INTERIM REPORT

_H1 2023

MAKING IT BETTER

SEMAPA

HALF-YEARLY ACCOUNTS

PART 1
MANAGEMENT REPORT

1 HIGHLIGHTS

INVESTMENT OF 435 M€ IN THE FIRST HALF 2023 - NEW GEOGRAPHY AND NEW BUSINESS UNIT

- The current political and economic context, marked by a slowdown in the economy, inflation, and the unending war in Ukraine, results in a continuing situation that is highly unpredictable and extremely volatile. The effectiveness of Europe's monetary and economic policies and the future developments in the geopolitical risk will play a determining role in clarifying the current uncertainties. The Semapa Group is managing these negative events with a strong commitment to increasing efficiency, boosting productivity, moderating the increase in variable costs by curbing specific consumption, with continued efforts to contain fixed costs.

- In line with its strategy for Group diversification, on 31 March Navigator **acquired** Gomà-Camps Consumer in Spain for approximately 85 million euros, hereby seeking to reinforce its presence in the At Home segment. The integration of this new plant will position Navigator as the second largest Iberian producer of Tissue.

  At the end of the 2nd quarter, Semapa took another step in the new investment and diversification cycle; it purchased 100% of the shares of Triangle's Cycling Equipment in Portugal. As a result of its strong commitment to R&D, Triangle's is currently a world reference in the production of e-bike frames, with a customer portfolio composed of several of the industry's prestigious brands.

- **Investments in fixed assets** in the first half of 2023 grew by about 70 million euros YoY, thus amounting to approximately 143.7 million euros. Emphasis on the Pulp and Paper segment with 112.6 million euros (in particular the new Recovery Boiler in Setúbal) and the Cement segment with 25.7 million euros (10.6 million euros related to the CCL - Clean Cement Line project at the Outão cement plant) reflecting the Group's commitment to gradual decarbonisation of its business units.

- In the first half of 2023, the Semapa Group recorded consolidated **revenue** of 1 344.2 million euros (vs. 1 465.7 million euros in the first half of 2022). In the same period, 979.5 million euros were generated in Pulp and Paper/ Navigator (-14.2% year on year), 339.8 million euros in Cement/ Secil (+14.6%) and 24.9 million euros in Other Business (-8.1%). Exports and sales abroad for the same period amounted to 977.6 million euros, accounting for 72.7% of revenue.

  Following the extraordinary events of 2022, the normalisation of market conditions raised significant constraints in the pulp and paper industry in the first half of 2023, with the slow process of reducing accumulated stocks across the distribution chain continuing over the past year. This imbalance affected demand significantly in all paper segments, with the exception of the tissue segment, which pulled Navigator's revenue down. Cement revenue reflects mostly the favourable progress in Portugal, Tunisia and Lebanon.

- **EBITDA** in H1 2023 totalled 331.3 million euros (vs. 425.1 million euros in the first half of 2022). In the same period, 253.0 million euros were generated in Pulp and Paper (-26.6% year on year), 71.5 million euros in Cement (+0.9%) and 7.1 million euros in Other Business (-27.8%). The consolidated EBITDA margin of 24.6% was -4.4 p.p. below that in the same period of 2022.

  The reduction in EBITDA was mainly due to developments in the Pulp and Paper segment, where variable costs, namely logistics, energy and some raw materials dropped significantly in the 1st quarter and even more in the 2nd quarter, partially offsetting the reduction in paper sales volumes, together with the effort to maintain prices and enrich the product mix. EBITDA in the Cement segment increased slightly, as the improvement in Portugal more than offset the negative variation in other countries.

- **Net profit attributable to Semapa shareholders** at the end of the first half of 2023 stood at 107.6 million euros (vs. 141.5 million euros in the same period in 2022).

- At the end of H1 2023**,** consolidated interest-bearing net debt stood at 1 110.3 million euros, 316.1 million euros more than that at the end of 2022 despite the payment of dividends of 136 million euros and the investment amount of 435 million euros, which demonstrates the Group's ability to generate cash flow. As at 30 June 2023, the Group has a comfortable liquidity position backed up by cash and equivalents and a set of committed and undrawn credit lines.

LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	H1 2023	H1 2022	Var.	Q2 2023	Q2 2022	Var.
Revenue	**1 344.2**	**1 465.7**	**-8.3%**	**669.1**	**823.9**	**-18.8%**
EBITDA	**331.3**	**425.1**	**-22.1%**	**164.5**	**270.4**	**-39.2%**
EBITDA margin (%)	24.6%	29.0%	-4.4 p.p.	24.6%	32.8%	-8.2 p.p.
Depreciation, amortisation and impairment losses	(102.7)	(110.4)	7.0%	(53.5)	(60.8)	12.0%
Provisions	(3.7)	1.4	-358.5%	(2.9)	1.3	-330.5%
EBIT	**224.9**	**316.2**	**-28.9%**	**108.0**	**210.9**	**-48.8%**
EBIT margin (%)	16.7%	21.6%	-4.8 p.p.	16.1%	25.6%	-9.4 p.p.
Income from associates and joint ventures	1.2	1.6	-26.8%	(0.0)	1.2	-102.3%
Net financial results	(33.3)	(64.0)	48.0%	(20.4)	(53.4)	61.8%
Profit before taxes	**192.8**	**253.8**	**-24.0%**	**87.6**	**158.7**	**-44.8%**
Income taxes	(46.1)	(64.6)	28.6%	(18.6)	(26.9)	30.9%
Net profit for the period	146.6	189.2	-22.5%	69.1	131.8	-47.6%
Attributable to Semapa shareholders	**107.6**	**141.5**	**-23.9%**	**50.6**	**99.4**	**-49.1%**
Attributable to non-controlling interests (NCI)	39.0	47.7	-18.3%	18.4	32.3	-42.9%
Cash flow	253.1	298.1	-15.1%	125.5	191.3	-34.4%
Free Cash Flow	(162.5)	157.1	-203.5%	(194.2)	89.9	-316.0%
	30/06/2023	**31/12/2022**	**Jun23 vs. Dec22**			
Equity (before NCI)	1 357.9	1 323.4	2.6%			
Interest-bearing net debt	**1 110.3**	**794.2**	**39.8%**			
Lease liabilities (IFRS 16)	103.9	101.2	2.6%			
Total	**1 214.2**	**895.4**	**35.6%**			

2 PERFORMANCE OF THE SEMAPA GROUP BUSINESS UNITS

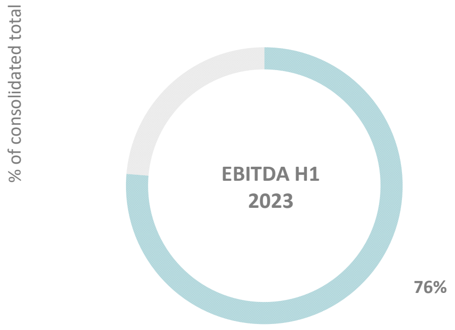
2.1. BREAKDOWN BY BUSINESS SEGMENTS

IFRS - accrued amounts (million euros)	Pulp and Paper Navigator		Cement Secil		Other business		Holdings		Consolidated
	H1 2023	23/22	H1 2023	23/22	H1 2023	23/22	H1 2023	23/22	H1 2023
Revenue	**979.5**	**-14.2%**	**339.9**	**14.6%**	**24.9**	**-8.1%**	**(0.1)**	**43.1%**	**1 344.2**
EBITDA	**253.0**	**-26.6%**	**71.5**	**0.9%**	**7.1**	**-27.8%**	**(0.3)**	**-173.9%**	**331.3**
EBITDA margin (%)	25.8%	-4.3 p.p.	21.0%	-2.8 p.p.	28.3%	-7.7 p.p.	-	-	24.6%
Depreciation, amortisation and impairment losses	(71.7)	13.0%	(29.1)	-11.0%	(1.8)	-9.3%	(0.1)	-3.4%	(102.7)
Provisions	(1.3)	-140.9%	(2.4)	-42.0%	-	-	-	-100.0%	(3.7)
EBIT	**180.0**	**-32.2%**	**40.0**	**-6.8%**	**5.3**	**-35.1%**	**(0.4)**	**-82.1%**	**224.9**
EBIT margin (%)	18.4%	-4.9 p.p.	11.8%	-2.7 p.p.	21.3%	-8.9 p.p.	-	-	16.7%
Income from associates and joint ventures	-	-	0.0	106.7%	-	-	1.2	-43.5%	1.2
Net financial results	(8.5)	81.2%	(22.4)	-35.5%	(0.0)	76.3%	(2.4)	-2.4%	(33.3)
Profit before taxes	**171.5**	**-22.1%**	**17.6**	**-32.1%**	**5.3**	**-34.7%**	**(1.7)**	**-217.4%**	**192.8**
Income taxes	(39.6)	38.1%	3.1	137.5%	(0.4)	74.6%	(9.2)	-200.6%	(46.1)
Net profit for the period	131.9	-15.6%	20.7	16.7%	4.9	-24.7%	(10.9)	-225.9%	146.6
Attributable to Semapa shareholders	**92.3**	**-15.6%**	**21.4**	**25.7%**	**4.8**	**-25.0%**	**(10.9)**	**-225.9%**	**107.6**
Attributable to non-controlling interests (NCI)	39.6	-15.6%	(0.7)	-193.5%	0.1	10.4%	-	-	39.0
Cash flow	204.9	-13.0%	52.3	14.4%	6.6	-17.9%	(10.7)	-222.8%	253.1
Free Cash Flow	9.7	-94.4%	32.6	286.6%	(0.7)	-115.1%	(204.2)	<-1000%	(162.5)
Interest-bearing net debt	**572.5**		**277.4**		**3.9**		**256.5**		**1 110.3**
Lease liabilities (IFRS 16)	65.2		37.0		1.3		0.4		103.9
Total	**637.7**		**314.3**		**5.2**		**256.9**		**1 214.2**

Note 1: Figures for business segment indicators may differ from those presented individually by each Group, as a result of consolidation adjustments.

Note 2: On 19 June 2023, Semapa, through its subsidiary Aphelion, acquired 100% of Triangle's shares. Semapa has initiated the necessary procedures for the recognition and measurement in the Consolidated Financial Statements of Goodwill and the purchased assets and liabilities. As at 30 June 2023, the Other Business includes Triangle's (balance sheet values) and ETSA's business.

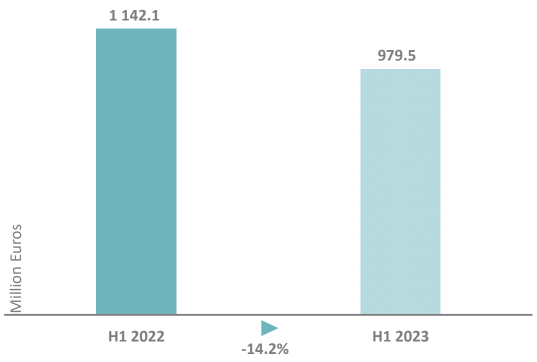
2.2. OVERVIEW OF NAVIGATOR ACTIVITY



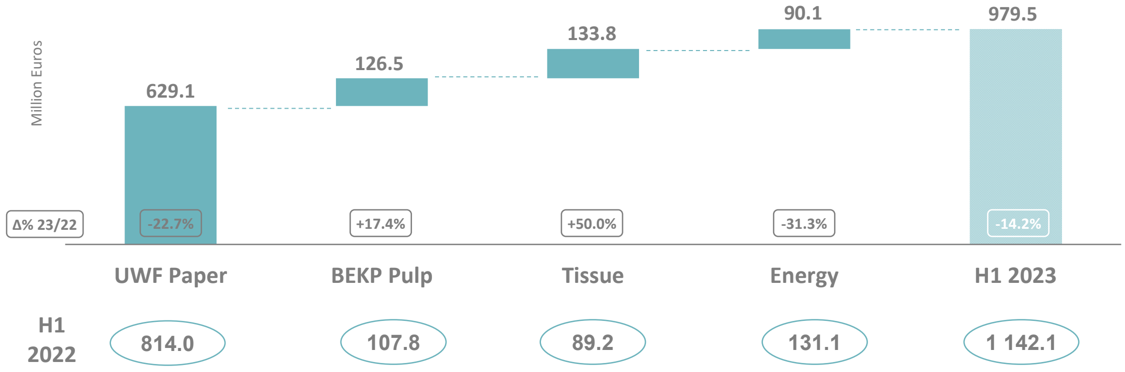
HIGHLIGHTS IN 2023 (VS. 2022)

- Revenue amounted to 979.5 million euros (-14.2% vs. H1 2022), pressed by lower sales volumes of UWF paper and energy.

REVENUE

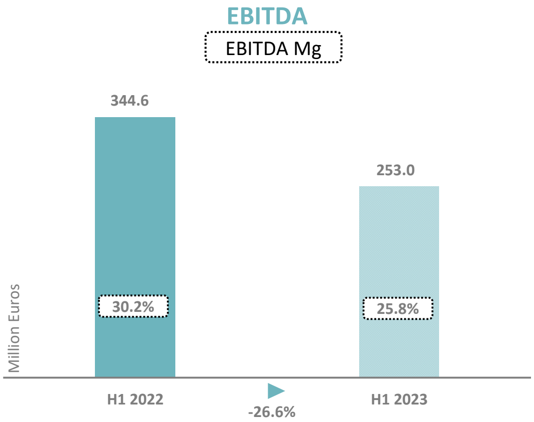


REVENUE BREAKDOWN BY SEGMENT



- EBITDA stood at 253 million euros (-26.6% compared to the 1st half of 2022). EBITDA margin went from 30.2% in 2022 to 25.8% in 2023.

- Performance in 2023 marked by a reduction in sales volumes, partially offset by the effort to maintain prices and the positive evolution of variable costs, namely logistics, energy and some raw materials.



LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	H1 2023	H1 2022	Var.	Q2 2023	Q2 2022	Var.
Revenue	**979.5**	**1 142.1**	**-14.2%**	**478.3**	**649.8**	**-26.4%**
EBITDA	**253.0**	**344.6**	**-26.6%**	**122.3**	**223.0**	**-45.2%**
EBITDA margin (%)	25.8%	30.2%	-4.3 p.p.	25.6%	34.3%	-8.7 p.p.
Depreciation, amortisation and impairment losses	(71.7)	(82.4)	13.0%	(36.4)	(46.4)	21.5%
Provisions	(1.3)	3.2	-140.9%	(1.3)	3.2	-140.9%
EBIT	**180.0**	**265.3**	**-32.2%**	**84.6**	**179.7**	**-52.9%**
EBIT margin (%)	18.4%	23.2%	-4.9 p.p.	17.7%	27.7%	-10.0 p.p.
Net financial results	(8.5)	(45.1)	81.2%	(5.8)	(40.4)	85.6%
Profit before taxes	**171.5**	**220.3**	**-22.1%**	**78.8**	**139.4**	**-43.5%**
Income taxes	(39.6)	(63.9)	38.1%	(15.8)	(30.9)	49.0%
Net profit for the period	131.9	156.3	-15.6%	63.0	108.5	-41.9%
Attributable to Secil shareholders	**131.9**	**156.4**	**-15.6%**	**63.0**	**108.5**	**-41.9%**
Attributable to non-controlling interests (NCI)	0.0	(0.0)	508.3%	0.0	(0.0)	>1000%
Cash flow	204.9	235.6	-13.0%	100.7	151.8	-33.6%
Free Cash Flow	9.7	174.1	-94.4%	(21.1)	97.3	-121.7%
	30/06/2023	**31/12/2022**				
Equity (before NCI)	946.3	1 018.0				
Interest-bearing net debt	**572.5**	**382.2**				
Lease liabilities (IFRS 16)	65.2	61.6				
Total	**637.7**	**443.9**				

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

LEADING OPERATING INDICATORS

in 1 000 t	H1 2023	H1 2022	Var.	Q2 2023	Q2 2022	Var.
BEKP Pulp						
FOEX – BHKP Usd/t	1 200	1 205	-0.4%	1 071	1 256	-14.8%
FOEX – BHKP Eur/t	1 111	1 105	0.5%	983	1 181	-16.7%
BEKP Sales (pulp)	216	150	44.2%	124	72	71.9%
UWF Paper						
FOEX – A4- BCopy Eur/t	1 289	1 117	15.3%	1 252	1 196	4.6%
UWF Sales (paper)	533	734	-27.4%	260	407	-36.2%
Tissue						
Total sales of tissue	61	51	20.4%	37	25	50.2%

The year 2022 was marked by an unusual shortage of paper supply in Europe, especially in the first half of the year, resulting in an irregular orders volume. The normalisation of market conditions in 2022 raised significant constraints in the industry in H1 2023, while accumulated stocks continued to go down at slow pace across the distribution chain in the year. This imbalance significantly affected demand in all paper segments, with the exception of the tissue segment. The destocking process is taking longer than anticipated due to the current slow economic growth.

In the first half of 2023, Navigator revenue totalled 979.5 million euros, paper sales accounted for approximately 62% of the revenue (vs. 70% year on year), pulp sales 13% (vs. 8%), tissue sales 14% (vs. 8%), energy sales 9% (vs. 10%), and packaging sales 2% (vs. 4%).

Paper

Throughout the 1st half of 2023, Navigator saw a continuation of the reduction in accumulated stocks across the supply chain that started during the 2nd half of 2022, albeit at a slower pace than expected.

Particularly in Europe, the first quarter saw a historically low level of orders, which continued throughout the second quarter.

As a result, capacity utilization rates in the industry (output/capacity) have fallen sharply, and Navigator has also adjusted the pace of production, although it maintained an average operation rate of 75% for the first half, as compared with 67% average of its competitors.

In a global context of sharply falling apparent demand (down 10%), UWF paper remains the most resilient, with a reduction of 5%, as compared to CWF papers, for which demand dropped by 17%. Demand for paper produced from mechanical pulp also tumbled by 19%.

Specifically in Europe, apparent demand for UWF paper fell by 20% in the first half, but it was still the most resilient paper grade. In the United States the reduction was 10%, with demand falling fastest for folio formats and reels for the printing industry (down 13%) and cut-size demand dropping just 7%. (RISI June). Apparent UWF consumption in other world regions decreased by 1.9% YoY.

The benchmark index for office paper in Europe stood at 1 204 €/t at the end of June (vs 1 302 €/t at the end of March), 11% down from the all-time high recorded in late October 2022 (1 358 €/t), but still 15% higher than the average price in the same period in 2022.

Navigator's sales of UWF totalled 533 thousand tonnes in the first half, down by 27% on the same period in 2022, in a context where stocks throughout the supply chain have yet to return to normal levels. Nonetheless, Navigator succeeded in maintaining a level of prices and a focus on mill brands and premium segments that enabled it to partially offset the reduction in volumes, with the value of sales down by 23% on H1 2022. It should be noted that mill brands accounted for 81% of sales in the period (vs. an average of 65% in the period 2012-2021). The proportion of premium products, whilst lower than in the same period in the previous year, is still high, 58%, in comparison with historic levels.

Pulp

The benchmark price in Europe for short-fibre pulp (hardwood) – PIX BHKP in dollars – reached historic highs in 2022 (1 380 USD/t), and in Q1 2023 it began a process of correction, with enhanced decrease in Q2, standing at 942 USD/t at the end of June, a drop of 32% from the beginning of the year (1 380 USD/t) and 26% from the end of March. The average price for the quarter was 15% below the average price year on year.

The benchmark price in China for hardwood pulp fell 29%, compared to that of end March and 42% vis-a-vis the all-time high in October 2022 (866 USD/t), standing at 506 USD/t at the close of June (about 475 USD/t on 9 May).

Consequently, H1 of 2023 was marked by a reduction in the prices of pulp, coming off historic highs. This variation was due to (i) the fall in overall demand year-on-year (YtD May: -3.0% bleached chemical pulp (BCP); -1.5% short-fibre pulp (HW); -3.8% eucalyptus pulp (EUCA), in particular in Europe (YtD May -16.7% BCP, -17.6% HW, -16.3% EUCA); (ii) the increased level of stock throughout the supply chain during the close of 2022 and the start of 2023; (iii) the lifting of logistical constraints encountered in 2022; (iv) the increase in the supply, due to the entrance in operation of new capacity namely in Latin America, one of the projects started in December last (1.6 Mt) and another in the 2nd quarter of 2023 (2.1 Mt).

Over the course of the first half, Navigator had more pulp available for sale, resulting from a lower integration in paper. Sales for the half-year thus stood at 216 thousand tonnes, up 44% YoY, with revenue being conditioned by the current price level, thus showing a growth of around 17% YoY.

Tissue

Finished product demand remained strong, registering sustained growth in Q2 2023 and enabling tissue sales to perform well.

Such demand for Navigator is supported by growth in the Iberian market (Spain grew 1% in the first 4 months of 2023), despite the slowdown in Western Europe (-1%).

Tissue sales volume amounted to 61 thousand tonnes in the 1st half, 20% more than in the same period last year. Positive price trends brought revenue up by around 50%. The increase benefited from the integration in Q2 of the new plant, now called Navigator Tissue Ejea, which has given the company a diversified customer base and a platform for sales growth, both in the Iberian Peninsula and across the Pyrenees. Growth in demand for finished goods, excluding integration, amounted to 3%.

Sales through the At Home channel grew the most, driven by the attraction of new customers and the reinforcement of the position in the pre-existing base, and the increase in exports mainly to France and Spain.

Navigator maintains a responsible price policy, continuing to prudently manage its variable and fixed costs, with balanced margins and moving forward with a focus on innovation and differentiation, which has resulted in enhanced attractiveness and market reputation. The focus on innovation and product differentiation continues to enable Navigator to strengthen its presence with customers, especially through the manufacturer's brand, which in the first half of 2023 grew 26% in sales volume and 5% in the number of active customers year on year.

Navigator also decided to innovate in distribution channel relationship management; in the first half of the year it extended its e-commerce platform to the Tissue business, which accounted for more than 25% of the total number of customers and 12% of Tissue sales volume in the period.

Packaging

The recognition of the quality of Navigator products from eucalyptus globulus fibre, and consequently that of the gKraft^{TM} brand, serving high exposure brands in sectors as diverse as fashion, retail food, e-commerce, industry and agriculture, resulting in an ever-larger and more diversified customer base of those who are interested in contributing to the global movement for the *deplastification* of the world economy.

This recognition was confirmed in the growth of the customer base, now more than 230 active customers in 30 countries, since entering the business in 2021. Recognition of the commercial success and more: last June Navigator received the National Innovation Award for its work in the field of sustainable packaging solutions. In turn, the mobilising agenda "From Fossil to Forest - Sustainable Packaging Products to Replace Fossil Plastic" led by Navigator was distinguished by Deloitte Portugal, in the category "Transformation Award - Transformation and innovation projects with market impact".

Navigator is thus still committed to packaging paper, essentially the Bags (retail bags) and Flexible Packaging markets, where the innovative introduction of eucalyptus fibre qualities has been widely accepted.

Among the various supply expansion projects underway, Navigator has been developing new product ranges since the beginning of 2023, aimed at the food industry, and a multitude of consumer products, which are currently being tested and marketed, and will soon open its doors to other high value-added segments.

The project for the integrated production of eucalyptus moulded pulp parts, intended to replace single-use plastic packaging in the food service and food packaging market, is well on track: 70% of the equipment has been awarded during the first half and 55% of the project has been implemented, with production still planned to start in the 1st half of 2024.

Energy

In the first half of 2023, energy revenue totalled about 90 million euros, which represents a reduction of approximately 31% year on year.

The downturn in earnings was due essentially to: (i) the average price for the Portuguese area of the Iberian electricity market (OMIE) having stood at 90.4 €/MWh in the first half of the year, in contrast to the figure of 205.8 €/MWh in the same period in 2022; and (ii) the fact that the combined cycle natural gas power station in Setúbal has been operating since February with only one generator set, when last year it operated with two sets, given that evolution of the price differential (electricity and natural gas) means that operating the second set is not economically viable.

Lower energy sales correspond, in contrast, to lower electricity purchase costs for the purchase volume indexed to OMIE.

EBITDA

In the 1st quarter of the year there was a reduction in variable costs, namely logistics, energy and some raw materials, which was significantly accentuated during the 2nd quarter; together with the effort to maintain prices and enrich the product mix, it partially offset the reduction in paper sales volumes.

The evolution of costs in the 2nd quarter compared to the 1st quarter was quite significant, with costs in the pulp and paper segment correcting 9% to 12% compared to the previous quarter and Tissue reducing 3%.

Thus, Navigator ended the 1st half of 2023 with a sharp drop in costs in all segments, an average reduction of around 8% in the pulp and paper segments and close to 5% in the Tissue segment, compared to those recorded in the last half of 2022.

Total fixed costs stood at 1% above fixed costs year on year, well below inflation levels.

In this framework, Navigator achieved an EBITDA of 253 million euros in the 1st quarter and an EBITDA margin of 25.8% (-4.4 p.p. year on year).

The **financial results** amounted to -8.5 million euros (vs. -45.1 million euros over the same period in the previous year). It should be noted that in the same period of the previous year, financial results were hit by one-off impacts (non-cash), resulting essentially from the recognition of unfavourable exchange differences in the income statement (-34 million euros).

If non-recurrent items are excluded, Navigator can point to an improvement YoY of 2.5 million euros. One contributing factor to this result was the rise in interest rates which enabled us to optimise management of cash surpluses, resulting in a positive result of 2.6 million euros. Another factor was the policy on hedging interest rate risk which, despite the rapid rise in reference rates, enabled Navigator to keep financing costs stable.

Profit before tax totalled 171.5 million euros and corporate income tax for the year was 39.6 million euros, with a tax rate for the period of 23.1%.

Net income attributable to Navigator shareholders in the first half of 2023 totalled 131.9 million euros (vs. 156.4 million euros year on year).

The **free cash flow** generated in the first six months was close to 10 million euros (vs. around 174 million euros in the same period last year), which reflects the impact of the disbursement for the acquisition of Gomà-Camps Consumer (85 million euros), and the additional payment of 74 million euros in corporate income tax (IRC), reflecting the exceptional level of results in the previous year, and the distribution of bonuses to employees, the largest compensation for performance and productivity in Navigator's history. These payments are closely linked to Navigator's good performance in 2022.

The impact of the change in working capital was positive overall: the increase in inventory was more than offset by the reduction in the trade receivables balance.

In the first half of 2023, the total amount of **investments** was 113 million euros (vs. 34 million euros in the same period in 2022).

This is mainly made up of investments aimed at maintaining production capacity, revamping equipment and achieving efficiency gains, structural and safety projects. The investments include the new Recovery Boiler in Setúbal, the New Wood Yard in Figueira da Foz, an investment in waste water treatment (WWTP in Setúbal), washing and screening of HYKEP pulp, and treatment of ashes from the Recovery Boiler in Aveiro.

Thus, 62% of all investment in the 1st half of the year, approximately 69 million euros, was classified as environmental or sustainable investments.

SECOND QUARTER OF 2023 VS. SECOND QUARTER OF 2022

Navigator's revenue was 478 million euros in the 2nd quarter of 2023 (-5% vs. Q1 2023; -26% vs. Q2 2022).

The volume of pulp sales was 124 thousand tonnes (+35% vs. Q1; +72% vs. Q2 2022). Lower paper integration in the quarter increased the availability of pulp for sale, which is quickly absorbed due to its distinctive qualities recognised by the market. It is worth highlighting the good production performance - with the Aveiro and Figueira da Foz complexes once again achieving historically high production volumes.

The volume of paper sales was 260 thousand tonnes (-5% vs. Q1; -36% vs. Q2 2022), in a quarter in which the destocking process continued to be felt across the distribution chain amplified by the lower demand as a result of the economic slowdown in most of the markets where Navigator operates.

The volume of Tissue sales was 37 thousand tonnes (+57% vs. Q1; +50% vs. Q2 2022), driven by growth in finished product demand and the addition of Navigator Ejea capacity.

EBITDA amounted to 122 million euros (-6% vs. Q1; -45% vs. Q2 2022), reflected in an EBITDA margin of 25.6% (-0.5 p.p. vs. previous quarter; -8.7 p.p. vs. Q2 2022).

Free Cash Flow generated in the 2nd quarter was negative 21.1 million euros, comparing negatively to the 1st quarter of 2023 and the 2nd quarter of 2022.

In the 2nd quarter of 2023, net income attributable to Navigator shareholders totalled 63.0 million euros, a decrease of 8.6% versus the previous quarter and 41.9% versus the same quarter of the previous year.

Navigator operations are driven by a corporate purpose that involves sharing value with society and a commitment to generate a positive impact on people and the planet through its business.

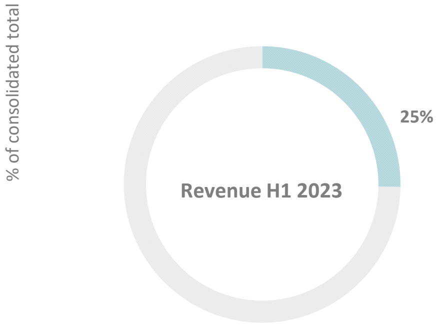
Among the initiatives and projects developed in the quarter, Navigator's Forest Producers' Club stands out as a pioneering and unique instrument for strengthening relations with its partners and ensuring an important contribution to the significant increase in productivity and national wood production by expanding sustainable and active management practices in Portuguese forests.

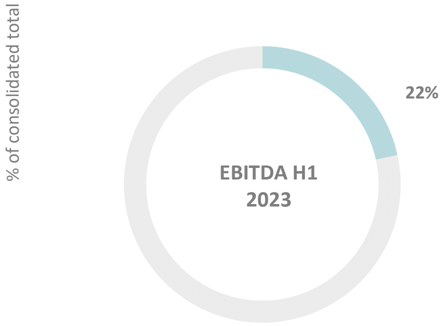
In Q2 as well, the Agenda From Fossil to Forest received the "Transformation Award - Transformation and innovation projects with market impact". The award recognises the importance of the project for creating disruptive products and cellulose-based packaging as a response to growing consumption of single-use plastics.

The mobilising agenda "From Fossil to Forest - Sustainable Packaging Products to Replace Fossil Plastics", led by Navigator, represents one of Navigator's most ambitious bets in the field of the forest-based bioeconomy through the design, production and marketing of innovative packaging made from raw material drawn from eucalyptus forests with certified management.

With a global investment of 103 million euros, the "From Fossil to Forest" Agenda, which consists of a consortium of 27 organisations, is an opportunity to build a real forest-based circular economy: it will result in the development of 11 new innovative sustainable products, the creation of more than 100 direct jobs and annual revenue of more than 120 million euros.

2.3. OVERVIEW OF SECIL ACTIVITY

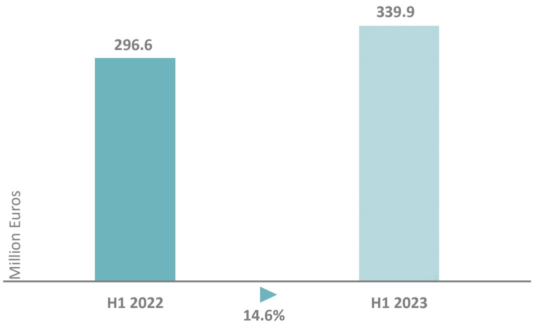




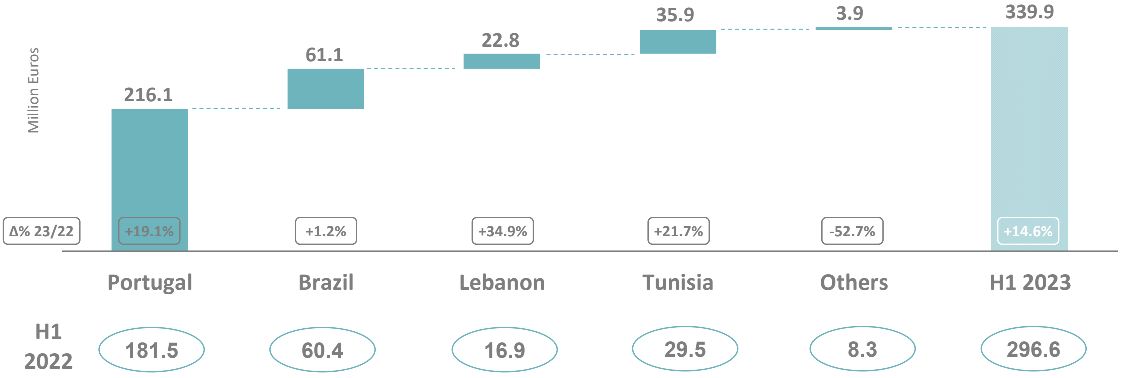
HIGHLIGHTS IN 2023 (VS. 2022)

- Secil's revenue in H1 2023 amounted to 339.9 million euros, 14.6% above that in the same period of the previous year, representing an increase of 43.2 million euros.
- This increase is essentially the result of positive developments in the Portuguese, Tunisian and Lebanese markets.

REVENUE

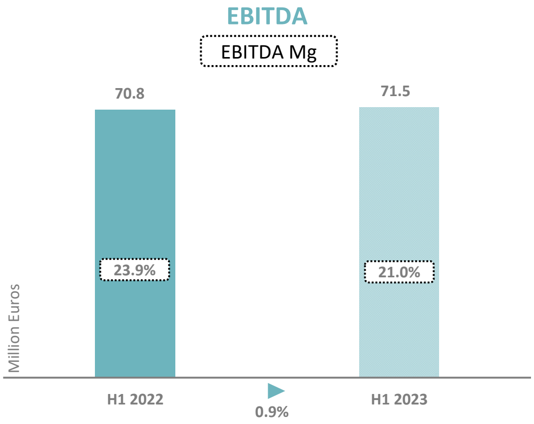


REVENUE BREAKDOWN BY COUNTRY

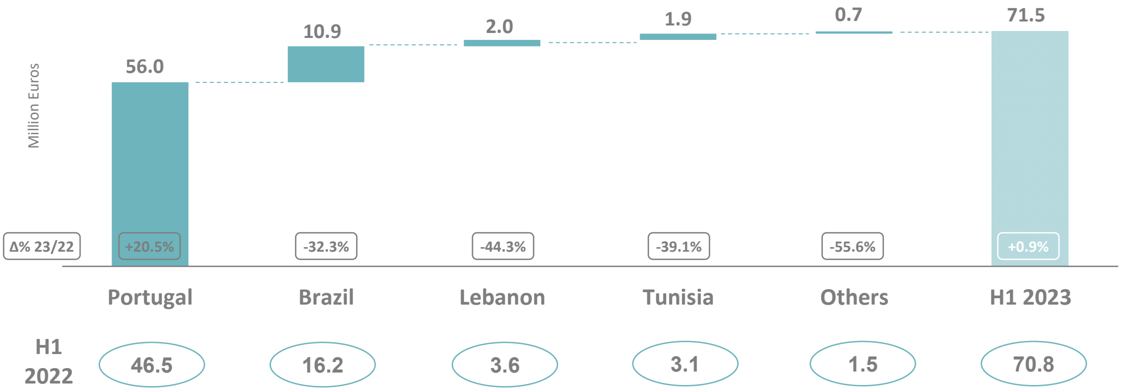


Note: Other includes Angola, Trading, Other and Eliminations.

- Consolidated EBITDA amounted to 71.5 million euros, up by 0.7 million euros (+0.9%) compared to the previous year.
- This variation results from the very positive contribution of the business in Portugal, which made it possible to counterbalance the less positive performance in the other countries. The negative effects caused by the increase in production costs, especially energy, as a result of the sharp rise in fuel prices and the inflationary trend across economies were not offset by the average increase in sales prices and market growth in several countries.



EBITDA BREAKDOWN BY COUNTRY



Note: Other includes Angola, Trading, Other and Eliminations.

Secil's **net financial results** deteriorated from the same period of the previous year, from -16.5 million euros to -22.3 million euros. Such negative difference results from the increase in the net cost of financing, mainly in Angola (bank and intra-group loans) and also from the exchange losses recorded in Angola, Lebanon and Brazil.

Net income attributable to Secil shareholders at the end of H1 2023 totalled 21.4 million euros, i.e., 4.4 million euros more than in the same period of the previous year. In addition to the increase in EBITDA, the recognition of deferred tax assets (8.1 million euros from SIFIDE 2022 and 0.7 million euros from the recovery of tax losses) and the recovery of tax related to the 2006 proceedings (1.3 million euros) offset the worsening of financial results and an increase in amortisation and impairment losses and provisions.

In the 1st half of 2023, Secil **invested** 25.7 million euros in fixed assets (vs. 37.1 million euros in the same period of 2022). The investment in the CCL- Clean Cement Line project amounting to 10.6 million euros is worthy of note.

