



# VALUING IS WHO WE ARE

2023

FIRST NINE MONTHS  
REPORT



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The Navigator Company, S.A.

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. PERFORMANCE IN FIRST 9 MONTHS OF 2023**

Over the course of the first half of 2023, destocking of paper and packaging along the distribution chain was slower than expected. As a result, new orders in these segments stood at historically low levels. A slight improvement was observed in the 3<sup>rd</sup> quarter, in line with the decrease in inventories. The Tissue segment continued to perform well in the first nine months of 2023, with shorter supply chains, less likely to accumulate stocks. However, the current geopolitical environment and the slowdown in global economic growth are having a negative impact across the industrial spectrum, and on our sector in particular.

In this context, rigorous implementation of cost control programmes and efficiency in specific consumption levels, combined with production management and planning, have been crucial in adjusting supply to demand and, consequently, operating results. As explained in previous quarters, this year's figures are compared with 2022, an altogether exceptional year, where prices reached historical levels, due to an unprecedented imbalance between supply and demand in all products, created by logistical constraints and cost inflation which we have succeeded in controlling in 2023, keeping our cash costs at the level recorded at the start of 2022.

We remain committed to our plans for investment and innovation in all segments where we operate and continue to explore growth opportunities with differentiation in Tissue, Packaging and Energy. Navigator's product range and sustainable business, the scale of our operations and its strong financial position have all supported a resilient business model, enabling us to present consistent results, even under adverse market conditions.

### **3<sup>rd</sup> Quarter Analysis (vs Q2 2023 and vs Q3 2022)**

- Navigator recorded turnover of € 481 million (up 0.6% on Q2; down 29% on Q3 2022);
- EBITDA stood at € 124 million (up 1% from Q2; down 40% from Q3 2022), reflected in an EBITDA margin of 25.7% (up 0.1 pp on the previous quarter; down 4.8 pp from Q3 2022);
- Net income stood at € 63 million (down 4% from Q2; down 42% from Q3 2022);
- Pulp sales totalled 154 thousand tons (up +25% on Q2; up +191% on Q3 2022). Decreased incorporation into paper resulted in more pulp available for sale, which was quickly absorbed thanks to its distinctive properties, highly valued for decades by international markets;
- Paper sales stood at 276 thousand tons (up 6% on Q2; down 31% on Q3 2022), representing a slight improvement on the previous quarter. Although slow at first, the process of destocking appears to have continued more expressively throughout Q3;
- Sales of Tissue stood at 41 thousand tons (up 11% on Q2; up +54% on Q3 2022), driven by growth in demand for finished products and by the new capacity added by Navigator Ejea;
- We continue to explore new opportunities in the Packaging sector, with new product ranges, aimed at the food industry, for which trials and the market launch is currently in progress. This will open doors in the short term to other high value-added segments, not only in the food industry and consumer goods, but also in other industries. At the same time, work is proceeding to plan on the project for integrated production of moulded cellulose components, designed to substitute single use plastic packaging. Production is expected to start up at the end of the 1<sup>st</sup> half of 2024.



## First 9 months of 2023 vs. 9 months 2022

- Navigator recorded turnover of € 1,461 million (down 20% on 9M 2022);
- EBITDA stood at € 377 million (down 32% on 9M 2022), and the EBITDA margin at 25.8% (down 4.5 pp from 9M 2022);
- Net income totalled € 201 million (down 26% from 9M 2022);
- Net debt of € 550 million, reflecting the impact of Gomà-Camps Consumer acquisition in Q1, distribution of € 200 in dividends in Q2, and the level of tax payments, in view of the exceptional results in 2022, as well as the demanding schedule for the capex plan under the Recovery and Resilience Plan (RRP). The Net Debt / EBITDA ratio was 0.98x.

## 2. MAIN INDICATORS

Million euros	9M 2023	9M 2022	% 9M 23/ 9M 22
<b>Total Sales</b>	1 460.6	1 822.5	-19.9%
<b>EBITDA <sup>(1)</sup></b>	<b>376.5</b>	<b>551.9</b>	<b>-31.8%</b>
<b>Operating Profits (EBIT)</b>	277.6	437.9	-36.6%
<b>Financial Results</b>	-15.7	-60.1	73.9%
<b>Net Earnings</b>	<b>200.8</b>	<b>270.5</b>	<b>-25.8%</b>
<b>Cash Flow</b>	299.7	384.5	- 84.8
<b>Free Cash Flow <sup>(2)</sup></b>	32.5	322.4	- 289.9
<b>Capex</b>	142.1	64.6	77.5
<b>Net Debt <sup>(3)</sup></b>	549.7	372.5	177.2
<b>EBITDA/Sales</b>	<b>25.8%</b>	<b>30.3%</b>	-4.5 pp
<b>ROCE <sup>(4)</sup></b>	21.5%	35.8%	-14.3 pp
<b>ROE <sup>(5)</sup></b>	21.4%	31.4%	-10.0 pp
<b>Equity Ratio</b>	46.1%	43.3%	2.8 pp
<b>Net Debt/EBITDA <sup>(6)(7)</sup></b>	0.98	0.56	0.42

Million euros	Q2 2023	Q1 2023	% Q2 23/Q1 23	Q2 2022	% Q2 23/ Q2 22
<b>Total sales</b>	481.1	478.3	0.6%	680.4	-29.3%
<b>EBITDA <sup>(1)</sup></b>	<b>123.5</b>	<b>122.3</b>	<b>1.0%</b>	<b>207.4</b>	<b>-40.4%</b>
<b>Operating profits</b>	90.0	88.4	1.8%	165.0	-45.5%
<b>Financial results</b>	- 7.2	- 5.8	24.1%	- 15.1	-52.2%
<b>Net earnings</b>	<b>63.3</b>	<b>65.8</b>	<b>-3.7%</b>	<b>108.6</b>	<b>-41.7%</b>
<b>Cash flow</b>	96.9	99.7	- 2.8	150.9	- 54.0
<b>Free Cash Flow <sup>(2)</sup></b>	22.8	- 21.1	43.9	148.2	- 125.4
<b>Capex</b>	29.5	70.9	- 41.4	30.3	- 0.8
<b>Net Debt <sup>(3)</sup></b>	549.7	572.5	- 22.8	372.5	177.2
<b>EBITDA/Sales (%)</b>	<b>25.7%</b>	<b>25.6%</b>	0.1 pp	<b>30.5%</b>	-4.8 pp
<b>ROCE <sup>(4)</sup></b>	20.9%	20.8%	0.1 pp	40.4%	-19.5 pp
<b>ROE <sup>(5)</sup></b>	20.2%	21.4%	-1.2 pp	37.8%	-17.6 pp
<b>Equity ratio</b>	46.1%	43.4%	2.7 pp	43.3%	2.8 pp
<b>Net Debt/EBITDA <sup>(6)(7)</sup></b>	0.98	0.89	0.09	0.56	0.42

1. Operating profits + depreciation + provisions;

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

3. Interest-bearing liabilities - liquid assets (not including effect of IFRS 16)

4. ROCE = Annualised operating income / Average Capital invested (N+(N-1))/2

5. ROE = Annualised net income / Average Shareholders' Funds last -1 months

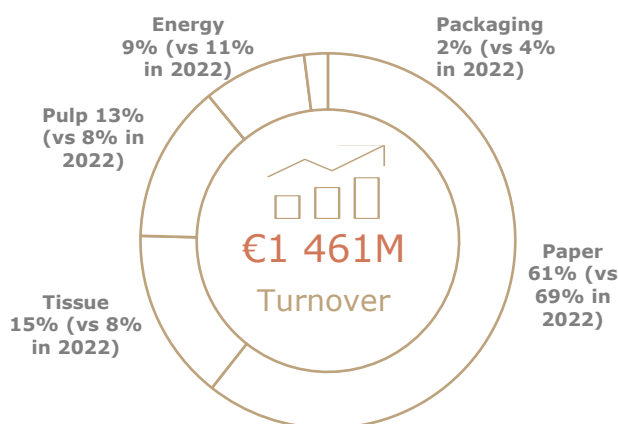
6. (Interest-bearing liabilities - liquid assets) / EBITDA corresponding to last 12 months

7. Impact of IFRS 16: Net Debt / EBITDA (9M 2023) of 1.1; Net Debt / EBITDA (9M 2022) of 0.65;

8. Variation in figures not rounded up/down



### 3. ANALYSIS OF RESULTS



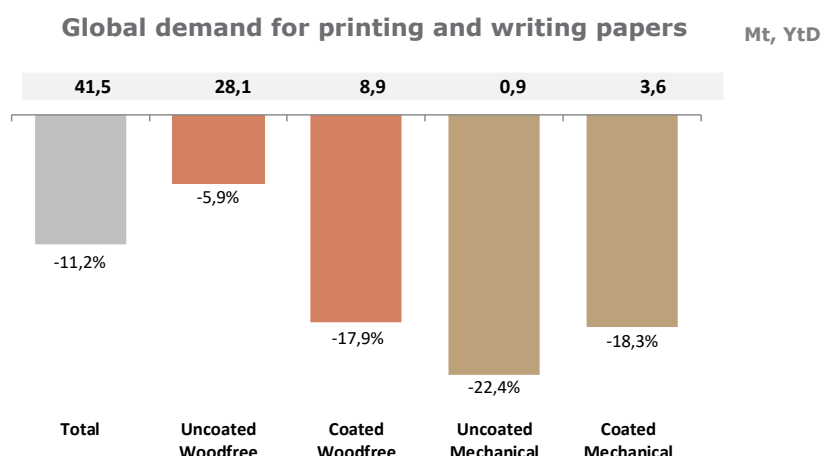
The reduction achieved in cash costs in all segments over the course of the year continues to make itself felt, being more pronounced in this quarter. At the same time, the resilience in international prices for printing papers, and tissue, combined with the sales strategy and diversification of products and markets, enabled us to achieve good results, in an international context of a sharp downturn in demand in most of the segments in which we operate.

#### The printing and writing papers industry

The industry recorded a significant adjustment in capacity utilisation rates (production/capacity) in 2023, and Navigator likewise steadied the pace of production. The average capacity utilisation rate in the first 9 months was 75%, as compared to an industry average of 66%.

The third quarter saw a slight improvement in the market environment in relation to the first half. Although initially slow, the destocking process along the distribution chain appears to have intensified in the end of the third quarter, with most operators continuing to adjust stock levels for the levels of demand experienced. This situation has led to a slight increase in the level of new orders to European manufacturers, in particular in September, substantially offsetting the seasonal factors to which the industry is normally subject.

As a result, the third quarter saw a slight increase in capacity utilisation, with Navigator at 76% (vs an industry average of 66%).



Source: Navigator, PPC (August).

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

In Europe, apparent demand for UWF paper fell by 21% YoY (September), and this also remained the most resilient grade.

In the United States, demand declined by 13% YTD August. Apparent UWF consumption in other world regions decreased by 2%, with China growing 1% in UWF consumption compared with 2022.

The benchmark index for office paper in Europe stood at 1,127 € /ton at the end of September (vs 1,204 €/t at the end of June). Despite the downward trend over the first nine months of 2023, the benchmark price index for paper has proved resilient, with the average price in the first nine months of 2023 still 6% higher than in the same period of 2022. Significantly, the reduction in the index since the start of the year has been 16%, while the pulp index has dropped by more than 40%.

Navigator's UWF sales totalled 819 thousand tons in the first nine months of the year, down by 29% on the same period last year. Third quarter sales were nonetheless up by 6% on the preceding quarter, reflecting the return of stocks to normal levels along the distribution chain, which were abnormally high in the first half. The value of sales in the first 9 months was 31% down on the same period in 2022. We can once again point to the resilience of our mill brands which have accounted for approximately 80% of sales since the start of the year (as compared to an average of 65% in the period 2012-2021). Premium products also continue to represent a large share, at 58% (compared to a historical average of 53% in the period 2012-2021).

## **Packaging - From Fossil to Forest - investment in sustainability, innovation, and transformation**

The Packaging segment saw a sharp downturn in demand in comparison with previous years, when unusually high levels of demand resulted in an abnormal increase in stocks at processors and end customers. In a context of a wider economic slowdown and high inflation, destocking has been a slow process, which explains the drop in demand. Consumption of retail packaging and bags has been hit by new ways of taxing packaging across the board, failing to take into account the sustainability of products and applying the same rules to natural, renewable and biodegradable and compostable paper products, as to other packaging products obtained from fossil and/or



finite resources. Even so, there have been encouraging signs of a degree of recovery in recent months, and the Packaging segment continues to hold promise for Navigator's future development.

Our gKRAFT™ products, made from eucalyptus globulus fibre, have established a reputation for quality and been used by high profile brands in sectors ranging from fashion to food retail, e-commerce, manufacturing and agriculture, creating an ever larger and more diverse base of clients, already totalling more than 250 active clients, in 33 countries, since the brand's launch in 2021.

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

As well as other projects in progress to expand its market offering, Navigator has been working since early 2023 on developing new product ranges, aimed at the food industry, and also at a variety of consumer products. These are currently being trialled and launched on the market and will soon open the door to other segments with potential for high added value, not only in the food and consumer goods sector, but also in other industries.

The project for integrated production of eucalyptus-based moulded cellulose components, designed to substitute single-use plastic packaging in the food service and food packaging market, continues to progress as planned, the project is now 75% executed, and production is planned to start up by the end of 1<sup>st</sup> half of 2024.

## **Pulp Market**

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

This was driven by: (i) the downturn in global demand in particular in Europe; (ii) rising stocks along the supply chain in later 2022 and early 2023; (iii) easing of the logistical constraints experienced during 2022; and (iv) growth in supply, due to new capacity coming online, especially in Latin America, where one venture started up in December last year (1.3Mt) and another during the second quarter of 2023 (2.2Mt).

In the 3<sup>rd</sup> quarter of 2023, global demand for eucalyptus fibre (euca) performed better than in the first half of the year, (where growth was practically zero), starting to grow this quarter. China has been the driving force behind this recovery, with restocking after prices fell to their lowest level in May. Demand was up (YoY August) by 20% for EUCA. The strong performance of the Chinese market more than compensated for slack demand in Europe, at levels 19% lower than the same period in 2022, both in total demand for hardwood pulp and in demand for eucalyptus pulp (euca).

This fairly positive movement in the pulp market was due to the effect of restocking in China after prices hit a low in May (as already mentioned), and also to an apparently strong upturn in printing and packaging paper and tissue production in China (August was the second-best month in the past three years in terms of output of paper and tissue from virgin fibre), surprising analysts and market players. The upswing explains the increase in prices for November in China, to 630 USD/t (up 33% from May) and in Europe, to 980 USD/t (PIX 24/Oct at 847 USD).

Over the course of the year, Navigator has had a larger quantity of pulp available for sale, as a result of less being incorporated into paper. As a result, YTD sales stood at 370 tons, representing an increase of 83% over the same



period in 2022, whilst the value of sales (in euros) was brought down by the current level of prices, consequently showing growth of approximately 30%.

### **Tissue business continues to perform strongly**

The Tissue segment continues to perform well, with sustained growth in demand for finished products in the first nine months of 2023, allowing for good business performance.

This growth was achieved in a context of stable market demand in Iberia (Spain growing by 0.2% in the first 7 months of 2023), whilst demand for Western Europe contracted by 2.4%.

The volume of tissue sales stood at 102 thousand tons in the first nine months, up by 32% YoY, and rising prices led to growth of approximately 51% in the value of sales. This growth was helped by the integration of the new mill, now operating as Navigator Tissue Ejea, since the 2<sup>nd</sup> quarter. The integration of NVG Tissue Ejea has boosted growth in sales, diversified the client base and brought significant gains in terms of synergies.

Growth in the value of sales of finished products was achieved above all through the At Home channel, thanks to new clients and a stronger position in the pre-existing client base, and through increased sales to France and Spain.

Navigator has maintained a responsible pricing policy, continuing to adopt prudent management of its variable and fixed costs, with balanced margins and a consistent focus on innovation and distinctive features, which has succeeded in making its products attractive and building their market reputation.

The focus on innovation and product differentiation continues to enable Navigator to expand its position with customers, especially through use of mill brands, which in the first 9 months accounted for 24% of the total value of sales of finished products, resulting from growth of 26% YoY in the sales volume.

### **Energy**

In the first nine months of the year, electricity sales totalled approximately € 130 million, representing a YoY reduction of close to 33%.

This reduction was due essentially to the fact that, in the first half of the year, the average price for the Portuguese area of OMIE, serving as the benchmark for sales in this period, stood at 90.4 €/MW, in contrast to a figure of 205.8 €/MWh in 2022. The group's total sales volume in the period was in line with that recorded in the previous year.

It should be stressed that the group's renewable cogeneration plants switched in June from the market price system for sales to the special pricing system.

In an important development, work started on building the new solar power facilities for the group's self-consumption at the industrial sites in Figueira da Foz, Aveiro and Vila Velha de Rodão. This will triple the capacity installed on our sites, from 12 MW at present to close to 38 MW.





## **Slowdown in costs and resilient prices offset falling demand, resulting in EBITDA of € 377 million**

Variable costs were brought down in the first nine months, with a reduction in unit cash costs in all segments. The resilience of paper prices, especially in segments with higher value added, has offered additional protection to profits, in a context where volumes of paper sales have dwindled. These factors, combined with a sales strategy of product and market diversification, made it possible to achieve EBITDA of € 377 million.

The positive evolution in unit cash costs was already visible over the first half and gathered strength in the third quarter. When we compare cash costs with those recorded in the 1<sup>st</sup> half, a reduction of between 12% and 15% can be observed in the pulp and paper segments, and of more than 9% in Tissue.

Comparing the 3<sup>rd</sup> quarter with the same quarter in 2022, we can point to a sharp drop in costs in all segments, with a reduction of between 16% and 18% in the pulp and paper segments and close to 12% in Tissue.

Total fixed costs grew by approximately 1% YoY, due in part to lower personnel costs and modest rises in running and maintenance costs, which increased at below the rate of inflation.

Navigator therefore remains focused not just on managing its variable costs, but also on boosting efficiency in consumption of raw and subsidiary materials, by reducing specific consumption levels, in particular in pulp, paper and Tissue production, whilst also making continued efforts to contain fixed costs.

In this context, Navigator achieved EBITDA of € 377 million in the first nine months and an EBITDA / Sales margin of 25.8% (down 4.5 p.p. YoY).

## **Financial Results**

Financial results showed a loss of € 15.7 million (as compared to € 60.1 million in the same period in 2022). It should be noted that in the same period last year, financial results were penalised by non-recurrent (non-cash) impacts of approximately € -40 million, resulting essentially from recognition, in income for the period, in 2022, of accumulated exchange rate losses, relating to repayment of shareholder loans provided to the subsidiary Portucel Moçambique.

