

RESULTS PRESENTATION

_YEAR 2023



MAKING IT BETTER



SEMAPA

1 HIGHLIGHTS

IN 2023, THE SEMAPA GROUP CONTINUED ITS DIVERSIFICATION STRATEGY

EBITDA AMOUNTED TO 672 M€ AND NET PROFIT WAS 245 M€

- The Semapa Group continued to pursue its **investment strategy**, investing in its subsidiaries and new subsidiaries focusing on business with a positive impact across society. Such strategy has resulted, for example, in the acquisition in June of 100% of the shares of Triangle's, a world reference in automated manufacturing of e-bike frames, and the acquisition by Navigator of Gomà-Camps in Spain, which allowed the company to position itself as the second largest Iberian Tissue manufacturer.
- Total **investment** by the Semapa Group in 2023 amounted to 557.9 million euros. In addition to the aforementioned acquisitions, the investments in fixed assets by Navigator stood out with 186.5 million euros (vs. 112.5 million euros year-on-year), 57% of which are sustainable investments, classified as ESG. Secil made investments amounting to 61.3 million euros, 15.4 million euros of which 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 2023, consolidated **interest-bearing net debt** stood at 1 012 million euros, 217.8 million euros more than that at the end of 2022, which together with the payment of dividends of 132.7 million euros and the investment amount of 557.9 million euros, mentioned before, demonstrates the Group's ability to generate cash flow. As at 31 December 2023, the Group enjoys a comfortable liquidity position backed up by cash (281.2 million euros) and a set of committed and undrawn credit lines.
- In 2023, the Semapa Group recorded consolidated **revenue** of 2 706.3 million euros (-13.3% year on year): 1 953.2 million euros were generated in Pulp and Paper / Navigator (-20.7% year on year), 693.3 million euros in Cement / Secil (+15%) and 60.7 million euros in Other Business (+11.2%). Exports and sales abroad for the same period amounted to 1 997.4 million euros, accounting for 73.8% of revenue.

The Pulp and Paper segment's revenue in 2023 was 1 953 million euros, the second-best result in the company's history, with 2022 reaching an all-time high of 2 465 million euros. In this segment, the expansion of the Tissue business revenue by 49% (benefiting from the increase in market share and positive synergies with the integration of the new Tissue factory in Zaragoza), the growth in pulp business revenue by 26% (despite the drop in demand of cellulose pulp in Europe) and the flexibility of operational management in production and sales made it possible to partially offset the 32% drop in paper revenue (as a result of the drop in international demand for paper).

In the Cement and Other Building Materials segment, revenue reflects mostly the positive evolution in Portugal (explained by the positive evolution of cement, and of the construction materials segments in general), Lebanon (as a result of growth in quantities sold and sales prices on the domestic market) and Tunisia (as a result of the combined effect of updating average sales prices on the market, both domestically and abroad, despite the negative impact of the accident (the substation fire) in mid-October).

- In 2023, **EBITDA** totalled 672.1 million euros (-24.8% year on year): 501.5 million euros were generated in Pulp and Paper (-31.9% year on year), 155.5 million euros in Cement (+12.1%) and 15.4 million euros in Other Business (-20.1%). The positive performance in the Cement segment did not make up for the fall in the Pulp and Paper segment. The consolidated EBITDA margin of 24.8% was -3.8 p.p. below that in the same period in 2022.

In the Pulp and Paper segment, the significant reduction in variable costs, with a reduction in unit cash costs in all segments throughout the year and the management of paper prices, particularly in the higher value-added segments, offered additional protection to results in a context of a strong shortage of paper sales volumes. EBITDA in the Cement segment performed well, as a result of the very positive contribution of business in Portugal and, to a lesser extent, business in Lebanon, which offset the less positive performance of business in Brazil and Tunisia.

- **Net profit attributable to Semapa shareholders** at the end of 2023 stood at 244.5 million euros (vs. 307.1 million euros in 2022).

- In February 2024, but in relation to the year 2023, Navigator was once again distinguished as a leader in the fight against climate change, and also in forest management by **CDP - Disclosure Insight Action**, which awarded the company an A- rating. On the other hand, the work carried out by Navigator in 2023 to reaffirm its commitment to sustainable development, corporate responsibility and the defence of human and labour rights culminated in the Company joining the **United Nations Global Compact** and taking part in the Business & Human Rights Accelerator Programme.
- The year 2023 was marked by ongoing focus on both management and people training, through a number of new and current initiatives aimed at enhancing employee skills and ensuring further development. In this context, it entered into further partnerships with leading organisations, which have resulted in programmes such as Talent Lab, for young talent and the Future Proof Leadership Programme. The latter began in 2022, and the two editions in 2023 aimed at the top management of all the Group's companies and the entrepreneurs of the startups in which Semapa Next has a stake. The year 2023 was also marked by the first Corporate Climate Survey, as part of the process of continuous improvement and the promotion of employees outreach. This first Group engagement survey involved all the companies in the Semapa portfolio and had a response rate of 77%. The Grow With Semapa internal mobility platform was also launched in 2023; the website publishes all opportunities available in the various companies, thus fostering mobility and diversity of experience in the Group's various companies.
- The Board of Directors will propose to the Shareholders at the General Meeting a proposal of a dividend distribution to the outstanding shares, relative to 2023, in the amount of 0.626 euros per share, corresponding to a total value of approximately 50.0 million euros.

LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	2023	2022	Var.	Q4 2023	Q4 2022	Var.
Revenue	2 706.3	3 122.0	-13.3%	684.4	809.7	-15.5%
EBITDA	672.1	894.2	-24.8%	164.8	220.9	-25.4%
EBITDA margin (%)	24.8%	28.6%	-3.8 p.p.	24.1%	27.3%	-3.2 p.p.
Depreciation, amortisation and impairment losses	(224.3)	(248.4)	9.7%	(68.5)	(79.0)	13.3%
Provisions	(7.6)	(3.9)	-94.4%	(2.2)	(4.2)	49.2%
EBIT	440.1	641.8	-31.4%	94.2	137.7	-31.6%
EBIT margin (%)	16.3%	20.6%	-4.3 p.p.	13.8%	17.0%	-3.2 p.p.
Income from associates and joint ventures	7.8	7.5	3.4%	6.0	3.5	69.9%
Net financial results	(59.1)	(92.7)	36.2%	(9.0)	(3.8)	-139.8%
Net monetary position	14.5	1.0	>1000%	14.5	1.0	>1000%
Profit before taxes	403.3	557.6	-27.7%	105.6	138.4	-23.7%
Income taxes	(67.3)	(135.6)	50.3%	4.7	(27.1)	117.4%
Net profit for the period	335.9	422.1	-20.4%	110.3	111.3	-0.9%
Attributable to Semapa shareholders	244.5	307.1	-20.4%	77.3	75.7	2.1%
Attributable to non-controlling interests (NCI)	91.4	115.0	-20.5%	33.0	35.6	-7.2%
Cash flow	567.9	674.4	-15.8%	180.9	194.5	-7.0%
Free Cash Flow	(69.2)	443.6	-115.6%	61.3	146.9	-58.3%
	31/12/2023	31/12/2022	Dec23 vs. Dec22			
Equity (before NCI)	1 471.4	1 323.4	11.2%			
Interest-bearing net debt	1 012.0	794.2	27.4%			
Lease liabilities (IFRS 16)	104.0	101.2	2.7%			
Total	1 116.0	895.4	24.6%			

2 PERFORMANCE OF THE SEMAPA GROUP BUSINESS UNITS

2.1. BREAKDOWN BY BUSINESS SEGMENT

IFRS - accrued amounts (million euros)	Pulp and Paper		Cement		Other business		Holdings		Consolidated 2023
	2023	23/22	2023	23/22	2023	23/22	2023	23/22	
Revenue	1 953.2	-20.7%	693.3	15.0%	60.7	11.2%	(1.0)	-383.7%	2 706.3
EBITDA	501.5	-31.9%	155.5	12.1%	15.4	-20.1%	(0.3)	-96.4%	672.1
EBITDA margin (%)	25.7%	-4.2 p.p.	22.4%	-0.6 p.p.	25.4%	-10.0 p.p.	-	-	24.8%
Depreciation, amortisation and impairment losses	(151.5)	14.2%	(63.9)	6.4%	(8.7)	-160.4%	(0.3)	-10.8%	(224.3)
Provisions	1.0	162.0%	(9.0)	-287.2%	0.3	-	-	100.0%	(7.6)
EBIT	351.1	-37.1%	82.6	21.4%	7.0	-56.0%	(0.6)	-47.1%	440.1
EBIT margin (%)	18.0%	-4.7 p.p.	11.9%	0.6 p.p.	11.6%	-17.7 p.p.	-	-	16.3%
Income from associates and joint ventures	-	-	0.1	105.4%	-	-	7.7	-11.8%	7.8
Net financial results	(19.3)	66.1%	(27.0)	16.2%	(0.3)	-106.8%	(12.5)	-275.4%	(59.1)
Net monetary position	-	-	14.5	>1000%	-	-	-	-	14.5
Profit before taxes	331.8	-33.8%	70.1	97.2%	6.8	-57.3%	(5.4)	-208.0%	403.3
Income taxes	(67.9)	43.3%	(15.1)	34.2%	0.8	122.0%	14.9	38.4%	(67.3)
Net profit for the period	263.9	-30.8%	55.0	336.0%	7.6	-38.2%	9.5	-39.9%	335.9
Attributable to Semapa shareholders	184.6	-30.8%	42.7	245.8%	7.7	-36.3%	9.5	-39.9%	244.5
Attributable to non-controlling interests (NCI)	79.3	-30.8%	12.3	>1000%	(0.1)	-182.5%	-	-	91.4
Cash flow	414.3	-26.0%	127.9	53.7%	16.0	2.5%	9.7	-39.2%	567.9
Free Cash Flow	92.3	-80.0%	61.0	>1000%	2.0	-62.9%	(224.6)	<-1000%	(69.2)
Interest-bearing net debt	489.9		288.1		15.2		218.8		1 012.0
Lease liabilities (IFRS 16)	70.0		32.4		1.1		0.5		104.0
Total	559.9		320.5		16.3		219.3		1 116.0

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

Note 2: Semapa acquired on 19 June 2023 100% of Triangle's shares through its subsidiary Aphelion. As at 31 December 2023, the Other Business includes Triangle's and ETSA's business.