LEADING BUSINESS INDICATORS

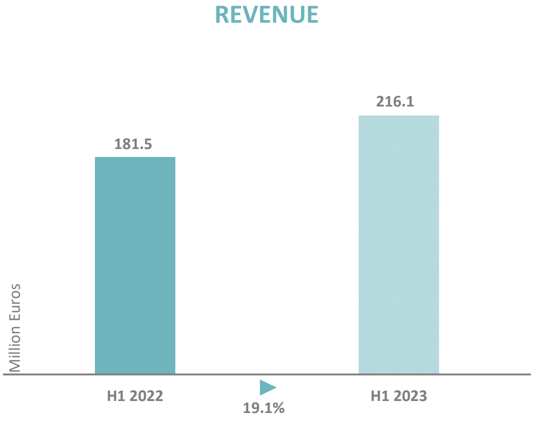
IFRS - accrued amounts (million euros)	H1 2023	H1 2022	Var.	Q2 2023	Q2 2022	Var.
Revenue	**339.9**	**296.6**	**14.6%**	**180.5**	**159.5**	**13.1%**
EBITDA	**71.5**	**70.8**	**0.9%**	**39.3**	**41.7**	**-5.7%**
EBITDA margin (%)	21.0%	23.9%	-2.8 p.p.	21.8%	26.1%	-4.4 p.p.
Depreciation, amortisation and impairment losses	(29.1)	(26.2)	-11.0%	(16.1)	(13.5)	-19.5%
Provisions	(2.4)	(1.7)	-42.0%	(1.7)	(1.9)	11.8%
EBIT	**40.0**	**42.9**	**-6.8%**	**21.6**	**26.4**	**-18.2%**
EBIT margin (%)	11.8%	14.5%	-2.7 p.p.	11.9%	16.5%	-4.6 p.p.
Income from associates and joint ventures	0.0	(0.4)	106.7%	0.0	(0.2)	117.0%
Net financial results	(22.4)	(16.5)	-35.5%	(12.7)	(12.4)	-2.2%
Profit before taxes	**17.6**	**26.0**	**-32.1%**	**8.9**	**13.7**	**-35.1%**
Income taxes	3.1	(8.2)	137.5%	5.9	(4.5)	229.9%
Net profit for the period	20.7	17.8	16.7%	14.8	9.2	60.1%
Attributable to Secil shareholders	**21.4**	**17.0**	**25.7%**	**15.3**	**9.5**	**60.4%**
Attributable to non-controlling interests (NCI)	(0.7)	0.7	-193.6%	(0.5)	(0.3)	-69.6%
Cash flow	52.3	45.7	14.4%	32.5	24.6	32.3%
Free Cash Flow	32.6	(17.5)	286.6%	30.9	(7.9)	489.8%
	30/06/2023	**31/12/2022**				
Equity (before NCI)	424.9	398.0				
Interest-bearing net debt	**277.4**	**306.2**				
Lease liabilities (IFRS 16)	37.0	38.0				
Total	**314.3**	**344.2**				

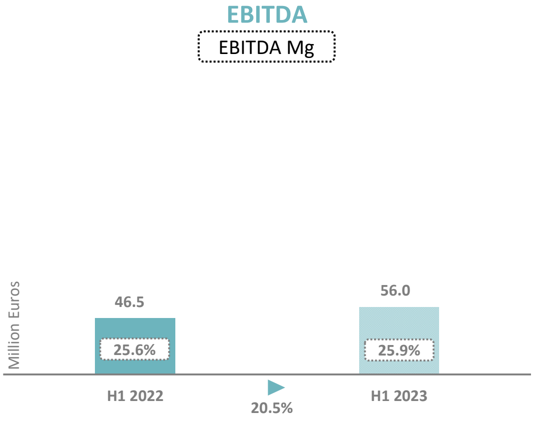
Note: Figures for business segment indicators may differ from those presented individually by each Group, as a result of consolidation adjustments.

LEADING OPERATING INDICATORS

in 1 000 t	H1 2023	H1 2022	Var.	Q2 2023	Q2 2022	Var.
Annual cement production capacity	9 750	9 750	0.0%	9 750	9 750	0.0%
Production						
Clinker	1 725	2 123	-18.8%	971	1 155	-15.9%
Cement	2 512	2 582	-2.7%	1 316	1 306	0.8%
Sales						
Cement and Clinker						
Grey cement	2 448	2 555	-4.2%	1 289	1 340	-3.8%
White cement	37	40	-7.5%	19	18	8.1%
Clinker	47	75	-37.4%	3	49	-94.9%
Other Building Materials						
Aggregates	2 365	2 434	-2.8%	1 217	1 221	-0.3%
Mortars	148	135	9.8%	74	69	8.3%
in 1 000 m3						
Ready-mix	989	1 008	-1.9%	503	516	-2.3%

PORTUGAL





The Bank of Portugal (Projections for the Portuguese economy – June 2023) estimates that Portuguese economic growth in 2023 will be 2.7%. According to the INE Statistical Office publication on Construction production, employment and wage indices in May 2023, the construction production index accelerated to a year-on-year rate of change of 5.3% in May, after increasing by 5.1% in April.

Cement consumption in Portugal is estimated to have decreased by about 2% up to June in accumulated terms in comparison with the same period of the previous year, greatly impacted by the negative evolution in Q1, since monthly average growth in the last quarter was 3%.

In the first half of 2023 the **revenue** of combined operations in Portugal stood at 216.1 million euros, 19.1% up in relation to the same period in 2022.

Revenue in the Cement business unit in Portugal grew 14.1% (+14.9 million euros) over the same period in the previous year, resulting from the reduction of volumes sold and an increase average selling prices.

Export revenue, including Secil's plant terminals, was slightly higher compared to the same period last year (+1.0%), as a result of less volumes sold (-11.2%), and higher average selling prices.

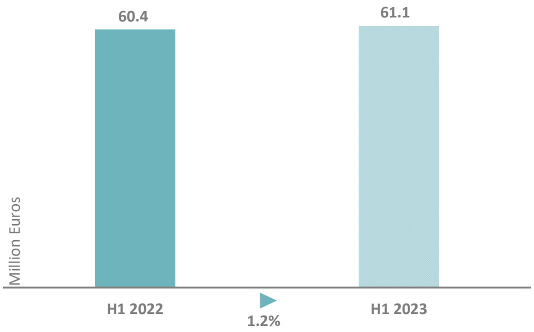
Revenue in H1 2023 of the other business units with operations based in Portugal (Ready-mix concrete, Aggregates and Mortars) amounted to 103.3 million euros, up by 22.0% year on year, explained primarily by the increase in average selling prices, boosted by larger volumes sold in the Concrete and Mortar sectors.

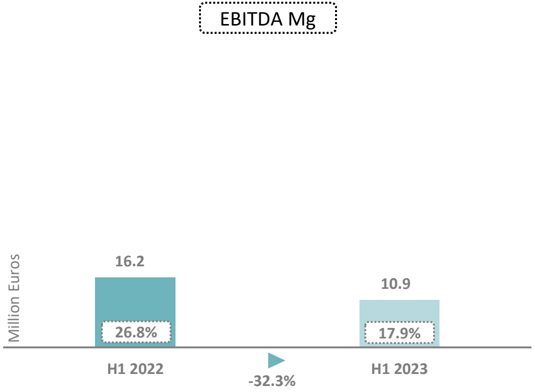
EBITDA of the total operations in Portugal amounted to 56.0 million euros, representing a 20.5% growth in the first half of the year compared to H1 2022.

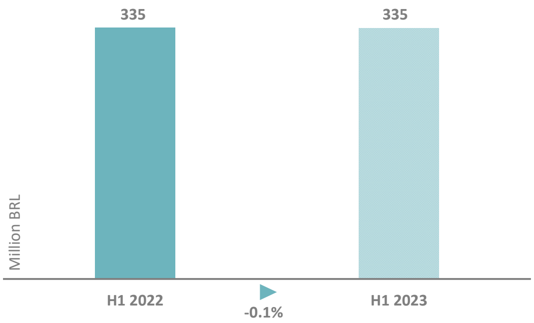
EBITDA of the Cement business unit amounted to 50.1 million euros, i.e., higher than that of same period last year by 1.6 million euros, positively impacted by the increase in revenue that surpassed the rise in the production costs.

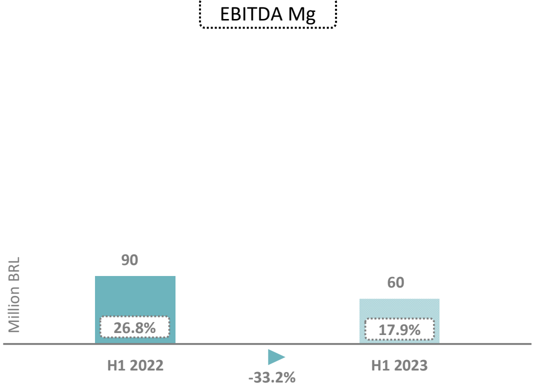
EBITDA of other building material business units overall was up by 7.0 million euros. The positive evolution in volumes sold in some businesses, together with the positive variation in sales prices helped to compensate with a positive margin the rise in the variable costs of production.

BRAZIL


REVENUE (EUR)


EBITDA (EUR)


REVENUE (BRL)


EBITDA (BRL)

Note: Average exchange rate EUR-BRL 2022 = 5.5557 / Average exchange rate EUR-BRL 2023 = 5.4820

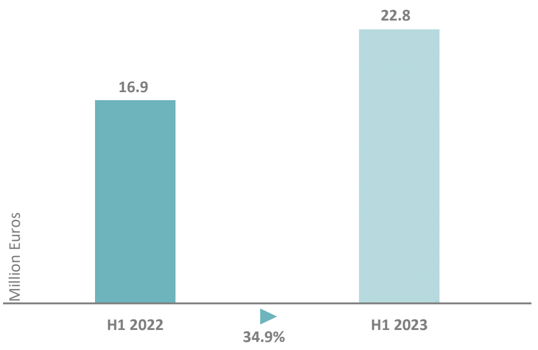
According to the estimates of SNIC (Sector Report - June 2023), cement sales by local producers in **Brazil** in the 1st half of 2023 were down by 1.8% against the same period in the previous year, after three years of consecutive growth. The situation was aggravated further by the continued higher interest rates and inflation, as well as the environment of global geopolitical instability that unfavourably impacted the real estate sector, which continues to be one of the main drivers of cement consumption. Additionally, the prolonged period of intense rains in various parts of the country, together with household debt distress, aggravated by the slowdown in the labour market, continues to have a negative impact on the Brazilian cement sector.

In H1 2023 **Revenue** of combined operations in the country stood at 61.1 million euros, 1.2% up on revenue recorded in the same period of 2022. The volume of Cement sales decreased 13.3% in comparison with the same period of the previous year, with a rise in average sales prices.

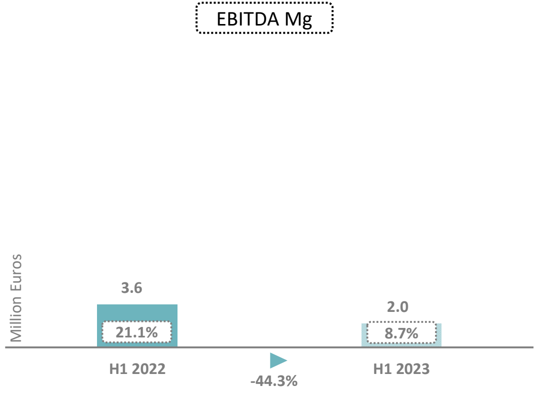
EBITDA of activities in Brazil totalled 10.9 million euros, which compares with 16.2 million euros in the same period of the previous year, i.e., down by 32.3%. In addition to the decrease in volumes sold, the result reflects the negative impact of higher variable production costs, energy in particular, as well as the fixed costs, particularly maintenance and personnel.

LEBANON

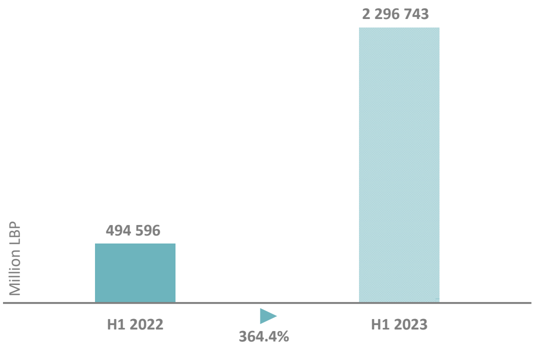
REVENUE (EUR)



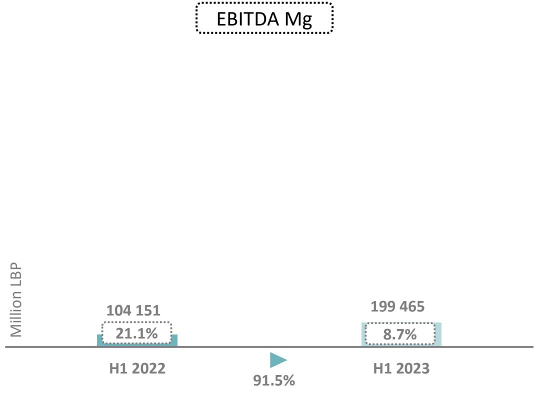
EBITDA (EUR)



REVENUE (LBP)



EBITDA (LBP)



Note: Exchange rate EUR-LBP 2022 = 29 239.4 / Exchange rate EUR-LBP 2023 = 100 619.2

Lebanon is plunged in a serious economic-financial and social crisis. Despite the efforts made by political forces to stabilise the situation, the Covid-19 pandemic and, more recently, the war in Ukraine aggravated further an already precarious situation. In addition, the constant power cuts from the last quarter of 2021 onwards negatively impacted Secil's operations in the country.

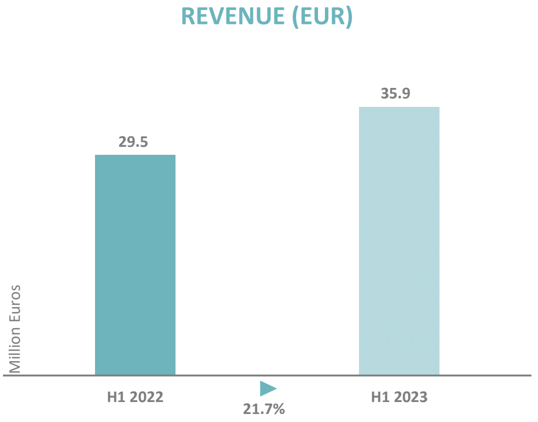
In spite of the context and benefiting from the rise in prices, **revenue** of combined operations in Lebanon increased 34.9%, compared to the previous year, rising from 16.9 million euros to 22.8 million euros. The revenue is strongly impacted by the effect of currency depreciation. Note that the Lebanese pound ended the 2nd quarter of 2023 at 100 619 LBP per 1 EUR, which compares with 29 239 LBP per 1 EUR year on year.

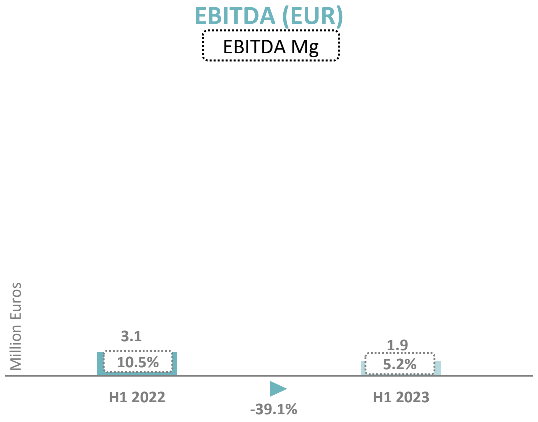
Revenue in the cement business was up 38.4%, which is essentially the result of the adjustment of sales prices in local currency to the hyperinflation situation and the rapid depreciation of the currency, associated with higher volumes of cement sold to the domestic market (7.3% compared to the same period the previous year), impacted by irregular electricity supply. Estimates are hinting at 12% growth of the Lebanese cement market.

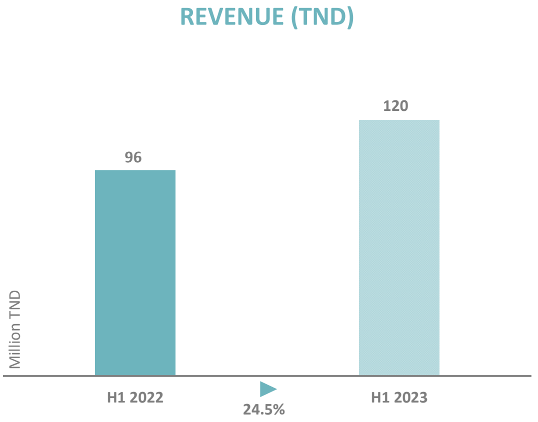
In the Concrete segment, on the other hand, there was a year-on-year decrease in revenue (-14.6%), as a result of the lower volumes sold despite the increase in the average selling price.

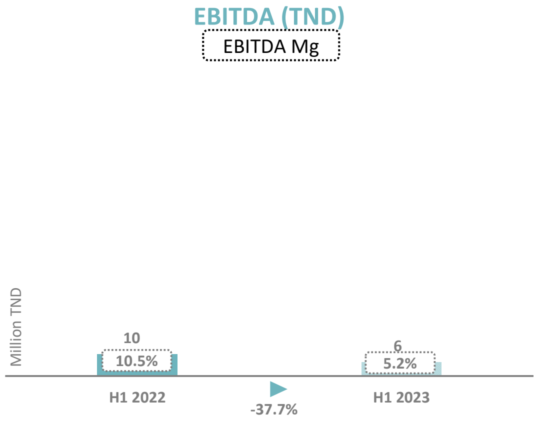
EBITDA generated from operations in Lebanon stood at 2.0 million euros, down by 44.3% in relation to the same period last year. This evolution is negatively impacted by the effect of the exchange rate depreciation in the Lebanese pound (3.3 million euros), but above all by higher production costs, as a result of the increase in inflation in the local economy, reflected mainly in the cost of raw materials, electricity and fixed costs.

TUNISIA


REVENUE (EUR)


EBITDA (EUR)


REVENUE (TND)


EBITDA (TND)

Note: Average exchange rate EUR-TND 2022 = 3.2620 / Average exchange rate EUR-TND 2023 = 3.3384

Tunisia is still facing significant challenges, including high foreign and fiscal deficits, increasing debt and insufficient growth to reduce unemployment. Some social unrest still persists, which may become worse, along with social demands of workers. 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. The side effects of the war in Ukraine and political instability have made the situation worse.

In this difficult context, the domestic cement market is expected to have decreased by around 12% in comparison with the same period of 2022, and is still subject to strong competition due to excess installed capacity.

Despite this context the **revenue** of the operations carried out in Tunisia showed a positive variation of 21.7% (35.9 million euros in total) compared with the same period of the previous year.

Revenue of the Cement business increased by about 24.4% to 34.5 million euros, reflecting the increased prices in the domestic and external markets on the one hand, and the growth in volumes sold to the external market (+36.0%) on the other, given the decline in sales to the domestic market of 7.6%.

In contrast with the cement business, Concrete business revenue showed a decrease of 17.8% compared to the same period last year, as a result of a drop of 26.9% in the volumes sold.

EBITDA of the activities in Tunisia amounted to 1.9 million euros, 39.1% below H1 last year (3.1 million euros), namely as a result of the increased production costs (essentially thermal and electrical energy), a reduction in the volumes sold in the domestic market, partially compensated by an increase in average selling prices and a very favourable trend in exports.

ANGOLA AND OTHERS

It is estimated that, according to the latest figures available, the **Angolan** cement market was up by 4% year on year.

Cement volumes sold by Secil fell by 26.7%. In the first half of the year, Secil Lobito had some difficulty in following the pricing policy recently adopted, which was reflected in an effective reduction in the average selling price, in euros, of 16.4%. In this context, **revenue** totalled 4.3 million euros, 40.3% below the figure recorded in the same period of 2022.

EBITDA in the first half of 2023 amounted to 0.4 million euros, which, compared to the 1.7 million euros recorded over the same period in the previous year, represents a drop of 78.3%, resulting from the downward trend in revenue.

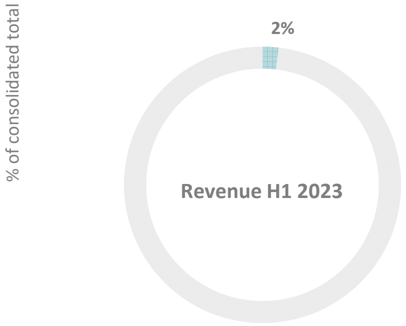
SECOND QUARTER OF 2023 VS. SECOND QUARTER OF 2022

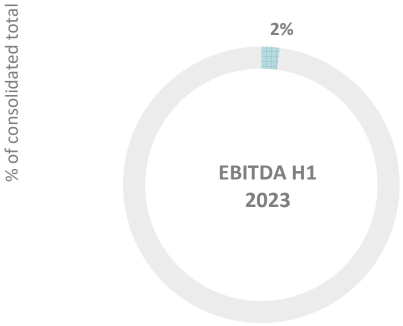
EBITDA in the 2nd quarter of 2023 was lower than the EBITDA in the 2nd quarter of 2022 by around 2.4 million euros (-6%). The good performance of activities in Portugal of 2.2 million euros (+8.1%) was not enough to offset the negative business developments in other countries, especially Brazil (-2.9 million euros, -26.6%) and, to a lesser extent, Angola and Others (-0.9 million euros), Lebanon (-0.7 million euros) and Tunisia (-0.1 million euros).

The sharp decrease in EBITDA in Brazil of 2.9 million euros is mainly explained by the decrease in volume of cement sold (-16.6%), reflecting the market downturn and also some constraints in clinker production, combined with a very small increase in average sales prices.

Regarding Angola, the quarter's performance was heavily impacted by the strong depreciation of the Kwanza, especially from May onwards.

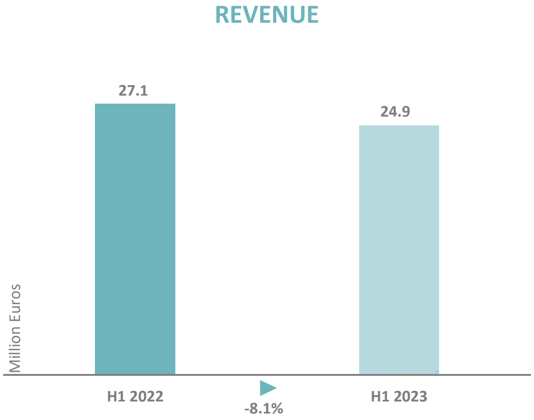
2.4. OVERVIEW OF OTHER BUSINESS ACTIVITY[1]



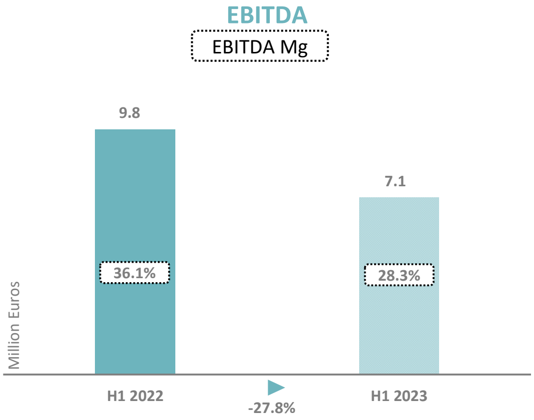


HIGHLIGHTS IN 2023 (VS. 2022)

- Revenue in H1 2023 amounted to about 24.9 million euros, down by around 8.1% on the same period in 2022.



- In the 1st half of 2023, EBITDA totalled approximately 7.1 million euros, which represented a decrease of approximately 27.8% compared to the same period of the previous year. Such performance stemmed from the reduction in revenue, but also the increase in the purchase price of raw materials and personnel costs.



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[1] As at 30 June 2023, the Other Business includes Triangle's (balance sheet values) and ETSA's business.

LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	H1 2023	H1 2022	Var.	Q2 2023	Q2 2022	Var.
Revenue	**24.9**	27.1	**-8.1%**	**10.3**	14.6	**-29.4%**
EBITDA	**7.1**	9.8	**-27.8%**	**2.4**	5.8	**-58.4%**
EBITDA margin (%)	28.3%	36.1%	-7.7 p.p.	23.6%	40.0%	-16.4 p.p.
Depreciation, amortisation and impairment losses	(1.8)	(1.6)	-9.3%	(0.9)	(0.8)	-8.3%
Provisions	-	-	-	-	-	-
EBIT	**5.3**	8.2	**-35.1%**	**1.5**	5.0	**-69.2%**
EBIT margin (%)	21.3%	30.1%	-8.9 p.p.	15.0%	34.4%	-19.4 p.p.
Net financial results	(0.0)	(0.1)	76.3%	0.0	(0.0)	136.3%
Profit before taxes	**5.3**	8.1	**-34.7%**	**1.6**	5.0	**-68.7%**
Income taxes	(0.4)	(1.6)	74.6%	0.2	(0.9)	121.3%
Net profit for the period	4.9	6.5	-24.7%	1.7	4.1	-57.4%
Attributable to Other business shareholders	**4.8**	**6.4**	**-25.0%**	**1.7**	**4.1**	**-57.5%**
Attributable to non-controlling interests (NCI)	0.1	0.1	10.9%	0.0	0.0	-54.5%
Cash flow	6.6	8.1	-17.9%	2.6	4.9	-46.5%
Free Cash Flow	(0.7)	4.6	-115.1%	0.7	1.9	-61.3%
	30/06/2023	**31/12/2022**				
Equity (before NCI)	129.0	97.7				
Interest-bearing net debt	**3.9**	**(12.7)**				
Lease liabilities (IFRS 16)	1.3	1.3				
Total	**5.2**	**(11.4)**				

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

Revenue in H1 2023 amounted to about 24.9 million euros, down by around 8.1% on the same period in 2022.

This negative variation results from a decrease in sales compared to the same period last year, stemming essentially from less class 3 fat sold by ETSA.

Services rendered, compared to the same period of the previous year, decreased slightly resulting from a mix of variations in the different types of services rendered by ETSA.

EBITDA totalled approximately 7.1 million euros in H1 2023, which represented a decrease of approximately 27.8% compared to the same period of the previous year, explained essentially by the reduction in revenue, but also by the increase in the purchase price of raw materials and personnel costs.

EBITDA margin stood at 28.3%, negative by around 7.7 p.p., over the margin recorded in the first six months of 2022.

The financial results improved by around 76.3% compared to the same period of the previous year, mainly as a result of the financial investments in term deposits made in the first half of 2023 (non-existent in 2022).

The combined impact of these factors resulted in a Net Profit attributable to shareholders for the first six months of 2023 of approximately 4.8 million euros, down by around 25.0% year on year.

ETSA **invested** 5.5 million euros in fixed assets in the first half of 2023.

Other business includes ETSA and Triangle's a company acquired by Semapa on 19 June 2023. Triangle's was incorporated in 2015 and began production in 2017, with the aim of establishing itself in the bicycle frame sector using very high levels of automation unrivalled in the market. As a result of its strong commitment to R&D, Triangle's is currently a world reference in the production of e-bike frames, with a customer portfolio composed of several of the industry’s prestigious brands. Sales are almost entirely directed towards the export market, amounting to 36.7 million euros in 2022, compared to 8.1 million euros in 2020. In the 1st half of 2023, revenue was in excess of 19 million euros, which is not yet consolidated in the results of the Other Businesses segment in this half-year.

With this acquisition, Semapa intends to accelerate Triangle's growth, by investing in the expansion of installed capacity and a continued commitment to technological development, with the ambition of transforming it into a platform for the future in a high-growth sector.

The objectives outlined are based on promoting the consolidation of the company as a global benchmark and contributing to the development of electric mobility, whose impact on decarbonisation and healthy and sustainable communities is fully aligned with Semapa's purpose - Making it better.

SECOND QUARTER OF 2023 VS. SECOND QUARTER OF 2022

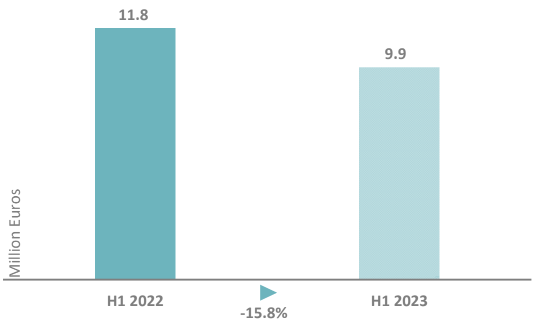
Revenue in Q2 2023 amounted to about 10.3 million euros, which is around 29.4% less in comparison with that of the same period in the previous year. This variation results from a decrease in sales and in consolidated services rendered.

As for the change in services rendered, it is essentially due to the 11% reduction in SIRCA collections with an increase in the average price and a mix of effects on the remaining services rendered.

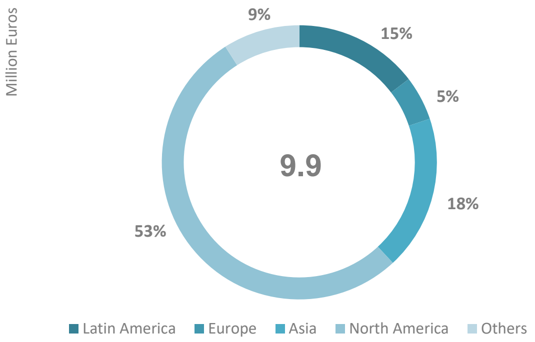
EBITDA totalled approximately 2.4 million euros in the 2nd quarter of 2023, about 58.4% lower in comparison with the same period of the previous year.

2.5. OVERVIEW OF UTIS ACTIVITY[2]

REVENUE



REVENUE BY GEOGRAPHY



UTIS recorded **revenue** of approximately 9.9 million euros in the first six months of 2023, which represented 1.9 million euros less compared to the same period of the previous year. In the 1st half of the year there was a reduction in the quantity of systems sold due to the start of equipment exports to a new country. This impact was partially mitigated by

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[2] UTIS is a 50/50 joint-venture between Semapa and Ultimate Cell. As it is a "Joint Venture" under the IFRS (interests split 50/50), it is accounted for in the financial statements of Semapa (consolidated and separate) using the equity method (not incorporated "line by line") in Semapa’s consolidated accounts. Thus, 50% of the results of this JV is entered in Semapa's profit and loss as "Income from associates and joint ventures", and the value of the investment is shown on the balance sheet under "Investment in associates and joint ventures”.

a price increase, but did not prevent the 16% drop in revenue YoY. It is worth mentioning that North America remained the region with the greatest weight in revenue.

2.6. OVERVIEW OF SEMAPA NEXT ACTIVITY

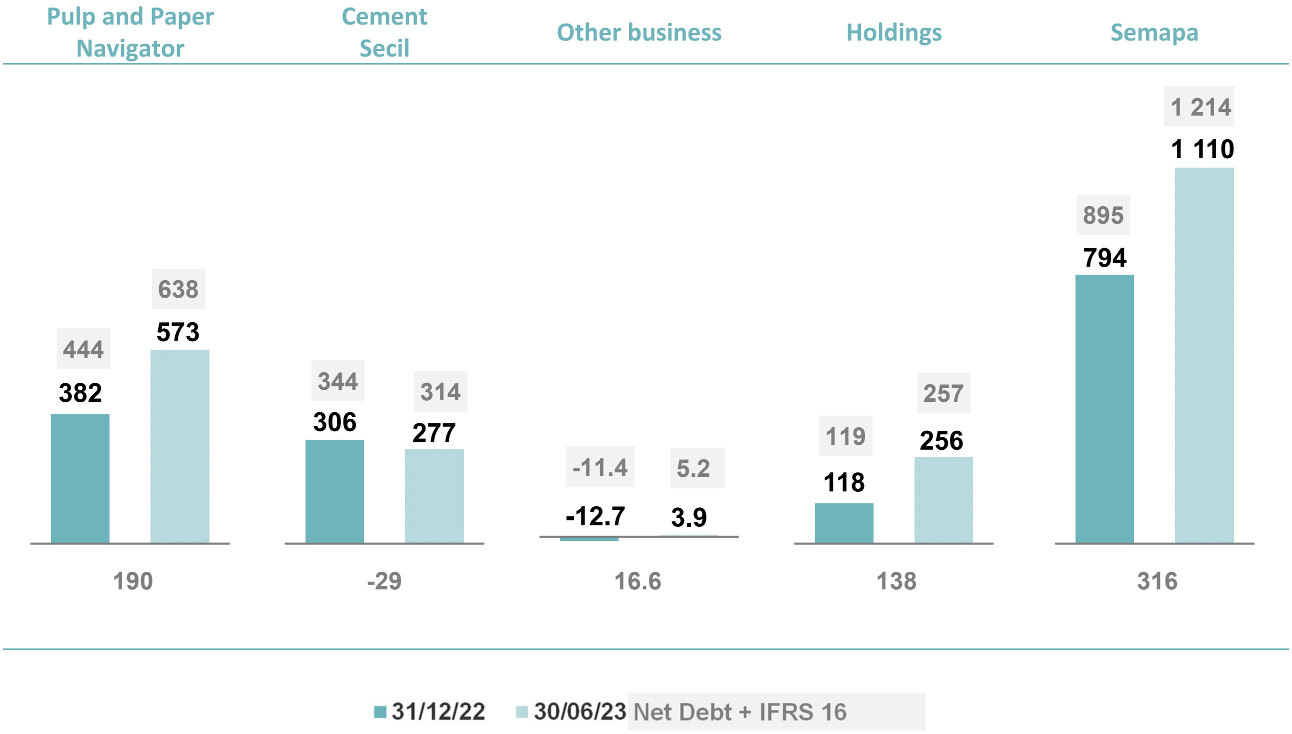
In the 1st half of 2023, Semapa Next made two new **investments**, namely a follow-on in Kencko, a company that produces and sells smoothies, gummy bears and nutritious meals from fruits and vegetables, and a Discovery Check in Soveren, a company specialised in Data Security Posture Management.

In addition to the investments made, Semapa Next continued to actively monitor its portfolio and analyse various investment opportunities, participating further in events aimed at strengthening institutional relations with international investors. The next half year is expected to open up to several opportunities currently in the pipeline and in the due diligence phase.

3 SEMAPA GRUP – FINANCIAL AREA

3.1. INDEBTEDNESS

NET DEBT



As at 30 June 2023, **consolidated net debt** stood at 1 110.3 million euros, representing an increase of 316.1 million euros over the figure recorded at year-end 2022. Including the effect of IFRS 16, net debt would have been 1 214.2 million euros, 318.8 million euros above the figure at the end of 2022. Besides the operating cash flow generated, these variations are explained by:

- **Navigator**: +190.3 million euros, including investments in fixed assets of about 113 million euros, disbursement for the purchase of Gomà-Camps Consumer in Q1 and distribution of 200 million euros in dividends in the 2nd quarter;

- **Secil**: -28.9 million euros, including investments in fixed assets of around 25.7 million euros;

- **Other Business**: +16.6 million euros, incorporates Triangle's net debt for the first time (13.9 million); and,

- **Holdings**: +138.1 million euros, including dividends received (Navigator: 140 million euros; and ETSA: 2 million euros), and dividends paid out (76 million euros). In addition, near the end of the first half, Semapa acquired 100% of Triangle's share capital for 178.7 million euros, including 12.1 million euros of shareholder credits, and paid an earn out related to the acquisition of UTIS of around 24 million euros.

As at 30 June 2023, total consolidated cash and cash equivalents amounted to 220.7 million euros. The Group also has committed and undrawn credit facilities, thus ensuring a strong liquidity position.

Secil issued Green Bonds in the 1st quarter, in the amount of 75 million euros maturing in 2030, under the Secil's Green Bond Framework, which was subject to an *Independent Limited Assurance* confirming the alignment of the Framework with the Green Bond Principles sponsored by ICMA (International Capital Market Association).

3.2. NET PROFIT

Net profit attributable to Semapa shareholders was 107.6 million euros, which represents a reduction of 33.8 million euros against the same month of the previous year, due essentially to the combined effect of the following factors:

- 93.8 million euro decrease in EBITDA, mainly due to the reduction of 91.6 million euros in the Pulp and Paper segment;

- Improvement in net financial results by about 30.7 million euros due to the fact that in the same period of the previous year financial results were hit by one-off impacts (non-cash), resulting essentially from the recognition of unfavourable exchange differences in the income statement of Navigator (-34 million euros);

- Approximately 18.5 million euros less corporate income tax resulting from less profit.

4 OUTLOOK

The current geopolitical environment, i.e. the lingering war in Ukraine, and the macroeconomic context, with the slowdown of the world's main economies, continues to offer little predictability on market developments, which will require constant adaptation to reality.

The IMF in the July 2023 World Economic Outlook Update (WEO Update) forecasts that world economic growth will decline from 3.5% in 2022 to 3.0% in both 2023 and 2024. Compared with projections in the April 2023 WEO, growth has been upgraded by 0.2 p.p. for 2023, with no change for 2024. The forecast for 2023–24 remains well below the historical (2000–19) annual average of 3.8%.

