

RESULTS PRESENTATION

H1 2024



MAKING IT BETTER



SEMAPA

1 HIGHLIGHTS

THE SEMAPA GROUP INVESTED 324 M€ IN THE FIRST HALF OF THE YEAR STRENGTHENING ITS POSITION AS AN INDUSTRIAL INVESTMENT GROUP COMMITTED TO THE PORTUGUESE ECONOMY WHILE STIMULATING ITS INTERNATIONALIZATION WITH A SIGNIFICANT ACQUISITION IN THE UNITED KINGDOM

75% OF REVENUE CORRESPONDED TO EXPORTS AND SALES ABROAD TOTALING 1 079 M€

EBITDA AMOUNTED TO 379 M€ WITH A GROWTH OF 14%

NET PROFIT REACHES 132 M€

- As part of its **diversification and growth strategy**, the Semapa Group invested 324 million euros in the first half of 2024, of which 175 million euros in financial investments, in line with the strategic plans of the various subsidiaries. Navigator and the Semapa Group has set foot in a new country, the United Kingdom, through the successful acquisition of Accrol Group Holdings plc (Accrol) on 24 May. Accrol, currently known as Navigator Tissue UK, is a key player in the tissue paper converting segment in the UK (4th position), producing own-brand toilet rolls, kitchen rolls and facial tissues for most of the major retailers in the UK. The Offer valued Accrol's equity at approximately 153 million euros.
- In regard to investments made in fixed assets in the first half of 2024 the value amounted to approximately 149 million euros, against 143.7 million euros over the same period of the previous year, with particular emphasis on Navigator amounting to 93 million euros (41 million of which are sustainable investments) and Secil with 47.3 million euros. ETSA continued to invest in the construction of a new plant in Coruche, where it plans to produce a range of substantially more premium products than the current range, called ETSA ProHy, as a result of strong investment in innovation, and Triangle's has vamped up its highly automated e-bike frame production capacity from 250 000 to 300 000 frames.
- In the first half of 2024, the Semapa Group recorded consolidated **revenue** of 1 438.5 million euros (+7.0% vs. 1st semester of 2023). In the period under analysis, 1 065.5 million euros were generated in Navigator (Pulp and Paper), 345.8 million euros in Secil (Cement), and 27.8 million euros in Other Business. Exports and sales abroad for the same period amounted to 1 079.0 million euros, accounting for 75.0% of revenue.

All of the business areas contributed to the increase in the Group's revenue: at Navigator (+8.8%), driven mainly by the increase in paper (+10.5%) and tissue (+41% - this evolution benefited from the integration of Accrol on 1 May 2024 and Navigator Tissue Ejea in Q2 2023) revenue; at Secil (+1.7%), by the positive development in Portugal (+7.9%), which more than offset the less positive developments in other markets and Other Businesses (+11.3%), thanks to the contribution of Triangle's, acquired at the end of June 2023.

- **EBITDA** in H1 2024 totalled 379.1 million euros (+14.4% vs. 1st semester of 2023). In that period, 298.8 million euros were generated in Navigator, 76.5 million euros in Secil and 2.2 million euros in Other Business. The consolidated EBITDA margin of 26.4% was 1.7 p.p. over that in the same period of 2023.

The increase in EBITDA was driven by the positive performance of Navigator (+18.1%) and Secil (+7.0%), offsetting the fall in Other business. At Navigator, the focus on efficiency and cost management, the positive evolution of demand for printing, packaging and tissue paper and the level of pulp prices made it possible to achieve good results. EBITDA in the Cement segment performed well, as a result of the contribution of business in Portugal, Brazil and Tunisia, which offset the less positive performance of business in Lebanon.

- **Net profit attributable to Semapa shareholders** at the end of the first half of 2024 stood at 131.8 million euros (vs. 107.6 million euros in the first half of 2023).
- At the end of H1 2024, consolidated **interest-bearing net debt** stood at 1 127.2 million euros, 115.2 million euros more than that at the end of 2023. As at 30 June 2024, total consolidated cash and equivalents amounted to 247.7 million euros, in addition to committed and undrawn credit lines for the Group, thus ensuring a strong liquidity position.

- In July, the rating agency Sustainalytics scored Navigator again as a low-risk company for investors, placing it at the top of the list of companies with the lowest ESG risk, on the lower fringe of the "low" risk level, with the vast majority of material issues presenting negligible risk. Navigator is thus 1st among 85 global companies in the Paper & Forestry industry cluster and also 1st among 63 Paper & Pulp companies and in the top 5% of more than 16 200 companies worldwide in all business segments.
- At Semapa, Talent Management is deemed strategic alongside investment and innovation. In the first half of 2024, the Group carried out a number of actions aimed at aligning and keeping leadership up to date. This is the case with the Talent Summit, which gathers all executives for aligning the strategy of the Year for Talent, the Future Proof Leadership Programme, which has trained all the top managers of the Semapa Group (around 120), in collaboration with a business school, and the Vitamin AI Programme (1st edition), an initiative with all Group leaders, which aims to enhance knowledge and use of generative artificial intelligence. In the first half of the year, the Talent Review was held. Semapa holds this event every year to provide in-depth insight into the performance and potential of the Group's leaders and convey a Group perspective on their development.
- The Semapa Foundation - Pedro Queiroz Pereira is a philanthropic project of the Semapa Group that was established on 29 May 2024 as mean of institutionalizing its corporate social responsibility and sustainability policy, also meeting the Sustainable Development Goals contained in the United Nations 2030 Agenda, with an initial strategy of action focused on supporting Social Protection and Education. The initial allocation is 10 million euros, to be made in three instalments, the first of 4 million euros to be delivered this year, and two instalments of 3 million euros each, to be delivered by the end of 2026 and by the end of 2027, respectively.

LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	H1 2024	H1 2023	Var.	Q2 2024	Q2 2023	Var.
Revenue	1 438.5	1 344.2	7.0%	723.3	669.1	8.1%
EBITDA	379.1	331.3	14.4%	208.4	164.5	26.7%
EBITDA margin (%)	26.4%	24.6%	1.7 p.p.	28.8%	24.6%	4.2 p.p.
Depreciation, amortisation and impairment losses	(116.0)	(102.7)	-12.9%	(59.3)	(53.5)	-10.8%
Provisions	(2.5)	(3.7)	32.0%	(1.4)	(2.9)	52.0%
EBIT	260.6	224.9	15.9%	147.7	108.0	36.7%
EBIT margin (%)	18.1%	16.7%	1.4 p.p.	20.4%	16.1%	4.3 p.p.
Income from associates and joint ventures	1.8	1.2	46.4%	(0.9)	(0.0)	<-1000%
Net financial results	(28.6)	(33.3)	14.0%	(7.4)	(20.4)	63.5%
Profit before taxes	233.7	192.8	21.3%	139.4	87.6	59.0%
Income taxes	(56.3)	(46.1)	-22.0%	(28.1)	(18.6)	-51.4%
Net profit for the period	177.5	146.6	21.0%	111.2	69.1	61.1%
Attributable to Semapa shareholders	131.8	107.6	22.5%	83.6	50.6	65.1%
Attributable to non-controlling interests (NCI)	45.7	39.0	17.0%	27.7	18.4	50.0%
Cash flow	296.0	253.1	17.0%	171.9	125.5	37.0%
Free Cash Flow	(18.5)	(162.5)	88.6%	(58.0)	(194.2)	70.1%
	30/06/2024	31/12/2023	Jun24 vs. Dec23			
Equity (before NCI)	1 547.3	1 471.4	5.2%			
Interest-bearing net debt	1 127.2	1 012.0	11.4%			
Lease liabilities (IFRS 16)	156.8	104.0	50.8%			
Total	1 284.0	1 116.0	15.1%			

2 PERFORMANCE OF THE SEMAPA GROUP BUSINESS UNITS

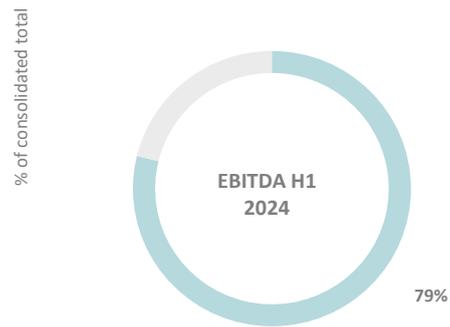
2.1. BREAKDOWN BY BUSINESS SEGMENT

IFRS - accrued amounts (million euros)	Pulp and Paper		Cement		Other business		Holdings and Eliminations		Consolidated
	H1 2024	24/23	H1 2024	24/23	H1 2024	24/23	H1 2024	24/23	H1 2024
Revenue	1 065.5	8.8%	345.8	1.7%	27.8	11.3%	(0.6)	-992.5%	1 438.5
EBITDA	298.8	18.1%	76.5	7.0%	2.2	-68.5%	1.6	682.8%	379.1
EBITDA margin (%)	28.0%	2.2 p.p.	22.1%	1.1 p.p.	8.0%	-20.3 p.p.	-	-	26.4%
Depreciation, amortisation and impairment losses	(81.0)	-13.0%	(27.3)	6.2%	(7.5)	-326.1%	(0.1)	-9.4%	(116.0)
Provisions	0.2	119.2%	(2.8)	-14.2%	-	-	-	100.0%	(2.5)
EBIT	218.0	21.1%	46.4	16.2%	(5.3)	-200.0%	1.5	471.2%	260.6
EBIT margin (%)	20.5%	2.1 p.p.	13.4%	1.7 p.p.	-19.1%	-40.4 p.p.	-	-	18.1%
Income from associates and joint ventures	-	-	(0.1)	-348.8%	-	-	1.8	56.3%	1.8
Net financial results	(10.5)	-23.2%	(13.9)	37.9%	(0.4)	<-1000%	(3.9)	-60.2%	(28.6)
Profit before taxes	207.5	21.0%	32.5	84.2%	(5.7)	-207.9%	(0.6)	66.8%	233.7
Income taxes	(54.2)	-36.9%	(4.2)	-235.6%	1.8	539.8%	0.3	103.2%	(56.3)
Net profit for the period	153.3	16.2%	28.3	36.6%	(3.9)	-179.7%	(0.3)	97.6%	177.5
Attributable to Semapa shareholders	107.3	16.2%	28.6	33.8%	(3.8)	-179.6%	(0.3)	97.6%	131.8
Attributable to non-controlling interests (NCI)	46.0	16.2%	(0.3)	52.8%	(0.1)	-187.5%	-	-	45.7
Cash flow	234.1	14.2%	58.4	11.7%	3.6	-45.1%	(0.1)	98.9%	296.0
Free Cash Flow	(24.6)	-353.2%	25.1	-23.0%	4.3	722.5%	(23.3)	88.6%	(18.5)
Interest-bearing net debt	664.5		264.7		10.9		187.1		1 127.2
Lease liabilities (IFRS 16)	115.8		39.5		1.0		0.5		156.8
Total	780.2		304.1		12.0		187.6		1 284.0

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

Note 2: As at 30 June 2023, the Other Business includes Triangle's (balance sheet values) and ETSA's business.

