RESULTS PRESENTATION
YEAR 2021

TRANSLATION FROM THE ORIGINAL TEXT IN PORTUGUESE

Semapa

1 HIGHLIGHTS

SIGNIFICANT IMPROVEMENT IN EBITDA (+89 MILLION EUROS)

CONSOLIDATED NET PROFIT GREW BY 86% IN RELATION TO THE PREVIOUS YEAR, REACHING 198 MILLION EUROS

- The consolidated **revenue** of Semapa Group in 2021 was 2,131.4 million euros (+14.1% year-on-year), 1,595.7 million euros generated in Pulp and Paper / Navigator (+15.2%), 495.7 million euros in Cement / Secil (+9.9%), and 40.0 million euros in Environment / ETSA (+27.3%). Exports and foreign sales, for the same period, amounted to 1,576.5 million euros, accounting for 74% of revenue.

- It should be noted that in 2021 the volume of paper sold increased in a context of price recovery, in the Cement segment, revenue reflects the positive evolution that occurred in all markets where Secil operates, and revenue of the Environment segment reached its highest value ever.

- In 2021, **EBITDA** totalled 508.7 million euros (+89.4 million euros, +21.3%, year on year). Pulp and paper segment generated 354.7 million euros (+24.2%), Cement 139.7 million euros (+13.1%) and Environment 14.6 million euros (+44.3%). The consolidated EBITDA margin was 23.9% (vs. 22.5% in 2020).

- **Net profit attributable to Semapa shareholders** in 2021 reached 198.1 million euros (vs. 106.6 million euros over the previous year). This growth resulted from a favourable evolution of EBITDA (+89.4 million euros) combined with better financial results (+9.6 million euros) stemming from the lower negative exchange rate effects in Secil (Brazilian real), a reduction in depreciation, amortisation and impairment losses, and provisions (+21.5 million euros), less impact of the net monetary position (-6.7 million euros) and negatively influenced by income taxes (-6.0 million euros).

- In 2021, **investment** in fixed assets totalled 127 million euros, including 20 million euros relating to the CCL- Clean Cement Line project at Secil's Outão cement plant and 80 million euros in the modernisation and maintenance projects of equipment and production capacity, energy, and decarbonisation at Navigator. Additionally, it should be highlighted that Semapa Next invested 11 million euros in financial assets in start-ups and venture capital funds.

- In 2021 year-end, **interest-bearing consolidated Net Debt** totalled 1,015.6 million euros, 200 million euros less compared to the end of 2020. On 31 December 2021, total consolidated cash and cash equivalents amounted to 382 million euros, in addition to 553 million euros in committed and undrawn credit lines, thus ensuring strong liquidity.

- The year 2021 was also marked by the strengthening of the Group's commitment to sustainability, namely:
  - At Secil, the investment in the Clean Cement Line project that combines a set of mature and innovative technologies which will enable a 20% reduction in CO_2 emissions, a 20% improvement in energy efficiency, and the production of 30% of electricity through heat recovery from the process itself. The low carbon clinker that will result from this process will make it possible to respond competitively to market demand for "green procurement".
  - At Navigator, the company joined the Science Based Targets (SBTi) initiative, ahead of most other companies in the sector, having submitted for validation its greenhouse gas (GHG) emissions reduction targets based on the most up-to-date climate science. Also of note were the findings of the annual assessment carried out by the ESG rating agency, Sustainalytics, published at the end of January 2022. Navigator's score improves vis-a-vis the previous assessment, ranking 3rd out of a total of 81 global companies in the Paper & Forestry industry cluster. In addition, Navigator issued 100 million euros in bonds linked to ESG objectives, under the Sustainability Linked Bonds Framework.

- The Board of Directors will propose to the General Meeting of Shareholders a dividend distribution on outstanding shares in relation to the financial year of 2021, in the amount of 0.512 euros per share, corresponding to a total value of approximately 40.9 million euros.

LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	2021	2020	Var.	Q4 2021	Q4 2020	Var.
Revenue	**2,131.4**	**1,867.4**	**14.1%**	**616.1**	**420.4**	**46.5%**
EBITDA	**508.7**	**419.3**	**21.3%**	**143.9**	**93.3**	**54.3%**
EBITDA margin (%)	23.9%	22.5%	1.4 p.p.	23.4%	22.2%	1.2 p.p.
Depreciation, amortisation and impairment losses	(193.9)	(214.6)	9.6%	(53.5)	(48.6)	-10.1%
Provisions	(4.7)	(5.5)	14.3%	(2.6)	(4.5)	42.3%
EBIT	**310.1**	**199.2**	**55.6%**	**87.8**	**40.2**	**118.4%**
EBIT margin (%)	14.5%	10.7%	3.9 p.p.	14.3%	9.6%	4.7 p.p.
Net financial results	(49.3)	(58.9)	16.2%	(13.1)	(1.8)	-629.1%
Net monetary position	7.2	13.9	-48.3%	7.5	13.9	-46.5%
Profit before taxes	**267.9**	**154.3**	**73.7%**	**82.2**	**52.4**	**56.9%**
Income taxes	(18.0)	(12.0)	-49.9%	14.5	(1.0)	>1000%
Net profit for the period	250.0	142.2	75.7%	96.7	51.4	88.1%
Attributable to Semapa shareholders	**198.1**	**106.6**	**85.9%**	**75.9**	**33.8**	**124.4%**
Attributable to non-controlling interests (NCI)	51.8	35.7	45.3%	20.8	17.6	18.3%
Cash flow	448.5	362.3	23.8%	152.7	104.4	46.3%
Free Cash Flow	295.4	345.2	-14.4%	79.4	94.6	-16.0%

	31/12/2021	31/12/2020	Dec21 vs. Dec20
Equity (before NCI)	1,092.3	948.8	15.1%
Interest-bearing net debt	**1,015.6**	**1,215.7**	**-16.5%**
Lease liabilities (IFRS 16)	96.7	80.1	20.7%
Total	**1,112.3**	**1,295.9**	**-14.2%**

SUMMARY TABLE OF OPERATING INDICATORS

	Unit	2021	2020	Var.	Q4 2021	Q4 2020	Var.
Pulp and Paper							
BEKP Sales (pulp)	1 000 t	292	394	-25.8%	85	97	-11.6%
UWF Sales (paper)	1 000 t	1,474	1,276	15.5%	394	342	15.3%
Total sales of tissue	1 000 t	105.3	106.0	-0.7%	27.5	26.7	3.0%
Cement							
Sales of Grey cement	1 000 t	5,257	5,314	-1.1%	1,333	1,355	-1.7%
Sales of Ready-mix	1 000 m3	1,960	1,803	8.7%	496	446	11.2%
Environment							
Collection of raw materials - Animal waste (categories 1, 2 and 3)	1 000 t	125.1	121.4	3.1%	33.6	32.0	4.9%

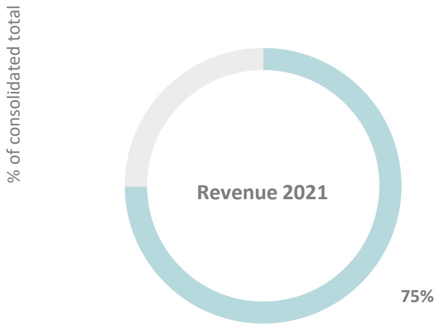
2 PERFORMANCE OF THE SEMAPA GROUP BUSINESS UNITS

2.1. BREAKDOWN BY BUSINESS SEGMENTS

IFRS - accrued amounts (million euros)	Pulp and Paper		Cement		Environment		Holdings		Consolidated
	2021	21/20	2021	21/20	2021	21/20	2021	21/20	2021
Revenue - External	**1,595.7**	15.2%	**495.7**	9.9%	**40.0**	27.3%	**-**	-	**2,131.4**
Revenue	**1,595.9**	15.2%	**495.9**	9.9%	**40.0**	27.3%	**(0.3)**	15.4%	**2,131.4**
EBITDA	**354.7**	24.2%	**139.7**	13.1%	**14.6**	44.3%	**(0.4)**	-437.1%	**508.7**
EBITDA margin (%)	22.2%	1.6 p.p.	28.2%	0.8 p.p.	36.5%	4.3 p.p.	-	-	23.9%
Depreciation, amortisation and impairment losses	(137.3)	13.1%	(53.2)	-0.2%	(3.2)	-2.5%	(0.3)	34.9%	(193.9)
Provisions	(3.1)	-36.0%	(1.5)	51.3%	-	-	-	-	(4.7)
EBIT	**214.3**	71.2%	**85.0**	26.2%	**11.4**	63.1%	**(0.6)**	-129.0%	**310.1**
EBIT margin (%)	13.4%	4.4 p.p.	17.1%	2.2 p.p.	28.5%	6.2 p.p.	-	-	14.5%
Net financial results	(17.8)	-21.1%	(26.6)	20.6%	(0.2)	25.5%	(4.8)	54.4%	(49.3)
Net monetary position	-	-	7.2	-48.3%	-	-	-	-	7.2
Profit before taxes	**196.5**	77.9%	**65.6**	37.2%	**11.2**	66.5%	**(5.4)**	49.7%	**267.9**
Income taxes	(36.2)	-193.6%	(9.5)	-293.3%	(2.3)	-71.1%	29.9	>1000%	(18.0)
Net profit for the period	160.3	63.4%	56.2	6.6%	8.9	65.4%	24.5	275.1%	250.0
Attributable to Semapa shareholders	**112.2**	**63.4%**	**52.5**	**12.8%**	**8.9**	**65.5%**	**24.5**	**275.1%**	**198.1**
Attributable to non-controlling interests (NCI)	48.2	63.4%	3.7	-40.6%	(0.0)	<-1000%	-	-	51.8
Cash flow	300.8	16.3%	110.9	1.8%	12.1	42.2%	24.8	281.9%	448.5
Free Cash Flow	234.8	0.6%	69.3	-41.5%	8.8	29.0%	(17.5)	-27.8%	295.4
Interest-bearing net debt	**594.8**		**253.9**		**(8.2)**		**175.2**		**1,015.6**
Lease liabilities (IFRS 16)	53.2		41.6		1.6		0.2		96.7
Total	**648.0**		**295.5**		**(6.6)**		**175.4**		**1,112.3**

Note:
Figures for business segment indicators may differ from those presented individually by each Group, as a result of consolidation adjustments.

