RESULTS PRESENTATION
H1 2021

TRANSLATION FROM THE ORIGINAL TEXT IN PORTUGUESE

Semapa

1 HIGHLIGHTS

OVERALL PERFORMANCE

- 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, in the last three months the economies have gradually opened up with an impact mainly on the Pulp and Paper segment. The second quarter of 2021 performed better than the first quarter of the year and naturally better than Q2 2020, when the Group's business was severely hit by the pandemic.

- The consolidated revenue of Semapa Group in the first half of 2021 was 971.4 million euros (+3.1% year-on-year), 714.6 million euros generated in Pulp and Paper / Navigator (+2.7%), 237.9 million euros in Cement / Secil (+3.2%), and 18.9 million euros in Environment / ETSA (+20.4%). Exports and foreign sales for the same period amounted to 709.8 million euros, accounting for 73.1% of revenue.

- Navigator's revenue reflects the increase in paper volumes which offset the lower year-on-year price level, as the average of the benchmark index for A4 in Europe on the first half of 2021 still compares unfavourably with its average for the same period last year – 814 €/t vs. 855 €/t. On the other hand, despite the rapid and significant recovery in the pulp market's reference prices, pulp sales stood at 152 thousand tonnes, 21% below the first half of 2020, when Navigator benefited from larger quantities of pulp available for sale after some of its paper machines shutdown due to the pandemic. The growth in the Cement segment results essentially from the positive evolution in the Portuguese, Brazilian and Tunisian markets, which overcame the negative effects of the strong exchange rate depreciation against the Euro, particularly of the Brazilian real and the Lebanese pound.

- EBITDA in H1 2021 totalled 224.8 million euros (vs. 203.3 million euros in the first half of 2020). In the same period, 150.5 million euros were generated in Pulp and Paper (+7.4%), 67.1 million euros in Cement (+14.9%) and 7.2 million euros in Environment (+40.6%). EBITDA in the 2nd quarter of 2021 was 9.9 million euros above that of Q1 and 33.1 million euros more than in Q2 2020, which was negatively impacted by the lockdown measures taken. In the 1st half of 2021 consolidated EBITDA margin was 23.1%.

- Net profit attributable to Semapa shareholders at the end of the first half of 2021 stood at 73.1 million euros (vs. 30.3 million euros in the same period in 2020). This growth resulted from a favourable evolution of EBITDA (+21.5 million euros) combined with better financial results (+19.4 million euros) stemming from the lower negative exchange rate effects in Secil (Brazilian real), a reduction in depreciation, amortization and impairment losses (+18.4 million euros) and negatively influenced by the tax function (-9.8 million euros).

- The value of investments made in the first half of 2021 amounted to approximately 53 million euros, vs. 65 million euros over the same period of the previous year, with particular emphasis on the Pulp and Paper segment amounting to 33 million euros.

- During the first half of 2021, net debt decreased in all business segments, and interest bearing consolidated net debt totalled 1,142.9 million euros, 72.6 million euro less compared to the end of 2020. On 30 June 2021, total consolidated cash amounted to 251 million euros, in addition to 648.8 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)	H1 2021	H1 2020	Var.	Q2 2021	Q2 2020	Var.
Revenue	**971,4**	**941.8**	**3.1%**	**507.7**	**417.8**	**21.5%**
EBITDA	**224,8**	**203.3**	**10.6%**	**117.3**	**84.2**	**39.4%**
EBITDA margin (%)	23,1%	21.6%	1.6 p.p.	23.1%	20.1%	3.0 p.p.
Depreciation, amortisation and impairment losses	(93,3)	(111.8)	16.5%	(46.1)	(54.7)	15.6%
Provisions	(2,3)	(4.0)	44.0%	(2.0)	(1.7)	-18.5%
EBIT	**129,2**	**87.5**	**47.6%**	**69.2**	**27.8**	**148.7%**
EBIT margin (%)	13,3%	9.3%	4.0 p.p.	13.6%	6.7%	7.0 p.p.
Net financial results	(24,0)	(43.4)	44.7%	(6.1)	(17.4)	64.9%
Net monetary position	(0,2)	-	-	(0.2)	-	-
Profit before taxes	**105,0**	**44.2**	**137.7%**	**62.9**	**10.5**	**500.7%**
Income taxes	(14,7)	(4.9)	-200.9%	(3.7)	4.6	-179.1%
Net profit for the period	90,3	39.3	129.9%	59.2	15.1	292.0%
Attributable to Semapa shareholders	**73,1**	**30.3**	**141.4%**	**47.7**	**13.1**	**264.9%**
Attributable to non-controlling interests (NCI)	17,1	9.0	91.0%	11.5	2.0	466.2%
Cash flow	185,9	155.0	19.9%	107.3	71.5	50.2%
Free Cash Flow	154,9	146.2	6.0%	88.0	113.3	-22.3%

	30/06/2021	31/12/2020	Jun21 vs. Dec20
Equity (before NCI)	978,8	948.8	3.2%
Interest-bearing net debt	**1,142,9**	**1,215.5**	**-6.0%**
Lease liabilities (IFRS 16)	85,2	80.3	6.1%
Total	**1,228,1**	**1,295.9**	**-5.2%**

SUMMARY TABLE OF OPERATING INDICATORS

	Unit	H1 2021	H1 2020	Var.	Q2 2021	Q2 2020	Var.
Pulp and Paper							
BEKP Sales (pulp)	1 000 t	152	193	-21.1%	73	110	-33.0%
UWF Sales (paper)	1 000 t	700	598	17.2%	365	231	57.7%
Total sales of tissue	1 000 t	51.8	51.9	-0.2%	24.9	26.0	-4.0%
Cement							
Sales of Grey cement	1 000 t	2,621	2,421	8.3%	1,399	1,283	9.1%
Sales of Ready-mix	1 000 m3	939	877	7.1%	491	442	11.1%
Environment							
Collection of raw materials - Animal waste (categories 1, 2 and 3)	1 000 t	60.0	59.3	1.1%	29.6	28.5	3.9%

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
	H1 2021	21/20	H1 2021	21/20	H1 2021	21/20	H1 2021	21/20	H1 2021
Revenue - External	**714.6**	2.7%	**237.9**	3.2%	**18.9**	20.4%	**-**	-	**971.4**
Revenue	**714.7**	2.8%	**238.1**	3.1%	**18.9**	20.4%	**(0.3)**	-6.7%	**971.4**
EBITDA	**150.5**	7.4%	**67.1**	14.9%	**7.2**	40.6%	**(0.1)**	83.6%	**224.8**
EBITDA margin (%)	21.1%	0.9 p.p.	28.2%	2.9 p.p.	38.3%	5.5 p.p.		0.0 p.p.	23.1%
Depreciation, amortisation and impairment losses	(67.2)	18.2%	(24.4)	12.2%	(1.6)	-3.4%	(0.1)	33.1%	(93.3)
Provisions	(0.3)	86.4%	(2.0)	5.8%	-	-	-	-	(2.3)
EBIT	**83.0**	48.2%	**40.7**	42.9%	**5.6**	56.7%	**(0.2)**	66.9%	**129.2**
EBIT margin (%)	11.6%	3.6 p.p.	17.1%	4.8 p.p.	29.7%	6.9 p.p.		0.0 p.p.	13.3%
Net financial results	(10.1)	-22.4%	(11.2)	62.3%	(0.1)	24.5%	(2.5)	51.2%	(24.0)
Net monetary position	-		(0.2)		-		-		(0.2)
Profit before taxes	**72.9**	52.7%	**29.3**	>1000%	**5.5**	59.8%	**(2.7)**	52.7%	**105.0**
Income taxes	(14.0)	-51.6%	(2.0)	-336.0%	(1.1)	-41.2%	2.4	-43.5%	(14.7)
Net profit for the period	58.9	52.9%	27.3	>1000%	4.4	65.3%	(0.3)	80.3%	90.3
Attributable to Semapa shareholders	**41.2**	52.9%	**27.8**	>1000%	**4.4**	65.3%	**(0.3)**	80.3%	**73.1**
Attributable to non-controlling interests (NCI)	17.7	53.0%	(0.5)	79.0%	0.0	65.7%	-	-	17.1
Cash flow	126.3	3.1%	53.7	82.0%	6.0	42.4%	(0.2)	87.4%	185.9
Free Cash Flow	121.5	6.6%	34.8	5.2%	2.7	-37.8%	(4.1)	21.8%	154.9
Interest-bearing net debt	**658.1**		**249.4**		**(2.2)**		**237.7**		**1,142.9**
Lease liabilities (IFRS 16)	**52.9**		**30.4**		**1.7**		**0.3**		**85.2**
Total	**711.0**		**279.7**		**(0.5)**		**237.9**		**1,228.1**

Notes:
For the purpose of calculating the change in net debt the values of 31.12.2020 are used.
Figures for business segment indicators may differ from those presented individually by each Group, as a result of consolidation adjustments.