2.2. NAVIGATOR - PULP AND PAPER BUSINESS UNIT



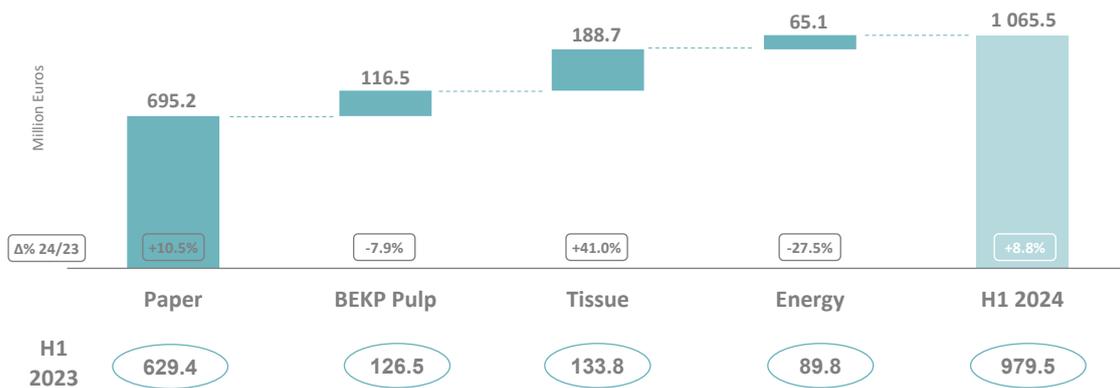
HIGHLIGHTS IN 2024 (VS. 2023)

- Navigator revenue totalled 1 066 million euros, up by 9% on the same period last year.
- The increase was mainly driven by the positive developments in the volume of paper and tissue sales alongside the level of pulp prices.
- The significant year-on-year growth in tissue sales benefited from new capacity delivered through the integration of Accrol, now called Navigator Tissue UK, on 1 May 2024 and of Navigator Tissue Ejea in the 2nd quarter of 2023.

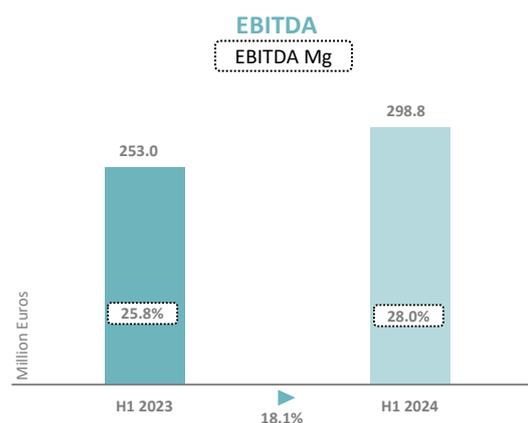
REVENUE



REVENUE BREAKDOWN BY SEGMENT



- EBITDA amounted to 299 million euros (+18% year on year). EBITDA margin stood at 28% (+2.2 p.p. year on year).
- The focus on efficiency and cost management, the positive evolution of demand for printing, packaging and tissue paper and the level of pulp prices made it possible to achieve good results.



LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	H1 2024	H1 2023	Var.	Q2 2024	Q2 2023	Var.
Revenue	1 065.5	979.5	8.8%	529.1	478.3	10.6%
EBITDA	298.8	253.0	18.1%	165.5	122.3	35.3%
EBITDA margin (%)	28.0%	25.8%	2.2 p.p.	31.3%	25.6%	5.7 p.p.
Depreciation, amortisation and impairment losses	(81.0)	(71.7)	-13.0%	(41.7)	(36.4)	-14.3%
Provisions	0.2	(1.3)	119.2%	0.2	(1.3)	119.2%
EBIT	218.0	180.0	21.1%	124.0	84.6	46.7%
EBIT margin (%)	20.5%	18.4%	2.1 p.p.	23.4%	17.7%	5.8 p.p.
Net financial results	(10.5)	(8.5)	-23.2%	(1.6)	(5.8)	71.8%
Profit before taxes	207.5	171.5	21.0%	122.4	78.8	55.4%
Income taxes	(54.2)	(39.6)	-36.9%	(30.4)	(15.8)	-93.0%
Net profit for the period	153.3	131.9	16.2%	92.0	63.0	46.0%
Attributable to Navigator shareholders	153.3	131.9	16.2%	92.0	63.0	46.0%
Attributable to non-controlling interests (NCI)	0.0	0.0	-47.6%	(0.0)	0.0	-110.5%
Cash flow	234.1	204.9	14.2%	133.4	100.7	32.4%
Free Cash Flow	(24.6)	9.7	-353.2%	(70.8)	(21.1)	-235.1%
	30/06/2024	31/12/2023				
Equity (before NCI)	1 074.7	1 062.7				
Interest-bearing net debt	664.5	489.9				
Lease liabilities (IFRS 16)	115.8	70.0				
Total	780.2	559.9				

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

LEADING OPERATING INDICATORS

in 1 000 t	H1 2024	H1 2023	Var.	Q2 2024	Q2 2023	Var.
BEKP Pulp						
FOEX – BHKP Usd/t	1 254	1 200	4.5%	1 369	1 071	27.9%
FOEX – BHKP Eur/t	1 160	1 111	4.4%	1 272	983	29.4%
BEKP Sales (pulp)	181	216	-16.2%	71	124	-42.6%
UWF Paper						
FOEX – A4- BCopy Eur/t	1 106	1 289	-14.2%	1 115	1 252	-10.9%
UWF Sales (paper)	673	533	26.2%	319	260	22.9%
Tissue						
Total sales of tissue	94	61	53.8%	56	37	50.4%

NAVIGATOR ACTIVITY OVERVIEW

In H1 2024, Navigator revenue totalled 1 066 million euros, UWF paper sales accounting for approximately 61% of the revenue (vs. 61% in 2023), packaging paper sales 4% (vs. 2%), pulp sales 11% (vs. 13%), tissue sales 18% (vs. 15%), and energy sales 6% (vs. 9%).

Paper

In the first half of 2024 (to May) there was a positive trend in demand, essentially driven by the normalisation of stocks in the distribution chain, especially in Europe.

Global apparent demand grew by +1.3% in the first half of the year (YTD May) in all segments, with demand for UWF paper strongest at +1.6% and CWF paper growing by 0.6%, while mechanically produced fibre papers grew by 1%.

In Europe, apparent demand for UWF paper grew by 14.8% in the semester (YTD June), the folio segment having grown the most (20.6%), followed by cut-size office paper (+14.8%) and reels (+10.1%). Navigator's share in the European market grew in the first six months of the year compared to the same period last year.

In the United States, demand was 2.6% lower (YTD May). Despite the fall in demand, Navigator's sales in the United States grew again, as did its market share. Apparent consumption of UWF in the other world regions grew by 0.5% (YTD May), with China recording strong growth of 7.1% (YTD May) compared to the trend of the last 5 years (CAGR 2.9% 19-23).

The benchmark index for the price of office paper in Europe - PIX A4 B-copy - at the end of June stood at 1 112 €/t (vs. 1 105 €/t at the end of March). Since the beginning of the year, the price of office paper has risen by approximately 2%. It should be noted that since November—when the new cycle of price increases began in Europe and in the Overseas markets in June—, the price of Navigator's UWF paper increased by around 4% in Europe, 12% in the Overseas markets and 8% in the total sales mix. It is expected that the announcement of the last increase that began in July will be made in Q3.

The European industry's capacity utilisation (production/capacity) recorded an average utilisation rate of 87% in H1, with Navigator operating above the industry average at 92%. Furthermore, Navigator ended the first half of the year with an adequate level of stocks, which will allow it to cope with the market conditions previously anticipated for the third quarter, when a more pronounced negative seasonal effect compared to previous years is expected to occur.

Navigator sold in total 673 thousand tonnes of printing and packaging paper in the first half, representing year-on-year growth of 26%. Revenue grew by 11%. Factory brands accounted for nearly 77% of sales in the semester (vs. an average of 67% recorded in 2012-2023), highlighting the resilience of the company's brand strategy. The share of premium products remains high compared to 2023, 59% (vs. an average of 53% recorded in the period 2012-2023).

Of particular note is the robustness of the business model based on differentiation, premium products and strong own brands in the different markets where Navigator operates, which has made it possible to increase the price premium compared to the market, as a result of the higher value proposition made, reinforcing the resilience of the paper and printing and writing business model. In more difficult market contexts, own brands and higher value-added segments offer additional protection to Navigator's results.

Pulp

The hardwood benchmark in Europe - PIX BHKP in dollars - reached all-time highs in the 2nd quarter (1 440 USD/t), the price of pulp rising by approximately 41% since the beginning of the year. Prices in China followed the growth in Europe, reaching 741 USD/t at the end of the quarter, an increase of 14% since the beginning of 2024.