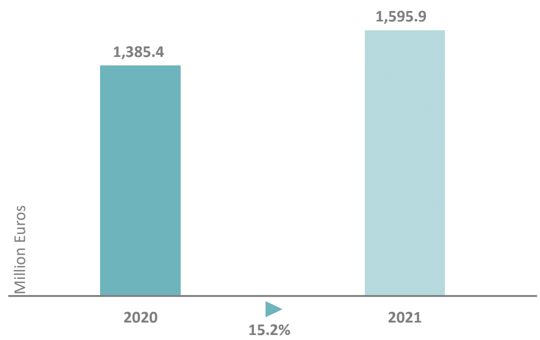
2.2. PAPER AND PULP BUSINESS UNIT



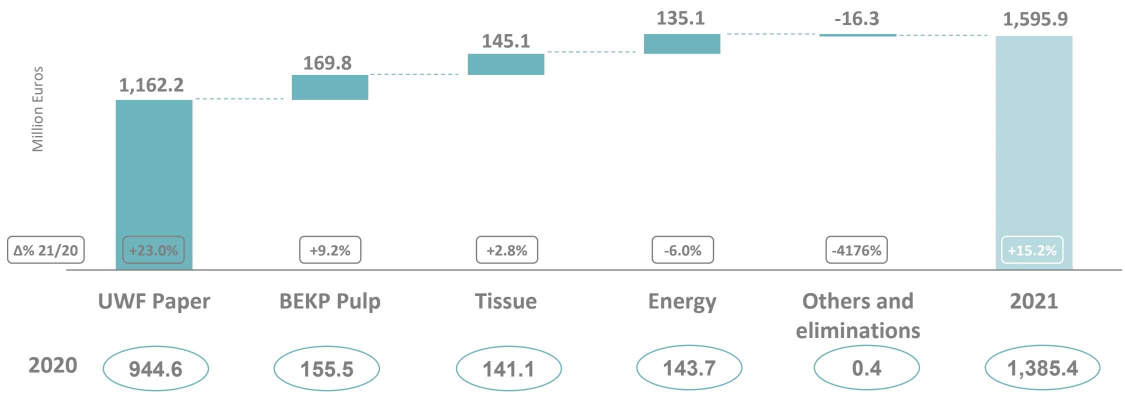
HIGHLIGHTS IN 2021 (VS. 2020)

- In 2021, **revenue** increased by 15.2% to 1,595.9 million euros, with higher paper volumes in a context of positive development in prices.

REVENUE

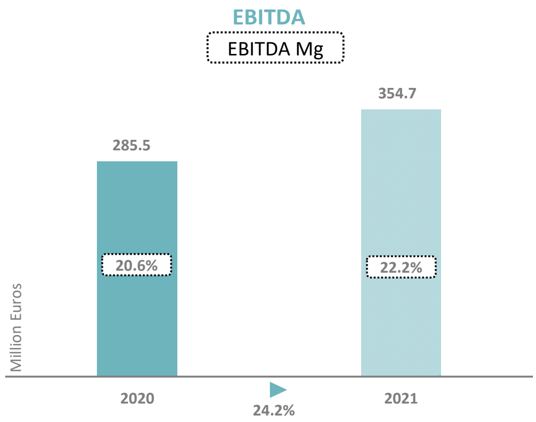


REVENUE BREAKDOWN BY SEGMENT



Note: 2020 data was reclassified for the purpose of comparability.

- **EBITDA** stood at 354.7 million euros, up by 24.2% compared to the previous year. EBITDA margin went from 20.6% in 2020 to 22.2% in 2021, benefiting from the increase in paper volumes, higher pulp, paper and tissue prices and production costs containment.



LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	2021	2020	Var.	Q4 2021	Q4 2020	Var.
Revenue	**1,595.9**	**1,385.4**	**15.2%**	**476.2**	**341.4**	**39.5%**
EBITDA	**354.7**	**285.5**	**24.2%**	**108.7**	**75.1**	**44.8%**
EBITDA margin (%)	22.2%	20.6%	1.6 p.p.	22.8%	22.0%	0.8 p.p.
Depreciation, amortisation and impairment losses	(137.3)	(158.0)	13.1%	(36.4)	(35.3)	-3.4%
Provisions	(3.1)	(2.3)	-36.0%	(3.3)	(2.8)	-18.0%
EBIT	**214.3**	**125.2**	**71.2%**	**69.0**	**37.0**	**86.3%**
EBIT margin (%)	13.4%	9.0%	4.4 p.p.	14.5%	10.8%	3.6 p.p.
Net financial results	(17.8)	(14.7)	-21.1%	(5.0)	(5.6)	10.4%
Profit before taxes	**196.5**	**110.5**	**77.9%**	**63.9**	**31.4**	**103.7%**
Income taxes	(36.2)	(12.3)	-193.6%	(9.5)	(0.2)	<-1000%
Net profit for the period	160.3	98.1	63.4%	54.4	31.2	74.4%
Attributable to Navigator shareholders	**160.3**	**98.1**	**63.4%**	**54.4**	**31.2**	**74.4%**
Attributable to non-controlling interests (NCI)	0.0	0.0	178.8%	(0.0)	(0.0)	65.1%
Cash flow	300.8	258.5	16.3%	94.1	69.2	36.0%
Free Cash Flow	234.8	233.5	0.6%	52.1	63.1	-17.4%
	31/12/2021	**31/12/2020**				
Equity (before NCI)	814.5	806.6				
Interest-bearing net debt	**594.8**	**680.0**				
Lease liabilities (IFRS 16)	53.2	53.1				
Total	**648.0**	**733.1**				

Note:
Figures for business segment indicators may differ from those presented individually by each Group, as a result of consolidation adjustments.

KEY OPERATING INDICATORS

in 1 000 t	2021	2020	Var.	Q4 2021	Q4 2020	Var.
Pulp and Paper						
FOEX – BHKP Usd/t	1,023	680	50.3%	1,140	680	67.6%
FOEX – BHKP Eur/t	867	597	45.3%	997	570	74.9%
BEKP Sales (pulp)	292	394	-25.8%	85	97	-11.6%
FOEX – A4- BCopy Eur/t	844	836	1.0%	906	809	12.0%
UWF Sales (paper)	1,474	1,276	15.5%	394	342	15.3%
Tissue						
Total sales of tissue	105.3	106.0	-0.7%	27.5	26.7	3.0%

PULP AND PAPER - ACTIVITY OVERVIEW OF THE YEAR

In 2021, Navigator revenue totalled 1,595.9 million euros, paper sales accounting for around 72% of the revenue (vs. 68% year on year), pulp sales 11% (vs. 11%), tissue sales 9% (vs. 10%), and energy sales around 8% (vs. 10%).

The year was marked by positive developments in demand for UWF, particularly in Europe, after a year of significant decline in global paper consumption as a result of the pandemic. On the other hand, it was a year characterized by a strong increase in raw materials, energy and logistics costs, particularly in the second half of the year. Navigator was able to offset the sharp increase in variable costs, by furthering the efforts made in 2020 to contain fixed costs, with increased UWF volumes and the implementation of price increases, across all businesses. Throughout 2021, several price increases were made concurrently with a significant optimisation of the sales mix, namely by upgrading the product mix. In the UWF business, the average monthly selling price between January and December rose almost 30%, an unparalleled increase in Navigator's history.

The global demand for printing and writing paper was up 2.4% (YTD November), and UWF **paper** grew 3.3%, performing better than coated paper (2%) and mechanical fibre paper (0%).

In Europe, UWF paper demand evolved even more positively in 2021 up by 7%. The estimated drop in European imports, about 20% compared to 2020, boosted the sales of European producers, which grew 10% year on year. The current estimate for 2021 reports a growth of around 3% in demand for UWF paper in the United States, as well as in the other global regions.

In this context, Navigator reduced stocks to historically low levels and simultaneously achieved the largest order book ever in the final months of the year, exceeding 80 days. In the second half, compared with the first half, Navigator also recorded a gain in market share among competitors in Europe (+2.0 p.p.) and overall (+2.4 p.p.).

The office paper benchmark in Europe at the end of December stood at 976 €/t, a very positive development compared to the index at the beginning of the year (806 €/t). The upward trend of the sales price in 2021, namely in the second half, places the average sales price for the year above that recorded in 2020 (+6%), also comparing favourably with the annual evolution of the European reference index (+1%).

Worthy of note is the effort put into raising prices throughout the year, which led to the largest increase in sales prices from January to December in Navigator's history, both globally and in the main markets in which it operates.

The importance of Navigator's dynamics and flexibility during the year should be highlighted. In the first half the Company diversified products and markets reflecting the pandemic situation in Europe, with further diversification of its sales into overseas markets. In the second half of the year, Navigator kept pace with the strong increase in demand in Europe and the US, with growth in sales in these markets.

In this context, Navigator's sales reflected the improvement in paper demand in the year, with a 16% increase in volumes sold to 1,474 thousand tonnes, with revenue driven by higher prices, reflecting a growth of around 23% in 2021.

The focus on the **packaging** segment remains and production and sales dynamics are moving according to planned. Machines PM1 and PM3 of the Setúbal plant ensure flexible supply, while PM1 is already fully dedicated to packaging (white and brown). In 2021 packaging sales exceeded 40 million euros, serving bag, flexible packaging, and corrugated cardboard processing industries. Sales reflect positive demand conditions, innovative product development efforts, and the creation of a broad base of more than 80 new customers focusing on southern European markets, reaching a base of 125 active packaging customers by 2021.

In the **pulp** market, reference prices increased rapidly and significantly in the first months of 2021, first in China and later in Europe. The hardwood pulp benchmark in Europe - PIX BHKP in euros - at the end of the year increased 82% compared to the beginning of the year, to 1,007 €/t, with a variation of about 45% in average prices in the first half of 2021 vs. 2020. The benchmark index for hardwood pulp in China recorded a strong increase, peaking in May at 780 USD/t, and subsequently correcting to 550 USD/t at the end of November. Following further announcements of price increases, it rebounded to 576 USD/t at the end of December, still up 15% on the start of the year.

This improvement in pulp prices in Europe was sustained by a number of factors, among which it stands out the strong increase in demand from end-users, essentially packaging and printing and writing papers (and to a lesser extent tissue).

Demand in the various European paper segments was strongly influenced by the reduction in imports from Asia (particularly China) due to logistical constraints (scarcity of transport and significant rise in freight costs), by the increase in exports to MENA (Middle East and North Africa) and by the vaccine roll-out and relaxation of lock-down measures, with the consequent improvement in economic activity.

At the same time, the supply of pulp suffered constraints due to planned and unplanned shutdowns and longer than usual maintenance shutdowns as a result of the stronger safety measures put in place because of the pandemic. The conversion of some short-fibre pulp capacity to dissolving pulp, and the current logistical constraints have also affected volumes of hardwood pulp available on the European market.

At the beginning of 2021, Navigator’s pulp stocks were relatively low, which combined with the shutdown for maintenance of the plant in Figueira da Foz at the end of the first quarter and of the plants in Setúbal and Aveiro in the third quarter, together with higher integration of pulp into paper, reduced pulp volumes available for sale in the period.

Sales stood at 292 thousand tonnes, 26% below levels in 2020, when Navigator benefited from a larger quantity of pulp available for sale due to lower paper integration, after some of its paper machines stopped due to the pandemic and some destocking. The recovery in pulp prices observed since the beginning of the year made it possible to make up for the decline in sales volumes, and the revenue in the period was therefore up by approximately 9% on 2020.

In 2021, the **tissue** market continued to feel the effects of the pandemic context. Demand from the Away from Home segment in Southern Europe has recovered somewhat, albeit stalled by the late reopening of economies and the restrictions on mobility. The rebound is essentially related to tourism and the Horeca channel. In the At Home segment, there was a reduction in stock, especially when compared with the same period last year, reflecting a normalisation of consumption which peaked in 2020.

In parallel, the sharp rise in the year in energy, logistics, and commodity costs, in particular the price of pulp, put great pressure on tissue manufacturers' margins, with many of them announcing price increases. As a result, Navigator raised prices twice during the year, in April and December.

