

A BIOINDUSTRY ON THE RIGHT SIDE OF THE FUTURE



The Navigator Company, S.A.
Public Limited Company

Share Capital
500 000 000 Eur

Corporate Entity
503 025 798
Registered at
the Commercial
Register
of Setúbal

Headquarters
Península
de Mitrena.
Freguesia
do Sado
- Setúbal

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1. PERFORMANCE 1st QUARTER 2022

The early months of 2022 were marked by Russia's invasion of Ukraine and the start of the war in Europe. Europe lives today in an adverse geopolitical environment: the near future is expected to be challenging, in a highly uncertain and unstable international context. Raw material costs have risen across the board, especially in the case of chemicals, energy, and logistics. The constraints have become more severe and Navigator is managing this unfavourable trend by working concertedly to improve efficiency and boost productivity, softening the impact of higher variable costs by containing consumption, and through ongoing endeavours to control fixed costs.

In this hostile environment, Navigator has succeeded in increasing its sales, offsetting the heavy pressures on costs. Operating in competitive international markets, where prices are set based on expectations and the balance between supply and demand, it is the resilience and flexibility of its business model that supported the strong results. The business model based on vertical integration and the excellent quality of the fibre allowed to operate with competitive efficiency. The deep knowledge of all teams and the differentiation strategy based on premium products and mill brands with high prestige and international reputation, supports the good performance of the Company in this highly uncertain market environment.

1st Quarter Analysis (vs. Q4 2021 and vs. Q1 2021)

- Several factors constrained the dynamics of the paper market over the quarter, most notably the outbreak of the war in Europe, which affected markets through increased uncertainty and fears of disruption in the various supply chains upstream and downstream of our business. The resulting increase in costs in relation to the previous quarter was substantial, especially for raw materials, as for chemicals, energy, and logistics. To note that cost increases do not yet express the full extent of price hikes already announced by suppliers, as they partly reflect stocks or contracts carried over from 2021;
- At the same time, the prolonged strike in Northern Europe, in some competitors of Navigator, with an impact on all printing and writing papers, logistical constraints, which have been felt for over a year, as well as the expressive capacity closures and conversions, namely in Scandinavia, significantly conditioned the volume of supply available in Europe;
- The quarter was marked by strong growth in pulp prices, with the benchmark index rising +48% in USD and +58% in Euros in relation to the average prices in the 1st quarter of 2021, and up +1% in USD and +3% in Euros in relation to the final quarter of 2021;
- Under pressure from rising pulp prices, higher costs for energy, commodities and logistics, and also a mismatch between supply and demand, the index for paper prices in Europe also strongly rose in the 1st quarter of 2022, in comparison with both the 1st quarter of 2021 (up 28%), and also the previous quarter (up 15%);
- Sales volumes for paper were down by 17% on the 4th quarter of 2021 and 3% lower than in the 1st quarter of 2021. This reduction was due to the need to replenish stocks and to logistical constraints which had been encountered. These were exacerbated by the problems in road freight caused by the strike in Spain towards the end of the quarter, and the consequent migration of sales volume from road to maritime freight in Europe;
- The volume of pulp sales was down by 9% on the fourth quarter, and 1% lower than in the first quarter of 2021, also given by the need to replenish pulp stocks as well as increased integration of pulp into paper;

- The volume of tissue sales fell by 6% in relation to the previous quarter and 4% YoY, essentially due to a sharp slowdown in sales of reels, while the finished product segment continued to record growth;
- Output grew in all business sectors in relation to the same period in 2021, with an increase of 12% in the pulp segment, 5% in the paper segment, 2% in Tissue and 3% in the energy segment. This growth allowed for increased efficiency in the use of several raw materials;
- Turnover totalled € 492 million, on the strength of favourable price increases, up 44% on the same quarter in 2021 and 3% on the previous quarter; it should be noted that Navigator exported 93% of its UWF sales during the first quarter, making only 7% of its sales on the domestic market;
- The Company achieved an EBITDA of € 122 million and a margin over sales of 25% (up 4 p.p. on the same period in 2021 and 2 p.p. on the previous quarter), benefiting from improved efficiency and consumptions as well as the favourable evolution of sales prices established in international markets;
- Net income for the quarter totalled € 50.6 million, as compared to €51.2 million in the 4th quarter of 2021 and € 23.5 million in the first quarter last year;
- To highlight the strong generation of Free Cash Flow of €77 million, and the reduction of Net Debt to € 518 million, cutting the Net Debt / EBITDA ratio to a level of 1.3 X.

2. LEADING INDICATORS

Million euros	Q1 2022	Q1 2021	Change ⁽⁸⁾ Q1 22/Q1 21	Q4 2021	Change ⁽⁸⁾ Q1 22/Q4 21
Total Sales	492.2	340.8	44.4%	476.2	3.4%
EBITDA ⁽¹⁾	121.6	70.6	72.3%	108.7	11.8%
Operating Profits (EBIT)	89.4	40.1	123.1%	72.8	22.8%
Financial Results	- 4.7	- 9.7	51.7%	- 5.0	6.6%
Net Earnings	50.6	23.5	115.2%	57.2	-11.5%
Cash Flow	82.8	54.0	28.8	93.1	- 10.3
Free Cash Flow ⁽²⁾	77.0	56.4	20.5	52.1	24.9
Capex	14.7	20.1	- 5.4	28.3	- 13.6
Net Debt ⁽³⁾	517.9	623.6	- 105.7	594.8	- 77.0
EBITDA/Sales	24.7%	20.7%	4.0 pp	22.8%	1.9 pp
ROS	10.3%	6.9%	3.4 pp	12.0%	-1.7 pp
ROCE ⁽⁴⁾	22.1%	9.5%	12.6 pp	17.4%	4.7 pp
ROE ⁽⁵⁾	19.1%	9.1%	10.0 pp	22.1%	-3.0 pp
Equity Ratio	40.6%	39.9%	0.7 pp	41.4%	-0.7 pp
Net Debt/EBITDA ⁽⁶⁾⁽⁷⁾	1.28	2.33	-1.05	1.68	-0.40

1. Operating profits + depreciation + provisions;
2. Variation net debt + dividends + purchase of own shares
3. Interest-bearing liabilities - liquid assets (not including effect of IFRS 16)
4. ROCE = Annualised operating income / Average Capital employed (N+(N-1))/2
5. ROE = Annualised net income / Average Shareholders' Funds last -1 months
6. (Interest-bearing liabilities - liquid assets) / EBITDA corresponding to last 12 months
7. Impact of IFRS 16: Net Debt / EBITDA Q1 2022 of 1.41; Net Debt / EBITDA Q1 2021: 2.53;
8. Variation in figures not rounded up/down

3. ANALYSIS OF RESULTS

In the first quarter of 2022, The Navigator Company recorded a turnover of € 492 million, with paper sales accounting for around 67% of turnover, pulp sales 11%, tissue sales 9% and energy sales 13%.

Paper market dynamics strongly affected by reduction in capacity in Europe and United States and limited supply in Middle East and African markets

Global demand for printing and writing papers rose by 0.6% (YTD February), with UWF paper recording growth of 0.7% and coated papers 4.5%; papers produced from mechanical pulp saw demand drop by 4.1%.

In Europe, apparent demand for UWF paper fell by 6.8% over the quarter. This drop in apparent demand results from the calculation model (based on deliveries by producers) which was highly influenced by the constraints on supply observed in Europe (down 9% YoY, especially after a mill closure in Scandinavia at the end of Q3 2021), which were joined by the strike in the same region, starting in January, and the low level of imports resulting from current logistical difficulties. Without these affects, the apparent demand for UWF paper in Europe would certainly follow a positive evolution.

In the United States, demand for UWF paper held steady in the first quarter (down 0.1% YoY), and in other world regions growth in UWF demand was in the order of 2.1% (YTD February).

The benchmark index for office paper in Europe stood at 1,104 € /ton at the end of March, up from its level at the start of the year (976 €/ton). It should be stressed that Navigator has endeavoured to implement a responsible pricing policy that nonetheless enables to protect its margins, anticipating the impacts of higher costs. Despite the price increases implemented over the quarter, unit margins in paper business remained practically unchanged in relation to the previous period.

In this context, Navigator has maintained a healthy order book, in line with the industry and reflecting the sharp drop in available supply in the main regions where it operates. Navigator's UWF sales totalled 327 thousand tons, down by 2.6% on the same period last year and 17.2% on the previous quarter, penalised by the logistical constraints currently being experienced, and by the need to replenish stocks. The value of sales was driven by rising prices internationally, with which Navigator kept pace. The value of sales was therefore up by around 39% on the same period in 2021 and down by 4.6% on the previous quarter. It should be noted that Navigator exported 93% of its UWF sales in the first quarter, only performing 7% of its sales on the domestic market, where the price increase was more modest.

With the growing order inflows and limitations on supply, combined with substantial increases in maritime freights, price rises in markets outside Europe were around the double than those on European markets, in relation to the same period in 2021. At the same time, within Europe, price increases were more significant outside the Iberian markets.

From Fossil to Forest – investment in sustainability and innovation through packaging

The Group has continued to consolidate its packaging business and both production and sales dynamic have continued according to plan.

The PM1 and PM3 machines at the Setúbal mill can offer a flexible response and complementarity of products in terms of grammage ranges available from each machine.

PM1 is now fully dedicated to packaging products (white and brown), although still able to produce UWF paper whenever needed. The packaging sector totalled sales of € 21 million in the first quarter, circa half of the turnover achieved during 2021. Products are sold to manufacturers of bags and flexible packaging and also to producers of corrugated cardboard, especially in higher value-added niches (such as boxes for food use, or packaging, where printing and food contact certification, which recycled fibre is unable to offer, are valued).

Sales have also reflected the current healthy levels of demand, the warm reception given to Navigator's products, and efforts to develop the customer base and innovative products, dedicated at higher value-added applications and market niches.

Our product model, based on *Eucalyptus globulus* fibre, guarantees the production of seven times more area of packaging (m²) per hectare of forest (in comparison with Scandinavian pine, for example), features half the specific consumption of wood (in comparison with North American pine), and allows savings of up to 14% in grammage for the same strength when compared with rival fibres. Certified for food contact, our products are stronger, more hygienic, and safer for food industry use than, for example, packaging based on recycled fibre. What is more, they result in packaging that is better suited for recycling, with better quality recycled products.

The ambitious product development plan launched in 2020 will continue, not only expanding ranges in terms of grammages, but also innovating and developing new sustainable packaging solutions, able to replace fossil/plastic-based products.

A further two patents have been filed in 2022 in relation to the gKraft project, reflecting the Company's efforts to innovate and improve efficiency and its focus on paper quality, namely regarding strength and printing.

At the same time, RAIZ has conducted an extensive research into what are called "sustainable functional barriers". These more environmentally friendly barriers are intended to replicate, using natural products, the functional properties offered by films made from plastics, and more widely by fossil-based products.

Navigator has been expanding the scope of its operations in this segment and invested in serving "filling" industries, focused on food products, such as flour, sugar, pasta and cereals for human consumption, and on non-food sectors, such as manufacturers of mortars and animal feed, with packages or bags that can contain up to 30 or 40 kg.

In order to communicate to the market the currents of change underway in the world of packaging materials, Navigator has launched a logo for the gKraft brand, using the hashtag #From Fossil to Forest, which can be used by all producers using gKraft paper as a raw material, underlining their commitment to create a more sustainable world and, at the same time, enabling our partners to be eligible for future brand initiatives. This quality seal offers end-consumers an unique assurance that the product they are using is a natural, recyclable and biodegradable solution, and helps to sequester carbon, produce oxygen, protect biodiversity, fertilise the soil and combat climate change. This seal also guarantees that the products do not incorporate recycled fibres, and are therefore free of the associated

contaminants, highly harmful to human health, making them guaranteed for contact with food.

Pulp prices stabilise at record levels

The quarter saw a significant rise in benchmark prices in the pulp market. The benchmark index for hardwood pulp in Europe (PIX BHKP in Euros) was up by 6% at the end of the quarter in relation to the start of the year, at 1,069 Euros/ton, with an expressive evolution of approximately 58% in average prices in the first quarter of 2022 vs. 1st quarter of 2021. The benchmark index for hardwood pulp in China has climbed by 28% since the start of the year, ending the quarter at 737 USD/t.

This improvement in pulp prices in Europe was sustained by several factors, among which the growing demand for pulp from the paper industry (mainly specialities, printing and writing paper, packaging and, to a lesser extent, tissue) and to several negative shocks on the supply side in the pulp market. In Northern Europe, a strike at a major competitor removed more than half a million tons of pulp from the market. Annual maintenance shutdowns were concentrated in Q1 (it is estimated that almost half of the annual maintenance shutdowns on short fibre lines took place in Q1). The Russian invasion of Ukraine and the consequent embargo on wood imports from Russia drastically reduced supplies of imported birch in Northern Europe (estimated to affect around 1 million tons of annual output of this type of pulp). The interruption of supplies of the chemicals needed for pulp manufacture and the shortfall on logistical services created operational constraints to market pulp production in Russia, restricting its supply in the Chinese market, where most of the pulp is sold. At the same time, logistical constraints were further exacerbated by China's strict zero-Covid strategy.

Navigator started 2022 with a relatively low level of pulp stocks. Combined with increased incorporation of pulp into paper, this limited the amount of pulp available for sale over the period. Sales accordingly stood at 78 thousand tons, reflecting a reduction of 1% in relation to the same period in 2021 and of 9% in relation to the previous quarter. Rising pulp prices over the past 12 months enabled Navigator to offset the reduction in volumes, with turnover increasing 52% YoY, although down 5% when compared to the previous quarter.

Tissue business continues to perform strongly

The steep upward trend over the quarter in the costs of energy, logistics and commodities, and, particularly in prices for chemicals and pulp, placed heavy pressure on the margins of tissue manufacturers, leading a large number to announce price increases. Under this adverse environment, Navigator anticipated the sharp increase in costs, which will continue to be felt, and kept pace with the upward course of prices in the sector. Despite these price increases, the unit margin in tissue business has been significantly squeezed when compared with the same period in 2021.

In addition to pursuing a responsible pricing policy, Navigator continues to implement prudent management of its variable and fixed costs, in order to balance out the negative impacts of rising costs of energy, logistics and commodities.

The volume of tissue sales stood at 26 thousand tons, down by close to 4% in relation to Q1 2021 and 6% in relation to the previous quarter. The YoY reduction was essentially due to a sharp slowdown in sales of reels, given that growth was recorded in sales of finished products (up 5% vs. 1st quarter of 2021 and relatively stable when compared with the final quarter), both at home and export markets. Rising prices drove the value of sales, resulting in growth of around 17% in relation to the first quarter of 2021, and 5% in relation to the final quarter.

The focus on investment in the Tissue segment remains. After the launch of the award-winning Amoos Aquactive™, an innovative roll of household paper incorporating soap, designed for cleaning surfaces, which won the 2022 Five Stars Award, The Navigator Company launched the first range of toilet paper with a long-lasting perfume: Amoos Air Sense™.

The sophistication and innovative character of products such as Amoos Aquactive™, and now Air Sense™, thanks to the work developed together with RAIZ, the Group's forestry and paper research institute, which is home to a team of top researchers, as well as laboratories with state-of-the-art technology, dedicated to research and innovation applied to products in a range of segments, including pulp, paper, tissue, packaging and many other lines of research.

