ANNUAL REPORT 2022

2022

inapa

IMPROVING
THE WORLD

IMPROVING THE WORLD

OUR CULTURE

We want to be the partner that offers the best solution to its clients, partners and suppliers.

Our approach is focused on providing excellent service and support to ensure that our clients, partners, employees and stakeholders have a sustainable business with a common goal: **to improve the world**.

Our culture is based on the **constant improvement** of processes inherent to our business, from the human aspect to operations and the sustainable path to **reduce the environmental impact** of our activity in all the markets where the Group operates.

OUR VALUES
SHAPE
OUR FUTURE

Client Focus

We walk side by side with the Client, we know his business and we seek to anticipate his needs.

We add value through a personalised service to Clients. We want to be an integral part of the solution to each challenge, in order to respond and, whenever possible, exceed their expectations.

Agility

We have the capabilities to reinvent ourselves in new and different ways.

We value the ability to change with the market to keep pace with technological developments and business trends around the world, through easily adaptable processes. We are prepared for the challenges of an increasingly volatile, uncertain, complex and ambiguous world. We keep an open mind to promote efficiency in the responses and solutions we offer.

Reliability

We deliver what we promise.

We are committed to long-term relationships built on trust, we are consistent in the way we work and are ethically responsible. We provide a service of excellence that clients, partners and suppliers can count on, without any reservations.

Sustainability

Improve our work, our life, the world.

The concern with financial, social and environmental sustainability is part of our daily life. We believe that the future belongs to those who reinvent themselves, keeping a responsible perspective on all these aspects and provide that learning to others. We therefore have a responsible approach, through the promotion and optimisation of sustainable processes, transversal to the whole Group.

INAPA GROUP

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we walk side by side with our Clients

Cover printed on myStardream Fairway 285 g.
Splitter printed on myIceblink Bianco 250g and
interior printed on myIceblink Bianco 145g.

INAPA GROUP

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These results reinforce the confidence in our strategy and in the capability of solving the challenges that we will be dealing with in the coming years.

Improving the world!

Diogo Rezende
CEO INAPA GROUP

1

Message from the CEO

The results achieved in 2022 were very positive and reinforce our optimism concerning the expansion of Inapa Group. This performance is the corollary of the strategy executed in the latest years, which was marked by structural processes of acquisition and optimisation that have required an enormous dedication from our teams.

The turnover has reached 1,212 million euros, corresponding to an increase of 26% when compared to 2021, while the gross margin generated grew by 35% (63 million euros more), increasing from 18.6% to 20.0% of sales.

Despite of an increase in operating costs (induced by higher levels of activity, rising inflation and by the end of government supports obtained in the context of Covid-19), efficiency measured in percentage of sales has increased significantly (operating costs represented 15.3% of sales, corresponding to an improvement of 2.9pp compared to 2021). This variation reflects the gains from reorganisations implemented in Germany, France and Spain.

The margin increase combined with the decrease in the weight of costs led to a very significant improvement in the recurrent EBITDA generated, which has reached 86.9 million euros, which represents an increase of 55.4 million euros compared to 2021. In terms of the percentage of sales, the improvement was equally significant, rising from 3.3% to 7.2% of sales.

Despite the increase in financial costs due to higher interest rates, net income reached 17.8 million euros, which corresponds to an increase of 14.4 million euros when compared to 2021.

In terms of balance sheet, I highlight that the net debt was reduced by 40.7 million euros when compared to December 2021, to 221 million euros. The Net Debt / Re-EBITDA ratio had a very significant progression, reaching 2.5x (compared to 8.3x in 2021).

These results reinforce the confidence in our strategy and in the capability of solving the challenges that we will be dealing with in the coming years. Especially as they were obtained in a highly challenging context, where the consequences related to

post-Covid-19 adjustments and the conflict in Ukraine can be highlighted, as well as limitations in paper availability associated with the closure or suspension of activities of several paper mills (in a period when demand was clearly higher than supply). These effects led to a substantial increase in production costs and consequently to an increase in market prices. In the last quarter of the year we highlight a significant drop in paper demand, related to a generalised option, by the different players in the value chain, to reduce paper stock levels. This pattern was extended to the beginning of 2023.

In 2022, we have continued our plans to optimise operations by implementing new processes to reduce costs and to create more flexible structures. We extended the use of the Group's new ERP (SAP S/4HANA) to Portugal and Spain. This process should be completed in 2023 in France and Turkey.

From a sustainable development point of view, in addition to having continued with investment and improvement actions on different fronts, we have recorded relevant progress, of which can be for example highlighted the increase in the share of sales of ecological papers and the reduction of energy consumption, GHG emissions, waste generation, work-related accidents and professional diseases. We have achieved a substantial part of the goals that we have set ourselves, regarding our commitment to the United Nations' Sustainable Development Goals (SDGs), and we have established new goals for 2023 and 2024.

