

**The Navigator Company, S.A.**  
Public Limited Company

**Share Capital**  
500 000 000 Eur

**Corporate Entity**  
503 025 798  
Registered at  
the Commercial  
Register  
of Setúbal

**Headquarters**  
Península  
de Mitrena.  
Freguesia  
do Sado  
- Setúbal



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**1<sup>ST</sup> QUARTER  
REPORT  
2019**



## **DIRECTORS' REPORT**

### **1<sup>ST</sup> QUARTER 2019**

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## **Highlights 1<sup>st</sup> Quarter 2019 (vs. Q1 2018)**

- **Turnover grows to € 422 million (up 9.6%), growing in all business segments**
- **EBITDA of € 104.9 million**, up 3.3% on recurrent EBITDA in Q1 2018 and down 5.5% on published EBITDA for Q1 2018, which included the impact of € 9.4 million from sale of pellets business
- Net income of € 49.3 million, compared with € 53.3 million in the same period last year, which also included the positive impact of sale of the pellets business
- **Capex totalled € 32.5 million vs € 28.6 million in 2018. Navigator invested an amount of €4.6 million in its own shares.**
- **Group stays focussed on its cost reduction programme, achieving impact of approximately € 2.9 million on EBITDA in the quarter**
- Net interest-bearing debt of € 676.9 million, keeping the Net Debt / Ebitda ratio at a comfortable level of 1,5 X, in line with the end of 2018.
- Navigator undertakes restructuring of debt, diversifying sources of funding and extending debt maturity
- **General Meeting approved dividend payment of € 200 million, in line with the amount paid in 2018, (equivalent to 0.27943€/share), and employee's profit sharing up to € 23 million**

**Leading Indicators (unaudited)**

Million euros	Q1 2019	Q1 2018	% Change <sup>(8)</sup> Q1 19/Q1 18
<b>Total Sales</b>	421.8	384.9	9.6%
<b>EBITDA <sup>(1)</sup></b>	<b>104.9</b>	<b>110.9</b>	<b>-5.5%</b>
<b>EBITDA Without Pellets <sup>(2)</sup></b>	<b>104.9</b>	<b>101.5</b>	<b>3.3%</b>
<b>Operating Profits (EBIT)</b>	66.2	78.0	-15.1%
<b>Financial Results</b>	- 3.9	- 5.5	-28.7%
<b>Net Earnings</b>	<b>49.3</b>	<b>53.2</b>	<b>-7.5%</b>
<b>Cash Flow</b>	88.0	86.2	1.8
<b>Free Cash Flow <sup>(3)</sup></b>	9.9	134.0	- 124.1
<b>Capex</b>	32.5	28.6	3.9
<b>Remunerated Net Debt <sup>(4)</sup></b>	676.9	558.7	118.2
<b>EBITDA/Sales</b>	24.9%	28.8%	-4.0 pp
<b>EBITDA Without Pellets/Sales</b>	24.9%	26.4%	-1.5 pp
<b>ROS</b>	11.7%	13.8%	-2.2 pp
<b>ROE <sup>(5)</sup></b>	16.4%	17.7%	-1.3 pp
<b>ROCE <sup>(6)</sup></b>	14.0%	17.0%	-3.0 pp
<b>Equity Ratio</b>	44.4%	49.7%	-5.3 pp
<b>Remunerated Net Debt/EBITDA <sup>(7)</sup></b>	1.51	1.32	0.19

1.Operating profits + depreciation + provisions;

2.Recurrent EBITDA excludes effect of sale of pellets business + anti-dumping duty

3.Variation net debt + dividends + purchase of own shares

4.Interest-bearing liabilities - liquid assets

5.ROE = Annualised net profit / Average Shareholders' Funds last 12 months

6.Annualised operating profit / Average Capital Employed last 12 months

7.(Interest-bearing liabilities - liquid assets) / EBITDA corresponding to last 12 months

8.Variation in figures not rounded up/down

## 1. ANALYSIS OF RESULTS

### Q12019 vs Q12018

The Navigator Company recorded turnover in the first quarter 2019 of € 442 million, up by 9.6% on the same quarter in 2018. With sales of € 300 million, the paper sector accounted for 71% of turnover, energy for 11% (€ 44 million), pulp more than 9% (€ 40 million), and tissue business around 8% (€ 33 million). The period was marked by upwards movement in prices for UWF paper and BEKP pulp in relation to the first quarter of 2018 and by growing sales volumes for pulp and tissue.

#### **Growth in volume of pulp available for sale**

Output of pulp in the first quarter of 2019 stood at approximately 370 thousand tons, 7% up on the same period in 2018, when the company was subject to limitations on output, due in particular to a number of stoppages in Setúbal. As a result, the quantity of pulp available for sale in 2019 was above that in the previous year, although in line with the first quarters of previous years, making it possible to record an increase in pulp sales of 17% to 62 thousand tons.

Over the course of the quarter, the benchmark sale price for pulp - BHKP PIX - in USD tended to fall, dropping at the end of March to 971 USD/ton, down almost 5.2% in relation to the year-end price of 1,024 USD/ton. The average sale price for the quarter was 991 USD/ton, as compared to 1,013 USD in the first quarter of 2018, representing a reduction of 2.2%. However, the evolution of the EUR/USD exchange rate meant that the benchmark pulp price in Euros behaved differently, and rose to an average price in 2019 of 872 €/ton, as compared to 824 €/ton in 2018. The Group's average price moved upwards over the period, above the PIX performance in Euros, when excluding off-grade pulp sales from the new capacity in Figueira da Foz mill. Pulp sales in value stood at around € 40 million, up by 22%.

#### **Rising sale price for paper**

In paper business, UWF sales totalled 353 thousand tons, 2% down on the same period in 2018, due essentially to production deviations that resulted from the adjustments still being made in heavyweight production on paper machine 3 in Setúbal, and to a 4 day production stoppage, as a result of the strike in January on paper machine 4 in Setúbal.

However, rising sale prices for paper permitted the Group to record turnover of € 300 million, up by 6% on the same quarter in 2018. In fact, the average benchmark price for UWF paper (A4 B-copy), was 8% higher in the first quarter than in the same period in 2018, and also rose over the course of the quarter. The Group's average price outperformed the index, driven by implementation of price rises over the course of 2018 and also in early 2019, in Europe (which remained throughout the quarter), and also by the favourable evolution of the EUR/USD exchange rate.

### **75% growth in value of tissue sales**

In tissue business, there was a significant increase of 76% in the volume of sales to 23.7 thousand tons, as a result of the start-up of the new tissue plant in Aveiro. The value of sales stood at € 33 million, up 75% in relation to the first quarter of 2018. This growth in volume brought two distinct changes to the business. One the one hand, sales of finished product grew by around 37% to 17.6 thousand tons, and on the other hand the Group recorded a sharp increase in sales of reels (X9), to 6.1 thousand tons, which did not exist last year.

Both finished products and reels benefited from significant price rises in relation to Q1 2018, clearly necessary to offset the increase in costs - especially in terms of pulp, chemicals and energy. However, the faster growth in reels business, typical of the early stages of production in a new tissue mill, altered the mix of products sold, which had an impact on the average sales price.

### **Energy Business benefits from higher sales prices**

In energy business, the group's electricity sales totalled around 44 M€ at the end of the first quarter of 2019, representing an increase of 5.5% in relation to the figures for the same period in the previous year.

This figure was boosted essentially by the increase in the benchmark Brent price, 25% higher than in the previous year. Power output was in line with 2018 figures, at approximately 551 GWh for the first quarter of the year.

### **Navigator records 3% growth in recurrent EBITDA**

In this context, EBITDA stood at € 104.9 million, as compared with recurrent EBITDA of € 101.5 million in the first quarter of 2018, excluding the positive impact of € 9.4 million relating to sales of the pellets business in the US. The EBITDA / Sales margin in 2019 was 24.9% (as compared with a recurrent margin of 26.4% in 2018).

In terms of production costs, reference should be made to an increase of around € 11.6 million in energy costs, due to rising purchase prices for electricity and natural gas. Fibres continued to have a negative impact of approximately € 6.9 million, due essentially to the increase in acquisition of long fibre (due to the new capacity of Aveiro tissue mill) and acquisition of short fibre at the Vila Velha de Ródão plant. Also significant was the increase in wood purchasing costs, due essentially to certified wood representing a larger proportion of the wood purchased in Portugal, rising from 34% to 49% of total, as well as the price increase of woodchips in International markets, and to the evolution of EUR/USD exchange rate for wood purchased outside the Iberian peninsula (a stronger USD impacts negatively on wood imports).

In fixed costs, personnel costs performed favourably, although there was negative performance in operating and maintenance costs.

In this context, Navigator actively pressed ahead with its M2 cost-reduction and operational excellence programme, resulting in a positive YoY impact of € 2.9 million in EBITDA. A total of 82 cost-cutting initiatives are currently under way, and 56 of these have made a positive contribution to this impact. The top-performing initiatives in progress include speed increase on PM1 at Figueira da Foz, which, by optimising a series of operational issues, has increased output, and two projects relating to optimising wood and paper logistics by using alternative means and techniques of transport and transport management.

### **Cash flow generation affected by variation in working capital**

The Cash Flow from operations generated in the quarter was € 88 million, as compared to € 86 million in 2018. Free Cash flow in the quarter stood at € 9.9 million, as compared to € 134 million in 2018. It should be noted that cash flow in Q1 2018 was affected positively by a cash inflow of € 67.6 million from the sale of the pellets business. There was also a significant rise in balances receivable from the State in 2019, as a result of deferral of VAT rebates: rebates from the State relating to two months (January and February), totalling € 45.1 million, were only received in April, when the corresponding rebates in 2018 had been received during the first quarter.

In 2019, in view of the operating cash flow generated, the evolution of free cash flow was impacted by a capex of € 32.5 million (vs. € 28.6 million in 2018), as well as by the increase in working capital, mainly due to the rise in inventories of € 27.4 million. Inventories were higher in particular for tissue, due to the development of new business, and in the stocks of finished and intermediate products in pulp, tissue and UWF, allowing to improve customer service.

As a result, at the end of March, Navigator's interest-bearing debt totalled € 676.9 million, down by € 6.1 million in relation to year-end 2018. The Net Debt / Ebitda ratio remains at a conservative value of 1.5x.

### **Navigator restructures debt, diversifies sources of funding and extends maturity of borrowing**

In view of the approaching maturity of a substantial portion of its debt (including back-up facilities), which was due in 2020, Navigator decided to undertake a restructuring process, which was implemented over the first quarter of 2019. This process involved contracting four loans and two backup facilities, with a total value of € 455 million, with the corresponding cancellation of two facilities which were due to mature next year. The main results of this process were as follows:

- Extension of maturities: the new loans have an average lifetime of between 5 and 7 years (as opposed to an average maturity of 2.6 years at year-end 2018);
- Increase in fixed rate component: all the new loans were contracted on a fixed rate basis;
- Reduction of costs in relation to the discontinued operations;
- Diversification of funding sources, with the inclusion of a new international bank in the line-up of lenders;
- Conversion of a back-up facility into a “green” commercial paper facility, the first operation of its kind in Portugal.

This last operation, in which the pricing terms are linked to evolution of a specific score awarded by an ESG consultant has also helped to bolster the Navigator Group's commitment to sustainability.

#### **Financial results improve by € 1.6 million**

As a result the Group recorded a financial loss of € 3.9 million (improving € 1.6 million), thanks to a positive impact of € 1.1 million from the result of investments of surplus liquidity and € 3.8 from the effects of the sum of \$ 45 million still to be received for the sale of the pellets business, in relation to which a reduction in net value vs. nominal value of € 3.3 million was recorded last year.

Negative factors included the foreign exchange results from hedging programmes undertaken by the company, which evolved negatively by € 2.6 million (contrasting with a positive figure at the start of 2018) and implementation of IFRS 16, which had a negative impact of € 0.4 million.

Pre-tax profits totalled € 62.2 million (as compared to € 72.4 million), with the effective rate staying at roughly the same level as 2018, thanks to reversal of tax provisions of approximately € 3 million.

As a result, the Group recorded net income in the first quarter of 2019 of € 49.3 million, as compared with € 53.2 million in 2018.

#### **IFRS 16**

On 1 January 2019, Navigator adopted IFRS 16. The 2018 results have not been restated in accordance with this accounting standard. The main impacts of the adoption of IFRS 16 in the Income Statement were: reduction in the value of rentals in Third Party Supplies and Services by around € 2.1 million, increase in depreciation of approximately € 1.9 million and an increase in interest of € 0.4 million. In the Balance Sheet, it was registered an amount of €50.3 million in lease assets.

## OPERATING INDICATORS

### Pulp and paper

(in 000 tons)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
<b>BEKP Output</b>	346.1	335.4	392.7	377.4	369.8
<b>BEKP Sales</b>	53.1	60.9	63.1	76.3	62.1
<b>UWF Output</b>	385.8	392.9	393.9	362.7	363.9
<b>UWF Sales</b>	361.2	395.1	380.7	376.0	353.0
<b>FOEX – BHKP Euros/ton</b>	824	878	903	914	872
<b>FOEX – BHKP USD/ton</b>	1013	1046	1050	1043	991
<b>FOEX – A4- BCopy Euros/ton</b>	845	864	882	900	914

### Tissue

(in 000 tons)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
<b>Reels Output</b>	14.1	14.4	17.8	25.3	26.4
<b>Output of finished products</b>	13.6	14.7	18.6	19.1	18.0
<b>Sales of reels and goods</b>	0.6	0.1	0.0	1.1	6.1
<b>Sales of finished products</b>	12.8	14.9	16.7	16.8	17.6
<b>Total sales of tissue</b>	13.4	15.0	16.7	17.9	23.7

### Energy

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
<b>Production (GWh)</b>	553.5	536.1	536.2	565.1	550.8
<b>Sales (GWh)</b>	444.7	435.8	428.5	452.7	442.0

## 2. INVESTMENT

Navigator recorded total investment of € 32.5 million in the first quarter. This amount includes maintenance and current investments of approximately € 19.2 million, as well as € 4.6 million relating to completion of the new tissue mill in Aveiro and the remaining investment in heavyweight production.

Investment in the period includes a figure of € 8.6 million classified internally as "regulatory", directed essentially at improving environmental and sustainability performance at Group plants. The main investment made this quarter was in the construction work on a new biomass boiler at the Figueira da Foz mill, replacing the existing boiler and the natural gas Combined Cycle Power Station. This biomass boiler is part of the Group's wider Carbon Neutrality Programme and will make it possible to replace use of a fossil fuel by a renewable fuel (biomass), leading to a reduction in fossil CO2 emissions at that mill site. Investments in this area also included sleeve filters on the biomass boilers in Setúbal and Aveiro, as well as the revamping and redesign of effluent treatment in Vila Velha de Ródão.

## 3. OUTLOOK

Demand for market pulp is expected to revive in the upcoming quarters, more visible in the second quarter, particularly in September, albeit much subject to global economic performance, to the sentiment of buyers in China, in response to government stimulus measures and the negotiations with the US. The supply reductions for the coming months, through the conversion of paper grade pulp and maintenance shutdowns and increases in tissue capacity between over 2019 and 2020 will be two of the main factors of rebalancing from the market, especially, in demand for short fibre pulp. With a slight upturn in demand and the absence of any significant increases in supply until the second half of 2021, a moderate upward evolution in pulp prices can be expected, for both fibres, over the second half of 2019.

In tissue business, 2019 will be a year of consolidating recent investments, with a view to increasing total sales. The main goal will be to achieve sizeable gains in sales of finished products, as the industrial operation matures and Navigator's share of the target markets grows. Additionally, the Company aims to improve the tissue business margin following the strong effort achieved in price increase.

In paper business, several manufacturers have announced Uncoated Woodfree capacity closures and/or conversions in 2019 in Europe (-200 thousand tons/year), in Asia (-750 thousand tons/year) and in Latin America (-180 thousand tons/year) which, in the light of prospects for an upturn of stable global demand, make it possible to ensure a better balance in the market and to compensate for the new investments in

Uncoated. In the United States, a significant reduction in supply is also expected due to the exit of the UWF business from a major US producer.

However, the permanent macroeconomic environment is a major factor of uncertainty. The global economic slowdown and the current international framework of protectionist policies (with the important side effects that may occur) are factors that Navigator sees with concern.

Extensive maintenance shutdowns are planned for the second quarter at the pulp mills in Setúbal and Aveiro, as well as at the paper mills in Setúbal and Figueira da Foz.

In 2019, production and operating costs continue to deserve special attention. In this context, the Company has continued the cost reduction and operational excellence program M2 and also started the Zero Based Budget project in April with the objective of defining and implementing a set of fixed cost reduction initiatives (operating costs, general and administrative expenses, and personnel costs of non-industrial areas), which should materialize in 2020.

