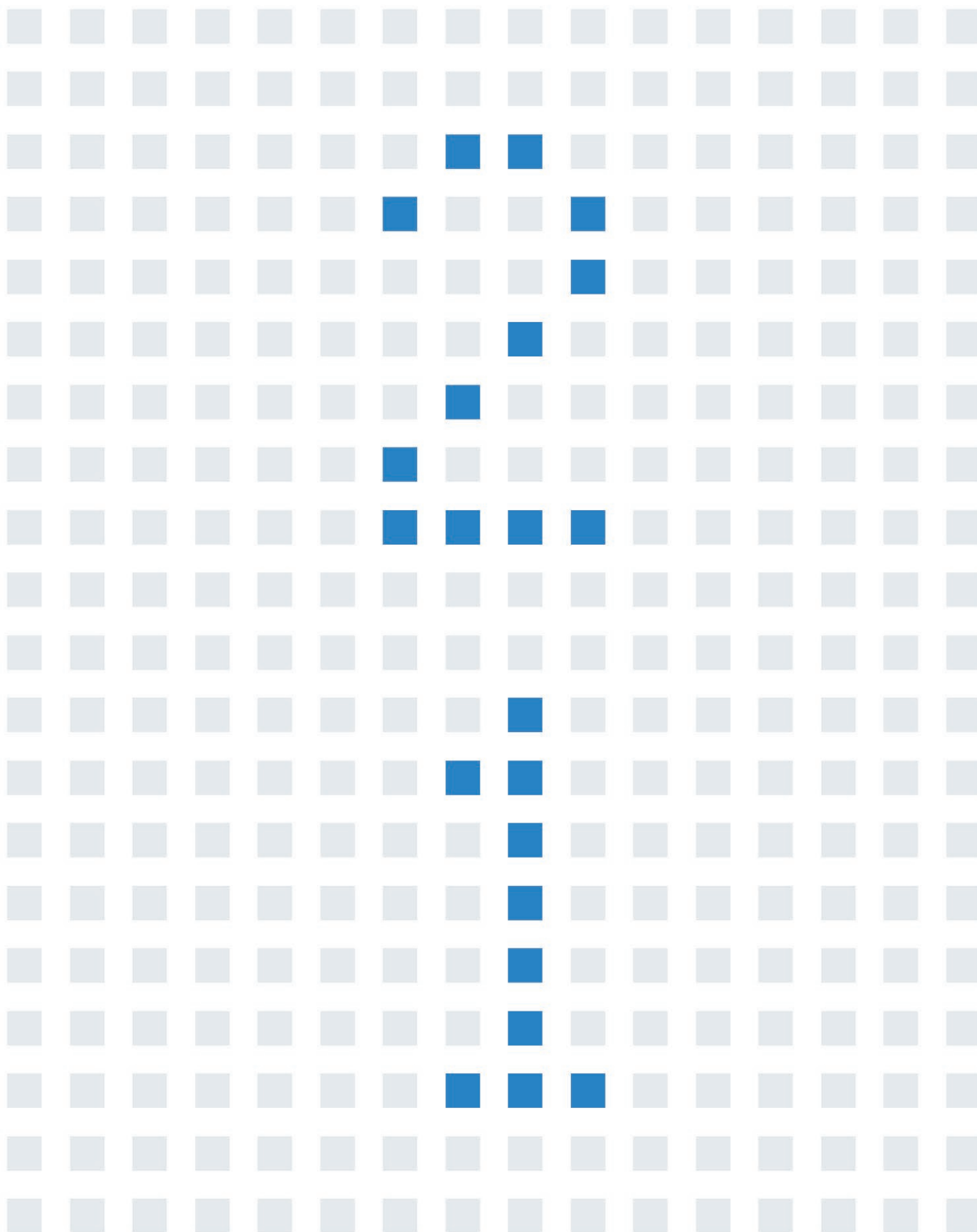


RESULTS PRESENTATION

9M 2021



TRANSLATION FROM THE ORIGINAL TEXT IN PORTUGUESE

1 HIGHLIGHTS

CONSOLIDATED NET PROFIT INCREASES 68% IN THE FIRST 9 MONTHS OF 2021

SEMAPA GROUP INVESTS 82 MILLION EUROS. REDUCTION IN CONSOLIDATED NET DEBT BY 138 MILLION EUROS COMPARED TO THE END OF 2020

- After the new waves of Covid-19 infections in the 1st quarter, which forced governments in the Group's key markets to take lockdown measures, the economies gradually opened up in the 2nd quarter, and remained open in the 3rd quarter, with an impact mainly on the Pulp and Paper segment.
- The consolidated **revenue** of Semapa Group in the first nine months of 2021 was 1,515.3 million euros (+4.7% year-on-year), 1,119.6 million euros generated in Pulp and Paper / Navigator (+7.3%), 366.7 million euros in Cement / Secil (-3.5%), and 29.1 million euros in Environment / ETSA (+24.4%). Exports and foreign sales for the same period amounted to 1,108.9 million euros, accounting for 73.2% of revenue.
- Navigator's revenue reflects the increase in paper volumes in a context of price recovery, although the average in the period is still slightly below the average price in 2020 (-0.5%). In this period, there was an increase in pulp prices while the sales volume decreased, conditioned by less availability of pulp for the market (-47% compared to the same quarter last year) due to higher integration in paper. In the Cement segment, revenue essentially reflects the negative developments in the Lebanese market, an effect of the strong depreciation of the Lebanese pound against the Euro, which more than outweighed the effect of the positive developments in the Portuguese, Tunisian, and Brazilian markets.
- **EBITDA** in the first nine months of 2021 totalled 364.8 million euros (+38.7 million euros year on year). Pulp and paper generated 246.0 million euros (+16.9%), Cement generated 107.3 million euros (-0.1%) and Environment generated 11.5 million euros (+47.4%). Secil's EBITDA remained stable when compared to the same period of the previous year, despite the year 2020 being positively impacted by capital gains generated from asset sales (around 7 million euros). Without this effect, Secil's EBITDA would have grown by 6.2%. In the first nine months of 2021 consolidated EBITDA margin was 24.1% (vs. 22.5% in 2020).
- **Net profit attributable to Semapa shareholders** at the end of the first nine months of 2021 stood at 122.2 million euros (vs. 72.8 million euros in the same period in 2020). This growth resulted from a favourable evolution of EBITDA (+38.7 million euros) combined with better financial results (+20.9 million euros) stemming from the lower negative exchange rate effects in Secil (Brazilian real), a reduction in depreciation, amortization and impairment losses and provisions (+24.5 million euros) and negatively influenced by the tax function (-21.5 million euros).
- **Investments** in the first nine months of the year amounted to 82 million euros, which includes 13.8 million euros relating to the Research, Development and Technology (RD&T) project, and decarbonisation at the Outão cement plant, in Portugal. The CCL Project – Clean Cement Line, includes several subprojects whose main objectives are to develop and demonstrate on an industrial scale a new cement production technology, reduce the plant's CO₂ emissions by at least 20%, increase energy efficiency by 20% and generate 30% of electricity through an innovative hybrid generation system, through process heat recovery and concentrated solar thermal energy. This project is simultaneously Project PIN - Project of National Interest, and is to date the largest RD&T project in the Portugal 2020 programme. It is estimated that the total investment will amount to 86 million euros and will be completed by 2023.
- In the first nine months of the year, consolidated **Net Debt** totalled 1,077.2 million euros, 138 million euro less compared to the end of 2020. On 30 September 2021, total consolidated cash and cash equivalents amounted to 323.6 million euros, in addition to 591.1 million euros in committed and undrawn credit lines, thus ensuring strong liquidity in the current context of uncertainty.

LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	9M 2021	9M 2020	Var.	Q3 2021	Q3 2020	Var.
Revenue	1,515.3	1,447.0	4.7%	543.9	505.2	7.7%
EBITDA	364.8	326.1	11.9%	140.0	122.8	14.1%
EBITDA margin (%)	24.1%	22.5%	1.5 p.p.	25.7%	24.3%	1.4 p.p.
Depreciation, amortisation and impairment losses	(140.5)	(166.1)	15.4%	(47.1)	(54.3)	13.3%
Provisions	(2.1)	(1.0)	-112.7%	0.2	3.0	-95.0%
EBIT	222.2	159.0	39.8%	93.1	71.5	30.2%
EBIT margin (%)	14.7%	11.0%	3.7 p.p.	17.1%	14.1%	3.0 p.p.
Net financial results	(36.2)	(57.1)	36.6%	(12.2)	(13.7)	11.0%
Net monetary position	(0.2)	-	-	(0.0)	-	-
Profit before taxes	185.8	101.9	82.3%	80.8	57.7	40.0%
Income taxes	(32.5)	(11.0)	-194.7%	(17.8)	(6.1)	-189.8%
Net profit for the period	153.3	90.9	68.7%	63.0	51.6	22.2%
Attributable to Semapa shareholders	122.2	72.8	68.0%	49.1	42.5	15.7%
Attributable to non-controlling interests (NCI)	31.0	18.1	71.6%	13.9	9.1	52.5%
Cash flow	295.8	257.9	14.7%	110.0	102.9	6.9%
Free Cash Flow	215.8	250.6	-13.9%	60.8	104.4	-41.7%
	30/09/2021	31/12/2020	Sep21 vs. Dec20			
Equity (before NCI)	1,019.7	948.8	7.5%			
Interest-bearing net debt	1,077.2	1,215.5	-11.4%			
Lease liabilities (IFRS 16)	91.9	80.3	14.4%			
Total	1,169.1	1,295.9	-9.8%			

SUMMARY TABLE OF OPERATING INDICATORS

	Unit	9M 2021	9M 2020	Var.	Q3 2021	Q3 2020	Var.
Pulp and Paper							
BEKP Sales (pulp)	1 000 t	207	297	-30.4%	55	104	-47.5%
UWF Sales (paper)	1 000 t	1,081	934	15.7%	380	336	12.9%
Total sales of tissue	1 000 t	77.8	79.2	-1.8%	26.0	27.3	-4.8%
Cement							
Sales of Grey cement	1 000 t	3,925	3,959	-0.9%	1,304	1,537	-15.2%
Sales of Ready-mix	1 000 m3	1,463	1,357	7.9%	524	480	9.3%
Environment							
Collection of raw materials - Animal waste (categories 1, 2 and 3)	1 000 t	92.1	89.8	2.6%	32.2	30.5	5.4%