I therefore believe that we have successfully started the implementation of the strategic guidelines defined for the triennium period 2022-2024. These guidelines follow the plan of the previous period and promote the three pillars we believe are crucial to our future: efficiency, growth in the non-paper business and sustainability impact.

Finally, I would like to express my gratitude to our employees, clients, suppliers, financial institutions, shareholders, and communities where we operate for the significant impact they have had on the development of our values, mission and performance. This contribution is crucial to the success of Inapa Group.


CLIENT FOCUS
AGILITY
RE


LIABILITY
SUSTAINABILITY

2 Group's activity

Paper

Offers a full range of products and services to the graphic industry and offices, including paper, graphic supplies and logistics services.

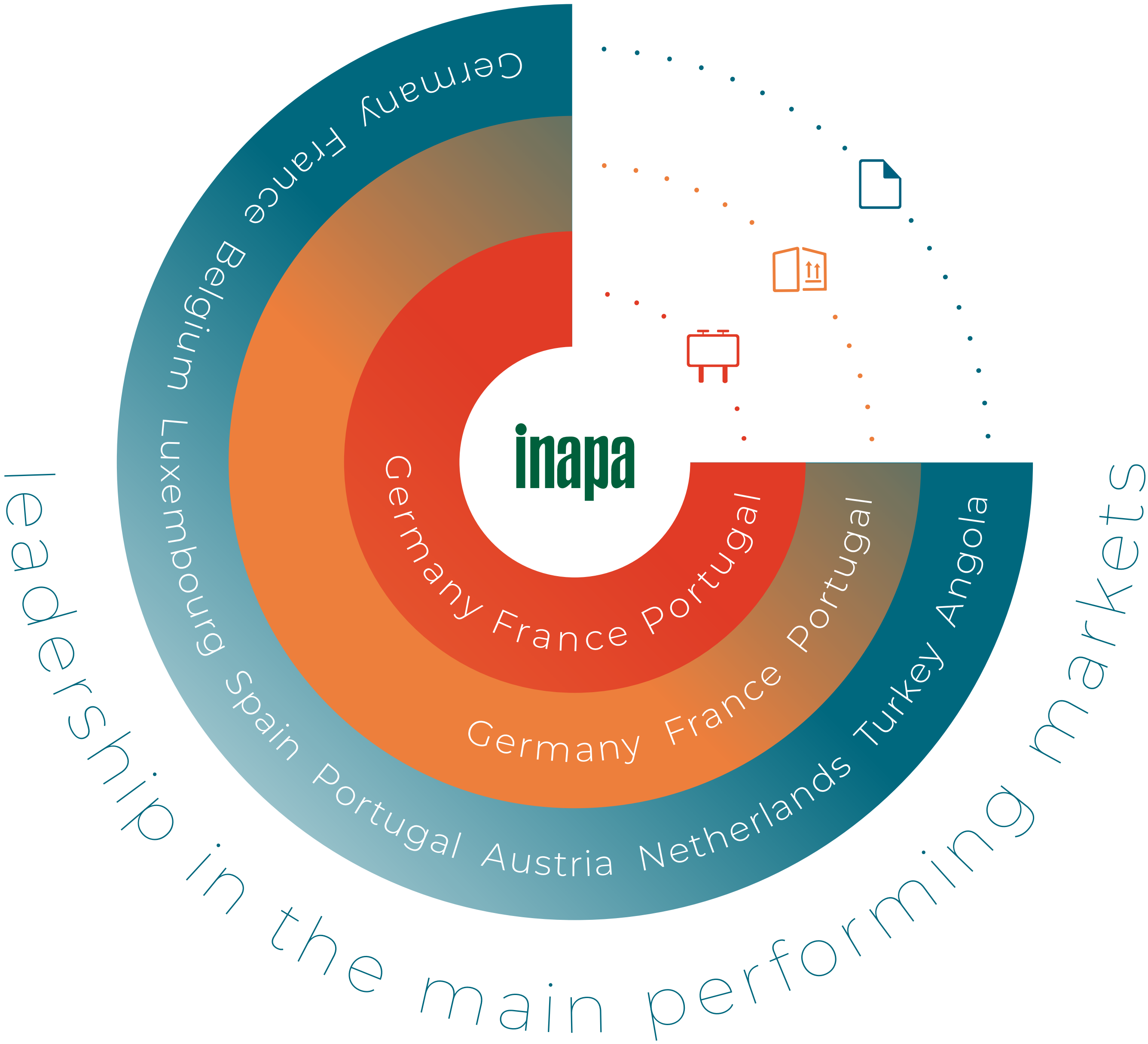
Packaging

Tailored solutions, customized packaging and global supply of packaging products: boxes, films, tapes, fillers, bags, labels and equipment.

Visual Communication (Viscom)

Distribution of a full range of printing products and services for large format digital printing: printers, inks, toners, media, software and technical assistance.