Tissue sales volume reached 105 thousand tonnes, a reduction of close to 1% compared to 2020, with finished product sales once again overcoming 80 thousand tonnes, above previous year's performance. Revenue was driven by rising prices, thus showing growth of around 3% in 2021.

The year also saw the launch of differentiated and innovative products, such as Amoos® Naturally Soft, with high softness and no bleaching chemicals, Amoos Aquactive™, which represents a new generation of tissue paper with incorporated soap, and Amoos Air Sense™, with perfume activated with each use.

In 2021, the sales of electrical **energy** totalled about 135.1 million euros, which represents a reduction of 6% year on year. The reduction is mainly due to the fact that the combined-cycle natural gas cogeneration plant in Setúbal began operating on a self-consumption basis from the start of the year, supplying one of the plant's paper machines, and only the surplus production was sold to the grid.

Due to the high prices of the Iberian electricity market, it should be noted that the surplus power produced by this plant is now priced by the market to the detriment of the tariff regulated since 22 November 2021.

Navigator's renewable cogeneration plants, which had been severely impacted in 2020 by reductions in output due to the pandemic, are back to normal levels of production with 6% more electricity sales in relation to the previous year.

In 2021 two new self-consumption solar power plants kicked off, consolidating Navigator's investment in this field. The Figueira da Foz solar plant, which is installed on the roof of one of the paper machines, began operating in January with an installed capacity of 2.6 MW. The solar plant in Setúbal began operating in November. It is the second power plant installed at this industrial complex, with an installed capacity of 1.9 MW.

When these plants came into operation, Navigator’s total installed capacity amounted to 7 MW of photovoltaic solar energy for self-consumption, equivalent to more than 21,000 solar panels installed.

Production costs increased by about 20 million euros in the year, mainly due to the higher cost of wood, as a result of more wood being supplied from outside the Iberian Peninsula, and also due to the higher cost of external fibres, energy and chemicals.

There was also a significant increase in logistics costs, with a negative trend of 35 million euros, particularly in the second half of the year, arising from the current logistical constraints that are affecting the economy across the board. Despite the difficult context where it is operating, both in terms of price and availability of resources, Navigator has successfully continued to operate at 100% capacity without any supply disruption upstream or downstream.

In energy, power and natural gas prices rose, driven by the volume exposed to the market. It should be noted that the effect of the increase in energy costs was mitigated by the risk hedging policy with fixed rate contracts for most of the 2021 purchases, and by the reduction in natural gas consumption due to the new biomass boiler in Figueira da Foz. Furthermore, the combined-cycle natural gas cogeneration plant in Setúbal began operating on a self-consumption basis from the start of the year, supplying one of the plant's paper machines, which eliminated the cost of electricity supply to paper machine no. 4.

The efforts made in 2020 to contain fixed costs continued, achieving another reduction in functioning costs of 3 million euros compared to 2020, while personnel and maintenance costs moved in the opposite direction as anticipated, increasing 18% and 5% respectively. Total fixed costs were 7% higher than in the same period of last year, mainly due to staff costs. In the case of maintenance costs, the increase is mainly explained by the incomplete maintenance programs in 2020, given the difficulties created by the pandemic.

The increase in personnel costs was in line with Navigator's good performance in 2021, which allowed the distribution of bonuses to employees and the resumption of the rejuvenation programme that had been put on hold in 2020. On the other hand, the amount of personnel costs in 2021 compares with costs in 2020 that were favourably impacted by the support measures put in place during the pandemic. Labour negotiations in Navigator's different business areas with the worker representative structures involved a considerable amount of work in the year. In the scope of the aforementioned negotiation process, the new career regulations for operational technicians should be highlighted, which in January 2022 allowed more than 1,235 employees, representing about 70% of the employees in the business areas, to progress in their careers. A collective labour agreement was also signed for the first time for the tissue segment, whose conditions reflect the current reality of this business.

In this framework, cost containment efforts, higher transversal prices, and more UWF volumes helped to offset the strong increase in input prices and to push **EBITDA** in 2021 up to 354.7 million euros, which compares favourably to 285.5 million euros in 2020 (+24.2%). The EBITDA margin stood at 22.2% and compares with 20.6% in 2020. The net negative impact of the exchange rate on EBITDA of about 10 million euros is worth noting, with an average EUR/USD in 2021 of 1.18 vs. 1.14 in 2020.

The **financial results** amounted to -17.8 million euros (vs. -14.7 million euros in 2020), a deterioration of 3.1 million euros, essentially caused by the negative variation of financial income that peaked in 2020, in connection to amounts still to be received for the sale of the pellet business in 2018, interest earned and amounts associated with the antidumping process in the USA (together - 3 million euros vs. 2020), and the cancellation of an interest rate swap linked to the redemption of a debenture loan in December 2020 (-1.5 million euros). In the opposite direction, the cost of funding evolved positively (1.1 million euros) due to the decrease in average debt compared to the same period last year, despite a small increase in the average cost resulting from the lower weight of short-term debt, which in 2020 gained significant expression due to the liquidity obtained to deal with the pandemic.

Net profit attributable to Navigator shareholders in 2021 totalled 160.3 million euros, up by 63.4% over the same period in the previous year.

Free cash flow generation continued at a steady pace (52 million euros in the fourth quarter), in line with the favourable development of Navigator's operating performance, particularly with regard to sales and prices. Ongoing focus on working capital is still an important additional element for improving stable inflows.

Throughout the year, the amount invested in working capital remained at low levels, in a context of a moderate increase in stock levels, in line with the gradual recovery of activity levels, especially in pulp stocks, which, despite remaining at historically low volumes, increased by about 25 thousand tonnes in 2021 compared to the very low level reached at the end of 2020.

Furthermore, the impact of the Navigator supplier management policy which, combined with liquidity support solutions to its partners, contributed actively to the levels of cash flow generation achieved.

In 2021 Navigator generated a very significant free cash flow of around 235 million euros.

The **investment** in 2021 was circa to 80.1 million euros, roughly the same figure as in 2020 (80.6 million euros). This amount is mainly made up of investments aimed at revamping equipment, maintaining production capacity and achieving efficiency gains. It also includes 14 million euros in the environmental and decarbonisation area, of which 6.0 million euros was invested in the new biomass boiler in Figueira da Foz for the final project approval and 3.5 million euros went to the new evaporation line in Aveiro. Regarding other projects, it stands out the new wood yard in Figueira (7.2 million euros), the new woodchip stack in Aveiro (1.1 million euros), the refurbishment of the Wet Sector in Aveiro (1.9 million euros) and the solar power plants in Figueira da Foz (complete) and Setúbal (under construction), totalling 14 million euros.

Implementation of the investment plant in 2021 was affected by the restrictions related to the pandemic. It should be recalled that in 2020, the biomass boiler aside, in view of the uncertain environment created by the pandemic, Navigator only implemented the essential projects for maintaining production capacity and postponed all others. At the end of the first quarter of 2021, with better visibility on the future, the Capex plan was resumed.

It should also be noted that following five years since the beginning of the **anti-dumping** process, the US authorities conducted a procedure so-called "sunset review" in 2021 to reassess the continuation of the proceedings. US authorities have carried out a full review of the anti-dumping proceedings on UWF paper imports into the United States which constituted the original order, including imports from Portugal, with Navigator taking an active part in the process. In January 2022, the mentioned authorities established that the anti-dumping process would continue for 5 years more, despite the continued increase in Navigator's prices in the North American market and the reduction of supply in that market by local producers.

In 2021, Navigator's efforts to reduce environmental impact were acknowledged once more, by making it to the top of Sustainalytics' ESG Risk Rating 2021, which assesses Navigator on the Environmental, Social and Corporate Governance dimensions and rates its performance annually (within the context of the pulp and paper sector). Navigator was one of the top global companies in terms of sustainability with a score of 14.3, and once again was classified as a "Low ESG Risk Company" for investors. Navigator is 3rd out of a total of 81 global companies in the Paper & Forestry industry cluster, and 3rd out of 60 global companies in the Paper & Pulp cluster.

Further to the commitment made under the Agenda 2030, Navigator joined the Science Based Targets initiative (SBTi), and, reinforcing its commitment, it immediately submitted its greenhouse gas (GHG) emissions reduction targets for approval, based on the most up-to-date climate science, taking another important step in the fight against climate change.

Navigator has been developing a range of strategies to measure and reduce its total GHG footprint, and to mitigate and adapt to the risks of climate change. With this membership, the Company is aligning itself with international scientifically-based criteria and methodologies as part of the global climate agenda, affirming its leadership in sustainability.

In Navigator's result reports, the Board of Directors announced a proposal of a dividend distribution to the outstanding shares it intended to put to the Shareholders at the General Meeting, relative to 2021, in the amount of 0.1406 euros per share, corresponding to a total value of approximately 100 million euros.

PULP AND PAPER - ANALYSIS OF Q4 2021 PERFORMANCE

In the fourth quarter of 2021 performance stayed on the same positive track as the previous quarter, naturally better than the same quarter in 2020 when Navigator's activity was severely hit by the pandemic. Revenue amounted to 476 million euros, 18% higher than that of the 3rd quarter of 2021, and 40% year on year, due mainly to the recovery of paper volumes and higher average pulp prices, which offset the sharp rise in costs.

Paper volumes grew by 4% over Q3 2021 to 394 thousand tonnes, recovering 15% versus Q4 2020. The PIX A4-Copy B paper price index registered a very significant increase of 7% between the average prices in the 3rd and 4th quarters and 12% in relation to the average prices of the same quarter in 2020. The continued global preference for Navigator's brands, and its leading position, have meant that average prices have outperformed the market, rising by 10% between the 3rd and 4th quarters and 27% increase year on year. Positive developments in the price of paper and growing volumes pulled sales up by 14% compared to the 3rd quarter and by 46% compared to the 4th quarter of 2020.

Pulp sales volumes evolved differently, up by 56% on the previous quarter, essentially due to the impact of the shut-down for maintenance in the 3rd quarter at the Setúbal and Aveiro mills, and down by 12% on the 4th quarter of 2020, due to low stocks and lower availability of pulp for the market due to greater integration in UWF paper. However, higher pulp prices in 2021 made up for lower volumes sold, with pulp revenue registering a growth of 59% over the third quarter of 2021 and 49% on the same quarter in 2020.

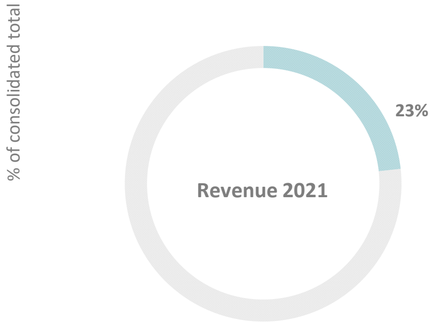
Tissue sales volumes grew 6% in relation to the previous quarter and 3% over Q4 2020. The positive development in average selling price of tissue sustained growth in revenue of 7% compared to Q3 2021 and 9% compared to the same quarter in the previous year.