The IMF's World Economic Outlook Update (WEO Update), published in July 2023, estimates that GDP for the Euro Area will increase 0.9% in 2023 (upward review by 0.1 p.p. compared to the April WEO) and an increase of 1.5% in 2024 (upward review by 0.1 p.p.). For Portugal, the World Economic Outlook of April 2023 forecasts GDP growth of 1.0% for 2023 and 1.7% in 2024.

The Bank of Portugal (Projections for the Portuguese economy – June 2023) estimates that Portuguese economic growth will be 2.7% in 2023, 2.4% in 2024 and 2.3% 2025. Inflation in 2023 should be 5.2%, dropping to 3.3% in 2024 and 2.1% in 2025.

NAVIGATOR

Globally, and in Europe in particular, temporary or permanent capacity reductions have been announced in the paper sector, after strategic decisions were taken in view of the loss of profitability of operations and persistent high variable costs.

In fact, almost 3.1 Mt of P&W production capacity is expected to leave Europe from 2023 to 2026. Of the 3.1 Mt, 1.4 Mt of machines will leave the market, while the remaining production capacity will be converted mostly for packaging grades. In the rest of the world, although on a smaller scale, around 1.4 Mt will be out of the market by 2029, of which 866 kt will be conversions to packaging grades (essentially to the containerboard segment) and fluff pulp (to a lesser extent).

The margins of paper producers - particularly non-integrated producers - continue to be pressured by variable production costs which, despite the fall in fibre prices, are still higher than in the pre-pandemic period. Nonetheless, there has been a positive variation in costs, particularly energy and logistics. Navigator has maintained and strengthened programmes to improve efficiency and control fixed and variable costs, thus enhancing its competitive position.

Despite the persistent inflationary pressures, lower pulp prices in China and Europe could put pressure on prices in Europe, which the industry has managed to maintain at a high level.

On the other hand, a progressive normalisation of the volume of stocks across the distribution chain may help moderate the negative pressure. The restocking effect along the supply chain is expected to lead to a moderate increase in order intake in the 2nd half of the year, particularly from September onwards.

Quick action and mobilisation of Navigator's teams, responsible production management and planning, successfully implemented commercial strategies, highly efficient production and cost control programmes, in addition to the company's financial strength and greater focus on new business areas are factors of resilience and added security in these uncertain times.

SECIL

Secil is assessing potential investment opportunities, with emphasis on the decarbonisation of its industrial processes and R&D of products and solutions in the sectors in which it operates, against the backdrop of the Recovery and Resilience plan (RRP). The implementation of the RRP is expected to help with the recovery of **Portugal**'s economy.

In the 2nd quarter of 2023, the investment project for the Clean Cement Line (CCL) was completed in Outão, combining mature technologies with innovative ones that will enable a 20% reduction in CO_2 emissions, a 20% improvement in energy efficiency and the production of 30% of electricity through heat recovery from the process itself. The low carbon clinker resulting from this process will enable the company to respond competitively to requests for green procurement on the market.

The IMF World Economic Outlook Update (WEO Update) released in July 2023 forecasts a growth of 2.1% of the **Brazilian** economy in 2023 (following a growth of 2.9% in 2022) and 1.2% in 2024. Projected levels of inflation (WEO) are 5.0% in 2023 and 4.8% in 2024. High interest rates are affecting the course of real estate financing and the respective investments, which may be offset by planned public investment in infrastructure.

In **Lebanon**, the economic outlook remains highly uncertain and dependent on policy measures taken by the authorities. Implementing a comprehensive economic recovery plan could reduce imbalances and provide a policy anchor that would help restore confidence and foster growth.

The year 2023 remains subject to high uncertainty, with restrictions in the banking sector and limited electricity supply. The exchange rate depreciation in the first half of 2023 and the high inflation rate are the type of obstacles and difficulties preventing economic activity from picking up.

IMF staff concluded the Article IV visit to Lebanon in June 2023, and some estimates were presented. GDP is expected to shrink by 0.5 per cent in 2023, followed by annual growth of 3 to 5 per cent in the years 2024-2027, in a reform scenario. Inflation in 2023 is expected to rise to 296.1% and to 148.7% in 2024, decreasing gradually to 12.1% by 2027.

To cope with these challenges, namely power cuts, Secil is looking into alternatives to restore normal operations.

According to the World Economic Outlook (WEO) published in April 2023, the IMF expects the GDP of **Tunisia** to grow 1.3% in 2023 and 1.9% in 2024. Projected levels of inflation are 10.9% in 2023 (higher than that in 2022, which was 8.3%), dropping to 9.5% in 2024.

The economic context remains difficult and social tensions are rising, while no changes in Tunisia's political landscape are expected, although a new parliament has been elected.

The negotiations with the IMF were interrupted again, among other reasons, due to the persistent question of compensations (subsidies).

The outlook for **Angola** (World Economic Outlook, IMF April 2023) hints at a growth of 3.5% in 2023, followed by a 3.7% growth in 2024. In regard to inflation, the forecast is that there will be a sharp drop to 11.7% (after recording 21.4% in 2022) and to 10.8% in 2024. The sharp devaluation of the Kwanza in H1 2023 (37% since May 2023) is also worthy of note.

OTHER BUSINESS

Despite the aforementioned macroeconomic risks, **ETSA** looks to the future with confidence thanks to its continued commitment to high added-value products to be placed on the international market. In this sense, construction began on a new production plant in Coruche called ETSA ProHy, the result of the strong investment in innovation, which is expected to open in the first half of 2024.

At **Triangle's**, Semapa's plans for the company include carrying out the capacity expansion plan to 450 000 bicycle frames (project under the RRP), reinforcing commercial efforts to gain market share and position itself to benefit from the growth that is expected for the sector.

UTIS

In 2023 **UTIS** will be extending its UC3 technology to other sectors of activity/business, namely, biomass, power plants, chemical industries, and incineration, among others, including hydrogen production for HRS - Hydrogen Refuelling Stations. Concerning internal combustion, taking into account the technological developments of UCLE - Ultimate Cell Large Engines lately, their nearly exponential expansion in the short/medium term will be a very important goal in the context of revenue growth and results that it hopes to achieve.

Identifying priority geographies, commercial and marketing enhancement, new patent development with increased and diversified links with Universities, lifelong training for all employees, with a focus on reinforcing procurement and maintaining exports of its production at the 95% target are key for its long-term sustainability.

SEMAPA NEXT

Semapa Next will continue to monitor its portfolio and will actively participate in national and international events in order to find future investment opportunities in technology companies, build and cement institutional relationships with investors and monitor new market trends.

Lisbon, 28 July 2023

THE BOARD OF DIRECTORS

CHAIRMAN:

JOSÉ ANTÔNIO DO PRADO FAY

MEMBERS:

RICARDO MIGUEL DOS SANTOS PACHECO PIRES

VÍTOR PAULO PARANHOS PEREIRA

FILIPA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

MAFALDA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

LUA MÓNICA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

ANTÓNIO PEDRO DE CARVALHO VIANA-BAPTISTA

PAULO JOSÉ LAMEIRAS MARTINS

FINANCIAL CALENDAR

Date	Event
3 November 2011	First 9 months 2023 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.

PART 2

DECLARATION REQUIRED UNDER ARTICLE 29 J.1 C) OF THE SECURITIES CODE

DECLARATION REQUIRED UNDER ARTICLE 29 J.1 C) OF THE SECURITIES CODE

Article 29 J.1 c) of the Securities Code requires that each of the persons responsible for issuers make a number of declarations, as described in this article. In the case of Semapa, a standard declaration has been adopted, which reads as follows:

“I hereby declare, under the terms and for the purposes of Article 29 J.1 c) of the Securities Code that, to the best of my knowledge, the condensed financial statements of Semapa – Sociedade de Investimento e Gestão, SGPS, S.A., for the first half of 2023, were drawn up in accordance with the relevant accounting rules, and provide a true and fair view of the assets and liabilities, financial affairs and profit or loss of said company and other companies included in the consolidated accounts, and that the interim management report sets out faithfully the information required by Article 29 J.2 of the Securities Code.”

As required by this rule, we provide below a list of the names of the people signing the declaration and their functions in the company:

Name	Function
José Antônio do Prado Fay	Chairman of the Board of Directors
Ricardo Miguel dos Santos Pacheco Pires	Member of the Board of Directors
Vítor Paulo Paranhos Pereira	Member of the Board of Directors
António Pedro de Carvalho Viana-Baptista	Member of the Board of Directors
Filipa Mendes de Almeida de Queiroz Pereira	Member of the Board of Directors
Lua Mónica Mendes de Almeida de Queiroz Pereira	Member of the Board of Directors
Mafalda Mendes de Almeida de Queiroz Pereira	Member of the Board of Directors
Paulo José Lameiras Martins	Member of the Board of Directors
José Manuel Oliveira Vitorino	Chairman of the Audit Board
Gonçalo Nuno Palha Picão Caldeira	Member of the Audit Board
Maria da Graça Torres Ferreira da Cunha Gonçalves	Member of the Audit Board

PART 3
LIST OF QUALIFYING HOLDINGS

LIST OF QUALIFYING HOLDINGS, INDICATING THE NUMBER OF SHARES HELD AND THE CORRESPONDING PERCENTAGE OF VOTING RIGHTS, CALCULATED IN ACCORDANCE WITH ARTICLE 20 OF THE SECURITIES CODE

(WITH REFERENCE TO THE DATE OF THIS REPORT):

Holder	Attribution	No. Shares	% shares and voting rights	% non-suspended voting rights
Filipa Mendes de Almeida de Queiroz Pereira (Filipa Queiroz Pereira), Mafalda Mendes de Almeida de Queiroz Pereira (Mafalda Queiroz Pereira), and Lua Mónica Mendes de Almeida de Queiroz Pereira (Lua Queiroz Pereira)	Jointly, through companies held directly and indirectly by them and described below, in conjunction with the shareholders' agreement they entered into in relation to their holdings in companies that own shares of Semapa.	-	-	-
Target One Capital, S.A.	Controlled by Filipa Queiroz Pereira; holds 21.56% of the share capital of Sodim, SGPS, S.A. (Sodim)	-	-	-
Keytarget Investments - Consultoria e Investimentos, S.A.	Controlled by Mafalda Queiroz Pereira; holds 21.56% of Sodim's share capital	-	-	-
Premium Caeli, S.A.	Controlled by Lua Queiroz Pereira; holds 21.56% of Sodim's share capital	-	-	-
Sodim, SGPS, S.A.	Indirectly controlled by Filipa Queiroz Pereira, Mafalda Queiroz Pereira and Lua Queiroz Pereira; holds 100% of the share capital of Cimo - Gestão de Participações, SGPS, S.A.; direct ownership of shares	27 508 892	33.849%	34.442%
Cimo - Gestão de Participações, SGPS, S.A.	Indirectly controlled by Filipa Queiroz Pereira, Mafalda Queiroz Pereira and Lua Queiroz Pereira and directly by Sodim; direct ownership of shares	38 959 431	47.938%	48.779%
	Total:	**66 468 323**	**81.787%**	**83.221%**

Semapa - Sociedade de Investimento e Gestão, SGPS, S.A. holds 1,400,627 own shares, corresponding to 1.723% of its share capital.

PART 4
INTERIM CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONSOLIDATED INCOME STATEMENT

Amounts in Euro	Notes	H1 2023	H1 2022
Revenue	2.1	1,344,221,440	1,465,726,847
Other operating income	2.2	79,968,053	58,650,858
Changes in the fair value of biological assets		(2,897,398)	(7,621,134)
Costs of goods sold and materials consumed		(598,840,374)	(556 904,508)
Variation in production		28,173,578	60,314,852
External services and supplies	2.3	(303,013,150)	(387,496,595)
Payroll costs	7.1	(140,278,165)	(140,028,867)
Other operating expenses	2.3	(76,047,005)	(67,542,101)
Net provisions	9.1	(3,720,208)	1,439,248
Depreciation, amortisation and impairment losses on non-financial assets	3.6	(102,703,363)	(110,384,257)
Operating income		**224,863,408**	**316,154,343**
Group share of (losses)/gains of associates and joint ventures	10.3	1,196,151	1,633,151
Financial income and gains	5.10	11,903,264	2,530,733
Financial expenses and losses	5.10	(45,184,960)	(66,529,425)
Profit before tax		**192,777,863**	**253,788,802**
Income tax	6.1	(46,131,894)	(64,592,208)
Net profit for the period		**146,645,969**	**189,196,594**
Attributable to Semapa's equity holders		107,631,856	141,464,859
Attributable to non-controlling interests	5.6	39,014,113	47,731,735
Earnings per share			
Basic earnings per share, Euro	5.2	1.348	1.771
Diluted earnings per share, Euro	5.2	1.348	1.771

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

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in Euro	Notes	H1 2023	H1 2022
Net profit for the period before non-controlling interests		**146,645,969**	**189,196,594**
Items that may be reclassified to profit and loss			
Hedging derivative financial instruments			
Changes in fair value		(3,367,866)	12,556,171
Tax effect		873,704	(3,452,947)
Currency translation differences		4,831,932	49,614,083
Other comprehensive income		(1,887,732)	(867,757)
Items that cannot be reclassified to profit and loss			
Remeasurement of post-employment benefits			
Remeasurement	7.2	(1,497,459)	(6,294,295)
Tax effect		(121,048)	(78,076)
Total other comprehensive income net of taxes		**(1,168,469)**	**51,477,179**
Total comprehensive income		**145,477,500**	**240,673,773**
Attributable to:			
Semapa's equity holders		109,411,579	184,200,047
Non-controlling interests		36,065,921	56,473,726
		145,477,500	**240,673,773**

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in Euro	Notes	30-06-2023	31-12-2022
ASSETS			
Non-current assets			
Goodwill	3.1	525,201,473	338,806,427
Intangible assets	3.2	504,861,406	455,064,081
Property, plant and equipment	3.3	1,793,940,156	1,684,929,711
Right-of-use assets	3.5	103,875,465	101,188,676
Biological Assets	3.7	119,602,477	122,499,874
Investments in associates and joint ventures	10.3	36,845,560	38,379,742
Investment properties	3.9	365,230	366,436
Other financial investments	8.3	49,608,384	48 718 902
Receivables and other non-current assets	4.2	35,404,696	28,920,465
Deferred tax assets	6.2	91,371,750	85,880,368
		3,261,076,597	**2,904,754,682**
Current assets			
Inventories	4.1	450,407,678	393,487,480
Receivables and other current assets	4.2	561,797,146	642,034,932
Income tax	6.1	24,225,038	23,726,172
Cash and cash equivalents	5.9	220,738,540	593,396,576
		1,257,168,402	**1,652,645,160**
Non-current assets held for sale		1,008,000	1,008,000
		1,258,176,402	**1,653,653,160**
Total Assets		**4,519,252,999**	**4,558,407,842**
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	5.2	81,270,000	81,270,000
Treasury shares		(15,946,363)	(15,946,363)
Currency translation reserve	5.5	(196,213,029)	(202,244,411)
Fair value reserves	5.5	28 004 895	29,889,067
Legal reserve	5.5	16,695,625	16,695,625
Other reserves	5.5	1,334,549,502	1,105,635,572
Retained earnings	5.5	1,912,287	990.821
Net profit for the period		107,631,856	307,089,834
Equity attributable to Semapa's equity holders		**1,357,904,773**	**1,323,380,145**
Non-controlling interests	5.5	286,897,599	310,245,813
Total Equity		**1,644,802,372**	**1,633,625,958**
Non-current liabilities			
Interest-bearing liabilities	5.7	130,664,600	1,051,581,390
Lease liabilities	5.8	86,516,798	84 908 949
Pensions and other post-employment benefits	7.2	6,958,308	5,576,670
Deferred tax liabilities	6.2	235,277,833	237,260,488
Provisions	9.1	54,839,931	53,325,780
Payables and other non-current liabilities	4.3	52,610,547	37,652,398
		1,566,868,017	**470,305,675**
Current liabilities			
Interest-bearing liabilities	5.7	200,373,780	335,991,058
Lease liabilities	5.8	17,337,971	16,308,812
Payables and other current liabilities	4.3	984,769,977	960,909,689
Income tax	6.1	105,100,882	141,266,650
		1,307,582,610	**1,454,476,209**
Total Liabilities		**874,450,627**	**2,924,781,884**
Total Equity and Liabilities		**4,519,252,999**	**4,558,407,842**

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in Euro	Note	Share capital	Treasury shares	Currency translation reserve	Fair value reserves	Legal reserve	Outras Reservas	Retained earnings	Net profit for the period	Total	Non-controlling interests	Total
Equity as at 1 January 2023		**81,270,000**	**(15,946,363)**	**(202,244,411)**	**29,889,067**	**16,695,625**	**1,105,635,572**	**990,821**	**307,089,834**	**1,323,380,145**	**310,245,813**	**1,633,625,958**
Net profit for the period		-	-	-	-	-	-	-	107,631,856	107,631,856	39,014,113	146,645,969
Other comprehensive income (net of tax)		-	-	6,031,382	(1,884,172)	-	-	(2,367,487)	-	1,779,723	(2,948,192)	(1,168,469)
Total comprehensive income for the period		**-**	**-**	**6,031,382**	**(1,884,172)**	**-**	**-**	**(2,367,487)**	**107,631,856**	**109,411,579**	**36,065,921**	**145,477,500**
Appropriation of 2022 profit:												
- Transfer to reserves		-	-	-	-	-	228,913,930	-	(228,913,930)	-	-	-
- Dividends paid	5.4	-	-	-	-	-	-	-	(75,875,904)	(75,875,904)	-	(75,875,904)
- Bonus to employees		-	-	-	-	-	-	2,300,000	(2,300,000)	-	-	-
Dividends paid by subsidiaries to non-controlling interests	5.6	-	-	-	-	-	-	-	-	-	(60,362,991)	(60,362,991)
Other operations - Hyperinflantionary economies (Lebanon)	5.6	-	-	-	-	-	-	989,231	-	989,231	948,578	1,937,809
Total transactions with shareholders		**-**	**-**	**-**	**-**	**-**	**228,913,930**	**3,289,231**	**(307,089,834)**	**(74,886,673)**	**(59,414,413)**	**(134,301,086)**
Other movements		-	-	-	-	-	-	(278)	-	(278)	278	-
Equity as at 30 June 2023		**81,270,000**	**(15,946,363)**	**(196,213,029)**	**28,004,895**	**16,695,625**	**1,334,549,502**	**1,912,287**	**107,631,856**	**1,357,904,773**	**286,897,599**	**1,644,802,372**

Amounts in Euro	Note	Share capital	Treasury shares	Currency translation reserve	Fair value reserves	Legal reserve	Outras Reservas	Retained earnings	Net profit for the period	Total	Non-controlling interests	Total
Equity as at 1 January 2022		**81,270,000**	**(15,946,363)**	**(234,772,441)**	**(2,291,184)**	**16,695,625**	**1,048,397,118**	**832,780**	**198,128,028**	**1,092,313,563**	**253,113,874**	**1,345,427,437**
Net profit for the period		-	-	-	-	-	-	-	141,464,859	141,464,859	47,731,735	189,196,594
Other comprehensive income (net of taxes)		-	-	40,751,476	8,017,290	-	-	(6,033,808)	-	42,734,958	8,742,221	51,477,179
Total comprehensive income for the period		**-**	**-**	**40,751,476**	**8,017,290**	**-**	**-**	**(6,033,808)**	**141,464,859**	**184,199,817**	**56,473,956**	**240,673,773**
Appropriation of 2021 profit:												
- Transfer to reserves	5.5	-	-	-	-	-	157,234,909	-	(157,234,909)	-	-	-
- Dividends paid	5.4	-	-	-	-	-	-	-	(40,893,119)	(40,893,119)	-	(40,893,119)
Dividends paid by subsidiaries to non-controlling interests	5.6	-	-	-	-	-	-	-	-	-	(30,368,793)	(30,368,793)
Other operations - Hyperinflantionary economies (Lebanon)	5.6	-	-	-	-	-	-	(292,214)	-	(292,214)	(280,207)	(572,421)
Total transactions with shareholders		**-**	**-**	**-**	**-**	**-**	**157,234,909**	**(292,214)**	**(198,128,028)**	**(41,185,333)**	**(30,649,000)**	**(71,834,333)**
Equity as at 30 June 2022		**81,270,000**	**(15,946,363)**	**(194,020,965)**	**5,726,106**	**16,695,625**	**1,205,632,027**	**(5,493,242)**	**141,464,859**	**1,235,328,047**	**278,938,830**	**1,514,266,877**

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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in Euro	Notes	H1 2023	H1 2022
OPERATING ACTIVITIES			
Receipts from customers		1,541,553,883	1,471,033,611
Payments to suppliers		(1,122,571,241)	(1,055,945,744)
Payments to employees		(117,265,870)	(95,246,818)
Cash flow from operations		301,716,772	319,841,049
Income tax received/ (paid)		(87,868,302)	(2,582,909)
Other (payments)/ receipts relating to operating activities		60,310,959	(42,047,093)
Cash flows from operating activities (1)		**274,159,429**	**275,211,047**
INVESTING ACTIVITIES			
Inflows:			
Financial investments		191,290	2,099
Property, plant and equipment		649,196	810.493
Interest and similar income		1,624,355	628,168
Group share of dividends of associates and joint ventures		166,146	849,028
Other assets		-	32,026
		2,630,987	2,321,814
Outflows:			
Investments in Subsidiaries		(239,614,242)	-
Other financial investments		(25,946,415)	(13,576,003)
Balances of cash and cash equivalents by change in perimeter		10,104,866	-
Property, plant and equipment		(114,560,769)	(63,828,896)
Intangible assets		(2,814,362)	(28,443)
		(372,830,922)	(77,433,342)
Cash flows from investing activities (2)		**(370,199,935)**	**(75,111,528)**
FINANCING ACTIVITIES			
Inflows:			
Interest-bearing liabilities		713,971,131	474,186,478
		713,971,131	474,186,478
Outflows:			
Interest-bearing liabilities		(809,612,397)	(533,118,443)
Amortisation of finance lease agreements		(12,533,062)	(11,852,875)
Interest and similar expense		(20,567,828)	(23,532,207)
Dividends and Other Reserves		(135,931,719)	(70,922,125)
Other financing operations		(9,386,646)	(2,017,582)
		(988,031,652)	(641,443,232)
Cash flows from financing activities (3)		**(274,060,521)**	**(167,256,754)**
CHANGES IN CASH AND CASH EQUIVALENTS (1) + (2) + (3)		**(370,101,027)**	**32,842,765**
Effect of exchange rate differences		(1,307,965)	5,591,614
Effects of Hyperinflation and Cash and cash equivalents		1,769,854	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5.9	**593,396,576**	**382,287,392**
Impairment		(3,018,898)	(1,299,332)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5.9	**220,738,540**	**419,422,439**

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

1 INTRODUCTION

The following symbols are used in the presentation of the Notes to the interim financial statements:

ACCOUNTING POLICIES

This symbol indicates the disclosure of accounting policies specifically applicable to the items in the respective Note.

ACCOUNTING ESTIMATES AND JUDGEMENTS

This symbol indicates the disclosure of the estimates and/or judgements made regarding the items in the respective Note. Significant estimates and judgements are indicated in Note 1.6.

REFERENCES

This symbol indicates a reference to another Note or another section of the Financial Statements were more information about the items disclosed is presented.

1.1 THE GROUP

The SEMAPA Group (Group) is comprised of Semapa - Sociedade de Investimento e Gestão, SGPS, S.A. (Semapa), whose name has not changed in this financial year, and its Subsidiaries. Semapa, with head office 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 NYSE Euronext Lisbon since 1995 with ISIN PTSEM0AM0004 and LEI code 549300HNGOW85KIOH584.

Company:	Semapa – Sociedade de Investimento e Gestão, SGPS, S.A.
Head Office:	Av. Fontes Pereira de Melo, 14, 10º Piso, Lisboa | Portugal
Country:	Portugal
Legal Form:	Public Limited Company
Share Capital:	Euro 81,270,000
TIN:	502 593 130
Parent company:	Sodim, SGPS, S.A.

Semapa leads an Enterprise Group operating in three distinct business areas: pulp and paper, cements and derivatives and other businesses developed, respectively, under the aegis of The Navigator Company ("Navigator" or "Navigator Group") in the case of pulp and paper, Secil - Companhia Geral de Cal e Cimento, S.A. ("Secil" or "Secil Group") in the case of cement and derivatives and ETSA - Investimentos, SGPS, S.A. ("ETSA" or "ETSA Group") and Triangle's Cycling Equipments, S.A. (Triangle's) in the case of other businesses.

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

A more detailed description of the activity in each business line of the Group is disclosed in Note 2.1 - Revenue and segment reporting.

Semapa is included in the consolidation perimeter of Sodim - SGPS, S.A., which is its parent company.

In turn, Filipa Mendes de Almeida de Queiroz Pereira, Mafalda Mendes de Almeida de Queiroz Pereira and Lua Mónica Mendes de Almeida de Queiroz Pereira hold, as a result of the combination of a shareholders' agreement relating to Sodim and their respective shareholdings, direct and indirect, in the share capital of this company, joint control of Sodim and Semapa, each of them and Sodim being attributable, under the terms of article 20 of the Portuguese Securities Code, to 83.221% of the non-suspended voting rights inherent in shares representing Semapa's share capital.

1.2 RELEVANT EVENTS OF THE PERIOD

ACQUISITION OF NAVIGATOR TISSUE EJEA AND TRIANGLE'S CYCLING EQUIPMENT

On 31 March 2023, the subsidiary Navigator completed the acquisition of the entire share capital of Gomà-Camps Consumer, S.L.U., based in Zaragoza, Spain, which in turn holds the entire share capital of Gomà-Camps France SAS, based in Castres, France. These companies were renamed Navigator Tissue Ejea, S.L.U. and Navigator Tissue France SAS, respectively.

This acquisition is part of the Group's growth and diversification plan, and the integration of this new plant has elevated Navigator to the position of second largest Iberian tissue producer, with a production and converting capacity of 180 thousand tonnes. With the acquisition of these two entities, the Group is expected to increase its market share through access to Gomà-Camps' customer portfolio, as well as reducing costs through economies of scale.

In the three months to 30 June 2023, the two entities contributed Euro 30,172,331 to sales and Euro 4,325,853 to the Group's net profit.

At the end of Q2, Semapa acquired a 100% stake in Triangle's - Cycling Equipments, S.A. (“Triangle's”) with head office in Águeda, Portugal. Triangle's is a world reference in the production of frames for e-bikes, with several prestigious brands in the sector in its customer portfolio. The financial statements for the period ended 30 June 2023 do not include any of Triangle's operations.

Consideration transferred

As part of the acquisition of Gomà-Camps Consumer, S.L.U., which in turn holds the entire share capital of Gomà-Camps France SAS, the consideration transferred amounted to Euro 60,951,811, all of which was paid in cash and cash equivalents, and there is no contingent consideration associated with this acquisition.

The price paid on 19 June 2023 was Euro 178.7 million, including Euro 12.1 million in shareholder credits, and a possible additional component to be paid until 2027 which will depend on the company's performance and the fulfilment of certain conditions.

Identification of assets and liabilities acquired and initial goodwill

As at this date, the Group is carrying out the necessary procedures to recognise and measure the identifiable assets acquired, the liabilities assumed and consequently the calculation of the goodwill or gain resulting from the operations, in accordance with IFRS 3. This valuation is being carried out by external and independent valuers. If new information is obtained up to one year after the acquisition regarding facts and circumstances prevailing on the acquisition date, this will be reflected in the fair value.

The assets acquired and liabilities assumed on the acquisition date are summarised as follows:

Amounts in Euro | 30-06-2023	NAVIGATOR TISSUE EJEA	TRIANGLE'S	Total
Property, plant and equipment	42,965,662	31,577,640	74,543,302
Intangible assets - Brands	2,400,000		2,400,000
Deferred tax assets	92,481	2,565,630	2,658,111
Other financial assets	1,853,434	44,353	1,897,787
Other intangible assets	-	106,963	106,963
Cash and cash equivalents	4,885,712	4,363,656	9,249,368
Receivables and other assets	12,883,472	9,363,237	22,246,709
Inventories	11,092,213	7,744,204	18,836,417
Income tax - Assets	-	31,388	31,388
Interest-bearing liabilities	(31,391,406)	(18,265,432)	(49,656,838)
Deferred tax liabilities	(162,596)	-	(162,596)
Income tax - liabilities	(722,907)	-	(722,907)
Payables and other non-current liabilities	-	(4,600,031)	(4,600,031)
Payables and other current liabilities	(16,970,878)	(4,429,071)	(21,399,949)
Total identifiable net assets	**26,925,187**	**28,502,536**	**55,427,723**
Consideration transferred	60,951,811	178,662,431	239,614,242
Provisional initial goodwill	**34,026,624**	**150,159,895**	**184,186,519**

Acquisition-related costs

The Group incurred Euro 2,354,961 in costs, namely legal fees and other due diligence expenses, related to the acquisition of Navigator Tissue Ejea and the acquisition of Triangle's.

1.3 SUBSEQUENT EVENTS

No subsequent events that would require disclosure in these financial statements had taken place up to the date of issue of this report.

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 27 July 2023.

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.

BASIS OF ACCOUNTING

The interim consolidated financial statements for the six-month period ended 30 June 2023 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 compared to the last annual reporting date as at 31 December 2022. In this context, these interim financial statements should be read together with the Semapa Group's consolidated financial statements for the period ended 31 December 2022.

BASIS FOR MEASURING AND BUSINESS CONTINUITY

The accompanying consolidated financial statements have been prepared on the going concern basis from the accounting books and records of the companies included in the consolidation (Note 10.1), and under the historical cost convention, except for biological assets (Note 3.7), and for financial instruments measured at fair value through profit or loss or at fair value through equity (Note 8.3), in which derivative financial instruments are included (Note 8.2). The liability related to responsibilities for defined benefits is recognised at its present value deducted from the respective asset.

COMPARABILITY

On 31 March 2023 the acquisition of the Gomà-Camps Group's Consumer tissue business in Spain was concluded, with a view to strengthening the Group's presence in this business segment. Accordingly, the Financial Statements for the six-month period ended 30 June 2023 include three months of operation of the acquired business (Note 1.2).

The acquisition of Triangle's was completed at the end of the first half of 2023. The financial statements for the period ended 30 June 2023 do not include any operations of this business. With the exception of the situation mentioned above, these financial statements are comparable in all material respects with those of the previous year.

BASIS FOR CONSOLIDATION

SUBSIDIARIES

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, the variable returns generated as a result of its involvement with the entity and has the ability to affect those variable returns through the power it exercises over the entity's relevant activities.

The equity and net profit/(loss) of these companies, corresponding to the third-party investment in such companies, are presented under the caption Non-controlling interests, respectively in the Consolidated Statement of Financial Position, in a separate component of equity, and in the Consolidated Income Statement. Companies included in the consolidated financial statements are detailed in Note 10.1.

The purchase method is used in recording the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the assets delivered, the equity instruments issued and the liabilities incurred or assumed on the acquisition date.

The identifiable assets acquired, and the liabilities and contingent liabilities assumed in a business combination are initially measured at fair value on the acquisition date, regardless of the existence of non-controlling interests. The excess of the acquisition cost, regarding the fair value of the Group's share of identifiable assets and liabilities acquired, is recorded as Goodwill when the Group acquires control, as described in Note 3.1.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. When additional shares are acquired in companies already controlled by the Group, the difference between the percentage of capital acquired and the respective acquisition value is recognised directly in equity under Retained earnings (Note 5.5).

When, at the date of acquisition of the control, the Group already holds a previously acquired interest, the fair value of such interest contributes to the determination of goodwill or badwill.

When the control acquired is lower than 100%, in the application of the purchase method, non-controlling interests can be measured at fair value or at the ratio of the fair value of the assets and liabilities acquired, being that option defined according to each transaction.

In the case of disposals of interests, resulting in a loss of control over a subsidiary, any remaining interest is revalued to the market value at the date of sale, and the gain or loss resulting from such revaluation, is recorded against profit or loss, as well as the gain or loss resulting from such disposal.

Subsequent transactions in the disposal or acquisition of non-controlling interests, which do not imply a change in control, do not result in the recognition of gains, losses or Goodwill. Any difference between the transaction value and the book value is recognised in Equity, in Other equity instruments.

The acquisition cost is subsequently adjusted when the acquisition/assignment price is contingent on the occurrence of specific events agreed with the seller/shareholder (e.g. realisation of the fair value of acquired assets).

Any contingent payments to be transferred by the Group are recognised at fair value at the acquisition date. If the undertaken obligation constitutes a financial liability, subsequent changes in fair value are recognised in profit or loss. If the obligation assumed is an equity instrument, there is no change in the initial estimate.

The losses generated in each period by subsidiaries with non-controlling interests are allocated in the percentage held by them, regardless of whether they have a negative balance.

If the acquisition cost is less than the fair value of the net assets of the subsidiary acquired (Badwill), the difference is recognised directly in the Income statement, under the caption Other operating income. Transaction costs directly attributable are immediately recorded in profit or loss.

Intercompany transactions, balances, unrealised gains on transactions and dividends distributed between group companies are eliminated. Unrealised losses are also eliminated, except where the transaction displays evidence of impairment of a transferred asset.

Subsidiaries' accounting policies have been changed whenever necessary to ensure consistency with the policies adopted by the Group.

ASSOCIATES

Associates are all the entities in which the Group exercises significant influence but do not have control, which is generally the case with investments representing between 20% and 50% of the voting rights. Investments in associates are accounted under the equity method.

In accordance with the equity accounting method, financial investments are recorded at their acquisition cost, adjusted by the amount corresponding to the Group's share of changes in the associates' equity (including net income/ (loss)) and by dividends received.

The difference between the acquisition cost and the fair value of the associate's identifiable assets, liabilities and contingent liabilities on the acquisition date, if positive, are recognised as Goodwill and recorded under the caption Investments in associates. If these differences are negative, they are recorded as Profit for the period under the caption Group share of (loss)/gains of associates. Transaction costs directly attributable are immediately recorded in profit or loss.

An evaluation of investments in associates occurs when there are signs that the asset could be impaired, and any identified impairment losses are recorded under the same caption. When the impairment losses recognised in prior years no longer exist, they are reversed.

When the Group's share in the associates losses is equal to or exceeds its investment in the associate, the Group ceases to recognise additional losses, except where it has assumed liability or made payments in the associates name. Unrealised gains on transactions with associates are eliminated to the extent of the Navigator Group's investment in the associates. Unrealised losses are also eliminated, except where the transaction displays evidence of impairment of a transferred asset.

Associate's accounting policies have been changed whenever necessary so, as to ensure consistency with the policies adopted by the Group. Investments in associates are disclosed in Note 10.3.

JOINT AGREEMENTS

Joint agreements are classified as joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint ventures are accounted for and measured using the equity method.

Joint operations are accounted in the Group's consolidated financial statements, based on the share of jointly held assets and liabilities, as well as the income from the joint operation, and expenses incurred jointly. Assets, liabilities, income and expenses must be accounted for in accordance with the applicable IFRS.

A jointly-controlled entity is a joint venture involving the establishment of a company, partnership or other entity in which the Group has an interest.

Jointly-controlled entities are included in the consolidated financial statements under the equity method, according to which financial investments are recorded at acquisition cost, adjusted by the amount corresponding to the Group’s interest in changes in shareholders’ equity (including net profit/loss) and dividends received.

When the share of losses attributable to the Group equals or exceeds the value of the financial interest in the joint ventures, the Group recognises additional losses if it has assumed obligations or made payments for the benefit of the joint ventures.

Unrealised gains and losses between the Group and its joint ventures are eliminated in proportion to the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides additional evidence of an impairment on the transferred asset.

The joint ventures’ accounting policies are adjusted, whenever necessary, so as to ensure that they are applied consistently by the Group's companies.

PRESENTATION CURRENCY AND TRANSACTIONS IN A CURRENCY OTHER THAN THE PRESENTATION CURRENCY AND HYPERINFLATIONARY ECONOMIES

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 into Euro using the exchange rates prevailing at the consolidated statement of financial position date (Note 8.1.1). The exchange rate 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 5.10).

The income captions of foreign currency 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 5.5). 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 operating units 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 measurement unit current at the statement of financial position date be restated by applying a general price index, leading to a potential gain or loss in the monetary position. The standard also requires all cash flow statement items to be expressed in terms of the measurement 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 the comparative values to be those that were presented in the previous financial statements, with the gain or loss in the net monetary position related to price changes in previous 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 or loss and financial position of foreign operations in hyperinflationary economies is 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.