If non-recurrent items are excluded, we can point to an improvement YoY of € 4.4 million. One contributing factor to this result was the rise in interest rates which enabled us to optimise management of cash surpluses, resulting in a positive result of € 3.6 million. Another factor was the policy on hedging interest rate risk which, despite the rapid rise in reference rates, enabled us to keep financing costs stable. Significantly, the average cost of debt remained at under 2% in September 2023.

Pre-tax profits totalled € 262 million and corporation tax payable stood at € 61 million, with a taxation rate for the period of 23.3%. Net income totalled € 201 million, as compared with € 271 million recorded in the same period in 2022.



## **Free cash flow generation impacted by acquisition operation and tax payments**

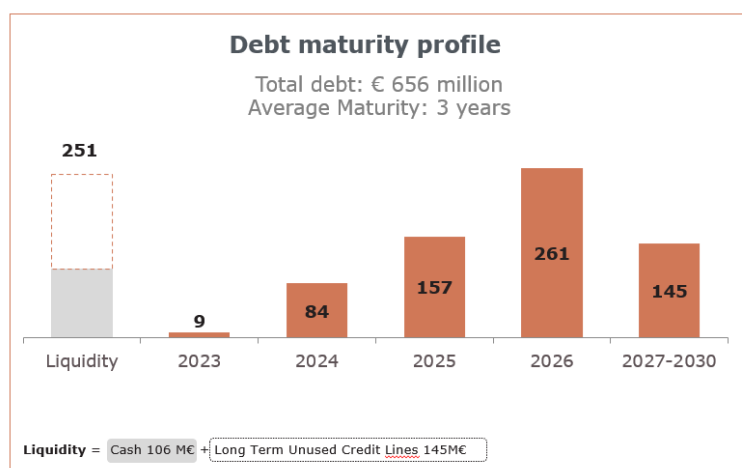
Free cash flow generation in the first nine months totalled approximately € 33 million (compared to close to € 322 million in the same period in 2022), reflecting the impact of the disbursement for acquisition of Gomá-Camps Consumer, a higher level of tax payments than in the previous year, in view of the outstanding results in 2022, and also the demanding schedule for the capex plan under the Recovery and Resilience Plan (RRP).

The level of investment in working capital was again contained and, at the end of the quarter, the value of inventories, which had been rising, began to fall, accompanied by a reduction in the balance of accounts receivable.

## **Distribution of € 200 million in dividends – Flat rate borrowing ensures competitive cost**

Net debt stands at € 550 million euros, reflecting the impact, among other things, of the disbursement for acquisition of Gomà-Camps Consumer in the first quarter and the distribution of € 200 million in dividends in the second quarter. As a result, the ratio of Interest-Bearing Net Debt/EBITDA ratio stood at 0.98, further consolidating the financial strength displayed by the Group in recent years.

In the 1<sup>st</sup> quarter, debt of approximately € 50 million was repaid, followed in the 2<sup>nd</sup> quarter by repayment of approximately € 11 million, and of close to € 14 million in the 3<sup>rd</sup> quarter. Average debt maturity remains appropriate, with rationally staggered repayments, and close to 40% of total debt tied to sustainability and 94% of total debt issued by the Group on a flat rate basis, enabling us to maintain low financing costs in a scenario of sharply rising interest rates. Unused long term credit facilities currently total € 145 million.



**Average Interest Rate  
(Sep-23)**  
**1.9%**

### **Interest Rate**

Fixed	Floating
94%	6%

## **Capex of € 142 million**

In the first nine months of 2023, capital expenditure totalled € 142 million (compared to € 65 million in the same period in 2022). It should be noted that 61% of total investment in the first 9 months, corresponding to € 86 million, is classified as ESG investment - in environmental projects or others geared to sustainability.

Capital expenditure consisted mostly of projects aimed at maintaining production capacity, modernising plant and achieving efficiency gains, as well as structural and safety projects. The capex projects under way include: the new high efficiency Recovery Boiler in Setúbal, of high efficiency, the new tower and washing presses in Aveiro,



which will help accelerate the Group's decarbonisation plan, the investment in wastewater treatment (WWTP in Setúbal), the new Wood Yard in Figueira and ash treatment for the Recovery Boiler in Aveiro.

#### **4. A BIOINDUSTRY ON THE RIGHT SIDE OF THE FUTURE**

##### **Navigator accelerates towards decarbonisation.**

Navigator has brought forward by three years its interim target for direct emissions, and expects to achieve by the end of 2026 the goals initially set for 2029 in its Roadmap for Carbon Neutrality-. This means that by 2026 the Company may achieve a level representing less than half of the emissions recorded in 2018. However, we should recall that, in 2022, 86% of CO<sub>2</sub> emissions directly from the industrial sites of the company were already from biogenic origin, whereby the decarbonisation effort is now focused in 14% of the emissions.

This early attainment of targets on the road to decarbonisation is the result of obtaining RRP incentives, with the approval of five environmental projects at Navigator, representing total investment of € 158 million. This will be spread over 14 initiatives at the Figueira da Foz, Setúbal and Aveiro complexes over the next two years. Attention is drawn to investment in a new high-efficiency recovery boiler in Setúbal, as already mentioned, with investment in incineration of non-condensable gases, investment in converting the lime kilns to biomass at the Figueira and Aveiro site, and a new high-efficiency cogeneration plant in Aveiro.

Equally significant is the project to replace fuel oil with hydrogen and natural gas in the steam generators. The fuel oil currently used has environmentally significant emissions, meaning that this is an important step towards reducing our environmental footprint.

Navigator was the first Portuguese company, and one of the first in the world, to commit itself to achieving carbon neutrality at its industrial complexes in 2035, fifteen years ahead of the Portuguese and European targets.

##### **Investment of 8 million in Navigator mills contributes to energy savings equivalent to the consumption of 31 thousand households**

In the past 5 years, Navigator has invested more than 8 million euros in projects to promote energy efficiency. This is an important plank in the Company's sustainability policy and has resulted in energy savings in the order of 100 GWh/year, corresponding to the consumption of around 31 thousand households (equivalent to cities such as Viseu or Setúbal) and avoiding the emission of approximately 23,000 tons of carbon dioxide.

The solutions adopted for more efficient use of energy resources, between 2018 and 2022, have also yielded an annual saving in energy costs in the order of 6 million euros. The changes have been made in different areas of its four industrial complexes, in improved efficiency in production of compressed air, optimisation of cooling systems, LED lighting in industrial buildings and thermal efficiency.

The optimisation of production processes resulting from implementation of energy efficiency measures has also made it possible to optimise energy consumption from primary sources, per ton of output.

As part of its 2030 Agenda, the responsible business strategy designed by Navigator to address the challenges of the decade and increase its creation of sustainable value, the company has committed itself to "promoting efficient use of resources, while minimising our ecological footprint".

For seventy years, Navigator has obtained materials, products, and energy from biological resources, produced on a sustainable basis. With a corporate Purpose and 2030 Responsible Management Agenda aligned with the United Nations Sustainable Development Goals, Navigator is committed to creating sustainable value for its shareholders,



but also for society as a whole, leaving a better planet for future generations, through natural products that are sustainable, recyclable and biodegradable, that help to sequester carbon and produce oxygen, that protect biodiversity, improve the soil, contributing to regularization of the hydrological cycle and combat climate change.

### External recognition of our commitment to sustainability

Navigator's Sustainability performance has been recognised in ESG questionnaires and ratings.



Our commitment to sustainability also entails the highest standards in reporting practices, as made clear by the improvement in our score from Reporting Matters, a WBCSD and Radley Yeldar initiative, where we are ranked third in the group of Basic Resources companies.

## 5. MARKET OUTLOOK

In addition to the severe geopolitical instability that has dominated 2023, the current economic context, marked by slowdowns in the leading world economies, continues to mean that market prospects are difficult to read. The uncertainty and likely increase of volatility in international markets (financial markets, energy and raw materials), that the instability in Middle East will bring add, as disturbing elements, to geopolitical tensions that developed and accumulated over the past two years.

In the fourth quarter and into 2024, pulp business is expected to continue to recover gradually, as already observed particularly during the third quarter, although the current situation suggests that a degree of prudence is advisable. In fact, volatility in the Chinese market, the main driving force for HW consumption reinforces this degree of prudence in a prospect of a too quick evolution in pulp prices for 2024. At the same time, a new mill in Latin America is due to start up in 2024 (2.6 Mton/years). This will be one of the three largest hardwood fibre mills in the world, meaning that the balance between supply and demand is subject to considerable uncertainty.

In the Paper segment, order books are expected to improve in the 4<sup>th</sup> quarter and in 2024, in line with a trend we have observed as from September. In addition to growing orders, delivery times from mills to distributors have increased, currently standing at 2021 levels. Although the economic slowdown and uncertainty we are living, the improvement in demand, reduction of supply in Europe, and the strong pressure on costs will likely result in a reversal of the fall of paper prices in Europe and some international markets.

Temporary and definitive reductions in capacity have been announced in the paper sector in Europe. In 2023 and 2024, Europe has lost almost 600 thousand tons of annual UWF production capacity. Some manufacturers have announced the permanent closure of operations, whilst others have announced the conversion of capacity to packaging grades. In contrast, China has recorded a net increase of 3 million tons in 2023 and a further 2.8 million tons of net UWF capacity is expected to come online in the next few years (although 2 million of this is still uncertain). This movement could be positive for the Pulp market, but it will nonetheless put pressure on the Paper markets, not so much in Europe, as in Overseas regions.



In the Tissue segment, demand continues to present interesting rates of growth. The Group has moved to create synergies and economies of scale driven by business growth, in particular with the acquisition of Navigator Tissue Ejea. However, there is growing pressure on margins, as a result of recent significant hikes in pulp and energy prices, the main costs in the Tissue segment.

Despite the Group's efforts and its commitment to cutting costs, both by optimising specific consumption levels and by negotiating prices for logistics, raw and subsidiary materials and energy, these prices remain much higher than pre-pandemic levels. Energy prices are still at twice their recent historical levels (2018-2019), which of course puts pressure on the price of end products, meaning that they are not expected to move back to the levels recorded in the past.

The quick footed response by Navigator's teams, with responsible production management and planning, sales strategies focused on diversifying into new products and regions, combined with rigorous programmes to control costs and achieve efficiency in specific consumption levels, as well as the company's sound finances, have enabled it to deliver consistently strong and stable results in changing market contexts. We are confident that all these factors will continue to point to the resilience of Navigator's business model.

Lisbon, 25 October 2023

### **Conference Call and Webcast for Analysts and Investors**

Date: Monday, 30 October 2023

Time: 16:00 WET (Western European Time, GMT)

Link to the Conference Call webcast:

<https://streamstudio.world-television.com/1076-1695-38345/en>

Link for advance registration for telephone access to Conference Call:

<https://aiti.capitalaudiohub.com/navigator/reg.html>



# Consolidated Financial Statements

## Condensed consolidated income statement

Amounts in Euro		9 Months 30-09-2023	9 Months 30-09-2022
	Note		
Revenue	2.1	1,460,559,742	1,822,465,859
Other operating income	2.2	46,487,975	34,290,611
Changes in the fair value of biological assets	3.7	(1,629,153)	(23,251,074)
Costs of goods sold and materials consumed		(658,202,460)	(695,349,144)
Change in production		2,038,370	66,702,545
External services and supplies	2.3	(307,223,688)	(463,295,152)
Payroll costs	7.1	(128,189,117)	(132,541,368)
Other operating expenses	2.3	(37,307,648)	(57,079,712)
Net provisions	9.1	(1,289,652)	2,509,125
Depreciation, amortisation and impairment losses in non-financial assets	3.6	(97,637,432)	(116,503,092)
<b>Operating profit/(loss)</b>		<b>277,606,937</b>	<b>437,948,599</b>
Financial income and gains	5.9	9,769,797	604,266
Financial expenses and losses	5.9	(25,462,742)	(60,728,814)
<b>Financial profit/(loss)</b>		<b>(15,692,945)</b>	<b>(60,124,548)</b>
<b>Profit before income tax</b>		<b>261,913,992</b>	<b>377,824,051</b>
Income tax	6.1	(61,121,814)	(107,354,871)
<b>Net profit for the period</b>		<b>200,792,178</b>	<b>270,469,179</b>
Attributable to Navigator's equity holders		200,755,870	270,480,922
Attributable to non-controlling interests	5.4	36,308	(11,743)
Earnings per share			
Basic earnings per share, Euro	5.2	0.282	0.380
Diluted earnings per share, Euro	5.2	0.282	0.380

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



## Condensed consolidated statement of comprehensive income

Amounts in Euro	Note	9 Months 30-09-2023	9 Months 30-09-2022
Net profit for the period			
<b>before non-controlling interests</b>		<b>200,792,178</b>	<b>270,469,179</b>
<b>Items that may be reclassified to profit and loss</b>			
Derivative financial instruments – hedging			
Changes in fair value	8.1	(18,918,283)	20,715,804
Tax on items above		5,202,528	(5,696,846)
Currency translation differences		4,853,186	37,920,602
Tax on conventional capital remuneration		(38,500)	(481,250)
<b>Items that may not be reclassified to the income statement</b>			
Remeasurements of post-employment benefits			
Remeasurement		(5,590,825)	(11,763,775)
Tax on items above		(13,337)	(474,990)
Comprehensive income of associated companies and joint ventures		(1,630,774)	(3,861,244)
<b>Total other comprehensive income net of taxes</b>		<b>(16,136,004)</b>	<b>36,358,301</b>
<b>Total comprehensive income</b>		<b>184,656,174</b>	<b>306,827,480</b>
Attributable to:			
Navigator's equity holders		184,655,780	306,827,151
Non-controlling interests		394	329
		<b>184,656,174</b>	<b>306,827,480</b>

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



## Condensed consolidated statement of financial position

Amounts in Euro	Note	30-09-2023	31-12-2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	3.1	411,376,608	377,339,466
Intangible assets	3.2	44,672,337	44,813,091
Property, plant and equipment	3.3	1,187,671,925	1,099,689,407
Investment properties	3.4	89,708	90,943
Right-of-use assets	3.5	61,952,133	57,934,840
Biological assets	3.7	120,870,721	122,499,875
Non-current receivables	4.2	31,911,017	25,282,858
Deferred tax assets	6.2	25,242,467	27,204,659
		<b>1,883,786,916</b>	<b>1,754,855,139</b>
<b>Current assets</b>			
Inventories	4.1	318,866,292	298,729,217
Current receivables	4.2	390,574,271	499,143,408
Income tax	6.1	15,803,646	16,216,543
Cash and cash equivalents	5.7	106,355,587	343,083,788
		<b>831,599,796</b>	<b>1,157,172,956</b>
<b>Total assets</b>		<b>2,715,386,712</b>	<b>2,912,028,095</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share capital	5.1	500,000,000	500,000,000
Currency translation reserve		10,196,892	5,343,706
Fair value reserve		20,282,073	33,997,828
Legal reserve		100,000,000	100,000,000
Other reserves		3,481,014	3,481,014
Retained earnings		409,328,481	224,049,919
Net profit for the period		200,755,870	392,537,070
<b>Equity attributable to Navigator's equity holders</b>		<b>1,244,044,330</b>	<b>1,259,409,537</b>
Non-controlling interests	5.4	334,679	297,977
<b>Total Equity</b>		<b>1,244,379,009</b>	<b>1,259,707,514</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	5.5	568,179,608	643,006,886
Lease liabilities	5.6	59,388,791	55,089,083
Pensions and other post-employment benefits	7.2	8,489,495	2,835,730
Deferred tax liabilities	6.2	91,504,964	98,314,430
Provisions	9.1	30,127,252	28,432,877
Payables and other non-current liabilities	4.3	47,422,232	34,852,398
		<b>805,112,342</b>	<b>862,531,404</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	5.5	87,907,926	82,294,836
Lease liabilities	5.6	6,886,097	6,551,966
Payables and other current liabilities	4.3	522,393,125	575,467,689
Income tax	6.1	48,708,213	125,474,686
		<b>665,895,361</b>	<b>789,789,177</b>
<b>Total liabilities</b>		<b>1,471,007,703</b>	<b>1,652,320,581</b>
<b>Total Equity and Liabilities</b>		<b>2,715,386,712</b>	<b>2,912,028,095</b>

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





## Condensed consolidated statement of changes in equity

Amounts in Euro	Note	Share capital	Currency translation reserve	Fair value reserves	Legal reserves	Other reserves	Retained earnings	Net profit for the period	Prepaid dividends	Total	Non-controlling interests	Total
<b>Equity as at 1 January 2023</b>		<b>500,000,000</b>	<b>5,343,706</b>	<b>33,997,828</b>	<b>100,000,000</b>	<b>3,481,014</b>	<b>224,049,919</b>	<b>392,537,070</b>	-	<b>1,259,409,537</b>	<b>297,977</b>	<b>1,259,707,514</b>
Net profit for the period		-	-	-	-	-	-	200,755,870	-	200,755,870	36,308	200,792,178
Other comprehensive income (net of taxes)		-	4,853,186	(13,715,755)	-	-	(7,273,829)	-	-	(16,136,398)	394	(16,136,004)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>4,853,186</b>	<b>(13,715,755)</b>	<b>-</b>	<b>-</b>	<b>(7,273,829)</b>	<b>200,755,870</b>	<b>-</b>	<b>184,619,472</b>	<b>36,702</b>	<b>184,656,174</b>
Appropriation of 2022's profit for the period:												
- Dividends	5.3	-	-	-	-	-	(199,984,679)	-	-	(199,984,679)	-	(199,984,679)
- Appropriation of prior period's net profit		-	-	-	-	-	426,537,070	(392,537,070)	-	34,000,000	-	34,000,000
- Bonus to employees		-	-	-	-	-	(34,000,000)	-	-	(34,000,000)	-	(34,000,000)
Transfer of free reserves to retained earnings		-	-	-	-	-	-	-	-	-	-	-
<b>Total transactions with equity holders</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>192,552,391</b>	<b>(392,537,070)</b>	<b>-</b>	<b>(199,984,679)</b>	<b>-</b>	<b>(199,984,679)</b>
<b>Equity as at 30 September 2023</b>		<b>500,000,000</b>	<b>10,196,892</b>	<b>20,282,073</b>	<b>100,000,000</b>	<b>3,481,014</b>	<b>409,328,481</b>	<b>200,755,870</b>	<b>-</b>	<b>1,244,044,330</b>	<b>334,679</b>	<b>1,244,379,009</b>