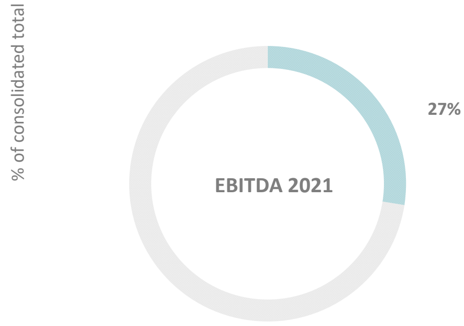
In this context, **EBITDA** stood at 109 million euros (+14% vs. the third quarter and +45% vs. the fourth quarter of 2020), which was reflected in an EBITDA margin of 22.8% (-0.8 p.p. than that of Q3 2021 and 0.8 p.p. above that of Q4 2020).

Free Cash Flow generated in the quarter was 52 million euros (vs. 61 million euros over the previous quarter and vs. 63 million euros in the 4th quarter of 2020).

Net profit attributable to Navigator shareholders amounted to 54.4 million euros, which was a significant improvement compared with the previous quarter (+15.6%) and compared with the same quarter of the previous year (+74.4%).

2.3. CEMENT AND OTHER BUILDING MATERIALS BUSINESS UNIT

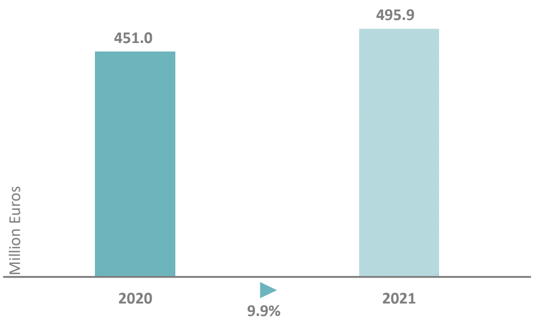




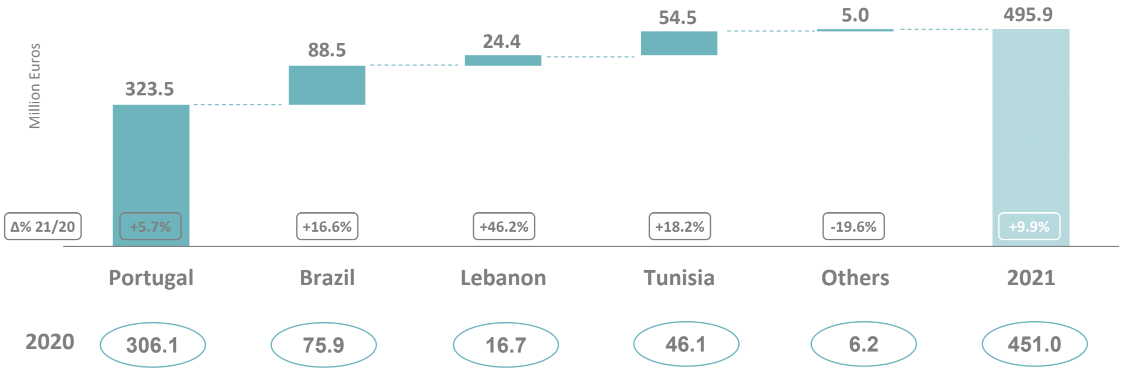
HIGHLIGHTS IN 2021 (VS. 2020)

- In 2021, Secil **revenue** amounted to 495.9 million euros, 9.9% higher than in the previous year.
- This increase is essentially the result of the positive developments in Portugal, Brazil and Tunisia, and there was also a recovery in Lebanon after the strong impact of the depreciation of the Lebanese pound against the Euro in 2020. The exchange variation of the currencies of the different countries (excluding Lebanon that is suffering from hyperinflation) had a negative effect of about 9.3 million euros on Secil's revenue.

REVENUE

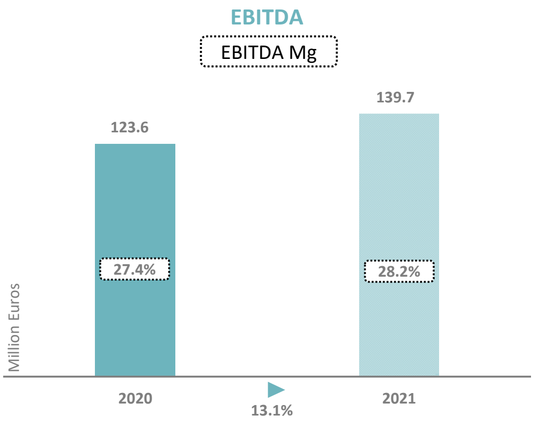


REVENUE BREAKDOWN BY COUNTRY

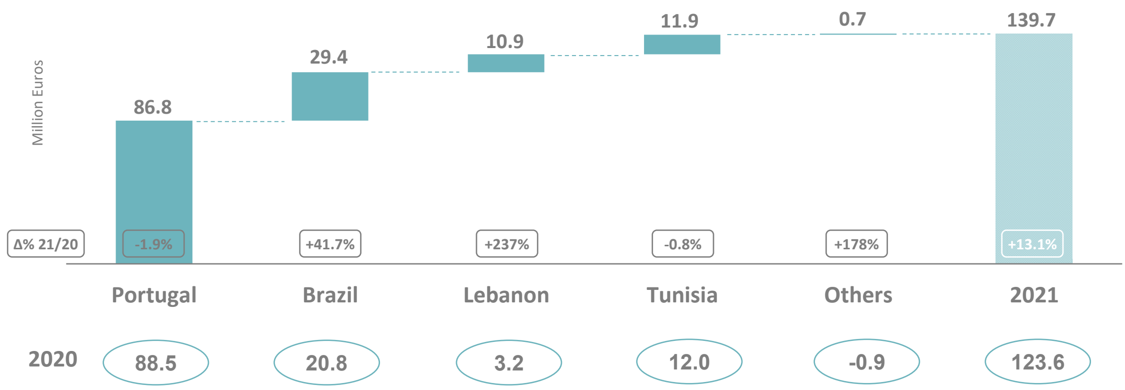


Note: Other includes Angola, Trading, Other and Eliminations. 2020 data was reclassified for the purpose of comparability.

- Secil **EBITDA** reached 139.7 million euros, an increase of 13.1% year on year, despite the highly uncertain environment caused by the global health crisis, strong economic, financial, and social instability in Lebanon, and the negative effects of the sharp rise in fuel prices, as well as the depreciation of the Brazilian real, the Lebanese pound, and the Tunisian dinar.



EBITDA BREAKDOWN BY COUNTRY



Note: Other includes Angola, Trading, Other and Eliminations. 2020 data was reclassified for the purpose of comparability.

Secil's **net financial results** had a very sharp improvement year on year, from -33.5 million euros to -26.6 million euros at the end of 2021. The positive difference resulted from the combined effect of a reduction in the net financing cost, and a significant decrease in exchange rate differences, mainly due to exchange loss in 2020 resulting from the depreciation of the BRL, which decreased substantially in 2021.

In 2021, **net profit attributable to Secil shareholders** totalled a positive figure of 52.5 million euros vis-à-vis the amount of 46.5 million euros over the same period in the previous year. This positive variation results from the improvement in the financial results, and mostly from operating results, offsetting the income taxes negative effect.

Secil recorded an **investment** value in fixed assets of 43.4 million euros in 2021, reflecting an increase of approximately 16.3 million euros compared to the previous year. This investment includes 20 million euros for the decarbonisation project at the Outão plant in Portugal (CCL - *Clean Cement Line*), which it expects to conclude in 2022, that pioneers the combination of a set of mature and innovative technologies will help to reduce CO_2 emissions by 20%, increasing energy efficiency by 20%, and producing 30% of electricity through heat recovery from the process itself. The low carbon clinker that will result from this process will make it possible to respond competitively to requests for "green procurement" on the market.

LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	2021	2020	Var.	Q4 2021	Q4 2020	Var.
Revenue	**495.9**	**451.0**	**9.9%**	**129.0**	**71.0**	**81.6%**
EBITDA	**139.7**	**123.6**	**13.1%**	**32.5**	**16.2**	**100.3%**
EBITDA margin (%)	28.2%	27.4%	0.8 p.p.	25.2%	22.8%	2.4 p.p.
Depreciation, amortisation and impairment losses	(53.2)	(53.1)	-0.2%	(16.1)	(12.4)	-30.1%
Provisions	(1.5)	(3.1)	51.3%	0.7	(1.7)	142.3%
EBIT	**85.0**	**67.4**	**26.2%**	**17.0**	**2.1**	**705.4%**
EBIT margin (%)	17.1%	14.9%	2.2 p.p.	13.2%	3.0%	10.2 p.p.
Net financial results	(26.6)	(33.5)	20.6%	(7.4)	6.3	-218.2%
Net monetary position	7.2	13.9	-48.3%	7.5	13.9	-46.5%
Profit before taxes	**65.6**	**47.8**	**37.2%**	**17.0**	**22.4**	**-23.7%**
Income taxes	(9.5)	4.9	-293.3%	(2.3)	11.1	-120.5%
Net profit for the period	56.2	52.7	6.6%	14.8	33.4	-55.8%
Attributable to Secil shareholders	**52.5**	**46.5**	**12.8%**	**10.3**	**25.2**	**-59.1%**
Attributable to non-controlling interests (NCI)	3.7	6.2	-40.6%	4.5	8.2	-45.6%
Cash flow	110.9	108.9	1.8%	30.2	47.5	-36.4%
Free Cash Flow	69.3	118.6	-41.5%	26.5	32.1	-17.6%
	31/12/2021	**31/12/2020**				
Equity (before NCI)	371.4	330.9				
Interest-bearing net debt	**253.9**	**272.8**				
Lease liabilities (IFRS 16)	41.6	25.0				
Total	**295.5**	**297.8**				

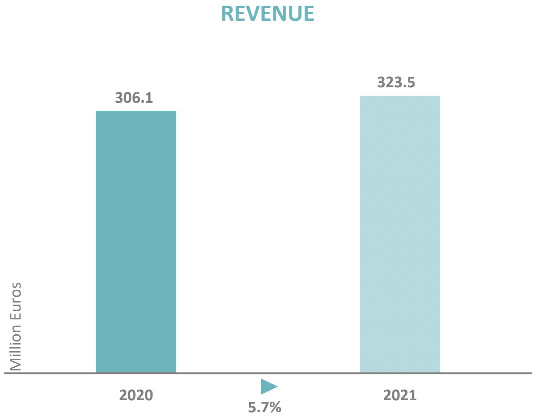
Note: Figures for business segment indicators may differ from those presented individually by each Group, as a result of consolidation adjustments.

