RESULTS PRESENTATION

_9M 2023

MAKING IT BETTER SEMAPA

1 HIGHLIGHTS

SEMAPA GROUP INVESTS 487 M€ IN THE FIRST 9 MONTHS

295 M€ USED IN NEW ACQUISITIONS

EBITDA IN THE PERIOD AMOUNTED TO 507 M€ AND NET PROFIT TO 167 M€

- In the first nine months of 2023, the Semapa Group continued its **diversification strategy**. On 31 March Navigator concluded its acquisition of Gomà-Camps Consumer in Spain, seeking to reinforce its footprint in the At Home segment. The integration of this new plant positions Navigator as the second largest Iberian producer of Tissue. At the end of the 2nd quarter, Semapa 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** made in the first nine months of 2023 totalled 192.2 million euros, much higher than in the same period in the previous year (121.1 million euros). Navigator stood out with 142 million euros (vs. 65 million year-on-year), 61% of which are ESG sustainable investments. Secil made investments amounting to 41 million euros, 13 million euros in the CCL - Clean Cement Line project at the Outão cement plant, maintaining the Group's commitment to the progressive decarbonisation of its business units.

- At the end of the first nine months of 2023, consolidated **interest-bearing net debt** stood at 1 080.0 million euros, 285.8 million euros more than that at the end of 2022 despite the payment of dividends of 136 million euros and the investment amount of 487.3 million euros, which demonstrates the Group's ability to generate cash flow. As at 30 September 2023, the Group enjoys a comfortable liquidity position backed up by cash (248.1 million euros) and a set of committed and undrawn credit lines.

- In the first nine months of 2023, the Semapa Group recorded consolidated **revenue** of 2 021.9 million euros (vs. 2 312.3 million euros in the same period in 2022): 1 460.6 million euros were generated in Pulp and Paper / Navigator (-19.9% year on year), 518.8 million euros in Cement / Secil (+15.7%) and 42.9 million euros in Other Business (+3.9%). Exports and sales abroad for the same period amounted to 1 484.5 million euros, accounting for 73.4% of revenue.

  After the extraordinary year of 2022, the normalisation of market conditions strongly conditioned the pulp and paper sector in the first nine months of 2023. In the first half of 2023, stocks of printing and packaging paper across the distribution chain were reduced at a slower pace than expected, with a slight improvement in the third quarter. Q3 had a 6% increase in volumes of UWF sold compared to the previous quarter. Despite the downward trend over the first 9 months of 2023, the benchmark index for UWF prices has been resilient and average price in that period remains 6% above that in the same period last year. The Tissue paper segment continued to perform well in the first 9 months of 2023. Cement revenue reflects mostly the favourable progress in Portugal, Tunisia and Lebanon.

- **EBITDA** in the first nine months of 2023 amounted to 507.3 million euros (vs. 673.2 million euros year on year): 376.5 million euros were generated in Pulp and Paper (-31.8% year on year), 117.5 million euros in Cement (+10.7%) and 13.4 million euros in Other Business (-11.0%). The consolidated EBITDA margin of 25.1% was -4.0 p.p. below that in the same period in 2022.

  The reduction in EBITDA was mainly due to the performance of the Pulp and Paper segment. In the first nine months variable costs decreased, which, in conjunction with the efforts to maintain prices and enrich the product mix, partially compensated for the reduced paper sales volumes. EBITDA in the Cement segment evolved positively due to improvements in Portugal, Tunisia and Lebanon.

- **Net profit attributable to Semapa shareholders** at the end of the first nine months of 2023 stood at 167.2 million euros (vs. 231.4 million in 2022).

LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	9M 2023	9M 2022	Var.	Q3 2023	Q3 2022	Var.
Revenue	**2 021.9**	**2 312.3**	**-12.6%**	**677.7**	**846.6**	**-20.0%**
EBITDA	**507.3**	**673.2**	**-24.6%**	**176.0**	**248.1**	**-29.1%**
EBITDA margin (%)	25.1%	29.1%	-4.0 p.p.	26.0%	29.3%	-3.3 p.p.
Depreciation, amortisation and impairment losses	(155.9)	(169.4)	8.0%	(53.2)	(59.0)	9.9%
Provisions	(5.5)	0.3	<-1000%	(1.8)	(1.1)	-56.4%
EBIT	**346.0**	**504.1**	**-31.4%**	**121.1**	**188.0**	**-35.6%**
EBIT margin (%)	17.1%	21.8%	-4.7 p.p.	17.9%	22.2%	-4.3 p.p.
Income from associates and joint ventures	1.8	4.0	-54.8%	0.6	2.4	-74.0%
Net financial results	(50.1)	(88.9)	43.7%	(16.8)	(24.9)	32.5%
Profit before taxes	**297.7**	**419.2**	**-29.0%**	**104.9**	**165.4**	**-36.6%**
Income taxes	(72.0)	(108.4)	33.6%	(25.9)	(43.8)	40.9%
Net profit for the period	225.6	310.8	-27.4%	79.0	121.6	-35.0%
Attributable to Semapa shareholders	**167.2**	**231.4**	**-27.7%**	**59.6**	**89.9**	**-33.8%**
Attributable to non-controlling interests (NCI)	58.4	79.4	-26.4%	19.4	31.6	-38.7%
Cash flow	387.0	479.9	-19.4%	133.9	181.7	-26.3%
Free Cash Flow	(130.5)	296.7	-144.0%	32.0	138.7	-76.9%
	30/09/2023	**31/12/2022**	**Sept23 vs. Dec22**			
Equity (before NCI)	1 408.5	1 323.4	6.4%			
Interest-bearing net debt	**1 080.0**	**794.2**	**36.0%**			
Lease liabilities (IFRS 16)	102.9	101.2	1.7%			
Total	**1 182.9**	**895.4**	**32.1%**			

2 PERFORMANCE OF THE SEMAPA GROUP BUSINESS UNITS

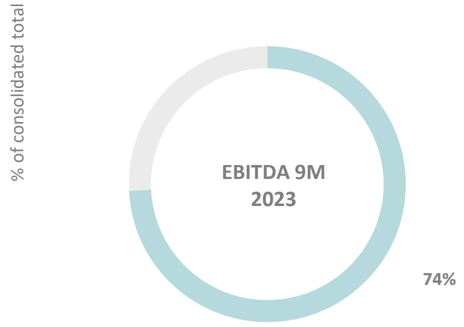
2.1. BREAKDOWN BY BUSINESS SEGMENTS

IFRS - accrued amounts (million euros)	Pulp and Paper		Cement		Other business		Holdings		Consolidated
	9M 2023	23/22	9M 2023	23/22	9M 2023	23/22	9M 2023	23/22	9M 2023
Revenue	**1 460.6**	**-19.9%**	**518.8**	**15.7%**	**42.9**	**3.9%**	**(0.4)**	**-282.5%**	**2 021.9**
EBITDA	**376.5**	**-31.8%**	**117.5**	**10.7%**	**13.4**	**-11.0%**	**(0.1)**	**-227.0%**	**507.3**
EBITDA margin (%)	25.8%	-4.5 p.p.	22.6%	-1.0 p.p.	31.3%	-5.2 p.p.	-	-	25.1%
Depreciation, amortisation and impairment losses	(109.1)	14.7%	(42.9)	-10.5%	(3.7)	-51.1%	(0.2)	-7.9%	(155.9)
Provisions	(1.3)	-151.4%	(4.2)	-90.7%	-	-	-	-100.0%	(5.5)
EBIT	**266.2**	**-37.6%**	**70.4**	**8.2%**	**9.7**	**-23.2%**	**(0.3)**	**-312.5%**	**346.0**
EBIT margin (%)	18.2%	-5.2 p.p.	13.6%	-0.9 p.p.	22.6%	-8.0 p.p.	-	-	17.1%
Income from associates and joint ventures	-	-	0.1	114.3%	-	-	1.7	-63.1%	1.8
Net financial results	(15.7)	73.9%	(28.6)	-13.5%	(0.1)	-16.3%	(5.6)	-62.4%	(50.1)
Profit before taxes	**250.5**	**-31.6%**	**41.9**	**6.8%**	**9.6**	**-23.5%**	**(4.2)**	**-482.6%**	**297.7**
Income taxes	(58.0)	44.4%	(4.7)	68.9%	(0.6)	77.6%	(8.7)	-163.0%	(72.0)
Net profit for the period	192.5	-26.6%	37.1	54.9%	8.9	-8.0%	(12.9)	-186.8%	225.6
Attributable to Semapa shareholders	**134.7**	**-26.6%**	**36.5**	**56.1%**	**9.0**	**-6.9%**	**(12.9)**	**-186.8%**	**167.2**
Attributable to non-controlling interests (NCI)	57.8	-26.5%	0.6	7.9%	(0.0)	-124.8%	-	-	58.4
Cash flow	302.9	-21.9%	84.2	29.6%	12.7	3.9%	(12.8)	-184.5%	387.0
Free Cash Flow	32.5	-89.9%	58.5	512.1%	1.3	-74.6%	(222.8)	<-1000%	(130.5)
Interest-bearing net debt	**549.7**		**294.2**		**2.0**		**234.0**		**1 080.0**
Lease liabilities (IFRS 16)	66.3		35.0		1.2		0.5		102.9
Total	**616.0**		**329.2**		**3.1**		**234.5**		**1 182.9**

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 September 2023, the Other Business includes Triangle’s and ETSA’s business.