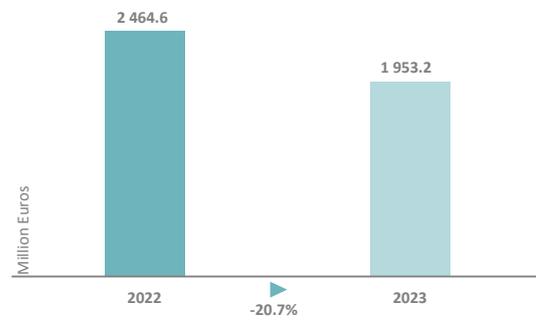
2.2. OVERVIEW OF NAVIGATOR ACTIVITY



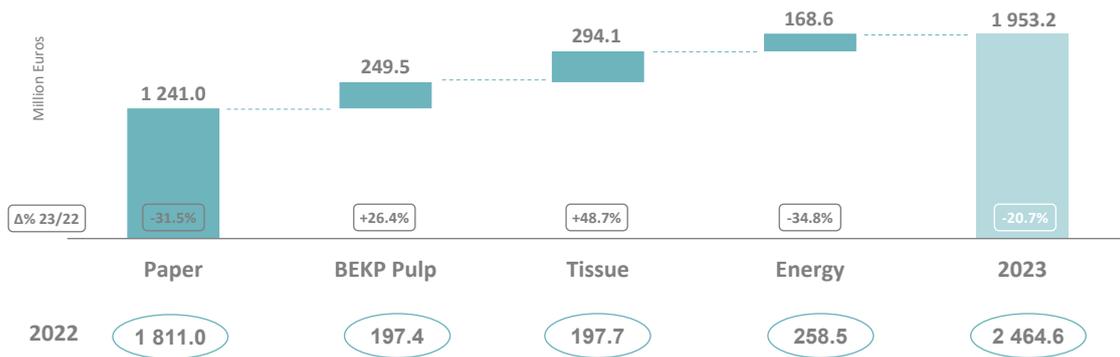
HIGHLIGHTS IN 2023 (VS. 2022)

- Revenue in 2023 amounted to 1 953 million euros, second best result in the company's history, having hit an all-time high of 2 465 million euros in 2022.
- The expansion of the Tissue business and the flexibility of operational management in production and sales made it possible to offset both the fall in international demand for paper and the fall in demand for cellulose pulp in Europe, with pulp revenue up 26% and Tissue revenue up 49%, offsetting the 32% drop in paper revenue.

REVENUE



REVENUE BREAKDOWN BY SEGMENT



- EBITDA totalled 502 million euros, thanks to efficient cost management combined with price level resilience offsetting the fall in demand. The EBITDA margin stood at 25.7%.



LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	2023	2022	Var.	Q4 2023	Q4 2022	Var.
Revenue	1 953.2	2 464.6	-20.7%	492.7	642.2	-23.3%
EBITDA	501.5	736.4	-31.9%	125.0	184.4	-32.2%
EBITDA margin (%)	25.7%	29.9%	-4.2 p.p.	25.4%	28.7%	-3.3 p.p.
Depreciation, amortisation and impairment losses	(151.5)	(176.5)	14.2%	(42.4)	(48.6)	12.8%
Provisions	1.0	(1.6)	162.0%	2.3	(4.1)	155.6%
EBIT	351.1	558.2	-37.1%	84.9	131.7	-35.5%
EBIT margin (%)	18.0%	22.6%	-4.7 p.p.	17.2%	20.5%	-3.3 p.p.
Net financial results	(19.3)	(57.0)	66.1%	(3.6)	3.1	-215.5%
Profit before taxes	331.8	501.2	-33.8%	81.3	134.8	-39.7%
Income taxes	(67.9)	(119.7)	43.3%	(9.9)	(15.5)	36.2%
Net profit for the period	263.9	381.5	-30.8%	71.4	119.3	-40.2%
Attributable to Navigator shareholders	263.9	381.5	-30.8%	71.4	119.3	-40.1%
Attributable to non-controlling interests (NCI)	0.0	0.0	>1000%	(0.0)	0.0	-180.8%
Cash flow	414.3	559.6	-26.0%	111.5	172.0	-35.2%
Free Cash Flow	92.3	462.6	-80.0%	59.9	140.2	-57.3%
	31/12/2023	31/12/2022				
Equity (before NCI)	1 062.7	1 018.0				
Interest-bearing net debt	489.9	382.2				
Lease liabilities (IFRS 16)	70.0	61.6				
Total	559.9	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	2023	2022	Var.	Q4 2023	Q4 2022	Var.
BEKP Pulp						
FOEX – BHKP Usd/t	1 037	1 291	-19.7%	923	1 380	-33.1%
FOEX – BHKP Eur/t	959	1 232	-22.1%	857	1 353	-36.7%
BEKP Sales (pulp)	462	255	80.9%	92	53	74.4%
UWF Paper						
FOEX – A4- BCopy Eur/t	1 206	1 216	-0.8%	1 096	1 347	-18.6%
Paper Sales	1 131	1 499	-24.5%	322	366	-11.9%
Tissue						
Total sales of tissue	142	102	39.9%	40	24	64.3%

A reduction in cash costs in all segments over the year 2023 and the resilience in international prices for printing paper, packaging and tissue, combined with the sales strategy, product and market diversification and skilful adjustment of production levels, enabled Navigator to achieve good results, in an international context of a very sharp downturn in international demand in most of the segments in which it operates.

Furthermore, Navigator revenue totalled 1 953 million euros, paper sales accounting for around 61% of the total (vs. 70% year on year), pulp sales 13% (vs. 8%), tissue sales 15% (vs. 8%), energy sales 9% (vs. 10%), and packaging sales 2% (vs. 4%).

Paper

The first half of 2023, in particular, featured a slow reduction in accumulated stocks across the distribution chain. This imbalance significantly affected producer demand in all paper segments, with the exception of the Tissue segment. The improvement in the market context in the 3rd quarter continued in the final quarter. Although initially slow, the destocking process across the distribution chain seems to have dissipated, which has led to a consistent increase in the level of new orders to European manufacturers, significantly offsetting the seasonal factors normally faced by the industry.

In 4th quarter, the level of new orders recorded by Navigator from all markets increased by 18% over the previous quarter, and orders from Europe rose by 25%.

The industry recorded a significant adjustment in capacity utilisation rates in 2023, and Navigator likewise steadied the pace of production. The average utilisation rate for the year stood at 78%, which compares to the European average of 71%, driven by the increase in the 4th quarter, with Navigator at 85% (vs. the industry average of 80%).

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 17%. Demand for paper produced from mechanical pulp also contracted by 18%. In Europe in particular, apparent demand for UWF paper dropped by 20%, all the while maintaining the more resilient grade. It should be noted that apparent demand for UWF between 2013 and 2023 evolved on average -4.7% per year (CAGR). In the United States, demand declined more slowly than in Europe, down by 14% in November. Apparent consumption of UWF in other world regions decreased 2%, while China's consumption of UWF in November was up by 6% compared to 2022.

The office paper benchmark in Europe - PIX A4 B-copy - averaged 1 206 €/t in 2023 (vs. 1 216 €/t), only 0.8% variation compared to 2022, although the benchmark index ended the year at 1 092 €/t, a change of -18% compared to the figure at the start of the year (1 334 €/t). It should be noted that the 18% fall in the index over the course of the year is also in line with the sharp correction in the pulp index in dollars, which in spite of the recovery in the second half of the year had accumulated a sharp fall of 27% since the start of the year.

Navigator's paper and packaging sales totalled 1 131 thousand tonnes in the year, down by 25% on the previous year. It should be noted that mill brands represented close to 80% of the year's sales, a clear illustration of the resilience of the brand strategy. The proportion of premium products, whilst lower than in the same period in the previous year, remains high (57%).

Packaging paper

In the Packaging business, which is still in the process of developing a consolidated base in the international market, the adverse conditions of a year marked by excess stocks across the distribution chain were also felt, reflected in slower and irregular demand. In particular, bag consumption – one of Navigator's key segments – fell by around 40% once it became mandatory to charge consumers for bags in the shops.

Nonetheless, the development of our Packaging business continues to show considerable promise, with a growing customer base, recognition of the quality of our products, based on eucalyptus globulus fibre, and consequently of the gKraft™ brand. Our products are being used by high profile brands in sectors ranging from fashion to food retail, e-commerce, manufacturing and farming.

This recognition was confirmed by growth in the clients base, now more than 230 active clients in 30 countries, since starting up 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 bases its packaging paper offer on three large gKraft™ segments: BAG, FLEX and BOX, which are subdivided into 12 segments for different uses, respectively addressing the markets for Bags (retail, consumer and industrial bags), Flexible Packaging (serving a wide variety of flexible packaging), and boxes (corrugated cardboard boxes for value-added products and food packaging, including paperboard for producing paper cups, and food trays). The innovative introduction of the properties of eucalyptus fibre has been crucial in securing the wide acceptance these products already enjoy in the market.