Amounts in Euro	Note	Share capital	Currency translation reserve	Fair value reserves	Legal reserves	Other reserves	Retained earnings	Net profit for the period	Prepaid dividends	Total	Non-controlling interests	Total
<b>Equity as at 1 January 2022</b>		<b>500,000,000</b>	<b>(24,346,001)</b>	<b>(5,604,076)</b>	<b>100,000,000</b>	<b>121,836,100</b>	<b>231,525,876</b>	<b>171,411,455</b>	<b>(49,996,170)</b>	<b>1,044,827,184</b>	<b>286,896</b>	<b>1,045,114,080</b>
Net profit for the period		-	-	-	-	-	-	270,480,922	-	270,480,922	(11,743)	270,469,179
Other comprehensive income (net of taxes)		-	37,920,602	15,018,958	-	-	(16,581,588)	-	-	36,357,972	329	36,358,301
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>37,920,602</b>	<b>15,018,958</b>	<b>-</b>	<b>-</b>	<b>(16,581,588)</b>	<b>270,480,922</b>	<b>-</b>	<b>306,838,894</b>	<b>(11,414)</b>	<b>306,827,480</b>
Appropriation of 2021's profit for the period:												
- Dividends	5.3	-	-	-	-	-	(99,992,340)	-	-	(99,992,340)	-	(99,992,340)
- Appropriation of prior period's net profit		-	-	-	-	-	132,415,285	(171,411,455)	49,996,170	11,000,000	-	11,000,000
- Bonus to employees		-	-	-	-	-	(11,000,000)	-	-	(11,000,000)	-	(11,000,000)
Transfer of free reserves to retained earnings		-	-	-	-	-	-	-	-	-	-	-
<b>Total transactions with equity holders</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,422,945</b>	<b>(171,411,455)</b>	<b>49,996,170</b>	<b>(99,992,340)</b>	<b>-</b>	<b>(99,992,340)</b>
<b>Equity as at 30 September 2022</b>		<b>500,000,000</b>	<b>13,574,601</b>	<b>9,414,882</b>	<b>100,000,000</b>	<b>121,836,100</b>	<b>236,367,233</b>	<b>270,480,922</b>	<b>-</b>	<b>1,251,673,738</b>	<b>275,482</b>	<b>1,251,949,220</b>

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



## Condensed consolidated cash flow statement

Amounts in Euro	Note	9 Months 30-09-2023	9 Months 30-09-2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers		1,595,035,644	1,793,139,225
Payments to suppliers		(1,173,940,912)	(1,266,201,169)
Payments to employees		(113,691,314)	(91,651,262)
Cash flow from operations		<b>307,403,418</b>	<b>435,286,794</b>
Income tax received/ (paid)	6.1	(121,516,355)	(34,751,013)
Other receipts / (payments) relating to operating activities		97,715,333	10,640,645
<b>Cash flows from operating activities (1)</b>		<b>283,602,396</b>	<b>411,176,426</b>
<b>INVESTING ACTIVITIES</b>			
<b>Inflows:</b>			
Property, plant and equipment		262,484	782,679
Interest and similar income		-	642,878
		<b>262,484</b>	<b>1,425,557</b>
<b>Outflows:</b>			
Property, plant and equipment		(157,119,606)	(62,841,438)
Intangible assets		(2,805,215)	(3,282,992)
Investments in subsidiaries	3.1	(60,951,811)	-
		<b>(220,876,633)</b>	<b>(66,124,430)</b>
<b>Cash flows from investing activities (2)</b>		<b>(220,614,149)</b>	<b>(64,698,873)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Inflows:</b>			
Interest-bearing liabilities	5.5	-	150,000,000
Government grants		6,730,905	-
		<b>6,730,905</b>	<b>150,000,000</b>
<b>Outflows:</b>			
Interest-bearing liabilities	5.5	(97,858,784)	(248,301,587)
Amortisation of lease agreements	3.6	(7,958,047)	(7,174,638)
Interest and similar expense		(3,693,256)	(18,896,351)
Dividend distribution	5.3	(199,984,679)	(99,992,340)
Repayable grants		(3,226,260)	(2,027,348)
		<b>(312,721,026)</b>	<b>(376,392,264)</b>
<b>Cash flows from financing activities (3)</b>		<b>(305,990,120)</b>	<b>(226,392,264)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS (1)+(2)+(3)</b>		<b>(243,001,873)</b>	<b>120,085,289</b>
Change in the consolidation perimeter		5,741,210	
Effect of exchange rate differences		532,462	1,377,014
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	5.7	<b>343,083,788</b>	<b>239,171,252</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	5.7	<b>106,355,587</b>	<b>360,633,555</b>

Interest and similar expense: essentially relates to interest payments on debt securities and financial debt (Note 5.9).

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



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# 1. Introduction

## 1.1 The Group

The Navigator Group (Group) is comprised by The Navigator Company, 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 nationalisation of the cellulose industry which, through the merger of CPC – Companhia de Celulose, S.A.R.L. (Aveiro), 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 Public Limited Company with a majority public shareholding by Decree-Law no. 405/90, of 21 December.

Years after, as a result of the restructuring of Portucel – Empresa de Celulose e Papel de Portugal, S.A., which was renamed Portucel, SGPS, S.A., towards to its privatisation, Portucel S.A. was created, on 31 May 1993, through Decree-law no. 39/93, of 13 February, with the former assets of the two main companies, based in Aveiro and Setúbal.

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

Aiming to restructure the paper industry in Portugal, Portucel acquired Papéis 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 1.6 and 1.6 million tons, respectively, and it sells approximately 255 thousand tons of pulp, annually, integrating the remainder in the production of UWF paper and Tissue paper.

In June 2004, the Portuguese Government sold 30% of Portucel's capital, which was acquired by the Semapa Group. In September of the same year, Semapa launched a tender offer to assure the Group's control, which was accomplished by guaranteeing a 67.1% stake of Portucel's equity, a position it has held for around 20 years.

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

From 2009 to June 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. The voting rights currently amount to 69.97%.

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 production unit, located in Vila Velha de Ródão. A new industrial facility was built in Aveiro, in August 2018, operated by Navigator Tissue Aveiro, S.A.

On 31 March 2023 the acquisition of the Gomà-Camps Group's consumer Tissue business in Spain was concluded, with a view to strengthening the Group's presence in this business segment. The integration of this new plant has elevated Navigator to the position of second largest Iberian tissue producer, with a production and converting capacity of 180 thousand tonnes.

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 entire value-added chain, from research and development of forestry and agricultural production, to the purchase and sale of wood and the production and sale of bleached eucalyptus kraft pulp – BEKP – and electric and thermal energy, as well as its commercialisation.

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

**Company:** The Navigator Company, S.A.

**Head Office:** Mitrena – Apartado 55 | 2901-861 Setúbal | Portugal

**Legal Form:** Public Limited Company

**Share Capital:** €500,000,000

**No. of shares:** 711,183,069

**N.I.P.C.:** 503 025 798

The Navigator Company, S.A. (Navigator) is included in the consolidation perimeter of Semapa - Sociedade de Investimento e Gestão, SGPS, S.A. (Semapa), which is its parent company.

In turn, Filipa Mendes de Almeida de Queiroz Pereira, Mafalda Mendes de Almeida de Queiroz Pereira and Lua Mónica Mendes de Almeida de Queiroz Pereira hold joint control of Sodim - SGPS, S.A. (Sodim) through the combination of a shareholders' agreement, with their respective direct and indirect shareholdings in the share capital of this company, joint control of Sodim, Semapa and Navigator is attributable to each of them and to Sodim, under the terms of Article 20 of the Portuguese Securities Code, 83.221% of the non-suspended voting rights relating to shares representing the share capital of Semapa and also to each of them, Sodim and Semapa, 69.9704% of the non-suspended voting rights relating to shares representing the share capital of Navigator.

## 1.2 Acquisition of the Gomà-Camps Group's consumer tissue business in Spain

On 31 March 2023, the Navigator Group acquired all the shares representing the share capital of Gomà-Camps Consumer, S.L.U., based in Zaragoza, Spain, which in turn holds the entire share capital of Gomà-Camps France SAS, based in Castres, France. These companies have been renamed Navigator Tissue Ejea, S.L.U. and Navigator Tissue France SAS, respectively.

This acquisition is part of the Navigator Group's ambitious growth and diversification plan. The integration of this new plant has elevated Navigator to the position of second largest Iberian tissue



producer, with a production and converting capacity of 180 thousand tonnes. With the acquisition of these two entities, a number of synergies are expected in the Tissue segment, as well as an increase in the group's market share by accessing Gomà-Camps Consumer's customer portfolio, namely in markets where the Navigator Group intends to strengthen its presence, as well as a reduction in costs through economies of scale. The goodwill arising from this transaction is not expected to be tax deductible.

In the 9 months to 30 September 2023, the two entities contributed Euro 60,177,408 to sales and Euro 9,086,610 to the Group's net profit. If the acquisition had occurred on 1 January 2023, management estimates that consolidated sales would have amounted to Euro 1,494,478,767 and a net profit for the period of Euro 205,534,473. When determining these amounts, management assumed that any provisionally determined fair value adjustments arising on the acquisition date would be the same if the acquisition date was 1 January 2023.

### Transferred consideration

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

### Identification of assets and liabilities acquired and initial goodwill

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

In accordance with IFRS 3, the identification, allocation and accounting of fair value of assets, liabilities and contingent liabilities acquired must take place within twelve months of the acquisition date. The assets acquired and liabilities incurred on the date of acquisition are as follows:

Amounts in Euro	30-09-2023
Property, plant and equipment	42,965,662
Intangible assets - Brands	2,400,000
Deferred tax assets	92,481
Other financial assets	1,853,434
Cash and cash equivalents	4,885,712
Receivables	12,883,472
Inventories	11,092,213
Interest-bearing liabilities	(31,391,406)
Deferred tax liabilities	(162,596)
Corporate Income Tax - Liabilities	(722,907)
Payables and other current liabilities	(16,970,878)
<b>Total identifiable assets and liabilities</b>	<b>26,925,187</b>
Initial goodwill	34,026,624
<b>Cash Flow at acquisition date</b>	<b>60,951,811</b>

The amount of goodwill will be revalued after assessing the fair value of the assets and liabilities.



### **Acquisition-related costs**

The Group incurred costs related to this acquisition amounting to Euro 458,484, related to legal fees and other due diligence costs. These costs are recognised as external services and supplies in the condensed consolidated income statement and condensed consolidated statement of comprehensive income.

## **1.3 Subsequent events**

Up to the date of issuing this report there were no subsequent events susceptible of being disclosed in these financial statements.

## **1.4 Basis for preparation**

### **1.4.1 Authorisation to issue financial statements**

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 25 October 2023.

### **1.4.2 Basis for presentation**

The condensed consolidated financial statements for the nine-month period ended 30 September 2023 were prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting.

The following Notes were selected in order to contribute to the understanding of the most significant changes in the Group's consolidated financial position and its performance in relation to the last reporting date. In this context, these financial statements should be read together with the Navigator Group's consolidated financial statements for the period ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous period and the corresponding interim reporting period.





## 1.5 Significant accounting estimates and judgments

The preparation of consolidated financial statements requires that the Group's Board of Directors make judgements and estimates that affect the amount of revenue, costs, assets, liabilities and disclosures at the date of the consolidated statement of financial position. To that effect, the Group's Board of Directors are based on:

- i) the best information and knowledge of current events and in certain cases on the reports of independent experts, and
- ii) the actions that the Group considers it may have to take in the future.

On the date on which the operations are realised, the outcome could differ from those estimates.

More significant estimates and judgements are presented below:

Estimates and judgements	Notes
Recoverability of Goodwill	3.1 – Goodwill
Uncertainty over Income Tax Treatments	6.1 - Income tax for the period 6.2 - Deferred taxes
Actuarial assumptions	7.2 – Employee benefits
Fair value of biological assets	3.7 – Biological assets
Recognition of provisions	9.1 – Provisions
Recoverability, useful life and depreciation of property, plant and equipment	3.3 – Property, plant and equipment



## 2. Operational performance

### 2.1 Revenue and segment reporting

#### Financial information by operating segment in 2023 and 2022

	30-09-2023					
	MARKET PULP	UWF PAPER	TISSUE PAPER	ENERGY <sup>(1)</sup>	SUPPORT CANCELLATIONS*	TOTAL
<b>REVENUE</b>						
Sales and services - external	198,867,800	915,557,593	216,105,816	130,028,533	-	1,460,559,742
Sales and services - intersegment	1,964,980	-	-	22,905,666	481,859,549	(506,730,195)
<b>Total revenue</b>	<b>200,832,780</b>	<b>915,557,593</b>	<b>216,105,816</b>	<b>152,934,199</b>	<b>481,859,549</b>	<b>1,460,559,742</b>
<b>PROFIT/ (LOSS)</b>						
<b>Operating profit/(loss) <sup>(1)</sup></b>	<b>7,165,739</b>	<b>218,844,180</b>	<b>45,777,038</b>	<b>47,134,040</b>	<b>(41,314,060)</b>	<b>277,606,937</b>
Financial profit/(loss)	-	-	-	-	(15,692,945)	(15,692,945)
Income tax	-	-	-	-	(61,121,814)	(61,121,814)
<b>Net profit for the period</b>	-	-	-	-	-	<b>200,792,178</b>
Non-controlling interests	-	-	-	-	(36,308)	(36,308)
<b>Profit/ (loss) attributable to equity holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200,755,870</b>
<b>OTHER INFORMATION</b>						
Capital expenditure	22,443,979	106,814,115	6,009,156	3,219,527	3,407,265	141,894,041
Depreciation (incl. impairment)	(11,658,733)	(59,689,108)	(8,974,828)	(12,574,321)	(4,740,442)	(97,637,432)
Provisions ((increases) / reversal)	-	-	-	-	(1,289,652)	(1,289,652)
<b>OTHER INFORMATION</b>						
<b>SEGMENT ASSETS</b>						
Goodwill	-	376,756,383	34,620,225	-	-	411,376,608
Property, plant and equipment	144,286,679	717,380,954	184,028,028	137,231,835	4,744,429	1,187,671,925
Right-of-use assets	12,999,583	46,929,622	-	-	2,022,928	61,952,133
Biological assets	30,217,680	90,653,041	-	-	-	120,870,721
Non-current receivables	6,089,342	15,262,811	2,559,554	-	7,999,310	31,911,017
Inventories	28,960,750	256,964,316	31,186,302	460,643	1,294,281	318,866,292
Trade receivables	52,585,909	180,437,764	37,050,018	-	10,260,919	280,334,610
Other current receivables	16,963,156	32,197,453	6,305,406	2,179,659	52,593,987	110,239,661
Other assets	3,640,886	55,371,841	4,765,607	-	128,385,411	192,163,745
<b>Total Assets</b>	<b>295,743,985</b>	<b>1,771,954,185</b>	<b>300,515,140</b>	<b>139,872,137</b>	<b>207,301,265</b>	<b>2,715,386,712</b>
<b>SEGMENT LIABILITIES</b>						
Interest-bearing liabilities	-	415,573	37,201,475	-	618,470,486	656,087,534
Lease liabilities	14,041,539	50,084,984	-	-	2,148,365	66,274,888
Other payables	60,175,582	309,598,415	32,810,428	2,455,506	117,353,194	522,393,125
Other liabilities	16,019,164	97,870,065	15,920,106	7,783,413	88,659,408	226,252,156
<b>Total Liabilities</b>	<b>90,236,285</b>	<b>457,969,037</b>	<b>85,932,009</b>	<b>10,238,919</b>	<b>826,631,453</b>	<b>1,471,007,703</b>

\* Cancellation of intersegment operations. Consolidation adjustments related to inter-segmental transactions are not considered material.

(1) Includes the effects of hedging derivatives of Euro 16,405,141 in the Energy segment.

The Energy segment also includes revenues associated with guarantees of origin of Euro 3,353,138

In the 9-month period ended 30 September 2023, The Navigator Company recorded turnover in the amount of Euro 1,460 million, with paper sales accounting for approximately 63% of turnover (vs. 73%), pulp sales 13% (vs. 8%), tissue sales 15% (vs. 8%) and energy sales 9% (vs. 11%).

The 3<sup>rd</sup> quarter shows a slight improvement in the market compared to the 1<sup>st</sup> half. Whilst initially slow, the process of destocking along the distribution chain seems to have intensified towards the end of the 3<sup>rd</sup> quarter, with most operators continuing to adjust stock levels to the demand they have recorded. This situation led to a slight increase in the level of incoming orders placed with European producers, particularly during September.

In this context, there was a decrease in the volume of paper sales when compared to the same period of the previous year, offset by maintaining prices at a high level and improving the product mix.

The investment in the packaging business line continues to be consolidated even though this segment was the one where the strong slowdown in demand was felt the quickest. This new business area, in its current stage of development, is included in the UWF Paper segment, insofar as, considering IFRS 8, the quantitative levels have not yet been exceeded, and due to the fact that this business line have a similar nature to UWF Paper and share a significant set of production and commercial processes.



The volume of pulp sales increased compared to the same period last year, due to the greater availability of pulp for the market, as a result of less integration into paper.

The Tissue paper segment continues to perform well, with sales of finished products showing sustained growth in the first 9 months of 2023.

The amount corresponding to total energy sales was Euro 130,028,533 compared to Euro 195,982,302 in 2022, a decrease of approximately 33%. This decrease is essentially explained by the fact that in the first half of the year the average price for the Portuguese OMIE area, which serves as a reference for sales in this period, fell by 56%. It should also be noted that in June the group's renewable cogeneration plants moved to the special remuneration regime, instead of selling at market price.

In the nine-month period ended 30 September 2023, investments amounted to Euro 141,894,041 (vs. Euro 64,435,197 in the same period of the previous year), of which approximately 61% are classified as environmental or sustainable investments. The amount of investment in the period includes mainly investments in maintenance of production capacity, upgrading of equipment and improvement of efficiency, structural and safety projects. The investments made include the new recovery boiler in Setúbal (Euro 52,775,867), the new wood preparation line in Figueira da Foz (Euro 4,368,341), investment in wastewater treatment (Setúbal wastewater treatment plant) (Euro 3,374,735), the new Tower and Wash Presses in Aveiro (Euro 5,698,274), the new evaporation line in Aveiro (Euro 1,733,730) and the new natural gas boiler in Setúbal (Euro 686,149).

