April. Price increases for raw materials, which entailed widespread rises in other sectors, including with regard to the cost of energy, services and ancillary materials for consumption and production, also gave a significant contribution to this trend.

The Eurozone’s economy reported a recovery trend in the second quarter of the year, moving towards strong growth in the third quarter following the easing of restrictions. Although the reopening of large sectors of the economy is supporting a strong rise in demand for services, the Delta variant of the Coronavirus (COVID-19) could dampen their recovery, especially in the tourism and hospitality business segments. As customers return to stores and restaurants, consumer spending increases, even bolstered by improving employment prospects, rising confidence and government support provided on a continuing basis. The ongoing recovery in domestic and global demand increases business optimism and encourages investments. For the first time since the outbreak of the pandemic, the survey on bank lending in the Eurozone shows that the financing of fixed investments is a key determinant of demand for loans on the part of businesses and enterprises.

Business activities are expected to return to pre-crisis levels during the first quarter of 2022, but there is still a long way to go before the damage to economy caused by the pandemic is restored. The number of beneficiaries of wage subsidies is declining, but still remains high. There are still 3.3 million fewer people employed than before the pandemic, especially among younger and low-skilled workers. It is essential to ensure substantial income and wage support schemes. An ambitious and coordinated budget policy should continue to complement monetary policy in boosting confidence and encouraging spending. The Next Generation EU programme also has a key role to play, insofar as it should contribute to a stronger and more even recovery across the entire Eurozone.

Inflation in the Eurozone stood at 1.9% in June and is expected to rise further in the next months before falling again in 2022. The current increase is largely due to rises in energy prices. The effect of these factors should cease to be felt by the beginning of 2022, when they are no longer included in the calculation of twelve-month inflation. The ECB’s Governing Council has reiterated that it will maintain, for a long time, the present extremely expansive monetary policy, which remains essential to support the economy and ensure that inflation returns to values in line with price stability in the medium term. According to the new

monetary policy strategy approved by the Council, particularly incisive and continuing expansionary action is necessary when interest rates are close to their lower bound.
In Italy the change in GDP was slightly positive during the first quarter, unlike the other main countries in the Eurozone, where a fall was instead recorded. On the basis of available indicators, growth picked up in the second quarter, boosted as it was by an acceleration in the vaccination programme and a gradual lifting of restrictions, and amounted to more than 1% compared to the previous period. This would have been contributed to by a renewed expansion in industry, as well as by an ongoing recovery in services. The revival in economy is mainly driven by investments. Consumption returned to growth in the second quarter, but the propensity to save remained high and was still affected by precautionary measures.
Italian exports increased against a background of strengthening world trade. Incoming tourist flows declined in the first quarter; however, mobile phone data provide signs of an increase in foreign visitors to Italy as from the end of April. The foreign investors' propensity to purchase Italian bonds was confirmed in recent months. The net foreign credit position has further expanded. The latest available data show a recovery in employment in the spring months, with a partial increase in the number of jobs for young people and women in the 2-month period from May to June. The Government put in place fresh measures to support workers and businesses under programmes launched in the second quarter of the year. In mid-July the EU Council approved the National Recovery and Resilience Plan (NRRP) submitted by the Government at the end of April.

<u>The ongoing developments in the Q3 of 2021 - Projections</u>
In the forecast of July 2021, the International Monetary Fund (IMF) expects a growth rate of +6% in the world economy compared to the previous year. It is a generalised growth in economy that concerns all countries all over the world although with differences. In particular, the highest rates of growth are forecast for India (+9.5%), China (+8.1%), the United States (+7%) and the United Kingdom (+7%). The growth forecast for the countries in the Eurozone as a whole is +4.6%.
The International Monetary Fund (IMF) shows a GDP growth in Italy equal to (+4.9%) in 2021 and (+4.2%) in 2022.
The Bank of Italy has forecast that Italian GDP would rise significantly as from the third quarter of 2021. Consumption, which was affected by mobility restrictions and fears of contagion in early 2021, would return to growth in the summer months, with a partial recovery in purchases that were not made in 2020. The recovery would be characterised by a substantial contribution given by investments, which would return to growth strongly thanks to the demand prospects, favourable financing conditions, and support provided under the NRRP scheme.
Foreign sales, especially of goods, would be driven by the improvement in world trade, while those of services would be affected by a more gradual increase in tourist flows, which are expected to return to close to pre-crisis levels in 2023 only. Exports would increase by 11% in the current year. Consumer inflation would go up to 1.5% this year, driven above all by rises in the prices of raw materials. At present there are no signs of a stronger impact on domestic prices or an acceleration of wages, which would be necessary for a more persistent rise in inflation, also in consideration of the low level of inflation expectations of households and businesses observed up to now.
The main elements of uncertainty with respect to growth projections are linked to the evolution of the pandemic - which may have an impact on consumption and investments -, the way in which projects under the NRRP scheme are implemented and their ability to also affect potential growth, as well as to consumer response to the reopening of global economy.

THE FASTENERS SECTOR

The marked recovery in economy on a global scale has also boosted demand for fasteners. The automotive, industrial vehicle, agricultural and stationary endothermic engine sectors have driven the growth in orders placed with fastener manufacturers, sometimes with very challenging delivery requirements.

The increase in the prices of industrial metals such as copper, zinc, aluminium and, more specifically, scrap iron, has urged fastener manufacturers to renegotiate selling prices with their customers, in order to offset the higher costs they have incurred.
Imported fasteners, such as those from China and Taiwan, have shown the same strongly inflationary trend in prices, which, combined with difficulties in meeting delivery requirements, has pushed manufacturers to make greater use of European suppliers; it is a trend that is getting stronger to mitigate the country risk associated with the critical issues that emerged from the pandemic in supply chains.