Over the course of 2023, Navigator worked on developing new product ranges for the food industry and a multitude of consumer products, whose testing and market introduction phase underway involves a large-scale operation to approach new customers, supported by the conducting of 220 market trials in 2023. Developments included the creation of new product ranges, particularly innovative 100% eucalyptus products, totalling 31 new grades.

As part of the diversification of the Packaging business, progress has continued as planned in the project for integrated production of eucalyptus-based moulded cellulose components, designed to substitute single-use plastic packaging in the food service and food packaging market, and production is planned to start up in the 2nd half of 2024, under gKraft™ Bioshield brand. The facility will have a production capacity for approximately 100 million units a year, making it one of the largest in Europe and the first integrated plant in Southern Europe moving into a fast growing, high-potential market. Operations will start operating with 4 products for the food sector, and the facility offers production flexibility and scalability in order to exploit the various opportunities opening up for substituting plastics.

Pulp

The first half of 2023 was marked by a sharp reduction in prices compared to historical highs; the hardwood pulp benchmark index – PIX BHKP in dollars – achieved an all-time high in 2022 (1 380 USD/t). In the 2nd quarter, we saw prices rally in China and in Europe - prices in China bottomed out in May (475 USD/t) and ended 2023 at 653 USD/t, whilst in Europe they fell to their lowest level in August (800 USD/t), recovering by December to 1 008 USD/t.

Falling pulp prices in the first half of the year could be traced to (i) the YoY reduction in demand globally, and in particular in Europe; (ii) rising stocks along the supply chain in late 2022 and early 2023; (iii) easing of the logistical constraints experienced during 2022; and (iv) growth in supply, due to new capacity coming online, especially in Latin America, where one venture started up in December 2022 (1.6 Mt) and another during the second half of 2023 (2.1 Mt).

In the second half of the year, there was a reversal in pulp demand; global demand for eucalyptus pulp (EUCA) performed better than in the first half of the year (where growth was practically nil). China is the main driver of this recovery, as stocks were replenished after prices hit a low in May.

World demand for short fibre (HW) followed the positive trend in the second half, culminating in growth of 8.0% HW and 6.5% eucalyptus short fibre (EUCA) in 2023, compared to the first half (+3.1% HW, +0.6% EUCA).

Stocks at producers and ports were also high in the first half of the year and normalised in the second half. In fact, comparing the level of stocks in the second half of the year with the first half of the year, we see that the stocks of chemical pulp and short fibre producers fell by 7% and 6% respectively, and stocks in ports adjusted by -11% in China and corrected considerably in Europe (-35%).

In the year Navigator had a greater volume of pulp available for sale, resulting from a lower integration in paper. Pulp sales stood at 462 thousand tonnes, up 81% YoY, with revenue being conditioned by the current price level, thus sustaining growth of around 26% YoY.

Tissue

The Tissue business in 2023 was in the spotlight with the acquisition of the plant Zaragoza in early Q2. The integration of this new plant is part of Navigator's ambitious growth and diversification plan and strengthens its strategic position in the Tissue market, making it the 2nd largest Iberian player in just eight years, with an annual production capacity of 165 thousand tonnes and an annual processing capacity of 180 thousand tonnes.

In 2023, tissue sales showed significant resilience, with sustained growth in demand for Navigator's finished product, despite less demand in Western Europe (-2.9% in 11 months), especially in the second half of the year.

Tissue sales volume (finished product and reels) reached 142 thousand tonnes in 2023, which translated into a 40% volume increase compared to 2022, with revenue growth of 49%. This development benefited from the integration of the new plant, called Navigator Tissue Ejea, which took place at the beginning of the 2nd quarter. In addition to boosting sales growth, it also broadened the customer base and generated significant gains in unification synergies.

In 2023, sales of Navigator brands were up 25% compared to 2022. Similarly, sales of more differentiated and innovative products continued to hit new highs in 2023, growing by 64% compared to 2022.

Consumers recognised Navigator's focus on innovation and differentiation, which had it win the "5 Star Award" for the third year running. Consequently, it strengthened its presence with customers, particularly through the use of the manufacturer's brand, which in 2023 accounted for 24% of total sales volume of finished products.

Energy

In 2023, the sales of electrical power totalled about 169 million euros, which represents a reduction of 35% year on year. Of particular note is the production of 1 436 GWh of electricity in 2023, 76% of which from renewable energy sources.

This result is essentially due to: (i) the reduction in market price (OMIE), which made it advantageous to switch renewable cogeneration to the special remuneration regime (when in 2022 they sold their production under the market regime, benefiting from a better OMIE price), (ii) less sales of the Setúbal Natural Gas Combined Cycle Power Plant due to the fact that in 2023 it started operating with just one generator set (there was a reduction in the operating margin of this power plant dictated by the difference between the price of energy and natural gas market prices), which made it possible to reduce fossil fuel consumption, and (iii) the reduction in paper machine activity (which led to less heat requirement for drying paper, subsequently reducing cogeneration activity, which in turn reduced electricity production).

In 2023 the Group's industrial units remained in the Regulated Reserve Band Market, an important service provided by qualified electricity consumers to the electricity transmission grid operator, intended to help secure energy supply in the National Electricity System.

In 2023 the start of the construction of the new self-consumption photovoltaic plants at the Figueira da Foz, Aveiro and Vila Velha de Rodão industrial sites is also worthy of note, since it will triple the installed capacity at Navigator's sites from the current 12 MW to around 38 MW.

In the third phase, in 2024-25, there are plans to install 8 and 15 MWp of new solar PV capacity, which will bring Navigator's total installed capacity up to 46-53 MWp, thus becoming number 1 player in installed solar PV capacity for self-consumption in Portugal.

EBITDA

Variable costs decreased significantly last year, bringing down unit cash costs in all segments. Paper price management, particularly in the higher value-added segments, offered additional protection to results in a context of a strong shortage of paper sales volumes. These factors, combined with the commercial strategy of enhancing own brands and diversifying products and markets, drove EBITDA up to 502 million euros.

The positive evolution in unit cash costs cut across the year, although more intensely in the second half. When comparing the 2nd half of 2023 with the 2nd half of 2022, there is a sharp drop in costs, with a reduction of 15% to 20% in all pulp and paper segments (printing and writing, tissue and packaging).

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 and of all kinds of paper, while also maintaining its efforts to contain fixed costs.

The control of total fixed costs resulted in a 5% reduction in 2023 compared to 2022, despite the inclusion of the Ejea Tissue unit in the 2nd quarter. The cost containment effort is quite significant, with maintenance and operating costs increasing by less than 1% in 2023, well below the inflation recorded for the year (4.3%) and the salary increases, particularly at Navigator, where the average salary increase in 2023 was 5.3%.

In this framework, Navigator achieved an EBITDA of 502 million euros in 2023 and an EBITDA margin of 26% (-4.2 p.p. year on year). The net negative impact of the exchange rate on EBITDA of about 16 million euros is worth noting, with an average EUR/USD in 2023 of 1.08 vs. 1.05 in 2022.

The **financial results** amounted to -19 million euros (vs. -57 million euros in 2022). It should be noted that in the same period of the previous year, financial results were hit by one-off (non-cash) impacts, resulting from the recognition of unfavourable exchange differences in the income statement, essentially associated with the repayment of loans granted to the subsidiary Portucel Moçambique (-34 million euros).

Excluding these non-recurrent impacts, performance YoY was 4.6 million euros higher. This resulted from the rise in interest rates, which made it possible to optimise cash management, with a positive impact of 3.7 million euros. On the other hand, the policy of hedging interest rate risk – currently 95% of the debt is issued at a fixed rate (directly or through derivative instruments) – has allowed the average financing rate to remain stable despite the rapid rise in index rates, which, combined with the reduction in gross debt, has also led to a positive evolution of 1.1 million euros in financing costs.

Net profit attributable to Navigator shareholders in 2023 totalled 263.9 million euros (vs. 381.5 million euros year-on-year).

The generation of free **cash flow** in 2023 was around 92 million euros (vs. around 463 million euros in 2022), which reflects the impact of the disbursement on the acquisition of the Tissue unit in the 1st quarter (85 million euros), the tight schedule on which the investment plan under the Recovery and Resilience Plan (PRR) must be executed and the additional payment of 108 million euros in income tax (IRC), which reflects the exceptional results achieved in the previous year, as well as the final distribution of bonuses to employees. These payments are closely linked to company's good performance in 2022.

Contributing to this development was a significant reduction in the value of inventories and receivables from customers, more than offsetting the reduction in payables to suppliers, as part of a policy to support our partners' liquidity.

In 2023, the total amount of **investments** in fixed assets was 187 million euros (vs. 113 million euros in 2022). This is mainly made up of investments aimed at maintaining production capacity, revamping equipment and achieving efficiency gains, and for structural and safety projects.

Investments include ongoing projects of 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 (WWT plant in Setúbal), the new wood yard in Figueira da Foz and ash treatment facility at the recovery boiler in Aveiro.

In the coming two years, Navigator will step up investment, in particular under the Recovery and Resilience Plan (RRP), with a focus on the From Fossil to Forest Agenda - "Sustainable packaging products to replace fossil plastic", which includes *inter alia* the current projects: i) to develop high yield chemical pulp and brown paper; ii) to develop moulded pulp for rigid packaging; iii) biocomposites, and iv) paper with barrier properties. The Decarbonisation Agenda has also been launched, which includes, among others, the projects already underway: i) new turbine at the Figueira da Foz cogeneration plant, ii) new lime and biomass kiln at Figueira da Foz, iii) new recovery boiler at Setúbal, iv) incineration of non-condensed gases at the new Setúbal recovery boiler, v) new cogeneration plant at Tissue Aveiro, vi) new photovoltaic plant at Tissue Aveiro, vii) new bleaching tower and pulp washing presses at Aveiro; viii) new cogeneration plant in Vila Velha de Ródão. In the Transform Agenda, we highlight the projects already underway: i) genetic improvement and seed-producing orchards at Viveiros Aliança and Raiz; ii) remote sensing data for sustainable and resilient forest management; iii) boosting the adoption of electric motorisation in the forestry sector in Portugal and iv) recovering industrial waste to produce fertilisers.

