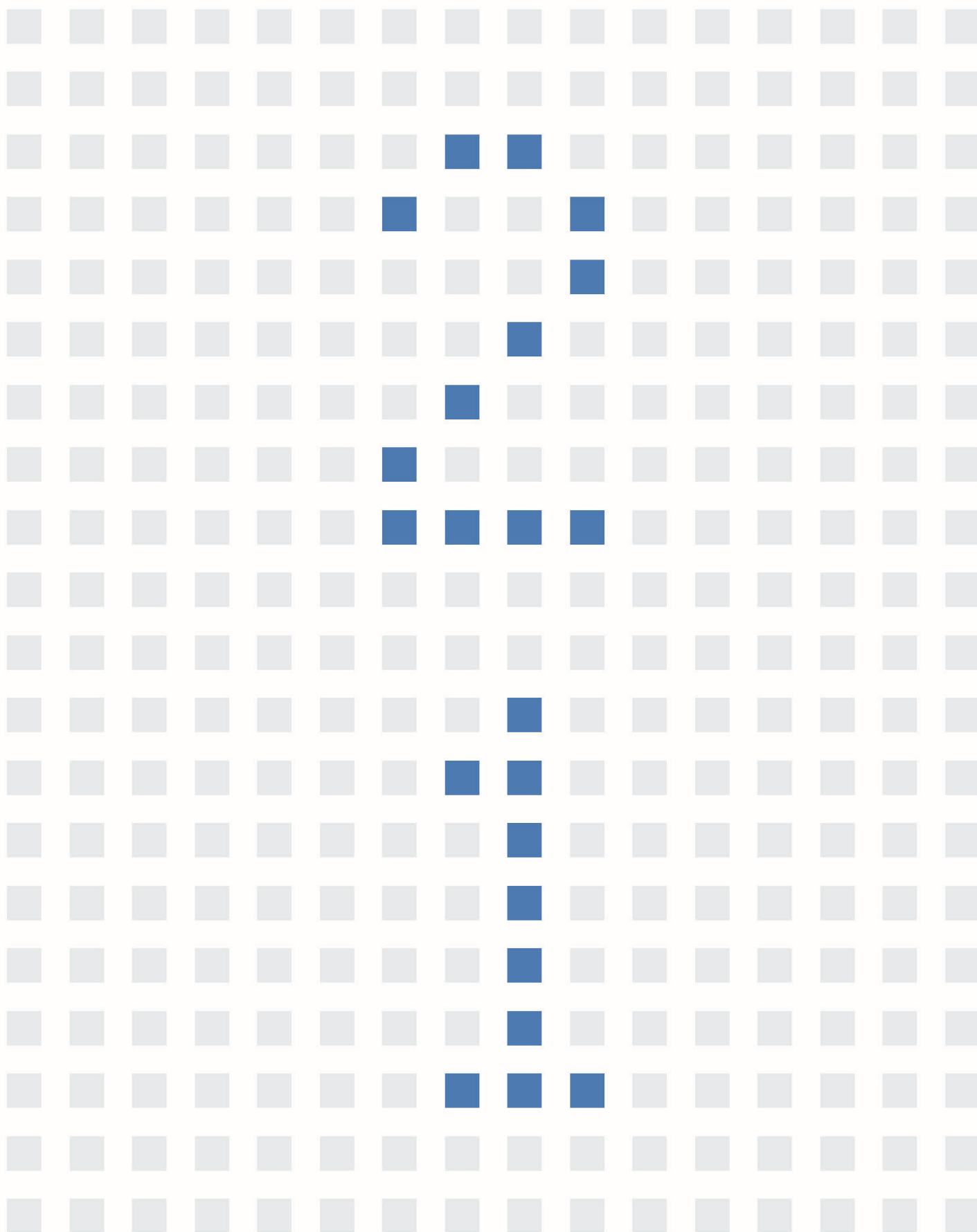


INTERIM REPORT  
9M 2021



TRANSLATION FROM THE ORIGINAL TEXT IN PORTUGUESE

## **PART 1**

### **MANAGEMENT REPORT**

# 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 CO<sub>2</sub> 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.
<b>Revenue</b>	<b>1,515.3</b>	<b>1,447.0</b>	<b>4.7%</b>	<b>543.9</b>	<b>505.2</b>	<b>7.7%</b>
<b>EBITDA</b>	<b>364.8</b>	<b>326.1</b>	<b>11.9%</b>	<b>140.0</b>	<b>122.8</b>	<b>14.1%</b>
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%
<b>EBIT</b>	<b>222.2</b>	<b>159.0</b>	<b>39.8%</b>	<b>93.1</b>	<b>71.5</b>	<b>30.2%</b>
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)	-	-
<b>Profit before taxes</b>	<b>185.8</b>	<b>101.9</b>	<b>82.3%</b>	<b>80.8</b>	<b>57.7</b>	<b>40.0%</b>
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	<b>122.2</b>	<b>72.8</b>	<b>68.0%</b>	<b>49.1</b>	<b>42.5</b>	<b>15.7%</b>
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%
	<b>30/09/2021</b>	<b>31/12/2020</b>	<b>Sep21 vs. Dec20</b>			
Equity (before NCI)	1,019.7	948.8	7.5%			
<b>Interest-bearing net debt</b>	<b>1,077.2</b>	<b>1,215.5</b>	<b>-11.4%</b>			
Lease liabilities (IFRS 16)	91.9	80.3	14.4%			
<b>Total</b>	<b>1,169.1</b>	<b>1,295.9</b>	<b>-9.8%</b>			

## SUMMARY TABLE OF OPERATING INDICATORS

	Unit	9M 2021	9M 2020	Var.	Q3 2021	Q3 2020	Var.
<b>Pulp and Paper</b>							
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%
<b>Cement</b>							
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%
<b>Environment</b>							
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	
<b>Revenue - External</b>	<b>1,119.6</b>	<b>7.3%</b>	<b>366.7</b>	<b>-3.5%</b>	<b>29.1</b>	<b>24.4%</b>	<b>-</b>	<b>-</b>	<b>1,515.3</b>
<b>Revenue</b>	<b>1,119.7</b>	<b>7.3%</b>	<b>366.9</b>	<b>-3.4%</b>	<b>29.1</b>	<b>24.4%</b>	<b>(0.3)</b>	<b>3.4%</b>	<b>1,515.3</b>
<b>EBITDA</b>	<b>246.0</b>	<b>16.9%</b>	<b>107.3</b>	<b>-0.1%</b>	<b>11.5</b>	<b>47.4%</b>	<b>0.0</b>	<b>-95.1%</b>	<b>364.8</b>
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)
<b>EBIT</b>	<b>145.3</b>	<b>64.9%</b>	<b>68.0</b>	<b>4.2%</b>	<b>9.1</b>	<b>66.5%</b>	<b>(0.2)</b>	<b>-210.5%</b>	<b>222.2</b>
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)
<b>Profit before taxes</b>	<b>132.6</b>	<b>67.7%</b>	<b>48.6</b>	<b>90.7%</b>	<b>9.0</b>	<b>69.7%</b>	<b>(4.3)</b>	<b>45.4%</b>	<b>185.8</b>
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
<b>Attributable to Semapa shareholders</b>	<b>74.1</b>	<b>58.2%</b>	<b>42.2</b>	<b>98.0%</b>	<b>7.0</b>	<b>72.0%</b>	<b>(1.0)</b>	<b>-285.4%</b>	<b>122.2</b>
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
<b>Interest-bearing net debt</b>	<b>596.9</b>		<b>277.1</b>		<b>(3.3)</b>		<b>206.6</b>		<b>1,077.2</b>
<b>Lease liabilities (IFRS 16)</b>	<b>52.2</b>		<b>37.9</b>		<b>1.6</b>		<b>0.3</b>		<b>91.9</b>
<b>Total</b>	<b>649.1</b>		<b>314.9</b>		<b>(1.7)</b>		<b>206.8</b>		<b>1,169.1</b>

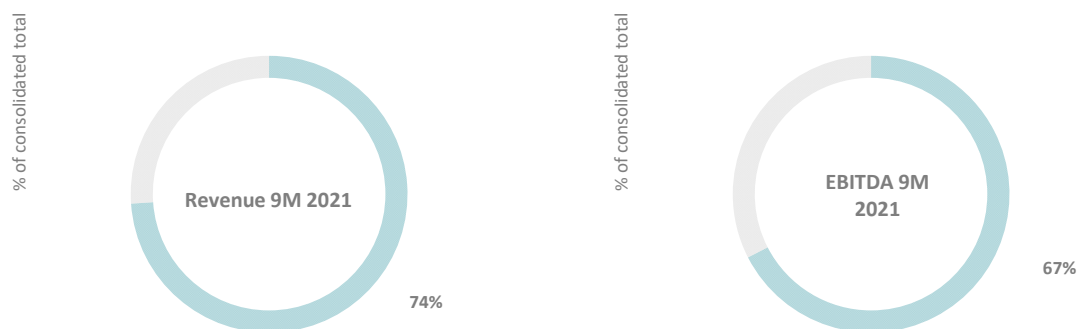
Notes:

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.

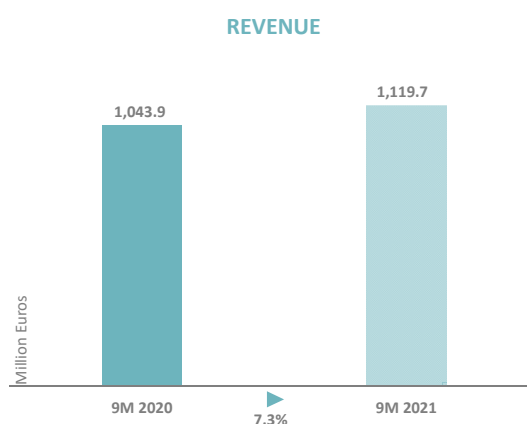
The Navigator Company (“Navigator”) released its results on 28 October 2021, so only the highlights of that report will be presented herein. Secil and ETSA, which are not listed, did not publish their results. Therefore, their operations are described in more detail.

## 2.2 PAPER AND PULP BUSINESS AREA

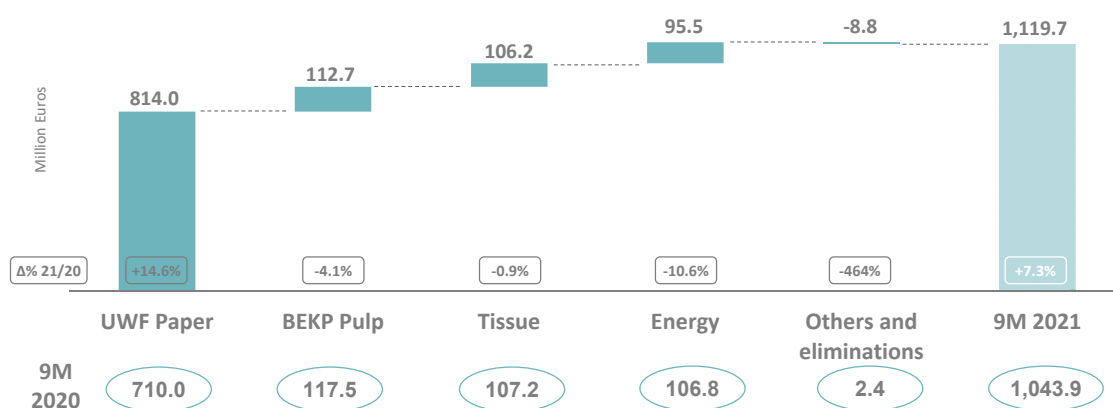


### HIGHLIGHTS IN 2021 (VS. 2020)

- 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%).



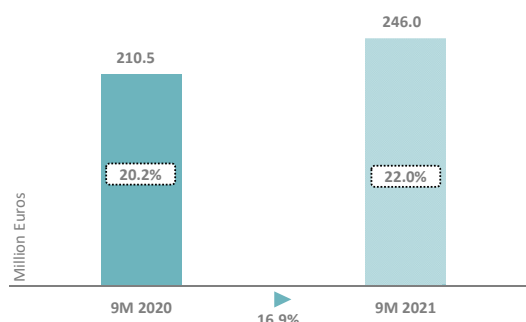
### REVENUE BREAKDOWN BY SEGMENT



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.
<b>Revenue</b>	<b>1,119.7</b>	<b>1,043.9</b>	<b>7.3%</b>	<b>404.9</b>	<b>348.4</b>	<b>16.2%</b>
<b>EBITDA</b>	<b>246.0</b>	<b>210.5</b>	<b>16.9%</b>	<b>95.5</b>	<b>70.4</b>	<b>35.8%</b>
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%
<b>EBIT</b>	<b>145.3</b>	<b>88.1</b>	<b>64.9%</b>	<b>62.3</b>	<b>32.1</b>	<b>93.9%</b>
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%
<b>Profit before taxes</b>	<b>132.6</b>	<b>79.1</b>	<b>67.7%</b>	<b>59.7</b>	<b>31.3</b>	<b>90.5%</b>
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%
	<b>30/09/2021</b>	<b>31/12/2020</b>				
Equity (before NCI)	810.2	806.6				
<b>Interest-bearing net debt</b>	<b>596.9</b>	<b>680.0</b>				
Lease liabilities (IFRS 16)	52.2	53.1				
<b>Total</b>	<b>649.1</b>	<b>733.1</b>				

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.
<b>Pulp and Paper</b>						
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%
<b>Tissue</b>						
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 CO<sub>2</sub> 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 plan 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.

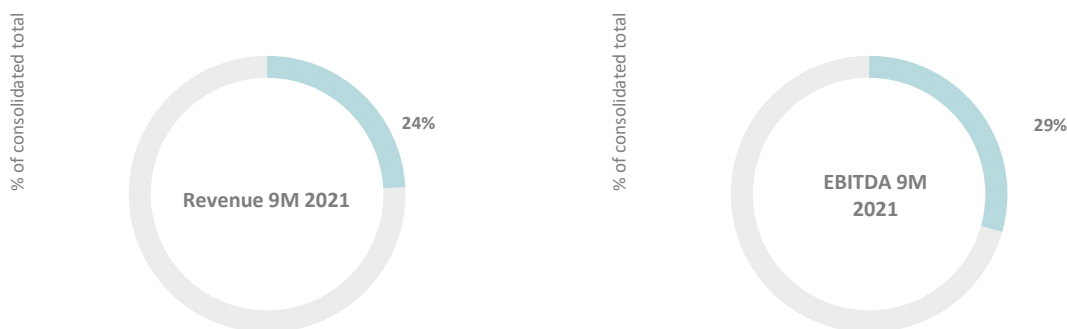
**Tissue sales volumes** grew 4% in relation to the previous quarter. Volumes are still 5% below that in the same period of the previous year, given the slower-than-expected recovery of the Away From Home segment and destocking on domestic consumers. The positive development in average selling price 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%).

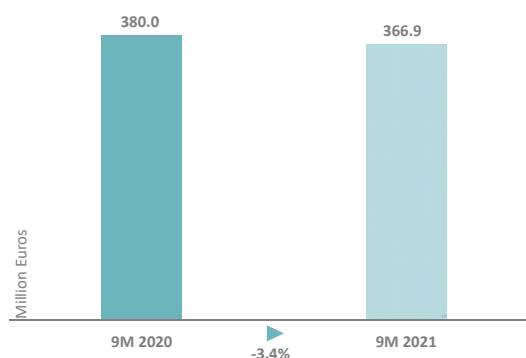
## 2.3 CEMENT AND OTHER BUILDING MATERIALS BUSINESS AREA



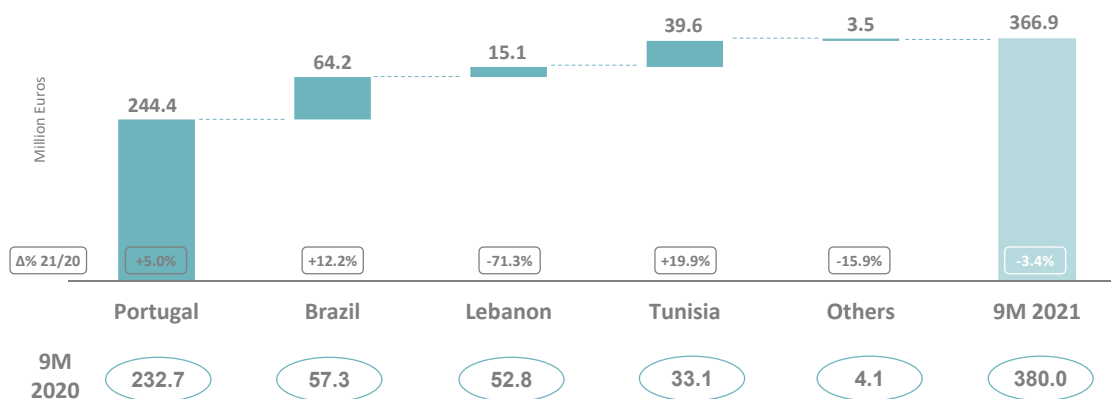
### HIGHLIGHTS IN 2021 (VS. 2020)

- 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

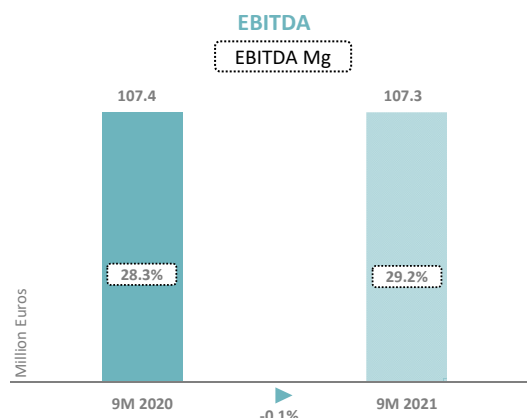


### REVENUE BREAKDOWN BY COUNTRY

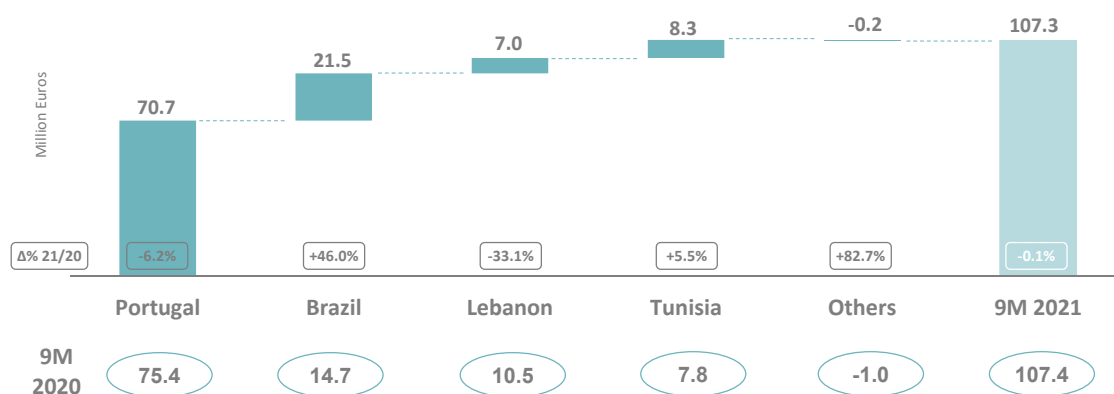


Note: Other includes Angola, Trading, Other and Eliminations. 2020 data was reclassified for the purpose of comparability.