The companies operating in the sector expect the sales to return to 2019 levels in 2021 and then continue to grow in subsequent years by leveraging the positive trend in global forecast. However, we must note increasing difficulties in the supply chain of electronic components with semiconductors, which have led the major OEMs in the automotive and industrial vehicle sectors to stop assembly lines on a temporary basis, with repercussions due to delayed deliveries on the entire supply chain, including those of fasteners.

ALTERNATIVE KPIs

This report provides some performance indicators in order to allow for a better assessment of the Group's results of operations, financial position and cash flows.

On 3 December 2015 CONSOB (the Italian Securities and Exchange Commission) issued Communication no. 92543/15, which implemented the Guidelines that had been issued by the European Securities and Markets Authority (ESMA) on 5 October 2015, regarding the disclosure of the aforesaid indicators in regulated information disseminated or in prospectuses published as from 3 July 2016. These Guidelines, which update the previously applicable CESR (Committee of European Securities Regulators) Recommendation (CESR/05-178b), are aimed at promoting the proper use and transparency of alternative performance indicators included in regulated information or prospectuses falling within the scope of application of Directive 2003/71/EC, in order to improve their comparability, reliability and clarity. In line with the communications mentioned above, the criteria used for the formulation of these indicators are provided below.

The income statement reclassified by destination must be prepared according to the following criteria:

- Cost of goods sold: this consists of costs directly attributable to products intended for sale. It includes, but is not limited to, costs of materials, labour, third-party processing, consumables and maintenance relating to production departments;
- Commercial costs: these include, by destination, costs incurred by sales networks, such as personnel, transport of goods sold, fees and commissions due to agents, and promotional/advertising costs;
- Administrative costs: these include any and all costs linked to general functions and departments, such as, for example, personnel not directly engaged in production, consultancy advice and corporate expenses.

  They also include any and all costs linked to the R&D work on new products, including costs for staff members from the various company areas involved in the projects, as well as for materials and equipment used for experimentation, third-party advice from research institutions and Universities that collaborate with the Group;
- Other operating costs: these include any and all production-related costs that are not reclassified to cost of goods sold, such as, for example, leases and rentals and non-production utilities.

The main items of the reclassified income statement that are equivalent to the corresponding items of the income statement reported in the section on "Financial statements" are: Revenues, Amortisation, depreciation and other impairment, Operating profit (loss), Financial income, Financial costs, Profit (loss) before tax, Taxes, Profit (loss) for the period.

The following alternative performance indicators are used in this report on operations:
- Gross profit: this value is obtained by subtracting the cost of goods sold – as expressed above - from Revenues for the period, as resulting from the financial statements;
- EBITDA: this is obtained by adding "amortization, depreciation and other impairment" recognised during the period to EBIT;
- Net Financial Position: this is calculated in accordance with the criteria set out in CONSOB Communication of 28 July 2006 and subsequent CONSOB warning notice no. 5/21 of 29 April 2021, which implements the ESMA Guidance published on 4 March 2021.

The reclassified balance sheet must be prepared according to the following criteria:

- Net working capital: this is determined by the algebraic sum of current assets and liabilities functional to the company's operations;
- Fixed assets: these consist of the set of long-term assets, i.e. non-current assets and receivables;
- Net Invested Capital: this indicator consists of the total of current and non-current assets, excluding financial assets, net of current and non-current liabilities, excluding financial liabilities;
- NFP (Net Financial Position) or Net Financial Indebtedness: this indicator is calculated in accordance with CONSOB Communication no. 15519 of 28 July 2006, also including "Other financial assets" consisting of temporary cash investments. In compliance with the provisions of CONSOB warning notice no. 5/21 of 29 April 2021, the schedule of the Net Financial Position has been revised on the basis of the requirements of the ESMA Guidance published on 4 March 2021.

The capital and financial structure reflects assets and liabilities classified according to the schedule of net invested capital. The main items of the statement of financial position equivalent to the corresponding items of the statement of financial position reported in the section on "Financial statements" are: inventories, property, plant and equipment, intangible assets, Employee Severance Pay (TFR) and shareholders' equity.

Finally, for the purposes of preparing the statement of financial indebtedness, we have applied the provisions of CONSOB Communication DEM/6064293 of 28 July 2006 and of the subsequent CONSOB warning notice no. 5/21 of 29 April 2021, as already stated above.

THE GROUP'S PERFORMANCE

INCOME STATEMENT

The figures in the consolidated Income Statement at 30 June 2021 include the Group companies stated in the introduction to this document.

The consolidated result of operations for the period consisted of a profit of Euro 650 thousand (against a loss of Euro 417 thousand at 30 June 2020), showing a significant increase compared to the previous period. As described in the paragraphs above, in fact, the Group was affected by the adverse impact of the Covid-19 pandemic during the 2020 financial year.

On the contrary, during the first half of 2021, the Group was able to take advantage of the significant recovery in the target markets, which enabled it to significantly improve its results, achieving sales that were approaching those posted in the years before the pandemic and EBITDA that was almost 5 percentage points higher than at 30 June 2019.

The highlights of the reclassified income statement, compared to those of the two previous periods, are shown in the table below:

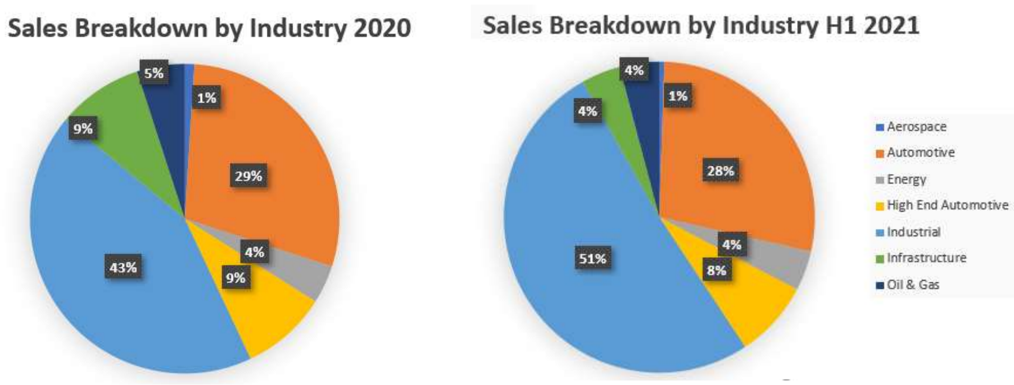
	06.2021	%	06.2020	%	06.2019	%
Revenues	**22,761**	**100.0%**	**18,985**	**100.0%**	**23,948**	**100.0%**
Cost of goods sold	-13,395	-58.8%	-12,096	-63.7%	-16,023	-66.9%
Gross margin	**9,366**	**41.2%**	**6,889**	**36.3%**	**7,924**	**33.1%**
Administrative costs	-3,420	-15.4%	-2,940	-15.5%	-2,989	-12.5%
Commercial costs	-1,060	-4.7%	-861	-4.5%	-1,243	-5.2%
Other operating costs	-1,867	-7.8%	-1,324	-7.0%	-1,684	-7.0%
Gross operating margin (EBITDA)	**3,018**	**13.3%**	**1,765**	**9.3%**	**2,008**	**8.4%**
Amortisation, depreciation and other impairment	-2,065	-9.1%	-2,180	-11.5%	-2,091	-8.7%
Operating profit - (EBIT)	**954**	**4.3%**	**-415**	**-2.2%**	**-82**	**-0.3%**
Financial income	36	0.1%	19	0.1%	12	0.1%
Financial costs	-286	-1.3%	-230	-1.2%	-228	-1.0%
Profit (loss) before tax	**704**	**3.1%**	**-626**	**-3.3%**	**-299**	**-1.2%**
Taxes for the period	-54	-0.2%	209	1.1%	115	0.5%
Profit (loss) for the period	**650**	**2.9%**	**-417**	**-2.2%**	**-184**	**-0.8%**

Gross margin and EBITDA are not identified as accounting measures within the scope of IFRS and should not, therefore, be regarded as indicators for assessing the Group's performance of operations.
It should also be noted that the criteria used by the Group to calculate the parameters mentioned above may not be the same as those adopted by other companies in the sector, and, therefore, these values may not be comparable.
However, these values are reported and commented on in this document, since they are normally the object of analysis on the part of stakeholders.

REVENUES AND ORDERS

The 2020 financial year ended 31 December closed with a decrease in turnover equal to approximately 13% compared to 2019, while however showing signs of recovery after the significant fall recorded in the first half-year at 30 June 2020 (-21% compared to the same period in 2019).

As stated above, this positive trend was strengthened during the first half of 2021, which showed a turnover of Euro 22,761 thousand (up by 19.89% compared to the first half of 2020), following a significant recovery in the markets and higher orders from customers, which were observed for the first time since the outbreak of the pandemic.



The increase in revenues in the first half of 2021 was driven by the industrial sector, which achieved a share of 51% of total sales compared to 43% in the same period of 2020. It should be noted that the share of sales in the automotive sector, although important to Vimi

Fasteners, is reducing its impact on turnover to the benefit of the industrial sector, in line with the Group's diversification strategy.

As at 30 June 2021 the order backlog stood at Euro 22 million, showing an increase compared to the value posted in June 2019, equal to approximately Euro 19 million, thus confirming a clear recovery in market demand.

Gross margin

Gross margin for the first half of 2021 showed an increase of about 36% compared to the same period of the previous period (Euro 9,366 thousand compared to Euro 6,889 thousand at 30 June 2020).
This positive effect was mainly due to two combined factors: the significant recovery of the markets after the pandemic that had severely slowed down the world economy in recent months, on the one hand, and, on the other, the Group was able to enhance its production efficiency with the expansion of the plant at the Novellara production site. The overall combination of these factors enabled the Vimi Group to improve its profitability, with gross margin standing at 41.2% of total revenues, compared to 36.3% recorded in June 2020 and 33.1% at 30 June 2019.

Administrative, commercial and operating costs

Administrative costs for the period amounted to Euro 3,420 thousand, compared to Euro 2,940 thousand in the first half of 2020, with an impact on revenues that was almost in line with the same period of the previous year.
This item also includes the reclassification of research and development costs. The Group is, in fact, continuing to invest in R&D projects, with a total expenditure, during the half-year, equal to Euro 639 thousand, of which an amount of Euro 504 thousand was capitalised and stated among other revenues in the income statement.
The activities concerned the study and design of new high-performance fastening systems with light alloy materials; in particular, work continued on the project funded by the Ministry of Economic Development (MISE) regarding the: "*Development of design methods and production techniques for highly performing fastening systems for aerospace, motorsport, high-end automotive/supercar applications and new mild and full electric engines.*"

Commercial costs for the period amounted to Euro 1,060 thousand compared to Euro 861 thousand in the first half of 2020, whilst maintaining an impact on revenues almost in line with the same period of the previous year. This increase was therefore directly due to an increase in sales volumes.

Other operating costs amounted to Euro 1,867 thousand, up compared to Euro 1,324 thousand in the first half of 2020, with an impact on revenues slightly higher than in the same period of the previous year.

Gross operating margin (EBITDA)

EBITDA for the period showed significant growth compared to the same period in the previous year, with a value of Euro 3,018 thousand compared to Euro 1,765 thousand at 30 June 2020. The improvement in the percentage impact on sales also continued, achieving 13.3% at 30 June 2021, against 9.3% recorded at 30 June 2020 and 8.4% in the same period of 2019.

AMORTISATION, DEPRECIATION AND OTHER IMPAIRMENT

Amortisation and depreciation amounted to Euro 2,065 thousand, showing a slight reduction compared to 30 June 2020. This item includes costs of Euro 447 thousand for lease agreements, as required by the new IFRS 16 that became applicable on 1 January 2019.