As at 30 June 2023 and 31 December 2022, the exchange rates used for the translation of assets and liabilities expressed in currencies other than Euro are detailed as follows:

	30-06-2023	31-12-2022	Valuation/ (devaluation)		30-06-2023	31-12-2022	Valuation/ (devaluation)
TND (Tunisian dinar)				DKK (Danish krone)			
Average exchange rate for the period	3.3384	3.2535	(2.61%)	Average exchange rate for the period	7.4462	7.4396	(0.09%)
Exchange rate at the end of the period	3.3738	3.3342	(1.19%)	Exchange rate at the end of the period	7.4474	7.4365	(0.15%)
LBN (Lebanese pound)				HUF (Hungarian forint)			
Average exchange rate for the period	100,619.20	44,903.90	(124.08%)	Average exchange rate for the period	380.8484	391.4304	2.70%
Exchange rate at the end of the period	100,619.20	44,903.90	(124.08%)	Exchange rate at the end of the period	371.9300	400.8700	7.22%
USD (American dollar)				AUD (Australian dollar)			
Average exchange rate for the period	1.0810	1.0534	(2.62%)	Average exchange rate for the period	1.5989	1.5164	(5.44%)
Exchange rate at the end of the period	1.0866	1.0666	(1.88%)	Exchange rate at the end of the period	1.6398	1.5693	(4.49%)
GBP (Sterling pound)				MZM (Mozambican metical)			
Average exchange rate for the period	0.8764	0.8528	(2.76%)	Average exchange rate for the period	69.0419	67.2043	(2.73%)
Exchange rate at the end of the period	0.8583	0.8869	3.23%	Exchange rate at the end of the period	69.6100	68.1800	(2.10%)
PLN (Polish zloti)				BRL (Brazilian real)			
Average exchange rate for the period	4.6244	4.6867	1.33%	Average exchange rate for the period	5.4820	5.4409	(0.76%)
Exchange rateat the end of the period	4.4388	4.6808	5.17%	Exchange rate at the end of the period	5.2620	5.5680	5.50%
SEK (Swedish krona)				MAD (Moroccan dirham)			
Average exchange rate for the period	11.3329	10.6305	(6.61%)	Average exchange rate for the period	11.0210	10.6861	(3.13%)
Exchange rate at the end of the period	11.8055	11.1218	(6.15%)	Exchange rate at the end of the period	10.8174	11.1592	3.06%
CZK (Czech koruna)				NOK (Norwegian krone)			
Average exchange rate for the period	23.6873	24.5670	3.58%	Average exchange rate for the period	11.3195	10.1033	(12.04%)
Exchange rate at the end of the period	23.7420	24.1160	1.55%	Exchange rate at the end of the period	11.7040	10.5138	(11.32%)
CHF (Swiss franc)				AOA (Angolan kwanza)			
Average exchange rate for the period	0.9856	1.0046	1.89%	Average exchange rate for the period	596.1232	486.7246	(22.48%)
Exchange rate at the end of the period	0.9788	0.9847	0.60%	Exchange rate at the end of the period	905.9412	544.6434	(66.34%)
TRY (Turkish lira)				MXN (Mexican peso)			
Average exchange rate for the period	21.5662	17.4170	(23.82%)	Average exchange rate for the period	19.6457	21.1789	7.24%
Exchange rate at the end of the period	28.3193	19.9649	(41.85%)	Exchange rate at the end of the period	18.5614	20.8560	11.00%
ZAR (South African rand)				AED (Dirham)			
Average exchange rate for the period	19.6792	17.2081	(14.36%)	Average exchange rate for the period	3.9687	3.8674	(2.62%)
Exchange rate at the end of the period	20.5785	18.0986	(13.70%)	Exchange rate at the end of the period	3.9905	3.9171	(1.87%)
EGP (Egyptian pound)				CAD (Canadian dollar)			
Average exchange rate for the period	32.9257	18.5502	(77.50%)	Average exchange rate for the period	1.4565	1.3692	(6.38%)
Exchange rate at the end of the period	33.7169	17.8209	(89.20%)	Exchange rate at the end of the period	1.4415	1.4440	0.17%

1.5 NEW IFRS STANDARDS ADOPTED AND TO BE ADOPTED

STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED IN 2023

	Amendment
Standards and amendments endorsed by the European Union	
Amendments to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2: Accounting policy disclosures	Following feedback that more guidance was necessary to help companies decide what accounting policy information should be disclosed, the IASB issued on 12 February 2021 amendments to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2 – Making Materiality Judgements. The key amendments to IAS 1 include: i) requiring companies to disclose their material accounting policies rather than their significant accounting policies; ii) clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and iii) clarifying that not all accounting policies that relate to material transactions, are themselves material to a company's financial statements. The IASB also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material: "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements". The amendments are effective from 1 January 2023 but may be applied earlier.
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	The IASB has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.
Amendments to IAS 12: deferred tax related to assets and liabilities arising from a single transaction	The IASB issued amendments to IAS 12 Income Taxes on 7 May 2021. The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations—transactions for which companies recognise both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

	Amendment
Standards and amendments endorsed by the European Union	
IFRS 17 – Insurance Contracts	The IASB issued on 18 May 2017 a standard that superseded IFRS 4 and completely reformed the treatment of insurance contracts. The standard introduces significant changes to the way in which the performance of insurance contracts is measured and presented with various impacts also at the level of the financial position. The standard expected to be effective for annual periods beginning on or after 1 January 2023.
Amendments to IFRS 17 - Insurance Contracts: First-time Adoption of IFRS 17 and IFRS 9 - Comparative Information	The IASB has issued an amendment to the scope of the transitional requirements of IFRS 17 - Insurance Contracts, which provides insurers with an option to improve the usefulness of information to investors on first-time adoption of the new Standard. The amendment does not affect any other requirements of IFRS 17. IFRS 17, including this amendment, is effective for annual periods beginning on or after 1 January 2023

The above standards, amendments and interpretations had no impact on the interim financial statements.

STANDARDS, AMENDMENTS AND INTERPRETATIONS WITH MANDATORY APPLICATION ON OR AFTER 1 JANUARY 2024

	Amendment	Date of application
Standards and amendments not yet endorsed by the European Union		
Clarification of requirements for classifying liabilities as current or non-current (amendments to IAS 1 - Presentation of Financial Statements)	The IASB issued on 23 January 2020 an amendment to IAS 1 Presentation of Financial Statements to clarify how to classify debt and other liabilities as current and non-current. The amendments clarify an IAS 1 criteria for classifying a liability as non-current: the requirement for an entity to have the right to defer the liability's settlement at least 12 months after the reporting period. The amendments aim to: a) specify that an entity's right to defer settlement must exist at the end of the reporting period and must be material; b) clarify that the ratios that the company must fulfil after the balance sheet date (i.e. future ratios) do not affect the classification of a liability at the balance sheet date. However, when non-current liabilities are subject to future ratios, companies must disclose information that allows users to understand the risk that these liabilities may be repaid within 12 months of the balance sheet date; and c) clarify the requirements to classify the liabilities that an entity will settle, or may settle, by issuing its own equity instruments (e.g. convertible debt). This amendment is effective for periods starting on 1 January 2024.	1 January 2024
Lease liabilities in sale and leaseback transactions (amendments to IFRS 16 - Leases)	The IASB issued amendments to IFRS 16 - Leases in September 2022 that introduce a new accounting model for variable payments in a sale and leaseback transaction. The amendments confirm that: • On initial recognition, the seller-lessee includes variable lease payments in measuring a lease liability arising from a sale and leaseback transaction. • After initial recognition, the seller-lessee applies the general requirements for subsequent accounting for the lease liability so that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee may use different approaches to comply with the new requirements for subsequent measurement. The Amendments are applied for annual periods beginning on or after 1 January 2024, with earlier application permitted. In accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee shall apply the amendments retrospectively to sale and leaseback transactions entered into on or after the date of initial application of IFRS 16. This means that it will have to identify and reassess sale and leaseback transactions entered into since the implementation of IFRS 16 in 2019, and potentially restate those that include variable lease payments.	1 January 2024

	Amendment	Date of application
Standards and amendments not yet endorsed by the European Union		
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements	On 25 May 2023, the International Accounting Standards Board (IASB) published Supplier Finance Arrangements with amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments Disclosures. The amendments refer to the disclosure requirements relating to supplier finance arrangements - also known as supply chain financing, accounts payable financing or recourse factoring arrangements. The new requirements complement those already included in the IFRS standards and include disclosures on: • Terms and conditions of supplier finance arrangements; • The amounts of liabilities that are the object of such agreements, for which part of them the suppliers have already received payments from the lenders and under which caption these liabilities are presented in the balance sheet; • The maturity date ranges; and • Information on liquidity risk. The amendments are applicable to periods beginning on or after 1 January 2024.	1 January 2024
Amendments to IAS 12 - International Tax Reform - Pillar Two Model Rules	On 23 May 2023, the IASB issued International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12 to clarify the application of IAS 12 - Income Taxes to income taxes arising from tax legislation enacted or substantively enacted to implement the OECD Pillar Two model rules. The amendments include: • A mandatory temporary exception to accounting for deferred taxes arising from the jurisdictional implementation of Pillar Two model rules; and • Disclosure requirements for affected entities to help users of financial statements understand an entity's exposure to Pillar Two income tax arising from that legislation, especially before its effective date. The mandatory temporary exception—the use of which must be disclosed—is immediately applicable. The remaining disclosure requirements apply to annual reporting periods beginning on or after 1 January 2023, but not for interim periods ended on or before 31 December 2023.	1 January 2024

With respect to the above standards, which are not yet mandatory, the Group has not yet completed the calculation of all impacts arising from their application and has therefore elected to apply them early.

1.6 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim 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 of Directors' 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	3.7 – 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

ACCOUNTING POLICIES

SEGMENT REPORTING

In accordance with IFRS 8, an operating segment is a component of an entity:

i) that carries out business activities from which it can earn revenues and incur expenses (including revenues and expenses related to transactions with other components of the same entity);

ii) whose operating results are regularly reviewed by the entity's chief operating decision-maker for the purpose of making decisions about allocating resources to the segment and evaluating its performance; and

iii) for which separate financial information is available.

The Executive Board of Semapa and the various subsidiaries are primarily responsible for making the Group's operational decisions, analysing the financial and operational information reports for each segment on a regular and consistent basis. The reports are used to monitor the operating performance of its businesses and decide on the best allocation of resources to the segment, as well as evaluating its performance and making strategic decisions.

The information used in segment reporting corresponds to the financial information prepared by the Group. All intersegmental revenues correspond to market prices and all intersegmental revenues are eliminated on consolidation.

As at 30 June 2023, and following the acquisitions made, the Semapa Group reorganised the reportable operating segments based on the financial information prepared by the Group and the disclosure requirements of IFRS 8. As part of this reorganisation, management has defined the following as reportable segments:

- Pulp and Paper: includes business carried out by the subsidiary Navigator;
- Cement and Derivatives: includes business carried out by the subsidiary Secil;
- Other businesses: aggregates the activities carried out by ETSA and Triangle's subsidiaries which, due to their small size, are not reported separately;
- Holdings: includes the group's management activities;

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 five industrial plants. BEKP, energy and UWF paper are produced in two plants located in Figueira da Foz and Setúbal. BEKP is also produced in a plant located in Aveiro, and energy and Tissue paper are produced in two plants located in Vila Velha de Ródão and Ejea de los Caballeros where only Tissue is produced.

Wood and cork are produced from woodlands owned or leased by the Group in Portugal and Spain, and also form 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 the plant located in Aveiro. Sales of BEKP, UWF and Tissue paper are made to more than 130 countries around the world.

Energy is produced through cogeneration plants and two independent thermoelectric plants.

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 industrial cement sector and is a business group with several operations in Portugal and in various countries around the world (Secil Group).

The main product sold by the Secil Group is cement, and the sale of ready-mix concrete, aggregates, mortars and precast concrete is a verticalisation of the cement sector that allows the Group to obtain synergies.

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

An important factor in the sale of cement is the cost of transport, which is why the Secil Group maintains a private quay at Secil-Outão, a sea terminal in Spain and a sea terminal in the Netherlands.

As far as cement "derivatives" are concerned, ready-mixed concrete is the Group's most important product, and the Secil Group owns several production and sales centres in Portugal, Spain, Tunisia, Lebanon and Brazil.

The Secil Group has also licensed the right to exploit various quarries, from which it extracts materials for incorporation into cement production or commercialisation as aggregates.

OTHER BUSINESS

Other business aggregates the Group's smaller activities. Of particular note is the production of e-bike frames through the subsidiary Triangle's and the rendering of services associated with the cumulative recovery of by-products of animal origin and food products containing substances of animal origin, and the sale of the products resulting from this recovery for incorporation in the production of fertilisers, animal feed and biodiesel developed by the ETSA Group.

HOLDINGS

The "Holdings" segment refers to the Semapa Group's management activities, corresponding to the services provided by Semapa to its subsidiaries in various areas, such as strategic planning, legal, financial, accounting and tax advice, talent management, among others, while also incurring staff costs and hiring specialised services.

Since 2018, this segment has included the new venture capital unit, which has not yet been recognised overall 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.

Revenue recognition in each operating segment is described as follows:

Pulp and paper

Commercial contracts with customers refer essentially to the sale of goods such as paper, pulp, tissue and energy, and to an extent, to the transportation inherent to those goods, when applicable.

Paper revenue refers to sales made through Retail sales (B2C) or Commercial Distributors (B2B) which include large distributors, wholesalers or commercial operators. Revenue is recognised at a specific moment, at the time of the transfer of control in accordance with the agreed incoterm, for the amount of the performance obligation satisfied, and the price of the transaction corresponds to a fixed amount invoiced according to quantities sold, less cash discounts and quantity discounts, which are reliably determinable.

Pulp revenue results from sales to international paper producers. Revenue is recognised at a specific time, by the amount of the performance obligation satisfied, the price of the transaction corresponding to a fixed amount invoiced on the basis of quantities sold, less cash discounts and quantity discounts, which are reliably determinable. On the export side, the transfer of control of the products occurs in general when there is a transfer of control to the customer, according to the Incoterms negotiated.

Tissue revenue results from sales of tissue paper produced for the private label of modern national and international retail chains. Revenue is recognised at a specific moment, for the amount of the performance obligation satisfied, and the price of the transaction corresponds to a fixed amount invoiced according to quantities sold. Revenue is recognised against the delivery of the product, at which time the transfer of control over the product is deemed to take place.

The energy revenue results from the valuation of the energy delivered to the National Energy Network, as metered, valued at the tariff defined in the agreement for an ongoing 25-year period.

Cement and derivatives

Cement

A significant part of the Secil Group's revenue relates to the sale of grey cement, in bulk or bagged, on pallets or in big bags. How the cement is packaged and where it is delivered depends on the scale of the customer’s business.

The Secil Group's main customers are industrial companies in the concrete, precast and civil construction sectors and consortia associated with the construction of highly complex technical works such as dams and bridges. The sale of bagged cement to the end consumer is residual and is ensured through local resellers.

Secil supplies its products at its plants and warehouses and ensures transport to the customer's premises by subcontracting transport, in which case there are two performance obligations, to which Secil allocates the transaction price based on sales prices.

Revenue is recognised at a specific time, at the time of the transfer of control, for the amount of the performance obligation satisfied, with the transaction price resulting from the price lists in force adjusted by prompt payment discounts and quantity discounts granted to customers, depending on whether they are reseller customers or industrial customers, as described in the general terms and conditions of sale. With regard to large customers and specific projects, prices and discount conditions are set on a contract-by-contract basis.

The discounts given are a variable component of the price which is taken into account in determining the revenue recognised on the date of delivery of the product to the customer, which corresponds to the date of transfer of control of the products.

On the export side, the transfer of control of the products occurs in general when there is a transfer of control to the customer, according to the Incoterms negotiated.

Materials

The Materials business caption relates to cement “derivatives”: ready-mixed concrete, aggregates, mortars and precast concrete. Revenue from Materials is recognised at a specific point in time, on the date the product is delivered to the customer, even if the contract involves phased deliveries, due to the different stages of the work and the quantities to be handled.

Revenue is recognised by the amount of the performance obligation satisfied, and the price of the transaction corresponds to a fixed amount invoiced according to quantities sold, with the granting of quantity discounts (rappel) that can be reliably determined.

As far as mortars are concerned, the hire of site equipment for storing, mixing and applying mortars corresponds to a separate performance obligation with an autonomous sales price less any discounts granted.

The precast concrete area essentially concerns the sale of standard precast materials, and there is no production of precast on specific customer request. In this business area, the Group recognises revenue for all products when the product is delivered to the customer.

Other businesses

The revenue recognised refers to the sale of products and the rendering of services.

Product sales relate mainly to ebike frames, lard, tallow, animal fat, flour (for the feed industry) and oils (for the biodiesel market). Revenue is recognised at a specific point in time, when the products are delivered to the customer's premises or a place designated by the customer, at which point control is considered to have been transferred to the customer.

The services provided are mainly provided by the ETSA Group and relate to:

- collection and processing of Category 1 and 2 organic matter from the bodies of farmed and domestic animals, in accordance with a contract with the DGAV - Direção Geral de Alimentação e Veterinária, as well as from slaughterhouses and other conventional collection centres; and
- packaging in refrigerated equipment, collection, transport, sorting and unpacking of Category 3 matter (meat and fish) and other foodstuffs (fresh or frozen), in bulk or packaged, from the network of modern retail shops and municipal markets.

Revenue is recognised on a monthly basis for services rendered on a regular and uniform basis to the modern retail network. For the contract with the DGAV, revenue is recognised for each service rendered, as calculated on a monthly basis.

ACCOUNTING ESTIMATES AND JUDGEMENTS

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, Cement and Derivatives, Other Businesses and Holdings, consistent with the way the Semapa Group's management team monitors and analyses performance.

FINANCIAL INFORMATION BY OPERATING SEGMENT IN 2023 AND 2022

H1 2023 Amounts in Euro	Notes	Pulp and Paper	Cement and Derivatives	Other businesses	Holdings	Intra-group cancellations	Total
Revenue		979,470,806	339,876,117	24,926,286	8,083,400	(8,135,169)	1,344,221,440
Other revenue (a)	2.2	27,104,045	49,841,493	123,362	1,755	-	77,070,655
Costs of goods sold and materials consumed	2.3	(468,418,834)	(123,021,739)	(7,399,801)	-	-	(598,840,374)
External services and supplies	2.3	(195,478,931)	(106,018,645)	(5,804,785)	(3,845,958)	8,135,169	(303,013,150)
Other expenses (b)	2.3	(89,676,760)	(89,174,819)	(4,779,432)	(4,520,581)	-	(188,151,592)
Depreciation and amortisation	3.6	(71,701,399)	(26,514,053)	(1,765,740)	(123,872)	-	(100,105,064)
Impairment losses	3.6	(823)	(2,597,476)	-	-	-	(2,598,299)
Net provisions	9.1	(1,289,652)	(2,430,556)	-	-	-	(3,720,208)
Interest expense	5.10	(13,006,253)	(12,932,193)	(62,474)	(5,544,926)	430	(31,545,416)
Group share of (losses)/gains of associates and joint ventures	10.3	-	28,971	-	1,167,180	-	1,196,151
Other financial gains and losses	5.10	4,520,901	(9,423,190)	44,351	3,122,088	(430)	(1,736,280)
Profit before tax		**171,523,100**	**17,633,910**	**5,281,767**	**(1,660,914)**	**-**	**192,777,863**
Income tax	6.1	(39,591,511)	3,080,317	(413,363)	(9,207,337)	-	(46,131,894)
Net profit for the period		**131,931,589**	**20,714,227**	**4 868 404**	**(10,868,251)**	**-**	**146,645,969**
Attributable to equity holders		**92,297,019**	**21,396,584**	**4,806,504**	**(10,868,251)**	**-**	**107,631,856**
Non-controlling interests	5.5	39,634,570	(682,357)	61,900	-	-	39,014,113
OTHER INFORMATION (30-06-2023)							
Total segment assets		2,668,230,118	1,393,051,430	319,206,173	164,360,652	(25,595,374)	4,519,252,999
Goodwill	3.1	156,934,152	179,170,476	189,096,845	-	-	525,201,473
Intangible assets	3.2	196,244,117	308,510,326	106,963	-	-	504,861,406
Property, plant and equipment	3.3	1,217,916,238	510,978,521	64,595,893	449,504	-	1,793,940,156
Biological Assets	3.7	119,602,477	-	-	-	-	119,602,477
Deferred tax assets	6.2	30,828,343	45,037,598	3,257,335	21,696,006	(9,447,532)	91,371,750
Investments in associates/joint ventures	10.3	-	912,802	6,250	35,926,508	-	36,845,560
Cash and cash equivalents	5.9	97,509,556	67,892,518	14,783,005	40,553,461	-	220,738,540
Total segment liabilities		1,599,280,768	924,440,811	48,050,481	328,273,941	(25,595,374)	2,874,450,627
Interest-bearing liabilities	5.7	670,016,879	345,256,279	18,726,403	297,199,154	(160,335)	1,331,038,380
Acquisition of property, plant and equipment	3.3	110,004,141	14,247,325	5,523,577	11,847	-	129,786,890

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

(b) Includes “Variation in production”, “Payroll costs” and “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 in compliance with the applicable accounting standards, as well as of the allocation of goodwill of the different segments, independently of the entity that holds the shareholding

H1 2022 Amounts in Euro	Notes	Pulp and Paper	Cement and Derivatives	Other businesses	Holdings	Intra-group cancellations	Total
Revenue		1,142,066,869	296,629,975	27,120,973	6,692,304	(6,783,274)	1,465,726,847
Other revenue (a)	2.2	15,655,032	34 754 572	608,310	11,810	-	51,029,724
Costs of goods sold and materials consumed	2.3	(443,207,487)	(107,333,376)	(6,363,645)	-	-	(556,904,508)
External services and supplies	2.3	(294,057,731)	(91,340,827)	(6,244,117)	(2,637,194)	6,783,274	(387,496,595)
Other expenses (b)	2.3	(75,877,513)	(61,872,868)	(5,336,073)	(4,169,662)	-	(147,256,116)
Depreciation and amortisation	3.4	(70,152,703)	(26,465,687)	(1,615,479)	(119,829)	-	(98,353,698)
Impairment losses	3.4	(12,263,545)	232,986	-	-	-	(12,030,559)
Net provisions	9.1	3,150,614	(1,711,366)	-	-	-	1,439,248
Interest expense	5.8	(7,694,241)	(10,805,994)	(19,385)	(2,871,542)	-	(21,391,162)
Group share of (losses)/gains of associates and joint ventures	10.3	-	(433,047)	-	2,066,198	-	1,633,151
Other financial gains and losses	5.8	(37,364,549)	(5,690,419)	(57,106)	504,544	-	(42,607,530)
Profit before tax		**220,254,746**	**25,963,949**	**8,093,478**	**(523,371)**	**-**	**253,788,802**
Income tax	6.1	(63,910,037)	(8,213,486)	(1,625,198)	9,156,513	-	(64,592,208)
Net profit for the period		**156,344,709**	**17,750,463**	**6,468,280**	**8,633,142**	**-**	**189,196,594**
Attributable to equity holders		**109,398,857**	**17,020,631**	**6,412,229**	**8,633,142**	**-**	**141,464,859**
Non-controlling interests	5.5	46,945,852	729,832	56,051	-	-	47,731,735
OTHER INFORMATION (31-12-2022)							
Total segment assets		2,844,231,449	1,329,926,151	109,770,383	293,793,164	(19,313,305)	4,558,407,842
Goodwill	3.1	122,907,528	176,961,949	38,936,950	-	-	338,806,427
Intangible assets	3.2	196,301,091	258,762,990	-	-	-	455,064,081
Property, plant and equipment	3.3	1,134,836,698	520,514,451	29,078,704	499,858	-	1,684,929,711
Biological Assets	3.5	122,499,874	-	-	-	-	122,499,874
Deferred tax assets	6.2	27,204,659	33,722,579	608,566	25,923,522	(1,578,958)	85,880,368
Investments in associates/joint ventures	10.3	-	549,997	6,250	37,823,495	-	38,379,742
Cash and cash equivalents	5.7	343,083,788	69,001,851	13,241,920	168,069,017	-	593,396,576
Total segment liabilities		1,703,645,286	886,265,648	20,145,525	334 038 730	(19,313,305)	2,924,781,884
Interest-bearing liabilities	5.6	725,301,722	375,227,211	591,859	286,537,234	(85,578)	1,387,572,448
Acquisition of property, plant and equipment	3.3	112,023,810	48 108 244	7,814,950	27,523	-	167,974,527

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

(b) Includes “Variation in production”, “Payroll costs” and “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 in compliance with the applicable accounting standards, as well as of the allocation of goodwill of the different segments, independently of the entity that holds the shareholding

PROPERTY, PLANT AND EQUIPMENT BY GEOGRAPHIC AREA

Amounts in Euro	**30-06-2023**		**31-12-2022**	
Portugal	1,531,497,681	85.37%	1,419,564,092	84.25%
Rest of Europe	4,861,807	0.27%	5,005,371	0.30%
America	196,428,928	10.95%	188 264 195	11.17%
Africa	53,517,700	2.98%	55,126,154	3.27%
Asia	7,634,040	0.43%	16,969,899	1.01%
	1,793,940,156	**100.00%**	**1,684,929,711**	**100.00%**

REVENUE BY BUSINESS SEGMENT, BY GEOGRAPHIC AREA AND BY RECOGNITION PATTERN

H1 2023	Pulp and paper	Cement and derivatives	Other businesses	Total Amount	Total %
Portugal	171,622,214	179,654,168	15,369,213	366,645,595	27.28%
Rest of Europe	546,836,594	31,070,478	8,247,296	586,154,368	43.61%
America	47,854,280	61,279,838	-	109,134,118	8.12%
Africa	83,617,100	44 904 077	-	128,521,177	9.56%
Asia	129,425,626	22,916,408	1,309,782	153,651,816	11.43%
Oceania	114,366	-	-	114,366	0.01%
	979,470,180	**339,824,969**	**24,926,291**	**1,344,221,440**	**100.00%**
Recognition pattern					
At a certain moment in time	979,470,180	339,824,969	17,277,144	1,336,572,293	99.43%
Over time	-	-	7,649,147	7,649,147	0.57%

H1 2022	Pulp and paper	Cement and derivatives	Other businesses	Total Amount	Total %
Portugal	210,079,379	148,116,170	16,322,643	374 518 192	25.55%
Rest of Europe	611,827,638	27,329,854	9,618,341	648,775,833	44.26%
America	127,376,670	60,409,482	-	187,786,152	12.81%
Africa	119,233,263	43,731,532	-	162,964,795	11.12%
Asia	73,547,118	16,951,967	1,179,989	91,679,074	6.25%
Oceania	2,801	-	-	2,801	0.00%
	1,142,066,869	**296,539,005**	**27,120,973**	**1,465,726,847**	**100.00%**
Recognition pattern					
At a certain moment in time	1,142,066,869	296,539,005	19,419,963	1,458,025,837	99.47%
Over time	-	-	7,701,010	7,701,010	0.53%

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

ACCOUNTING POLICIES

Government grants and other grants related to biological assets

Government grants are only recognised when there is a reasonable assurance that the grant will be received, and the Group will comply with all required conditions. Operating grants, received with the purpose of compensating the Group for costs incurred, are systematically recorded in the income statement during the periods in which the costs that those grants are intended to offset are recorded.

Grants related to biological assets (Note 3.7) carried at fair value, in accordance with IAS 41, are recognised in the income statement when the terms and conditions of the grant are met.

In the first half of 2023 and 2022, Other operating income is detailed as follows:

Amounts in Euro	H1 2023	H1 2022
Grants - CO_2 emission allowances	62,975,673	44,705,612
Operating grants	3,066,032	1,093,108
Gains on disposal of non-current assets	456,033	2,652,760
Compensation received	645,731	673,692
Own work capitalised	1,095,014	1,471,410
Gains on disposal of current assets	86,988	-
Supplementary gains	494,813	1,286,341
Regulation Reserve Band - REN	3,101,367	1,115,498
Income from waste treatment	755,086	567,986
Inventory gains	297,862	1,827,496
Other operating income	6,993,455	3,256,955
	79,968,054	**58,650,858**

The amount recorded under Grants - CO_2 emission allowances corresponds 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, so the reduction does not significantly impact the Group's net income for the period. The change in the amount compared to the same period of the previous year results essentially from the increase in the market price at which these licences are valued, corresponding to the price on the date on which they are awarded annually.

Operating grants include Euro 999,843 relating to the Recovery and Resilience Programme, as well as the Incentive relating to the Support Gas Programme of Euro 1,525,333, relating to the last quarter of 2022. This caption also includes grants awarded for research and development projects carried out by the RAIZ institute, such as the IdTecFor project (Euro 283,172), Replant (Euro 41,413), BL2F (Euro 19,905), B2Solutions (Euro 9,263), Bio4Portugal (Euro 6,599), INOV C+ (Euro 31,243), Move2LowC (Euro 18,876) and others (Euro 64,011). In the first half of 2023, Euro 76,609 was also received regarding the IEFP's ATIVAR Programme, which includes professional training, professional internships and reinforced support to hiring and entrepreneurship, which were considered as a deduction to Payroll costs.

Other operating income includes Euro 3,651,412 relating to the sale of UWF paper and tissue waste.

2.3 OTHER OPERATING EXPENSES

In the first half of 2023 and 2022, the caption Other operating expenses is detailed as follows:

Amounts in Euro	Notes	H1 2023	H1 2022
Costs of goods sold and materials consumed		**598,840,374**	**556,904,508**
Variation in production		**(28,173,578)**	**(60,314,852)**
External services and supplies			
Energy and fluids		62,098,175	131,359,244
Transportation of goods		94,272,964	128 658 594
Specialised work		60,137,673	53 973 958
Maintenance and repair		36,926,455	31,457,161
Fees		3,021,077	2,118,178
Insurance		8,239,706	7,340,396
Subcontracts		804,466	727,989
Other		37,513,214	31,861,075
		303 013 730	**387,496,595**
Payroll costs	**7.1**	**140,278,165**	**140,028,867**
Other operating expenses			
Membership fees		719,962	450,788
Donations		274,127	350,161
Costs with CO_2 emissions		61,236,655	47,515,007
Impairment losses on receivables		(1,701,187)	674,713
Impairment losses on inventories	4.1	6,448,632	10,148,136
Other inventory losses		3,156,001	791,124
Indirect taxes and fees		1,996,661	2,987,298
Losses on disposal of non-current assets		56,204	200,090
Other operating expenses		3,859,950	4 424 784
		76,047,005	**67,542,101**
Net provisions	**9.1**	**3,720,208**	**(1,439,248)**
Total operating expenses		**1,093,725,904**	**1,090,217,971**

In the first half 2023, there was a slowdown in costs, namely in logistics and energy. In energy, there was a significant reduction in the purchase price of electricity compared with the same period of the previous year, as well as a reduction in natural gas consumption, which had an impact on the reduction in energy sales of around Euro 58 million.

The increase in specialised work results essentially from the increase in costs with projects to support and diversify the Group's activity.

As at 30 June 2023 and 2022, external services and supplies costs incurred for investigation and research activities amounted to Euro 2,915,208 and Euro 2,237,148, respectively.

In 2023, the caption impairment losses on inventories includes the recognition of an impairment on pulp stock in the amount of Euro 4,332,161. In 2022 this caption recorded the increase in impairment for UWF and Tissue paper waste (Euro 4,899,869) and, additionally, an impairment of Euro 4,443,295 for the surplus spare parts in inventories, in view of future investment prospects and the remaining useful lives of industrial equipment.

In the first half of 2023, the increase in Other inventory losses was mainly due to inventory adjustments in wood (Euro 612,000), pulp (Euro 730,000) and UWF paper (Euro 967,000).

3 INVESTMENTS

3.1 GOODWILL

ACCOUNTING POLICIES

Goodwill represents the difference between the fair value of the cost of acquisition and the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries included in the consolidation on the acquisition date and is allocated to each CGU or to the lower group of CGUs to which it belongs.

Amortisation and impairment	Goodwill is not amortised. The Group annually carries out impairment tests to the goodwill, or where there are signs of impairment. The recoverable amounts of cash-generating units are determined as the higher of value in use and fair value less cost of sale. Impairment losses on goodwill cannot be reversed.
Disposals and loss of control	Gains or losses arising from the sale or loss of control over an entity or business to which Goodwill is allocated include the amount of the corresponding goodwill.
Acquisitions in a currency other than the presentation currency	Goodwill generated on the acquisition of a foreign entity is recorded in the functional currency of that entity and translated into the reporting currency of the Group (Euro), at the exchange rate prevailing at the balance sheet date. The exchange differences generated by this translation are recorded under the caption Currency translation reserve (Note 5.5) as other comprehensive income.
Tax deductibility	Derived from the current tax legislation in Portugal, it is not expected that Goodwill generated or to be recognised will be tax deductible. In other geographies where the Group operates, the tax treatment is different.

GOODWILL – NET AMOUNT

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

Amounts in Euro	30-06-2023	31-12-2022
Pulp and paper	156,934,152	122,907,528
Cement and Derivatives	179,170,476	176,961,949
Other businesses	189,096,845	38,936,950
	525,201,473	**338,806,427**

MOVEMENTS IN THE PERIOD

Amounts in Euro	30-06-2023	31-12-2022
Net book value at the beginning of the period	**338,806,427**	**333,842,893**
Acquisitions	184,186,519	228,547
Adjustments	-	127,750
Exchange rate adjustment	2,208,527	4,607,238
Net book value at the end of the period	**525,201,473**	**338,806,427**

On 31 March 2023, the Navigator Group completed the acquisition of the entire share capital of Gomà-Camps Consumer, S.L.U., based in Zaragoza, Spain, which in turn holds the entire share capital of Gomà-Camps France SAS, based in Castres, France. These companies were renamed Navigator Tissue Ejea, S.L.U. and Navigator Tissue France SAS, respectively. The Enterprise Value of this acquisition amounted to Euro 85 million, with an initial goodwill of Euro 34,026,624.

In June 2023, Semapa, through its 100% owned subsidiary Aphelion, S.A., acquired a 100% stake in Triangle's - Cycling Equipments, S.A., a company with its head office in Águeda, Portugal. The price paid on that date was Euro 178.7 million, including Euro 12.1 million in shareholder credits, and a possible additional component to be paid until 2027 which will depend on the company's performance and the fulfilment of certain conditions. The initial goodwill amounted to Euro 150 million. The financial statements for the period ended 30 June 2023 do not include any of Triangle's operations.

As at this date, the Group is carrying out the necessary procedures to recognise and measure the identifiable assets acquired, the liabilities assumed and consequently the calculation of the goodwill or gain resulting from the operation, in accordance with IFRS 3. This valuation is being carried out by external and independent valuers. If new information is obtained up to one year after the acquisition regarding facts and circumstances prevailing on the acquisition date, this will be reflected in the fair value (see note 1.2).

3.2 INTANGIBLE ASSETS

ACCOUNTING POLICIES

Intangible assets are recorded at acquisition cost less amortisation and impairment losses, on a straight-line basis over a period varying between 3 and 5 years, and annually for CO_2 emission allowances.

Given the lack of accounting standards for the recognition and measurement of CO_2 allowances, the policy defined by management is as follows:

CO_2 emission rights	
Recognition of allowances granted free of charge and subsequent measurement	CO_2 emission allowances attributed to the Group within the European Union Emissions Trading Scheme (EU ETS) for the assignment of CO_2 emission allowances at no cost, gives rise to an intangible asset for the allowances, a grant and a liability for the obligation to deliver allowances equal to the emissions that have been made during the compliance period. Emission allowances are only recorded as intangible assets when the Group is able to exercise control and are measured at fair value (level 1) at the date of initial recognition. When the market value of the emission allowances falls significantly below its book value and such decrease is considered permanent, an impairment charge is booked for allowances which the group will not use internally. The liability to deliver allowances is recognised based on actual emissions (Note 4.3 - Payables and other liabilities). This liability will be settled using allowances on hand, measured at the book value of those allowances. Any additional emissions are valued at market value as at the reporting date.
Recognition in the income statement	In the Consolidated Income Statement, the Group expenses, under Other costs and losses, actual emissions at fair value at the grant date, except for acquired allowances, where the expense is measured at their purchase price. These expenses will offset other operating income resulting from the recognition of the original grant (also recognised in the income statement at fair value at the date of attribution) and the release or sale of any allowances in excess. The effect on the Income statement will, therefore, be neutral regarding the consumption of granted allowances. Any effect on the Income Statement will result from the purchase of additional allowances to cover excess emissions, from the sale of effective consumption or from impairment losses recorded to allowances that are not used at operational level.
Brands	
Recognition and initial measurement	Whenever brands are identified in a business combination, the Group recognises them separately and they are measured at fair value on the date of acquisition.
Subsequent measurement and impairment	At cost, net of accumulated impairment losses. Brands are not subject to amortisation as they are not considered to have a defined useful life. The Group annually carries out impairment tests to brands, or where there are signs of impairment.

INTANGIBLE ASSETS DEVELOPED INTERNALLY

ACCOUNTING POLICIES

Development expenses are only recognised as intangible assets to the extent that the technical capacity to complete the development of the asset is demonstrated and that it is available for own use or commercialisation. Expenses that do not meet these requirements, namely research expenses, are recorded as costs when incurred.