- 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 CO<sub>2</sub> 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.
<b>Revenue</b>	<b>366.9</b>	<b>380.0</b>	<b>-3.4%</b>	<b>128.8</b>	<b>149.0</b>	<b>-13.6%</b>
<b>EBITDA</b>	<b>107.3</b>	<b>107.4</b>	<b>-0.1%</b>	<b>40.1</b>	<b>48.9</b>	<b>-18.0%</b>
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%
<b>EBIT</b>	<b>68.0</b>	<b>65.2</b>	<b>4.2%</b>	<b>27.3</b>	<b>36.8</b>	<b>-25.8%</b>
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)	-	-
<b>Profit before taxes</b>	<b>48.6</b>	<b>25.5</b>	<b>90.7%</b>	<b>19.3</b>	<b>26.8</b>	<b>-27.8%</b>
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%
<b>Attributable to Secil shareholders</b>	<b>42.2</b>	<b>21.3</b>	<b>98.0%</b>	<b>14.4</b>	<b>19.2</b>	<b>-25.0%</b>
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%
	<b>30/09/2021</b>	<b>31/12/2020</b>				
Equity (before NCI)	364.2	330.9				
<b>Interest-bearing net debt</b>	<b>277.1</b>	<b>272.6</b>				
Lease liabilities (IFRS 16)	37.9	25.2				
<b>Total</b>	<b>314.9</b>	<b>297.8</b>				

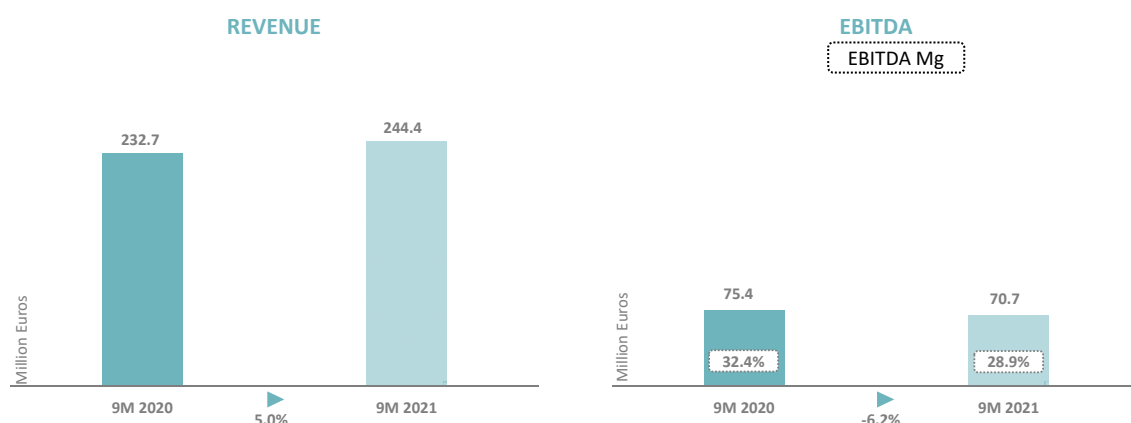
Note: Figures for business segment indicators may differ from those presented individually by each Group, as a result of consolidation adjustments.

## KEY OPERATING INDICATORS

in 1 000 t	9M 2021	9M 2020	Var.	Q3 2021	Q3 2020	Var.
<b>Annual cement production capacity</b>	<b>9,750</b>	<b>9,750</b>	<b>0.0%</b>	<b>9,750</b>	<b>9,750</b>	<b>0.0%</b>
<b>Production</b>						
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%
<b>Sales</b>						
<b>Cement and Clinker</b>						
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%
<b>Other Building Materials</b>						
Aggregates	3,796	3,449	10.1%	1,351	1,205	12.1%
Mortars	199	176	13.0%	65	61	7.3%
<b>in 1 000 m3</b>						
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.

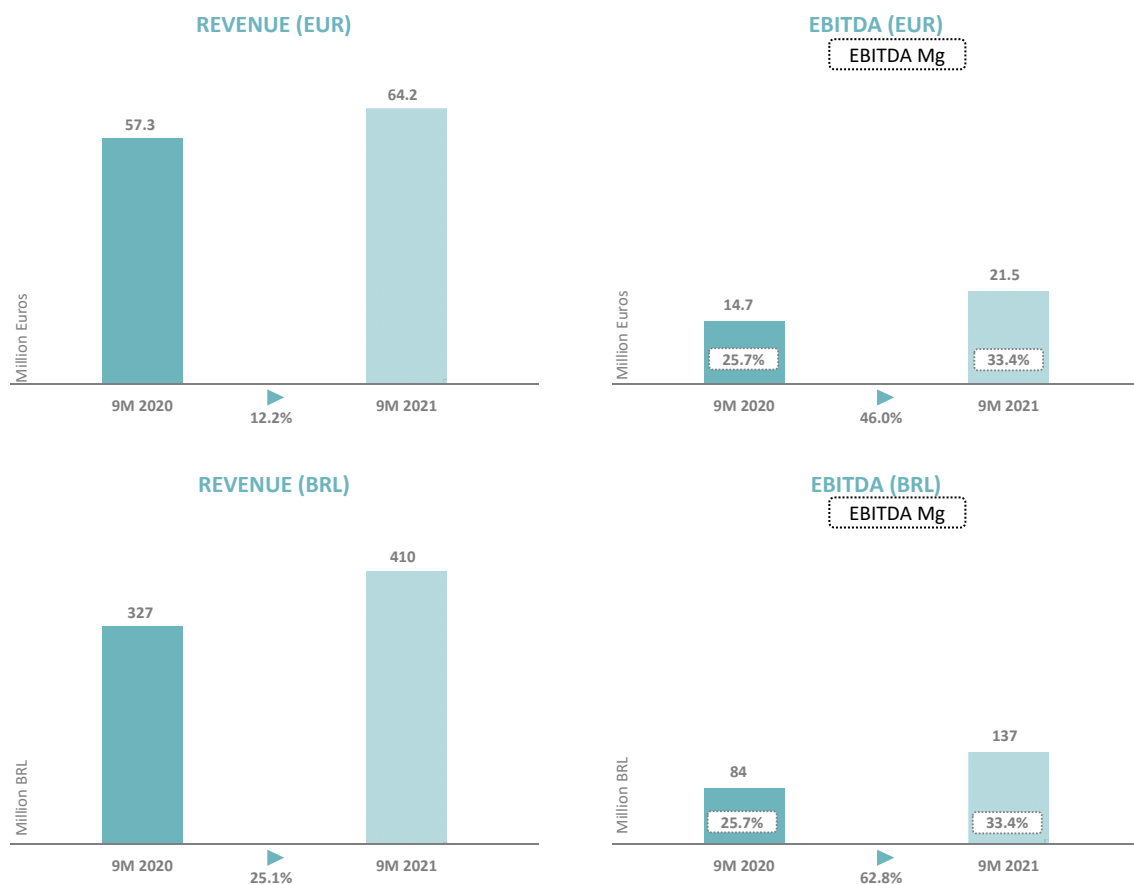
This growth took place in all areas of building materials, benefiting from greater construction dynamics, although with lower impact in the Concrete business unit, which recorded around 2.9% more in sales volume, as it was affected by the heavy rainfall in the beginning of the year.

**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 CO<sub>2</sub> 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.

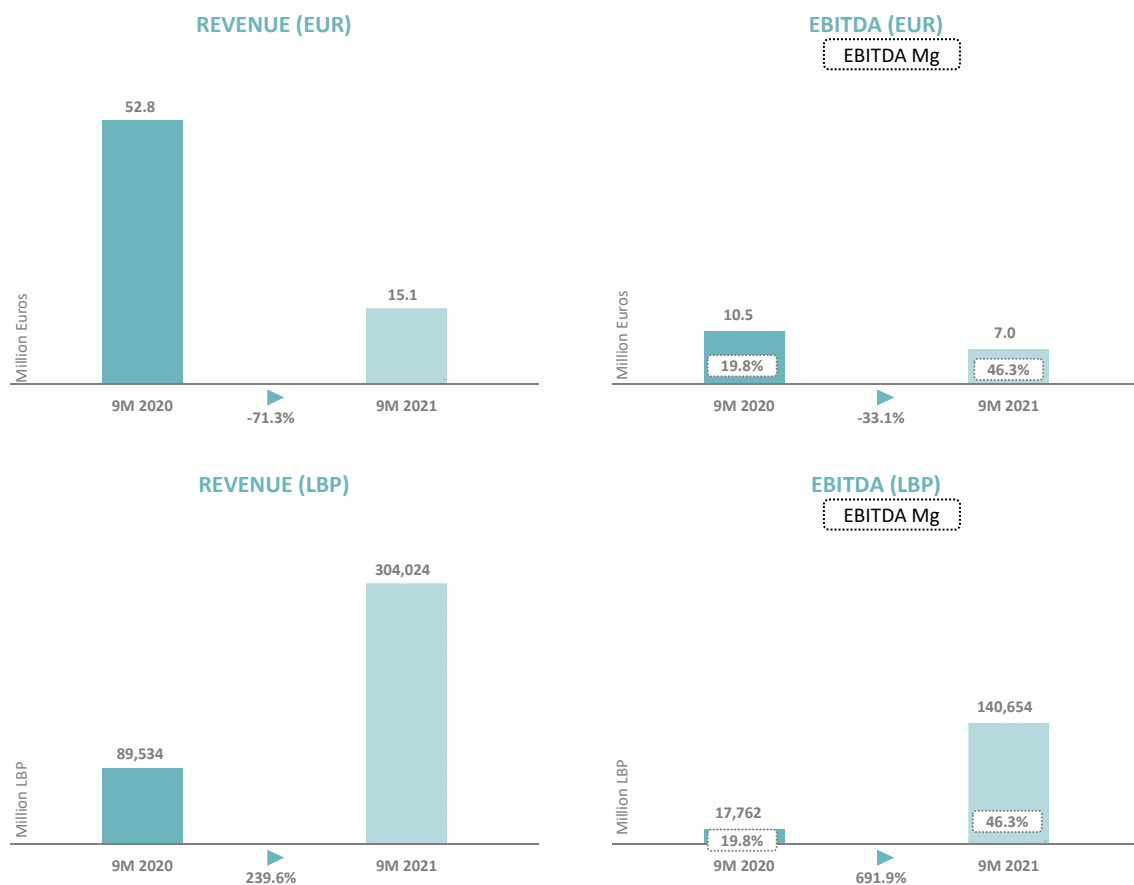
The main drivers of this performance are still good weather conditions, construction projects and self-construction, which continues to play an important role in cement sales, even after the emergency support suspension since January.

**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.

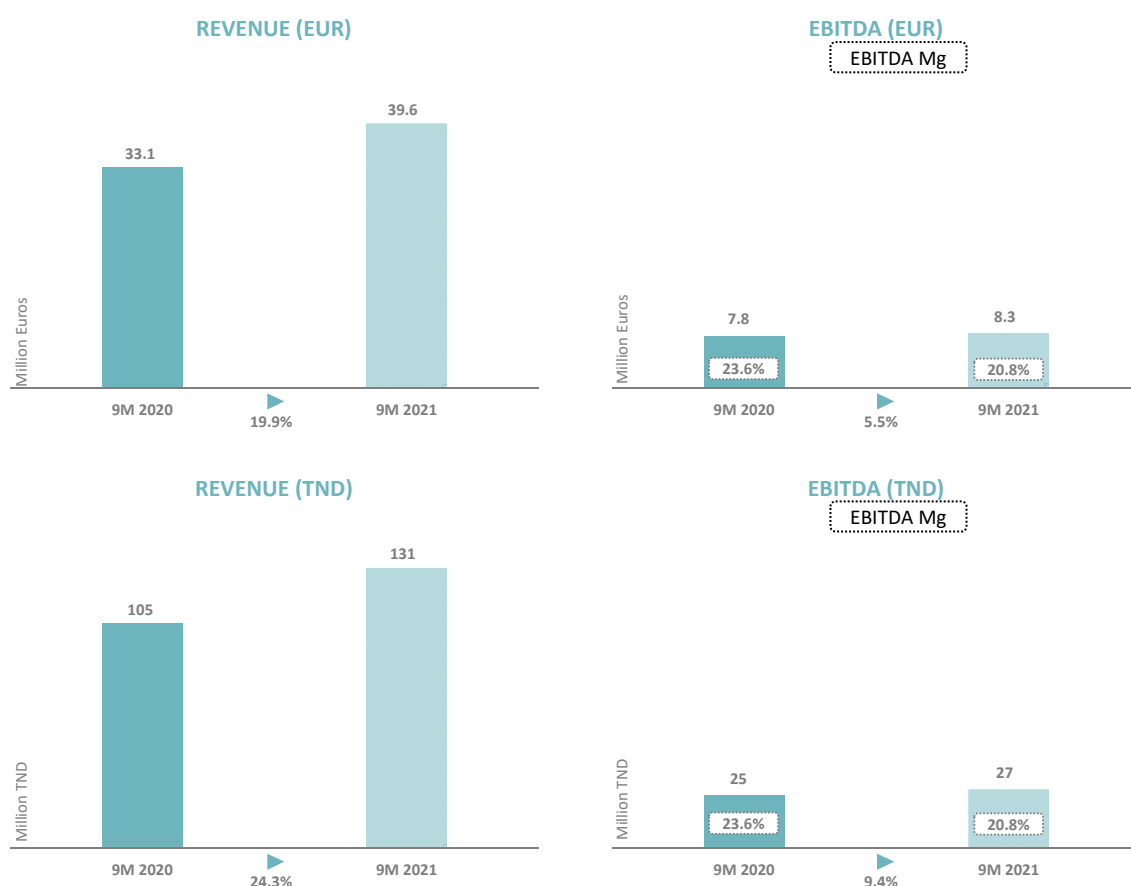
In this context, **revenue** of combined operations in Lebanon decreased 71.3%, compared to the same period in 2020, the revenue figure standing at 15.1 million euros. The decrease is mainly due to the falling value of the Lebanese pound, which hit revenue negatively. Note that the Lebanese pound ended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

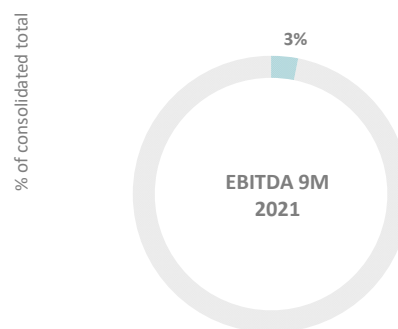
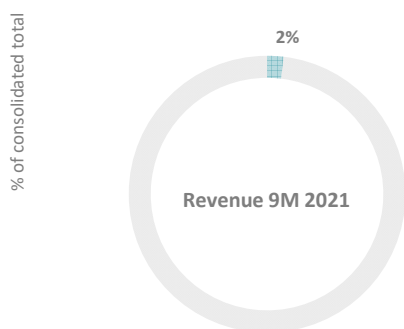
**EBITDA** in the third quarter of 2021 was less than EBITDA in the third quarter of 2020 by around 8.8 million euros (-18%). The decrease in the sale of CO<sub>2</sub> emission licenses (-12.4 million euros) contributed to this evolution, which in turn explains the decrease in EBITDA generated by activities 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 CO<sub>2</sub> 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.