OPERATING RESULT (EBIT)

EBIT, driven by higher sales and streamlined costs, stood at Euro 954 thousand at 30 June 2021, equal to 4.19% of revenues against a loss of Euro 415 thousand recorded at 30 June 2020.

PROFIT (LOSS) FOR THE PERIOD

The result before tax posted a profit of Euro 704 thousand at 30 June 2021, against a loss of Euro 626 thousand recorded in the same period of the previous year.

After the recognition of taxes for the period, the consolidated position at 30 June 2021 showed a profit of Euro 650 thousand, equal to 2.85% of turnover, against a loss of Euro 417 thousand recognised at 30 June 2020.

CAPITAL AND FINANCIAL STRUCTURE

The Group's capital and financial structure at 30 June 2021, which is summarised in the table below, shows the following amounts:

	30.06.2021	%	31.12.2020	%
Trade receivables and advances to suppliers	11,220	24%	9,642	21%
Inventories	12,043	26%	9,423	21%
Trade payables and advances from customers	(8,967)	-19%	(7,531)	-17%
Other net receivables and payables	(3,554)	-8%	(2,146)	-5%
Net working capital	**10,713**	**23%**	**9,387**	**21%**
Property, plant and equipment	15,906	34%	16,815	37%
Intangible assets	16,361	35%	15,999	35%
Non-current financial assets	1	0%	1	0%
Receivables from others and deferred tax assets	5,558	12%	5,584	12%
Fixed assets	**37,826**	**81%**	**38,399**	**84%**
Provision for Employee Severance Pay and other long-term payables	(2,012)	-5%	(2,197)	-5%
Net invested capital	**46,527**	**100%**	**45,589**	**100%**
Net financial position (A)	**19,725**	**42%**	**19,593**	**43%**
Shareholders' equity (B)	**26,803**	**58%**	**25,996**	**57%**
Total sources of Financing (A) + (B)	**46,527**	**100%**	**45,589**	**100%**

Net invested capital at 30 June 2021 amounted to Euro 46,527 thousand, showing an increase compared to Euro 45,589 thousand at 31 December 2020.

Specifically:

- net working capital rose from Euro 9,387 thousand at 31 December 2020 to Euro 10,713 thousand at 30 June 2021, resulting in a change in the impact on net invested capital from 21% at 31 December 2020 to 23% at 30 June 2021.

Inventory stock increased from Euro 9,423 thousand at 31 December 2020 to Euro 12,043 thousand at 30 June 2021. This increase was directly due to the resumption of the entire production cycle after the months of slowdown imposed by the Covid-19 pandemic, and the tightening of the entire supply chain, due to a substantial growth in global demand, which led to a sharp increase in production volumes.

Trade receivables rose from Euro 9,642 thousand at 31 December 2020 to Euro 11,220 thousand at 30 June 2021, as a direct consequence of higher sales volumes compared to the previous period. However, no deterioration was reported in collection days, nor in the quality of the receivables themselves.

Likewise, there was an increase in trade payables, which rose from Euro 7,531 thousand at 31 December 2020 to Euro 8,967 thousand at 30 June 2021, as a result of the greater business volume, which led to an increase in supplies of raw materials and services.

- Fixed assets (consisting of the sum of the value of property, plant and equipment, intangible assets, non-current financial assets, rights of use arising from IFRS 16 measurement and non-current receivables) showed a reduction of Euro 573 thousand compared to the values recorded at 31 December 2020, as a combined effect of the following factors:
  - a reduction of about Euro 910 thousand in “property, plant and equipment”, as a result of depreciation for the period (net of new capitalisations carried out for about Euro 860 thousand);
  - an increase of about Euro 360 thousand in “intangible assets”, as a result of higher capitalisations of R&D costs associated with the MISE project (equal to Euro 504 thousand, stated among projects under development, net of amortisation of intangible assets for Euro 160 thousand).

Net Financial Position

As at 30 June 2021 the net financial position reported a negative value of Euro 19,725 thousand, showing a slight change compared to the values recognised at 31 December 2020 (Euro 19,593 thousand), and a significant improvement compared to 30 June 2020, when the net financial position stood at a negative value of Euro 21,781 thousand.
The NFP remained substantially stable during the first half of 2021 compared to 31 December of 2020: this trend is therefore to be considered positive, since the Group, as described in other sections of these financial statements, benefited from the resumption of business activities and higher sales volumes during the period under review, which consequently led to an increase in net current assets, mainly due to a higher amount of receivables and inventories.

The Net Financial Position at 30 June also included an Earn-Out of Euro 2,810 thousand, Euro 1,000 thousand less than in December 2020 as a result of the disbursement of the second advance payment to the former quotaholders of subsidiary MF INOX during the half-year under consideration.
Finally, the NFP at 30 June 2021 included discounted borrowings relating to the payment of future leases and rentals, as required by IFRS 16, totalling Euro 3,747 thousand, of which an amount of Euro 708 thousand due within 12 months, while at 30 June 2020 they amounted to Euro 4,453 thousand, of which an amount of Euro 838 thousand due within 12 months.

Furthermore, it should be noted that in June 2021 the parent company took steps to repay a loan stated for Euro 3,938 thousand, partly through the use of its own cash and partly by entering into a new loan agreement for Euro 3,000 thousand, at more favourable conditions than under the previous agreement.

The table below provides a breakdown of consolidated Net Financial Position at 30 June 2021, compared to the same data at 31 December 2020.