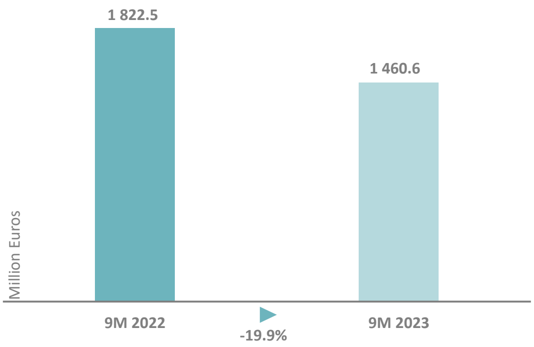
2.2. OVERVIEW OF NAVIGATOR ACTIVITY



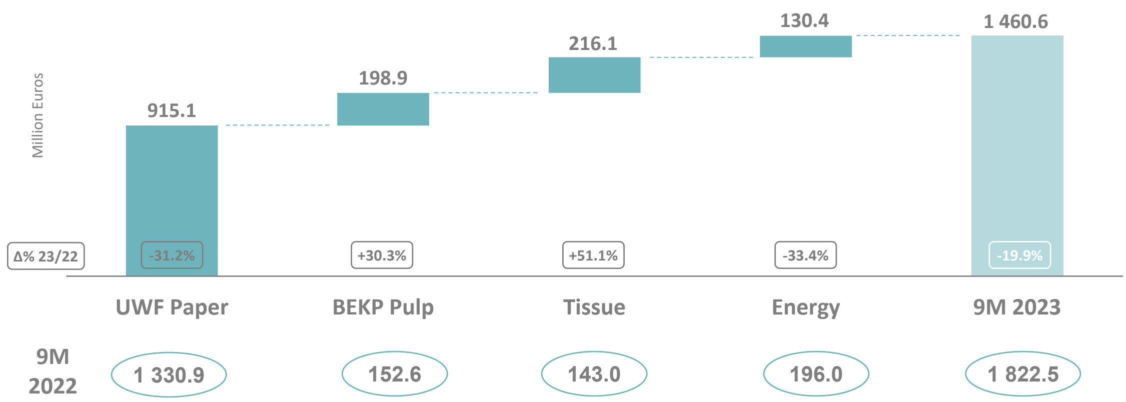
HIGHLIGHTS IN 2023 (VS. 2022)

- Revenue amounted to 1 460.6 million euros (-19.9% vs. 9M 2022). There was an improvement in the 3rd quarter compared to the 2nd quarter of 2023 (+0.6%).

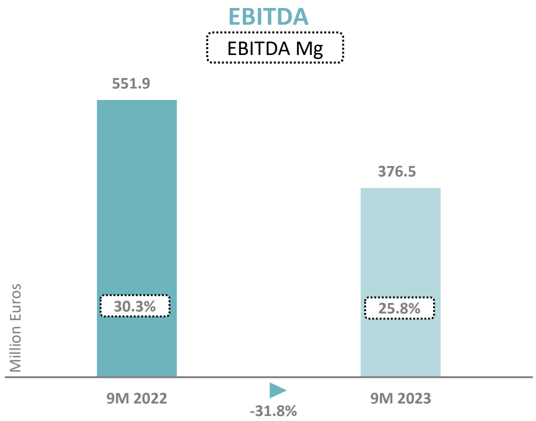
REVENUE



REVENUE BREAKDOWN BY SEGMENT



- EBITDA amounted to 377 million euros (-31.8% vs. 9M 2022). The increase in EBITDA in Q3 vs. Q2 2023 (+1.0%) is worthy of note, reflected in an EBITDA margin of 25.7% (+0.1 p.p. vs. previous quarter).
- Performance in 2023 featured lower sales volumes, partially offset by the effort to maintain prices and favourable developments in variable costs.



LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	9M 2023	9M 2022	Var.	Q3 2023	Q3 2022	Var.
Revenue	**1 460.6**	**1 822.5**	**-19.9%**	**481.1**	**680.4**	**-29.3%**
EBITDA	**376.5**	**551.9**	**-31.8%**	**123.5**	**207.4**	**-40.4%**
EBITDA margin (%)	25.8%	30.3%	-4.5 p.p.	25.7%	30.5%	-4.8 p.p.
Depreciation, amortisation and impairment losses	(109.1)	(128.0)	14.7%	(37.4)	(45.5)	17.9%
Provisions	(1.3)	2.5	-151.4%	-	(0.6)	100.0%
EBIT	**266.2**	**426.5**	**-37.6%**	**86.1**	**161.2**	**-46.6%**
EBIT margin (%)	18.2%	23.4%	-5.2 p.p.	17.9%	23.7%	-5.8 p.p.
Net financial results	(15.7)	(60.1)	73.9%	(7.2)	(15.1)	52.2%
Profit before taxes	**250.5**	**366.4**	**-31.6%**	**78.9**	**146.1**	**-46.0%**
Income taxes	(58.0)	(104.2)	44.4%	(18.4)	(40.3)	54.4%
Net profit for the period	192.5	262.2	-26.6%	60.6	105.8	-42.8%
Attributable to Navigator shareholders	**192.5**	**262.2**	**-26.6%**	**60.5**	**105.8**	**-42.8%**
Attributable to non-controlling interests (NCI)	0.0	(0.0)	409.2%	0.0	(0.0)	319.1%
Cash flow	302.9	387.6	-21.9%	97.9	152.0	-35.6%
Free Cash Flow	32.5	322.3	-89.9%	22.8	148.2	-84.6%
	30/09/2023	**31/12/2022**				
Equity (before NCI)	994.3	1 018.0				
Interest-bearing net debt	**549.7**	**382.2**				
Lease liabilities (IFRS 16)	66.3	61.6				
Total	**616.0**	**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	9M 2023	9M 2022	Var.	Q3 2023	Q3 2022	Var.
BEKP Pulp						
FOEX – BHKP Usd/t	1 075	1 261	-14.7%	826	1 373	-39.9%
FOEX – BHKP Eur/t	994	1 192	-16.6%	758	1 365	-44.4%
BEKP Sales (pulp)	370	203	82.6%	154	53	190.7%
UWF Paper						
FOEX – A4- BCopy Eur/t	1 243	1 172	6.1%	1 152	1 281	-10.1%
UWF Sales (paper)	810	1 133	-28.5%	277	399	-30.6%
Tissue						
Total sales of tissue	102	77	31.8%	41	27	53.9%

This year's figures are compared with 2022, an altogether exceptional year, where prices reached historical levels, due to an unprecedented imbalance between supply and demand in all products, created by logistical constraints and cost inflation which we have succeeded in controlling in 2023, keeping our cash costs at the level recorded at the start of 2022.

The reduction in cash costs across segments over the year continues and was even more significant in the current quarter. On the other hand, resilient international printing and tissue paper prices, combined with the commercial strategy and product and market diversification, made it possible to achieve good results in a context of a very strong contraction in international demand in most of the segments in which Navigator operates.

In the first nine months of 2023, Navigator revenue totalled 1 460.6 million euros, paper sales accounting for around 61% of the total (vs. 69% year on year), pulp sales 13% (vs. 8%), tissue sales 15% (vs. 8%), and energy sales 9% (vs. 11%).

Paper

The industry's capacity utilisation (production/capacity) underwent a sharp adjustment in 2023, alongside moderation of Navigator's production rates. The average utilisation rate in the first 9 months was 75%, which compares with the industry average of 66%.

Market conditions in Q3 2023 improved slightly compared to the 1st half. Although initially slow, destocking across the distribution chain seems to have gained momentum at the end of the third quarter, as most operators continued to adjust stock levels to their demand. This situation led to a slight increase in the level of incoming orders placed with European producers, particularly in September, significantly reducing the seasonality factor that the industry usually faces. There was thus a slight increase in capacity utilisation in the third quarter, which at Navigator stood at 76% (compared to the industry average of 66%).

In a global context of sharply falling apparent demand (down 11%), UWF paper remains the most resilient, as usual due to the versatility of its uses, with a reduction of almost 6%, as compared to CWF papers, for which demand dropped by 18%. Demand for paper produced from mechanical pulp contracted by 21%.

In Europe, apparent demand for UWF paper fell by 21% YoY (September), and this also remained the most resilient grade. In the United States, demand declined by 13% YTD August. Apparent UWF consumption in other world regions decreased by 2%, with China growing 1% in UWF consumption compared with 2022.

The office paper benchmark in Europe at the end of September stood at 1 127 Eur/t (vs. 1 204 Eur/t at the end of June). Despite the downward trend over the first 9 months of 2023, the benchmark index for UWF prices has been resilient, with the average price in the first 9 months of 2023 persistently 6% above that in the same period last year. Significantly, the reduction in the index since the start of the year has been 16%, while the pulp index has dropped by more than 40%.

Navigator's UWF sales totalled 809 thousand tonnes in the first 9 months of the year, down 29% on the same period last year. However, in the 3rd quarter, there was a 6% increase compared to sales in the previous quarter, which reflects the current context in which stock levels across the distribution chain that were abnormally high in the 1st half are beginning to normalise. In turn, revenue in the first nine months was 31% down on the same period last year. It should be noted that mill brands accounted for 80% of sales since the start of the year (vs. an average of 65% in the period 2012-2021). The share of premium products also remains high at 58% (vs. the historical average of 53% recorded in the period 2012-2021).

Packaging paper

The Packaging Paper segment experienced a sharp slowdown in demand in 2023 compared to previous years, when there were extraordinarily high levels of demand that resulted in an abnormal increase in stocks at converters and end customers. The normalisation of such conditions in an environment of macroeconomic slowdown and high inflation has been slow, which largely justifies the cooling down of demand. Furthermore, the new forms of undifferentiated taxation of packaging products, ignoring the sustainability of the products and treating paper products of natural, renewable, biodegradable and compostable origin in the same way as other packaging products made from products of fossil and/or finite origin have impacted the consumption of packaging and bags in retail. Notwithstanding, in recent months recovery has been promising, with the packaging segment hinting at very positive future development for Navigator.