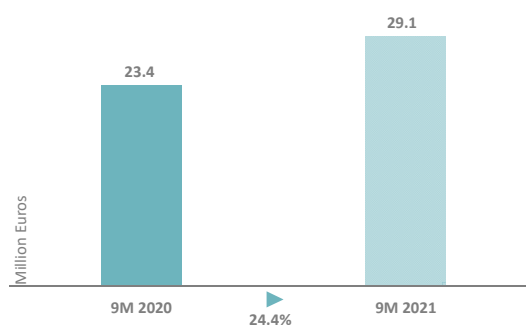
## 2.4 ENVIRONMENT BUSINESS AREA



### 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.

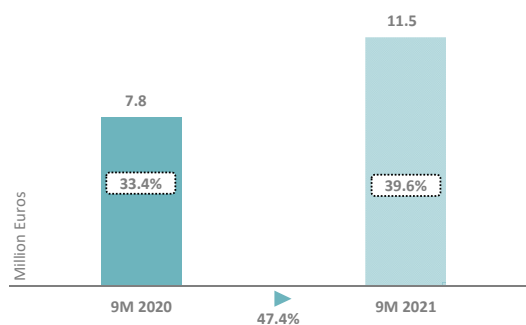
#### REVENUE



- 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.
<b>Revenue</b>	<b>29.1</b>	<b>23.4</b>	<b>24.4%</b>	<b>10.2</b>	<b>7.7</b>	<b>32.3%</b>
<b>EBITDA</b>	<b>11.5</b>	<b>7.8</b>	<b>47.4%</b>	<b>4.3</b>	<b>2.7</b>	<b>60.5%</b>
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	-	-	-	-	-	-
<b>EBIT</b>	<b>9.1</b>	<b>5.5</b>	<b>66.5%</b>	<b>3.5</b>	<b>1.9</b>	<b>85.1%</b>
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%
<b>Profit before taxes</b>	<b>9.0</b>	<b>5.3</b>	<b>69.7%</b>	<b>3.4</b>	<b>1.8</b>	<b>88.5%</b>
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%
<b>Attributable to ETSA shareholders</b>	<b>7.0</b>	<b>4.1</b>	<b>72.0%</b>	<b>2.6</b>	<b>1.4</b>	<b>84.8%</b>
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%
	<b>30/09/2021</b>	<b>31/12/2020</b>				
Equity (before NCI)	84.7	78.7				
<b>Interest-bearing net debt</b>	<b>-3.3</b>	<b>-0.5</b>				
Lease liabilities (IFRS 16)	1.6	1.9				
<b>Total</b>	<b>-1.7</b>	<b>1.4</b>				

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

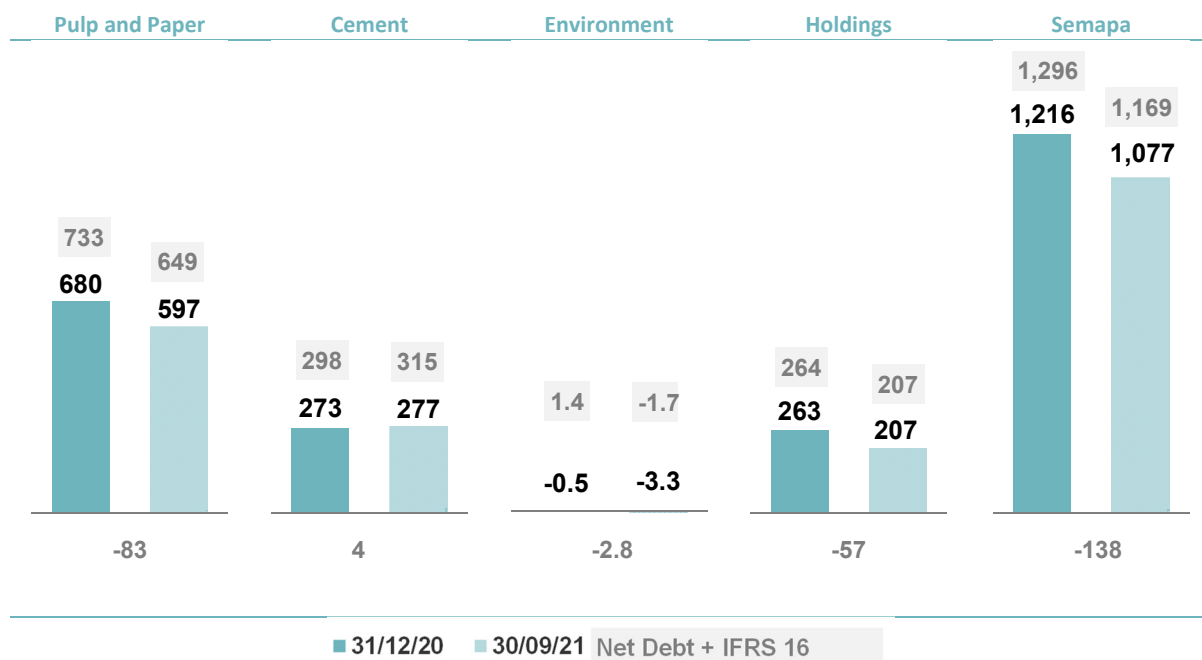
The first nine months of 2021 featured investments made in venture capital funds, namely Notion Capital, firstminute Capital and Kibo Ventures, and Semapa Next co-lead the investment in the Series A in LOQR. In addition to the investments made, Semapa Next is still monitoring its portfolio and analysing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

## BOARD OF DIRECTORS

### CHAIRMAN:

JOSÉ ANTÔNIO DO PRADO FAY

### MEMBERS:

JOÃO NUNO DE SOTTOMAYOR PINTO DE CASTELLO BRANCO

RICARDO MIGUEL DOS SANTOS PACHECO PIRES

VÍTOR PAULO PARANHOS PEREIRA

ANTÓNIO PEDRO DE CARVALHO VIANA BAPTISTA

CARLOS EDUARDO COELHO ALVES

FILIPA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

FRANCISCO JOSÉ MELO E CASTRO GUEDES

LUA MÓNICA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

MAFALDA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

VÍTOR MANUEL GALVÃO ROCHA NOVAIS GONÇALVES

## 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.

## **PART 2**

### **INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**(UNAUDITED)**

## INTERIM CONSOLIDATED INCOME STATEMENT FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

Amounts in Euro	Note	Q3 2021	Q3 2020
Revenue	2.1	1,515,308,220	1,446,957,794
Other operating income	2.2	67,361,076	79,590,538
Change in fair value of biological assets	3.5	(6,353,852)	(3,619,973)
Cost of goods sold and materials consumed		(564,333,781)	(541,527,379)
Changes in production		15,081,492	(30,958,338)
Supplies and services	2.3	(429,745,873)	(421,751,431)
Payroll costs	7.1	(174,140,862)	(162,476,625)
Other operating expenses	2.3	(58,386,408)	(40,159,192)
Net provisions	9.1	(2,098,181)	(986,655)
Depreciation, amortisation and impairment losses on non-financial assets	3.4	(140,459,168)	(166,072,355)
<b>Operating results</b>		<b>222,232,663</b>	<b>158,996,384</b>
Group share of (loss) / gains of associates and joint ventures	10.3	1,594,967	1,190,557
Financial income and gains	5.8	3,315,535	23,560,328
Financial expenses and losses	5.8	(41,113,326)	(81,860,376)
<b>Profit before tax</b>		<b>185,787,787</b>	<b>101,886,893</b>
Income tax	6.1	(32,504,400)	(11,027,853)
<b>Net profit for the period</b>		<b>153,283,387</b>	<b>90,859,040</b>
Attributable to Semapa's Shareholders		122,246,170	72,769,995
Attributable to non-controlling interests	5.5	31,037,216	18,089,045
<b>Earnings per share</b>			
Basic earnings per share, Euro	5.2	1,531	0,908
Diluted earnings per share, Euro	5.2	1,531	0,908

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

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

Amounts in Euro	Q3 2021	Q3 2020
<b>Net profit for the period before non-controlling interests</b>	<b>153,283,385</b>	<b>90,859,040</b>
<b>Items that may be reclassified to the income statement</b>		
Derivative financial instruments - hedging		
Changes in fair value	(266,091)	2,433,675
Tax on items above	73,176	(669,262)
Currency translation differences	(19,559,330)	(56,108,943)
Other comprehensive income	(2,644,722)	355,384
<b>Items that may not be reclassified to the income statement</b>		
Remeasurements of post-employment benefits		
Remeasurements	2,262,501	(1,298,666)
Tax on items above	(329,051)	33,141
<b>Total other comprehensive income (net of tax)</b>	<b>(20,463,517)</b>	<b>(55,254,671)</b>
<b>Total other comprehensive income</b>	<b>132,819,868</b>	<b>35,604,369</b>
Attributable to:		
Semapa's shareholders	111,655,449	19,437,578
Non-controlling interests	21,164,419	16,166,791
	<b>132,819,868</b>	<b>35,604,369</b>

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

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2021

Amounts in Euro	Note	30-09-2021	31-12-2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	3.1	331,583,402	331,146,928
Intangible assets	3.2	374,258,987	313,145,496
Property, plant and equipment	3.3	1,731,573,093	1,802,961,376
Right-of-use assets		93,851,083	81,006,516
Biological assets	3.5	142,230,600	148,584,452
Investment in associates and joint-ventures	10.3	4,660,172	3,117,099
Investment properties		369,452	371,260
Other financial investments	8.2	16,051,587	9,403,561
Receivables and other non-current receivables	4.2	22,840,809	37,194,260
Deferred tax assets	6.2	66,090,014	73,621,270
		<b>2,783,509,199</b>	<b>2,800,552,218</b>
<b>Current asset</b>			
Inventories	4.1	271,924,244	236,543,966
Receivables and other current receivables	4.2	374,012,578	331,854,764
Income tax	6.1	8,617,869	13,126,350
Cash and cash equivalents	5.7	323,554,283	444,755,259
		<b>978,108,974</b>	<b>1,026,280,339</b>
Non-current assets held for sale		4,162,459	4,162,459
		<b>982,271,433</b>	<b>1,030,442,798</b>
<b>Total assets</b>		<b>3,765,780,632</b>	<b>3,830,995,016</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share Capital	5.1	81,270,000	81,270,000
Treasury Shares	5.1	(15,946,363)	(15,946,363)
Currency translation reserve	5.4	(229,169,961)	(218,994,285)
Fair value reserve	5.4	(3,697,857)	(3,922,725)
Legal reserves	5.4	16,695,625	16,695,625
Other reserves	5.4	1,048,397,118	982,702,158
Retained earnings	5.4	(144,481)	429,769
Net profit for the period		122,246,170	106,588,079
<b>Equity attributable to Semapa's Shareholders</b>		<b>1,019,650,251</b>	<b>948,822,258</b>
Non-controlling interests	5.5	250,192,472	259,154,345
<b>Total Equity</b>		<b>1,269,842,723</b>	<b>1,207,976,603</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	5.6	1,209,320,829	1,199,559,876
Lease liabilities		77,929,419	67,729,016
Pension and other post-employment benefits	7.2	11,193,933	14,511,206
Deferred tax liabilities	6.2	227,780,833	231,285,380
Provisions	9.1	50,101,368	50,940,318
Non-current payables	4.3	33,997,293	30,234,239
		<b>1,610,323,675</b>	<b>1,594,260,035</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	5.6	191,436,161	460,926,030
Lease liabilities		13,997,269	12,410,630
Payables and other current liabilities	4.3	618,564,368	503,814,326
Income tax	6.1	61,616,436	51,607,392
		<b>885,614,234</b>	<b>1,028,758,378</b>
<b>Total liabilities</b>		<b>2,495,937,909</b>	<b>2,623,018,413</b>
<b>Total Equity and Liabilities</b>		<b>3,765,780,632</b>	<b>3,830,995,016</b>

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIOD BETWEEN 1 JANUARY 2021 AND 30 SEPTEMBER 2021

Amounts in Euro	Note	Share Capital	Treasury Shares	Currency translation reserve	Fair value reserve	Legal reserves	Other reserves	Retained earnings	Net profit for the period	Total	Non-controlling interests	Total
<b>Equity as at 1 January 2021</b>		<b>81,270,000</b>	<b>(15,946,363)</b>	<b>(218,994,285)</b>	<b>(3,922,725)</b>	<b>16,695,625</b>	<b>982,702,158</b>	<b>429,769</b>	<b>106,588,079</b>	<b>948,822,258</b>	<b>259,154,345</b>	<b>1,207,976,603</b>
Net profit for the period		-	-	-	-	-	-	-	122,246,169	122,246,169	31,037,218	153,283,387
Other comprehensive income (net of tax)		-	-	(10,175,676)	224,868	-	-	(647,910)	-	(10,598,718)	(9,864,799)	(20,463,517)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>(10,175,676)</b>	<b>224,868</b>	<b>-</b>	<b>-</b>	<b>(647,910)</b>	<b>122,246,169</b>	<b>111,647,451</b>	<b>21,172,419</b>	<b>132,819,870</b>
Application of 2020 profit for the period:												
- Transfer to reserves		-	-	-	-	-	65,694,960	-	(65,694,960)	-	-	-
- Dividends paid	5.4	-	-	-	-	-	-	-	(40,893,119)	(40,893,119)	-	(40,893,119)
Dividends paid by subsidiaries to non-controlling interests	5.6	-	-	-	-	-	-	-	-	-	(30,204,921)	(30,204,921)
Other operations - Hyperinflationary economies (Lebanon)	5.6	-	-	-	-	-	-	73,660	-	73,660	70,633	144,293
<b>Total transactions with shareholders</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,694,960</b>	<b>73,660</b>	<b>(106,588,079)</b>	<b>(40,819,459)</b>	<b>(30,134,288)</b>	<b>(70,953,747)</b>
Other movements		-	-	-	-	-	-	-	-	-	(3)	(3)
<b>Equity as at 30 September 2021</b>		<b>81,270,000</b>	<b>(15,946,363)</b>	<b>(229,169,961)</b>	<b>(3,697,857)</b>	<b>16,695,625</b>	<b>1,048,397,118</b>	<b>(144,481)</b>	<b>122,246,169</b>	<b>1,019,650,250</b>	<b>250,192,473</b>	<b>1,269,842,723</b>

Amounts in Euro	Note	Share Capital	Treasury Shares	Currency translation reserve	Fair value reserve	Legal reserves	Other reserves	Retained earnings	Net profit for the period	Total	Non-controlling interests	Total
<b>Equity as at 1 January 2020</b>		<b>81,270,000</b>	<b>(8,922,980)</b>	<b>(122,926,540)</b>	<b>(3,030,775)</b>	<b>16,695,625</b>	<b>868,632,108</b>	<b>5,098,856</b>	<b>124,053,720</b>	<b>960,870,014</b>	<b>300,848,910</b>	<b>1,261,718,924</b>
Net profit for the period		-	-	-	-	-	-	-	72,769,995	72,769,995	18,089,045	90,859,040
Other comprehensive income (net of tax)		-	-	(54,327,314)	884,159	-	-	(391,779)	-	(53,834,934)	(1,419,737)	(55,254,671)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>(54,327,314)</b>	<b>884,159</b>	<b>-</b>	<b>-</b>	<b>(391,779)</b>	<b>72,769,995</b>	<b>18,935,061</b>	<b>16,669,308</b>	<b>35,604,369</b>
Application of 2019 profit for the period:												
- Transfer to reserves		-	-	-	-	-	114,070,048	-	(114,070,048)	-	-	-
- Dividends	5.4	-	-	-	-	-	-	-	(9,983,672)	(9,983,672)	-	(9,983,672)
Acquisition of treasury shares	5.1	-	(7,023,383)	-	-	-	-	-	-	(7,023,383)	-	(7,023,383)
Dividends paid by subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	-	(2,794,658)	(2,794,658)
<b>Total transactions with shareholders</b>		<b>-</b>	<b>(7,023,383)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114,070,048</b>	<b>-</b>	<b>(124,053,720)</b>	<b>(17,007,055)</b>	<b>(2,794,658)</b>	<b>(19,801,713)</b>
Other movements		-	-	-	-	-	-	-	-	-	(305)	(305)
<b>Equity as at 30 September 2020</b>		<b>81,270,000</b>	<b>(15,946,363)</b>	<b>(177,253,854)</b>	<b>(2,146,616)</b>	<b>16,695,625</b>	<b>982,702,156</b>	<b>4,707,077</b>	<b>72,769,995</b>	<b>962,798,020</b>	<b>314,723,255</b>	<b>1,277,521,275</b>

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

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

Amounts in Euro	Note	Q3 2021	Q3 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers		1,582,145,883	530,586,777
Payments to suppliers		(1,122,399,397)	(299,289,547)
Payments to personnel		(125,884,867)	(35,859,255)
Cash flows from operations		333,861,619	195,437,975
Income tax received/(paid)		(3,394,565)	19,001,073
Other receipts/(payments) relating to operating activities		6,271,757	(56,818,855)
<b>Cash flows from operating activities (1)</b>		<b>336,738,811</b>	<b>157,620,193</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Inflows:			
Financial investments		-	(12,500)
Property, plant and equipment		1,914,247	76,157
Intangible assets		-	1,574
Interest and similar income		6,005,082	(1,147,495)
Group share of (loss) / gains of associates and joint ventures		496,133	1
		8,415,462	(1,082,263)
Outflows:			
Financial investments		(8,522,466)	(1,085,277)
Property, plant and equipment		(68,269,695)	(25,930,891)
Intangible assets		(13,882,322)	1,157
		(90,674,483)	(27,015,011)
<b>Cash flows from investing activities (2)</b>		<b>(82,259,021)</b>	<b>(28,097,274)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Inflows:			
Interest-bearing liabilities		1,698,000,507	380,650,474
		1,698,000,507	380,650,474
Outflows:			
Interest-bearing liabilities		(1,958,931,469)	(523,041,291)
Amortisation of lease agreements		(15,761,312)	(4,422,033)
Interest and similar expenses		(31,242,084)	(7,970,097)
Dividends		(71,182,194)	(234,842)
Other financing operations		(208,803)	(1,653,080)
		(2,077,325,862)	(537,321,343)
<b>Cash flows from financing activities (3)</b>		<b>(379,325,355)</b>	<b>(156,670,869)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS (1)+(2)+(3)</b>		<b>(124,845,565)</b>	<b>(27,147,950)</b>
Effect of exchange rate differences		3,055,887	(7,935,206)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	5.6	<b>444,755,259</b>	<b>726,664,350</b>
Impairment		588,702	364,714
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	5.6	<b>323,554,283</b>	<b>691,945,908</b>

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

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# 1 INTRODUCTION

## 1.1 THE SEMAPA GROUP

The SEMAPA Group (Group) comprises Semapa — Sociedade de Investimento e Gestão, SGPS, S.A. (“Semapa”) and its subsidiaries. Semapa located at Av Fontes Pereira de Melo, 14, 10º Piso, Lisboa was incorporated on 21 June 1991 and its corporate purpose is to manage holdings in other companies as an indirect form of performing economic activities. The Company has been listed on Euronext Lisbon since 1995 with ISIN PTSEM0AM0004.

Company:	Semapa – Sociedade de Investimento e Gestão, SGPS, S.A.
Head Office:	Av. Fontes Pereira de Melo, 14, 10º Piso, Lisboa   Portugal
Legal Form:	Public Limited Company
Share Capital:	Euro 81,270,000
N.I.P.C.:	502 593 130

Semapa leads an Enterprise Group with activities in three distinct business segments: pulp and paper, cement and derivatives, and environment, developed respectively through its subsidiaries The Navigator Company (former Portucel, S.A., named in the present document as Navigator or Navigator Group), Secil – Companhia Geral de Cal e Cimento, S.A. (“Secil” ou “Grupo Secil”) and ETSA – Investimentos, SGPS, S.A. (“ETSA” or “ETSA Group”).

Semapa also holds a venture capital business unit, carried out through its subsidiary Semapa Next, S.A., whose objective is to promote investments in start-ups and venture capital funds with high growth potential.

## 1.2 RELEVANT EVENTS OF THE PERIOD

### COVID-19 PANDEMIC

The Group maintains a follow-up and monitoring of the evolution of the public health emergency situation, with constant updates of the contingency plans in force in its several units and companies, according to the indications of the Health Authority and the Government. The Group continues to analyse the potential impacts of the COVID-19 pandemic on its financial position, performance and cash flows arising from the effects it has had on its economic activity, namely the effects on relevant accounting estimates and judgments. This analysis did not result in any signs of impairment in the first nine months of 2021.