2 PERFORMANCE OF THE SEMAPA GROUP BUSINESS AREAS

2.1. BREAKDOWN BY BUSINESS SEGMENTS

IFRS - accrued amounts (million euros)	Pulp and Paper		Cement		Environment		Holdings		Consolidated 9M 2021
	9M 2021	21/20	9M 2021	21/20	9M 2021	21/20	9M 2021	21/20	
Revenue - External	1,119.6	7.3%	366.7	-3.5%	29.1	24.4%	-	-	1,515.3
Revenue	1,119.7	7.3%	366.9	-3.4%	29.1	24.4%	(0.3)	3.4%	1,515.3
EBITDA	246.0	16.9%	107.3	-0.1%	11.5	47.4%	0.0	-95.1%	364.8
EBITDA margin (%)	22.0%	1.8 p.p.	29.2%	1.0 p.p.	39.6%	6.2 p.p.		0.0 p.p.	24.1%
Depreciation, amortisation and impairment losses	(100.8)	17.9%	(37.0)	8.9%	(2.4)	-2.8%	(0.2)	34.1%	(140.5)
Provisions	0.1	-69.7%	(2.2)	-53.4%	-	-	-	-	(2.1)
EBIT	145.3	64.9%	68.0	4.2%	9.1	66.5%	(0.2)	-210.5%	222.2
EBIT margin (%)	13.0%	4.5 p.p.	18.5%	1.4 p.p.	31.3%	7.9 p.p.		0.0 p.p.	14.7%
Net financial results	(12.7)	-40.6%	(19.2)	51.8%	(0.1)	24.2%	(4.2)	48.4%	(36.2)
Net monetary position	-		(0.2)		-		-		(0.2)
Profit before taxes	132.6	67.7%	48.6	90.7%	9.0	69.7%	(4.3)	45.4%	185.8
Income taxes	(26.6)	-119.8%	(7.2)	-16.1%	(2.0)	-62.1%	3.3	-61.2%	(32.5)
Net profit for the period	106.0	58.2%	41.4	114.7%	7.0	72.0%	(1.0)	-285.4%	153.3
Attributable to Semapa shareholders	74.1	58.2%	42.2	98.0%	7.0	72.0%	(1.0)	-285.4%	122.2
Attributable to non-controlling interests (NCI)	31.8	58.2%	(0.8)	61.2%	0.0	72.9%	-	-	31.0
Cash flow	206.6	9.2%	80.7	31.4%	9.4	46.6%	(0.9)	-201.0%	295.8
Free Cash Flow	182.7	7.2%	42.7	-50.6%	3.8	-23.2%	(13.4)	-18.8%	215.8
Interest-bearing net debt	596.9		277.1		(3.3)		206.6		1,077.2
Lease liabilities (IFRS 16)	52.2		37.9		1.6		0.3		91.9
Total	649.1		314.9		(1.7)		206.8		1,169.1

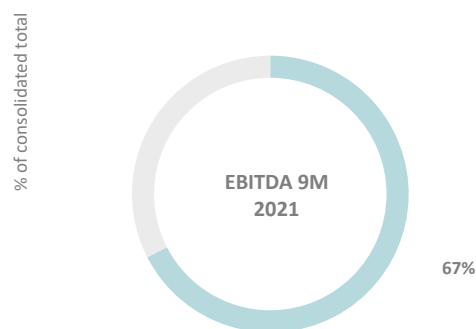
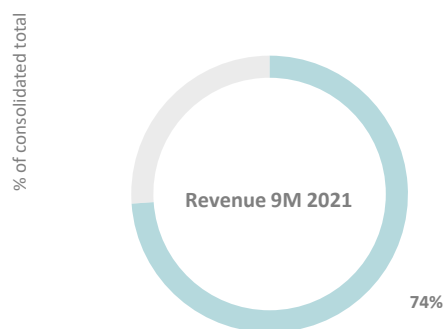
Notes:

For the purpose of calculating the change in net debt the values of 31.12.2020 are used.

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

The Navigator Company ("Navigator") released its results on 28 October 2021, so only the highlights of that report will be presented herein. Secil and ETSA, which are not listed, did not publish their results. Therefore, their operations are described in more detail.

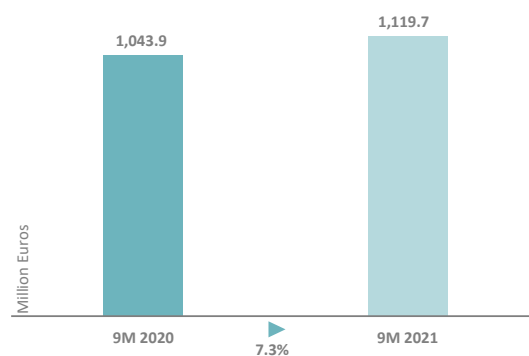
2.2. PAPER AND PULP BUSINESS AREA



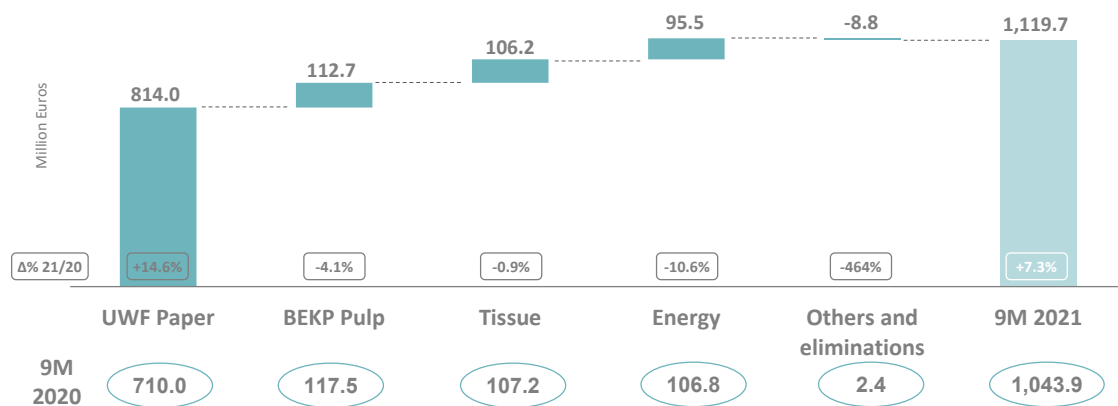
HIGHLIGHTS IN 2021 (VS. 2020)

- In the first nine months of 2021, **revenue** increased by 7.3% to 1,119.7 million euros, with paper volumes increasing in a context of price recovery, although the average for the period is still slightly below the average price in 2020 (-0.5%).

REVENUE



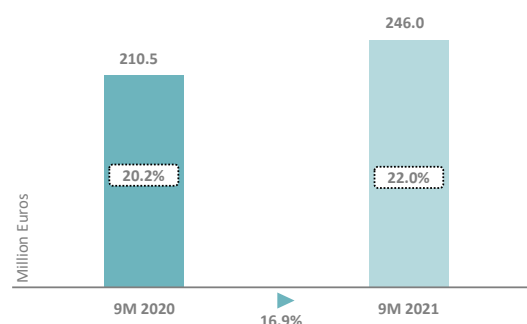
REVENUE BREAKDOWN BY SEGMENT



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

EBITDA

- **EBITDA** stood at 246.0 million euros, up by 16.9% year on year. EBITDA margin went from 20.2% in 2020 to 22.0% in 2021, benefiting from the improvement in paper volumes, higher pulp and tissue prices and savings in variable unit costs.



LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	9M 2021	9M 2020	Var.	Q3 2021	Q3 2020	Var.
Revenue	1,119.7	1,043.9	7.3%	404.9	348.4	16.2%
EBITDA	246.0	210.5	16.9%	95.5	70.4	35.8%
EBITDA margin (%)	22.0%	20.2%	1.8 p.p.	23.6%	20.2%	3.4 p.p.
Depreciation, amortisation and impairment losses	(100.8)	(122.8)	17.9%	(33.7)	(40.6)	17.2%
Provisions	0.1	0.5	-69.7%	0.4	2.4	-83.0%
EBIT	145.3	88.1	64.9%	62.3	32.1	93.9%
EBIT margin (%)	13.0%	8.4%	4.5 p.p.	15.4%	9.2%	6.2 p.p.
Net financial results	(12.7)	(9.1)	-40.6%	(2.6)	(0.8)	-229.0%
Profit before taxes	132.6	79.1	67.7%	59.7	31.3	90.5%
Income taxes	(26.6)	(12.1)	-119.8%	(12.6)	(2.9)	-340.6%
Net profit for the period	106.0	67.0	58.2%	47.1	28.5	65.4%
Attributable to Navigator shareholders	105.9	66.9	58.2%	47.1	28.4	65.4%
Attributable to non-controlling interests (NCI)	0.0	0.0	-14.7%	0.0	0.0	-39.0%
Cash flow	206.6	189.3	9.2%	80.3	66.7	20.4%
Free Cash Flow	182.7	170.4	7.2%	61.2	56.4	8.4%
	30/09/2021	31/12/2020				
Equity (before NCI)	810.2	806.6				
Interest-bearing net debt	596.9	680.0				
Lease liabilities (IFRS 16)	52.2	53.1				
Total	649.1	733.1				

Note:

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

KEY OPERATING INDICATORS

in 1 000 t	9M 2021	9M 2020	Var.	Q3 2021	Q3 2020	Var.
Pulp and Paper						
FOEX – BHKP Usd/t	983	680	44.6%	1,140	680	67.6%
FOEX – BHKP Eur/t	824	606	35.9%	967	583	66.1%
BEKP Sales (pulp)	207	297	-30.4%	55	104	-47.5%
FOEX – A4- BCopy Eur/t	824	846	-2.6%	843	828	1.9%
UWF Sales (paper)	1,081	934	15.7%	380	336	12.9%
Tissue						
Total sales of tissue	77.8	79.2	-1.8%	26.0	27.3	-4.8%

PULP AND PAPER - ACTIVITY OVERVIEW IN 9M 2021

In the first nine months of 2021, Navigator **revenue** totalled 1,119.7 million euros, paper sales accounting for around 73% of the total (vs. 68% year on year), pulp sales 10% (vs. 11%), tissue sales 9% (vs. 10%), and energy sales 9% (vs. 10%). After a 1st quarter marked by new waves of infections from Covid-19 and lockdown periods in most of Navigator's key markets, the economies have gradually opened up and paper demand has recovered. After pulp prices recovered strongly, the price of paper has shown strong upward adjustment in the third quarter.