10 countries



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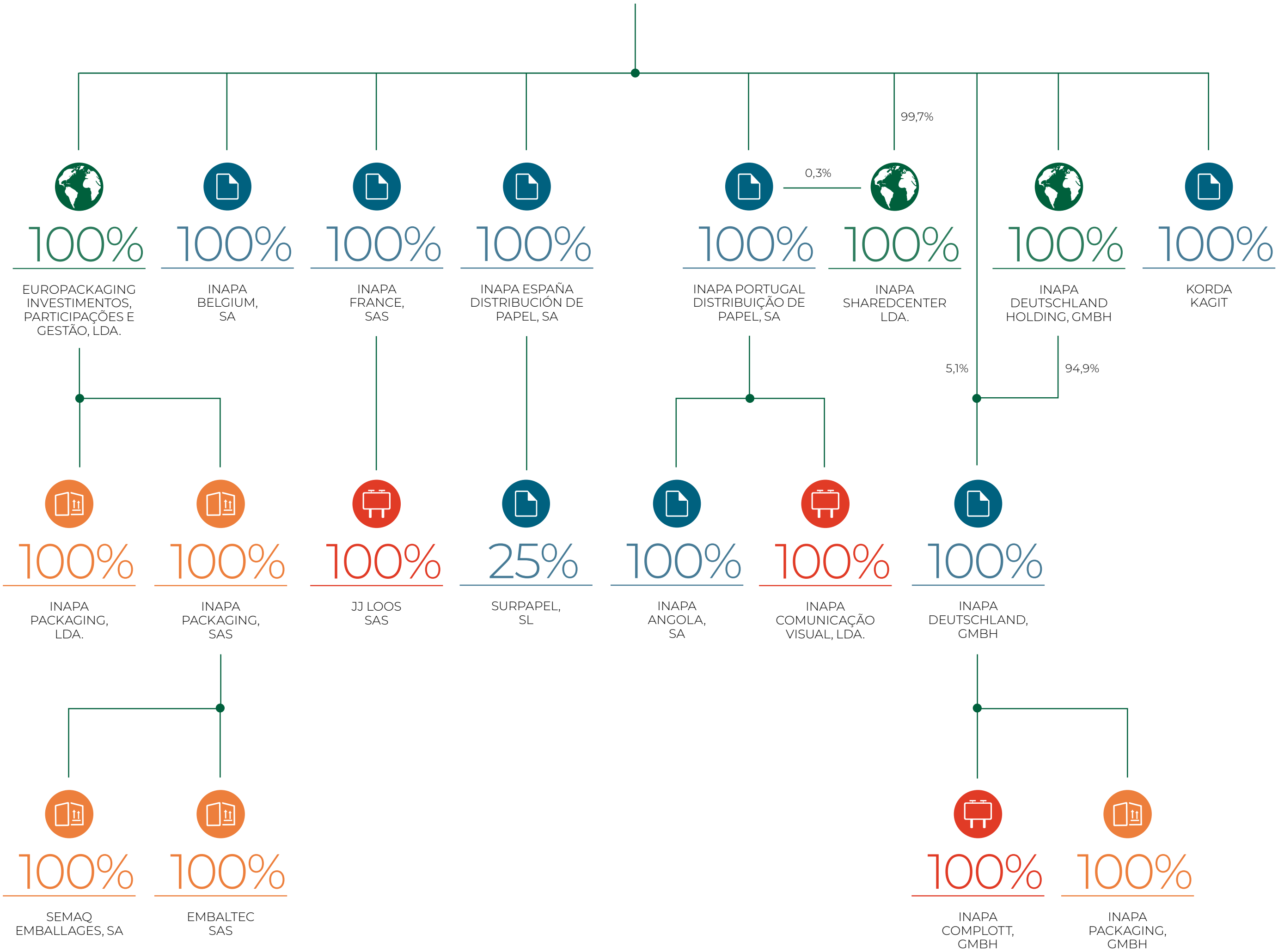
Group Holding structure

- **Holding and Shared Services**
- **Paper**
- **Packaging**
- **Visual Communication** (Viscom)