The Group currently shows a solid free cash-flow generation and a strengthened financial position, and it is the Board of Directors’ belief that, given its financial and liquidity position, it will overcome the negative impacts of this crisis, without compromising the going concern principle applied in the preparation of these consolidated financial statements.

### FROM FOSSIL TO FOREST – NEW BUSINESS LINE OF PACKAGING PRODUCTS

The Navigator Company Group launched a new line of packaging products, under the new gKraft brand, with the aim of helping to accelerate the transition from the use of plastic to the use of natural, sustainable, recyclable and biodegradable fibres, thereby assuming once again its commitment to sustainability and environmental preservation.

The launch of the brand took place on 1 November, the date on which Portuguese legislation banning single-use plastics came into force.

Based on the concept "From Fossil to Forest", which reflects the Company's strategy aligned with the purpose of creating sustainable value for its shareholders and for society as a whole, Navigator has therefore strengthened its position in the fight against climate change by offering sustainable and environmentally friendly solutions.

Accordingly, with the launch of the gKraft line, Navigator has taken a step towards providing packaging alternatives that help other organisations meet their environmental objectives. The new packaging solutions are tailored to the specific needs of the packaging market, with special focus on the industrial and retail segments, namely food, catering, pharmaceutical, clothing and cosmetics.

### 1.3 SUBSEQUENT EVENTS

No subsequent relevant events have occurred between the balance sheet date and the approval of these financial statements.

### 1.4 BASIS FOR PREPARATION

#### AUTHORISATION TO ISSUE FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 03 November 2021.

The Group's senior management, which are the members of the Board of Directors who sign this report, declare that, to the best of their knowledge, the information contained herein was prepared in conformity with the applicable accounting standards, providing a true and fair view of the assets and liabilities, the financial position and results of the companies included in the Group's consolidation scope.

#### ACCOUNTING FRAMEWORK

The interim consolidated financial statements for the nine-month period ended 30 September 2021 were prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting.

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 annual reporting date as at 31 December 2020.

#### BASIS FOR MEASUREMENT

The notes to the consolidated financial statements have been prepared on a going concern basis from the books and accounting records of the companies included in the consolidation perimeter (Note 10.1), and based on historical cost, except for biological assets (Note 3.5), and for financial instruments measured at fair value through profit or loss or at fair value through equity, in which derivative financial instruments are included (Note 8.1).

#### ACCOUNTING POLICIES

The accounting policies applied in the preparation of these interim consolidated financial statements are consistent with those used in the preparation of the financial statements for the period ended 31 December 2020 and are described in the respective Notes.

## PRESENTATION CURRENCY AND TRANSACTIONS IN A CURRENCY OTHER THAN THE PRESENTATION CURRENCY

The items included in the financial statements of each of the Group entities included in the consolidation perimeter are measured using the currency of the economic environment in which the entity operates (functional currency).

These consolidated financial statements are presented in Euro.

All the Group's assets and liabilities denominated in currencies other than the presentation currency have been translated to Euro using the exchange rates ruling at the statement of financial position date.

The currency differences arising from differences between the exchange rates ruling at the transaction date and those ruling on collection, payment or at the statement of financial position dates, are recorded as income and expenses in the period (Note 5.8).

The income captions of foreign transactions are translated at the average rate for the period. The differences arising from the application of this rate, as compared with the balance prior to the conversion, are reflected under the Currency translation reserve caption in shareholders' equity (Note 5.4). Whenever a foreign entity is sold, the accumulated exchange difference is recognised in the consolidated income statement as part of the gain or loss on the sale.

For foreign operations in hyperinflationary economies, the financial statements in local currency are restated in terms of the measuring unit current at the statement of financial position date to reflect the impact of inflation before translation into the Group's presentation currency. IAS 29 — Financial Reporting in Hyperinflationary Economies requires that amounts not yet expressed in terms of the measuring unit current at the financial position date are restated by applying a general price index, leading to a potential gain or loss on the monetary position. The standard also requires that all items in the statement of cash flows are expressed in terms of the measuring unit current at the balance sheet date.

When the Group's presentation currency is not hyperinflationary, IAS 21 — The Effects of Changes in Foreign Exchange Rates requires comparative amounts to be those that were presented in previous financial statements, with the gain or loss on the net monetary position relating to price changes in prior periods being recognised directly in Equity.

Furthermore, the Group assesses the book value of non-current assets in accordance with IAS 36 — Impairment of Assets, so that the restated amount is reduced to the recoverable amount, ensuring that the book value reflects the economic value of the assets.

The profit and loss and financial position of foreign operations in hyperinflationary economies are translated at the closing rate at the date of the financial position. In the case of Lebanon, the Group uses the exchange rate applicable to dividends and capital repatriation, because it is the rate at which, at the date of the financial position, the investment in the foreign operation will be recovered.

## 1.5 MAIN ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the use of estimates and judgements that affect the amounts of income, expenses, assets, liabilities and disclosures at the date of the consolidated financial position. To that end, the Board's estimates and judgements are based on:

- the best information and knowledge of current events and in certain cases on the reports of independent experts, and
- 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.

## MAIN ESTIMATES AND JUDGEMENTS

Estimates and judgements	Notes
Recoverability of goodwill and brands	3.1 – Goodwill 3.2 – Intangible assets
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	3.5 – Biological assets
Recognition of provisions	9.1 – 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

When aggregating the Group's operating segments, the Board of Directors defined as reportable segments those that correspond to each of the business areas developed by the Group:

#### PULP AND PAPER

The Navigator 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 whole 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 Group has four industrial plants. BEKP, energy and UWF paper are produced in two plants located in Figueira da Foz and Setúbal. It also has another plant located in Aveiro where it produces BEKP pulp, energy and tissue paper, and another in Vila Velha de Ródão where it only produces tissue paper.

Wood and cork are produced from woodlands owned or leased by the Group in Portugal and Spain, and from granted lands in Mozambique. The production of cork and pine wood are sold to third parties while the eucalyptus wood is mainly consumed in the production of BEKP.

A significant portion of the Group's own BEKP production is consumed in the production of UWF and tissue paper in Aveiro. Sales of BEKP pulp, UWF and tissue paper are made to more than 130 countries and territories around the world.

Energy, heat and electricity are mainly produced from biofuels in three cogeneration plants. Heat production is used for internal consumption while electricity is sold to the national energy grid. The Navigator Group also owns another two cogeneration units using natural gas, integrated in the production of paper in Figueira da Foz and in Setúbal, and two separate units using biofuel.

## CEMENT AND DERIVATIVES

The Cement and derivatives segment is led by Secil – Companhia Geral de Cal e Cimento, S.A., which has a strong presence in the cement industry, being a business group with several operations in Portugal and in several countries around the world (Secil Group).

The main product marketed by the Secil Group is cement. The sale of ready-mixed concrete, aggregates, mortars and precast concrete constitutes a verticalisation of the cement segment allowing the Group to obtain synergies.

Secil Group has 3 cement plants in Portugal, Secil-Outão, Maceira-Liz and Cibra-Pataias, and the cement is sold in its various forms (in bulk or bagged, on pallets or big bags) through the different trading hubs owned by the Group. The Secil Group also owns other factories located in Brazil, Tunisia, Lebanon and Angola.

A significant factor in the marketing of cement is the transportation cost, which is why the Secil Group maintains a private wharf in Secil-Outão, a sea terminal in Spain and a sea terminal in the Netherlands.

With regards to cement "derivatives", the ready-mixed concrete represents the greatest weight in the Group's revenue, with the Secil Group owning several production and marketing centres in Portugal, Spain, Tunisia, Lebanon and Brazil.

Secil Group has also the licence to exploit several quarries, from which it extracts materials for incorporation in cement production or commercialisation as aggregates.

## ENVIRONMENT

The Environment segment is led by ETSA - Investimentos, S.G.P.S., S.A., whose operating activities in Portugal and Spain refer mainly to the rendering of services associated with the cumulative recovery of animal by-products and food products containing animal origin substances, and the sale of the products resulting from this recovery for incorporation in the production of fertilisers, animal feed and biodiesel ("ETSA Group").

The activities developed by the ETSA Group play a very important role in the defence of the population and the environment, providing new life to products that would otherwise be directed to landfills or undifferentiated waste treatment centres.

The main activities developed by the Group are:

- collection, packaging, sorting, unpacking and upgrading of animal by-products (categories 1, 2 and 3), other foodstuffs and waste oils, from collection sites such as slaughterhouses, cutting plants, butchers, municipal markets and modern retail;
- the sale of animal fats, meal and used cooking oil.

ETSA Group develops its activity through the transformation units located in Coruche and Loures, and the collection network is assured by its own road fleet, duly certified by the Portuguese National Authority for Food and Animal Health (Direção Geral de Alimentação e Veterinária - DGAV).

## HOLDINGS

This segment refers to the management activities of the Semapa Group, that is, the services rendered by Semapa to its subsidiaries in various areas such as strategic planning, legal, financial, accounting, tax, talent management, among others, while incurring in payroll expenses and the contracting of specialised services.

The new venture capital unit has been included in this segment, which is not yet reflected in the Group's financial information.

## REVENUE

Revenue is presented by operating segment and by geographic area, based on the country of destination of the goods and services sold by the Group.

## FINANCIAL INFORMATION BY OPERATING SEGMENT FOR THE FIRST NINE-MONTHS OF 2021 AND 2020

Q3 2021 Amounts in Euro	Note	Pulp and paper	Cement and Derivatives	Environment	Holdings	Within-Group Eliminations	Total
Revenue		1,119,683,196	366,861,556	29,070,028	12,336,929	(12,643,489)	1,515,308,220
Other income (a)	2.2 and 3.7	17,351,093	43,578,976	50,105	69,478	(42,428)	61,007,224
Cost of goods sold and materials consumed	4.1	(449,564,880)	(110,081,278)	(4,687,623)	-	-	(564,333,781)
Supplies and services	2.3	(313,526,432)	(116,467,466)	(6,852,326)	(5,585,567)	12,685,918	(429,745,873)
Other expenses (b)	2.3	(127,943,082)	(76,629,693)	(6,073,499)	(6,799,504)	-	(217,445,778)
Depreciation and amortisation	3.6	(100,820,235)	(37,151,421)	(2,410,549)	(187,045)	-	(140,569,250)
Impairment losses	3.6	(1,234)	111,316	-	-	-	110,082
Net provisions	9.1	144,318	(2,242,499)	-	-	-	(2,098,181)
Interest and similar expense	5.11	(12,379,508)	(13,360,882)	(54,976)	(4,876,753)	-	(30,672,119)
Group share of (loss) / gains of associates and joint ventures	10.3	-	1,594,967	-	-	-	1,594,967
Other financial gains and losses	5.11	(361,035)	(7,384,420)	(86,995)	706,778	-	(7,125,672)
<b>Profit before tax</b>		<b>132,582,201</b>	<b>48,587,104</b>	<b>8,954,165</b>	<b>(4,335,684)</b>	<b>1</b>	<b>185,787,787</b>
Income tax	6.1	(26,631,303)	(7,184,732)	(1,982,991)	3,294,626	-	(32,504,400)
<b>Net profit for the period</b>		<b>105,950,898</b>	<b>41,402,372</b>	<b>6,971,174</b>	<b>(1,041,058)</b>	<b>1</b>	<b>153,283,387</b>
<b>Attributable to Shareholders</b>		<b>74,126,904</b>	<b>42,189,930</b>	<b>6,970,394</b>	<b>(1,041,058)</b>	<b>1</b>	<b>122,246,170</b>
Non-controlling interests	5.6	31,823,994	(787,558)	780	-	-	31,037,216
OTHER INFORMATION (30-09-2021)							
Total Segment assets		2,429,995,622	1,214,343,163	92,517,468	53,888,679	(24,964,300)	3,765,780,632
Goodwill	3.1	122,907,528	172,252,940	36,422,934	-	-	331,583,402
Intangible assets	3.2	172,708,125	201,550,862	-	-	-	374,258,987
Property, plant and equipment	3.3	1,202,560,046	505,167,030	23,230,373	615,644	-	1,731,573,093
Biological assets	3.7	142,230,600	-	-	-	-	142,230,600
Deferred tax assets	6.2	29,021,555	36,518,547	549,912	-	-	66,090,014
Investments in associates and joint ventures	10.3	-	4,660,172	-	-	-	4,660,172
Cash and cash equivalents	5.9	243,071,648	60,317,266	3,769,642	16,395,727	-	323,554,283
Total segment liabilities		1,497,182,758	701,094,453	16,300,164	306,324,835	(24,964,300)	2,495,937,909
Interest-bearing liabilities	5.7	839,977,377	337,371,780	458,343	223,052,032	(102,542)	1,400,756,990
Adjustment of property, plant and equipment	3.3	51,788,582	19,922,692	2,474,522	31,829	-	74,217,625
Q3 2020 Amounts in Euro							
Revenue		1,043,947,377	379,951,771	23,376,043	11,712,684	(12,030,081)	1,446,957,794
Other income (a)	2.2 and 3.7	18,444,588	57,346,838	178,271	868	-	75,970,565
Cost of goods sold and materials consumed	4.1	(420,975,784)	(117,108,133)	(3,443,462)	-	-	(541,527,379)
Supplies and services	2.3	(297,658,110)	(123,772,698)	(6,425,417)	(5,925,287)	12,030,081	(421,751,431)
Other expenses (b)	2.3	(133,305,002)	(89,057,257)	(5,877,373)	(5,354,523)	-	(233,594,155)
Depreciation and amortisation	3.6	(122,792,119)	(40,668,679)	(2,344,193)	(283,777)	-	(166,088,768)
Impairment losses	3.6	(1,233)	17,646	-	-	-	16,413
Net provisions	9.1	475,594	(1,462,249)	-	-	-	(986,655)
Interest and similar expense	5.11	(11,726,246)	(16,639,878)	(95,189)	(8,021,168)	6,067	(36,476,414)
Group share of (loss) / gains of associates and joint ventures	10.3	-	1,190,557	-	-	-	1,190,557
Other financial gains and losses	5.11	2,663,394	(24,321,564)	(92,218)	(67,179)	(6,067)	(21,823,634)
<b>Profit before tax</b>		<b>79,072,459</b>	<b>25,476,354</b>	<b>5,276,462</b>	<b>(7,938,382)</b>	<b>-</b>	<b>101,886,893</b>
Income tax	6.1	(12,114,432)	(6,190,179)	(1,223,247)	8,500,005	-	(11,027,853)
<b>Net profit for the period</b>		<b>66,958,027</b>	<b>19,286,175</b>	<b>4,053,215</b>	<b>561,623</b>	<b>-</b>	<b>90,859,040</b>
<b>Attributable to Shareholders</b>		<b>46,842,194</b>	<b>21,313,418</b>	<b>4,052,760</b>	<b>561,623</b>	<b>-</b>	<b>72,769,995</b>
Non-controlling interests	5.6	20,115,833	(2,027,243)	455	-	-	18,089,045
OTHER INFORMATION (30-09-2020)							
Total Segment assets		2,621,078,248	1,337,274,904	83,958,950	200,405,604	(21,919,229)	4,220,798,477
Goodwill	3.1	122,907,528	170,594,361	36,422,934	-	-	329,924,823
Intangible assets	3.2	157,295,506	148,092,693	-	-	-	305,388,199
Property, plant and equipment	3.3	1,273,924,911	567,930,644	22,702,271	721,902	-	1,865,279,728
Biological assets	3.7	128,149,868	-	-	-	-	128,149,868
Deferred tax assets	6.2	28,040,474	50,787,348	423,779	-	-	79,251,601
Investments in associates and joint ventures	10.3	-	2,816,993	-	-	-	2,816,993
Cash and cash equivalents	5.9	345,129,117	178,527,989	1,769,404	166,519,398	-	691,945,908
Total segment liabilities		1,612,935,985	800,776,850	15,048,422	536,435,179	(21,919,229)	2,943,277,207
Interest-bearing liabilities	5.7	989,088,606	442,032,990	3,095,567	496,980,422	(119,768)	1,931,077,817
Adjustment of property, plant and equipment	3.3	69,735,787	18,254,698	1,440,939	23,398	-	89,454,822

(a) Includes "Other operating income" and "Fair value adjustments of biological assets"

(b) Includes "Changes in production", "Payroll costs" e "Other operating expenses"

NOTE: The figures presented by business segments may differ from those presented individually by each Group, following the harmonisation adjustments made in the consolidation

## REVENUE BY BUSINESS SEGMENT BY GEOGRAPHIC AREA

Q3 2021	Pulp and paper	Cement and derivatives	Environment	Total Amount	Total %
Portugal	180,143,031	204,844,945	21,382,559	406,370,535	26,82%
Rest of Europe	552,219,427	29,488,125	7,594,934	589,302,486	38,89%
America	141,156,850	64,794,342	-	205,951,192	13,59%
Africa	147,236,278	52,301,877	24,351	199,562,506	13,17%
Asia	97,388,298	15,258,124	68,185	112,714,607	7,44%
Oceania	1,406,894	-	-	1,406,894	0,09%
	<b>1,119,550,778</b>	<b>366,687,413</b>	<b>29,070,029</b>	<b>1,515,308,220</b>	<b>100,00%</b>

Q3 2020	Pulp and paper	Cement and derivatives	Environment	Total Amount	Total %
Portugal	213,360,325	192,670,265	17,210,140	423,240,730	29,25%
Rest of Europe	499,051,144	28,122,084	5,728,359	532,901,587	36,83%
America	98,620,742	58,655,627	-	157,276,369	10,87%
Africa	110,624,562	47,750,218	-	158,374,780	10,95%
Asia	121,658,187	52,619,710	437,543	174,715,440	12,07%
Oceania	448,888	-	-	448,888	0,03%
	<b>1,043,763,848</b>	<b>379,817,904</b>	<b>23,376,042</b>	<b>1,446,957,794</b>	<b>100,00%</b>

In 2021 and 2020, the revenue presented in different business and geographical segments corresponds to revenue generated with external customers based on the final destiny of the products and services commercialised by the Group, not representing any of them, individually, 10% or more of the overall revenue of the Group.