The global demand for printing and writing papers was up 4% YTD August, and UWF **paper** grew 5%, performing better than coated paper (4%) and mechanical papers (1%). In Europe, UWF paper demand evolved even more positively in the first nine months, up by 6%. The estimated drop in European imports, about 30% year-on-year, boosted the sales of European producers, which grew 10% compared to the first nine months of 2020. Demand increased 5% in Q3, and the sales of European producers in Europe grew 8%. The cumulative demand for UWF paper in the first nine months of the year is estimated to have grown by 2% (5% in the 3rd quarter) in the United States, and 6% in the other world regions.

In this context, Navigator closed the 3rd quarter with a total order book of 61 days and a decrease in its paper stocks over the first nine months of the year, ending September with around 11 days of stock, a historically low level.

The office paper benchmark in Europe at the end of September stood at 866 €/t, a positive development compared to the index at the beginning of the year (806 €/t), and showing a gradual recovery in prices. Average selling prices in the first nine months were still slightly below the prices year on year (-0.5%), which compares favourably with developments in average index prices (-2.6%) in the period. Navigator raised prices in all regions in the first nine months and its average selling price has clearly improved since the beginning of the year. It should be noted that the average selling price was heavily penalized by developments in the exchange rates in international markets, and its mix of products and markets reflected the pandemic situation in Europe and a greater diversification of sales in overseas markets with a strong recovery in demand and prices.

In this context, Navigator's sales reflected the improvement in paper demand in the period, with a 16% increase in quantities sold to 1,081 thousand tonnes. However, revenue was impacted by price levels, reflecting nonetheless around 15% growth in the period.

The focus on the packaging segment remains and production and sales are moving according to planned. Machines PM1 and PM3 of the Setúbal plant ensure flexible supply, while PM1 is already fully dedicated to packaging (white and brown).

In the **pulp** market, in early 2021, reference prices recovered rapidly and significantly, first in China and then in Europe. The hardwood pulp benchmark index in Europe - PIX BHKP in euros - at the end of September increased 77% compared to the beginning of the year, to 979 €/t, with a variation of about 36% in average prices for the first nine months of 2021 vs. the first nine months of 2020. The hardwood pulp benchmark index in China grew 20% from the beginning of the year to late September to 600 USD/t, peaking at 780 USD/t in May. Since the second half of Q2 pulp prices in China have been going down, while the price in Europe has been following an upward trend.

The improvement in pulp prices in Europe was sustained by a number of factors, including the vaccine roll-out and relaxation of the lockdown measures, with the consequent improvement in economic conditions and, on the other hand, the generalized increase in commodity prices. On the other hand, logistics costs have hindered paper exports from Asia (in particular from China) to Europe and North Africa. The combination of these effects had positive impacts on the sector, among them the high demand for packaging and speciality products (and printing and writing papers from the second quarter on).

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

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

Sales stood at 207 thousand tonnes, 30% below levels in the first nine months of 2020, when Navigator benefited from a larger quantity of pulp available due to lower paper integration, with some paper machines shutdowns due to the pandemic and some destocking. The recovery of pulp prices since the beginning of the year helped to make up for lower volumes, and pulp revenue in the period stood at approximately 4% below the value in the first nine months of 2020.

The **tissue** market suffered the impacts of the restrictions on mobility that occurred again at the beginning of the year, especially in the Away-from-Home segment, with the delay in the reopening of the economies, and the consequent effect on the Horeca channel and the return to work in the office. The At-Home segment experienced the effects of some destocking on behalf of households, especially in relation to the same period in the previous year. With the roll-out of the vaccination programs and the improved outlook for a return to some normalcy, the Away-from-Home segment is expected to improve gradually, albeit at a slower pace than initially anticipated.

The sharp rise in pulp prices in the year, currently peaking at 1,140 USD/t for BHKP in Europe, puts a lot of pressure on the margins of tissue producers, many of whom announced price increases.

In this context, Navigator sales continued to perform as well as in 2020 and stood at 77.8 thousand tonnes, slightly below levels in the previous year (-2%). Average selling price stood slightly above that of the previous year (+1%) and sales prices of the main finished products had a good performance. Consequently, revenue was in line with 2020, down by 1%.

In the first nine months of 2021, revenue of electrical **energy** totalled 96 million euros, which represents a reduction of 11% year on year. The reduction is essentially due to higher self-consumption in Setúbal, as a result of a transformer breakdown, that since the beginning of the year hinders external energy purchase.

Along the first nine months of 2021, there was a positive evolution of production costs of about 13 million euros, essentially due to improved efficiency in specific consumption levels. Notwithstanding the positive developments, costs are expected to be under pressure in the fourth quarter and throughout 2022.

Although since the beginning of the year the development of variable production costs has been favourable, a recent escalation was verified, in different commodities, mainly reflecting the increase in logistics, energy and CO₂ costs. In Energy, power and natural gas prices rose, driven by the volume exposed to the market. It should be noted that the effect of the increase in energy costs was mitigated by the risk hedging policy with fixed rate contracts for most of the 2021 purchases, and by the reduction in natural gas consumption due to the new biomass boiler in Figueira da Foz.

Also noteworthy is the significant increase in logistics costs, which show a negative trend of 18 million euros, particularly in the 3rd quarter, arising from the current logistical constraints that are affecting the economy across the board. Despite the difficult times we are experiencing, both in terms of prices and availability of resources, Navigator succeeded in operating at 100% capacity without any disruption in upstream and downstream supply.

The efforts to contain fixed costs initiated in 2020 also persisted; achieving a reduction in functioning costs of 3 million euros compared to the first nine months of 2020, while personnel and maintenance costs moved in the opposite direction as anticipated, increasing 16% and 8% respectively. Total fixed costs were 7% higher than fixed costs year on year.

In this context, **EBITDA** amounted to 246 million euros in the first nine months, which compares to 210 million euros in the same period of the previous year (+16.9%). The EBITDA margin stood at 22.0% and compares with 20.2% YoY. The net negative impact of the exchange rate on EBITDA of about 20 million euros is worth noting, with an average EUR/USD in the first nine months of 2021 of 1.20 vs. 1.12 in the same period in 2020.

The **financial results** amounted to -12.7 million euros (vs. -9.1 million euros in 2020), a deterioration of 3.7 million euros essentially caused by the reduction in results from hedging operations (-1.7 million euros), the negative interest variation (-1.5 million euros) from a high level in 2020 on dollar-denominated values still to be received from the sale of the pellets business in 2018, and by the cancellation of an interest rate swap associated with a bond issue repaid in December 2020 (-1.5 million euros). In the opposite direction, the positive change of 0.6 million euros in interest earned on financial investments should be noted, which in the period was slightly positive compared to the very negative values obtained in the same period last year. The cost of funding also evolved positively (0.4 million euros) due to the decrease in average debt compared to the same period last year, despite a small increase in the average cost resulting from the

lower weight of short-term debt, which in 2020 gained significant expression due to the liquidity obtained to deal with the pandemic.

Net profit attributable to Navigator shareholders in the first nine months of 2021 totalled 105.9 million euros, up by 58.2% over the same period in the previous year.

Free cash flow generation continued at a steady pace (61.2 million euros in the 3rd quarter), in line with the favourable development of Navigator's operating performance. Ongoing focus on working capital is still an important additional element for improving stable inflows.

Throughout the year, the amount invested in working capital remained at low levels, in a context of a moderate increase in stock levels, in line with the gradual recovery of activity levels, especially in pulp stocks, which, despite remaining at historically low volumes, increased by about 16 thousand tonnes in 2021 compared to the unsustainable level reached at the end of 2020. In this context, supplier management policy, combined with liquidity support solutions for partners, contributed actively to the levels of cash flow generation achieved.

Capital expenditure in the first nine months amounted to 52 million euros, compared to 70 million euros in the same period last year. This amount is mainly made up of investments aimed at maintaining production capacity and achieving efficiency gains. It includes further 9.4 million euros invested in environmental projects, of which the final stages of investment in the new biomass boiler in Figueira da Foz (5.7 million euros) and the new evaporation line in Aveiro (1.7 million euros), and around 3.5 million euros in other projects, including the new woodchip pile in Aveiro and the photovoltaic power plants in Figueira da Foz (concluded) and in Setúbal (under construction). Execution of the investment plant in the first nine months was constrained by the restrictions related with the pandemic. It should be recalled that in 2020, except for the biomass boiler, in view of the uncertain environment created by the pandemic, Navigator only implemented the essential projects for maintaining production capacity and postponed all others. With a better visibility onto the future, in the 1st quarter of 2021, the Capex plan was retaken, but in practice it was delayed by about a quarter, which is why the execution in 2021 is below the average of recent years.

Navigator launched on November 1st a new line of business in packaging products, under the new brand, with the aim of helping to accelerate the transition from the use of plastic to the use of paper, thus once again assuming its commitment to sustainability and environmental preservation.

Thereby, Navigator is contributing with its products to the transition from a linear, fossil economy, based on finite resources and hostile to the planet, therefore with no future, to a sustainable circular bio-economy, based on renewable, recyclable and biodegradable forestry products, beneficial to nature and climate-neutral.

Since the packaging business has a very broad range of products, for the time being Navigator intends to provide solutions for the segments of flexible packaging (MF papers), paper for bags and kraftliner for the production of corrugated cardboard boxes, and thus expand its offer in this area in 2022.

PULP AND PAPER - ANALYSIS OF Q3 2021 PERFORMANCE

The 3rd quarter clearly had a better performance than the second quarter of 2021 and naturally better than the same quarter in 2020, when Navigator's activity was severely hit by the pandemic. Revenue amounted to 405 million euros, 8% higher than that of the 2nd quarter of 2021, and 16% compared to 2020, due mainly to the recovery of paper volumes and improved pulp prices.

Paper volumes grew by 4% from Q2 2021 to 380 thousand tonnes, recovering 13% versus Q3 2020. PIX A4-Copy B paper index benchmark price increased 3% from the 2nd to the 3rd quarter, and 2% against the same quarter of the previous year. The performance of Navigator's average prices was well above that of the market, up by 9% from the 2nd to the 3rd quarter, and 13% against the same quarter of the previous year. Positive developments in the price of paper and growing volumes pulled revenue up by 14% compared to the 2nd quarter and 28% compared to the 3rd quarter of 2020.