The recognition of the quality of our products from eucalyptus globulus fibre, and consequently that of the gKraft™ brand, serving high exposure brands in fashion, retail food, e-commerce, industry and agriculture, among other sectors, has resulted in an ever-larger and more diversified customer base of more than 250 active customers in 33 countries since the brand took off in 2021.

Navigator therefore remains committed to packaging papers, essentially in the paper bags (retail), flexible packaging and Food & Beverage packaging markets, where its innovative introduction of the quality offered by eucalyptus fibre has proved enormously popular.

Among the various supply expansion projects underway, Navigator has been developing new product ranges since the beginning of 2023, aimed at all sorts of industrial uses and a wide range of consumption goods, 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-based moulded cellulose components, intended to replace single-use plastic packaging in the food service and food packaging market, is well on track: 75% of the project has been completed and production is set to start in the 1st half of 2024.

Pulp

The benchmark index for short fibre (hardwood) pulp in Europe PIX BHKP in dollars rose to record levels in 2022 (1 380 USD/t), and started to adjust downwards in the 1st quarter of 2023, falling more sharply in the 2nd and 3rd quarter to 820 USD/t at the end of September, representing a drop of 13% from the end of June 2023. Average prices in the quarter were 40% lower than those in the same period in 2022. The benchmark index in China for hardwood pulp rose 9% in relation to the end of June, standing at 553 USD/t at the end of September. It should be noted that prices in China fell to their lowest level in May (475 USD/t), down by 45% from the level of 866 USD/t recorded in September 2022, and in Europe, in August (800 USD/t), they dropped by 42% from the peak of 1 380 USD/t recorded in January 2023.

This variation was due to: (i) lower global demand, in particular in Europe; (ii) growing stock levels across the supply chain during the close of 2022 and the start of 2023; (iii) lifting of logistical constraints encountered in 2022; (iv) and 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 (1.3 Mt net) and another in the 2nd quarter of 2023 (2.2 Mt).

In the 3rd quarter of 2023, world demand for eucalyptus pulp (euca) is showing a better performance compared to the first half of the year (where growth was practically null), having resumed growth this quarter. China is the main driver of this recovery, as stocks were replenished after prices hit a low in May, showing a 20% increase in euca demand compared to the same period in August. The excellent performance of the Chinese market more than made up for weak demand in Europe, which was 19% down on the same period last year, both in total demand for short fibre and in demand for eucalyptus pulp.

This very positive turn in the pulp market was driven by the restocking effect in China after prices in May dropped to an all time low (as mentioned) and also by an apparent significant increase in the production of printing and packaging paper and tissue in China (August was the second best month in the last 3 years in terms of virgin fibre paper and tissue production), surprising analysts and market agents. As a result prices for November in China rose to 630 USD/t (+33% vs. May) and in Europe to 980 USD/t (PIX 24/Oct at 847 USD).

Over the course of the year, Navigator has had a larger quantity of pulp available for sale, as a result of less being incorporated into paper. Accumulated sales in 2023 thus stood at 370 thousand tonnes, up 83% YoY, with revenue (in Euro) being conditioned by the current price level, hinting at growth of around 30% YoY.

Tissue

The tissue paper segment continues to perform well; sales of finished products sustained growth in the first 9 months of 2023. Such growth was achieved in a context of stable market demand in Iberia (Spain grew by 0.2 % in the first 7 months of 2023), while Western Europe contracted by 2.4 %.

Tissue sales volume amounted to 102 thousand tonnes in the first nine months, 32% more than in the same period last year. Positive price trends brought revenue up by around 51%. The increase benefited from the integration of the new plant at the beginning of the second quarter, now called Navigator Tissue Ejea. In addition to boosting sales growth, this acquisition also contributes to the diversification of the customer base and to significant gains in integration synergies.

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

The focus on product innovation and differentiation continues to help Navigator to strengthen its presence with customers, especially through the use of the manufacturer's brand, which in the first 9 months accounted for 24% of total sales of finished products, the result of a 26% increase in sales volume year on year.

Energy

In the first nine months, revenue from electrical energy totalled approximately 130 million euros, which represents a year-on-year decrease of approximately 33%.

The reduction is essentially due to the fact that in the first half of the year, the average price for the Portuguese area of OMIE, which serves as a benchmark for sales in this period, was 90.4 Eur/MWh, as opposed to 205.8 Eur/MWh in 2022. For the period under review, Navigator's total sales volume remained in line with the previous year.

It should be emphasised that Navigator's renewable cogeneration plants switched to the special remuneration regime last June, as opposed to sales at market price.

The take off in the construction of the new self-consumption photovoltaic plants at the Figueira da Foz, Aveiro and Vila Velha de Rodão industrial sites is worthy of note, since it will triple the installed capacity at Navigator's sites from the current 12 MW to around 38 MW.

EBITDA

Variable costs were brought down in the first nine months, with a reduction in unit cash costs in all segments. The resilience of paper prices, especially in segments with higher value added, has offered additional protection to profits, in a context where volumes of paper sales have dwindled. These factors, combined with a sales strategy of product and market diversification, made it possible to achieve EBITDA of 377 million euros. EBITDA margin stood at 25.8% (-4.5 p.p. in relation to the same period in 2022).

The positive trend in unit cash costs had already been seen throughout the first half of the year, and became more significant in the third quarter. Comparing cash costs with those recorded in the first half of the year, we see a reduction of 12% to 15% in the pulp and paper segment and a reduction of more than 9% in tissue paper.

Comparing the 3rd quarter with the same quarter in 2022, costs in all segments drop, with a reduction between 16% and 18% in the pulp and paper segments and close to 12% in the tissue segment.

Total fixed costs year on year were a positive 1%, due to the reduction in personnel costs and the evolution of operating and maintenance costs, which increased below inflation.

Navigator remains focused not only on managing variable costs, but also on maximising efficiency in the consumption of raw and subsidiary materials by reducing specific consumption, particularly in pulp, paper and tissue production, while also maintaining its efforts to contain fixed costs.

The **financial results** amounted to -15.7 million euros (vs. -60.1 million euros over the same period in the previous year). It should be noted that in the same period in the previous year, financial results were hit by one-off impacts (non-cash) of approximately -40 million euros, resulting essentially from the recognition of accumulated unfavourable exchange differences in the 2022 income statement connected with the reimbursement of shareholder loans granted to the subsidiary Portucel Mozambique.

If non-recurrent items are excluded, Navigator can point to an improvement YoY of 4.4 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 3.6 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. It should be noted that the average cost of debt stayed below 2% in September 2023.

Net profit attributable to Navigator shareholders in the first nine months of 2022 totalled 192.5 million euros (vs. 262.2 million euros in the same period in 2022).

The free **cash flow** generated in the first nine months was close to 33 million euros (vs. around 322 million euros in the same period last year), which reflects the impact of the disbursement for the acquisition of Gomà-Camps Consumer, and the additional payment of income tax year on year, reflecting the exceptional level of results in the previous year, as well as the demanding investment plan under the very tight schedule set by the Recovery and Resilience Plan (RRP).

The level of investment in working capital remained contained, and at the end of the quarter there was a dip in the value of goods in stock, and a reduction in the trade receivables balance.

In the first nine months of 2023, the total amount of **investments** was 142 million euros (vs. 65 million euros in the same period in 2022). It is worth noting that 61% of all investment in the first nine months of the year, approximately 86 million euros, was classified as environmental or sustainable investments - ESG.

This is mainly made up of investments aimed at maintaining production capacity, revamping equipment and achieving efficiency gains, structural and safety projects. The capex projects under way include: the new high-efficiency recovery boiler in Setúbal and the new tower and washing presses in Aveiro, which will help speed up Navigator's decarbonisation plan, investment in wastewater treatment (WWTP in Setúbal), the new wood yard in Figueira da Foz and ash treatment at the recovery boiler in Aveiro.

THIRD QUARTER OF 2023 VS. THIRD QUARTER OF 2022

In the third quarter there was an improvement in sales volumes for all products when compared with the previous quarter's figures.

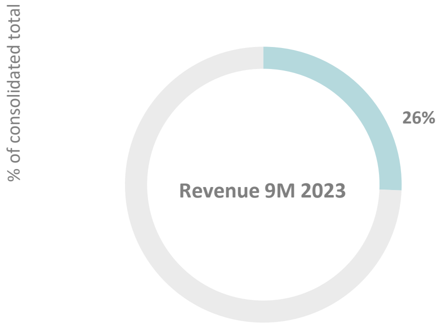
Paper sales amounted to 276 thousand tonnes (+6% vs. Q2; -31% vs. Q3 2022), a slight improvement on the previous quarter. Although initially slow, the destocking process seems to have gained momentum in the third quarter.

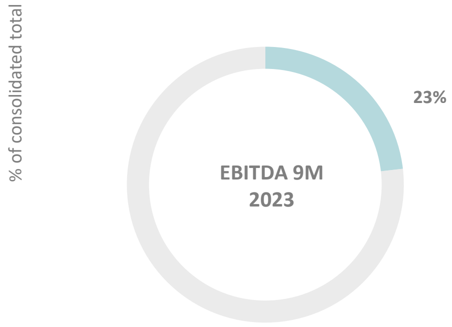
Pulp sales stood at 154 thousand tonnes (+25% vs. Q2; +191% vs. Q3 2022). Lower paper integration in the quarter increased the availability of pulp for sale, which was quickly absorbed due to its distinctive qualities that the international markets have recognised for decades.