Demand and supply dynamics in the first few months of the year were decisive for positive price developments. In Europe, the performance of the demand in cellulose pulp by final consumers was better than expected, especially in the printing and writing paper industry, where there was a substantial increase in the level of order intake in contrast to the same period last year (+10.7%). The same can be said about tissue (+7.1% in April). In China, the high demand for pulp at the end of 2023 continued into the first half of 2024 due to the new installed paper capacity. On the supply side, logistical constraints in the Red Sea, and supply pressures in Canada, Finland, Latin America and Asia, as a result of

production unavailability, maintenance shut down, capacity closures and logistical constraints, sustain current price levels.

It should be noted, however, that at the end of the half year, demand for hardwood in China slowed down and once the constraints in the early months of the year were overcome, the availability of pulp increased, especially in Europe and the Mediterranean. Nevertheless, demand has been very strong and stocks are still below the historical average of the last 5 years.

In May, stocks in European ports reached 1.3 million tonnes, below the historical average of the last 5 years (1.5 Mt). In China, pulp stocks in June 2024 stood at 1.7 million tonnes, also below the historical average of the last 5 years (1.8 Mt).

In this context, global demand in the first half of the year (in May), compared to the same period of the previous year, grew by 3.9% in bleached chemical pulp (BCP), 6.3% in hardwood pulp (HW), and 10.3% in eucalyptus pulp (EUCA), with emphasis on Europe (+13.6% BCP, +17.8% HW, +16.8% EUCA) and China (-0.6% BCP, +3.7% HW, +11.2% EUCA).

Pulp sales in the first half of the year stood at 181 thousand tonnes, down by 16% on the same period last year, due to the lower volume of pulp available for sale, and a smaller 8% reduction in revenue, due to the significant increase in prices.

Tissue

Tissue paper demand continues to be buoyant, with growth of 3.5% since the start of the year in Western Europe (in April). Positive effects include the recovery of household purchasing power (namely due to lower inflation), alongside growth in the region's tourism sector, with a positive effect on the away-from-home segment.

In the 1st half of the year, Navigator's tissue sales volume amounted to 94 thousand tonnes, an increase of 54% on the same period last year and growth in revenue of around 41%. This performance benefited from the integration of Accrol on 1 May 2024 and of Navigator Tissue Ejea in the 2nd quarter of 2023.

It should be noted that the integration of Accrol, now called Navigator Tissue UK, is in line with the Group's diversification strategy. The entry into the British market through the acquisition of a leading company in the tissue paper processing sector offers competitive advantages and values aligned with those of Navigator.

In the 1st half of 2024, international sales in the tissue business represented a weight of 76% of sales volume, with the Spanish market as the most representative, accounting for 35% of the total sales; the French accounting for 20% of sales; and the English accounting for 18% of sales. On the other hand, finished products accounted for 95% and reels represented 5% of total sales, i.e. an improvement in the mix of 5 p.p. compared to the same period last year.

In regard to the customer segments, the weight of At Home or Consumer (retail) is growing, currently representing about 78% of sales (the remaining 22% accounted for by Away-From-Home and wholesalers). The balanced and diversified portfolio of customers is worth highlighting: customers have increased in number by 6% compared to the same period last year (11% considering the integration of Navigator Tissue UK) and the largest customer accounts accounted for approximately 11% of total sales.

The focus on innovation and differentiation continues to bring recognition to Navigator among its customers, namely through the use of the manufacturer's brand, which in the 1st half of 2024 grew by 29% compared to the same period last year. As part of the hike in manufacturer's brands, sales of innovative products (particularly Super Absorbent Multipurpose and Hygienic Aloe Vera) continue to grow strongly at 16% (35% increase considering Navigator Tissue UK sales). The tissue product portfolio will benefit greatly from the integration of the industrial units in the UK, and will now include wet wipes, wet toilet paper, tissue paper and facial tissue.

Packaging

As the year 2024 began demand showed signs of recovery and the market began operating regularly. After a promising first quarter, the second quarter confirmed the recovery trend with robust and consistent demand. European deliveries of Kraft MF paper (white and brown) reported by CEPI (to May) grew by 25% compared to the same period in 2023.

Sales in Navigator's packaging segment grew by 90% year on year. Navigator has raised prices in all its markets, justified by rising production costs and better market performance.

The good performance is sustained by the entry into several new segments, above all in Flexible Packaging, in which the company invested in 2023 and began operating in the first few months of the year, currently materialising in more significant volumes. The first half of the year was also characterised by a reduction in dependence on the paper bag segment in favour of the flexible packaging segments. Navigator continues to expand its customer base, which already numbers close to 300 customers through a marketing operation 100% based on its own brand - gKraft™.

Its packaging paper offer is based on three large gKraft™ segments: BAG, FLEX and BOX, which are subdivided into 12 segments for different uses, addressing the bag, flexible packaging and box markets, respectively. The innovative introduction of the properties of eucalyptus fibre has been crucial in securing the wide market acceptance and recognition of these products.

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. The plant construction has begun and it is expected to start producing at the end of Q3 2024 under the gKraft™ Bioshield brand. The facility's capacity will be close to 100 million units a year, making it one of the largest in the world and the first eucalyptus fibre, integrated plant in Europe, taking the company into a fast growing, high-potential market.

It will kick-off with 7 products for the food industry: 22cm plate, 17cm plate (dessert), 500ml bowl, 1 litre take-away box, tray (laminated tray for raw protein - beef, pork and poultry), fruit basket and espresso cup. These 7 products offer production flexibility and scalability in order to exploit the various opportunities opening up for plastic replacement. At the same time, new products have been developed in partnership with national and international customers. Work continues on developing new sustainable barrier property solutions and testing commercial solutions.

Energy

In the first half of 2024, energy revenue totalled 65.1 million euros, which represents a reduction of approximately 28% year on year.

This reduction is essentially due to the fact that the combined-cycle natural gas cogeneration plant in Setúbal is operating with only one group on a self-consumption basis with the sale of surplus to the national grid, whereas last year it operated on a basis of total sale to the market (i.e. without self-consumption).

On the other hand, lower energy invoicing, in contrast, corresponds to lower electricity purchase costs for the purchase volume indexed to OMIE.

The Navigator 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, which has already proved fundamental in protecting household consumers and critical users.

EBITDA

The focus on cost efficiency and management, the positive evolution of demand and price level of printing paper, packaging and tissue paper made it possible to achieve the results presented in the first half of the year. Year on year, cash costs in the first half of 2023 have gone down significantly by 6% to 14% in all pulp and paper segments (printing and writing, tissue and packaging).

It should be noted that the 1st half of 2024 was marked by the Red Sea crisis, which led to changes in sea transport routes and generated a global upward trend in freight charges. Notwithstanding, Navigator's costs with sea freight continue to go down, which illustrates the reduction in logistics costs in all business segments.

Total fixed costs ended up higher than in the same period last year, due to the inclusion of the Navigator Tissue Ejea unit and Navigator Tissue UK units, employee profit sharing, higher costs with compensation for rejuvenation and non-recurring costs related to the acquisition of Accrol.

In this framework, Navigator achieved an EBITDA of 299 million euros in the 1st semester (vs. 253 million euros year on year) and an EBITDA margin of 28% (+2.2 p.p. year on year).

The **financial results** amounted to -10.5 million euros (vs. -8.5 million compared to the same period last year), which reflects an increase of around 2 million euros compared to the same period last year, as a result of the unfavourable evolution of foreign exchange results and other financial costs and income, namely due to higher debt after the acquisition. On the other hand, financing costs remained stable at around 2.2% on average in June, despite the interest rate hike, benefiting from the interest rate hedging policy.

Net income attributable to Navigator shareholders in the first half of 2024 totalled 153.3 million euros (vs. 131.9 million euros in the same period of 2021).

Cash flow generation has remained high, although free cash flow for the half year was around -25 million euros (against approximately 10 million euros in the same period last year), as a result of the high level of Capex in the period (93 million euros) and the investment in the acquisition of Accrol in the 2nd quarter (payment of 153 million euros for the shares and consolidation of additional debt).

In the first half of 2024 total **investments** in fixed assets had amounted to 93 million euros (vs. 113 million euros in the same period in 2023), 41 million euros of which concerned investments in ESG, contributing positively to reducing future costs, which accounts for 44% of the total investment.

This is mainly made up of investments aimed at decarbonisation, maintaining production capacity, revamping equipment and achieving efficiency gains, and for structural and safety projects. The following are some of the projects in which investments have been made: the new high-efficiency Recovery Boiler in Setúbal, moulded pulp in Aveiro, the new Biomass Lime Kiln in Figueira da Foz; the conversion of the Lime Kiln in Setúbal for the burning of biomass and the new Photovoltaic Power Stations in Figueira da Foz and in Vila Velha de Rodão.

Navigator continues to press ahead with projects under the Recovery and Resilience Plan (PRR), namely projects aimed at the Climate and Digital Transition. 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 and 3 million in Q1 2024.

In July, the rating agency Sustainalytics scored Navigator again as a low-risk company for investors, placing it at the top of the list of companies with the lowest ESG risk, on the lower fringe of the "low" risk level, with the vast majority of material issues presenting negligible risk.

Navigator is thus 1st among 85 global companies in the Paper & Forestry industry cluster and also 1st among 63 Paper & Pulp companies and in the top 5% of more than 16 200 companies worldwide in all business segments.

The ongoing commitment to strengthening the environmental, social and business governance practices translates into sound management of its exposure to ESG risks, assessed in more than 70 indicators of the Sustainalytics framework, which has helped it to significantly improve its rating since the last assessment (then already Top-Rated).

The indicators assessed key topics related to corporate governance, carbon emission management, waste and effluents, water management, community relations, products and services, human capital, health and safety at work, land use and biodiversity, and stakeholder governance.

