



**inapa**

IMPROVING  
THE WORLD

# Report & Accounts

1<sup>ST</sup> HALF 2022

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# 01 Highlights

## GENERATION OF RESULTS

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- During the first half of 2022 the closure and conversion of production capacity continued, which together with the limitations on paper imports from other continents, had an unprecedented impact on paper supply.
- Sales volume in tons in line with H1 2021.
- Sales increased by EUR 167.9m, or 37.7%, compared with the same period of 2021.
- EUR 45.5m increase in Gross Margin generated, corresponding to 20.8% of Sales, 2.4 pp more than in the 1st half of 2021.
- Net operating costs represented 13.4% of sales (reduction of 2.6 pp in comparison with the 1st half of 2021).
- EBITDA of EUR 42.5m (EUR 33.1m more than in 2021), corresponding to 6.9% of Sales.
- Operational profit (EBIT) of EUR 33.1m (EUR 31.5m increase).
- Net profit of EUR 16.0m.

## FINANCIAL STRUCTURE

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- Net debt decreased EUR 35.4m compared to December 2021 (-99.0m compared to June 2021), with a significant improvement on the Net debt/Re-EBITDA ratio, to 3.4x.
- Working capital increased EUR 12.9m compared to December 2021 (-67.2m compared to June 2021).

Inapa presents an alternative table to the Financial Statements with the main activity indicators approaching the business evolution

analysis to the one used by the management, being also aligned with what is practiced by the different market players.

(Amounts in MILLION EUROS except when specified otherwise)

	1H22	1H21	VAR.22/21
Tonnes ('000)	390	393	-0,8%
Sales	613,6	445,7	37,7%
Gross Margin	127,5	82,0	55,6%
<i>Gross margin (%)</i>	20,8%	18,4%	2,4 pp
Net operating costs	82,2	71,4	15,1%
Operating income	14,4	13,2	8,7%
Operating costs	96,6	84,7	14,1%
Impairment of trade receivables	0,4	0,9	-61,6%
Re-EBITDA	45,0	9,6	35,4
<i>Re-EBITDA (%)</i>	7,3%	2,2%	5,2 pp
Non-recurrent costs	2,4	0,2	2,3
EBITDA	42,5	9,4	33,1
<i>EBITDA (%)</i>	6,9%	2,1%	4,8 pp
EBIT	33,1	1,6	31,5
<i>EBIT (%)</i>	5,4%	0,4%	5,0 pp
Financial charges	7,9	7,0	12,6%
EBT	25,2	-5,4	30,6
Income tax	9,2	2,4	6,8
Net income	16,0	-3,0	19,0

	30/06/22	30/06/21	VAR.22/21
Net Debt	226,4	325,4	-30,4%
Net Debt/Re-EBITDA <sup>1</sup>	3,4 x	12,4 x	-9,0 x
Net Debt excluding Trade Finance	207,3	250,7	-17,3%
Interest coverage	5,7 x	1,4 x	4,3 x
Working capital	24,3	91,5	-73,5%

<sup>1</sup> Re-EBITDA for rolling 12 months

## GLOSSARY

### **Sales**

Sales of merchandise and other products [note 3].

### **Gross Margin**

Sales of merchandise and other products [note 3] - Costs of Sales + Net cash discounts [note 3] [note 5].

### **Net Operating Costs**

Operating Costs - Operating Income.

### **Operating Income**

Services rendered and other income excluding Net cash discounts [note 3] [note 5].

### **Operating Costs**

Personnel costs + Other costs (excluding net cash discounts, provisions and impairment of trade receivables) [note 5], excluding non-recurrent costs.

### **Impairment of trade receivables**

Provisions and Impairment of trade receivables as in Other costs [Note 5].

### **Re-EBITDA**

Earnings before Depreciations and amortizations, Financial charges, Non-recurrent costs and Income tax.

### **Re-EBITDA (%)**

Re-EBITDA / Sales

### **Non-recurrent costs**

Mainly restructuring costs, namely compensation for termination of work contracts.

### **EBIT**

Results before net financial charges and Income tax.

### **EBIT (%)**

EBIT / Sales.

### **Financial charges**

Financial results [note 6] + Gains / (losses) in associates.

### **Net Debt**

Gross debt [note 15] - Cash and cash equivalents [note 12].

### **Net Debt excluding Trade finance**

Net Debt - Trade finance [note 15].

### **Interest coverage**

Re-EBITDA / Financial charges.

### **Working Capital**

Trade receivables + Inventories - Trade payables.

## 02 Main events

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**29.04.2022**

2021 Results Announcement

**29.04.2022**

Notice of Ordinary General Meeting and publication of the 2021 Annual Report

**29.04.2022**

Publication of the 2021 Sustainability Report

**20.05.2022**

Ordinary General Meeting

### SUBSEQUENT EVENTS

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Up to the date of publication of this report no subsequent events have been recorded.

# 03 Management Report

## 3.1 Market context

### MACROECONOMIC CONTEXT\*

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The first half of 2022 was marked by Russia's invasion of Ukraine at the end of February, when the global economy was still weakened by the impact of Covid-19. The rapid and sharp increases rising energy and food prices have created strong inflationary pressures worldwide, depriving consumers of purchasing power and requiring a significant and rapid response in terms of monetary policy. This trend of inflation and growth slowdown felt in Europe, but also in the United States, is further aggravated by the negative impact of the zero tolerance to Covid-19 policy followed by China.

The European economy appears particularly vulnerable to developments in energy markets, given its energy dependence on Russia. The inflationary pressure created by the contagion of energy prices to services and other goods, as well as the price increases in foodstuffs, significantly reduces the purchasing power of households, particularly those with lower incomes, delaying the recovery of private consumption. On the other hand, companies are postponing decisions of investment. Added to this context is the increase in interest rates

as a result of the ECB's efforts to contain inflationary pressures.

After a growth of 2.4% in the first quarter of 2022, the economy in the Euro Zone is estimated to have slowed in the second quarter, but to register some recovery by the end of the year, leveraging on the dynamics of the tourism sector. In 2023, an improvement is expected, thanks notably to the expected slowdown in inflation, the resilience of the labour market and the support provided by the Recovery and Resilience Plan. Inflation is expected to rise to 8.3% in 2022, coming down to 4.6% in 2023, as pressure on energy prices and constraints in supply chains ease.

Future developments are heavily dependent on the developments of the war in Ukraine, which may put additional pressure on central banks' monetary policies. Covid-19 is also a risk factor.

Next, we present some comments on the evolution of the economies of the main countries in which the Inapa Group operates.

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\*Source: "European Economic Forecast Summer 2022", European Commission, July 2022

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In **Germany**, GDP registered a growth of 0.2% in the first quarter. This evolution reflects the recovery of the construction sector, since, on the one hand, private consumption - particularly in the services component - was still impacted by the restrictions associated with the pandemic and, on the other hand exports fell as a result of supply chain constraints and the war in Ukraine.

GDP is estimated to have stagnated in the second quarter, despite the recovery in consumption (with the lifting of pandemic restrictions), given the worsening constraints on trade as the war advances. High levels of inflation and uncertainties regarding energy supply limit investment, which will condition economic growth. The negative outlook for international trade and the loss of purchasing power, with a negative impact on both consumer and business confidence, are expected to continue to condition developments in 2023.

Thus, GDP is expected to grow by 1.4% and 1.3% in 2022 and 2023 respectively. As for inflation, it should be 7.9% in 2022, falling to 5% in 2023.

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Economic activity in **France** was also impacted in the first quarter still by the pandemic situation (with a peak of cases in January) and the start of the war in Ukraine at the end of February, with GDP even showing a slight decline (-0.2%). With the lifting of the restrictions associated to Covid-19, it is estimated that the GDP has already presented a slightly positive evolution in the second quarter (0.2%) with perspectives of improvement in the third quarter with the increase in tourism in the summer.

In 2022 and 2023, growth is expected to moderate (2.4% and 1.4%, respectively), with inflationary pressure (and loss of purchasing power), more difficult financial conditions and disruptions in supply chains to constrain domestic demand and investment, but with net exports benefiting from the rebound in tourism and the recovery of the transport equipment sector. Inflation is forecasted at 5.9% in 2022 and 4.1% in 2023.



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In **Spain**, economic activity in the first quarter slowed suddenly as a result of supply chain constraints and rising inflationary pressures. It is anticipated that private consumption to remain under pressure, against a background of high inflation and low consumer confidence. With tourism returning to pre-pandemic levels, a slight improvement is expected. In 2022, GDP growth is expected to be 4%, falling to 2.1% in 2023, a year in which growth will be supported essentially by a recovery in investment, benefiting from the impetus of the Recovery and Resilience Plan. Inflation is expected to reach 8.1% in 2022, reflecting the increase in energy prices and their impact on food prices and services in particular, and 3.4% in 2023. Energy prices are estimated to start a gradual decline from the second half of 2022, as a result of various government measures.

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In **Portugal**, after a strong start to the year, some slowdown is expected in the remaining quarters. Even so, GDP is expected to grow by 6.5% in 2022, maintaining the good pace of 2021 and leveraged by the strong recovery in tourism, despite the slowdown in private consumption and in the industrial and construction sectors, due to pressure on energy costs and constraints in global supply chains, and of the fall in exports of goods. In 2023, GDP growth should be 1.9%, reflecting the slowdown in consumption and investment, and also as a result of external demand constraints. Inflation is expected to reach 6.8% in 2022 and 3.6% in 2023.

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**Turkey's** economy grew 7.6 per cent in the second quarter of 2022, following a growth of 7.3% in the first quarter, supported by domestic demand and exports. However, economic dynamics are expected to slow down by the end of the year, reflecting the downward trend in domestic and external demand, as a result of expected deceleration in Turkey's largest trading partners. The strong devaluation of the Turkish lira, by about 45% in the last 12 months, has put inflation at 80%. Despite high levels of inflation, the Turkish central bank cut its interest rate by 100 basis points in August to 13%, justifying this move to maintain the dynamism of industrial production and the positive trend in employment.