Pulp sales volumes evolved differently given the lower availability of pulp for the market (-26% compared to the second quarter of 2021 and -47% compared to the third quarter of 2020), namely due to maintenance shutdowns and a higher integration in UWF paper, and the lowering of stocks in 2020 (as the company is currently operating with minimum stock levels). The increase in pulp prices in 2021 made up for less volumes sold, so that pulp revenue was down by 15% over the second quarter of 2021 and by 7% year on year.

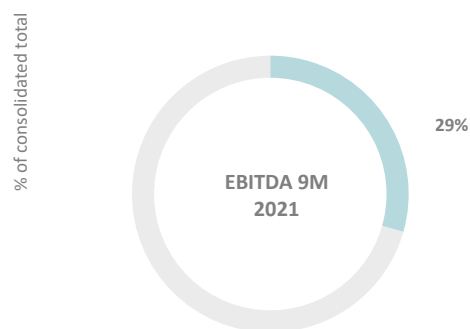
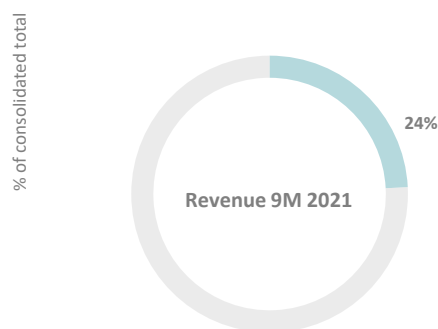
Tissue sales volumes grew 4% in relation to the previous quarter. Volumes are still 5% below that in the same period of the previous year, given the slower-than-expected recovery of the Away From Home segment and destocking on domestic consumers. The positive development in average selling price of tissue sustained a good performance of 9% compared to Q2 2021 and 1% compared to the same quarter in the previous year.

In this context, **EBITDA** stood at 96 million euros (+20% vs. the second quarter of 2021 and +36% vs. Q3 2020) and EBITDA margin improved to 23.6%.

Free Cash Flow generated in the quarter was 61.2 million euros (vs. 65 million euros over the same quarter in the previous year and vs. 56 million euros in the 3rd quarter of 2020).

Net profit attributable to Navigator shareholders amounted to 47.1 million euros, which was a significant improvement compared with the previous quarter (+23%) and compared with the same quarter of the previous year (+65%).

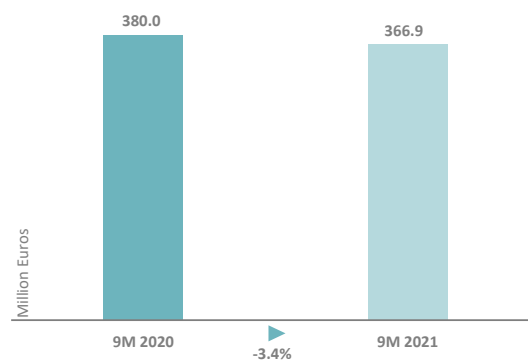
2.3. CEMENT AND OTHER BUILDING MATERIALS BUSINESS AREA



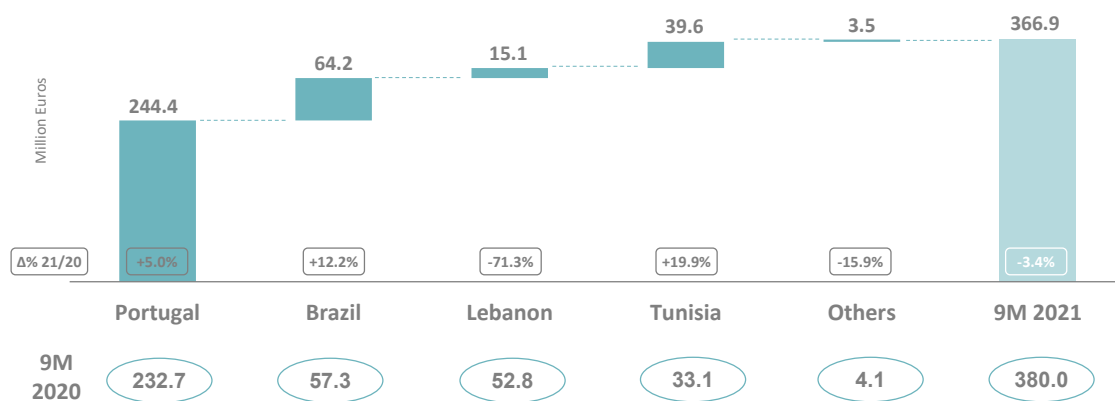
HIGHLIGHTS IN 2021 (VS. 2020)

- In the first nine months of 2021, Secil **revenue** amounted to 366.9 million euros, 3.4% less year on year.
- The decrease essentially reflects the negative developments in the Lebanese market, an effect of the strong depreciation of the Lebanese pound against the Euro, which more than outweighed the effect of the positive progress achieved in the Portuguese, Tunisian, and Brazilian markets. The exchange variation of the currencies of the different countries (excluding Lebanon that is suffering from hyperinflation) had a negative effect of about 9.6 million euros on Secil's revenue in the period.

REVENUE

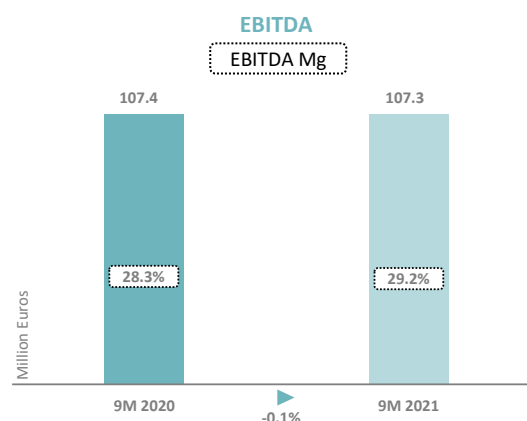


REVENUE BREAKDOWN BY COUNTRY

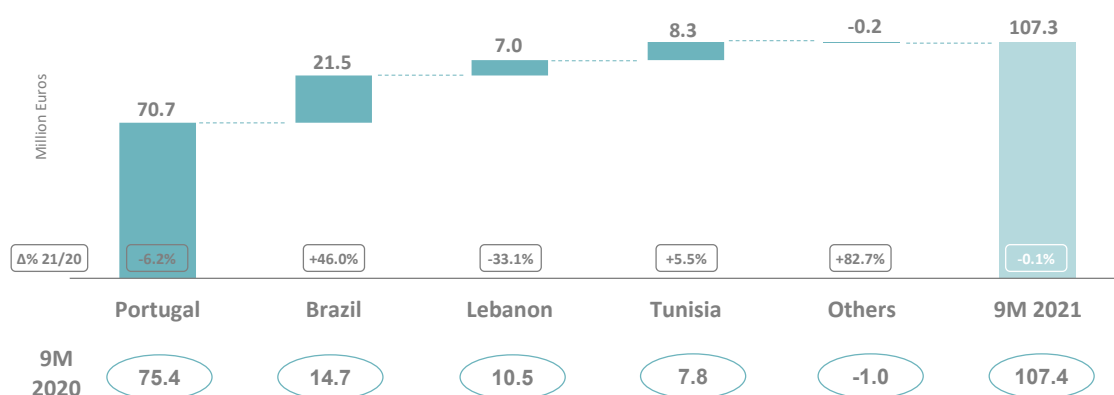


Note: Other includes Angola, Trading, Other and Eliminations. 2020 data was reclassified for the purpose of comparability.

- Secil's **EBITDA** reached 107.3 million euros, remaining stable comparatively to the same period in the previous year (-0.1%), despite the highly uncertain environment caused by the global health crisis, strong economic, financial and social instability in Lebanon and the negative effects of the sharp rise in fuel prices, as well as the significant depreciation of the Brazilian real and the Lebanese pound. It should be noted that the year 2020 was positively impacted by capital gains generated from asset sales (around 7 million euros). Without this effect, Secil's EBITDA would have grown by 6.2%.



EBITDA BREAKDOWN BY COUNTRY



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

Secil's **net financial results** had a very sharp improvement year on year, from -39.8 million euros to -19.2 million euros. The positive difference resulted from the combined effect of a reduction in the net financing cost (+5 million euros), significant decrease in exchange rate differences (+12.4 million euros), mainly due to the fact that exchange loss in 2020 was severely impacted by the depreciation of the BRL, which decreased substantially in the period until September 2021. Also, in the first nine months of 2021 no new impairments were recorded for bank deposits while in the same period in 2020 they amounted to 2.5 million euros.

Net profit attributable to Secil shareholders in the first nine months of 2021 totalled 42.2 million euros vis-à-vis the amount of 21.3 million euros over the same period in the previous year. The positive change was due to improvement in operating results and, above all, in the financial results.

Secil recorded an **investment** value of 27.9 million euros in the first nine months of 2021, reflecting an increase compared to the same period in 2020 (9.8 million euros).

This includes 13.8 million euros of investment in the decarbonisation project at the Outão plant, in Portugal. This project, the CCL - Clean Cement Line, includes R&D investments and aims at developing and demonstrating on an industrial scale new cement production technology, reduce CO₂ emissions of the plant by at least 20%, increase energy efficiency by 20% and generate 30% of electricity using an innovative hybrid generation system, through heat recovery from the process and concentrated solar thermal energy. This project is simultaneously a project designated as national interest, an RD&T project and the largest project under Portugal 2020. Total investment is estimated to amount to about 86 million euros, to be completed by 2023.

LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	9M 2021	9M 2020	Var.	Q3 2021	Q3 2020	Var.
Revenue	366.9	380.0	-3.4%	128.8	149.0	-13.6%
EBITDA	107.3	107.4	-0.1%	40.1	48.9	-18.0%
EBITDA margin (%)	29.2%	28.3%	1.0 p.p.	31.1%	32.8%	-1.7 p.p.
Depreciation, amortisation and impairment losses	(37.0)	(40.7)	8.9%	(12.6)	(12.8)	1.6%
Provisions	(2.2)	(1.5)	-53.4%	(0.3)	0.7	-138.7%
EBIT	68.0	65.2	4.2%	27.3	36.8	-25.8%
EBIT margin (%)	18.5%	17.2%	1.4 p.p.	21.2%	24.7%	-3.5 p.p.
Net financial results	(19.2)	(39.8)	51.8%	(7.9)	(10.0)	20.5%
Net monetary position	(0.2)	-	-	(0.0)	-	-
Profit before taxes	48.6	25.5	90.7%	19.3	26.8	-27.8%
Income taxes	(7.2)	(6.2)	-16.1%	(5.2)	(7.0)	26.3%
Net profit for the period	41.4	19.3	114.7%	14.1	19.7	-28.4%
Attributable to Secil shareholders	42.2	21.3	98.0%	14.4	19.2	-25.0%
Attributable to non-controlling interests (NCI)	(0.8)	(2.0)	61.1%	(0.2)	0.6	-144.2%
Cash flow	80.7	61.4	31.4%	27.0	31.9	-15.4%
Free Cash Flow	42.7	86.5	-50.6%	7.9	53.5	-85.2%
	30/09/2021	31/12/2020				
Equity (before NCI)	364.2	330.9				
Interest-bearing net debt	277.1	272.6				
Lease liabilities (IFRS 16)	37.9	25.2				
Total	314.9	297.8				

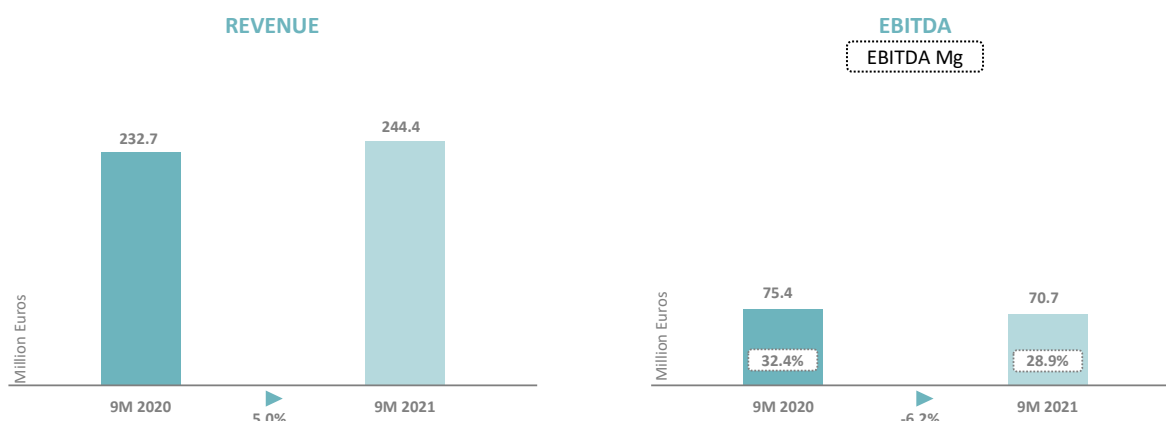
Note: Figures for business segment indicators may differ from those presented individually by each Group, as a result of consolidation adjustments.

KEY OPERATING INDICATORS

in 1 000 t	9M 2021	9M 2020	Var.	Q3 2021	Q3 2020	Var.
Annual cement production capacity	9,750	9,750	0.0%	9,750	9,750	0.0%
Production						
Clinker	3,216	3,206	0.3%	1,105	1,245	-11.2%
Cement	3,874	3,678	5.3%	1,294	1,400	-7.6%
Sales						
Cement and Clinker						
Grey cement	3,925	3,959	-0.9%	1,304	1,537	-15.2%
White cement	65	51	28.5%	19	17	9.7%
Clinker	109	377	-71.1%	44	236	-81.3%
Other Building Materials						
Aggregates	3,796	3,449	10.1%	1,351	1,205	12.1%
Mortars	199	176	13.0%	65	61	7.3%
in 1 000 m3						
Ready-mix	1,463	1,357	7.9%	524	480	9.3%

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

PORTUGAL



Cement consumption in Portugal in the first nine months of 2021 is estimated to have grown about 9.7% year on year cumulatively, with a slowdown in the last quarter.

Revenue of combined operations in Portugal stood at approximately 244.4 million euros in the 9 months of 2021, i.e. 5.0% more than in the same period in 2020.

Revenue in the Cement business unit in Portugal grew 5.6% (+7.2 million euros) from the same period in the previous year, due to the combined effect of higher volumes sold to the domestic market and the increase in respective average selling price.

Domestic market revenue was up by 7.2% against 2020, as a result of more cement sales driven by more cement consumption and higher average selling price. On the other hand, export revenue, including the Group's terminals, decreased around 6.4%. Despite the sharp decrease in exported volumes (-24.9%), the increase in the average sales price and a more favourable sales mix made it possible to avoid greater losses.

In the other business units with operations based in Portugal (Ready-mix concrete, Aggregates, Mortars and Precast), revenue in the 9 months of 2021 amounted to 119.9 million euros, up by 6.5 % year on year.

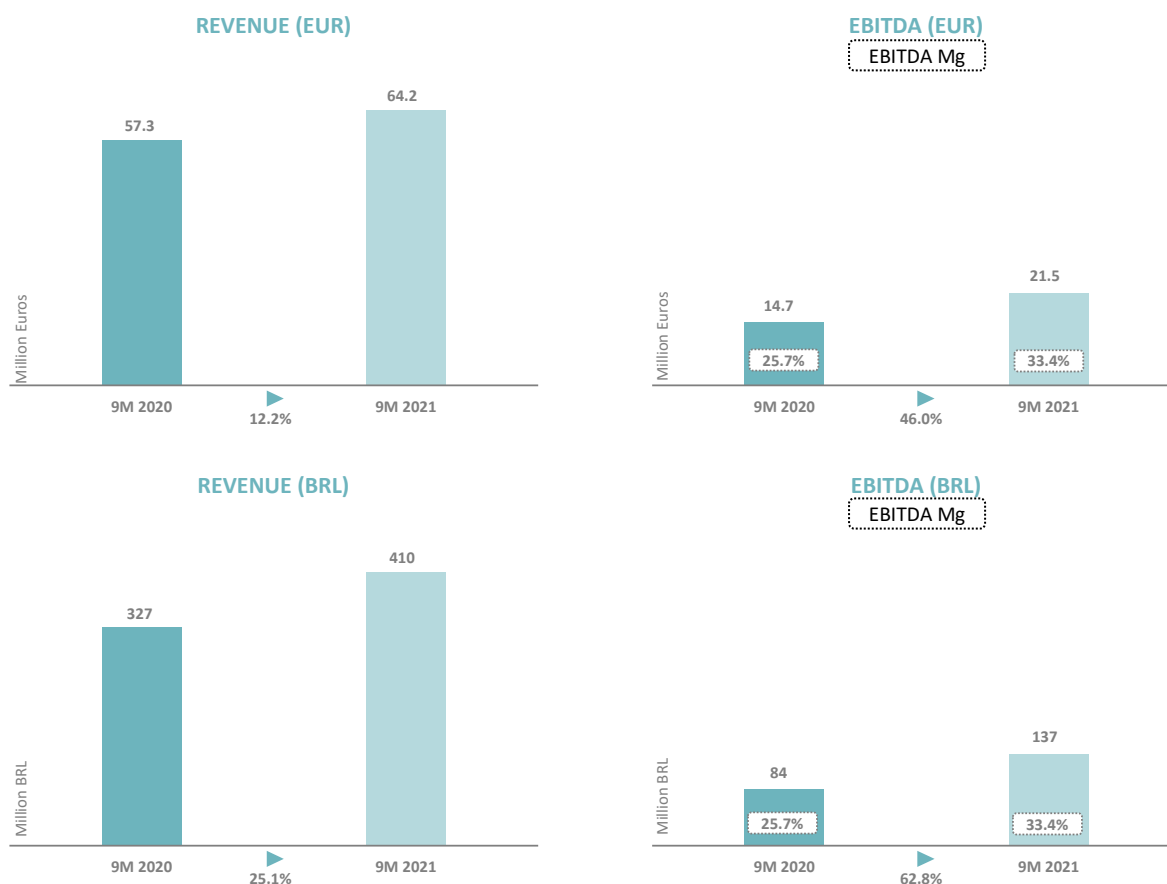
This growth took place in all areas of building materials, benefiting from greater construction dynamics, although with lower impact in the Concrete business unit, which recorded around 2.9% more in sales volume, as it was affected by the heavy rainfall in the beginning of the year.

EBITDA of total operations in Portugal decreased by 6.2%, standing at 70.7 million euros vs. 75.4 million euros recorded for the same period in the previous year.

The Cement business unit was the largest contributor to this negative development, presenting a reduction of 3.5% year-on-year, heavily impacted by the decrease in the sale of surplus CO₂ emission licenses, which meant a reduction of 9.9 million euros compared to the same period of 2020, and the increase in variable costs, mainly energy costs, as a result of the higher international price of solid fuels. The increase in volumes sold in the domestic market, and higher average prices, both in the domestic and foreign markets, should be positively highlighted. EBITDA from the previous year was positively impacted by capital gains on the sale of financial holdings (+5.2 million euros).

EBITDA of the building materials business units was up by 8.3%. The Aggregates and Mortars segments progressed well, which helped to overcome the weak performance of the Concrete segment, as a result of strong market pressure to lower sales prices and increase variable production costs. Additionally, EBITDA in 9M 2020 was positively affected by the recording of capital gains on the sale of fixed assets (land) in the Precast and Aggregates segment, which together represented 1.2 million euros.

BRAZIL



Note: Average exchange rate EUR-BRL 2020 = 5.7196 / Average exchange rate EUR-BRL 2021 = 6.3757

According to the estimates of SNIC (Preliminary Results September 2021), cement sales in Brazil increased 9.4% against the same period in the previous year.