Tissue sales stood at 41 thousand tonnes (+11% vs. Q2; +54% vs. Q3 2022), driven by growth in finished product demand and the addition of Navigator Tissue Ejea capacity.

Navigator’s revenue in Q3 was 481 million euros (+0.6% vs. Q2; -29% vs. Q3 2022) and EBITDA amounted to 124 million euros (+1% vs. Q2; -40% vs. Q3 2022), reflected in an EBITDA margin of 25.7% (+0.1 p.p. vs. previous quarter; -4.8 p.p. vs. Q3 2022).

2.3. OVERVIEW OF SECIL ACTIVITY



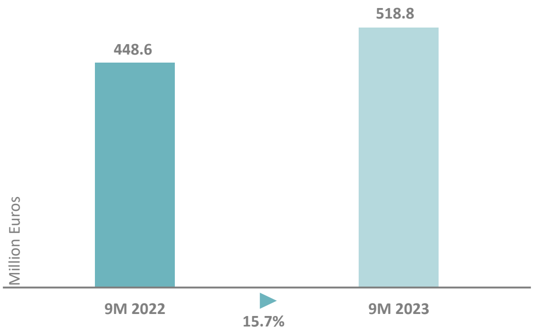


HIGHLIGHTS IN 2023 (VS. 2022)

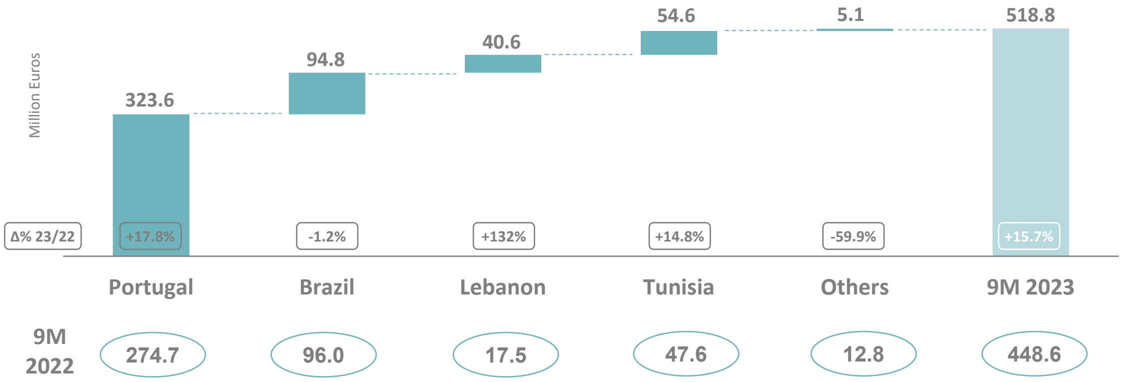
- Accumulated revenue in Q3 2023 amounted to 518.8 million euros, 15.7% above that in the same period in the previous year, representing an increase of 70.2 million euros.

- This increase is essentially the result of positive developments in the Portuguese, Tunisian and Lebanese markets. The foreign exchange variation of the currencies of the different countries had a negative effect of about 3.8 million euros on Secil's revenue (excluding the effect of the depreciation of the Lebanese pound).

REVENUE



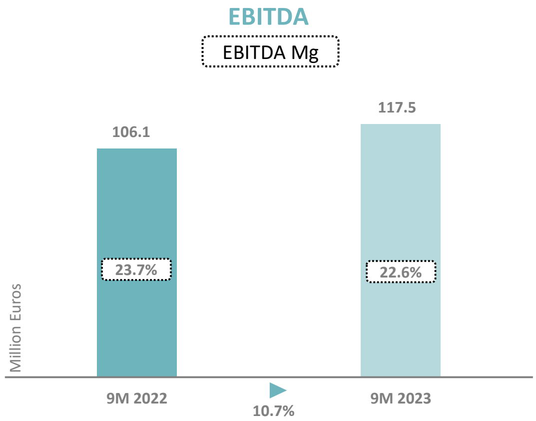
REVENUE BREAKDOWN BY COUNTRY



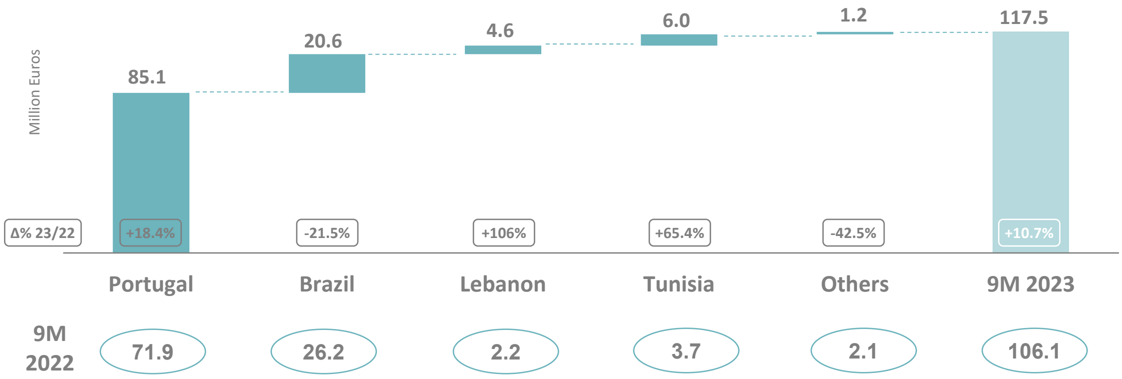
Note: Other includes Angola, Trading, Other and Eliminations.

- EBITDA totalled 117.5 million euros, an increase of 11.4 million euros (+10.7%) compared to the same period last year, as a result of the very positive contribution of business in Portugal and, to a lesser extent, business in Tunisia and Lebanon, which offset the less positive performance of business in Brazil.

- This reflects 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 seen in all economies following the exit from the global health crisis and the ongoing war in Ukraine, 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 in the previous year, from -25.2 million euros to -28.6 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 and Lebanon.

Net profit attributable to Secil shareholders in the first nine months of 2023 totalled 36.5 million euros compared to 23.4 million euros in same period in the previous year. In addition to the increase recorded in EBITDA, the reduction in income taxes of 10.5 million euros made it possible to offset the deterioration in financial results mentioned above, as well as an increase in depreciations, amortisations and impairment losses (-4.1 million euros), and in provisions (-2.0 million euros). The reduction in income taxes is mainly due to the recording 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 relating to the 2006 proceedings (1.3 million euros).

In the first nine months of 2023, Secil **invested** 40.7 million euros in fixed assets (vs. 51.9 million euros in the same period in 2022). The investment in the CCL - Clean Cement Line project amounting to 13 million euros is worthy of note.

The CCL - Clean Cement Line project is in early startup phase. The investment in the Secil industrial facility in Outão, which aims at being a pioneer in 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.

LEADING BUSINESS INDICATORS

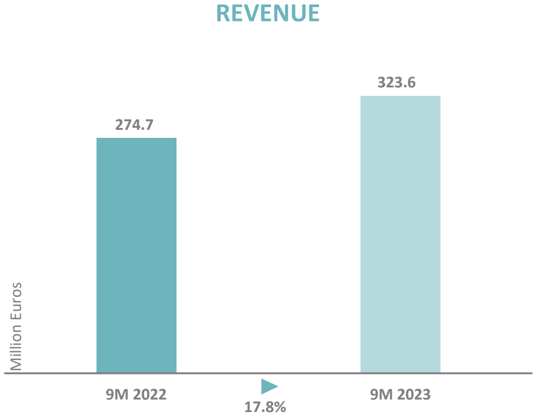
IFRS - accrued amounts (million euros)	9M 2023	9M 2022	Var.	Q3 2023	Q3 2022	Var.
Revenue	**518.8**	**448.6**	**15.7%**	**178.9**	**152.0**	**17.7%**
EBITDA	**117.5**	**106.1**	**10.7%**	**46.0**	**35.3**	**30.4%**
EBITDA margin (%)	22.6%	23.7%	-1.0 p.p.	25.7%	23.2%	2.5 p.p.
Depreciation, amortisation and impairment losses	(42.9)	(38.8)	-10.5%	(13.7)	(12.6)	-9.4%
Provisions	(4.2)	(2.2)	-90.7%	(1.8)	(0.5)	-260.3%
EBIT	**70.4**	**65.1**	**8.2%**	**30.5**	**22.2**	**37.2%**
EBIT margin (%)	13.6%	14.5%	-0.9 p.p.	17.0%	14.6%	2.4 p.p.
Income from associates and joint ventures	0.1	(0.7)	114.3%	0.1	(0.2)	129.3%
Net financial results	(28.6)	(25.2)	-13.5%	(6.3)	(8.7)	28.1%
Profit before taxes	**41.9**	**39.2**	**6.8%**	**24.2**	**13.2**	**83.0%**
Income taxes	(4.7)	(15.2)	68.9%	(7.8)	(7.0)	-11.4%
Net profit for the period	37.1	24.0	54.9%	16.4	6.2	163.9%
Attributable to Secil shareholders	**36.5**	**23.4**	**56.1%**	**15.1**	**6.4**	**137.0%**
Attributable to non-controlling interests (NCI)	0.6	0.6	7.9%	1.3	(0.2)	903.7%
Cash flow	84.2	65.0	29.6%	31.9	19.3	65.7%
Free Cash Flow	58.5	(14.2)	512.1%	25.9	2.4	971.7%
	30/09/2023	**31/12/2022**				
Equity (before NCI)	430.7	398.0				
Interest-bearing net debt	**294.2**	**306.2**				
Lease liabilities (IFRS 16)	35.0	38.0				
Total	**329.2**	**344.2**				

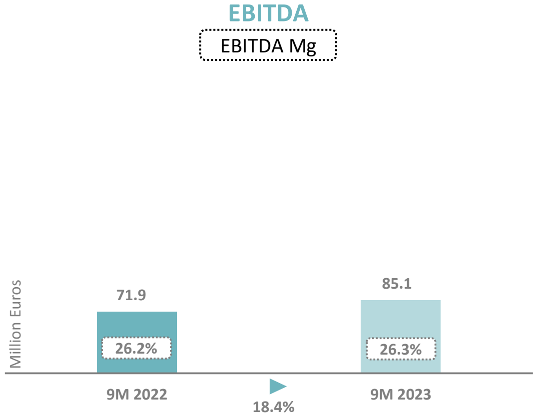
Note: Figures for business segment indicators may differ from those presented individually by each Group, as a result of consolidation adjustments.