For eligible investments under the PRR, an incentive rate of around 40% is envisaged, which corresponds to close to 100 million euros, of which the company received around 21 million euros in 2023.

The company therefore continues to conduct innovation programmes for the efficiency of its operations, programmes for the development of sustainable packaging solutions, investing in decarbonisation and improving its environmental impact.

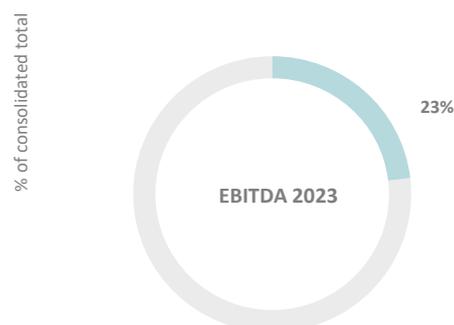
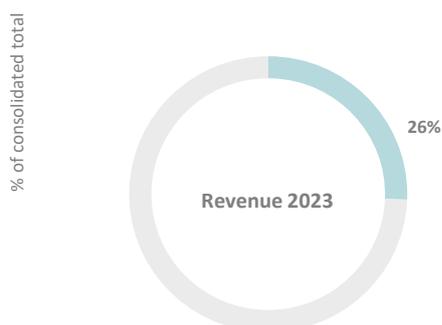
Taking into account the performance in 2023, Navigator's Board of Directors announced in the annual report and account that it will submit for approval by the General Shareholders Meeting the distribution of profits earned in 2023 in the amount of 0.21091 euros per share, corresponding to a total number of approximately 150 million euros.

FOURTH QUARTER OF 2023 VS. FOURTH QUARTER OF 2022

In Q4 2023, revenue totalled 493 million euros, up 2% on the 3rd quarter and down 23% on the same period last year. This was helped by paper and packaging sales of 322 thousand tonnes (+17% compared to the 3rd quarter and -12% compared to the 4th quarter of 2022), pulp sales of 92 thousand tonnes (-41% compared to the 3rd quarter and +75% compared to the 4th quarter of 2022), mainly impacted by planned maintenance stoppages, and tissue sales of 40 thousand tonnes (-2% compared to the previous quarter and +64% compared to the same quarter of the previous year).

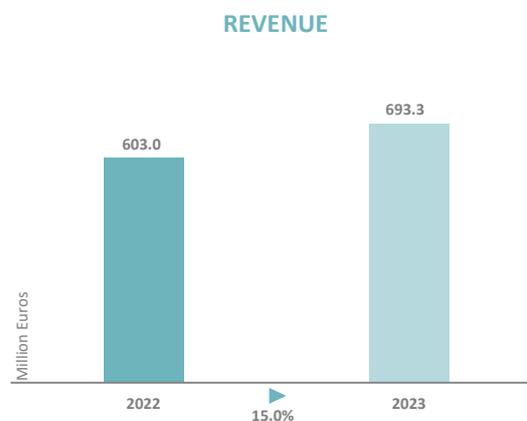
EBITDA totalled 125 million euros in Q4 2023 (+1% compared to the 3rd quarter and -32% compared to the 4th quarter of 2022), which resulted in an EBITDA margin of 25.4% (-0.3 p.p. less than in the third quarter and -3.3 p.p. than in the 4th quarter of 2022).

2.3. OVERVIEW OF SECIL ACTIVITY

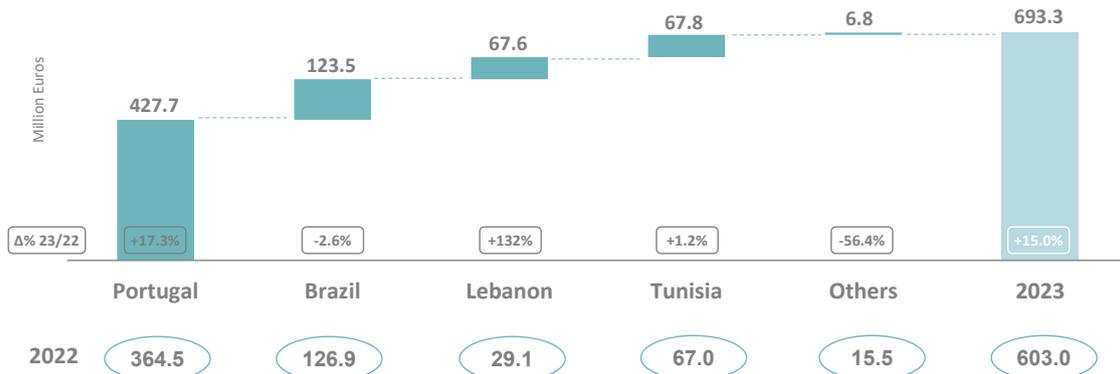


HIGHLIGHTS IN 2023 (VS. 2022)

- Accumulated revenue in Q4 2023 of Secil amounted to 693.3 million euros, 15.0% above that in the same period in the previous year, representing an increase of 90.4 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 5.4 million euros on Secil's revenue (excluding the effect of the depreciation of the Lebanese pound).



REVENUE BREAKDOWN BY COUNTRY

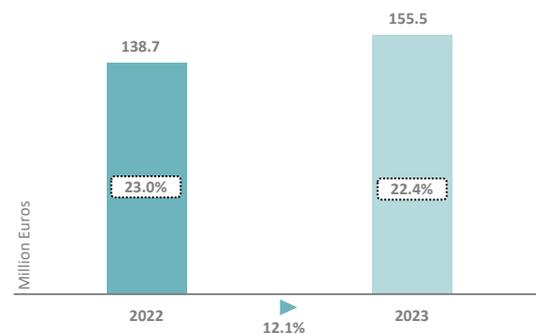


Note: Other includes Angola, Trading, Other and Eliminations.

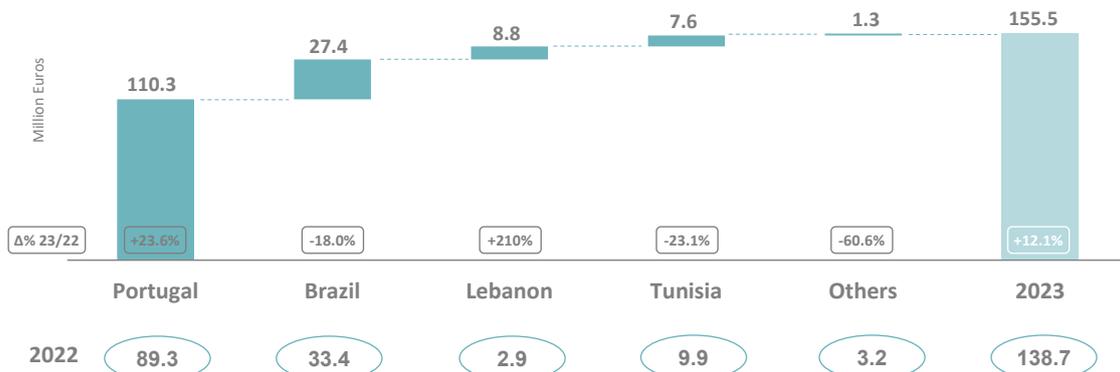
EBITDA

EBITDA Mg

- Consolidated EBITDA amounted to 155.5 million euros, up by 16.8 million euros (+12.1%) compared to the previous year. Such performance resulted from the very positive contribution of business in Portugal and, to a lesser extent, business in Lebanon, which offset the less positive performance of business in Brazil and Tunisia.
- The impact of 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, was more than 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** improved year on year, to -27.0 million euros vis-a-vis -32.3 million euros. This improvement is mainly due to the decrease in the net cost of financing in Brazil. In addition, the positive effect of the net monetary position in Lebanon should be emphasised (+13.5 million euros compared to the previous year).

Net profit attributable to Secil shareholders totalled 42.7 million euros, i.e. 30.4 million euros more than in the same period of the previous year. In addition to the increase in EBITDA, the change in the net monetary position in Lebanon

(+13.5 million) and the reduction in taxes (+7.9 million) also contributed positively. The reduction in profit tax is mainly due to the recording of deferred tax assets (8.1 million euros from SIFIDE 2022 and 0.6 million euros from the recovery of tax losses) and the recovery of tax relating to the 2006 proceedings (1.3 million euros).