INAPA – Investimentos, Participações e Gestão, SA



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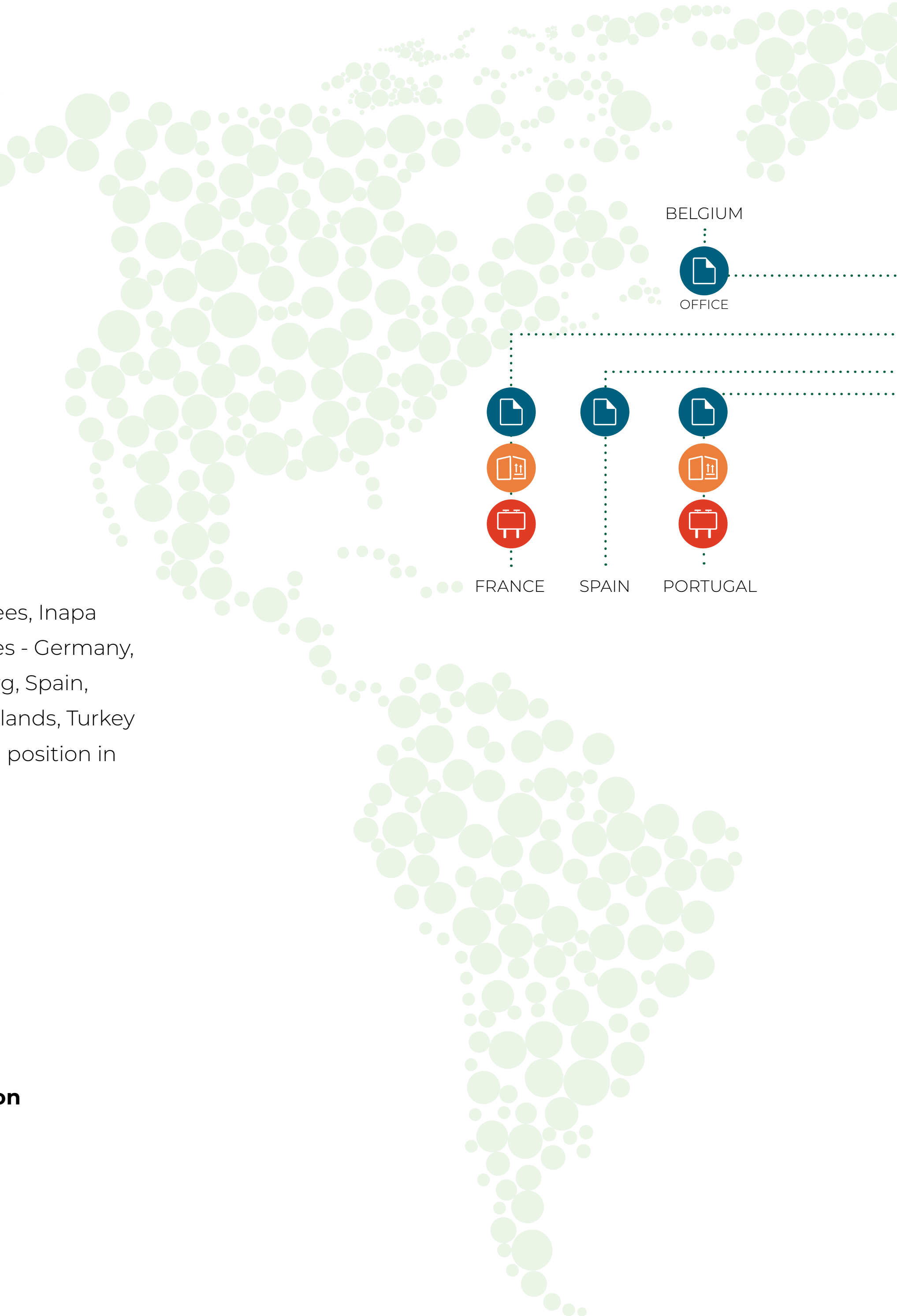
Inapa in the world



With a team of 1,652 employees, Inapa Group operates in 10 countries - Germany, France, Belgium, Luxembourg, Spain, Portugal, Austria, The Netherlands, Turkey and Angola, having a leading position in the main markets it serves.

Paper

Packaging

Visual Communication

a leading position in the main markets it operates

Group profile

Inapa is a company with headquarters in Portugal, listed on the Lisbon Stock Exchange. With an annual turnover of almost one thousand and two hundred million euros, more than 95% generated in international markets. It is the leading paper merchant in Western Europe.

Inapa has come a long way since it was founded in 1965, as the first portuguese large scale paper mill. The geographical boundaries of the Group have expanded and its business strategy has changed, focusing on Paper distribution and on two business areas with a high potential on growth and profitability: Packaging and Visual Communication.

1980

LISTED ON THE LISBON STOCK EXCHANGE

10

COUNTRIES WHERE THE GROUP OPERATES

€1,212 M

TURNOVER

Inapa - Investimentos, Participações e Gestão, SA is the holding company that consolidates the operating companies in the paper, packaging and visual communication sectors.