LEADING OPERATING INDICATORS

in 1 000 t	9M 2023	9M 2022	Var.	Q3 2023	Q3 2022	Var.
Annual cement production capacity	9 750	9 750	0.0%	9 750	9 750	0.0%
Production						
Clinker	2 739	3 055	-10.4%	1 014	931	8.9%
Cement	3 840	3 802	1.0%	1 328	1 220	8.8%
Sales						
Cement and Clinker						
Grey cement	3 815	3 754	1.6%	1 399	1 248	12.1%
White cement	57	57	-0.3%	20	17	16.3%
Clinker	54	100	-46.1%	7	25	-72.5%
Other Building Materials						
Aggregates	3 535	3 598	-1.8%	1 169	1 164	0.5%
Mortars	224	202	11.1%	76	67	13.6%
in 1 000 m3						
Ready-mix	1 496	1 522	-1.7%	508	514	-1.2%

PORTUGAL





The Bank of Portugal (*Boletim Económico* – October 2023) estimates that economic growth in **Portugal** in 2023 will be 2.1%. According to the INE Statistical Office publication on Construction production, employment and wage indices in August 2023, the construction production index accelerated to a year-on-year rate of change of 6.4% in August, above the 6.2% in July. Cement consumption in Portugal by September is estimated to have grown in accumulated terms about 0.6% year on year.

In the first nine months of 2023, the **revenue** of combined operations in Portugal stood at 323.6 million euros, i.e. up by 17.8% from the same period in 2022.

Revenue in the Cement business unit in Portugal grew 13.5% (+21.7 million euros) over the same period in the previous year, resulting from the reduction of volumes sold and an increase in average selling prices.

Export revenue, including Secil's plant terminals, was higher compared to the same period last year (+5.7%), mainly as a result of higher average prices and despite less volumes sold.

In the other business units with operations based in Portugal (Ready-mix concrete, Aggregates and Mortars), accumulated revenue in the first 9 months of 2023 amounted to 155.3 million euros, up by 18.6% year on year, explained primarily by the increase in average sales prices, boosted by the increase in volumes sold in the Ready-mix and Mortar business.

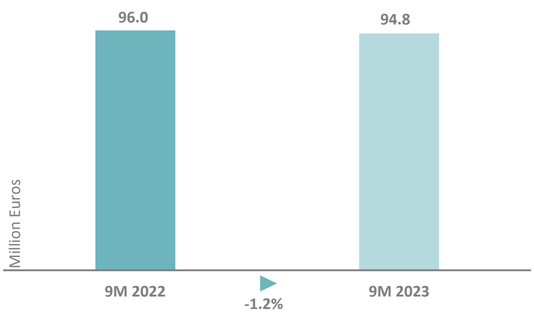
The **EBITDA** of the activities in Portugal amounted to 85.1 million euros, representing a growth of 18.4% year on year.

EBITDA of the Cement business unit amounted to 74.6 million euros, i.e. higher than that of same period last year by 0.2 million euros (+0.3%), positively impacted by the increase in the revenue that surpassed the rise in the production costs due to the higher prices and late start of the CCL project.

The EBITDA of construction material business units overall was up by 9.5 million euros (+81.3%). 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.

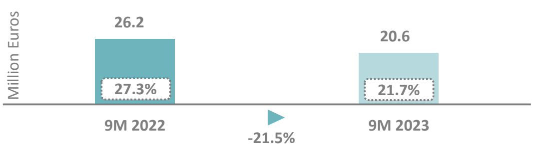
BRAZIL

REVENUE (EUR)

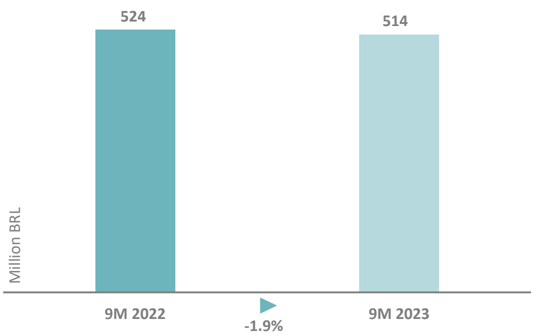


EBITDA (EUR)

EBITDA Mg

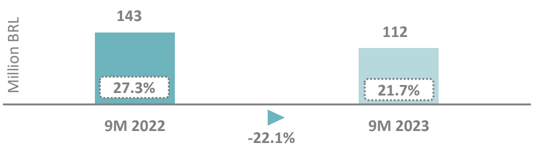


REVENUE (BRL)



EBITDA (BRL)

EBITDA Mg



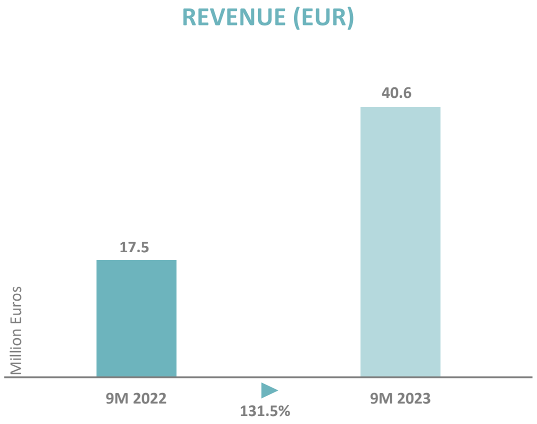
Note: Average exchange rate EUR-BRL 2022 = 5.4618 / Average exchange rate EUR-BRL 2023 = 5.4238

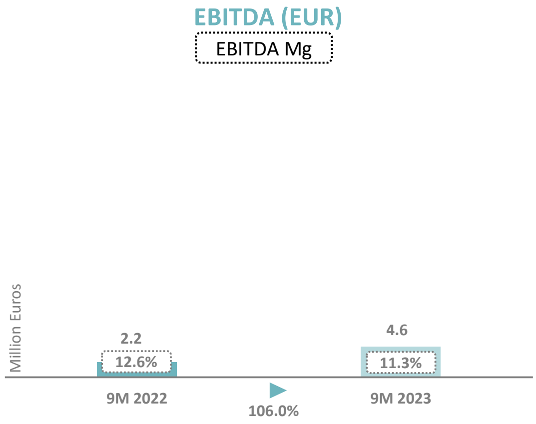
According to the estimates of SNIC (Sector Report - September 2023), cement sales in Brazil by local producers were down by 1.7% until September 2023 against the same period in the previous year, September alone taking a fall of 4.6%. The situation was aggravated further by the maintenance of high interest and inflation rates, as well as the context 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 (especially in the south), together with household debt distress, aggravated by the slowdown in the labour market, continues to have a negative impact on the Brazilian cement sector. However, a scenario of a recovery in employment and GDP, coupled with lowering inflation, allows SNIC to foresee a market drop of about 1% at the end of the year.

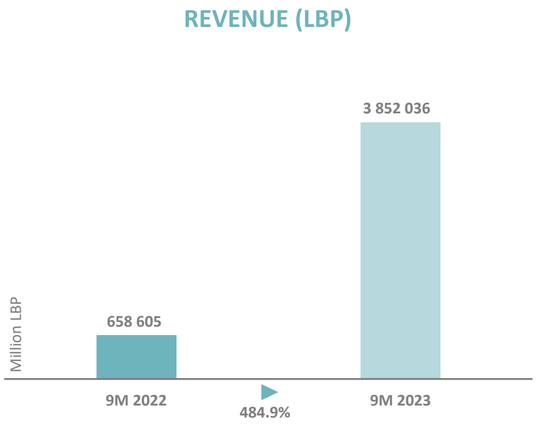
Revenue of combined operations in the country stood at 94.8 million euros in the first nine months of 2023, 1.2% down on revenue recorded in the same period in 2022. Cement sales volumes were down on the same period last year, impacted not only by the negative evolution of the cement market, but also by some production constraints, while average sales prices were up.

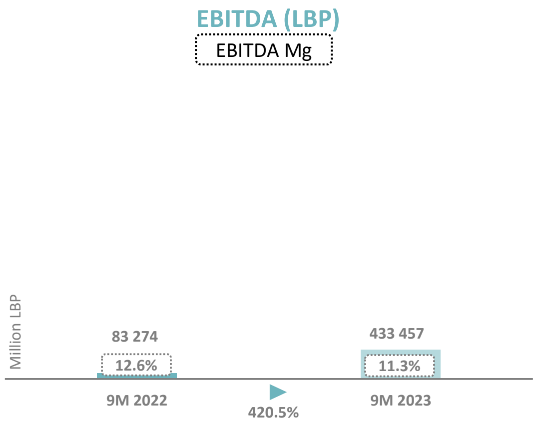
EBITDA of activities in Brazil totalled 20.6 million euros, which compares with 26.2 million euros in the same period in the previous year, i.e. down by 21.5%. In addition to the decrease in volumes sold, this variation reflects the negative impact of higher variable production costs, mainly energy, and fixed costs (namely maintenance and personnel costs).