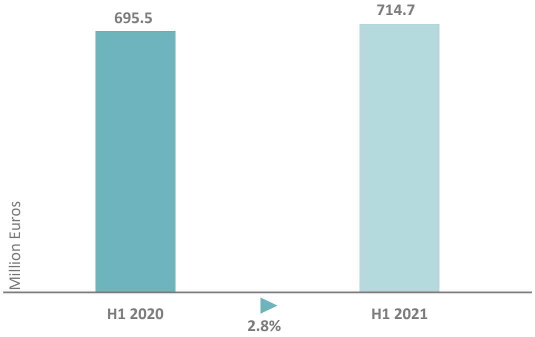
The Navigator Company ("Navigator") released its results on 27 July 2021, so only the highlights of that report will be presented herein. Secil and ETSA, which are not listed, did not publish their results. Therefore, their operations are described in more detail.

2.2. PAPER AND PULP BUSINESS AREA

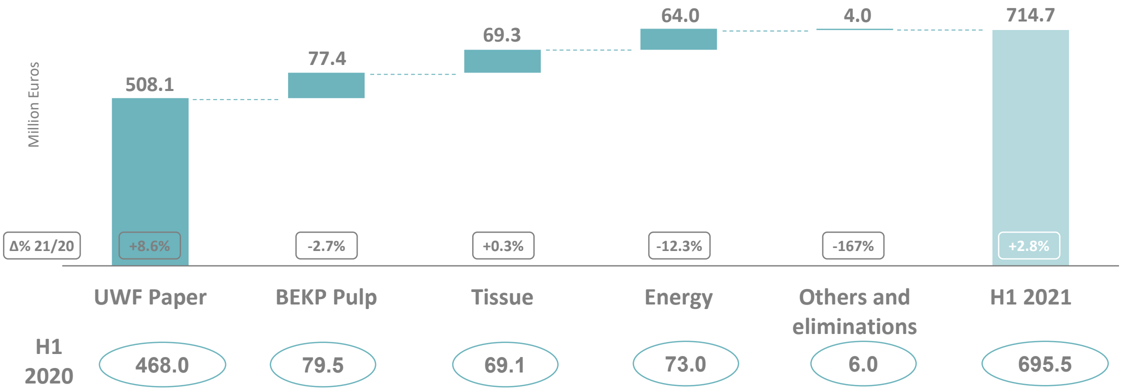
HIGHLIGHTS IN 2021 (VS. 2020)

- Revenue amounted to 714.7 million euros in the first half of 2021, 2.8% higher year on year. The increase in paper volumes offset the lower price levels.

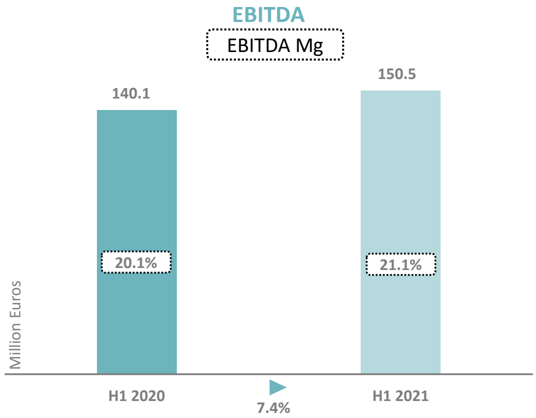
REVENUE



REVENUE BREAKDOWN BY SEGMENT



- EBITDA stood at 150.5 million euros, up by 7.4% in relation to the 1st half of 2020. EBITDA margin went from 20.1% in 2020 to 21.1% in 2021, benefitting from the improvement in paper volumes, higher pulp sales prices and savings in variable unit costs.



LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	H1 2021	H1 2020	Var.	Q2 2021	Q2 2020	Var.
Revenue	**714.7**	695.5	**2.8%**	**373.9**	289.7	**29.1%**
EBITDA	**150.5**	140.1	**7.4%**	**79.9**	51.7	**54.6%**
EBITDA margin (%)	21.1%	20.1%	0.9 p.p.	21.4%	17.8%	3.5 p.p.
Depreciation, amortisation and impairment losses	(67.2)	(82.2)	18.2%	(33.0)	(40.1)	17.7%
Provisions	(0.3)	(1.9)	86.4%	(0.1)	(0.0)	-271.8%
EBIT	**83.0**	56.0	**48.2%**	**46.8**	11.5	**305.6%**
EBIT margin (%)	11.6%	8.1%	3.6 p.p.	12.5%	4.0%	8.5 p.p.
Net financial results	(10.1)	(8.3)	-22.4%	(0.4)	(2.1)	81.2%
Profit before taxes	**72.9**	47.8	**52.7%**	**46.4**	9.4	**391.7%**
Income taxes	(14.0)	(9.3)	-51.6%	(8.3)	1.2	-780.8%
Net profit for the period	58.9	38.5	52.9%	38.1	10.6	258.2%
Attributable to Navigator shareholders	**58.9**	38.5	**52.9%**	**38.1**	10.7	**258.0%**
Attributable to non-controlling interests (NCI)	0.0	0.0	83.7%	0.0	(0.0)	553.5%
Cash flow	126.3	122.6	3.1%	71.3	50.8	40.3%
Free Cash Flow	121.5	114.0	6.6%	65.1	99.1	-34.3%

	30/06/2021	31/12/2020
Equity (before NCI)	764.5	806.6
Interest-bearing net debt	**658.1**	680.0
Lease liabilities (IFRS 16)	52.9	53.1
Total	**711.0**	733.1

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

KEY OPERATING INDICATORS

in 1 000 t	H1 2021	H1 2020	Var.	Q2 2021	Q2 2020	Var.
Pulp and Paper						
FOEX – BHKP Usd/t	905	680	33.1%	1,028	680	51.1%
FOEX – BHKP Eur/t	752	617	21.7%	853	619	37.8%
BEKP Sales (pulp)	152	193	-21.1%	73	110	-33.0%
FOEX – A4- BCopy Eur/t	814	855	-4.8%	819	845	-3.1%
UWF Sales (paper)	700	598	17.2%	365	231	57.7%
Tissue						
Total sales of tissue	51.8	51.9	-0.2%	24.9	26.0	-4.0%

OVERVIEW OF PAPER AND PULP

In the first half of 2021, Navigator revenue totalled 714.7 million euros, paper sales accounting for around 70% of the revenue (vs. 67% year on year), pulp sales 11% (vs. 11%), tissue sales 10% (vs. 10%), and energy sales around 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, in the last three months the economies have gradually opened up and Paper demand has recovered. After pulp prices recovered strongly, the price of paper has shown another upward adjustment in the second quarter however, this recovery was insufficient to bring the A4-BCopy benchmark above 2020 levels.

The global demand for printing and writing papers was up 1% YTD May, and UWF paper grew 4%, performing better than coated paper (0%) and mechanical papers (-5%). The performance of UWF paper demand in Europe in the first half grew by 6%, with strong monthly figures in May (+35%) and June (+36%).

In the United States, accumulated demand for UWF paper in the first six months of the year has already reached a positive level, with YTD growth of 0.3% and very positive evolutions in May and June (+18% and +17%, respectively). Such recovery is also visible in the other global regions, namely China that achieved growth YTD 2021 of 17%.

The A4 paper benchmark in Europe at the end of June stood at 823 €/t, a positive development compared to the index at the beginning of the year (806 €/t), and showing a gradual recovery in prices. However this recovery was insufficient to bring the index above its 2020 level, so the average in the first half of 2021 still compares negatively with its average for the same period last year – 814 €/t vs. 855 €/t.

Navigator raised prices in all regions in the first six months and its average selling price has clearly improved since the beginning of the year, particularly in the first and second quarter. 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 weight of overseas markets with a strong recovery in demand and prices.

In this context, Navigator's sales reflected the improvement in paper demand in the year, with a 17% increase in quantities sold, to 700 thousand tonnes. However, revenue was impacted by price levels, reflecting nonetheless around 9% growth YoY.

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 June increased 69% compared to the beginning of the year, to 938 €/t, with a variation of about 22% in average prices for the first half of 2021 vs. the first half of 2020. The hardwood pulp benchmark index in China grew 52% from the beginning of the year to late June to 759 USD/t, peaking at 780 USD/t in May. Despite a downward adjustment in pulp prices in China during the second half of the 2nd quarter, the European price grew until the beginning of July.

Despite the narrowing of the price differential between hardwood and softwood pulp, it is still wider than historical averages, especially in China, providing support for hardwood pulp prices in Europe in the months ahead.

This improvement in pulp prices was supported by a number of factors, in particular the improvement in global economic conditions, overall increase in commodity prices, and several specific sector drivers, including the recovery in demand from the tissue Away from Home segment, the recovery in demand for pulp in Europe (driven by specialties, the Decor segment) and the robust demand for printing and writing papers, particularly in the UWF. Furthermore, demand for cardboard packaging made of virgin fibre (Ivoryboard) grew, while less fibre available globally also helped to boost pulp demand.

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 soluble pulp, and the current logistical constraints have also affected volumes of hardwood pulp available on the market.