Lisbon, 9 May 2019

#### 4. FINANCIAL STATEMENT

##### CONSOLIDATED INCOME STATEMENT

For the three months period ended at 31 March 2019 and 2018

Amounts in Euro	Note	3 months 31-03-2019	3 months 31-03-2018
		(unaudited)	(unaudited)
Revenue	6		
Sales		420,454,510	383,558,961
Services rendered		1,380,658	1,380,538
Other operating income	7		
Gains on the sale of non-current assets		86,939	17,199,398
Other operating income		9,618,441	2,471,951
Changes in the fair value of biological assets	19	(1,298,685)	1,215,853
Operating expenses	8		
Costs of inventories sold and consumed		(193,920,298)	(172,993,517)
Variation in production		25,051,523	22,176,632
Cost of materials and services consumed		(111,929,332)	(96,196,092)
Payroll costs		(38,476,632)	(40,839,377)
Other expenses and losses		(6,093,544)	(7,051,157)
Provisions		(1,289,005)	890,419
Depreciation, amortisation and impairment losses	9	(37,419,356)	(33,861,430)
<b>Operating results</b>		<b>66,165,217</b>	<b>77,952,180</b>
Financial income	10	2,480,907	2,010,949
Financial expenses	10	(6,414,757)	(7,527,238)
<b>Net financial results</b>		<b>(3,933,850)</b>	<b>(5,516,289)</b>
Share of profits of associates and joint ventures		(5,812)	-
<b>Profit before tax</b>		<b>62,225,555</b>	<b>72,435,891</b>
Income tax	11	(12,953,611)	(19,187,500)
<b>Net profit for the period</b>		<b>49,271,944</b>	<b>53,248,391</b>
<b>Attributable to:</b>			
Navigator Company's Shareholders		49,274,893	53,247,462
Non-controlling interests		(2,949)	929
<b>Earnings per share</b>			
Basic earnings per share, Eur	12	0.069	0.074
Diluted earnings per share, Eur	12	0.069	0.074

*The notes on pages 17 to 56 are an integral part of these financial statements.*

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As of 31 March 2019 and 31 December 2018

<b>Amounts in Euro</b>	<b>Notes</b>	<b>31-03-2019</b> (unaudited)	<b>31-12-2018</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	14	377,339,466	377,339,466
Other intangible assets	15	13,246,890	2,886,251
Property, plant and equipment	16	1,232,166,435	1,239,008,735
Lease assets (IFRS 16)	17	50,291,168	-
Investment properties	18	97,116	97,527
Biological assets	19	118,315,882	119,614,567
Other financial assets	20	104,070,107	63,168,912
Investments in associates		-	-
Financial assets available for sale	21	2,522,026	-
<u>Deferred tax assets</u>	<u>24</u>	<u>72,496,966</u>	<u>71,006,775</u>
		<b>1,970,546,056</b>	<b>1,873,122,233</b>
<b>Current assets</b>			
Inventories		249,787,256	222,376,871
Receivables and other current assets	22	271,812,347	307,750,689
State and other public entities	23	86,043,379	79,751,430
Cash and cash equivalents	28	175,542,298	80,859,784
		<b>783,185,279</b>	<b>690,738,774</b>
<b>Total Assets</b>		<b>2,753,731,335</b>	<b>2,563,861,007</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share capital	24	500,000,000	500,000,000
Treasury shares	24	(5,629,882)	(2,317,915)
Fair value reserves		(7,969,931)	(5,633,483)
Legal reserve		100,000,000	100,000,000
Free reserves		197,292,250	197,292,250
Currency translation reserves		(19,008,568)	(20,575,294)
Retained earnings		407,994,483	192,512,197
Net profit for the period		49,274,893	225,135,403
		<b>1,221,953,245</b>	<b>1,186,413,158</b>
Non-controlling interests		205,822	204,263
		<b>1,222,159,067</b>	<b>1,186,617,421</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	25	68,194,613	66,123,135
Pension liabilities	26	20,378,817	7,324,279
Provisions	27	41,451,103	43,065,470
Interest-bearing liabilities	28	840,615,263	652,025,122
Finance lease liabilities (IFRS 16)	29	43,799,232	-
Other liabilities	28	78,215,892	82,324,405
		<b>1,092,654,920</b>	<b>850,862,411</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	28	11,805,556	111,805,556
Lease liabilities (IFRS 16)	29	6,706,034	-
Payables and other current liabilities	30	335,196,457	323,800,570
State and other public entities	23	85,209,301	90,775,049
		<b>438,917,348</b>	<b>526,381,175</b>
<b>Total Liabilities</b>		<b>1,531,572,268</b>	<b>1,377,243,586</b>
<b>Total Equity and Liabilities</b>		<b>2,753,731,335</b>	<b>2,563,861,007</b>

*The notes on pages 17 to 56 are an integral part of these financial statements.*

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the three months period ended at 31 March 2019 and 2018

<b>Amounts in Euro</b>	<b>3 months 31-03-2019 (unaudited)</b>	<b>3 months 31-03-2018 (unaudited)</b>
<b>Net profit for the period</b>	<b>49,271,944</b>	<b>53,248,391</b>
<b>Items that can be reclassified subsequently to profit or loss</b>		
Fair value in derivative financial instruments	(3,222,686)	1,216,974
Currency translation differences	1,566,725	(13,224,528)
Tax on items above when applicable	886,239	(334,668)
Tax on conventional capital remuneration	1,001,000	-
	<b>231,278</b>	<b>(12,342,222)</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Other changes in shareholder's equity of subsidiaries	2,404,928	(191,665)
Post-employment benefits (actuarial deviations)	(13,054,538)	(3,294,774)
Tax on items above when applicable	-	(10,037)
	<b>(10,649,610)</b>	<b>(3,496,477)</b>
	<b>(10,418,332)</b>	<b>(15,838,698)</b>
<b>Total recognised income and expense for the period</b>	<b>38,853,612</b>	<b>37,409,693</b>
<b>Attributable to:</b>		
Navigator Company's Shareholders	38,852,053	37,621,011
Non-controlling interests	1,559	(211,318)
	<b>38,853,612</b>	<b>37,409,693</b>

*The notes on pages 17 to 56 are an integral part of these financial statements.*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the three months period ended at 31 March 2019 and 2018

Amounts in Euro	1 January 2019	Gains and losses recognised in the period	Acquisition of Treasury shares (Note 23)	Application of prior year's net profit (Note 13)	31 March 2019
Share capital	500,000,000		-	-	500,000,000
Treasury shares	(2,317,915)		(3,311,967)	-	(5,629,882)
Fair value reserves	(5,633,483)	(2,336,448)	-	-	(7,969,931)
Legal reserve	100,000,000		-	-	100,000,000
Free reserves	197,292,250		-	-	197,292,250
Currency translation reserve	(20,575,294)	1,566,725	-	-	(19,008,568)
Retained earnings	192,512,197	(9,653,117)	-	225,135,403	407,994,483
Net profit for the period	225,135,403	49,274,893	-	(225,135,403)	49,274,893
<b>Total</b>	<b>1,186,413,158</b>	<b>38,852,053</b>	<b>(3,311,967)</b>	-	<b>1,221,953,244</b>
Non-controlling interests	204,263	1,559	-	-	205,822
<b>Total</b>	<b>1,186,617,421</b>	<b>38,853,612</b>	<b>(3,311,967)</b>	-	<b>1,222,159,066</b>

Amounts in Euro	1 January 2018	Gains and losses recognised in the period	Acquisition of Treasury shares (Note 23)	Application of prior year's net profit (Note 13)	31 March 2018
Share capital	500,000,000	-	-	-	500,000,000
Treasury shares	(1,002,084)	-	-	-	(1,002,084)
Fair value reserves	(3,020,990)	882,306	-	-	(2,138,684)
Legal reserve	109,790,475	-	-	-	109,790,475
Free reserves	217,500,000		-	-	217,500,000
Currency translation reserve	(13,966,898)	(13,224,528)	-	-	(27,191,426)
Retained earnings	167,388,264	(3,284,230)	-	207,770,604	371,874,638
Net profit for the period	207,770,604	53,247,462	-	(207,770,604)	53,247,462
<b>Total</b>	<b>1,184,459,371</b>	<b>37,621,011</b>	-	-	<b>1,222,080,381</b>
Non-controlling interests	420,277	(211,318)	-	-	208,959
<b>Total</b>	<b>1,184,879,648</b>	<b>37,409,693</b>	-	-	<b>1,222,289,340</b>

*The notes on pages 17 to 56 are an integral part of these financial statements.*

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the three months period ended at 31 March 2019 and 2018

Amounts in Euro	Notes	3 months 31-03-2019	3 months 31-03-2018
<b>OPERATING ACTIVITIES</b>			
Receipts from customers		451,204,751	488,129,175
Payments to suppliers		365,684,998	320,900,825
Payments to employees		24,174,429	24,263,889
Cash flows from operations		<u>61,345,324</u>	<u>142,964,461</u>
Income tax received/ (paid)		(4,133,330)	(35,158)
Other receipts/ (payments) relating to operating activities		(10,307,580)	25,403,956
<b>Cash flows from operating activities (1)</b>		<b>46,904,414</b>	<b>168,333,260</b>
<b>INVESTMENT ACTIVITIES</b>			
<b>Inflows:</b>			
Other non-current assets		227,993	-
Property, plant and equipment		133,296	-
Interest and similar income		-	(169,356)
Inflows from investment activities (A)		<u>361,290</u>	<u>(169,356)</u>
<b>Outflows:</b>			
Financial Investments		-	-
Property, plant and equipment		32,774,588	32,498,110
Outflows from investment activities (B)		<u>32,774,588</u>	<u>32,498,110</u>
<b>Cash flows from investment activities (2 = A - B)</b>		<b>(32,413,298)</b>	<b>(32,667,465)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Inflows:</b>			
Borrowings		90,000,000	-
Inflows from financing activities (C)		<u>90,000,000</u>	<u>-</u>
<b>Outflows:</b>			
Borrowings		-	50,000,000
Interest and similar expense		6,560,383	4,769,258
Acquisition of treasury shares*		3,311,967	-
Outflows from financing activities (D)		<u>9,872,350</u>	<u>54,769,258</u>
<b>Cash flows from financing activities (3 = C - D)</b>		<b>80,127,650</b>	<b>(54,769,258)</b>
<b>CHANGES IN CASH AND CASH EQUIVALENTS (1)+(2)+(3)</b>		<b>94,618,766</b>	<b>80,896,536</b>
<b>CHANGES IN CASH AND CASH EQUIVALENTS FOR OTHER QUARTERS</b>			
<b>EFFECT OF EXCHANGE RATE DIFFERENCES</b>			
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>80,859,784</b>	<b>125,331,036</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	28	<b>175,542,298</b>	<b>206,227,573</b>

\* Refer to the Consolidated Statement of Changes in Equity

*The notes on pages 17 to 56 are an integral part of these financial statements.*

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For the periods ended as at 31 March 2019 and 2018

(In these notes, unless indicated otherwise, all amounts are expressed in Euro)

The Navigator group ("Group") comprises The Navigator Company, S.A. (previously designated as Portucel, S.A.) and its subsidiaries.

The Navigator group was created in the mid 1950's, when a group of technicians from "Companhia Portuguesa de Celulose de Cacia" made this company the first in the world to produce bleached eucalyptus sulphate pulp.

In 1976 Portucel EP was created as a result of the nationalization of all of Portugal's cellulose industry. As such, Portucel – Empresa de Celulose e Papel de Portugal, E.P. resulted from the merger with CPC – Companhia de Celulose, S.A.R.L. (Cacia), Socel – Sociedade Industrial de Celulose, S.A.R.L. (Setúbal), Celtejo – Celulose do Tejo, S.A.R.L. (Vila Velha de Ródão), Celnorte – Celulose do Norte, S.A.R.L. (Viana do Castelo) and Celuloses do Guadiana, S.A.R.L. (Mourão), being converted into a mainly public anonymous society by Decree- Law No. 405/90, of 21st December.

Years after, as a result of the restructuring of Portucel – Empresa de Celulose e Papel de Portugal, S.A., which was redenominated to Portucel, SGPS, S.A., towards to its privatization, Portucel S.A. was created, on 31st May 1993, through Decree-law 39/93, with the former assets of the two main companies, based in Cacia and Setúbal.

In 1995, the company was reprivatized, and became a publicly traded company.

Aiming to restructure the paper industry in Portugal, Portucel, S.A. acquired Papeis Inapa, S.A. (Setúbal) in 2000 and Soporcel – Sociedade Portuguesa de Papel, S.A. (Figueira da Foz) in 2001. Those key strategic decisions resulted in the Portucel Soporcel Group (currently Navigator Group), which is currently the largest European and one of the world's largest producers of bleached eucalyptus pulp and uncoated wood-free paper (UWF), with a capacity of 1.5 and 1.6 millions of tons, respectively, and it sells approximately 254 thousand tons of pulp, integrating the remainder in the production of UWF paper and Tissue paper.

In June 2004, the Portuguese State sold a 30% stake of Portucel's equity, which was acquired by Semapa Group. In September 2004, Semapa launched a public acquisition offer tending to assure the Group's control, which was accomplished by guaranteeing a 67.1% stake of Portucel's equity.

In November 2006, the Portuguese State concluded the third and final stage of the sale of Portucel, S.A., and Párpública SGPS, S.A. (formerly Portucel SGPS, S.A.) sold the remaining 25.72% it still held.

From 2009 to July 2015, more than 75% of the company's share capital was held directly and indirectly by Semapa - Sociedade de Investimento e Gestão SGPS, S.A. (excluding treasury shares) having the percentage of voting rights been reduced to 70% following the conclusion of the offer for the acquisition, in the form of an exchange offer, of the ordinary shares of Semapa, SGPS, S.A., in July 2015.

In February 2015, the Group started its activity in the Tissue segment with the acquisition of AMS-BR Star Paper, S.A. (currently denominated Navigator Tissue Ródão, S.A.), a company that holds and explores a tissue paper mill, located in Vila Velha de Ródão. A new industrial facility was built in Aveiro, in August 2018, being operated by Navigator Tissue Cacia, S.A., which is currently the largest Portuguese producer and the third in the Iberian Peninsula, with a production and transformation capacity of 130 thousand tons and 120 thousand tons, respectively.

In July 2016, the Navigator group expanded its activity to the pellets business with the construction of a plant in Greenwood, state of South Carolina, United States of America, which was sold in February 2018.

The Navigator group's main business is the production and sale of writing and printing thin paper (UWF) and domestic consumption paper (Tissue), and it is present in the whole value added chain, from research and development of forestry and agricultural production, to the purchase and sale of wood and the production and sale of bleached eucalyptus kraft pulp – BEKP and electric and thermal energy, as well as its commercialization.

On 6 February 2016, the Portucel Group changed its corporate brand to The Navigator Company. This new corporate identity represents the union of companies with a history of more than 60 years, aiming to give the Group a more appealing and modern image.

Following this event, and after approval in the General Shareholder's Meeting, held on 19 April 2016, Portucel S.A. changed its designation to The Navigator Company, S.A.

The Navigator Company, S.A. (hereafter referred to as The Navigator Company or Company) is a publicly traded company, listed in Euronext Lisbon, with its share capital represented by nominal shares.

**Head Office:** Mitrena, 2901-861 Setúbal

**Share Capital:** Euro 500,000,000

Registration No.: 503 025 798

These consolidated financial statements were approved by the Board of Directors on 9 May 2019.

The Navigator group's senior management, who are also the members of the Board of Directors that sign this report, declare that, to the best of their knowledge, the information contained herein was prepared in conformity with the applicable accounting standards, providing a true and fair view of the assets and liabilities, the financial position and results of the companies included in the Group's consolidation perimeter.

## 1. Basis of preparation

The Navigator group's consolidated interim financial statements for the three months period ended at 31 March 2019 have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting.

The notes to the consolidated financial statements were prepared on a going concern basis, from the accounting books and records of the companies included in the consolidation (Note 5), and under the historic cost convention, except for available for sale financial assets, derivative financial instruments and biological assets, which are recorded at fair value (Notes 19, 31.1 and 31.2).

The following notes were selected to better understand the most significant changes in the Group's consolidated statement of financial position and its financial performance since the last annual reporting date, as at 31 December 2018.

## 2. Main accounting policies

The accounting policies applied in the preparation of these interim consolidated financial statements are consistent with those used in the preparation of the financial statements as of 31 December 2018 and described in the respective notes to the financial statements.

## 3. IFRS adopted and to be adopted

### 3.1 New standards, amendments and interpretations to standards adopted by the Group

As at 1 January 2019, the Navigator Group adopted for the first time the following standards, changes and interpretations:

<b>Standards and effective amendments, on or after 1 January 2019, already endorsed by the EU</b>	<b>Effective date *</b>
IFRS 9 (amended) – Financial instruments	1 January 2019
IFRIC 23 – Uncertainty over income tax treatments	1 January 2019
IFRS 16 - Leases	1 January 2019

\* Periods beginning on or after

## IFRS 16 - Leases

The Navigator Group adopted IFRS 16 - Leases as of 1 January 2019. The Group applied the simplified transition approach set forth in paragraphs 16, C3 (b), C7 and C8 and did not restate comparative figures for the period prior to the first adoption.

This standard sets the principles for recognition, measurement and presentation of leases, replacing IAS 17 - Leases and its interpretive guidance. The objective is to ensure that lessors and lessees report useful information to the users of the financial statements, namely on the effect that leases have on financial position, financial performance and cash flows.

Under this accounting standard, right-of-use assets, amounting to Euro 50.3 million, were measured by the amount of the lease liability on the adoption date of the standard. Subsequently, the assets right-of-use is depreciated in the shortest period between the useful life of the asset or the contract term. Financial liability considers interest based on the effective interest rate of the contract or the loan rate of the contracting entity. Lease payments are recorded as a decrease in liability.

The main impacts of the IFRS 16 application in the income statement were as follows: decrease in rent and lease amounts under supplies and services by approximately Euro 2.1 million, increase in the depreciation amount of approximately Euro 1.9 million and increase in the interest amount of Euro 0.4 million.

## 3.2 New standards, amendments and interpretations to standards not yet adopted by the Group

### 3.2.1 New standards and interpretations without mandatory application in European Union

Standards, amendments and interpretations issued but not yet effective for the Group (regardless of the effective date of application, have not yet been endorsed by the European Union), can be analysed as follows:

Standards and effective amendments, on or after 1 January 2019, not yet endorsed by the EU	Effective date *
2015-2017 Improvements to standards	1 January 2019
IAS 19 (amended) - Plan amendment, curtailment or settlement	1 January 2019
IAS 28 (amended) - Investments in associates and joint ventures	1 January 2019
IFRS 3 (amended) - Business combinations	1 January 2020
Amendments to the Conceptual Framework in IFRS	1 January 2020
IFRS 17 - Insurance contracts	1 January 2021

\* Periods beginning on or after

## 4. MAIN ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements requires Management to use judgments and estimates that affect income, expenses, assets, liabilities and disclosures at the date of the statement of financial position. The actual effects may differ from these estimates and judgments.

These estimates are determined according to the Management's judgments, which are based on: (i) the best information and knowledge of current events and in some cases in reports of independent experts and (ii) in the actions that the Company considers to be able to develop in the future. However, at the date of completion of the operations, the results may differ from these estimates.