LEBANON









Note: Exchange rate EUR-LBP 2022 = 37 529.8 / Exchange rate EUR-LBP 2023 = 94 816.3

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, the lingering war in Ukraine and more recently the conflict on the Gaza strip 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.

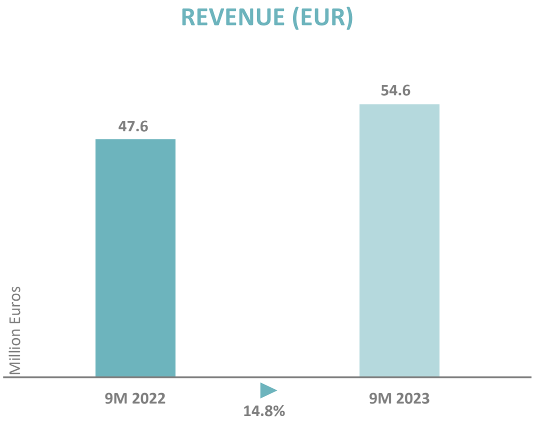
In spite of the context and benefiting from the rise in prices, **revenue** of combined operations in Lebanon increased 131.5%, compared to the previous year, rising from 17.5 million euros to 40.6 million euros. Revenue would have been 85.1 million euros higher if the effect of the exchange rate depreciation had been removed. Note that the Lebanese pound ended the third quarter of 2023 at 94 816.3 LBP per 1 EUR, which compares with 37 529.8 LBP per 1 EUR at the end of the same period.

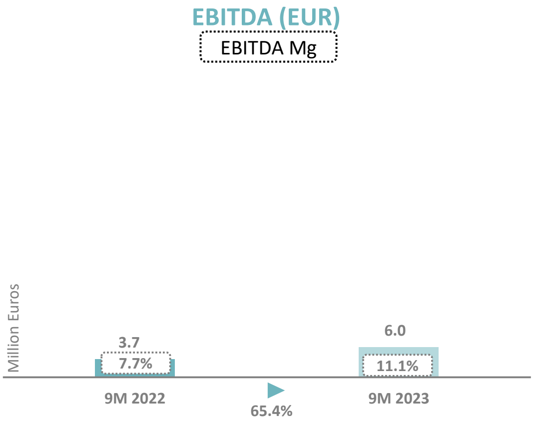
Revenue in the cement business was up 157.6%, which is essentially the result of the adjustment of sales prices in local currency to the hyperinflation situation and the rapid depreciation of the currency, associated with higher volumes of cement sold to the domestic market, impacted by irregular electricity supply.

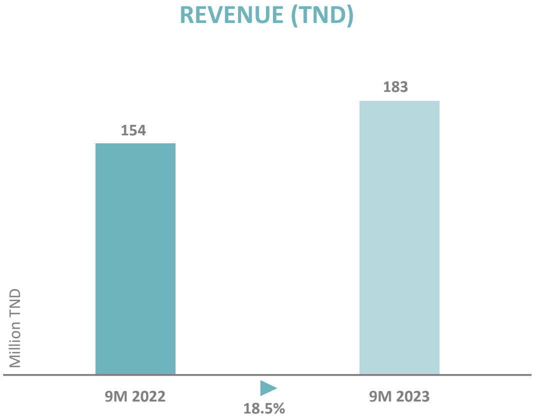
In the Concrete segment, on the other hand, there was a year-on-year decrease in revenue (-5.6%), as a result of the lower volumes sold despite the increase in the average selling price.

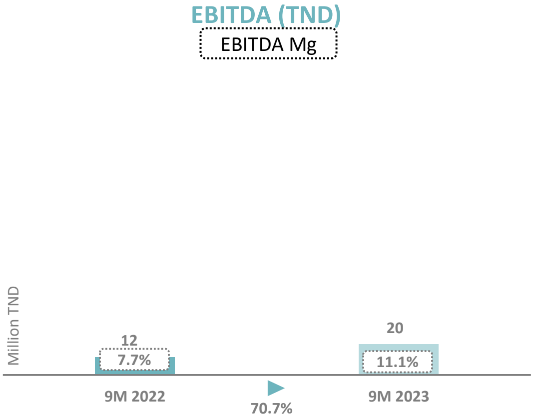
EBITDA generated from operations in Lebanon stood at 4.6 million euros, up by 106% in relation to the same period last year. This evolution is positively impacted by the effect of domestic market price and higher volumes sold, which more than offset the negative effects of the higher production costs, as a result of the increase in inflation in the local economy, reflected mostly in the cost of raw materials, electricity and fixed costs.

TUNISIA









Note: Average exchange rate EUR-TND 2022 = 3.2432 / Average exchange rate EUR-TND 2023 = 3.3484

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 pressure from trade union demands. 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 11% in comparison with the same period in 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 14.8% (54.6 million euros in total) compared with the same period in the previous year.

Revenue of the Cement business increased by about 17.3% to 52.6 million euros, reflecting the increased prices in the domestic and external markets on the one hand, and the growth in volumes sold to the domestic market (+4.3%) and the external market (+16.7%) on the other.

In contrast with the cement business, Ready-mix concrete business revenue showed a decrease of 21.7% compared to the same period last year, as a result of a drop in volumes sold.

EBITDA from activities in Tunisia totalled 6.0 million euros, 65.4% higher than in the first nine months of 2022 (3.7 million euros), as a result of the increase in volumes sold on the domestic market and the increase in average sales prices, especially on the foreign market, which made it possible to offset the increase in production costs (essentially electricity, raw materials and fixed costs).

ANGOLA AND OTHERS

It is estimated that, according to the latest figures available, the Angolan cement market was up by 2% year on year.

Cement volumes sold by Secil fell by 28%. Throughout the year, Secil Lobito has had some difficulty in following the pricing policy recently adopted, which was reflected in real reduction in the average selling price. In this context, **revenue** totalled 6.0 million euros, 46.8% below the figure recorded in the same period in 2022.

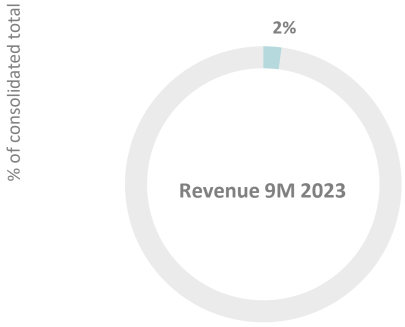
EBITDA in the first 9 months of 2023 amounted to 1.1 million euros, which, compared to 2.7 million euros recorded over the same period in the previous year, represents a drop of 58.8%, resulting from the downward trend in revenue.

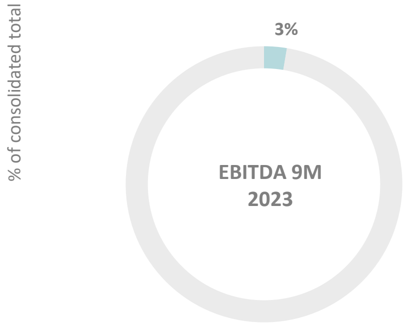
THIRD QUARTER OF 2023 VS. THIRD QUARTER OF 2022

EBITDA in the third quarter of 2023 was higher than the EBITDA in the third quarter of 2022 by around 10.7 million euros (30.4%). This is explained by the positive development of activities in Portugal of 3.7 million euros (+14.4%), Tunisia (+3.6 million euros), and Lebanon (+3.9 million euros).

The positive variation in Portugal, Tunisia and Lebanon is mainly due to price increases and market growth. Portugal benefited from favourable developments above all in materials and in the terminals in the Netherlands, Spain and Madeira. In Tunisia the increase was mainly the result of higher sales on the domestic market and higher prices on the domestic market in Lebanon.

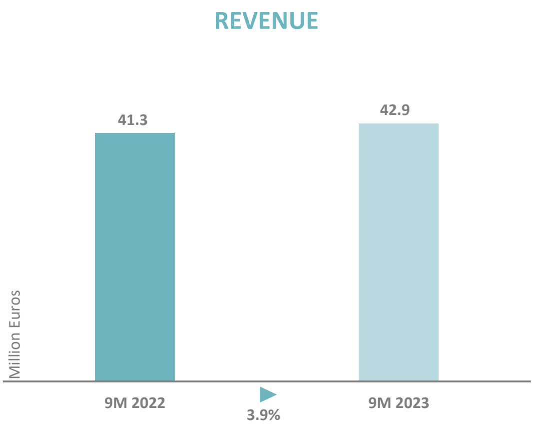
2.4. OVERVIEW OF OTHER BUSINESS ACTIVITY[1]



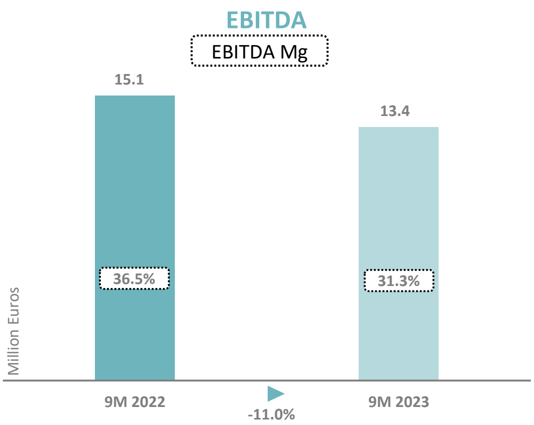


HIGHLIGHTS IN 2023 (VS. 2022)

- Revenue was approximately 42.9 million euros in the first nine months of 2023, which represented 1.6 million euros more compared to the same period in the previous year. It should be noted that the 2023 figures include 3 months of Triangle's activity.