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After a 6.2% recovery in 2021, economic growth in **Belgium** is expected to slow down in 2022. In the first quarter, GDP grew by 0.5%, without a relevant impact from Covid-19, and employment showed strong growth. Growth is estimated to have slowed in the second quarter, with a gradual recovery expected by the end of the year. GDP should grow 2.3% and 1.3% in 2022 and 2023 respectively. As for inflation, it should exceptionally stand at 9.4%, falling to 2.9% in 2023, in line with the expected gradual fall in energy prices.

## SECTOR FRAMEWORK

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The decisions of some paper manufacturers to close or convert mills in the context of the Covid-19 pandemic outbreak, compounded by the global logistical difficulties introduced by the pandemic, changed the balance between demand and supply of paper for graphic arts, writing and printing.

The difficulties experienced in satisfying the demand for paper, combined with a substantial increase in production costs (namely pulp, energy and chemical products), led to a very significant increase in paper prices in the various segments.

During the first half of 2022, based on statistics from Eurograph (European Association of Graphic Paper Producers), Western Europe recorded a 0.4% increase in consumption of paper for graphic arts, writing and printing when compared to the same period in 2021. Coated woodfree and uncoated woodfree papers grew by 9.5% and 4.8% respectively, when compared with the first half of 2021, although compared with 2019, the market remains around 18% down.

In the main markets where Inapa operates (Germany, France, Spain, Portugal and Belgium), the total volume of paper sales fell by 2.0% according to Eurograph statistics, with all countries to show a decrease when compared to 2021. Germany showed a decrease of 0.7%, Spain 2.3%, France 3.8% and Portugal 1.2%. The data presented refers to the consumption of coated and uncoated papers - which represents about 90% of the papers sold - not including the remaining sub-families that include specialty papers, cardboards and self-adhesive among others. Regarding Belux (Belgium and Luxembourg), where Inapa is mainly represented in the office paper segment, the market fell by 7.9%. In all these markets, the fall compared to 2019 remained at 17%.

## 3.2 Consolidated performance

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The first six months of the year were marked by the invasion of Ukraine by Russia at the end of February, which is causing blockages in the supply chain and increasing the cost of gas and transport, thus worsening the already high production (raw materials, energy) and logistics costs, leading to a further increase in prices. With the recovery of economies after the Covid-19 pandemic crisis, there has been an increase in demand for paper in a context of continuing mill closures or conversions. The strike in one of the major European producers, which lasted until April, also contributed to a lower availability of paper.

In this context, Inapa consolidated sales reached 613.6 million euros, an increase of 37.7% compared to the same period last year. Paper sales in tonnes were in line with the first semester of 2021, and the average paper price maintained the global trend of sharp increase that we have been witnessing since the end of 2021.

Sales related to the complementary businesses of packaging, visual communication and office supplies registered, in the first six months of the year, a growth of 10% compared to the first half of 2021. The packaging area continued to show a

very positive progression compared to the same period last year. With the start of events and fairs, which had been suspended since 2020, we have seen an upturn in the visual communication area, which also recorded a growth compared to 2021.

The gross margin in the first six months of 2022 reached 20.8% of sales, +2.4 percentage points compared to the same period in 2021. In this period we continued to work on a careful price management and on improving the sales mix, by focusing on products with higher margins.

Net operating costs, excluding impairment of trade receivables, represented 13.4% of sales in H1 2022, a decrease of 2.6 percentage points when compared to H1 2021. In absolute terms, we recorded an increase of 10.8 million euros resulting essentially from the increase in personnel costs (associated to better sales performance and termination of Governmental aids that were still in place in the first half of 2021) and transportation costs (due to combined effect of higher activity and higher fuel costs). In 2022 the Group benefited from gains resulting from the reorganisations implemented in different geographies in recent years.

Meanwhile, additional cost reduction measures were identified in the areas of logistics and commercial organisation in Germany, which are currently being implemented, and whose savings will be progressively reflected between 2022 and 2023.

Impairment of trade receivables in the first half of 2022 amounted to 0.4 million euros, 0.1% of sales. Inapa keeps a strict monitoring of risks, following rigorous internal procedures for credit control of its customer portfolio, always working closely with the Group's credit insurer.

Re-EBITDA rose in the first half of 2022 to 45.0 million euros (7.3% of sales), a significant improvement of 35.4 million euros compared to 2021, benefiting from the improvement in margins, as well as the gains resulting from the different operational efficiency measures already implemented.

Non-recurring costs totalled 2.4 million euros (+2.3 million euros compared to 2021) and are mostly related to the implementation of the additional cost reduction measures in the logistics and commercial organisation areas taking place in Germany.

EBITDA was 42.5 million euros (6.9% of sales), 33.1 million euros above 2021.

Operating results (EBIT) were 33.1 million euros, a positive development of 31.5 million euros.

Financial charges for the first half of 2022 increased 0.9 million euros to 7.9 million euros compared to the same period of 2021, impacted essentially by non-recurring costs associated with the early repayment of lease financing.

Consolidated net profit before tax stood at a positive 25.2 million euros. Income tax amounted to 9.2 million euros, of which around 3.8 million euros related to current taxes and 5.4 million euros related to deferred taxes, leading to a positive net result in the first half of 2022 of 16.0 million euros.

Working capital registered a relevant reduction of -67.2 million euros compared to June 2021, to 24.3 million euros. This evolution is impacted by the change of the factoring contract without recourse negotiated this year in Inapa France (covering a significant portion of the receivables balances in that geography), similarly to what was done in 2021 for the Group's operations in Germany. After a phase of strong demand and lower supply of paper, we are currently reviewing inventory levels in view of

the uncertainty of future market developments, namely regarding the normal operation of the manufacturing units due to the impacts of the discontinuity of energy and raw materials supplies, along with inflationary pressures.

Consolidated net debt stood at 226.4 million euros, 35.4 million euros less than in December 2021, reflecting the operational cash flow generation in the period, as well as the above mentioned effect of derecognition of factoring without recourse in the subsidiary Inapa France. The short-term debt balance remained stable, with current debt excluding Trade Finance standing at 66.1 million euros, or 26% of total gross debt (25% in December 2021).

### 3.3 Performance by business area

#### **With the economic upturn, demand for paper increased.**

However, the reduction in installed production capacity, as a result of mill closures or conversions, together with import limitations due to logistical constraints, limited market development, with Western Europe showing an increase in volumes of only 0.4% compared to the first half of 2021 (Eurograph data).

We continued with our strategy of improving the sales mix, supported by the adaptation of the product portfolio to customer needs and the reorganisation of commercial areas, combined with a continued focus on efficiency and productivity, through the systematic adjustment of business models and organisation. In this sense, additional cost rationalisation measures were identified in the logistics and commercial organisation areas of our subsidiary in Germany, which are being implemented throughout 2022, with full year impact in 2024.

The Covid-19 pandemic accelerated the change in consumption patterns that resulted in consumers shifting their purchasing behaviours to online, which has been one of the driving forces behind the increase in packaging demand in the last two years, with these patterns being maintained in 2022.

Inapa continues to focus on the development of complementary businesses of packaging and visual communication which, in the first half of 2022, recorded an overall increase of about 10% compared with the same period of 2021, maintaining a positive contribution to the operating results.

## PAPER

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**Throughout the first half of 2022 there was an improvement in demand, across all geographies and product segments.**

The first quarter was marked by a strong economic recovery, with high levels of activity. The second quarter was impacted by some negative factors such as the invasion of Ukraine by Russia and inflationary pressures.

In this context, sales in volume in the first half of 2022 were 390 thousand tonnes, in line with the same period in 2021. In value terms, sales reached 569.7 million euros (+41.4% vs. H1 2021).

In the first six months of 2022, the average sales price<sup>(1)</sup> grew by 37.9% over the second half of 2021 (+44.1% year-on-year). The upward trend in paper prices was underpinned by rising producer prices, in turn largely determined by rising production costs (namely pulp, energy and chemicals). We are witnessing here a change in the producers' commercial strategy, currently more reactive and short term, with high and immediate increases, order selection (and cancellation) and the discontinuation of less profitable businesses (brand, quality, customer, contract).

Inapa remains focused on boosting cross-selling of packaging materials, visual communication and graphic and office consumables, as a way to increase its penetration in customers, thus offsetting part of the decrease in paper. In this sense, we continue to explore cross-selling in the areas of packaging and visual communication through the sale of hygiene and safety products, in the part of protection and social distancing equipment, sign & display and adhesive & floor marking, as well as premium packaging.

The operating results (EBIT) of this business were positive 34.5 million euros (increasing about 33.5 million euros compared to the same period of 2021), as a result of the increase in margin, transversal to all geographies, along with the cost containment measures following the implementation of the different restructuring plans in Germany, France and Spain.

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<sup>(1)</sup> Average Sales Price: Paper Sales / Tonnes



## PACKAGING

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**Inapa Group's packaging companies' business represented 47.5 million euros in sales, showing a growth of about 12% compared to the first half of 2021.**

This evolution reflects the continued good performance of sales to the health (hygiene and safety), agri-food and food processing sectors and packaging for e-commerce or transport boxes (food, medicine, etc.), along with a recovery in sales to the cosmetics, automotive and electronics industries.

The operating profit (EBIT) of the packaging companies was 2.6 million euros, representing 5.4% of sales (2.6 million euros and 6.2% in the same period of 2021). Notwithstanding the continuous effort to protect the margin through a very disciplined pricing policy, this was impacted by the strong pressure at the level of producer prices, due to the producer prices due to the increase in the cost of raw materials.

## VISUAL COMMUNICATION

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**The visual communication business recorded a turnover of 16.0 million euros, an increase of around 13% compared with the same period of 2021.**

Notwithstanding the inflationary pressures that the first half of 2022, we witnessed a market recovery, together with a greater willingness to invest from our customers market, together with a greater willingness to invest by our customers, with a higher flow of orders compared with the same period last year (increase in the LFP - Large Format Printing - segment in its Media and Inks components) and growth in the maintenance services and spare parts area. The semester was also marked by the participation in a speciality fair, the first since April 2020.

The operating results were break-even (negative 27 thousand euros), impacted essentially by a slower recovery of the activity level during the first quarter of the year.