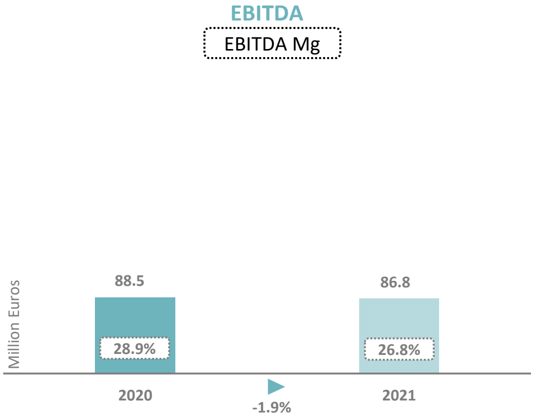
KEY OPERATING INDICATORS

in 1 000 t	2021	2020	Var.	Q4 2021	Q4 2020	Var.
Annual cement production capacity	9,750	9,750	0.0%	9,750	9,750	0.0%
Production						
Clinker	4,279	4,301	-0.5%	1,062	1,095	-3.0%
Cement	5,189	4,990	4.0%	1,316	1,312	0.3%
Sales						
Cement and Clinker						
Grey cement	5,257	5,314	-1.1%	1,333	1,355	-1.7%
White cement	82	68	21.2%	17	17	-0.1%
Clinker	175	484	-64.0%	66	107	-38.6%
Other Building Materials						
Aggregates	5,083	4,550	11.7%	1,287	1,101	16.9%
Mortars	258	235	9.9%	59	59	0.6%
in 1 000 m3						
Ready-mix	1,960	1,803	8.7%	496	446	11.2%

Note: 2020 data was reclassified for the purpose of comparability.

PORTUGAL





The Construction Production Index increased by 2.9% in December, year-on-year, accelerating 0.4 percentage points from the previous month. In the year 2021, construction production grew by 2.9%, after a 3.3% contraction in 2020. (*Índices de Produção, Emprego, Remunerações na Construção* - February 2022, INE). Cement consumption in Portugal in 2021 is estimated to have grown in accumulated terms about 9.8% year on year.

In 2021, **Revenue** of combined operations in Portugal stood at 323.5 million euros, i.e 5.7% more in relation to the same period in 2020.

Revenue in the Cement business unit in Portugal grew 6.8% (+11.5 million euros) from the same period in the previous year, due to the combined effect of higher volumes sold to the domestic market and the increase in respective average selling price.

Domestic market revenue was up by 8.1% against 2020, as a result of more cement sales driven by more cement consumption and higher average selling price. On the other hand, export revenue, including the Secil terminals, decreased around 22.8%. Despite the sharp decrease in exported volumes, the increase in the average sales price and a more favourable sales mix made it possible to avoid greater loss.

In the other business units with operations based in Portugal (Ready-mix concrete, Aggregates, Mortars, and Precast), revenue in 2021 amounted to 158.8 million euros, up by 7.8% year on year.

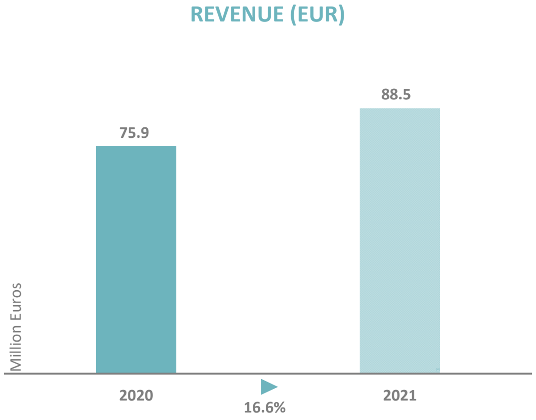
This growth took place in all areas of building materials, benefiting from greater building dynamics, albeit less in the Concrete business unit, which recorded more modest growth in sales volume (4.9%).

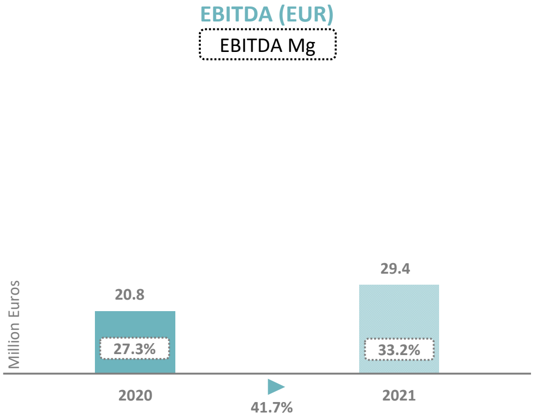
In 2021, **EBITDA** of total operations in Portugal was down by 1.9%, standing at 86.8 million euros vs. 88.5 million euros recorded in 2020.

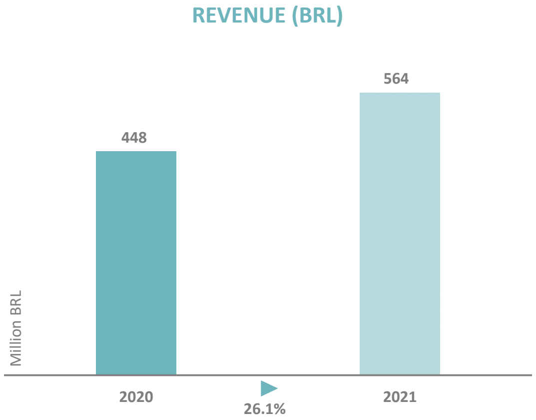
The Cement business unit presented an EBITDA slightly higher than that of the same period in the previous year (+0.6%), despite being negatively impacted by the decrease in the sale of surplus CO_2 emission licences, which represented a significant reduction compared to 2020, and the increase in thermal energy costs, as a consequence of the increase in the international price of solid fuels. The increase in volumes sold in the domestic market, and higher average prices, both in the domestic and foreign markets, should be positively highlighted.

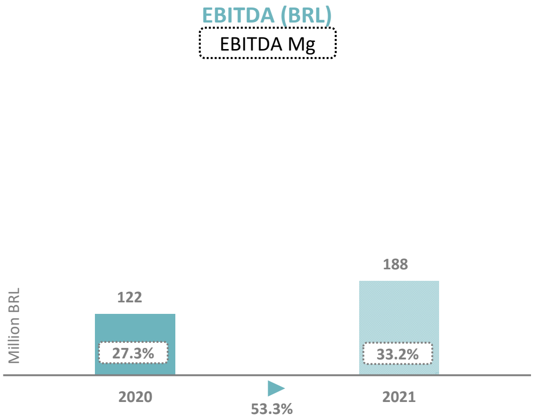
EBITDA of the building materials business units was up by 14.1%. Aggregates, Mortars, and Pre-cast materials progressed well, which helped to overcome the weak performance of the Concrete segment, as a result of strong market pressure to lower sales prices and increase variable production costs.

BRAZIL









Note: Average exchange rate EUR-BRL 2020 = 5.8978 / Average exchange rate EUR-BRL 2021 = 6.3773

According to the estimates of SNIC (Preliminary Results of December 2021), cement consumption in Brazil increased circa 6.4% against the previous year.

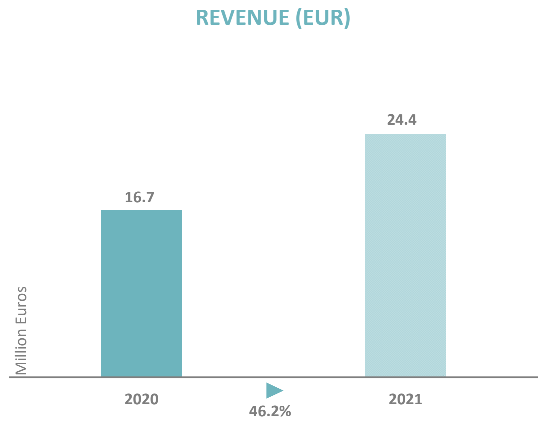
The main drivers of this performance are still the pick-up in construction of infrastructure (particularly state highways and urban pavement), real estate construction projects and self-construction renovations, which continue to play an important role in cement sales, even after the emergency support suspension since January.

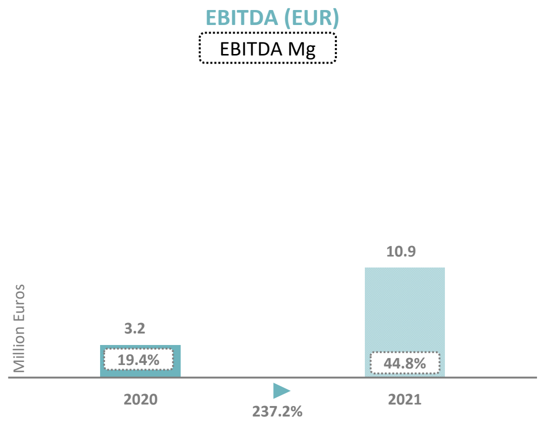
In 2021, **revenue** of combined operations in the country stood at 88.5 million euros, 16.6% growth over the previous year. However, discounting the effect of the exchange rate depreciation of the Real against the Euro, with a negative impact of around 7.2 million euros, revenue would have been higher by 19.8 million euros (+26%).

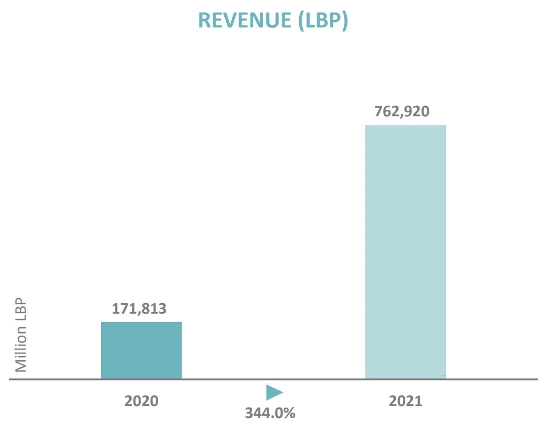
Cement revenue increased despite cement volumes being below the levels in the same period of the previous year, due to an increase in average selling price.

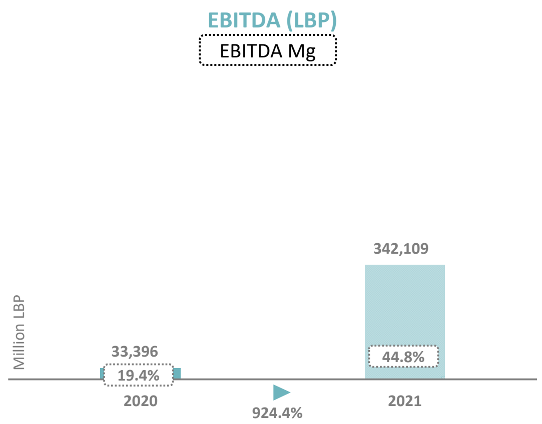
The **EBITDA** of activities in Brazil totalled 29.4 million euros, which compares with 20.8 million euros recorded year on year (i.e. 41.7% increase). Excluding the unfavourable exchange rate effect (-2.4 million euros), EBITDA would have increased by 53%, reflecting the good performance of the activity, which helped to offset the negative impact of higher variable production costs, energy in particular.

LEBANON









Note: Average exchange rate EUR-LBP 2020 = 10,307.6 / Average exchange rate EUR-LBP 2021 = 31,316.4

Lebanon is plunged in a serious social and economic-financial crisis. Despite the efforts made by political forces to stabilise the situation, the outbreak of the Covid-19 pandemic and the explosion in Beirut port in August 2020 aggravated further an already precarious situation. As the pandemic worsened and spread, especially in Q3 2021, the Lebanese authorities continued to impose measures to contain the health situation. In addition, the constant power cuts in the last quarter negatively impacted Secil's operations in that country.