€/th.	30.06.2021	31.12.2020
A. Cash	1,779	5,037
B. Cash equivalents	–	–
C. Other current financial assets	–	–
D. Liquidity (A) + (B) + (C)	**1,779**	**5,037**
E. Current financial debt	–	–
F. Current portion of non-current financial debt	(5,640)	(4,515)
F1. of which lease liabilities	(708)	(850)
G. Financial debt for acquisition of MF Inox (Earn-Out)	(2,810)	(1,000)
H. Current financial debt (E) + (F) + (G)	**(8,450)**	**(5,515)**
I. Net Current Financial Debt (Financial Position) (H) + (D)	**(6,671)**	**(478)**
J. Non-current financial debt	(13,054)	(16,305)
J1. of which lease liabilities	*(3,039)*	*(3,193)*
K. Debt instruments	–	–
I. Trade payables and other non-current payables	–	–
L. Financial debt for acquisition of MF Inox (Earn-Out)	–	(2,810)
M. Non-current Financial Debt (J) + (K) + (I) + (L)	**(13,054)**	**(19,115)**
N. Total Net (Financial Debt) /Financial Position (M) + (I)	**(19,725)**	**(19,593)**

INVESTMENTS

The investments made during the first half of 2021 totalled Euro 1,514 thousand.

Of this amount, Euro 993 thousand related to property, plant and equipment, including Euro 855 thousand invested in tangible assets for the purchase of equipment and improvements to existing machinery, and Euro 138 thousand relating to lease agreements accounted for as required by IFRS 16.

As resulting from the figures reported above, these investments, relating to property, plant and equipment only, were significantly lower than in the two previous financial years (Euro 2.6 million in 2019 and Euro 1.5 million in 2020), since the Group completed the investments for the construction of the new plant and started to take advantage of the resulting benefits in terms of productivity, which will become more evident over the coming months.

Investments in intangible assets amounted to Euro 521 thousand, almost all of which (Euro 504 thousand) were due to the capitalisation of development costs relating to the MISE project, which totalled about Euro 1.6 million.

FINANCIAL PERFORMANCE INDICATORS

Certain performance indicators achieved by the Group at 30 June 2021 are reported below in addition to comparative data at 30 June 2020:

PROFITABILITY RATIOS

		30/06/2021	30/06/2020
Return on sales (ROS)	Operating profit / Revenues	0.04	(0.02)
Return on investment (ROI)	Operating profit / Invested capital	0.02	(0.01)
Return on equity (ROE)	Profit for the period / Equity	0.02	(0.02)
Impact of non-core operations	Profit for the period / Operating profit	0.67	1.00

EBITDA		3,034	1,765
EBIT		969	(415)
Personnel performance	Revenues / Personnel costs	3.18	3.35

The increase in final sales volumes and profitability recorded during the first half of 2021 led to a significant improvement in the key profitability ratios stated in the table.

On the other hand, there was a slight reduction in the ratio measuring the impact of non-core operations, due to a higher amount of financial costs compared to the first half of 2020, as a result of higher costs incurred to terminate an existing loan agreement and the derivative contract linked to the loan itself.

Finally, there was a decline in the personnel performance ratio, which should, however, be regarded as being positive, since the Group took steps, during the first half of 2021, to strengthen its structure in order to be able to fully meet the growth requirements expected in the coming months.

FINANCIAL RATIOS

		30/06/2021	31/12/2020
Current ratio	Current assets / Current liabilities	1.18	1.55
Quick ratio	Current assets – inventories / Current liabilities	0.63	0.96
Leverage	Total investments / Net worth	1.74	1.75
Fixed assets coverage	Equity / Fixed assets	0.83	0.79

The values recorded through the calculation of the financial ratios at 30 June 2021 show, as a whole, the effect of the resumption of business activities that took place in the first half of 2021.

Both current and quick ratios showed a slight decline compared to 31 December 2020, as a direct consequence of the recovery in the Group's business volume in the first half of 2021, which led to a normal increase in fixed assets in order to be able to cope with the positive growth trend that will be observed in the following months.

Accordingly, the Group is able to maintain its historical propensity to generate cash.

Moreover, the debt to equity ratio, as measured by the Leverage ratio, showed a slight improvement compared to 31 December, highlighting a proper balance of sources of financing.

MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

In carrying out its activities, the Group is exposed to various types of business risk that might have an impact on its results of operations and financial position:

- market risk is essentially linked to trends in demand and prices of products. In relation to future trends in the target sectors, which at present can only be partially predicted, there will be related repercussions in terms of demand in the specific markets in which the Group operates;
- process risk: the Group relies on an accounting organisation based on the division of tasks and a management application system based on the division of functions with dedicated profiles and authorisations that are reviewed periodically. For the purpose of preparing the financial statements, the Board of Statutory Auditors and the Independent Auditors carry out periodical audits of the internal control system, which are followed by adjustments to processes, where necessary;
- risk of non-compliance with regulations: there is no particular risk of incurring penalties or being disqualified from carrying out activities due to the failure to comply with the relevant regulations, especially those governing environmental risks and occupational safety;

- Covid-19 risk: in addition to the issues linked to the economic and financial effects of the pandemic, the Group put in place, from the earliest signs of the seriousness of the emergency, a set of precautionary measures to protect the health of its staff members and promptly updated its Risk Assessment Document, including references to biological risk in accordance with Legislative Decree no. 81 of 2008.

  Since the biological risk arising from the Coronavirus epidemic is not an occupational risk, i.e. directly correlated with the Group's production activities, the Risk Assessment Document was prepared by mainly focusing attention on information and prevention measures to be adopted in various application scenarios.

  On the basis of the Risk Assessment Document and of the subsequent "Shared protocol for regulating measures to counter and contain the spread of COVID-19 in the workplace" prepared by the Government and the Social Partners, the Group provided basic information to all of its employees and collaborators, including through the display of information totems at the main transit points. Specific PPE and hand hygiene equipment were also distributed. At present, it is not possible to predict how the emergency is likely to evolve in the future, but it certainly constitutes a major threat, not only to public health, but to the world economy as a whole.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY

The information below is provided with regard to the disclosure required by Article 2428, paragraph 2.6-*bis*, of the Italian Civil Code, in the matter of financial statements, regarding financial risk management objectives and policy.