### 3.4 Future prospects

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#### **The current tense global geostrategic situation should translate into a continuation of the economic environment felt throughout the first half of the year.**

The conflict in Ukraine led to disruption in Europe's energy supply, leading to sharp increases in electricity and gas prices, and to shortages of raw materials from Russia (wood, pulp), which, aggravated by the disruptions in international logistics chains introduced by the Covid-19 pandemic outbreak, hinder market normalisation.

These factors causing high inflation, led to a new element with economic impact on the life of companies due to the increase in interest rates.

During the first months of 2022, with the continued pressure of raw material costs raw material costs, associated with higher energy and chemical and chemical products and the reduction of production capacity, we saw a generalized increase in paper and packaging prices, which are expected to remain high, which may affect the demand for these goods and lead to market retraction.

Inapa maintains its focus on improving margins, both through the optimization of the product mix (boosting sales of products with higher added value and through

electronic channels) and a very disciplined pricing policy. pricing policy. This vector is a fundamental pillar of Inapa's strategy for the future, even in a context of strong price increases by producers.

The creation of an organisational structure with reduced operational costs, leveraging scale and betting on flexibility, will also remain a central line of action. We continued with the plan to integrate our operations in Germany, where we have already achieved significant cost reductions, and additional cost rationalisation measures have been identified in the areas of logistics and commercial organisation which will be implemented throughout 2022 and 2023, with full impact in 2024.

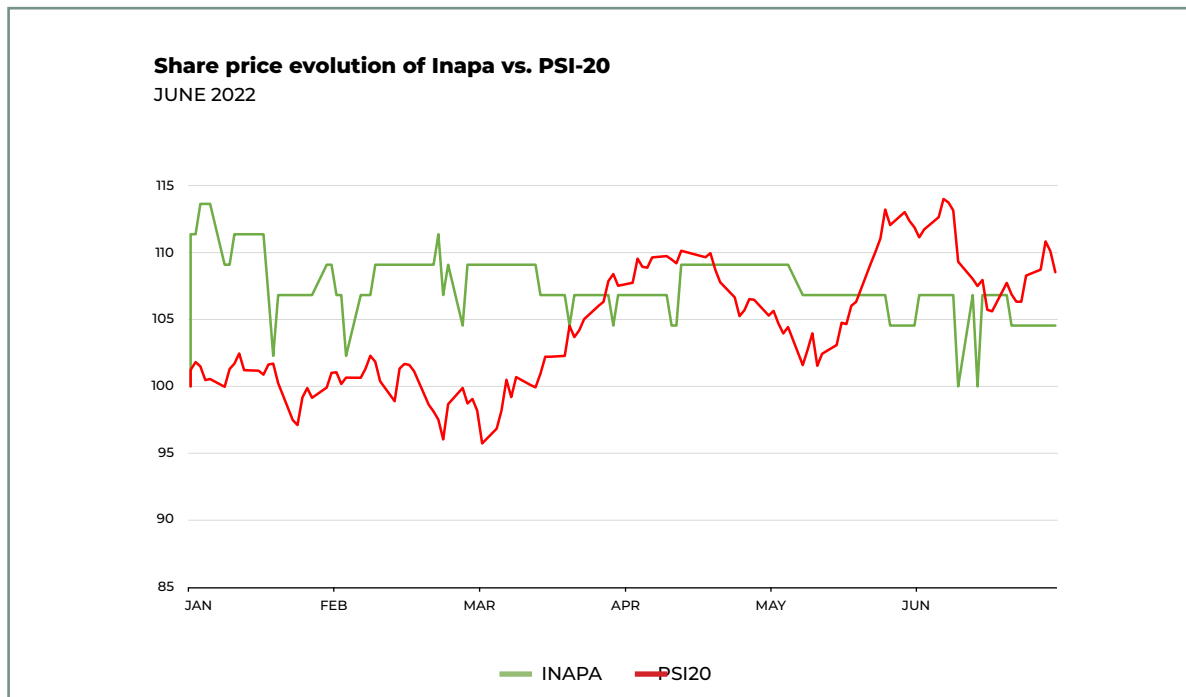
After the conclusion in 2021 of the implementation of the new Group ERP (SAP 4/HANA) in Inapa Deutschland, Inapa Belgium and in the companies in Portugal, we are in 2022 advancing with the roll-out to the other geographies.

In addition to the obvious benefits of cost reduction and increased productivity, the harmonisation of processes and systems across all Group operations will enhance the Group's strategy of creating shared centres for some functions, which has already begun by the end of 2020. It should also be noted the transformational impact on our IT applications ecosystem, significantly reducing its complexity and maintenance effort and increasing its resilience.

Inapa will continue to focus on the packaging and visual communication businesses, promoting organic growth through a greater penetration in the markets where it operates and strengthening cross-selling. Given that these businesses are characterized by a high fragmentation, we will also actively pursue investment opportunities that present perspectives of growth, profitability and value creation in line with the Group's standards.

We will maintain a disciplined management of working capital, particularly important in the context of volatility described above. This posture, together with the levels of optimisation and profitability achieved in operations, allows us to anticipate, in the current context of activity, the maintenance of cash flow balance and reduction of the weight of the financial debt.

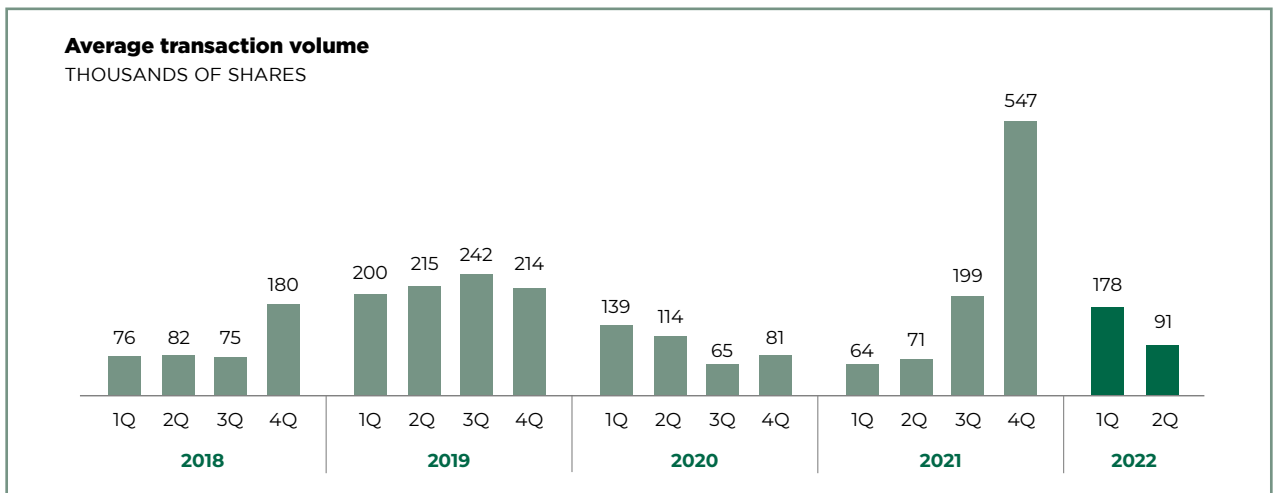
### 3.5 Stock Exchange Performance



The capital market saw its trend in the first half of the year impacted by the effects on economies of the conflict between Russia and Ukraine, the energy crisis, and the strong inflationary pressure that has been registered this year.

On June 30, 2022, Inapa shares appreciated 4.5% compared to the end of 2021, having closed the first half with a price of 0.023€.

A strong intraday price variation continued to be observed, due to the low liquidity that has been registered.



The Inapa share transaction volume in the first half of the year was above that recorded in the first half of 2021 and 2020, but below that recorded in the second half of 2021.

# 04 Interim consolidated accounts

## INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED INCOME STATEMENT AT JUNE 30, 2022 AND JUNE 30, 2021

(Amounts in thousands of Euros)

	Notes	JUNE 30, 2022	JUNE 30, 2021
Sales and services rendered	3	623,186	453,015
Other income	3	6,763	5,910
<b>Total income</b>		<b>629,949</b>	<b>458,925</b>
Cost of sales		-488,022	-361,086
Personnel costs		-52,202	-45,350
Other costs	5	-47,219	-43,039
<b>Operating results before depreciations and amortizations</b>		<b>42,507</b>	<b>9,449</b>
Depreciations and amortizations		-9,452	-7,869
<b>Operating results</b>		<b>33,055</b>	<b>1,580</b>
Gains / (losses) in associates		154	-13
Financial results	6	-8,030	-6,983
<b>Net profit before income tax</b>		<b>25,178</b>	<b>-5,416</b>
Income tax	17	-9,218	2,400
<b>Net profit / (loss) for the period</b>		<b>15,960</b>	<b>-3,016</b>
<b>Attributable to:</b>			
Shareholders of the company		15,960	-3,016
<b>Earnings per share on continuing operations</b>			
Basic		0,0303	(0,0057)
Diluted		0,0234	(0,0044)

To be read with the notes to the consolidated financial statements.

**INAPA - Investimentos, Participações e Gestão, SA****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AT JUNE 30, 2022 AND JUNE 30, 2021**

(Amounts in thousands of Euros)

	<b>JUNE 30, 2022</b>	<b>JUNE 30, 2021</b>
<b>Net income for the period</b>	<b>15,960</b>	<b>-3,016</b>
<b>Items that will not be reclassified to the income statement</b>		
Actuarial gains / (losses)	2,545	-
<b>Items that may be reclassified subsequently to the income statement</b>		
Exchange conversion differences	-516	-361
<b>Other comprehensive income recognised in equity</b>	<b>2,029</b>	<b>-361</b>
<b>Total income and expenses recognised for the period</b>	<b>17,989</b>	<b>-3,377</b>
<b>Attributable to:</b>	17,989	-3,377
Shareholders of the company	<b>17,989</b>	<b>-3,377</b>

To be read with the notes to the consolidated financial statements.

## INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2022 AND DECEMBER 31, 2021

(Amounts in thousands of Euros)

	Notes	JUNE 30, 2022	DECEMBER 31, 2021
<b>Assets</b>			
<b>Non current assets</b>			
Tangible fixed assets		46,021	57,390
Goodwill	7	232,620	232,620
Right of use assets		33,803	33,105
Intangible assets	7	124,801	125,471
Investments in associate companies	9	1,315	2,260
Assets at fair value through profit or loss	8	120	120
Other non current assets	11	2,460	3,373
Deferred taxed assets	17	30,112	37,148
<b>Total non current assets</b>		<b>471,252</b>	<b>491,487</b>
<b>Current assets</b>			
Inventários		85,174	55,032
Clientes	11	71,346	65,801
Imposto sobre o rendimento a recuperar		4,936	5,437
Outros ativos correntes	11	46,972	60,482
Caixa e equivalentes de caixa	12	27,537	7,982
<b>Total current asset</b>		<b>235,965</b>	<b>194,734</b>
<b>Total assets</b>		<b>707,217</b>	<b>686,221</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	14	180,135	180,135
Share issue premium		431	431
Reserves		21,811	19,782
Retained earnings		-42,926	-46,240
Net profit for the period		15,960	3,314
<b>Total shareholders' equity</b>		<b>175,412</b>	<b>157,422</b>
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
Loans	15	168,693	183,408
Deferred tax liabilities	17	48,063	48,618
Provisions		5,672	5,648
Employees benefits		17,822	21,780
Other non current liabilities	16	17	17
<b>Total non current liabilities</b>		<b>240,267</b>	<b>259,472</b>
<b>Current liabilities</b>			
Loans	15	85,252	86,387
Trade payables	16	132,223	109,470
Tax liabilities		12,449	10,387
Provisions		1,808	1,542
Other current liabilities	16	59,807	61,542
<b>Total current liabilities</b>		<b>291,538</b>	<b>269,327</b>
<b>Total shareholders' equity and liabilities</b>		<b>707,217</b>	<b>686,221</b>

To be read with the notes to the consolidated financial statements.



## INAPA - Investimentos, Participações e Gestão, SA

### CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY AS AT JUNE 30, 2022 AND JUNE 30, 2021

(Amounts in thousands of Euros)

	ATTRIBUTABLE TO SHAREHOLDERS							Total shareholders' equity
	Share Capital	Share issuance premium	Foreign exchange adjustments	Other reserves	Retained earnings	Net profit / (Loss) for the period	Total	
<b>BALANCE AS AT JANUARY 1, 2021</b>	<b>180,135</b>	<b>431</b>	<b>-8,791</b>	<b>29,005</b>	<b>-30,786</b>	<b>-15,454</b>	<b>154,540</b>	<b>154,540</b>
Total earnings and costs recognized in the period	-	-	-361	-	-	-3,016	-3,377	-3,377
Previous year net profit and loss result	-	-	-	-	-15,454	15,454	-	-
<b>Total of gains and losses of the period</b>	<b>-</b>	<b>-</b>	<b>-361</b>	<b>-</b>	<b>-15,454</b>	<b>12,438</b>	<b>-3,377</b>	<b>-3,377</b>
<b>BALANCE AS AT JUNE 30, 2021</b>	<b>180,135</b>	<b>431</b>	<b>-9,152</b>	<b>29,005</b>	<b>-46,240</b>	<b>-3,016</b>	<b>151,164</b>	<b>151,164</b>
<b>BALANCE AS AT JANUARY 1, 2022</b>	<b>180,135</b>	<b>431</b>	<b>-10,284</b>	<b>30,066</b>	<b>-46,240</b>	<b>3,314</b>	<b>157,422</b>	<b>157,422</b>
Total earnings and costs recognized in the period	-	-	-516	2,545	-	15,960	17,989	17,989
Previous year net profit and loss result	-	-	-	-	3,314	-3,314	-	-
<b>Total of gains and losses of the period</b>	<b>-</b>	<b>-</b>	<b>-516</b>	<b>2,545</b>	<b>3,314</b>	<b>12,646</b>	<b>17,989</b>	<b>17,989</b>
<b>BALANCE AS AT JUNE 30, 2022</b>	<b>180,135</b>	<b>431</b>	<b>-10,799</b>	<b>32,611</b>	<b>-42,926</b>	<b>15,960</b>	<b>175,412</b>	<b>175,412</b>

To be read with the notes to the consolidated financial statements.

## INAPA - Investimentos, Participações e Gestão, SA

### CONSOLIDATED CASH FLOW STATEMENT AS AT JUNE 30, 2022 AND JUNE 30, 2021

(Amounts in thousands of Euros)

	Notes	JUNE 30, 2022	JUNE 30, 2021
<b>Cash flow generated from operating activities</b>			
Cash receipts from customers		722,948	518,362
Payments to suppliers		-571,496	-442,944
Payments to personnel		-44,850	-35,851
<b>Net cash from operational activities</b>		<b>106,602</b>	<b>39,567</b>
Income taxes received/(paid)		-1,205	-601
Other proceeds/(payments) relating to operating activity		-70,083	-32,794
<b>Net cash generated from operating activities</b>	<b> 1 </b>	<b>35,315</b>	<b>6,172</b>
<b>Cash flow from investing activities</b>			
Proceeds from:			
Financial investments		1,100	-
Tangible fixed assets		11,211	819
Interest and similar income		-	2
		<b>12,311</b>	<b>822</b>
Payments in respect of:			
Tangible fixed assets		-606	-859
Intangible assets		-457	-1,927
		<b>-1,063</b>	<b>-2,786</b>
<b>Net cash used in investing activities</b>	<b> 2 </b>	<b>11,248</b>	<b>-1,964</b>
<b>Cash flow from financing activities</b>			
Proceeds from:			
Loans obtained		129,492	118,499
		<b>129,492</b>	<b>118,499</b>
Payments in respect of:			
Loans obtained		-138,737	-97,526
Amortization of financial leases		-11,151	-3,298
Interests and similar expenses		-6,538	-4,258
		<b>-156,425</b>	<b>-105,082</b>
<b>Net cash used in financing activities</b>	<b> 3 </b>	<b>-26,933</b>	<b>13,417</b>
Increase/(decrease) in cash and cash-equivalent	<b>[4] =  1  +  2  +  3 </b>	19,629	17,626
Effect of exchange differences		-26	-28
		<b>19,603</b>	<b>17,598</b>
Cash and cash-equivalents at the beginning of period		7,009	-9,385
Cash and cash-equivalents at the end of period	<b>12</b>	26,612	8,212
		<b>19,603</b>	<b>17,598</b>

To be read with the notes to the consolidated financial statements.

## INAPA - INVESTIMENTOS, PARTICIPAÇÕES E GESTÃO, SA

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF SIX MONTHS ENDED JUNE 30, 2022

(All amounts are expressed in thousands of Euros, unless otherwise specified)

#### 1. INTRODUCTION

Inapa - Investimentos, Participações e Gestão, S.A. (“Inapa - IPG” or “the Company”) is the parent company of Inapa Group and its corporate purpose is the ownership and management of assets, movable and real estate holdings, holding equity stakes in other companies, operating its own or third-party commercial and industrial establishments, and providing assistance to companies in general. The Inapa Group’s main activities are paper distribution, packaging and visual communication. Inapa - IPG is listed on Euronext Lisbon.

Name: Inapa - Investimentos, Participações e Gestão, S.A.

Head Office: Rua Braamcamp 40 - 9ºD, 1250-050 Lisbon, Portugal

Share Capital: 180,135,111 euros

N.I.P.C.: 500 137 994

As a result of its development and internationalisation plan, the Inapa Group has holdings, mainly in the Paper Distribution segment, in various European countries, namely (i) Inapa Deutschland Holding, GmbH based in Germany, which holds shares in Inapa Deutschland, GmbH, which in turn holds shares in Inapa Packaging, GmbH, Inapa ComPlott GmbH, Inapa Logistics, GmbH, Inapa Vertriebs GmbH, also based in Germany, and Inapa Netherlands BV based in the Netherlands, (ii) Inapa France, SAS, (iii) Inapa Portugal - Distribuição de Papel, SA, a Portuguese company in the Group that holds shares in Inapa Angola, Distribuição de

Papel, SA, and Inapa Comunicação Visual, Lda, (iv) Inapa España Distribución de Papel, SA, operating in Spain and which holds a stake in Surpapel, SL (a company that markets paper), (v) EUROPACKAGING - Investimentos, Participações e Gestão, Lda. , headquartered in Portugal, which operates in Portugal and France through its subsidiaries Inapa Packaging Lda, Embaltec SAS, Inapa Packaging SAS and Semaq SAS, (vi) a company located in the United Kingdom - Inapa Merchants Holding, Ltd, a company with no activity, (vii) Inapa Belgium NV which operates in the Benelux market and (viii) Korda Kağıt Pazarlama ve Ticaret Anonim Şirketi, which operates in the Turkish market.

The Board of Directors made an evaluation of the Group's ability to continue as a going concern, based on all relevant information, facts and circumstances, of financial, commercial or other nature, including events subsequent to the reference date of the financial statements, available on the future. In its assessment, the Board considered the consequences of the health crisis caused by the pandemic resulting from Covid-19, as well as the recent invasion of Ukraine by the Russian Federation. The Board of Directors has performed an analysis of the current situation based on the best information available.

As a result of the assessment carried out, supported by the short-term cash flow projection, the Board of Directors concluded that the Group has adequate resources to maintain its activities, there being no intention to cease operations in the short term, and therefore considered adequate the use of the going concern assumption in the preparation of the financial statements. This conclusion is not affected by the current liabilities/current assets ratio, considering, on the one hand, cash flow perspectives of the period under analysis and,

on the other hand, that the aforementioned ratio i) results from the form of financing of the activity with recourse to factoring operations (Note 15), which are negotiated over a time horizon extending beyond twelve months after the date of approval of the financial statements, and there is the prospect of maintenance of the financing lines currently available; ii) is temporarily affected by the consideration as short term of the debt contracted by the German subsidiary of the Group with a bank consortium (Note 15), the Company has already obtained confirmation from the consortium leader bank that the agreement for the postponement of the payment to 2023 has been approved, and the respective formalization is in the process of completion and iii) includes short-term debts which are being refinanced through sale and leaseback transactions in 2022.

These consolidated financial statements were approved by the Board of Directors of Inapa - IPG on September 21, 2022, being the Board of Directors opinion that they appropriately reflect the Group's operations and financial position.