|
LEARN MORE ABOUT
INAPA WORLD

|
HEADQUARTERS
IN LISBON

80K

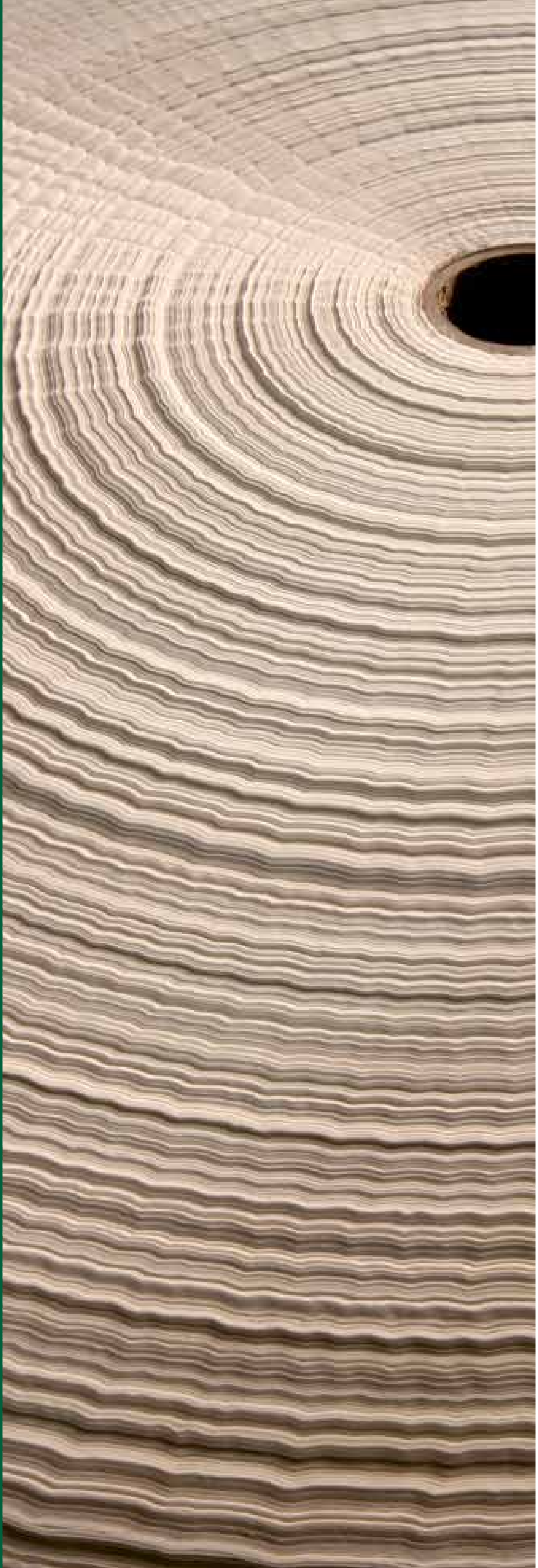
|
CLIENTS

1,652

|
EMPLOYEES

400

|
MORE THAN 400 TRUCKS
IN CIRCULATION PER DAY



Paper

Inapa is the leader in paper distribution in Western Europe.

90%

TOTAL TURNOVER

1,267

EMPLOYEES

In Europe, the paper distribution sector deals with about 9 million tonnes and provides employment to more than 25 thousand people, representing a value of 8 billion euros.

With more than 700 thousand tonnes distributed annually, Inapa is the main paper merchant in Western Europe.

To meet the needs of its 80 thousand customers, Inapa offers a portfolio with more than 12,000 paper references.

Inapa positions itself as a full service provider, complementing the paper business with the offer of supplies for the graphic and office sector, as well as with the logistics service. In addition, in order to respond to the increasing complexity of graphic printing, the Group provides its customers with specialized teams for technical advice.

Inapa guarantees a delivery service within 24 hours, anywhere in the markets where it operates and a delivery service of only 12 hours in the main economic centres.

In 2022, paper distribution represents around 90% of Inapa Sales, with the sales of Office Papers representing around 35% of this turnover.

0.7 M

TONNES DISTRIBUTED IN CENTRAL EUROPE

Graphic Supplies

The deep knowledge of customers needs enabled the Group to become a global supplier of the printing industry, leading to a sharp growth in this business area, benefiting from important synergies with the paper distribution area.

Inapa portfolio in terms of graphic supplies was developed based on some partnerships with well-known brands, allowing to set up a very comprehensive portfolio, including inks to cleaning products, additives to printing blankets, plates and varnishes, produced with renewable vegetable raw materials.

Concerning the development of this business area, Inapa has continued to establish new partnerships with leading companies in the graphic consumables segment, which has allowed it to expand its product portfolio and encourage cross-selling within the existing customer base.

Office Supplies

In the office paper segment, the customer database of Inapa includes companies, specialised professionals (small office / home office) and public entities, which have specific needs and a very demanding level of service.

In order to provide these customers with a single point of contact and supply, Inapa has developed a distribution area for office consumables designated as “Office Supplies”.

For this purpose, we have established partnerships with some operators in this area, including the wholesalers Spicers and Waser, which provide customers with a wide range of office consumables with a high level of service.

In this context, we also highlight the partnership established between Inapa Portugal and the Spanish group Liderpapel, which is the exclusive distributor in Portugal of several prestigious international brands. Through this partnership, Inapa Portugal offers the market a wide range of office supplies, with more than 8,500 references, especially targeted to the mid-sized companies segment.