SECOND QUARTER OF 2024 VS. SECOND QUARTER OF 2023

Navigator's revenue was 529 million euros (-1% vs. Q1 2024; +11% vs. Q2 2023).

The volume of paper and packaging sales was approximately 319 thousand tonnes (-10% vs. Q1; +23% vs. Q2 2023); revenue decreased by 9% compared to the previous quarter and a correction of 12% year on year.

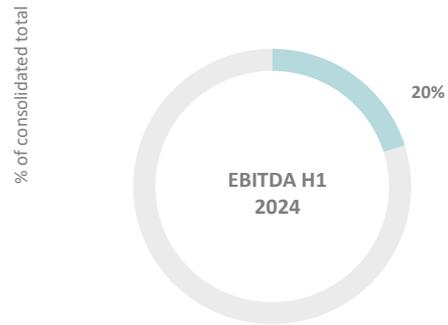
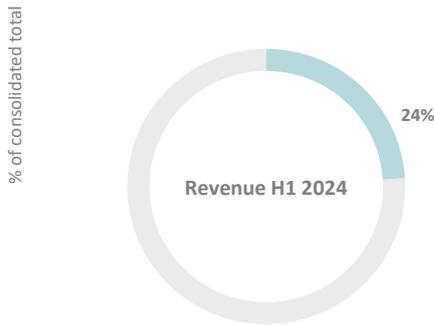
The volume of pulp sales was 71 thousand tonnes (-35% vs. Q1; -43% vs. Q2 2023), with revenue down by 20% on the previous quarter and 14% on the same period last year. More pulp integrated in paper, packaging and tissue in the quarter, and shutdowns for maintenance meant it was less available for the market.

The volume of Tissue sales was 56 thousand tonnes (+48% vs. Q1; +50% vs. Q2 2023), driven by dynamic demand and the addition of capacity from Accrol, now called Navigator Tissue UK. Revenue increased by 51% compared to the previous quarter and by 41% year on year.

The volume of orders in the packaging segment maintained its upward trend, essentially thanks to: (i) the improvement in demand conditions and (ii) the development of new product ranges in the area of flexible packaging, which allowed the business to diversify and the customer base and markets to grow, reflecting the growing acceptance of Navigator's innovative products based on Eucalyptus fibre. The segment recorded a 90% growth in sales volume this half year compared to the first half of 2023.

In the quarter EBITDA amounted to 165 million euros (+24% vs. Q1; +35% vs. Q2 2023), reflected in an EBITDA margin of 31.3% (+6.3 p.p. vs. Q1; +5.7 p.p. vs. Q2 2023).

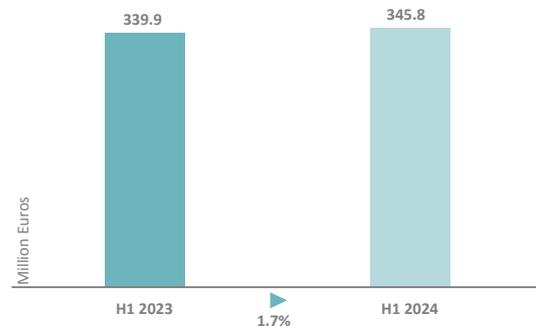
2.3. OVERVIEW OF SECIL ACTIVITY



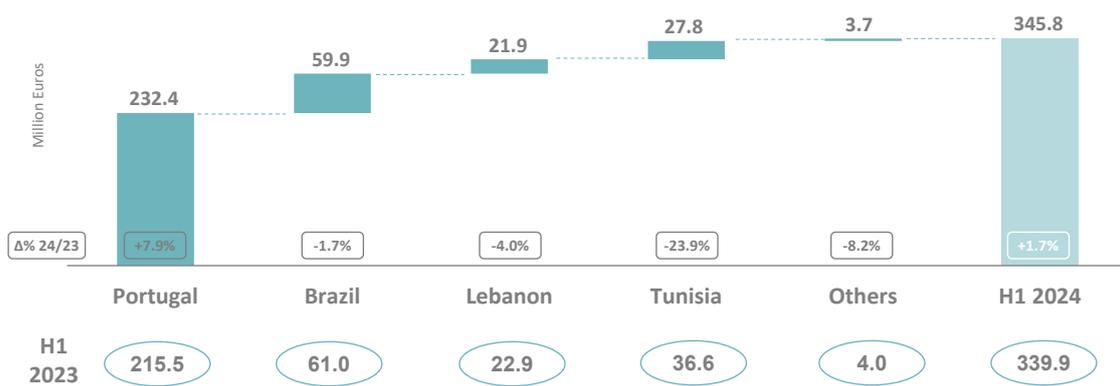
HIGHLIGHTS IN 2024 (VS. 2023)

- Accumulated Secil revenue in H1 2024 amounted to 345.8 million euros, 1.7% above that in the same period in the previous year, representing an increase of 5.9 million euros.
- This increase is the result of positive developments in the Portuguese market, which more than offset the less positive developments in the other markets. The exchange variation of the currencies in the different countries had a negative impact of 1.8 million euros on Secil's revenue.

REVENUE

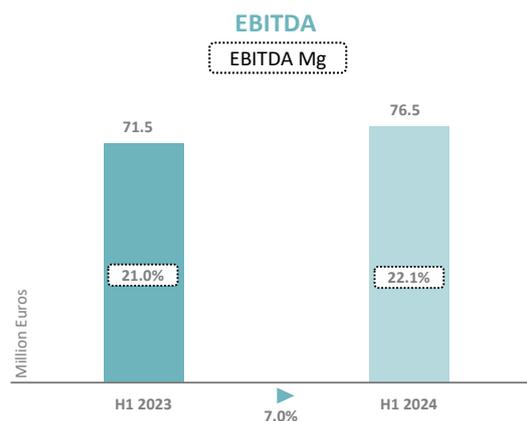


REVENUE BREAKDOWN BY COUNTRY

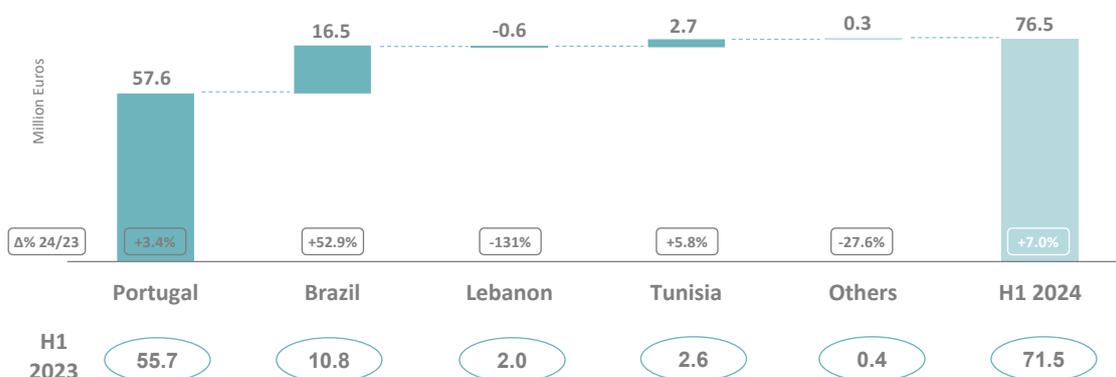


Note: Other includes Angola, Trading, Other and Eliminations.

- Consolidated EBITDA amounted to 76.5 million euros, up by 5.0 million euros (+7.0%) compared to the previous year.
- The good performance stems from the very positive contribution of business in Portugal, Brazil and Tunisia, which offset the less positive performance of business in Lebanon.



EBITDA BREAKDOWN BY COUNTRY



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

Secil's **net financial results** improved considerably year on year, from -22.4 million euros in the first half of 2023 to -13.9 million euros in 2024. It should be noted that the same period last year was impacted by exchange losses due to the sharp depreciation of the Kwanza, totalling 3.2 million euros. On the other hand, financing costs in Brazil were 2.8 million euros lower than in the same period last year.

Net income attributable to Secil's shareholders reached 28.6 million euros, i.e. 7.2 million euros higher than in the same period of 2023, as a result of the increase in EBITDA and the improvement in net financial results.

In the 1st half of 2024, Secil **invested** 47.3 million euros in fixed assets (vs. 25.7 million euros in the same period of the previous year) of which we would highlight the investments in increasing the capacity of the Adrianópolis kiln in Brazil and the purchase of generators for energy self-consumption in Lebanon.