## 2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The Inapa Group's consolidated financial statements are prepared on the assumption of continuity of operations, from the accounting books and records of the companies that constitute the Group. On the other hand, the interim consolidated financial statements for the six months ended June 30, 2022 were prepared in accordance with IAS 34 - Interim Financial Reporting and present condensed notes, so they should be read together with the annual consolidated financial statements for the year ended December 31, 2021.

The Inapa Group's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and with the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee (SIC), as adopted by the European Union.

### Accounting Policies

The accounting policies adopted during the six months ended June 30, 2022 are consistent with the ones used in the preparation of the Group's consolidated financial statements of the Group for the year ended December 31, 2021 and referred to in the respective notes.

During the six months ended June 30, 2022 the following standards, interpretations, amendments and improvements, of mandatory application for financial years beginning on or after January 1, 2022:

<b>Description</b>	<b>Amendment</b>	<b>Value date</b>
<b>IFRS 16 – Leases – Covid-19 related rent concessions beyond June 30, 2021 (amendments)</b>	Extension of the application period for the exemption in the recognition of rent concessions granted by lessors related to Covid-19, as lease modifications, until June 30, 2022	April 1, 2021
<b>IAS 16 – Proceeds before intended use (amendments)</b>	Prohibition of deducting the proceeds obtained from the sale of items produced during the testing phase, to the acquisition cost of property, plant and equipment	January 1, 2022
<b>IAS 37 – Onerous Contracts - costs of fulfilling a contract (amendments)</b>	Clarification about the nature of the expenses to be considered in determining whether a particular contract has become onerous	January 1, 2022
<b>IFRS 3 – Reference to the Conceptual framework (amendments)</b>	Update to references to the Conceptual Framework and clarification on the registration of provisions and contingent liabilities within the scope of a business combination	January 1, 2022
<b>Annual improvement 2018 – 2020</b>	Specific amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	January 1, 2022

The adoption of the standards, interpretations, amendments and revisions mentioned above produced no significant effects on the financial statements of the Inapa Group.

### Standards (new and amendments) that become effective on or after 1 January 2023 that have already been endorsed by the EU

Description	Amendment	Value date
<b>IAS 1 – Disclosure of accounting policies (amendments)</b>	Disclosure requirement for material accounting policies, rather than significant accounting policies	January 1, 2023
<b>IAS 8 – Disclosure of accounting estimates (amendments)</b>	Definition of accounting estimate. Clarification as to the distinction between changes to accounting policies and changes to accounting estimates	January 1, 2023
<b>IFRS 17 – Insurance contracts (new)</b>	New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary participating features	January 1, 2023
<b>IFRS 17 – Insurance contracts (amendments)</b>	The amendments to IFRS 17 relate to changes in areas such as: i) scope; ii) level of aggregation of insurance contracts; iii) recognition; iv) measurement; v) modification and derecognition; vi) presentation of the Statement of Financial Position; vii) recognition and measurement of the Income statement; and viii) disclosures	January 1, 2023

These new standards and amendments, although approved (“endorsed”) by the European Union, have not been adopted by the Group in 2022, as their application is not yet mandatory. It is not expected that the future adoption of these amendments will have significant impacts on the financial statements.

### Standards (new and amendments) that become effective on or after January 1, 2023, not yet endorsed by the EU

The following accounting standards, interpretations and amendments were issued by the IASB and are not yet endorsed by the European Union:

<b>Description</b>	<b>Amendment</b>	<b>Value date</b>
<b>IAS 1 – Presentation of financial statements – classification of liabilities (amendments)</b>	Classification of a liability as current or non-current, depending on an entity's right to defer its payment. New definition of "settlement" of a liability	January 1, 2023
<b>IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction (amendments)</b>	Requirement to recognize deferred tax on the recognition of assets under right of use / lease liability and provisions for decommissioning / related asset, when their initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences, because of not being relevant for tax purposes	January 1, 2023
<b>IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative Information (amendments)</b>	This amendment allows to avoid temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented, when first applying IFRS 17. This amendment allows the application of a classification overlay to a financial asset for which the entity does not restate IFRS 9 comparative information	January 1, 2023

As these standards have not yet been endorsed by the European Union, they were not applied by the Group in 2022.

The future adoption of these changes to the standards is not expected to have a significant impact on the financial statements.



### **Estimates and fundamental errors**

During the first half of 2022, no material errors or significant changes to accounting estimates related to prior periods were recognized.

The estimates made in the preparation the financial statements for the six-month period ended June 30, 2022 have the same characteristics as those made in the preparation of the financial statements for 2021.

### **Judgments and relevant assumptions**

The preparation of the financial statements was conducted in accordance with generally accepted accounting principles, using estimates and assumptions that affect the reported amounts of assets and liabilities and of income and expenses during the reporting period. It should be noted that although estimates have been based on the best knowledge of the Board of Directors regarding current events and actions, actual results may ultimately differ from them.

### 3. SALES AND SERVICES RENDERED AND OTHER INCOME

Sales and services rendered in the six months ended June 30, 2022 and 2021 are broken down as follows:

	JUNE 30, 2022	JUNE 30, 2021
<b>Domestic Market</b>		
Sales of merchandise and other products	21,984	17,803
Services rendered	1,100	817
	<u>23,085</u>	<u>18,621</u>
<b>Exports</b>		
Sales of merchandise and other products	591,650	427,941
Services rendered	8,451	6,454
	<u>600,101</u>	<u>434,395</u>
	<u><b>623,186</b></u>	<u><b>453,015</b></u>

As at June 30, 2022 and 2021, the balances under the heading Other income are analysed as follows:

	JUNE 30, 2022	JUNE 30, 2021
Net cash discounts	1,920	-
Reversals of impairment of current assets (Note 13)	546	669
Other income	4,297	5,241
	<u><b>6,763</b></u>	<u><b>5,910</b></u>

### 4. BUSINESS SEGMENT REPORTING

Segment information is presented in accordance with the identified operating segments, which are paper distribution, packaging and visual communication. In Other activities are recorded the amounts related to the holdings, not attributed to the identified businesses.

The results of each segment correspond to those that are directly attributable to them or those that can be reasonably attributed to them. Intra-group transfers are carried out at market prices and are not materially relevant.

At June 30, 2022 and 2021, the financial information by business segments is analysed as follows:

	JUNE 30, 2022					
	Paper	Packaging	Visual Communication	Other activities	Eliminations on Consolidations	Consolidated
<b>REVENUES</b>						
External sales	553,500	45,276	14,860	-	-	613,635
Inter-segment sales	124	952	456	-	-1,532	-
<b>Other revenues</b>	<b>16,084</b>	<b>1,241</b>	<b>712</b>	<b>6,066</b>	<b>-7,788</b>	<b>16,314</b>
<b>Total revenues</b>	<b>569,708</b>	<b>47,468</b>	<b>16,027</b>	<b>6,066</b>	<b>-9,320</b>	<b>629,949</b>
<b>RESULTS</b>						
Segment results	34,534	2,574	-27	-3,706	-319	33,055
<b>Operational results</b>						<b>33,055</b>
Gains/ (losses) in associated companies	154	-	-	-	-	154
Interest expenses	-5,811	-473	-178	-4,640	2,403	-8,699
Interest income	2,496	15	16	364	-2,222	669
<b>Net profit before income tax</b>	<b>31,372</b>	<b>2,116</b>	<b>-189</b>	<b>-7,983</b>	<b>-139</b>	<b>25,178</b>
Income tax	-9,758	-766	16	1,290	-	-9,218
<b>Income from ordinary activities</b>						<b>15,960</b>
<b>Net profit /(loss) for the year</b>	<b>21,614</b>	<b>1,350</b>	<b>-172</b>	<b>-6,693</b>	<b>-139</b>	<b>15,960</b>

	JUNE 30, 2021					
	Paper	Packaging	Visual Communication	Other activities	Eliminations on Consolidations	Consolidated
<b>REVENUES</b>						
External sales	391,073	40,772	13,896	2	-	445,743
Inter-segment sales	99	932	120	-	-1,151	-
<b>Other revenues</b>	<b>11,801</b>	<b>661</b>	<b>222</b>	<b>498</b>	<b>-</b>	<b>13,181</b>
<b>Total revenues</b>	<b>402,972</b>	<b>42,365</b>	<b>14,239</b>	<b>500</b>	<b>-1,151</b>	<b>458,925</b>
<b>RESULTS</b>						
Segment results	1,036	2,612	170	-2,102	-137	1,580
<b>Operational results</b>						<b>1,580</b>
Gains/ (losses) in associated companies	-13	-	-	-	-	-13
Interest expenses	-4,908	-494	-71	-4,220	2,286	-7,407
Interest income	1,399	0	1	458	-1,434	424
<b>Net profit before income tax</b>	<b>-2,486</b>	<b>-2,118</b>	<b>100</b>	<b>-5,864</b>	<b>715</b>	<b>-5,416</b>
Income tax	2,063	-589	44	881	-	2,400
<b>Income from ordinary activities</b>						<b>-3,016</b>
<b>Net profit /(loss) for the year</b>	<b>-423</b>	<b>1,530</b>	<b>145</b>	<b>-4,982</b>	<b>715</b>	<b>-3,016</b>

For the period ended June 30, 2022 and 2021, total sales per country where the Group operates were broken down as follows:

	<b>Total Revenues</b>	
	<b>June 30, 2022</b>	<b>June 30, 2021</b>
Germany	393,788	296,179
France	168,159	112,850
Portugal	24,141	19,354
Spain	25,087	16,807
Others	18,773	13,734
	<b>629,949</b>	<b>458,925</b>

## 5. OTHER COSTS

For the period ended June 30, 2022 and 2021, Other costs break down as follows:

	<b>June 30, 2022</b>	<b>June 30, 2021</b>
Administrative expenses	43,848	36,837
Net cash discounts	-	2,697
Indirect taxes	2,809	2,492
Other costs	198	69
Provisions	24	28
Impairment of Trade receivables (note 13)	339	916
	<b>47,219</b>	<b>43,039</b>