To highlight that all paper produced by Navigator is sustainable, environmentally responsible and biodegradable, obtained from a renewable natural resource, planted specifically for this purpose and made from virgin eucalyptus fibre certified under FSC® (Forest Stewardship Council) standards.

Power Output of 511 Gwh in first quarter

Since January this year, the Group's renewable cogeneration plants have been selling their power output at market prices, rather than at the regulated sales tariff, in accordance with Article 4-B para. 1 b) of Decree-Law 23/2010, of 25 March, as subsequently amended.

This change in the pricing system was introduced by Decree-Law 119-A/2021, of 22 December, establishing, inter alia, an exceptional set of rules for cogeneration, allowing for sale on the market for a maximum period of one year, after which it returns to the special system with regulated tariffs.

Sale at market prices enabled Navigator to offset, in part, the higher prices paid for the component of energy purchases not yet fixed for the period. It should be noted that the Iberian power market recorded significantly high prices, closing the quarter with an average price of 228.61 €/MWh, as compared to an average price of 44.75 €/MWh recorded in the first quarter last year.

In this context, in the first quarter of 2022, electricity sales totalled € 65 million, up by 108% in relation to the same period in 2021.

4. QUARTERLY OPERATING FIGURES

Pulp

(in 000 tons)	Q1 2021	Q1 2022	Q1 22/ Q1 21
BEKP Output	337.1	378.2	12.2%
FOEX – BHKP Euros/ton	650	1030	58.4%
FOEX – BHKP USD/ton	782	1155	47.6%

Paper

(in 000 tons)	Q1 2021	Q1 2022	Q1 22/ Q1 21
UWF Output	348.3	366.0	5.1%
FOEX – A4- BCOPY Euros/ton	809	1038	28.3%

Tissue

(in 000 tons)	Q1 2021	Q1 2022	Q1 22/ Q1 21
Reels Output	29.4	30.0	2.0%

Energy

	Q1 2021	Q1 2022	Q1 22/ Q1 21
Production (GWh)	479.2	494.0	3.1%

EBITDA: Focus on operational efficiency and higher prices offset steep increase in costs, resulting in EBITDA of € 122 million

Production costs were hit hard over the quarter, up by around € 39 million over the same period last year, due essentially to the rising cost of wood, because of the wood mix, and also to higher costs for external fibres, energy and chemicals.

Logistical costs also worsened substantially, rising by 12 million euros; logistical constraints are still being experienced and are affecting the economy as a whole.

The effect of steeply rising energy costs, in particular the higher cost of natural gas, was mitigated by the hedging policy, with a fixed rate being contracted for part of Navigator's purchases in 2022. It may be recalled that the Figueira da Foz biomass boiler started up in 2020, and this capital project has significantly reduced the Group's dependence on natural gas. At the same time, sale of its power output at market prices enabled Navigator to offset, in part, the higher prices paid for the component of energy purchases not yet fixed for the period.

Year on year, we recorded increased output across all businesses, enabling us to increase operational efficiency. The Company's focus on cutting specific consumption helped to mitigate the sharp rise in the costs of raw and subsidiary materials, which were felt this quarter, thereby contributing to results.

The increase in personnel costs was in line with Navigator's strong performance in the quarter, which will allow it to increase bonus payments to staff and step up the rejuvenation programme. Total fixed costs ended the quarter 22% higher than in the same quarter last

year, due essentially to personnel costs and the increase in running costs involved in scaling up operations in the post-pandemic context.

In this environment, the drive to improve efficiency and contain costs, combined with the upwards course of prices, enabled Navigator to offset the higher costs for the factors of production and to achieve an EBITDA for the quarter of € 122 million. The EBITDA / Sales margin was 25% (up 4.0 p.p. on Q1 2021). Attention is drawn to net positive impact of the exchange rate in the EBITDA of circa € 8 million, with an average EUR/USD rate in this first quarter of 1.12 vs. 1.20 of Q1 2021.

Financial Costs down by € 5 million to €4.7 million

Financial results stood at € -4.7 million (vs. € -9.7 million), an improvement of € 5.0 million, explained in part by substantial losses recorded in 2021 (€ -4.7 million) and not recurring in 2022, in particular the cost of cancelling an interest rate swap associated with a bond issue, the foreign exchange loss of the subsidiary in Mozambique, interest income, and income relating to the antidumping proceedings in the USA. Without these non-recurrent impacts, financial results would have been brought down by € 0.3 million, essentially due to the lower cost of financing operations (down € 0.7 million), explained largely by the reduction in average debt in relation to the same period in the previous year. Conversely, and given the financial markets evolution, interest income obtained showed a negative trend (€ -0.2 million).

The Group achieved net income in the quarter of € 50.6 million. The effective rate of tax was affected by additional assessments of tax on income from prior periods which the Company intends to contest.

Free Cash Flow generation in 1st quarter of € 77 million

Free Cash Flow generation stood at € 77 million, reflecting the highly favourable operating environment, in particular as regards sales and prices.

The continued low level of investment in working capital was another factor that supported healthy cash generation. Some stocks increased significantly over the quarter, accompanied by a substantial upturn in client balances (above all, for paper and energy), in line with the robust growth in turnover. Alongside this, Navigator has implemented a suppliers' management policy geared to generating liquidity, whilst offering arrangements to support the liquidity of our partners. This carefully judged intervention has made an important contribution to holding the Group's cash generation steady at the high levels recorded in previous periods.

Net Debt cut to € 518 million

As a result of strong free cash flow generation in the period, Net Debt was reduced significantly (down € 77 million) in relation to year-end 2021. At 1.28X, the Net Debt/EBITDA ratio continued its downward course and stands at one of its lowest level for the past decade. This represents the accomplishment of one of the structural goals of the Group's policy and further consolidates its financial robustness.

In the absence of debt issues during the period, the Company reimbursed a total of € 100 million, with this being the main development in debt management during the first quarter.

Capex of € 15 million (vs. € 23 million YoY and € 11 QoQ)

First quarter Capex was close to € 15 million euros. This sum mostly includes projects aimed at maintaining production capacity, modernising plant and achieving efficiency gains. It also includes structural, environmental and decarbonisation projects, some of them launched in 2020, such as the new wood yard in Figueira da Foz, the new evaporation line in Aveiro and replacement of fuel oil boilers.

Navigator's commitment to innovation and to projects that promote resilience, the climate transition and the digital transition, places the Company in a privileged position to investments under the Recovery and Resilience Plan (RRP) scope. Navigator has submitted a number of applications in line with its own strategy; in the case of the Mobilising Agendas, these were successful in moving to the next stage, and a fuller submission was made as expected in early April 2022.

Navigator's current low levels of debt mean it can now consider strategies for growth, and the Company is paying keen attention to opportunities to develop its business through capital projects and/or partnerships, opportunities for debottlenecking in its traditional businesses, as well as for growth in the tissue, packaging and energy segments.

5. OUTLOOK

The rapid change in Europe's macroeconomic and geopolitical environment caused by the war in Ukraine has increased uncertainty and insecurity worldwide.

Sanctions against Russia and retaliatory measures, together with the operational and business risks, are making industrial and logistical operations more complex. There is a continued risk that variable costs will further rise or remain at historically high levels, as a consequence of volatility in the prices of raw materials, energy, wood and logistics.

Strong inflationary pressure allied with expectations of rapidly rising interest rates may result in a global economic slowdown, and consequently bring adverse effects across manufacturing industry, namely in our sector.

From another perspective, the COVID-19 pandemic continues to create a significant level of uncertainty.

In this context, although the industry is starting the second quarter with high levels of orders, there is a great deal of uncertainty concerning operations (logistical difficulties in dispatching products and securing raw material supplies). It may also be noted that China's zero-Covid policy has put heavier pressure on costs and availability of logistical resources, by limiting port operations, lengthening delivery times and retaining/immobilising equipment.

Rising costs remain one of Navigator's prime concerns. During the first quarter, Navigator still benefited from contracts where the prices had been set in 2021, meaning that inflationary pressure will continue to be felt on the Company's business. There is a continued focus on protecting paper and tissue margins, with the needed prudence to ensure costs are passed on through sales channels whilst keeping products affordable for customers.



Navigator remains focused on operational efficiency, managing its fixed and variable costs across its businesses, along with building up productivity and the sustainability of its operations.

Lisbon, 24 May 2022

6. CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2022 AND 31 MARCH 2021

Amounts in Euro	Note	3 months 31-03-2022 <i>Unaudited</i>	3 months 31-03-2021
Revenue	2.1	492,229,639	340,822,999
Other operating income	2.2	13,196,064	6,513,807
Changes in the fair value of biological assets	3.7	(5,484,454)	(1,087,009)
Costs of goods sold and materials consumed		(215,360,445)	(143,051,928)
Variation in production		38,075,961	2,195,489
External services and supplies	2.3	(140,129,861)	(89,451,388)
Payroll costs	7.1	(42,095,667)	(35,829,616)
Other operating expenses	2.3	(18,856,698)	(9,551,980)
Net provisions	9.1		(166,210)
Depreciation, amortisation and impairment losses in non-financial assets	3.6	(32,189,183)	(30,329,401)
Operating income		89,385,356	40,064,762
Financial income and gains	5.7	163,870	969,277
Other financial expenses and losses	5.7	(4,865,782)	(10,697,441)
Net financial results		(4,701,912)	(9,728,164)
Gains/(losses) of associated companies and joint ventures		-	-
Profit before income tax		84,683,444	30,336,598
Income tax	6.1	(34,084,876)	(6,824,402)
Net profit for the period		50,598,568	23,512,196
Attributable to Navigator's equity holders		50,602,596	23,514,983
Attributable to non-controlling interests	5.3	(4,028)	(2,787)
Earnings per share			
Basic earnings per share, Eur	5.2	0.071	0.033
Diluted earnings per share, Eur	5.2	0.071	0.033

The accompanying notes form an integral part of these consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2022 AND 31 MARCH 2021

Amounts in Euro	Note	3 months 31-03-2022 <i>Unaudited</i>	3 months 31-03-2021 <i>Unaudited</i>
Net profit for the period before non-controlling interests		50,598,568	23,512,196
Items that may be reclassified to profit and loss			
Hedging derivative financial instruments			
Changes in fair value	8.1	(10,319,990)	(5,983,726)
Tax effect		2,837,997	1,942,788
Currency translation differences		2,409,831	1,611,807
Tax on conventional capital remuneration		-	-
Items that cannot be reclassified to profit and loss			
Remeasurement of post-employment benefits			
Remeasurement	7.2	(9,537,450)	1,195,745
Tax effect	7.2	-	-
Comprehensive income of associated companies and joint ventures		(2,329,646)	(209,536)
Total other comprehensive income net of taxes		(16,939,258)	(1,442,921)
Total comprehensive income		33,659,310	22,069,275
Attributable to:			
Navigator's equity holders		33,658,394	22,072,062
Non-controlling interests		916	(2,787)
		33,659,310	22,069,275

The accompanying notes form an integral part of these consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022 AND 31 DECEMBER 2021

Amounts in Euro	Note	31-03-2022 <i>Unaudited</i>	31-12-2021
ASSETS			
Non-current assets			
Goodwill	3.1	377,339,466	377,339,466
Intangible assets	3.2	64,801,966	24,752,529
Property, plant and equipment	3.3	1,127,889,151	1,145,244,507
Right-of-use assets	3.5	50,052,747	51,192,959
Biological assets	3.7	141,839,607	147,324,061
Investment property	3.4	92,178	92,589
Non-current receivables	4.2	9,870,750	8,604,547
Deferred tax assets	6.2	33,069,806	28,037,408
		1,804,955,672	1,782,588,066
Current assets			
Inventories	4.1	234,764,434	186,550,658
Current receivables	4.2	403,309,360	317,882,760
Income tax	6.1	1,118,815	1,118,815
Cash and cash equivalents	5.6	216,288,014	239,171,252
		855,480,623	744,723,485
Total Assets		2,660,436,295	2,527,311,551
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	5.1	500,000,000	500,000,000
Treasury shares	5.1	-	-
Currency translation reserve		(21,936,170)	(24,346,001)
Fair value reserve		(13,086,069)	(5,604,076)
Legal reserves		100,000,000	100,000,000
Other reserves		121,836,100	121,836,100
Retained earnings		341,073,149	231,525,876
Net profit for the period		50,602,596	171,411,455
Prepaid dividends		-	(49,996,170)
Equity attributable to Navigator's equity holders		1,078,489,606	1,044,827,184
Non-controlling interests		283,784	286,896
Total Equity		1,078,773,390	1,045,114,080
Non-current liabilities			
Interest-bearing liabilities	5.4	665,002,491	714,625,892
Lease liabilities	5.5	46,461,714	47,417,092
Pensions and other post-employment benefits	7.2	15,212,368	5,674,918
Deferred tax liabilities	6.2	95,771,978	92,528,775
Provisions	9.1	26,758,245	26,752,081
Non-current payables	4.3	37,422,300	37,014,427
		886,629,095	924,013,185
Current liabilities			
Interest-bearing liabilities	5.4	69,175,300	119,318,157
Lease liabilities	5.5	5,730,781	5,823,833
Current payables	4.3	547,333,513	393,161,894
Income tax	6.1	72,794,216	39,880,402
		695,033,810	558,184,286
Total Liabilities		1,581,662,905	1,482,197,471
Total Equity and Liabilities		2,660,436,295	2,527,311,551

The accompanying notes form an integral part of these consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 MARCH 2022 AND 31 MARCH 2021

Amounts in Euro	Note	Share capital	Treasury shares	Currency translation reserve	Fair value reserves	Legal reserves	Other reserves	Retained earnings	Net profit for the period	Prepaid dividends	Total	Non-controlling interests	Total
Equity as at 1 January 2022		500,000,000	-	(24,346,001)	(5,604,076)	100,000,000	121,836,100	231,525,876	171,411,455	(49,996,170)	1,044,827,184	286,896	1,045,114,080
Net profit for the period		-	-	-	-	-	-	-	50,602,596	-	50,602,596	(4,028)	50,598,568
Other comprehensive income (net of taxes)		-	-	2,409,831	(7,481,993)	-	-	(11,868,012)	-	-	(16,940,174)	916	(16,939,258)
Total comprehensive income for the period		-	-	2,409,831	(7,481,993)	-	-	(11,868,012)	50,602,596	-	33,662,422	(3,112)	33,659,310
Application of 2021 net profit for the period:													
- Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-
- Application of prior period's net profit		-	-	-	-	-	-	121,415,285	(171,411,455)	49,996,170	-	-	-
- Bonus to employees		-	-	-	-	-	-	-	-	-	-	-	-
Transfer of free reserves to retained earnings		-	-	-	-	-	-	-	-	-	-	-	-
Incorporation of reserves		-	-	-	-	-	-	-	-	-	-	-	-
Cancellation of treasury shares		-	-	-	-	-	-	-	-	-	-	-	-
Prepaid dividends		-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with shareholders		-	-	-	-	-	-	121,415,285	(171,411,455)	49,996,170	-	-	-
Equity as at 31 March 2022		500,000,000	-	(21,936,170)	(13,086,069)	100,000,000	121,836,100	341,073,149	50,602,596	-	1,078,489,606	283,784	1,078,773,390