In spite of the context, **revenue** of combined operations in Lebanon increased 46.2%, compared to the same period in 2020, standing at 24.4 million euros. This growth results from the adjustment of sales prices in local currency to the hyperinflation situation, and the rapid depreciation of the currency. Note that the Lebanese pound ended the year at 27,650 LBP per 1 USD, which compares with 8,400 LBP per 1 USD at the end of 2020.

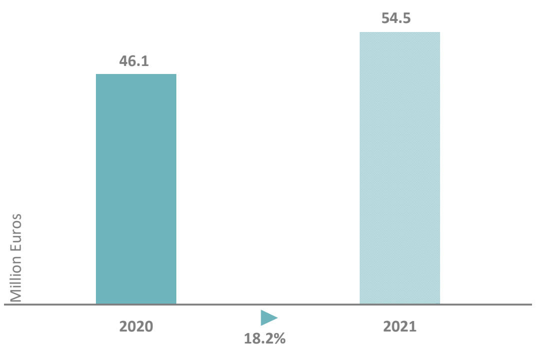
The volume of cement and clinker sold to the domestic market decreased 9.1% compared to the same period last year. Revenue in euros grew 38.4%, despite the high exchange rate depreciation of the Lebanese pound, which was more than compensated for by the price increase in local currency.

Concrete revenue in euros was also negatively impacted by the depreciation of the Lebanese pound, bringing revenue down by 53.2% year on year, despite the increase of 20% in volumes sold.

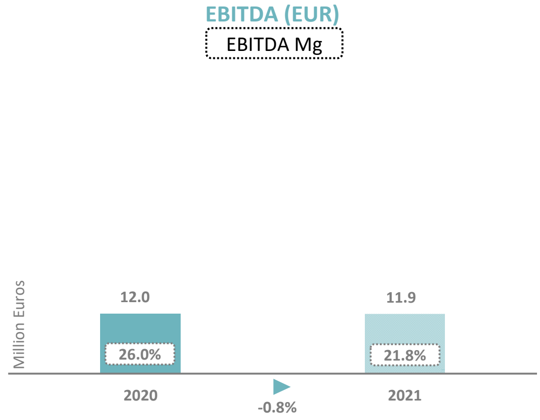
EBITDA from operations in Lebanon stood at 10.9 million euros, up by 237% in relation to 2020. This increase is mainly due to inflation in the local economy and to the cost containment measures implemented, which more than offset the effect of the depreciation of the Lebanese pound.

TUNISIA

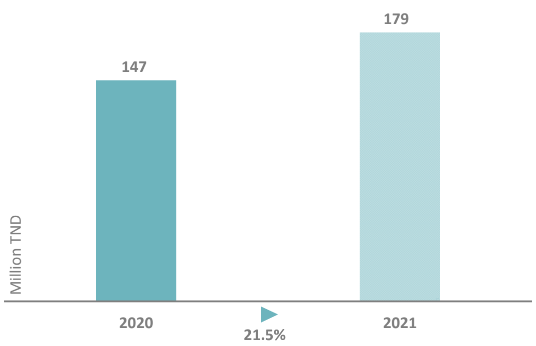
REVENUE (EUR)



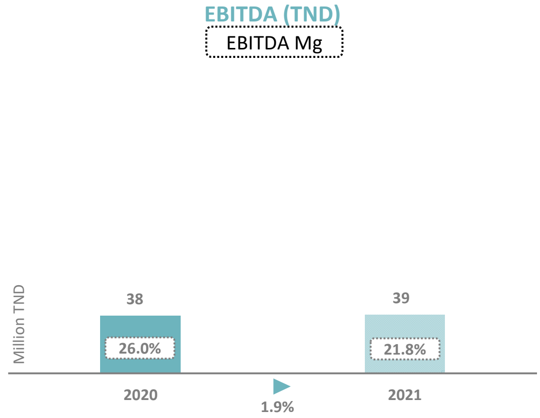
EBITDA (EUR)



REVENUE (TND)



EBITDA (TND)



Note: Average exchange rate EUR-TND 2020 = 3.1998 / Average exchange rate EUR-TND 2021 = 3.2889

Tunisia is still facing significant challenges, including high foreign and fiscal deficits, rising debt, and insufficient growth to reduce unemployment. Some social unrest and pressure from union claims continue. Government deficit is reflected in public works and the real estate sector faces challenges due to difficulties in obtaining funding (in connection with the fragility of the banking sector), which impacts construction output.

In October, when the new government took office (after the previous government resigned in July), its composition of qualified personalities with no political ambitions was interpreted as a positive sign of the intention to lead the country's economic and financial recovery. Meanwhile, at the end of the year, the 2022 Finance Law was published, understood as a transitional law to prepare for the various fundamental economic and social reforms that the government is planning to carry out between 2022 and 2026.

In this difficult context, the domestic cement market is expected to have grown around 2.4% in comparison with the same period in 2020 (heavily impacted by the outbreak of the pandemic), and is still subject to strong competition due to excess installed capacity.

Revenue of the combined operations in Tunisia showed a positive year-on-year variation of 18.2%, totalling 54.5 million euros, negatively impacted by 1.5 million euros due to the depreciation of the Tunisian dinar against the Euro.

Revenue of the Cement business grew around 17.7% to 51.1 million euros, reflecting an increase in cement sales in the external market (+199.8%), also accompanied by a positive variation in average sales prices (+8%). In the domestic market, there was a slight increase in volumes sold (+1.9%) and prices remained practically at the level of the previous year.

Revenue of the Concrete business grew 19.7% year on year, mainly due to the increase in volumes sold (+16.2%).

Subsequently, **EBITDA** from operations in Tunisia amounted to 11.9 million euros, slightly below the figure in the same period of 2020 (12.0 million euros). The good commercial performance made it possible to mitigate the negative effects of higher variable costs, particularly in energy and industrial maintenance.

ANGOLA AND OTHERS

It is estimated that, according to the latest figures available, the Angolan cement market was up by 19% compared to the same period in 2020.

In a context of strong inflation and significant depreciation of the Kwanza vis-à-vis the Euro, Secil Lobito has been implementing a strict price policy that can help it tackle the increase in costs, either expressed in local currency and those arising from the necessary imports. In these terms, the price of cement in local currency, increased compared to the same period in 2020 and the volumes of cement sold by Secil grew 25.1% compared to the same period in the previous year.

Consequently, **revenue** totalled 6.3 million euros, i.e. 49.7% above that in the same period of the previous year, still affected by the currency depreciation, which produced a negative effect of 558 thousand euros. Excluding the exchange rate effect, revenue would have been higher by 63%.

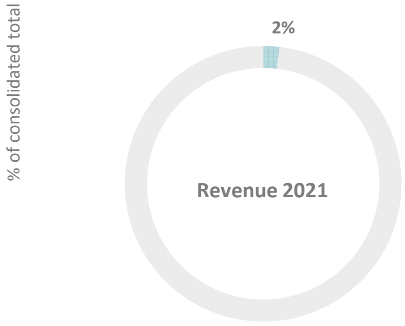
EBITDA in 2021 amounted to a positive figure of 681 thousand euros, which in contrast with the negative 778 thousand euros recorded over the same period in the previous year is a significant improvement.

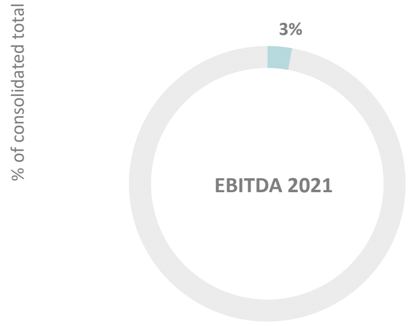
CEMENT AND OTHER BUILDING MATERIALS - ANALYSIS OF Q4 2021 PERFORMANCE

EBITDA in the fourth quarter of 2021 was higher than EBITDA in the same quarter of 2020 by around 16.3 million euros (+100.3%). Such improvement was driven by the increase in EBITDA generated by activities in Portugal of 3.0 million euros (+23%), in line with the favourable development in the construction sector. Businesses in Brazil (+31%), Angola (+0.5 million euros) and Lebanon (+11.2 million euros) also made a positive contribution to this evolution, unlike business in Tunisia that had a negative contribution (-13%).

EBITDA in Tunisia was 0.5 million euros lower, which reflects the worsening economic and social crisis in that country. The positive evolution in EBITDA in Lebanon of 11.2 million euros is related to the recovery of the sale price in the domestic market in 2021, and the implementation of IAS 21 and IAS 29 standards in the current economic context that features strong currency devaluation and hyperinflation. The 1.9 million euro increase in EBITDA in Brazil is mainly explained by the rise in the average selling price of cement in local currency.

2.4. ENVIRONMENT BUSINESS UNIT

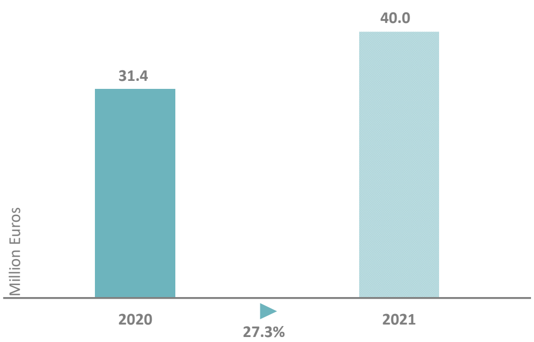




HIGHLIGHTS IN 2021 (VS. 2020)

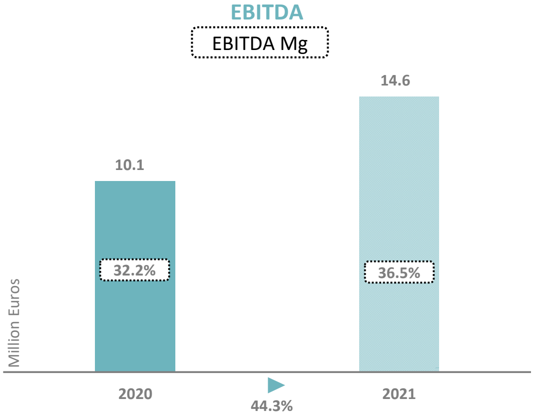
- ETSA recorded revenue of approximately 40.0 million euros in 2021, up by around 27.3% against the previous year.
- The growth in revenue is mainly explained by the increase in sales of fat and meal of category 3 and used cooking oil.

REVENUE



- The **EBITDA** of ETSA totalled approximately 14.6 million euros in 2021, representing a growth of about 44.3% in comparison with 2020, essentially due to higher revenue and control of the main costs.