At the beginning of 2021, Navigator’s pulp stocks were relatively low, which combined with the large shutdown for maintenance of the plant in Figueira da Foz at the end of the first quarter and the integration of paper, reduced pulp volumes available for sale in the first half of the year. Sales stood at 152 thousand tonnes, 21% below levels in the first half of 2020, when Navigator benefited from a larger quantity of pulp available after some of its paper machines stoppages due to the pandemic and some destocking. The recovery of pulp prices since the beginning of the year made it possible to mitigate the decline in sales volumes, and the revenue in the first half was down by 3% YoY.

Sales in Europe grew in the first six months against 2020, with the Decor and UWF segment having recorded an increase, while specialties and tissue were down.

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 first half of the year, peaking in July (1,139 USD/t for BHKP in Europe), puts a lot of pressure on the margins of tissue producers, many of whom announced price increases for June and July.

In this context, Navigator sales continued to perform as well as in 2020 and stood at 51.8 thousand tonnes, roughly in line with the previous year. Average selling price stood slightly above that of the previous year (+0.4%), and sales prices of the main finished products had a positive evolution. Consequently, revenue in the first half was in line with that of the first half of 2020.

In the first half of 2021, energy revenue totalled 64 million euros, which represents a reduction of 12% year on year. The reduction stems mainly from the fact that the combined-cycle natural gas cogeneration plant in Setúbal has been supplying electric power to one of the paper machines since the beginning of the year, since one of the transformers broke down, which prevents the purchase for this machine, to the detriment of selling power to the grid. It is expected that the situation will be back to normal in March 2022.

Along the first half of 2021, there was a positive evolution of production variable costs (at constant levels), of about 23 million euros, achieved in wood, energy and chemicals, essentially due to improved efficiency in specific consumption levels. The efforts to contain fixed costs initiated in 2020 also persisted; operating costs were decreased by 7 million euros compared to the first half of 2020 (-15%), while personnel and maintenance costs moved in the opposite direction as anticipated, increasing 14% and 15% respectively. Total fixed costs stood at 4% above fixed costs year on year.

In this context, EBITDA amounted to 150.5 million euros in the first half, which compares to 140.1 million euros in the same period of the previous year (+7.4%). The EBITDA margin stood at 21.1% and compares with 20.1% 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 1st half of 2021 of 1.21 vs. 1.10 in the first half of 2020.

The financial results amounted to -10.1 million euros (vs. -8.3 million euros), worsening 1.9 million euros mainly due to the negative change in compensatory interest (-1.4 million euros) which, albeit positive, compare with a higher amount in 2020, and the cancellation of an interest rate swap linked to the redemption of a retail bond issue in December 2020 (-1.5 million euros). In the opposite direction, the positive change of 0.8 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 costs of financing operations were negatively affected by the increase in the average cost of debt resulting from the lower weight of short-term debt, which had a bigger weight in the same period of the previous year due to the liquidity obtained to cope with the pandemic.

Net profit attributable to Navigator shareholders in the first half of 2021 totalled 58.9 million euros (vs. 38.5 million euros over the same period in the previous year).

There was a significant generation of Free Cash Flow in the first half of 121.5 million euros, reflecting the progressive recovery of Navigator's operating performance conditions. It should be noted that in Q2 2020 several cash flow management measures were taken to adjust to a context with a high level of uncertainty, which at the time translated into significant and immediate cash release.

Capital expenditure in the first half of 2021 amounted to 32.8 million euros (which compares to 48.7 million euros in the first half of 2020). This amount is mainly made up of investments for the maintenance of production capacity and improved efficiency. This also includes 5.5 million euros in environmental projects and around 3 million euros in other projects, including the new woodchip pile in Aveiro and the photovoltaic power plants in Figueira da Foz (completed) and Setúbal (under construction). The implementation of the investment plant in the first half of the year ended up being constrained by the restrictions related with the pandemic.

SECOND QUARTER OF 2021 VS. SECOND QUARTER OF 2020

The 2nd quarter clearly had a better performance than Q1 2021 and naturally better than Q2 2020, when Navigator's activity was severely hit by the pandemic.

Revenue amounted to 373.9 million euros, 10% higher than that of the 1st quarter of 2021, and 29.1% compared to the 2nd quarter of 2020, due mainly to the recovery of paper volumes and improved pulp prices.

In effect, paper volume grew by 9% from Q1 2021 to 365 thousand tonnes, recovering 58% versus Q2 2020. PIX A4-Copy B paper index benchmark price recovered 1.3% from the 1st to the 2nd quarter, although still standing below the level in the same quarter of the previous year. After prices were raised twice in the European market, the average selling price of Navigator recovered more than 3% during the first two quarters of 2021.

Pulp sales volumes evolved differently given the lower availability of pulp for the market (-6.5% compared to the first quarter of 2021 and -33% compared to the second quarter of 2020) namely due to maintenance shutdowns and a higher integration in UWF paper. The increase in pulp prices in 2021 made up for less volumes sold, so that pulp revenue totalled about 42 million euros, up by 17.5% over the 1st quarter of 2021 and showing a reduction of 6.4% over the same quarter.

Tissue sales volumes in the 2nd quarter were below that in the previous quarters (-7% vs. first quarter of 2021 and -4% vs. 2nd quarter 2020), since the Away from Home segment recovered more slowly than expected and domestic consumer stocks declined. The positive development in average selling price of tissue helped to mitigate the impact on revenue, which dropped 5% compared to Q1 2021 and stood at the same level compared to the same quarter in the previous year.

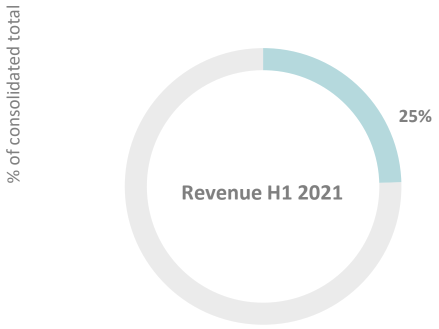
In the second quarter, energy revenue totalled 32.7 million euros, which represents an increase of 5% against Q1, and production amounted to 502 GWh, compared to 479 GWh in Q1.

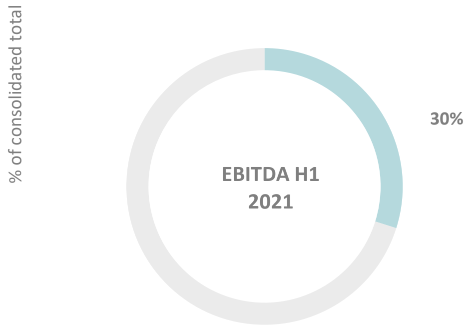
In this context, EBITDA in the quarter stood at 79.9 million euros (+13% vs. the first quarter and +54.6% vs. the second quarter of 2020) and EBITDA margin improved to 21.4%.

Free Cash Flow generated in the quarter of 65.1 million euros compares positively to that of the 1st quarter of 2021 and stood below that of the 2nd quarter of 2020, at a time when cash flow management measures were taken to adjust to a context with a high level of uncertainty.

Net profit attributable to Navigator shareholders amounted to 38.1 million euros, which was a significant improvement compared with the previous quarter (+84%) and compared with the same quarter of the previous year (+258%).

2.3. CEMENT AND OTHER BUILDING MATERIALS BUSINESS AREA

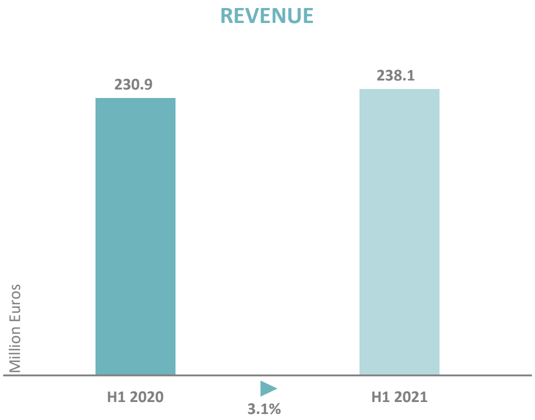




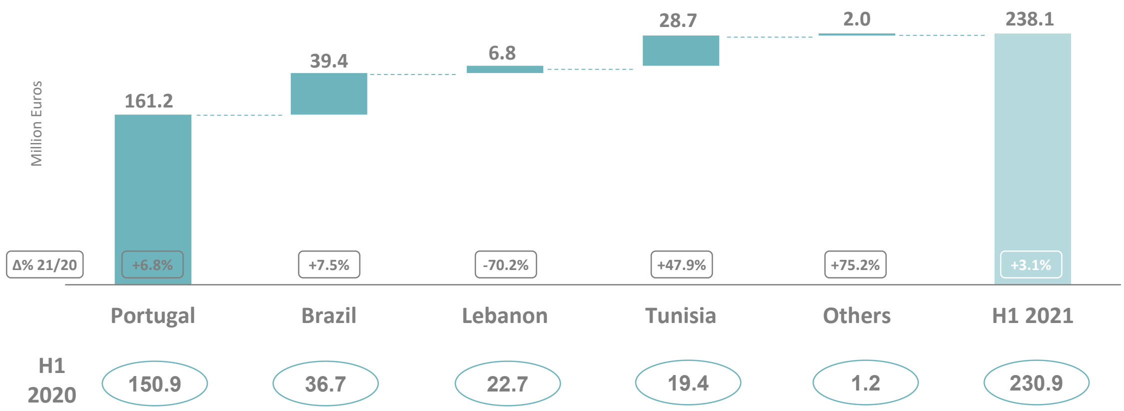
HIGHLIGHTS IN 2021 (VS. 2020)

- In the first half of 2021, Secil's accumulated revenue amounted to 238.1 million euros, 7.2 million euros (3.1%) more than that of the same period in 2020.