Amounts in Euro	Note	Share capital	Treasury shares	Currency translation reserve	Fair value reserves	Legal reserves	Other reserves	Retained earnings	Net profit for the period	Prepaid dividends	Total	Non-controlling interests	Total
Equity as at 1 January 2021		500,000,000	(20,189,264)	(20,881,569)	(6,641,368)	100,000,000	266,443,646	97,981,342	109,213,720	-	1,025,926,506	275,182	1,026,201,688
Net profit for the period		-	-	-	-	-	-	-	23,514,983	-	23,514,983	(2,787)	23,512,196
Other comprehensive income (net of taxes)		-	-	1,611,807	(4,040,937)	-	-	986,209	-	-	(1,442,921)	-	(1,442,921)
Total comprehensive income for the period		-	-	1,611,807	(4,040,937)	-	-	986,209	23,514,983	-	22,072,062	(2,787)	22,069,275
Application of 2020 net profit for the period:													
- Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-
- Application of prior period's net profit		-	-	-	-	-	-	109,213,720	(109,213,720)	-	-	-	-
- Bonus to employees		-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of treasury shares		-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with shareholders		-	-	-	-	-	-	109,213,720	(109,213,720)	-	-	-	-
Equity as at 31 March 2021		500,000,000	(20,189,264)	(19,269,762)	(10,682,305)	100,000,000	266,443,646	208,181,271	23,514,983	-	1,047,998,568	272,395	1,048,270,964

The accompanying notes form an integral part of these consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIODS
ENDED 31 MARCH 2022 AND 31 MARCH 2021

Amounts in Euro	Notes	3 months 31-03-2022 <i>Unaudited</i>	3 months 31-03-2021 <i>Unaudited</i>
OPERATING ACTIVITIES			
Receipts from customers		493,430,543	348,612,969
Payments to suppliers		(372,250,129)	(252,050,223)
Payments to employees		(24,174,757)	(23,575,333)
Cash flow from operations		97,005,657	72,987,413
Income tax received/ (paid)	6.1	(4,413)	(474,048)
Other (payments)/ receipts relating to operating activities		(3,014,783)	14,855,399
Cash flows from operating activities (1)		93,986,461	87,368,764
INVESTING ACTIVITIES			
Inflows:			
Property, plant and equipment		603,521	33,610
Interest and similar income		691,932	3,034,493
		1,295,453	3,068,103
Outflows:			
Property, plant and equipment		(12,172,741)	(20,384,028)
Intangible assets		(28,416)	(6,906,079)
		(12,201,157)	(27,290,107)
Cash flows from investing activities (2)		(10,905,704)	(24,222,004)
FINANCING ACTIVITIES			
Inflows:			
Interest-bearing liabilities		233,742	42,778,814
		233,742	42,778,814
Outflows:			
Interest-bearing liabilities		(100,000,000)	(40,000,000)
Amortisation of lease agreements		(2,147,573)	(2,252,062)
Interest and similar expense		(3,899,696)	(5,031,218)
Other financing activities		(187,268)	-
		(106,234,537)	(47,283,281)
Cash flows from financing activities (3)		(106,000,795)	(4,504,466)
CHANGES IN CASH AND CASH EQUIVALENTS (1)+(2)+(3)		(22,920,038)	58,642,294
Effect of exchange rate differences		36,800	280,285
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5.6	239,171,252	302,399,831
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5.6	216,288,014	361,322,410

Interest and similar income: essentially correspond to the receipt of compensatory interest (Note 5.7);

Interest and similar expenses: essentially correspond to payments related to interest borne on debt securities and financial debt (Note 5.7);

The accompanying notes form an integral part of these consolidated financial statements.

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31 March 2022

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1. INTRODUCTION

1.1. THE GROUP

The Navigator Group (Group) is comprised by The Navigator Company, S.A. (until 2015 designated as Portucel, S.A.) and its subsidiaries.

The Navigator Group was created in the mid 1950's, when a group of technicians from "Companhia Portuguesa de Celulose de Cacia" made this company the first in the world to produce bleached eucalyptus sulphate pulp.

In 1976 Portucel EP was created as a result of the nationalisation of all of Portugal's cellulose industry. As such, Portucel – Empresa de Celulose e Papel de Portugal, E.P. resulted from the merger with CPC – Companhia de Celulose, S.A.R.L. (Cacia), Socel – Sociedade Industrial de Celulose, S.A.R.L. (Setúbal), Celtejo – Celulose do Tejo, S.A.R.L. (Vila Velha de Ródão), Celnorte – Celulose do Norte, S.A.R.L. (Viana do Castelo) and Celuloses do Guadiana, S.A.R.L. (Mourão), being converted into a mainly public anonymous society by Decree-Law No. 405/90, of 21 December.

Years after, as a result of the restructuring of Portucel – Empresa de Celulose e Papel de Portugal, S.A., which was renamed Portucel, SGPS, S.A., towards to its privatisation, Portucel S.A. was created, on 31 May 1993, through Decree-law No. 39/93, of 13 February, with the former assets of the two main companies, based in Aveiro and Setúbal.

In 1995, the Company was privatised, and became a publicly traded company.

Aiming to restructure the paper industry in Portugal, Portucel acquired Papéis Inapa, S.A. (Setúbal), in 2000, and Soporcel – Sociedade Portuguesa de Papel, S.A. (Figueira da Foz), in 2001. Those key strategic decisions resulted in the Portucel Soporcel Group (currently Navigator Group), which is currently the largest European and one of the world's largest producers of bleached eucalyptus pulp and uncoated wood-free paper (UWF), with a capacity of 1.6 and 1.6 million of tons, respectively, and it sells approximately 300 thousand tons of pulp (393 thousand tons in 2020), annually, integrating the remainder in the production of UWF paper and Tissue paper.

In June 2004, the Portuguese State sold 30% of Portucel's equity, which was acquired by Semapa Group. In September of the same year, Semapa launched a public acquisition offer tending to assure the Group's control, which was accomplished by guaranteeing a 67.1% stake of Portucel's equity.

In November 2006, the Portuguese State concluded the third and final stage of the sale of Portucel, S.A., and Párpública, SGPS, S.A. and Párpública, SGPS, S.A. (formerly Portucel, SGPS, S.A.) sold the remaining 25.72% it still held.

From 2009 to July 2015, more than 75% of the company's share capital was held directly and indirectly by Semapa – Sociedade de Investimento e Gestão SGPS, S.A.. (excluding treasury shares) having the percentage of voting rights been reduced to 70% following the conclusion of the offer for the acquisition, in the form of an exchange offer, of the ordinary shares of Semapa, SGPS, S.A., in July 2015.

In February 2015, the Group started its activity in the Tissue segment with the acquisition of AMS-BR Star Paper, S.A. (currently denominated Navigator Tissue Ródão, S.A.), a Company that holds and explores a tissue paper mill, located in Vila Velha de Ródão. A new industrial facility was built in Aveiro, in August 2018, being operated by Navigator Tissue Aveiro, S.A., which is currently the largest Portuguese producer and the third in the Iberian Peninsula, with a production and transformation capacity of 130 thousand tons and 120 thousand tons, respectively.

The Group's main business is the production and sale of writing and printing thin paper (UWF) and domestic consumption paper (Tissue), and it is present in the entire value-added chain, from research and development of forestry and agricultural production, to the purchase and sale of wood and the production and sale of bleached eucalyptus kraft pulp – BEKP – and electric and thermal energy, as well as its commercialisation.

The Navigator Company, S.A. (The Navigator Company or Company) is a publicly traded company, listed in Euronext Lisbon, with its share capital represented by nominal shares.

Company: The Navigator Company, S.A.

Head Office: Mitrena – Apartado 55 | 2901-861 Setúbal | Portugal

Legal Form: Public Limited Company

Share Capital: Euro 500,000,000

TIN: 503 025 798

Navigator is included in the consolidation perimeter of Semapa – Sociedade de Investimento e Gestão, SGPS, S.A., the Parent Company, and Sodim - SGPS, S.A., the final controlling entity.

1.2. MILITARY CONFLICT IN UKRAINE

On 21 February 2022, the Russian Federation officially recognised two breakaway republics in eastern Ukraine and authorised the use of military forces in that territory. On 24 February, Russian troops invaded Ukraine and a widespread military conflict began in this country entailing high material and human losses, leading to massive population displacements.

The economic impact of this conflict, which has lasted for some months, is very relevant and includes: i) the suspension and/or disruption of business with entities based or originating in Russia and Ukraine; ii) increase in commodity prices, with emphasis on fossil fuels, metals and cereals; iii) increased global economic uncertainty, with more volatility in exchange rates and interest rates and an increase in the inflation rate to be expected; iv) possible increase in cyber-attacks, which may arise on public and private entities in the main sectors of the economy, especially in countries that have imposed sanctions on Russia or that support Russia.

Accordingly, the Navigator Group and its subsidiaries are monitoring the situation on an ongoing basis in the markets in which it operates, geographically and throughout the energy supply chain - from the supply of wood, energy, raw and subsidiary materials (including logistical issues), the technical and support services provided by foreign companies and outsourcing service providers, among others.

With regard to the international economic context, a deterioration of the current economic environment is expected, which is forecasted to be one of high uncertainty and rapid

evolution, so it is not possible to estimate with reasonable confidence the possible impacts, if any, on the Group's activity.

Nevertheless, the Group continues to evaluate potential impacts on its financial position, performance and cash flows, as well as future projections arising from the current geopolitical context, namely the impacts on the significant accounting estimates and judgements. No evidence of impairment resulted from this analysis.

1.3. SUBSEQUENT EVENTS

Up to the date of issuing this report there were no subsequent events susceptible of being disclosed in these financial statements.

1.4. BASIS FOR PREPARATION

1.4.1 Authorisation to issue financial statements

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 16 May 2022.

1.4.2 Basis for presentation

The Condensed consolidated financial statements for the three-month period ended 31 March 2022 were prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting.

The accompanying consolidated financial statements have been prepared on the going concern basis from the accounting books and records of the companies included in the consolidation (Note 10), and under the historical cost convention, except for available-for-sale financial assets, derivative financial instruments and biological assets, which are recorded at their fair value.

The following Notes were selected in order to contribute to the understanding of the most significant changes in the Group's consolidated financial position and its performance in relation to the last reporting date. In this context, these interim financial statements should be read together with the Navigator Group's consolidated financial statements for the period ended 31 December 2021.

The condensed consolidated financial statements have been prepared in Euro, except if mentioned otherwise.

1.5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements requires that the Group's Board of Directors make judgements and estimates that affect the amount of revenue, costs, assets, liabilities and disclosures at the date of the consolidated statement of financial position. To that effect, the Group's Board of Directors are based on:

- (i) the best information and knowledge of current events and in certain cases on the reports of independent experts; and
- (ii) the actions that the Group considers it may have to take in the future.

On the date on which the operations are realised, the outcome could differ from those estimates.

More significant estimates and judgements are presented below:

Estimates and judgements	Notes
Recoverability of Goodwill	3.1 – Goodwill
Uncertainty over Income Tax Treatments	6.1 - Income tax for the period 6.2 - Deferred taxes
Actuarial assumptions	7.2 - Employee Benefits
Fair value of biological Assets	3.8 – Biological assets
Recognition of provisions	10.1 - Provisions
Recoverability, useful life and depreciation of property, plant and equipment	3.3 – Property, plant and equipment

2. OPERATIONAL PERFORMANCE

2.1. REVENUE AND SEGMENT REPORTING

Financial information by operating segment in 2022 and 2021

	31-03-2022						
	MARKET PULP	UWF PAPER	TISSUE PAPER	ENERGY	SUPPORT	CANCELLATIONS*	TOTAL
REVENUE							
Sales and services - external	53,998,799	331,617,701	41,570,384	65,042,755	-	-	492,229,639
Sales and services - intersegment	632,314	-	-	13,902,592	-	(14,534,906)	-
Total revenue	54,631,113	331,617,701	41,570,384	78,945,347	-	(14,534,906)	492,229,639
PROFIT/ (LOSS)							
Operating income	11,897,933	73,684,450	3,508,204	9,003,204	(8,708,435)	-	89,385,356
Net financial results	-	-	-	-	(4,701,912)	-	(4,701,912)
Income tax	-	-	-	-	(34,084,876)	-	(34,084,876)
Net profit for the period	-	-	-	-	4,028	-	50,598,568
Non-controlling interests	-	-	-	-	-	-	4,028
Profit/ (loss) attributable to equity holders	-	-	-	-	-	-	50,602,596
OTHER INFORMATION							
Capital expenditure	1,886,322	11,231,723	853,702	78,684	538,019	-	14,588,450
Depreciation and impairment	(3,346,887)	(21,072,596)	(2,510,264)	(4,145,565)	(1,113,871)	-	(32,189,183)
Provisions ((increases) / reversal)	-	-	-	-	-	-	-
OTHER INFORMATION							
SEGMENT ASSETS							
Goodwill	-	376,756,383	583,083	-	-	-	377,339,466
Property, plant and equipment	131,121,645	618,932,776	148,720,434	224,567,907	4,546,390	-	1,127,889,151
Right-of-use assets	10,127,994	37,172,603	-	-	2,752,150	-	50,052,747
Biological assets	35,514,733	106,324,875	-	-	-	-	141,839,607
Non-current receivables	64,661	461,118	70,336	-	9,274,634	-	9,870,750
Inventories	23,130,779	186,028,494	23,523,055	629,662	1,452,443	-	234,764,434
Other current receivables	36,100,694	184,230,282	35,319,320	36,238,077	111,923,715	-	403,812,088
Other assets	3,577,595	81,308,269	4,333,447	38,500	226,112,969	-	315,370,780
Total Assets	239,638,101	1,591,214,799	212,549,676	261,474,146	356,062,301	-	2,660,939,023
OTHER INFORMATION							
Interest-bearing liabilities	-	554,367	35,794,505	-	697,828,920	-	734,177,791
Lease liabilities	10,627,532	38,695,857	-	-	2,869,106	-	52,192,495
Other current payables	88,077,458	357,310,783	22,010,169	2,135,897	77,799,205	-	547,333,512
Other liabilities	12,301,964	109,531,992	12,615,437	9,935,127	104,077,314	-	248,461,835
Total Liabilities	111,006,955	506,092,998	70,420,111	12,071,024	882,574,544	-	1,582,165,633

* Cancellation of intersegment operations. Consolidation adjustments related to inter-segmental transactions are considered not significant.

In the first quarter of 2022, The Navigator Company recorded turnover in the amount of Euro 492 million, with paper sales accounting for approximately 68% of turnover (vs. 70%), pulp sales 11% (vs. 10%), tissue sales 8% (vs. 10%) and energy sales also 13% (vs. 9%).

The increase in sales volume was strongly driven by successive price increases for UWF, pulp and tissue, along with significant optimisation of the sales mix, which more than offset the sharp rise in production costs, namely wood, chemicals and energy, as well as logistical costs.

The focus on the packaging line of business continues to consolidate, with the Group achieving sales of Euro 21 million in the first quarter, roughly half its turnover for 2021. This commitment will continue throughout 2022, either by expanding the ranges in terms of weights, or by innovating and developing new sustainable packaging solutions, contributing to the decrease of the use of plastics.

This new business area, in its current stage of development, is included in the UWF Paper segment, insofar as, considering IFRS 8, the quantitative levels have not yet been exceeded, and due to the fact that this business line have a similar nature to UWF Paper and share a significant set of production and commercial processes.

The amount corresponding to the total energy sales was Euro 65,042,755 compared to Euro 31,290,117 in 2021. Following the electricity price volatility recorded in the market and the legislative changes published in December 2021, the renewable cogeneration plants of the

Group are since January this year selling the electricity produced at market prices instead of the regulated sales tariff, which justifies the increase in energy sales.