## 5. COMPANIES INCLUDED IN THE CONSOLIDATION PERIMETER

### 5.1 Consolidation Perimeter

Company	Head Office	Share equity owned			Main business activity
		Direct	Indirect	Total	
<b>Parent-Company</b>					
The Navigator Company, S. A.	Setúbal	-	-	-	Sale of paper and cellulose pulp
<b>Subsidiaries</b>					
Navigator Brands , S.A.	Figueira da Foz	100.00	-	100.00	Acquisition, exploitation, lease or concession of the use and disposal of trademarks, patents and other industrial or intellectual property
Navigator Parques Industriais, S.A.	Setúbal	100.00	-	100.00	Management of industrial real estate assets
Navigator Products & Technology, S.A.	Setúbal	100.00	-	100.00	Sale of products, technology and engineering services
Navigator Paper Figueira, S.A.	Figueira da Foz	100.00	-	100.00	Paper production
Pulpchem Logistics, A.C.E.	Figueira da Foz	50.00	-	50.00	Purchase of materials, consumables and services used in the pulp and paper production processes
Raiz - Instituto de Investigação da Floresta e Papel	Aveiro	97.00	-	97.00	Research in the field of pulp
Enerpulp - Cogeração Energética de Pasta, S.A.	Setúbal	100.00	-	100.00	Energy production
Navigator Pulp Figueira, S.A.	Figueira da Foz	100.00	-	100.00	Production of cellulose pulp
Navigator Pulp Setúbal, S.A.	Setúbal	100.00	-	100.00	Production of cellulose pulp
Navigator Pulp Cacia, S.A.	Aveiro	100.00	-	100.00	Production of cellulose pulp
Navigator International GmbH	Germany	100.00	-	100.00	Sale of cellulose pulp
Navigator Tissue Cacia, S.A.	Aveiro	100.00	-	100.00	Production of tissue paper
Navigator Tissue Ródão , S.A.	Vila Velha de Ródão	100.00	100.00	100.00	Production of tissue paper
Navigator Tissue Iberica , S.A.	Spain	-	100.00	100.00	Sale of tissue paper
Navigator Internacional Holding SGPS, S.A.	Setúbal	100.00	-	100.00	Management of shareholdings
Portucel Moçambique - Sociedade de Desenvolvimento Florestal e Industrial, Lda	Mozambique	90.02	0.00	90.02	Forest production
Portucel Finance, Zoo	Poland	25.00	75.00	100.00	Financial services
Navigator Forest Portugal, S.A.	Setúbal	100.00	-	100.00	Forest production
Sociedade de Vinhos da Herdade de Espira - Produção e Comercialização de Vinhos, S.A.	Setúbal	-	100.00	100.00	Wine production
Gavião - Sociedade de Caça e Turismo, S.A.	Setúbal	-	100.00	100.00	Management of hunting resources
Afocelca - Agrupamento complementar de empresas para protecção contra incêndios, ACE	Portugal	-	64.80	64.80	Rendering of services to prevent and fight forest fires
Viveiros Aliança - Empresa Produtora de Plantas, S.A.	Palmela	-	100.00	100.00	Plant production in nurseries
Atlantic Forests, S.A.	Setúbal	-	100.00	100.00	Rendering of services within the forestry activity and wood trade
Bosques do Atlântico, SL	Spain	-	100.00	100.00	Wood, biomass and forestry trade
About the Future - Empresa Produtora de Papel, S.A.	Setúbal	100.00	-	100.00	Paper and energy production
Navigator Fine Paper , S.A.	Setúbal	-	100.00	100.00	Rendering of services related to the sale of paper and pulp
Navigator North America Inc.	USA	-	100.00	100.00	Sale of paper
Navigator Africa, SRL	Italy	25.00	75.00	100.00	Management of shareholdings
Navigator Participações Holding ,SGPS, S.A.	Setúbal	100.00	-	100.00	Management of shareholdings
EMA21 - Engenharia e Manutenção Industrial Século XXI, S.A.	Setúbal	-	100.00	100.00	Rendering of industrial maintenance, engineering, quality, environment and safety services
Ema Cacia - Engenharia e Manutenção Industrial, ACE	Aveiro	-	95.00	95.00	Rendering of industrial maintenance services
Ema Setúbal - Engenharia e Manutenção Industrial, ACE	Setúbal	-	89.91	89.91	Rendering of industrial maintenance services
Ema Figueira da Foz- Engenharia e Manutenção Industrial, ACE	Figueira da Foz	-	90.72	90.72	Rendering of industrial maintenance services
Empremédia - Corretores de Seguros, S.A.	Lisboa	-	100.00	100.00	Insurance brokerage and advisory
EucaliptusLand, S.A.	Setúbal	-	100.00	100.00	Management of forest real estate
Navigator Added Value, S.A.	Lisboa	-	100.00	100.00	Rendering of administration and management services and internal advisory
Navigator Paper World, S.A.	Setúbal	100.00	-	100.00	Rendering of administration and management services and management of shareholdings
Navigator Afrique du Nord	Morocco	-	100.00	100.00	Rendering of sales brokerage services
Navigator Espanha, S.A.	Spain	-	100.00	100.00	Rendering of sales brokerage services
Navigator Netherlands, BV	Netherlands	-	100.00	100.00	Rendering of sales brokerage services
Navigator France, EURL	France	-	100.00	100.00	Rendering of sales brokerage services
Navigator Paper Company UK, Ltd	United Kingdom	-	100.00	100.00	Rendering of sales brokerage services
Navigator Italia, SRL	Italy	-	100.00	100.00	Rendering of sales brokerage services
Navigator Deutschland, GmbH	Germany	-	100.00	100.00	Rendering of sales brokerage services
Navigator Paper Austria, GmbH	Austria	-	100.00	100.00	Rendering of sales brokerage services
Navigator Paper Poland SP Z o.o	Poland	-	100.00	100.00	Rendering of sales brokerage services
Navigator Eurasia	Turkey	-	100.00	100.00	Rendering of sales brokerage services
Navigator Rus Company, LLC	Russia	-	100.00	100.00	Rendering of sales brokerage services
Navigator Paper Mexico	Mexico	-	100.00	100.00	Rendering of sales brokerage services
Navigator Middle East Trading DMCC	Dubai	-	100.00	100.00	Rendering of sales brokerage services
Navigator Abastecimento de Madeira, ACE	Setúbal	97.00	3.00	100.00	Sale of wood

### 5.2 Changes in the consolidation perimeter

During the 3-month period ended 31 March 2019, the consolidation perimeter was changed by the following merger operations:

- Merger by incorporation of Arboser – Serviços Agro-Industriais, S.A. into Navigator Pulp Figueira, S.A.

## 6. SEGMENT INFORMATION

In accordance to the approach defined in IFRS 8, operational segments should be identified based in the way internal financial information is organized and reported to the management. An operating segment is defined by IFRS 8 as a component of the Navigator group:

- (i) that engages in business activities from which it may earn revenues and incur expenses;
- (ii) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- (iii) for which discrete financial information is available.

The Executive Committee is the ultimate operating decision maker, analyzing periodic reports with operational information on segments, using them to monitor the operating performance of its businesses, as well as to decide on the best allocation of resources.

Segment information is presented for business segments identified by the Navigator group, namely:

- Market pulp;
- UWF paper;
- Tissue paper; and
- Other.

Revenues, assets and liabilities of each segment correspond to those directly allocated to them, as well as to those that can be reasonably attributed to those segments.

Financial data by operational segment for the three months periods ended 31 March 2019 and 2018 is presented as follows:

	31-03-2019				
	PULP MARKET	UWF PAPER	TISSUE PAPER	OTHERS	ELIMINATIONS/ UNALLOCATED
					TOTAL
<b>REVENUE</b>					
Sales and services - external	44,245,376	334,665,911	32,749,755	10,174,126	-
Sales and services - intersegment	(44,877,348)	-	-	(147,152,004)	192,029,352
<b>Total Revenue</b>	<b>(631,972)</b>	<b>334,665,911</b>	<b>32,749,755</b>	<b>(136,977,878)</b>	<b>192,029,352</b>
					<b>421,835,168</b>
<b>PROFIT/ (LOSS)</b>					
<b>Segmental profit</b>	12,063,359	65,425,746	(3,677,893)	(7,645,994)	-
<b>Operating profit</b>	-	-	-	-	<b>66,165,218</b>
Financial results	-	-	-	-	(3,939,662)
Income tax	-	-	-	-	(12,953,611)
<b>Profit after income tax</b>	-	-	-	-	<b>49,271,944</b>
Non-controlling interests	-	-	-	-	2,949
<b>Net profit/ (loss)</b>	-	-	-	-	<b>49,274,893</b>
<b>OTHER INFORMATION</b>					
Capital expenditure	5,182,183	11,511,957	5,563,844	10,270,086	-
Depreciation and impairment	(2,559,848)	(20,059,302)	(4,886,790)	(9,913,417)	-
Provisions ((increases)/ reversal)		(2,153,526)		864,521	-
					(1,289,005)
<b>OTHER INFORMATION</b>					
<b>SEGMENT ASSETS</b>					
Property, plant and equipment	131,727,677	707,638,115	170,577,087	222,223,556	-
Lease assets (IFRS 16)	-	310,474	-	49,980,694	-
Biological assets	-	-	-	118,315,882	-
Other financial assets	-	32,202,733	42,166,636	29,700,737	-
Inventories	32,675,822	121,481,420	27,800,730	67,829,283	-
Other receivables	24,735,285	178,343,426	34,045,673	34,687,963	-
Other assets	1,024,645	471,901,723	30,399,784	223,961,989	-
<b>Total Assets</b>	<b>190,163,429</b>	<b>1,511,877,891</b>	<b>304,989,910</b>	<b>746,700,105</b>	<b>- 2,753,731,335</b>
<b>SEGMENT LIABILITIES</b>					
Interest-bearing liabilities	-	-	-	852,420,818	-
Lease liabilities (IFRS 16)	-	311,012	-	50,194,254	-
Other payables	17,404,673	113,000,445	21,068,752	183,722,587	-
Other liabilities	23,103,231	98,050,055	60,821,907	111,474,534	-
<b>Total Liabilities</b>	<b>40,507,904</b>	<b>211,361,511</b>	<b>81,890,659</b>	<b>1,197,812,194</b>	<b>- 1,531,572,268</b>

The Navigator group's energy sales are reported under different business segments. The amount corresponding to the total energy sales was Euro 44,281,860 in 2019 and Euro 42,022,223 in 2018. Energy sales originated in the cogeneration process, in the amount of Euro 38,913,328 (2018: Euro 36,522,051), are reported under the "Market Pulp" (2019: Euro 4,488,835; 2018: 4,300,136) and "UWF Paper" (2019: Euro 34,424,492; 2018: Euro 32,221,915) segments. Sales of electricity exclusively produced in units dedicated to the production of electricity from biomass are reported under the segment "Other", in the amount of Euro 5,368,533 (2018: Euros 5,500,172).

The capital expenditure in the first three months of 2019 includes maintenance and current investments of approximately Euro 19.2 million, as well as 4.6 million related to the completion of the new tissue factory in Aveiro. The investment in the quarter also includes Euro 8.6 million recorded as "regulatory investments", as these are mainly intended for investments that improve the environmental performance and sustainability of the group's factories. The leading regulatory investment relates to the construction of a new biomass boiler at the Figueira da Foz plant, which replaces the existing boiler and combined natural gas cycle plant, thus reducing fossil CO2 emissions. It should also be noted the investments in bag filters in Biomass boilers of Setúbal and Aveiro, as well as the revamping and redesign of effluents treatment in Vila Velha de Ródão.

Property, plant and equipment reported under the segment "Other" include:

Amounts in Euro	31-03-2019	31-03-2018
Forestry lands	71,486,585	74,729,535
Real estate - manufacturing site of Setúbal	54,318,423	57,871,183
Real estate - manufacturing site of Aveiro	11,586,199	12,393,499
Real estate - manufacturing site of Figueira da Foz	45,471,051	49,164,888
Thermoelectric biomass plant	24,952,308	31,151,489
Other	14,408,990	7,588,984
	<b>222,223,556</b>	<b>232,899,578</b>

Forest land and industrial real estate are reported in the individual financial statements as investment properties, in the total consolidated amount of Euro 182,862,258. The real estate property of Vila Velha de Ródão, in the amount of Euro 11,155,116 is included in the segment "Tissue Paper".

The majority of the assets allocated to each of the individual segments, with the exception of receivables, is located in Portugal.

	31-03-2018				
	PULP MARKET	UWF PAPER	TISSUE PAPER	OTHER	ELIMINATIONS/ UNALLOCATED
<b>REVENUE</b>					
Sales and services - external	36,917,617	315,257,619	18,980,317	13,783,946	-
Sales and services - intersegment	47,104,433			148,679,518	(195,783,951)
<b>Total Revenue</b>	<b>84,022,050</b>	<b>315,257,619</b>	<b>18,980,317</b>	<b>162,463,464</b>	<b>(195,783,951)</b>
					<b>384,939,499</b>
<b>PROFIT / (LOSS)</b>					
<b>Segmental profit</b>	8,636,115	66,951,916	(615,110)	2,979,259	-
<b>Operating profit</b>	-	-	-	-	<b>77,952,180</b>
Financial results	-	-	-	-	<b>77,952,180</b>
Income tax	-	-	-	-	(5,516,289)
<b>Profit after tax</b>	-	-	-	-	(5,516,289)
Non-controlling interests	-	-	-	-	(19,187,500)
<b>Net profit/ (loss)</b>	-	-	-	-	<b>53,248,391</b>
					<b>(19,187,500)</b>
<b>OTHER INFORMATION</b>					
Capital expenditure	2,817,659	11,046,655	12,985,356	1,701,604	-
Depreciation (includes impairment)	(2,754,431)	(20,745,574)	(2,299,944)	(8,061,481)	(33,861,430)
Provisions ((increases) / reversal)	-	-	546,717	343,702	890,419
<b>OTHER INFORMATION</b>					
<b>SEGMENT ASSETS</b>					
Property, plant and equipment	126,899,786	706,943,925	100,093,832	232,899,578	-
Biological assets	-	-	-	130,612,789	-
Financial investments	-	260,486	-	33,438,745	-
Inventories	13,490,557	119,150,164	12,285,966	57,429,871	-
Trade receivables	20,095,147	184,862,551	23,580,142	26,292,517	-
Other assets	1,244,269	487,101,193	5,349,059	176,530,534	-
<b>Total Assets</b>	<b>161,729,759</b>	<b>1,498,318,320</b>	<b>141,308,999</b>	<b>657,204,034</b>	<b>- 2,458,561,112</b>
<b>SEGMENT LIABILITIES</b>					
Interest-bearing liabilities	2,805,080	-	3,617,978	758,527,385	-
Trade payables	11,985,860	85,371,770	9,867,421	176,935,946	-
Other liabilities	28,591,587	91,625,051	3,169,646	63,774,048	-
<b>Total Liabilities</b>	<b>43,382,526</b>	<b>176,996,821</b>	<b>16,655,046</b>	<b>999,237,379</b>	<b>- 1,236,271,772</b>

## 6.1 Sales and services rendered by region

Amounts in Euro	31-03-2019	31-03-2018
<b>PORTUGAL</b>		
UWF Paper (includes energy)	47,365,448	37,789,865
Pulp (includes energy)	7,039,942	6,749,519
Tissue	13,403,575	10,932,049
Other (includes energy)	10,174,126	13,066,347
	<b>77,983,091</b>	<b>68,537,780</b>
<b>REST OF EUROPE</b>		
UWF Paper	176,906,753	166,341,467
Pulp	25,633,628	30,137,545
Tissue	18,266,560	7,488,880
Pellets	-	717,599
	<b>220,806,940</b>	<b>204,685,491</b>
<b>NORTH AMERICA</b>		
UWF Paper	32,778,441	25,704,843
Pulp	-	-
	<b>32,778,441</b>	<b>25,704,843</b>
<b>OTHER MARKETS</b>		
UWF Paper	77,615,270	85,421,444
Pulp	11,571,806	30,554
Tissue	1,079,620	559,388
	<b>90,266,696</b>	<b>86,011,386</b>
	<b>421,835,168</b>	<b>384,939,500</b>

The geographical distribution of Sales and Services rendered is presented according with the reporting segments shown above.

## 7. OTHER OPERATING INCOME

Other operating income/ (expense) is detailed as follows for the three months periods ended 31 March 2019 and 2018:

Amounts in Euro	3 months 31-03-2019	3 months 31-03-2018
Supplementary gains	42,428	280,092
Grants - CO <sub>2</sub> emission allowances	3,103,319	1,318,616
Reversal of adjustments in current assets	2,525	80,326
Gains on disposals of non-current assets	86,939	17,199,398
Gains on inventories	460,267	31,824
Impairment reversal on inventories	975,270	-
Government grants	122,817	8,732
Own work capitalised	124,445	25,753
Insurance compensation	1,130,300	56,827
Other operating income	<b>3,657,070</b>	<b>669,780</b>
	<b>9,705,380</b>	<b>19,671,349</b>

Gains with CO<sub>2</sub> licenses correspond to the recognition of the free allocation of licenses for 140,041 tons of CO<sub>2</sub>, at the average price of Euro 22,16 (156,906 tons on 31 March 2018, at the average price of Euro 8,35).

In 2018, gains on disposals of non-current assets includes Euros 15,765,258 regarding the gain generated with the sale of the pellets business concluded in February 2018, as well as Euros 1,434,140 regarding the sale of forest lands.

## 8. OTHER OPERATING EXPENSE

Operating expenses are detailed as follows for the three months periods ended 31 March 2019 and 2018:

Amounts in Euro	3 months 31-03-2019	3 months 31-03-2018
Cost of inventories sold and consumed	(193,920,298)	(172,993,517)
Variation in production	25,051,523	22,176,632
Cost of services and materials consumed	(111,929,332)	(96,196,092)
<b>Payroll costs</b>		
<b>Remunerations</b>		
Statutory bodies- fixed	(820,095)	(1,075,882)
Statutory bodies - variable	(1,052,561)	(958,222)
Other remunerations	(28,132,923)	(27,005,744)
	(30,005,579)	(29,039,847)
<b>Social charges and other payroll costs</b>		
Costs with defined benefit plans (Note 26)	-	(1,555,001)
Costs with defined contribution plans (Note 26)	(331,231)	(291,605)
Contributions to social security	(5,625,768)	(5,593,422)
Other payroll costs	(2,514,054)	(4,359,502)
	(8,471,053)	(11,799,530)
	(38,476,632)	(40,839,377)
<b>Other expenses and losses</b>		
Membership fees	(380,220)	(104,325)
Losses in inventories	(305,573)	(981,380)
Impairment losses in receivables	(228)	(544)
Impairment losses in inventories	-	(1,200,000)
Indirect taxes	(372,376)	(1,004,151)
Shipment costs	-	(500,567)
Water resource charges	(321,127)	(377,149)
Costs with CO <sub>2</sub> emissions	(4,219,921)	(1,738,727)
Other operating costs	(494,099)	(1,144,315)
	(6,093,544)	(7,051,157)
Provisions (Note 27)	(1,289,005)	890,419
<b>Total expenses and losses</b>	<b>(326,657,289)</b>	<b>(294,013,092)</b>

Other payroll costs are detailed as follows for the three months periods ended 31 March 2019 and 2018:

Amounts in Euro	3 months 31-03-2019	3 months 31-03-2018
Training	346,813	333,358
Social action	273,248	320,429
Insurance	938,829	923,445
Compensation	868,086	1,420,209
Other	87,077	1,362,061
	<b>2,514,054</b>	<b>4,359,502</b>

The costs with CO<sub>2</sub> emissions correspond to the emission of 191,304 tons of CO<sub>2</sub> (31 March 2018: 191,161 tons). The increase in expenses compared to 2018 was due to the large increase in CO<sub>2</sub> prices.

For the three months periods ended 31 March 2019 and 2018 the consumed and sold inventory was detailed as follows:

Amounts in Euro	3 months 31-03-2019	3 months 31-03-2018
Wood / Biomass	83,571,461	64,310,357
Natural gas	15,805,451	13,093,046
Other fuels	2,729,231	3,269,995
Water	433,269	530,252
Chemicals	40,556,202	40,376,577
BEKP pulp	5,788,522	5,796,898
Pine pulp	14,181,635	14,585,047
Paper (heavyweight)	2,236,133	2,187,814
Consumables / warehouse material	9,820,858	10,101,826
Packaging material	18,317,419	18,186,837
Other material	480,119	554,868
	<b>193,920,298</b>	<b>172,993,517</b>

The cost of wood / biomass only relates to wood purchases to entities outside the Navigator group, either domestic or foreign.