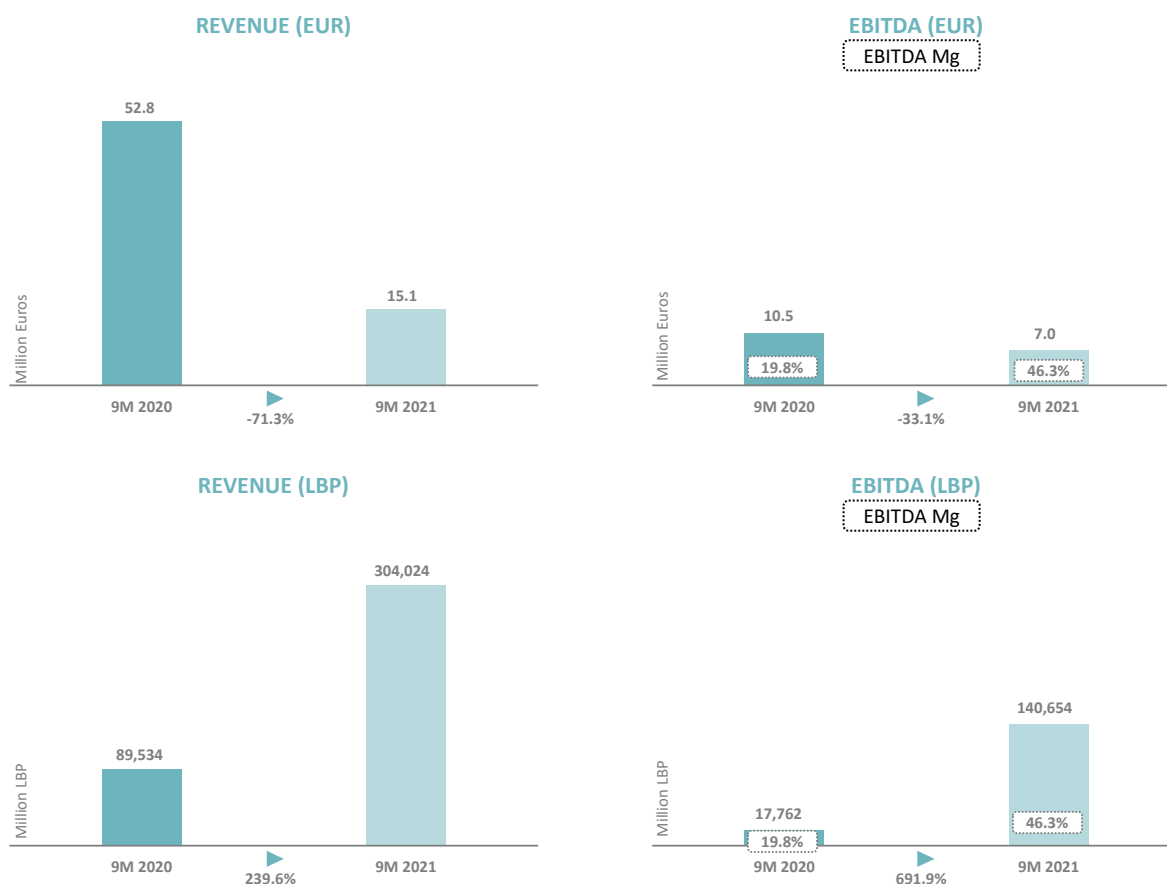
The main drivers of this performance are still good weather conditions, construction projects and self-construction, which continues to play an important role in cement sales, even after the emergency support suspension since January.

Revenue of combined operations in the country stood at 64.2 million euros in 9M 2021, 12.2% up on revenue recorded in the same period in 2020. However, discounting the effect of the exchange rate depreciation of the Real against the Euro, with a negative impact of around 7.4 million euros, revenue would have been higher by 14.3 million euros (+25.1%).

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

The **EBITDA** of activities in Brazil totalled 21.5 million euros, which compares with 14.7 million euros recorded year on year (i.e. 46.0% increase). If we exclude the unfavourable exchange rate effect (-2.5 million euros), EBITDA would have increased by 62.8%, reflecting the good performance of activity, which helped to offset the negative impact of higher variable production costs, energy in particular.

LEBANON



Note: Average exchange rate EUR-LBP 2020 = 1,696.0 / Average exchange rate EUR-LBP 2021 = 20,089.6

Lebanon is plunged in a serious social and economic-financial crisis. Despite the efforts made by political forces to stabilise the situation, the outbreak of the Covid-19 pandemic and the explosion in Beirut port in August 2020 aggravated further an already precarious situation. As the pandemic intensified and spread, the Lebanese authorities continued to take measures to contain the pandemic in the third quarter of 2021, which negatively impacted Secil activity in the country.

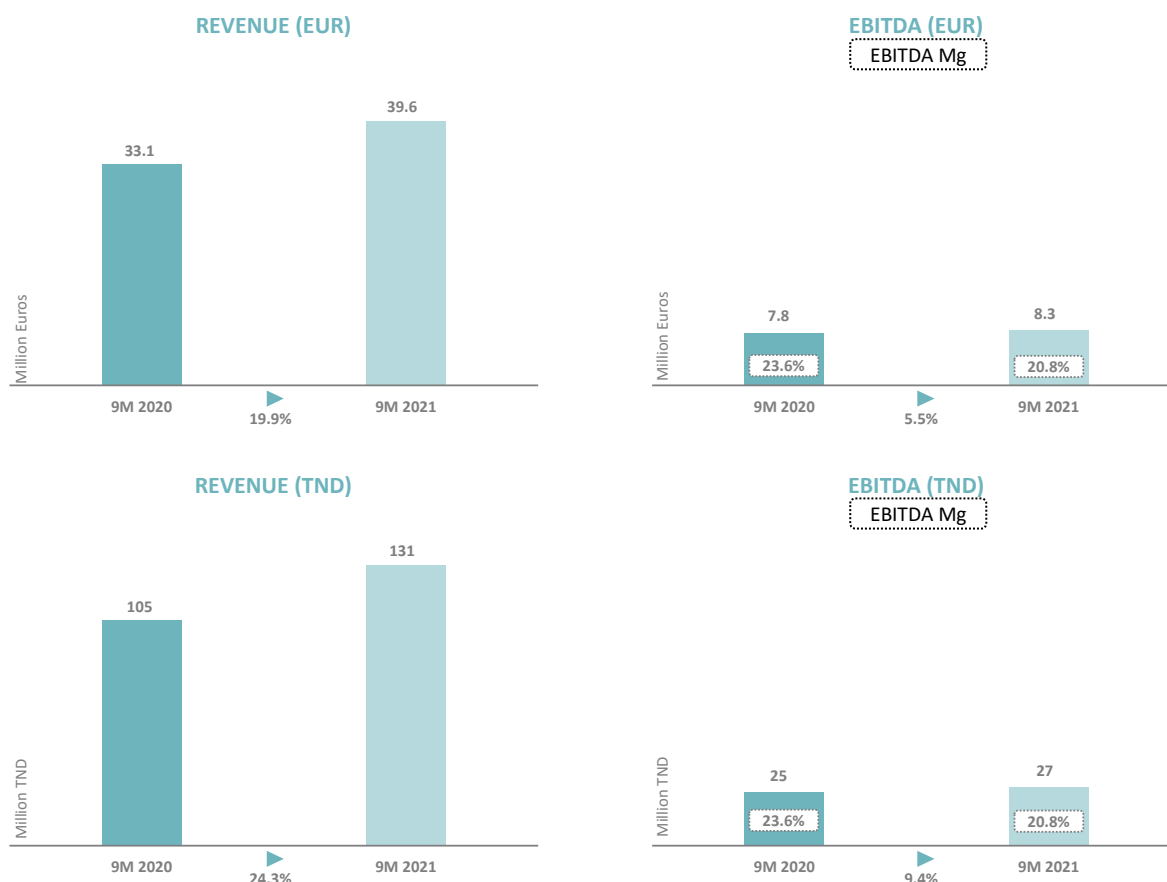
In this context, **revenue** of combined operations in Lebanon decreased 71.3%, compared to the same period in 2020, the revenue figure standing at 15.1 million euros. The decrease is mainly due to the falling value of the Lebanese pound, which hit revenue negatively. Note that the Lebanese pound ended the quarter at 16,795 per 1 USD, which compares with 1,507.5 per 1 USD at the end of the same quarter of 2020.

Cement sales volumes in the domestic market decreased 4.1% year on year (largely affected by the pandemic), and estimates point to a growth in the Lebanese cement market of 5%. Revenue decreased 73.2%, mainly due to the high exchange rate depreciation of the Lebanese pound, which was partially offset by the price increase in local currency.

Concrete revenue was also negatively impacted by the depreciation of the Lebanese pound, bringing revenue down by 40.1% year on year, in spite of the increase of 25% in volumes sold and higher average selling price in local currency.

EBITDA from operations in Lebanon stood at 7.0 million euros, down by 33.1% in relation to the same period of the previous year. The decrease is mainly due to the impact of the exchange rate devaluation of the Lebanese pound.

TUNISIA



Note: Average exchange rate EUR-TND 2020 = 3.1794 / Average exchange rate EUR-TND 2021 = 3.2956

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

During the third quarter of 2021, the lockdown continued, and negatively impacted Secil operations in the country. In July, with the worsening of the political crisis motivated by the resignation of the government, some signs of recovery that were seen in the first two quarters, practically disappeared in the 3rd quarter.

The domestic cement market is expected to have grown around 13% in comparison with the same period in 2020 (heavily impacted by the outbreak of the pandemic), and is still subject to strong competition due to excess installed capacity.

Revenue in the 9M of the combined operations in Tunisia showed a positive year-on-year variation of 19.9%, totalling 39.6 million euros, negatively impacted by 1.4 million euros due to the depreciation of the Tunisian dinar against the Euro.

Revenue of the Cement business grew approximately 18.9% to 37.2 million euros, reflecting the increase in sales in the domestic market (+5.9%), accompanied by the positive variation in average selling price in the local currency. In the foreign market, there was an increase in cement exports, as opposed to a reduction in clinker exports, with a positive impact on the average sale price in euros (+18.9%).

Revenue of the Concrete business grew 26.3% year on year, mainly due to the increase in volumes sold (+26.5%).

Subsequently, **EBITDA** from operations in Tunisia amounted to 8.3 million euros, which compared to the figure in the same period of 2020 represents an increase of 5.5%. The good performance of the commercial activity made it possible to mitigate the negative effects of higher variable costs, particularly in energy and industrial maintenance.

ANGOLA AND OTHERS

It is estimated that, according to the latest figures available, the Angolan cement market was up by 10% year on year.

In a context of strong inflation and significant depreciation of the Kwanza vis-à-vis the Euro, Secil Lobito has been implementing a strict price policy that allows it to tackle significant cost increases, either expressed in local currency or arising from the necessary imports. In these terms the price of cement, in local currency, increased compared to the same period in 2020 and the quantities of cement sold by Secil grew 10.3% compared to the same period in the previous year.

Consequently, **revenue** totalled 3.9 million euros, i.e. 18.4% above that in the same period of the previous year, and was strongly affected by the currency depreciation, which produced a negative effect of 764 thousand euros. Excluding the exchange rate effect, revenue would have been higher in 41%.