The sale, at market prices, allowed to partially offset the increase in energy purchase prices in the period.

Fixed capital expenditure in the first quarter of 2022 amounted to Euro 14,588,450 compared to Euro 20,147,429 a year earlier. This amount is mainly related to investments in equipment modernisation, maintaining production capacity and efficiency improvements. It also includes structural, environmental and decarbonisation projects, with particular emphasis on the new wood preparation line in Figueira da Foz, the new evaporation line in Aveiro and the replacement of the fuel oil boilers.

	31-03-2021						
	MARKET PULP	UWF PAPER	TISSUE PAPER	ENERGY	SUPPORT	CANCELLATIONS*	TOTAL
REVENUE							
Sales and services - external	35,562,464	238,453,602	35,516,816	31,290,117	-	-	340,822,999
Sales and services - intersegment	650,246	-	-	5,375,562	-	(6,025,807)	-
Total revenue	36,212,710	238,453,602	35,516,816	36,665,679	-	(6,025,807)	340,822,999
PROFIT/ (LOSS)							
Operating income	6,545,129	37,847,257	5,715,421	2,456,648	(12,499,693)	-	40,064,762
Net financial results	-	-	-	-	(9,728,164)	-	(9,728,164)
Income tax	-	-	-	-	(6,824,402)	-	(6,824,402)
Net profit for the period	-	-	-	-	-	-	23,512,197
Non-controlling interests	-	-	-	-	2,787	-	2,787
Profit/ (loss) attributable to equity holders	-	-	-	-	-	-	23,514,983
OTHER INFORMATION							
Capital expenditure	2,289,812	11,774,692	1,393,185	4,107,339	582,402	-	20,147,429
Depreciation and impairment	(2,389,478)	(17,639,543)	(2,648,952)	(4,902,240)	(2,749,188)	-	(30,329,401)
Provisions ((increases) / reversal)	(12,000)	(36,937)	-	(36,000)	(81,273)	-	(166,210)
OTHER INFORMATION							
SEGMENT ASSETS							
Goodwill	-	376,756,383	583,083	-	-	-	377,339,466
Property, plant and equipment	138,388,360	678,525,700	155,553,141	199,417,831	2,818,393	-	1,174,703,425
Right-of-use assets	10,379,563	38,345,918	-	-	3,156,106	-	51,881,588
Biological assets	36,874,361	110,623,082	-	-	-	-	147,497,443
Non-current receivables	75,624	487,152	100,202	-	30,763,649	-	31,426,627
Inventories	12,869,418	147,872,422	19,394,562	456,267	-	-	180,592,669
Other current receivables	32,968,756	138,127,230	28,276,966	2,625,396	34,911,610	-	236,909,958
Other assets	1,106,070	55,043,824	2,020,664	83,663	373,069,171	-	431,323,392
Total Assets	232,662,152	1,545,781,711	205,928,618	202,583,157	444,718,929	-	2,631,674,568
SEGMENT LIABILITIES							
Interest-bearing liabilities	-	554,367	37,067,054	-	947,294,127	-	984,915,548
Lease liabilities	10,705,037	39,381,850	-	-	3,252,801	-	53,339,688
Other current payables	54,588,269	255,177,618	26,161,090	7,224,494	41,419,398	-	384,570,869
Other liabilities	6,963,183	84,423,076	1,875,171	6,955,137	60,360,933	-	160,577,500
Total Liabilities	72,256,489	379,536,911	65,103,315	14,179,631	1,052,327,259	-	1,583,403,605

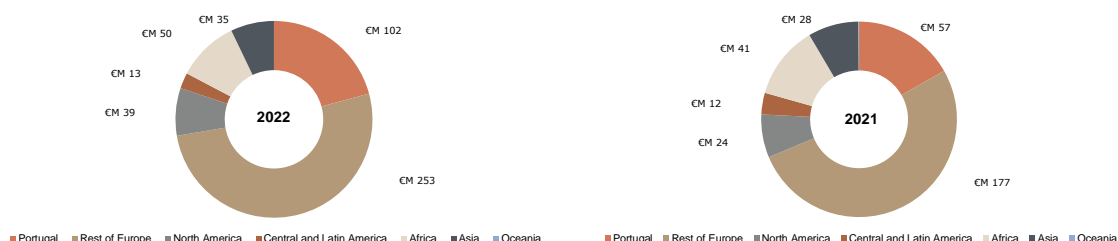
* Cancellation of intersegment operations. Consolidation adjustments related to inter-segmental transactions are considered not significant.

Revenue by business segment, by geographic area and by recognition pattern

31-03-2022 Amounts in Euro	Pulp	UWF Paper	Tissue Paper	Energy	Total Amount	Total %
Portugal	1,230,694	19,179,328	16,874,819	65,042,755	102,327,596	21%
Rest of Europe	39,229,253	190,926,004	23,441,386	-	253,596,643	52%
North America	399,025	38,562,008	305,299	-	39,266,332	8%
Central and Latin America	-	12,020,585	-	-	12,020,585	2%
Africa	8,051,852	41,032,178	901,652	-	49,985,682	10%
Asia	5,087,975	29,894,796	47,229	-	35,030,001	7%
Oceania	-	2,801	-	-	2,801	0%
	53,998,799	331,617,701	41,570,384	65,042,755	492,229,639	100%
Recognition pattern						
At a certain moment in time	53,998,799	331,617,701	41,570,384	65,042,755	492,229,639	100%
Over time	-	-	-	-	-	0%

31-03-2021 Amounts in Euro	Pulp	UWF Paper	Tissue Paper	Energy	Total Amount	Total %
Portugal	419,050	10,997,085	14,366,624	31,290,117	57,072,876	17%
Rest of Europe	22,338,319	134,366,808	20,257,410	-	176,962,537	52%
North America	669,528	22,948,583	687,106	-	24,305,217	7%
Central and Latin America	-	12,187,358	-	-	12,187,358	4%
Africa	5,705,915	35,519,622	205,675	-	41,431,212	12%
Asia	6,429,652	22,068,423	-	-	28,498,075	8%
Oceania	-	365,724	-	-	365,724	0%
	35,562,464	238,453,602	35,516,816	31,290,117	340,822,999	100%
Recognition pattern						
At a certain moment in time	35,562,464	238,453,602	35,516,816	31,290,117	340,822,999	100%
Over time	-	-	-	-	-	0%

Group's revenue distribution by geographic area



In 2022 and 2021, no single customer accounted for 10% or more of the Group's total revenues.

2.2. OTHER OPERATING INCOME

For the three-month periods ended 31 March 2022 and 2021, Other operating income is detailed as follows:

Amounts in Euro	3 months 31-03-2022	3 months 31-03-2021
Gains on disposal of non-current assets	141,372	29,980
Grants - CO2 emission allowances	10,006,410	4,868,022
Supplementary gains	358,300	270,122
Operating grants	227,010	667,791
Impairment reversal on receivables	2,463	15,779
Impairment reversal on inventories (Note 4.1.2)	29,127	-
Gains on inventories	1,653,363	19,270
Own work capitalised	50,079	85,056
Compensations	163,078	47,356
Other operating income	564,862	510,431
	13,196,064	6,513,807

Gains on CO₂ allowances correspond to the recognition of the estimate of free allocation of allowances for 476,439 tons of CO₂, at the average price of Euro 84.00 (442,732 tons of CO₂, at the average price of Euro 33.69 as at 31 December 2021) (Note 3.2).

2.3. OTHER OPERATING EXPENSES

Amounts in Euro	3 months 31-03-2022	3 months 31-03-2021
Cost of goods sold and materials consumed	215,360,445	143,051,928
External services and supplies		
Energy and fluids	57,381,300	28,070,899
Transportation of goods	43,524,865	29,455,465
Specialised work	19,970,384	16,211,818
Maintenance and repair	8,128,312	5,509,458
Rentals	1,664,520	1,432,748
Advertising and marketing	2,704,812	2,811,774
Insurance	1,764,623	2,373,249
Travel and accommodation	691,441	1,000,741
Fees	923,963	585,722
Subcontracts	(11,917)	478,826
Materials	496,406	284,377
Communications	319,498	88,410
Other	2,571,656	1,147,902
	140,129,861	89,451,388
Variation in production	(38,075,961)	(2,195,489)
Personnel costs (Note 7.1)	42,095,667	35,829,616
Other operating expenses		
CO ₂ emission expenses (Note 3.2)	11,173,111	5,296,989
Impairment losses on receivables	22,353	123,539
Impairment losses on inventories (Note 4.1.2)	5,295,103	593,563
Other losses on inventories	200,464	1,757,645
Indirect taxes and fees	721,258	491,208
Losses on disposal of non-current assets	171,183	1,223
Water resources fee	340,826	279,410
Other operating expenses	932,400	1,008,403
	18,856,698	9,551,980
Net provisions (Note 9.1)	-	166,210
	-	-
Total operating expenses	378,366,710	275,855,633

Given the macroeconomic context in which we live, there was a generalised increase in costs in the first quarter of 2022, with emphasis on raw materials, namely wood, energy and chemicals.

In Energy, there was an increase in electricity and natural gas prices, although the increase in costs was partially mitigated by the risk hedging policy with fixed-rate contracts for most of the 2022 purchases.

Logistics costs also showed a negative evolution, as a result of the current logistical constraints that are transversally affecting the economy, namely constraints in road means triggered by the strike in Spain at the end of the quarter and consequent migration of the volume of road transport to maritime transport in Europe. Notwithstanding, Navigator was able to operate at 100% without any disruption in supplies.

As at 31 March 2022 and 2021, external services and supplies costs incurred for investigation and research activities amounted to Euro 1,491,432 and Euro 825,483, respectively.

The CO₂ emission expenses correspond to the emission of 136,627 tons of CO₂¹ (31 March 2021: 155,428 tons).

The increase in the caption "Impairment losses on inventories" is due, essentially, to the reinforcement of the impairment for UWF paper waste.

¹CO₂ emissions from assets in factories, Scope 1 - EU ETS basis.

3. INVESTMENTS

3.1. GOODWILL

Goodwill – net amount

Goodwill is attributed to the Group's cash generating units (CGU's), as follows:

Amounts in Euro	31-03-2022	31-12-2021
CGU of UWF paper production on Figueira da Foz site (goodwill resulting from the acquisition of Navigator Brands, S.A.)	376,756,383	376,756,383
CGU of Tissue paper production on Vila Velha de Ródão site (goodwill resulting from the acquisition of Navigator Tissue Ródão, S.A.)	583,083	583,083
	377,339,466	377,339,466

NAVIGATOR BRANDS, S.A. / NAVIGATOR PAPER FIGUEIRA, S.A.

Following the acquisition of 100% of the former Soporcel - Sociedade Portuguesa de Papel, S.A. (now Navigator Brands, S.A.), for Euro 1,154,842,000, Goodwill amounting to Euro 428,132,254 was determined.

The Goodwill generated on the acquisition of Navigator Paper Figueira was deemed to be allocable to the integrated paper production in Figueira da Foz Industrial Complex cash generating unit.

NAVIGATOR TISSUE RÓDÃO, S.A.

On 6 February 2015 the procedures and agreements for the acquisition of AMS-BR Star Paper, S.A. (later merged into Navigator Tissue Ródão, S.A.) were concluded, with the authorization to conclude this transaction being formalized on 17 April 2015.

To the initial acquisition difference, of Euro 21,337,916, was deducted the AICEP's investment grant and the fair value of the acquired property, plant and equipment, with a goodwill amounting to Euro 583,083.

3.2. INTANGIBLE ASSETS

Movements in intangible assets

Amounts in Euro	Industrial property and other rights	CO ₂ emission allowances	Intangible assets in progress	Total
Gross amount				
Balance as at 1 January 2021	16,664	11,902,620	-	11,919,284
Assignments	-	15,757,247	-	15,757,247
Acquisitions	-	7,721,939	-	7,721,939
Balance as at 31 March 2021	16,664	35,381,806	-	35,398,470
Assignments	-	(841,594)	17,823	(823,772)
Acquisitions	-	14,984,579	-	14,984,579
Adjustments, transfers and write-offs	17,823	(24,788,284)	(17,823)	(24,788,284)
Balance as at 31 December 2021	34,487	24,736,507	-	24,770,993
Granting	-	40,025,640	28,417	40,054,057
Adjustments, transfers and write-offs	28,417	-	(28,417)	-
Balance as at 31 March 2022	62,904	64,762,147	-	64,825,050
Accumulated amortisation and impairment losses				
Balance as at 1 January 2021	(6,600)	-	-	(6,600)
Depreciation and amortisation for the period (Note 3.6)	(1,157)	-	-	(1,157)
Balance as at 31 March 2021	(7,757)	-	-	(7,757)
Depreciation and amortisation for the period (Note 3.6)	(10,707)	-	-	(10,707)
Balance as at 31 December 2021	(18,464)	-	-	(18,464)
Depreciation and amortisation for the period (Note 3.6)	(4,619)	-	-	(4,619)
Balance as at 31 March 2022	(23,083)	-	-	(23,083)
Net book value as at 1 January 2021	10,064	11,902,620	-	11,912,684
Net book value as at 31 March 2021	8,907	35,381,806	-	35,390,713
Net book value as at 31 December 2021	16,023	24,736,507	-	24,752,529
Net book value as at 31 March 2022	39,821	64,762,147	-	64,801,967

CO₂ allowances

	31-03-2022	31-12-2021
CO ₂ emission allowances (units)	1,097,244	620,805
Average unit value (Euro)	59.02	39.85
Market quotation (Euro)	76.48	80.65

CO₂ allowances – movements in the period

Amounts in Euro	2022		2021	
	Tons	Amount	Tons	Amount
Opening balance	620,805	24,736,507	516,319	11,902,620
CO ₂ allowances awarded free of charge (Note 2.2)	476,439	40,025,640	442,732	14,915,653
CO ₂ allowances acquired	-	-	368,598	22,706,518
CO ₂ allowances returned to the Licensing Coordinating Entity	-	-	(706,844)	(24,788,284)
Closing balance	1,097,244	64,762,147	620,805	24,736,507

3.3. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment

Amounts in Euro	Land	Buildings and other constructions	Equipment and other tangibles	Assets under construction	Total
Gross amount					
Balance as at 1 January 2021	114,504,564	541,240,475	3,567,757,837	123,425,431	4,346,928,310
Acquisitions	-	-	5,142,215	15,005,214	20,147,429
Disposals	(2,134)	-	(31,472)	-	(33,606)
Adjustments, transfers and write-offs	(1,223)	364,058	57,419,613	(63,542,369)	(5,759,921)
Balance as at 31 March 2021	114,501,207	541,604,534	3,630,288,193	74,888,276	4,361,282,210
Disposals	(337,133)	-	(479,896)	-	(817,029)
Adjustments, transfers and write-offs	227,357	1,269,107	79,667,304	(84,634,882)	(3,471,114)
Balance as at 31 December 2021	114,391,431	542,873,641	3,718,884,936	40,476,332	4,416,626,340
Acquisitions	-	-	3,589,763	10,970,271	14,560,033
Disposals	(619,462)	-	(37,298)	-	(656,760)
Adjustments, transfers and write-offs	402,098	327,247	5,612,075	(6,341,462)	(43)
Balance as at 31 December 2021	114,174,067	543,200,888	3,728,049,476	45,105,140	4,430,529,570
Accumulated depreciation and impairment losses					
Balance as at 1 January 2021	-	(352,192,222)	(2,810,786,495)	-	(3,162,978,717)
Depreciation and amortisation for the period (Note 3.6)	-	(2,805,725)	(26,591,436)	-	(29,397,161)
Disposals	-	-	(31,472)	-	(31,472)
Balance as at 31 March 2021	-	(354,697,347)	(2,831,881,437)	-	(3,186,578,784)
Depreciation and amortisation for the period (Note 3.6)	-	(8,434,797)	(80,539,448)	-	(88,974,245)
Disposals	-	-	537,230	-	537,230
Adjustments, transfers and write-offs	-	266,505	3,367,462	-	3,633,967
Balance as at 31 December 2021	-	(362,865,639)	(2,908,516,193)	-	(3,271,381,833)
Depreciation and amortisation for the period (Note 3.6)	-	(2,820,590)	(28,460,489)	-	(31,281,079)
Disposals	-	-	22,020	-	22,020
Adjustments, transfers and write-offs	-	87,029	(86,556)	-	473
Balance as at 31 December 2021	-	(365,599,200)	(2,937,041,218)	-	(3,302,640,418)
Net book value as at 1 January 2021	114,504,564	189,048,253	756,971,343	123,425,431	1,183,949,593
Net book value as at 31 March 2021	114,501,207	186,907,187	798,406,756	74,888,276	1,174,703,426
Net book value as at 31 December 2021	114,391,431	180,008,001	810,368,742	40,476,332	1,145,244,507
Net book value as at 31 March 2022	114,174,067	177,601,687	791,008,258	45,105,140	1,127,889,152

As at 31 March 2022, the caption Assets under construction includes investments associated with ongoing development projects, in particular those related to the new wood preparation stack at Figueira da Foz (Euro 7,625,418), the new evaporation line in Aveiro (Euro 3,831,612), the replacement of the lime kiln cooler in Figueira da Foz (Euro 1,393,227), the replacement of the fuel oil boilers (Euro 1,163,159) and the new natural gas boiler in Setúbal (Euro 1,108,456). The remainder is related to several projects for improving and optimising the production process.