## 2.2 OTHER OPERATING INCOME

In the first nine months of 2021 and 2020, Other operating income is detailed as follows:

Amounts in Euro	Q3 2021	Q3 2020
Grants - CO <sub>2</sub> emission allowances	38,849,574	32,928,060
Disposal of CO <sub>2</sub> emission allowances	5,118,160	16,043,290
Power interruption - REN	3,095,883	3,478,160
Operating grants	2,135,669	3,077,323
Supplementary income	665,997	1,264,834
Income from waste treatment	800,967	316,635
Gains on disposal of non-current assets	3,794,789	8,270,712
Gains on disposal of current assets	20,413	5,382
Own work capitalised	707,046	322,027
Compensations received	89,445	2,119,129
Inventory gains	1,161,914	1,577,388
Recovery/settlement of uncollectibles	13,461	17,750
Other operating income	10,907,758	10,169,848
	<b>67,361,076</b>	<b>79,590,538</b>

The amount recorded under Grants - CO<sub>2</sub> emission allowances correspond to the recognition of the free allocation of emission allowances, which are mostly offset with the expense recognised for the issue/consumption of allowances granted free of charge. Therefore, this decrease does not significantly impact the Group's net income for the period.

In the nine-month period ended 30 September 2021, the item Gains on the sale of non-current assets includes the sale of the wood and biomass park in Albergaria-a-Velha, by the subsidiary Navigator, which was inactive, generating a capital gain in the amount of Euro 2.5 million. In the first 9 months of 2020, this item included Euro 6.2 million corresponding to the capital gains recorded by the subsidiary Secil with the sale of: 1) 25% of the associate Setefrete (Euro 4.9 million) and 2) 50% of the subsidiary Allmicroalgae (Euro 1.2 million).

## 2.3 OTHER OPERATING EXPENSES

In the first nine months of 2021 and 2020, Other operating expenses is detailed as follows:

Amounts in Euro	Note	Q3 2021	Q3 2020
<b>Cost of goods sold and materials consumed</b>		<b>564,333,781</b>	<b>541,527,379</b>
<b>Changes in production</b>		<b>(15,081,492)</b>	<b>30,958,338</b>
<b>Supplies and services</b>			
Energy and fluids		122,107,559	123,637,564
Inventory transportation		138,917,768	117,668,685
Specialised work		73,862,672	71,520,663
Repair and maintenance		35,159,205	46,159,105
Fees		4,119,821	4,190,126
Insurance		8,859,541	11,735,264
Subcontracts		2,781,346	3,538,911
Other		43,937,961	43,301,113
		<b>429,745,873</b>	<b>421,751,431</b>
<b>Payroll costs</b>	<b>7.1</b>	<b>174,140,862</b>	<b>162,476,625</b>
<b>Other operating expenses</b>			
Membership fees		1,149,161	1,142,061
Donations		729,804	1,183,574
Costs with CO2 emission allowances		44,250,628	36,843,619
Impairment on receivables		82,627	1,731,931
Impairment on inventories	4.1	3,250,693	(9,336,248)
Other inventory losses		1,648,772	830,952
Indirect taxes		4,312,100	4,327,249
Losses on disposal of non-current assets		74,204	196,459
Other operating expenses		2,888,419	3,239,595
		<b>58,386,408</b>	<b>40,159,192</b>
<b>Net provisions</b>	<b>9.1</b>	<b>2,098,181</b>	<b>986,655</b>
<b>Total operating expenses</b>		<b>1,213,623,613</b>	<b>1,197,859,620</b>

Logistics costs increased significantly, particularly in the 3<sup>rd</sup> quarter, due to the imbalance in the global transport chain caused by the pandemic, which is affecting the economy transversally, explaining the increase in the item Inventory transportation.

The item Impairment on inventories (presented at net value) includes, in 2020, reversals resulting essentially from sales of UWF and Tissue paper waste by the Navigator subsidiary.

## 3 INVESTMENTS

### 3.1 GOODWILL

#### GOODWILL – NET AMOUNT

Goodwill is attributed to the Group's cash generating units (CGU's) that correspond to the operating segments identified in Note 2.1, as follows:

Amounts in Euro	30-09-2021	31-12-2020
Pulp and paper	122,907,528	122,907,528
Cement and Derivatives	172,252,940	171,816,466
Environment	36,422,934	36,422,934
	<b>331,583,402</b>	<b>331,146,928</b>

#### MOVEMENTS IN THE PERIOD

Amounts in Euro	30-09-2021	31-12-2020
<b>Net book value at the beginning of the period</b>	<b>331,146,928</b>	<b>345,172,676</b>
Exchange rate adjustment	436,474	(14,025,748)
<b>Net book value at the end of the period</b>	<b>331,583,402</b>	<b>331,146,928</b>

### 3.2 INTANGIBLE ASSETS

#### MOVEMENTS IN INTANGIBLE ASSETS

Amounts in Euro	Brands	Research and development expenditure	Industrial property and other rights	CO <sub>2</sub> Emission Allowances	Assets under construction	Total
<b>Gross amount</b>						
<b>Balance as at 1 January 2020</b>	278,671,558	-	23,830	61,732,182	295,052	340,722,622
Acquisitions/Attributions	-	-	4,335	64,911,624	1,790,877	66,706,836
Disposals	-	-	-	(29,741,191)	-	(29,741,191)
Adjustments, transfers and write-offs	-	-	-	(29,972,395)	339,470	(29,632,925)
Exchange rate adjustment	(8,283,979)	-	-	-	-	(8,283,979)
<b>Balance as at 31 December 2020</b>	270,387,579	-	28,165	66,930,220	2,425,399	339,771,363
Acquisitions/Attributions	-	-	-	82,616,940	3,227,352	88,582,235
Disposals	-	-	-	(2,882,560)	-	(2,882,560)
Exchange rate adjustment	(2,094,585)	-	-	-	-	(2,094,585)
<b>Balance as at 30 September 2021</b>	<b>268,292,994</b>	<b>-</b>	<b>45,787</b>	<b>121,876,318</b>	<b>5,635,129</b>	<b>398,588,171</b>
<b>Accumulated depreciation and impairment losses</b>						
<b>Balance as at 1 January 2020</b>	(28,768,601)	-	(13,628)	(1,782,394)	-	(30,564,623)
Amortisation in the period	(15,381)	-	(4,473)	1,782,394	-	1,762,540
Exchange rate adjustment	2,176,216	-	-	-	-	2,176,216
<b>Balance as at 31 December 2020</b>	(26,607,766)	-	(18,101)	-	-	(26,625,867)
Amortisation in the period	(5,480)	-	(9,024)	-	-	(14,504)
Exchange rate adjustment	2,311,187	-	-	-	-	2,311,187
<b>Balance as at 30 September 2021</b>	<b>(24,302,059)</b>	<b>-</b>	<b>(27,125)</b>	<b>-</b>	<b>-</b>	<b>(24,329,184)</b>
<b>Net book value as at 1 January 2020</b>	249,902,957	-	10,202	59,949,788	295,052	310,157,999
<b>Net book value as at 31 December 2020</b>	243,779,813	-	10,064	66,930,220	2,425,399	313,145,496
<b>Net book value as at 30 September 2021</b>	<b>243,990,935</b>	<b>-</b>	<b>18,662</b>	<b>121,876,318</b>	<b>5,635,129</b>	<b>374,258,987</b>

## BRANDS

As of 30 September 2021 and 31 December 2020, the net value of the brands is detailed as follows:

Amounts in Euro	30-09-2021	31-12-2020
Pulp and paper		
Navigator	107,568,000	107,568,000
Soporset	43,919,000	43,919,000
Cement and Derivatives		
Secil Portugal	71,700,000	71,700,000
Supremo (Brazil)*	14,626,943	14,446,973
Gabès (Tunisia)*	6,176,992	6,143,739
Other	-	2,101
	<b>243,990,935</b>	<b>243,779,813</b>

\* The value of these brands is subject to exchange rate adjustment.

## 3.3 PROPERTY, PLANT AND EQUIPMENT

## MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

Amounts in Euro	Land	Buildings and other constructions	Equipment and other assets	Assets under construction	Total
<b>Gross amount</b>					
<b>Balance as at 1 January 2020</b>	<b>425,023,485</b>	<b>1,129,940,316</b>	<b>5,567,582,362</b>	<b>153,482,669</b>	<b>7,276,028,832</b>
Changes in the perimeter	-	(9,137)	(662,550)	(43,478)	(715,165)
Acquisitions	92,016	708,075	746,231	107,389,053	108,935,375
Disposals	(1,537,652)	(2,571,328)	(10,468,951)	-	(14,577,931)
Effect of hyperinflationary economies	17,210,206	4,657,427	46,651,609	577,930	69,097,172
Settlements, transfers and write-offs	2,270,309	11,805,738	79,174,924	(112,324,284)	(19,073,313)
Exchange rate adjustment	(35,403,463)	(76,992,994)	(221,443,153)	(7,202,551)	(341,042,161)
<b>Balance as at 31 December 2020</b>	<b>407,654,901</b>	<b>1,067,538,097</b>	<b>5,461,580,472</b>	<b>141,879,339</b>	<b>7,078,652,809</b>
Acquisitions	(1,189)	42,962	12,226,640	61,949,212	74,217,625
Disposals	1,122,108	(81,186)	(5,550,633)	-	(4,509,711)
Settlements, transfers and write-offs	(1,423,847)	905,953	79,297,857	(99,360,266)	(20,580,303)
Exchange rate adjustment	(9,468,914)	(5,630,955)	(34,603,776)	(256,414)	(49,960,059)
<b>Balance as at 30 September 2021</b>	<b>397,883,059</b>	<b>1,062,774,871</b>	<b>5,512,950,560</b>	<b>104,211,871</b>	<b>7,077,820,361</b>
<b>Accumulated depreciation and impairment losses</b>					
<b>Balance as at 1 January 2020</b>	<b>(83,499,951)</b>	<b>(729,014,570)</b>	<b>(4,434,875,274)</b>	<b>(3,629,921)</b>	<b>(5,251,019,716)</b>
Changes in the perimeter	-	76	6,474	-	6,550
Depreciation in the period	(5,733,836)	(18,368,032)	(182,828,307)	(786)	(206,930,961)
Disposals	158,105	2,189,403	10,246,186	-	12,593,694
Impairment losses	-	-	-	-	-
Settlements, transfers and write-offs	(39,592)	1,146,285	19,704,097	-	20,810,790
Effect of hyperinflationary economies	(5,539,103)	(3,073,748)	(40,426,784)	-	(49,039,635)
Exchange rate adjustment	3,630,913	35,881,789	158,375,142	-	197,887,844
<b>Balance as at 31 December 2020</b>	<b>(91,023,464)</b>	<b>(711,238,797)</b>	<b>(4,469,798,466)</b>	<b>(3,630,707)</b>	<b>(5,275,691,434)</b>
Depreciation in the period	(3,973,457)	(13,091,499)	(113,330,377)	-	(130,395,333)
Disposals	(1,711,833)	217,563	4,358,114	-	2,863,844
Impairment losses	-	16,259	95,057	-	111,316
Settlements, transfers and write-offs	1,740,591	1,349,809	16,795,670	-	19,886,070
Exchange rate adjustment	2,868,651	3,922,844	30,186,773	-	36,978,268
<b>Balance as at 30 September 2021</b>	<b>(92,099,512)</b>	<b>(718,823,821)</b>	<b>(4,531,693,228)</b>	<b>(3,630,707)</b>	<b>(5,346,247,268)</b>
<b>Net book value as at 1 January 2020</b>	<b>341,523,534</b>	<b>400,925,746</b>	<b>1,132,707,088</b>	<b>149,852,748</b>	<b>2,025,009,116</b>
<b>Net book value as at 31 December 2020</b>	<b>316,631,437</b>	<b>356,299,301</b>	<b>991,782,006</b>	<b>138,248,632</b>	<b>1,802,961,376</b>
<b>Net book value as at 30 September 2021</b>	<b>305,783,547</b>	<b>343,951,051</b>	<b>981,257,332</b>	<b>100,581,164</b>	<b>1,731,573,093</b>

### 3.4 DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

In the first nine months of 2021 and 2020, Depreciation, amortisation and impairment losses were detailed as follows:

Amounts in Euro	Note	Q3 2021	Q3 2020
Depreciation of property, plant and equipment for the period	3.3	131,047,680	165,031,159
Government grants charge-off		(3,532,900)	(8,656,399)
<b>Depreciation of property, plant and equipment, net of grants used</b>		<b>127,514,780</b>	<b>156,374,760</b>
Impairment on property, plant and equipment - losses		-	(114,147)
Impairment on property, plant and equipment - reversals		(111,316)	(133,499)
<b>Impairment on property, plant and equipment for the period</b>	<b>3.3</b>	<b>(111,316)</b>	<b>(247,646)</b>
<b>Amortisation in intangible assets for the period</b>	<b>3.2</b>	<b>14,504</b>	<b>13,667</b>
<b>Depreciation of right-of-use assets for the period</b>		<b>13,836,396</b>	<b>11,117,108</b>
Depreciation of investment properties		575	575
Impairment losses on investment properties		1,234	1,233
ICMS - Value-added tax on goods and services included in depreciation (Brazil)		(797,005)	(1,417,341)
		<b>140,459,168</b>	<b>166,072,356</b>

### 3.5 BIOLOGICAL ASSETS

#### MOVEMENTS IN BIOLOGICAL ASSETS

Amounts in Euro	30-09-2021	31-12-2020
<b>Opening balance</b>	<b>148,584,452</b>	<b>131,769,841</b>
Variation		
Logging	(19,895,913)	(18,310,911)
Growth	3,650,748	2,421,646
Replanting	2,089,539	2,657,841
Other changes in fair value	7,801,774	9,611,451
<b>Total variation</b>	<b>(6,353,852)</b>	<b>(3,619,973)</b>
<b>Closing balance</b>	<b>142,230,600</b>	<b>128,149,868</b>
<b>Remaining quarters</b>	<b>-</b>	<b>20,434,584</b>
<b>Closing balance</b>	<b>142,230,600</b>	<b>148,584,452</b>

The amounts shown as “Other changes in fair value” correspond to actual costs of forest asset management foreseen and incurred in the period:

Amounts in Euro	30-09-2021	31-12-2020
Costs of asset management		
Forestry	2,453,355	2,414,408
Structure	1,458,784	2,462,129
Fixed and variable rents	7,897,225	8,154,867
	<b>11,809,364</b>	<b>13,031,404</b>
Variation in other species	56,977	436,891
Impact of forest fires	-	-
Transport logistics cost	(3,608,053)	-
Other changes in expectation	(456,514)	(3,856,844)
	<b>(4,007,590)</b>	<b>(3,419,953)</b>
	<b>7,801,774</b>	<b>9,611,451</b>

## DETAIL OF BIOLOGICAL ASSETS

Amounts in Euro	30-09-2021	31-12-2020
Eucalyptus (Portugal)	112,723,946	118,916,833
Pine (Portugal)	6,493,056	6,311,003
Cork Oak (Portugal)	6,352,850	6,050,894
Other species (Portugal)	648,266	591,289
Eucalyptus (Mozambique)	16,012,482	16,714,433
	<b>142,230,600</b>	<b>148,584,452</b>

Concerning Eucalyptus, the most relevant biological asset in the financial statements for the nine-month period ended 30 September 2021, the Group extracted 480,136 m3ssc of wood from its owned and explored forests (30 September 2020: 452,303 m3ssc).

As of 30 September 2021 and 31 December 2020 (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

#### INVENTORIES – DETAIL BY NATURE

*Amounts net of accumulated impairment losses*

Amounts in Euro	30-09-2021	31-12-2020
Raw materials	148,676,215	129,104,493
Goods	11,075,522	6,657,118
Sub-products and waste	4,837,314	3,596,468
	<b>164,589,051</b>	<b>139,358,079</b>
Finished and intermediate products	103,771,077	92,979,177
Work in progress	3,564,116	4,206,710
	<b>107,335,193</b>	<b>97,185,887</b>
Total	<b>271,924,244</b>	<b>236,543,966</b>

#### MOVEMENTS IN IMPAIRMENT LOSSES IN INVENTORIES

Amounts in Euro	Note	30-09-2021	31-12-2020
<b>Opening balance</b>		<b>(10,509,972)</b>	<b>(24,918,865)</b>
Increases		(3,406,477)	(111,258)
Reversals		155,784	1,736,257
<b>Impact on profit for the period</b>	<b>2.3</b>	<b>(3,250,693)</b>	<b>1,624,999</b>
<b>Remaining quarters</b>		<b>-</b>	<b>7,327,839</b>
Exchange rate adjustment		(382,429)	3,023,339
Hyperinflationary Economies		(745)	(287,836)
Charge-offs		(12,432)	2,720,552
<b>Closing balance</b>		<b>(14,156,271)</b>	<b>(10,509,972)</b>

## 4.2 RECEIVABLES AND OTHER CURRENT ASSETS

As of 30 September 2021 and 31 December 2020, Receivables and other current and non-current assets were as follows:

Amounts in Euro	30-09-2021			31-12-2020		
	Non-current	Current	Total	Non-current	Current	Total
<b>Trade receivables</b>						
Pulp and Paper segment	-	178,013,052	178,013,052	-	133,591,397	133,591,397
Cement and Derivatives segment	-	64,357,429	64,357,429	-	49,602,293	49,602,293
Environment segment	-	16,915,828	16,915,828	-	12,917,744	12,917,744
	-	<b>259,286,309</b>	<b>259,286,309</b>	-	<b>196,111,434</b>	<b>196,111,434</b>
Receivables - Related parties	-	720,490	720,490	-	946,445	946,445
State	-	38,904,818	38,904,818	-	59,271,883	59,271,883
Department of Commerce (USA)	-	1,374,623	1,374,623	3,245,517	6,608,333	9,853,850
Enviva Pellets Greenwood, LLC (USA)	15,310,084	17,272,649	32,582,733	30,747,820	2,747,317	33,495,137
Accrued income	-	14,186,176	14,186,176	-	18,451,205	18,451,205
Deferred expenses	-	15,969,841	15,969,841	-	12,133,566	12,133,566
Derivative financial instruments	-	1,033,028	1,033,028	-	7,331,771	7,331,771
Other	7,530,725	25,264,644	32,795,369	3,200,923	28,252,810	31,453,733
	<b>22,840,809</b>	<b>374,012,578</b>	<b>396,853,387</b>	<b>37,194,260</b>	<b>331,854,764</b>	<b>369,049,024</b>

### Department of Commerce (USA)

As of 30 September 2021 and 31 December 2020, 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 2021 at 2.21%, therefore the Group will soon receive approximately Euro 1.4 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 4.5 million (Note 4.3).