	30-09-2022						
	MARKET PULP	UWF PAPER	TISSUE PAPER	ENERGY	SUPPORT CANCELLATIONS*		TOTAL
<b>REVENUE</b>							
Sales and services - external	152,602,807	1,330,892,797	142,987,953	195,982,302	-	-	1,822,465,859
Sales and services - intersegment	1,835,000	-	-	52,507,600	457,815,704	(512,158,304)	-
<b>Total revenue</b>	<b>154,437,807</b>	<b>1,330,892,797</b>	<b>142,987,953</b>	<b>248,489,902</b>	<b>457,815,704</b>	<b>(512,158,304)</b>	<b>1,822,465,859</b>
<b>PROFIT/ (LOSS)</b>							
<b>Operating profit/(loss)</b>	<b>38,600,110</b>	<b>401,462,844</b>	<b>21,620,914</b>	<b>18,752,902</b>	<b>(42,488,171)</b>	<b>-</b>	<b>437,948,598</b>
Financial profit/(loss)	-	-	-	-	(60,124,548)	-	(60,124,548)
Income tax	-	-	-	-	(107,354,871)	-	(107,354,871)
<b>Net profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,743</b>	<b>-</b>	<b>11,743</b>
Non-controlling interests	-	-	-	-	-	-	-
<b>Profit/ (loss) attributable to equity holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>270,469,179</b>
<b>OTHER INFORMATION</b>							
Capital expenditure	17,465,988	40,398,208	2,758,195	1,645,918	2,166,888	-	64,435,197
Depreciation and impairment	(18,028,357)	(71,793,803)	(7,527,712)	(12,694,829)	(6,458,392)	-	(116,503,092)
Provisions ((increases) / reversal)	(175,913)	3,536,443	(730,849)	-	(120,556)	-	2,509,125
<b>OTHER INFORMATION</b>							
<b>SEGMENT ASSETS</b>							
Goodwill	-	376,756,383	583,083	-	-	-	377,339,466
Property, plant and equipment	130,052,034	593,509,607	145,248,597	224,575,477	1,707,928	-	1,095,093,644
Right-of-use assets	11,528,933	41,229,068	-	-	2,561,904	-	55,319,905
Biological assets	31,018,247	93,054,740	-	-	-	-	124,072,986
Non-current receivables	72,262	532,502	-	-	9,403,254	-	10,008,018
Inventories	37,344,900	207,209,310	27,892,407	493,845	2,538,552	-	275,479,013
Other current receivables	40,837,675	270,520,935	48,372,161	29,639,184	135,008,168	-	524,378,123
Other assets	2,546,246	59,985,050	3,760,621	19,250	377,112,125	-	443,423,293
<b>Total Assets</b>	<b>253,400,298</b>	<b>1,642,797,595</b>	<b>225,856,869</b>	<b>254,727,756</b>	<b>528,331,932</b>	<b>-</b>	<b>2,905,114,450</b>
<b>OTHER INFORMATION</b>							
<b>SEGMENT LIABILITIES</b>							
Interest-bearing liabilities	-	415,573	40,247,601	-	692,446,517	-	733,109,691
Lease liabilities	12,345,687	43,698,954	-	-	2,686,291	-	58,730,932
Other payables	85,315,985	351,859,941	25,428,460	2,935,925	92,767,159	-	558,307,469
Other liabilities	8,606,054	113,405,957	12,859,619	7,690,799	160,454,708	-	303,017,138
<b>Total Liabilities</b>	<b>106,267,726</b>	<b>509,380,424</b>	<b>78,535,680</b>	<b>10,626,724</b>	<b>948,354,675</b>	<b>-</b>	<b>1,653,165,229</b>

\* Cancellation of intersegment operations. Consolidation adjustments related to inter-segmental transactions are not considered material.



## Revenue by business segment, by geographic area and by recognition pattern

30 September 2023

Amounts in Euro	Pulp	UWF Paper	Tissue Paper	Energy	Total Amount	Total %
Portugal	1,898,490	52,060,405	65,961,010	130,028,533	249,948,438	17.11%
Rest of Europe	69,138,341	572,437,321	145,250,274	-	786,825,936	53.87%
USA	-	35,241,109	1,205,906	-	36,447,016	2.50%
North America - Other	515,998	1,667,083	400,321	-	2,583,402	0.18%
Latin America	789,099	37,203,188	-	-	37,992,287	2.60%
Africa	20,681,213	115,958,048	3,237,783	-	139,877,044	9.58%
Asia	105,844,659	100,857,389	50,522	-	206,752,570	14.16%
Oceania	-	133,051	-	-	133,051	0.01%
	<b>198,867,800</b>	<b>915,557,593</b>	<b>216,105,816</b>	<b>130,028,533</b>	<b>1,460,559,742</b>	<b>100.00%</b>
<b>Recognition pattern</b>						
At a certain moment in time	198,867,800	915,557,593	216,105,816	130,028,533	1,460,559,742	100.00%
Over time	-	-	-	-	-	0.00%

30 September 2022

Amounts in Euro	Pulp	UWF Paper	Tissue Paper	Energy	Total Amount	Total %
Portugal	3,416,770	62,215,784	58,242,368	195,982,302	319,857,224	17.55%
Rest of Europe	123,884,730	740,585,664	81,255,010	-	945,725,404	51.89%
USA	-	171,526,478	-	-	171,526,478	9.41%
North America - Other	-	-	-	-	-	0.00%
Latin America	1,960,808	66,834,574	427,816	-	69,223,198	3.80%
Africa	13,984,342	189,935,809	2,959,762	-	206,879,913	11.35%
Asia	9,356,157	99,744,858	102,998	-	109,204,013	5.99%
Oceania	-	49,630	-	-	49,630	0.00%
	<b>152,602,807</b>	<b>1,330,892,797</b>	<b>142,987,953</b>	<b>195,982,302</b>	<b>1,822,465,859</b>	<b>100.00%</b>
<b>Recognition pattern</b>						
At a certain moment in time	152,602,807	1,330,892,797	142,987,953	195,982,302	1,822,465,859	100.00%
Over time	-	-	-	-	-	0.00%

## Group's revenue distribution by geographic area



In 2023 and 2022, no single Customer accounted for 10% or more of the Group's total revenue.



## 2.2 Other operating income

For the nine-month periods ended 30 September 2023 and 2022, Other operating income is detailed as follows:

Amounts in Euro	9 Months 30-09-2023	9 Months 30-09-2022
Gains on disposal of non-current assets	245,793	180,256
Grants - CO <sub>2</sub> emission allowances	28,073,421	26,772,235
Supplementary income	769,906	917,541
Operating grants	3,609,181	1,873,040
Reversal of impairment losses on receivables	1,474,249	2,463
Reversal of impairment losses on inventories (Note 4.1.2)	112,683	555,110
Gains on inventories	527,922	-
Own work capitalised	761,416	352,355
Compensations	1,420,920	498,312
Other operating income	8,964,561	1,255,700
	<b>46,487,975</b>	<b>34,290,611</b>

Gains on CO<sub>2</sub> allowances correspond to the recognition of free allocation of allowances for 473,314 tons of CO<sub>2</sub>, at the average price of Euro 83.87 (444,457 tons of CO<sub>2</sub>, at the average price of Euro 84.01 as at 30 September 2022) (Note 3.2).

Operating grants include Euro 1,478,656 relating to the Recovery and Resilience Programme, as well as the Grant relating to the Apoiar Gás Programme of Euro 1,045,034 (30 September 2022): Euro 597,581). This caption also includes grants awarded for research and development projects carried out by the RAIZ institute. In the first 9 months of 2023, Euro 259,756 was also received from the IEFP's ATIVAR Programme (30 September 2022: Euro 214,664), which includes professional training, professional internships and reinforced support to hiring and entrepreneurship, which were considered as a deduction to Payroll costs.

The caption Impairment reversal on receivables is essentially related to the impairment reversal on Trade receivables from Egypt.



## 2.3 Other operating expenses

Amounts in Euro	9 Months 30-09-2023	9 Months 30-09-2022
<b>Cost of goods sold and materials consumed</b>	<b>658,202,460</b>	<b>695,349,144</b>
<b>External services and supplies</b>		
Energy and fluids	64,460,472	167,844,602
Transportation of goods	100,833,759	163,081,484
Specialised work	69,831,869	65,856,444
Maintenance and repair	26,867,284	26,402,368
Rentals	6,816,081	5,789,179
Advertising and marketing	8,296,116	8,111,120
Insurance	8,307,521	7,014,973
Travel and accommodation	3,611,482	2,555,210
Fees	3,579,254	2,772,630
Subcontracts	2,470,676	2,090,339
Materials	1,963,308	3,040,915
Communications	950,766	909,925
Other	9,235,100	7,825,962
	<b>307,223,688</b>	<b>463,295,152</b>
<b>Change in production</b>	<b>(2,038,370)</b>	<b>(66,702,545)</b>
<b>Personnel costs (Note 7.1)</b>	<b>128,189,117</b>	<b>132,541,368</b>
<b>Other operating expenses</b>		
Costs with CO <sub>2</sub> emission allowances	26,315,371	31,767,492
Impairment losses on receivables	(95,196)	3,550,065
Impairment losses on inventories (Note 4.1.2)	1,870,183	13,564,652
Other inventory losses	3,079,501	971,150
Indirect taxes	1,846,087	2,230,495
Losses on disposal of non-current assets	2,007	460,340
Water resource fee	1,328,828	990,284
Other operating expenses	2,960,867	3,545,235
	<b>37,307,648</b>	<b>57,079,712</b>
<b>Net provisions (Note 9.1)</b>	<b>1,289,652</b>	<b>(2,509,125)</b>
<b>Total operating expenses</b>	<b>1,130,174,195</b>	<b>1,279,053,706</b>

In the 9-month period ended 30 September 2023, there was a slowdown in costs, namely in logistics and energy. Regarding energy, there was a significant drop in the purchase price of electricity compared to the same period last year. This price effect on electricity also had an impact on the value of energy sales in 2023, which fell during the period.

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

As at 30 September 2023 and 2022, external services and supplies costs incurred for investigation and research activities amounted to Euro 4,407,568 and Euro 3,355,722, respectively.

The expenses with CO<sub>2</sub> correspond to the emission of 334,725 tons of CO<sub>2</sub><sup>1</sup> (30 September 2022: 416,407 tons).

In 2023, the caption Impairment on inventories includes the recognition of an impairment on pulp stock in the amount of Euro 811,000 to cover the drop in the market price of pulp. The remainder relates to the reinforcement of impairment for UWF and Tissue paper waste. In 2022, this caption recorded the

<sup>1</sup> CO<sub>2</sub> emissions from assets in factories, Scope 1 - EU ETS basis.



reinforcement of the impairment for UWF and Tissue paper waste (Euro 4,899,869) and, furthermore, an impairment of Euro 4,443,295 for the surplus of spare parts in stock, in view of future investment prospects and the remaining useful lives of industrial equipment.

In the 9-month period ended 30 September 2023, the increase in Other inventory losses resulted mainly from wood inventory adjustments (Euro 1,244,000) and pulp (Euro 730,000).

## 3. Investments

### 3.1 Goodwill

#### Goodwill – net amount

Goodwill is attributed to the Group's cash generating units (CGU's), as follows:

Amounts in Euro	30-09-2023	31-12-2022
CGU of UWF paper production on Figueira da Foz site (goodwill resulting from the acquisition of Navigator Brands, S.A.)	376,756,383	376,756,383
CGU of Tissue paper production on Vila Velha de Ródão site (goodwill resulting from the acquisition of Navigator Tissue Ródão, S.A.)	583,083	583,083
CGU of Tissue paper production - Navigator Tissue Ejea, S.L.U. e Navigator Tissue France, S.A.S (goodwill resulting from the acquisition of Gomà Camps)	34,037,142	-
	<b>411,376,608</b>	<b>377,339,466</b>

#### Navigator Brands, S.A. / Navigator Paper Figueira, S.A.

Following the acquisition of 100% of the former Soporcel - Sociedade Portuguesa de Papel, S.A. (now Navigator Brands, 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.

This goodwill has a book value of Euro 376,756,383 as it was subject to annual amortisation until 31 December 2003 (date of transition to IFRS: 1 January 2004), with amortisation having ceased as from that date, the accumulated amount of which amounted to Euro 51,375,871. Since that date, annual tests have been carried out to determine any impairment losses.

#### Navigator Tissue Ródão, S.A.

On 6 February 2015 the procedures and agreements for the acquisition of AMS-BR Star Paper, S.A. (later merged into Navigator Tissue Ródão, S.A.) were concluded, with the authorisation to conclude this transaction being formalised on 17 April 2015.

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



## Navigator Tissue Ejea, S.L.U. e Navigator Tisse France S.A.S.

On 31 March 2023, the Navigator Group acquired all the shares representing the share capital of Gomà-Camps Consumer, S.L.U., based in Zaragoza, Spain, which in turn holds the entire share capital of Gomà-Camps France SAS, based in Castres, France. These companies have been renamed Navigator Tissue Ejea, S.L.U. and Navigator Tissue France SAS, respectively.

The Enterprise Value of this acquisition amounted to Euro 85 million, with initial goodwill amounting to Euro 34,026,624. As at this date, the Group is carrying out the necessary procedures to recognise and measure the identifiable assets acquired, the liabilities assumed and consequently the calculation of the goodwill or gain resulting from the operation, in accordance with IFRS 3.

## 3.2 Intangible assets

### Movements in intangible assets

Amounts in Euro	Industrial property and other rights	CO <sub>2</sub> emission allowances	Other intangible assets	Intangible assets in progress	Total
<b>Gross amount</b>					
<b>Balance as at 1 January 2022</b>	<b>34,487</b>	<b>24,736,507</b>	-	-	<b>24,770,994</b>
Granting	-	37,338,833	-	-	37,338,833
Acquisitions	-	3,251,520	-	31,472	3,282,992
Adjustments, transfers and write-offs	31,472	(20,545,709)	-	(31,472)	(20,545,709)
<b>Balance as at 30 September 2022</b>	<b>65,959</b>	<b>44,781,151</b>	-	-	<b>44,847,110</b>
Granting	-	-	-	-	-
Acquisitions	-	-	-	5,024	5,024
Adjustments, transfers and write-offs	5,024	-	-	(5,024)	-
<b>Balance as at 31 December 2022</b>	<b>70,983</b>	<b>44,781,151</b>	-	-	<b>44,852,134</b>
Change in the perimeter	1,755,429	-	-	-	1,755,429
Granting	-	39,687,379	-	-	39,687,379
Acquisitions	2,400,000	-	-	513,498	2,913,498
Adjustments, transfers and write-offs	513,498	(42,966,321)	-	(513,498)	(42,966,321)
<b>Balance as at 30 September 2023</b>	<b>4,739,910</b>	<b>41,502,209</b>	-	-	<b>46,242,119</b>
<b>Accumulated amortisation and impairment losses</b>					
<b>Balance as at 1 January 2022</b>	<b>(18,464)</b>	-	-	-	<b>(18,464)</b>
Depreciation and amortisation for the period (Note 3.6)	(15,249)	-	-	-	(15,249)
<b>Balance as at 30 September 2022</b>	<b>(33,713)</b>	-	-	-	<b>(33,713)</b>
Amortizações do período	(5,330)	-	-	-	(5,330)
<b>Balance as at 31 December 2022</b>	<b>(39,043)</b>	-	-	-	<b>(39,043)</b>
Change in the perimeter	(1,341,517)	-	-	-	(1,341,517)
Depreciation and amortisation for the period (Note 3.6)	(189,222)	-	-	-	(189,222)
<b>Balance as at 30 September 2023</b>	<b>(1,569,782)</b>	-	-	-	<b>(1,569,782)</b>
<b>Net book value as at 1 January 2022</b>	<b>16,023</b>	<b>24,736,507</b>	-	-	<b>24,752,530</b>
<b>Net book value as at 30 September 2022</b>	<b>32,246</b>	<b>44,781,151</b>	-	-	<b>44,813,397</b>
<b>Net book value as at 31 December 2022</b>	<b>31,940</b>	<b>44,781,151</b>	-	-	<b>44,813,091</b>
<b>Net book value as at 30 September 2023</b>	<b>3,170,128</b>	<b>41,502,209</b>	-	-	<b>44,672,337</b>

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

### CO<sub>2</sub> allowances

	30-09-2023	31-12-2022
CO <sub>2</sub> emission allowances (units)	494,850	574,122
Average unit value (Euro)	83.87	77.99
Market quotation (Euro)	90.09	81.49





## CO<sub>2</sub> allowances – movements of the period

Amounts in Euro	2023	
	Tons	Amount
<b>Opening balance</b>	<b>574,122</b>	<b>44,781,151</b>
Allowances granted free of charge (Note 2.2)	473,314	39,687,379
Allowances acquired	-	-
Allowances returned to the Licensing Coordinating Entity	(552,586)	(42,966,321)
<b>Closing balance</b>	<b>494,850</b>	<b>41,502,209</b>

## 3.3 Property, plant and equipment

### Movements in property, plant and equipment

Amounts in Euro	Land	Buildings and other constructions	Equipment and other assets	Assets under construction	Total
<b>Gross amount</b>					
<b>Balance as at 1 January 2022</b>	<b>114,391,431</b>	<b>542,873,640</b>	<b>3,718,884,937</b>	<b>40,476,332</b>	<b>4,416,626,340</b>
Acquisitions	-	-	4,009,035	60,394,690	64,403,725
Disposals	(627,191)	-	(523,646)	-	(1,150,837)
Adjustments, transfers and write-offs	1,126,112	1,292,786	10,891,621	(21,443,926)	(8,133,407)
<b>Balance as at 30 September 2022</b>	<b>114,890,352</b>	<b>544,166,426</b>	<b>3,733,261,947</b>	<b>79,427,096</b>	<b>4,471,745,821</b>
Acquisitions	-	-	8,633,481	38,986,604	47,620,085
Disposals	(113,198)	-	(39,389,359)	-	(39,502,557)
Adjustments, transfers and write-offs	997,164	333,442	24,685,659	(26,257,215)	(240,950)
<b>Balance as at 31 December 2022</b>	<b>115,774,318</b>	<b>544,499,868</b>	<b>3,727,191,728</b>	<b>92,156,485</b>	<b>4,479,622,399</b>
Change in the perimeter	2,763,618	18,905,954	61,489,209	74,053	83,232,834
Acquisitions	-	-	7,795,687	133,584,856	141,380,543
Disposals	(22,489)	-	(31,218)	-	(53,708)
Adjustments, transfers and write-offs	500,081	986,068	42,255,740	(46,123,082)	(2,381,193)
<b>Balance as at 30 September 2023</b>	<b>119,015,528</b>	<b>564,391,890</b>	<b>3,838,701,145</b>	<b>179,692,312</b>	<b>4,701,800,875</b>
<b>Accumulated depreciation and impairment losses</b>					
<b>Balance as at 1 January 2022</b>	-	<b>(362,865,639)</b>	<b>(2,908,516,193)</b>	-	<b>(3,271,381,833)</b>
Depreciation for the period (Note 3.6)	-	(8,434,922)	(105,134,436)	-	(113,569,358)
Disposals	-	-	77,718	-	77,718
Adjustments, transfers and write-offs	-	268,015	7,953,282	-	8,221,297
<b>Balance as at 30 September 2022</b>	-	<b>(371,032,547)</b>	<b>(3,005,619,629)</b>	-	<b>(3,376,652,176)</b>
Depreciation for the period	-	(10,392,704)	(32,496,496)	-	(42,889,200)
Disposals	-	-	39,365,949	-	39,365,949
Adjustments, transfers and write-offs	-	(261,088)	503,523	-	242,435
<b>Balance as at 31 December 2022</b>	-	<b>(381,686,338)</b>	<b>(2,998,246,653)</b>	-	<b>(3,379,932,992)</b>
Change in the perimeter	-	(8,940,894)	(31,324,474)	-	(40,265,369)
Depreciation for the period (Note 3.6)	-	(10,316,568)	(83,759,249)	-	(94,075,817)
Impairment	-	-	-	-	-
Disposals	-	-	1,223	-	1,223
Adjustments, transfers and write-offs	-	4,989,945	(4,845,941)	-	144,004
<b>Balance as at 30 September 2023</b>	-	<b>(395,953,856)</b>	<b>(3,118,175,094)</b>	-	<b>(3,514,128,950)</b>
<b>Net book value as at 1 January 2022</b>	<b>114,391,431</b>	<b>180,008,001</b>	<b>810,368,744</b>	<b>40,476,332</b>	<b>1,145,244,507</b>
<b>Net book value as at 30 September 2022</b>	<b>114,890,352</b>	<b>173,133,879</b>	<b>727,642,318</b>	<b>79,427,096</b>	<b>1,095,093,645</b>
<b>Net book value as at 31 December 2022</b>	<b>115,774,318</b>	<b>162,813,530</b>	<b>728,945,075</b>	<b>92,156,485</b>	<b>1,099,689,407</b>
<b>Net book value as at 30 September 2023</b>	<b>119,015,528</b>	<b>168,438,035</b>	<b>720,526,051</b>	<b>179,692,312</b>	<b>1,187,671,925</b>

As at 30 September 2023 the caption Assets under construction includes investments associated with ongoing development projects, namely those related to the new Recovery Boiler in Setúbal (Euro 52,750,867), the new wood preparation line in Figueira da Foz (Euro 25,203,967), the new evaporation line in Aveiro (Euro 14,425,355), the new Tower and Wash Presses in Aveiro (Euro 6,859,878), the new Natural Gas boiler in Setúbal (Euro 4,964,810), the investment in wastewater treatment (Setúbal wastewater treatment plant) (Euro 3,374,735), the new bleaching tower in Aveiro (Euro 2,250,000) and the upgrade of the control system of Coiler 1 in Figueira da Foz (Euro 2,319,311). The remainder is related to several projects for improving and optimising the production process.