3.4. INVESTMENT PROPERTIES

Movement in investment properties

Amounts in Euro	Land	Buildings and other constructions	Total
Gross amount			
Balance as at 1 January 2021	424,744	82,307	507,051
Acquisitions	-	-	-
Balance as at 31 March 2021	424,744	82,307	507,051
Acquisitions	-	-	-
Balance as at 31 December 2021	424,744	82,307	507,051
Acquisitions	-	-	-
Balance as at 31 March 2022	424,744	82,307	507,051
Accumulated depreciation and impairment losses			
Balance as at 1 January 2021	(399,372)	(13,444)	(412,816)
Depreciation and amortisation for the period (Note 3.6)	-	-	-
Impairment losses (Note 3.6)	-	(412)	(412)
Balance as at 31 March 2021	(399,372)	(13,855)	(413,227)
Depreciation and amortisation for the period (Note 3.6)	-	-	-
Impairment losses (Note 3.6)	-	(1,235)	(1,235)
Balance as at 31 December 2021	(399,372)	(15,090)	(414,462)
Depreciation and amortisation for the period (Note 3.6)	-	-	-
Impairment losses (Note 3.6)	-	(412)	(412)
Balance as at 31 March 2022	(399,372)	(15,501)	(414,873)
Net book value as at 1 January 2021	25,372	68,863	94,235
Net book value as at 31 March 2021	25,372	68,452	93,824
Net book value as at 31 December 2021	25,372	67,217	92,589
Net book value as at 31 March 2022	25,372	66,806	92,178

These assets are not allocated to the Group's operating activity, nor do they have any future use determined.

3.5. RIGHT-OF-USE ASSETS

Movements in right-of-use assets

Amounts in Euro	Forestry lands	Buildings	Vehicles	Software licenses	Other lease assets	Total
Gross amount						
Balance as at 1 January 2021	46,847,021	4,651,039	6,907,139	360,588	5,347,975	64,113,762
Acquisitions	916,332	-	104,757	963,772	-	1,984,862
Balance as at 31 March 2021	47,763,353	4,651,039	7,011,897	1,324,360	5,347,975	66,098,624
Acquisitions	2,593,383	4,016	1,559,141	-	1,307,301	5,463,841
Adjustments, transfers and write-offs	(435,469)	-	(23,409)	-	-	(458,878)
Balance as at 31 December 2021	49,921,267	4,655,055	8,547,629	1,324,360	6,655,276	71,103,587
Acquisitions	310	-	646,959	-	-	647,269
Adjustments, transfers and write-offs	(1,206)	-	-	-	-	(1,206)
Balance as at 31 March 2022	49,920,371	4,655,055	9,194,588	1,324,360	6,655,276	71,749,650
Accumulated depreciation and impairment losses						
Balance as at 1 January 2021	(6,180,742)	(1,369,284)	(3,684,538)	(164,312)	(887,884)	(12,286,761)
Depreciation	(778,139)	(128,514)	(465,874)	(283,580)	(274,167)	(1,930,274)
Balance as at 31 March 2021	(6,958,882)	(1,497,798)	(4,150,412)	(447,892)	(1,162,051)	(14,217,036)
Depreciation	(2,287,954)	(387,250)	(1,332,210)	(217,619)	(1,561,698)	(5,786,731)
Adjustments, transfers and write-offs	93,139	-	-	-	-	93,139
Balance as at 31 December 2021	(9,153,696)	(1,885,048)	(5,482,622)	(665,511)	(2,723,749)	(19,910,628)
Depreciation	(725,728)	(128,975)	(414,972)	(72,540)	(444,061)	(1,786,276)
Adjustments, transfers and write-offs	-	-	-	-	-	-
Balance as at 31 March 2022	(9,879,424)	(2,014,023)	(5,897,593)	(738,051)	(3,167,810)	(21,696,903)
Net book value as at 1 January 2020	40,666,279	3,281,755	3,222,601	196,276	4,460,091	51,827,002
Net book value as at 31 March 2022	40,804,471	3,153,241	2,861,485	876,469	4,185,924	51,881,588
Net book value as at 31 December 2021	40,767,570	2,770,007	3,065,007	658,849	3,931,527	51,192,959
Net book value as at 31 March 2022	40,040,947	2,641,032	3,296,994	586,309	3,487,466	50,052,746

The item Land relates essentially to the land use rights of existing forest exploration, whose agreements usually have a duration of 24 years, and may be cancelled in advance if the 2nd harvest takes place before the 24th year of the agreement term.

The item Buildings refers to the lease agreement entered into between The Navigator Company, S.A. and Refundos - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A. for the building located at Avenida Fontes Pereira de Melo, in Lisbon, for use as an office.

The item Other includes the forklift truck rental contract signed in 2020 and 2021.

3.6. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

Amounts in Euro	3 months 31-03-2022	3 months 31-03-2021
Depreciation of property, plant and equipment for the period (Note 3.3)	31,281,079	29,397,161
Charge-off of government grants	(883,203)	(999,603)
Depreciation of property, plant and equipment, net of grants charged-off	30,397,876	28,397,558
Amortisation of intangible assets for the period (Note 3.2)	4,619	1,157
Depreciation of right-of-use assets for the period (Note 3.5)	1,786,276	1,930,274
Impairment of investment properties (Note 3.4)	412	412
	32,189,183	30,329,401

3.7. BIOLOGICAL ASSETS

Movements in biological assets

Amounts in Euro	2022	2021
Opening balance	147,324,061	148,584,452
Logging in the period	(6,076,734)	(6,141,105)
Growth	5,275,745	4,943,930
New planted areas and replanting (at cost)	1,049,010	1,104,030
Other changes in fair value		
- changes in other species	(4,701,000)	-
- other changes in expectations	(1,031,474)	(993,864)
Total changes	(5,484,453)	(1,087,009)
Amount as at 31 March	141,839,607	147,497,443
Remaining quarters		(173,382)
Amount as at 31 December		147,324,061

As at 31 December 2022 and 31 December 2021, biological assets, by species, is detailed as follows:

Amounts in Euro	31-03-2022	31-12-2021
Eucalyptus (Portugal)	113,025,458	113,826,448
Pine (Portugal)	6,460,561	6,697,561
Cork oak (Portugal)	2,093,821	6,268,821
Other species (Portugal)	743,614	1,015,078
Eucalyptus (Mozambique)	19,516,153	19,516,153
	141,839,607	147,324,061

These amounts correspond to Board of Directors' expectation of the volumes to be extracted from its woodlands in the future, as follows:

Amounts in Euro	31-03-2022	31-12-2021
Eucalyptus (Portugal) - Potential future of wood extractions k m3ssc	10,207	10,207
Pine (Portugal) - Potential future of wood extractions k ton	311	311
Pine (Portugal) - Potential future of pine extractions k ton	n/a	n/a
Cork oak (Portugal) - Potential future of cork extractions k @	461	461
Eucalyptus (Mozambique) - Potential future of wood extractions k m3ssc	2,758	2,758

Concerning Eucalyptus, the most relevant biological asset in the financial statements, in the three-month period ended 31 March 2022 and 2021, 170,431 m3ssc and 158,580 m3ssc of wood were extracted from the forests owned and operated by the Group, respectively.

As at 31 March 2022 and 31 December 2021 (i), there are no amounts of biological assets whose property is restricted and/or pledged as guarantee for liabilities, nor there are non-reversible commitments related to the acquisition of biological assets, and (ii) there are no government subsidies related to biological assets recognised in the Group's consolidated financial statements.

4. WORKING CAPITAL

4.1. INVENTORIES

4.1.1. Inventories - detail by nature

Amounts net of accumulated impairment losses

Amounts in Euro	31-03-2022	31-12-2021
Raw materials	118,320,913	102,851,009
Goods	156,690	185,541
Subtotal	118,477,603	103,036,550
Finished and intermediate products	113,902,324	75,870,145
Goods and work in progress	1,994,361	2,440,632
By-products and waste	390,146	5,203,331
Subtotal	116,286,831	83,514,108
Total	234,764,434	186,550,658

As at 31 March 2022 and 31 December 2021, there are no inventories in which ownership is restricted and/or pledged as collateral for liabilities.

4.1.2. Movements in impairment losses in inventories

Amounts in Euro	2022	2021
Balance as at 1 January	(3,934,904)	(2,157,570)
Increases	(5,295,103)	(593,563)
Reversals	29,127	-
Impact in profit and loss for the period	(5,265,977)	(593,563)
Charge-off	-	-
Balance as at 31 March	(9,200,881)	(2,751,133)
Remaining quarters		(1,183,771)
Balance as at 31 December		(3,934,904)

The impairment losses in inventories recorded in 2022 and 2021 relate to adjustments in the stock of UWF paper.

4.2. RECEIVABLES

Amounts in Euro	31-03-2022			31-12-2021		
	Non-current	Current	Total	Non-current	Current	Total
Trade receivables	-	258,061,317	258,061,317	-	210,789,083	210,789,083
Other receivables - related companies (Note 10.3)	-	-	-	-	-	-
State and other public entities	i)	67,950,993	67,950,993	-	44,603,384	44,603,384
Department of Commerce (EUA)	ii)	281,653	281,653	-	281,653	281,653
Enviva Pellets Greenwood, LLC (EUA)	iii)	31,401,598	31,401,598	7,826,849	25,384,072	33,210,921
Accrued income	iv)	2,699,489	2,699,489	-	19,028,577	19,028,577
Deferred expenses	v)	15,091,875	15,091,875	-	8,463,089	8,463,089
Derivative financial instruments (Note 8.1)	-	8,917,317	8,917,317	-	1,630,982	1,630,982
Other	-	18,905,119	18,905,119	777,698	7,701,920	8,479,618
	9,870,750	403,309,360	413,180,111	8,604,547	317,882,760	326,487,308

i) State is detailed as follows:

Amounts in Euro	31-03-2022	31-12-2021
Value added tax - recoverable	5,893,491	6,848,780
Value added tax - refund requests	62,055,032	37,752,135
Amounts pending refund (tax proceedings decided in favour of the Group)	2,470	2,470
	67,950,993	44,603,384

As at 31 March 2022, the amount of refund requests comprised the following, by month and by company:

Amounts in Euro	Feb/2022	Mar/2022	Total
The Navigator Company, S.A.	24,917,819	32,714,450	57,632,269
Navigator Tissue Ródão, S.A.	-	1,000,000	1,000,000
Navigator Paper Figueira, S.A.	-	1,500,335	1,500,335
Raiz Ventures, S.A.	-	10,833	10,833
Bosques do Atlântico, S.L.	-	1,911,595	1,911,595
	24,917,819	37,137,213	62,055,032

Up to issue of this report, the full amounts outstanding as at 31 March 2022 have been received.

As at 31 December 2021, the amount of reimbursement requests comprised the following, by month and by Company:

Amounts in Euro	Nov/2021	Dec/2021	Total
The Navigator Company, S.A.	20,331,270	15,631,403	35,962,673
Sociedade de Vinhos da Herdade de Espirra, S.A.	-	30,000	30,000
Eucaliptusland	50,000	-	50,000
Bosques do Atlântico, S.L.	-	1,709,462	1,709,462
	20,381,270	17,370,865	37,752,135

All these amounts were received during the first quarter of 2022.

ii) As at 31 March 2022 and 31 December 2021, the balance corresponds to the amount receivable from the Department of Commerce (DoC) following the investigation initiated in 2015 of alleged dumping practices in exports of UWF paper to the United States by the subsidiary Navigator.

During 2021, the Department of Commerce confirmed the final rate to be applied for the fourth period of review from March 2019 to February 2020 at 2.21%, therefore the Group will soon receive approximately Euro 281,653 million for the difference between the deposits made and the final rate payable.

For the subsequent review periods (5 and 6), Navigator is estimated to pay to the DoC approximately Euro 5.4 million (Note 4.3). The decrease compared to December is due to the downward revision of the expected rate to be applied by the DoC.

iii) Reflects the present value of the amount still to be received from the sale of the pellet business. The nominal receivable, in USD, shall bear interest at the rate of 2.5% (Note 5.7).

iv) Accrued income and deferred expenses are detailed as follows:

Amounts in Euro	31-03-2022	31-12-2021
Accrued income		
Interest receivable	-	718,888
Energy sales	2,053,753	17,470,569
Insurance compensation	-	272,689
Other	645,736	566,432
	2,699,489	19,028,577
Deferred expenses		
Insurance	6,325,014	-
Rentals	8,518,782	8,312,244
Other	248,079	150,844
	15,091,875	8,463,089
	17,791,364	27,491,666

4.3. PAYABLES

Amounts in Euro	31-03-2022	31-12-2021
Trade payables	307,588,703	253,983,711
Trade payables - current account	6,721,102	2,789,501
State and other public entities	56,634,921	27,246,422
Related parties (Note 10.3)	1,004,383	1,264,454
Other creditors - CO2 emission allowances	32,525,207	21,353,771
Fiscal consolidation (Semapa) (Note 10.3)	6,447,546	6,447,546
Other creditors	1,527,925	2,392,990
Derivative financial instruments (Note 8.2)	25,913,663	8,130,589
Personnel costs accruals	40,818,944	30,613,080
Accrued expenses - interest payable	9,176,460	6,711,797
Wood suppliers bonus	1,670,542	4,294,936
Water resource fee	1,433,789	1,096,148
Rent liabilities	16,117,535	15,634,141
Other accrued expenses	5,419,519	5,513,018
Non-refundable grants	5,545,932	5,689,791
Other deferred income	28,787,341	-
Payables - current	547,333,513	393,161,894
Non-refundable grants	32,038,242	28,460,138
Department of Commerce (EUA) (Note 4.2)	5,384,058	8,554,289
Payables - non-current	37,422,300	37,014,427
	584,755,813	430,176,319
State - details		
Amounts in Euro	31-03-2022	31-12-2021
Personal income tax withhold (IRS)	1,840,920	3,298,154
Value added tax	51,829,974	20,793,757
Social Security contributions	2,191,567	2,202,736
Other	772,459	951,775
	56,634,921	27,246,422

As at 31 March 2022 and 31 December 2021, there were no overdue debts to the State.