For the three months periods ended 31 March 2019 and 2018, the cost of Services and Materials Consumed was detailed as follows:

Amounts in Euro	3 months 31-03-2019	3 months 31-03-2018
Energy and fluids	38,551,781	28,349,742
Transportation of goods	28,732,905	25,914,931
Specialised services	21,607,729	18,832,669
Maintenance and repair	8,954,489	5,332,267
Advertising and marketing	3,749,130	3,728,552
Insurance	3,304,923	3,528,665
Rentals	2,020,296	4,035,343
Travel and accommodation	1,502,987	1,514,326
Other	1,433,796	1,278,573
Materials	975,583	896,211
Fees	563,947	1,631,761
Communication	317,705	866,122
Subcontracts	214,064	286,930
	<b>111,929,332</b>	<b>96,196,092</b>

The increase in expenses with Services and materials consumed in 2019 is related with the increase in energy and fluids expenses (as a result of the increase in the purchase price of electricity and natural gas), transportation of goods and specialised services.

For the three months periods ended 31 March 2019 and 2018, the costs incurred with investigation and research activities amounted to Euro 1,447,259 and Euro 1,149,222, respectively.

## 9. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

For the three months periods ended 31 March 2019 and 2018, depreciation, amortisation and impairment losses, net of the effect of investment grants recognized in the period were as follows:

Amounts in Euro	3 months 31-03-2019	3 months 31-03-2018
<b>Depreciation of property, plant and equipment</b>		
Land	-	-
Buildings and other constructions	(2,979,707)	(2,690,137)
Equipment	(32,684,382)	(31,606,091)
Other property, plant and equipment	(946,045)	(1,019,455)
	<u>(36,610,134)</u>	<u>(35,315,683)</u>
Investment grants	1,044,498	1,454,979
	<u>(35,565,636)</u>	<u>(33,860,703)</u>
<b>Depreciation of right-of-use assets (IFRS 16)</b>		
	(1,853,262)	-
<b>Impairment losses</b>		
Investment properties	(412)	(412)
Industrial property and other rights	(47)	(315)
	<u>(458)</u>	<u>(727)</u>
	<b>(37,419,356)</b>	<b>(33,861,430)</b>

## 10. NET FINANCIAL RESULTS

Financial results are detailed as follows for the three months periods ended 31 March 2019 and 2018:

Amounts in Euro	3 months 31-03-2019	3 months 31-03-2018
<b>Financial income</b>		
Interest earned on financial investments	1,298,297	124,176
Favourable exchange rate differences	934,974	1,093,103
Gains on financial instruments - trading (Note 31)	-	(76,458)
Gains on financial instruments - hedging (Note 31)	-	870,129
Gains on compensatory interest	18,656	-
Other income and financial gains	<u>228,981</u>	-
	<u>2,480,907</u>	<u>2,010,949</u>
<b>Financial expenses</b>		
Interest paid on borrowings	(2,459,930)	(2,272,709)
Losses on financial instruments - trading (Note 31)	(995,509)	-
Losses on financial instruments - exchange rate hedging (Note 31)	(953,569)	(307,754)
Losses on financial instruments - interest rate hedging (Note 31)	(491,734)	(483,268)
Guarantees and bank charges	(1,069,302)	(762,417)
Losses on compensatory interest	-	(229,810)
Lease interests (IFRS 16)	(444,463)	-
Other expenses and financial losses	<u>(251)</u>	<u>(3,471,281)</u>
	<u>(6,414,757)</u>	<u>(7,527,238)</u>
<b>Net financial results</b>	<b>(3,933,850)</b>	<b>(5,516,289)</b>

As opposed to the same period last year, in the 3-month period of 2019, net financial results were positively affected by the result of surplus liquidity investments in the amount of Euro 1.1 million and by the resulting effects of the sale of the pellet business (related to the USD 45 million still to be received) in the amount of Euro 3.8 million. Within this sale transaction, the amount of Euro 3,273,536 was recorded, last year, under Other expenses and financial losses as a result of the difference between the nominal and present values of the amount receivable, and which, in the period, recorded an interest amount and recognition of the time value of Euro 0.5 million recognised under Interest earned on financial investments and Other income and financial gains, respectively.

On the other hand, foreign exchange gains and losses arising from hedging programs carried out by the Group had a negative evolution in the amount of Euro 2.6 million. It should be noted that the variation of the settlements resulting from the financial instruments as well as the variations in premiums paid had an impact of Euro 1.5 million. Finally, it is also important to mention, the implementation of IFRS 16 which had a negative impact of Euro 0.4 million (Note 3.1).

## 11. INCOME TAX

Income tax is detailed as follows for the three months periods ended 31 March 2019 and 2018:

Amounts in Euro	3 months 31-03-2019	3 months 31-03-2018
Current tax (Note 23)	14,665,396	19,602,357
Provision/ Reversal for current tax	(2,130,659)	22,400,789
Deferred tax (Note 25)	418,875	(22,815,645)
	<b>12,953,612</b>	<b>19,187,500</b>

As of 31 March 2019, current tax includes Euros 14,207,888 (31 March 2018: Euros 21,551,715) regarding the liability created under the aggregated income tax regime of The Navigator Company, S.A. describe in Note 1.14.2.

For the three months periods ended 31 March 2019 and 2018, the reconciliation of the effective income tax rate was as follows:

Amounts in Euro	3 months 31-03-2019	3 months 31-03-2018
<b>Profit before tax</b>	<b>62,225,555</b>	<b>72,435,892</b>
Expected tax	21.00%	21.00%
Municipal surcharge	1.79%	2.18%
State surcharge	4.07%	5.42%
Differences (a)	(6.05%)	(2.12%)
	<b>20.82%</b>	<b>26.49%</b>
	<b>12,953,611</b>	<b>19,187,500</b>

(a) This amount includes essentially:

	3 months 31-03-2019	3 months 31-03-2018
Gains/ (losses) for tax purposes	17,382	38,814,220
Gains/ (losses) for accounting purposes	(17,492)	(75,029,539)
Taxable provisions	(12,494,088)	27,355,855
Tax benefits	(274,908)	(101,716)
Employee benefits	-	1,549,039
Other	(910,898)	1,839,062
	<b>(13,680,005)</b>	<b>(5,573,080)</b>
<b>Tax effect (27.5%)</b>	<b>(3,762,001)</b>	<b>(1,532,597)</b>

## 12. EARNINGS PER SHARE

Earnings per share were determined as follows:

Amounts in Euro	3 months 31-03-2019	3 months 31-03-2018
Profit attributable to the Company's shareholders	49,274,893	53,247,462
Total number of issued shares	717,500,000	717,500,000
Treasury shares - period average	(1,744,931)	(489,973)
	<b>715,755,069</b>	<b>717,010,027</b>
Basic earnings per share	0.069	0.074
Diluted earnings per share	0.069	0.074

Since there are no financial instruments convertible in Navigator Group shares, its earnings are undiluted.

The changes in the average number of treasury shares were as follows:

	2019	2018		
	Quantity	Accumulated Quantity	Quantity	Accumulated Quantity
Treasury shares held on January		864,049		489,973
Acquisitions				
January	880,882	1,744,931	-	489,973
February	-	1,744,931	-	489,973
March	-	1,744,931	-	489,973
<b>Treasury shares held on 31 March</b>		<b>1,744,931</b>		<b>489,973</b>
Other quarters			<b>374,076</b>	374,076
<b>Treasury shares held on 31 December</b>				<b>864,049</b>
<b>Average treasury shares held for the period</b>		<b>1,744,931</b>		<b>521,146</b>

## 13. APPROPRIATION OF PREVIOUS YEAR'S PROFIT AND RETAINED EARNINGS

The application of the results for 2018 and 2017 is detailed as follows:

Amounts in Euro	2018	2017
Distribution of dividends (excluding treasury shares)	200,003,439	170,003,077
Legal reserve	-	10,081,439
Bonus to employees	23,000,000	7,000,000
Retained earnings	5,249,318	30,416,921
	<b>228,252,757</b>	<b>217,501,437</b>

The resolution for the appropriation of the net profit for the period ended 31 December 2018, approved at the Navigator Company's General Meeting held on 9 April 2019, was based on the net profit for the period as defined by the IFRS. The difference in the net profit (individual and consolidated), in the amount of Euro 3,117,354, was transferred to Retained earnings.

## 14. GOODWILL

### NAVIGATOR PAPER FIGUEIRA, S.A.

Following the acquisition of 100% of the Navigator Paper Figueira, S.A. (former Soporcet – Sociedade Portuguesa de Papel, S.A.), for Euro 1,154,842,000, Goodwill amounting to Euro 428,132,254 was determined.

The goodwill generated on the acquisition of Navigator Paper Figueira was deemed to be allocable to the integrated paper production in Figueira da Foz Industrial Complex cash generating unit.

The book value of goodwill amounts to Euro 376,756,383 as it was amortised up to 31 December 2003 (date of transition to IFRS: 1 January 2004). As of that date, the accumulated depreciation amounted to Euro 51,375,871 from that date on, depreciation ceased and was replaced by annual impairment tests. If this amortisation had not been interrupted, the net book value of the Goodwill as at 31 March 2019 would amount to Euro 115,595,702 (31 de December 2018: Euro 119,877,025).

## NAVIGATOR TISSUE RÓDÃO, S.A.

On 6 February 2015 the procedures and contracts for the acquisition of Navigator Tissue Ródão, S.A. (previously named AMS-BR Star Paper, S.A.) were concluded, and the approval by the competition authorities for the acquisition was obtained on 17 April 2015.

To the initial acquisition difference, of Euro 21,337,916, was deducted the AICEP's investment subsidy and the fair value of the acquired tangible assets, with a goodwill amounting to Euro 583,083.

### Goodwill Impairment Analysis

Every year, the Navigator Company Group calculates the recoverable amount of each business, based on value-in-use calculations, in accordance with the Discounted Cash Flow method. The calculations are based on past performance and business expectations with the actual production structure, using the budget for next year and projected cash flows for the following 4 years, based on a constant sales volume. As a result of the calculations, up to this date no impairment losses have been identified.

The main assumptions for the above-mentioned calculation were as follows:

	<b>2018</b>	<b>2017</b>
Inflation rate	2.00%	2.00%
Discount rate (post-tax)	6.59%	6.84%
Production growth	0.00%	0.00%
Perpetuity growth rate	(1.00%)	(1.00%)

The discount rate presented above is a post-tax rate equivalent to a pre-tax discount rate of 9.09% (31 December 2017: 9.60%) and has been calculated in accordance with the WACC (Weighted Average Cost of Capital) methodology, based in the following assumptions:

	<b>2018</b>	<b>2017</b>
Risk-free interest rate (spread included)	2.55%	2.39%
Equity risk premium (market and entity)	5.00%	5.00%
Tax rate	27.50%	29.50%
Debt risk premium	3.11%	2.89%

## 15. OTHER INTANGIBLE ASSETS

During 2019 and 2018, the movement occurred in other intangible assets is detailed as follows:

Amounts in Euro	<b>Industrial property and other rights</b>	<b>CO<sub>2</sub> emission licences</b>	<b>Total</b>
<b>Acquisition cost</b>			
<b>Balance as of 1 January 2018</b>	<b>6,270</b>	<b>3,875,825</b>	<b>3,882,095</b>
Acquisitions	165	4,110,630	4,110,795
Disposals	-	-	-
Adjustments, transfers and write-offs	-	-	-
<b>Balance as of 31 March 2018</b>	<b>6,435</b>	<b>7,986,455</b>	<b>7,992,890</b>
Acquisitions	(126,519)	(126,519)	-
Disposals	-	-	-
Adjustments, transfers and write-offs	(3,300)	(4,975,303)	(4,978,603)
<b>Balance as of 31 December 2018</b>	<b>3,135</b>	<b>2,884,633</b>	<b>2,887,768</b>
Acquisitions	-	10,360,686	10,360,686
Disposals	-	-	-
Adjustments, transfers and write-offs	-	-	-
<b>Balance as of 31 March 2019</b>	<b>3,135</b>	<b>13,245,319</b>	<b>13,248,454</b>
<b>Accumulated depreciation and impairment losses</b>			
<b>Balance as of 1 January 2018</b>	<b>(3,850)</b>	-	<b>(3,850)</b>
Amortisations and impairment losses	(315)	-	(315)
Disposals	-	-	-
Adjustments, transfers and write-offs	-	-	-
<b>Balance as of 31 March 2018</b>	<b>(4,165)</b>	-	<b>(4,165)</b>
Amortisations and impairment losses	(450)	-	(450)
Disposals	-	-	-
Adjustments, transfers and write-offs	3,098	-	3,098
<b>Balance as of 31 December 2018</b>	<b>(1,517)</b>	-	<b>(1,517)</b>
Amortisations and impairment losses	(47)	-	(47)
Disposals	-	-	-
Adjustments, transfers and write-offs	-	-	-
<b>Balance as of 31 March 2019</b>	<b>(1,564)</b>	-	<b>(1,564)</b>
<b>Net book value as of 1 January 2018</b>	<b>2,420</b>	<b>3,875,825</b>	<b>3,878,244</b>
<b>Net book value as of 31 March 2018</b>	<b>10,600</b>	<b>7,986,455</b>	<b>7,997,055</b>
<b>Net book value as of 31 December 2018</b>	<b>1,618</b>	<b>2,884,633</b>	<b>2,886,251</b>
<b>Net book value as of 31 March 2019</b>	<b>1,571</b>	<b>13,245,319</b>	<b>13,246,890</b>

As at 31 March 2019, the Group held 467,540 CO<sub>2</sub> emission licenses with a market value as of that date of Euro 10,038,084 (31 March 2018: 1,074,620 licenses with a market value of Euro 12,401,110).

This amount includes forwards related to 250,000 emission licenses, acquired in 2016 and 2017, amounting to Euro 1,397,500 as at 31 March 2019 (31 de December 2018: 250,000 emission licenses with an amount of Euro 1,397,500) (Note 31.1).

## 16. PROPERTY, PLANT AND EQUIPMENT

During 2019 and 2018, changes in Property, plant and equipment, as well as the respective depreciation and impairment losses, were as follows:

Amounts in Euro	Land	Buildings and other constructions	Equipment and property, plant and equipment	Assets under construction	Total
<b>Acquisition cost</b>					
<b>Balance as of 1 January 2018</b>	<b>116,037,739</b>	<b>506,988,256</b>	<b>3,199,209,772</b>	<b>104,136,754</b>	<b>3,926,372,520</b>
Acquisitions	-	-	-	28,551,274	28,551,274
Disposals	(1,581,301)	-	(5,986)	-	(1,587,287)
Adjustments, transfers and write-offs	1,034,920	928,292	5,988,488	(3,893,507)	4,058,192
<b>Balance as of 31 March 2018</b>	<b>115,491,357</b>	<b>507,916,548</b>	<b>3,205,192,273</b>	<b>128,794,520</b>	<b>3,957,394,698</b>
Acquisitions	-	-	11,616,791	176,291,298	187,908,089
Disposals	(1,601,144)	(7,359)	(87,503)	-	(1,696,006)
Adjustments, transfers and write-offs	155,792	26,015,214	211,921,725	(243,497,072)	(5,404,340)
<b>Balance as of 31 December 2018</b>	<b>114,046,006</b>	<b>533,924,403</b>	<b>3,428,643,287</b>	<b>61,588,747</b>	<b>4,138,202,442</b>
Acquisitions	-	-	3,387,389	29,140,681	32,528,070
Disposals	(114,613)	-	(27,000)	-	(141,613)
Adjustments, transfers and write-offs	(2,309,641)	1,321,812	13,757,334	(14,969,109)	(2,199,604)
<b>Balance as of 31 March 2019</b>	<b>111,621,752</b>	<b>535,246,215</b>	<b>3,445,761,010</b>	<b>75,760,319</b>	<b>4,168,389,295</b>
<b>Accumulated depreciation and impairment losses</b>					
<b>Balance as of 1 January 2018</b>	<b>(170,652)</b>	<b>(318,000,353)</b>	<b>(2,437,076,464)</b>	<b>-</b>	<b>(2,755,247,469)</b>
Depreciation and impairment losses	-	(2,690,548)	(32,625,546)	-	(35,316,094)
Disposals	-	-	5,986	-	5,986
Adjustments, transfers and write-offs	-	-	-	-	-
<b>Balance as of 31 March 2018</b>	<b>(170,652)</b>	<b>(320,690,901)</b>	<b>(2,469,696,024)</b>	<b>-</b>	<b>(2,790,557,577)</b>
Depreciation and impairment losses	-	(8,561,093)	(100,250,147)	-	(108,811,240)
Disposals	-	5,838	(1,381)	-	4,457
Adjustments, transfers and write-offs	170,652	-	-	-	170,652
<b>Balance as of 31 December 2018</b>	<b>-</b>	<b>(329,246,156)</b>	<b>(2,569,947,552)</b>	<b>-</b>	<b>(2,899,193,708)</b>
Depreciation and impairment losses	-	(6,359,440)	(30,250,694)	-	(36,610,134)
Disposals	-	-	27,000	-	27,000
Adjustments, transfers and write-offs	-	94,269	(540,286)	-	(446,018)
<b>Balance as of 31 March 2019</b>	<b>-</b>	<b>(335,511,328)</b>	<b>(2,600,711,531)</b>	<b>-</b>	<b>(2,936,222,859)</b>
<b>Net book value as of 1 January 2018</b>	<b>115,867,087</b>	<b>188,987,903</b>	<b>762,133,307</b>	<b>104,136,754</b>	<b>1,171,125,052</b>
<b>Net book value as of 31 March 2018</b>	<b>115,320,705</b>	<b>187,225,646</b>	<b>735,496,250</b>	<b>128,794,520</b>	<b>1,166,837,122</b>
<b>Net book value as of 31 December 2018</b>	<b>114,046,006</b>	<b>204,678,247</b>	<b>858,695,735</b>	<b>61,588,747</b>	<b>1,239,008,734</b>
<b>Net book value as of 31 March 2019</b>	<b>111,621,752</b>	<b>199,734,887</b>	<b>845,049,479</b>	<b>75,760,319</b>	<b>1,232,166,435</b>

As at 31 March 2019, "Assets under construction" includes investments in projects under development already announced, in particular related with the paper tissue business segment, in the amount of Euro 11,522,072, with the highlight to the new Tissue factory in Aveiro (Euro 6,355,391) and the current tissue operation in Vila Velha de Ródão (Euro 5,166,681).

In the pulp business segment, assets under construction amount to Euro 15,767,303, which include the acquisition of a new pulp washer (Euro 3,431,590), the environmental plan of Aveiro (Euro 2,323,116), as well as improvements in the productive process.