### Enviva Pellets Greenwood, LLC (USA)

Reflects the present value of the amount still to be received from the sale of the pellet business by Navigator. The nominal receivable shall bear interest at the rate of 2.5%.

As of 30 September 2021 and 31 December 2020, State is detailed as follows:

Amounts in Euro	30-09-2021	31-12-2020
Value Added Tax - recoverable	3,258,842	17,727,119
Value Added Tax - requested refunds	25,277,747	27,006,418
Tax on the Movement of Goods and Services (ICMS)	1,358,053	1,381,325
Tax on Industrial Products (IPI)	639,307	515,339
Social Security Financing Contribution (COFINS)	653,263	1,635,279
PIS and COFINS credit on fixed assets	7,591,076	8,117,401
Other taxes	124,060	605,190
Amounts pending repayment (tax proceedings decided in favour of the Group)	2,470	2,283,812
	<b>38,904,818</b>	<b>59,271,883</b>

As of 30 September 2021 and 31 December 2020, Accrued income and deferred costs were detailed as follows:

Amounts in Euro	30-09-2021	31-12-2020
<b>Accrued income</b>		
Energy sales	9,789,007	12,314,111
Compensation receivable	800,000	2,982,965
Other	3,597,169	3,154,129
	<b>14,186,176</b>	<b>18,451,205</b>
<b>Deferred expenses</b>		
Insurance	3,986,560	421,201
Rentals	8,038,236	7,209,419
Other	3,945,045	4,502,946
	<b>15,969,841</b>	<b>12,133,566</b>
	<b>30,156,017</b>	<b>30,584,771</b>

## 4.3 PAYABLES AND OTHER CURRENT LIABILITIES

As of 30 September 2021 and 31 December 2020, Payables and other current liabilities were detailed as follows:

Amounts in Euro	30-09-2021	31-12-2020
Trade payables - current account	291,649,825	237,879,202
Trade payables - Property, plant and equipment - current account	6,577,710	5,629,661
State	72,663,967	59,806,065
<i>Instituto do Ambiente</i>	73,692,429	48,927,954
Related parties	439,926	859,487
Other payables	7,308,426	3,104,168
Derivative financial instruments	10,405,825	6,404,465
Accrued costs - payroll costs	42,493,523	38,682,709
Other accrued costs	50,879,127	58,013,473
Non-repayable grants	62,074,849	44,105,976
Other deferred income - ISP	378,761	401,166
<b>Payables and other liabilities - current</b>	<b>618,564,368</b>	<b>503,814,326</b>
Non-repayable grants	29,441,371	30,234,239
Department of Commerce (USA)	4,555,922	-
<b>Payables and other liabilities - non-current</b>	<b>33,997,293</b>	<b>30,234,239</b>
	<b>652,561,661</b>	<b>534,048,565</b>

As of 30 September 2021 and 31 December 2020, State is detailed as follows:

Amounts in Euro	30-09-2021	31-12-2020
Personal income tax withheld (IRS)	3,190,799	4,407,347
Value Added Tax (VAT)	39,229,014	31,649,269
Contributions to Social Security	4,067,647	4,074,130
Tax on the Movement of Goods and Services (ICMS)	644,396	375,222
Programa de Desenvolvimento da Empresa Catarinense (PRODEC)	670,082	627,605
<i>Programa Paraná Competitivo</i>	23,431,178	17,398,977
Social Security Financing Contribution (COFINS)	58,774	21,372
Other	1,372,077	1,252,143
	<b>72,663,967</b>	<b>59,806,065</b>

As of 30 September 2021 and 31 December 2020, there were no overdue debts to the State.

### Non-repayable grants - details

Amounts in Euro	30-09-2021	31-12-2020
Government grants	3,231,811	4,997,433
Grants - CO2 emission allowances	45,760,489	24,048,529
Other grants	13,082,549	15,060,014
<b>Non-repayable grants - current</b>	<b>62,074,849</b>	<b>44,105,976</b>
Government grants	29,441,371	30,234,239
<b>Non-repayable grants - non-current</b>	<b>29,441,371</b>	<b>30,234,239</b>
	<b>91,516,220</b>	<b>74,340,215</b>

## 5 CAPITAL STRUCTURE

### 5.1 SHARE CAPITAL AND TREASURY SHARES

#### SEMAPA'S SHAREHOLDERS

As of 30 September 2021 and 31 December 2020, Semapa's shareholders are detailed as follows:

Description	30-09-2021		31-12-2020	
	No. of shares	%	No. of shares	%
<b>Shares without par value</b>				
Cimo - Gestão de Participações, SGPS, S.A.	38,959,431	47,94	38,959,431	47,94
Sodim, SGPS, S.A.	27,508,892	33,85	19,478,903	23,97
Bestinver Gestión, S.A., S.G.I.I.C.	2,458,623	3,03	4,032,051	4,96
Cobas Asset Management, SGIC, S.A.	1,637,038	2,01	-	-
Norges Bank (the Central Bank of Norway)	1,699,613	2,09	1,699,613	2,09
Sociedade Agrícola da Quinta da Vialonga, S.A.	-	-	625,199	0,77
Treasury Shares	1,400,627	1,72	1,400,627	1,72
Other shareholders with less than 2% interest	7,605,776	9,36	15,074,176	18,55
	<b>81,270,000</b>	<b>100,00</b>	<b>81,270,000</b>	<b>100,00</b>

#### TREASURY SHARES - MOVEMENTS

The movement in treasury shares, in the first nine months of 2021 and in 2020, were as follows:

Amounts in Euro	30-09-2021		31-12-2020	
	No. of shares	Book value (Euro)	No. of shares	Book value (Euro)
Treasury shares held at the beginning of the period	1,400,627	15,946,363	823,337	8,922,980
Acquisition of shares by Semapa	-	-	577,290	7,023,383
<b>Treasury shares at the end of the period</b>	<b>1,400,627</b>	<b>15,946,363</b>	<b>1,400,627</b>	<b>15,946,363</b>

### 5.2 EARNINGS PER SHARE

#### BASIC AND DILUTED EARNINGS PER SHARE

Amounts in Euro	Q3 2021	Q3 2020
<b>Profit attributable to the Shareholders of Semapa</b>	<b>122,246,170</b>	<b>72,769,995</b>
Total number of issued shares	81,270,000	81,270,000
Average number of treasury shares in the portfolio	(1,400,627)	(1,083,435)
<b>Weighted average number of shares</b>	<b>79,869,373</b>	<b>80,186,565</b>
<b>Basic earnings per share</b>	<b>1,531</b>	<b>0,908</b>
<b>Diluted earnings per share</b>	<b>1,531</b>	<b>0,908</b>

## 5.3 DIVIDENDS

Dividends per share presented are calculated based on the number of shares outstanding on the grant date.

### DIVIDENDS DISTRIBUTED IN THE PERIOD

Amounts in Euro	Date	Amount allocated	Dividends per share
<b>Dividends distributed in 2021</b>			
Approval at the Semapa Annual Shareholders' Meeting of the payment of dividends relating to the 2020 net profit on an individual basis in accordance with IFRS	30 April 2021	40,893,119	0.512
<b>Dividends distributed in 2020</b>			
Approval at the Semapa Annual Shareholders' Meeting of the payment of dividends relating to the 2019 net profit on an individual basis in accordance with IFRS	29 May 2020	9,983,672	0.125

## 5.4 RESERVES AND RETAINED EARNINGS

As of 30 September 2021 and 31 December 2020, Reserves and Retained Earnings are detailed as follows:

Amounts in Euro	30-09-2021	31-12-2020
<b>Currency translation reserve</b>	<b>(229,169,961)</b>	<b>(218,994,285)</b>
Fair value of derivative financial instruments	(3,697,857)	(3,922,725)
<b>Fair value reserve</b>	<b>(3,697,857)</b>	<b>(3,922,725)</b>
<b>Legal reserves</b>	<b>16,695,625</b>	<b>16,695,625</b>
<b>Other reserves</b>	<b>1,048,397,118</b>	<b>982,702,158</b>
<b>Retained earnings</b>	<b>(144,481)</b>	<b>429,769</b>
<b>Reserves and retained earnings</b>	<b>832,080,444</b>	<b>776,910,542</b>

### Currency translation reserve

The currency translation reserve corresponds to the cumulative amount related to the Group's appropriation of exchange rate differences resulting from the translation of the financial statements of the subsidiaries and associated companies operating outside the Euro zone, mainly in Brazil, Tunisia, Lebanon, Angola, Mozambique, the United States of America, Switzerland and United Kingdom.

In the first nine months of 2021 there was an increase in the exchange rate of the Lebanese Pound against the Euro, which led to the devaluation of the assets held by the Group in that geography.

As of 30 September 2021 and 31 December 2020, the exchange rates used for the translation of assets and liabilities expressed in currencies other than Euro are detailed as follows:

	30-09-2021	31-12-2020	Var. 21/20
<b>TND (Tunisian Dinar)</b>			
Average exchange rate for the period	3.2956	3.1998	(2.99%)
Exchange rate for the end of the period	3.2702	3.2879	0.54%
<b>LBP (Lebanese Pound)</b>			
Average exchange rate for the period	20,089.60	10,307.60	(94.90%)
Exchange rate for the end of the period	20,089.60	10,307.60	(94.90%)
<b>USD (American Dollar)</b>			
Average exchange rate for the period	1.1962	1.1422	(4.73%)
Exchange rate for the end of the period	1.1579	1.2271	5.64%
<b>BRL (Brazilian Real)</b>			
Average exchange rate for the period	6.3757	5.8978	(8.10%)
Exchange rate for the end of the period	6.2969	6.3768	1.25%
<b>AOA (Angolan Kwanza)</b>			
Average exchange rate for the period	777.3196	689.8670	(12.68%)
Exchange rate for the end of the period	701.9111	822.3820	14.65%

### Fair value reserve

The Fair value reserve refers to the accumulated change in fair value of derivative financial instruments classified as hedging instruments, and financial investments measured at fair value through other comprehensive income, net of deferred taxes.

Changes relating to derivatives are reclassified to profit or loss for the period as hedged instruments affect profit or loss for the period. The change in fair value of financial investments recorded under this item is not recycled to profit or loss.

## 5.5 NON-CONTROLLING INTERESTS

### DETAIL OF NON-CONTROLLING INTERESTS, BY SUBSIDIARY

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.

### MOVEMENTS OF NON-CONTROLLING INTERESTS BY OPERATING SEGMENT

Amounts in Euro	Pulp and paper	Cement and Derivatives	Environment	Total
<b>Balance as at 1 January 2020</b>	<b>246,191,135</b>	<b>54,649,514</b>	<b>8,261</b>	<b>300,848,910</b>
Hyperinflationary economies (Lebanon)	-	1,850,482	-	1,850,482
Dividends	(29,771,068)	(2,919,592)	(66)	(32,690,726)
Currency translation reserve	(350,455)	(43,122,371)	-	(43,472,826)
Financial instruments	(77,163)	(3)	-	(77,166)
Actuarial gains and losses	(2,964,968)	(138)	-	(2,965,106)
Other movements in Equity	-	3	(3)	-
Net profit for the period	29,474,182	6,185,992	602	35,660,776
<b>Balance as at 31 December 2020</b>	<b>242,501,663</b>	<b>16,643,887</b>	<b>8,794</b>	<b>259,154,345</b>
Currency translation reserve	(354,494)	(9,029,161)	-	(9,383,655)
Financial instruments	(115,833)	4	-	(115,829)
Actuarial gains and losses	(365,464)	149	-	(365,315)
Other movements in Equity	(3)	-	-	(3)
Net profit for the period	31,823,993	(787,556)	779	31,037,216
<b>Balance as at 30 September 2021</b>	<b>243,590,654</b>	<b>6,592,355</b>	<b>9,461</b>	<b>250,192,472</b>

## 5.6 INTEREST-BEARING LIABILITIES

### INTEREST-BEARING LIABILITIES

Amounts in Euro	30-09-2021			31-12-2020		
	Non-current	Current	Total	Non-current	Current	Total
Bond loans	768,214,286	2,500,000	<b>770,714,286</b>	665,714,286	171,000,000	836,714,286
Commercial paper	225,000,000	80,000,000	<b>305,000,000</b>	325,000,000	200,000,000	525,000,000
Bank loans	189,873,850	109,354,398	<b>299,228,248</b>	179,083,327	90,946,320	270,029,647
Loan-related charges	(5,880,112)	(911,510)	<b>(6,791,622)</b>	(8,651,088)	(1,054,771)	(9,705,859)
<b>Debt securities and bank debt</b>	<b>1,177,208,024</b>	<b>190,942,888</b>	<b>1,368,150,912</b>	<b>1,161,146,525</b>	<b>460,891,549</b>	<b>1,622,038,074</b>
Other interest-bearing debts	32,112,805	493,273	<b>32,606,078</b>	38,413,351	34,481	38,447,832
<b>Other interest-bearing liabilities</b>	<b>32,112,805</b>	<b>493,273</b>	<b>32,606,078</b>	<b>38,413,351</b>	<b>34,481</b>	<b>38,447,832</b>
<b>Total interest-bearing liabilities</b>	<b>1,209,320,829</b>	<b>191,436,161</b>	<b>1,400,756,990</b>	<b>1,199,559,876</b>	<b>460,926,030</b>	<b>1,660,485,906</b>

Other interest-bearing debt mainly includes incentives from AICEP - Agência para o Investimento e Comércio Externo de Portugal, as part of a number of research and development projects, which includes the incentive under the investment agreement entered into with the Navigator Group subsidiary for the construction of the new Tissue plant in Aveiro. This agreement comprises a financial incentive in the form of a repayable grant, up to a maximum amount of Euro 42,166,636, without interest payment, with a grace period of two years and the last repayment happening in 2027.

## LOAN REPAYMENT PERIODS

Amounts in Euro	30-09-2021	31-12-2020
1 to 2 years	479,049,868	388,414,940
2 to 3 years	174,684,950	173,787,895
3 to 4 years	95,031,068	58,646,438
4 to 5 years	328,687,845	370,829,187
Above 5 years	143,210,491	216,532,504
<b>Total</b>	<b>1,220,664,222</b>	<b>1,208,210,964</b>

## FINANCIAL COVENANTS

For certain types of financing operations, there are commitments to maintain certain financial ratios within previously negotiated limits.

The existing covenants are clauses of Cross default, Pari Passu, Negative pledge, Ownership-clause, clauses related to Group's activities maintenance, maintenance of financial ratios, mainly Net Debt/EBITDA, Interest coverage, Indebtedness and Financial autonomy and fulfilment of regular financial contracts' obligations (operational, legal and tax obligations), common in loan agreements and fully known in the market.

Additionally, as of 30 September 2021 and 31 December 2020, the Group complies with the financial ratio limits imposed under its financing contracts.

## 5.7 CASH AND CASH EQUIVALENTS

As of 30 September 2021 and 31 December 2020, Cash and cash equivalents is detailed as follows:

Amounts in Euro	30-09-2021	31-12-2020
Cash	758,576	1,232,309
Bank deposits available on demand	300,211,843	408,707,406
Other short-term investments	24,183,508	37,003,891
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>325,153,927</b>	<b>446,943,606</b>
Impairment	(1,599,644)	(2,188,347)
<b>Cash and cash equivalents</b>	<b>323,554,283</b>	<b>444,755,259</b>

Other short-terms investments correspond to amounts invested by the subsidiary Navigator in a portfolio of short-term financial assets, highly liquid and issuers with appropriate rating.

As of 30 September 2021 and 31 December 2020, there are no significant balances of cash and cash equivalents that are subject to restrictions on use by the Group companies.

## 5.8 NET FINANCIAL RESULTS

In the first nine months of 2021 and 2020, Net financial results are detailed as follows:

Amounts in Euro	Q3 2021	Q3 2020
Interest expense on debt securities and bank debt	(22,261,762)	(26,247,226)
Interest expense on other interest-bearing liabilities	-	(5,616)
Commissions on loans and expenses with credit facilities	(6,079,329)	(7,900,256)
<b>Interest expense by applying the effective interest method</b>	<b>(28,341,091)</b>	<b>(34,153,098)</b>
Interest expense on lease liabilities	(2,331,028)	(2,323,316)
<b>Financial expenses related to the Group's capital structure</b>	<b>(30,672,119)</b>	<b>(36,476,414)</b>
Financial discounts of provisions   Environmental recovery	(47,365)	(19,865)
Unfavourable exchange differences	(2,313,266)	(41,212,976)
Losses on hedging derivatives	(3,066,594)	(473,570)
Losses on trade derivatives	(3,954,838)	-
Other financial expenses and losses	(1,059,144)	(3,677,551)
<b>Financial expenses and losses (excluding changes in fair value)</b>	<b>(41,113,326)</b>	<b>(81,860,376)</b>
Interest income on financial assets at amortised costs	2,629,526	1,880,942
Gains from trading derivatives	(1,493,474)	18,325,949
Fair value gains on other financial investments	(16,397)	40,709
Other financial income and gains	2,195,880	3,312,728
<b>Financial income and gains</b>	<b>3,315,535</b>	<b>23,560,328</b>
<b>Financial results</b>	<b>(37,797,791)</b>	<b>(58,300,048)</b>

Unfavourable exchange rate differences register a positive variation compared to the same period of 2020, mainly due to the strong devaluation verified, in the first nine months of 2020, in the Brazilian Real against the Euro, which impacted the financing held by the Brazilian subsidiaries of Secil, Supremo and Margem (some of them intra-group) and are detailed as follows:

Amounts in Euro	Q3 2021	Q3 2020
Brazilian Real	343,866	(35,656,841)
Lebanese Pound	(6,493,458)	(6,590,271)
American Dollar	3,493,427	492,832
Other currencies	342,899	541,304
	<b>(2,313,266)</b>	<b>(41,212,976)</b>

## 6 INCOME TAX

### 6.1 INCOME TAX FOR THE PERIOD

*Income tax recognised in the consolidated income statement*

Amounts in Euro	Q3 2021	Q3 2020
Current tax	(28,892,779)	(10,702,153)
Variation of uncertain tax positions in the period	4,998,387	8,557,714
Deferred tax (Note 6.2)	(8,610,008)	(8,883,414)
	<b>(32,504,400)</b>	<b>(11,027,853)</b>

In the first nine months of 2021 and 2020, the caption Variation in uncertain tax positions reflects a series of reversals of tax provisions, as a result of the closure of some tax inspection processes and court decisions favourable to the Group.