Non-refundable grants - details

Amounts in Euro	31-03-2022	31-12-2021
Investment grants	3,239,223	3,234,584
Grants - CO2 emission allowances	28,787,341	-
Other grants	2,306,708	2,455,207
Non-refundable grants - current	34,333,272	5,689,791
Investment grants	32,038,242	28,460,138
Non-refundable grants - non-current	32,038,242	28,460,138
	66,371,514	34,149,929

5. CAPITAL STRUCTURE

5.1. SHARE CAPITAL AND THEASURY SHARES

Navigator's shareholders

The Navigator Company is a public company with its shares quoted on the Euronext Lisbon.

As at 31 March 2022, The Navigator Company, S.A.'s share capital of Euro 500,000,000 was fully subscribed and is represented by 711,183,069 shares without nominal value (31 December 2021: 711,183,069 shares).

As at 31 March 2022 and 31 December 2021, the shareholders with qualified shareholdings in the Company's capital were as follows:

Designation	31-03-2022		31-12-2021	
	No. of shares	%	No. of shares	%
Semapa, SGPS, S.A.	497,617,299	69.97%	497,617,299	69.97%
Treasury shares	-	0.00%	-	0.00%
Floating shares	213,565,770	30.03%	213,565,770	30.03%
	711,183,069	100%	711,183,069	100%

Treasury shares - movements

	31-03-2022		31-12-2021	
	No. of shares	Book value (Euro)	No. of shares	Book value (Euro)
Treasury shares held at the beginning of the period	-	-	6,316,931	20,189,264
Acquisition of treasury shares	-	-	-	-
Extinção no período	-	-	(6,316,931)	(20,189,264)
Treasury shares at the end of the period	-	-	-	-

As at 31 December 2022 and 31 December 2021, Navigator did not hold any treasury shares.

As at 31 March 2022, the unit value of the share was Euro 3.38 (31 December 2021: Euro 3.35) and the market capitalisation of the Company was Euro 2,403,798,773 (31 December 2021: Euro 2,382,463,281) compared to an equity, net of non-controlling interests, of Euro 1,078,489,606 (31 December 2021: Euro 1,044,827,184).

5.2. EARNINGS PER SHARE

	31-03-2022	31-12-2021
Profit attributable to Navigator's equity holders (Euro)	50,602,596	23,514,983
Total number of shares issued	711,183,069	717,500,000
Average treasury shares held for the period	-	(6,316,931)
Weighted average number of shares	711,183,069	711,183,069
Basic earnings per share (Euro)	0.071	0.033
Diluted earnings per share (Euro)	0.071	0.033

5.3. NON-CONTROLLING INTERESTS

Detail of non-controlling interests, by subsidiary

Amounts in Euro	% held	Equity		Net profit	
		31-03-2022	31-12-2021	31-03-2022	31-03-2021
Raiz - Instituto de Investigação da Floresta e Papel	3.00%	283,784	286,896	(4,028)	(2,787)
Portucel Moçambique	90.02%	-	-	-	-
		283,784	286,896	(4,028)	(2,787)

Non-controlling interests are related to RAÍZ – Instituto de Investigação da Floresta e Papel, where the Group owns 97% of the share capital and voting rights. The remaining 3% are owned by external associates.

In 2014, the Group signed agreements with IFC – Internacional Finance Corporation for the entry of this institution into the share capital of the subsidiary Portucel Moçambique, S.A., thus ensuring the construction phase of the Group's forestry project in Mozambique. In 2015, this Company performed a capital increase from MZM 1,000 million to MZM 1,680.798 million subscribing MZM 332,798 million corresponding to 19.98% of the capital at that date.

In February 2019, there was a decrease in the subscribed, underwritten and paid-up capital of the shareholder The Navigator Company, S.A. to MZM 456,596,000, corresponding to 90.02% of the Company's share capital, and the IFC's holding was revised to MZM 50,620,000, corresponding to 9.98% of the Portucel Moçambique's share capital.

The surplus of the share capital reduction previously owned by The Navigator Company, S.A., of MZM 891,404,000 was employed to offset negative retained earnings. The differential between the MZM 332,798,000 previously subscribed by IFC and the MZM 50,620,000 which were paid in February 2019 were included in the share capital of Portucel Moçambique, as share premium.

As at the reporting date, there are no rights of protection of non-controlling interests that significantly restrict the entity's ability to access or use assets and settle liabilities of the Group.

5.4. INTEREST-BEARING LIABILITIES

Amounts in Euro	31-03-2022			31-12-2021		
	Non-current	Current	Total	Non-current	Current	Total
Bond loans	432,500,000	12,500,000	445,000,000	442,500,000	2,500,000	445,000,000
Commercial paper	105,000,000	35,000,000	140,000,000	140,000,000	100,000,000	240,000,000
Bank loans	104,230,158	17,575,397	121,805,555	109,087,301	12,718,254	121,805,555
Charges with bond issuances	(3,328,432)	-	(3,328,432)	(3,415,421)	-	(3,415,421)
Refundable grants	34,656,363	4,099,903	38,756,266	34,509,610	4,099,903	38,609,513
Deferrals and adjustments	(8,055,598)	-	(8,055,598)	(8,055,598)	-	(8,055,598)
Debt securities and bank debt	665,002,491	69,175,300	734,177,791	714,625,892	119,318,157	833,944,049
Average interest rate, considering charges for annual fees and hedging operations			1.6%			1.5%

In the 1st quarter of 2022, the 1st instalment of a Euro 35 million commercial paper programme with a total value of Euro 175 million was repaid.

It was also decided not to renew the Euro 65 million issue, which matured in January 2022, under another commercial paper programme.

There was thus a decrease of Euro 100 million in the total debt issued during the quarter.

Interest-bearing liabilities - details

31-03-2022						
Amounts in Euro						
	Amount	Outstanding amount	Maturity	Interest rate	Current	Non-current
Bond loans						
Navigator 2015-2023	150,000,000	150,000,000	September 2023	Variable rate	-	150,000,000
Navigator 2019-2026	50,000,000	50,000,000	January 2026	Fixed rate	-	50,000,000
Navigator 2019-2025	50,000,000	50,000,000	March 2025	Variable rate	10,000,000	40,000,000
Navigator 2021-2026	20,000,000	20,000,000	April 2026	Variable rate	2,500,000	17,500,000
Navigator 2020-2026	75,000,000	75,000,000	December 2026	Variable rate	-	75,000,000
Navigator 2021-2026	100,000,000	100,000,000	August 2026	Fixed rate	-	100,000,000
Fees	-	(3,328,432)			-	(3,328,432)
European Investment Bank (EIB)						
EIB Loan - Energy	21,250,000	21,250,000	December 2024	Variable rate	7,083,333	14,166,667
EIB Loan - Cacia	18,055,555	18,055,555	May 2028	Fixed rate	2,777,778	15,277,777
EIB Loan - Figueira	40,000,000	40,000,000	February 2029	Fixed rate	5,714,286	34,285,714
EIB Loan - Biomass Boiler	27,500,000	27,500,000	March 2031	Fixed rate	-	27,500,000
Commercial Paper Program						
Commercial Paper Program 175M	175,000,000	140,000,000	February 2026	Fixed rate	35,000,000	105,000,000
Commercial Paper Program 65M	65,000,000	-	January 2022	Variable rate	-	-
Commercial Paper Program 75M	75,000,000	-	February 2026	Variable rate	-	-
Commercial Paper Program 50M	50,000,000	-	December 2025	Variable rate	-	-
Loans						
Long-term investment	15,000,000	15,000,000	March 2026	Variable rate	2,000,000	13,000,000
Refundable grants						
AICEP	38,756,266	38,756,266	November 2027	Fixed rate	4,099,903	34,656,363
Deferrals and adjustments	-	(8,055,598)			-	(8,055,598)
Bank credit lines						
Short-term line 20M	20,450,714	-			-	-
		734,177,791			69,175,300	665,002,491
31-12-2021						
Amounts in Euro						
	Amount	Outstanding amount	Maturity	Interest rate	Current	Non-current
Bond loans						
Navigator 2015-2023	150,000,000	150,000,000	September 2023	Variable rate	-	150,000,000
Navigator 2019-2026	50,000,000	50,000,000	January 2026	Fixed rate	-	50,000,000
Navigator 2019-2025	50,000,000	50,000,000	March 2025	Variable rate	-	50,000,000
Navigator 2021-2026	20,000,000	20,000,000	April 2026	Variable rate	2,500,000	17,500,000
Navigator 2020-2026	75,000,000	75,000,000	December 2026	Variable rate	-	75,000,000
Navigator 2021-2026	100,000,000	100,000,000	August 2026	Fixed rate	-	100,000,000
Fees	-	(3,415,421)			-	(3,415,421)
European Investment Bank (EIB)						
EIB Loan - Energy	21,250,000	21,250,000	December 2024	Variable rate	7,083,333	14,166,667
EIB Loan - Cacia	18,055,555	18,055,555	May 2028	Fixed rate	2,777,778	15,277,777
EIB Loan - Figueira	40,000,000	40,000,000	February 2029	Fixed rate	2,857,143	37,142,857
EIB Loan - Biomass Boiler	27,500,000	27,500,000	March 2031	Fixed rate	-	27,500,000
Commercial Paper Program						
Commercial Paper Program 175M	175,000,000	175,000,000	February 2026	Fixed rate	35,000,000	140,000,000
Commercial Paper Program 65M	65,000,000	65,000,000	January 2022	Variable rate	65,000,000	-
Commercial Paper Program 75M	75,000,000	-	February 2026	Variable rate	-	-
Commercial Paper Program 50M	50,000,000	-	December 2025	Variable rate	-	-
Loans						
Long-term investment	15,000,000	15,000,000	March 2026	Variable rate	-	15,000,000
Refundable grants						
AICEP	38,609,513	38,609,513	November 2027	Fixed rate	4,099,903	34,509,610
Deferrals and adjustments	-	(8,055,598)			-	(8,055,598)
Bank credit lines						
Short-term line 20M	20,450,714	-			-	-
		833,944,049			119,318,157	714,625,892

As at 31 March 2022, the average cost of debt, considering the interest rate, annual fees and hedging operations, was 1.6% (31 December 2021: 1.5%).

The refund terms for the interest-bearing liabilities recorded as non-current are detailed as follows:

Amounts in Euro	31-03-2022	31-12-2021
Non-current		
1 to 2 years	232,294,836	234,259,122
2 to 3 years	86,223,407	86,223,407
3 to 4 years	103,640,074	106,640,074
4 to 5 years	217,140,074	261,140,074
More than 5 years	37,088,130	37,834,234
	676,386,522	726,096,911
Fees	(11,384,030)	(11,471,019)
	665,002,491	714,625,892

As at 31 March 2022, the Group had contracted Commercial Paper Programs, contracted and undisbursed long-term financing, as well as available but not used credit facilities of Euro 210,450,714 (31 December 2021: Euro 145,450,714).

As at 31 March 2022 and 31 December 2021, the Group's interest-bearing net debt was as follows:

Amounts in Euro	31-03-2022	31-12-2021
Interest-bearing liabilities (Note 5.4)	734,177,791	833,944,049
Cash and cash equivalents (Note 5.6)	(216,288,014)	(216,288,014)
Interest-bearing net debt	517,889,777	617,656,035
Lease liabilities	52,192,495	53,240,925
Interest-bearing net debt with lease liabilities	570,082,272	670,896,960

5.5. LEASE LIABILITIES

Lease liabilities - Nature

Amounts in Euro	31-03-2022			31-12-2021		
	Maturing rents	Interest on liabilities	Present value of liabilities	Maturing rents	Interest on liabilities	Present value of liabilities
Less than 1 year	3,879,561	1,851,219	5,730,781	3,971,610	1,852,223	5,823,833
1 to 2 years	3,366,198	1,707,677	5,073,875	3,368,272	1,708,916	5,077,188
2 to 3 years	2,967,146	1,571,901	4,539,047	2,867,678	1,575,482	4,443,160
3 to 4 years	1,907,853	1,448,213	3,356,066	1,999,426	1,450,866	3,450,292
4 to 5 years	1,843,910	1,332,861	3,176,771	1,748,655	1,337,957	3,086,612
More than 5 years	21,220,194	9,095,761	30,315,955	22,150,369	9,209,471	31,359,840
Present value of liabilities	35,184,862	17,007,632	52,192,495	36,106,011	17,134,915	53,240,925

5.6. CASH AND CASH EQUIVALENTS

Amounts in Euro	31-03-2022	31-12-2021
Cash	39,288	35,334
Short-term bank deposits	197,925,697	220,585,472
Other short-term investments	18,323,029	18,550,446
	216,288,014	239,171,252

As at 31 March 2022, the caption Other short-term investments includes Euro 18,323,029 (31 December 2021: Euro 18,550,446) of amounts invested by Navigator in a portfolio of short-term, highly liquid financial assets and issuers with adequate ratings.

As at 31 March 2022 and 31 December 2021, there are no significant balances of cash and cash equivalents that are subject to restrictions on use by the Group.

5.7. NET FINANCIAL RESULTS

Amounts in Euro	3 months 31-03-2022	3 months 31-03-2021
Interest paid on debt securities and bank debt	(2,298,790)	(3,153,390)
Commissions on loans and expenses with the opening of credit facilities	(784,577)	(900,391)
Interest paid using the effective interest method	(3,083,367)	(4,053,781)
Interest paid on lease liabilities	(453,078)	(525,992)
Financial expenses related to the Group's capital structure	(3,536,445)	(4,579,773)
Favourable / (Unfavourable) exchange rate differences	-	-
Losses on financial instruments - foreign exchange hedging (Note 8.1)	-	(302,483)
Gains / (Losses) on financial instruments - interest-rate hedging (Note 8.1)	(710,245)	(1,973,560)
Gains / (Losses) on financial instruments - hedging (Note 8.1)	(174,549)	(3,609,072)
Other expenses and financial losses	(444,544)	(232,552)
Financial expenses and losses	(4,865,782)	(10,697,441)
Interest earned on financial assets at amortised cost	-	412,385
Favourable exchange rate differences	163,870	282,681
Gains on compensatory interest	-	274,210
Financial income and gains	163,870	969,277
Net financial results	(4,701,912)	(9,728,164)

Net financial results stood at negative Euro 4.7 (vs. Euro 9.7 million), an increase of Euro 5.0 million, partly explained by significant results in 2021 (Euro - 4.7 million) that will not occur in 2022, namely the cost of cancelling an interest rate swap associated with a bond loan, the exchange rate result of the financing of the subsidiary in Mozambique, compensatory interest received, and income associated with the antidumping process in the USA.

Without these non-recurrent impacts, financial results would have increased by Euro 0.3 million, essentially as a result of the positive evolution of the costs of financing operations due mainly to the decrease in average debt compared to the same period in the previous year. Conversely, and in view of the evolution of the financial markets, interest received showed a negative evolution.