ACCOUNTING ESTIMATES AND JUDGEMENTS

BRANDS

As at 30 June 2023 and 31 December 2022, the net amount of brands was detailed as follows:

Amounts in Euro	30-06-2023	31-12-2022
Pulp and paper		
Navigator	107,568,000	107,568,000
Soporset	43,919,000	43,919,000
My Tissue / My Tissue Ecological +	2,400,000	-
Cement and Derivatives		
Secil Portugal	71,700,000	71,700,000
Supremo (Brazil)*	17,507,689	16,545,521
Other	300	299
	243,094,989	**239,732,820**

** The amount of these brands is subject to exchange rate differences.*

CO_2 ALLOWANCES

In the first half of 2023 and in 2022, the movement in CO_2 allowances was as follows:

	30-06-2023		31-12-2022	
Amounts in Euro	Tonnes	Amount	Tonnes	Amount
Opening balance	**2,901,068**	**189,631,053**	**2,970,325**	**93,213,066**
Allowances granted free of charge	1,820,620	155,932,941	1,799,780	151,199,518
CO_2 allowances acquired	-	-	48,000	3,251,520
CO_2 allowances returned to the Licensing Coordinating Entity	(1,856,496)	(116,593,306)	(1,917,037)	(58,033,051)
Closing balance	**2,865,192**	**228,970,688**	**2,901,068**	**189,631,053**

As at 30 June 2023 and 31 December 2022, the Group had CO_2 allowances recorded in accordance with the policy described above, with the following detail:

Amounts in Euro	30-06-2023	31-12-2022
CO_2 allowances (tonnes)	2,865,192	2,901,068
Average unit value	79.91	65.37
	228,970,688	**189,631,053**
Market price	**88.46**	**81.49**

MOVEMENTS IN INTANGIBLE ASSETS

Amounts in Euro	Brands	Industrial property and other rights	CO_2 emission allowances	Assets in progress	Total
Gross amount					
Balance as at 1 January 2022	**267,105,857**	**45,988**	**93,213,066**	**9,312,379**	**369,677,290**
Change in the perimeter (Note 10.2)	-	291,951	-	-	291,951
Acquisitions/Attributions	-	-	154,451,038	16,213,285	170,664,323
Adjustments, transfers and write-offs	(2)	-	(58,033,051)	2	(58,033,051)
Exchange rate adjustment	1,371,559	(88,342)	-	-	1,283,217
Balance as at 31 December 2022	**268,477,414**	**249,597**	**189,631,053**	**25,525,666**	**483,883,730**
Changes in the perimeter	-	1,949,087	-	-	1,949,087
Acquisitions/Attributions	2,400,000	-	155,932,941	6,805,263	165,138,204
Adjustments, transfers and write-offs	-	522,645	(116,593,306)	(522,645)	(116,593,306)
Exchange rate adjustment	287,665	(112,743)	-	-	174,922
Balance as at 30 June 2023	**271,165,079**	**2,608,586**	**228,970,688**	**31,808,284**	**534,552,637**
Accumulated amortisation and impairment losses					
Balance as at 1 January 2022	**(24,563,091)**	**(45,988)**	**-**	**-**	**(24,609,079)**
Amortisation for the period	-	(20,579)	-	-	(20,579)
Impairment losses for the period	(4,807,158)	-	-	-	(4,807,158)
Adjustments, transfers and write-offs	8,487	(8,487)	-	-	-
Exchange rate adjustment	617,168	-	-	-	617,168
Balance as at 31 December 2022	**(28,744,594)**	**(75,054)**	**-**	**-**	**(28,819,648)**
Changes in the perimeter	-	(1,428,212)	-	-	(1,428,212)
Amortisation for the period	-	(117,875)	-	-	(117,875)
Adjustments, transfers and write-offs	-	(1)	-	-	(1)
Exchange rate adjustment	674,504	-	-	-	674,504
Balance as at 30 June 2023	**(28,070,090)**	**(1,621,142)**	**-**	**-**	**(29,691,232)**
Net book value as at 1 January 2022	**242,542,766**	**-**	**93,213,066**	**9,312,379**	**345,068,211**
Net book value as at 31 December 2022	**239,732,820**	**174,544**	**189,631,053**	**25,525,666**	**455,064,081**
Net book value as at 30 June 2023	**243,094,989**	**987,444**	**228,970,688**	**31,808,284**	**504,861,406**

As part of the acquisition of the consumer Tissue business in Spain (Note 3.1), two brands previously owned by the Gomà-Camps Group (My Tissue e My Tissue Ecological+) were also acquired for the amount of Euro 2,400,000.

3.3 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICIES

<table>
<tr><th></th><th></th></tr>
<tr><td>Recognition and initial measurement</td><td>Property, plant and equipment acquired up to 1 January 2004 (date of transition to IFRS) are recorded at acquisition cost, or revalued acquisition cost in accordance with generally accepted accounting principles in Portugal up to that date, less depreciation and accumulated impairment losses.

Property, plant and equipment acquired after the transition date are stated at acquisition cost less depreciation and impairment losses.</td></tr>
<tr><td>Depreciation and impairment</td><td>We use the straight-line method from the moment the asset is available for use and using the rates that best reflect their estimated useful life.

Depreciation of land is based on the estimated average useful life of the land, taking into account the period of raw material extraction.

<table>
<tr><th>Estimated useful life (in years)</th><th></th></tr>
<tr><td>Land</td><td>14</td></tr>
<tr><td>Buildings and other constructions</td><td>12 – 30</td></tr>
<tr><td>Basic equipment</td><td>6 – 25</td></tr>
<tr><td>Transportation equipment</td><td>4 – 9</td></tr>
<tr><td>Tools</td><td>2 – 8</td></tr>
<tr><td>Administrative equipment</td><td>4 – 8</td></tr>
<tr><td>Returnable containers</td><td>6</td></tr>
<tr><td>Other property, plant and equipment</td><td>4 – 10</td></tr>
</table>

The residual values of the assets and respective useful lives are reviewed and adjusted, if necessary, on the date of the consolidated statement of financial position. When the carrying amount of the asset exceeds its realisable value, the asset is written down to the estimated recoverable amount, and an impairment charge is recorded (Note 3.6).</td></tr>
<tr><td>Subsequent costs</td><td>Scheduled maintenance expenses are considered a component of the acquisition cost of property, plant and equipment and are fully depreciated by the next forecasted maintenance date.

All other repairs and maintenance costs are charged in the financial period in which they are incurred.</td></tr>
<tr><td>Spare and maintenance parts</td><td>Spare parts are considered strategic as they are directly related to production equipment and their use is expected to last for more than two economic years. Maintenance parts considered as “critical spare parts” are recognised in non-current assets, as Property, plant and equipment. Respecting this classification, spare parts are depreciated from the moment they become available for use and are assigned a useful life that follows the nature of the equipment, where they are expected to be integrated, not exceeding the remaining useful life of these.</td></tr>
<tr><td>Borrowing costs</td><td>Borrowing costs directly related to the acquisition or construction (if the construction or development period exceeds one year) of property, plant and equipment are capitalised and form part of the asset’s cost.

During the periods presented, no financial charges for loans directly related to the acquisition or construction of property, plant and equipment were capitalised.</td></tr>
<tr><td>Write-offs and disposals</td><td>Gains or losses arising from the write-off or disposal represent the difference between the proceeds received on disposal less costs to sell and the asset’s book value and are recognised in the income statement as Other operating income (Note 2.2) or Other operating expenses (Note 2.3).</td></tr>
</table>

RECOVERABILITY OF PROPERTY, PLANT AND EQUIPMENT

The recoverability of property, plant and equipment requires the Board of Directors to use estimates and assumptions, namely, whenever applicable, regarding the determination of the value in use for impairment tests to the Group's cash-generating units.

USEFUL LIFE AND DEPRECIATION

Property, plant and equipment present the most significant component of the Group's total assets. These assets are subject to systematic depreciation for the period that is determined to be their economic useful life. The determination of assets useful lives and the depreciation method to be applied is essential to determine the amount of depreciation to be recognised in the consolidated income statement of each period.

These two parameters are defined according to the best judgement of the Board of Directors for the assets and businesses in question, also considering the practices adopted by companies of the sector at the international level and the evolution of the economic conditions in which the Group operates.

Given the importance of this estimate, the Group uses, with some regularity, external and independent experts to assess the adequacy of the estimates used.

MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

Amounts in Euro	Land	Buildings and other constructions	Equipment and other tangibles	Assets under construction	Total
Gross amount					
Balance as at 1 January 2022	**410,517,158**	**1,060,308,466**	**5,585,743,580**	**79,847,286**	**7,136,416,491**
Changes in the perimeter	-	(6,509,309)	(6,703,628)	(25,000)	(13,237,937)
Acquisitions	-	46,938	14,266,529	153,661,060	167,974,527
Disposals	(915,733)	(746,469)	(59,070,707)	-	(60,732,909)
Adjustments, transfers and write-offs	2,627,452	5,172,791	57,418,961	(75,021,846)	(9,802,642)
Exchange rate adjustment	(2,819,309)	4,949,595	(7,647,111)	112,165	(5,404,660)
Effect of hyperinflationary economies	2,561,401	25,673,176	83,674,472	227,969	112,137,018
Balance as at 31 December 2022	**411,970,969**	**1,088,895,188**	**5,667,682,096**	**158,801,634**	**7,327,349,888**
Changes in the perimeter	2,904,519	25,721,778	85,771,154	6,373,911	120,771,362
Acquisitions	-	-	14,360,151	115,426,739	129,786,890
Disposals	(9,948)	(226,005)	(2,785,603)	(70,391)	(3,091,947)
Adjustments, transfers and write-offs	225,127	983,306	57,242,103	(59,046,218)	(595,682)
Exchange rate adjustment	(8,770,369)	(14,782,243)	(70,552,501)	(859,434)	(94,964,547)
Balance as at 30 June 2023	**406,320,298**	**1,100,592,024**	**5,751,717,400**	**220,626,241**	**7,479,255,964**
Accumulated depreciation and impairment losses					
Balance as at 1 January 2022	**(96,778,125)**	**(717,526,683)**	**(4,585,854,009)**	**(3,528,415)**	**(5,403,687,232)**
Changes in the perimeter	-	5,656,139	5,683,105	-	11,339,244
Depreciation for the period	(5,385,708)	(28,323,068)	(187,273,627)	-	(220,982,403)
Disposals	701	696,752	56,409,969	-	57,107,422
Impairment losses	-	43,185	(8,612,297)	-	(8,569,112)
Adjustments, transfers and write-offs	5,504	286,587	10,291,688	-	10,583,779
Exchange rate adjustment	2,429,700	792,534	18,084,177	-	21,306,411
Effect of hyperinflationary economies	3,860,775	(15,532,841)	(97,846,221)	-	(109,518,287)
Balance as at 31 December 2022	**(95,867,153)**	**(753,907,395)**	**(4,789,117,215)**	**(3,528,415)**	**(5,642,420,178)**
Changes in the perimeter	-	(9,472,267)	(36,753,991)	-	(46,226,258)
Depreciation for the period	(2,667,552)	(10,073,606)	(79,960,938)	-	(92,702,096)
Disposals	13,130	226,005	2,731,158	-	2,970,293
Impairment losses	-	14,033	(2,611,509)	-	(2,597,476)
Adjustments, transfers and write-offs	(11,193)	5,036,044	(4,512,351)	-	512,500
Exchange rate adjustment	952,315	11,063,315	83,131,777	-	95,147,407
Balance as at 30 June 2023	**(97,580,453)**	**(757,113,871)**	**(4,827,093,069)**	**(3,528,415)**	**(5,685,315,808)**
Net book value as at 1 January 2022	**313,739,034**	**342,781,783**	**999,889,571**	**76,318,871**	**1,732,729,259**
Net book value as at 31 December 2022	**316,103,816**	**334,987,794**	**878,564,881**	**155,273,219**	**1,684,929,711**
Net book value as at 30 June 2023	**308,739,845**	**343,478,153**	**924,624,331**	**217,097,826**	**1,793,940,156**

As at 30 June 2023, the caption Assets under construction includes investments associated with ongoing development projects, in particular those related to the new Recovery Boiler in Setúbal (Euro 49,740,325), the new wood preparation line in Figueira da Foz

(Euro 24,390,364), the new evaporation line in Aveiro (Euro 14,165,363), the new natural gas boiler in Setúbal (Euro 4,681,704), the new bleaching tower in Aveiro (Euro 2,250,000) and the upgrade of the control system for Coiler 1 in Figueira da Foz (Euro 2,224,724). The remainder is related to several projects for improving and optimising the production process.

The caption Adjustments, transfers and write-offs refer essentially to the transfer of assets under construction to the remaining items of property, plant and equipment, made effective at the time they were available for the intended use.

During the first half of 2023 and the financial year 2022, no financial charges were capitalised on loans directly related to the acquisition, construction or production of property, plant and equipment. Additionally, as at 30 June 2023 and 31 December 2022 there are no property, plant and equipment given as collateral.

The commitments assumed by the Group for the acquisition of property, plant and equipment are detailed in Note 9.2 - Commitments.

3.4 GOVERNMENT GRANTS

ACCOUNTING POLICIES

Government grants received to compensate the Group for investments made in Property, plant and equipment, including those attributed as tax credits, are classified as Deferred income (Note 4.3 - Payables and other liabilities) and are recognised in income over the estimated useful life of the respective subsidised assets, and are associated with the depreciation of the period (Note 3.6), for presentation purposes.

GOVERNMENT GRANTS REFUNDABLE

Government grants, in the form of loans refundable at a subsidised rate, are discounted on the date of initial recognition based on the market interest rate at the date of grant, the value of the discount constituting the value of the grant to be amortised over the period of the loan or asset whose acquisition it is intended to finance, depending on the activities financed. These liabilities are included in Payables and other liabilities (Note 4.3).

GOVERNMENT GRANTS - DETAIL

Amounts in Euro	Nature	30-06-2023	31-12-2022
Under AICEP contracts			
Enerpulp, S.A.	Financial	216,985	254,071
Navigator Pulp Aveiro, S.A.	Financial/Fiscal	4,618,069	5,315,822
Navigator Pulp Setúbal, S.A.	Financial	40,177	52,676
Navigator Pulp Figueira, S.A.	Financial/Fiscal	7,827,550	8,184,597
Navigator Parques Industriais, S.A.	Financial	1,780,605	1,810,283
Navigator Tissue Aveiro, S.A.	Financial/Fiscal	10,603,771	10,964,744
Triangle's - Cycling Equipments, S.A	Financial	1,865,285	
Under the Recovery and Resilience Plan			
Navigator Forest Portugal, S.A.	Financial	36,510	36,510
Viveiros Aliança, SA	Financial	20,800	20,800
Navigator Pulp Aveiro, S.A.	Financial	6,770,616	38,336
Navigator Paper Setúbal, S.A.	Financial	8,130,953	-
Navigator Pulp Figueira, S.A.	Financial	1,408,219	520,678
Raiz	Financial	2,247,165	122,560
Triangle's - Cycling Equipments, S.A	Financial	2,734,745	
Other			
Raiz	Financial	1,272,452	2,007,338
Viveiros Aliança, SA	Financial	-	98
Navigator Pulp Setúbal, S.A.	Financial	4,488,046	4,488,046
Navigator Tissue Ejea, SLU	Financial	391,686	-
Secil | Clean Cement Line	Financial	9,403,349	9,403,349
Closing balance		**63,856,983**	**43,219,908**

GOVERNMENT GRANTS - MOVEMENTS

Amounts in Euro	30-06-2023	31-12-2022
Opening balance	**43,219,908**	**39,157,109**
Changes in the perimeter	**4,600,031**	-
Granting	17,875,379	7,167,892
Charge-off	(1,821,887)	(3,398,204)
Other	(16,448)	293,111
Closing balance	**63,856,983**	**43,219,908**
Of a financial nature	*46,789,735*	*25,319,459*
Of a fiscal nature	*17,067,248*	*17,900,449*

The Group expects to recognise subsidies in earnings as follows:

Amounts in Euro	30-06-2023	31-12-2022
2023	1,821,887	3,278,135
2024	3,247,959	3,237,288
2025	2,630,665	2,619,995
2026	2,533,430	2,522,759
2027	1,929,680	1,919,810
2028	1,917,393	1,917,393
From 2028 onwards	49,775,969	27,724,528
	63,856,983	**43,219,908**

The attributions for the period relate to the sums allocated under the Recovery and Resilience Plan.

3.5 RIGHT-OF-USE ASSETS

ACCOUNTING POLICIES

At the date the lease enters into force, the Group recognises a right-of-use asset at its cost, which corresponds to the initial amount of the lease liability adjusted for: i) any prepayments; ii) lease incentives received; and iii) initial direct costs incurred. To the right-of-use asset, the estimate of removing and/or restoring the underlying asset and/or the location where it is located may be added, when required by the lease agreement.

The right-of-use asset is subsequently depreciated using the straight-line method, from the start date until the lower between the end of the asset's useful life and the lease term. Additionally, the right-of-use asset reduced of impairment losses, if any, and adjusted for any remeasurement of the lease liability.

The useful life considered for each class of right-of-use asset is equal to the useful life of Property, plant and equipment (Note 3.3) in the same class when there is a call option and the Group expects to exercise it.

SHORT-TERM LEASES AND LOW-VALUE ASSET LEASES

The Group recognises payments for leases of 12 months or less and for leases of assets whose individual acquisition value is less than USD 5,000 directly as operating expenses for the period, on a straight-line basis.

MOVEMENTS IN RIGHT-OF-USE ASSETS

Amounts in Euro	Industrial property and other rights	Land	Buildings and other constructions	Equipment and other tangibles	Total
Gross amount					
Balance as at 1 January 2022	**1,194,173**	**69,042,187**	**10,607,148**	**53,835,526**	**134,679,034**
Changes in the perimeter	-	(984,268)	-	-	(984,268)
Acquisitions	2,822	9,443,325	636,395	13,373,491	23,456,033
Disposals	-	-	-	(25,000)	(25,000)
Adjustments, transfers and write-offs	(1,857)	(155,823)	(685,240)	(3,585,565)	(4,428,485)
Exchange rate adjustment	-	14,168	34,834	201,653	250,655
Balance as at 31 December 2022	**1,195,138**	**77,359,589**	**10,593,137**	**63,800,105**	**152,947,969**
Changes in the perimeter	-	-	-	-	-
Acquisitions	-	6,553,704	748,302	5,482,961	12,784,967
Adjustments, transfers and write-offs	-	(118,049)	(277,622)	(1,534,944)	(1,930,615)
Exchange rate adjustment	-	(2,906)	(44,192)	109,353	62,255
Balance as at 30 June 2023	**1,195,138**	**83,792,338**	**11,019,625**	**67,857,475**	**163,864,576**
Accumulated amortisation, depreciation and impairment losses					
Balance as at 1 January 2022	**(374,109)**	**(11,648,622)**	**(4,445,576)**	**(20,812,363)**	**(37,280,670)**
Changes in the perimeter	-	207,517	-	-	207,517
Depreciation and Impairment losses (Note 3.6)	(69,434)	(5,066,941)	(1,576,152)	(13,005,137)	(19,717,664)
Disposals	-	-	-	23,750	23,750
Adjustments, transfers and write-offs	1,857	72,729	429,518	4,647,891	5,151,995
Exchange rate adjustment	-	643	11,684	(156,548)	(144,221)
Balance as at 31 December 2022	**(441,686)**	**(16,434,674)**	**(5,580,526)**	**(29,302,407)**	**(51,759,293)**
Changes in the perimeter	-	-	-	-	-
Depreciation and Impairment losses (Note 3.6)	(119,796)	(2,660,021)	(813,271)	(6,150,391)	(9,743,479)
Adjustments, transfers and write-offs	-	56,566	265,973	1,166,678	1,489,217
Exchange rate adjustment	-	5,943	61,177	(42,676)	24,444
Balance as at 30 June 2023	**(561,482)**	**(19,032,186)**	**(6,066,647)**	**(34,328,796)**	**(59,989,111)**
Net book value as at 1 January 2022	820,064	57,393,565	6,161,572	33,023,163	97,398,364
Net book value as at 31 December 2022	753,452	60,924,915	5,012,611	34,497,698	101,188,676
Net book value as at 30 June 2023	**633,656**	**64,760,152**	**4,952,978**	**33,528,679**	**103,875,465**

The item Land essentially refers to rights to use the existing land for forestry exploitation by the subsidiary Navigator, whose agreements usually have a duration of 24 years, and may be cancelled in advance if the 2nd logging takes place before the 24th year of the term.

3.6 DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

In the first six months of 2023 and 2022, Depreciation, amortisation and impairment losses were detailed as follows:

Amounts in Euro	Notes	H1 2023	H1 2022
Depreciation of property, plant and equipment for the period		92,949,114	91,608,114
Government grants used		(2,069,560)	(1,981,459)
Depreciation of property, plant and equipment, net of grants charged-off		**90,879,554**	**89,626,655**
Impairment on property, plant and equipment - reversals		(14,033)	12,058,017
Impairment on property, plant and equipment - losses		2,611,509	(28,281)
Impairment losses on property, plant and equipment for the period	**3.3**	**2,597,476**	**12,029,736**
Amortisation of intangible assets for the period	**3.2**	**117,875**	**16,108**
Depreciation of right-of-use assets for the period	**3.5**	**9,743,479**	**9,332,088**
Depreciation of investment properties		383	383
Impairment losses on investment properties		823	823
ICMS - Value-added tax on goods and services included in depreciation (Brazil)		(636,227)	(621,536)
		102,703,363	**110,384,257**

The subsidiary Navigator regularly uses external and independent experts to assess its industrial assets, as well as to assess the adequacy of the estimates used in terms of the useful lives of these assets.

During 2022, the subsidiary Navigator requested an external valuation of its assets by an independent entity, which estimated the useful life of the assets, taking into account current conditions and functional obsolescence. The study took into account technical information on the assets allocated to the production centres, including the technical, physical and technological durability of the equipment.

3.7 BIOLOGICAL ASSETS

ACCOUNTING POLICIES

The Group's biological assets comprise the forests held for the production of timber, suitable for incorporating in the production of BEKP or for sale on the market, mostly eucalyptus, but also include other species such as pine and cork oak.

Biological assets are measured at fair value, less estimated selling costs at the time of logging.

Fair Value (level 3 of the IFRS 13 fair value hierarchy)	When calculating the fair value of forests, the Group uses the discounted cash flows method, based on a model developed in house, regularly tested by external and independent valuers. In the model developed, assumptions are considered corresponding to the nature of the assets under evaluation, namely, the development cycle of the different species, the productivity of the forests, the wood sales price (when there is an active market) less the cost of logging, the rents of own, leased land, replanting and transport, the costs of planting and maintenance, the cost inherent in leasing the forest land, and the discount rate. The discount rate corresponds to a market rate without inflation, in a manner consistent with the structure of projections, determined on the basis of the Navigator Group's expected rate of return on its forests, which are intended to be sold intragroup.

Concession areas	The costs incurred with the site preparation before the first forestation are recorded as property, plant and equipment and depreciated in line with its expected useful lives corresponding to the concession period.
Change of estimates	Changes in estimates of growth, logging period, price, cost and other assumptions are recognised in the income statement as fair value adjustments of biological assets.
Logging	At the time of logging, wood is recognised at fair value less estimated costs, from that point until the point of sale, which is the initial cost of the inventory.

ACCOUNTING ESTIMATES AND JUDGEMENTS

ASSUMPTIONS

Assumptions corresponding to the nature of the assets being valued were considered:

- Productivity of forests;
- Wood selling price (when there is an active market) less the cost of logging, rents for own, rented and leased land, replanting and transport, planting and maintenance costs, the cost inherent in leasing forest land;
- As at 30 June 2023, the discount rate used corresponds to 5.17% (31 December 2022: 5.17%). It should be noted that the Group incorporates the fire risk into the model's cash flows. If this risk were incorporated into the discount rate, it would be of 7%.

The amount of biological assets, calculated according to the expected harvest of the various species, corresponds to the following expectations of future production:

	30 June 2023	31 December 2022
Eucalyptus (Portugal) - Potential future of wood extractions k m3ssc	10,439	10,371
Eucalyptus (Mozambique) - Potential future of wood extractions k m3ssc (1)	3,870	4,451
Pine (Portugal) - Potential future of wood extractions k tonnes	303	309
Pine (Portugal) - Potential future of pine extractions k tonnes	n/a	n/a
Cork oak (Portugal) - Potential future of cork extractions k @	478	563

Concerning Eucalyptus, the most relevant biological asset in the financial statements, the Group extracted, in the six-month periods ended 30 June 2023 and 2022, 355,424 m3ssc and 298,379 m3ssc of wood from its owned and explored forests, respectively.

As at 30 June 2023 and 31 December 2022, (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 grants related to biological assets recognised in the Group's consolidated financial statements.

DETAIL OF BIOLOGICAL ASSETS

Amounts in Euro	30-06-2023	31-12-2022
Eucalyptus (Portugal)	92,578,245	93,301,990
Eucalyptus (Spain)	2 662 487	2 932 530
Pine (Portugal)	7,675,150	8,149,506
Cork oak (Portugal)	665,870	819,980
Other species (Portugal)	73,167	73,108
Eucalyptus (Mozambique)	15,947,559	17,222,761
	119,602,477	**122,499,874**

3.8 NON-CURRENT ASSETS HELD FOR SALE

ACCOUNTING POLICIES

Non-current assets (or discontinued operations) are classified as held for sale if their value can be realised mainly through a sale transaction rather than through their continued use.

This is considered to be the case only when: (i) the sale is highly probable and the asset is available for immediate sale in its present condition, (ii) the Group has assumed a commitment to sell, and (iii) it is expected that the sale will take place within a period of 12 months.

Measurement and presentation	From the moment property, plant and equipment is classified as non-current assets held for sale, they are measured at the lower of book value or at fair value less costs to sell and their depreciation ceases. When the fair value less costs to sell is lower than the book value, the difference is recognised in the income statement.
Disposals	Gains or losses on disposals of non-current assets, determined by the difference between the sale price and the respective net book value, are recognised in the income statement as Other operating income (Note 2.2) or Other operating expenses (Note 2.3).

As at 30 June 2023 and 31 December 2022, the assets held for sale, in the amount of Euro 1,008,000, correspond essentially to land in the Cement and derivatives segment.

3.9 INVESTMENT PROPERTIES

ACCOUNTING POLICIES

The Group classifies the assets held for the purpose of capital appreciation and/or the generation of rental income as investments properties in the consolidated financial statements.

Measurement	An investment property is initially measured by its acquisition or production cost, including the transaction costs that are directly attributable to it. After initial recognition, investment properties are measured at cost less amortisation and impairment losses. Subsequent expenditure is capitalised only when it is probable that it will result in future economic benefits to the entity comparing to those considered in the initial recognition

MOVEMENTS IN INVESTMENT PROPERTIES

Amounts in Euro	30-06-2023	31-12-2022
Opening balance	366,436	368,848
Amortisation and impairment losses	(1,206)	(2,412)
	365,230	**366,436**

These assets consist essentially of land and buildings held for rental and/or capital valuation purposes and are not related to the Group's operating activity nor do they have any future use determined.

4 WORKING CAPITAL

4.1 INVENTORIES

ACCOUNTING POLICIES

Goods and raw materials	Goods and raw, subsidiary and consumable materials are valued at the lower of their purchase cost or their net realisable value. The purchase cost includes ancillary costs and it is determined using the weighted average cost as the valuation method.
Finished and intermediate products and work in progress	Finished and intermediate products and work in progress are valued at the lower of their production cost (which includes incorporated raw materials, labour and general manufacturing costs, based on a normal production capacity level) or their net realisable value. The net realisable value corresponds to the estimated selling price, after deducting estimated completion and selling costs. The difference between production cost and net realisable value, if lower, are recorded as an operational cost.

4.1.1 INVENTORIES – DETAIL BY NATURE

AMOUNTS NET OF ACCUMULATED IMPAIRMENT LOSSES

Amounts in Euro	30-06-2023	31-12-2022
Raw materials	219,590,375	190,967,739
Goods	12,389,646	16,861,148
By-products and waste	355,513	730,540
	232,335,534	**208,559,427**
Finished and semi-finished products	210,607,949	181,431,055
Goods and work in progress	7,464,195	3,496,998
	218,072,144	**184,928,053**
Total	**450,407,678**	**393,487,480**

4.1.2 INVENTORIES – DETAIL BY SEGMENT AND GEOGRAPHY

Amounts in Euro	30-06-2023	%	31-12-2022	%
Pulp and paper				
Portugal	286,645,474	81.3%	245,248,393	82.1%
Rest of Europe	22,668,872	6.4%	18,581,866	6.2%
America	43,170,385	12.2%	34,898,958	11.7%
	352,484,731	**100.0%**	**298,729,217**	**100.0%**
Cement and derivatives				
Portugal	40,521,897	46.0%	47,400,250	51.3%
Rest of Europe	2,656,627	3.0%	2,440,682	2.6%
America	14,890,573	16.9%	14,952,106	16.2%
Africa	24,495,155	27.8%	25,801,252	27.9%
Asia	5,467,963	6.2%	1,791,680	1.9%
	88,032,215	**100.0%**	**92,385,970**	**100.0%**
Other businesses - Portugal	**9,890,732**	**100.0%**	**2,372,293**	**100.0%**
	450,407,678		**393,487,480**	

The amount related to Portugal, from Pulp and Paper segment, includes Euro 1,652,832 (31 December 2022: Euro 4,286,997) relating to inventories for which invoices have already been issued but whose control has not been transferred to Trade receivables.

As at 30 June 2023 and 31 December 2022, there are no inventories in which ownership is restricted and/or pledged as collateral for liabilities.

4.1.3 MOVEMENTS IN IMPAIRMENT LOSSES IN INVENTORIES

Amounts in Euro	Notes	30-06-2023	31-12-2022
Opening balance		**(23,289,293)**	**(11,211,141)**
Increases		(6,650,541)	(14,065,760)
Reversals		201,909	1,772,627
Impact in profit and loss for the period	**2.3**	**(6,448,632)**	**(12,293,133)**
Exchange rate adjustment		246,958	150,570
Hyperinflationary Economies		-	2,359
Charge-off		(121,597)	62,052
Closing balance		**(29,612,564)**	**(23,289,293)**

4.2 RECEIVABLES AND OTHER ASSETS

ACCOUNTING POLICIES

TRADE RECEIVABLES AND OTHER DEBTORS

Classification	Trade receivables result from the Group's main activities and the business model followed is “hold to collect”, although the Cement and Derivatives segment occasionally uses confirming. Balances from other debtors are typically from the “hold to collect” model.
Initial measurement	At fair value
Subsequent measurement	At amortised cost, net of impairment losses.
Impairment from trade receivables	Impairment losses are recorded based on the simplified model provided for in IFRS 9, recording expected losses until maturity. The expected losses are determined on the basis of the experience of historical actual losses over a statistically significant period and representative of the specific characteristics of the underlying credit risk.
Impairment from other debtors	Impairment losses are recorded on the basis of the general estimated credit loss model of IFRS 9.

As at 30 June 2023 and 31 December 2022, Receivables and other current and non-current assets were as follows:

		30-06-2023			31-12-2022		
Amounts in Euro	Notes	Non-current	Current	Total	Non-current	Current	Total
Trade receivables							-
Pulp and Paper segment	8.1.4	-	253,926,427	253,926,427	-	341,601,458	341,601,458
Cement and Derivatives segment	8.1.4	-	84,584,630	84,584,630	-	70,135,124	70,135,124
Other Businesses segment	8.1.4	-	27,875,387	27,875,387	-	17,095,052	17,095,052
		-	**366,386,444**	**366,386,444**	**-**	**428,831,634**	**428,831,634**
Receivables - Related parties	10.4	-	1,450,938	1,450,938	-	649,639	649,639
State		-	53,834,169	53,834,169	-	77,264,743	77,264,743
Enviva Pellets Greenwood, LLC (EUA)		-	-	-	-	8,168,426	8,168,426
Grants receivable		30,403,239	17,678,947	48,082,186	13,219,416	13,239,885	26,459,301
Accrued income		-	12,664,897	12,664,897	-	9,687,577	9,687,577
Deferred expenses		-	20,041,622	20,041,622	-	16,209,297	16,209,297
Derivative financial instruments	8.2	-	50,609,761	50,609,761	-	54,773,410	54,773,410
Advances to suppliers		-	5,836,977	5,836,977	-	15,397,572	15,397,572
Other		5,001,457	32,524,145	37,525,602	15,701,049	17,812,749	33,513,798
		35,404,696	**561,027,900**	**596 432 596**	**28,920,465**	**642,034,932**	**670,955,397**

Other debtors include, essentially, grants receivable.

The above amounts are presented net of accumulated impairment losses. The impairment analysis of Receivables and other current and non-current assets is presented in Note 8.1.4 - Credit risk.

DEPARTMENT OF COMMERCE (EUA)

As at 30 June 2023 and 31 December 2022, State is detailed as follows:

Amounts in Euro	30-06-2023	31-12-2022
Value added tax - recoverable	12,685,447	22 526 996
Value added tax - refund requests	31,352,851	45,395,267
Tax on the Movement of Goods and Services (ICMS)	2,015,609	1,474,947
Tax on Industrial Products (IPI)	324,305	418,413
Social Security Financing Contribution (COFINS)	6,807	12,943
PIS and COFINS credit on fixed assets	7,430,937	7,407,482
Other taxes	18,213	28,695
	53,834,169	**77,264,743**

As at 30 June 2023 and 31 December 2022, Accrued income and deferred costs were detailed as follows:

Amounts in Euro	30-06-2023	31-12-2022
Accrued income		
Energy sales	5,023,675	1 871 271
Compensations receivable	-	4,062,997
Clinker sales	261,266	-
Other	7,379,956	3,753,309
	12,664,897	**9,687,577**
Deferred expenses		
Insurance	4,983,651	1 912 478
Rentals	10,579,162	10,002,722
Other	4,478,809	4,294,097
	20,041,622	**16,209,297**
	32 706 519	**25,896,874**

4.3 PAYABLES AND OTHER LIABILITIES

ACCOUNTING POLICIES

FINANCIAL LIABILITIES AT AMORTISED COST

Initial measurement	At fair value, net of transaction costs incurred.
Subsequent measurement	At amortised cost, using the effective interest rate method. The difference between the repayment amount and the initial measurement amount is recognised in the income statement over the debt period under "Interest on other financial liabilities at amortised cost" (Note 5.10).

As at 30 June 2023 and 31 December 2022, Payables and other liabilities were detailed as follows:

Amounts in Euro	30-06-2023	31-12-2022
Trade payables - current account	408,703,884	455,914,395
Trade payables - Property, plant and equipment - current account	53,002,849	10,956,609
State	105,654,450	93,456,795
Instituto do Ambiente	62,975,286	118,333,488
Related parties (Note 10.4)	5,043,161	26,461,118
Other payables	14,919,025	11,927,142
Derivative financial instruments	16,320,033	11,759,237
Accrued costs - payroll costs	58,098,226	71,581,424
Other accrued expenses	66,004,726	67,073,865
Non-refundable grants	192,150,739	92,995,915
Other deferred income - ISP	1,139,824	449,701
Payables and other current liabilities	**984,012,203**	**960,909,689**
Non-refundable grants	51,175,597	30,545,424
Department of Commerce (EUA)	1,434,950	4,306,974
Other - Note 10.3	-	2,800,000
Payables and other non-current liabilities	**52,610,547**	**37,652,398**
	1,036,622,750	**998,562,087**

As at 30 June 2023 and 31 December 2022, State is detailed as follows:

Amounts in Euro	30-06-2023	31-12-2022
Personal income tax withheld (IRS)	5,227,905	5,435,737
Value added tax	51,712,207	43,335,782
Social Security contributions	7,272,970	4,558,876
ICMS - Tax on the Movement of Goods and Services	1,540,358	1,246,835
Programa de Desenvolvimento da Empresa Catarinense (PRODEC)	833,117	781,096
Programa Paraná Competitivo	36,997,942	36,370,666
Social Security Financing Contribution (COFINS)	377,779	58,611
Other	1,692,172	1,669,192
	105,654,450	**93,456,795**

As at 30 June 2023 and 31 December 2022, there were no overdue debts to the State.

NON-REFUNDABLE GRANTS - DETAILS

Amounts in Euro	Notes	30-06-2023	31-12-2022
Government grants		12,681,386	12,674,484
Grants - CO$_2$ emission allowances		164,265,378	71,343,238
Other grants		15,203,975	8,978,193
Non-refundable grants - current		**192,150,739**	**92 995 915**
Government grants		51,175,597	30,545,424
Non-refundable grants - non-current		**51,175,597**	**30,545,424**
		243,326,336	**123,541,339**

5 CAPITAL STRUCTURE

5.1 CAPITAL MANAGEMENT

CAPITAL MANAGEMENT POLICY

The objectives of Semapa Group, when managing capital, are to safeguard the Group´s ability to continue as a going concern and value creation for shareholders, through a conservative dividend policy based on principles of financial strength. The aim has been to maintain a financial structure compatible with the Group´s sustained growth and different business areas, whilst maintaining sound solvency and financial autonomy indicators. Accordingly, capital considered for the purposes of capital management corresponds to Equity. Equity does not include any financial liabilities.