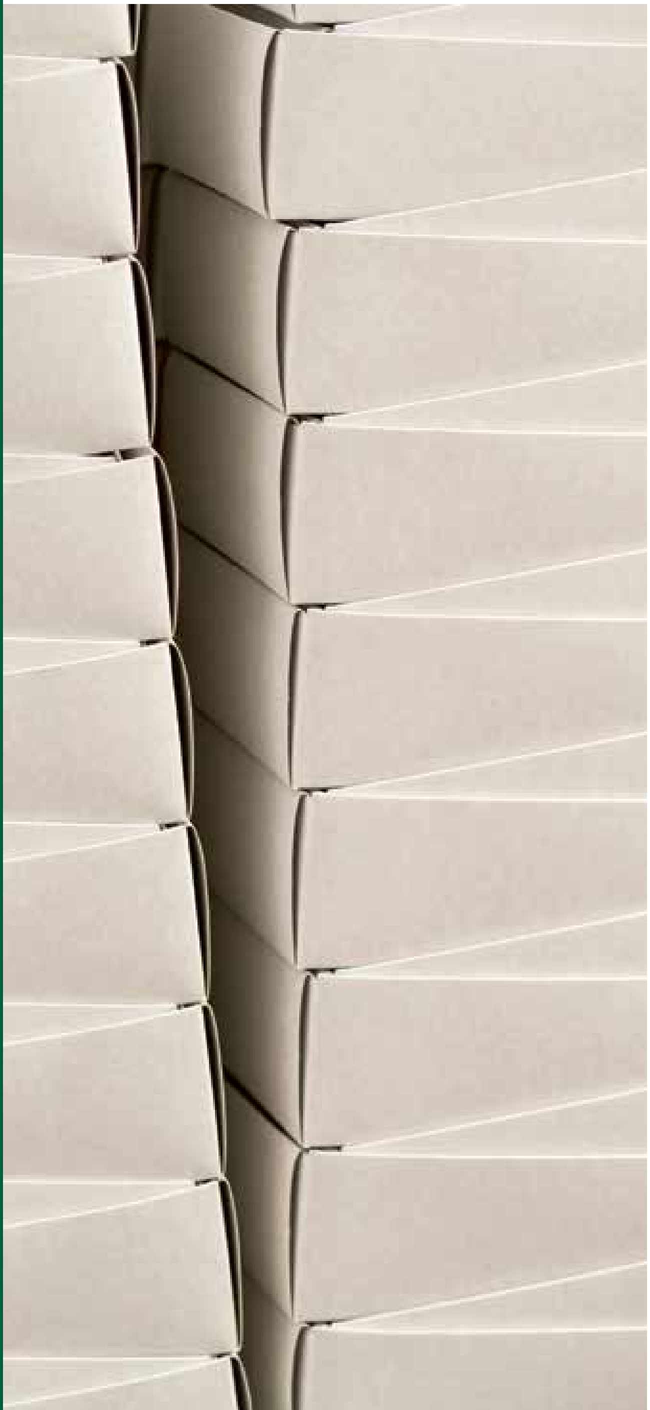
Currently, Inapa sells office supplies in Portugal, Belgium, France, Germany and Spain.

Logistics Services

The experience of Inapa in logistics and the deep knowledge of the paper industry makes it nowadays a reference company in logistics services for the printing and manufacturing industry.

With a storage area of more than 200 thousand square meters and more than 400 trucks in circulation – a unique offer in terms of storage and transport services – Inapa has a privileged position as a logistics operator.

Packaging



The distribution of packaging solutions and materials is Inapa's second most important business area.

€ 86 M

TURNOVER

185

EMPLOYEES

With operations in Germany, France and Portugal, this area has multiple synergies within paper distribution, presenting a high-level potential in cross-selling, either to customers in the graphic sector or to the office segment.

Economic globalisation, in terms of specialisation and geographical concentration of production, consumer behavior changes and particularly in terms of the increase of online sales, has caused a very significant increase in the needs for safe, versatile, and fast packaging of the most varied types of products, which anticipates the sustained growth in consumption over the medium to long term.

Considering that packaging is, in many cases, the first point of contact between the customer and the supplier and the product, the investment made by companies in terms of packaging should increase, being an additional factor for boosting the demand of this segment. Inapa, alongside the distribution of packaging materials, also develops technologies and unique packaging concepts, offering customers not only the design of their exclusive package, but also the packaging and logistics services that may be associated.

The Group is committed to the growth of this business area through the organic growth of its existing units, the expansion of this business segment to other geographies where Inapa operates and through possible M&A opportunities that may arise.

Visual Communication

New printing technologies, innovation in support materials and new communication concepts led into a specific market: the Visual Communication.

€ 31 M

SALES

109

EMPLOYEES

Visual Communication (or Viscom) is the business segment with the highest growth rate in the printing industry and includes not only printing materials, but also consumables, the sale of printing equipment, software and respective maintenance services.