6. INCOME TAX

6.1. INCOME TAX FOR THE PERIOD

6.1.1. Income tax recognised in the consolidated income statement

Amounts in Euro	3 months 31-03-2022	3 months 31-03-2021
Current tax	26,095,422	3,767,099
Change in uncertain tax positions in the period	6,936,059	134,019
Deferred tax (Note 6.2)	1,053,395	2,923,284
	34,084,876	6,824,402

As at 31 March 2022, current tax includes Euro 23,452,098 (31 March 2021: Euro 2,611,563) regarding the liability created under the aggregated income tax regime of The Navigator Company, S.A..

As at 31 March 2021 and 2020, the item "Change of uncertain tax positions in the period" reflects the excess / insufficiency of tax estimates, the favourable outcome of some cases related to matters with high uncertainty, as well as requests for binding information, claims to the Tax Administration and jurisprudence of the courts.

There have not been, nor are any expected changes arising from variations in the rate used to determine the expected tax amount.

Reconciliation of the effective income tax rate for the period

Amounts in Euro	3 months 31-03-2022	3 months 31-03-2021
Profit before income tax	84,683,444	30,336,598
Expected tax at nominal rate (21%)	17,783,523	6,370,686
Municipal surcharge (2021: 1.17% ; 2020: 1.56%)	1,830,823	710,213
State surcharge (2021: 3.04% ; 2020: 4.23%)	5,783,879	1,284,778
Income tax resulting from the applicable tax rate	25,398,225	8,365,677
Nominal tax rate for the period	29.99%	27.58%
Differences (a)	8,589,785	958,900
Excess of income tax estimate	-	(2,500,176)
Autonomous taxation	96,866	-
	34,084,876	6,824,402
Effective tax rate	40.25%	22.50%

(a) This amount concerns mainly:

	3 months 31-03-2022	3 months 31-03-2021
Capital gains/ (losses) for tax purposes	29,533	25,275
Capital gains/ (losses) for accounting purposes	(82,774)	(22,642)
Taxable provisions and impairment	30,539,024	992,054
Tax benefits	(133,760)	(117,204)
Post-employment benefits	-	-
Other	883,560	2,609,426
	31,235,583	3,486,910
Tax effect (27.5%)	8,589,785	958,900

6.1.2. Tax recognised in the consolidated statement of financial position

Amounts in Euro	31-03-2022	31-12-2021
Assets		
Amounts pending refund (tax proceedings decided in favour of the Group)	1,118,815	1,118,815
	1,118,815	1,118,815
Liabilities		
Corporate Income Tax - IRC	45,890,977	19,913,222
Additional tax liabilities (IRC)	26,903,238	19,967,180
	72,794,216	39,880,402

Detail of Corporate Income Tax – IRC (net)

Amounts in Euro	31-03-2022	31-12-2021
Income tax for the period	26,095,422	37,586,136
Payments on account, special and additional payments on account	-	(19,000,792)
Withholding tax recoverable	(4,413)	(22,809)
Corporate income tax payable / (refundable) from previous periods	20,200,713	-
Other payables / (receivables)	(400,745)	1,350,687
	45,890,977	19,913,222

The amounts of corporate income tax paid in the period are detailed as follows:

Amounts in Euro	31-03-2022	31-03-2021
Payment / (Refund) of corporate income tax for the previous period	-	-
Payments on account, special and additional payments on account	-	-
Withholding tax	4,413	(22,809)
Refunds of tax proceedings decided in favour of the group	-	-
Payments of additional tax liabilities	-	-
Other income tax payments / (refunds)	-	496,857
Income tax paid / (received)	4,413	474,048

Amounts pending refund

Amounts in Euro	31-03-2022	31-12-2021
RFAI 2010 to 2012 - compensatory interest	1,076,611	1,076,611
Other	42,204	42,204
	1,118,815	1,118,815

The movements in the period are detailed as follows:

Amounts in Euro	31-03-2022	31-12-2021
Balance at the beginning of the period	1,118,815	3,482,762
Increases	-	42,204
Payments / (receipts)	-	-
Reversals	-	(2,406,151)
	1,118,815	1,118,815

Uncertain tax positions - liabilities

Amounts in Euro	31-03-2022	31-12-2021
Balance at the beginning of the period	19,967,180	22,898,753
Increases	6,936,059	8,094,261
Payments / (receipts)	-	-
Reversals	-	(11,025,834)
Changes in the period	6,936,059	(2,931,573)
	26,903,239	19,967,180

Taxes paid in litigation

As at 31 March 2022 and 31 December 2021, the additional tax assessments that are already paid and contested, not recognised in assets, refer to the Navigator Group and are summarised as follows:

Amounts in Euro	31-03-2022	31-12-2021
2005 Aggregated corporate income tax (Note 10.3)	10,394,386	10,394,386
2006 Aggregated corporate income tax (Note 10.3)	8,150,146	8,150,146
2015 Corporate income tax - Navigator Tissue Ródão, S.A.	7,586,361	7,586,361
2016 State surcharge	3,761,397	3,761,397
2017 State surcharge	8,462,724	8,462,724
2018 State surcharge	12,223,705	12,223,705
2016 and 2017 CDTJI corporate income tax	1,522,660	1,522,660
	52,101,379	52,101,379

6.2. DEFERRED TAXES

Movements in deferred taxes

Amounts in Euro	As at 1 January 2022	Income Statement		Equity	As at 31 March 2022
		Increases	Decreases		
Temporary differences originating deferred tax assets					
Taxed provisions	4,544,163	-	(2,550)	-	4,541,613
Adjustment of property, plant and equipment	62,470,397	972,823	(6,533,267)	-	56,909,953
Financial instruments	7,448,830	-	-	10,320,021	17,768,851
Deferred accounting gains on intra-group transactions	21,090,054	14,450,033	(907,431)	-	34,632,655
Investment grants	203,588	-	-	-	203,588
Conventional capital remuneration	4,200,000	-	-	-	4,200,000
	99,957,031	15,422,856	(7,443,248)	10,320,021	118,256,660
Temporary differences originating deferred tax liabilities					
Pensions and other post-employment benefits	(388,758)	-	-	-	(388,758)
Valuation of biological assets	(25,294,177)	5,893,541	-	-	(19,400,637)
Adjustment of property, plant and equipment	(306,642,712)	940,108	(18,762,652)	-	(324,465,256)
Investment grants	(4,142,627)	118,867	-	16,669	(4,007,090)
	(336,468,274)	6,952,516	(18,762,652)	16,669	(348,261,741)
Deferred tax assets	27,488,184	4,241,285	(2,046,893)	2,838,006	32,520,582
Government grants	549,224	-	-	-	549,224
Deferred tax assets	28,037,408	4,241,285	(2,046,893)	2,838,006	33,069,806
Deferred tax liabilities	(92,528,775)	1,911,942	(5,159,729)	4,584	(95,771,978)
Amounts in Euro	As at 1 January 2021	Income Statement		Equity	As at 31 December 2021
		Increases	Decreases		
Temporary differences originating deferred tax assets					
Taxed provisions	6,974,025	-	(2,429,862)	-	4,544,163
Adjustment of property, plant and equipment	71,179,011	-	(8,708,614)	-	62,470,397
Financial instruments	8,879,577	-	-	(1,430,747)	7,448,830
Deferred accounting gains on intra-group transactions	15,145,588	5,944,465	-	-	21,090,054
Investment grants	203,588	-	-	-	203,588
Conventional capital remuneration	7,000,000	-	(3,360,000)	560,000	4,200,000
	109,381,790	5,944,465	(14,498,477)	(870,747)	99,957,031
Temporary differences originating deferred tax liabilities					
Pensions and other post-employment benefits	(224,593)	649,357	-	(813,523)	(388,758)
Deferred accounting losses on intra-group transactions	(9,929,599)	-	-	9,929,599	-
Valuation of biological assets	(23,121,032)	-	(2,173,145)	-	(25,294,177)
Adjustment of property, plant and equipment	(272,907,547)	-	(33,735,165)	-	(306,642,712)
Investment grants	(6,406,374)	489,447	-	1,774,300	(4,142,627)
	(312,589,145)	1,138,805	(35,908,310)	10,890,376	(336,468,275)
Deferred tax assets	30,079,993	1,634,728	(3,987,081)	(239,456)	27,488,184
Government grants (Note 3.5)	549,224	-	-	-	549,224
Deferred tax assets	30,629,217	1,634,728	(3,987,081)	(239,456)	28,037,408
Deferred tax liabilities	(85,962,014)	313,171	(9,874,785)	2,994,853	(92,528,775)

In the measurement of the deferred taxes as at 31 December 2021 and 2020, the rate of 27.50% was used.

7. PAYROLL

7.1. PAYROLL COSTS

Amounts in Euro	3 months 31-03-2022	3 months 31-03-2021
Remuneration of Corporate Bodies - fixed	833,115	826,099
Remuneration of Corporate Bodies - variable	1,200,000	521,585
Other remunerations	29,578,916	26,011,685
Social Security contributions	5,705,136	5,704,747
Post-employment benefits (Note 7.2)	295,921	321,075
Other payroll costs	4,482,579	2,444,425
Payroll costs	42,095,667	35,829,616

The increase in payroll costs accompanied Navigator's good performance in the quarter, which will enable it to step up the distribution of bonuses to employees and reinforce the rejuvenation programme.

Number of employees by segment at the end of the period

	31-03-2022	31-12-2021	Var. 22/21
Market pulp	249	254	(5)
UWF	1,757	1,778	(21)
Tissue	385	383	2
Support	738	735	3
	3,129	3,150	(21)

Other Payroll costs for the three-month periods ended 31 March 2022 and 2021 are detailed as follows:

Amounts in Euro	3 months 31-03-2022	3 months 31-03-2021
Training	77,090	51,474
Social action	378,706	694,373
Insurance	1,090,078	1,125,614
Compensations	2,918,291	409,786
Other	18,414	163,178
	4,482,579	2,444,425

7.2. EMPLOYEE BENEFITS

7.2.1. Introduction

Some Group companies grant their employees post-retirement benefits, either in the form of defined benefit plans or in the form of defined contribution plans.

The plans are funded through a closed Pension Fund, managed by an external entity, which subcontracts the management of its assets to external asset management entities.

A. Pension Plan – Defined benefit

The Group has responsibilities with post-employment benefit plans for a reduced group of Employees who have chosen to maintain the defined benefit plan or who have chosen to maintain a safeguard clause, the latter following the conversion of their plan into a Defined

Contribution Plan. In effect, the safeguard clause gives the Employee the option, at the time of retirement, to pay a pension in accordance with the provisions laid down on the Defined Benefit Plan. For those who choose to activate the Safeguard Clause, the accumulated balance in the Defined Contribution Plan (*Conta 1*) will be used to finance the liability of the Defined Benefit Plan.

B. Pension Plan – Defined contribution

As at 31 December 2021, three Defined Contribution plans were in force covering 2,936 Employees (2020: 2,816 employees) (Note 7.2.3).

7.2.2. Defined Benefit Plan

Net liabilities

Net liabilities reflected in the consolidated statement of financial position and the number of beneficiaries of the defined benefit plans in force in the Group are detailed as follows:

	31-03-2022		31-12-2021	
	No. of Beneficiaries	Amount	No. of Beneficiaries	Amount
Past service liabilities				
Active employees, including individual accounts	408	71,291,405	408	71,291,405
Alumni	126	26,059,671	126	26,059,671
Retired employees	567	93,651,512	567	93,651,512
Market value of pension funds		(175,790,221)		(185,327,671)
Total net liabilities	1,101	15,212,368	1,101	5,674,918

Funds

Funds allocated to the defined benefit pension plans - evolution

Amounts in Euro	2022	2021
Opening balance	185,327,671	178,691,062
Charge for the period	-	1,000,000
Remeasurement	(9,537,450)	1,195,745
Balance as at 31 March	175,790,221	180,886,807
Remaining quarters		4,440,864
Balance as at 31 December		185,327,671

The assets of the pension fund related to the defined benefit plan are under the management of AGEAS – Pensões, Schroders, BlackRock and Credit Suisse, as detailed below:

Amounts in Euro	2022	2021
Defined benefits and <i>Conta 1</i> :		
AGEAS - Pensões	1,541,082	3,938,660
Schroders	69,396,705	70,993,049
Santander AM	69,502,228	72,705,468
<i>Conta 1</i> - Julius Baer	35,350,205	37,690,494
Total defined benefits and <i>Conta 1</i>	175,790,221	185,327,671

Funds allocated to defined benefit plans - composition of assets

Amounts in Euro	31-03-2022	%	31-12-2021	%
Securities listed in the market				
Bonds	104,470,215	59.4%	112,303,157	60.6%
Shares	45,099,442	25.7%	50,274,545	27.1%
Public debt	14,530,629	8.3%	14,558,914	7.9%
Liquidity	10,148,854	5.8%	4,252,394	2.3%
Real estate	-	0.0%	-	0.0%
Other short-term investments	1,541,082	0.9%	3,938,660	2.1%
	175,790,221	100%	185,327,671	100%

The assets of the pension fund do not include any assets of the Group.

7.2.3. Defined Contribution Plan

As at 31 March 2022 and 31 December 2021, two defined contribution plans were in force for most of the employees.