LEADING BUSINESS INDICATORS

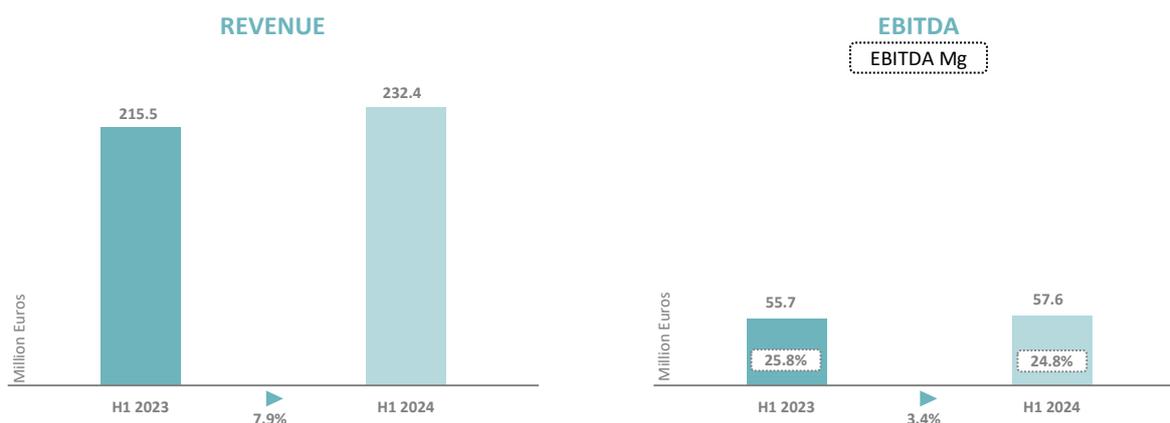
IFRS - accrued amounts (million euros)	H1 2024	H1 2023	Var.	Q2 2024	Q2 2023	Var.
Revenue	345.8	339.9	1.7%	182.6	180.5	1.2%
EBITDA	76.5	71.5	7.0%	41.7	39.3	5.9%
EBITDA margin (%)	22.1%	21.0%	1.1 p.p.	22.8%	21.8%	1.0 p.p.
Depreciation, amortisation and impairment losses	(27.3)	(29.1)	6.2%	(14.0)	(16.1)	13.4%
Provisions	(2.8)	(2.4)	-14.2%	(1.7)	(1.7)	-0.5%
EBIT	46.4	40.0	16.2%	26.0	21.6	20.8%
EBIT margin (%)	13.4%	11.8%	1.7 p.p.	14.3%	11.9%	2.3 p.p.
Income from associates and joint ventures	(0.1)	0.0	-348.8%	(0.1)	0.0	-386.1%
Net financial results	(13.9)	(22.4)	37.9%	(5.7)	(12.7)	54.9%
Profit before taxes	32.5	17.6	84.2%	20.2	8.9	126.8%
Income taxes	(4.2)	3.1	-235.6%	1.2	5.9	-79.3%
Net profit for the period	28.3	20.7	36.6%	21.4	14.8	45.1%
Attributable to Secil shareholders	28.6	21.4	33.8%	21.4	15.3	39.8%
Attributable to non-controlling interests (NCI)	(0.3)	(0.7)	52.7%	0.1	(0.5)	112.5%
Cash flow	58.4	52.3	11.7%	37.1	32.5	13.9%
Free Cash Flow	25.1	32.6	-23.0%	22.3	30.9	-27.9%
	30/06/2024	31/12/2023				
Equity (before NCI)	445.5	429.0				
Interest-bearing net debt	264.7	288.1				
Lease liabilities (IFRS 16)	39.5	32.4				
Total	304.1	320.5				

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

LEADING OPERATING INDICATORS

in 1 000 t	H1 2024	H1 2023	Var.	Q2 2024	Q2 2023	Var.
Annual cement production capacity	10 279	9 750	5.4%	10 279	9 750	5.4%
Production						
Clinker	1 705	1 725	-1.1%	921	971	-5.2%
Cement	2 556	2 512	1.8%	1 345	1 316	2.2%
Sales						
Cement and Clinker						
Grey cement	2 474	2 448	1.1%	1 357	1 289	5.3%
White cement	35	37	-4.1%	18	19	-6.9%
Clinker	0	47	-100.0%	0	3	-100.0%
Other Building Materials						
Aggregates	2 491	2 365	5.3%	1 235	1 217	1.5%
Mortars	165	148	11.6%	86	74	15.1%
in 1 000 m3						
Ready-mix	962	989	-2.7%	503	503	-0.1%

PORTUGAL



The Bank of Portugal (*Boletim Económico* – June 2024) estimates that economic growth in Portugal in 2024 will be 2.0%. Investment in housing is expected to fall slightly in 2024, in a context in which the construction sector continues to be affected by labour constraints and restrictive financing conditions.

According to the publication by the INE on "Production, Employment and Wage Indices in Construction", in May 2024, the index of production in construction slowed by 1.1 p.p., to a year-on-year growth of 2.0%, as a result of the slowdown in the Civil Engineering segment (which went from 3.3% growth in April to 1.8% in May).

Cement consumption in Portugal in the first half of 2024 is estimated to have grown by about 2% year on year in accumulated terms. The indicator for the number of licensed dwellings, which began the year with negative variation year-on-year, has been registering positive variations since April.

Revenue of combined operations in Portugal stood, in accumulated terms, at approximately 232.4 million euros in H1 2024, i.e. 7.9% growth in the same period of 2023.

Revenue in the Cement business unit in Portugal grew 11.2% (+13.5 million euros) over the same period in the previous year, resulting from the good performance of volumes sold (+6.4%) and an increase in average selling prices.

Export revenue, including Secil's plant terminals, was higher compared to the same period in the previous year (+6.3%), mainly as a result of less quantities sold (-2.5%) and higher average prices (+9.0%).

In the other business units with operations based in Portugal (Ready-mix concrete, Aggregates and Mortars), accumulated revenue in H1 2024 amounted to 109.0 million euros, up by 5.5% year on year, primarily stemming from the increase in amounts of Aggregates and Mortar sold and the positive evolution of average concrete sales prices.

The **EBITDA** of the activities in Portugal amounted to 57.6 million euros, representing a growth of 3.4% year on year.

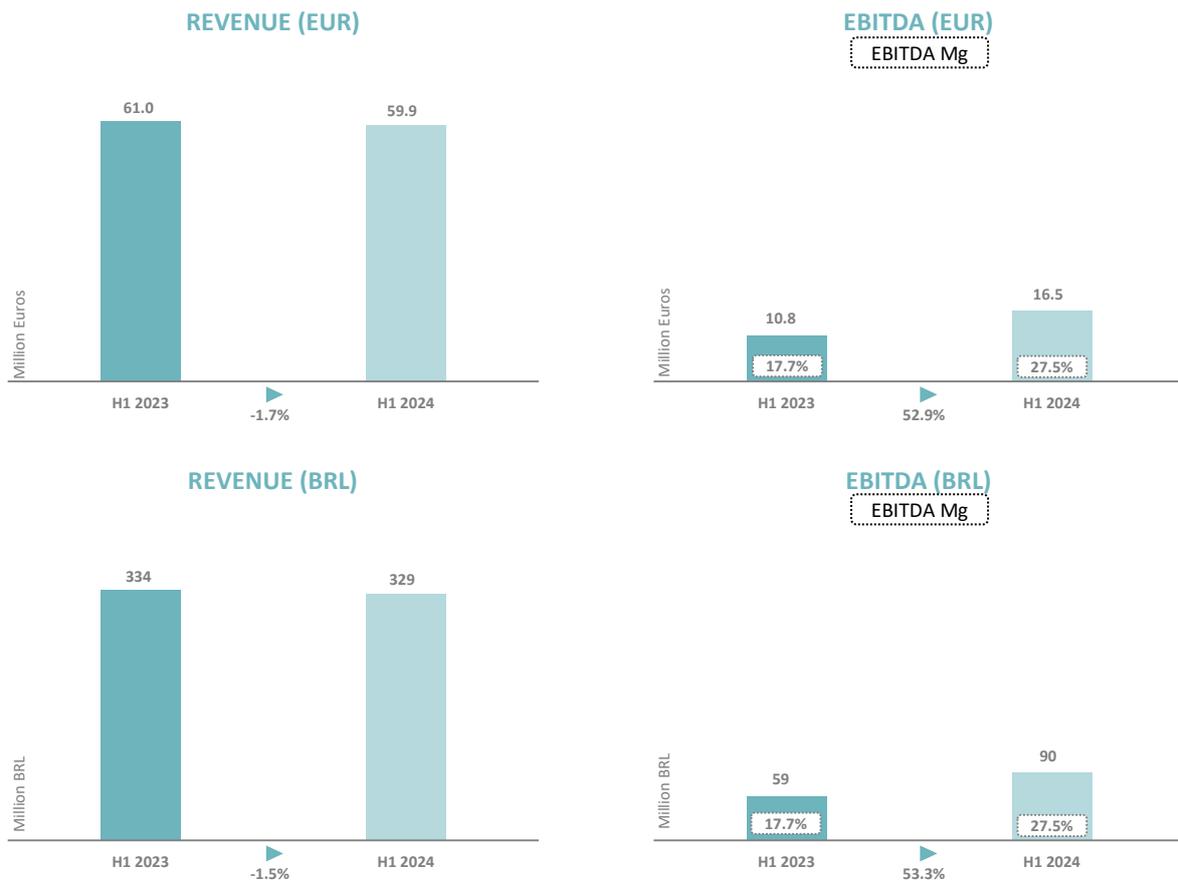
EBITDA of the Cement business unit amounted to 53.5 million euros, i.e. higher than that of same period last year by 3.5 million euros (+7.0%), positively impacted by the increase in revenue that surpassed the rise in the production costs.

Overall, the activities of the Terminals presented an EBITDA of 7.3 million euros, which translates into a growth of 15.0% compared to the same period of 2023.

The overall performance of the building materials business was positive, but not as good as in the same period last year, reflecting the competitive pressure on price and volume of the Concrete business. Overall, they posted an EBITDA of 13.5 million euros, representing a reduction of 1.0 million euros (-7.0%), compared to the same period of the previous year.

In addition, EBITDA in Portugal was positively impacted by the sale of assets in Spain (Asturias quarry), which generated a capital gain of 3.4 million euros.