In 2023, Secil **invested** 61.3 million euros in fixed assets against 72.4 million euros over the same period in the previous year. It is worth highlighting the investment in the Clean Cement Line project of 15.4 million euros, which is the first to combine a set of mature and innovative technologies and will enable a 20% reduction in CO₂ 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

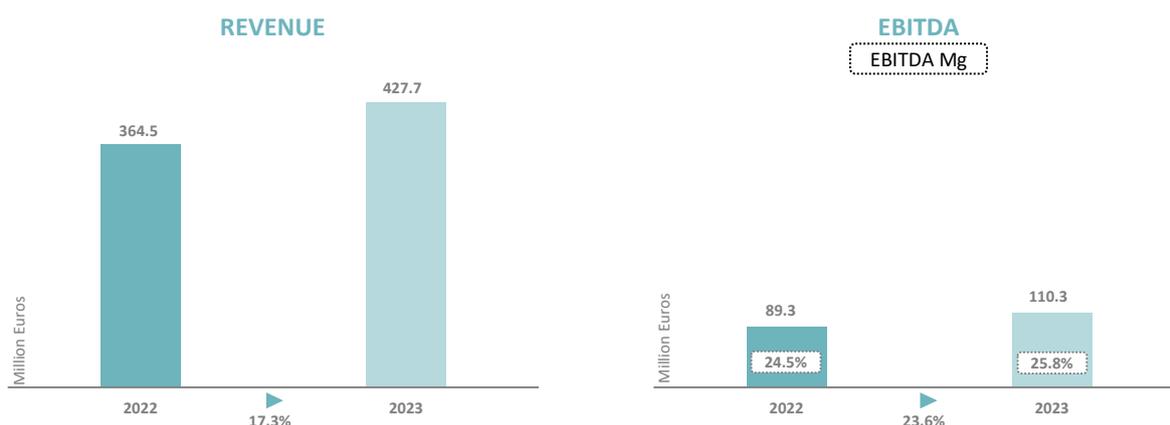
IFRS - accrued amounts (million euros)	2023	2022	Var.	Q4 2023	Q4 2022	Var.
Revenue	693.3	603.0	15.0%	174.6	154.4	13.1%
EBITDA	155.5	138.7	12.1%	38.0	32.6	16.7%
EBITDA margin (%)	22.4%	23.0%	-0.6 p.p.	21.8%	21.1%	0.7 p.p.
Depreciation, amortisation and impairment losses	(63.9)	(68.3)	6.4%	(21.0)	(29.5)	28.6%
Provisions	(9.0)	(2.3)	-287.2%	(4.8)	(0.1)	<-1000%
EBIT	82.6	68.1	21.4%	12.2	3.0	309.3%
EBIT margin (%)	11.9%	11.3%	0.6 p.p.	7.0%	1.9%	5.1 p.p.
Income from associates and joint ventures	0.1	(1.2)	105.4%	(0.0)	(0.6)	95.2%
Net financial results	(27.0)	(32.3)	16.2%	1.6	(7.0)	122.9%
Net monetary position	14.5	1.0	>1000%	14.5	1.0	>1000%
Profit before taxes	70.1	35.6	97.2%	28.3	(3.6)	875.8%
Income taxes	(15.1)	(22.9)	34.2%	(10.3)	(7.7)	-34.3%
Net profit for the period	55.0	12.6	336.0%	17.9	(11.3)	257.8%
Attributable to Secil shareholders	42.7	12.4	245.8%	6.2	(11.0)	156.4%
Attributable to non-controlling interests (NCI)	12.3	0.3	>1000%	11.7	(0.3)	>1000%
Cash flow	127.9	83.2	53.7%	43.7	18.2	139.7%
Free Cash Flow	61.0	(4.1)	>1000%	2.6	10.1	-74.6%
	31/12/2023	31/12/2022				
Equity (before NCI)	429.0	398.0				
Interest-bearing net debt	288.1	306.2				
Lease liabilities (IFRS 16)	32.4	38.0				
Total	320.5	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	2023	2022	Var.	Q4 2023	Q4 2022	Var.
Annual cement production capacity	9 750	9 750	0.0%	9 750	9 750	0.0%
Production						
Clinker	3 758	3 838	-2.1%	1 020	783	30.2%
Cement	5 061	4 979	1.6%	1 221	1 176	3.8%
Sales						
Cement and Clinker						
Grey cement	5 003	4 925	1.6%	1 215	1 232	-1.4%
White cement	73	72	1.2%	16	15	6.7%
Clinker	57	108	-46.9%	3	41	-92.2%
Other Building Materials						
Aggregates	4 662	4 665	-0.1%	1 127	1 067	5.7%
Mortars	297	265	12.2%	73	63	15.9%
in 1 000 m3						
Ready-mix	1 977	1 986	-0.4%	481	464	3.6%

PORTUGAL



The Bank of Portugal (*Boletim Económico* – December 2023) has estimated economic growth for **Portugal** in 2023 of 2.1%. According to the INE Statistical Office publication on Construction production, employment and wage indices in December 2023, the construction production index increased by 5,4% in December, having grown 5.8% in 2023 vs. 2.3% in 2022. Cement consumption in Portugal is estimated to have grown in accumulated terms about 1% compared to the previous year.

Secil revenue in Portugal in 2023 stood at 427.7 million euros, 17.3% up in relation to the same period in 2022.

Revenue of the Cement business unit in Portugal grew by 15.8% year on year (+33.0 million euros). Such development is the result of favourable average prices combined with a reduction in quantities sold, in the domestic and export markets and the Secil terminals supplied from Portugal.

In the other business units with operations based in Portugal (Ready-mix concrete, Aggregates and Mortars), revenue amounted to 205.0 million euros, up by 18.2% year on year, explained primarily by the increase in average sales prices, boosted by the increase in volumes sold.

The **EBITDA** of the activities in Portugal amounted to 110.3 million euros, representing a growth of 23.6% year on year.

EBITDA of the Cement business unit amounted to 102.0 million euros, i.e. higher than that of same period last year by 9.6 million euros (+10.4%), 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 9.4 million euros (+57%). The positive evolution in volumes sold, together with the positive variation in sales prices helped to compensate with a positive margin the rise in the variable production costs.

BRAZIL



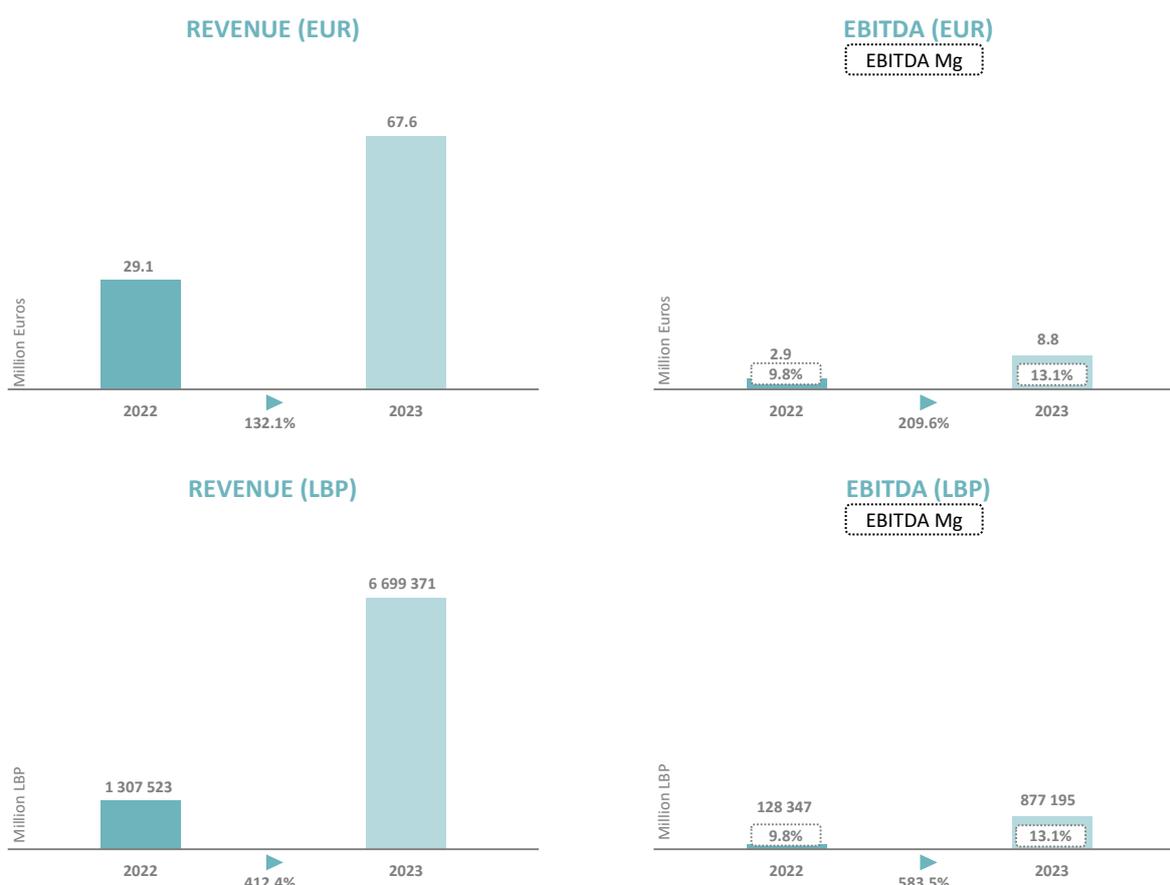
Note: Average exchange rate EUR-BRL 2022 = 5.4409 / Average exchange rate EUR-BRL 2023 = 5.4011

According to the estimates of SNIC (Preliminary Results December 2023), cement sales by local producers in Brazil in December increased 0.8% against the same period in the previous year. In cumulative terms, sales have fallen by 1.4% compared to 2022. 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. In addition, the prolonged period of heavy rainfall in various regions of the country (especially in the south) also had a negative impact on the sector.

Revenue of combined operations in the country stood at 123.5 million euros in 2023, 2.6% down on revenue recorded year on year. The volume of cement sales was down by 8.8% on the same period last year, impacted not only by the negative evolution of the cement market, but also by some technical production constraints, while average sales prices were up.

EBITDA of activities in Brazil totalled 27.4 million euros, which compares with 33.4 million euros in the same period in the previous year, i.e. down by 18.0%. In addition to the decrease in volumes sold, the result reflects the negative impact of higher variable production costs, energy in particular, and the fixed costs, including maintenance and staff.