In order to maintain or adjust its capital structure, the Group can adjust the amount of dividends payable to its shareholders, return capital to its shareholders, issue new shares or sell assets to lower its borrowings.

5.2 SHARE CAPITAL AND THEASURY SHARES

ACCOUNTING POLICIES

Semapa's share capital is fully subscribed and paid up, represented by shares with no nominal value.

Costs directly attributable to the issue of new shares or other equity instruments are reported as a deduction, net of taxes, from the amount received. The cost directly attributable to the issue of new shares options for a business acquisition are included in the acquisition cost, as part of the purchase price.

Treasury shares

Recognition	At acquisition value, as a reduction of equity
Acquisitions by Group company	When any Group company acquires shares of the parent company, the payment, which includes directly-associated incremental costs, is deducted from the shareholders' equity attributable to the holders of the parent company's capital until the shares are cancelled, redeemed or sold.
Disposal of treasury shares	When shares are subsequently sold or repurchased, any proceeds, net of the directly attributable transaction costs and taxes, is reflected in the shareholders' equity of the company's shareholders, under Other reserves (Note 5.5).
Cancellation of treasury shares	The extinction of treasury shares is reflected in the consolidated financial statements, as a reduction of share capital and in the caption Treasury shares at its nominal and acquisition cost, respectively. The differential between those amounts is recorded in Other reserves.

SEMAPA'S SHAREHOLDERS

As at 30 June 2023 and 31 December 2022, Semapa's shareholders are detailed as follows:

	30-06-2023		31-12-2022	
Designation	No. of shares	%	No. of shares	%
Shares without par value				
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	27,508,892	33.85
Treasury shares	1,400,627	1.72	1,400,627	1.72
Other shareholders with less than 5% shareholdings	13,401,050	16.49	13,401,050	16.49
	81,270,000	**100.00**	**81,270,000**	**100.00**

5.3 EARNINGS PER SHARE

ACCOUNTING POLICIES

The basic earnings per share are determined based on the division of profits or losses attributable to the ordinary shareholders of Semapa by the weighted average number of common shares outstanding during the period.

For the purpose of calculating diluted earnings per share, Semapa adjusts the profit or loss attributable to ordinary equity holders, as well as the weighted average number of outstanding shares, for the purposes of all potential dilutive common shares.

Amounts in Euro	H1 2023	H1 2022
Net profit attributable to the Shareholders of Semapa	**107,631,857**	**141,464,859**
Total number of shares issued	81,270,000	81,270,000
Average treasury shares held for the period	(1,400,627)	(1,400,627)
Weighted average number of shares	**79,869,373**	**79,869,373**
Basic earnings per share	**1.348**	**1.771**
Diluted earnings per share	**1.348**	**1.771**

5.4 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 approved	Dividends per share
Attributions in 2023			
Approval of payment of dividends relating to the 2022 net profit on an individual basis in accordance with IFRS at the Annual Shareholders' Meeting of Semapa	18 May 2023	75,875,904	0.950
Attributions in 2022			
Approval of distribution of free reserves by the Extraordinary Shareholders' Meeting of Semapa	30 November 2022	99,996,455	1.252
Approval of payment of dividends relating to the 2021 net profit on an individual basis in accordance with IFRS at the Annual Shareholders' Meeting of Semapa	27 May 2022	40,893,119	0.512

5.5 RESERVES AND RETAINED EARNINGS

ACCOUNTING POLICIES

FAIR VALUE RESERVES

Fair value reserve refers to the accumulated change in fair value of derivative financial instruments classified as hedging instruments (Note 8.2), and financial investments measured at fair value through other comprehensive income (Note 8.3), net of deferred taxes.

Changes relating to derivatives are reclassified to profit or loss for the period (Note 5.10) 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.

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 associates operating outside the Euro Zone, mainly in Brazil, Tunisia, Lebanon, Angola, Mozambique, the United States of America, Switzerland and United Kingdom.

LEGAL RESERVE

Commercial Company law prescribes that at least 5% of annual net profit must be transferred to the legal reserve, until this is equal to at least 20% of the issued capital. This reserve cannot be distributed unless the company is liquidated. It may, however, be drawn on to absorb losses, after other reserves are exhausted, or incorporated in the share capital.

The legal reserve is constituted by its maximum amount in the periods presented.

OTHER RESERVES

This caption corresponds to reserves available for distribution to shareholders that were constituted through the appropriation of prior year's earnings and other movements. The portion of the balance corresponding to the acquisition value of treasury shares held is not distributable (Note 5.2).

Amounts in Euro	30-06-2023	31-12-2022
Currency translation reserve	**(196,213,029)**	**(202,244,411)**
Fair value in derivative financial instruments	28,004,895	29,889,067
Fair value reserves	**28,004,895**	**29,889,067**
Legal reserve	**16,695,625**	**16,695,625**
Other reserves	**1,334,549,502**	**1,105,635,572**
Retained earnings	**1,912,287**	**990,821**
Reserves and retained earnings	**1,184,949,280**	**950,966,674**

CURRENCY TRANSLATION RESERVE

The impact of foreign exchange risk by currency (see Note 8.1.1 - Exchange rate risk) is as follows:

Amounts in Euro	30-06-2023	31-12-2022
Opening balance	**(202,244,411)**	**(234,772,441)**
Brazilian real	7,075,206	15,701,839
Tunisian Dinar	(431,039)	(601,981)
Lebanese Pound	(3,836,309)	(3,219,620)
American Dollar	(1,232,341)	1,670,441
Mozambican metical	2,375,979	20,216,302
Other currencies	2,079,886	(1,238,951)
Closing balance	**(196,213,029)**	**(202,244,411)**

5.6 NON-CONTROLLING INTERESTS

DETAIL OF NON-CONTROLLING INTERESTS, BY SUBSIDIARY

Amounts in Euro	% held	Equity 30-06-2023	Equity 31-12-2022	Net profit H1 2023	Net profit H1 2022
Pulp and paper					
The Navigator Company, S.A.	30.56%	284,171,664	305,690,923	39,611,733	46,951,445
Raiz - Instituto de Investigação da Floresta e Papel	3.00%	321,208	297,977	22,837	(5,593)
Portucel Moçambique	9.98%	-	-	-	-
Cement and derivatives					
Secil - Companhia Geral de Cal e Cimento, S.A.	0.00%	8,718	8,167	439	349
Société des Ciments de Gabés	1.28%	423,072	478,267	(22,292)	(20,311)
IRP - Indústria de Rebocos de Portugal, S.A.	25.00%	319,477	458,162	140,815	162,264
Secil - Companhia de Cimento do Lobito, S.A.	49.00%	(2,670,237)	(4,291,198)	(137,397)	201,845
Ciments de Sibline, S.A.L.	48.95%	3,303,793	6,645,567	(664,200)	386,246
Madebritas - Sociedade de Britas da Madeira, Lda.	49.00%	56,716	56,716	-	-
Other		504,934	504,654	279	(561)
Other businesses					
ETSA - Investimentos, SGPS, S.A.	0.01%	11,231	10,918	537	717
Tribérica, S.A.	30.00%	447,023	385,660	61,362	55,334
		286,897,599	**310,245,813**	**39,014,113**	**47,731,735**

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

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

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

MOVEMENTS OF NON-CONTROLLING INTERESTS BY OPERATING SEGMENT

Amounts in Euro	Pulp and Paper	Cement and Derivatives	Other businesses	Total
Balance as at 1 January 2022	**244,864,339**	**7,907,836**	**341,699**	**253,113,874**
Hyperinflationary economies (Lebanon)	-	(198,221)	-	(198,221)
Dividends	(75,070,504)	(341,416)	(112)	(75,412,032)
Currency translation reserve	8,915,714	(3,740,886)	-	5,174,828
Financial instruments	11,892,312	84	-	11,892,396
Actuarial gains and losses	902,078	2,938	-	905,016
Other movements in equity	(69,556)	(35,053)	(97,998)	(202,607)
Net profit for the period	114,554,517	265,053	152,990	114,972,559
Balance as at 31 December 2022	**305,988,900**	**3,860,335**	**396,579**	**310,245,813**
Hyperinflationary economies (Lebanon)	-	948,578	-	948,578
Dividends	(60,054,694)	(308,073)	(224)	(60,362,991)
Currency translation reserve	672,595	(1,872,044)	-	(1,199,449)
Financial instruments	(609,986)	-	-	(609,986)
Actuarial gains and losses	(1,138,907)	38	-	(1,138,869)
Other movements in equity	395	(5)	-	390
Net profit for the period	39,634,570	(682,357)	61,900	39,014,113
Balance as at 30 June 2023	**284,492,873**	**1,946,472**	**458,255**	**286,897,599**

The accounting policies applicable to non-controlling interests, as well as the information about the Group subsidiaries with significant non-controlling interests are disclosed in Note 10.1 - Companies included in the consolidation.

5.7 INTEREST-BEARING LIABILITIES

ACCOUNTING POLICIES

Loans	Interest-bearing liabilities includes Bonds, Commercial Paper, bank loans and other financing.
Initial measurement	At fair value, net of transaction costs incurred.
Subsequent measurement	At amortised cost, using the effective interest rate method. The difference between the repayment amount and the initial measurement amount is recognised in the Income Statement over the debt period under “Interest expenses on other loans” in Note 5.11 - Net financial results.
Fair value	The book value of short-term debt or loans contracted with variable interest rates approximates their fair value.
Disclosure	As a current liability, except when the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

ACCOUNTING ESTIMATES AND JUDGEMENTS

DISCLOSURE BY OPERATING SEGMENT

Given that treasury management is performed autonomously by each business segment, as disclosed in Note 8.1 - Financial Risk Management, the information on interest-bearing liabilities that is disclosed in this Note follows that structure.

COMMERCIAL PAPER

The Group has several commercial paper programs negotiated, of agreements with which it is frequent to carry out emissions with contractual maturity of less than one year but with revolving nature. Where the Group has the right to extend these loans (roll over), it classifies them as non-current liabilities.

INTEREST-BEARING LIABILITIES

	30-06-2023			31-12-2022		
Amounts in Euro	Non-current	Current	Total	Non-current	Current	Total
Bond loans	753,500,000	36,500,000	**790,000,000**	666,000,000	182,214,286	**848,214,286**
Commercial paper	165,625,000	46,775,000	**212,400,000**	181,500,000	46,750,000	**228,250,000**
Bank loans	187,408,465	101,427,150	**288,835,615**	179,005,652	99,525,565	**278,531,217**
Currency translation differences	(6,025,480)	1,121,105	**(4,904,375)**	(5,357,671)	281,768	**(5,075,903)**
Debt securities and bank debt	**1,100,507,985**	**185,823,255**	**1,286,331,240**	**1,021,147,981**	**328,771,619**	**1,349,919,600**
Other interest-bearing debt	30,156,615	14,550,525	**44,707,140**	30,433,409	7,219,439	**37,652,848**
Other interest-bearing liabilities	**30,156,615**	**14,550,525**	**44,707,140**	**30,433,409**	**7,219,439**	**37,652,848**
Total interest-bearing liabilities	**1,130,664,600**	**200,373,780**	**1,331,038,380**	**1,051,581,390**	**335,991,058**	**1,387,572,448**

In Q1 2023, Secil issued Green Bonds in the amount of Euro 75 million maturing in 2030, under the terms of Secil's Green Bond Framework, which was subject to an Independent Limited Assurance confirming the Framework's alignment with the Green Bond Principles sponsored by ICMA (International Capital Market Association).

At the end of June 2022, the subsidiary Navigator issued a bond loan in the amount of Euro 150 million maturing in 2028, under the Sustainability-Linked Bonds Framework, having simultaneously repaid in advance a loan in the same amount valid until 2023. The loan conditions are indexed to three ESG indicators already included in the Navigator Group’s Sustainability Agenda and, in turn, aligned with the Sustainable Development Goals of the United Nations.

Other interest-bearing liabilities 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, with the last repayment happening in 2027.

BANK FINANCING

	30-06-2023			31-12-2022		
Amounts in Euro	Non-current	Current	Total	Non-current	Current	Total
Pulp and Paper - variable rate	14,541,667	9,083,333	23,625,000	20,083,334	9,083,333	29,166,667
Pulp and Paper - fixed rate	67,182,540	8,492,063	75,674,603	71,428,571	8,492,064	79,920,635
Cement and derivatives - variable rate	67,054,748	79,713,325	146,768,073	87,493,747	63,316,652	150,810,400
Other businesses - variable rate	8,629,511	4,138,429	12,767,940	-	133,516	133,516
Holdings - variable rate	30,000,000	-	30,000,000	-	2,500,000	2,500,000
Holdings - fixed rate	-	-	-	-	16,000,000	16,000,000
	187,408,466	**101,427,150**	**288,835,616**	**179,005,652**	**99,525,565**	**278,531,218**

LOAN REPAYMENT PERIODS OVER ONE YEAR

Amounts in Euro	30-06-2023	31-12-2022
1 to 2 years	199,675,352	132,045,492
2 to 3 years	216,502,052	240,034,546
3 to 4 years	295 686 945	368,648,621
4 to 5 years	285 545 173	188,671,633
More than 5 years	139,280,558	127,538,769
Total	**1,136,690,080**	**1,056,939,061**

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, 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.

As at 30 June 2023 and 31 December 2022, the Group complies with the financial ratio limits imposed under its loan agreements.

5.8 LEASE LIABILITIES

ACCOUNTING POLICIES

Initial measurement	At the start date of the lease, the Group recognises lease liabilities measured at the present value of future lease payments, which include fixed payments less lease incentives, variable lease payments, and amounts expected to be paid as residual value. Lease payments also include the price of exercise of renewal options reasonably certain to be exercised by the Group or lease termination penalty payments if the lease term reflects the Group's option to terminate the agreement. In calculating the present value of future lease payments, the Group uses its incremental financing rate if the implied interest rate on the lease transaction is not easily determinable.
Subsequent measurement	Subsequently, the value of the lease liabilities is increased by the interest amount (Note 5.10 - Net financial results) and decreased by the lease payments (rents).

As at 30 June 2023 and 31 December 2022, Lease liabilities are detailed as follows:

	30-06-2023			31-12-2022		
Amounts in Euro	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Pulp and paper	58,560,002	6,657,470	**65,217,472**	55,089,083	6,551,966	**61,641,049**
Cement and Derivatives	26,852,106	10,127,636	**36,979,742**	28,734,457	9,262,605	**37,997,062**
Other businesses	805,022	453,192	**1,258,214**	896,471	396,400	**1,292,871**
Holdings	299,668	99,673	**399,341**	188,938	97,841	**286,779**
	86,516,798	**17,337,971**	**103,854,769**	**84,908,949**	**16,308,812**	**101,217,761**

5.9 CASH AND CASH EQUIVALENTS

ACCOUNTING POLICIES

Cash and cash equivalents includes cash, bank accounts and other short-term investments with an initial maturity of up to 3 months, which can be mobilised immediately without any significant risk in value fluctuations. For cash flow statement purposes, this caption also includes bank overdrafts, which are presented in the statement of financial position as a current liability, under the caption Interest-bearing liabilities (Note 5.7).

Amounts in Euro	30-06-2023	31-12-2022
Cash	550,466	924,987
Short-term bank deposits	209,137,398	441,773,009
Other short-term investments	14,625,456	151,253,105
Cash and cash equivalents in the consolidated statement of cash flows	**224,313,320**	**593,951,101**
Impairment	(3,574,780)	(554,525)
Cash and cash equivalents	**220,738,540**	**593 396 576**

The movements that took place in the first half of 2023 on Impairments are detailed as follows:

Cash	Opening balance	Increase	Exchange rate variation	Closing balance
Lebanon	**554,525**	3,327,309	(307,054)	**3,574,780**

As at 30 June 2023 and 31 December 2022, there are no significant balances of cash and cash equivalents that are subject to restrictions on use by the Group companies.

5.10 NET FINANCIAL RESULTS

ACCOUNTING POLICIES

Borrowing costs relating to loans are generally recognised as financial costs, in accordance with the accrual accounting principle.

The Semapa Group classifies as Financial Income the income and gains resulting from cash-flow management activities such as: i) interest earned on surplus cash; and ii) changes in the fair value of derivative financial instruments negotiated to hedge interest and exchange rate risks on loans, irrespective of the formal designation of the hedge.

Net financial results are detailed as follows:

Amounts in Euro	Notes	H1 2023	H1 2022
Interest paid on debt securities and bank debt		(26,003,139)	(15,866,665)
Commissions on loans and expenses with the opening of credit facilities		(3,529,427)	(3,730,038)
Interest paid using the effective interest method		**(29,532,566)**	**(19,596,703)**
Unfavourable exchange rate differences		-	(18,562,025)
Interest paid on lease liabilities		(2,012,850)	(1,794,459)
Financial discount of provisions | Environmental recovery	9.1	(111,152)	(30,061)
Losses on hedging derivatives		-	(1,259,597)
Losses on trade derivatives		(10,207,184)	(21,425,860)
Fair value loss on Other financial investments		-	(38,061)
Other expenses and financial losses		(3,321,208)	(3,822,659)
Other financial expenses and losses		**(15,652,394)**	**(46,932,722)**
Favourable exchange rate differences		2,185,952	-
Interest earned on financial assets at amortised cost		6 025 934	2,530,733
Gains on hedging derivatives		3,672,770	-
Fair value gains on other financial investments		18,608	-
Financial income and gains		**11,903,264**	**2,530,733**
Total financial expenses and losses		(45,184,960)	(66,529,425)
Total financial income and gains		11,903,264	2,530,733
Net financial results		**(33,281,696)**	**(63,998,692)**

It should be noted that in the same period of the previous year, net financial results were penalised by non-recurring impacts (non-cash), resulting essentially from the recognition of unfavourable exchange rate differences in the income statement.

6 INCOME TAX

6.1 INCOME TAX FOR THE PERIOD

ACCOUNTING POLICIES

Current tax is calculated based on net profit, adjusted in compliance with tax legislation in force at the consolidated statement of financial position date.

According to the legislation in force, the gains and losses relating to associates and joint ventures, resulting from the application of the equity method, are deducted from or added to, respectively, to the net profit for the period for the purpose of calculating taxable income. Dividends are considered, when determining the taxable income, in the year in which they are received, if the financial investments are held for less than one year or if they represent less than 10% of the share capital.

TAXATION GROUP

The parent company of the tax group in which the Semapa group companies are included is Sodim, SGPS, SA. since 1 January 2023. The companies included in the Special Tax Regime for Groups of Companies (RETGS) calculate and record income tax as if they were taxed individually, but the tax group's parent company is responsible for the overall clearance and payment of the corporate income tax. The companies that make up the Navigator Group are part of a tax group of which The Navigator Company, S.A. is the parent company.

ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group recognises liabilities for additional tax assessments that may result from reviews by the tax authorities of the different countries where the Group operates. When the profit/loss of these situations is different from the amounts initially recorded, the differences will have an impact on income tax in the period in which they occur.

In Portugal, annual income statements are subject to review and possible adjustment by the tax authorities for a period of 4 years. However, if tax losses are presented, they may be subject to review by the tax authorities for a period of 6 years. In other countries in which the Group operates, these periods are different, usually higher.

The Board of Directors considers that any corrections to those statements as a result of reviews/inspections by the tax authorities will not have a significant impact in the consolidated financial statements as at 30 June 2023, although the years up to and including 2019 have already been reviewed by the Portuguese Tax Authorities.

UNCERTAIN TAX POSITIONS

The amount of assets and liabilities recorded for tax proceedings arises from an assessment made by the Group, as to the date of the consolidated statement of financial position, regarding potential differences of understanding with the Tax Authorities, considering the developments in tax matters.

The Group, in relation to the measurement of uncertain tax positions, considers the provisions of IFRIC 23 - “Uncertainty over Income Tax Treatments”, namely the measurement of risks and uncertainties in the definition of the best estimate of the expense required to settle the obligation, by weighing all the possible results that are controlled by them and their associated probabilities.

INCOME TAX RECOGNISED IN THE CONSOLIDATED INCOME STATEMENT

Amounts in Euro	H1 2023	H1 2022
Current income tax	(52,163,651)	(73,448,084)
Change in uncertain tax positions in the period	2,452,704	10,045,228
Deferred tax (Note 6.2)	3,579,053	(1,189,352)
	(46,131,894)	**(64,592,208)**

In 2023 and 2022, the caption Change in uncertain tax positions in the period 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.

NOMINAL TAX RATE IN THE MAIN GEOGRAPHIES WHERE THE GROUP OPERATES

Amounts in Euro	H1 2023	H1 2022
Portugal		
Nominal income tax rate	21.0%	21.0%
Municipal surcharge	1.5%	1.5%
	22.5%	**22.5%**
State surcharge - on the share of taxable profits between Euro 1,500,000 and Euro 7,500,000	3.0%	3.0%
State surcharge - on the share of taxable profits between Euro 7,500,000 and Euro 35,000,000	5.0%	5.0%
State surcharge - on the share of taxable profits above Euro 35,000,000	9.0%	9.0%
Other countries		
Brazil - nominal rate	34.0%	34.0%
Tunisia - nominal rate	15.0%	15.0%
Lebanon - nominal rate	17.0%	17.0%
Angola - nominal rate	30.0%	30.0%

RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE FOR THE PERIOD

Amounts in Euro	H1 2023	H1 2022
Profit before tax	**192,777,863**	**253,788,802**
Expected tax at nominal rate (22.5%)	43,375,019	57,102,480
State surcharge	9,294,750	15,258,308
Income tax resulting from the applicable tax rate	**52,669,769**	**72,360,788**
Differences (a)	651,793	461,858
Tax for prior years	(12,177,498)	(10,067,893)
Recoverable tax losses	11,300,060	(153,823)
Non-recoverable tax losses	2,711,233	1,471,715
Increase of additional tax liabilities	3,947,808	568,750
Reversal of additional tax liabilities	-	-
Effect of the reconciliation of nominal rates of the different countries	(403,846)	(456,671)
Tax benefits	(13,172,500)	(5,477)
Hyperinflationary economies	342,456	(72,487)
Other tax adjustments	262,619	485,448
	46,131,894	**64,592,208**
Effective tax rate	**23.93%**	**25.45%**

(a) This amount concerns mainly:	H1 2023	H1 2022
Effect of application of the equity method (Note 10.3)	(1,196,151)	433,047
Capital gains/ (losses) for tax purposes	99,555	250,243
Capital gains/ (losses) for accounting purposes	(215,313)	(2,516,409)
Taxable provisions and impairment	8,954,947	7,556,737
Tax benefits	(1,583,518)	(2,937,281)
Reduction of impairment and taxed provisions	(2,185,405)	(15,223)
Post-employment benefits	12,213	(5,211)
Other	(989,470)	(713,202)
	2,896,858	**2,052,701**
Tax effect (22.5%)	**651,793**	**461,858**

TAX RECOGNISED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in Euro	30-06-2023	31-12-2022
Assets		
Corporate Income Tax - IRC	8,855,074	7,509,629
Amounts pending refund (tax proceedings decided in favour of the Group)	16,139,210	16,216,543
	24,994,284	**23,726,172**
Liabilities		
Corporate Income Tax - IRC	67,710,395	111,567,095
Additional tax liabilities	38,148,261	29,699,555
	105,858,656	**141,266,650**

DETAIL OF CORPORATE INCOME TAX - IRC (NET)

Amounts in Euro	30-06-2023	31-12-2022
Income tax for the period	54,537,708	157,006,582
Exchange rate adjustment	(410)	(43,355)
Payments on account, special and additional payments on account	(2,448,860)	(44,433,314)
Withholding tax recoverable	(2,913,966)	(1,874,631)
Corporate Income Tax recoverable from prior years	9,680,849	(6,597,816)
	58,855,321	**104,057,466**

6.2 DEFERRED TAXES

ACCOUNTING POLICIES

Deferred tax is calculated on the basis of the financial position, on temporary differences between the book values of assets and liabilities and their respective tax base. To determine the deferred tax, the tax rate expected to be in force in the period in which the temporary differences will be reversed is used. Deferred tax assets are recognised whenever there is a reasonable likelihood that future taxable profits will be generated against which they can be offset. Deferred tax assets are revised periodically and decreased whenever it is likely they will not be used.

Deferred taxes are recorded as an income or expense for the period, except where they result from amounts recorded directly under Shareholders' equity, situation in which deferred tax is also recorded under the same caption. Tax incentives attributed to the Group regarding its investment projects are recognised through the income statement as there is sufficient taxable income to allow its use.

MOVEMENTS IN DEFERRED TAXES

Amounts in Euro	As at 1 January 2023	Exchange rate adjustment	Income Statement		Equity	Transfers	Changes in the perimeter	As at 30 June 2023
			Increases	Decreases				
Temporary differences originating deferred tax assets								
Tax losses carried forward	189,467,629	4,043,196	5,952,183	(27,333,411)	-	(147,703)	48,042	172,029,936
Taxed provisions	38,164,137	15	2,771,440	(628,151)	-	-	-	40,307,441
Adjustment of property, plant and equipment	46,236,126	-	16,240,381	(14,420,500)	-	-	288,251	48,344,258
Pensions and other post-employment benefits	2,594,441	(1,689)	20,451	(128,967)	(388,168)	-	-	2,096,068
Deferred accounting gains on intra-group transactions	29,872,466	-	12,960,651	(1,307,419)	-	-	-	41,525,698
Valuation of biological assets	14,456,082	-	1,526,803	-	-	-	-	15,982,885
Government grants	2,196,772	-	-	(199,744)	-	-	2,565,630	4,562,658
Fair value of business combinations	61,366	(33,979)	-	-	-	-	-	27,387
Conventional capital remuneration	560,000	-	-	(70,000)	-	-	-	490,000
Other temporary differences	5,998,850	(1,063,597)	-	(276,809)	-	887	-	4,659,331
	329,607,869	2,943,946	39,471,909	(44,365,002)	(388,168)	(146,816)	2,901,923	330,025,661
Temporary differences originating deferred tax liabilities								
Revaluation of property, plant and equipment	(35,234,521)	(1,956,038)	-	212,823	-	-	-	(36,977,736)
Pensions and other post-employment benefits	(387,989)	-	(6,582)	-	(54,150)	-	-	(448,721)
Financial instruments	(45,281,108)	561,149	-	2,082,490	3,177,104	-	-	(39,460,365)
Tax inventives	(3,862,494)	-	-	234,269	32,480	-	(502,443)	(4,098,188)
Adjustment of property, plant and equipment	(367,346,424)	(2,711,669)	(2,728,089)	12,492,896	-	-	(3,279)	(360,296,565)
Deferred accounting losses on intra-group transactions	(16,893,162)	232	-	186,707	-	-	-	(16,706,223)
Valuation of biological assets	(5,403,744)	-	-	-	-	-	-	(5,403,744)
Fair value of intangible assets - brands	(226,497,104)	(192,434)	-	-	-	-	-	(226,689,538)
Fair value of fixed assets	(35,147,291)	-	-	7,635,775	-	-	-	(27,511,516)
Fair value of business combinations	(57,445,842)	(182,701)	-	189,632	-	-	-	(57,438,911)
Hyperinflationary economies	(13,835,795)	7,661,216	-	769,422	(488,173)	-	-	(5,893,330)
Other temporary differences	(55,330,394)	(845,576)	(14,687,943)	1,172,559	-	-	-	(69,691,354)
	(862,665,868)	2,334,179	(17,422,614)	24,976,573	2,667,261	-	(505,722)	(850,616,191)
Deferred tax assets	**85,880,368**	**1,200,438**	**188,360**	**1,468,455**	**(106,314)**	**82,332**	**2,658,111**	**91,371,750**
Deferred tax liabilities	**(237,260,488)**	**(503,092)**	**(1,660,364)**	**3,582,602**	**784,913**	**(82,329)**	**(139,075)**	**(235,277,833)**

Amounts in Euro	As at 1 January 2022	Exchange rate adjustment	Income Statement		Equity	Transfers	Assets held for sale	Changes in the perimeter	As at 31 December 2022
			Increases	Decreases					
Temporary differences originating deferred tax assets									
Tax losses carried forward	181,779,250	8,058,639	18,230,354	(18,600,614)	-	-	-	-	189,467,629
Taxed provisions	30,551,160	53,842	9,756,597	(2,206,548)	-	-	-	9,085	38,164,137
Adjustment of property, plant and equipment	64,786,438	-	-	(28,886,525)	-	-	10,336,213	-	46,236,126
Pensions and other post-employment benefits	3,087,713	(2,793)	(14,217)	(354,231)	(122,031)	-	-	-	2,594,441
Financial instruments	7,448,831	-	-	-	(7,448,831)	-	-	-	-
Deferred accounting gains on intra-group transactions	23,783,217	-	5,686,717	-	-	402,532	-	-	29,872,466
Valuation of biological assets	-	-	14,456,082	-	-	-	-	-	14,456,082
Government grants	2,824,415	-	-	(627,643)	-	-	-	-	2,196,772
Fair value of business combinations	87,991	(26,625)	-	-	-	-	-	-	61,366
Conventional capital remuneration	4,200,000	-	-	(3,640,000)	-	-	-	-	560,000
Other temporary differences	7,550,265	131,424	1,330,472	(3,651,828)	638,518	-	-	-	5,998,850
	326,099,280	8,214,487	34,989,923	(57,967,389)	(6,932,344)	402,532	10,336,213	9,085	329,607,869
Temporary differences originating deferred tax liabilities									
Revaluation of property, plant and equipment	(31,666,399)	(4,066,439)	-	498,317	-	-	-	-	(35,234,521)
Pensions and other post-employment benefits	(2,454,552)	-	(213,971)	770	2,279,764	-	-	-	(387,989)
Financial instruments	1,820,140	103,611	-	6,228,594	(53,433,453)	-	-	-	(45,281,108)
Tax inventives	(4,142,627)	-	-	213,450	66,683	-	-	-	(3,862,494)
Adjustment of property, plant and equipment	(382,997,653)	(4,740,469)	(6,923,645)	27,315,343	-	-	-	-	(367,346,424)
Deferred accounting losses on intra-group transactions	(16,946,490)	3,705	-	23,303	-	26,320	-	-	(16,893,162)
Valuation of biological assets	(25,294,177)	-	(1,680,081)	21,570,514	-	-	-	-	(5,403,744)
Fair value of intangible assets - brands	(230,877,993)	4,380,889	-	-	-	-	-	-	(226,497,104)
Fair value of fixed assets	(50,418,841)	-	-	15,271,550	-	-	-	-	(35,147,291)
Fair value of business combinations	(56,173,110)	(5,521,463)	-	5,362,659	-	-	-	(1,113,928)	(57,445,842)
Hyperinflationary economies	(17,339,384)	5,246,735	(777,752)	-	214,226	(1,179,620)	-	-	(13,835,795)
Other temporary differences	(35,477,473)	(21,955)	(21,190,994)	1,360,028	-	-	-	-	(55,330,394)
	(851,968,560)	(4,615,386)	(30,786,443)	77,844,528	(50,872,780)	(1,153,300)	-	(1,113,928)	(862,665,868)
Deferred tax assets	**90,299,604**	**2,908,039**	**10,875,684**	**(19,453,988)**	**(1,904,974)**	**-**	**3,154,459**	**1,544**	**85,880,368**
Deferred tax liabilities	**(231,393,956)**	**(2,650,311)**	**(214,858)**	**11,402,364**	**(14,013,824)**	**(200,535)**	**-**	**(189,368)**	**(237,260,488)**

7 PAYROLL

7.1 SHORT-TERM EMPLOYEE BENEFITS

ACCOUNTING POLICIES

ACQUIRED RIGHTS - HOLIDAYS AND HOLIDAY ALLOWANCE

In accordance with current legislation, employees are entitled to 22 working days leave, annually, as well as to a month's holiday allowance, entitlement to which is acquired in the year preceding its payment.

BONUSES

According to the current Performance Management System (*Sistema de Gestão de Desempenho*), employees have the right to a bonus, based on annually defined objectives. The entitlement of this bonus is usually acquired in the year preceding its payment.

These liabilities are recorded in the year in which the Employees acquire the respective right, against the income statement and irrespective of the date of payment, whilst the balance payable at the date of the consolidated statement of financial position is shown under the caption Payables and other current liabilities.

TERMINATION BENEFITS

The benefits arising from termination of employment are recognised when the Group can no longer withdraw the offer of such benefits or in which the Group recognises the cost of restructuring under the provisions recording. Benefits due more than 12 months after the end of the reporting period are discounted to their present value.

PAYROLL COSTS RECOGNISED IN THE PERIOD

Amounts in Euro	Notes	H1 2023	H1 2022
Statutory bodies remuneration		6,459,638	8,712,170
Other remunerations		100,506,587	93,408,997
Post-employment benefits	7.2.9	1,676,041	1,506,341
Other payroll costs		31,635,899	36,401,359
Payroll costs		**140,278,165**	**140,028,867**

Other payroll costs

Amounts in Euro	H1 2023	H1 2022
Contributions to Social Security	21,475,007	18,879,634
Insurance	2,924,724	2,722,157
Social welfare costs	4,455,082	4,020,702
Compensations	(302,284)	7,961,190
Other payroll costs	3,083,370	2,817,676
	31,635,899	**36,401,359**

NUMBER OF EMPLOYEES AT THE END OF THE PERIOD

	30-06-2023	31-12-2022	Variation 23/22
Pulp and paper	3,446	3,246	200
Cement and Derivatives	2,390	2,388	2
Other businesses	566	314	252
Holdings and Others	38	38	-
	6,440	**5,986**	**454**

The number of employees includes 149 employees assigned to the "Consumer" tissue business in Spain and 251 employees from Triangle's, companies acquired in 2023.

7.2 POST-EMPLOYMENT BENEFITS

ACCOUNTING POLICIES

DEFINED BENEFIT PLAN

Some of the Group subsidiaries have assumed the commitment to make payments to their employees in the form of complementary retirement pensions, disability, early retirement and survivors' pensions, having constituted defined-benefit plans.

The Group has set up autonomous Pension Funds as a means of funding part of its liabilities. Based on the projected credit unit method, the Group recognises the costs with the attribution of these benefits as the services are provided by the employees. The total liability is estimated separately for each plan at least once every six months, on the date of closing of the interim and annual accounts, by a specialised and independent entity.

The calculated liability is presented in the Consolidated statement of financial position, after deducting the fair value of the funds set up, under the caption Pensions and other post-employment benefits.

Actuarial deviations resulting from changes in the value of estimated liabilities, as a consequence of changes in the financial and demographic assumptions used and experience gains, added to the differential between the actual return on fund assets and the estimated share of net interest, are designated as re-measurements and recorded directly in the statement of comprehensive income, under retained earnings.

Net interest corresponds to the application of the discount rate to the value of net liabilities (value of liabilities less the fair value of fund assets) and is recognised in the income statement for the period under Payroll costs.

The gains and losses generated by a curtailment or settlement of a defined-benefit plan are recognised in the income statement for the period when the curtailment or settlement occurs. A curtailment occurs when there is a material reduction in the number of employees.

Costs for past liabilities resulting from the implementation of a new plan or increases in benefits attributed are recognised immediately in the income statement for the period.

DEFINED CONTRIBUTION PLAN

Some of the Group's subsidiaries have assumed commitments, regarding contributing to a defined contribution plan with a percentage of the beneficiaries' salary, in order to provide retirement, disability and survivors' pensions.

To this end, Pension Funds have been set up to capitalise on those contributions, for which employees may still make voluntary contributions, but for which the Group does not assume any additional contribution responsibilities or a pre-fixed return. Thus, the contributions made are recorded as expenses of the period in which they are recognised, regardless of the time of their settlement.

7.2.1 PLANS | NAVIGATOR SUBGROUP

Navigator – Defined Benefit Plans	
Description	The Navigator Group has responsibilities with post-employment benefit plans for a reduced group of Employees who have chosen to maintain the defined benefit plan or who have chosen to maintain a safeguard clause, the latter following the conversion of their plan into a Defined Contribution Plan. In effect, the safeguard clause gives the employee the option, at the time of retirement, to pay a pension in accordance with the provisions laid down on the Defined Benefit Plan. For those who choose to activate the Safeguard Clause, the accumulated balance in the Defined Contribution Plan (*Conta* 1) will be used to finance the liability of the Defined Benefit Plan.
Navigator - Defined contributions plans	
Description	As at 30 June 2023, three Defined Contribution plans were in force covering 3,110 employees (2022: 3,097 employees).