BRAZIL



Note: Average exchange rate EUR-BRL 2023 = 5.4820 / Average exchange rate EUR-BRL 2024 = 5.4958

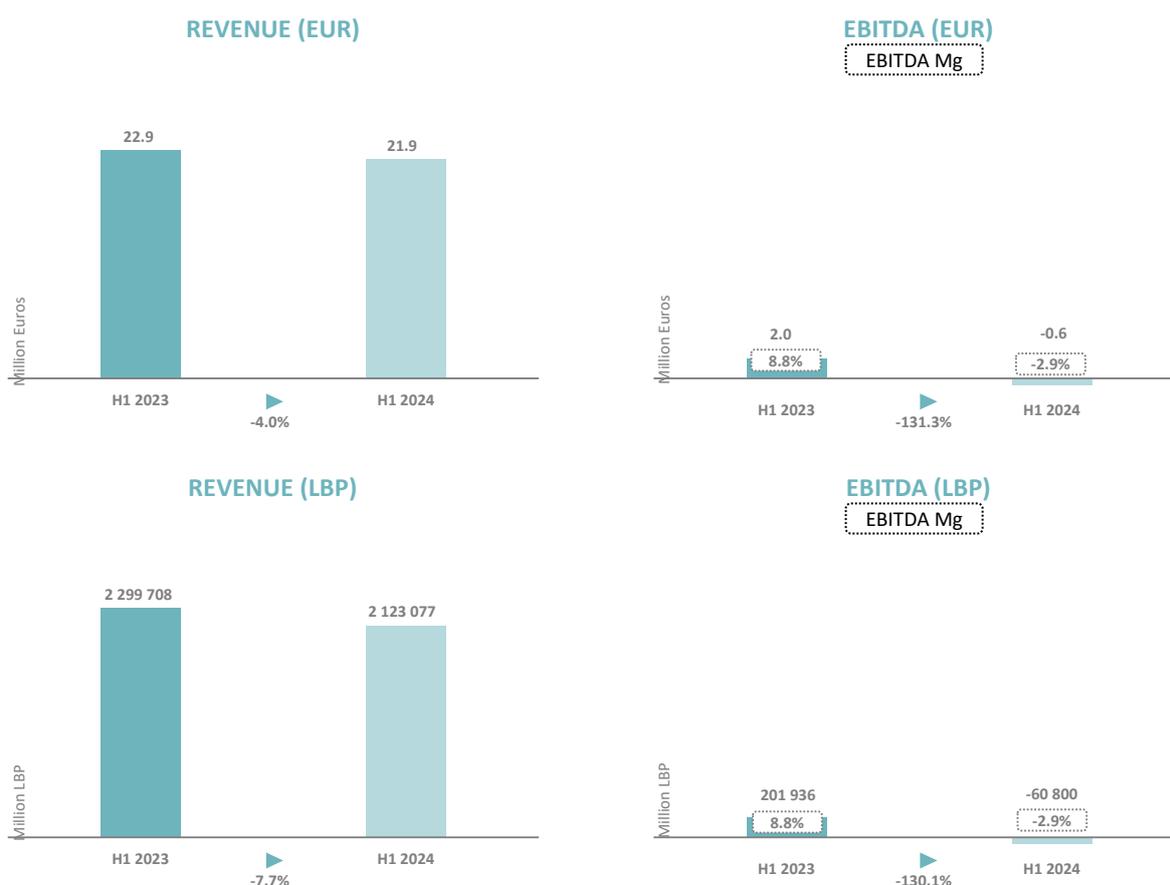
According to SNIC estimates (June 2024 Sector Report), cement consumption in Brazil in the first half of 2024 grew by 1.2% year on year, despite the scenario of high interest rates and household indebtedness and extreme weather events, but benefiting from other factors such as falling unemployment and rising income. In the comparison per working day, the difference was 1.1% compared to 2023.

In contrast, **revenue of** Secil's operations in this country as a whole fell by 1.0 million euros, also impacted by the depreciation of the Brazilian real to the tune of 0.2 million euros.

The volume of Cement sales grew by 10.5% in comparison with the same period of the previous year, with a 3% drop in average sales price in euros. In addition, Concrete revenue also contributed negatively with a decrease of 10.3% compared to 2023, essentially due to less amounts sold.

The **EBITDA** of activities in Brazil totalled 16.5 million euros, which compares with 10.8 million euros recorded year on year (i.e. 52.9% increase). In addition to the increase in sales volumes of cement, the result reflects the positive impact of less variable production costs, energy in particular, and, as well as the reduction in the cost of raw materials.

LEBANON



Note: Exchange rate EUR-LBP 2023 = 100 619.2 / Exchange rate EUR-LBP 2024 = 96 776.4

Lebanon is plunged in a serious economic-financial and social crisis. Despite the efforts made by political forces to stabilise the situation, 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 2021 onwards have negatively impacted Secil's operations in the country.

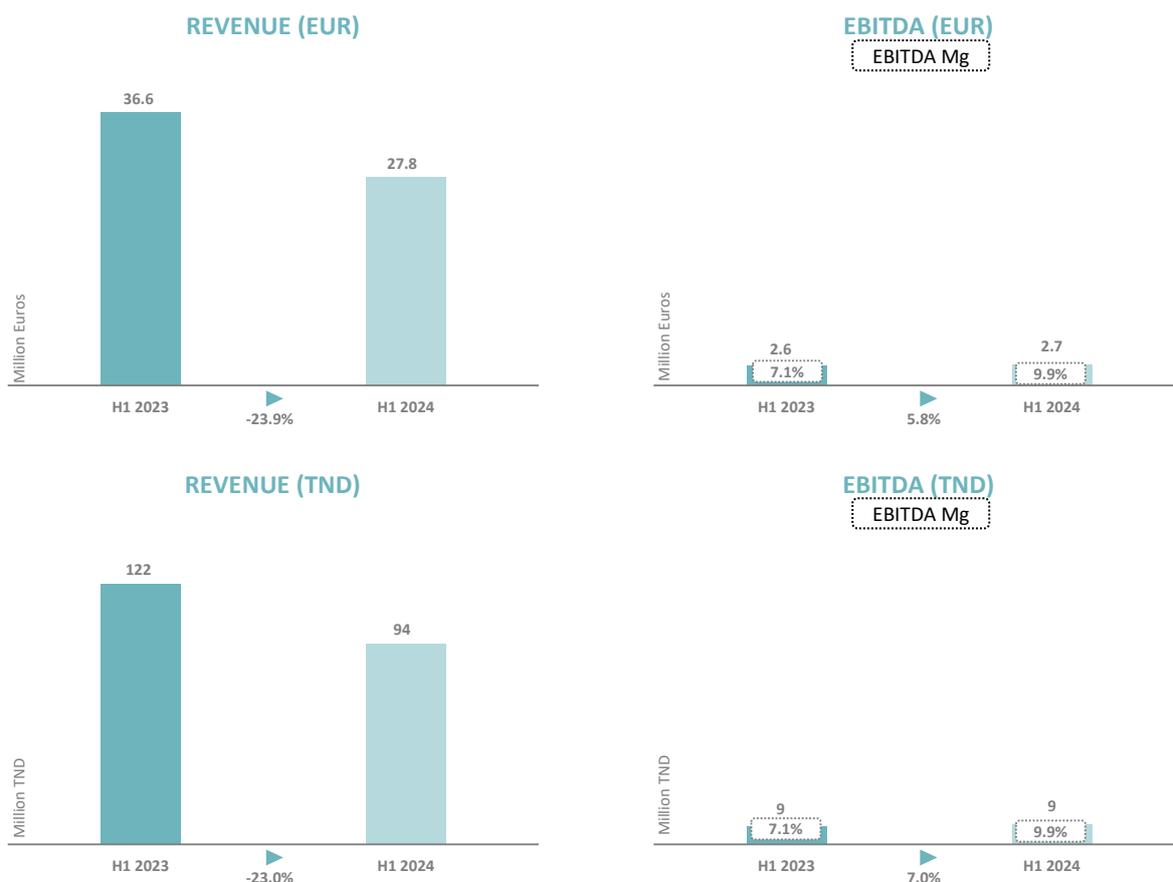
In the first half of 2024, **revenue** fell by 0.9 million euros compared to the same period last year. It should be noted that revenue in the first half of 2023 was impacted by the implementation of IAS 29 in 4.3 million euros, as a result of the high rate of inflation in the local economy, a consequence of the economic, political and social crisis in the country.

The cement segment grew by 22.8%, as a result of the 14.3% increase in quantities sold and the 9.8% rise in sales prices in euros in the first six months.

In the Concrete segment, there was a year-on-year decrease in revenue (-33.3%), as a result of the smaller volumes sold (-29.4%), while price in euros has not changed from 2023.

The **EBITDA** generated from operations in Lebanon stood at -0.6 million euros, down by 2.6 million euros in relation to the same period last year. Although the quantities of cement sold and the respective average price evolved positively, it was not enough to offset higher production costs, mainly due to the constraints on production caused by the power outages, which forced the purchase of clinker.

TUNISIA



Note: Average exchange rate EUR-TND 2023 = 3.3384 / Average exchange rate EUR-TND 2024 = 3.3752

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 the Middle East, alongside political instability have made the situation worse.

Notwithstanding the difficult context, the domestic cement market has recovered from the drop in Q1, and in accumulated terms it is slightly above the same period in 2023, although it is still subject to strong competition due to excess installed capacity.

The accident in October 2023 limited Cement operations practically throughout the 1st quarter of 2024, and only got back to normal in March, which impacted the performance in the country.

In the first half of 2024, **revenue** fell by 8.7 million euros compared to the same period last year, down to 27.8 million euros.

The revenue of the Cement segment decreased by 26.0%, standing at 25.5 million euros, versus 34.5 million euros in the 1st half of 2023. Quantities sold to the domestic market were up by 1.5%, while average prices in euro decreased by 1.7%. In the foreign market, the quantities sold were down by 67.4% year-on-year, and the average price in euros rose by 9.6% as a result of the substitution of clinker for cement sales.

In the Concrete segment, revenue decreased 7.1% year on year, mainly due to less quantities sold (8%) and small increase in average sales prices in euros (1.1%).

Despite the weak performance in revenue, the reduction in production costs, but above all the 2-million-euro insurance compensation gain helped Tunisia to generate an **EBITDA** slightly above that recorded in 2023 (2.7 million versus 2.6 million euros recorded in the same period of the previous year).

ANGOLA AND OTHERS

According to the latest figures available, the Angolan cement market was up by 2% year on year in the second quarter of 2024. On the other hand, cement volumes sold by Secil fell by 7.5%. Although the average price in local currency performed very well (+47%), in euros it fell by 4.3%. Consequently, **revenue** totalled 3.9 million euros, i.e. 9.6% below the figure recorded in the same period in 2023, including the negative exchange rate impact of 2.2 million euros.