## 6. FINANCIAL RESULTS

For the periods ended June 30, 2022 and 2021, the financial results were broken down as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
<b>Financial income</b>		
Interest obtained	7	15
Positive FX	657	407
Other financial income	5	1
	<u>669</u>	<u>424</u>
<b>Financial costs</b>		
Interest paid	5,449	5,395
Negative FX	500	443
Other financial losses	2,750	1,569
	<u>8,699</u>	<u>7,407</u>
<b>Financial results</b>	<u><u>-8,030</u></u>	<u><u>-6,983</u></u>

## 7. GOODWILL AND INTANGIBLE ASSETS

### Goodwill

The variation of the balance recorded in Goodwill during the six months ended June 30, 2022 was as follows:

<b>January 1, 2021</b>	
Acquisition value	244,386
Accumulated Impairment losses	-11,766
<b>Balance as at January de 2021</b>	<b>232,620</b>
<b>Movements during 2021</b>	
Exchange rate differences	-
Increases	-
Impairment	-
Transfers and disposals	-
Changes in consolidation perimeter	-
	<b>232,620</b>
<b>December 31, 2021</b>	
Valor de aquisição	244,386
Perdas de imparidade acumuladas	-11,766
<b>Balance as at December 31, 2021</b>	<b>232,620</b>
<b>Movements in 2022</b>	
Exchange rate differences	-
Increases	-
Impairment	-
Transfers and disposals	-
Changes in consolidation perimeter	-
	<b>232,620</b>
<b>June 30, 2022</b>	
Acquisition value	244,386
Accumulated Impairment losses	-11,766
<b>Balance as at June 30, 2022</b>	<b>232,620</b>

When several subsidiaries were acquired, differences between the acquisition cost and the fair value of the assets and liabilities acquired were determined.

As of June 30, 2022, of the Goodwill value of 232,620 thousand Euros, around 209,366 thousand Euros relates to the paper segment.

The valuation methodology for these assets is disclosed in the consolidated financial statements as at December 31, 2021.

At June 30, 2022, the Board made an assessment as to whether there are indicators of significant impairment, as required by IAS 34. The Board did not update the impairment analysis made on December 31, 2021, as it concluded that there were no indicators of significant impairment, due to the net profit for the period of 15,960 thousand euros, above the projections in the business plan approved by the Board for the period.

### **Intangible assets**

The balance of Intangible assets corresponds essentially to the set of trademarks registered when the subsidiaries that owned them were acquired, for which there is no time limit at which they will stop generating economic benefits for the Group.

At June 30, 2022, the value of the trademarks amounted to 103,227 thousand euros.

The valuation methodology for these assets is disclosed in the consolidated financial statements as at December 31, 2021.

At June 30, 2022, the Board made an assessment as to whether there were indicators of significant impairment, as required by IAS 34, and concluded that there were no factors that would require updating the impairment analysis made on December 31, 2021.

## 8. ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at June 30, 2022 and December 31, 2021, Assets at fair value through profit or loss were broken down as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
<b>Non current</b>		
Others	120	120
	<u>120</u>	<u>120</u>
<b>Current</b>		
Others	-	-
	<u>-</u>	<u>-</u>

The movement during the six months ended June 30, 2022, in the heading Assets at fair value through profit or loss was as follows:

<b>Balance as at January 1, 2021</b>	<b>119</b>
Acquisitions	-
Disposals	-
Changes in fair value	1
<b>Closing balance as at December 31, 2021</b>	<u><b>120</b></u>
Acquisitions	-
Disposals	-
Changes in fair value	0
<b>Closing balance as at June 30, 2022</b>	<u><b>120</b></u>



## 9. COMPANIES INCLUDED IN THE CONSOLIDATION

The subsidiaries included in the consolidation, by applying the full consolidation method, as at June 30, 2022, are as follows:

DESIGNATION	REGISTERED OFFICE	% GROUP STAKE	ACTIVITY	DIRECT SHAREHOLDER	INCORPORATION DATE
Inapa Portugal - Distribuição de Papel, SA.	Rua das Cerejeiras, n° 5, Vale Flores 2710-632 Sintra Portugal	100%	Paper supply	Inapa - IPG, SA	1988
Inapa España Distribución de Papel, SA	Calle Delco, n° 1-3 Polígono Industrial Ciudad del Automóvil 28914 Leganés, Madrid Espanha	100%	Paper supply	Inapa - IPG, SA	98/DEC
Inapa France, SAS	11 rue de la Nacelle - Villabé 91813 Corbeil-Essonnes Cedex França	100%	Paper supply	Inapa - IPG, SA	98/MAY
Inapa Belgium NV	Vaucampsiaan, 30 B-1654 Huizingen Bélgica	100%	Paper supply	Inapa - IPG, SA	98/MAY
Inapa Packaging, SAS	14, Impasse des Moines 91410 Dourdan França	100%	Packaging	Europackaging - Investimentos, Participações e Gestão, Lda.	08/JAN
Inapa Deutschland Holding, GmbH	Osterbekstraße 90a D-22083 Hamburg Alemanha	100%	Holding	Inapa - IPG, SA	00/APR
Inapa Deutschland, GmbH	Osterbekstraße 90a D-22083 Hamburg Alemanha	100%	Paper supply	Inapa Deutschland, Holding GmbH	00/APR
Inapa Packaging, GmbH	Osterbekstraße 90a D-22083 Hamburg Alemanha	100%	Packaging	Inapa Deutschland, GmbH	2006
Inapa – Merchants, Holding, Ltd	39 Hendon Lane Finchley Central, London, N3 1RY Reino Unido	100%	Holding	Inapa - IPG, SA	1995

DESIGNATION	REGISTERED OFFICE	% GROUP STAKE	ACTIVITY	DIRECT SHAREHOLDER	INCORPORATION DATE
Inapa Complot, GmbH	Industriestraße 7 40822 Mettmann Alemanha	100%	Visual Communication	Inapa Deutschland, GmbH	JAN/08
Edições Inapa, Lda	Rua Braamcamp 40 - 9ºD, 1250-050 Lisboa Portugal	100%	Editorial	Inapa - IPG, SA	NOV/09
Europackaging - Investimentos, Participações e Gestão, Lda.	Rua Braamcamp 40 - 9ºD, 1250-050 Lisboa Portugal	100%	Holding	Inapa - IPG, SA	OCT/11
Inapa Angola – Distribuição de Papel, SA	Largo 17 de Setembro Nº 3 – 3º andar – Sala 302 Edifício Presidente Business Center, Luanda Angola	100%	Paper supply	Inapa Portugal – Distribuição de Papel, SA	DEC/09
Semaq Emballages, SAS	Rue de Strasbourg, 33521 BRUGES cedex França	100%	Packaging	Inapa Packaging, SAS	FEB/12
Inapa Shared Center, Lda	Rua das Cerejeiras, nº 5, Vale Flores 2710-632 Sintra Portugal	100%	Shared services	Inapa – IPG, SA e Inapa Portugal - Distribuição de Papel, SA	JUL/12
Inapa Comunicação Visual, Lda	Rua das Cerejeiras, nº 5, Vale Flores 2710-632 Sintra Portugal	100%	Visual Communication	Inapa Portugal - Distribuição de Papel, SA	JAN/13
KORDA Kağıt Pazarlama ve Ticaret Anonim Şirketi	Kasap Sokak. Konak Azer Ishani, nº12, 3º 34394 Istanbul Turquia	100%	Paper supply	Inapa - IPG, SA	SET/13

DESIGNATION	REGISTERED OFFICE	% GROUP STAKE	ACTIVITY	DIRECT SHAREHOLDER	INCORPORATION DATE
Inapa Packaging, Lda	Rua Gonçalves Zarco, 3386 4450-822 Sta Cruz do Bispo Portugal	100%	Packaging	Europackaging - Investimentos, Participações e Gestão, Lda	SEP/13
Embaltec SAS	Z.A.E. de l'Epinette 59850 NIEPPE França	100%	Packaging	Inapa Packaging, SAS	NOV/16
Inapa Vertriebs GmbH	Osterbekstraße 90a D-22083 Hamburg Alemanha	100%	Holding	Inapa Deutschland, GmbH	SEP/12
Inapa Logistics GmbH	Osterbekstraße 90a D-22083 Hamburg Alemanha	100%	Holding	Inapa Deutschland, GmbH	SEP/12
Inapa Netherlands BV	Nassauplein 30 NL-2585 Den Haag Holanda	100%	Paper supply	Inapa Deutschland Holding, GmbH	MAY/18

All balances and transactions with subsidiaries were eliminated in the consolidation process.

The following companies were included in the consolidated financial statements by the equity method, under the heading Investments in associated companies:

ASSOCIATE COMPANIES	DIRECT PARENT ENTITY	% OF PARTICIPATION
Surpapel, SL	Inapa España Distribución de Papel, SA	25.00

During the first half of 2022, the Group sold its 25% stake in Römerturm Feinstpapier GmbH & Co KG for EUR 1,100 thousand, resulting in a loss of EUR 3 thousand.

## 10. COMPANIES EXCLUDED FROM THE CONSOLIDATION

In the period ended June 30, 2022, all entities controlled by Inapa - IPG were included in the consolidation.

## 11. TRADE RECEIVABLES AND OTHER CURRENT AND NON-CURRENT ASSETS

As at June 30, 2022 and December 31, 2021, the Trade Receivables breaks down as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
<b>Trade receivables</b>		
Trade receivables - current account	64,102	59,167
Trade receivables - bills of exchange	6,966	6,291
Doubtful trade receivables	10,668	10,899
	<u><b>81,736</b></u>	<u><b>76,357</b></u>
Accumulated impairment losses (Note 13)	-10,390	-10,556
<b>Trade receivables - net balance</b>	<u><b>71,346</b></u>	<u><b>65,801</b></u>

The positive variation in trade receivables balances is mainly due to the growth in business volume in the period, partially offset by the derecognition of receivables balances at Inapa France resulting from the contracting of a non-recourse factoring solution.