- The growth results essentially from positive developments in the Portuguese, Brazilian and Tunisian markets, which overcame the negative effects of the strong depreciation of its currencies against the Euro, which was the case in particular of the Brazilian real and the Lebanese pound. The effect of the exchange variation of the currencies in those countries (excluding Lebanon that is suffering from hyperinflation) had a negative effect of about 9.7 million euros on revenue in the first half.

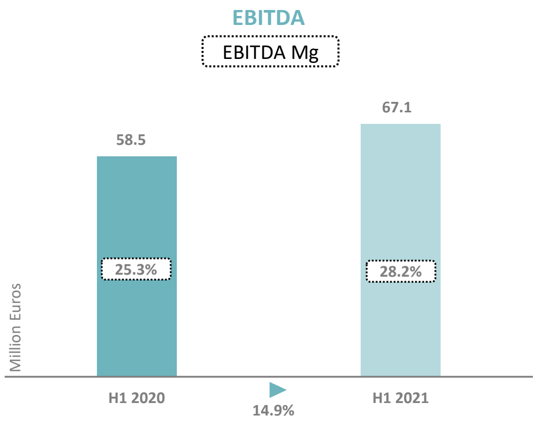


REVENUE BREAKDOWN BY COUNTRY

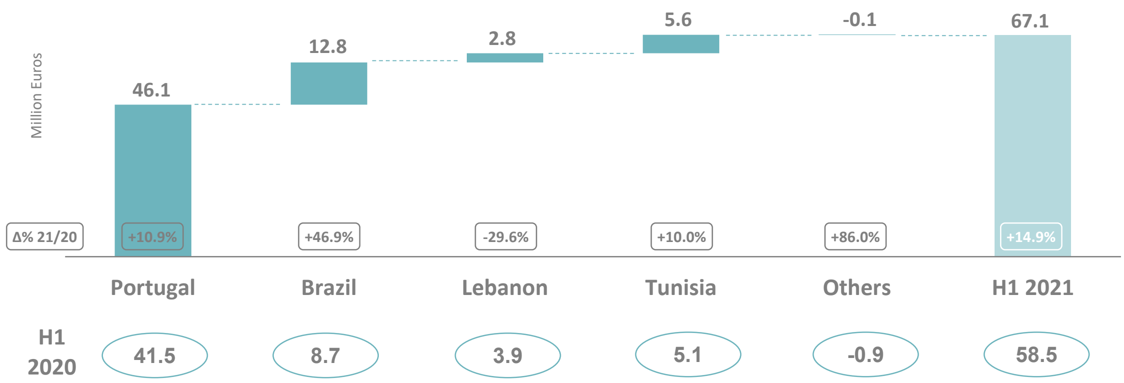


Note: Other includes Angola, Trading, Other and Eliminations. 2020 data was reclassified for the purpose of comparability.

- Consolidated EBITDA reached 67.1 million euros, which corresponds to an increase of 8.7 million euros, compared to the same period last year (+14.9%), as a result of the developments in Portugal, Tunisia and Brazil.



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 improved significantly year on year, from -29.8 million euros to -11.2 million euros. The positive difference resulted from the combined effect of a reduction in the net financing cost (+2.3 million euros), decrease in exchange rate differences (+14 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 first half of 2021, as well as by the reduction in impairments year on year (+2.6 million).

Net profit attributable to Secil shareholders in the first half of 2021 totalled 27.8 million euros vis-à-vis the amount of 2.1 million euros over the same period in the previous year. The positive change was due to improvement in operating results and in the financial results.

Secil recorded an investment value of 18.4 million euros in the first half of 2021, reflecting an increase compared to the same period in 2020 (3.7 million euros). Additionally, in the first half of 2020, Secil cashed in 9.5 million euros from the sale of financial investments.

LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	H1 2021	H1 2020	Var.	Q2 2021	Q2 2020	Var.
Revenue	**238.1**	**230.9**	**3.1%**	**124.7**	**120.9**	**3.1%**
EBITDA	**67.1**	**58.5**	**14.9%**	**33.8**	**30.0**	**12.8%**
EBITDA margin (%)	28.2%	25.3%	2.9 p.p.	27.1%	24.8%	2.3 p.p.
Depreciation, amortisation and impairment losses	(24.4)	(27.9)	12.2%	(12.2)	(13.7)	10.3%
Provisions	(2.0)	(2.1)	5.8%	(1.9)	(1.7)	-14.7%
EBIT	**40.7**	**28.5**	**42.9%**	**19.6**	**14.6**	**34.1%**
EBIT margin (%)	17.1%	12.3%	4.8 p.p.	15.7%	12.1%	3.6 p.p.
Net financial results	(11.2)	(29.8)	62.3%	(4.4)	(12.4)	64.8%
Net monetary position	(0.2)	-	-	(0.2)	-	-
Profit before taxes	**29.3**	**(1.3)**	**>1000%**	**15.0**	**2.3**	**561.5%**
Income taxes	(2.0)	0.8	-336.0%	3.5	1.2	196.9%
Net profit for the period	27.3	(0.5)	>1000%	18.5	3.4	437.7%
Attributable to Secil shareholders	**27.8**	**2.1**	**>1000%**	**18.5**	**4.6**	**300.8%**
Attributable to non-controlling interests (NCI)	(0.5)	(2.6)	79.0%	0.0	(1.2)	103.3%
Cash flow	53.7	29.5	82.0%	32.7	18.8	74.1%
Free Cash Flow	34.8	33.0	5.2%	27.6	16.1	71.7%

	30/06/2021	31/12/2020
Equity (before NCI)	357.3	330.9
Interest-bearing net debt	**249.4**	**272.6**
Lease liabilities (IFRS 16)	30.4	25.2
Total	**279.7**	**297.8**

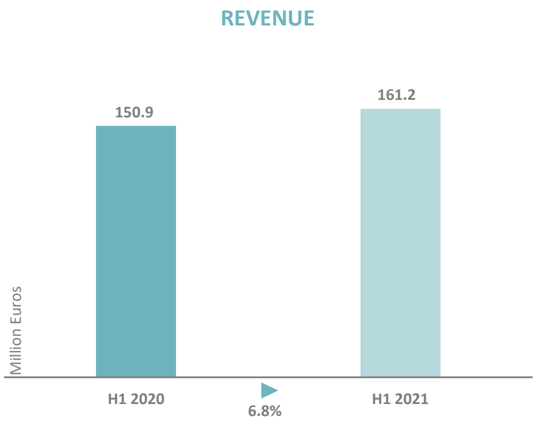
Note: Figures for business segment indicators may differ from those presented individually by each Group, as a result of consolidation adjustments.

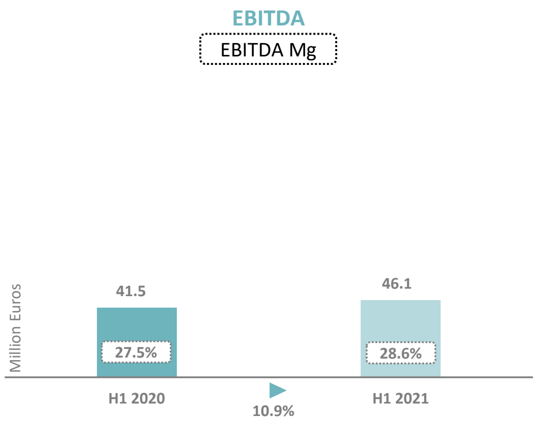
KEY OPERATING INDICATORS

in 1 000 t	H1 2021	H1 2020	Var.	Q2 2021	Q2 2020	Var.
Annual cement production capacity	9,750	9,750	0.0%	9,750	9,750	0.0%
Production						
Clinker	2,111	1,962	7.6%	1,102	997	10.6%
Cement	2,579	2,279	13.2%	1,357	1,181	15.0%
Sales						
Cement and Clinker						
Grey cement	2,621	2,421	8.3%	1,399	1,283	9.1%
White cement	46	33	38.5%	20	18	11.2%
Clinker	65	142	-54.2%	40	118	-66.5%
Other Building Materials						
Aggregates	2,444	2,243	9.0%	1,275	1,138	12.1%
Mortars	134	116	16.0%	69	58	18.5%
in 1 000 m3						
Ready-mix	939	877	7.1%	491	442	11.1%

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

PORTUGAL





Cement consumption in Portugal in the first half of 2021 is estimated to have grown about 12% year on year.