Land includes Euro 115,016,794 (31 December 2022: Euro 114,586,831) classified in the individual financial statements as investment properties, from which Euro 75,878,679 (31 December 2022: Euro



75,448,716) relate to forestry land and Euro 39,138,115 (31 December 2022: Euro 39,138,115) to land allocated to industrial sites.

## 3.4 Investment properties

### Movement in investment properties

Amounts in Euro	Land	Buildings and other constructions	Total
<b>Gross amount</b>			
<b>Balance as at 1 January 2022</b>	<b>424,744</b>	<b>82,307</b>	<b>507,051</b>
Acquisitions	-	-	-
<b>Balance as at 30 September 2022</b>	<b>424,744</b>	<b>82,307</b>	<b>507,051</b>
Acquisitions	-	-	-
<b>Balance as at 31 December 2022</b>	<b>424,744</b>	<b>82,307</b>	<b>507,051</b>
Acquisitions	-	-	-
<b>Balance as at 30 September 2023</b>	<b>424,744</b>	<b>82,307</b>	<b>507,051</b>
<b>Accumulated depreciation and impairment losses</b>			
<b>Balance as at 1 January 2022</b>	<b>(399,372)</b>	<b>(15,090)</b>	<b>(414,462)</b>
Depreciation for the period (Note 3.6)	-	-	-
Impairment losses (Note 3.6)	-	(1,234)	(1,234)
<b>Balance as at 30 September 2022</b>	<b>(399,372)</b>	<b>(16,324)</b>	<b>(415,696)</b>
Depreciation for the period	-	-	-
Impairment losses	-	(412)	(412)
<b>Balance as at 31 December 2022</b>	<b>(399,372)</b>	<b>(16,736)</b>	<b>(416,108)</b>
Depreciation for the period (Note 3.6)	-	-	-
Impairment losses (Note 3.6)	-	(1,235)	(1,235)
<b>Balance as at 30 September 2023</b>	<b>(399,372)</b>	<b>(17,971)</b>	<b>(417,343)</b>
<b>Net book value as at 1 January 2022</b>	<b>25,372</b>	<b>67,217</b>	<b>92,589</b>
<b>Net book value as at 30 September 2022</b>	<b>25,372</b>	<b>65,983</b>	<b>91,355</b>
<b>Net book value as at 31 December 2022</b>	<b>25,372</b>	<b>65,571</b>	<b>90,943</b>
<b>Net book value as at 30 September 2023</b>	<b>25,372</b>	<b>64,336</b>	<b>89,708</b>

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



## 3.5 Right-of-use assets

### Movements in right-of-use assets

Amounts in Euro	Forestry lands	Buildings	Vehicles	Software licenses	Other lease assets	Total
<b>Gross amount</b>						
<b>Balance as at 1 January 2022</b>	<b>49,921,267</b>	<b>4,655,055</b>	<b>8,547,629</b>	<b>1,324,360</b>	<b>6,655,276</b>	<b>71,103,587</b>
Acquisitions	7,330,589	-	2,285,508	-	-	9,616,097
Adjustments, transfers and write-offs	-	-	-	-	-	-
<b>Balance as at 30 September 2022</b>	<b>57,251,856</b>	<b>4,655,055</b>	<b>10,833,137</b>	<b>1,324,360</b>	<b>6,655,276</b>	<b>80,719,684</b>
Acquisitions	1,578,242	-	745,177	232,253	2,765,111	5,320,783
Adjustments, transfers and write-offs	-	-	(353)	-	-	(353)
<b>Balance as at 31 December 2022</b>	<b>58,830,098</b>	<b>4,655,055</b>	<b>11,577,960</b>	<b>1,556,613</b>	<b>9,420,387</b>	<b>86,040,113</b>
Acquisitions	8,126,220	10,062	2,028,062	-	-	10,164,344
Adjustments, transfers and write-offs	-	(356,397)	(5,604)	-	-	(362,001)
<b>Balance as at 30 September 2023</b>	<b>66,956,318</b>	<b>4,308,720</b>	<b>13,600,418</b>	<b>1,556,613</b>	<b>9,420,387</b>	<b>95,842,456</b>
<b>Accumulated depreciation and impairment losses</b>						
<b>Balance as at 1 January 2022</b>	<b>(9,153,696)</b>	<b>(1,885,048)</b>	<b>(5,482,622)</b>	<b>(665,511)</b>	<b>(2,723,749)</b>	<b>(19,910,627)</b>
Depreciation (Note 3.6)	(2,492,481)	(386,925)	(1,320,829)	(217,620)	(1,071,295)	(5,489,150)
<b>Balance as at 30 September 2022</b>	<b>(11,646,177)</b>	<b>(2,271,973)</b>	<b>(6,803,451)</b>	<b>(883,131)</b>	<b>(3,795,044)</b>	<b>(25,399,777)</b>
Depreciation	(1,175,586)	(128,975)	(478,569)	(230,446)	(692,273)	(2,705,849)
<b>Balance as at 31 December 2022</b>	<b>(12,821,763)</b>	<b>(2,400,948)</b>	<b>(7,281,667)</b>	<b>(1,113,577)</b>	<b>(4,487,317)</b>	<b>(28,105,274)</b>
Depreciation (Note 3.6)	(2,909,790)	(385,719)	(1,471,510)	(119,721)	(1,260,311)	(6,147,051)
Adjustments, transfers and write-offs	-	356,397	5,604	-	-	362,001
<b>Balance as at 30 September 2023</b>	<b>(15,731,553)</b>	<b>(2,430,270)</b>	<b>(8,747,573)</b>	<b>(1,233,298)</b>	<b>(5,747,628)</b>	<b>(33,890,324)</b>
<b>Net book value as at 1 January 2022</b>	<b>40,767,570</b>	<b>2,770,007</b>	<b>3,065,007</b>	<b>658,849</b>	<b>3,931,527</b>	<b>51,192,959</b>
<b>Net book value as at 30 September 2022</b>	<b>45,605,678</b>	<b>2,383,082</b>	<b>4,029,686</b>	<b>441,229</b>	<b>2,860,232</b>	<b>55,319,906</b>
<b>Net book value as at 31 December 2022</b>	<b>46,008,334</b>	<b>2,254,107</b>	<b>4,296,293</b>	<b>443,036</b>	<b>4,933,070</b>	<b>57,934,840</b>
<b>Net book value as at 30 September 2023</b>	<b>51,224,764</b>	<b>1,878,450</b>	<b>4,852,845</b>	<b>323,315</b>	<b>3,672,759</b>	<b>61,952,133</b>

The caption Forestry lands relates essentially to the land use rights of existing forest exploration, whose agreements usually have a duration of 24 years, and may be cancelled in advance if the 2<sup>nd</sup> harvest takes place before the 24<sup>th</sup> year of the agreement term.

The caption Buildings refers to the lease agreement entered into between The Navigator Company, S.A. and MaxiRent - Fundo de Investimento Imobiliário Fechado for the building located at Avenida Fontes Pereira de Melo, in Lisbon, for use as an office until 31 May 2027.

The caption Other lease assets includes the forklift truck rental contracts signed since 2020 and valid until January 2029.

The cash flows associated with the amortisation of lease agreements correspond to financial amortisation of Euro 6,150,160 and interest of Euro 1,807,887 (Note 5.9), amounting to a total of Euro 7,958,047, as shown in the Cash Flow Statement.



## 3.6 Depreciation, amortisation and impairment losses

Amounts in Euro	30-09-2023	30-09-2022
Depreciation of property, plant and equipment for the period (Note 3.3)	94,075,817	113,569,358
Government grants charge-off	(2,775,893)	(2,571,899)
<b>Depreciation of property, plant and equipment, net of grants used</b>	<b>91,299,924</b>	<b>110,997,459</b>
<b>Amortisation of intangible assets for the period (Note 3.2)</b>	<b>189,222</b>	<b>15,249</b>
<b>Depreciation of right-of-use assets for the period (Note 3.5)</b>	<b>6,147,051</b>	<b>5,489,150</b>
Impairment of investment properties (Note 3.4)	1,235	1,234
	<b>97,637,432</b>	<b>116,503,092</b>

The Group regularly uses external and independent experts to evaluate its industrial assets and to check the appropriateness of the estimates used for the useful lives of these assets.

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

## 3.7 Biological assets

### Movements in biological assets

Amounts in Euro	2023	2022
<b>Opening balance</b>	<b>122,499,875</b>	<b>147,324,061</b>
Logging	(19,128,607)	(14,004,029)
Growth	20,739,471	14,285,192
New planted areas and replanting (at cost)	2,340,989	2,526,710
Other changes in fair value		
- change in the cost-of-capital rate	-	(16,685,000)
- changes in other species	(628,406)	(6,446,290)
- other changes in expectations	(4,952,601)	(2,927,657)
<b>Total changes</b>	<b>(1,629,154)</b>	<b>(23,251,074)</b>
<b>Amount as at 30 September</b>	<b>120,870,721</b>	<b>124,072,986</b>
Remaining quarters		(1,573,111)
<b>Amount as at 31 December</b>		<b>122,499,875</b>

The discount rate used in the 9-month period ended 30 September 2023 was 5.17% (2022: 5.17%). Note that the Group incorporates the fire risk into the model's cash flows. If this risk were incorporated into the discount rate, it would be of 7%.

As at 30 September 2023 and 31 December 2022, biological assets, by species, is detailed as follows:

Amounts in Euro	30-09-2023	31-12-2022
Eucalyptus (Portugal)	92,300,222	93,301,990
Eucalyptus (Spain)	2,732,172	2,932,530
Pine (Portugal)	7,675,150	8,149,506
Cork oak (Portugal)	665,870	819,980
Other species (Portugal)	73,167	73,108
Eucalyptus (Mozambique)	17,424,140	17,222,761
	<b>120,870,721</b>	<b>122,499,875</b>



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

Amounts in Euro	30-09-2023	31-12-2022
Eucalyptus (Portugal) - Potential future of wood extractions k m3ssc	10,439	10,371
Eucalyptus (Spain) - Potential future of wood extractions k m3ssc	191	207
Pine (Portugal) - Potential future of wood extractions k ton	303	309
Pine (Portugal) - Potential future of pine extractions k ton	n/a	n/a
Cork Oak (Portugal) - Potential future of cork extractions k @	478	563
Eucalyptus (Mozambique) - Potential future of wood extractions k m3ssc	3,870	4,451

Concerning Eucalyptus, the most relevant biological asset in the financial statements, in the nine-month periods ended 30 September 2023 and 2022, 489,898 m3ssc and 392,766 m3ssc of wood were extracted from its owned and explored forests, respectively, of which 60,311 m3ssc in Mozambique.

As at 30 September 2023 and 31 December 2022, (i) there are no amounts of biological assets whose property is restricted and/or pledged as guarantee for liabilities, nor there are non-reversible commitments related to the acquisition of biological assets, and (ii) there are no government grants related to biological assets recognised in the Group's consolidated financial statements.



## 4. Working capital

### 4.1 Inventories

#### 4.1.1. Inventories - detail by nature

##### Amounts net of accumulated impairment losses

Amounts in Euro	30-09-2023	31-12-2022
Raw materials	155,005,606	141,023,694
Goods	772,587	144,304
<b>Subtotal</b>	<b>155,778,193</b>	<b>141,167,998</b>
Finished and intermediate products	160,713,912	155,208,607
Goods and work in progress	2,321,137	2,061,232
By-products and waste	53,050	291,380
<b>Subtotal</b>	<b>163,088,099</b>	<b>157,561,219</b>
<b>Total</b>	<b>318,866,292</b>	<b>298,729,217</b>

#### 4.1.2. Movements in impairment losses in inventories

Amounts in Euro	30-09-2023	31-12-2022
<b>Balance as at 1 January</b>	<b>(16,374,423)</b>	<b>(3,934,904)</b>
Increases (Note 2.3)	(1,870,183)	(13,564,652)
Reversals (Note 2.2)	112,683	555,110
<b>Impact on profit/(loss) for the period</b>	<b>(1,757,500)</b>	<b>(13,009,542)</b>
Charge-off	(121,597)	(19,850)
<b>Balance as at 30 January</b>	<b>(18,253,520)</b>	<b>(16,964,296)</b>
Remaining quarters		589,873
<b>Balance as at 31 December</b>		<b>(16,374,423)</b>

### 4.2 Receivables

Amounts in Euro	30-09-2023			31-12-2022		
	Non-current	Current	Total	Non-current	Current	Total
Trade receivables (Note 8.1.4)	-	281,496,168	281,496,168	-	341,601,458	341,601,458
Receivables - Related parties (Note 10.3)	-	105	105	-	-	-
State	i)	-	21,852,373	-	59,852,618	59,852,618
Grants receivable	ii)	30,999,336	14,844,729	13,219,416	13,239,885	26,459,301
Enviva Pellets Greenwood, LLC (USA)	iv)	-	-	-	8,168,426	8,168,426
Accrued income	v)	-	11,983,515	-	2,970,381	2,970,381
Deferred expenses	-	-	15,957,958	-	11,321,493	11,321,493
Derivative financial instruments (Note 8.1)	-	-	28,109,038	-	48,514,443	48,514,443
Other	vi)	911,681	16,330,385	12,063,442	13,474,704	25,538,146
	<b>31,911,017</b>	<b>390,574,271</b>	<b>422,485,289</b>	<b>25,282,858</b>	<b>499,143,408</b>	<b>524,426,266</b>

#### State

State is detailed as follows:

Amounts in Euro	30-09-2023	31-12-2022
Value added tax - recoverable	3,706,649	15,023,507
Value Added Tax - repayment requests	18,145,724	44,829,111
	<b>21,852,373</b>	<b>59,852,618</b>



As at 30 September 2023, the amount of repayment requests comprised the following, by month and by company:

Amounts in Euro	Set-2023	Total
The Navigator Company, S.A.	14,945,758	14,945,758
Bosques do Atlântico, S.L.	3,199,966	3,199,966
	<b>18,145,724</b>	<b>18,145,724</b>

As of the date of this report, all the amounts outstanding at 30 September 2023 have already been received.

As at 31 December 2022, the amount of repayment requests comprised the following, by month and by Company:

Amounts in Euro	Nov-2022	Dec-2022	Total
The Navigator Company, S.A.	10,628,467	31,706,624	42,335,091
Bosques do Atlântico, S.L.	-	2,494,020	2,494,020
	<b>10,628,467</b>	<b>34,200,644</b>	<b>44,829,111</b>

All these amounts were received during the first quarter of 2023.

## Grants receivable

Grants receivable are detailed as follows:

Amounts in Euro	30-09-2023			31-12-2022		
	Non-current	Current	Total	Non-current	Current	Total
AICEP Contracts	-	9,721,791	9,721,791	6,596,378	9,721,792	16,318,170
Recovery and Resilience Plan	22,839,256	1,395,072	24,234,328	3,621,520	483,757	4,105,277
Other	8,160,080	3,727,866	11,887,946	3,001,518	3,034,336	6,035,854
	<b>30,999,336</b>	<b>14,844,729</b>	<b>45,844,065</b>	<b>13,219,416</b>	<b>13,239,885</b>	<b>26,459,301</b>

## Enviva Pellets Greenwood, LLC (EUA)

The last instalment was received in February 2023.

## Accrued Income and Deferred Expenses

Accrued income and deferred expenses are detailed as follows:

Amounts in Euro	30-09-2023	31-12-2022
<b>Accrued income</b>		
Interest receivable		-
Energy sales	10,324,977	1,871,271
Other	1,658,538	1,099,110
	<b>11,983,515</b>	<b>2,970,381</b>
<b>Deferred expenses</b>		
Insurance	3,138,632	289,531
Rentals	10,825,069	9,938,537
Other	1,994,257	1,093,425
	<b>15,957,958</b>	<b>11,321,493</b>
	<b>27,941,473</b>	<b>14,291,874</b>



## Other receivables

Other current and non-current receivables consist of the following:

### Other non-current receivables

Amounts in Euro	30-09-2023	31-12-2022
Captive insurance value	-	11,200,000
Labour Compensation Fund	757,146	752,840
Collateral	41,002	41,002
Other shareholdings (Almascience, Forestwise, Cecolab, Colab BIOREF)	69,600	69,600
Other debtors	43,933	69,600
	<b>911,681</b>	<b>12,063,442</b>

### Other current receivables

Amounts in Euro	30-09-2023	31-12-2022
Advances to personnel	147,580	113,456
Advances to suppliers	8,986,799	11,286,508
Other debtors	7,196,006	2,074,740
	<b>16,330,385</b>	<b>13,474,704</b>

## 4.3 Payables

Amounts in Euro	30-09-2023	31-12-2022
Trade payables	304,983,919	363,171,172
Trade payables - current account	9,395,220	5,134,947
State	36,087,741	44,299,175
Related parties (Note 10.3)	1,008,820	156,764
Other creditors - CO <sub>2</sub> emission allowances	28,182,910	44,830,523
Other payables	26,753,464	5,693,320
Derivative financial instruments (Note 8.1)	5,313,340	4,682,533
Accrued costs - payroll costs	39,108,472	52,435,012
Accrued expenses - interest payable	4,126,833	4,032,370
Wood suppliers bonus	5,380,115	5,687,729
Water resource fee	1,197,315	1,461,937
Rent liabilities	18,684,064	17,461,167
Other accrued costs	16,580,209	17,130,610
Non-repayable grants	25,590,703	9,290,430
<b>Payables - current</b>	<b>522,393,125</b>	<b>575,467,689</b>
Non-repayable grants	46,128,011	30,545,424
Department of Commerce (USA) (Note 4.2)	1,294,221	4,306,974
<b>Payables - non-current</b>	<b>47,422,232</b>	<b>34,852,398</b>
	<b>569,815,357</b>	<b>610,320,087</b>

The increase in the balance of Trade payables is due to the greater volume of investments made in 2023, as mentioned in Note 2.1.