*Reconciliation of the effective income tax rate for the period*

Amounts in Euro	Q3 2021	Q3 2020
<b>Profit before tax</b>	<b>185,787,787</b>	<b>101,886,893</b>
Expected tax at nominal rate (22.5%)	41,802,252	22,924,551
State surcharge	8,406,854	4,854,403
<b>Tax resulting from the applicable rate</b>	<b>50,209,106</b>	<b>27,778,954</b>
Differences (a)	2,171,909	470,547
Tax for prior years	(12,312,405)	(14,184,571)
Recoverable tax losses	(253,917)	(12,430,791)
Non-recoverable tax losses	1,893,045	8,944,114
Increase of additional tax liabilities	342,666	948,841
Effect of the reconciliation of nominal rates of the different countries	(4,063,217)	727,759
Tax benefits	(6,915,716)	(1,274,912)
Other tax adjustments	1,432,929	47,912
	<b>32,504,400</b>	<b>11,027,853</b>
<b>Effective tax rate</b>	<b>17.50%</b>	<b>10.82%</b>

(a) This amount concerns mainly:	Q3 2021	Q3 2020
Effect of application of the equity method (Note 10.3)	(1,594,967)	(1,190,557)
Capital gains/(losses) for tax purposes	2,784,926	826,149
Capital (gains)/losses for accounting purposes	(2,713,133)	(7,417,679)
Impairment and taxed provisions	745,350	11,486,689
Tax benefits	(4,581,835)	(2,268,144)
Reduction of impairment and taxed provisions	903,032	(2,875,133)
Post-employment benefits	(980,145)	10,407
Other	15,089,699	3,519,590
	<b>9,652,927</b>	<b>2,091,322</b>
<b>Tax effect (22.5%)</b>	<b>2,171,909</b>	<b>470,547</b>

*Tax recognised in the consolidated statement of financial position*

Amounts in Euro	30-09-2021	31-12-2020
<b>Assets</b>		
Corporate Income Tax	7,038,024	9,643,588
Amounts pending repayment (tax proceedings decided in favour of the Group)	1,579,845	3,482,762
	<b>8,617,869</b>	<b>13,126,350</b>
<b>Liabilities</b>		
Corporate Income Tax	22,681,183	15,022,835
Additional tax liabilities	38,935,253	36,584,557
	<b>61,616,436</b>	<b>51,607,392</b>

*Detail of Corporate Income Tax - IRC (net)*

Amounts in Euro	30-09-2021	31-12-2020
Income tax for the period	32,381,101	30,436,809
Exchange rate adjustment	13,016	(43,723)
Payments on account, special payments and additional payments on account	(14,319,675)	(15,782,591)
Withholding tax recoverable	(567,249)	(1,757,100)
Income tax recoverable from prior years	(1,864,034)	(7,474,148)
	<b>15,643,159</b>	<b>5,379,247</b>

## 6.2 DEFERRED TAXES

### MOVEMENTS IN DEFERRED TAXES

Amounts in Euro	As at 1 January 2021	Exchange rate adjustment	Income Statement		Equity	Transfers	As at 30 September 2021
			Increases	Decreases			
Temporary differences originating deferred tax assets							
Tax losses carried forward	60,109,268	738,365	(1,945,644)	(21,532)	-	21,532	58,901,989
Taxed provisions	31,062,839	(446,966)	183,631	(1,713,683)	-	-	29,085,821
Adjustment of property, plant and equipment	73,884,043	-	9,878,556	(19,854,505)	-	-	63,908,094
Pensions and other post-employment benefits	3,478,059	650	14,280	(240,974)	-	-	3,252,015
Financial instruments	8,879,578	-	-	-	532,042	-	9,411,620
Deferred accounting gains on inter-group transactions	16,784,840	-	8,077,523	(1,771,615)	-	-	23,090,748
Government grants	3,237,155	-	-	(309,696)	-	1,997,180	4,924,639
Fair value of business combinations	267,331	(130,168)	-	-	-	-	137,163
Conventional capital remuneration	7,000,000	-	-	(1,680,000)	560,000	-	5,880,000
Other temporary differences	11,651,364	(926,813)	(1,009,647)	(2,164,911)	-	(265,946)	7,284,047
	216,354,476	(764,932)	15,198,699	(27,756,916)	1,092,042	1,752,766	205,876,135
Temporary differences originating deferred tax liabilities							
Revaluation of property, plant and equipment	(31,862,821)	(379,022)	365,649	-	-	-	(31,876,194)
Pensions and other post-employment benefits	(2,036,760)	-	650,761	(10,810)	(906,271)	-	(2,303,079)
Financial instruments	(966,562)	19,371	2,527,951	-	-	-	1,580,760
Tax incentives	(6,406,374)	-	370,562	-	1,495,601	-	(4,540,211)
Adjustment of property, plant and equipment	(389,933,230)	(354,356)	10,247,301	(33,110,902)	-	-	(413,151,187)
Deferred accounting gains on inter-group transactions	(26,656,333)	-	14,246	-	-	10,191,596	(16,450,491)
Valuation of growing forests	(23,121,032)	-	5,904,499	-	-	-	(17,216,533)
Fair value of intangible assets - brands	(232,227,585)	125,153	-	-	-	-	(232,102,432)
Fair value of property, plant and equipment	(65,690,391)	-	-	11,453,662	-	-	(54,236,729)
Fair value of business combinations	(57,305,287)	6,087	502,227	-	-	-	(56,796,973)
Hyperinflationary economies	(22,147,892)	10,784,221	(570,473)	-	(124,675)	-	(12,058,819)
Other temporary differences	(674,355)	(2,061)	2,940,415	(303,716)	-	-	1,960,283
	(859,028,622)	10,199,393	22,953,138	(21,971,766)	464,655	10,191,596	(837,191,606)
Deferred tax assets	73,621,270	90,992	(473,339)	(7,254,922)	291,590	(185,577)	66,090,014
Deferred tax liabilities	(231,285,380)	1,517,325	4,324,727	(5,206,474)	66,280	2,802,689	(227,780,833)

Amounts in Euro	As at 1 January 2020	Exchange rate adjustment	Income Statement		Equity	Transfers	As at 31 December 2020
			Increases	Decreases			
Temporary differences originating deferred tax assets							
Tax losses carried forward	81,798,374	(23,855,084)	2,165,978	-	-	-	60,109,268
Taxed provisions	36,081,917	(5,658,949)	642,618	(2,747)	-	-	31,062,839
Adjustment of property, plant and equipment	72,086,199	-	6,827,844	-	-	(5,030,000)	73,884,043
Pensions and other post-employment benefits	4,028,595	(4,106)	21,715	(431,556)	(136,589)	-	3,478,059
Financial instruments	8,588,917	-	-	(63,762)	354,423	-	8,879,578
Deferred accounting gains on inter-group transactions	21,420,752	-	-	(4,635,912)	-	-	16,784,840
Government grants	3,764,504	-	-	(527,349)	-	-	3,237,155
Fair value of business combinations	1,627,125	(1,359,794)	-	-	-	-	267,331
Conventional capital remuneration	9,660,000	-	-	(3,220,000)	560,000	-	7,000,000
Other temporary differences	12,527,057	(7,120,723)	7,375,725	(1,275,396)	144,701	-	11,651,364
	251,583,440	(37,998,656)	17,033,879	(10,156,722)	922,535	(5,030,000)	216,354,476
Temporary differences originating deferred tax liabilities							
Revaluation of property, plant and equipment	(44,680,764)	12,373,425	-	444,518	-	-	(31,862,821)
Pensions and other post-employment benefits	(2,014,981)	-	(660,031)	-	638,253	-	(2,036,760)
Financial instruments	1,568,413	(285,293)	(2,249,682)	-	-	-	(966,562)
Tax incentives	(6,077,043)	-	-	862,557	(1,191,888)	-	(6,406,374)
Adjustment of property, plant and equipment	(388,461,099)	14,347,008	(30,272,547)	14,453,408	-	-	(389,933,230)
Deferred accounting gains on inter-group transactions	(26,741,562)	-	-	85,229	-	-	(26,656,333)
Valuation of growing forests	(25,999,474)	-	-	2,878,442	-	-	(23,121,032)
Fair value of intangible assets - brands	(237,283,867)	6,536,916	(1,480,634)	-	-	-	(232,227,585)
Fair value of property, plant and equipment	(80,961,941)	-	-	15,271,550	-	-	(65,690,391)
Fair value of business combinations	(70,569,404)	10,887,653	-	2,376,464	-	-	(57,305,287)
Hyperinflationary economies	-	-	(714,073)	-	(21,433,819)	-	(22,147,892)
Other temporary differences	(762,831)	73,999	(905,231)	919,708	-	-	(674,355)
	(881,984,554)	43,933,708	(36,282,198)	37,291,876	(21,987,454)	-	(859,028,622)
Deferred tax assets	89,970,779	(10,877,976)	(2,140,550)	(2,199,783)	252,050	(1,383,250)	73,621,270
Deferred tax liabilities	(243,892,373)	12,511,645	(1,563,835)	5,453,235	(3,794,052)	-	(231,285,380)

## 7 PAYROLL

### 7.1 SHORT-TERM EMPLOYEE BENEFITS

#### PAYROLL COSTS RECOGNISED IN THE PERIOD

Amounts in Euro	Q3 2021	Q3 2020
Statutory Bodies remuneration	11,216,618	8,742,086
Other remunerations	118,349,755	117,356,654
Post-employment benefits	2,163,275	2,181,474
Other payroll costs	42,411,214	34,196,411
<b>Payroll costs</b>	<b>174,140,862</b>	<b>162,476,625</b>

#### Other payroll costs

Amounts in Euro	Q3 2021	Q3 2020
Contributions to Social Security	26,971,918	24,438,439
Insurance	4,433,581	3,216,845
Social welfare costs	5,544,570	4,883,449
Compensations	3,705,261	-
Other payroll costs	1,755,884	1,657,678
	<b>42,411,214</b>	<b>34,196,411</b>

#### NUMBER OF EMPLOYEES AT THE END OF THE PERIOD

	30-09-2021	31-12-2020	Var. 21/20
Pulp and paper	3,157	3,232	(75)
Cement and Derivatives	2,374	2,386	(12)
Environment	279	280	(1)
Holdings and others	32	28	4
	<b>5,842</b>	<b>5,926</b>	<b>(84)</b>

### 7.2 POST-EMPLOYMENT BENEFITS

#### NET PENSION 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:

30 September 2021	Pulp and paper		Cement and Derivatives		Holdings		Total	
	No. Benef.	Amount	No. Benef.	Amount	No. Benef.	Amount	No. Benef.	Amount
Group liabilities for past services								
Active	435	73,906,804	55	34,686	-	-	490	73,941,490
Former employees	113	23,356,289	-	-	-	-	113	23,356,289
Retired employees	557	93,436,257	650	17,163,625	1	821,513	1,208	111,421,395
Market value of the pension funds	-	(180,847,897)	-	(16,608,596)	-	-	-	(197,456,493)
Capital insured	-	-	-	155,972	-	-	-	155,972
Insurance policies	-	-	-	(137,165)	-	-	-	(137,165)
Reserve account*	-	-	-	(614,360)	-	-	-	(614,360)
<b>Unfunded pension liabilities</b>	<b>1,105</b>	<b>9,851,453</b>	<b>705</b>	<b>(5,838)</b>	<b>1</b>	<b>821,513</b>	<b>1,811</b>	<b>10,667,128</b>
Other unfunded liabilities								
Healthcare assistance	-	-	5	42,951	-	-	5	42,951
Retirement and death	-	-	395	112,343	-	-	395	112,343
<b>Total post-employment liabilities</b>	<b>1,105</b>	<b>9,851,453</b>	<b>1,105</b>	<b>149,456</b>	<b>1</b>	<b>821,513</b>	<b>2,211</b>	<b>10,822,422</b>
Long-service award liabilities	-	-	395	371,511	-	-	395	371,511
<b>Total net liabilities</b>	<b>1,105</b>	<b>9,851,453</b>	<b>1,500</b>	<b>520,967</b>	<b>1</b>	<b>821,513</b>	<b>2,606</b>	<b>11,193,933</b>

\* Overfunding due to the change to a defined contribution plan

## 8 FINANCIAL INSTRUMENTS

### 8.1 DERIVATIVE FINANCIAL INSTRUMENTS

#### DETAIL AND MATURITY OF DERIVATIVE FINANCIAL INSTRUMENTS BY NATURE

30 September 2021 Amounts in Euro	Nocional	Currency	Maturity	Positive (Note 4.2)	Negative (Note 4.3)	Net total
<b>Hedging</b>						
Exchange rate forwards (future sales)	99,500,000	USD	2021	-	(1,872,291)	(1,872,291)
Exchange rate forwards (future sales)	18,000,000	GBP	2021	-	(538,659)	(538,659)
Interest rate swaps (SWAPs)	425,000,000	Euro	2026/2027	217,490	(3,800,843)	(3,583,353)
BHKP Pulp	2,280,000	USD	2021	-	(682,152)	(682,152)
				<b>217,490</b>	<b>(6,893,945)</b>	<b>(6,676,455)</b>
<b>Trading</b>						
Exchange rate forwards	125,731,678	USD	2023	-	(1,441,982)	(1,441,982)
Exchange rate forwards	7,325,000	GBP	2021	23,488	-	23,488
Exchange rate forwards	400,000	CHF	2021	214	-	214
Cross currency interest rate swap	51,544,710	USD	2021/2022	251,156	(1,247,795)	(996,639)
Non Deliverable Forward (NDF)	22,450,000	Euro	2021/2022	540,680	-	540,680
				<b>815,538</b>	<b>(3,511,880)</b>	<b>(2,696,342)</b>
				<b>1,033,028</b>	<b>(10,405,825)</b>	<b>(9,372,797)</b>

31 December 2020 Amounts in Euro	Nocional	Currency	Maturity	Positive (Note 4.2)	Negative (Note 4.3)	Net total
<b>Hedging</b>						
Exchange rate forwards (future sales)	204,000,000	USD	2021	831,818	(668)	831,150
Exchange rate forwards (future sales)	72,000,000	GBP	2021	-	(515,688)	(515,688)
Interest rate swaps (SWAPs)	250,000,000	Euro	2025	-	(5,709,692)	(5,709,692)
BHKP Pulp	9,120,000	USD	2021	-	(150,926)	(150,926)
				<b>831,818</b>	<b>(6,376,974)</b>	<b>(5,545,156)</b>
<b>Trading</b>						
Exchange rate forwards	100,228,946	USD	2023	2,564,049	-	2,564,049
Exchange rate forwards	5,425,000	GBP	2021	-	(27,345)	(27,345)
Exchange rate forwards	225,000	CHF	2021	-	(145)	(145)
Cross currency interest rate swap	23,950,000	USD	2021/2022	1,760,491	-	1,760,491
Future purchase of CO2 allowances	2,545,625	Euro	2021	623,573	-	623,573
Non Deliverable Forward (NDF)	22,450,000	Euro	2021	1,551,840	-	1,551,840
				<b>6,499,953</b>	<b>(27,490)</b>	<b>6,472,463</b>
				<b>7,331,771</b>	<b>(6,404,464)</b>	<b>927,307</b>

## 8.2 OTHER FINANCIAL INVESTMENTS

As of 30 September 2021 and 31 December 2020, Other financial investments are detailed as follows:

Amounts in Euro	30-09-2021	31-12-2020
<b>Financial assets at fair value through other comprehensive income</b>		
Defined Crowd	3,454,530	3,259,718
Techstar Corporate	1,899,991	1,792,845
	<b>5,354,521</b>	<b>5,052,563</b>
<b>Financial assets at fair value through profit or loss</b>		
Alter Venture Partners Fund I	5,032,442	3,477,357
FCR Armilar Venture	1,549,335	685,771
Mor-Online, SA	13,391	18,619
Ynvisible, SA	158,081	169,251
Firstminute	440,478	-
Notional Capital	708,376	-
LOQR	2,499,962	-
Kibo Ventures	295,000	-
	<b>10,697,066</b>	<b>4,350,998</b>
	<b>16,051,587</b>	<b>9,403,561</b>

## 9 PROVISIONS, COMMITMENTS AND CONTINGENCIES

### 9.1 PROVISIONS

#### MOVEMENTS IN PROVISIONS

Amounts in Euro	Legal proceedings	Environmental recovery	Other	Total
<b>1 January 2020</b>	<b>5,506,895</b>	<b>17,155,704</b>	<b>29,423,494</b>	<b>52,086,093</b>
Increases	2,166,697	2,991	8,284,336	10,454,024
Reversals	(2,978,869)	(343,389)	(1,678,376)	(5,000,634)
<b>Impact on profit for the period</b>	<b>(812,172)</b>	<b>(340,398)</b>	<b>6,605,960</b>	<b>5,453,390</b>
Hyperinflationary economies (Lebanon)	-	113,162	-	113,162
Charge-offs	-	(480,895)	(4,017,463)	(4,498,358)
Exchange rate adjustment	(26,616)	(446,983)	(5,027,185)	(5,500,784)
Financial discounts	-	119,990	-	119,990
Transfers and adjustments	-	2,025,732	1,141,093	3,166,825
<b>31 December 2020</b>	<b>4,668,107</b>	<b>18,146,312</b>	<b>28,125,899</b>	<b>50,940,318</b>
Increases	716,191	492,888	1,771,335	2,980,414
Reversals	(348,445)	(12,244)	(521,544)	(882,233)
<b>Impact on profit for the period</b>	<b>367,746</b>	<b>480,644</b>	<b>1,249,791</b>	<b>2,098,181</b>
Charge-offs	(16,250)	(1,623,119)	(1,113,577)	(2,752,946)
Exchange rate adjustment	1	(98,282)	(486,867)	(585,148)
Financial discounts	-	47,365	-	47,365
Share of profits (Note 9)	-	140,021	-	140,021
Transfers and adjustments	271,640	-	(2)	271,638
<b>30 September 2021</b>	<b>5,291,244</b>	<b>17,034,880</b>	<b>27,775,244</b>	<b>50,101,368</b>