The fast development of digital printing technology, in combination with large format printers, has created a new market for graphic applications. Large format printers, operating in a range between 60 centimeters and 5 meters wide, allow the most varied type of prints in a wide range of materials/supports, such as paper, canvas, vinyl, film, fabric or wood.

These formats allow a wide variety of applications, such as outdoor and indoor advertising panels, signaling, prints to be used on furniture or household appliances, advertising covers for buildings and means of transport.

With the acquisition of Inapa Complott in 2007, Inapa became the third largest operator in this market, offering a wide portfolio of products and services.

In 2013, the Group has also started to have a visual communication operation in Portugal, with the acquisition of the company Crediforma, currently Inapa Comunicação Visual, one of HP's largest distributors in large format printing.

In 2018, Inapa France and Inapa España celebrated representation agreements with machine manufacturers, thus extending commercial operations in the Viscom markets.

At the end of 2022 (November), Inapa Group completed the acquisition of JJ Loos, a French company specialised in the commercialisation of printing equipment and consumables for visual communication. This acquisition was another important step towards the growth and strengthening of our presence in this business area in the French market, developing conditions for commercial and supply chain synergies.

This business area presents positive expectations for the future, both in terms of performance and growth in markets where it is already developed, and in terms of the possible expansion of this business area into new markets where Inapa operates.

Inapa's history

Creation, Maturity, Expansion and Growth

1965

INAPA (AN ACRONYM FOR INDÚSTRIA NACIONAL DE PAPÉIS – NATIONAL PAPER INDUSTRY) WAS BORN BY THE HAND OF TWO VISIONARIES, JOAQUIM RASTEIRO AND VASCO QUEVEDO PESSANHA.

1980

INAPA SHARES ARE LISTED IN THE LISBON STOCK EXCHANGE (IPO).

1992

PAPER DISTRIBUTION BUSINESS EXPANDS TO PORTUGAL, SPAIN AND ENGLAND.

1998

EXPANSION OF PAPER DISTRIBUTION BUSINESS IN FRANCE, BELGIUM, LUXEMBOURG AND SWITZERLAND.

2000

THE GROUP SELLS ITS INDUSTRIAL ASSETS, QUITTING PRODUCTION TO FOCUS ONLY ON PAPER DISTRIBUTION. ACQUISITION OF PAPIER UNION, THE 3rd LARGEST GERMAN PAPER MERCHANT.

2006

ACQUISITION OF THE PACKAGING COMPANIES IN GERMANY (GMBH VERPACKUNG AND HENNESSEN GMBH & POTTHOFF) AND IN FRANCE (LOGISTIPACK, SAS).

2012

ACQUISITION OF THE PACKAGING COMPANIES SEMAQ (FRANCE) AND DA HORA (PORTUGAL).

2013

ACQUISITION OF VISUAL COMMUNICATION COMPANY CREDIFORMA (PORTUGAL). ACQUISITION OF PACKAGING COMPANIES TRADEMBAL (PORTUGAL) AND REALPACK (GERMANY). ENTRANCE IN THE TURKISH MARKET THROUGH THE ACQUISITION OF KORDA, A PAPER DISTRIBUTION COMPANY.

Consolidation, Growth and Cohesion

2015

INAPA CELEBRATES ITS 50th ANNIVERSARY.

2016

ACQUISITION OF PAPYRUS FRANCE, BECOMING A LEADER IN THIS MARKET; ACQUISITION OF EMBALTEC SAS, FRENCH COMPANY OF PACKAGES; THE GROUP DISINVESTS IN SWITZERLAND WHERE IT WAS THE 4th OPERATOR IN THE MARKET.

2017

FOR THE FOURTH CONSECUTIVE YEAR, INDEG-ISCTE EXECUTIVE EDUCATION RECOGNISES INAPA AS THE MOST INTERNATIONALIZED PORTUGUESE COMPANY. PAPYRUS FRANCE MERGES WITH INAPA FRANCE.

2018

INAPA SIGNS AN AGREEMENT TO ACQUIRE PAPYRUS DEUTSCHLAND GMBH & CO KG, THE OPTIGROUP COMPANY OPERATING IN GERMANY.

2019

INAPA CLOSES THE ACQUISITION OF PAPYRUS DEUTSCHLAND GMBH & CO KG, BECOMING THE LEADING PAPER DISTRIBUTOR IN WESTERN EUROPE.

2020

CREATION OF INAPA DEUTSCHLAND THROUGH THE MERGER BETWEEN PAPIER UNION AND PAPYRUS DEUTSCHLAND. THE GROUP CELEBRATES ITS 55th ANNIVERSARY IN THE LAST QUARTER OF THE YEAR.

2021

MIGRATION OF THE FIRST GEOGRAPHIES (GERMANY, BELGIUM AND PORTUGAL) TO THE NEW ERP (SAP S/4HANA).