7.2.2 PLANS | SECIL SUBGROUP

Secil - Retirement and survivors' pension supplement liabilities (defined benefit plans with funds managed by third parties)	
Description	Secil and its subsidiaries Unibetão - Industrias de Betão Preparado, S.A., Cimentos Madeira, Lda., Betomadeira, S.A. and Societé des Ciments de Gabès have assumed the commitment to pay their employees amounts by way of complementary old age, disability, early retirement and survivor's pensions and a retirement subsidy. The liabilities arising from these plans are guaranteed by independent funds, administered by third parties, or covered by insurance policies. These plans are valued every six months, at the dates of closing of the interim and annual financial statements, by specialised and independent entities, using the projected unit credit method.

Secil - Retirement and survivors' pension supplement liabilities (Group defined benefit plans)	
Description	The liabilities of Secil's retired employees in 31 December 1987 (date of incorporation of the Pension Fund) are guaranteed directly by Secil. Similarly, the liability assumed by Secil Martingança, S.A. are guaranteed directly by this entity. These plans are also valued every six months by specialised and independent entities, using the method for calculating capital coverage corresponding to single premiums of the immediate life annuities, in the valuation of the liabilities to current pensioners and the projected unit credit method for valuing liabilities relating to current employees.

Secil - Liabilities for health care (defined benefit plan)	
Description	The subsidiary Cimentos Madeira, Lda. provides to their retired employees a healthcare scheme which supplements the official health services through an insurance contract.

Secil – Liabilities for retirement and death (defined benefit plan)	
Description	The subsidiary Societé des Ciments de Gabès (Tunisia) assumed the commitment to its employees to pay an old-age retirement and disability subsidy, according to the terms of the General Labour Agreement, Article No. 52, representing: (i) 3 months of the last salary if the worker has less than 30 years' service to the company, and (ii) 4 months of the last salary, if the worker has 30 years or more service to the company. Secil assumed with its employees hired prior to 1 January 2011, the responsibility for the payment of a subsidy on death of current employee, of an amount equal to 3 months of the last salary earned, or 1 month in the case of former employees of CMP - Cimentos Maceira e Pataias, S.A.

Secil - Defined contributions plans	
Secil and CMP Plan (Applicable to Secil, CMP and Secil Brands)	Secil and CMP Plans include all workers who, as at 31 December 2009, had an open-ended employment contract (and who were covered by the defined benefits plan in force in the companies) and who have opted for the transition to these Plans and all the workers admitted under an agreement without term, as of 1 January 2010, also being applicable to the members of the Board of Directors.
SBI Plan (Applicable to Unibetão, Secil Britas, Betomadeira, Cimentos Madeira, Brimade)	Unibetão and Secil Britas: Include all employees who as at 31 December 2009 had an open-ended employment contract. In the case of Unibetão, under the CCT between APEB and FETESE, and all workers admitted under a contract without term, as from 1 January 2010, with the exception of Unibetão Employees who are covered by the CCT entered into between APEB and FEVICCOM, who continue to benefit from the defined benefit Plan. The plan is applicable to members of the Board of Directors. Betomadeira: Includes all employees who as at 31 December 2010 had an open-ended employment contract concluded under the CCT entered into between APEB and FETESE, and all employees hired under an open-ended contract as of 1 January 2011. The plan is applicable to members of the Board of Directors. Cimentos Madeira and Brimade: Include all employees who as at 1 January 2012 and 1 July 2012, for Cimentos Madeira and Brimade, respectively, had an open-ended employment contract and to all employees admitted under an open-ended contract as from the aforementioned dates. The plan is applicable to members of the Board of Directors.

Secil - Liabilities for long-service awards	
Description	Secil has assumed the commitment to pay their employees bonuses to those who attain 25 years of service, which are paid in the year that the employee reaches the number of years of service within the company.

7.2.3 RISK MANAGEMENT POLICY ASSOCIATED WITH DEFINED BENEFIT PLANS

The Group's exposure to risk is limited to the number of existing beneficiaries and will tend to decrease, since there are no defined benefit plans open to new employees in the Group. The most significant risks to which the Group is exposed through defined benefit plans include:

- Risk of change in longevity of participants

- Market rate risk - rate changes affect the rate used to discount liabilities (technical interest rate) which is based on yield curves of highly rated bonds with maturities similar to the maturity dates of the liabilities and the fixed rate of return on assets.

- Risk of change in the rate of growth of wages and pensions

The financing level of the fund may vary depending on the risks listed and on the profitability of the fund's financial assets. Despite the fund's conservative profile (consisting mostly of fixed income assets), the verification of the aforementioned risks may lead to the need for additional contributions to the fund considering the nature of the defined benefit.

The Group aims to keep a 90% level of liability coverage.

ACCOUNTING ESTIMATES AND JUDGEMENTS

7.2.4 ACTUARIAL ASSUMPTIONS

	30-06-2023	31-12-2022
Social Security Benefits Formula	Decree Law no 187/2007 of 10 May	
Disability table	EKV 80	EKV 80
Mortality table	TV 88-90	TV 88-90
Salary growth rate - cement segment	2.0%	2.00%
Salary growth rate - other segments	2.0%	2.00%
Technical interest rate - cement segment	2.50%	2.50%
Technical interest rate - other segments	3.50%	3.50%
Pensions growth rate - cement segment	1.35%	1.35%
Pensions growth rate - other segments	1.5% or 2.0%	1.5% or 2.0%
Semapa pension reversability rate	50.00%	50.00%
Number of Semapa's complement annual payments	12	12

In the period ending 30 June 2023 and given the duration of the liabilities, there were no significant changes in the discount rates that would justify updating the actuarial plan and the respective assumptions.

7.2.5 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:

	Pulp and Paper		Cement and Derivatives		Holdings		Total	
30 June 2023	**No. of Beneficiaries**	**Amount**	**No. of Beneficiaries**	**Amount**	**No. of Beneficiaries**	**Amount**	**No. of Beneficiaries**	**Amount**
Group liabilities for past services								
Active	360	50,958,510	39	159,586	-	-	399	51,118,096
Former employees	126	19,799,204	-	-	-	-	126	19,799,204
Retired employees	602	90,399,651	565	13,246,032	1	634,116	1,168	104,279,799
Market value of pension funds	-	(156,367,416)	-	(11,960,899)	-	-	-	(168,328,315)
Capital insured	-	-	-	178,386	-	-	-	178,386
Insurance policies	-	-	-	(98,241)	-	-	-	(98,241)
Reserve account*	-	-	-	(551,450)	-	-	-	(551,450)
Unfunded pension liabilities	**1,088**	**4,789,949**	**604**	**973,414**	**1**	**634,116**	**1,693**	**6,397,479**
Other unfunded liabilities								
Healthcare assistance	-	-	5	42,015	-	-	5	42,015
Retirement and death	-	-	432	148,959	-	-	432	148,959
Total post-employment benefits	**1,088**	**4,789,949**	**1,041**	**1,164,388**	**1**	**634,116**	**2,130**	**6,588,453**
Long-service award	-	-	-	369,855	-	-	-	369,855
Total net liabilities	**1,088**	**4,789,949**	**1,041**	**1,534,243**	**1**	**634,116**	**2,130**	**6,958,308**

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

	Pulp and Paper		Cement and Derivatives		Holdings		Total	
31 December 2022	**No. of Beneficiaries**	**Amount**	**No. of Beneficiaries**	**Amount**	**No. of Beneficiaries**	**Amount**	**No. of Beneficiaries**	**Amount**
Group liabilities for past services								
Active	367	49,465,578	39	167,889	-	-	406	49,633,467
Former employees	140	22,728,925	-	-	-	-	140	22,728,925
Retired employees	590	85,075,143	565	13,979,978	1	687,661	1,156	99,742,782
Market value of pension funds	-	(154,433,916)	-	(12,184,420)	-	-	-	(166,618,336)
Capital insured	-	-	-	185,458	-	-	-	185,458
Insurance policies	-	-	-	(108,062)	-	-	-	(108,062)
Reserve account*	-	-	-	(548,482)	-	-	-	(548,482)
Unfunded pension liabilities	**1,097**	**2,835,730**	**604**	**1,492,361**	**1**	**687,661**	**1,702**	**5,015,752**
Other unfunded liabilities								
Healthcare assistance	-	-	5	43,457	-	-	5	43,457
Retirement and death	-	-	432	151,975	-	-	432	151,975
Total post-employment benefits	**1,097**	**2,835,730**	**1,041**	**1,687,793**	**1**	**687,661**	**2,139**	**5,211,184**
Long-service award	-	-	-	365,486	-	-	-	365,486
Total net liabilities	**1,097**	**2,835,730**	**1,041**	**2,053,279**	**1**	**687,661**	**2,139**	**5,576,670**

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

7.2.6 CHANGES IN PENSION AND OTHER POST-EMPLOYMENT BENEFITS

30 June 2023 Amounts in Euro	Opening balance	Exchange rate adjustment	Change in assumptions	Income and expenses	Actuarial deviations	Payments	Closing balance
Pulp and paper segment							
Pensions with autonomous fund	157,269,644	-	-	2,708,819	4,194,607	(3,015,707)	161,157,363
Cement and Derivatives segment							
Penions assumed by the Group	1,908,075	-	-	20,648	(10,370)	(148,730)	1,769,623
Pensions with autonomous fund	12,239,792	-	-	3,162	22,202	(629,162)	11,635,994
Insurance capital	185,458	(2,125)	-	6,672	7,249	(18,868)	178,386
Retirement and death	151,975	(16,112)	-	13,769	-	(671)	148,961
Healthcare assistance	43,457	-	-	517	(560)	(1,401)	42,013
Long-service award	365,486	-	-	17,915	-	(13,545)	369,856
Holdings							
Penions assumed by the Group	687,663	-	-	11,715	-	(65,260)	634,118
	172,851,550	**(18,237)**	**-**	**2,783,217**	**4,213,128**	**(3,893,344)**	**175,936,314**

31 December 2022 Amounts in Euro	Opening balance	Exchange rate adjustment	Income and expenses	Actuarial deviations	Payments performed	Closing balance
Pulp and paper segment						
Pensions with autonomous fund	191,002,587	-	2,375,516	(29,869,349)	(6,239,110)	157,269,644
Cement and derivatives segment						
Pensions assumed by the Group	2,413,516	-	27,831	(210,337)	(322,935)	1,908,075
Pensions with autonomous fund	13,816,083	-	(23,839)	(7,362)	(1,545,090)	12,239,792
Capital insured	187,856	(3,804)	13,405	(7,243)	(4,756)	185,458
Retirement and death	146,180	3,991	12,630	(7,538)	(3,287)	151,976
Sickness insurance	39,914	-	477	6,432	(3,367)	43,456
Long-service award	394,680	-	(17,968)	-	(11,226)	365,486
Holdings						
Pensions assumed by the Group	794,744	-	23,430	-	(130,511)	687,663
	208,795,560	**187**	**2,411,482**	**(30,095,397)**	**(8,260,282)**	**172,851,550**

7.2.7 CHANGES IN FUNDS ALLOCATED TO THE DEFINED BENEFIT PENSION PLANS

	30-06-2023		31-12-2022	
Amounts in Euro	Autonomous fund	Capital insured	Autonomous fund	Capital insured
Opening balance	**166,618,337**	**108,062**	**201,194 181**	**108,745**
Exchange rate adjustment	-	(1,178)	-	(2,216)
Charge for the period	3,526	-	3,015	-
Interest	3,047,999	10,226	137,906	6,289
Expected return of the plan assets	2,303,327	-	(26,932,571)	-
Pensions paid	(3,644,874)	(18,869)	(7,784,194)	(4,756)
Closing balance	**168,328,315**	**98,241**	**166,618,337**	**108,062**

The contributions to the defined benefit plans presented above as Contributions for the period were fully realised by the Group's subsidiaries and no contributions were made by the participants.

FUNDS ALLOCATED TO DEFINED BENEFIT PLANS - ESTIMATED CONTRIBUTIONS FOR THE NEXT PERIOD

The expected contributions for the next reporting period depend, among other factors, on the profitability of the funds' assets.

7.2.8 COMPOSITION OF THE ASSETS OF THE FUNDS ALLOCATED TO DEFINED BENEFIT PLANS

Amounts in Euro	30-06-2023	%	31-12-2022	%
Securities listed in the market				
Bonds	101,824,827	60.5%	102,557,460	61.6%
Shares	40,655,605	24.2%	42,856,268	25.7%
Public debt	20,233,572	12.0%	17,282,244	10.4%
Liquidity	3,856,059	2.3%	1,987,186	1.2%
Real estate	-	0.0%	-	0.0%
Other treasury investments	1,758,252	1.0%	1,935,179	1.2%
	168,328,315	**100.0%**	**166,618,337**	**100.0%**

The amounts shown in Bonds, Shares and Public Debt categories refer to the fair values of these assets, fully determined based on observable prices in active net (regulated) markets at the date of the Consolidated Statement of Financial Position.

7.2.9 EXPENSES INCURRED WITH POST-EMPLOYMENT BENEFIT PLANS

	H1 2023				
Amounts in Euro	Current services cost	Interest expense	Expected return on assets	Period contributions (DC Plans)	Impact on net profit for the period (Note 7.1)
Pensions assumed by the Group	-	32,363	-	-	32,363
Pensions with autonomous fund	11,910	2,843,064	(2,788,872)	687,410	753,512
Insurance policies	3,480	7,913	(4,720)	-	6,673
Retirement and death	6,780	6,989	-	-	13,769
Healthcare assistance	519	-	-	-	519
Long-service award	13,103	4,810	2	-	17,915
Contributions to defined contribution plans	-	-	-	851,290	851,290
	35,792	**2,895,139**	**(2,793,590)**	**1,538,700**	**1,676,041**

Amounts in Euro	H1 2022 Current services cost	Interest expense	Expected return on assets	Period contributions (DC Plans)	Impact on net profit for the period (Note 7.1)
Pensions assumed by the Group	-	25,637	-	-	25,637
Pensions with autonomous fund	13,238	1,255,789	(94,013)	(478,065)	696,949
Insurance policies	3,412	8,395	(4,829)	-	6,978
Retirement and death	7,015	6,479	(835)	-	12,659
Healthcare assistance	240	-	-	-	240
Long-service award	14,221	2,622	(11,522)	-	5,321
Contributions to defined contribution plans	-	-	-	758,556	758,556
	38,126	**1,298,922**	**(111,199)**	**280,491**	**1,506,341**

7.2.10 REMEASUREMENTS RECOGNISED DIRECTLY IN OTHER COMPREHENSIVE INCOME

30 June 2023 Amounts in Euro	Gains and losses	Expected return on plan assets	Gross amount	Deferred taxes	Impact on Equity
Post-employment benefits					
Pensions assumed by the Group	10,372	-	10,372	(2,846)	7,526
Pensions with autonomous fund	(1,773,015)	264,625	(1,508,390)	(118,083)	(1,626,473)
Retirement and death	-	-	-	-	-
Healthcare assistance	559	-	559	(119)	440
	(1,762,084)	**264,625**	**(1,497,459)**	**(121,048)**	**(1,618,507)**

30 June 2022 Amounts in Euro	Gains and losses	Expected return on plan assets	Gross amount	Deferred taxes	Impact on Equity
Post-employment benefits					
Pensions assumed by the Group	60,957	-	60,957	(16,776)	44,181
Pensions with autonomous fund	(4,456,434)	(1,902,391)	(6,358,825)	(60,462)	(6,419,287)
Retirement and death	(327)	-	(327)	-	(327)
Healthcare assistance	3,900	-	3,900	(838)	3,062
	(4,391,904)	**(1,902,391)**	**(6,294,295)**	**(78,076)**	**(6,372,371)**

8 FINANCIAL INSTRUMENTS

8.1 FINANCIAL RISK MANAGEMENT

Semapa, as a holding company develops direct and indirect managing activities over its subsidiaries. Therefore, the fulfilment of the assumed obligations depends on the cash flow generated by its subsidiaries. The Company thus depends on the eventual distribution of dividends by its subsidiaries, payment of interest, repayment of loans granted, and other cash-flows generated by these companies.

The ability of Semapa's subsidiaries to make funds available will depend, partly, on their ability to generate positive cash flows and, on the other hand, on the respective earnings, available reserves for distribution and financial structure.

The Semapa Group has a risk-management programme, which focuses its analysis on the financial markets with a view to mitigate the potential adverse effects on the Semapa Group's financial performance. Risk management is undertaken by the Financial Management of the holding and main subsidiaries, in accordance with the policies approved by the Board of Directors and monitored by the Risks and Control Committee.

The Group adopts a proactive approach to risk management, as a way to mitigate the potential adverse effects associated with those risks, namely the foreign exchange risk, the interest rate risk and the risk of access to financing.

8.1.1 FOREIGN EXCHANGE RISK

FOREIGN EXCHANGE RISK MANAGEMENT POLICY

PULP AND PAPER

Regarding the Pulp and Paper segment, a significant portion of its sales is denominated in currencies other than Euro. Thus, its development could have a significant impact on cash flows obtained with future sales of the Group, mainly regarding USD exposure. Sales in Sterling Pound (GBP), Polish Zloty (PLN) and Swiss Franc (CHF) have some expression as well, as sales in other currencies are less significant.

Purchases of some raw materials are also made in USD, namely part of wood and long-fibre pulp imports of wood and acquisitions of long-fibre pulp. Therefore, changes in USD may have an impact on acquisition values.

Furthermore, and although there is a partial natural hedge, once a purchase or sale is made in a currency other than in Euro, the Group takes on a foreign exchange risk up to the time it receives the proceeds of that purchase or sale, if no hedging instruments are in place. As a result, there is a significant number of receivables and debts payable, the latter with lesser expression, exposed to exchange rate risk.

CEMENT AND DERIVATIVES

The foreign exchange risk inherent to the segment of Cement and derivatives is mainly due to the current investments held in Brazil and to the purchases of fuel and freight ships, both paid in USD. This segment continued its policy of maximising the potential of covering their foreign exchange exposure. This segment also comprises assets located in Tunisia, Angola and Lebanon, therefore any change in these countries' exchange rates could have an impact on Semapa's consolidated statement of financial position.

The segment analyses its currency exposure from a consolidated perspective at the Secil Group level, and its policy is to maximise natural hedging of flows in a currency other than the presentation currency.

USE OF DERIVATIVE FINANCIAL INSTRUMENTS

Occasionally, when considered appropriate, the Group manages foreign exchange risks through the use of derivative financial instruments, in accordance with a policy that is subject to periodic review, the prime purpose of which is to limit the exchange risk associated with future sales and purchases and accounts receivable and payable, which are denominated in currencies other than the Euro. However, when a unit trades in a currency other than the Group's presentation currency or its functional currency, immediate hedging is performed.

In the periods presented, the Group holds derivatives that are hedging the exchange rate risk of future operations in currencies other than the presentation currency (see Note 8.2 - Derivative financial instruments).

EXPOSURE OF FINANCIAL ASSETS AND LIABILITIES TO FOREIGN EXCHANGE RISK AND SENSITIVITY ANALYSIS

30 June 2023	**US dollar**	**Sterling pound**	**Polish zloti**	**Turkish lira**	**Swiss franc**	**Brazilian real**
Exchange rate at the end of the period	1.087	0.858	4.439	28.319	0.979	5.262
Valuation/ (devaluation) from previous period	*1.88%*	*(3.23%)*	*(5.17%)*	*41.85%*	*(0.60%)*	*(5.5%)*
Average exchange rate in the period	1.081	0.876	4.624	21.566	0.986	5.482
Valuation/ (devaluation) from previous period	*2.62%*	*2.76%*	*(1.33%)*	*23.82%*	*(1.89%)*	*0.8%*
Amounts in foreign currency						
Cash and cash equivalents	15,786,856	723,194	244,008	742,080	69,660	97,263,218
Receivables and other assets	126,239,225	22,010,570	7,012,574	124,482	1,746,183	56,064,393
Other assets	27,314,968	4,986,944	-	-	-	-
Total financial assets	**169,341,049**	**27,720,708**	**7,256,582**	**866,562**	**1,815,843**	**153,327,611**
Loans	(51,677,360)	-	-	-	-	(181,816,114)
Payables and other liabilities	(22,346,209)	(239,901)	(16,656)	(94,965)	(91,417)	(304,514,173)
Total financial liabilities	**(74,023,569)**	**(239,901)**	**(16,656)**	**(94,965)**	**(91,417)**	**(486,330,287)**
Financial net position in foreign currency	**95,317,480**	**27,480,807**	**7,239,926**	**771,597**	**1,724,426**	**(333,002,676)**
Financial net position in Euro	**87,720,854**	**32,018,464**	**1,631,055**	**27,246**	**1,761,776**	**(63,284,431)**
Impact of +10% on the foreign exchange rate	*(7,974,623)*	*(2,910,769)*	*(148,278)*	*(2,477)*	*(160,161)*	*5,753,130*
Impact of -10% on the foreign exchange rate	*9,746,762*	*3,557,607*	*181,228*	*3,027*	*195,753*	*(7,031,603)*

31 December 2022	US dollar	Sterling pound	Polish zloti	Turkish lira	Swiss franc	Brazilian real
Exchange rate at the end of the period	1.067	0.887	4.681	19.965	0.985	5.568
Valuation/ (devaluation) from previous period	(5.83%)	5.55%	1.83%	31.06%	(4.68%)	(11.90%)
Average exchange rate in the period	1.053	0.853	4.687	17.417	1.005	5.441
Valuation/ (devaluation) from previous period	(10.94%)	(0.79%)	2.66%	65.68%	(7.08%)	(14.68%)
Amounts in foreign currency						
Cash and cash equivalents	11,599,498	920,577	628,521	277,417	60,783	200,689,277
Receivables and other assets	127,293,040	27,203,259	22,284,073	124,322	3,171,682	42,990,334
Other assets	26,781,806	4,854,927	-	-	-	-
Total financial assets	**165,674,344**	**32,978,763**	**22,912,594**	**401,739**	**3,232,465**	**243,679,611**
Loans	(56,508,439)	-	-	-	-	(209,076,285)
Payables and other liabilities	(8,681,563)	(270,975)	(11,083)	(22,910)	(30,685)	(309,937,974)
Total financial liabilities	**(65,190,002)**	**(270,975)**	**(11,083)**	**(22,910)**	**(30,685)**	**(519,014,259)**
Financial net position in foreign currency	**100,484,342**	**32,707,788**	**22,901,511**	**378,829**	**3,201,780**	**(275,334,648)**
Financial net position in Euro	***94,209,959***	***36,877,530***	***4,892,649***	***18,975***	***3,251,528***	***(49,449,470)***
Impact of +10% on the foreign exchange rate	*(8,564,542)*	*(3,352,503)*	*(444,786)*	*(1,725)*	*(295,593)*	*4,495,406*
Impact of -10% on the foreign exchange rate	*10,467,773*	*4,097,503*	*543,628*	*2,108*	*361,281*	*(5,494,386)*

30 June 2023	Mozambican metical	Moroccan dirham	Lebanese pound	Tunisian Dinar	Angolan kwanza	South Africa rand
Exchange rate at the end of the period	69.610	10.817	100,619.2	3.374	905.941	20.579
Valuation/ (devaluation) from previous period	*2.10%*	*(3.06%)*	*124.08%*	*1.2%*	*66.34%*	*13.70%*
Average exchange rate in the period	69.042	11.021	100,619.2	3.338	596.123	19.679
Valuation/ (devaluation) from previous period	*2.73%*	*3.13%*	*124.08%*	*2.6%*	*22.48%*	*14.36%*
Amounts in foreign currency						
Cash and cash equivalents	28,517,003	664,450	13,953,500	4,091,896	227,390,516	40,922
Receivables and other assets	16,154,123	-	9,721,404	27,862,681	230,201,610	-
Other assets	-	-	103,354	123,716	3,360,000	-
Total financial assets	**44,671,126**	**664,450**	**23,778,258**	**32,078,293**	**460,952,126**	**40,922**
Loans	-	-	-	(126,862,640)	-	-
Payables and other liabilities	-	(73,833)	(875,923,938)	(40,924,455)	(401,084,047)	-
Total financial liabilities	**-**	**(73,833)**	**(875,923,938)**	**(167,787,095)**	**(401,084,047)**	**-**
Financial net position in foreign currency	**44,671,126**	**590,617**	**(852,145,680)**	**(135,708,802)**	**59,868,079**	**40,922**
Financial net position in Euro	**641,734**	**54,599**	**(8,469)**	**(40,224,317)**	**66,084**	**1,989**
Impact of +10% on the foreign exchange rate	*(58,339)*	*(4,964)*	*770*	*3,656,756*	*(6,008)*	*(181)*
Impact of -10% on the foreign exchange rate	*71,304*	*6,067*	*(941)*	*(4,469,369)*	*7,343*	*221*

31 December 2022	Mozambican metical	Moroccan dirham	Lebanese pound	Tunisian Dinar	Angolan kwanza	South Africa rand
Exchange rate at the end of the period	68.180	11.159	44,903.900	3.334	544.643	18.099
Valuation/ (devaluation) from previous period	(12.69%)	6.11%	43.39%	2.05%	(13.88%)	0.20%
Average exchange rate in the period	67.204	10.686	44,903.900	3.254	486.725	17.208
Valuation/ (devaluation) from previous period	(13.56%)	0.12%	43.39%	(1.08%)	(35.22%)	(1.54%)
Amounts in foreign currency						
Cash and cash equivalents	69,989,502	528,284	35,277,945	9,188,351	199,214,219	40,922
Receivables and other assets	119,228,330	-	9,798,214	27,919,258	211,576,184	-
Other assets	-	-	657,966	13,613,868	1,680,000	-
Total financial assets	**189,217,832**	**528,284**	**45,734,125**	**50,721,477**	**412,470,403**	**40,922**
Loans	-	-	-	(110,959,947)	-	-
Payables and other liabilities	-	(98,203)	(123,624,248)	(45,894,250)	(397,337,690)	-
Total financial liabilities	**-**	**(98,203)**	**(123,624,248)**	**(156,854,197)**	**(397,337,690)**	**-**
Financial net position in foreign currency	**189,217,832**	**430,081**	**(77,890,123)**	**(106,132,720)**	**15,132,713**	**40,922**
Financial net position in Euro	***2,775,269***	***38,540***	***(1,735)***	***(31,831,540)***	***27,785***	***2,261***
Impact of +10% on the foreign exchange rate	*(252,297)*	*(3,504)*	*158*	*2,893,776*	*(2,526)*	*(206)*
Impact of -10% on the foreign exchange rate	*308,363*	*4,282*	*(193)*	*(3,536,838)*	*3,087*	*251*

8.1.2 INTEREST RATE RISK

INTEREST RATE RISK MANAGEMENT POLICY

A significant share of the Group's financial liabilities cost is indexed to short-term reference interest rates, which are reviewed more than once a year (generally every six months for medium and long-term debt). Hence, changes in interest rates can have an impact on the Group's earnings.

The Group periodically reviews its interest rate risk management strategy. Given the current level of interest rates, the Group has focused on contracting fixed rate debt.

When deemed appropriate by the Board, the Group uses derivative financial instruments (Note 8.2), namely swaps, with the purpose of fixing the interest rate on loans obtained, within certain parameters, deemed appropriate by the Group's risk management policies.

EXPOSURE TO INTEREST RATE RISK

The fixed rate (which does not expose the Company to interest rate risk) and variable rate (which expose the Company to interest rate risk) financial assets and liabilities are detailed as follows:

Amounts in Euro	Up to 1 month	1-3 months	3-12 months	1-5 years	+ 5 years	Total
30 June 2023						
Assets						
Current						
Cash and cash equivalents	223,561,111	-	-	-	-	**223,561,111**
Total financial assets	**223,561,111**	**-**	**-**	**-**	**-**	**223,561,111**
Liabilities						
Non-current						
Interest-bearing liabilities	50,000,000	20,000,000	271,625,000	745,574,915	20,272,373	**1,107,472,288**
Other liabilities	-	-	-	26,625,392	-	**26,625,392**
Current						
Interest-bearing liabilities	139,292	64,678,956	110,949,203	45,714,286	-	**221,481,737**
Other liabilities	-	-	7,219,439	-	-	**7,219,439**
Total financial liabilities	**50,139,292**	**84,678,956**	**389,793,642**	**817,914,593**	**20,272,373**	**1,362,798,856**
Net financial position	**173,421,819**	**(84,678,956)**	**(389,793,642)**	**(817,914,593)**	**(20,272,373)**	**(1,139,237,745)**

8.1.3 LIQUIDITY RISK

LIQUIDITY RISK MANAGEMENT POLICY

The Group manages the liquidity risk in two ways:

i) ensuring that its financial debt has a high medium- and long-term component with maturities appropriate to the characteristics of the industries where it operates, and

ii) by contracting with financial institutions credit facilities available at all times for an amount that guarantees adequate liquidity.

CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES (undiscounted cash flows, including interest)

Amounts in Euro	-1 month	1-3 months	3-12 months	1-5 years	+ 5 years	Total
As at 30 June 2023						
Liabilities						
Interest-bearing liabilities (Note 5.7)						
Bond loans	1,073,431	10,970,000	104,068,992	738,621,807	108,107,731	962,841,961
Commercial paper	-	745,500	48,390,565	127,581,121	20,000,000	196,717,186
Bank loans	139,292	5,351,783	84,471,500	188,599,750	41,522,977	320,085,302
Other loans	-	4,903,844	14,922,943	26,625,392	-	46,452,179
Lease liabilities	70,913	92,369	350,025	880,765	41,356	1,435,428
Derivative financial instruments (Note 8.2)	-	(2,526,194)	(1,998,207)	(18,015,719)	-	(22,540,120)
Other financial liabilities	-	-	-	458,343	-	458,343
Total liabilities	**1,283,636**	**19,537,302**	**250,205,818**	**1,064,751,459**	**169,672,064**	**1,505,450,279**
31 December 2022						
Liabilities						
Interest-bearing liabilities (Note 5.7)						
Bond loans	808,956	10,257,500	186,841,775	606,377,129	101,310,000	905,595,360
Commercial paper	-	35,994,000	13,197,220	164,625,861	20,000,000	233,817,081
Bank loans	1,273,415	5,281,557	100,990,944	192,958,769	28,149,329	328,654,014
Other loans	-	-	11,888,984	28,877,757	5,631,853	46,398,594
Lease liabilities						
Derivative financial instruments (Note 8.2)	-	(1,027,675)	1,391,280	(24,583,272)	(652,775)	(24,872,442)
Other financial liabilities	-	-	-	458,343	-	458,343
Total liabilities	**2,082,371**	**50,505,382**	**314,310,203**	**968,714,587**	**154,438,407**	**1,490,050,950**

The contractual maturity of interest-bearing liabilities requires the compliance with financial covenants, as detailed in Note 5.7 – Interest-bearing liabilities.

AVAILABLE AND UNDRAWN CREDIT FACILITIES

	30-06-2023	31-12-2022
Pulp and paper	187,700,714	210,450,714
Cement and Derivatives	233,535,471	158,190,566
Other businesses	13,975,000	14,125,000
Holdings and Others	314,600 000	315 500 000
	749,811,185	**698,266,280**

8.1.4 CREDIT RISK

ACCOUNTING POLICIES

IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses, on a prospective basis, the expected credit losses associated with its financial assets measured at amortised cost and at fair value through other comprehensive income, in accordance with IFRS 9, as detailed in Note 8.3 - Categories of financial instruments of the Group.

On this basis, the Group recognises expected credit losses throughout the lifetime of financial instruments that have been subject to significant increases in credit risk since its initial recognition, assessed either individually or collectively, considering all reasonable and sustainable information, including available prospective information.

If, at the reporting date, the credit risk associated with a financial instrument has not increased significantly since its initial recognition, the Group measures the impairment of that financial instrument by an amount equivalent to the expected credit losses.

IFRS 9 provides that for the calculation of these impairments, one of two models is used: the 3-step method or the use of a matrix, the distinguishing component being the existence or not of a significant financing component. In the case of the Group's financial assets, as it is not a financial institution and there are no assets with a significant financing component, it was decided to use a matrix.

The model adopted for the impairment assessment in accordance with IFRS 9 is as follows:

1. Calculate the total credit sales made by the Group over the last 12 months, as well as the total amount of bad debts relating to them;

2. Determine the payment profile of customers and other short-term creditors, by setting intervals of receipt frequency;

3. Based on 1 above, estimate the probability of default (i.e., the amount of bad debts calculated at 1 compared to the balance of outstanding sales in each interval calculated at 2);

4. Adjust the percentages of future projections obtained in 3;

5. Apply the default percentages as calculated in 4. to the balances of Trade and other current payables still outstanding at the reporting date.

Although IFRS 9 assumes 90 days as "default", the Navigator Group considered a period of 180 days, since the experience of real losses before this period is low. This period is aligned with the current risk management policies of the company, namely in what regards the credit insurance hired, and to the fact that there is no sales with significant components of funding in light of IFRS 15. Additionally, Navigator assessed the impact of considering 180 days of default in detriment of 90 days and the "Expected Credit Loss" would not change significantly. In addition to this period, in the event of an accident in the credit insurance company, the model considers the limit of 5% paid by Navigator (10% for national customers).

In addition, the Group recognises impairment on a case-by-case basis, based on specific balances and specific past events, considering the historical information of the counterparties, their risk profile and other observable data in order to assess whether there are objective indicators of impairment for these financial assets. The Group uses the write-off procedure only when the credit is considered to be definitely uncollectible by a court decision.

CREDIT RISK MANAGEMENT POLICY

The Group is exposed to credit risk on balances receivable from Trade receivables and other debtors and has adopted a policy of managing risk coverage within certain levels through credit insurance with a specialised independent company. The worsening of global economic conditions or adversities affecting local economies can lead to a deterioration in customers' ability to pay their commitments.

The Group has adopted a policy of credit insurance for the majority of Trade receivables. As such, its exposure to credit risk is considered to have been mitigated up to acceptable levels, when compared with its sales.

However, the worsening of global economic conditions or adversities affecting only economies on a local scale may lead to deterioration in the ability of the Navigator Group's Customers to meet their obligations, leading entities providing credit insurance to significantly decrease the amount of credit facilities that are available to those Customers. This scenario may result in limitations on the amounts that can be sold to some Customers without directly incurring credit risk levels that are not compatible with the risk policy in this area.

CASH EQUIVALENTS

The Group adopts strict policies in approving its financial counterparties, limiting its exposure in accordance with an individual risk analysis and within previously approved limits.

As at 30 June 2023 and 31 December 2022, Trade receivables showed the following ageing structure, considering the due dates for the open balances, before impairment charges:

Amounts in Euro	Pulp and paper	Cement and derivatives	Other businesses	Total	
				30-06-2023	31-12-2022
Amounts not due	240,590,047	59,191,609	3,727,069	303,508,725	349,812,249
from 1 to 90 days	12,665,010	20,103,749	13,149,151	45,917,910	67,929,885
from 91 to 180 days	584,771	2,120,515	4,119,472	6,824,758	5,975,691
from 181 to 360 days	86,599	1,154,830	4,761,252	6,002,681	2,317,136
from 361 to 540 days	-	2,704,611	806,537	3,511,148	1,008,726
from 541 to 720 days	-	448,406	200,279	648,685	676,838
more than 721 days	-	4,837,478	2,028,540	6,866,018	8,257,946
	253,926,427	**90,561,198**	**28,792,300**	**373,279,925**	**435,978,471**
Litigation - doubtful debts	4,329,793	7,576,394	-	11,906,187	14,223,086
Impairment	(4,329,793)	(13,552,962)	(916,913)	(18,799,668)	(21,369,923)
Trade receivables balance (Note 4.2)	**253,926,427**	**84,584,630**	**27,875,387**	**366,386,444**	**428,831,634**

The table below represents the quality of the Group's credit risk, as at 30 June 2023 and 31 December 2022, for financial assets (Cash and cash equivalents and Derivative financial instruments), whose counterparts are financial institutions:

Amounts in Euro	30-06-2023	31-12-2022
AA	2,685,912	6,231,679
AA-	-	74,995,499
A+	5,455,756	204,316,040
A	6,513,277	4,168,750
A-	17,617,548	168,967,841
BBB+	87,058,508	5,847,277
BBB	35,190,409	51,918,542
BBB-	12,143,105	3,034,440
BB+	16,750,303	10,227,361
BB	7,822,457	5,697,168
BB-	10,590,074	35,693,098
B+	11,969	-
B	-	17,933
B-	1,118,294	2,308,949
CCC+	26,624	2,205,418
CCC	18,309	-
Other	17,185,529	16,841,594
	220,188,074	**592,471,589**

The caption Others comprise short-term investments in Angola and Mozambique financial institutions, on which it was not possible to obtain the ratings with reference to the presented dates.