Assets under construction associated with the paper segment amount to Euro 47,615,088 and are mainly related with the PM3 reconversion project for heavier paper in Setúbal (Euro 9,605,705), the construction of a biomass boiler in Figueira da Foz (Euro 9,755,787) as well as other other investments in productive process improvements (Euro 38,009,383).

In "Others" segment are included investments under development in the amount of Euro 855,856 which are expected to be fully completed in the near future.

Lands includes Euro 110,693,856 (2018: Euro 114,409,697) classified in the individual financial statements as investment properties, from which Euro 71,486,585 (2018: Euro 74,729,535) relate to forest land and Euro 39,207,271 (2018: Euro 39,680,162) to land allocated to industrial sites leased to the Group.

## 17. LEASE ASSETS

During 2019, changes in Lease assets, as well as depreciation and impairment losses associated, were as follows:

Amounts in Euro	Forest land	Buildings	Vehicles	Software licences	Other lease assets	Total
<b>Acquisition cost</b>						
<b>Balance as of 1 January 2019</b>	-	-	-	-	-	-
Acquisitions - IFRS 16 adoption	38,817,386	4,547,372	4,285,373	4,304,783	189,517	52,144,430
Disposals	-	-	-	-	-	-
Adjustments, transfers and write-offs	-	-	-	-	-	-
<b>Balance as of 31 March 2019</b>	<b>38,817,386</b>	<b>4,547,372</b>	<b>4,285,373</b>	<b>4,304,783</b>	<b>189,517</b>	<b>52,144,430</b>
<b>Accumulated depreciation and impairment losses</b>						
<b>Balance as of 1 January 2019</b>	-	-	-	-	-	-
Depreciation and impairment losses	(762,677)	(175,575)	(427,643)	(487,366)	-	(1,853,262)
Disposals	-	-	-	-	-	-
Adjustments, transfers and write-offs	-	-	-	-	-	-
<b>Balance as of 31 March 2019</b>	<b>(762,677)</b>	<b>(175,575)</b>	<b>(427,643)</b>	<b>(487,366)</b>	-	<b>(1,853,262)</b>
<b>Net book value as of 31 December 2018</b>						
<b>Net book value as of 31 March 2019</b>	<b>38,054,709</b>	<b>4,371,797</b>	<b>3,857,730</b>	<b>3,817,416</b>	<b>189,517</b>	<b>50,291,168</b>

## 18. INVESTMENT PROPERTIES

As at 31 March 2019 and 31 December 2018, the Group had the following assets classified as investment properties:

Amounts in Euro	Land	Buildings and other constructions	Total
<b>Acquisition cost</b>			
<b>Balance as of 1 January 2018</b>		<b>424,744</b>	<b>82,307</b>
Acquisitions	-	-	-
Impairment losses	-	-	-
Disposals	-	-	-
Adjustments, transfers and write-offs	-	-	-
<b>Balance as of 31 March 2018</b>		<b>424,744</b>	<b>82,307</b>
Acquisitions	-	-	-
Impairment losses	-	-	-
Disposals	-	-	-
Adjustments, transfers and write-offs	-	-	-
<b>Balance as of 31 December 2018</b>		<b>424,744</b>	<b>82,307</b>
Acquisitions	-	-	-
Impairment losses	-	-	-
Disposals	-	-	-
Adjustments, transfers and write-offs	-	-	-
<b>Balance as of 31 March 2019</b>		<b>424,744</b>	<b>82,307</b>
<b>Accumulated depreciation and impairment losses</b>			
<b>Balance as of 1 January 2018</b>		<b>(399,372)</b>	<b>(8,505)</b>
Depreciation and impairment losses	-	(412)	(412)
Disposals	-	-	-
Adjustments, transfers and write-offs	-	-	-
<b>Balance as of 31 March 2018</b>		<b>(399,372)</b>	<b>(8,917)</b>
Depreciation and impairment losses	-	(1,234)	(1,234)
Disposals	-	-	-
Adjustments, transfers and write-offs	-	-	-
<b>Balance as of 31 December 2018</b>		<b>(399,372)</b>	<b>(10,151)</b>
Depreciation and impairment losses	-	(412)	(412)
Disposals	-	-	-
Adjustments, transfers and write-offs	-	-	-
<b>Balance as of 31 March 2019</b>		<b>(399,372)</b>	<b>(10,563)</b>
<b>Net book value as of 1 January 2018</b>		<b>25,372</b>	<b>73,802</b>
<b>Net book value as of 31 March 2018</b>		<b>25,372</b>	<b>91,224</b>
<b>Net book value as of 31 December 2018</b>		<b>25,372</b>	<b>72,156</b>
<b>Net book value as of 31 March 2019</b>		<b>25,372</b>	<b>71,744</b>

These assets are not allocated to the Group's operating activity, nor do they have any future use determined.

## 19. BIOLOGICAL ASSETS

During 2019 and 2018, changes in biological assets were as follows:

Amounts in Euro	2019	2018
<b>Balance as of 1 January</b>	<b>119,614,567</b>	<b>129,396,936</b>
Logging in the period	(6,128,214)	(4,010,344)
Growth	393,388	242,788
New planted areas and replanting (at cost)	837,724	630,564
Other fair value changes	3,598,417	4,352,845
	<b>(1,298,685)</b>	<b>1,215,853</b>
<b>Balance as of 31 March</b>	<b>118,315,882</b>	<b>130,612,789</b>
Other quarters		(10,998,222)
<b>Balance as of 31 December</b>	<b>119,614,567</b>	

The amounts shown as "Other changes in fair value" correspond to the costs of forest asset management foreseen and incurred in the period:

Amounts in Euro	31-03-2019	31-03-2018
<b>Cost of assets management</b>		
Forestry	738,233	586,416
Structure	647,310	809,489
Fixed and variable rents	2,212,875	2,956,940
	<b>3,598,417</b>	<b>4,352,845</b>

As at 31 March 2019 and 31 December 2018, biological assets, by species, were detailed as follows:

Amounts in Euro	31-03-2019	31-12-2018
Eucalyptus (Portugal)	111,636,727	112,935,412
Pine (Portugal)	4,590,452	4,590,452
Cork oak (Portugal)	1,848,841	1,848,841
Other species (Portugal)	239,861	239,861
	<b>118,315,882</b>	<b>119,614,567</b>

These amounts correspond to management's expectation of the volumes to be extracted from its woodlands in the future, as follows:

Amounts in Euro	31-03-2019	31-12-2018
Eucalyptus (Portugal) - Potential future of wood extractions k m <sup>3</sup> ssc	9,571	9,571
Pine (Portugal) - Potential future wood extractions k ton	389	389
Pine (Portugal) - Potential future pine extractions k ton	n/a	n/a
Cork oak (Portugal) - Potential future cork extractions k @	611	611

Concerning Eucalyptus in Portugal, the most relevant biological asset in the financial statements for the 3 months period ended 31 March 2019 and 2018, the Group extracted 160,836 m<sup>3</sup>ssc and 145,101 m<sup>3</sup>ssc of wood from its owned and explored forests, respectively.

In addition, as at 31 March 2019 and 31 December 2018 (i), there are no amounts of biological assets whose property is restricted and/or pledged as guarantee for liabilities, nor there are non-reversible commitments related to the acquisition of biological assets, and (ii) there are no government subsidies related to biological assets recognized in the Group's consolidated financial statements.

## 20. OTHER FINANCIAL ASSETS

As at 31 March 2019 and 31 December 2018, Other Financial Assets were as follows:

Amounts in Euro	31-03-2019	31-12-2018
Enviva Pellets Greenwood, LLC (EUA)	32,126,681	33,448,788
Department of Commerce (EUA)	25,629,469	25,597,410
Other receivables	3,600,967	3,600,967
Other receivables- AICEP grants	42,166,636	-
Other investments	546,353	521,747
	<b>104,070,107</b>	<b>63,168,912</b>

In 2015 the Group was subject to an investigation for alleged dumping practices on UWF exports to the United States of America and an anti-dumping definitive tax rate of 1.75% was applied last October for the review period from August of 2015 to February 2017. The Group is entitled to a reimbursement in the amount of Euro 25,629,469, as a result of the higher rates (29.53% and 7.8%), applied over the same period.

Once the complainants took legal action over the settling of the 1.75% rate, it is expected that the reimbursement will occur more than 12 months after the balance sheet date, which is the reason why this amount was reclassified, in the period, to non-current assets.

The amount receivable from AICEP relates to the granting of financial incentives, namely the financial incentive negotiated with AICEP - *Agência para o Investimento e Comércio Externo de Portugal*, for the construction of the new tissue factory in Aveiro. This refundable incentive, includes a grace period of two years, without interest, with a maximum amount of Euro 42,166,636, corresponding to 35% of the amount of expenses considered as eligible and was reclassified to non-current assets (see Note 22).

## 21. FINANCIAL ASSETS AVAILABLE FOR SALE

As at 31 March 2019, Financial assets available for sale shows the amount of Euro 2,522,026 and includes land held for sale, not suitable for forestry, mainly located in the North and Centre of the country (Trás-os-Montes and Idanha-a-Nova, respectively).

## 22. RECEIVABLES AND OTHER CURRENT ASSETS

As at 31 March 2019 and 31 December 2018, Receivables and other current assets were detailed as follows:

Amounts in Euro	31-03-2019	31-12-2018
Trade receivables	220,233,706	225,803,124
Trade receivables -Group companies (Note 32)	440,207	216,059
Other receivables	21,223,583	56,333,921
Derivative financial instruments (Note 31)	595,147	465,825
Accrued income	15,924,219	19,229,947
Deferred costs	13,395,485	5,701,813
	<b>271,812,347</b>	<b>307,750,689</b>

The amounts receivable shown above are net of adjustments.

As at 31 March 2019 and 31 December 2018, Other receivables were detailed as follows:

Amounts in Euro	31-03-2019	31-12-2018
Advances to employees	474,035	565,027
Advances to suppliers	5,772,976	163,004
Financial incentives receivable	9,209,460	51,271,101
Other debtors	5,767,113	4,334,789
	<b>21,223,583</b>	<b>56,333,921</b>

The amount shown as "Advances to suppliers" refers to advanced payments made to wood suppliers. As a way of ensuring the sustainability of the forest value chain to the industry, the Group advances payments to its suppliers upon presentation of guarantees, for the wood to be bought throughout the year. Those advances are settled as supplies are delivered.

The evolution of financial incentives to be received is detailed as follows:

Amounts in Euro	2019	2018
Balance on 1 January	51,271,101	42,105
Increase/ (decrease)	(42,043,429)	700,010
Assignments	-	50,930,086
Received in the period	(18,212)	(401,100)
<b>Balance on 31 December</b>	<b>9,209,459</b>	<b>51,271,101</b>

The financial incentive negotiated with AICEP - *Agência para o Investimento e Comércio Externo de Portugal*, for the construction of the new tissue factory in Cacia was reclassified to non-current assets.

The balance financial incentives to be received, as at 31 March 2019, also includes the assignment of financial incentives granted within several research and development projects, namely the Inpactus project (Euro 5,585,300) and others (Euro 3,519,165), whose expectation of the Group is that all the conditions precedent to its receipt are guaranteed.

As at 31 March 2019 and 31 December 2018, Accrued income and Deferred costs were detailed as follows:

Amounts in Euro	31-03-2019	31-12-2018
<b>Accrued income</b>		
Interest receivable	111,663	2,139,566
Energy sales	15,369,275	15,981,121
Other	443,281	1,109,260
	<b>15,924,219</b>	<b>19,229,947</b>
<b>Deferred costs</b>		
Rents	4,501,542	4,127,809
Insurance	8,704,117	1,396,919
Other	189,826	177,085
	<b>13,395,485</b>	<b>5,701,813</b>
	<b>29,319,703</b>	<b>24,931,760</b>

## 23. STATE AND OTHER PUBLIC ENTITIES

As at 31 March 2019 and 31 December 2018, there were no overdue debts to the State and other public entities.

Balances with these entities were as follows:

## Current assets

Amounts in Euro	31-03-2019	31-12-2018
<b>State and other public entities</b>		
Value added tax - reimbursement requests	72,570,677	49,093,762
Value added tax - recoverable	5,319,738	14,119,222
Amounts pending repayment (tax proceedings decided in favor of the Group)	8,152,965	16,538,446
	<b>86,043,379</b>	<b>79,751,430</b>

As at 31 March 2019, the amount of reimbursement requests comprised the following, by month and by company:

Amounts in Euro	Dec/2018	Jan/2019	Feb/2019	Mar/2019	Total
The Navigator Company, S.A.	-	21,968,535	20,799,094	24,702,225	67,469,854
Eucaliptusland, S.A.	140,000	-	-	-	140,000
About The Future, S.A.	-	-	-	27,865	27,865
Bosques do Atlântico, S.L.	-	-	-	4,932,958	4,932,958
	<b>140,000</b>	<b>21,968,535</b>	<b>20,799,094</b>	<b>29,663,048</b>	<b>72,570,677</b>

Up to the date of issuing this report, Euro 67,637,719 of the outstanding amounts as of 31 March 2019, had already been received.

As at 31 December 2018, the amount of reimbursement requests comprised the following, by month and by company:

Amounts in Euro	Nov/2018	Dez/2018	Total
The Navigator Company, S.A.	-	20,408,801	20,408,801
About The Future, S.A.	-	12,301,663	12,301,663
Enerpulp, S.A.	-	10,000,000	10,000,000
Bosques do Atlântico, S.L.	-	5,256,623	5,256,623
Navigator Forest Portugal, S.A.	400,000	-	400,000
Navigator Paper Setúbal, S.A.	-	200,000	200,000
Gavião - Sociedade de Caça e Turismo, S.A.	-	189,272	189,272
Eucaliptusland, S.A.	-	140,000	140,000
Sociedade de Vinhos da Herdade de Espirra, S.A.	-	77,718	77,718
Arboser, S.A.	-	64,073	64,073
Portucel Florestal, S.A.	-	55,612	55,612
	<b>400,000</b>	<b>48,693,762</b>	<b>49,093,762</b>

All these amounts were received up to the date of issuance of this report.

As at 31 December 2018 and 2017, the amounts pending repayment from tax proceedings decided in favour of the Group, were as follows:

	31-03-2019	31-12-2018
Corporate income tax (Special Tax Regime for Group Companies - RETGS) 2013	-	8,715,786
Corporate income tax 2012 - Process no. 727/2016-T	4,422,958	4,422,958
VAT 2003	2,281,342	2,281,342
Other	1,448,665	1,118,361
	<b>8,152,965</b>	<b>16,538,446</b>

## Current liabilities

Amounts in Euro	31-03-2019	31-12-2018
<b>State and other public entities</b>		
Corporate income tax	45,894,018	31,939,851
Personal income tax	1,816,343	2,332,455
Value added tax	32,847,512	41,832,900
Social Security contributions	2,224,819	2,271,807
Additional tax liabilities	1,463,127	12,277,050
Other	963,482	120,985
	<b>85,209,301</b>	<b>90,775,049</b>

As previously mentioned, since 1 July 2015, The Navigator Company and its subsidiaries were part of the taxation group led by The Navigator Company, S.A. Therefore, although each group company calculated its income taxes as if it was taxed independently, the determined liabilities were recognised as due to the leader of the taxation group who proceeded with the overall computation and the settlement of the income tax (Note 11).

Corporate income tax is detailed as follows:

Amounts in Euro	31-03-2019	31-12-2018
Corporate income tax (Note 11)	14,665,396	72,039,659
Payments on account	-	(39,807,135)
Withholding tax	(662,277)	(22,886)
Corporate income tax payable/ (receivable) from prior periods	31,256,486	-
Other receivables/ (payables)	634,414	(269,786)
<b>Closing balance</b>	<b>45,894,018</b>	<b>31,939,851</b>

The changes in additional tax liabilities as at 31 March 2019 and 31 December 2018, were as follows:

Amounts in Euro	2019	2018
<b>As of 1 January</b>	12,277,050	1,463,127
Increases	-	10,813,923
Decreases	(10,813,923)	-
<b>As of 31 December</b>	<b>1,463,127</b>	<b>12,277,050</b>

As part of the tax inspection process for the 2013 period, The Navigator Company, SA was notified regarding the Final Tax Inspection Report, dated 4 September 2017, which, among other things, contained a correction to the income tax calculation, in the amount of Euro 17,727,402 relating to the improper use of RFAI (*Regime Fiscal de Apoio ao Investimento*) carried forward with respect to previous periods.

Navigator did not agree with the identified correction and decided to contest it providing a bank guarantee in the amount of Euro 26,022,893 in order to suspend the tax execution procedure, following several litigation processes already presented on that matter since 2012.

Following a favorable decision on one of the most relevant cases presented and, as a result of Navigator's insistence throughout this litigation and in particular the litigation initiated at the end of 2017, regarding the change of the Portuguese Tax Authorities (AT) internal understanding on one of the key issues under discussion (i.e., the admissibility of the RFAI reporting), at the end of 2018, AT allowed the deduction of the entire RFAI recognised by Navigator during the periods between 2009 and 2013.

On this basis, AT reimbursed the corresponding tax paid in the 2010, 2011 and 2012 periods by accepting a higher deduction of RFAI, in the total amount of Euro 10,801,901. In addition, Navigator paid, by reference to 2013, the additional RFAI deduction agreed between 2010 and 2012 because it is no longer available for reporting and deduction purposes in that same year, in the amount of Euro 10,813,923.

As at 31 March 2019 and 31 December 2018, the additional tax liabilities are detailed as follows:

	<b>31-03-2019</b>	<b>31-12-2018</b>
Amounts in Euro		
Bosques do Atântico	1,463,127	1,463,127
Corporate income tax (RETGS) 2013	-	10,813,923
	<b>1,463,127</b>	<b>12,277,050</b>

## 24. SHARE CAPITAL AND TREASURY SHARES

The Navigator Company is a public company with its shares quoted on the Euronext Lisbon.

As at 31 March 2019, The Navigator Company's share capital of Euro 500,000,000 was fully subscribed and paid for being represented by 717,500,000 shares without nominal value.

At the General Meeting held on 22 September 2017, a reduction of the Company's share capital from Euro 717,500,000 to Euro 500,000,000 was approved, maintaining the number of shares representing the company's share capital and for the purpose of releasing excess capital, transferring to free reserves the amount of the capital released.

These shares were mainly acquired during 2008 and 2012, and the changes in the period were as follows:

	<b>2019</b>	<b>2018</b>		
Amounts in Euro	<b>Quantity</b>	<b>Value</b>	<b>Quantity</b>	<b>Value</b>
<b>Treasury shares held in January</b>	<b>1,744,931</b>	<b>5,629,882</b>	<b>864,049</b>	<b>2,317,915</b>
Acquisitions				
January	-	-	880,882	3,311,967
February	-	-	-	-
March	-	-	-	-
	<b>-</b>	<b>-</b>	<b>880,882</b>	<b>3,311,967</b>
<b>Treasury shares held in March</b>	<b>1,744,931</b>	<b>5,629,882</b>	<b>1,744,931</b>	<b>5,629,882</b>
Other quarters			-	-
<b>Treasury shares held in December</b>			<b>1,744,931</b>	<b>5,629,882</b>

Treasury shares are stated at acquisition cost.