The decrease in Accrued costs - payroll costs results from the recognition of a higher amount for bonuses to employees in 2022 and the reinforcement of the rejuvenation programme, which did not take place in the first 9 months of 2023.





## State - Details

Amounts in Euro	30-09-2023	31-12-2022
Personal income tax withhold (IRS)	2,010,130	4,209,006
Value Added Tax	30,299,828	36,628,850
Social Security contributions	2,824,931	2,470,143
Other	952,853	991,176
	<b>36,087,741</b>	<b>44,299,175</b>

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

## Non-repayable grants – Details

Amounts in Euro	30-09-2023	31-12-2022
Government grants	3,428,051	3,271,135
Grants - CO <sub>2</sub> emission allowances	11,613,958	-
Other grants	10,548,694	6,019,295
<b>Non-refundable grants - current</b>	<b>25,590,703</b>	<b>9,290,430</b>
Government grants	46,128,011	30,545,424
<b>Non-repayable grants - non-current</b>	<b>46,128,011</b>	<b>30,545,424</b>
	<b>71,718,713</b>	<b>39,835,854</b>

## Department of Commerce (EUA)

As at 30 September 2023 and 31 December 2022, the balance corresponds to the amount receivable from the Department of Commerce (DoC) following the investigation initiated in 2015 of alleged dumping practices in exports of UWF paper to the United States by Navigator. At this date, the review periods 6, 7 and 8, which comprise the period March 2021 to September 2023, are still open.

# 5. Capital structure

## 5.1 Share Capital and Treasury Shares

### Navigator's Shareholders

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

As at 30 September 2023, The Navigator Company, S.A.'s share capital of Euro 500,000,000 was fully subscribed and is represented by 711,183,069 shares without nominal value (31 December 2022: 711,183,069 shares).

As at 30 September 2023 and 31 December 2022, the Shareholders with qualified shareholdings in the Company's capital were as follows:

Entity	30-09-2023		31-12-2022	
	No. of shares	%	No. of shares	%
Semapa, SGPS, S.A.	497,617,299	69.97%	497,617,299	69.97%
Treasury shares	-	0.00%	-	0.00%
Floating shares	213,565,770	30.03%	213,565,770	30.03%
	<b>711,183,069</b>	<b>100.0%</b>	<b>711,183,069</b>	<b>100.0%</b>



As at 30 September 2023 and 31 December 2022, Navigator did not hold any treasury shares, the unit value of the share as that date being Euro 3.568 (31 December 2022: Euro 3.454) and the market capitalisation of the Company at this date amounted to Euro 2,537,501,190 (31 December 2022: Euro 2,456,426,320) compared to an equity, net of non-controlling interests, of Euro 1,244,044,330 (31 December 2022: Euro 1,259,409,537).

## 5.2 Earnings per share

	30-09-2023	30-09-2022
<b>Profit/(loss) Attributable to Navigator's equity holders (Euro)</b>	<b>200,755,870</b>	270,480,922
Total number of shares issued	711,183,069	<b>711,183,069</b>
Average number of treasury shares in the portfolio	-	-
<b>Weighted average number of shares</b>	<b>711,183,069</b>	711,183,069
<b>Basic earnings per share (Euro)</b>	<b>0.282</b>	0.380
<b>Diluted earnings per share (Euro)</b>	<b>0.282</b>	0.380

## 5.3 Dividends and reserves allocated

### Dividends and reserves allocated in the period

Amounts in Euro	Amount approved	Dividends per share (Euro)
<b>Attributions in 2023</b>		
Distribution of retained earnings	199,984,679	0.281
<b>Dividends distributed in 2022</b>		
Distribution of retained earnings	131,632,875	0.185
Distribution of free reserves	118,355,086	0.166

At the Annual Shareholders' Meeting of 17 May 2023, The Navigator Company, S.A. decided to distribute dividends in the amount of Euro 199,984,679.

At the Annual Shareholders' Meeting of 27 May 2022, The Navigator Company, S.A. decided to distribute dividends in the amount of Euro 99,992,340.

At the Shareholders' Meeting of 21 November 2022, The Navigator Company, S.A. decided to distribute reserves in the amount of Euro 149,995,621, of which Euro 118,355,086 came from Other reserves and Euro 31,640,535 was recorded under Retained earnings.



## 5.4 Non-controlling interests

### Detail of non-controlling interests, by subsidiary

	%	Equity		Net profit	
Amounts in Euro	held	30-09-2023	31-12-2022	2023	2022
Raiz - Instituto de Investigação da Floresta e Papel	3.0%	334,679	297,977	36,308	(11,743)
Portucel Moçambique	9.98%	-	-	-	-
		334,679	297,977	36,308	(11,743)

Non-controlling interests are related to RAIZ – Instituto de Investigação da Floresta e Papel, in which the Group holds 97% of the share capital and voting rights. The remaining 3% are held by external associates.

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

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

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

## 5.5 Interest-bearing liabilities

Amounts in Euro	30-09-2023			31-12-2022		
	Non-current	Current	Total	Non-current	Current	Total
Bond loans	397,500,000	22,500,000	420,000,000	420,000,000	22,500,000	442,500,000
Commercial paper	70,000,000	35,000,000	105,000,000	105,000,000	35,000,000	140,000,000
Bank loans	76,902,778	23,188,487	100,091,265	91,511,905	17,575,397	109,087,302
Other loans	-	-	-	-	-	-
Charges with bond issuances	(2,971,975)	-	(2,971,975)	(3,480,083)	-	(3,480,083)
Refundable grants	26,748,805	7,219,439	33,968,244	29,975,064	7,219,439	37,194,503
Deferrals and adjustments	-	-	-	-	-	-
<b>Debt securities and bank debt</b>	<b>568,179,608</b>	<b>87,907,926</b>	<b>656,087,534</b>	<b>643,006,886</b>	<b>82,294,836</b>	<b>725,301,722</b>
<b>Average interest rate, considering charges for annual fees and hedging operations</b>	<b>2.0%</b>			<b>1.5%</b>		

During the 9-month period ended 30 September 2023, the development of financing was determined by the repayments related to contracted debt, leading to the reduction recorded.

The repayable grants include grants from AICEP – Agência para o Investimento e Comércio Externo de Portugal, as part of a number of research and development projects, which includes the grant under the investment agreement entered into with the Group's subsidiary Navigator Tissue Aveiro, S.A., for the construction of the new Tissue plant in Aveiro. This agreement comprises a financial incentive in the form of a repayable grant, up to a maximum amount of Euro 42,166,636, without interest payment, with a grace period of two years, with the last repayment happening in 2027.



## Interest-bearing liabilities – Details

30-06-2023

Amounts in Euro	Amount	Outstanding amount	Maturity	Interest rate	Current	Non-current
<b>Bond loans</b>						
Navigator 2022-2028 ESG	150,000,000	150,000,000	June 2028	Variable rate indexed to Euribor, with swap to fixed rate	-	150,000,000
Navigator 2019-2026	50,000,000	50,000,000	January 2026	Fixed rate	-	50,000,000
Navigator 2019-2025	30,000,000	30,000,000	March 2025	Variable rate indexed to Euribor, with swap to fixed rate	20,000,000	10,000,000
Navigator 2021-2026	15,000,000	15,000,000	April 2026	Variable rate indexed to Euribor	2,500,000	12,500,000
Navigator 2020-2026	75,000,000	75,000,000	December 2026	Variable rate indexed to Euribor, with swap to fixed rate	-	75,000,000
Navigator 2021-2026 ESG	100,000,000	100,000,000	August 2026	Variable rate indexed to Euribor, with swap to fixed rate	-	100,000,000
Commissions	-	(2,971,975)			-	(2,971,975)
<b>European Investment Bank (EIB)</b>						
EIB Loan - Energy	10,625,000	10,625,000	December 2024	Variable rate indexed to Euribor	7,083,333	3,541,667
EIB Loan - Cacia	13,888,889	13,888,889	May 2028	Fixed rate	2,777,778	11,111,111
EIB Loan - Figueira	31,428,571	31,428,571	February 2029	Fixed rate	5,714,286	25,714,286
EIB Loan Biomass Boiler ESG	27,500,000	27,500,000	March 2031	Fixed rate	1,964,286	25,535,714
<b>Commercial Paper Program</b>						
Commercial Paper Program 175M	105,000,000	105,000,000	February 2026	Fixed rate	35,000,000	70,000,000
Commercial Paper Programme 65M ESG	42,250,000	-	February 2026	Variable rate indexed to Euribor	-	-
Commercial Paper Program 75M	75,000,000	-	January 2026	Variable rate indexed to Euribor	-	-
Commercial Paper Program 50M	50,000,000	-	December 2025	Variable rate indexed to Euribor	-	-
<b>Loans</b>						
Long-term investment	13,000,000	13,000,000	March 2026	Variable rate indexed to Euribor	2,000,000	11,000,000
Other loans	3,648,804	3,648,804			3,648,804	-
<b>Refundable grants</b>						
AICEP	33,968,244	33,968,244	November 2027	Fixed rate	7,219,439	26,748,805
Deferrals and adjustments	-	-			-	-
<b>Bank credit lines</b>						
Short-term line 20M	20,450,714	-			-	-
		<b>656,087,534</b>			<b>87,907,926</b>	<b>568,179,608</b>

31-12-2022

Amounts in Euro	Amount	Outstanding amount	Maturity	Interest rate	Current	Non-current
<b>Bond loans</b>						
Navigator 2022-2028 ESG	150,000,000	150,000,000	June 2028	Variable rate indexed to Euribor, with swap to fixed rate	-	150,000,000
Navigator 2019-2026	50,000,000	50,000,000	January 2026	Fixed rate	-	50,000,000
Navigator 2019-2025	30,000,000	30,000,000	March 2025	Variable rate indexed to Euribor, with swap to fixed rate	20,000,000	10,000,000
Navigator 2021-2026	17,500,000	17,500,000	April 2026	Variable rate indexed to Euribor	2,500,000	15,000,000
Navigator 2020-2026	75,000,000	75,000,000	December 2026	Variable rate indexed to Euribor, with swap to fixed rate	-	75,000,000
Navigator 2021-2026 ESG	100,000,000	100,000,000	August 2026	Variable rate indexed to Euribor, with swap to fixed rate	-	100,000,000
Commissions	-	(3,480,083)			-	(3,480,083)
<b>European Investment Bank (EIB)</b>						
EIB Loan - Energy	14,166,667	14,166,667	December 2024	Variable rate indexed to Euribor	7,083,333	7,083,334
EIB Loan - Cacia	15,277,778	15,277,778	May 2028	Fixed rate	2,777,778	12,500,000
EIB Loan - Figueira	37,142,857	37,142,857	February 2029	Fixed rate	5,714,286	31,428,571
EIB Loan Biomass Boiler ESG	27,500,000	27,500,000	March 2031	Fixed rate	-	27,500,000
<b>Commercial Paper Program</b>						
Commercial Paper Program 175M	140,000,000	140,000,000	February 2026	Fixed rate	35,000,000	105,000,000
Commercial Paper Programme 65M ESG	65,000,000	-	December 2026	Variable rate indexed to Euribor	-	-
Commercial Paper Program 75M	75,000,000	-	February 2026	Variable rate indexed to Euribor	-	-
Commercial Paper Program 50M	50,000,000	-	December 2025	Variable rate indexed to Euribor	-	-
<b>Loans</b>						
Long-term investment	15,000,000	15,000,000	March 2026	Variable rate indexed to Euribor	2,000,000	13,000,000
<b>Refundable grants</b>						
AICEP	37,194,503	37,194,503	November 2027	Fixed rate	7,219,439	29,975,064
Deferrals and adjustments	-	-			-	-
<b>Bank credit lines</b>						
Short-term line 20M	20,450,714	-			-	-
		<b>725,301,722</b>			<b>82,294,836</b>	<b>643,006,886</b>

As at 30 September 2023, the average cost of debt, considering the interest rate, annual fees and hedging operations, was 2.0% (31 December 2022: 1.5%), due to hedging via swaps.

As at 30 September 2023, the Group had 42% of its financing associated with the compliance with sustainability commitments or the financing of assets previously considered ESG (31 December 2022: 38%).



The repayment terms for the interest-bearing liabilities recorded as non-current are detailed as follows:

	<b>Non-current Loans</b>	
Amounts in Euro	<b>30-09-2023</b>	<b>31-12-2022</b>
Non-current		
1 to 2 years	72,681,741	84,259,122
2 to 3 years	261,140,074	156,640,074
3 to 4 years	107,140,074	261,140,074
4 to 5 years	117,511,122	19,640,074
Above 5 years	12,678,572	124,807,625
	<b>571,151,583</b>	<b>646,486,969</b>
Comissions	(2,971,975)	(3 480 083)
	<b>568,179,608</b>	<b>643,006,886</b>

As at 30 September 2023, the Group had contracted Commercial Paper Programs, contracted and undisbursed long-term financing, as well as available and undrawn credit facilities of Euro 187,700,714 (31 December 2022: Euro 210,450,714).

As at 30 September 2023 and 31 December 2022, the Group's interest-bearing net debt was as follows:

Amounts in Euro	<b>30-09-2023</b>	<b>31-12-2022</b>
Interest-bearing liabilities	656,087,534	725,301,722
Cash and cash equivalents (Note 5.8)	(106,355,587)	(239,171,252)
<b>Net interest-bearing liabilities</b>	<b>549,731,947</b>	<b>486,130,470</b>
<b>Lease liabilities</b> (Note 5.7)	66,274,888	61,641,049
<b>Net interest-bearing debt with lease liabilities</b>	<b>616,006,835</b>	<b>547,771,519</b>

## 5.6 Lease liabilities

### Lease liabilities - Nature

Amounts in Euro	<b>30-09-2023</b>			<b>31-12-2022</b>		
	<b>Non-current</b>	<b>Current</b>	<b>Total</b>	<b>Non-current</b>	<b>Current</b>	<b>Total</b>
Forestry lands	52,057,642	3,164,057	55,221,699	46,724,663	2,666,086	49,390,749
Buildings	1,525,716	524,269	2,049,985	1,868,940	513,178	2,382,118
Vehicles	3,445,793	1,537,469	4,983,262	3,070,109	1,540,904	4,611,013
Software licenses	783	139,970	140,753	94,312	155,401	249,713
Other lease liabilities	2,358,857	1,520,332	3,879,189	3,331,059	1,676,397	5,007,456
	<b>59,388,791</b>	<b>6,886,097</b>	<b>66,274,888</b>	<b>55,089,083</b>	<b>6,551,966</b>	<b>61,641,049</b>

### Lease liabilities - Movements

Amounts in Euro	<b>2023</b>	<b>2022</b>
<b>Balance as at 1 January</b>	<b>61,641,049</b>	<b>53,240,925</b>
Amortisation of contracts	(7,958,047)	(7,174,638)
New contracts	10,164,344	9,616,097
Interest expense	1,807,887	1,685,488
Other changes	619,655	-
<b>Total changes in related liabilities</b>	<b>4,633,839</b>	<b>4,126,947</b>
<b>Balance as at 30 September</b>	<b>66,274,888</b>	<b>57,367,872</b>
Remaining quarters		4,273,177
<b>Balance at 31 December</b>		<b>61,641,049</b>



## Lease liabilities - Future liabilities

Amounts in Euro	30-09-2023			31-12-2022		
	Maturing rents	Interest on liabilities	Present value of liabilities	Maturing rents	Interest on liabilities	Present value of liabilities
Less than 1 year	4,565,294	2,320,803	6,886,097	4,435,662	2,116,304	6,551,966
1 to 2 years	3,770,693	2,139,919	5,910,611	3,891,713	1,952,737	5,844,450
2 to 3 years	3,260,462	1,970,011	5,230,473	3,041,072	1,797,386	4,838,458
3 to 4 years	2,934,734	1,804,350	4,739,083	2,809,096	1,653,338	4,462,434
4 to 5 years	2,227,241	1,656,867	3,884,109	2,165,139	1,516,362	3,681,501
Above 5 years	28,737,758	10,886,757	39,624,515	25,989,077	10,273,163	36,262,240
<b>Present value of liabilities</b>	<b>45,496,181</b>	<b>20,778,707</b>	<b>66,274,888</b>	<b>42,331,759</b>	<b>19,309,290</b>	<b>61,641,049</b>

## 5.7 Cash and cash equivalents

Amounts in Euro	30-09-2023	31-12-2022
Cash	44,864	32,356
Short-term bank deposits	102,799,740	191,824,254
Other short-term investments	3,510,983	151,227,178
	<b>106,355,587</b>	<b>343,083,788</b>

As at 30 September 2023, the caption Other short-term investments includes Euro 3,510,983 (31 December 2022: Euro 151,227,178) of amounts invested by Navigator in a portfolio of short-term, highly liquid financial assets, including deposits, and issuers with adequate ratings.