EBITDA in the first half of 2024 amounted to 322 million euros, which, compared to the 124 thousand euros recorded over the same period in the previous year, represents an increase of 159.0%, resulting from lower fixed costs that made up for the downward trend in revenue.

SECOND QUARTER OF 2024 VS. SECOND QUARTER OF 2023

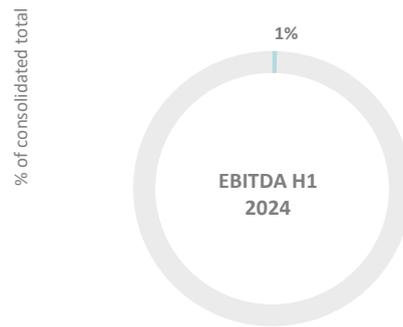
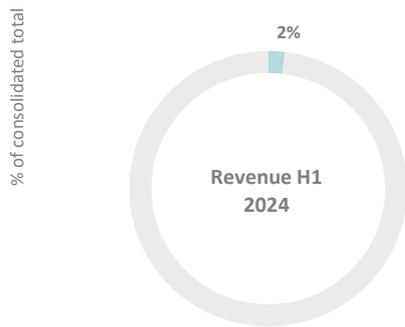
EBITDA in the second quarter of 2024 was higher than EBITDA in the second quarter of 2023 by around 2.3 million euros (5.9%). The growth in activities in Brazil of 1.5 million euros, in Tunisia of 1.2 million euros and, to a lesser extent, in Portugal (+0.7 million euros) and Angola (+0.5 million euros), outweighed the drop in Lebanon (-1.5 million euros, -99.3%).

EBITDA in Brazil grew by 1.5 million euros thanks to the increase in cement sales (+12.3%) and by lower production costs.

Growth in Tunisia was influenced by the gain of around 2 million euros from the insurance compensation. Were it not for this effect, EBITDA would have been 0.8 million below that in 2023, reflecting the 20% drop in cement sales.

EBITDA in Portugal was positively impacted by the sale of assets in Spain (Asturias quarry), which generated a capital gain of 3.4 million euros, but negatively affected by the restrictions in production due to the planned shutdown in the 2nd quarter of 2024.

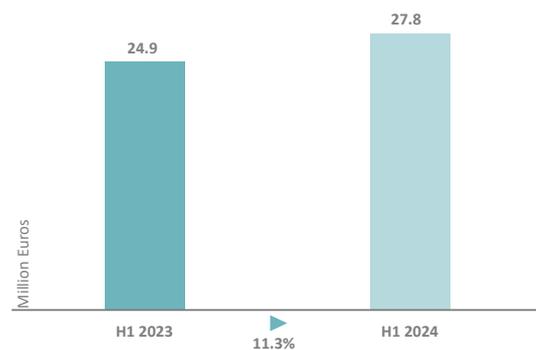
2.4. OVERVIEW OF OTHER BUSINESS ACTIVITY¹



HIGHLIGHTS IN 2024 (VS. 2023)

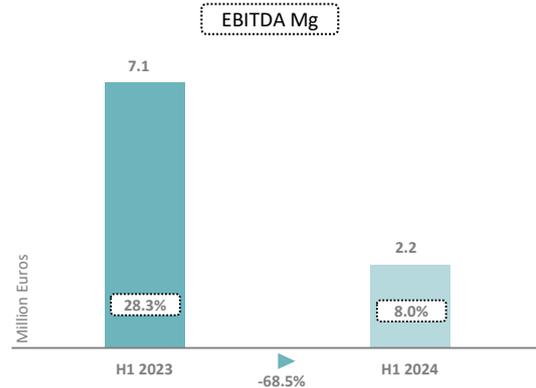
- In H1 2024 revenue amounted to approximately 27.8 million euros, up by around 11.3% against the previous year. It should be noted that these figures in 2024 already include 6 months of activity of Triangle's, which was purchased at the end of June 2023.

REVENUE



- EBITDA totalled approximately 2.2 million euros in the first six months of 2024, representing a reduction of approximately 4.8 million euros in comparison with the same period in the previous year.

EBITDA



¹ Other Business includes Triangle's and ETSA business.

LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	H1 2024	H1 2023	Var.	Q2 2024	Q2 2023	Var.
Revenue	27.8	24.9	11.3%	11.9	10.3	16.0%
EBITDA	2.2	7.1	-68.5%	0.8	2.4	-67.9%
EBITDA margin (%)	8.0%	28.3%	-20.3 p.p.	6.5%	23.6%	-17.1 p.p.
Depreciation, amortisation and impairment losses	(7.5)	(1.8)	-326.1%	(3.6)	(0.9)	-304.3%
Provisions	-	-	-	-	-	-
EBIT	(5.3)	5.3	-200.0%	(2.8)	1.5	-281.0%
EBIT margin (%)	-19.1%	21.3%	-40.4 p.p.	-23.4%	15.0%	-38.4 p.p.
Net financial results	(0.4)	(0.0)	<-1000%	(0.2)	0.0	<-1000%
Profit before taxes	(5.7)	5.3	-207.9%	(3.0)	1.6	-292.1%
Income taxes	1.8	(0.4)	539.8%	0.9	0.2	376.7%
Net profit for the period	(3.9)	4.9	-179.7%	(2.1)	1.7	-220.3%
Attributable to Other business shareholders	(3.8)	4.8	-179.6%	(2.1)	1.7	-220.6%
Attributable to non-controlling interests (NCI)	(0.1)	0.1	-188.4%	(0.0)	0.0	-189.0%
Cash flow	3.6	6.6	-45.1%	1.5	2.6	-43.9%
Free Cash Flow	4.3	(0.7)	722.5%	4.0	0.7	457.4%
	30/06/2024	31/12/2023				
Equity (before NCI)	154.9	91.0				
Interest-bearing net debt	10.9	15.2				
Lease liabilities (IFRS 16)	1.0	1.1				
Total	12.0	16.3				

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

In the first six months of 2024, revenue amounted to approximately 27.8 million euros, up by around 11.3% against the previous year.

Such positive outcome is the result of Triangle's contribution, which more than offset the poor performance of ETSA. The company's sales were down year on year, which is essentially due to the decrease in the average sales price of class 3 meal and less consolidated services rendered as a result of a mix of variations between the different types of services delivered.

EBITDA totalled approximately 2.2 million euros, which represented a decrease of approximately 4.8 million euros compared to the same period in the previous year, explained essentially by the variation in ETSA's performance, which translated into a reduction in revenue, but also by the increase in supply and external service costs and in personnel costs. On the other hand, Triangle's has been facing a slowdown in customer orders, due to excess stock on the international market that the key players have had to deal with since the beginning of last year, due to overproduction resulting from higher demand during the pandemic.

The EBITDA margin stood at 8.0%, down by around 20.3 p.p. from the margin for the same period of 2023.

Financial results fell due to the incorporation of Triangle's, totalling -0.4 million euros.

Net profit attributable to shareholders of this business segment was approximately -3.8 million euros in the first half of the year, i.e. a decrease of 8.6 million euros in relation to the same period of the previous year.

Investment in fixed assets in H1 2024 totalled 8.7 million euros, 6.3 million euros of which from ETSA, reflecting the construction of the new plant in Coruche, which is designed to manufacture a range of premium products that are substantially higher end than the current production, stemming from strong investment in innovation, called ETSA ProHy. Triangle's capacity to manufacture e-bike frames has grown from the current 250 000 to 300 000 frames.

2.5. OVERVIEW OF SEMAPA NEXT ACTIVITY

In the 1st half of 2024, Semapa Next made 3 new investments in Constellr, Meisterwerk and GROPYUS, the latter in the 1st quarter of the year. Constellr will launch and operate a network of satellites to monitor the temperature on the earth's surface, while Meisterwerk is promoting a digital platform for managing tasks and documents of technical teams.

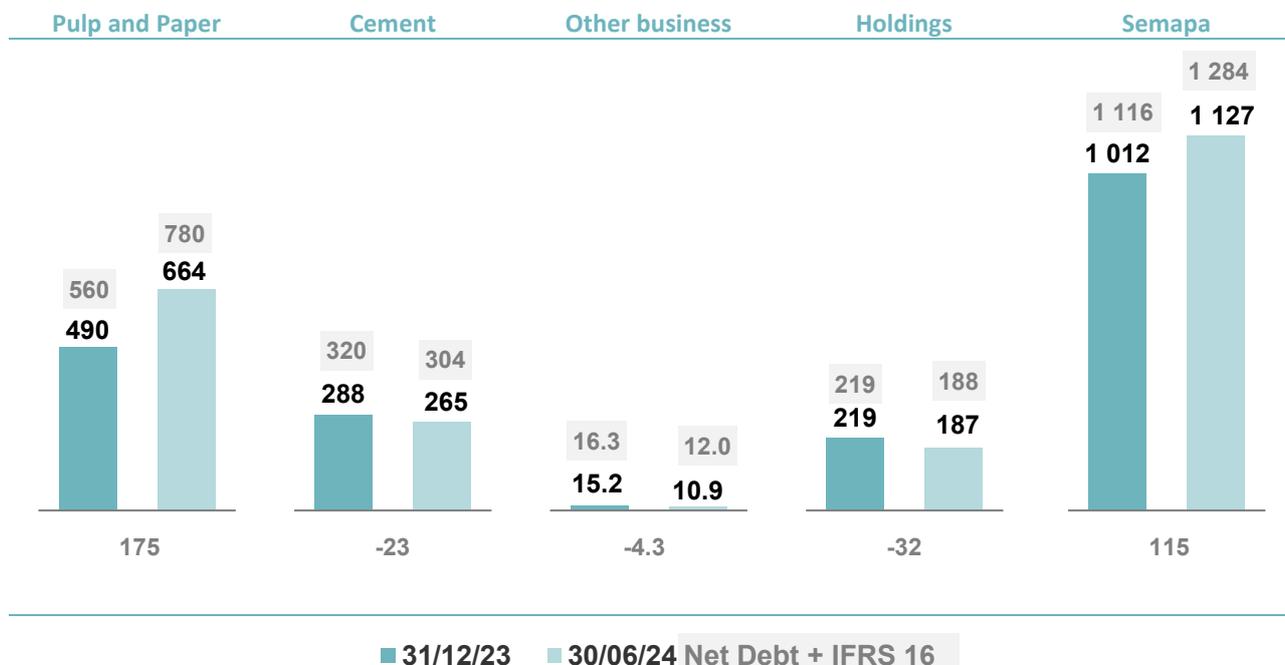
In addition, Semapa Next made follow-on investments in five portfolio companies and a discovery check in the company Sonant, which has developed voice agents based on artificial intelligence for automated real-time interactions.