The market value of the treasury shares held on 31 March 2019 amounted to Euro 7,119,318 (31 December 2018: Euro 3,110,576), corresponding to a unit value of Euro 4.08 (31 December 2018: Euro 3.6) and the market capitalization of the Company at this date amounted to Euro 2,927,400,000 (2018: Euro 2,583,000,000) compared to an equity, net of non-controlling interests, of Euro 1,221,953,245 (2018: Euro 1,186,413,158).

As at 31 March 2019 and 31 December 2018, the shareholders with qualified shareholdings in the Company's capital were as follows:

<b>Entity</b>	<b>31-03-2019</b>		<b>31-12-2018</b>	
	<b>No. of shares</b>	<b>Capital %</b>	<b>No. of shares</b>	<b>Capital %</b>
Seinpar Investments, BV	241,583,015	33.67%	241,583,015	33.67%
Semapa, SGPS, S.A.	256,034,284	35.68%	256,033,284	35.68%
Other Semapa Group Companies	-	0.00%	1,000	0.00%
Treasury shares	1,744,931	0.24%	864,049	0.12%
Floating shares	218,137,770	30.40%	219,018,652	30.53%
<b>Total shares</b>	<b>717,500,000</b>	<b>100.00%</b>	<b>717,500,000</b>	<b>100.00%</b>

## 25. DEFERRED TAXES

In 2019 and 2018, changes in assets and liabilities as a result of deferred taxes were as follows:

Amounts in Euro	1 January 2019	Income Statement		Equity	Other liabilities	31 March 2019
		Increases	Decreases			
<b>Temporary differences originating deferred tax assets</b>						
Conventional capital remuneration	9,240,000	6,160,000	-	(2,520,000)	-	12,880,000
Taxed provisions	1,439,796	-	(1,118,830)	-	-	320,966
Adjustments in property, plant and equipment	104,175,669	-	(9,448,465)	-	-	94,727,204
Financial instruments	7,489,391	-	-	3,222,686	-	10,712,077
Deferred accounting gains on inter-group transactions	39,285,900	11,176,199	(2,052,720)	-	-	48,409,379
Government grants	203,588	-	-	-	-	203,588
	<b>161,834,344</b>	<b>17,336,199</b>	<b>(12,620,014)</b>	<b>702,586</b>	-	<b>167,253,216</b>
<b>Temporary differences originating deferred tax liabilities</b>						
Pension fund	(16,445)	-	-	-	-	(16,445)
Derivative financial instruments at fair value	(144,728)	-	-	-	-	(144,728)
Valuation of biological assets	(13,969,979)	-	80,716	-	-	(13,889,264)
Extension of useful lives of property, plant and equipment	(208,882,941)	(6,601,827)	-	-	-	(215,484,768)
Deferred accounting losses on inter-group transactions	(9,994,509)	-	-	-	-	(9,994,509)
Government grants	(7,439,159)	-	281,746	(1,293,278)	-	(8,450,691)
	<b>(240,447,762)</b>	<b>(6,601,827)</b>	<b>362,462</b>	<b>(1,293,278)</b>	-	<b>(247,980,403)</b>
<b>Amounts recognised in the balance sheet</b>						
Deferred tax assets	44,504,445	4,767,455	(3,470,504)	193,239	-	45,994,636
Tax incentives for investment	26,502,330	-	-	-	-	26,502,330
	<b>71,006,775</b>	<b>4,767,455</b>	<b>(3,470,504)</b>	<b>193,239</b>	-	<b>72,496,966</b>
Deferred tax liabilities	(66,123,135)	(1,815,502)	99,677	(355,651)	-	(68,194,613)
	<b>(66,123,135)</b>	<b>(1,815,502)</b>	<b>99,677</b>	<b>(355,651)</b>	-	<b>(68,194,613)</b>
Amounts in Euro	1 January 2018	Income Statement		Equity	Other liabilities	31 December 2018
		Increases	Decreases			
<b>Temporary differences originating deferred tax assets</b>						
Conventional capital remuneration	12,320,000	-	(3,080,000)	-	-	9,240,000
Taxed provisions	1,336,534	114,470	(11,208)	-	-	1,439,796
Adjustments in property, plant and equipment	100,829,491	21,310,027	(17,963,850)	-	-	104,175,669
Financial instruments	3,885,952	-	-	3,603,439	-	7,489,391
Deferred accounting gains on inter-group transactions	36,424,408	7,805,659	(4,944,168)	-	-	39,285,900
Government grants	7,849,328	-	(7,645,740)	-	-	203,588
	<b>162,645,714</b>	<b>29,230,156</b>	<b>(33,644,965)</b>	<b>3,603,439</b>	-	<b>161,834,345</b>
<b>Temporary differences originating deferred tax liabilities</b>						
Retirement benefits	(117,966)	319,261	-	(217,740)	-	(16,445)
Derivative financial instruments at fair value	(144,728)	-	-	-	-	(144,728)
Valuation of biological assets	(10,246,504)	(6,996,837)	3,273,362	-	-	(13,969,979)
Extension of useful lives of property, plant and equipment	(232,993,493)	(2,319,688)	26,430,239	-	-	(208,882,941)
Deferred accounting losses on inter-group transactions	(49,497,874)	(10,191,596)	49,694,961	-	-	(9,994,509)
Government grants	(8,903,132)	-	1,214,788	249,185	-	(7,439,159)
	<b>(301,903,697)</b>	<b>(19,188,860)</b>	<b>80,613,351</b>	<b>31,444</b>	-	<b>(240,447,761)</b>
<b>Amounts recognised in balance sheet</b>						
Deferred tax assets	44,727,571	8,038,293	(9,252,365)	990,946	-	44,504,445
Tax incentives for investment	-	-	-	-	26,502,330	26,502,330
	<b>44,727,571</b>	<b>8,038,293</b>	<b>(9,252,365)</b>	<b>990,946</b>	<b>26,502,330</b>	<b>71,006,775</b>
Deferred tax liabilities	(83,023,517)	(5,276,936)	22,168,671	8,647	-	(66,123,135)
	<b>(83,023,517)</b>	<b>(5,276,936)</b>	<b>22,168,671</b>	<b>8,647</b>	-	<b>(66,123,135)</b>

In the measurement of the deferred taxes as at 31 March 2019 and 31 December 2018, the corporate income tax rate used was 27.50%.

## 26. PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

### 26.1 Introduction

Some Group companies grant their employees post-retirement benefits, either in the form of defined benefit plans or in the form of defined contribution plans.

The plans are funded through a closed Pension Fund, managed by an external entity, which subcontracts the management of its assets to external asset management entities.

#### A. Pension plan – Defined benefit

The Group has responsibilities with post-employment benefit plans for a group of 506 Employees who have chosen to maintain the defined benefit plan or who have chosen to maintain a safeguard clause, the latter following the conversion of their plan into a Defined Contribution Plan. In effect, the safeguard clause gives the employee the option, at the time of retirement, to pay a pension in accordance with the provisions laid down on the Defined Benefit Plan. For those who choose to activate the Safeguard Clause, the accumulated balance in the Defined Contribution Plan (Account 1) will be used to finance the liability of the Defined Benefit Plan.

#### B. Pension Plan – Defined contribution

As at 31 March 2019, three Defined Contribution plans were in force, which covered 2,629 employees, excluding employees who chose to maintain a benefit safeguard clause.

## 26.2 Defined benefit plan

As at 31 March 2019 and 31 December 2018, the coverage of the companies' liabilities by the assets of the funds was as follows:

Amounts in Euro	No. of Beneficiaries	31-03-2019	No. of Beneficiaries	31-12-2018
Future service liabilities		18,732,304		
Past service liabilities				
- Active employees (including individual accounts)	506	57,373,503	506	57,373,503
- Former employees	125	21,042,206	125	21,042,206
- Retired employees	506	76,040,531	506	76,040,531
Market value of the pension funds		(152,809,726)		(147,131,961)
	1,137	<b>20,378,817</b>	1,137	<b>7,324,279</b>
<b>Insufficient funds/ overfunding</b>		<b>20,378,817</b>		<b>7,324,279</b>

As at 31 March 2019, the amount of liabilities related to the post-employment benefit plans of one non-executive Director of the Navigator Group amounted to Euro 1,025,289.

As at 31 March 2019, the increase in liabilities results from future service liabilities, corresponding to rights acquired, in the amount of Euro 18,732,304, which were recorded against Equity.

### 26.2.1 Assumptions used in the valuation of liabilities

The actuarial studies developed by an independent entity for determine the accumulated liabilities as at 31 March 2019 and 31 December 2018 were based on the following assumptions:

	31-03-2019	31-12-2018	Real outcome	
			31-03-2019	31-12-2018
Disability table	EKV 80	EKV 80	-	-
Mortality table	TV 88/90	TV 88/90	-	-
Wage growth rate	1.00%	1.00%	2.00%	1.65%
Technical interest rate	2.00%	2.00%	-	-
Return rate on plan assets	2.00%	2.00%	5.08%	-3.84%
Pension growth rate	0.75%	0.75%	1.75%	1.24%

The discount rates used in this calculation were selected by reference to the yield rates of a set of high-quality corporate bonds. Bonds whose maturity and rating were considered appropriate were selected, considering the amount and the timing of the cash flows associated with the payment of benefits to Employees.

The following table presents the five-year historical information on the present value of liabilities, the market value of the funds, non-financed liabilities and net actuarial gains/ (losses). This information from 2015 to the first quarter of 2019 is as follows:

Amounts in Euro	2015	2016	2017	2018	2019
Present value of liabilities	139,312,363	148,877,898	151,199,735	154,456,240	173,188,544
Fair value of plan assets	143,067,688	142,420,782	146,109,493	147,131,961	152,809,726
Surplus/ (deficit)	3,755,326	(6,457,116)	(5,090,242)	(7,324,279)	(20,378,817)

### 26.2.2 Changes in liabilities with retirement and pension plans

The movements in liabilities with retirement and pension plans in 2019 and 2018 were as follows:

Amounts in Euro	2019	2018
Opening balance	154,456,240	151,199,735
Remeasurement (actuarial deviations)	-	129,731
Future service liabilities	18,732,304	-
Accrued responsibility with planned withdrawals	-	1,082,564
Costs recognised in the Income Statement	-	1,197,641
Pensions paid	-	(1,128,742)
<b>As of 31 March</b>	<b>152,480,929</b>	
Other quarters		1,975,311
<b>As of 31 December</b>	<b>173,188,544</b>	<b>154,456,240</b>

The average maturity of the defined benefit plans' liabilities is 14.8 years.

### 26.2.3 Changes in the Fund's assets

As at 31 March 2019 and 31 December 2018, the funds set up to cover the above mentioned liabilities presented the following movements:

Amounts in Euro	2019	2018
Opening balance	147,131,961	146,109,493
Expected income for the period	-	731,577
Remeasurement (actuarial deviations)	5,677,765	(3,165,044)
Pensions paid	-	(1,128,742)
Other changes	-	(5,973)
<b>As of 31 March</b>	<b>152,809,726</b>	<b>142,541,311</b>
Other quarters		4,590,650
<b>As of 31 December</b>	<b>147,131,961</b>	

The impact of Euro 5,677,765 is due to the higher profitability of assets when compared with the profitability rates considered in the assumptions.

The assets of the pension fund related to the defined benefit plan are under the management of Schroders, BlackRock and Credit Suisse, as detailed below:

Amounts in Euro	2019	2018
Defined Benefit and Account 1:		
Occidental - Pensions	(81,836)	10,279,422
Schroders	54,399,529	47,959,790
BlackRock	54,588,201	46,386,780
Account 1 - Credit Suisse	43,903,833	42,505,969
<b>Total Defined Benefit and Account 1</b>	<b>152,809,726</b>	<b>147,131,961</b>

The detail of the fund's assets as at 31 March 2019 and 31 December 2018 was as follows:

Amounts in Euro	31-03-2019	31-12-2018
Bonds	109,438,545	97,880,071
Shares	38,042,865	34,189,195
Liquidity	5,318,373	5,052,752
Other short-term investments	-	10,000,000
Property	9,943	9,943
<b>152,809,726</b>	<b>147,131,961</b>	

Of the assets that compose the fund, all the shares and bonds presented are quoted on the regulated market.

It should be noted that, in 2018, the amount of Euro 10,000,000 available in the "Occidental - Pensions" account relates to the contribution made by the Group at the end of the year, which was not yet invested as at 31 December 2018.

### 26.3 Defined contribution plan

As at 31 March 2019, three defined contribution plans were in force for a group of employees.

The assets of the pension fund that finance the defined contribution plans are under the management of the BMO, as detailed below:

Amounts in Euro	No. of Beneficiaries	Profitability %	2019	No. of Beneficiaries	Profitability %	2018
<b>Defined Contribution (BMO):</b>						
Defensive Sub-Fund	142	1.33%	9,932,478	116	(1.81%)	8,983,980
Conservative Sub-Fund	404	1.40%	21,294,446	336	(2.51%)	20,884,122
Dynamic Sub-Fund	683	1.54%	13,583,490	480	(3.79%)	13,649,515
Agressive Sub-Fund	1,400	1.86%	4,781,267	184	(5.51%)	4,416,753
<b>Total Defined Contribution</b>	<b>2,629</b>		<b>49,591,681</b>	<b>1,116</b>		<b>47,934,370</b>
			<b>202,554,780</b>			<b>195,066,331</b>

The increase in beneficiaries in the defined contribution plan is due to the fact that the Group, in order to cover a larger number of employees, has established a new Defined Contribution plan that entered into force at the beginning of 2019. This new plan had retroactive effects as of 1 January 2017 or 1 January 2018, depending on the beneficiary.

## 26.4 Impact on the income statement for the period

The effect of these plans in the income statement for the period ended 31 March 2019 and 31 December 2018 was as follows:

Amounts in Euro	3 months 31-03-2019	3 months 31-03-2018
<b>Defined Benefit Plans</b>		
Current services	-	1,572,200
Interest expenses	-	708,005
Return on plan assets	-	(731,577)
Liabilities redemption	-	6,373
	<b>-</b>	<b>1,555,001</b>
<b>Defined Contribution Plan</b>		
Contributions for the period	331,231	291,605
	<b>331,231</b>	<b>291,605</b>
<b>Costs for the period</b>	<b>331,231</b>	<b>1,846,606</b>

## 27. PROVISIONS

In 2019 and 2018, changes in provisions were as follows:

Amounts in Euro	Legal Claims	Tax Claims	Other	Total
<b>Balance as of 1 January 2018</b>				
Increases	-	-	810,444	810,444
Reversals	(153,535)	-	(1,547,329)	(1,700,864)
Transfers/ Adjustments	(77,345)	21,188,974	(7,011)	21,104,618
<b>Balance as of 31 March 2018</b>	<b>3,928,276</b>	<b>35,019,162</b>	<b>803,406</b>	<b>39,750,845</b>
Increases	1,111,546	-	14,298,842	15,410,388
Reversals	(299,539)	(673,509)	27	(973,020)
Transfers/ Adjustments	45,692	(11,175,444)	7,011	(11,122,742)
<b>Balance as of 31 December 2018</b>	<b>4,785,976</b>	<b>23,170,208</b>	<b>15,109,286</b>	<b>43,065,470</b>
Increases	-	-	2,121,081	2,121,081
Reversals	(832,076)	-	-	(832,076)
Transfers/ Adjustments	(8,684)	(2,894,688)	-	(2,903,372)
<b>Balance as of 31 March 2019</b>	<b>3,945,216</b>	<b>20,275,520</b>	<b>17,230,367</b>	<b>41,451,103</b>

The outcome of provisions for legal claims depends on the labor or civil court decisions.

The amount of provisions stated as "Tax claims" results from the Navigator Group's judgment at the Statement of financial position date, about the potential disagreement with the Portuguese Tax Authorities, considering most recent updates about this events.

In 2018, increases recorded under the caption "Other provisions" include Euro 12 million related to the Mozambique project. As communicated to the market on 9 July 2018, Portucel Moçambique and the Mozambican Government signed a Memorandum of Understanding (MoU) regarding the reformulation of the investment project that will start being developed in two phases. In a first moment will occur the creation of a forestry of approximately 40,000 hectares which will ensure the supply of a unit (to be built) to produce eucalyptus wood chips for export, around 1 million tons per year, representing a total estimated investment of USD 140 million.

Although the Memorandum of Understanding (MoU) signed with the Mozambican Government in July 2018 provided for a "best effort" commitment to create the necessary conditions to carry out the investment until last 31 December, that was not possible, and both parties continued to work towards that goal. In this context and given the current conditions, Navigator prudently decided to record an additional provision in its accounts, at the end of 2018, in the amount of Euro 12 million, in addition to impairments already recorded (see Note 21), in order to reflect the current development stage of the project.