LEBANON



Note: Exchange rate EUR-LBP 2022 = 44 903.9 / Exchange rate EUR-LBP 2023 = 99 118.5

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.

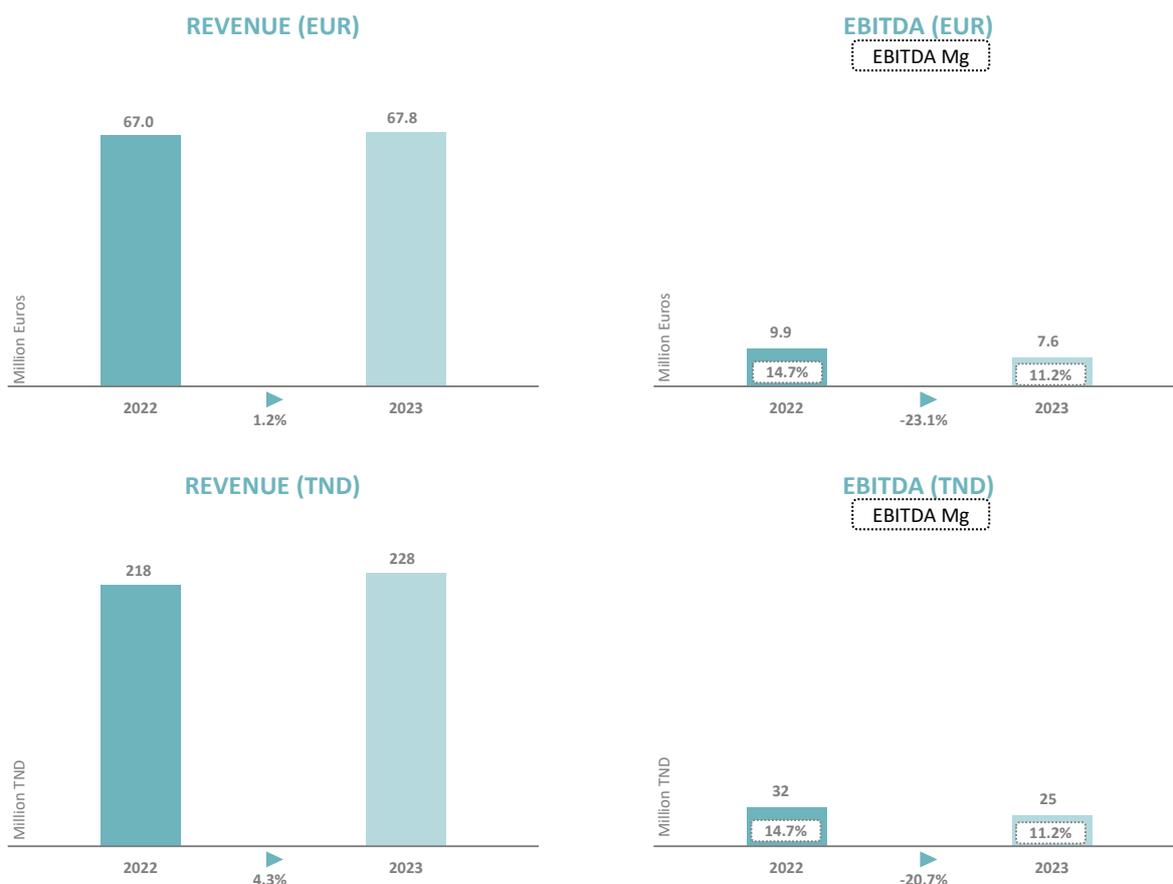
In spite of the context and benefiting from the rise in prices, **revenue** of combined operations in Lebanon grew 132.1%, compared to the previous year, rising from 29.1 million euros to 67.6 million euros. Revenue would have been 81.6 million euros higher if the effect of the exchange rate depreciation had been removed. Note that the Lebanese pound ended the fourth quarter of 2023 at 99 118.5 LBP per 1 EUR, which compares with 44 903.9 LBP per 1 EUR year on year.

Revenue in the cement business was up 149.7%, 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 (61.3% compared to the same period the previous year), impacted by the rise in the Lebanese cement market, estimated at 16%. The supply of electricity has had a negative impact on the results of the operation, although less compared to the same period last year, especially in the last quarter.

In the Concrete segment, on the other hand, there was a year-on-year decrease in revenue (-5.7%), as a result of the decrease in quantities sold (-26.6%). Average sales price in euros, taking into account the scenario of hyperinflation, increased 27%.

EBITDA generated from operations in Lebanon stood at 8.8 million euros, up by 209.6% 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 = 3.2535 / Average exchange rate EUR-TND 2023 = 3.3548

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 dropped approximately 10% in comparison with the same period in 2022, and is still subject to strong competition due to excess installed capacity.

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 impacted. As a result, 2023 ended with a reduction in cement production activity. Secil has already activated the relevant insurance coverage to obtain compensation for the damage caused by the hazard. Normal operations are expected to resume at the beginning of the 2nd quarter of 2024.

Despite this context, the revenue from the operations carried out in Tunisia showed a positive variation of 1.2% (67.8 million euros in total) compared with the same period of the previous year.

Revenue of the Cement business increased by about 2.6% to 65.2 million euros, reflecting the increased prices in the domestic and external markets and the drop in volumes sold to the domestic market (-2.5%) and the external market (-4.3%).

The Concrete business revenue compared negatively by 20.8% to the same period in the previous year, as a result of a drop in the volumes sold.

EBITDA of the activities in Tunisia amounted to 7.6 million euros, 23.1% below that of 2022 (9.9 million euros), as a result of the reduction in volumes sold to the domestic market, increase in production costs (mostly electricity, raw material and fixed costs), in spite of positive price developments. The accident that occurred in October was decisive for the negative evolution of operational indicators and EBITDA in 2023.

ANGOLA AND OTHERS

According to the latest figures available, it is estimated that in 2023 the Angolan cement market had negative growth of 3% year on year.

Cement volumes sold by Secil fell by 26.5%. 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 euros. In this context, **revenue** totalled 7.9 million euros, 45.9% below the figure recorded in the same period in 2022.

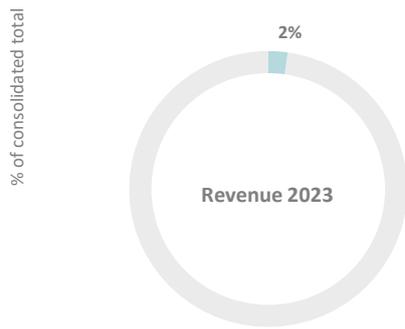
EBITDA in 2023 amounted to 1.6 million euros, which, compared to 3.4 million euros recorded over the same period in the previous year, represents a drop of 52.4%, resulting from the downward trend in revenue.

FOURTH QUARTER OF 2023 VS. FOURTH QUARTER OF 2022

EBITDA in the fourth quarter of 2023 was higher than EBITDA in the fourth quarter of 2022 by around 5.4 million euros (16.7%). The positive developments in activities in Portugal (+7.9 million euros) and Lebanon (+3.6 million euros) made up for the negative performance of Tunisia (-4.7 million euros), which was heavily impacted by the fire.

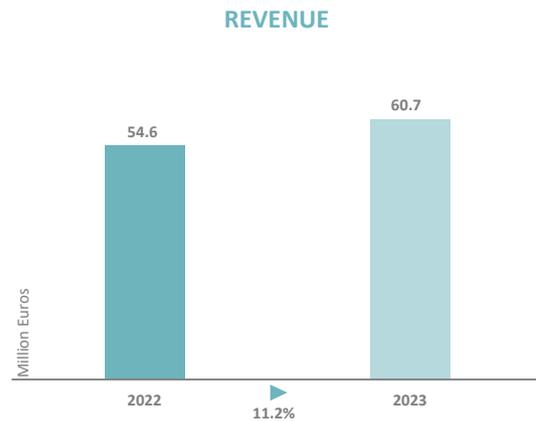
The positive variation in Portugal occurred mainly in Cement and Aggregates, reflecting the increase in quantities sold and average sales prices. In Lebanon, the increase in volumes sold as a result of the relative stability of the electricity supply, together with the increase in prices on the domestic market led to a significant improvement in results.

2.4. OVERVIEW OF OTHER BUSINESS ACTIVITY¹



HIGHLIGHTS IN 2023 (VS. 2022)

- In 2023 revenue amounted to approximately 60.7 million euros, up by around 11.2% against the previous year. It should be noted that these figures in 2023 already include 6 months of Triangle's activity.



- EBITDA totalled approximately 15.4 million euros in 2023, representing a reduction of 3.9 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 staff costs, combined with the positive effect of incorporating 6 months of Triangle's activity.



¹ As at 31 December 2023, Other Business includes Triangle's and ETSA's business.

LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	2023	2022	Var.	Q4 2023	Q4 2022	Var.
Revenue	60.7	54.6	11.2%	17.8	13.3	34.1%
EBITDA	15.4	19.3	-20.1%	2.0	4.2	-52.7%
EBITDA margin (%)	25.4%	35.4%	-10.0 p.p.	11.2%	31.7%	-20.5 p.p.
Depreciation, amortisation and impairment losses	(8.7)	(3.3)	-160.4%	(5.0)	(0.9)	-469.3%
Provisions	0.3	-	-	0.3	-	-
EBIT	7.0	16.0	-56.0%	(2.7)	3.3	-180.1%
EBIT margin (%)	11.6%	29.3%	-17.7 p.p.	-15.0%	25.2%	-40.2 p.p.
Net financial results	(0.3)	(0.1)	-106.8%	(0.1)	(0.0)	-752.7%
Profit before taxes	6.8	15.8	-57.3%	(2.8)	3.3	-184.5%
Income taxes	0.8	(3.6)	122.0%	1.4	(0.8)	271.7%
Net profit for the period	7.6	12.2	-38.2%	(1.4)	2.5	-155.6%
Attributable to Other business shareholders	7.7	12.1	-36.4%	(1.3)	2.4	-152.7%
Attributable to non-controlling interests (NCI)	(0.1)	0.2	-183.9%	(0.1)	0.1	-272.9%
Cash flow	16.0	15.6	2.5%	3.3	3.4	-2.7%
Free Cash Flow	2.0	5.4	-62.9%	0.7	0.3	133.0%
	31/12/2023	31/12/2022				
Equity (before NCI)	152.2	97.7				
Interest-bearing net debt	15.2	(12.7)				
Lease liabilities (IFRS 16)	1.1	1.3				
Total	16.3	(11.4)				

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

In 2023 revenue amounted to approximately 60.7 million euros, up by around 11.2% against the previous year. Excluding the impact of the acquisition of Triangle's, there would have been a drop of 11.9%.

This negative variation results from a decrease in ETSA sales compared to last year, stemming essentially from lower price of class 3 fat.

Services provided, compared to the same period of the previous year, increased slightly by 0.1% from a mix of variations in the different types of services provided by ETSA.

EBITDA in 2023 totalled approximately 15.4 million euros, which represented a decrease of approximately 20.1% compared to the previous year, explained essentially by the reduction in the revenue of ETSA, but also by the 33.7% increase in the purchase price of class 3 raw materials and personnel costs of 8%. The acquisition of Triangle's has made a positive contribution in the last six months to alleviating this decline.

EBITDA margin stood at 25.4%, down by around 10.0 p.p. over the previous year.

Financial results fell due to the incorporation of Triangle's, totalling -0.3 million euros.

Net profit attributable to shareholders of this business segment was approximately 7.7 million euros in 2023, i.e. a decrease of 36.4% in relation to the previous year.

Investment in 2023 in fixed assets totalled 14.9 million euros, 12.0 million euros of which from ETSA, reflecting the construction of the new plant in Coruche (called ETSA ProHy), which is intended to manufacture mostly premium products, at a higher end than current production, stemming from strong investment in innovation.

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 consisting of several of the industry's prestigious brands.

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 goal - Making it better.

FOURTH QUARTER OF 2023 VS. FOURTH QUARTER OF 2022

Revenue in Q4 2023 amounted to about 17.8 million euros, which is around 34.1% more in comparison with that of the same period in the previous year. It should be noted that this figure includes Triangle's business.

ETSA revenue in Q4 amounted to about 12.4 million euros, which is around 6.9% less in comparison with that of the same period in the previous year. This variation results from a decrease of about 12.4% in sales, offset by a small increase of around 2.8% in consolidated services rendered.

EBITDA totalled approximately 2.0 million euros in the 4th quarter of 2023, about 2.2 million euros less in comparison with the same period of the previous year.

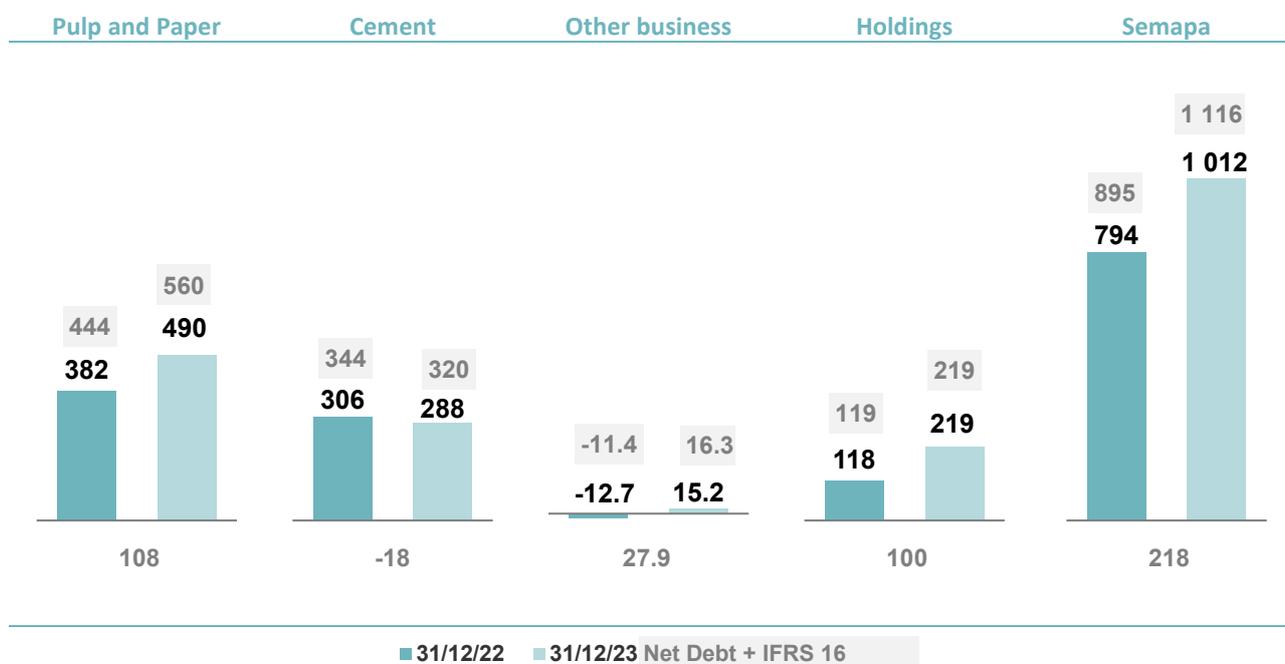
2.5. OVERVIEW OF SEMAPA NEXT ACTIVITY

The year 2023 was positive overall for Semapa Next, with a greater focus on monitoring the portfolio and strengthening its position in some of its subsidiaries, namely Kencko, Overstory and Flecto. Additionally, Semapa Next enhanced its portfolio with a new investment in early 2023 at Soyeren, a cybersecurity company that develops solutions to prevent and correct privacy and security breaches. Besides focussing on the investment area, Semapa Next also attended various European conferences to follow up on new market trends and strengthen the Semapa Next brand.

3 SEMAPA GROUP – FINANCIAL AREA

3.1. INDEBTEDNESS

NET DEBT



As at 31 December 2023, **consolidated net debt** stood at 1 012 million euros, representing an increase of 217.8 million euros over the figure recorded at year-end 2022. Including the effect of IFRS 16, net debt would have been 1 116 million euros, 220.6 million euros above the figure at the end of 2022. Besides the operating cash flow generated, these variations are explained by:

- Navigator: +107.7 million euros, stemming from the acquisition of a Tissue plant in the 1st quarter, the distribution of 200 million euros in dividends in the 2nd quarter, the volume of tax payments, which reflects the exceptionally high income in 2022, and the tight investment schedule under the Recovery and Resilience Plan (RRP);
- Secil: -18.1 million euros, including investments in fixed assets of about 61.3 million euros, payment of dividends and repayment of supplementary payments of 41 million euros to Semapa;
- Other Business: +27.9 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 16 million euros; and,
- Holdings: +100.4 million euros, including dividends received (Navigator: 140 million euros; Secil: 41 million euros, ETSA: 16 million euros and UTIS: 3 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 6.8 million euros in the period.

As at 31 December 2023, total consolidated cash and equivalents amounted to 281.2 million euros, in addition to committed and undrawn credit lines for the Group, thus ensuring a strong liquidity position.

The Semapa Group has taken important steps in sustainable finance in the past years, by seeking financing options directly linked to compliance with sustainable development objectives or ESG – Environmental, Social and Governance

performance indicators. The Semapa Group's green debt at the end of the year accounted for around 30% of all debt and 25% of the total amount used.

In the 4th quarter, Navigator signed a long-term financing agreement with the European Investment Bank (EIB) for 115 million euros, which can be disbursed in up to 3 tranches within 18 months of signing the contract, with maturities of up to 12 years. The loan is intended to support the project to build and operate the high-efficiency recovery boiler at the Setúbal Industrial Complex, a key step in the decarbonisation roadmap. This green loan is part of the REPowerEU Plan, which aims to boost the financing of green energy and support the autonomy and competitiveness of the European Union.

In early 2023, Secil engaged for the first time in sustainable financing, via two bond loans called "Secil Green Bonds 2030 - fixed rate" and "Secil Green Bonds 2030 – variable rate", totalling 75 million euros, intended to refinance the Clean Cement Line Project being rolled out at the Outão plant in Setúbal, under the Green Bond Framework of Secil. Secil thus became the first European cement company to contract this type of financing associated with a specific project.

Additionally, in July 2023 Secil released the Sustainability Linked Financing Framework (<https://www.secil-group.com/en/sustainability/sustainability-at-secil/sustainability-linked-financing---secil-group>). This document provides a framework for sustainable financing in Portugal, Brazil and Tunisia.

As at 31 December 2023, approximately 46% of Navigator's total debt was sustainable financing (42% of the total issued). Secil's sustainable financing is around 35% of the total number of lines contracted to date, with three sustainable financing lines in Portugal and two in Brazil, 209 million euros in total.

3.2. NET PROFIT

After an extraordinary year of 2022, especially for Navigator, when prices reached historic highs due to an unparalleled imbalance between supply and demand in all products, the **net profit attributable to Semapa shareholders** in 2023 was 244.5 million euros, down by 62.6 million euros compared to the same period in the previous year, explained essentially by the combined effect of the following factors:

- 222 million euro decrease in EBITDA, mainly due to the reduction of 234.8 million euros in the Pulp and Paper segment;
- An improvement in net financial results by about 33.6 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 approximately -40 million euros;
- Increase in results from subsidiaries and joint ventures (+0.3 million euros). This item includes part of the results of UTIS², which is a 50/50 joint venture³ between Semapa and Ultimate Cell;
- The net monetary position increased by about 13.5 million euros. The implementation of accounting standard IAS 29 (Hyperinflationary Economies), combined with the strong currency depreciation of the Lebanese pound, led Secil to recognise a positive Net Monetary Position of 14.5 million euros in its results;
- Approximately 68.9 million euros less corporate income tax chiefly owing to less profit.