EBITDA in the third quarter of 2021 amounted to a positive figure of 238 thousand euros, which in contrast with the negative 752 thousand recorded over the same period in the previous year is a significant improvement.

CEMENT AND OTHER BUILDING MATERIALS - ANALYSIS OF Q3 2021 PERFORMANCE

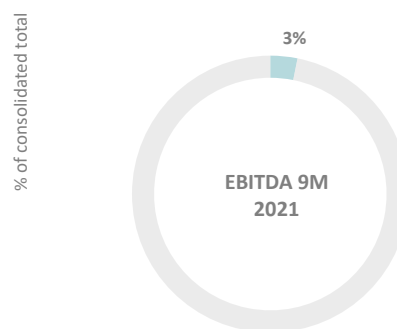
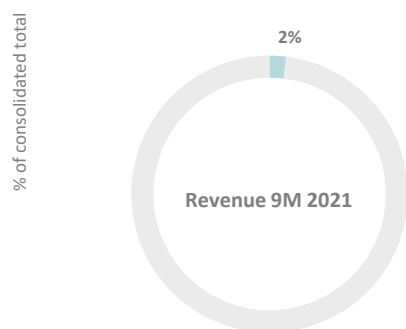
EBITDA in the third quarter of 2021 was less than EBITDA in the third quarter of 2020 by around 8.8 million euros (-18%). The decrease in the sale of CO₂ emission licenses (-12.4 million euros) contributed to this evolution, which in turn explains the decrease in EBITDA generated by activities in Portugal of 9.2 million euros (-27%), despite the good performance of practically all businesses, reflecting the positive development of the construction sector. Without the effect of CO₂ sales, EBITDA in Portugal would have been 15.2% higher.

Business in Tunisia (-3%) and Lebanon (-35%) contributed negatively to this development, while business from Brazil (+45%) and Angola contributed positively.

EBITDA in Tunisia was 0.1 million euros lower, which reflects the worsening economic and social crisis in that country. The negative developments in EBITDA in Lebanon (-2.3 million euros) is related to the negative economic context of the activity in 2020 and 2021, and the joint effects of the strong currency depreciation and the effect of the implementation of IAS 29 (hyperinflation), which contributed to a reduction in that country's EBITDA of 0.7 million euros in 2021 compared to the same period in 2020. The increases in local currency prices have, nevertheless, partly mitigated these impacts.

The 2.7 million euros increase in EBITDA in Brazil is mainly explained by the rise in the average selling price of cement in local currency.

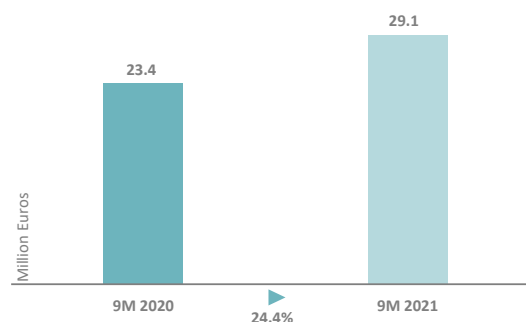
2.4. ENVIRONMENT BUSINESS AREA



HIGHLIGHTS IN 2021 (VS. 2020)

- ETSA recorded **revenue** of approximately 29.1 million euros in the first nine months of 2021, which represented an increase of approximately 24.4% against the same period in the year 2020.
- The revenue growth is mainly explained by the increase in sales of category 3 fat, used cooking oil and category 3 meal.

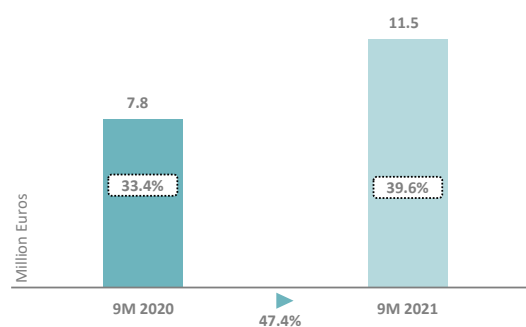
REVENUE



- The **EBITDA** of ETSA totalled approximately 11.5 million euros in the first nine months of 2021, representing a growth of about 47.4% in comparison with the same period of 2020, essentially due to higher revenue and control of the main costs.

EBITDA

EBITDA Mg



LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	9M 2021	9M 2020	Var.	Q3 2021	Q3 2020	Var.
Revenue	29.1	23.4	24.4%	10.2	7.7	32.3%
EBITDA	11.5	7.8	47.4%	4.3	2.7	60.5%
EBITDA margin (%)	39.6%	33.4%	6.2 p.p.	42.0%	34.6%	7.4 p.p.
Depreciation, amortisation and impairment losses	(2.4)	(2.3)	-2.8%	(0.8)	(0.8)	-1.7%
Provisions	-	-	-	-	-	-
EBIT	9.1	5.5	66.5%	3.5	1.9	85.1%
EBIT margin (%)	31.3%	23.4%	7.9 p.p.	34.1%	24.4%	9.7 p.p.
Net financial results	(0.1)	(0.2)	24.2%	(0.0)	(0.1)	23.6%
Profit before taxes	9.0	5.3	69.7%	3.4	1.8	88.5%
Income taxes	(2.0)	(1.2)	-62.1%	(0.9)	(0.4)	-100.7%
Net profit for the period	7.0	4.1	72.0%	2.6	1.4	84.8%
Attributable to ETSA shareholders	7.0	4.1	72.0%	2.6	1.4	84.8%
Attributable to non-controlling interests (NCI)	-	-	-	-	-	-
Cash flow	9.4	6.4	46.6%	3.4	2.2	54.8%
Free Cash Flow	3.8	5.0	-23.2%	1.1	0.6	80.6%
	30/09/2021	31/12/2020				
Equity (before NCI)	84.7	78.7				
Interest-bearing net debt	-3.3	-0.5				
Lease liabilities (IFRS 16)	1.6	1.9				
Total	-1.7	1.4				

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

KEY OPERATING INDICATORS

in 1 000 t	9M 2021	9M 2020	Var.	Q3 2021	Q3 2020	Var.
Collection of raw materials - Animal waste (Categ. 1, 2 and 3)	92.1	89.8	2.6%	32.2	30.5	5.4%
Sales - Animal fats and used food oil	12.6	10.9	14.9%	4.0	3.4	15.5%
Sales - Meal (Categories 1, 2 and 3)	16.8	16.6	1.3%	5.5	5.2	6.2%

ENVIRONMENT - ACTIVITY OVERVIEW IN 9M 2021

ETSA recorded **revenue** of approximately 29.1 million euros in the first nine months of 2021, which represented an increase of approximately 24.4% against the same period in the year 2020.

This development results from an increase in sales of 41.7% year on year mainly due to (i) the rise in the average selling price of class 3 meal, (ii) an increase in volumes and selling price of class 3 fats, (iii) an increase in volumes and selling price of used cooking oils and (iv) an increase in volumes and selling price of class 1 fat.

Consolidated services rendered increased around 3.3%, mostly as a result of the growth in the volumes and price of class 1 (collected from slaughterhouses and other points besides farms), and an increase in retainer fees collected from mass distribution.

The **EBITDA** of ETSA totalled approximately 11.5 million euros in the first nine months of 2021, representing a growth of about 47.4% in comparison with the same period of 2020, essentially due to higher revenue and control of the main costs. The EBITDA margin stood at 39.6%, up by around 6.2 p.p. over the margin for the same period of 2020.

Financial results improved by about 24.2% in relation to previous year, mostly due to the reduction in average debt.

The combined impact of these factors resulted in a **Net Profit attributable to ETSA shareholders** for the first nine months of 2021 of approximately 7.0 million euros, up by around 72.0% year on year.

ETSA recorded an **investment** value of 2.1 million euros in the first nine months of 2021.

ENVIRONMENT - ANALYSIS OF Q3 2021 PERFORMANCE

ETSA recorded **revenue** in Q3 2021 of about 10.2 million euros, which represented a 32.3% increase year on year. This variation results from an increase of about 56.7% in sales and around 1.4% in consolidated services rendered.

The change in sales is essentially due to i) the increase in the average prices of category 3 fat, ii) the increase in the average prices of category 3 meal and iii) the increase in the average price of used cooking oil (UCO). The changes in the services rendered derive essentially from the growth in retainer fees and other collections.

EBITDA totalled approximately 4.3 million euros in the 3rd quarter of 2021, about 60.5% above EBITDA levels in the same period in 2020.

2.5. VENTURE CAPITAL BUSINESS AREA

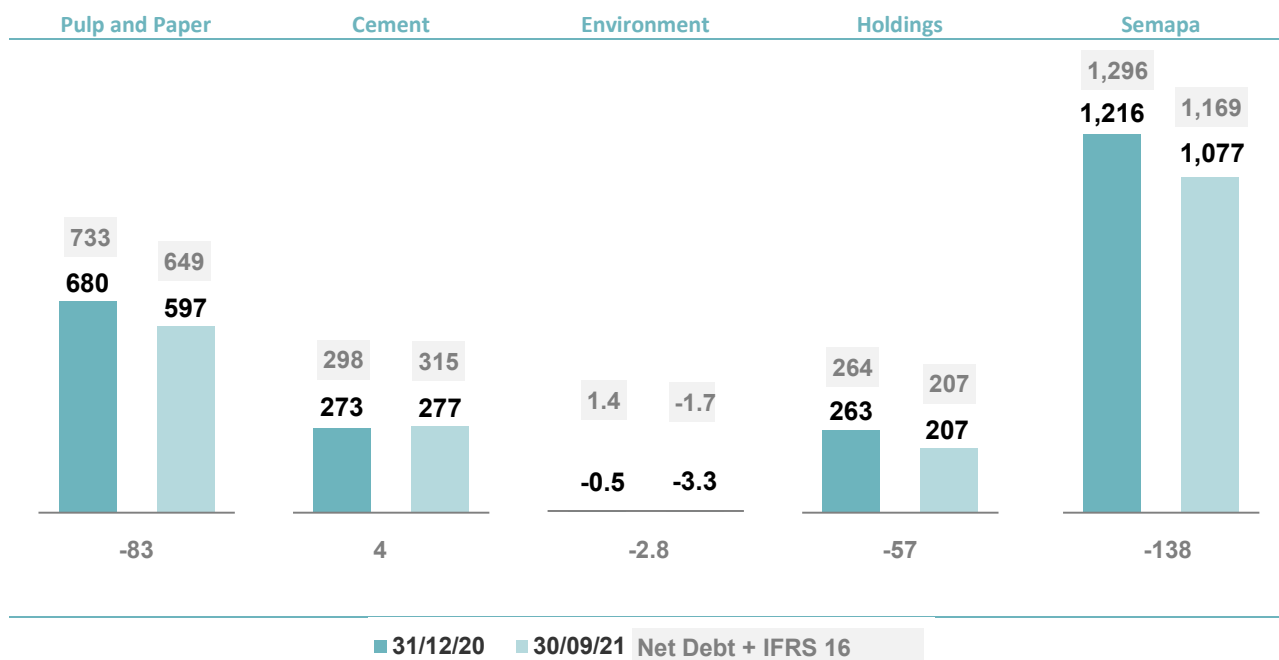
The first nine months of 2021 featured investments made in venture capital funds, namely Notion Capital, firstminute Capital and Kibo Ventures, and Semapa Next co-lead the investment in the Series A in LOQR. In addition to the investments made, Semapa Next is still monitoring its portfolio and analysing investment opportunities in Series A and Growth stage companies.