## 28. INTEREST-BEARING LIABILITIES AND OTHER LIABILITIES

### 28.1 Interest-bearing liabilities

As at 31 March 2019 and 31 December 2018, interest-bearing liabilities comprised the following:

31-03-2019		Available amount	Outstanding amount	Maturity	Interest rate	Current	Non-current
<b>Amounts in Euro</b>							
<b>Bond loans</b>							
Navigator 2015-2023	200,000,000	200,000,000	September 2023	Variable rate indexed to Euribor	-	200,000,000	
Navigator 2016-2021	100,000,000	100,000,000	April 2021	Flat rate	-	100,000,000	
Navigator 2016-2021	45,000,000	45,000,000	August 2021	Variable rate indexed to Euribor	-	45,000,000	
Navigator 2019-2026	50,000,000	50,000,000	January 2026	Flat rate	-	50,000,000	
Navigator 2019-2025	50,000,000	50,000,000	March 2025	Variable rate indexed to Euribor	-	50,000,000	
Comissões		(3,412,515)					(3,412,515)
<b>European Bank Investment</b>							
Loan BEI Ambiente B	8,333,334	8,333,334	June 2021	Variable rate indexed to Euribor	3,333,334	5,000,000	
Loan BEI Energia	42,500,000	42,500,000	December 2024	Variable rate indexed to Euribor	7,083,333	35,416,667	
Loan BEI Cacia	25,000,000	25,000,000	May 2028	Flat rate	1,388,889	23,611,111	
Loan BEI Figueira	40,000,000	40,000,000	February 2029	-	-	40,000,000	
<b>Commercial Paper Program</b>							
Commercial Paper Program 125M	175,000,000	175,000,000	February 2026	Flat rate	-	175,000,000	
Commercial Paper Program 70M	70,000,000	70,000,000	April 2021	Flat rate	-	70,000,000	
Commercial Paper Program 65M	65,000,000	50,000,000	February 2026	Variable rate indexed to Euribor	-	50,000,000	
Commercial Paper Program 75M	75,000,000	-	July 2026	Variable rate indexed to Euribor	-	-	
Commercial Paper Program 100M	100,000,000	-	March 2020	Variable rate indexed to Euribor	-	-	
Commissions							
<b>Bank lines</b>							
Short-term line 20M	20,450,714	-			-	-	-
		<b>852,420,819</b>				<b>11,805,556</b>	<b>840,615,263</b>

**31-12-2018**

Amounts in Euro	Available amount	Outstanding amount	Maturity	Interest rate	Current	Non-current
<b>Bond loans</b>						
Navigator 2015-2023	200,000,000	200,000,000	September 2023	Variable rate indexed to Euribor	-	200,000,000
Navigator 2016-2021	100,000,000	100,000,000	April 2021	Flat rate	-	100,000,000
Navigator 2016-2021	45,000,000	45,000,000	August 2021	Variable rate indexed to Euribor	-	45,000,000
Commissions		(1,495,701)				(1,495,701)
<b>European Bank Investment</b>						
Loan BEI Ambiente B	8,333,334	8,333,334	June 2021	Variable rate indexed to Euribor	3,333,334	5,000,000
Loan BEI Energia	42,500,000	42,500,000	December 2024	Variable rate indexed to Euribor	7,083,333	35,416,667
Loan BEI Cacia	25,000,000	25,000,000	May 2028	Flat rate	1,388,889	23,611,111
Loan BEI Figueira	40,000,000	-	February 2029	-	-	-
<b>Commercial Paper Program</b>						
Commercial Paper Program 125M	125,000,000	125,000,000	May 2020	Variable rate indexed to Euribor	-	125,000,000
Commercial Paper Program 70M	70,000,000	70,000,000	April 2021	Flat rate	-	70,000,000
Commercial Paper Program 50M	50,000,000	50,000,000	July 2020	Variable rate indexed to Euribor	-	50,000,000
Commercial Paper Program 75M	75,000,000	-	July 2020	Variable rate indexed to Euribor	-	-
Commercial Paper Program 100M	100,000,000	-	March 2020	Variable rate indexed to Euribor	-	-
Commercial Paper Program 100M	35,000,000	35,000,000	January 2019	Variable rate indexed to Euribor	35,000,000	-
Commercial Paper Program 100M	35,000,000	35,000,000	January 2019	Variable rate indexed to Euribor	35,000,000	-
Commercial Paper Program 100M	30,000,000	30,000,000	January 2019	Variable rate indexed to Euribor	30,000,000	-
Commissions		(506,955)				(506,955)
<b>Bank lines</b>						
Short-term line 20M	20,450,714	-				-
		<b>763,830,678</b>			<b>111,805,556</b>	<b>652,025,122</b>

In 2019, similarly to 2018, The Navigator Company has continued to place short-term commercial paper issues on an auction basis.

The Navigator Group maintains a long-term rating "BB" and "Ba2" awarded by the rating agencies S&P and Moody's, respectively. At the beginning of the year, S&P reviewed the rating and changed it from "Stable" to "Positive" whilst Moody's kept its rating at "Stable".

As at 31 March 2019, the average cost of debt, considering interest rate, the annual fees and hedging operations, was 1.7% (31 December 2018: 1.6%).

The repayment terms for the loans recorded as non-current are detailed as follows:

Amounts in Euro	31-12-2019	31-12-2018
Non current		
1 to 2 years	13,194,444	188,194,445
2 to 3 years	226,527,778	226,527,778
3 to 4 years	50,575,397	9,861,111
4 to 5 years	288,075,397	209,861,111
Above 5 years	265,654,762	19,583,333
	<b>844,027,778</b>	<b>654,027,778</b>
Commissions	(3,412,515)	(2,002,656)
	<b>840,615,263</b>	<b>652,025,122</b>

As at 31 March 2019 and 31 December 2018, the Group had Commercial Paper programs and credit lines available, but not used, in the amount of Euro 210,450,714 (31 December 2018: Euro 195,450,714).

As at 31 March 2019 and 31 December 2018, the Group's interest-bearing net debt was as follows:

Amounts in Euro	31-03-2019	31-12-2018
<b>Interest-bearing liabilities</b>		
Non-current	840,615,263	652,025,122
Current	11,805,556	111,805,556
	<b>852,420,819</b>	<b>763,830,678</b>
<b>Cash and cash equivalents</b>		
Cash	55,571	49,393
Short-term bank deposits	81,893,002	38,273,375
Other short-term investments	93,593,725	42,537,016
	<b>175,542,298</b>	<b>80,859,785</b>
<b>Interest-bearing net debt</b>	<b>676,878,519</b>	<b>682,970,893</b>
<b>Lease liabilities (IFRS 16)</b>	<b>50,505,266</b>	-

As at 31 March 2019, net debt amounted to Euro 676,878,519, reflecting a decrease in the amount of Euro 6,092,374 due to cash generation during the period. Liabilities related to leases amounted to Euro 50,505,266 (Note 29).

The reconciliation of the interest-bearing gross debt to the statement of cash flows is as follows:

Amounts in Euro	31-03-2019	31-12-2018
<b>Balance as of 1 January</b>	763,830,678	818,057,471
Borrowings - outflows	-	(150,205,591)
Borrowings - inflows	90,000,000	100,000,000
Refundable grants		(4,237,694)
Variation of changes with the issuance of loans	(1,409,859)	216,493
<b>Variation of interest-bearing debt</b>	<b>88,590,141</b>	<b>(54,226,793)</b>
<b>Interest-bearing gross debt as of 31 December</b>	<b>852,420,819</b>	<b>763,830,678</b>

The difference between the amount of Euro (54,226,793) and the amount of Euro (6,092,375) is due to the changes in cash and cash equivalents effect.

The Navigator Company Group has a strict policy of approval of its financial counterparts, limiting their exposure according to an individual risk analysis and previously approved ceilings. Beyond these limits, there is also a diversification policy applied to the number of the Navigator Company Group's counterparties. At 31 March 2019, "Other short-term investments" included an amount of Euro 93,593,725 related with term deposits and short-term highly liquid investments with a proper rating.

The fair value of the bond loans, considering the date and respective contractual conditions, determined according to level 2 of the fair value hierarchy, does not differ substantially from its book value.

The evolution of the Group's interest bearing net debt for the periods ended as at 31 March 2019 and 31 December 2018 was as follows:

Amounts in Euro	3 months 31-03-2019	3 months 31-03-2018	Other quarters	12 months 2018
<i>Balance as of 1 January</i>	682,970,893	692,726,435	-	692,726,434
Payments with debt issuance	3,412,515	2,008,329	(5,674)	2,002,656
Interest paid	6,560,383	4,769,258	13,354,253	18,123,511
Interest received	-	169,356	(169,356)	-
Dividends paid and reserves distributed	-	-	200,002,777	200,002,777
Acquisition of treasury shares	3,311,967	-	1,315,831	1,315,831
Receipts related to investment activities	(227,993)	-	(74,410,845)	(74,410,845)
Payments related to investments	-	-	-	-
Payments related to property, plant and equipment	32,774,588	32,498,110	176,813,609	209,311,719
Accumulated exchange rate differences	(5,019,420)	(5,115,357)	(830,443)	(5,945,800)
Net receipts from operating activities	(46,904,414)	(168,333,260)	(191,822,130)	(360,155,390)
<i>Change in net debt</i>	(6,092,375)	(134,003,564)	-	(9,755,541)
<b>Balance as of 31 December</b>	<b>676,878,518</b>	<b>558,722,871</b>		<b>682,970,893</b>

Also, the movements in the Navigator Group's interest bearing net debt for the periods ended as at 31 March 2019 and 31 December 2018, were as follows:

Amounts in Euro	31-03-2019	31-03-2018	Other quarters	12 months 2018
Net profit for the period	49,271,944	53,248,392	171,888,926	225,137,318
Depreciation, amortisation and impairment losses	37,419,356	33,861,430	104,649,217	138,510,647
Net changes in provisions	1,289,005	(890,419)	14,437,367	13,546,948
	<b>87,980,305</b>	<b>86,219,402</b>	<b>290,975,512</b>	<b>377,194,914</b>
Changes in working capital	(8,066,148)	43,571,250	(45,762,585)	(2,191,335)
Net changes of property, plant and equipment	(30,577,057)	(29,573,499)	(176,820,830)	(206,394,329)
Dividends paid and reserves distributed	-	-	(200,002,777)	(200,002,777)
Acquisition of treasury shares	(3,311,967)	-	(1,315,831)	(1,315,831)
Net changes in post-employment benefits	(13,054,538)	4,849,376	(7,083,413)	(2,234,037)
Other changes in equity	(5,420,367)	(15,838,698)	33,618,354	17,779,656
Expenses with the issue of bond loans	(1,409,859)	210,819	5,674	216,493
Other changes in non-current assets and liabilities	(20,047,995)	44,564,914	(17,862,125)	26,702,789
<b>Change in net debt (Free CashFlow)</b>	<b>6,092,375</b>	<b>134,003,564</b>	<b>(124,248,023)</b>	<b>9,755,541</b>

## 28.2 Other liabilities

As at 31 March 2019 and 31 December 2018, Other non-current liabilities were as follows:

Amounts in Euro	31-03-2019	31-12-2018
<b>Non-current</b>		
Investment grants	39,797,255	41,997,203
Refundable incentives	38,418,636	40,327,202
	<b>78,215,892</b>	<b>82,324,405</b>

The amount of investment grants corresponds to the investment grants received in order to support the investment projects carried out by the group in the past, with regard to its non-current component.

Non-current refundable grants mainly include the repayable subsidy granted by AICEP – *Agência para o Investimento e Comércio Externo de Portugal*, to support the construction of the new tissue pulp plant in Aveiro.

## 29. LEASE LIABILITIES

Lease liabilities refer to the adoption of IFRS 16, with effect as at 1 January 2019 (Note 3a), and is detailed as follows:

Amounts in Euro	31-03-2019
<b>Maturity</b>	
Below 1 year	6,706,034
1 to 5 years	22,924,528
Above 5 years	20,874,704
<b>Total Lease Liabilities</b>	<b>50,505,266</b>
Current	6,706,034
Non-current	43,799,232
	<b>50,505,266</b>

## 30. PAYABLES AND OTHER CURRENT LIABILITIES

As at 31 March 2019 and 31 December 2018, "Payables and other current liabilities" are detailed as follows:

Amounts in Euro	31-03-2019	31-12-2018
Suppliers	113,879,554	125,409,905
Suppliers invoices pending - Logistics	7,383,506	7,785,095
Suppliers invoices pending - Other	65,430,272	49,593,816
Fixed asset suppliers	4,879,874	6,200,085
Suppliers - Related parties (Note 32)	997,322	2,656,988
Derivative financial instruments (Note 31)	7,631,040	4,826,363
Other creditors - emission allowances CO <sub>2</sub>	15,402,006	11,283,965
Sales commissions	348,735	252,649
Tax consolidation (Semapa)	8,992,798	8,992,798
Other creditors	5,600,619	9,664,156
Accrued costs	71,453,687	71,398,905
Deferred income	33,197,044	25,735,845
	<b>335,196,458</b>	<b>323,800,571</b>

As at 31 March 2019 and 31 December 2018, accrued costs and deferred income are detailed as follows:

Amounts in Euro	31-03-2019	31-12-2018
<b>Accrued costs</b>		
Payroll expenses - Performance Bonus	26,647,166	22,670,195
Payroll expenses - Other costs	22,635,484	19,682,882
Interest payable	2,581,718	3,241,812
Wood suppliers bonus	4,191,397	8,340,388
Water resource rate	2,366,366	2,414,504
Rent liabilities	9,020,626	8,624,589
Other	4,010,932	6,424,535
	<b>71,453,687</b>	<b>71,398,905</b>
<b>Deferred income</b>		
Government grants	14,606,538	14,594,285
Grants - emission licenses CO <sub>2</sub>	7,257,367	-
Other grants	7,408,335	7,216,756
Other deferred income - ISP	3,924,802	3,924,802
	<b>33,197,044</b>	<b>25,735,845</b>

As at 31 March 2019 and 31 December 2018, deferred income on government grants, by company, was detailed as follows:

Amounts in Euro	31-03-2019	31-12-2018
<b>AICEP investment contracts</b>		
The Navigator Company, S.A.	-	-
Enerpulp, S.A.	10,489,200	11,609,639
Navigator Brands , S.A.	648,440	648,440
Navigator Pulp Cacia, S.A.	9,925,965	10,499,052
Navigator Pulp Setúbal, S.A.	96,030	513,978
Navigator Pulp Figueira, S.A.	15,160,248	15,182,598
Navigator Parques Industriais, S.A.	2,032,870	2,047,709
Navigator Paper Figueira, S.A.	11,699	14,620
Navigator Tissue Cacia, S.A.	15,263,870	15,263,870
	<b>53,628,322</b>	<b>55,779,906</b>
<b>Other</b>		
Raiz	527,776	527,776
Viveiros Aliança, SA	247,694	283,807
	<b>775,469</b>	<b>811,583</b>
	<b>54,403,791</b>	<b>56,591,489</b>

The amounts disclosed above are segregated under Other liabilities (Note 28.2) and Payables and other current liabilities, with the first relating to the non-current component and the second to the current component.

During 2019 and 2018, the movements in Grants - CO<sub>2</sub> emission licenses were as follows:

Amounts in Euro	2019	2018
<b>Grants - emission licenses CO<sub>2</sub></b>		
Opening balance	-	-
Increase	10,360,686	3,603,769
Charge-off	(3,103,319)	(546,359)
<b>Balance as of 31 March</b>	<b>7,257,367</b>	<b>3,057,410</b>
Other quarters		(3,057,410)
<b>Balance as of 31 December</b>		-

These amounts correspond to the CO<sub>2</sub> emission allowances granted for free to several Group companies (2019: Euro 467,540 and 2018: Euro 477,139).

## 31. FINANCIAL ASSETS AND LIABILITIES

### 31.1 Derivative financial instruments held for trading

As at 31 March 2019 and 31 December 2018, the fair value of derivative financial instruments is as follows:

Amounts in Euro	Notional	Positive	Negative	Positive	Líquido
<b>Trading</b>					
Foreign exchange forwards	USD 61,700,000	-	(593,811)	(593,811)	113,278
Foreign exchange forwards	GBP 12,150,000	-	(259,838)	(259,838)	28,582
CO <sub>2</sub> emission licenses	EUR 550,000	-	-	-	-
	<b>74,400,000</b>	<b>-</b>	<b>(853,649)</b>	<b>(853,649)</b>	<b>141,860</b>

The Navigator Group has a currency exposure on sales invoiced in foreign currencies, namely US dollars (USD) and pounds sterling (GBP). As the Navigator Group's financial statements are translated into Euro, it runs an economic risk on the conversion of these currency flows to the Euro. The Navigator Group is also obliged, albeit to a lesser degree, to make certain payments in those same currencies which, for currency exposure purposes, act as a natural hedge. Thus, the hedge is aimed at safeguarding the net value of items in the statement of financial position denominated in foreign currencies against the respective currency fluctuations.

The hedging instruments used in this operation are foreign exchange forward contracts covering the net exposure to the foreign currencies at the time the invoices are issued and with due dates close to that exposure. The nature of the risk hedged is the change in the carrying amount on sales and purchases expressed in foreign currencies due to foreign currency fluctuations. At the end of each month, customer and suppliers' balances expressed in foreign currency are updated, with the gain or loss offset against the fair value change of the forwards negotiated.

The fair value of trading instruments – forwards and futures – as at 31 March 2019 amounts to Euro 853,649 (31 December 2018: Euro 141,860).

During the first quarter of 2019, the Group did not acquire any CO<sub>2</sub> licenses.

### 31.2 Derivative financial instruments designated as hedging instruments

As at 31 March 2019 and 31 December 2018, the fair value of derivative financial instruments designated as hedging instruments was as follows:

Amounts in Euro	Currency	Notional	31-03-2019 Positive	31-03-2019 Negative	31-12-2018 Net	31-12-2018 Net
<b>Hedging</b>						
Hedging (future sales)	USD	284,166,667	394,232	(492,515)	(98,283)	(117,913)
Hedging (future sales)	GBP	101,000,000	184,658	(767,564)	(582,906)	323,965
Interest rate swap for commercial paper issued	EUR	-	-	-	-	(645,368)
Interest rate swap for bond loans	EUR	250,000,000	16,257	(5,517,312)	(5,501,055)	(4,063,084)
		<b>595,147</b>	<b>(6,777,391)</b>	<b>(6,182,244)</b>	<b>(4,502,399)</b>	

### Net investment

O Grupo procedeu até maio de 2018 à cobertura do risco económico associado à exposição à taxa de câmbio da sua

The Navigator Group hedged the economic risk associated with exposure to the exchange rate of its participation in Navigator North America until May 2018. To this purpose, the Group has entered into a foreign exchange forward maturing in May 2018, with a notional outstanding of USD 25,050,000.

This instrument was designated as hedge of the investment made in the North American subsidiary of the Group, with changes in fair value recognised under comprehensive income of the period.

### **Cash flow hedge – Exchange rate risk EUR/USD**

The Navigator Company Group makes use of derivative financial instruments in order to limit the net exchange risk associated with sales and future purchases estimated at USD.

In this context, during the last quarter of 2018, the Group contracted several financial structures to cover a portion of the net foreign exchange exposure of estimated sales in USD for 2019. The derivative financial instruments in force at 1 January 2019 are Options and Zero Cost Collar, in a total amount of USD 284,166,667 and GBP 101,000,000, reaching maturity between 31 December 2019 and 28 January 2020, for USD and 31 December 2019 and 28 February February 2020 for GBP. As early as 2019, the financial instruments were strengthened through the additional contracting of GBP 57,000,000 divided between Options and Zero Cost collar maturing in December 2019.

### **Cash flow hedge – Interest rate risk**

The Navigator Group hedges future interest payments associated with commercial paper issues by hiring an interest rate swap, which pays a fixed rate and receives a floating rate. This instrument is designated as hedges of cash flows from the commercial paper program and the bond loan. The credit risk is not part of the hedging relationship.

This hedge is designated for the entire life of the hedging instruments.

### **31.3 Loans and receivables\**

These amounts are initially recognised at fair value, and subsequently measured at amortised cost less any impairment losses identified during the course of the credit risk analysis of the credit portfolios held (Notes 20 and 22).

### **31.4 Other financial liabilities**

These items are recognised at their amortised cost, corresponding to the value of the respective cash flows discounted at the effective interest rate associated with each of the liabilities (Notes 28 and 29).