Revenue of combined operations in Portugal stood at approximately 161.2 million euros in the first half of 2021, i.e. 6.8% more than in the same period in 2020.

Revenue in the Cement business unit in Portugal grew 9.7% (+7.9 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 circa 9% against 2020, as a result of more volume sold driven by growth in cement consumption (+12%). Despite the high level of competition, caused by the oversupply in Europe, the Mediterranean and West Africa, export revenue, including Secil terminals, grew by about 10%, despite the decrease in exported volumes, as a result of the increase in the average selling price and a more favourable sales mix.

In the other business units with operations based in Portugal (Ready-mix concrete, Aggregates, Mortars and Precast), revenue in the first half of 2021 amounted to 77.9 million euros, up by 7.1% year on year.

This growth took place in all areas of building materials, benefiting from greater building dynamics, although it was lower in the Concrete business unit, which recorded around 2% more in sales volume, as it was affected by the heavy rainfall in the beginning of the year.

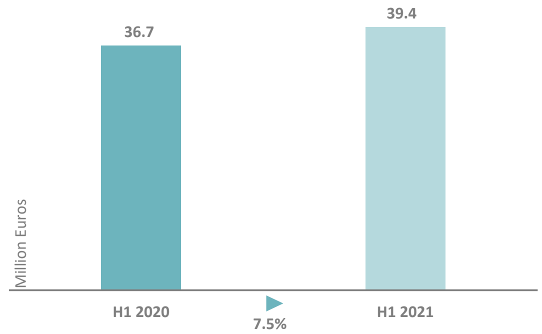
EBITDA of total operations in Portugal increased by 10.9%, standing at 46.1 million euros vs. 41.5 million euros recorded for the same period in the previous year.

The Cement business unit contributed the most to such positive development, since it grew 23.5% year on year. The rise in sales volumes on the domestic market, together with the rise in average prices, the reduction in the maintenance fixed costs and the sale of CO_2 surplus licenses (2.6 million euros more year on year), more than offset the increase in international solid fuel price. It should be noted that EBITDA in Q1 2020 was positively impacted by the capital gains on the sale of financial investments (+5.2 million euros).

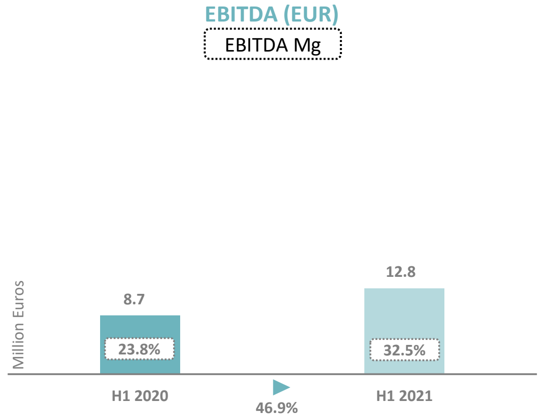
EBITDA of the building materials business units overall was up by 6.4% (+0.6 million euros). This development was mostly impacted by the strong performance of the Aggregates and Mortars segments and negatively by the Ready-mix concrete and Precast segments. Additionally, EBITDA in the first half of 2020 was positively affected by the recording of capital gains on the sale of fixed assets (land) in the Pre-cast and Aggregates segment, which together represented 1.2 million euros.

BRAZIL

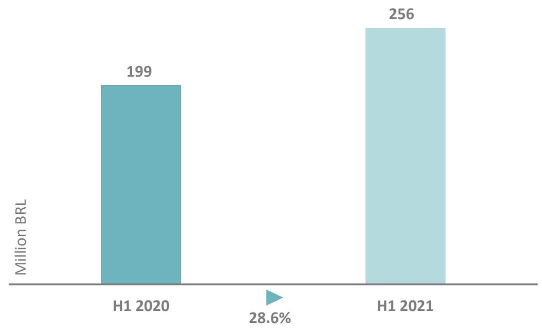
REVENUE (EUR)



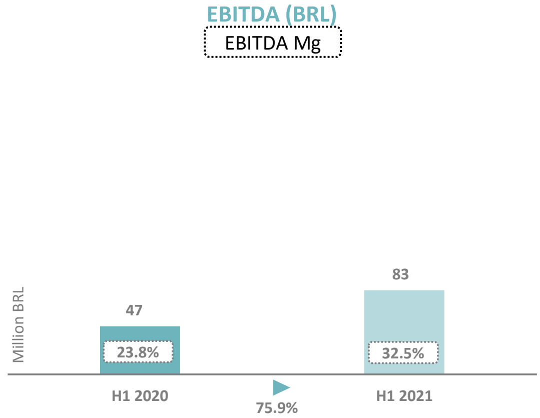
EBITDA (EUR)



REVENUE (BRL)



EBITDA (BRL)



Nota: Average exchange rate EUR-BRL 2020 = 5.4200 / Average exchange rate EUR-BRL 2021 = 6.4890

According to the estimates of SNIC (Preliminary Results - June 2021), cement consumption in Brazil increased 15.4% against the first half of 2020, which was strongly influenced by strong rainfall and the start of the pandemic.

The main drivers of this performance are still good weather conditions, development projects and self-constructions that continue to play an important role in cement sales, even after the emergency support was suspended in January.

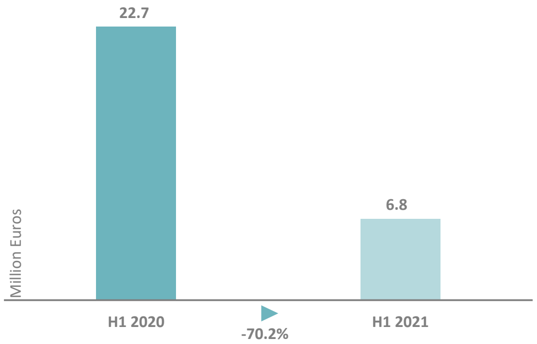
Revenue of combined operations in the country stood at 39.4 million euros in the first half of 2021, 7.5% up on revenue recorded in the same period in 2020. However, discounting the effect of the exchange rate depreciation of the Real against the Euro, with a negative impact of around 7.8 million euros, revenue would have been higher by 10.5 million euros (+29%).

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.

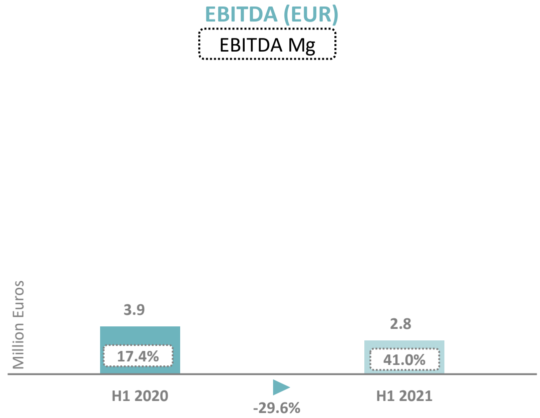
The EBITDA of activities in Brazil totalled 12.8 million euros, which compares with 8.7 million euros recorded year on year (i.e. 46.9% increase). Excluding the unfavourable exchange rate effect (-2.5 million euros), EBITDA would have increased by 76%, reflecting the good performance of activity, which helped to offset the negative impact of higher variable production costs.

LEBANON

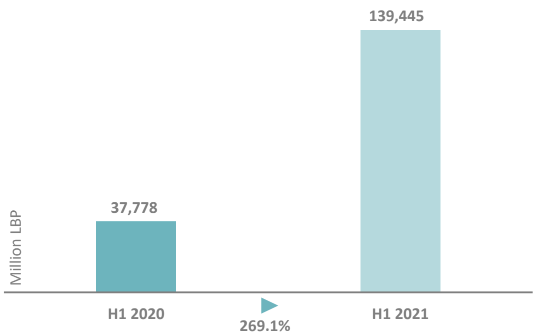
REVENUE (EUR)



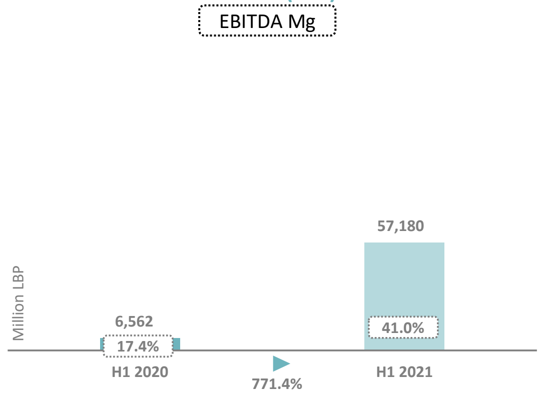
EBITDA (EUR)



REVENUE (LBP)



EBITDA (LBP)



Nota: Average exchange rate EUR-LBP 2020 = 1,661.3 / Average exchange rate EUR-LBP 2021 = 20,559.3

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 harbour in August 2020 aggravated further an already precarious situation. As the pandemic intensified and spread, the Lebanese authorities took measures to contain the pandemic in the first half of 2021, which negatively impacted Secil operations in the country.