IMPAIRMENT OF TRADE AND OTHER RECEIVABLES

MOVEMENTS IN ACCUMULATED IMPAIRMENT LOSSES ON TRADE AND OTHER RECEIVABLES

	Trade receivables - current account		Other receivables	
Amounts in Euro	30-06-2023	31-12-2022	30-06-2023	31-12-2022
Accumulated impairment at the beginning of the period	**21,189,981**	**15,827,644**	**7,374,331**	**7,003,201**
Variations due to:				
Increase	(400,593)	4,705,493	198,446	1,456,821
Reversals	(1,911,482)	(563,231)	(65,200)	(64,938)
Changes recognised in profit or loss for the period	**(2,312,075)**	**4,142,262**	**133,246**	**1,391,883**
Changes in the perimeter	35,540	-	-	-
Exchange rate adjustment	(141,154)	29,679	(1,707)	(1,818)
Charge-off	(152,566)	18,442	-	(1,018,935)
Adjustments and transfers	-	1,171,954	-	-
Accumulated impairment at the end of the period	**18,619,726**	**21,189,981**	**7,505,870**	**7,374,331**
Remaining quarters	-	-	-	-
Accumulated impairment	**18,619,726**	**21,189,981**	**7,505,870**	**7,374,331**

8.2 DERIVATIVE FINANCIAL INSTRUMENTS

ACCOUNTING POLICIES

The fair value of derivative financial instruments is included under Payables and other liabilities (Note 4.3), when negative, and under Receivables and other assets (Note 4.2), when positive.

According to IFRS 9 – Financial instruments, the Group chose to continue to apply the hedge accounting requirements of IAS 39 – Financial instruments, until there is greater visibility of the Dynamic Risk Management current macro-hedging project.

Whenever expectations of changes in interest or exchange rates justify it, the Group seeks to hedge against adverse movements through derivative instruments, such as interest rate swaps (IRS), exchange interest rate collars, exchange forwards, among others.

TRADING DERIVATIVE FINANCIAL INSTRUMENTS

Although the derivatives contracted by the Group represent effective economic hedges of risks, not all of them qualify as hedging instruments in accounting terms to satisfy the applicable rules and requirements. Instruments that do not qualify as hedging instruments are recorded in the Consolidated Financial Position at their fair value and changes in fair value are recognised in Net financial results (Note 5.10), when related to financing operations, or in External services and supplies (Note 2.3) or Revenue (Note 2.1), when related to foreign exchange risk on the purchase of raw materials or cash flows from sales in currencies other than the reporting currency.

HEDGING DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments used for hedging purposes may be recognised as hedging instruments provided that they comply, cumulatively, with the conditions set out in IAS 39.

CASH-FLOW HEDGING (INTEREST RATE AND EXCHANGE RATE RISKS)

In order to manage its exposure to interest rate risk and exchange rate risk, the Group enters into cash flow hedges.

Those transactions are recorded in the interim consolidated statement of financial position at their fair value, if considered effective hedges. Changes in the fair value are initially recognised in other comprehensive income for the period. If hedging transactions are deemed to be ineffective, the gain or loss arising therefrom is recorded directly in profit or loss.

Accumulated amounts in equity are reclassified to profit or loss in the periods when the hedged item affects the Income statement (for example, when the forecast sale that is hedged takes place). The gain or loss corresponding to the effective component of interest rate swaps that are hedging variable rate financing is recognised under the caption Net financial results (Note 5.10). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or property, plant and equipment), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset.

When a hedging instrument matures or is sold, or when it no longer meets the criteria required to be recognised as a hedge, the cumulative gains and losses on equity are recycled to the Income statement, except when the hedged item is a future transaction with related cumulative gains and losses included in equity at that date remain in equity. In such case, they will only be recycled to the income statement when the transaction is recognised in the income statement.

NET INVESTMENT HEDGING ABROAD (EXCHANGE RATE RISK)

In order to manage the exposure of its investments in foreign subsidiaries to fluctuations in the exchange rate (net investment), the Group enters into exchange rate forwards, which are recorded at fair value in the consolidated statement of financial position.

Those exchange rate forwards arranged for investments in foreign operations, are recorded in a similar way to the cash flow hedges. Gains and losses on the hedging instrument related to its effective hedging component are recognised in the comprehensive income for the period. Gains and losses related to the ineffective hedging component are recognised in the Income statement. The accumulated gains and losses on equity are included in the Income statement if and when the foreign subsidiaries are disposed.

ACCOUNTING ESTIMATES AND JUDGEMENTS

FAIR VALUE IN DERIVATIVE FINANCIAL INSTRUMENTS

Whenever possible, the fair value of derivatives is estimated on the basis of quoted instruments. In the absence of market prices, the fair value of derivatives is estimated based on the discounted cash flow method and option valuation models, in accordance with the assumptions generally used in the market.

DETAIL AND MATURITY OF DERIVATIVE FINANCIAL INSTRUMENTS BY NATURE

30 June 2023 Amounts in Euro	Notional	Currency	Maturity	Positive (Note 4.2)	Negative (Note 4.3)	Net amount
Hedging						
Foreign exchange forwards (future sales)	175,000,000	USD	2023	3,490,681	(255,386)	3,235,295
Foreign exchange forwards (future sales)	72,000,000	GBP	2023	-	-	-
Interest rate swaps (SWAP's)	425,000,000	EUR	2026/2027	35,500,434	-	35,500,434
Energy	21,108,843	EUR	2023	11,253,047	-	11,253,047
BHKP pulp	5,516,000	USD		31,230	-	31,230
				50,275,392	**(255,386)**	**50,020,006**
Trading						
Foreign exchange forwards	64,222,319	USD	2023	155,195	(4,233,208)	(4,078,013)
Foreign exchange forwards	15,350,000	GBP	2023	179,174	-	179,174
Foreign exchange forwards	500,000	CHF	2023	-	(891)	(891)
Cross currency interest rate swap	85,645,527	USD	2023/2025	-	(11,830,548)	(11,830,548)
				334,369	**(16,064,647)**	**(15,730,278)**
				50,609,761	**(16,320,033)**	**34,289,728**

31 December 2022 Amounts in Euro	Notional	Currency	Maturity	Positive (Note 4.2)	Negative (Note 4.3)	Net amount
Hedging						
Foreign exchange forwards (future sales)	345,000,000	USD	2023	6,011,256	-	6,011,256
Foreign exchange forwards (future sales)	144,000,000	GBP	2023	1,294,665	-	1,294,665
Interest rate swaps	425,000,000	EUR	2026/2027	38,208,097	-	38,208,097
BHKP pulp	50,521,199	EUR	2023	7,683,092	-	7,683,092
				53,197,110	-	**53,197,110**
Trading						
Foreign exchange forwards	76,977,456	USD	2023	1,325,016	(4,679,289)	(3,354,273)
Foreign exchange forwards	18,800,000	GBP	2023	251,284	-	251,284
Foreign exchange forwards	1,750,000	CHF	2023	-	(3,244)	(3,244)
Cross currency interest rate swap	17,500,000	EUR	2023/2024	-	(2,612,957)	(2,612,957)
Cross currency interest rate swap	62,145,527	USD	2022/2025	-	(4,463,747)	(4,463,747)
				1,576,300	**(11,759,237)**	**(10,182,937)**
				54,773,410	**(11,759,237)**	**43,014,173**

8.3 OTHER FINANCIAL INVESTMENTS

ACCOUNTING POLICIES

This Note includes equity instruments held by the Group relating to companies over which it has no control or significant influence. Financial investments are measured at fair value through profit or loss when the Group holds them for trading purposes. The Group records the remaining financial investments as financial assets at fair value through other comprehensive income.

Amounts in Euro	30-06-2023	31-12-2022
Financial assets at fair value through other comprehensive income		
Defined Crowd	7,362,412	7,500,465
RealFevr	3,999,998	3,999,998
Oceano Fresco	3,006,930	3,006,930
Probe.ly	2,950,000	2,950,000
LOQR	2,499,962	2,499,962
Circuit	2,103,137	2,035,200
Techstar Corporate	1,713,215	1,745,339
Overstory	1,155,000	1,155,000
Airly	184,059	187,510
EMOTAI	100,000	100,000
	25,074,713	**25,180,404**
Financial assets at fair value through profit or loss		
Alter Venture Partners Fund I	10,771,496	10,973,474
Kencko	5,061,667	4,687,800
FCR Armilar Venture	3,806,208	3,712,679
Notional Capital	2,430,357	2,309,991
Firstminute	1,276,899	1,128,665
Kibo Capital	494,323	384,323
Lakestar	455,526	318,151
Ynvisible, SA	41,573	23,415
Lakestar Growth	151,269	-
	24,489,318	**23,538,498**
	49,564,031	**48,718,902**

In the first half of 2023, Semapa Next made two new investments, namely a follow-on in Kencko, a company dedicated to the production and sale of smoothies, gummies and nutritious meals made from fruit and vegetables, and a Discovery Check in Soveren, a cybersecurity company in the area of Data Security Posture Management.

9 PROVISIONS, COMMITMENTS AND CONTINGENCIES

9.1 PROVISIONS

ACCOUNTING POLICIES

Recognition and initial measurement	Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
Capitalisation of expenditures	The Group incurs expenditure and assumes liabilities of an environmental nature. Accordingly, expenditures on equipment and operating techniques that ensure compliance with applicable legislation and regulations (as well as on landscape recovery and reduction of environmental impacts to levels that do not exceed those representing a viable application of the best available technologies, on those related to minimising energy consumption, atmospheric emissions, the production of waste and noise) are capitalised when intended to serve the Group's business activity in a sustainable way, and relate to future economic benefits allowing to extend its useful life, increase capacity or improve the safety or efficiency of other assets held by the Group.
Subsequent measurement	Provisions are reviewed on statement of financial position date and are adjusted so as to reflect the best estimate at that date.

Landscape recovery provisions are re-measured according to the effect of the time value of money, against the caption “Financial discount of provisions” in Note 5.10 - Net financial results and consumed by the expenses made by the Group with the recovery, at the date they occur.

LANDSCAPE RECOVERY AND OTHER ENVIRONMENTAL EXPENDITURES

Some of the Group's companies are responsible for the environmental and landscape recovery of the quarries affected by the exploration, in accordance with applicable legislation.

Rehabilitation works mainly includes cleaning and regularisation of areas for recovery, modelling and preparation of the land, transport and spreading of rejected materials for landfill, fertilisation, execution of the general plan for coating with hydro-sowing and plantation, and maintenance and conservation of the areas recovered after implantation.

ACCOUNTING ESTIMATES AND JUDGEMENTS

LEGAL PROCEEDINGS

These provisions were made in accordance with the risk assessments carried out internally by the Group with the support of its legal advisers, based on the probability of the decision being favourable or unfavourable to the Group.

The balances of additional liabilities for the Group’s uncertainty over income tax are disclosed in Note 6.1 - Income tax.

ENVIRONMENTAL RECOVERY

The extent of the work required and the costs to be incurred were determined based on the quarrying plans and studies prepared by independent entities, and the total liability was measured by the expected value of the future cash flows, discounted to present value.

Value judgements and estimates are involved in the formation of expectations about future activities and the amount and period of time of the associated cash flows. These perspectives are based on the existing environment and current regulations.

Quarries whose reconstitution is only possible at the closure of operations, the Group has requested independent and specialised entities to quantify those obligations, having for this purpose recognised a provision under the caption Provisions.

MOVEMENTS IN PROVISIONS

Amounts in Euro	Legal proceedings	Environmental recovery	Other	Total
1 January 2022	**6,951,277**	**13,154,122**	**32,377,546**	**52,482,945**
Increases	3,488,765	386,489	11,824,709	15,699,963
Reversals	(5,392,411)	(2,775,622)	(3,598,068)	(11,766,101)
Impact in profit and loss for the period	**(1,903,646)**	**(2,389,133)**	**8,226,641**	**3,933,862**
Changes in the perimeter	-	-	2,544	2,544
Hyperinflationary economies (Lebanon)	-	450,633	1,262,114	1,712,747
Charge-off	-	(806,874)	(4,911,507)	(5,718,381)
Exchange rate adjustment	2,223	(145,508)	(497,452)	(640,737)
Financial discounts	-	117,714	-	117,714
Transfers and adjustments	57,126	-	1,377,960	1,435,086
31 December 2022	**5,106,980**	**10,380,954**	**37,837,846**	**53,325,780**
Increases	-	696,810	3,585,032	4,281,842
Reversals	-	(207,874)	(353,760)	(561,634)
Impact in profit and loss for the period	**-**	**488,936**	**3,231,272**	**3,720,208**
Charge-off	-	(582,668)	142,351	(440,317)
Exchange rate adjustment	(3,295)	(296,060)	(1,956,756)	(2,256,111)
Financial discounts	-	111,152	-	111,152
Transfers and adjustments	379,219	-	-	379,219
30 June 2023	**5,482,904**	**10,102,314**	**39,254,713**	**54,839,931**

9.2 COMMITMENTS

GUARANTEES PROVIDED TO THIRD PARTIES

Amounts in Euro	30-06-2023	31-12-2022
GUARANTEES PROVIDED		
PULP AND PAPER SEGMENT		
Navigator guarantees for EIB loans	27,291,666	37,708,333
Ocean Network Express	2,751,947	-
Comissão Coordenação Desenvolvimento Regional	354,083	354,083
IAPMEI	1,280,701	1,280,701
Customs clearance	-	1,250
Portuguese Environment Agency	2,846,271	2,390,006
Simria	338,829	338,829
Other	838,256	838,256
Cement and Derivatives Segment		
Agencia de Desenvolvimento e Coesão	4,919,200	4,919,200
APSS - Administração dos Portos de Setúbal e Sesimbra	2,914,367	2,624,820
Conselho de Emprego, Indústria e Turismo	948,840	279,648
Comissão de Coordenação e Desenv. Regional LVT	790,042	948,840
Comissão de Coordenação e Desenv. Regional Centro	668,688	789,647
ICNF_Inst.da Conserv.Natur. e das Florestas, I.P.	678,620	668,688
Comissão de Coordenação e Desenv. Regional Algarve	349,840	678,620
APDL - Administração dos Portos do Douro, Leixões e Viana do Castelo, S.A	298,638	349,840
CCRLVT	279,648	298,638
Comissão de Coordenação e Desenv. Regional Norte	174,950	236,403
Tribunal do Trabalho	236,403	217,324
IAPMEI (in the perimeter of PEDIP)	217,324	209,305
Secretaria Regional do Ambiente e Recursos Naturais	209,305	199,055
IAPMEI	199,055	277,541
Consej.Econ.Emp. Ind Tur.Dir Gen Minada y Energia	165,900	165,900
Other	1,309,270	1,094,090
Other Businesses segment		
EDP	9,810	9,810
DGAV	900,000	900,000
IAPMEI	496,966	496,966
	51,468,619	**58,275,793**
Other commitments		
Mortgages on Property, Plant and Equipment	1,045,310	2,342,297
	52,513,929	**60,618,090**

PURCHASE COMMITMENTS

Amounts in Euro	30-06-2023	31-12-2022
Purchase commitments		
Pulp and paper segment | Property, plant and equipment - Manufacturing equipment	58,833,243	57,737,388
Cement and derivatives segment | Property, plant and equipment - Manufacturing equipment	7,174,602	13,045,822
Pulp and paper segment | Wood	338,900,000	375,800,000
Cement and derivatives segment | Raw materials - Petcoque and Coal	12,126,440	19,037,381
Other	4,331,203	4,241,446
	421,365,488	**469,862,037**

In the first half of 2022, the subsidiary Navigator Abastecimento de Madeira, ACE, signed a contract with Portline Ocean Bulk, Inc. for the chartering of vessels for the transportation of timber in 2022, 2023 and 2024. The contract provides for the transport of approximately 940,000 m^3 during this period.

10 GROUP STRUCTURE

10.1 COMPANIES INCLUDED IN THE CONSOLIDATION PERIMETER

ACCOUNTING POLICIES

GROUP-CONTROLLED ENTITIES

Semapa controls an entity (subsidiary) when it is exposed to, or has rights to, the variable returns generated as a result of its involvement with the entity and has the ability to affect those variable returns through the power it exercises over its relevant activities.

The equity and net profit of these companies, corresponding to the third-party investment in such companies, are presented under the caption Non-controlling interests items (Note 5.6)

BUSINESS COMBINATIONS

The purchase method is used in recording the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the assets delivered, the equity instruments issued and the liabilities incurred or assumed on the acquisition date.

The identifiable assets acquired and the liabilities and contingent liabilities assumed in a business combination are measured at fair value on the acquisition date, regardless of the existence of non-controlling interests. The excess of the acquisition cost over the fair value of the Group's share of the identifiable assets and liabilities acquired is recorded as goodwill (Note 3.1).

The acquisition cost is subsequently adjusted when the acquisition/assignment price is contingent on the occurrence of specific events agreed with the seller/shareholder (e.g. realisation of the fair value of acquired assets).

Any contingent payments to be transferred by the Group are recognised at fair value at the acquisition date. If the undertaken obligation constitutes a financial liability, subsequent changes in fair value are recognised in profit or loss. If the obligation assumed is an equity instrument, there is no change in the initial estimate.

If the acquisition cost is lower than the fair value of the net assets of the acquired subsidiary (negative goodwill or badwill), the difference is recognised directly in the income statement under Other operating income (Note 2.2). Transaction costs directly attributable are immediately recorded in profit or loss.

When, at the date of acquisition of the control, the Group already holds a previously acquired interest, the fair value of such participation contributes to the determination of goodwill or badwill.

INITIAL MEASUREMENT OF NON-CONTROLLING INTERESTS

When the control acquired is lower than 100%, in the application of the purchase method, non-controlling interests can be measured at fair value or at the ratio of the fair value of the assets and liabilities acquired, being that option defined according to each transaction.

CONSOLIDATION

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. In the acquisition of additional share capital of controlled entities, the excess between the proportion of acquired net assets and respective acquisition cost is directly recognised in Equity (Note 5.5). Subsidiaries' accounting policies have been changed whenever necessary to ensure consistency with the policies adopted by the Group.

Intercompany transactions, balances, unrealised gains on transactions and dividends distributed between group companies are eliminated. Unrealised losses are also eliminated, except where the transaction displays evidence of impairment of a transferred asset.

SUBSEQUENT TRANSACTIONS OF SUBSIDIARIES

DISPOSALS WITH LOSS OF CONTROL

In the case of disposals of interests, resulting in a loss of control over a subsidiary, any remaining interest is revalued to the market value at the date of sale, and the gain or loss resulting from such revaluation, is recorded against income, as well as the gain or loss resulting from such disposal.

TRANSACTIONS WITHOUT LOSS OF CONTROL

Subsequent transactions in the disposal or acquisition of non-controlling interests, which do not imply a change in control, do not result in the recognition of gains, losses or Goodwill. Any difference between the transaction value and the book value is recognised in Equity. The losses generated in each period by subsidiaries with non-controlling interests are allocated in the percentage held by them, regardless of whether they have a negative balance.

10.1.1 SEMAPA GROUP SUBSIDIARIES

HOLDING COMPANIES INCLUDED IN THE CONSOLIDATION

		Direct and indirect % held by Semapa			
Company	**Head Office**	**Direct**	**Indirect**	**30-06-2023**	**31-12-2022**
Parent company:					
Semapa	Portugal				
Subsidiaries:					
Semapa Inversiones 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
Triangle's - Cycling Equipments, S.A	Portugal	-	100.00	100.00	-

The subsidiary Triangle's is part of the Other Businesses segment.

PULP AND PAPER COMPANIES INCLUDED IN THE CONSOLIDATION

		Direct and indirect % held by Navigator			% effectively held by Semapa	
Company	Head Office	Direct	Indirect	Total	30-06-2023	31-12-2022
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 Pulp Figueira, 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
Empremédia - Corretores de Seguros, S.A.	Portugal	100.00	-	100.00	**69.97**	69.97
Empremedia, DAC	Ireland	100.00	-	100.00	**69.97**	69.97
Empremedia RE , DAC	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
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	-	73.80	73.80	**51.64**	51.64
Ema Setúbal - Engenharia e Manutenção Industrial, ACE	Portugal	-	79.70	79.70	**55.77**	55.77
Ema Figueira da Foz- Engenharia e Manutenção Industrial, ACE	Portugal	-	80.70	80.70	**56.47**	56.47
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 Fiber Solutions , S.A.	Portugal	0.10	99.90	100.00	**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 Iberica , S.A.	Spain	-	100.00	100.00	**69.97**	69.97
Navigator Tissue Ejea , SL	Spain	100.00	-	100.00	**69.97**	-
Navigator Tissue France ,EURL	France	-	100.00	100.00	**69.97**	-
Portucel Moçambique - Sociedade de Desenvolvimento Florestal e Industrial, Lda	Mozambique	90.02	-	90.02	**62.99**	62.99
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
Gavião - Sociedade de Caça e Turismo, S.A.	Portugal	-	100.00	100.00	**69.97**	69.97
Afocelca - 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
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 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
Navigator Paper Southern Africa	South Africa	1.00	99.00	100.00	**69.97**	69.97
Portucel Nigeria Limited	Nigeria	1.00	99.00	100.00	**69.97**	69.97
Navigator Green Fuels Setúbal, S.A.	Portugal	100.00	-	100.00	**69.97**	69.97
Navigator Green Fuels Figueira da Foz, 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

		Direct and indirect % held by Secil			% effectively held by Semapa	
Company	**Head Office**	**Direct**	**Indirect**	**Total**	**30-06-2023**	**31-12-2022**
Parent company:						
Secil - Companhia Geral de Cal e Cimento, S.A.	Portugal	100.00	-	100.00	**100.00**	100.00
Subsidiaries						
Betotrans II - Unipessoal, Lda.	Portugal	100.00	-	100.00	**100.00**	100.00
Secil Cabo Verde Comércio e Serviços, Lda.	Cape Verde	99.80	0.20	100.00	**100.00**	100.00
ICV - Inertes de Cabo Verde, Lda.	Cape Verde	75.00	25.00	100.00	**100.00**	100.00
Florimar- Gestão e Participações, S.G.P.S., Lda.	Portugal	100.00	-	100.00	**100.00**	100.00
Secil Cement, B.V. (former Seciment Investments, B.V.)	The Netherlands	100.00	-	100.00	**100.00**	100.00
Société des Ciments de Gabés	Tunisia	98.72	-	98.72	**98.72**	98.72
Sud- Béton- Société de Fabrication de Béton du Sud	Tunisia	-	98.72	98.72	**98.72**	98.72
Zarzis Béton	Tunisia	-	98.52	98.52	**98.52**	98.52
Secil Angola, SARL	Angola	100.00	-	100.00	**100.00**	100.00
Secil - Companhia de Cimento do Lobito, S.A.	Angola	-	51.00	51.00	**51.00**	51.00
Secil Betão, S.A.	Portugal	100.00	-	100.00	**100.00**	100.00
Secil Agregados, S.A.	Portugal	100.00	-	100.00	**100.00**	100.00
Secil Martingança - Aglomerantes e Novos Materiais para a Construção, S.A.	Portugal	100.00	-	100.00	**100.00**	100.00
IRP - Industria de Rebocos de Portugal, S.A.	Portugal	-	75.00	75.00	**75.00**	75.00
Sebetar - Sociedade de Novos Produtos de Argila e Betão, S.A.	Portugal	99.53	-	99.53	**99.53**	99.53
Ciminpart - Investimentos e Participações, S.G.P.S., S.A.	Portugal	100.00	-	100.00	**100.00**	100.00
ALLMA - Microalgas, Lda.	Portugal	-	70.00	70.00	**70.00**	70.00
Secil Brasil Participações, S.A.	Brazil	-	100.00	100.00	**100.00**	100.00
Supremo Cimentos, SA	Brazil	-	100.00	100.00	**100.00**	100.00
Margem - Companhia de Mineração, SA	Brazil	-	100.00	100.00	**100.00**	100.00
Secil Brands - Marketing, Publicidade, Gestão e Desenvolvimento de Marcas, Lda.	Portugal	100.00	-	100.00	**100.00**	100.00
Ciments de Sibline, S.A.L.	Lebanon	28.64	22.41	51.05	**51.05**	51.05
Soime, S.A.L.	Lebanon	-	51.05	51.05	**51.05**	51.05
Trancim, S.A.L.	Lebanon	-	51.05	51.05	**51.05**	51.05
Cimentos Madeira, S.A.	Portugal	100.00	-	100.00	**100.00**	100.00
Beto Madeira - Betões e Britas da Madeira, S.A.	Portugal	-	100.00	100.00	**100.00**	100.00
Madebritas - Sociedade de Britas da Madeira, Lda.	Portugal	-	100.00	100.00	**100.00**	100.00
Madebritas - Sociedade de Britas da Madeira, Lda.	Portugal	-	51.00	51.00	**51.00**	51.00
Cementos Secil, SLU	Spain	100.00	-	100.00	**100.00**	100.00

COMPANIES FROM OTHER SEGMENTS INCLUDED IN THE CONSOLIDATION

		Direct and indirect % held by ETSA			% effectively held by Semapa	
Company	**Head Office**	**Direct**	**Indirect**	**Total**	**30-06-2023**	**31-12-2022**
Parent company:						
ETSA - Investimentos, SGPS, S.A.	Portugal	99.99	-	99.99	**99.99**	99.99
Subsidiaries:						
ETSA LOG,S.A.	Portugal	100.00	-	100.00	**99.99**	99.99
SEBOL – Comércio e Industria de Sebo, S.A.	Portugal	100.00	-	100.00	**99.99**	99.99
ITS – Indústria Transformadora de Subprodutos Animais, S.A.	Portugal	100.00	-	100.00	**99.99**	99.99
ABAPOR – Comércio e Industria de Carnes, S.A.	Portugal	100.00	-	100.00	**99.99**	99.99
BIOLOGICAL - Gestão de Resíduos Industriais, Lda.	Portugal	100.00	-	100.00	**99.99**	99.99
AISIB – Aprovechamiento Integral de Subprodutos Ibéricos, S.A.	Spain	100.00	-	100.00	**99.99**	99.99
Tribérica, S.A.	Portugal	70.00	-	70.00	**69.99**	69.99

10.2 CHANGES IN THE CONSOLIDATION PERIMETER

In the first half of 2023 and financial year 2022, there were the following changes to the consolidation perimeter:

2023

Incorporation of Navigator Fiber Solutions, SA
Incorporation of Navigator Green Fuels Setubal, S.A.
Incorporation of Navigator Green Fuels Figueira da Foz, S.A.
Incorporation of Portucel Nigeria Limited
Acquisition of Navigator Tissue Ejea SL
Acquisition of Navigator Tissue France EURL
Acquisition of Triangle's - Cycling Equipments, S.A

2022

Acquisition of 100% of the share capital of Trancim, SAL
Sale of 100% of Silonor's share capital
Liquidation of About the Future, S.A.
Liquidation of Navigator Internacional Holding, SGPS, S.A.
Merger by incorporation of Atlantic Forests, S.A. into Navigator Forest Portugal, S.A.
Incorporation of Navigator Paper Southern Africa

10.3 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

ACCOUNTING POLICIES

Associates are all the entities in which the Group exercises significant influence but do not have control, which is generally the case with investments representing between 20% and 50% of the voting rights. Joint ventures are agreements which provide the Group joint control (established contractually) and for which the Group holds an interest in net assets. Investments in associates and joint ventures are accounted under the equity method.

When the Group's share in the associates losses or Joint Ventures is equal to or exceeds its investment in the associate, the Group ceases to recognise additional losses, except where it has assumed liability or made payments in the associate's name. Unrealised gains on transactions with associates are eliminated to the extent of the Navigator Group's investment in the associates. Unrealised losses are also eliminated, except where the transaction displays evidence of impairment of a transferred asset.

	30-06-2023		31-12-2022	
Amounts in Euro	**% held**	**Book value**	**% held**	**Book value**
Associates				
MC - Materiaux de Construction	49.36%	1,480	49.36%	1,500
J.M.J. - Henriques, Lda.	50.00%	366,978	50.00%	369,912
Ave, S.A.	35.00%	62,963	35.00%	178,585
Ultimatemod - Construção Modular, S.A	50.00%	481,381	-	-
Joint Ventures				
Utis - Ultimate Technology To Industrial Savings, Lda	50.00%	35,926,508	50.00%	37,823,495
Other shareholdings		6,250		6,250
		36,845,560		**38,379,742**

MOVEMENTS IN ASSOCIATES AND JOINT VENTURES

Amounts in Euro	30-06-2023	31-12-2022
Opening balance	**38,379,742**	**4,097,178**
Acquisitions	500,000	26,893,324
Net appropriate profit/(loss)	1,196,151	8,904,691
Dividends distributed	(3,230,179)	(1,346,140)
Other movements	(134)	(169,281)
Exchange rate adjustment	(20)	(30)
Closing balance	**36,845,560**	**38,379,742**

INFORMATION ON ASSOCIATES AND JOINT VENTURES

Amounts in Euro		30 June 2023				
		Total Assets	Total Liabilities	Equity	Net profit	Revenue
Ave-Gestão Ambiental e Valorização Energética, S.A.	a)	7,893,347	7,713,452	179,895	118,925	8,587,923
MC- Materiaux de Construction	c)	1,265,401	1,404,911	(139,510)	12,101	2,243,739
J.M.J. - Henriques, Lda.	a)	1,046,084	312,125	733,959	(2,313)	-
Utis - Ultimate Technology To Industrial Savings, Lda.		35,049,793	16,878,926	18,170,867	2,334,360	9,913,592
Ultimatemod - Construção Modular, S.A.	b)	986,988	24,227	962,761	(37,239)	-

a) Amounts as at 31-05-2023

b) Amounts as at 30-04-2023

c) Amounts as at 31-03-2023

Amounts in Euro		31 December 2022				
		Total Assets	Total Liabilities	Equity	Net profit	Revenue
Ave-Gestão Ambiental e Valorização Energética, S.A.	a)	5,358,168	4,847,925	510,243	449,273	14,527,005
MC- Materiaux de Construction	a)	1,224,263	1,334,730	(110,467)	30,272	9,092,920
J.M.J. - Henriques, Lda.	a)	1,045,742	305,916	739,826	(15,218)	-
Utis - Ultimate Technology To Industrial Savings, Lda	b)	33,350,800	11,385,958	21,964,842	17,508,759	40,420,414
Allmicroalgae - Natural Products, S.A.	a) c)	3,288,316	6,739,745	(3,451,429)	(2,628,480)	979,577

a) Amounts as at 30-11-2022

b) Amounts as at 31-12-2022

c) Sale of Secil's financial shareholding in Allmicroalgae on 12-2022

10.4 TRANSACTIONS WITH RELATED PARTIES

BALANCES WITH RELATED PARTIES

Amounts in Euro	30-06-2023		31-12-2022		
	Receivables and other assets (Note 4.2)	Payables and other liabilities (Note 4.3)	Receivables and other assets (Note 4.2)	Payables and other liabilities (Note 4.3)	Lease liabilities
Shareholders					
Sodim, SGPS, S.A.	11,472	-	745	-	-
Cimo, SGPS, S.A.	-	1,160	-	1,160	-
Associates and Joint Ventures					
Ave-Gestão Ambiental, S.A.	1,050,327	585,392	337,288	1,424,778	-
J.M.J. Henriques, Lda.	131,280	-	131,280	-	-
Other related parties					
Hotel Ritz, S.A.	-	9,442	-	10,160	-
Sonagi, SGPS, S.A.	-	-	-	-	63,021
Cotif Sicar	-	67,612	-	41,750	-
Soc. Agrícola da Herdade dos Fidalgos, Lda.	-	-	-	710	-
CLA - Soc. Advogados	-	-	-	7,380	-
Inertogrande	214,546	-	216,224	-	-
Pedro Soveral	-	-	-	6,150	-
Allmicroalgae - Natural prodructs, S.A.	43,398	-	-	-	-
UTIS, Lda	(85)	174,223	(38,037)	900,229	-
Members of the Board of Directors	-	-	2,139	7,255	-
Ultimate Cell (Utis) - Note 10.3	-	2,800,000	-	26,841,074	-
Other shareholders from subsidiaries	-	1,405,332	-	20,473	-
	1,450,938	5,043,161	649,639	29,261,118	63,021

TRANSACTIONS WITH RELATED PARTIES

Amounts in Euro	1S 2023			1S 2022		
	Purchase of services	Sales and services rendered	Other operating income	Purchase of services	Sales and services rendered	Other operating income
Associates and Joint Ventures						
Ave-Gestão Ambiental, S.A.	(1,183,197)	10	46,961	(1,464,233)	1,005	80,827
	(1,183,197)	**10**	**46,961**	**(1,464,233)**	**1,005**	**80,827**
Other related parties						
Sonagi - Imobiliária, S.A.	(403,079)	-	-	(390,485)	-	-
Hotel Ritz, S.A.	(87,893)	-	-	(95,195)	-	-
Allmicroalgae - Natural products, S.A.	-	-	62,225	-	-	222,925
Bestweb, Lda.	(11,011)	-	-	(11,011)	-	-
CLA - Soc. Advogados	(36,000)	-	-	(36,000)	-	-
Nofigal, Lda.	(19,800)	-	-	(19,800)	-	-
UTIS, Lda.	-	-	-	751	-	70,000
Letras Criativas, Unipessoal, Lda.	(30,000)	-	-	(30,000)	-	-
	(587,783)	**-**	**62,225**	**(581,740)**	**-**	**292,925**
	(1,770,980)	**10**	**109,186**	**(2,045,973)**	**1,005**	**373,752**

In previous years, lease agreements were signed between Semapa and Sonagi - Imobiliária, S.A. relating to the lease of several office floors in the building which it owns and operates the headquarters of Semapa, SGPS, S.A., at Av. Fontes Pereira de Melo, no. 14, in Lisbon.

As part of the identification of related parties, for financial reporting purposes, AVE, S.A. was also referred to as a related party, as it is an associate of the subsidiary Secil from which the Group acquires waste treatment services and alternative fuels.

OTHER RELATED PARTY DISCLOSURES

As mentioned in Note 8.3 - Financial investments, in 2018 the Group, through its subsidiary Semapa Next, S.A., entered into an agreement to perform an investment of USD 12 million in the “Alter Venture Partners Fund 1”, entity in which a member of the executive team is also a non-executive board member of Semapa.

11. EXPLANATION ADDED FOR TRANSLATION

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

THE BOARD OF DIRECTORS

CHAIRMAN:

JOSÉ ANTÔNIO DO PRADO FAY

MEMBERS:

RICARDO MIGUEL DOS SANTOS PACHECO PIRES

VÍTOR PAULO PARANHOS PEREIRA

FILIPA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

MAFALDA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

LUA MÓNICA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

ANTÓNIO PEDRO DE CARVALHO VIANA-BAPTISTA

PAULO JOSÉ LAMEIRAS MARTINS

PART 5

LIMITED REVIEW REPORT ON THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A.
Edifício FPM41 – Avenida Fontes Pereira de Melo, 41 – 15º
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REPORT ON THE LIMITED REVIEW OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Free translation from a report originally issued in Portuguese language.
In case of doubt, the Portuguese version will always prevail.)

Introduction

We performed a limited review of the accompanying interim consolidated financial statements of **Semapa – Sociedade de Investimento e Gestão, S.G.P.S., S.A.** (the Group), which comprise the interim consolidated statement of financial position as at 30 June 2023 (showing a total of Euro 4,519,252,999 and total equity attributable to the shareholders of Euro 1,357,904,773, including a consolidated net profit for the period attributable to the Navigator Company's shareholders of Euro 107,631,856), and the interim consolidated income statements, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the period then ended, and the notes to the interim consolidated financial statements.

Responsibilities of Management

Management is responsible for the preparation of interim consolidated financial statements in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union, and for designing and maintaining an appropriate internal control system to enable the preparation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor´s Responsibilities

Our responsibility is to express a conclusion on these interim consolidated financial statements. We conducted our work in accordance with international standards for limited review of financial statements and further technical and ethical standards and guidelines as issued by *Ordem dos Revisores Oficiais de Contas* (the Portuguese Institute of Statutory Auditors). These standards require our work to be conducted in such a way as to conclude whether anything has come to our attention that causes us to believe that the interim consolidated financial statements, as a whole, are not prepared in all material aspects in accordance with IAS 34 – Interim Financial Reporting, as adopted in the European Union.

A limited review of interim consolidated financial statements is a limited assurance engagement. The procedures that we performed basically consist of inquiries and analytical procedures and the consequent assessment of the evidence obtained.

Procedures performed in a limited review are significantly reduced than procedures performed in an audit performed in accordance with International Standards on Auditing (ISA). In this sense, we do not express an audit opinion on these interim consolidated financial statements.

Conclusion

Based on our work, nothing has come to our attention that would lead us to believe that the accompanying interim consolidated financial statements of **Semapa – Sociedade de Investimento e Gestão, S.G.P.S., S.A.**, as at 30 June 2023, are not prepared, in all material respects, in accordance with IAS 34 - Interim Financial Reporting as adopted by the European Union.

29 September 2023

KPMG & Associados -
Sociedade de Revisores Oficiais de Contas, S.A.
(no. 189 and registered at CMVM with no. 20161489)
represented by
Paulo Alexandre Martins Quintas Paixão
(ROC no. 1427 and registered at CMVM with no. 20161037)

MAKING IT BETTER SEMAPA

SOCIEDADE DE INVESTIMENTO E GESTÃO, SGPS, S.A.

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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)