### **31.5 Net gains on financial assets and liabilities**

The effect in net profit for the period of the financial assets and liabilities held is detailed as follows:

Amounts in Euro	31-03-2019	31-03-2018
Foreign exchange gains/ (losses) on loans and receivables	934,974	1,093,103
Gains/ (losses) on financial instruments - hedging	(1,445,303)	(412,132)
Gains/ (losses) on financial instruments - trading	(995,509)	414,782
Interest income:		
From deposits and other receivables	1,130,576	310,046
Interest expense:		
Financial liabilities measured at amortised cost	(2,292,210)	(2,636,366)
Other	(1,266,379)	(4,285,721)
	<b>(3,933,850)</b>	<b>(5,516,289)</b>

The fair value of derivative financial instruments is included in "Receivables and other current assets" (Note 22) and "Payables and other current liabilities" (Note 30).

The movement in the balances recognised in the statement of financial position (Notes 24 and 34) related with financial instruments are detailed as follows:

	Change in fair value (Trading)	Change in fair value (Hedging)	Total
<b>Balance as of 1 January 2018</b>	<b>1,828,121</b>	<b>(1,440,218)</b>	<b>387,902</b>
Maturity (Note 10)	(983,693)	(6,526,185)	(7,509,878)
Increase/ decrease in fair value	(702,568)	3,464,004	2,761,436
<b>Balance as of 31 December 2018</b>	<b>141,860</b>	<b>(4,502,399)</b>	<b>(4,360,539)</b>
Maturity	(995,509)	(1,445,303)	(2,440,812)
Increase/ decrease in fair value	-	(234,542)	(234,542)
<b>Balance as of 31 March 2019</b>	<b>(853,649)</b>	<b>(6,182,244)</b>	<b>(7,035,892)</b>

As at 31 March 2019 and 31 December 2018, the derivative financial instruments had the following maturities:

	Nominal value	Maturity	Type	Fair value	Fair value
Exchange rate forwards	USD 61,700,000 GBP 12,150,000	12/Jul/19 12/Aug/19	Trading Trading	(593,811) (259,838)	113,278 28,582
Future acquisition of CO <sub>2</sub> licenses	EUR 550,000	16/Mar/20	Trading	-	-
				<b>(853,649)</b>	<b>141,860</b>
Hedging for future sales	USD 284,166,667	31/Jan/20	Hedging	(98,283)	(117,912)
Hedging for future sales	GBP 101,000,000	28/Feb/20	Hedging	(582,906)	323,965
Interest rate swap for commercial paper issued	EUR		Hedging	-	(645,368)
Interest rate swap for bond loans	EUR 250,000,000	28/Mar/25	Hedging	(5,501,055)	(4,063,084)
				<b>(6,182,244)</b>	<b>(4,502,399)</b>
				<b>(7,035,894)</b>	<b>(4,360,539)</b>

## 32. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

As at 31 March 2019 and 31 December 2018, the balances with group companies and associated companies is presented as follows:

Amounts in Euro	31-03-2019			31-12-2018		
	Assets		Liabilities	Assets		Liabilities
	Customers	Suppliers	Other creditors (tax consolidation)	Customers	Suppliers	Other creditors (tax consolidation)
Semapa - Soc. de Investimento e Gestão, SGPS, S.A.	-	842,926	8,992,798	-	2,620,044	8,992,798
Secl - Companhia Geral Cal e Cimento, S.A.	394,113	161	-	150,582	231	-
Secl Britas, S.A.	-	102,768	-	-	4,005	-
Secl Prebetão, S.A.	-	-	-	-	846	-
CMP - Cimentos Maceira e Pataias, S.A.	-	4,593	-	-	575	-
Enermontijo, S.A.	46,094	39,123	-	65,477	20,430	-
Unibetão, S.A.	-	7,751	-	-	10,858	-
Refundos - Soc. Gestora de Fundos de Inv. Imobiliário, S.A.	-	-	-	-	-	-
	<b>440,207</b>	<b>997,322</b>	<b>8,992,798</b>	<b>216,059</b>	<b>2,656,988</b>	<b>8,992,798</b>

The transactions with group companies and associated companies for the periods ended 31 March 2019 and 31 December 2018 were as follows:

Amounts in Euro	31-03-2019		31-03-2018	
	Sales and services rendered	Acquisition of goods and services	Sales and services rendered	Acquisition of goods and services
Semapa - Soc. de Investimento e Gestão, SGPS, S.A.	-	2,612,079	-	1,907,024
Secl - Companhia Geral Cal e Cimento, S.A.	211,444	301,161	126,973	355
Secl Britas, S.A.	-	102,122	-	6,675
Secl Prebetão, S.A.	-	22,006	-	-
CMP - Cimentos Maceira e Pataias, S.A.	-	48,946	-	-
Enermontijo, S.A.	136,961	131,015	66,809	101,878
Enerpar, SGPS, Lda.	-	-	-	17,401
Cimilonga - Imobiliária, S.A.	-	48,946	-	60,084
Hotel Ritz, S.A.	-	3,217	-	-
Unibetão, S.A.	-	91,263	-	-
Refundos - Soc. Gestora de Fundos de Inv. Imobiliário, S.A.	-	141,715	-	100,016
	<b>348,405</b>	<b>3,502,469</b>	<b>193,782</b>	<b>2,193,433</b>

On 1 February 2013, a contract to render administrative and management services was signed between Semapa - Sociedade de Investimentos e Gestão, SGPS, S.A. (currently owner of 69.4% of the Group's share capital) and Navigator Group, establishing a remuneration system based in equal criteria for both parties in the continuous cooperation and assistance relationships, that meets the rules applicable to commercial relationships between group companies.

Enerpar SGPS, Lda. is a company that manages holdings in the renewable energy sector, holding the full equity capital of Enermontijo, SA, which has been dedicated to the production of forest-based wood pellets since 2008, annually producing 80,000 tons and to whom the Group sells biomass. Enerpar SGPS, Lda. is a related party as one of its shareholders is also a shareholder of the Navigator's parent company.

It was also celebrated a lease agreement between Navigator Paper Figueira, S.A. and Cimilonga - Imobiliária, S.A. under which an office was leased in Semapa SGPS, SA headquarters' building, in Lisbon.

The Navigator Company, S.A. and Refundos - Sociedade Gestora de Investimentos Imobiliário, SA, entered into a lease agreement beginning on 1 June 2017, regarding the lease of an office building located in Lisbon, Avenida Fontes Pereira de Melo.

The operations performed with the Secil Group arise from normal market operations.

## 33. CONTINGENT LIABILITIES

### 33.1 Tax matters

#### 33.1.1 Public Debt Settlement Fund

According to Decree-Law No. 36/93 of 13 February, the tax debts of privatised companies relating to periods prior to the privatization date (in the case of The Navigator Company, 25 November 2006) are the responsibility of the Public Debt Settlement Fund. The Navigator Company submitted an application to the Public Debt Settlement Fund on 16 April 2008 requesting the payment by the State of the tax debts raised by the tax authorities for periods before that date. On 13 December 2010, The Navigator Company presented a new application requesting the payment of debts settled by the tax authorities regarding 2006 and 2003. This application was supplemented on 13 October 2011, with the amounts already paid and uncontested regarding these debts, as well as with expenses directly related to them, pursuant to court ruling dated 24 May 2011 (Case No. 0993A/02), which confirmed the company's position regarding the enforceability of such expenses.

On 13 December 2017, The Navigator Company, S.A. has made an extra-judicial agreement with Tax authorities, in which was recognised the FRDP's responsibility for reimbursing the amount of Euro 5,725,771 corresponding to the amount of Corporate Income Tax improperly paid, resulting from the alleged qualification / incorrect consideration, by the tax administration, of the tax loss calculated as a result of the operations performed by Soporcet, S.A. in 2003, as well as to promote restitution to Navigator of the mentioned amount.

In this context, the aforementioned Fund is liable for Euro 24,649,956, detailed as follows:

Amounts in Euro	Period	Requested amounts	1 <sup>st</sup> Refund	Decrease due to RERD	Proceedings decided in favour of the Group	Extrajudicial agreement of 13 December 2017	Outstanding amount
<b>Proceedings confirmed in court</b>							
VAT - Germany	1998-2004	5,850,000	(5,850,000)	-	-	-	-
Corporate income tax	2001	314,340	-	-	(314,340)	-	-
Corporate income tax	2002	625,033	(625,033)	-	-	-	-
Corporate income tax	2002	18,923	-	-	-	-	18,923
IVA	2002	2,697	(2,697)	-	-	-	-
Corporate income tax	2003	1,573,165	(1,573,165)	-	-	-	-
Corporate income tax	2003	182,230	(157,915)	-	(24,315)	-	-
Corporate income tax	2003	5,725,771	-	-	-	(5,725,771)	-
Corporate income tax	2004	(Withheld)	3,324	-	-	-	3,324
Corporate income tax	2004	766,395	-	-	(139,023)	-	627,372
Stamp duty	2004	497,669	-	-	(497,669)	-	-
Corporate income tax	2005	(Withheld)	1,736	(1,736)	-	-	-
Expenses		314,957	-	-	-	-	314,957
		<b>15,876,240</b>	<b>(8,210,546)</b>	<b>-</b>	<b>(975,347)</b>	<b>(5,725,771)</b>	<b>964,576</b>
<b>Proceedings not confirmed in court</b>							
VAT	2003	2,509,101	-	-	-	-	2,509,101
Corporate income tax	2005	11,754,680	-	(1,360,294)	-	-	10,394,386
Corporate income tax	2006	11,890,071	-	(1,108,178)	-	-	10,781,893
		<b>26,153,852</b>	<b>-</b>	<b>(2,468,472)</b>	<b>-</b>	<b>-</b>	<b>23,685,380</b>
		<b>42,030,092</b>	<b>(8,210,546)</b>	<b>(2,468,472)</b>	<b>(975,347)</b>	<b>(5,725,771)</b>	<b>24,649,956</b>

Regarding the aggregate corporate income tax proceedings of 2005 and 2006, if Courts come to a decision in favour of Navigator Group, the Group will withdraw the request made to FRDP.

### 33.1.2 Taxes paid in litigation

As at 31 March 2019 and 31 December 2018, the additional tax assessments that are paid and contested by the Navigator Group, not recognised in the company's assets, are summarised as follows:

Amounts in Euro	31-03-2019	31-12-2018
2005 Aggregate corporate income tax	10,394,386	10,394,386
2006 Aggregate corporate income tax	8,150,146	8,150,146
NVG Paper Figueira 2013 - Informal review	8,621,705	8,621,705
	<b>27,166,237</b>	<b>27,166,237</b>

## 33.2 Non-tax matters

### 33.2.1 Public Debt Settlement Fund

In addition to the tax matters described above, a second request to the Public Debt Settlement Fund was submitted on 2 June 2010, which called for the reimbursement of various amounts, totaling Euro 136,243,939. These amounts regard adjustments in the financial statements of the Navigator Company Group after its privatization that had not been considered in formulating the price of its privatization as they were not included in the documentation made available for consultation by the bidders.

On 24 May 2014 the Court denied the Navigator Company Group's proposal to present testimony evidence, alternatively proposing written submissions. On 30 June 2014 Navigator Company Group appealed against this decision, but continuously presented written evidence. The Court subsequently confirmed the Navigator Company Group's views on this matter, both parts appointed experts and the partial expert report was issued on July 2017, being required either by The Navigator Company, S.A. either by the Ministério das Finanças, the attendance of both designated experts in court hearing, in order to provide oral explanations on the expert report. The date of the court hearing is still to be appointed.

### 33.2.2 Infrastructure enhancement and maintenance fee

Under the licensing process No. 408/04 related to the new Setubal's paper mill project, the Setubal City Council issued a settlement note to The Navigator Company regarding an infrastructure enhancement and maintenance fee ("TMUE ") amounting to Euro 1,199,560, with which the company disagrees.

This situation regards the amount collected under this levy in the licensing process mentioned above, for the construction of a new paper mill in the industrial site of Mitrena, Setúbal. The Navigator Company disagrees with the amount charged and filed an administrative claim against it on 25 February 2008 (request 2485/08), followed by an appeal to Court against the rejection of the claim on 28 October 2008. At 3 October 2012 this claim had an adverse decision, and in 13 November 2012, The Navigator Company appealed. This lawsuit is awaiting the decision of TCA since 4 July 2013.

### 33.2.3 Pledges

Similarly to 2017, in the first quarter of 2019, the companies of the Navigator Group will intent an Administrative Action on Civil Liability against the Ministry of Finance which aims at the recognition of their right and in consequence, convict the Ministry of Finance to pay a compensation for the charges incurred by them, in 2018, related to the collaboration provided to the Portuguese Tax Authorities within the context of pledges in tax enforcement proceedings.

## 34. COMMITMENTS

### 34.1 Guarantees provided to third parties

As at 31 March 2019 and 31 December 2018, the guarantees provided by the Group are as follows:

Amounts in Euro	31-03-2019	31-12-2018
2013 corporate income tax	-	24,053,434
2015 corporate income tax	732,756	-
Spanish state tax agency	1,033,204	1,033,204
Customs clearance	1,835,250	1,835,250
IAPMEI	4,845,527	4,845,527
Simria	338,829	338,829
Other	887,485	892,440
	<b>9,673,052</b>	<b>32,998,684</b>

The guarantees provided by IAPMEI were provided under the investment contracts celebrated between the Portuguese State and Navigator Pulp Cacia, S.A. (Euro 2,438,132) and Navigator Tissue Ródão, S.A. (Euro 2,407,395), in accordance with the terms and conditions defined in the Payment Standard applicable to projects approved under QREN Incentive Systems.

As part of the final tax authority inspection report to the 2013 period, the Navigator Company was notified on 4 September 2017 of the Final Tax Inspection Report which resulted in an additional tax payment of Euro 20,556,589.

Navigator did not agree with the correction identified, and therefore decided to contest it and to provide a bank guarantee in the amount of Euro 26,022,893 aiming to suspend the respective tax enforcement proceeding, following a series of litigation proceedings already filed on that matter since 2012.

Following a favorable decision on one of the most relevant proceedings presented and, as a result of Navigator's insistence throughout this litigation and in particular the litigation initiated at the end of 2017, regarding the change of the Portuguese Tax Authorities (AT) internal understanding on one of the key issues under discussion (i.e., the admissibility of the RFAI reporting), at the end of 2018, AT allowed the deduction of the entire RFAI recognised by Navigator during the periods between 2009 and 2013.

On this basis, as early as 2018 the value of the bank guarantee was reduced to Euro 24,053,434. This guarantee was released in March 2019 after the conclusion of the proceedings.

Regarding the financing agreements with EIB, the Navigator Group provided bank guarantees in the amount of Euro 91,346 thousand.

## 34.2 Purchase commitments

The purchase commitments assumed with suppliers at 31 March 2019 amounted to Euro 84,074,631 and referred to capital expenditure on Property, plant and equipment. At 31 December 2018, these commitments amounted to Euro 23,070,248. The variation mainly results from recent commitments undertaken by the Navigator Group with new projects, namely the construction of a new biomass boiler in Figueira da Foz and the remodelling of the pulp mill in Aveiro.

As at 31 March 2019, the commitments assumed for 2019 regarding the purchase of wood amounted to Euro 151,197,611 (Iberian and non-Iberian markets) (31 December 2018: Euro 197,544,779). In addition to these commitments there are also long-term contracts for the acquisition of wood in the amount of Euro 90,968,000 (31 December 2018: Euro 89,569,000).

## 35. NUMBER OF EMPLOYEES

As at 31 March 2019, the average number of employees working for the Navigator Group Companies was 3,283 (31 December 2018: 3,282) and were distributed by business segment as follows:

As of 31 March 2019	MARKET PULP	UWF PAPER	TISSUE PAPER	OTHER	TOTAL
<b>Industrial / Forest site</b>					
Setúbal	-	936	-	246	1,182
Aveiro	262	-	142	95	499
Figueira da Foz	-	849	-	151	1,000
Vila Velha de Ródão	-	-	236	-	236
Lisboa	-	-	-	112	112
Mozambique	-	-	-	154	154
	<b>262</b>	<b>1,785</b>	<b>378</b>	<b>758</b>	<b>3,183</b>
<b>Commercial companies</b>					
Europe	9	69	9	-	87
America	-	8	-	-	8
Overseas	-	5	-	-	5
	<b>9</b>	<b>82</b>	<b>9</b>	<b>-</b>	<b>100</b>
	<b>271</b>	<b>1,867</b>	<b>387</b>	<b>758</b>	<b>3,283</b>
As of 31 December 2018	MARKET PULP	UWF PAPER	TISSUE PAPER	OTHER	TOTAL
<b>Industrial / Forest site</b>					
Setúbal	-	941	-	247	1,188
Aveiro	268	-	147	93	508
Figueira da Foz	-	857	-	149	1,006
Vila Velha de Ródão	-	-	216	-	216
Lisboa	-	-	-	108	108
Greenwood	-	-	-	-	-
Mozambique	-	-	-	156	156
	<b>268</b>	<b>1,798</b>	<b>363</b>	<b>753</b>	<b>3,182</b>
<b>Commercial companies</b>					
Europe	9	68	9	-	86
America	-	9	-	-	9
Overseas	-	5	-	-	5
	<b>9</b>	<b>82</b>	<b>9</b>	<b>-</b>	<b>100</b>
	<b>277</b>	<b>1,880</b>	<b>372</b>	<b>753</b>	<b>3,282</b>

## **36. RELEVANT AND SUBSEQUENT EVENTS**

### **36.1 Anti-dumping rate**

The Navigator Company, S.A. was notified (after the closing of the quarter) by the United States Department of Commerce (USA) stating that the temporary anti-dumping rate to be applied retrospectively in paper sales in the United States regarding the period between March 2017 and February 2018 (the "second period of review") was of 5.96%. This provisional rate does not have any material impact since it has already been duly registered in the accounts.

## **37. EXPLANATION ADDED FOR TRANSLATION**

These financial statements are a free translation of the financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancies, the Portuguese language version prevails.

## **BOARD OF DIRECTORS**

João Nuno de Sottomayor Pinto de Castello Branco  
Chairman

António José Pereira Redondo  
Executive Board Member

José Fernando Morais Carreira de Araújo  
Executive Board Member

Nuno Miguel Moreira de Araújo Santos  
Executive Board Member

João Paulo Araújo Oliveira  
Executive Board Member

Adriano Augusto da Silva Silveira  
Member

José Miguel Pereira Gens Paredes  
Member

Manuel Soares Ferreira Regalado  
Member

Maria Teresa Aliu Presas  
Member

Mariana Rita Antunes Marques dos Santos Belmar da Costa  
Member

Paulo Miguel Garcês Ventura  
Member

Ricardo Miguel dos Santos Pacheco Pires  
Member

Sandra Maria Soares Santos  
Member

Vitor Manuel Galvão Rocha Novais Gonçalves  
Member