The assets of the pension fund that finance the defined contribution plans are under the management of the AGEAS Pensões, as detailed below:

Amounts in Euro	No. of Beneficiaries	Profitability %	2022	No. of Beneficiaries	Profitability %	2021
Defined contribution (AGEAS):						
Defensive sub-fund	117	(2.97%)	7,796,441	110	3.52%	7,995,969
Conventional sub-fund	381	(3.36%)	17,531,222	374	4.05%	19,301,087
Dynamic sub-fund	718	(3.64%)	16,336,140	696	4.57%	17,234,845
Aggressive sub-fund	1,706	(4.49%)	5,683,176	1,756	4.34%	6,462,291
Total defined contribution	2,922		47,346,978	2,936		50,994,193

7.2.4. Expenses incurred with post-employment benefit plans

The effect of these plans in the income statement for the three-month periods ended 31 March 2022 and 2021 was as follows:

Amounts in Euro	3 months 31-03-2022				3 months 31-03-2021			
	Current services cost	Net interest	Defined contribution - Contributions for the period	Impact on net profit (Note 7.1)	Current services cost	Net interest	Defined contribution - Contributions for the period	Impact on net profit (Note 7.1)
Pensions with autonomous fund	-	-	-	-	-	-	-	-
Defined contributions plans	-	-	295,921	295,921	-	-	321,075	321,075
	-	-	295,921	295,921	-	-	321,075	321,075

8. FINANCIAL INSTRUMENTS

8.1. DERIVATIVE FINANCIAL INSTRUMENTS

Movements in derivative financial instruments

Amounts in Euro	31-03-2022			31-12-2021		
	Trading derivatives	Hedging derivatives	Net total	Trading derivatives	Hedging derivatives	Net total
Balance at the beginning of the period	(1,728,458)	(4,771,149)	(6,499,607)	3,160,131	(5,336,693)	(2,176,561)
New contracts / settlements	(15,093,340)	4,050,647	(11,042,693)	(623,573)	2,326,437	1,702,864
Change in fair value through profit and loss (Note 5.11)	(174,549)	(710,245)	(884,794)	(4,265,016)	(3,191,640)	(7,456,656)
Change in fair value through other comprehensive income (Note 5.5)	-	1,430,747	1,430,747	-	1,430,747	1,430,747
Balance at the end of the period	(16,996,347)	-	(16,996,347)	(1,728,458)	(4,771,149)	(6,499,607)

8.1.1. Detail and maturity of derivative financial instruments by nature

31 March 2022 Amounts in Euro	Notional	Currency	Maturity	Positive (Note 4.2)	Negative (Note 4.3)	Net amount
Hedging						
Hedging (future sales)	198,500,000	USD	2022	-	(3,304,784)	(3,304,784)
Hedging (future sales)	61,000,000	GBP	2022	15,748	(203,570)	(187,822)
Interest rate swaps - Bonds	375,000,000	EUR	2026	8,766,099	(784,763)	7,981,335
Energy	56,078,825	EUR	2022	-	(18,416,081)	(18,416,081)
BHKP pulp	20,340,000	USD	2022	-	(1,165,988)	(1,165,988)
				8,781,847	(23,875,187)	(15,093,340)
Trading						
Foreign exchange forwards (future sales)	116,294,178	USD	2023	-	(2,038,477)	(2,038,477)
Foreign exchange forwards (future sales)	12,200,000	GBP	2022	135,470	-	135,470
				135,470	(2,038,477)	(1,903,007)
				8,917,317	(25,913,663)	(16,996,347)
31 December 2021 Valores em Euros	Notional	Currency	Maturity	Positive (Note 4.2)	Negative (Note 4.3)	Net amount
Hedging						
Hedging (future sales)	242,500,000	USD	2022	9,066	(1,426,675)	(1,417,609)
Hedging (future sales)	83,000,000	GBP	2022	-	(483,940)	(483,940)
Interest rate swaps - Bonds	375,000,000	EUR	2026	1,621,916	(2,804,403)	(1,182,487)
BHKP pulp	27,120,000	USD	2022	-	(1,687,112)	(1,687,112)
				1,630,982	(6,402,131)	(4,771,149)
Trading						
Foreign exchange forwards (future sales)	129,745,503	USD	2023	-	(1,640,154)	(1,640,154)
Foreign exchange forwards (future sales)	9,050,000	GBP	2021	-	(86,856)	(86,856)
Foreign exchange forwards (future sales)	300,000	CHF	2021	-	(1,448)	(1,448)
				-	(1,728,458)	(1,728,458)
				1,630,982	(8,130,590)	(6,499,608)

Cash flow hedge | Exchange rate risk EUR/USD and EUR/GBP

During the last quarter of 2021, the Group concluded the contracting of derivative financial instruments by acquiring USD 242,500,000 and GBP 83,000,000 in Zero Cost Collar, thus guaranteeing total coverage of the estimated value of exposure for 2022.

Interest rate hedge

During the first quarter of 2022, no additional hedging associated to the interest rate was contracted. Thus, apart from the additional hedges contracted last year in the amount of Euro 75,000,000 to fix the interest rate associated with the Navigator 2020-2026 bond loan, of the same amount, and Euro 100,000,000 to fix the interest rate associated with the Navigator 2021-2026 bond loan, the Group had no other variations regarding interest rate hedges.

Energy price hedging

In view of the Group's exposure to energy prices, during the first quarter of 2022 a swap was contracted to fix the price of energy sold for a volume of approximately 422,780 MWh, distributed monthly throughout 2022 and ending on 31 December 2022.

BHKP Pulp Hedge

As in the previous year, the Group periodically monitors its exposure to the price of BHKP pulp.

During the fourth quarter of 2021, the Group opted to acquire a financial instrument to hedge the pulp price, by contracting a swap to set the price of 30,000 tons of pulp for the next 12 months, ended 31 December 2022.

9. PROVISIONS, COMMITMENTS AND CONTINGENCIES

9.1. PROVISIONS

Movements in provisions

Amounts in Euro	Legal proceedings	Other provisions	Total
1 January 2021	4,668,105	18,741,229	23,409,335
Increases	248,714	-	248,714
Reversals	(82,504)	-	(82,504)
Impact in profit and loss for the period	166,210	-	166,210
Exchange rate adjustment	10,233	-	10,233
Other transfers and adjustments	(16,250)	-	(16,250)
31 March 2021	4,828,298	18,741,229	23,569,528
Increases	3,566,496	1,300,000	4,866,496
Charge-off	(16,250)	-	(16,250)
Reversals	(1,361,448)	(512,064)	(1,873,512)
Impact in profit and loss for the period	2,188,798	787,936	2,976,734
Exchange rate adjustment	(82,072)	-	(82,072)
Other transfers and adjustments	16,250	271,641	287,891
31 December 2021	6,951,274	19,800,806	26,752,081
Increases	-	-	-
Reversals	-	-	-
Impact in profit and loss for the period	-	-	-
Exchange rate adjustment	-	892	892
Other transfers and adjustments	-	5,272	5,272
31 March 2022	6,951,274	19,806,970	26,758,245

No refunds of any nature are expected in respect of these provisions.

9.2. COMMITMENTS

Guarantees provided to third parties

Amounts in Euro	31-03-2022	31-12-2021
Guarantees provided		
Navigator guarantees for EIB loans	42,916,667	42,916,667
Portuguese Tax Authorities	4,409,343	6,513,318
IAPMEI	1,280,701	1,280,701
Customs clearance	1,250	1,250
State Tax Administration State Agency	-	1,033,204
Portuguese Environment Agency	2,052,252	1,527,484
Simria	338,829	338,829
Other	684,651	1,987,855
	51,683,693	55,599,308

Purchase commitments

Amounts in Euro	31-03-2022	31-12-2021
Purchase commitments		
Property, plant and equipment - Industrial equipment	13,655,638	14,612,464
Wood		
Commitments with acquisitions in the subsequent period	224,600,000	287,700,000
Commitments to long-term acquisitions	85,600,000	88,100,000
	323,855,638	390,412,464

Other commitments

The Navigator Group has made a commitment to achieve carbon neutrality by 2035, with an estimated global investment of Euro 154 million, of which Euro 68 million have already been invested by 31 March 2022.

10. GROUP STRUCTURE

10.1. COMPANIES INCLUDED IN THE CONSOLIDATION PERIMETER

10.1.1. Navigator Group subsidiaries

Company	Head Office	Share equity owned			Total	Main activity
		31-03-2022	31-12-2021	Total		
Parent company:						
The Navigator Company, S.A.	Portugal	-	-	-	-	Sale of paper and pulp
Subsidiaries:						
Navigator Brands , S.A.	Portugal	100.00	-	100.00	100.00	Acquisition, operation, lease or concession of the use and disposal of trademarks, patents and other industrial or intellectual property
Navigator Parques Industriais, S.A.	Portugal	100.00	-	100.00	100.00	Management of industrial real estate
Navigator Pulp Figueira, S.A	Portugal	100.00	-	100.00	100.00	Paper production
Empremédia - Corretores de Seguros, S.A.	Portugal	100.00	-	100.00	100.00	Insurance mediation and advisory services
Empremédia, DAC	Ireland	100.00	-	100.00	100.00	Management of shareholdings
Empremédia RE , DAC	Ireland	-	100.00	100.00	100.00	Insurance mediation and advisory services
Raiz - Instituto de Investigação da Floresta e Papel	Portugal	97.00	-	97.00	97.00	Applied research in the field of pulp and paper industry and forestry activity
About The Future, S.A.	Portugal	-	97.00	97.00	97.00	Promotion of business units directly or indirectly related to research, development and innovation activities in the field of forest-based bioeconomy
Enerpulp – Cogeração Energética de Pasta, S.A.	Portugal	100.00	-	100.00	100.00	Energy production
Navigator Pulp Figueira, S.A.	Portugal	100.00	-	100.00	100.00	Production of cellulose pulp and provision of administration, management and internal advisory services
Emma Cacia - Engenharia e Manutenção Industrial, ACE	Portugal	-	74.20	74.20	74.20	
Emma Setúbal - Engenharia e Manutenção Industrial, ACE	Portugal	-	80.20	80.20	80.20	Provision of industrial maintenance services
Emma Figueira da Foz- Engenharia e Manutenção Industrial, ACE	Portugal	-	79.80	79.80	79.80	
Navigator Pulp Setúbal, S.A.	Portugal	100.00	-	100.00	100.00	Cellulose pulp production
Navigator Pulp Aveiro, S.A.	Portugal	100.00	-	100.00	100.00	Cellulose pulp production
Navigator Tissue Aveiro, S.A.	Portugal	100.00	-	100.00	100.00	
Navigator Tissue Ródão , S.A.	Portugal	-	100.00	100.00	100.00	Tissue paper production
Navigator Tissue Iberica , S.A.	Spain	-	100.00	100.00	100.00	Sale of tissue paper
Portucel Moçambique - Sociedade de Desenvolvimento Florestal e Industrial, Lda	Mozambique	90.02	-	90.02	90.02	Forestry production
Navigator Internacional Holding SGPS, S.A.	Portugal	100.00	-	100.00	100.00	Management of shareholdings
Navigator Forest Portugal, S.A.	Portugal	100.00	-	100.00	100.00	Forestry production
EucaliptusLand, S.A.	Portugal	-	100.00	100.00	100.00	Forestry production
Sociedade de Vinhos da Herdade de Espirra - Produção e Comercialização de Vinhos, S.A.	Portugal	-	100.00	100.00	100.00	Wine production
Gavião - Sociedade de Caça e Turismo, S.A.	Portugal	-	100.00	100.00	100.00	Management of hunting resources
Afocelca - Agrupamento complementar de empresas para protecção contra incêndios, ACE	Portugal	-	64.80	64.80	64.80	Provision of forest fire prevention and fighting services
Viveiros Aliança - Empresa Produtora de Plantas, S.A.	Portugal	-	100.00	100.00	100.00	Plant production in nurseries
Atlantic Forests, S.A.	Portugal	-	100.00	100.00	100.00	Provision of services within the scope of forestry activities and trade in timber
Bosques do Atlantico, SL	Spain	-	100.00	100.00	100.00	Trade in wood and biomass and logging
Navigator Africa, SRL	Italy	-	100.00	100.00	100.00	Trade in wood and biomass and logging
Navigator Paper Setúbal , S.A.	Portugal	100.00	-	100.00	100.00	Paper and energy production
Navigator North America Inc.	USA	-	100.00	100.00	100.00	Sale of paper
Navigator Afrique du Nord	Morocco	-	100.00	100.00	100.00	
Navigator España, S.A.	Spain	-	100.00	100.00	100.00	
Navigator Netherlands, BV	The Netherlands	-	100.00	100.00	100.00	
Navigator France, EURL	France	-	100.00	100.00	100.00	
Navigator Paper Company UK, Ltd	United Kingdom	-	100.00	100.00	100.00	
Navigator Italia, SRL	Italy	-	100.00	100.00	100.00	
Navigator Deutschland, GmbH	Germany	-	100.00	100.00	100.00	Provision of sales intermediation services
Navigator Paper Austria, GmbH	Austria	-	100.00	100.00	100.00	
Navigator Paper Poland SP Z o o	Poland	-	100.00	100.00	100.00	
Navigator Eurasia	Turkey	-	100.00	100.00	100.00	
Navigator Rus Company, LLC	Russia	-	-	-	100.00	
Navigator Paper Mexico	Mexico	25.00	75.00	100.00	100.00	
Navigator Middle East Trading DMCC	Dubai	-	100.00	100.00	100.00	
Navigator Egypt, ELLC	Egypt	1.00	99.00	100.00	100.00	
Navigator Abastecimento de Madeira, ACE	Portugal	97.00	3.00	100.00	100.00	Sale of timber

** Companies liquidated in 2021

10.1.2. Incorporated joint operations

Company	Head Office	Share equity owned			Total	Main activity
		31-03-2022	31-12-2021	Total		
Pulpchem Logistics, A.C.E.	Portugal	50.00	-	50.00	50.00	Purchases of materials, subsidiary materials and services used in the pulp and paper production processes

10.2. CHANGES IN THE CONSOLIDATION PERIMETER

During the three-month period ended 31 March 2022, the consolidation perimeter was not changed from the previous period.

10.3. TRANSACTIONS WITH RELATED PARTIES

Balances with related parties

	31-03-2022		31-12-2021	
Amounts in Euro	Receivables (Note 4.2)	Payables (Note 4.3)	Receivables (Note 4.2)	Payables (Note 4.3)
Acionistas				
Semapa - Soc. de Investimento e Gestão, SGPS, S.A.	-	7,258,515	-	7,470,630
Other subsidiaries of Semapa Group				
Secil - Companhia Geral Cal e Cimento, S.A.	-	37,607	-	40,831
Secil Britas, S.A.	-	134,059	-	138,666
Secil Prebetão, S.A.	-	550	-	41,858
CMP - Cimentos Maceira e Pataias, S.A.	-	(406)	-	24
Unibetão, S.A.	-	17,218	-	16,527
Other related parties				
Hotel Ritz, S.A.	-	4,385	-	3,464
	-	7,451,929	-	7,712,000

Transactions with related parties

	31-03-2022			31-03-2021		
Amounts in Euro	Purchase of goods and services	Sales and services rendered	Financial (expenses)/ income	Purchase of goods and services	Sales and services rendered	Financial (expenses)/ income
Shareholders (Note 5.2)						
Semapa - Soc. de Investimento e Gestão, SGPS, S.A.	2,325,661	-	-	2,557,189	-	-
	2,325,661	-	-	2,557,189	-	-
Other subsidiaries of Semapa Group						
Secil - Companhia Geral Cal e Cimento, S.A.	46,847	-	-	15,287	15,750	-
Secil Britas, S.A.	66,777	-	-	102,240	-	-
CMP - Cimentos Maceira e Pataias, S.A.	-	-	403	8,695	-	-
Unibetão, S.A.	8,483	-	-	4,097	-	-
	122,107	-	403	130,319	15,750	-
Other related parties						
Hotel Ritz, S.A.	8,547	-	-	4,474	-	-
	8,547	-	-	4,474	-	-
	2,456,315	-	403	2,691,982	15,750	-

On 1 February 2013, a contract to render administrative and management services was signed between Semapa - Sociedade de Investimentos e Gestão, SGPS, S.A. (currently owner of 69.97% of the Group's share capital) and Navigator Group, establishing a remuneration system based in equal criteria for both parties in the continuous cooperation and assistance relationships, that meets the rules applicable to commercial relationships between Group companies.

The operations performed with the Secil Group arise from normal market operations.

In the identification of the Navigator Company Group's related parties for the purpose of financial reporting, the members of the Navigator Company Group's Board of Directors and other corporate bodies were considered as related parties.

11. EXPLANATION ADDED FOR TRANSLATION

These financial statements are a translation of the financial statements originally issued in Portuguese. In the event of discrepancies, the Portuguese language version shall prevail.

BOARD OF DIRECTORS

Ricardo Miguel dos Santos Pacheco Pires
Chairman of the Board of Directors

António José Pereira Redondo
Chairman of the Executive Board

Adriano Augusto da Silva Silveira
Executive Board Member

José Fernando Moraes Carreira de Araújo
Executive Board Member

Nuno Miguel Moreira de Araújo Santos
Executive Board Member

João Paulo Araújo Oliveira
Executive Board Member

João Paulo Cabete Gonçalves Lé
Executive Board Member

Manuel Soares Ferreira Regalado
Member

Maria Teresa Aliu Presas
Member

Mariana Rita Antunes Marques dos Santos
Member

Sandra Maria Soares Santos
Member

Vítor Manuel Rocha Novais Gonçalves
Member

Vítor Paulo Paranhos Pereira
Member