# 10 GROUP STRUCTURE

## 10.1 HOLDING COMPANIES INCLUDED IN THE CONSOLIDATION PERIMETER

### HOLDING COMPANIES INCLUDED IN THE CONSOLIDATION

Company name	Head Office	Direct and indirect % of capital held by Semapa		30-09-2021	31-12-2020
		Direct	Indirect		
Parent company:					
Semapa	Portugal				
Subsidiaries:					
Semapa Inversiones S.L.	Spain	100.00	-	100.00	100.00
Celcimo, S.L.	Spain	-	100.00	100.00	100.00
Semapa Next, S.A.	Portugal	100.00	-	100.00	100.00
Aphelion, S.A.	Portugal	100.00	-	100.00	100.00

### PULP AND PAPER COMPANIES INCLUDED IN THE CONSOLIDATION

Company name	Head Office	Direct and indirect % of capital held by Navigator			% of capital effectively held by Semapa	
		Direct	Indirect	Total	30-09-2021	31-12-2020
Parent company:						
The Navigator Company, S.A.	Portugal	69.97	-	69.97	69.97	69.97
Subsidiaries:						
Navigator Brands, S.A.	Portugal	100.00	-	100.00	69.97	69.97
Navigator Parques Industriais, S.A.	Portugal	100.00	-	100.00	69.97	69.97
Navigator Paper Figueira, S.A.	Portugal	100.00	-	100.00	69.97	69.97
Empremédia RE, AC	Ireland	100.00	-	100.00	69.97	69.97
Raiz - Instituto de Investigação da Floresta e Papel	Portugal	97.00	-	97.00	67.87	67.87
Raiz Ventures, S.A.	Portugal	-	97.00	97.00	67.87	67.87
About the Future - Essencial Oils, S.A.	Portugal	-	97.00	97.00	67.87	67.87
Enerpulp - Cogeração Energética de Pasta, S.A.	Portugal	100.00	-	100.00	69.97	69.97
Navigator Pulp Figueira, S.A.	Portugal	100.00	-	100.00	69.97	69.97
Ema Cacia - Engenharia e Manutenção Industrial, ACE	Portugal	-	74.20	74.20	51.92	64.51
Ema Setúbal - Engenharia e Manutenção Industrial, ACE	Portugal	-	80.20	80.20	56.12	63.11
Ema Figueira da Foz - Engenharia e Manutenção Industrial, ACE	Portugal	-	79.80	79.80	55.84	62.97
Navigator Pulp Setúbal, S.A.	Portugal	100.00	-	100.00	69.97	69.97
Navigator Pulp Aveiro, S.A.	Portugal	100.00	-	100.00	69.97	69.97
Navigator Tissue Aveiro, S.A.	Portugal	100.00	-	100.00	69.97	69.97
Navigator Tissue Ródão, S.A.	Portugal	-	100.00	100.00	69.97	69.97
Navigator Tissue Ibérica, S.A.	Spain	-	100.00	100.00	69.97	69.97
Portucel Moçambique - Sociedade de Desenvolvimento Florestal e Industrial, Lda	Mozambique	90.02	-	90.02	62.99	62.99
Navigator Internacional Holding SGPS, S.A.	Portugal	100.00	-	100.00	69.97	69.97
Navigator Financial Services Sp. Z o.o.	Poland	25.00	75.00	100.00	69.97	69.97
Navigator Forest Portugal, S.A.	Portugal	100.00	-	100.00	69.97	69.97
EucaliptusLand, S.A.	Portugal	-	100.00	100.00	69.97	69.97
Sociedade de Vinhos da Herdade de Espirra - Produção e Comercialização de Vinhos, S.A.	Portugal	-	100.00	100.00	69.97	69.97
Gavião - Sociedade de Caça e Turismo, S.A.	Portugal	-	100.00	100.00	69.97	69.97
Afoelca - Agrupamento complementar de empresas para protecção contra incêndios, ACE	Portugal	-	64.80	64.80	45.34	45.34
Viveiros Aliança - Empresa Produtora de Plantas, S.A.	Portugal	-	100.00	100.00	69.97	69.97
Atlantic Forests, S.A.	Portugal	-	100.00	100.00	69.97	69.97
Bosques do Atlantico, SL	Spain	-	100.00	100.00	69.97	69.97
Navigator Africa, SRL	Italy	-	100.00	100.00	69.97	69.97
Navigator Paper Setúbal, S.A.	Portugal	100.00	-	100.00	69.97	69.97
Navigator North America Inc.	USA	-	100.00	100.00	69.97	69.97
Navigator Afrique du Nord	Morocco	-	100.00	100.00	69.97	69.97
Navigator España, S.A.	Spain	-	100.00	100.00	69.97	69.97
Navigator Netherlands, BV	The Netherlands	-	100.00	100.00	69.97	69.97
Navigator France, EURL	France	-	100.00	100.00	69.97	69.97
Navigator Paper Company UK, Ltd	United Kingdom	-	100.00	100.00	69.97	69.97
Navigator Italia, SRL	Italy	-	100.00	100.00	69.97	69.97
Navigator Deutschland, GmbH	Germany	-	100.00	100.00	69.97	69.97
Navigator Paper Austria, GmbH	Austria	-	100.00	100.00	69.97	69.97
Navigator Paper Poland SP Z o o	Poland	-	100.00	100.00	69.97	69.97
Navigator Eurasia	Turkey	-	100.00	100.00	69.97	69.97
Navigator Rus Company, LLC	Russia	-	100.00	100.00	69.97	69.97
Navigator Paper Mexico	Mexico	25.00	75.00	100.00	69.97	69.97
Navigator Middle East Trading DMCC	Dubai	-	100.00	100.00	69.97	69.97
Navigator Egypt, ELLC	Egypt	1.00	99.00	100.00	69.97	69.97
Empremédia - Corretores de Seguros, S.A.	Portugal	100.00	-	100.00	69.97	69.97
Navigator Abastecimento de Madeira, ACE	Portugal	97.00	3.00	100.00	69.97	69.97

## CEMENT AND DERIVATIVES COMPANIES INCLUDED IN THE CONSOLIDATION

Company name	Head Office	Direct and indirect % of capital held by Secil			% of capital effectively held by Semapa	
		Direct	Indirect	Total	30-09-2021	31-12-2020
<b>Parent company:</b>						
Secil - Companhia Geral de Cal e Cimento, S.A.	Portugal	100.00	-	100.00	<b>100.00</b>	100.00
<b>Subsidiaries</b>						
Betotrans II - Unipessoal, Lda. (former Hewbol, S.G.P.S., Lda.)	Portugal	100.00	-	100.00	<b>100.00</b>	100.00
Secil Cabo Verde Comércio e Serviços, Lda.	Cape Verde	99.80	0.20	100.00	<b>100.00</b>	100.00
ICV - Inertes de Cabo Verde, Lda.	Cape Verde	75.00	25.00	100.00	<b>100.00</b>	100.00
Florimar- Gestão e Participações, S.G.P.S., Lda.	Portugal	100.00	-	100.00	<b>100.00</b>	100.00
Secil Cement, B.V. (former Seciment Investments, B.V.)	The Netherlands	100.00	-	100.00	<b>100.00</b>	100.00
Serife - Sociedade de Estudos e Realizações Industriais, Lda.	Portugal	-	-	-	-	100.00
Silonor, S.A.	France	100.00	-	100.00	<b>100.00</b>	100.00
Société des Ciments de Gabès	Tunisia	98.72	-	98.72	<b>98.72</b>	98.72
Sud- Béton- Société de Fabrication de Béton du Sud	Tunisia	-	98.72	98.72	<b>98.72</b>	98.72
Zarzis Béton	Tunisia	-	98.52	98.52	<b>98.52</b>	98.52
Secil Angola, SARL	Angola	100.00	-	100.00	<b>100.00</b>	100.00
Secil - Companhia de Cimento do Lobito, S.A.	Angola	-	51.00	51.00	<b>51.00</b>	51.00
Unibetão - Indústrias de Betão Preparado, S.A.	Portugal	100.00	-	100.00	<b>100.00</b>	100.00
Secil Britas, S.A.	Portugal	100.00	-	100.00	<b>100.00</b>	100.00
Secil Martingança - Aglomerantes e Novos Materiais para a Construção, S.A.	Portugal	100.00	-	100.00	<b>100.00</b>	100.00
IRP - Indústria de Rebocos de Portugal, S.A.	Portugal	-	75.00	75.00	<b>75.00</b>	75.00
Argibetão - Sociedade de Novos Produtos de Argila e Betão, S.A.	Portugal	99.53	-	99.53	<b>99.53</b>	99.53
Ciminpart - Investimentos e Participações, S.G.P.S., S.A.	Portugal	100.00	-	100.00	<b>100.00</b>	100.00
ALLMA - Microalgas, Lda.	Portugal	-	70.00	70.00	<b>70.00</b>	70.00
Secil Brasil Participações, S.A.	Brazil	-	100.00	100.00	<b>100.00</b>	100.00
Supremo Cimentos, SA	Brazil	-	100.00	100.00	<b>100.00</b>	100.00
Margem - Companhia de Mineração, SA	Brazil	-	100.00	100.00	<b>100.00</b>	100.00
Secil Brands - Marketing, Publicidade, Gestão e Desenvolvimento de Marcas, Lda.	Portugal	100.00	-	100.00	<b>100.00</b>	100.00
Ciments de Sibline, S.A.L.	Lebanon	28.64	22.41	51.05	<b>51.05</b>	51.05
Soime, S.A.L.	Lebanon	-	51.05	51.05	<b>51.05</b>	51.05
Cimentos Madeira, Lda.	Portugal	57.14	42.86	100.00	<b>100.00</b>	100.00
Beto Madeira - Betões e Britas da Madeira, S.A.	Portugal	-	100.00	100.00	<b>100.00</b>	100.00
Madebritas - Sociedade de Britas da Madeira, Lda.	Portugal	-	100.00	100.00	<b>100.00</b>	100.00
Madebritas - Sociedade de Britas da Madeira, Lda.	Portugal	-	51.00	51.00	<b>51.00</b>	51.00
Florimar, SGPS, Lda.	Portugal	-	-	-	-	100.00
Secil Prébetão, S.A.	Portugal	-	100.00	100.00	<b>100.00</b>	100.00
Cementos Secil, SLU	Spain	100.00	-	100.00	<b>100.00</b>	100.00

## ENVIRONMENT COMPANIES INCLUDED IN THE CONSOLIDATION

Company name	Head Office	Direct and indirect % of capital held in ETSA			% of capital effectively held by Semapa	
		Direct	Indirect	Total	30-09-2021	31-12-2020
<b>Parent company:</b>						
ETSA - Investimentos, SGPS, S.A.	Portugal	99.99	-	99.99	<b>99.99</b>	99.99
<b>Subsidiaries:</b>						
ETSA LOG,S.A.	Portugal	100.00	-	100.00	<b>100.00</b>	100.00
SEBOL – Comércio e Indústria de Sebo, S.A.	Portugal	100.00	-	100.00	<b>100.00</b>	100.00
ITS – Indústria Transformadora de Subprodutos Animais, S.A.	Portugal	100.00	-	100.00	<b>100.00</b>	100.00
ABAPOR – Comércio e Indústria de Carnes, S.A.	Portugal	100.00	-	100.00	<b>100.00</b>	100.00
BIOLOGICAL - Gestão de Resíduos Industriais, Lda.	Portugal	100.00	-	100.00	<b>100.00</b>	100.00
AlSIB – Aprovechamiento Integral de Subprodutos Ibéricos, S.A.	Spain	100.00	-	100.00	<b>100.00</b>	100.00
Tribérica - Unipessoal, Lda (Note 10.2)	Portugal	70.00	-	70.00	<b>70.00</b>	70.00

## 10.2 CHANGES IN THE CONSOLIDATION PERIMETER

On 1 September 2021, the ETSA Group completed the acquisition of 70% of the share capital of Tribérica, a company headquartered in Vila Nova de Famalicão that produces packaging from the collection and processing of animal products. The investment amounted to Euro 2,950,478 and the acquisition price allocation is still in progress, and is expected to be completed in the next few months.

## 10.3 INVESTMENT IN ASSOCIATES AND JOINT-VENTURES

### Detail of Investment in associates and joint ventures

Amounts in Euro	30-09-2021		31-12-2020	
	% held	Book value	% held	Book value
<b>Associates</b>				
MC - Materiaux de Construction	49.36%	1,529	49.36%	1,520
J.M.J. - Henriques, Lda.	50.00%	380,754	50.00%	362,792
Ave, S.A.	35.00%	175,636	35.00%	213,263
<b>Joint ventures</b>				
Utis - Ultimate Technology To Industrial Savings, Lda	50.00%	4,102,253	50.00%	2,093,963
Allmicroalgae - Natural Products, S.A.	50.00%	-	50.00%	445,561
		<b>4,660,172</b>		<b>3,117,099</b>

### Movements in associates and joint ventures

Amounts in Euro	30-09-2021	31-12-2020
<b>Opening balance</b>	<b>3,117,099</b>	<b>5,454,286</b>
Changes in the perimeter	-	1,641,210
Disposals	-	(4,344,748)
Appropriated net profit/ (loss)	1,594,967	1,490,685
Dividends attributed	(191,923)	(1,124,280)
Exchange rate adjustment	9	(54)
Other movements	140,020	-
<b>Closing balance</b>	<b>4,660,172</b>	<b>3,117,099</b>

During the first nine months of 2020, the subsidiary Secil sold its 25% interest in Setefrete, SGPS, SA.

## 10.4 TRANSACTIONS WITH RELATED PARTIES

### BALANCES WITH RELATED PARTIES

Amounts in Euro	30-09-2021			31-12-2020		
	Receivables and other current assets (Note 4.2)	Payables and other current liabilities (Note 4.3)	Lease liabilities	Receivables and other current assets (Note 4.2)	Payables and other current liabilities (Note 4.3)	Lease liabilities
<b>Shareholders</b>						
Sodim, SGPS, S.A.	-	-	-	2,687	-	-
Cimo SGPS, S.A.	-	1,160	-	-	1,160	-
<b>Associates and Joint Ventures</b>						
Ave-Gestão Ambiental, S.A.	170,180	345,483	-	323,082	549,929	-
J.M.J. Henriques, Lda.	104,919	-	-	106,639	-	-
<b>Other related parties</b>						
Sonagi - Imobiliária, S.A.	-	-	-	-	-	-
Hotel Ritz, S.A.	-	4,388	-	-	4,726	-
Sonagi, SGPS, S.A.	-	-	63,021	-	-	188,841
Cotif Sicar	-	8,739	-	-	90,709	-
Sociedade Agrícola da Herdade dos Fidalgos, Lda.	-	-	-	-	638	-
Allmicroalgae - Natural products, S.A.	194,939	-	-	-	-	-
Inertogrande	188,474	-	-	190,089	-	-
UTIS, Lda	61,975	10,198	-	20,446	25,400	-
Members of the Board of Directors	-	-	-	4,203	-	-
Other shareholders of subsidiaries	3	69,958	-	299,299	186,925	-
	<b>720,490</b>	<b>439,926</b>	<b>63,021</b>	<b>946,445</b>	<b>859,487</b>	<b>188,841</b>

## TRANSACTIONS WITH RELATED PARTIES

Amounts in Euro	Q3 2021			Q3 2020			
	Purchase of services	Sales and services rendered	Other operating income	Purchase of services	Sales and services rendered	Other operating income	Financial income/(expense)
<b>Shareholders</b>							
Sodim, SGPS, S.A.	-	-	-	(26,935)	-	-	(481)
Cimo SGPS, S.A.	-	-	-	-	-	-	(2,433)
	-	-	-	(26,935)	-	-	(2,913)
<b>Associates and Joint Ventures</b>							
Ave-Gestão Ambiental, S.A.	(1,335,447)	12,776	173,018	(386,858)	10,446	52,469	-
	<b>(1,335,447)</b>	<b>12,776</b>	<b>173,018</b>	<b>(386,858)</b>	<b>10,446</b>	<b>52,469</b>	<b>-</b>
<b>Other related parties</b>							
Sonagi - Imobiliária, S.A. (former Cimilonga, S.A.)	(554,333)	-	-	-	-	-	-
Hotel Ritz, S.A.	18,192	-	-	(570)	-	-	-
Sonagi, SGPS, S.A.	-	-	-	-	-	-	(421)
Bestweb, Lda.	(16,517)	-	-	-	-	-	-
CLA - Caldas, Lopes, Almeida & Associados	(33,000)	-	-	-	-	-	-
UTIS, Lda.	(76,031)	-	105,000	(17,874)	-	33,250	-
Letras Criativas, Unipessoal, Lda.	(45,000)	-	-	-	-	-	-
José António do Prado Fay	-	-	-	(7,121)	-	-	-
Other	-	236	397,824	-	1,140	129,802	(83)
	<b>(706,688)</b>	<b>236</b>	<b>502,824</b>	<b>(25,565)</b>	<b>1,140</b>	<b>163,052</b>	<b>(504)</b>
	<b>(2,042,135)</b>	<b>13,012</b>	<b>675,842</b>	<b>(439,358)</b>	<b>11,586</b>	<b>215,521</b>	<b>(3,417)</b>

## 11 NOTE ADDED FOR TRANSLATION

The accompanying financial statements are a translation of financial statements originally issued in Portuguese. In the event of any discrepancies the Portuguese version prevails.

## BOARD OF DIRECTORS

## CHAIRMAN:

JOSÉ ANTÓNIO DO PRADO FAY

## MEMBERS:

JOÃO NUNO DE SOTTOMAYOR PINTO DE CASTELLO BRANCO

RICARDO MIGUEL DOS SANTOS PACHECO PIRES

VÍTOR PAULO PARANHOS PEREIRA

ANTÓNIO PEDRO DE CARVALHO VIANA BAPTISTA

CARLOS EDUARDO COELHO ALVES

FILIPA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

FRANCISCO JOSÉ MELO E CASTRO GUEDES

LUA MÓNICA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

MAFALDA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

VÍTOR MANUEL GALVÃO ROCHA NOVAIS GONÇALVES



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

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Company Registration and Corporate Taxpayer Number: 502 593 130 | Share Capital: EUR 81,270,000  
ISIN: PTSEM0AM0004 | LEI: 549300HNGOW85KIOH584 | Ticker: Bloomberg (SEM PL); Reuters (SEM.LS)