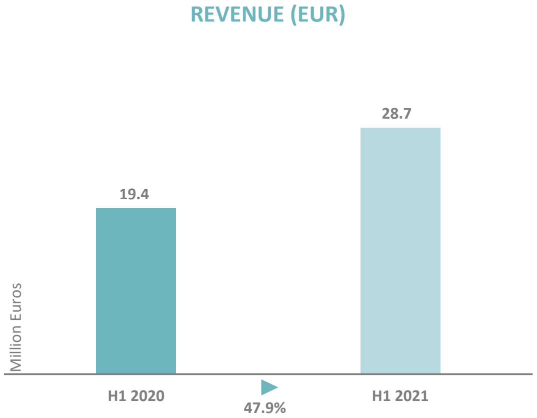
In this context, revenue of combined operations in Lebanon decreased 70.2%, compared to the same period in 2020, standing at 6.8 million euros. The decrease is mainly due to the falling value of the Lebanese pound, which hit revenue severely. Note that the Lebanese pound ended the quarter at 17,057 per 1 USD, which compares with 1,507.5 per 1 USD at the end of the first half of 2020.

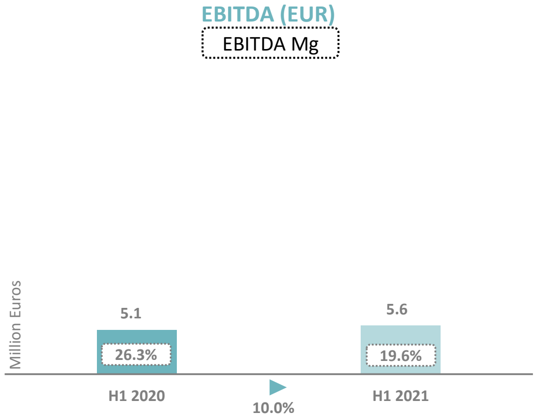
Cement sales in the domestic market grew 1.9% year on year (largely affected by the pandemic), and estimates point to a growth in the Lebanese cement market of 11%. Revenue decreased 72.3%, mainly due to the high exchange rate depreciation of the Lebanese Pound, which was partially offset by the price increase in local currency.

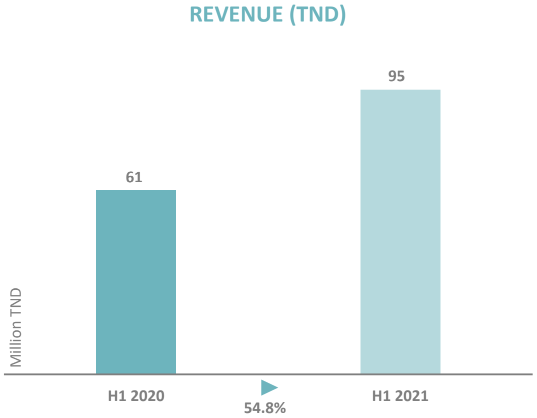
Concrete revenue was also further negatively impacted by the depreciation of the Lebanese pound, bringing revenue down by 63.0% year on year, in spite of the increase of 18.6% in volumes sold and higher average selling price in the local currency.

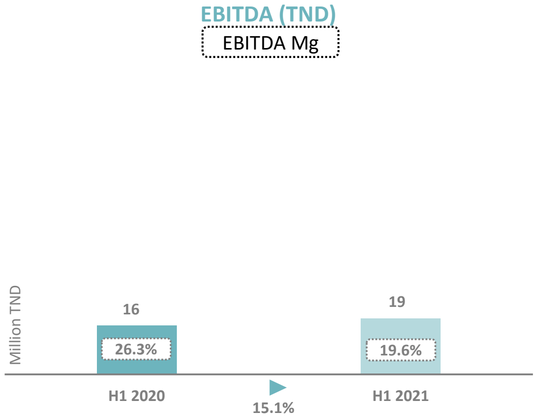
EBITDA from operations in Lebanon stood at 2.8 million euros, down by 29.6% in relation to the first half of 2020. The decrease is mainly due to the impact of the exchange rate devaluation of the Lebanese Pound recorded on purchases of goods and services in foreign currency, partially offset by the increase in average selling price and measures to contain fixed costs.

TUNISIA









Nota: Average exchange rate EUR-TND 2020 = 3.1509 / Average exchange rate EUR-TND 2021 = 3.2973

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.

As the pandemic intensified and spread, the authorities took lockdown measures to contain the pandemic in the first half of 2021, which negatively impacted Secil operations in the country.

However, the domestic cement market has shown signs of upturn, and it is estimated to have grown around 36% 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 for combined operations in Tunisia showed a positive year-on-year variation of 47.9%, totalling 28.7 million euros, negatively impacted by 1.3 million euros due to the depreciation of the Tunisian Dinar against the Euro.

Revenue of the Cement business grew approximately 47.0% to 26.9 million euros, reflecting the increase in the volume of cement sales in the domestic market, accompanied by the positive variation in average selling price in the local currency. In the foreign market, both cement and clinker exports increased.

Revenue of the Concrete business grew 49.9% year on year, mainly due to the increase in volumes sold.

Subsequently, the EBITDA from operations in Tunisia amounted to 5.6 million euros, which compared to the figure in the first half of 2020 is an accrual of 10.0%. 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 14% compared to the first half of 2020. The volume of cement sold by Secil fell 1.4% in comparison to the same period in the previous 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 can help it tackle significant increase in costs, either expressed in the national currency and those arising from the necessary imports. Under these conditions, the price of cement in local currency rose year on year, partially offsetting the fall in sales volumes

Consequently, revenue totalled 2.0 million euros, i.e. 1.4% below that in the same period of the previous year, and was strongly affected by the currency depreciation, which produced a negative effect of 0.6 million euros. Excluding the exchange rate effect, revenue would have been higher in 26%.

EBITDA in the first six months of 2021 amounted to a negative figure of 0.1 million euros, which despite all else, in contrast with the negative 0.7 million euros recorded over the same period in the previous year, is a significant improvement.

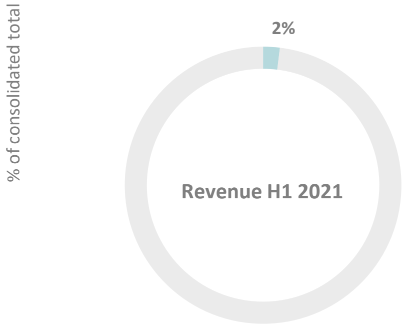
SECOND QUARTER OF 2021 VS. SECOND QUARTER OF 2020

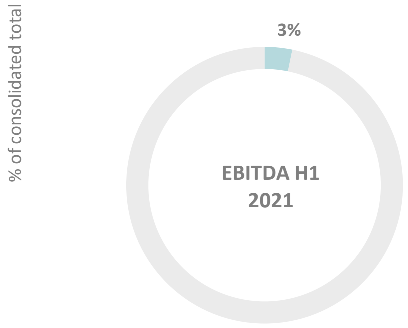
EBITDA in Q2 2021 was higher than EBITDA in Q2 2020 by around 3.8 million euros (+12.8%), continuing the recovery trend seen in the previous quarters. This change resulted from the positive influence of the businesses in Portugal (+14.7%) and Brazil (+24.0%), with the negative business results in Tunisia (down by 0.4 million euros) and Lebanon (down by 0.7 million euros), heavily impacted by the worsening economic and social crisis the countries are going through.

The 3.0 million euro increase in Portugal is basically due to the EBITDA of the Cement business, but to the Aggregates and Mortars, as well, reflecting the positive growth experienced by the construction sector. The 1.4 million euro increase in Brazil resulted mainly from the rise in average selling price.

The negative evolution in Lebanon's EBITDA is related to the unfavourable economic context of the activity in 2020 and 2021, and the joint effect of the strong currency depreciation and the implementation of IAS 29 (hyperinflation), which contributed to a reduction in that country's EBITDA of 0.7 million euros in Q2 2021 compared to the same period in 2020.

2.4. ENVIRONMENT BUSINESS AREA

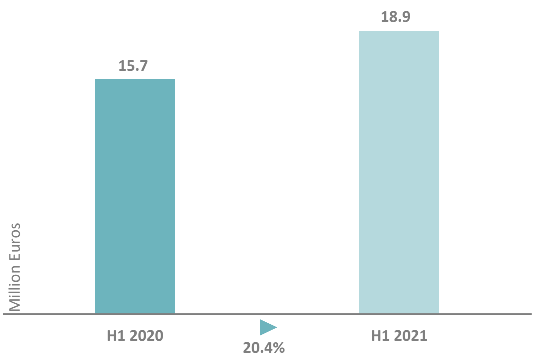




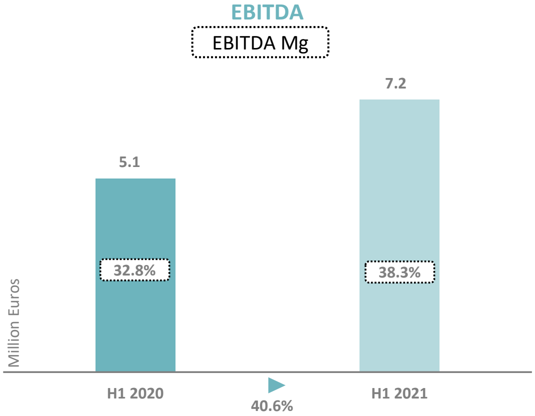
HIGHLIGHTS IN 2021 (VS. 2020)

- ETSA recorded revenue of approximately 18.9 million euros in the first half of 2021, which represented an increase of approximately 20.4% against the same period in the year 2020.