In addition to the investments made, Semapa Next continued to analyse various investment opportunities in technology companies that are in the Series A and Series B stage, actively monitoring its portfolio.

3 SEMAPA GROUP – FINANCIAL AREA

3.1. INDEBTEDNESS

NET DEBT



On 30 June 2024, **consolidated net debt** stood at 1 127.2 million euros, representing an increase of around 115.2 million euros over the figure ascertained at the close of 2023. Including the effect of IFRS 16, net debt would have been 1 284.0 million euros, 168.0 million euros above the figure in late 2023. Besides the operating cash flow generated, these variations are explained by:

- Navigator: +174.6 million euros, including investments in fixed assets of about 93 million euros, disbursement for the purchase of Accrol in May - payment of 153 million euros for the shares and consolidation of additional debt - and distribution of 150 million euros in dividends in the 2nd quarter;
- Secil: -23.4 million euros, including investments in fixed assets of around 47.3 million euros;
- Other Business: -4.3 million euros, including investments in fixed assets of around 8.7 million euros. Attention is called to the difficulty in collecting the amounts billed to the Government which imply the need for working capital financing; and,
- Holdings: -31.7 million, including the financial investment of 19.6 million euros made by Semapa Next, dividends received (Navigator: 105 million euros), and dividends paid out by Semapa (50 million euros).

As at 30 June 2024, total consolidated cash and cash equivalents amounted to 247.7 million euros. The Group also has committed and undrawn credit facilities, thus ensuring a strong liquidity position.

It is worth noting that in the 1st quarter Navigator took out a long-term loan (7 years) totalling 55 million euros, whose financial conditions are linked to the company's performance in ESG. In the second quarter, Navigator contracted new long-term financing for 5, 6 and 7 years, totalling 300 million euros, whose financial conditions are linked to the fulfilment of three ESG indicators already included in its Sustainability Agenda and, in turn, aligned with the United Nations' Sustainable Development Goals.

In addition, at the end of the first half, Secil took out a medium-term loan in Tunisia, also linked to the fulfilment of 2 ESG indicators, which are already included in its Sustainability-Linked Financing Framework.

3.2. NET PROFIT

Net profit attributable to Semapa shareholders was 131.8 million euros, which represents an increase of 24.2 million euros against the same month of the previous year, due essentially to the combined effect of the following factors:

- EBITDA increased by 47.8 million euros, reflecting the growth in the Pulp and Paper and Cement segments, which more than offset the decrease in Other Business;
- Increase of 13.3 million euros in depreciation, amortisation and impairment losses;
- Income appropriation in subsidiaries was 1.8 million euros, the good results of UTIS accounting for almost all of that amount;
- Improvement of the net financial results by around 4.7 million euros, reflecting the improvement in Secil's results, which more than offset the deterioration in the other business segments;
- Due to better results, income taxes totalled around 56.3 million euros, 10 million euros more than in the same period last year.

4 OUTLOOK

The world economic outlook has improved since January, but even so, global growth remains on a historically low medium-term path. In its latest report (July 2024), the IMF reiterated its global growth projections of 3.2% in 2024, and reviewed the number slightly upwards to 3.3% in 2025. In the short term, the economic outlook is only cautiously optimistic, as economic vulnerabilities remain in a context of persistently high interest rates and ongoing geopolitical tensions.

The Bank of Portugal (June 2024 Economic Bulletin) expects the Portuguese economy, after a growth of 2.3% in 2023, to slow down to 2.0% in 2024 and grow by 2.3% in 2025 and 2.2% in 2026. Economic activity should continue to grow at a quicker pace than that in the Euro zone, despite weaker external demand and more unfavourable financial conditions than in the years preceding the pandemic. 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 2.5% in 2024 to 2.1% in 2025 and to 2.0% by the end of 2026. This decrease reflects the lag in the effects of the reduction in production costs and the European Central Bank's monetary policy decisions.

NAVIGATOR

In the current context, greater prudence is warranted in addressing market developments for the rest of the year in the sector, and for the pulp and printing paper business in particular. Pulp demand is expected to slow down and supply should increase, which will pressure the pulp benchmark price to come down, although it is expected to be above last year's average. On the other hand, the impact of the entry of new capacity in Latin America (2.6 Mt/year) is expected to affect 2025 in particular, which could soften the pressure expected for the second half of the year.

The pace of incoming orders in the paper segment is expected to slow down in the 3rd quarter, due to the usual seasonality. On the other hand, pressure on costs should continue to be strong, and price will stabilise at a much higher level than before the pandemic. The current market environment continues to lead to further temporary or definitive capacity reductions in the installed capacity of the paper sector due to a deterioration in profitability, seeing that the high variable costs are not going away. This possibility has been announced by some European players at the withdrawal in the 1st quarter of close to 200 thousand tonnes, followed by the closure of a plant in the USA in June, which will withdraw about 170 thousand tonnes of UWF production capacity from the market. In the second quarter of the current year, the announcement of another closure in Germany by the end of 2024 will remove further 280 000 tonnes a year from the market.

These developments, alongside the aforementioned structural increase in the producers' cost base, will help to sustain paper price levels in Europe and in the international markets in which Navigator operates above pre-pandemic levels.

In the tissue paper segment, demand continues to grow at interesting rates, estimated at 3.6% for Europe in 2024 (Numera), albeit at a slower pace than in the first few months of the year. Navigator has capitalised on the synergies and economies of scale associated with business growth, particularly from the acquisition of Navigator Ejea Tissue in 2023 and of Navigator Tissue UK in 2024.

Navigator continues to focus on reducing costs, both by optimising specific consumption and by negotiating logistics, raw and subsidiary material and energy prices, the latter still well above pre-pandemic levels. The current level of costs naturally puts pressure on the prices of end products, which are not expected to return to the levels seen in the past.

The range and quality of differentiating brands and products, Navigator's sustainable business, the scale of their operations and financial soundness support the resilient business model that has allowed us to deliver consistent results, even in adverse market contexts.

SECIL

In **Portugal**, despite the less dynamic national economic activity, AICCOPN expects a sustainable growth in the construction sector, anticipating real variation in the Gross Value of Production in 2024 raging between 2% and 4%.

Concerning **Brazil**, after two consecutive years of decline, the Brazilian cement industry is expected to grow in 2024, partly driven by progress in infrastructure projects announced by the government, and in urban development (e.g. housing and sanitation).

According to the *World Economic Outlook Update* (WEO) published in June 2024, the IMF expects Brazilian economy to grow by 2.1% in 2024 and 2.4% in 2025. Projected levels of inflation (WEO April update) are 4.1% in 2024 and 3.0% in 2025.

In **Lebanon**, the economic outlook remains highly uncertain and dependent on policy measures taken by the authorities. Geopolitical instability in the Middle East, i.e. the outbreak of the 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.

2024 remains subject to high uncertainty, with restrictions in the banking sector and limited electricity supply. The exchange rate instability in 2023 and 2024 and the high inflation rate are the type of obstacles and difficulties preventing economic activity from picking up. To cope with the cut in the supply of electricity, Secil is evaluating other alternatives in order to restore normal operations.

According to the *World Economic Outlook* (WEO) published in April 2024, the IMF expects the GDP of **Tunisia** to grow 1.9% in 2024 and 1.8% in 2025. Inflation in 2024 is 7.4% (lower than that in 2023, which was 9.3%), dropping to 6.9% in 2025.

The political scene in Tunisia has not changed 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 pending issue of compensations (subsidies).

The outlook for **Angola** (*World Economic Outlook*, IMF April 2024) hints at GDP growth of 2.6% in 2024, followed by 3.1% growth in 2025. Inflation forecasts for 2024 are evidenced by a drop to 22.0 % (after recording 13.6% in 2023) and 12.8% in 2025.

OTHER BUSINESS

Despite the current macroeconomic framework, **ETSA** looks to the future with confidence due to its continued commitment to high added-value products to be placed on the international market. In this sense, exports accounted for about 69.6% of the overall value of accumulated sales on 30 June 2024, and construction has continued on a new production plant in Coruche, the result of the strong investment in innovation called ETSA ProHy, which is expected to open early next year.

Triangle's is bracing for a very difficult year 2024, due to the overstock across the distribution chain, which continues to affect all companies in the sector. However, current customers and new companies have shown a lot of interest in Triangle's development of new models in the coming years. Semapa's plans for the company include the implementation of the capacity expansion plan (project financed by the RRP), the enhancement of commercial efforts to gain new customers and the positioning to benefit from the expected sector growth in the near future.

SEMAPA NEXT

Semapa Next will continue to monitor its portfolio and will actively participate in national and international events in order to find future investment opportunities in technology companies, build and cement institutional relationships with investors and monitor new market trends. The last two quarters of 2024 are expected to be equally active, in view of several opportunities in the pipeline and one opportunity that is in an advanced stage of completion.

Lisbon, 25 July 2024

The Board

FINANCIAL CALENDAR

Date	Event
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.



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

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