Financial risk factors

The Group is exposed to financial risks associated with its business, specifically relating to the following cases:

- Credit risk is the risk that a counterparty fails to meet its obligations linked to a financial instrument or a commercial contract, thus giving rise to a financial loss. The Group is exposed to credit risk arising from its operating activities (especially trade receivables and credit notes) and from its financing activities, including deposits with banks and financial institutions and transactions in foreign currency.

  In particular, with regard to the risk associated with commercial contracts, which is deemed to be the most significant, it should be noted that the Group does not hold significant amounts of receivables. It is the Group's policy to make sales to customers after assessing their creditworthiness and then monitoring past due amounts (if any) on a monthly basis. Historically, the Group has not incurred significant credit losses.
- A prudent liquidity risk policy entails maintaining adequate cash and cash equivalents and sufficient lines of credit on which to draw for any requirement. It is the Group's policy to rely on lines of credit that can be used for cash requirements and for disposals of portfolio assets, which are immediately available within the limits of the facilities granted.

Below is the breakdown of financial liabilities classified as non-current: in this regard, it should be noted that in May 2020 a moratorium was obtained, as provided for by the Italian Bankers' Association (ABI) following the outbreak of the Covid-19 pandemic, for a total of Euro 2,242 thousand regarding instalments falling due within one year. This moratorium had residual effects on the first half of 2021 too, with the *de facto* suspension of instalment payments for about Euro 300 thousand.

Amounts in €/th.	**within 1 year**	**from 2 to 3 years**	**beyond 3 years**	**Total**
Credem loan	264	397	-	661
Credem loan	1,000	1,005	-	2,005
BPER loan	585	1,191	1,213	2,989

Banco BPM loan	1,248	2,498	-	3,746
UNICREDIT loan	1,845	3,700	-	5,545
Crédit Agricole loan	-	-	-	-
Total Loans	**4,943**	**8,790**	**1,213**	**14,946**

As already described above, it should also be noted that in June 2021 the Group took steps to repay a loan stated for Euro 3,938 thousand, which had been previously taken out with Crédit Agricole, partly through the use of its own cash and partly by entering into a new loan agreement with BPER for Euro 3,000 thousand, at more favourable conditions than under the previous agreement.

- Market risk, specifically:

a) Exchange risk, relating to transactions in foreign currency areas other than those of denomination;

b) Interest rate risk, relating to the Group's exposure to financial instruments that generate interest. This is the risk that the fair value or future cash flows of a financial instrument will change due to fluctuations in market interest rates. The Group's exposure to the risk of changes in market interest rates is linked in the first instance to long-term debt with variable interest rates.

Amounts in €/th.	**Interest rate**	**30.06.2021**	**30.06.2020**
Credem loan	EU3 M+0.75%	661	727
Credem loan	EU3 M+0.95%	2,006	2,255
BPER loan	0.90% FIXED	3,000	-
Banco BPM loan	EU6 M+1.20%	3,750	5,000
UNICREDIT loan	EU3 M+0.5%	5,550	5,550
Crédit Agricole loan	EU6 M+2%	-	3,938

The Group assesses its exposure to the risk of fluctuations in interest rates on an ongoing basis and manages this risk by using derivative financial instruments.
The effects of a theoretical, instantaneous upward fluctuation of 50 basis points in interest rates would entail higher financial costs for the Group in 2021, totalling Euro 32 thousand on an annual basis (at 31 December 2020 this amount was estimated at approximately Euro 37 thousand over 12 months). The sensitivity analysis has not considered any loans for which hedging transactions have been put in place or which have been taken out at a fixed rate, as well as cash investments at a fixed rate. Moreover, it is deemed reasonable that a change in interest rates could have an opposite economic effect on the derivative entered into to hedge the Unicredit loan, thereby reducing the overall change potentially caused by a fluctuation in the reference interest rates.

c) Commodity price risk, due to changes in commodity prices.

The Group is affected by the volatility of the price of certain commodities. Operating activities require the purchase and processing of steel on an ongoing basis and, consequently, a continuous supply of steel.

In order to hedge this risk, some contracts of sale have been entered into, which provide for price adjustments in any case of changes in the price of raw materials.

OTHER INFORMATION

HUMAN RESOURCES, TRAINING AND INDUSTRIAL RELATIONS

The Group pays great attention to the proper management of its human resources, as well as to their professional growth and involvement, through a reward system based on the measurement and assessment of their performance and of the specific skills they acquire.

As at 30 June 2021, the Group directly employed 227 people (down by one unit compared to 228 at 30 June 2020), about 32% of whom are office workers or managerial staff members.

	30.06.2021	30.06.2020
Executives	7	6
Office workers	65	66
Manual workers	155	156
Total	**227**	**228**

Temporary workers must also be taken into account in addition to the human resources mentioned above. As shown in the table below, the headcount at 30 June 2021 was 11, down by one compared to 30 June of the previous period (and up by 3 compared to 31 December 2020).

	30.06.2021	30.06.2020
Temporary manual workers	11	12
Total	**11**	**12**

Personnel costs amounted to Euro 7,158 thousand, up from Euro 5,638 thousand recorded at 30 June 2020. The impact of these costs on revenues was equal to 32.45% against 30.98% at 30 June 2020.

This significant change in personnel costs compared to 30 June 2020 was due to the fact that, during the first half of 2020, the Group made use of the measures made available by governments, such as the "Redundancy fund" in Italy, and the US "Paycheck Protection Program" ("PPP") scheme, in order to cope with the drastic fall in its business volume, which was particularly concentrated in April and May 2020.

In terms of industrial relations, the Group continued its constructive relationship with the Trade Union Organizations and Representatives, allowing for a substantial absence of conflict.