- The increase in revenue stemmed from (i) the increase in selling prices for category 3 meal, essentially due to the increased price of substitute products such as soy meal, and (ii) the increase in selling prices of category 3 fat, essentially due to an increase in price of substitute products such as soy oil and palm oil.



- The EBITDA of ETSA totalled approximately 7.2 million euros in the first half of 2021, representing a growth of about 40.6% in comparison with the first half of 2020, mainly due to higher revenue and control of the main costs.



LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	H1 2021	H1 2020	Var.	Q2 2021	Q2 2020	Var.
Revenue	**18.9**	**15.7**	**20.4%**	**9.2**	**7.3**	**26.5%**
EBITDA	**7.2**	**5.1**	**40.6%**	**3.8**	**2.5**	**52.7%**
EBITDA margin (%)	38.3%	32.8%	5.5 p.p.	41.1%	34.1%	7.1 p.p.
Depreciation, amortisation and impairment losses	(1.6)	(1.6)	-3.4%	(0.8)	(0.8)	-1.7%
Provisions	-	-	-	-	-	-
EBIT	**5.6**	**3.6**	**56.7%**	**3.0**	**1.7**	**76.7%**
EBIT margin (%)	29.7%	22.9%	6.9 p.p.	32.4%	23.2%	9.2 p.p.
Net financial results	(0.1)	(0.1)	24.5%	(0.0)	(0.1)	28.0%
Profit before taxes	**5.5**	**3.5**	**59.8%**	**2.9**	**1.6**	**81.0%**
Income taxes	(1.1)	(0.8)	-41.2%	(0.5)	(0.4)	-40.8%
Net profit for the period	4.4	2.7	65.3%	2.4	1.2	93.4%
Attributable to ETSA shareholders	**4.4**	**2.7**	**65.3%**	**2.4**	**1.2**	**93.4%**
Attributable to non-controlling interests (NCI)	-	-	-	-	-	-
Cash flow	6.0	4.2	42.4%	3.2	2.0	57.6%
Free Cash Flow	2.7	4.4	-37.8%	1.5	2.9	-48.1%
	30/06/2021	**31/12/2020**				
Equity (before NCI)	82.1	78.7				
Interest-bearing net debt	**-2.2**	**-0.5**				
Lease liabilities (IFRS 16)	1.7	1.9				
Total	**-0.5**	**1.4**				

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

KEY OPERATING INDICATORS

in 1 000 t	H1 2021	H1 2020	Var.	Q2 2021	Q2 2020	Var.
Collection of raw materials - Animal waste (Categ. 1, 2 and 3)	60.0	59.3	1.1%	29.6	28.5	3.9%
Sales - Animal fats and used food oil	8.6	7.5	14.6%	4.0	3.6	9.2%
Sales - Meal (Categories 1, 2 and 3)	11.3	11.4	-1.0%	5.2	5.6	-7.2%

OVERVIEW OF THE ENVIRONMENT ACTIVITY

ETSA recorded revenue of approximately 18.9 million euros in the first half of 2021, which represented an increase of approximately 20.4% against the same period in the year 2020.

This development was essentially due to an increase in sales of 34.1% year on year, mostly as a result of (i) the rise in the average selling price of category 3 meal by approximately 52.2%, (ii) an increase in average selling price of category 3 fats by around 20.8% and rise of 5.2% in volumes sold, (iii) 71.0% increase in sales volumes of used cooking oil with a price increase of 28.3% and (iv) increase in volumes sold of category 1 fat by 44.0% with a rise in price of 19.0%.

Consolidated services rendered increased around 4.1%, mostly as a result of the 1.7% increase in the quantity received in the context of the services rendered from the collection of animals on farms, and of 4.6% growth in the number of retainer fees collected from mass distribution.

EBITDA totalled approximately 7.2 million euros in the first half of 2021, representing a growth of about 40.6% in comparison with the first half of 2020, essentially due to higher revenue and control of the main costs. The EBITDA margin stood at 38.3%, up by around 5.5 p.p. over the margin for the same period of 2020.

Financial results improved by about 24.5% 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 half of 2021 of approximately 4.4 million euros, up by around 65.3% in comparison with the first half of 2020.

ETSA recorded an investment value of 1.6 million euros in the first half of 2021.

SECOND QUARTER OF 2021 VS. SECOND QUARTER OF 2020

ETSA recorded revenue in Q2 2021 of about 9.2 million euros, which represented a 26.5% increase year on year. This variation results from an increase of about 43.4% in sales and around 3.4% in consolidated services rendered.

The change in sales is essentially due to i) the increase in the average prices of category 3 Meal by about 68.2%, ii) the increase in the average prices of category 3 Fat by about 33.0% and iii) the increase in the quantities of used cooking oil (UCO) sold (301.8%) and in its average selling price by 45.9%. The changes in the services rendered derive essentially from the growth in retainer fees and other collections.

EBITDA totalled approximately 3.8 million euros in the 2nd quarter of 2021, about 52.7% above EBITDA levels in the same period in 2020.

2.5. VENTURE CAPITAL BUSINESS AREA

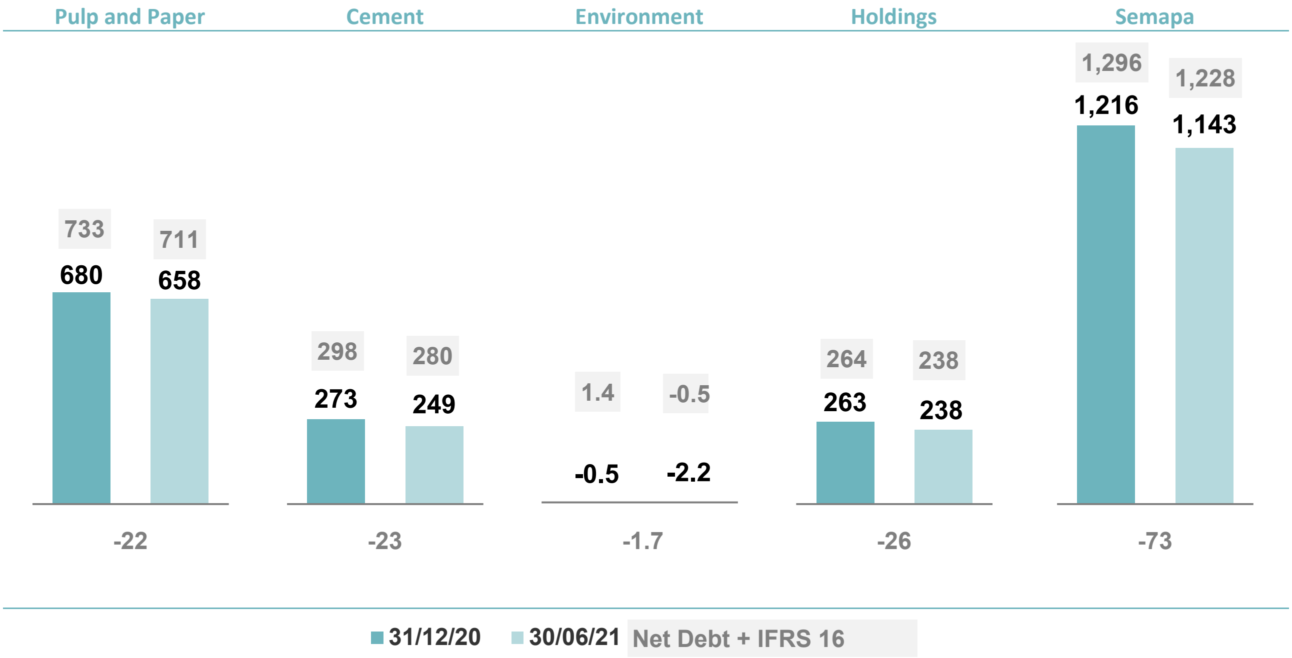
Semapa Next invested in two venture capital funds in the first half of 2021, namely Notion Capital and firstminute Capital. Additionally, Semapa Next co-lead the investment in the Series A of 8 million euros in LOQR, which is a company that develops digital identity and authentication technology for financial institutions. In addition to the investments made, Semapa Next continued to actively manage its portfolio and to analyse different investment opportunities in Series A and Growth stage companies.

In the first six months, the current partnership with Techstars made it possible for Semapa Next to participate in the Global Sustainability Challenge alongside other multinational companies and to launch its own programme called The Future of Food & Food Packaging Challenge. This initiative seeks to identify start-ups whose solutions fit into the programme's theme and has the active participation of Navigator and ETSA.