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

## 5.8 Cash flows from financing activities

### Movements in liabilities for Group financing activities

Amounts in Euro	30-09-2023	31-12-2022
<b>Balance as at 1 January</b>	<b>725,301,722</b>	<b>833,944,049</b>
Payment of loans	(97,858,784)	(533,070,676)
Receipts from loans obtained	-	430,000,000
Repayable grants	(3,226,260)	(5,636,313)
Change in borrowing costs	508,108	64,662
Change in the perimeter	31,362,748	-
<b>Change in interest-bearing debt</b>	<b>(69,214,188)</b>	<b>(108,642,327)</b>
<b>Gross interest-bearing debt</b>	<b>656,087,534</b>	<b>725,301,722</b>



## 5.9 Net financial results

Amounts in Euro	9 Months 30-09-2023	9 Months 30-09-2022
Interest paid on debt securities and bank debt	(16,967,350)	(6,919,112)
Commissions on loans and expenses with credit facilities	(2,026,865)	(3,502,250)
<b>Interest expense by applying the effective interest method</b>	<b>(18,994,215)</b>	<b>(10,421,362)</b>
Interest paid on lease liabilities	(1,807,887)	(1,685,488)
<b>Financial expenses related to the Group's capital structure</b>	<b>(20,802,102)</b>	<b>(12,106,850)</b>
Favourable / (Unfavourable) exchange rate differences	(1,435,744)	(34,087,230)
Gains / (Losses) on financial instruments - interest-rate hedging (Note 8.1)	-	(1,848,757)
Gains / (Losses) on financial instruments - hedging (Note 8.1)	(2,117,930)	(9,969,853)
Losses on compensatory interest	(426,207)	(1,107,663)
Other financial expenses and losses	(680,759)	(1,608,462)
<b>Financial expenses and losses</b>	<b>(25,462,742)</b>	<b>(60,728,814)</b>
Interest earned on financial assets at amortised cost	3,158,707	604,266
Gains on financial instruments - hedging (Note 8.1)	6,611,089	-
<b>Financial income and gains</b>	<b>9,769,797</b>	<b>604,266</b>
<b>Financial profit/(loss)</b>	<b>(15,692,945)</b>	<b>(60,124,548)</b>

Financial results were negative Euro 15.7 million (30 September 2022: Negative Euro 60 million). It should be noted that in the same period of the previous year, financial results were penalised by non-recurring impacts (non-cash), resulting essentially from the recognition of unfavourable exchange rate differences in the income statement.

Excluding non-recurring impacts, there was a positive evolution of Euro 4.4 million compared to the same period of the previous year. The increase in interest rates made it possible to optimise the management of excess cash and cash equivalents, which resulted in a positive result of Euro 3.6 million, and also the policy of hedging interest rate risk, which, despite the rapid increase in interest rates, allowed financing costs to remain stable.

## 6. Income tax

### 6.1 Income tax for the period

#### 6.1.1. Income tax recognised in the consolidated income statement

Amounts in Euro	9 months 30-09-2023	9 months 30-09-2022
Current tax	67,886,725	130,010,009
Change in uncertain tax positions in the period	(7,072,020)	(13,894,013)
Deferred tax (Note 6.2)	307,109	(8,761,125)
	<b>61,121,814</b>	<b>107,354,871</b>

As at 30 September 2023, current tax includes Euro 62,144,517 (30 September 2022: Euro 116,632,979) regarding the liability created under the aggregated income tax regime of The Navigator Company, S.A...



As at 30 September 2023 and 2022, the caption Change in uncertain tax positions in the period reflects the excess/insufficiency of tax estimates, the favourable outcome of some cases related to matters with high uncertainty, as well as requests for binding information, claims to the Tax Administration and jurisprudence of the courts.

There have not been, nor are any expected changes arising from variations in the rate used to determine the expected tax amount.

### Nominal tax rate

In the periods presented, the Group considers a nominal tax rate in Portugal of 27.5%, resulting from the tax legislation as follows:

	2023	2022
<b>Portugal</b>		
Income tax treatment	21.0%	21.0%
Municipal surcharge	1.5%	1.5%
	<b>22.5%</b>	<b>22.5%</b>
State surcharge - on taxable income between Euro 1,500,000 and Euro 7,500,000	3.0%	3.0%
State surcharge - on taxable income between Euro 7,500,000 and Euro 35,000,000	5.0%	5.0%
State surcharge - on taxable income above Euro 35,000,000	9.0%	9.0%

### Reconciliation of the effective income tax rate for the period

Amounts in Euro	9 months 30-09-2023	9 months 30-09-2022
<b>Profit before income tax</b>	<b>261,913,992</b>	<b>377,824,051</b>
Expected tax at nominal rate (21%)	55,001,938	79,343,051
Municipal surcharge (2023: 1.63% ; 2022: 1.70%)	3,636,129	6,181,438
State surcharge (2023: 4.66% ; 2022: 6.07%)	10,862,811	25,081,027
<b>Tax resulting from the applicable rate</b>	<b>69,500,879</b>	<b>110,605,515</b>
<b>Nominal tax rate for the period</b>	<b>26.5%</b>	<b>29.3%</b>
Differences (a)	(107,764)	(2,813,201)
Excess of income tax estimate	(7,157,543)	-
Tax benefits	(1,432,533)	(727,073)
Autonomous taxation	318,775	289,631
	<b>61,121,814</b>	<b>107,354,871</b>
<b>Effective tax rate</b>	<b>23.3%</b>	<b>28.4%</b>

(a) This amount concerns mainly:

	9 months 30-09-2023	9 months 30-09-2022
Capital gains/(losses) for tax purposes	5,977	40,094
Capital gains/(losses) for accounting purposes	(8,698)	189,444
Impairment and taxed provisions	(1,274,198)	(16,055,574)
Tax benefits	(402,359)	(2,577,121)
Post-employment benefits	65,755	48,206
Other	1,221,654	8,125,129
	<b>(391,869)</b>	<b>(10,229,823)</b>
<b>Tax effect (27.5%)</b>	<b>(107,764)</b>	<b>(2,813,201)</b>





### 6.1.2. Income tax recognised in the consolidated statement of financial position

Amounts in Euro	30-09-2023	31-12-2022
<b>Assets</b>		
Amounts pending repayment	15,803,646	16,216,543
	<b>15,803,646</b>	<b>16,216,543</b>
<b>Liabilities</b>		
Corporate Income Tax - IRC	30,085,158	110,712,325
Additional tax liabilities (Corporate Income Tax)	18,623,055	14,762,361
	<b>48,708,213</b>	<b>125,474,686</b>

#### Detail of Corporate Income Tax – IRC (net)

The amounts of corporate income tax paid in the period are detailed as follows:

Amounts in Euro	30-09-2023	31-12-2022
Income tax for the period	67,886,725	150,703,440
Payments on account, special and additional payments on account	(35,844,452)	(37,500,934)
Withholding tax recoverable	(1,269,066)	(44,686)
Corporate Income Tax payable / (repayable) from previous periods	-	-
Other payables / (receivables)	(688,049)	(2,445,495)
	<b>30,085,158</b>	<b>110,712,325</b>

#### Amounts pending repayment

Amounts in Euro	30-09-2023	31-12-2022
2005 (RETGS) Corporate Income Tax	13,886,728	13,886,728
RFAI 2010 to 2012 - compensatory interest	999,278	1,076,611
2016 Corporate Income Tax - Navigator Tissue Rodão	861,866	861,866
IRC 2016 - Processo CAAD 7/2022	-	272,697
2020 (RETGS) Corporate Income Tax	-	62,867
Other	55,774	55,774
	<b>15,803,646</b>	<b>16,216,543</b>

The movements in the period are detailed as follows:

Amounts in Euro	30-09-2023	31-12-2022
<b>Balance at the beginning of the period</b>	<b>16,216,543</b>	<b>1,118,815</b>
Increases	-	16,075,026
Payments / (receipts)	(412,897)	(977,298)
Reversals	-	-
	<b>15,803,646</b>	<b>16,216,543</b>



## Uncertain tax positions –Liabilities

Amounts in Euro	30-09-2023	31-12-2022
<b>Balance at the beginning of the period</b>	<b>14,762,361</b>	<b>19,967,180</b>
Increases	5,001,699	4,572,566
(Payments) / receipts	(32,740)	17,350,270
Reversals	(1,108,265)	(27,127,655)
<b>Change in the period</b>	<b>3,860,694</b>	<b>(5,204,819)</b>
	<b>18,623,055</b>	<b>14,762,361</b>

## Taxes paid in litigation

As at 30 September 2023 and 31 December 2022, the additional tax assessments that are already paid and contested, not recognised in assets, refer to the Navigator Group and are summarised as follows:

Amounts in Euro	30-09-2023	31-12-2022
2005 Aggregated corporate income tax (Note 10.3)	10,394,386	10,394,386
2006 Aggregated corporate income tax (Note 10.3)	8,150,146	8,150,146
2018 Aggregated Corporate Income Tax	12,887,569	14,433,913
2015 Corporate income tax - Navigator Tissue Ródão, S.A.	7,586,361	7,586,361
2015 State surcharge II	6,970,541	-
2016 State surcharge	3,761,397	3,761,397
2017 State surcharge	8,462,724	8,462,724
2018 State surcharge	12,223,705	12,223,705
2019 State surcharge	2,466,974	-
2016 and 2017 CDTJI Corporate Income Tax	1,522,660	1,522,660
	<b>74,426,463</b>	<b>66,535,292</b>

## 6.2 Deferred taxes

### Movements in deferred taxes

Amounts in Euro	As at 1 January 2023	Change in the perimeter	Income Statement		Equity	As at 30 September 2023
			Increases	Decreases		
<b>Temporary differences originating deferred tax assets</b>						
Tax losses carried forward	-	48,042	-	-	-	48,042
Taxed provisions	13,913,990	-	1,155,211	(617,138)	-	14,452,062
Adjustment of property, plant and equipment	43,767,507	288,251	14,683,148	(20,910,472)	-	37,828,434
Deferred accounting gains on intra-group transactions	26,228,453	-	5,041,950	(7,546,228)	-	23,724,175
Valuation of biological assets	14,456,082	-	861,997	-	-	15,318,079
Conventional capital remuneration	560,000	-	-	(140,000)	-	420,000
	<b>98,926,032</b>	<b>336,293</b>	<b>21,742,305</b>	<b>(29,213,838)</b>	<b>-</b>	<b>91,790,792</b>
<b>Temporary differences originating deferred tax liabilities</b>						
Pensions and other post-employment benefits	(358,483)	-	(3,158)	(3,165)	(48,497)	(413,303)
Financial instruments	(47,174,485)	-	-	-	18,918,284	(28,256,201)
Valuation of biological assets	(5,403,744)	-	-	-	-	(5,403,744)
Adjustment of property, plant and equipment	(300,707,813)	(3,279)	12,576,489	(6,649,557)	-	(294,784,160)
Government grants	(3,862,494)	(502,443)	434,163	-	42,855	(3,887,919)
	<b>(357,507,019)</b>	<b>(505,722)</b>	<b>13,007,494</b>	<b>(6,652,722)</b>	<b>18,912,642</b>	<b>(332,745,327)</b>
Deferred tax assets	27,204,659	92,481	5,979,134	(8,033,805)	-	25,242,468
<b>Deferred tax assets</b>	<b>27,204,659</b>	<b>92,481</b>	<b>5,979,134</b>	<b>(8,033,805)</b>	<b>-</b>	<b>25,242,467</b>
<b>Deferred tax liabilities</b>	<b>(98,314,430)</b>	<b>(139,074)</b>	<b>3,577,061</b>	<b>(1,829,499)</b>	<b>5,200,976</b>	<b>(91,504,964)</b>



Amounts in Euro	As at 1 January 2022	Income Statement		Equity	As at 31 December 2022
		Increases	Decreases		
<b>Temporary differences originating deferred tax assets</b>					
Taxed provisions	4,544,163	9,369,827	-	-	13,913,990
Adjustment of property, plant and equipment	62,470,397	-	(18,702,890)	-	43,767,507
Financial instruments	7,448,830	-	-	(7,448,830)	-
Deferred accounting gains on intra-group transactions	21,090,053	5,138,400	-	-	26,228,453
Valuation of biological assets	-	14,456,082	-	-	14,456,082
Government grants	203,588	-	(203,588)	-	-
Conventional capital remuneration	4,200,000	-	(3,640,000)	-	560,000
	<b>99,957,031</b>	<b>28,964,309</b>	<b>(22,546,478)</b>	<b>(7,448,830)</b>	<b>98,926,032</b>
<b>Temporary differences originating deferred tax liabilities</b>					
Pensions and other post-employment benefits	(388,758)	(213,971)	-	244,246	(358,483)
Financial instruments	-	-	-	(47,174,485)	(47,174,485)
Deferred accounting losses on intra-group transactions	-	-	-	-	-
Valuation of biological assets	(25,294,177)	21,570,514	(1,680,081)	-	(5,403,744)
Adjustment of property, plant and equipment	(306,642,712)	5,934,899	-	-	(300,707,813)
Government grants	(4,142,627)	213,450	-	66,683	(3,862,494)
	<b>(336,468,274)</b>	<b>27,504,892</b>	<b>(1,680,081)</b>	<b>(46,863,556)</b>	<b>(357,507,019)</b>
Deferred tax assets	27,488,184	7,965,185	(6,200,281)	(2,048,428)	27,204,659
Government grants (Note 3.5)	549,224	-	(549,224)	-	-
<b>Deferred tax assets</b>	<b>28,037,408</b>	<b>7,965,185</b>	<b>(6,749,505)</b>	<b>(2,048,428)</b>	<b>27,204,659</b>
<b>Deferred tax liabilities</b>	<b>(92,528,775)</b>	<b>7,563,845</b>	<b>(462,022)</b>	<b>(12,887,478)</b>	<b>(98,314,430)</b>

As at 30 September 2023 and 31 December 2022, the rate of 27.50% was used in the measurement of deferred taxes.

## 7. Payroll

### 7.1 Payroll costs

Amounts in Euro	9 months 30-09-2023	9 months 30-09-2022
Remuneration of Corporate Bodies - fixed	2,719,893	2,502,820
Remuneration of Corporate Bodies - variable	1,803,170	5,191,143
Other remunerations	97,988,020	92,331,478
Social Security contributions	19,700,922	17,344,545
Post-employment benefits (Note 7.2.4)	1,052,141	906,186
Other payroll costs	4,924,971	14,265,197
<b>Payroll costs</b>	<b>128,189,117</b>	<b>132,541,368</b>

Navigator's good performance in the first 9 months of the year made it possible to reinforce the increase in remuneration, employee bonuses and the productivity bonus. It should be noted that, by resolution of the Shareholders' Meeting of 17 May 2023, the remuneration of the Corporate Bodies will now be paid 12 times a year instead of 14.

Overall, the decrease in payroll costs is due to the reduction in costs with the rejuvenation programme.

#### Number of employees by segment at the end of the period

	30-09-2023	31-12-2022	Var. 23/22
Pulp to Market	268	262	6
UWF	1,823	1,801	22
Tissue	435	410	25
Other	795	773	22
	<b>3,321</b>	<b>3,246</b>	<b>75</b>



Other Payroll costs are detailed as follows during the periods ended 30 September 2023 and 2022:

Amounts in Euro	9 months 30-09-2023	9 months 30-09-2022
Training	694,508	599,795
Social action	2,216,838	1,572,487
Insurance	3,719,098	3,422,290
Compensations	(1,934,494)	8,354,326
Other	229,021	316,298
	<b>4,924,971</b>	<b>14,265,197</b>

## 7.2 Employee benefits

### 7.2.1. 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 reduced group of Employees who have chosen to maintain the Defined Benefit Plan (The Navigator Company) or who have chosen to maintain a Safeguard Clause, the latter following the conversion of their plan into a Defined Contribution Plan (The Navigator Company). In effect, the safeguard clause gives the Employee the option, at the time of retirement, to pay a pension in accordance with the provisions laid down on the Defined Benefit Plan. For those who choose to activate the Safeguard Clause, the accumulated balance in the Defined Contribution Plan (*Conta 1*) will be used to finance the liability of the Defined Benefit Plan.

#### B. Pension Plan – Defined contribution

As at 30 September 2023, three Defined Contribution plans were in force covering 3,158 employees (31 December 2022: 3,097 Employees) (Note 7.2.3).



## 7.2.2. Defined benefit plan

### Net Liabilities

Net liabilities reflected in the consolidated statement of financial position and the number of beneficiaries of the defined benefit plans in force in the Group are detailed as follows:

	30-09-2023		31-12-2022	
	No. Benef.	Amount	No. Benef.	Amount
Past service liabilities				
Active employees, including individual accounts	360	50,958,510	367	49,465,578
Alumni	126	19,799,204	140	22,728,925
Retired employees	602	90,399,651	590	85,075,143
Market value of pension funds		(152,667,870)		(154,433,916)
<b>Total net liabilities</b>	<b>1,088</b>	<b>8,489,495</b>	<b>1,097</b>	<b>2,835,730</b>

### Changes in liabilities with defined benefit plans

2023	Opening balance	Remeasurement	Current services expenses	Interest expenses	Actuarial deviations	Payments performed	Closing balance
Amounts in Euro							
Pensions with autonomous fund	157,269,646	-	9,439	2,699,380	4,194,607	(3,015,707)	161,157,365
	<b>157,269,646</b>	-	<b>9,439</b>	<b>2,699,380</b>	<b>4,194,607</b>	<b>(3,015,707)</b>	<b>161,157,365</b>

2022	Opening balance	Remeasurement	Current services expenses	Interest expenses	Actuarial deviations	Payments performed	Closing balance
Amounts in Euro							
Pensions with autonomous fund	191,002,589	-	26,336	2,349,180	(29,869,349)	(6,239,110)	157,269,646
	<b>191,002,589</b>	-	<b>26,336</b>	<b>2,349,180</b>	<b>(29,869,349)</b>	<b>(6,239,110)</b>	<b>157,269,646</b>

### Funds

#### Funds allocated to the defined benefit pension plans – Evolution

Amounts in Euro	2023	2022
<b>Opening balance</b>	<b>154,433,916</b>	<b>185,327,671</b>
Charge for the period	-	-
Expected income for the period	2,645,880	1,138,957
Remeasurement	(1,396,219)	(29,445,113)
Pensions paid	(3,015,707)	(2,827,129)
<b>Balance as at 30 January</b>	<b>152,667,870</b>	<b>154,194,386</b>
Remaining quarters		239,530
<b>Balance as at 31 December</b>		<b>154,433,916</b>

The assets of the pension fund related to the defined benefit plan are under the management of Ageas Pensões, Schroders, Santander AM and Julius Baer, as detailed below:



Amounts in Euro 30-09-2023 31-12-2022

Defined Benefit and <i>Conta 1</i> :		
AGEAS - Pensions	518,053	105,079
Schroders	62,177,088	62,325,236
Santander AM	62,742,391	62,244,783
<i>Conta 1</i> - Julius Baer	27,230,338	29,758,819
<b>Total Defined Benefit and <i>Conta 1</i></b>	<b>152,667,870</b>	<b>154,433,916</b>

### Funds allocated to defined benefit plans - Composition of assets

Amounts in Euro	30-09-2023	%	31-12-2022	%
<b>Listed securities in active market</b>				
Bonds	93,944,935	61.54%	94,778,925	61.37%
Shares	36,666,721	24.02%	40,402,326	26.16%
Public debt	15,662,807	10.26%	17,282,244	11.19%
Liquidity	1,953,259	1.28%	1,865,342	1.21%
Other short-term investments	4,440,148	2.91%	105,079	0.07%
	<b>152,667,870</b>	<b>100.00%</b>	<b>154,433,916</b>	<b>100.00%</b>

The assets of the pension fund do not include any assets of the Group.