During the first nine months of the year, the partnership with Techstars made it also possible to participate in the Global Sustainability Challenge and in the last 6 months to organize The Future of Food & Food Packaging Challenge, with the active participation of Navigator and ETSA, and resulted in the identification of 6 startups suitable for future collaboration.

3 SEMAPA GROUP – FINANCIAL AREA

3.1. INDEBTEDNESS

NET DEBT



On 30 September 2021, consolidated **net debt** stood at 1,077.2 million euros, representing a reduction of around 138.3 million euros over the figure ascertained at the close of 2020. Including the effect of IFRS 16, net debt would have been 1,169.1 million euros, 126.7 million euros below the figure at the end of 2020.

In the current context, the Group was still very focused on optimising cash flow, with particular emphasis on actively reducing costs and on optimising the working capital and Capex, which generated Free Cash Flow of 215.8 million euros (vs. 250.6 million euros in the same period in 2020). The following are the changes in net debt compared to year-end 2020 by business area:

- Pulp and paper: -83.1 million euros, including investments of about 52 million euros and distribution of 99.6 million euros in dividends;
- Cement: +4.4 million euros, including investments of about 27.9 million euros, the reimbursement of 40.5 million euros in supplementary payments to Semapa and the foreign exchange depreciation with a negative effect of approximately 6.7 million euros;
- Environment: -2.8 million euros, in spite of the difficulty in collecting the amounts billed to the Government; and,
- Holdings: -56.8 million euros, resulting namely from dividends received from Navigator (69.7 million euros) and supplementary payments from Secil (40.5 million euros) and the payment of dividends (40.9 million euros).

On 30 September 2021, total consolidated cash and cash equivalents amounted to 323.6 million euros, in addition to 591.1 million euros in committed and undrawn credit lines, thus ensuring strong liquidity in the current context of uncertainty.

3.2. FINANCIAL RESULTS

In the first nine months of 2021, financial results amounted to a negative figure of 36.2 million euros, an improvement of 33.6% in relation to the figure recorded in the same period in the previous year.

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

- Reduction of interest paid on borrowings of 4.1 million euros as a result of lower indebtedness;
- The unfavourable exchange differences recorded a positive variation due mainly to a decrease in exchange differences and related hedges (+36.6 million euros), mainly because the 2020 exchange losses were heavily impacted by the depreciation of the Brazilian real, which decreased quite substantially in the period until September 2021. The negative variation in the item Losses on financial instruments held for trading (-23.8 million euros) should be highlighted.

3.3. NET PROFIT

Net profit attributable to Semapa shareholders was 122.2 million euros, which represents an increase of 49.5 million euros compared to the same period in the previous year, due essentially to the combined effect of the following factors:

- Increase in EBITDA of 38.7 million euros: the Pulp and Paper segment was up by 35.5 million euros and the Environment segment increased 3.7 million euros;
- Reduction in depreciation, amortisation and impairment losses of 25.6 million euros, with emphasis on Navigator;
- Increase in net provisions of 1.1 million euros;
- Improvement in net financial results by about 20.9 million euros, reflecting in particular the less negative exchange rate effects on Secil (Brazilian real);
- Increase in taxes on profits of approximately 21.5 million euros.

4 OUTLOOK

In the current context of the pandemic and global economic upturn, several risk factors to economic development in the coming period subsist.

Health risks, such as the speed at which the Delta variant is spreading, the threat of new highly transmissible variants, the different pace at which the vaccines are being rolled out in the different parts of the world, and the availability of effective therapies to combat the virus, will set the speed and convergence of economic recovery worldwide.

The problems that have recently erupted in the supply chains of goods, which translate into shortages of commodities and intermediate goods, longer delivery times, and high transportation costs are also reason for concern. On the other hand, the inflationary pressures that have been building up in the main advanced economies, reflecting notably the recent significant increase in commodity prices, may compromise expectations of low inflation levels over a longer time horizon.

The monetary, fiscal and prudential policies that were decisive in the mitigation of the effects of the pandemic will continue to be paramount for the recovery dynamics of the economies.

The latest projections of the IMF's World Economic Outlook (WEO), published in October 2021, estimate that the global economic growth for 2021 will be 5.9% (a downward revision of 0.1 p.p. from the July forecast), reflecting the new challenges concerning disruption of the supply chains in the more developed economies and the dynamics of pandemic control in the less developed economies. The economy is expected to grow 4.9% in 2022 (unchanged in relation to the July forecast). GDP in the Euro Zone is expected to reach +5.0% in 2021 (up by 0.4 p.p. against the projection in July) and to grow 4.3% in 2022.

PULP AND PAPER

As the economy recovers and the vaccination plan is implemented, conditions in the pulp, paper and tissue sector are expected to remain positive overall.

In the **paper** business, the expected economic recovery combined with an improved balance between supply and demand in the United States and Europe, following the outflow of capacity and conversions already announced ensure good prospects at year-end 2021. The very high order intake and industry backlog in September, low import volumes, pressured by freight costs and a well-balanced level of stocks in the pipeline, consolidate this positive outlook of the market. Nevertheless, besides pulp and freight prices, chemical and energy costs are strongly pressuring European paper producers' margins, motivating them to announce new price increases.

The current economic situation of great volatility and cost increments, namely on energy, commodities, packaging and logistics, compelled Navigator to increase prices during the period; the latest announcement, communicated in October, included an extraordinary surcharge of 50 euros per tonne, for all products and brands in all markets, for expeditions as from November 1st, to apply at least over the next few months. The application and value of this surcharge will be reviewed regularly in the light of evolving market conditions. The current prices are valid until the end of the year.

In the **pulp** market, cooling demand in China and increased supply is causing a price drop in China; this was clearly visible in the third quarter and may continue, albeit at a significant lower rhythm, during the fourth quarter. In Europe, prices are expected to be sustained by the post-pandemic economic upturn, the healthy level of demand and the continuing logistical issues in exporting from Latin America to Europe.

In **tissue**, the increase in the price of pulp and other production factors is putting huge pressure on producers' margins and the announcements of price increases have intensified, although for the time being more slowly than would be desirable for protecting the margins. Navigator is developing a set of measures for reducing costs, which will allow it to reduce the impact on its margins.

Portucel Mozambique exported a second shipment of wood produced in Mozambique, at its forest in Manica, which arrived in October at the port of Setúbal, and a third shipment is expected by the end of the year.

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

CEMENT AND OTHER BUILDING MATERIALS

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

The IMF's World Economic Outlook (WEO), published in October 2021, estimates that GDP growth for **Portugal** will be 4.4% in 2021 (below the projection of the Bank of Portugal in October 2021 (4.8%)) and 5.1% in 2022. Projected levels of inflation are 1.2% (above the estimate of the Bank of Portugal (0.9%)) and 1.3% in 2021 and 2022, respectively. The recovery will depend on the control of the pandemic, including advances in the vaccination process, and the Recovery and Resilience Facility, with positive effects on the confidence of economic agents.

AICCOPN and AECOPS expect "activities in the building sector to remain positive, reaching an average growth rate of +2.2% in real terms". The Gross Value of Production of the residential construction segment should slow down somewhat, essentially due to a high level of uncertainty that may lead to the slowing down of planned investments, and the impact of less construction projects licensed by the Municipalities. Public investment is likely to grow dynamically, as it will benefit from the European funds to be received.

According to the World Economic Outlook (WEO), published in October 2021, the IMF expects **Brazilian** economy to recover 5.2% in 2021 and 1.5% in 2022. Projected levels of inflation are 7.7% and 5.3% in 2021 and 2022, respectively.

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

Displaying one of the World's highest foreign debts, the country announced in March 2020 its first default after several months of declining foreign currency reserves and a strong depreciation of the Lebanese pound in the parallel market.

The IMF World Economic Outlook (WEO), published in October 2021 for the period 2021-26, does not provide any estimates due to the high level of uncertainty.

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

Tunisia already found itself in financial hardship and social instability due to the pandemic, and the deterioration of the political instability in July after the government resigned has increased uncertainty as to the country's progress.

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

ENVIRONMENT

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

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

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

Concerning the traditional business of ETSA, the following is worth noting: focus on the expansion of its production and destination markets (with exports accounting for around 42.3% of total sales on 30 September 2021), identifying new opportunities for vertical growth, through investments to improve operational efficiency, extracting maximum value from the channels operated and retaining the loyalty of the main conventional and alternative collection centres, and

focus on sustained innovation and research and development addressed at ensuring new profit thresholds for the business.

VENTURE CAPITAL

Semapa Next will continue to monitor its investment portfolio to add value to the companies and funds it invests in. Semapa Next will also be present at European events in order to strengthen relationships with other international investors and find future investment opportunities in technology companies.

Lisbon, 03 November 2021

The Board

DEFINITIONS

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

EBIT = Operating profit

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

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

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

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

DISCLAIMER

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



SOCIEDADE DE INVESTIMENTO E GESTÃO, SGPS, S.A.
PUBLIC LIMITED COMPANY

Av. Fontes Pereira de Melo, No. 14, 10º, 1050-121 Lisboa
Tel (351) 213 184 700 | Fax (351) 213 521 748

WWW.SEMAPA.PT

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