EBITDA



LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	2021	2020	Var.	Q4 2021	Q4 2020	Var.
Revenue	**40.0**	31.4	**27.3%**	**10.9**	8.0	**36.0%**
EBITDA	**14.6**	10.1	**44.3%**	**3.1**	2.3	**34.0%**
EBITDA margin (%)	36.5%	32.2%	4.3 p.p.	28.4%	28.8%	-0.4 p.p.
Depreciation, amortisation and impairment losses	(3.2)	(3.1)	-2.5%	(0.8)	(0.8)	-1.4%
Provisions	-	-	-	-	-	-
EBIT	**11.4**	7.0	**63.1%**	**2.3**	1.5	**51.0%**
EBIT margin (%)	28.5%	22.2%	6.2 p.p.	21.1%	19.0%	2.1 p.p.
Net financial results	(0.2)	(0.3)	25.5%	(0.0)	(0.1)	28.9%
Profit before taxes	**11.2**	**6.7**	**66.5%**	**2.2**	**1.4**	**54.9%**
Income taxes	(2.3)	(1.3)	-71.1%	(0.3)	(0.1)	-167.6%
Net profit for the period	8.9	5.4	65.4%	1.9	1.3	45.2%
Attributable to ETSA shareholders	**8.9**	**5.4**	**65.5%**	**1.9**	**1.3**	**45.8%**
Attributable to non-controlling interests (NCI)	(0.0)	-	-	(0.0)	-	-
Cash flow	12.1	8.5	42.2%	2.7	2.1	28.9%
Free Cash Flow	8.8	6.8	29.0%	4.9	1.8	174.6%
	31/12/2021	**31/12/2020**				
Equity (before NCI)	86.6	78.7				
Interest-bearing net debt	**-8.2**	**-0.5**				
Lease liabilities (IFRS 16)	1.6	1.9				
Total	**-6.6**	**1.4**				

Note: Figures for business segment indicators may differ from those presented individually by each Group, as a result of consolidation adjustments.

KEY OPERATING INDICATORS

in 1 000 t	2021	2020	Var.	Q4 2021	Q4 2020	Var.
Collection of raw materials - Animal waste (Categ. 1, 2 and 3)	125.1	121.4	3.1%	33.6	32.0	4.9%
Sales - Animal fats and used cooking oil	15.3	14.3	7.2%	2.7	3.3	-18.2%
Sales - Meal (Categories 1, 2 and 3)	22.9	21.6	6.2%	6.1	4.9	23.8%

ENVIRONMENT - ACTIVITY OVERVIEW OF THE YEAR

ETSA recorded **revenue** of approximately 40.0 million euros in 2021, up by around 27.3% against the previous year.

This variation results from a 47.0% increase in sales compared to the previous year, which is essentially due to an increase in sales of (i) fat and category 3 meal, (ii) used cooking oil, and (iii) category 1 fat.

Consolidated services rendered increased around 4.6%, mostly as a result of the growth in the volumes of category 1 and 2 (collected from slaughterhouses and other points besides farms), but also a 4.6% increase in retainer fees from mass distribution.

The **EBITDA** of ETSA was approximately 14.6 million euros in 2021, representing a growth of about 44.3% in comparison with 2020, fundamentally due to higher revenue and control of the main costs. EBITDA margin stood at 36.5%, up by around 4.3 p.p. over the previous year.

Financial results improved by about 25.5% in relation to the previous year, mostly due to the reduction in average debt.

The combined impact of the mentioned factors resulted in a **Net Profit attributable to the ETSA shareholders** in 2021 of approximately 8.9 million euros, an increase of around 65.4% compared to the previous year.

In 2021, ETSA recorded an **investment** value in fixed assets of 3.8 million euros.

ENVIRONMENT - ANALYSIS OF PERFORMANCE IN Q4 2021

On September 1st, ETSA and Tribérica reached an agreement, through which ETSA now holds 70% of the capital of Tribérica. The acquisition allows ETSA to expand its business areas in tune with the principles of sustainability and circular economy.

Based in Vila Nova de Famalicão, Tribérica conducts business in the area of circular economy in the food sector, by producing natural packaging from the collection and processing of animal origin products. This transaction reinforces the growth of Tribérica's business, enhancing its investment capacity and the entry into new market segments.

Sustainability, which is at the core of Tribérica's business, and its industrial structure - areas where the digitalization of operations and the skills of the human resources stand out - were key factors for this important investment of ETSA.

ETSA recorded **revenue** in Q4 2021 of about 10.9 million euros, which represented a 36.0% increase year on year. This variation results from an increase of about 64.1% in sales and around 8.2% in consolidated services rendered.

Sales include 1 million euros from Tribérica, consolidated in ETSA for the first time (4 months contribution). The remaining variation in sales is essentially due to the increase in (i) average prices of category 3 fat; (ii) average prices of category 3 meal, and (iii) volume and average price of used cooking oil (UCO). The changes in the services rendered derive essentially from the growth in retainer fees and other collections.

EBITDA totalled approximately 3.1 million euros in the 4th quarter of 2021, about 34% above levels in the same period in 2020.

2.5. VENTURE CAPITAL BUSINESS UNIT

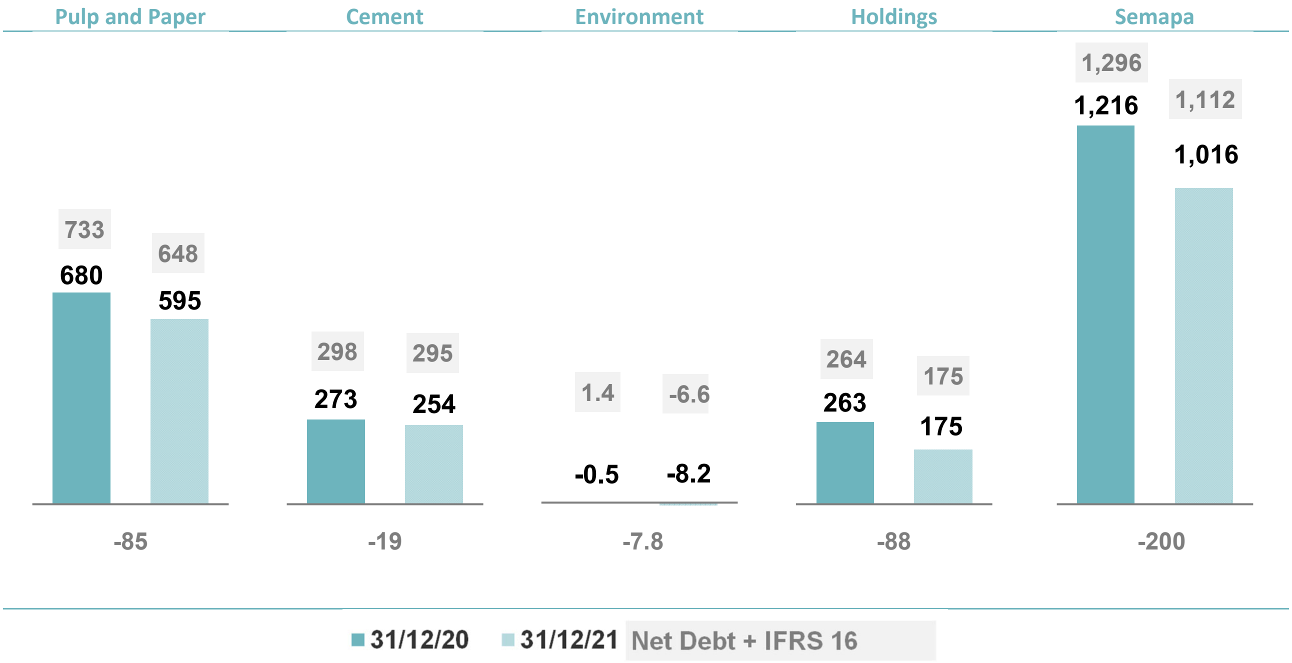
The 4th quarter of 2021 featured the investment in Oceano Fresco, a company that specialises in sustainable food and a pioneer in clam aquaculture operations in the open sea, in a round of 6.1 million euros co-led by Semapa Next. In addition to the investments, Semapa Next also attended international events with the aim of strengthening relationships with Venture Capital investors and closely monitoring new technological trends and startups.

Overall, 2021 was a positive year for Semapa Next, with a number of investments and initiatives recorded. These include investments in other European venture capital funds, namely Notion Capital, Firstminute Capital, and Kibo Ventures, as well as in LOQR, a company that develops digital identification and authentication technology for financial institutions. Semapa Next took part in the Global Sustainability Challenge led by Techstars, and organised The Future of Food & Food Packaging Challenge, with the active participation of Navigator and ETSA, which identified 6 start-ups with potential for future collaboration with both companies.

3 SEMAPA GROUP – FINANCIAL AREA

3.1. INDEBTEDNESS

NET DEBT



On 31 December 2021, consolidated **net debt** stood at 1,015.6 million euros, representing a reduction of around 200 million euros over the figure ascertained at the close of 2020. Including the effect of IFRS 16, net debt would have been 1,112.3 million euros, 183.6 million euros below the figure at the end of 2020. Besides the operating cash flow generated, these variations are explained by:

- Pulp and paper: -85.2 million euros, including investments in fixed assets of about 80 million euros and distribution of 150 million euros in dividends;
- Cement: -18.9 million euros, including investments in fixed assets of about 43.4 million euros, the reimbursement of 40.5 million euros in supplementary payments to Semapa, and the foreign exchange depreciation with a negative effect of approximately 10 million euros;
- Environment: -7.8 million euros, in spite of the difficulty in collecting the amounts billed to the Government; and,
- Holdings: -88.2 million euros, resulting namely from dividends received from Navigator (104.6 million euros), supplementary payments from Secil (40.5 million euros), and the payment of dividends (40.9 million euros).

On 31 December 2021, total consolidated cash and cash equivalents amounted to 382 million euros, in addition to 553 million euros in committed and undrawn credit lines, thus ensuring strong liquidity in the current context of uncertainty.

In 2021, two financing operations were carried out by Navigator, that pave the way towards sustainable finance. In the 1st half of the year, Navigator recorded an inflow of 27.5 million euros relating to a loan contracted from EIB in 2020. This grant was directly linked to the new biomass boiler at the Figueira da Foz industrial complex, with a total investment of 55 million euros, which will allow the Company to reduce fossil carbon dioxide emissions. A bond issue of 100 million euros in the second half was indexed to ESG goals.

The terms of the loan are indexed to two ESG indicators envisaged in the Navigator's Sustainability Agenda, which, in turn, are aligned with the United Nations Sustainable Development Goals. The first indicator sets targets for reduction of CO_2 emissions, consistent with the Company's Roadmap for Carbon Neutrality, in which Navigator commits itself to being carbon neutral at its industrial complexes by 2035. The second indicator sets targets for increasing the percentage of certified wood purchased on the Portuguese market. Certification of wood is one of the most direct routes to achieving sustainability goals in our business sector, and the best guarantee that processes leading to sustainable forest management have been adopted.

3.2. FINANCIAL RESULTS

In 2021 financial results amounted to a negative figure of 49.3 million euros, representing an improvement of 16.2% year on year.

The following factors contributed to the variation in the financial results:

- Less interest paid on loans obtained as a result of lower debt levels;
- The unfavourable exchange differences recorded a positive variation due mainly to a decrease in exchange differences and related hedges, essentially due to the existence of exchange losses in 2020 resulting from the devaluation of the Brazilian real, which decreased very substantially in 2021.