The Other assets at June 30, 2022 and December 31, 2021 are analysed as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
<b>Other non-current assets</b>		
Other investments	529	500
Other debtors	2,625	3,584
Accumulated impairment losses (Note 13)	-694	-711
	<u><b>2,460</b></u>	<u><b>3,373</b></u>
<b>Other current assets</b>		
Advances to suppliers	3,568	2,888
	<u><b>3,568</b></u>	<u><b>2,888</b></u>
Other debtors	20,334	39,852
Accumulated impairment losses (Note 13)	-870	-881
	<u><b>19,464</b></u>	<u><b>38,971</b></u>
Other recoverable taxes	1,184	1,205
Accrued income	19,652	14,987
Deferred costs	3,103	2,431
	<u><b>46,972</b></u>	<u><b>60,482</b></u>

The heading Other current debtors includes balances receivable from suppliers and credit insurers in the various geographies, as well as amounts receivable arising from the assignment of customer receivables through factoring contracts. Additionally, it includes a credit over BBVA in judicial recovery (0.9 million euros) for irregular mobilization of funds.

The heading Accrued income corresponds, fundamentally, to the accrual at year end of the value receivable relating to income obtained by the Group resulting from negotiation processes, on purchases and bonuses on purchases, to be received from suppliers.

## 12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents presented in the statement of financial position can be analysed as follows:

	<b>June 30, 2022</b>	<b>December 31, 2021</b>	<b>June 30, 2021</b>
Bank deposits	27,492	7,950	7,606
Cash	45	32	1,512
	<b>27,537</b>	<b>7,982</b>	<b>9,117</b>
Cash and cash equivalents in the statement of financial position			

## Cash Flow Statement

The breakdown of cash and cash equivalents, for the purposes of the cash flow statement, is analysed as follows:

	<b>June 30, 2022</b>	<b>December 31, 2021</b>	<b>June 30, 2021</b>
Bank deposits	27,492	7,950	7,606
Cash	45	32	1,512
	<b>27,537</b>	<b>7,982</b>	<b>9,117</b>
Cash and cash equivalents in the statement of financial position			
Bank overdrafts (Note 15)	-924	-974	-905
	<b>26,612</b>	<b>7,009</b>	<b>8,212</b>
Cash and cash equivalents in the cash flow statement			

Bank overdrafts include credit balances on current accounts with financial institutions, presented as Loans on the Consolidation Statement of Financial Position (Note 15).

### 13. IMPAIRMENTS

During the first half of 2022, movements in asset impairments were as follows:

	<b>Goodwill</b>	<b>Other intangible assets</b>	<b>Inventories</b>	<b>Trade receivables</b>	<b>Other current and non-current assets</b>	<b>Total</b>
	(Note 7)			(Note 11)	(Note 11)	
<b>Balance as at January 1, 2021</b>	<b>11,766</b>	<b>27,464</b>	<b>2,516</b>	<b>11,864</b>	<b>1,549</b>	<b>55,164</b>
Increases	-	-	946	1,580	43	2,569
Utilisation/Transfers	-	-	-83	-1,065	0	-1,148
Reversals	-	-	-1,897	-1,268	-	-3,165
Exchange rate differences	-	-	-	-554	-	-554
<b>Balance as at December 31, 2021</b>	<b>11,766</b>	<b>27,464</b>	<b>1,482</b>	<b>10,556</b>	<b>1,592</b>	<b>52,866</b>
Increases	-	-	720	339	-	1,059
Utilisation/Transfers	-	-	-	142	(28)	114
Reversals	-	-	-289	-546	-	-834
Exchange rate differences	-	-	-	-101	-	-101
<b>Balance as at June 30, 2022</b>	<b>11,766</b>	<b>27,464</b>	<b>1,914</b>	<b>10,390</b>	<b>1,564</b>	<b>53,104</b>

### 14. SHARE CAPITAL

As of June 30, 2022, the share capital is represented by 526,225,508 shares, with ordinary nature. The share capital, in the amount of 180,135 thousand euros, is fully subscribed and paid up.

At the General Meeting of May 20, 2022, the shareholders of INAPA - Investimentos, Participações e Gestão, S.A. approved that:

- the net profit for 2021, in the amount of 3,314 thousand euros, be transferred to Retained Earnings.

## 15. LOANS

At June 30, 2022 and December 31, 2021, Loan balances were as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
<b>Current debt</b>		
• <b>Bank loans</b>		
• Bank overdrafts	924	974
• Short-term financial instruments	15,042	16,303
• Commercial paper, redeemable at its nominal value	6,791	6,521
• Medium and long-term financial instruments (portion maturity within 1 year)	31,179	29,370
	<u>53,936</u>	<u>53,167</u>
• <b>Convertible bonds</b>	<b>3,000</b>	<b>3,000</b>
• <b>Trade Finance</b>	<b>19,104</b>	<b>19,968</b>
• <b>Finance lease obligations</b>	<b>2,396</b>	<b>3,354</b>
• <b>Liabilities related to the right of use assets</b>	<b>6,815</b>	<b>6,898</b>
	<u>85,252</u>	<u>86,387</u>
<b>Total current debt</b>	<b>85,252</b>	<b>86,387</b>
<b>Non current debt</b>		
• <b>Bank loans</b>		
• Commercial paper, redeemable at its nominal value	13,791	15,241
• Medium and long-term financial instruments	105,169	114,137
	<u>118,960</u>	<u>129,378</u>
• <b>Convertible bonds</b>	<b>12,000</b>	<b>12,000</b>
• <b>Finance lease obligations</b>	<b>4,657</b>	<b>11,256</b>
• <b>Liabilities related to the right of use assets</b>	<b>33,076</b>	<b>30,774</b>
	<u>168,693</u>	<u>183,408</u>
<b>Total da dívida não corrente</b>	<b>168,693</b>	<b>183,408</b>
<b>Total non current debt</b>	<b>253,945</b>	<b>269,795</b>

As at June 30, 2022 and December 31, 2021, the net amount of consolidated financial debt is as follows

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Bank loans	172,896	182,545
Trade Finance	19,104	19,968
Convertible bonds	15,000	15,000
Finance lease obligations	7,053	14,610
Liabilities related to the right of use assets	39,892	37,672
	<b><u>253,945</u></b>	<b><u>269,795</u></b>
Cash and cash equivalents	27,537	7,982
<b>Net debt</b>	<b><u><u>226,408</u></u></b>	<b><u><u>261,813</u></u></b>

## 16. SUPPLIERS AND OTHER CURRENT AND NON-CURRENT LIABILITIES

As at June 30, 2022 and December 31, 2021, the balances of Suppliers and of Other current and non current liabilities were broken down as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
<b>Other non-current liabilities</b>		
Other creditors	17	17
	<b><u>17</u></b>	<b><u>17</u></b>
<b>Suppliers</b>		
Current account	124,169	104,616
Invoices in progress	8,054	4,854
	<b><u>132,223</u></b>	<b><u>109,470</u></b>
<b>Other current liabilities</b>		
Advances from trade receivables	1,875	969
Other creditors	9,868	23,539
Other payable taxes	23,418	18,444
Accruals and deferrals	24,646	18,590
	<b><u>59,807</u></b>	<b><u>61,542</u></b>



## 17. INCOME TAX

The value of income tax shown in the Interim Consolidated Income Statement, as at June 30, 2022, in the total amount of -9,218 thousand euros, corresponds to the current tax for the half-year in the amount of 3,841 thousand euros and the negative variation in the period of deferred taxes in the amount of 5,377 thousand euros.

The differential between the nominal tax rate (average rate of 30%) and the effective company income tax rate (IRC company tax) for the Group, as at June 30, 2022, is analysed as follows:

	<b>June 30, 2022</b>
Net income before tax on profits	25,178
Nominal average tax on profits	<u>30%</u>
	-7,553
Income tax - value	-9,218
	<u><b>-1,665</b></u>
Differences - Portugal	1,209
Differences - France	-225
Differences - Germany	-1,609
Differences - Turkey	164
Differences - other countries	-1,204
	<u><b>-1,665</b></u>

### Deferred tax

All situations that may significantly affect future taxes are recorded in the financial statements as at June 30, 2022.

In the six months ended June 30, 2022, the movement in deferred tax assets and liabilities was as follows:

	<u>01-01-2022</u>	<u>Transfers</u>	<u>Fair value reserve and Other reserves</u>	<u>Net profit and loss for the year</u>	<u>30-06-2022</u>
<b>Deferred tax assets</b>					
Taxable provisions	663	-	-	307	970
Unused taxes losses	27,574	-	-	-5,251	22,324
Others	8,910	-1,758	-1,104	769	6,818
	<b>37,148</b>	<b>-1,758</b>	<b>-1,104</b>	<b>-4,175</b>	<b>30,112</b>
<b>Deferred tax liabilities</b>					
Revaluation of fixed assets	-1,261	-	-	218	-1,043
Depreciations	-23,646	1,882	-	-1,373	-23,137
Others	-23,711	-124	-	-48	-23,883
	<b>-48,618</b>	<b>1,758</b>	<b>-</b>	<b>-1,203</b>	<b>-48,063</b>
<b>Net deferred tax</b>	<b>-11,471</b>	<b>-</b>	<b>-1,104</b>	<b>-5,377</b>	<b>-17,952</b>
	<u>01-01-2021</u>	<u>Transfers</u>	<u>Fair value reserve and Other reserves</u>	<u>Net profit and loss for the year</u>	<u>31-12-2021</u>
<b>Deferred tax assets</b>					
Taxable provisions	391	-	-	272	663
Unused taxes losses	26,262	-	-	1,312	27,574
Others	6,930	3,847	-492	-1,375	8,910
	<b>33,584</b>	<b>3,847</b>	<b>-492</b>	<b>209</b>	<b>37,148</b>
<b>Deferred tax liabilities</b>					
Revaluation of fixed assets	-1,216	-	-	-45	-1,261
Depreciations	-25,859	-	-	2,212	-23,646
Others	-20,595	-3,847	-	731	-23,711
	<b>-47,670</b>	<b>-3,847</b>	<b>-</b>	<b>2,898</b>	<b>-48,618</b>
<b>Net deferred tax</b>	<b>-14,086</b>	<b>-</b>	<b>-492</b>	<b>3,108</b>	<b>-11,471</b>

The item Others above, related to Deferred Tax Liabilities, essentially results from the fair value allocated to the Group's brands (Note 7).