² UTIS is a company that develops disruptive technology for optimising internal and continuous combustion processes, thus helping to reduce companies' ecological footprint and energy costs.

³UTIS 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".

4 OUTLOOK

The global macroeconomic and geopolitical outlook for 2024 hints at lingering complex challenges and opportunities. On the one hand, despite the resilience seen in services, there are palpable signs of inflation moderating at a global level, including in wages, as the labour market begins to cool. On the other hand, market dynamics are still adapting to the "new normal", based on the expectation of higher interest rates for a longer period of time. Although central banks are unlikely to risk cutting rates prematurely, rates may go down in the second half of 2024, or even earlier.

In its January 2024 World Economic Outlook Update, the IMF estimates moderate inflation and constant growth for 2024 and 2025, which is a slight improvement on the October forecast. These projections suggest that the world economy will grow by 3.1% in 2023 and 2024 (less than the 3.5% in 2022) and 3.2% in 2025, i.e. below the historical annual average (2000-2019) of 3.8%.

The IMF's World Economic Outlook Update, published in January 2024, estimates that GDP for the Euro Zone will increase 0.5% in 2023 (downward review by 0.2 p.p. compared to the October update) and an increase of 0.9% in 2024 (downward review by 0.3 p.p.) and 1.7% in 2025.

The Bank of Portugal (December 2023 Economic Bulletin) expects the Portuguese economy to have grown 2.1% in 2023, to slow down to 1.2% in 2024 and grow by 2.2% in 2025 and 2.0% in 2026. Activity will pick up gradually over the next year, benefiting from the acceleration in external demand, the effect of lower inflation on household income and the boost in investment from European funds. In 2025 and 2026, growth will benefit from the gradual dissipation of the impact of rising interest rates.

Inflation should continue its downward trajectory, falling from 5.3% in 2023 to 2.9% in 2024 and to 2% in 2025 and 2026. This decrease reflects the lagged effects of the reduction in production costs and the European Central Bank's monetary policy decisions.

Persistent geopolitical tensions in regions such as Ukraine, the Middle East, and the ongoing standoff between China and Taiwan present risks of escalation and supply shocks. Geopolitical uncertainties combined with the electoral cycles (more than 40 countries are holding elections in 2024) further complicates the range of potential outcomes, emphasising the need for differentiated risk assessment and strategic foresight.

As it navigates the complexities of 2024, the Semapa Group will remain pliable and forward-thinking, prepared to react in response to changing macroeconomic and geopolitical dynamics.

Semapa will remain determined to build a diversified portfolio of companies and products capable of creating sustainable, long-term growth cycles with a positive impact. The detection of new growth and investment opportunities, as well as a strong investment in the Group's people, will continue to be the motto in 2024

NAVIGATOR

The pulp business is expected to continue in Q1 the track of progressive and gradual recovery that it started in the third quarter of 2023. However, caution is advised in the current context of uncertainty concerning how the market will evolve the rest of the year. A cautious outlook is further advisable in view of a volatile Chinese market, the key driver of short fibre consumption, and a new mill in Latin America (2.6 Mt/year) in 2024, which will be one of the 3 largest short fibre pulp mills in the world, thus introducing more uncertainty regarding the supply/demand balance.

In the paper segment, the positive evolution of the order book since September 2023 is expected to continue in the 1st quarter. Along with the influx of orders, delivery times from plants to distributors have expanded and are currently above 2021 levels. In addition to the expected normalisation, the crisis in the Suez Canal is also impacting delivery times (for volumes coming from Asia). Despite the current context of economic slowdown and high uncertainty, improved demand, reduced supply in Europe and strong pressure on costs are expected to sustain 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 400 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 1.4 million tonnes in 2023 and in the coming years net UWF

capacity is expected to grow a further 5.4 million tonnes (2.5 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, less in Europe and more overseas.

Demand in Navigator's tissue 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.

Despite 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. The current level of costs naturally puts pressure on the prices of final products, and are not expected to return to the levels seen in the past.

Similarly, Navigator is looking into the possibility of investing in batteries (electrical storage), mainly to provide regulation reserve system services. Investment in up to three batteries of 10 MW / 2 hours each is on the table. If it proves to be attractive, it could represent an investment ranging from 7 to 21 million euros.

From a more medium-long term perspective, Navigator continues to analyse the attractiveness of investing in green fuels, both biofuels (medium term) and e-fuels or synthetic fuels (medium-long term). In terms of biofuels, investments may be made in the production of second-generation bioethanol (using eucalyptus bark as a raw material) and the production of kraft biomethanol (through the recovery and purification of the biomethanol by-product produced in pulp mills) for use as fuel or in the chemical industry.

Finally, in terms of e-fuels, investment projects to produce e-methanol and e-jetfuel continue to be assessed. They are different projects, involving a range of technologies and potential partners, and for both of them biogenic CO₂ – which is a by-product in pulp production processes – is essential. In a nutshell, these are synthesising processes of CO₂ (biogenic) and green H₂ (produced via water electrolysis) with a view to producing sustainable carbon-neutral hydrocarbons (e-methanol, e-kerosene) for the maritime and/or aviation sectors, where electric engines are not an option.

However, taking into account the evolution of European regulation on e-SAFs, which made incorporation of e-SAFs into traditional fuels mandatory only by 2030, there is consequently a need for a rescheduling of priorities. As a result, the previously announced project with P2X Europe (to produce e-fuels/e-SAFs), which was scheduled to start in 2026, will not go ahead as originally planned. However, both companies reiterate their interest in continuing to analyse possible new opportunities in the area of power-to-liquids, bearing in mind the new timetable set by the EU.

Thanks to the agility and flexibility of Navigator's teams in managing all operations – from forest to all of the group's production units, including 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 all of the above, together with development focused on diversifying the group's activity base, will help to enhance further 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, against the backdrop of the Recovery and Resilience Plan. The implementation of the Recovery and Resilience Plan is expected to help with the recovery of **Portugal's** economy.

Investment in the Clean Cement Line (CCL) in Outão, which aims at being a pioneer in combining mature technologies with innovative ones, is getting off the ground and will enable a 20% reduction in CO₂ 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 market demand for green procurement.

On the other hand, it is expected that the market embrace Verdi Zero Concrete, launched by Secil in July 2022, the first carbon-neutral concrete in Portugal, a product based on Secil innovation in product development that guarantees a significant reduction in CO₂ emissions from the outset. Verdi Zero Concrete is therefore a less carbon-intensive concrete that promotes a small circular economy as it incorporates recycled waste and uses less volume of virgin raw materials.

The remaining emissions will be offset through a carbon offset programme that is certified by Climate Impact Partners with the CarbonNeutral® Product label. This is yet another important step on the path to decarbonisation at Secil, with the aim of achieving carbon neutrality by 2050, in line with the commitments made to reduce CO2 emissions from Secil operations.

For **Brazil**, after two consecutive years of decline, the Brazilian cement industry expects to grow next year, partly influenced by progress in infrastructure projects, already signalled by the government for 2024, and in urban development, in particular housing and sanitation.

The IMF World Economic Outlook Update released in January 2024 growth forecasts of 3.1% of the Brazilian economy in 2023 (against 3.0% in 2022), 1.7% in 2024 and 1.9% in 2025. Projected levels of inflation (World Economic Outlook, October 2023) are 4.7% in 2023 and down to 4.5% in 2024.

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 and more recently the crisis in the Red Sea, 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 2024 remains subject to high uncertainty, with restrictions in the banking sector and limited electricity supply. The exchange rate depreciation in 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 published in October 2023, the IMF expects the GDP of **Tunisia** to grow 1.3% in 2023 and 1.9% in 2024. Inflation in 2023 is 9.4% (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 was 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).

As mentioned above, in October there was a fire at the Gabès cement plant. Secil has already activated the relevant insurance coverage to receive compensation for the damage caused. The plant is expected to resume operations at the beginning of the 2nd quarter of 2024.

The outlook for **Angola** (World Economic Outlook, IMF October 2023) hints at GDP 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%).

OTHER BUSINESS

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 57.1% of the overall value of accumulated sales on 31 December 2023, and construction continued on a new production plant in Coruche, result of the strong investment in innovation, called ETSA ProHy, which is expected to open in the second half of 2024.

At **Triangle's**, Semapa's plans for the company include carrying out the capacity expansion plan to manufacture 600 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 Refueling Stations. 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

In 2024, Semapa Next will continue its investment strategy and activity, with several opportunities under analysis and discussions well advanced. In addition, Semapa Next will continue to monitor its portfolio to find ways to add value to its subsidiaries through their expansions and to participate in national and international technology events with a view to strengthening the Semapa Next brand.

5 PROPOSAL OF PROFIT INVESTMENT

The Board of Directors will put to the Shareholders at the General Meeting a proposal of a dividend distribution to the outstanding shares, relative to 2023, in the amount of 0.626 euros per share, corresponding to a total value of approximately 50.0 million euros.

Lisbon, 27 February 2024

The Board

FINANCIAL CALENDAR

Date	Event
24 May 2024	First Quarter 2024 Results Announcement
26 July 2024	First Half 2024 Results Announcement
31 October 2024	First 9 months 2024 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.



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