3 SEMAPA GROUP – FINANCIAL AREA

3.1. INDEBTEDNESS

NET DEBT



On 30 June 2021, consolidated net debt stood at 1,142.9 million euros, representing a reduction of around 72.6 million euros over the figure ascertained at the close of 2020. Including the effect of IFRS 16, net debt would have been 1,228.1 million euros, 67.7 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 154.9 million euros (vs. 146.2 million euros in the same period of 2020). The following are the changes in net debt compared to year-end 2020 by business area:

- Pulp and paper: -21.9 million euros, arising from efficient working capital and capex management, including investments of about 32.8 million euros and dividends distribution of 99.6 million euros;

- Cement: -23.3 million euros, including investments of about 18.4 million euros and the depreciation of the Brazilian real with a positive effect of approximately 7.3 million euros;

- Environment: -1.7 million euros, in spite of the difficulty in collecting the amounts billed to the Government; and,

- Holdings: -25.7 million euros, resulting namely from dividends received from Navigator (69.7 million euros) and the payment of dividends (40.9 million euros).

On 30 June 2021, total consolidated cash amounted to 251 million euros, in addition to 648.8 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 half of 2021 financial results amounted to a negative figure of 24.0 million euros, an improvement of 44.7% 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 stand out:

- Reduction of interest paid on borrowings of 2.9 million euros as a result of lower indebtedness;

- The unfavourable exchange differences recorded a positive variation due mainly to a decrease in exchange rate differences and related hedges (+15 million euros), essentially because exchange rate losses of 2020 were heavily impacted by the depreciation of the Brazilian real, which decreased substantially in the 1st half of 2021.

3.3. NET PROFIT

Net profit attributable to Semapa shareholders was 73.1 million euros, which represents an increase of 42.8 million euros compared to the same period in the previous year, due essentially to the combined effect of the following factors:

- An increase in EBITDA of 21.5 million euros; EBITDA performed better in all business segments, with special emphasis on Pulp and Paper (+10.4 million euros) and Cement and Other Building Materials (+8.7 million euros);

- A reduction in depreciation, amortisation and impairment losses of 18.4 million euros, with emphasis on Navigator;

- Reduction in net provisions of 1.8 million euros;

- Improvement in net financial results by about 19.4 million euros, reflecting in particular the less negative exchange rate effects on Secil (Brazilian real);

- Increase in taxes on profits of approximately 9.8 million euros.

4 OUTLOOK

Although some factors of uncertainty dissipated by the end of 2020, including the signing of the Brexit trade agreement and the election of the new US President, the outlook for economic growth remains uncertain, as several other risk factors remain, including the progress of the pandemic. In the context of the public health crisis, the new waves (including new variants of SARS-Cov-2) requiring aggressive containment measures, the effectiveness and speed of the large-scale vaccination programmes, and the availability of effective therapies to treat the virus will set the pace of economic recovery.

The response of economic agents to public health protection measures and the impact of support measures are also wrapped in uncertainty. The monetary, fiscal and prudential policies that were decisive in mitigating the effects of the pandemic will continue to be paramount for the recovery dynamics of the economies.

According to the World Economic Outlook Update (WEO) published in July 2021, the IMF expects world GDP to grow 6.0% in 2021 and 4.9% in 2022. GDP in the Euro Zone is expected to grow by 4.6% in 2021 and 4.3% in 2022. Portuguese GDP is expected to grow by 3.9% in 2021 and 4.8% in 2022 according to the World Economic Outlook of April 2021. Projected levels of inflation are 0.9% and 1.2% in 2021 and 2022, respectively. The Bank of Portugal Projections for the Portuguese economy 2021-23 (Economic Bulletin of June 2021) are more optimistic, pointing out to a GDP growth of 4.8% and 5.6% for the years 2021 and 2022, respectively. The expected inflation for 2021 is 0.7% and 0.9% for 2022.

PULP AND PAPER

As the economy recovers and the vaccination plan is implemented, conditions in the pulp, paper and tissue sectors 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 for the second half of 2021. The very high order intake and industry backlog in June, low import volumes, pressured by freight costs, and a well-balanced level of stocks in the pipeline, consolidate this positive outlook and allow to anticipate further price increases in the second half of the year. It should be noted that in addition to the price of pulp and freight, chemical and energy costs are also putting strong pressure on the income of European paper producers.

In the pulp market, after the sharp growth seen over the past few months, and the narrowing of the price gap between regions, a more moderate development is expected in the second half of the year, with prices peaking in the third quarter in Europe.

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

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

In the last 18 months, a strategic decision about the avenues for its future development prompted Navigator to move into the production of new packaging products, developing a new business area in a growing segment and as a response to the need felt worldwide to fight the consumption of plastics, namely single use plastics, and contribute to reduce the pollution of the oceans.

From Fossil to Forest – a strategy aligned with Navigator's purpose of creating sustainable value for its investors and for society as a whole, making a better planet to hand down to future generations through sustainable products and solutions that are natural, recyclable and biodegradable, and that contribute towards carbon sequestration, oxygen production, the protection of biodiversity, soil formation, and the fight against climate change.

Navigator has decided to invest in the packaging solutions for the food industry, which are safer and more hygienic, reducing the risk of contamination by bacteria, microorganisms and even dangerous substances that recycled fibres typically contain. With a unique texture and singular printing performance, these products are resistant and in line with the concept of sustainable shelf ready packaging.

The packaging segment has a wide range of products and the Company aims to rapidly evolve into the production of flexible packaging, bags and Kraftliner products. This approach allows a greater flexibility in terms of production, as it keeps the option of maintaining the production of UWF in these paper machines, adjusting to market conditions.

Navigator expects to sell a significant volume of packaging products until year-end and enlarge its offer in 2022. The main goal is to gradually increase the output until it reaches approximately 200 thousand tonnes by 2025/2026. The estimated Capex in this first phase for producing these products is approximately 10-12 million euros per year.

Additionally, the growth can be done in a moderate way, improving the use of less relevant UWF assets, opening the way for future conversions or greenfield investments in new machines.

The reporting of the packaging activity will continue to be included in the UWF segment, until it wins sufficient materiality.

CEMENT AND OTHER BUILDING MATERIALS

The Bank of Portugal (Projections for the Portuguese economy – June 2021) estimates that the Portuguese economy will grow 4.8% in 2021, assuming that the pandemic is brought under control, including further progress in the roll-out of the vaccines, and economic policy support is maintained to mitigate the permanent effects of the crisis in the productive capacity, thus projecting a stronger recovery than it had estimated in March.

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 development 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 Update (WEO), published in July 2021, the IMF expects Brazilian economy to recover 5.3% in 2021 and 1.9% in 2022.

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 harbour 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. Negotiations with the IMF have been going on since May 2020 following the request for external assistance, but no agreement has been reached so far.

According to the latest IMF estimates (World Economic Outlook, IMF April 2021) the Lebanese economy has contracted around 25.0% in 2020, and inflation rate has been 88.2%. No projections for the period from 2021 to 2026 have been published due to the high degree of uncertainty.

With regard to Tunisia, the most recent forecasts published by the IMF (World Economic Outlook, IMF April 2021) expect GDP growth of 3.8% in 2021 and 2.4% in 2022. Projected levels of inflation are 5.8% and 6.3% in 2021 and 2022, respectively.

Tunisia found itself already in financial hardship and social instability, and the pandemic has increased uncertainty as to the country's progress.

The outlook for Angola (World Economic Outlook, IMF April 2021) hints at a recovery of 0.4% in 2021, followed by a 2.4% growth in 2022. Projected levels of inflation are 22.3% and 13.1% in 2021 and 2022, respectively.

ENVIRONMENT

The crisis caused by the Covid-19 pandemic has significantly altered the economic landscape in Portugal, as in Europe and the rest of the world, with consequences difficult to predict in several markets. However, one can say that the food market where ETSA moves, given its nature, is less affected by the health crisis when compared to other sectors of activity.

With the vaccination plan currently underway, all indications are that 2021 will be a year of economic recovery in Portugal, but this does not mean that the country will regain its pre-pandemic economy any time soon. In this regard, the awaited recovery of the purchasing power of the Portuguese over the course of 2021 would likely result in a slight increase in the volumes of raw material collected and therefore in the volumes of finished products sold.

The current crisis also presents several short term opportunities that include: (i) concentrating on the horizontal expansion of its production and destination markets (exports accounted for around 44.4% of total sales on 30 June 2021), (ii) identifying new opportunities for vertical growth, channelling its investments to improving operational efficiency, extracting maximum value from the channels operated and retaining the loyalty of the main conventional and alternative collection centres, and (iii) 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, and to make more direct investments in startups and investment funds in 2021. Moreover, and in partnership with Techstars, Semapa Next will participate in new Global Business Challenges to identify targets for investment with high growth potential, particularly in Europe.

Lisbon, 30 July 2021

The Board

FINANCIAL TIMETABLE

Date	Event
4 November 2021	First 9 Months 2021 Results Announcement

DEFINITIONS

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

EBIT = Operating profit

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

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

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

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

DISCLAIMER

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

Semapa

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