3.3. NET PROFIT

In 2021, net profit attributable to Semapa shareholders was 198.1 million euros, which represents an increase of 91.5 million euros compared to the previous year, due essentially to the combined effect of the following factors:

- Increase in EBITDA of 89.4 million euros: the Pulp and Paper segment was up by 69.2 million euros and the Cement segment increased 16.2 million euros;
- Reduction in depreciation, amortisation and impairment losses and provisions of 21.5 million euros, with emphasis on Navigator;
- Improvement in net financial results by about 9.6 million euros, reflecting in particular the less negative exchange rate effects on Secil (Brazilian real);
- Lower impact of the net monetary position (6.7 million euros) that results from the implementation of accounting standard IAS 29 due to the fact that the economy of Lebanon was deemed hyperinflationary;
- Increase in income taxes by around 6.0 million euros. This item includes a positive impact of around 25.7 million euros due to the recognition of deferred tax assets at Semapa, relating to tax losses already tax audited and reportable up to and including 2028.

4 OUTLOOK

The year begins with investors keeping a close eye on three major issues: the pandemic, inflation, and geopolitical tensions. Despite the rapid spread of the omicron variant, the relative minor severity of the cases has led to fewer fears of its impact on economic recovery. Inflationary pressures in almost all countries have forced central banks to change their position by withdrawing monetary incentives in advanced economies and raising interest rates, which is expected to continue.

In the latest projections of the IMF's World Economic Outlook Update (WEO Update), published in January 2022, the global economic growth forecast for 2022 is 4.4% (a downward revision of 0.5 p.p. relative to the October forecast). Rising energy prices and disruptions in supply chains have resulted in higher and wider-than-expected inflation, mainly in the United States and many emerging economies. A tighter real estate sector in China and a slower-than-expected recovery in private consumption are also expected to impact global growth.

Eurozone GDP is expected to grow 3.9% in 2022 (downward revision of 0.4 p.p. from the October estimate) driven by Covid risks and supply chain disruptions, particularly in Germany, due to the economy's exposure to shocks in the supply chain.

PULP AND PAPER

As the economy recovers, the Covid-19 vaccination plan is rolled out and the herd immunity starts to be achieved, conditions in the pulp, paper, and tissue sector are expected to remain positive overall. However, uncertainties remain about the impact of logistical bottlenecks in global trade and the sharp acceleration of inflation in several countries.

In the **paper** business, the expected economic recovery combined with an improved balance between supply and demand in the United States and Europe, as a result of capacity closures and conversions already announced points to good prospects for 2022. This upturn will allow the majority of the population to gradually return to the office and consequently increase the consumption of office paper, a segment that has performed less well compared to other types of graphic paper. The very high order book, in particular Navigator’s, persistently higher than the industry average, low import volumes, pressured by freight costs, and a well-balanced level of stocks in the pipeline, consolidate this positive outlook.

The focus on the **packaging** segment continues. The ambitious product development plan that began in 2021 will continue in 2022, both by expanding its range of weights and by innovating and developing new sustainable packaging solutions to replace fossil/plastic-based products. 2022 will also be a year of continued expansion of the packaging customer base (currently composed of 125 customers) and of geographic expansion.

In the **pulp** market in China, benchmark prices have been going up since the end of 2021, due to the relative scarcity of pulp supply, affected by logistical difficulties. On the other hand, constraints on graphic paper exports and the less dynamic domestic market (difficulty in increasing prices) continues to limit pulp consumption in China. Prices in Europe are supported by the post-pandemic economic recovery, the good level of demand, and ongoing logistics challenges affecting exports from Latin America to Europe. In the second half of the year, the significant increase in supply in Latin America and possible improvement in logistics should bring prices down.

In the **tissue** segment, as the vaccination programmes and the outlook for a progressive return to normality take a positive turn, stable recovery in the growth trajectory of demand for tissue products in Iberia is expected to occur in 2022, as a result of the recovery of tourism and activity in the Away from Home segment.

Consequently, Navigator will continue to develop its commercial presence in this segment, focusing on differentiating its products and creating new ranges of sustainable and environmentally responsible paper that meet its customers' needs. On the other hand, Navigator's current position allows it to analyse strategic opportunities that will maximise its growth potential.

Due to the current climate of high volatility and rising costs, particularly for wood, chemicals, energy, packaging and logistics, Navigator raised prices in 2021 and again in 2022 for shipments beginning on January 1, with a high probability of further increases in the future, thus helping to consolidate profitability, particularly in the UWF and tissue segments.

In the **energy** segment, the shift in sales from all cogeneration facilities to market sales (OMIE) in 2022 will compensate rising prices for the energy purchases component, not yet fixed for the period.

In the coming years, which should bring about a gradual recovery in activity, the **investment** plan will return to previous years' levels. The 2022 investment plan will be directed to investments needed to maintain production activities, Environmental and Decarbonisation projects, and Industry 4.0. In addition to the equipment and facility modernisation projects, some of which kicked off already in 2020, such as the New Wood Yard in Figueira, the New Evaporation Line in Aveiro, and the replacement of Fuel Oil Boilers for new Natural Gas boilers.

Navigator's commitment to innovation and to developing projects for the promotion of resilience and climate and digital transition places the company in a prime position for investment under the Recovery and Resilience Plan (RRP). Navigator has submitted applications that are in line with its strategy which, in the case of the Mobilisation Agendas, have passed on to the next phase that expires at the end of the first quarter of 2022.

Navigator will continue to manage fixed and variable costs across the board, all the while developing its investment and diversification plan and implementing the sustainability projects.

CEMENT AND OTHER BUILDING MATERIALS

Higher prices of several production factors, especially energy, and the disruption in the supply of raw materials or logistic chains at an international level, will influence the economic recovery and may weaken its pace. Secil is currently implementing supply management and production cost measures to reduce potential impacts.

According to the World Economic Outlook (WEO) published in October 2021, the IMF expects the GDP of **Portugal** to grow 4.4% in 2021 and 5.1% in 2022. December estimates by the Bank of Portugal put GDP growth at 4.8% in 2021 and 5.8% in 2022, followed by a more moderate pace of expansion in 2023 and 2024, at 3.1% and 2.0%, respectively. This forecast revises GDP growth in 2022 upwards by 0.2 p.p. (5.6% in the June Economic Bulletin forecast).

The Bank of Portugal estimates that inflation will be 0.9% in 2021 and 1.8% in 2022 (revised upwards from the June projection of 0.9%), settling at 1.1% in 2023, and 1.3% in 2024. The upward trend and subsequent moderation largely reflect developments in the prices of energy goods, which typically shadow the evolution of oil prices on the international markets.

AICCOPN and AECOPS expect activities in the construction sector to remain positive, reaching an average growth rate of +5.5% in real terms. The Gross Value of Production is expected to increase in all segments of the construction industry.

Secil is assessing potential investment opportunities, with emphasis on the decarbonisation of its industrial processes and R&D in products and solutions in the sectors in which it operates, and its framework is under analysis within the scope of the Recovery and Resilience Plan. The execution of this Plan is expected to contribute positively to the economic recovery in Portugal. Secil expects to conclude the investment in the industrial facility in Outão (the CCL- Clean Cement Line) by the end of 2022.

According to the World Economic Outlook Update (WEO Update) published in January 2022, the IMF expects the **Brazilian** economy to recover 4.7% in 2021, and 0.3% in 2022. Projected levels of inflation (WEO October 2021) are 7.7% and 5.3% in 2021 and 2022, respectively. Higher inflation and, particularly, rising interest rates may affect the course of real estate financing and the respective investments, which may be offset by planned public investment in infrastructure.

In **Lebanon**, the political and economic environment has faced much uncertainty since the last quarter of 2019, leaving the country plunged in a serious economic and social crisis. The measures implemented to contain the pandemic, which brought the country to almost a complete halt, and the explosion in the Beirut port only made matters worse.

Displaying one of the World's highest foreign debts, the country announced in March 2020 its first default after several months of declining foreign currency reserves and a strong depreciation of the Lebanese pound in the parallel market. The IMF World Economic Outlook (WEO), published in October 2021 for the period 2021-26, does not provide any estimates due to the high level of uncertainty.

In September 2021 a new government was appointed with a view to creating the conditions for the opening of negotiation with the International Monetary Fund to enable the country's financial rebalancing.

With regard to **Tunisia**, the most recent forecasts published by the IMF (World Economic Outlook, IMF October 2021) expect GDP growth of 3.0% in 2021 and 3.3% in 2022. Projected levels of inflation are 5.7% and 6.5% in 2021 and 2022, respectively.

Tunisia already found itself in financial hardship and social instability due to the pandemic, and greater political instability in July after the government resigned has increased uncertainty as to the country's progress. The appointment of a new government in October 2021 could facilitate the resumption of negotiations with the International Monetary Fund and open up opportunities for economic growth in the medium term.

The outlook for **Angola** (World Economic Outlook, IMF October 2021) hints at a contraction of -0.7% in 2021, followed by a 2.4% growth in 2022. Projected levels of inflation are 24.4% and 14.9% in 2021 and 2022, respectively.

ENVIRONMENT

ETSA will continue (i) to focus on the horizontal expansion of its production and destination markets (exports accounted for around 38.7% of total sales on 31 December 2021), (ii) to identify new opportunities for vertical growth, channelling its investments to improve operational efficiency, extracting maximum value from the channels operated, and retaining the loyalty of the main conventional and alternative collection centres, and (iii) to focus on sustained innovation and research and development addressed at ensuring new profit thresholds for the business.

VENTURE CAPITAL

Semapa Next will continue to monitor in 2022 its investment portfolio to add value to its subsidiaries and assist them in their respective international expansions. Semapa Next will continue to focus on contributing to the development of the ecosystem in Portugal, participating in Series A investment rounds in technology companies with potential for accelerated growth.

5 PROPOSED ALLOCATION OF PROFITS

The Board of Directors will propose to the General Meeting of Shareholders a dividend distribution on outstanding shares in relation to the financial year of 2021, in the amount of 0.512 euros per share, corresponding to a total value of approximately 40.9 million euros.

Lisbon, 17 February 2022

The Board

FINANCIAL CALENDAR

Date	Event
27 May 2022	First Quarter 2022 Results Announcement
29 July 2022	First Half 2022 Results Announcement
4 November 2022	First 9 Months 2022 Results Announcement

DEFINITIONS

EBITDA = EBIT + Depreciation, amortisation and impairment losses + Provisions

EBIT = Operating profit

Operating profit = Earnings before taxes, financial results and results of associates and joint ventures as presented in the Income Statement in IFRS format

Cash-flow = Net profit for the period + Depreciation, amortisation and impairment losses + Provisions

Free Cash Flow = Variation in interest-bearing net debt + Variation in foreign exchange denominated debt + Dividends (paid-received) + Purchase of own shares

Interest-bearing net debt = Non-current interest-bearing debt (net of loan issue charges) + Current interest-bearing debt (including debts to shareholders) – Cash and cash equivalents

DISCLAIMER

This document contains statements that relate to the future and are subject to risks and uncertainties that can lead to actual results differing from those provided in these statements. Such risks and uncertainties are due to factors beyond Semapa's control and predictability, such as macroeconomic conditions, credit markets, currency fluctuations and legislative and regulatory changes. Statements about the future made in this document concern only the document and on the date of its publication, therefore Semapa does not assume any obligation to update them. This document is a translation of a text originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.

Semapa

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