HEALTH, SAFETY AND ENVIRONMENT

In March 2021, Vimi Fasteners, which has always been sensitive to safeguarding the health and safety of its workers, obtained the Occupational Health and Safety Certification according to the requirements of the UNI ISO 45001:2018 standard specification.
During the first half of 2021, there were no fatal accidents or accidents that may have led to serious and/or very serious injuries and the accident rates recorded values that are within the average of the last 10 years.
The Group companies have complied with the obligations provided for by regulations on health surveillance.
Costs of approximately Euro 71 thousand were incurred in connection with personnel and safety issues during the period.

In order to cope with the COVID-19 emergency, the Group has adopted a protocol shared with the parties concerned, which is still in force and according to which any and all necessary measures have been put in place to prevent outbreaks inside the plant. Among the measures adopted are the measurement of body temperature before entering the plant using a thermal scanner; the use of a surgical mask if the safety distance between the parties cannot be respected; the availability of alcohol-based gel at various points of the plant; rules for visitors and third-party drivers; smart working for office workers.
As planned and reported as at 31 December 2020, training programs were reorganised during the first half of 2021, which had been slowed due to the pandemic, and work was resumed on scheduling meetings during the 2021 financial year.

With regard to environmental protection, it should be noted that production processes are essentially related to mechanical processing and heat treatment of steel; accessory materials in use mainly consist of packaging, lubricants, hardening oils and detergents for aqueous washing solutions.
The plant operates in compliance with the European, national and local environmental regulations; furthermore, the Group companies pay ongoing attention to environmental protection, setting themselves objectives aimed at continuous improvement.
Furthermore, the Parent Company Vimi Fasteners S.p.A. maintained its Environmental Certification according to the ISO 14001/2015 standard during 2021.
The Group is also engaged in activities aimed at increasing the efficiency of its processes with a view to maximising energy savings, taking actions such as the installation of a PV system on the roof at the new plant in Novellara, as well as of new low-consumption LED lighting systems and two electric car charging stations, for use free of charge on the part of its employees. The use of recycled cardboard packaging has also been ensured to replace the wooden crates used in previous years.
At present, no environmental damage has been caused and no complaints have been received from third-party stakeholders.

POSITIONS OR OPERATIONS ARISING FROM ATYPICAL AND/OR UNUSUAL TRANSACTIONS

In compliance with the requirements of CONSOB Communication DEM/6064293 of 28 July 2006, it should be noted that the first half of 2021 was not affected by any atypical and/or unusual transaction, as defined in the explanatory notes.

RELATED-PARTY TRANSACTIONS

Credit and debit and financial transactions with related parties are analysed in detail in the explanatory notes to which reference should be made. It should also be noted that sales and purchases between the parties do not qualify as atypical or unusual, since they are carried out by the Group companies at arm’s length during the normal course of their business.

Finally, it should be noted that the Board of Directors has adopted a specific procedure for related-party transactions, which is available on the Group's website, to which reference should be made.

TREASURY SHARES

In compliance with the provisions of Article 2428 of the Italian Civil Code, it is hereby informed that the Parent Company did not trade any treasury share or shares of controlling companies during the 2020 financial year and the first half of 2021. At present, the Parent Company Vimi Fasteners S.p.A. holds 116,000 treasury shares, for a carrying amount of Euro 267,995.75.

MAIN SIGNIFICANT EVENTS AFTER THE REPORTING DATE

After more than a year, it is certainly worth mentioning that in July our customers resumed visiting our production site where, in addition to bridging the physical distance, they could see with great interest the renovations and investments made in the production area.

In July and August, the positive trend in orders gained from different industrial sectors continued, witnessing a revival in economy that is now spreading across the various market sectors. It is also worth mentioning that work commenced on supplies of high performance screws for an Italian company that operates in the production and sale of connecting rods for racing and garage applications.

It should be mentioned that, during the brief summer shutdown, a new automatic thread rolling machine was installed at the Parent Company's plant to replace units with lower productivity, and another step was made towards the plant's re-layout project, which will be completed within the next two years.

The upward trend in industrial metal prices is slowing down after reaching a peak in August.

In the first few weeks of September the difficulties experienced by our end customers with regard to the procurement of electronic components intensified, with repercussions on supplies along the entire supply chain, as a result of their rescheduling.

OUTLOOK

Increased consumer confidence following the vaccination campaigns carried out on a global scale, together with injections of cash on the part of the world's major banks into the most industrialised areas all over the world, boosted demand for goods and services, generating positive expectations for solid growth in the medium term. On the other hand, we are witnessing, in the short term, continuing difficulties in the procurement of raw materials and electronic components, which first have an impact on the automotive sector and, to a lesser extent, on the industrial sector.

Reshoring policies, which some companies have put in place to mitigate country risks following the outbreak of the Covid-19 pandemic, also offer opportunities for European manufacturers to regain the share of orders that was lost in past years, mainly to the benefit of supplies from Asian countries.

However, all these trends and developments, some of which are evolving rapidly, make it difficult to prepare reliable forecasts. Nevertheless, expectations remain positive and lead us to forecast year-end sales similar to those achieved before the outbreak of the pandemic due to the variety of applications in the various industrial sectors where Vimi achieves most of its business volumes.

Novellara (RE), 29 September 2021
The Chairman of the Board of Directors
(Fabio Storchi)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021

(Values in €/th.)