- EBITDA totalled approximately 13.4 million euros in the first nine months of 2023, representing a reduction of 1.7 million euros in comparison with the same period in the previous year.
- Such trend is essentially the result of the reduction in ETSA's revenue and the increase in the purchase price of class 3 raw materials, as well as personnel costs, combined with the positive effect of incorporating 3 months of Triangle's activity.



[1] As at 30 September 2023, the Other Business includes Triangle's and ETSA's business.

LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	9M 2023	9M 2022	Var.	Q3 2023	Q3 2022	Var.
Revenue	**42.9**	41.3	**3.9%**	**18.0**	14.2	**26.6%**
EBITDA	**13.4**	15.1	**-11.0%**	**6.4**	5.3	**19.8%**
EBITDA margin (%)	31.3%	36.5%	-5.2 p.p.	35.4%	37.4%	-2.0 p.p.
Depreciation, amortisation and impairment losses	(3.7)	(2.5)	-51.1%	(2.0)	(0.9)	-130.2%
Provisions	-	-	-	-	-	-
EBIT	**9.7**	12.6	**-23.2%**	**4.4**	4.5	**-1.3%**
EBIT margin (%)	22.6%	30.6%	-8.0 p.p.	24.5%	31.4%	-6.9 p.p.
Net financial results	(0.1)	(0.1)	-16.3%	(0.1)	(0.0)	-208.9%
Profit before taxes	**9.6**	12.5	**-23.5%**	**4.3**	4.4	**-3.1%**
Income taxes	(0.6)	(2.8)	77.6%	(0.2)	(1.2)	81.7%
Net profit for the period	8.9	9.7	-8.0%	4.1	3.3	25.1%
Attributable to Other business shareholders	**9.0**	**9.6**	**-6.9%**	**4.2**	**3.2**	**29.2%**
Attributable to non-controlling interests (NCI)	(0.0)	0.1	-126.0%	(0.1)	0.0	-333.4%
Cash flow	12.7	12.2	3.9%	6.0	4.1	46.9%
Free Cash Flow	1.3	5.1	-74.6%	2.0	0.5	270.1%
	30/09/2023	**31/12/2022**				
Equity (before NCI)	133.2	97.7				
Interest-bearing net debt	**2.0**	**(12.7)**				
Lease liabilities (IFRS 16)	1.2	1.3				
Total	**3.1**	**(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 the first nine months of 2023 amounted to about 42.9 million euros, down by around 3.9% on the same period in 2022. Excluding the impact of Triangle's acquisition, the drop would have been higher (-13.5%).

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

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

EBITDA totalled approximately 13.4 million euros in the first nine months of 2023, which represented a decrease of approximately 11% compared to the same period in the previous year, explained essentially by the reduction in the revenue of ETSA, but also by the increase in the purchase price of class 3 raw materials of 35% and personnel costs of 9.9%. The acquisition of Triangle's contributed positively in the last three months to mitigate this decline.

The EBITDA margin reached 31.3%, which translated into a negative variation of around 5.2 p.p. compared to the margin recorded in the first nine months of the previous year.

Financial results remained at the same level as the same period last year. Triangle's financial costs were offset by the result of financial investments in term deposits made in the first nine months of 2023 (non-existent in 2022).

Net profit of this business segment was approximately 9.0 million euros in the first nine months of the year, i.e. a decrease of 6.9% in relation to the same period in the previous year.

Investment in fixed assets totalled 9.4 million euros in the first nine months of 2023, 1.4 million euros of which from Triangle's.

Other business includes ETSA and Triangle's, a company acquired by Semapa on 19 June 2023. Triangle's was incorporated in 2015 and began operations 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.

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.

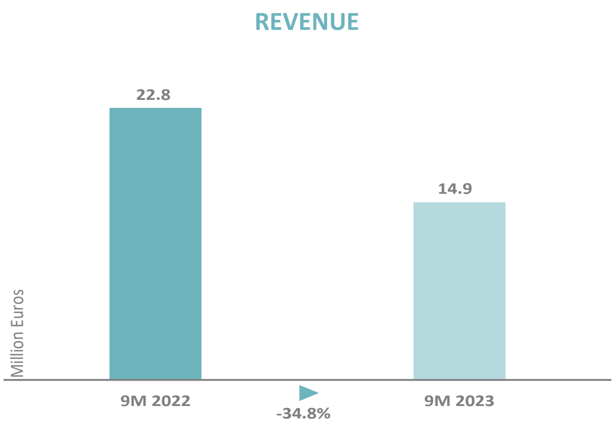
THIRD QUARTER OF 2023 VS. THIRD QUARTER OF 2022

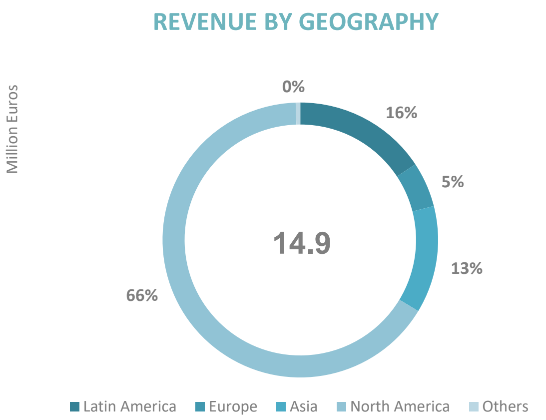
Revenue in Q3 2023 amounted to about 18.0 million euros, which is around 26.6% more in comparison with that of the same period in the previous year. It should be noted that the figure already includes 3 months of Triangle's activity.

At ETSA, revenue fell by 24% year-on-year. This variation results from a decrease of about 32% in sales and around 2% in consolidated services rendered. The variation in ETSA's sales is essentially due to the decrease in the value of sales of classes 3 and 1 fat, due to less volumes sold and lower average prices.

EBITDA totalled approximately 6.4 million euros in the third quarter of 2023, about 19.8% above levels in the same period in 2022.

2.5. OVERVIEW OF UTIS ACTIVITY[2]





UTIS recorded **revenue** of approximately 14.9 million euros in the first nine months of 2023, which represented 7.9 million euros less compared to the same period in the previous year. There was a reduction in the quantity of systems sold in the period due to the start of equipment exports to a new country. This impact was partially mitigated by a price increase, but did not prevent the 34.8% drop in revenue YoY. It is worth mentioning that North America remained the region with the largest weight in revenue.

[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".

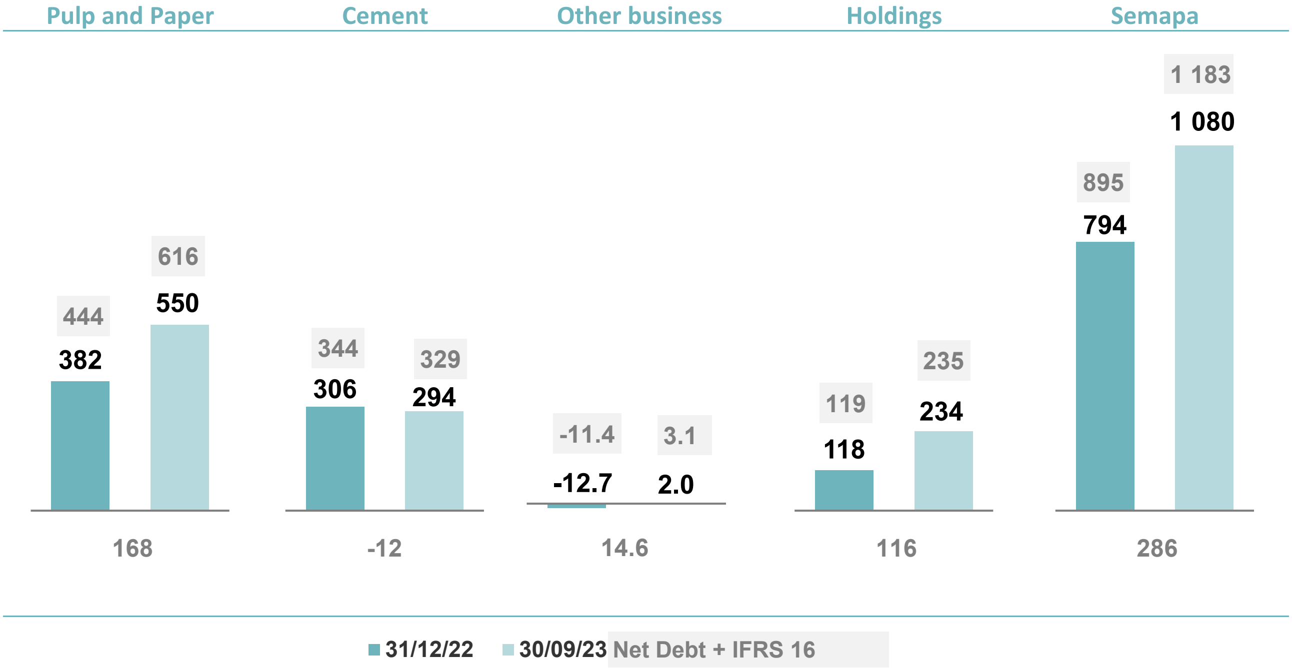
2.6. OVERVIEW OF SEMAPA NEXT ACTIVITY

The first 9 months of 2023 stood out for the investments made in three companies - two follow-on investments and one discovery check.