### 7.2.3. Defined contribution plan

As at 30 September 2023 and 31 December 2022, three defined contribution plans were in force on behalf of Employees.

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

Amounts in Euro	No. of Beneficiaries	Profitability %	30-09-2023	No. of Beneficiaries	Profitability %	31-12-2022
Defined Contribution ( <i>Ageas Pensões</i> ):						
Defensive Sub-Fund	126	1.34%	6,054,941	112	2.92%	6,804,787
Conservative Sub-fund	394	2.48%	14,753,079	370	5.89%	14,513,526
Dynamic Sub-fund	737	4.50%	14,692,950	716	10.46%	14,840,248
Aggressive Sub-fund	1,901	6.60%	5,808,161	1,899	16.04%	5,541,395
<b>Total Defined Contribution</b>	<b>3,158</b>		<b>41,309,131</b>	<b>3,097</b>		<b>41,699,956</b>

\* of which 253 are former employees

### 7.2.4. Expenses incurred with post-employment benefit plans

The effect in the income statement for the periods ended 30 September 2023 and 2022 was as follows:

Amounts in Euro	9 months 30-09-2023	9 months 30-09-2022
<b>Defined Benefit Plan</b>		
Current services expenses	9,439	13,168
Net interest	2,699,380	1,174,590
Expected return of the plan assets	(2,645,880)	(1,138,957)
	<b>62,939</b>	<b>48,801</b>
<b>Defined Contribution Plan</b>		
Contributions for the period	989,202	857,385
	<b>989,202</b>	<b>857,385</b>
	<b>1,052,141</b>	<b>906,186</b>



## 8. Financial instruments

### 8.1 Derivative financial instruments

#### Movements in derivative financial instruments

	30-09-2023			31-12-2022		
Amounts in Euro	Trading derivatives	Hedging derivatives	Net total	Trading derivatives	Hedging derivatives	Net total
Balance at the beginning of the period	(3,106,233)	46,938,143	43,831,911	(1,728,458)	(4,771,149)	(6,499,606)
New contracts / settlements	(0)	(6,611,090)	(6,611,090)	2,911,822	(1,409,252)	1,502,570
Change in fair value through profit and loss (Note 5.9)	(2,117,929)	6,611,089	4,493,160	(4,289,597)	(1,504,772)	(5,794,369)
Change in fair value through other comprehensive income	-	(18,918,283)	(18,918,283)	-	54,623,316	54,623,316
Balance at the end of the period	(5,224,162)	28,019,859	22,795,698	(3,106,233)	46,938,143	43,831,910

#### 8.1.1 Detail and maturity of derivative financial instruments by nature

##### 30 September 2023

Amounts in Euro	Notional	Currency	Maturity	Positive (Note 4.2)	Negative (Note 4.3)	Net total
Hedging						
Hedging (future sales)	90,000,000	USD	2023	264,129	-	264,129
Hedging (future sales)	36,000,000	GBP	2023	-	(21,408)	(21,408)
Interest rate swaps - Bonds	355,000,000	EUR	2028	27,601,361	-	27,601,361
Energy	3,783,192	EUR	2023	143,327	-	143,327
BHKP pulp	7,092,000	USD	2024	32,451	-	32,451
				28,041,267	(21,408)	28,019,859
Trading						
Foreign exchange forwards (future sales)	59,500,000	USD	2023	-	(5,291,932)	(5,291,932)
Exchange rate forwards (future sales)	9,450,000	GBP	2023	64,837	-	64,837
Exchange rate forwards (future sales)	500,000	CHF	2023	2,934	-	2,934
				67,771	(5,291,932)	(5,224,162)
				28,109,038	(5,313,340)	22,795,698

##### 31 December 2022

Amounts in Euro	Notional	Currency	Maturity	Positive (Note 4.2)	Negative (Note 4.3)	Net total
Hedging						
Hedging (future sales)	345,000,000	USD	2023	6,011,256	-	6,011,256
Hedging (future sales)	144,000,000	GBP	2023	1,294,665	-	1,294,665
Interest rate swaps - Bonds	375,000,000	EUR	2028	31,949,130	-	31,949,130
Energy	50,521,199	EUR	2023	7,683,092	-	7,683,092
				46,938,143	-	46,938,143
Trading						
Foreign exchange forwards (future sales)	76,977,456	USD	2023	1,325,016	(4,679,289)	(3,354,273)
Exchange rate forwards (future sales)	18,800,000	GBP	2023	251,284	-	251,284
Exchange rate forwards (future sales)	1,750,000	CHF	2023	-	(3,243)	(3,243)
				1,576,300	(4,682,532)	(3,106,232)
				48,514,443	(4,682,533)	43,831,910

#### Cash flow hedge | Exchange rate risk EUR/USD and EUR/GBP

During the last quarter of 2022, the Group concluded the contracting of derivative financial instruments by acquiring USD 345,000,000 and GBP 144,000,000 in Zero Cost Collar, thus guaranteeing total coverage of the estimated value of exposure for 2023.

#### Energy Hedging

In view of the Group's exposure to energy prices, during the last quarter of 2022, swaps were contracted to set the price of energy sold for a volume of approximately 253,716 MWh, ending 31 December 2023. Given the transition of the Group's renewable cogeneration plants in June 2023 to the special remuneration regime, instead of selling at market price, the above-mentioned swaps were cancelled, generating a gain of approximately Euro 8.2 million.

Following this transition, the Group was exposed to the market in terms of energy purchases, having contracted a swap to fix the price of approximately 59,773 MWh, ending on 31 December 2023.



## 9. Provisions, commitments and contingencies

### 9.1 Provisions

#### Movements in provisions

Amounts in Euro	Legal proceedings	Outras Provisões	Total
<b>1 January 2022</b>	<b>6,951,274</b>	<b>19,800,806</b>	<b>26,752,080</b>
Increases	434,568	1,253,933	1,688,501
Reversals	(4,197,626)	-	(4,197,626)
<b>Impact on profit/(loss) for the period</b>	<b>(3,763,058)</b>	<b>1,253,933</b>	<b>(2,509,125)</b>
Exchange rate adjustment	-	11,700	11,700
Other transfers and adjustments	-	41,534	41,534
<b>30 September 2022</b>	<b>3,188,216</b>	<b>21,107,973</b>	<b>24,296,189</b>
Increases	3,054,197	3,323,008	6,377,205
Reversals	(1,194,785)	(1,051,848)	(2,246,633)
<b>Impact on profit/(loss) for the period</b>	<b>1,859,412</b>	<b>2,271,160</b>	<b>4,130,572</b>
Exchange rate adjustment	-	(9,477)	(9,477)
Other transfers and adjustments	-	15,593	15,593
<b>31 December 2022</b>	<b>5,047,628</b>	<b>23,385,249</b>	<b>28,432,877</b>
Increases	-	1,289,652	1,289,652
<b>Impact on profit/(loss) for the period</b>	<b>-</b>	<b>1,289,652</b>	<b>1,289,652</b>
Exchange rate adjustment	-	1,877	1,877
Other transfers and adjustments	-	402,846	402,846
<b>30 September 2023</b>	<b>5,047,628</b>	<b>25,079,624</b>	<b>30,127,252</b>

No repayments of any nature are expected in respect of these provisions.

### 9.2 Commitments

#### Guarantees provided to third parties

Amounts in Euro	30-09-2023	31-12-2022
<b>Guarantees provided</b>		
Navigator guarantees for EIB loans	27,291,666	37,708,333
Ocean Network Express	2,751,947	-
Comissão Coordenação Desenvolvimento Regional	354,083	354,083
IAPMEI	1,280,701	1,280,701
Customs clearance	-	1,250
Agência Portuguesa Ambiente	2,846,271	2,390,006
Simria	338,829	338,829
Other	838,256	838,256
	<b>35,701,753</b>	<b>42,911,458</b>





## Purchase commitments

Amounts in Euro	30-09-2023	31-12-2022
<b>Purchase commitments</b>		
Property, plant and equipment - Industrial equipment	92,881,721	57,737,388
Wood		
Commitments with acquisitions in the subsequent period	70,500,000	362,700,000
Commitments to long-term acquisitions	191,000,000	117,600,000
	<b>354,381,721</b>	<b>538,037,388</b>

## Other commitments

The Navigator Group has made a commitment to achieve carbon neutrality by 2035, with an estimated global investment of Euro 235 million, of which Euro 69.4 million have already been invested until 30 September 2023.



# 10. Group structure

## 10.1 Companies included in the consolidation perimeter

### 10.1.1. Navigator Group subsidiaries

		% Shareholding				
		30-09-2023			31-12-2022	
Company name	Head Office	Direct	Indirect	Total	Total	Main activity
<b>Parent company:</b> The Navigator Company, S.A.	Portugal	-	-	-	-	Sale of paper and pulp
<b>Subsidiaries:</b>						
Navigator Brands , S.A.	Portugal	100.0	-	100.0	100.0	Acquisition, operation, lease or concession of the use and disposal of trademarks, patents and other industrial or intellectual property
Navigator Parques Industriais, S.A.	Portugal	100.0	-	100.0	100.0	Management of industrial real estate
Navigator Pulp Figueira, S.A	Portugal	100.0	-	100.0	100.0	Paper production
Sociedade de Vinhos da Herdade de Espirra - Produção e Comercialização de Vinhos, S.A.	Portugal	100.0	-	100.0	100.0	Wine production
Empremédia - Corretores de Seguros, S.A.	Portugal	100.0	-	100.0	100.0	Insurance mediation and advisory services
Empremédia, DAC	Ireland	100.0	-	100.0	100.0	Management of shareholdings
Empremédia RE , DAC	Irlanda	-	100.0	100.0	100.0	Insurance mediation and advisory services
Raiz - Instituto de Investigação da Floresta e Papel	Portugal	97.0	-	97.0	97.0	Applied research in the field of pulp and paper industry and forestry activity
Enerpulp – Cogeração Energética de Pasta, S.A.	Portugal	100.0	-	100.0	100.0	Energy production
Navigator Pulp Figueira, S.A.	Portugal	100.0	-	100.0	100.0	Production of cellulose pulp and provision of administration, management and internal advisory services
Ema Cacia - Engenharia e Manutenção Industrial, ACE	Portugal	-	73.8	73.8	73.8	Provision of industrial maintenance services
Ema Setúbal - Engenharia e Manutenção Industrial, ACE	Portugal	-	80.7	80.7	79.7	
Ema Figueira da Foz- Engenharia e Manutenção Industrial, ACE	Portugal	-	79.7	79.7	80.7	
Navigator Pulp Setúbal, S.A.	Portugal	100.0	-	100.0	100.0	Cellulose pulp production
Navigator Pulp Aveiro, S.A.	Portugal	100.0	-	100.0	100.0	Cellulose pulp production
Navigator Fiber Solutions , S.A.	Portugal	0.1	99.9	100.0	-	Wholesale and manufacture of packaging and other articles of cellulose pulp, paper and cardboard and related products.
Navigator Tissue Aveiro, S.A.	Portugal	100.0	-	100.0	100.0	Tissue paper production
Navigator Tissue Ródão , S.A.	Portugal	-	100.0	100.0	100.0	
Navigator Tissue Iberica , S.A.	Spain	-	100.0	100.0	100.0	Sale of tissue paper
Navigator Tissue Ejea , SL	Spain	100.0	-	100.0	-	Tissue paper production
Navigator Tissue France ,EURL	France	-	100.0	100.0	-	Sale of tissue paper
Portucel Moçambique - Sociedade de Desenvolvimento Florestal e Industrial, Lda	Mozambique	90.0	-	90.0	90.0	Forestry production
Navigator Forest Portugal, S.A.	Portugal	100.0	-	100.0	100.0	Forestry production
EucaliptusLand, S.A.	Portugal	-	100.0	100.0	100.0	Forestry production
Gavião - Sociedade de Caça e Turismo, S.A.	Portugal	-	100.0	100.0	100.0	Management of hunting resources
Afoelca - Agrupamento complementar de empresas para protecção contra incêndios, ACE	Portugal	-	64.8	64.8	64.8	Provision of forest fire prevention and fighting services
Viveiros Aliança - Empresa Produtora de Plantas, S.A.	Portugal	-	100.0	100.0	100.0	Plant production in nurseries
Bosques do Atlantico, SL	Spain	-	100.0	100.0	100.0	Trade in wood and biomass and logging
Navigator Africa, SRL	Italy	-	100.0	100.0	100.0	Trade in wood and biomass and logging
Navigator Paper Setúbal , S.A.	Portugal	100.0	-	100.0	100.0	Paper and energy production
Navigator North America Inc.	USA	-	100.0	100.0	100.0	Sale of paper
Navigator Afrique du Nord	Morocco	-	100.0	100.0	100.0	
Navigator España, S.A.	Spain	-	100.0	100.0	100.0	
Navigator Netherlands, BV	The Netherlands	-	100.0	100.0	100.0	
Navigator France, EURL	France	-	100.0	100.0	100.0	
Navigator Paper Company UK, Ltd	United Kingdom	-	100.0	100.0	100.0	
Navigator Italia, SRL	Italy	-	100.0	100.0	100.0	
Navigator Deutschland, GmbH	Germany	-	100.0	100.0	100.0	
Navigator Paper Austria, GmbH	Austria	-	100.0	100.0	100.0	Provision of sales intermediation services
Navigator Paper Poland SP Z o o	Poland	-	100.0	100.0	100.0	
Navigator Eurasia	Turkey	-	100.0	100.0	100.0	
Navigator Paper Mexico	Mexico	25.0	75.0	100.0	100.0	
Navigator Middle East Trading DMCC	EAU	-	100.0	100.0	100.0	
Navigator Egypt, ELLC	Egypt	1.0	99.0	100.0	100.0	
Navigator Paper Southern Africa	Africa do sul	1.0	99.0	100.0	100.0	
Portucel Nigeria Limited	Nigeria	1.0	99.0	100.0	-	
Navigator Green Fuels Setúbal, S.A.	Portugal	100.0	-	100.0	-	Production of sustainable fuels.
Navigator Green Fuels Figueira da Foz, S.A.	Portugal	100.0	-	100.0	-	Production of sustainable fuels.
Navigator Abastecimento de Madeira, ACE	Portugal	97.0	3.0	100.0	-	Sale of timber

### 10.1.2. Incorporated joint operations

Company name	Head Office	% Shareholding			Total	Main activity
		30-09-2023		31-12-2022		
		Direct	Indirect			
Pulpchem Logistics, A.C.E.	Portugal	50	-	50	50	Purchases of materials, subsidiary materials and services used in the pulp and paper production processes



## 10.2 Changes in the consolidation perimeter

During the 9-month period ended 30 September 2023, the following changes took place in the consolidation perimeter:

- Incorporation of the Navigator Fiber Solutions, S.A.
- Incorporation of Navigator Green Fuels Setubal, S.A.
- Incorporation of Navigator Green Fuels Figueira da Foz, S.A.
- Incorporation of Portucel Nigeria Limited
- Acquisition of Navigator Tissue Ejea S.L.U.
- Acquisition of Navigator Tissue France EURL

## 10.3 Transactions with related parties

### Balances with related parties

	30-09-2023		31-12-2022	
Amounts in Euro	Receivables (Note 4.2)	Payables (Note 4.3)	Receivables (Note 4.2)	Payables (Note 4.3)
<b>Shareholders (Note 5.1)</b>				
Semapa - Soc. de Investimento e Gestão, SGPS, S.A.	105	927,764	-	-
<b>Other subsidiaries of Semapa Group</b>				
Secil - Companhia Geral Cal e Cimento, S.A.	-	37,472	-	19,049
Secil Britas, S.A.	-	17,601	-	126,329
CMP - Cimentos Maceira e Pataias, S.A.	-	-	-	9,659
Unibetão, S.A.	-	24,049	-	-
<b>Other related parties</b>				
Hotel Ritz, S.A.	-	1,934	-	1,727
	<b>105</b>	<b>1,008,820</b>	<b>-</b>	<b>156,764</b>

### Transactions with related parties

	30-09-2023				30-09-2022			
Amounts in Euro	Purchase of goods and services	Sales and services rendered	Other operating expenses	Financial (expenses) / income	Purchase of goods and services	Sales and services rendered	Other operating income	Financial (expenses) / income
<b>Shareholders (Note 5.2)</b>								
Semapa - Soc. de Investimento e Gestão, SGPS, S.A.	7,447,337	44	-	-	6,285,032	-	-	-
	<b>7,447,337</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>6,285,032</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other subsidiaries of Semapa Group</b>								
Secil - Companhia Geral Cal e Cimento, S.A.	121,550	2,435	-	-	117,875	-	-	-
Secil Britas, S.A.	98,935	-	-	-	162,221	-	-	-
CMP - Cimentos Maceira e Pataias, S.A.	-	-	-	-	-	-	-	403
Unibetão, S.A.	4,979	-	-	-	14,063	-	-	-
	<b>225,464</b>	<b>2,435</b>	<b>-</b>	<b>-</b>	<b>294,159</b>	<b>-</b>	<b>-</b>	<b>403</b>
<b>Other related parties</b>								
Hotel Ritz, S.A.	6,287	-	1,106	-	16,362	-	-	-
	<b>6,287</b>	<b>-</b>	<b>1,106</b>	<b>-</b>	<b>16,362</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>7,679,088</b>	<b>2,479</b>	<b>1,106</b>	<b>-</b>	<b>6,595,552</b>	<b>-</b>	<b>-</b>	<b>403</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 69.97% 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.

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

In the identification of related parties for the purpose of financial reporting, the members of the Board of Directors and other Corporate Bodies were considered as related parties.

## 11. Explanation added for translation

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



## **BOARD OF DIRECTORS**

**Ricardo Miguel dos Santos Pacheco Pires**

Chairman of the Board of Directors

**António José Pereira Redondo**

Chairman of the Executive Board

**José Fernando Morais Carreira de Araújo**

Executive Board Member

**Nuno Miguel Moreira de Araújo Santos**

Executive Board Member

**João Paulo Cabete Gonçalves Lé**

Executive Board Member

**Dorival Martins de Almeida**

Executive Board Member

**António Quirino Vaz Duarte Soares**

Executive Board Member

**Maria Teresa Aliu Presas**

Member

**Mariana Rita Antunes Marques dos Santos**

Member

**Sandra Maria Soares Santos**

Member



**Vítor Paulo Paranhos Ferreira**

Member

**Ana Teresa Cunha de Pinto Tavares Lehmann**

Member

**Hugo Alexandre Lopes Pinto**

Member

**Maria Isabel da Silva Marques Abranches Viegas**

Member