Deferred tax assets on tax losses are recognised to the extent that it is probable that the related tax benefit will be realised through future taxable profits. The Group recognised deferred tax assets amounting to 22,324 thousand euros referring to tax losses that may be deducted from future taxable profits, and which are detailed as follows:

<b>Company</b>	<b>June 30, 2022</b>	<b>December 31, 2021</b>	<b>Limit date</b>
Inapa France	5,437	7,447	unlimited
Inapa España	6,866	7,207	unlimited
Inapa Belgium	930	1,329	unlimited
Inapa Deutschland	9,091	11,591	unlimited
	<u>22,324</u>	<u>27,574</u>	

## 18. RELATED PARTIES TRANSACTIONS

The balances as at June 30, 2022 and December 31, 2021 with related parties are as follows:

	<b>June 30, 2022</b>					
	<b>Trade receivables</b>	<b>Bank deposits</b>	<b>Other current and non-current assets</b>	<b>Bank loans</b>	<b>Fixed assets suppliers</b>	<b>Other current and non-current liabilities</b>
Surpapel SL	30	-	-	-	-	2
BCP	1	221	-	86,083	0	293
	<u>31</u>	<u>221</u>	<u>-</u>	<u>86,083</u>	<u>0</u>	<u>295</u>
	<b>December 31, 2021</b>					
	<b>Trade receivables</b>	<b>Bank deposits</b>	<b>Other current and non-current assets</b>	<b>Bank loans</b>	<b>Fixed assets suppliers</b>	<b>Other current and non-current liabilities</b>
Surpapel SL	64	-	-	-	-	3
BCP	1	314	-	90,552	6,528	343
	<u>65</u>	<u>314</u>	<u>-</u>	<u>90,552</u>	<u>6,528</u>	<u>346</u>

The transactions during the first six months of 2022 and of 2021 with related parties are as follows:

<b>June 30, 2022</b>					
	<b>Sales and service rendered</b>	<b>Other income</b>	<b>Financial income</b>	<b>Other costs</b>	<b>Financial costs</b>
Surpapel SL	46	-	-	5	-
BCP	-	-	-	-	2,044
	<b>46</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>2,044</b>
<b>June 30, 2021</b>					
	<b>Sales and service rendered</b>	<b>Other income</b>	<b>Financial income</b>	<b>Other costs</b>	<b>Financial costs</b>
Surpapel SL	45	-	-	6	-
BCP	-	-	-	-	1,643
	<b>45</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>1,643</b>

Related parties considered relevant for the purpose of the financial statements were the Group's associates companies, shareholders with a stake of more than 20%, and the key management personnel.

In the case of BCP, with a stake of less than 20%, the participation of the BCP Group's Pension Fund was formally attributed, by application of the CMVM's General Opinion on the Attribution of Voting Rights to Pension Funds of May 25, 2006.

## 19. CONTINGENT LIABILITIES

On August 1, 2007, Papelaria Fernandes - Indústria e Comércio, SA brought proceedings against Inapa Investimentos, Participações e Gestão, S.A. and its subsidiaries Inaprest - Prestação de Serviços, Participações e Gestão, SA (now liquidated) and Inapa Portugal - Distribuição de Papel, SA requesting, in summary:

- the annulment of the following acts:
  - the constitution in June 2006 of a commercial pledge as a counter-guarantee for the letters of comfort issued by Inapa - Investimentos, Participações e Gestão, SA as a guarantee for the financing maintained by that company with Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo;
  - of the business deals carried out in 1991 to concentrate paper distribution activities in SDP (currently Inapa Portugal) and envelope production and trading in Papelaria Fernandes;
  - the acquisition in 1994 of the stake held by Papelaria Fernandes in SDP (currently Inapa Portugal);
  - the compensation for credits arising, also in 1994, between Papelaria Fernandes and Inaprest.

- that Inapa be ordered to:
  - maintain the letters of comfort issued in favour of Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo;
  - compensate Papelaria Fernandes should the collateral security be executed as counter-guarantee for the letters of comfort.

Papelaria Fernandes - Indústria e Comércio, SA subsequently settled its liabilities with Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo, such that:

- the letters of comfort issued by Inapa - IPG have become obsolete and were returned by the respective beneficiaries;
- this company consequently communicated to Papelaria Fernandes, SA the verification of the resolute condition of the commercial pledge set up by the latter in its favour.

The action, which was assigned a value of 24,460 thousand euros, was contested by Inapa IPG and by its subsidiary Inapa Portugal - Distribuição de Papel, SA, and the Court's decision on the action of the dissolution / liquidation of Inaprest - Prestação de Serviços, Participações e Gestão, SA is still pending. The Group believes that this process is unlikely to have any financial impact, and therefore no provision has been made.

## 20. SUBSEQUENT EVENTS

Up to the date of publication, no subsequent events have been recorded.

# 05 Mandatory Information

## 5.1 Shares held by governing bodies

Securities issued by the company and by companies with which it is in a control or group relationship, held by members of the Board of Directors and Supervisory Board, to comply with the provisions of paragraph a) of no. 1 of article 9 of the CMVM Regulation no. 5/2008, on the date of publication of the report.

### Board of Directors

NAME	ORDINARY SHARES	VOTING RIGHTS
Diogo Francisco Bastos Mendes Rezende	0	0%
Inês Patrícia Arêde Simões Louro	0	0%
Frederico João de Moser Lupi	0	0%
Victor Maurílio Silva Barros	0	0%
Emília de Noronha Galvão Franco Frazão	0	0%
Patrícia Isabel Sousa Caldinha	0	0%
João Miguel Pacheco de Sales Luís	0	0%

### Chartered Accountant and Auditors

NAME	ORDINARY SHARES	VOTING RIGHTS
PricewaterhouseCoopers & Associados - SROC. Lda, represented by: Hugo Miguel Patrício Dias - Actual Statutory Auditor (ROC)	0	0%
Carlos José Figueiredo Rodrigues - alternate Statutory Auditor (ROC)	0	0%

## 5.2 Directors transactions

In compliance with Article 9(1)(a) of CMVM Regulation No. 5/2008, Inapa informs that during the first half of 2022 there were no transactions involving Directors.

### 5.3 Declaration of conformity

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In compliance with the provisions of Article 246(1)(c) of the Portuguese Securities Code, applicable by virtue of the provisions of Article 19(1) of Law no. 99-A/2021 of December 31, each member of the Board of Directors of Inapa - Investimentos, Participações e Gestão, S.A. hereby declare that, to the best of their knowledge, the consolidated information contained in the condensed financial statements for the first six months ended June 30, 2022 was prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, the financial position and results of the company and the companies included in the consolidation perimeter and that the interim management report faithfully describes the business evolution, performance and position of the companies included in the consolidation.

Lisbon, 21<sup>st</sup> September, 2022

**Diogo Francisco Bastos Mendes Rezende**

**Victor Maurílio Silva Barros**

**Emília de Noronha Galvão Franco Frazão**

**Inês Patrícia Arêde Simões Louro**

**Patrícia Isabel Sousa Caldinha**

**Frederico João de Moser Lupi**

**João Miguel Pacheco de Sales Luís**

## 5.4 Auditor's Report







## *Review Report on the Condensed Consolidated Financial Statements*

*(Free translation from the original in Portuguese)*

### *Introduction*

We have reviewed the accompanying condensed consolidated financial statements of Inapa – Investimentos, Participações e Gestão, S.A. (the Group), which comprise the consolidated statement of financial position as at June 30, 2022 (which shows total assets of Euros 707,217 thousand and total shareholder's equity of Euros 175,412 thousand), including a net income for the period of Euros 15.900 thousand), the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated cash flow statement for the six month period then ended, and the accompanying explanatory notes to these condensed consolidated financial statements.

### *Management's responsibility*

The Management is responsible for the preparation of the condensed consolidated financial statements in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union, as well as to create and maintain appropriate systems of internal control to enable the preparation of condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the accompanying condensed consolidated financial statements. We conducted our review in accordance with ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. These standards require that we conduct the review in order to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

A review of financial statements is a limited assurance engagement. The procedures performed mainly consist of making inquiries and applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (ISAs). Accordingly, we do not express an opinion on these consolidated financial statements.

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### *Basis for qualified conclusion*

As at June 30, 2022 and December 31, 2021, the headings of goodwill and intangible assets include (i) the amount of Euros 209,366 thousand, net of accumulated impairment losses in the amount of Euros 11,766 thousand, referring to the goodwill allocated to the cash-generating unit for paper distribution and (ii) the amount of Euros 103,227 thousand, net of accumulated impairment losses amounting to Euros 27,464 thousand, referring to brands, respectively.

Taking into account the uncertainty associated with the future evolution of the COVID-19 pandemic, the continuation of the conflict in Ukraine and the consequent current economic instability and its potential impact on the development of the Group's future operational activity, together with the information available as at this date, as disclosed in note 7 of the accompanying explanatory notes, referring to the analysis of the recoverability of the mentioned assets, it is not possible for us to conclude about the adjustments, if any, that could be deemed necessary in the condensed consolidated financial statements for the six month period ended June 30, 2022.

### *Qualified conclusion*

Based on our review, except for the possible effects of the matter referred to in the "Basis for qualified conclusion" section, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of Inapa – Investimentos, Participações e Gestão, S.A. as at June 30, 2022 are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

September 21, 2022

PricewaterhouseCoopers & Associados  
- Sociedade de Revisores Oficiais de Contas, Lda  
represented by:

Hugo Miguel Patrício Dias, ROC no. 1432  
Registered with the Portuguese Securities Market Commission under no. 20161042

# 06 Additional information

## WARNING

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The document contains forward-looking information and indications, based on management's current expectations or opinions, which we consider to be reasonable. Forward-looking statements should not be considered historical data and are subject to a number of factors and uncertainties that may impact future results.

Although the indications reflect current expectations, investors and analysts and,

in general, all users of this document are cautioned that future information is subject to a variety of uncertainties and risks, many of which are difficult to predict. Everyone is cautioned not to place undue importance on future information and indications.

We undertake no obligation to update any information or future indication.

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Inapa is admitted to trading on the Euronext Stock Exchange.

Information about the company may be checked under the ticker INA.LS

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INVESTOR RELATIONS

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REPORT AVAILABLE ON INAPA'S INSTITUTIONAL WEBSITE

**[www.inapa.pt](http://www.inapa.pt)**