3 SEMAPA GROUP – FINANCIAL AREA

3.1. INDEBTEDNESS

NET DEBT



As at 30 September 2023, **consolidated net debt** stood at 1 080.0 million euros, representing an increase of 285.8 million euros over the figure recorded at year-end 2022. Including the effect of IFRS 16, net debt would have been 1 182.9 million euros, 287.5 million euros above the figure at the end of 2022. Besides the operating cash flow generated, these variations are explained by:

- Navigator: +167.5 million euros, resulting from the acquisition of Gomà-Camps Consumer in the 1st quarter, the distribution of 200 million euros in dividends in the 2nd quarter, the tax payments amount, which reflects the exceptionally high profits in 2022, and the tight investment schedule under the Recovery and Resilience Plan (RRP);

- Secil: -12 million euros, including investments in fixed assets of about 40.7 million euros, payment of dividends and reimbursement of supplementary payments to Semapa of 41 million euros;

- Other Business: +14.6 million euros significantly influenced by the incorporation of Triangle's net debt at the time of the acquisition (13.9 million euros) and the payment of dividends from ETSA totalling 2 million euros; and,

- Holdings: +115.7 million euros, including dividends received (Navigator: 140 million euros; Secil: 41 million euros and ETSA: 2 million euros), and dividends paid out (76 million euros). In addition, halfway through the year Semapa acquired 100% of Triangle's share capital for approximately 180 million euros, including 12 million euros of shareholder credits, and paid an earn out related to the acquisition of UTIS of around 24 million euros. Semapa Next invested around 5.2 million euros in the period.

As at 30 September 2023, total consolidated cash and equivalents amounted to 248.1 million euros, in addition to committed and undrawn credit lines for the Group, thus ensuring a strong liquidity position.

3.2. NET PROFIT

After an extraordinary year of 2022, particularly in the case of Navigator, a year in which prices reached historic levels, due to an unparalleled imbalance between supply and demand in all products, the **net profit attributable to Semapa shareholders**, in the first nine months of 2023, was 167.2 million euros, down by 64.2 million euros compared to the same period last year, essentially explained by the combined effect of the following factors:

- Reduction in EBITDA by 165.9 million euros, due to the reduction of 175.4 million euros in the Pulp and Paper segment;

- An improvement in net financial results by about 38.8 million euros. It should be noted that in the same period in the previous year, financial results were hit by one-off impacts (non-cash) of circa -40 million euros;

- Reduction in income taxes by around 36.4 million euros, mainly due to the reduction in results.

4 OUTLOOK

The year 2023 has been troubled by strong geopolitical instability, which, in the current macroeconomic context of global economic slowdown, still does not allow sufficient visibility of market developments. The geopolitical tensions arising and building up over the last two years are compounded by the high uncertainty and likely growing volatility of international (financial, energy and raw material) markets stemming from the turmoil in the Middle East.

At the beginning of the year, the IMF had a less pessimistic outlook on the world economy, and in the October Outlook it lowered some of its projections. The latest projections point to 3.0% growth in the world economy in 2023 (below that of 3.5% in 2022) and an average 3.1% in the next five years, forecasting the lowest mid-term growth of the last decades.

The IMF's World Economic Outlook (WEO), published in October 2023, estimates that GDP for the Euro Area will increase 0.7% in 2023 (downward review by 0.2 p.p. compared to the July WEO update) and an increase of 1.2% in 2024 (downward review by 0.3 p.p.). Portuguese GDP is expected to grow 2.3% in 2023 and 1.5% in 2024.

The Bank of Portugal (*Boletim económico* – October 2023) estimates that Portuguese economic growth will be 2.1% in 2023, 1.5% in 2024 and 2.1% 2025.

NAVIGATOR

The sector, and the pulp business, are expected to continue to recover gradually in Q4 2023 and in 2024, as was already the case in Q3, although some caution is called for in the current context. In fact, the volatility of the Chinese market, the main driver of short fiber consumption, reinforces this sense of prudence in the perspective of a too rapid evolution in pulp prices for the year 2024. Recommending this perspective of prudence is the start-up in 2024 of a new factory in Latin America (2.6 Mt/year), which will be one of the 3 largest short fiber pulp factories in the world, which introduces more uncertainty regarding the supply/demand balance.

In the paper segment, the order book is expected to evolve favourably in the 4th quarter and in 2024, which has already been the case since September in particular. Along with the influx of orders, delivery times from plants to distributors have expanded and are currently at 2021 levels. Despite the current context of economic slowdown and high uncertainty, improved demand, reduced supply in Europe and strong pressure on costs are expected to lead to a reversal of the fall in paper prices in Europe and some international markets.

In Europe, announcements of temporary or permanent capacity reductions in the paper sector have materialised. Almost 600 thousand tonnes of annual UWF production capacity will leave Europe in 2023 and 2024. Such is the result of both announcements of permanent closure of operations and announcements of conversion of capacity to packaging grades. Conversely, China increased its net capacity by 3 million tonnes in 2023 and in the coming years net UWF capacity is expected to grow a further 2.8 million tonnes (2 million of which is still uncertain). This move will be positive for the pulp market, but it could also put pressure on the paper markets, not so much in Europe, but especially overseas.

Demand in the tissue paper segment continues to show interesting growth rates. Navigator has capitalised on the synergies and economies of scale associated with business growth, particularly from the acquisition of Navigator Tissue Ejea. However, there is growing pressure on margins as a result of recent significant increases in the prices of pulp and energy, tissue's highest costs.

Despite Navigator's efforts and commitment to reducing costs, both by optimising specific consumption and by negotiating logistics, raw and subsidiary material and energy prices, the latter are still well above pre-pandemic levels. Energy prices remain double recent historical prices (2018-2019), which naturally puts pressure on the prices of final products, which are not expected to return to the levels seen in the past.

Thanks to the agility of Navigator's teams, with responsible production management and planning, commercial strategies focusing on diversifying products and geographies, along with strict cost control programmes and efficiency in specific consumption, as well as the company's financial soundness, outputs in different market contexts have been consistent and stable. We are confident that such factors will continue to emphasise the resilience of Navigator's business model.

SECIL

Secil is assessing potential investment opportunities, with emphasis on the decarbonisation of its industrial processes and R&D in products and solutions in the sectors in which it operates, and its framework within the scope of the Recovery and Resilience Plan is being analysed. It is expected that the implementation of the Recovery and Resilience Plan will contribute positively to the economic recovery in **Portugal**.

The IMF World Economic Outlook (WEO) released in October 2023 forecasts growth of 3.1% of the **Brazilian** economy in 2023 (against 2.9% in 2022) and 1.5% in 2024. Projected levels of inflation are 4.7% in 2023 and 4.5% 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. Geopolitical instability in the Middle East, with the outbreak of the recent conflict in the Gaza Strip in October, has made it even more difficult for the economy to recover, compounded by potential security, social and political risks. Secil is closely monitoring developments.

The year 2023 remains subject to high uncertainty, with restrictions in the banking sector and limited electricity supply. The exchange rate depreciation in Q3 2023 and the high inflation rate are the type of obstacles and difficulties preventing economic activity from picking up.

According to the World Economic Outlook (WEO) published in October 2023, the IMF expects the GDP of **Tunisia** to grow 1.3% in 2023 and 1.9% in 2024. Projected levels of inflation are 9.4% in 2023 (higher than that in 2022, which was 8.3%), rising to 9.8% in 2024.

The political scene in Tunisia has not evolved significantly, even after a new parliament has been elected. The economic context remains difficult and social tensions are rising. The negotiations with the IMF were interrupted again, among other reasons due to the persistent question of compensations (subsidies).

It should also be noted that in October a fire broke out at the Gabès cement plant. Although the material damage was not very significant, the electrical supply equipment of the production lines was damaged. As a result, cement production is expected to go down in the last quarter of 2023. Secil is currently taking measures to reduce the operational impact of this occurrence and activate the contracted insurance policies that allow it to compensate for the effects of the accident that occurred.

The outlook for **Angola** (World Economic Outlook, IMF October 2023) hints at growth of 1.3% in 2023, followed by 3.3% growth in 2024. In regard to inflation, the forecast is that there will be a sharp drop to 13.1% in 2023 (down from 21.4% in 2022). It should be noted that inflation is expected to rise again in 2024 (22.3%). By the end of the year, the Kwanza is expected to depreciate by 16.8%, on top of the 39.5% depreciation in June.

OTHER BUSINESS

ETSA is not immune to all these risks inherent to the current macroeconomic environment. However, ETSA looks to the future with confidence due to its continued commitment for high added-value products to be placed on the international market. Accordingly, exports accounted for about 55.4% of the overall value of accumulated sales as of 30 September 2023, and construction continued on a new production plant in Coruche, the result of the strong investment in innovation, called ETSA ProHy, which is expected to startup in the beginning of the second half of 2024.

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

UTIS

UTIS is still extending its UC3 technology to other sectors of activity/business, namely, biomass, power plants, chemical industries, 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

Based on current market conditions and existing opportunities, Semapa Next expects to make two additional investments by the end of 2023. To conclude, the company will continue to monitor its investment portfolio in view of adding value to them and will take part in national and international technology events with a view to strengthen the Semapa Next brand.

Lisbon, 3 November 2023

The Board

DEFINITIONS

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

EBIT = Operating profit

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

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

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

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

DISCLAIMER

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

MAKING IT BETTER SEMAPA

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

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

WWW.SEMAPA.PT

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