ASSETS	Notes	30.06.2021	31.12.2020
Property, plant and equipment	1	12,226	12,827
Right of use - IFRS 16	2	3,680	3,988
Intangible assets	3	16,361	15,999
Equity investments	4	1	1
Tax receivables	8	174	182
Other non-current assets	9	0	5
Deferred tax assets	5	5,384	5,398
TOTAL NON-CURRENT ASSETS		**37,826**	**38,399**
Inventories	6	12,043	9,423
Trade receivables	7	11,192	9,642
Tax receivables	8	499	347
Other receivables	9	387	386
Cash and cash equivalents	10	1,779	5,037
TOTAL CURRENT ASSETS		**25,899**	**24,834**
TOTAL ASSETS		**63,725**	**63,233**

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	30.06.2021	31.12.2020
Share capital	11	9,646	9,322
Share premium reserve	11	8,955	9,820
Other reserves	11	1,757	3,216
Profit (loss) carried forward	11	5,795	3,893
Profit (loss) for the period	11	650	(255)
TOTAL SHAREHOLDERS' EQUITY		**26,803**	**25,996**
Employee benefit liabilities	12	1,184	1,211
Provisions for risks and charges	13	112	112
Non-current loans	14	10,015	13,112
Non-current lease liabilities	14	3,039	3,193
Other non-current liabilities	15	713	3,681
Deferred tax liabilities	5	3	3
TOTAL NON-CURRENT LIABILITIES		**15,066**	**21,312**
Current loans	14	4,932	3,664
Current lease liabilities	14	708	850
Trade payables	16	8,967	7,531
Tax payables	17	400	591
Other payables	18	6,850	3,288
TOTAL CURRENT LIABILITIES		**21,857**	**15,925**
TOTAL LIABILITIES		**36,923**	**37,237**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**63,725**	**63,233**

CONSOLIDATED INCOME STATEMENT
AT 30 JUNE 2021

(Values in €/th.)

	Notes	30.06.2021	30.06.2020
Revenues	19	22,075	18,199
Other income	20	686	785
TOTAL REVENUES		**22,761**	**18,985**
Cost for materials, goods for resale an change in inventories	21	6,484	6,576
Costs for services and leases and rentals	22	5,948	4,798
Personnel costs	23	7,158	5,638
Amortisation, depreciation and impairment	24	2,059	2,149
Accrual to provision for risks and charges	25	6	30
Other operating costs	26	153	207
TOTAL OPERATING COSTS		**21,807**	**19,400**
OPERATING PROFIT		**954**	**(415)**
Financial income	27	45	19
Financial costs	28	(295)	(230)
TOTAL FINANCIAL INCOME AND COSTS		(250)	(210)
PROFIT BEFORE TAX		704	(625)
Current income taxes	29	83	85
Deferred income taxes	29	(137)	(294)
TOTAL TAXES		(54)	(208)
PROFIT FOR THE PERIOD		**650**	**(417)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AT 30 JUNE 2021

(Values in €/th.)

	30.06.2021	30.06.2020
Profit (loss) for the period	**650**	**(417)**
Other comprehensive income that will not be reclassified to profit or loss	**-**	**-**
Profits (losses) from translation of financial statements of foreign entities	106	5
Actuarial gains (losses) on defined-benefit plans	-	-
Profits (losses) on derivatives for the period	71	(51)
Tax effect	(20)	12
Total other comprehensive income that will not be subsequently reclassified to profit or loss, net of taxes	**157**	**(34)**
Total comprehensive income(loss)	**807**	**(451)**

CONSOLIDATED CASH FLOW STATEMENT
AT 30 JUNE 2021

	30.06.2021	31.12.2020
OPERATING ACTIVITIES		
Profit for the period	**650**	**(255)**
Adjustments for:		
- Depreciation of property, plant and equipment and amortisation of intangible assets	1,612	4,284
- Capital (gains) losses on disposal of fixed assets	0	(20)
- Change in provisions for risks and charges and employee benefit liabilities	(27)	(25)
-Other non-monetary changes	685	628
-Taxes	54	(556)
Sub-Total	**2,462**	**4,311**
(Increase) decrease in trade receivables and other receivables	(1,737)	1,279
(Increase) decrease in inventories	(2,620)	43
Increase (decrease) in trade payables and other payables	1,898	(1,985)
Taxes paid	(23)	(455)
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES (A)	**630**	**2,938**
INVESTING ACTIVITIES		
Investments in property, plant and equipment	(854)	(1,733)
Investments in intangible assets	(521)	(887)
Equity investments	0	0
Sale of fixed assets	0	168
CASH FLOWS USED IN INVESTING ACTIVITIES (B)	**(1,513)**	**(2,452)**
FINANCING ACTIVITIES		
Repayment of loans	(5,126)	(7,301)
Other changes in financial assets/liabilities	3,000	5,550
funds collected from listing on AIM	0	0
share buy-back	0	(1)
Dividends paid	0	0
Interest and dividends collected (paid)	(250)	(479)
CASH FLOWS USED IN FINANCING ACTIVITIES (C)	**(2,376)**	**(2,231)**
NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)	**(3,258)**	**(1,745)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (E)	**5,037**	**6,782**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (L=H+I)	**1,779**	**5,037**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share premium reserve	Legal reserve	Reserve for profits (losses) carried forward	FTA reserve	Cash flow hedge reserve	Costs for listing	Other reserves	Profit (loss) for the period	Group equity
Balance at 1 January 2020	**9,322**	**9,820**	**607**	**1,551**	**1,143**	**(44)**	**(968)**	**3,861**	**1,121**	**26,413**
Profit (loss) for the previous period				1,121				(1)	(1,121)	(1)
Other comprehensive income				(12)		(25)		(96)		(133)
Dividends								-		-
Other changes				1,233				(1,261)		(28)
Profit (loss) for the current period								-	(255)	(255)
Balance at 31 December 2020	**9,322**	**9,820**	**607**	**3,893**	**1,143**	**(69)**	**(968)**	**2,503**	**(255)**	**25,996**
Profit (loss) for the previous period				(255)				-	255	-
Other comprehensive income						51		106		157
Dividends								-		-
Other changes	324	(865)		541				-		-
Profit (loss) for the current period								-	650	650
Balance at 30 June 2021	**9,646**	**8,955**	**607**	**4,179**	**1,143**	**(18)**	**(968)**	**2,609**	**650**	**26,803**