2022

INAPA GROUP AWARDED IN THE CATEGORY OF “LARGE COMPANIES – INTERNATIONALIZATION”, ON THE 12th EDITION OF THE EXPORT AND INTERNATIONALIZATION AWARDS. ACQUISITION OF JJ LOOS, A VISUAL COMMUNICATION COMPANY OPERATING IN FRANCE.

Markets

Inapa Group operates in 10 countries: Germany, France, Spain, Portugal, Belgium, Luxembourg, Austria, the Netherlands, Turkey and Angola.

Inapa holds a leading position in all the markets it operates, being one of the top three players on the market. The Group has its headquarters in Portugal, but most of the revenue comes from operations in other European countries, mainly Germany and France, accounting for around 90% of the Group's revenue.

The Group provides its more than 80 thousand customers, a portfolio with more than 12,000 references of paper, 16,000 references of office supplies, 4,000 references of packaging and a complete range of solutions for Visual Communication and graphic supplies.

With more than 400 trucks circulating daily and a storage area of approximately 200 thousand square meters, the Group ensures, annually, the distribution of approximately one million tonnes of paper to its customers.

GERMANY

In Germany, Inapa holds Inapa Deutschland, resulting from the merger of Papier Union and Papyrus Deutschland, Inapa Packaging and Inapa ComPlott in the areas of Packaging and Visual Communication. The sales of these companies represent approximately 65% of the Group sales. Through its infrastructure, it is also responsible for paper distribution in Austria and the Netherlands.

Inapa is one of the leaders in paper distribution in Germany, being. This activity is the largest activity of the Group in terms of sales.

FRANCE

In France, with the acquisition of the Papyrus french operation, Inapa has become the largest paper distributor in this market. In the packaging business area, Inapa owns Inapa Packaging SAS, Semaq and Embaltec SAS. In the Viscom business area it owns JJ Loos SAS (company acquired at the end of 2022). The total sales of the Group in this geography represent approximately 25% of the turnover.

SPAIN

Inapa Spain is currently the third major player in the Spanish market after the acquisition of the paper distribution business of the Burgo Group in Spain, under the brand Ebix, in 2010. Its sales represent approximately 4% of total consolidated paper sales.

PORTUGAL

Inapa's Portuguese subsidiary is leader in Portugal in the paper distribution business, representing around 3% of consolidated paper sales. In Portugal, the Group also owns Inapa Packaging focused on the business of packaging distribution and Inapa Comunicação Visual operating on the Viscom area.

BELGIUM/LUXEMBOURG

In Belgium and Luxembourg, Inapa is primarily focused on the Office segment, being the leading paper distribution company in that market.

ANGOLA

In 2009, the Group decided to invest in Angola, in order to exploit the existing potential in less mature markets, following its strategy of consolidating the paper sector.

TURKEY

In 2013, Inapa has entered the Turkish market with the acquisition of Korda, a paper distribution company. Korda is one of the top three paper distributors in this market, being one of the few operators with commercial presence at national scale (Instambul, Ankara, Izmir e Gaziantepe).

80K | CLIENTS

714K | TONS OF PAPER

200K | m² STORAGE AREA

+400 | TRUCKS IN CIRCULATION PER DAY

16K | OFFICE SUPPLIES REFERENCES

12K | PAPER REFERENCES

4K | PACKAGING REFERENCES

Strategic guidelines

The strategic lines for 2022-24 underline three pillars: efficiency, growth and sustainability.

The strategic lines for 2022-24 are a sequence of the strategy defined for the previous triennium. It is worth mentioning that the strategic plan 2019-2021 highlighted four strands - optimisation of the paper business, diversified growth, strengthening financial sustainability and sustainable development.

The alignment of the results achieved with the objectives must be outlined. On the one hand, in terms of growth and optimisation, Inapa's position as one of the largest paper distributors was consolidated, being the leader in Continental Western Europe. We concluded the integration process of Papyrus France exceeding the cost savings targets, closed the acquisition of Papyrus Deutschland and the merger in Inapa Deutschland, having implemented new processes that achieved efficiencies higher than the goals initially set and started a second phase of implementation of synergies. The Packaging and Visual Communication areas were developed through organic growth and acquisitions (e.g. Special Pack in France).

On the other hand, and despite the acquisition of Papyrus Deutschland (2019), debt levels were reduced, maintaining the balance of its maturity. Significant progress was also made in terms of sustainable development.

For 2022-24, three pillars are highlighted, namely: efficiency, growth and sustainability. These pillars are broken down into 10 guidelines.

01. EFFICIENCY

A. Keep the focus on customer loyalty and in sustaining Inapa's leadership position
B. Increase the weight of sales made through electronic channels
C. Continuous optimization of the infrastructure and logistics organization
D. Expand the implementation of the new ERP to all geographies, enabling further development of shared services and adoption of new technologies to reduce costs

02. GROWTH

- Target significant organic growth in non-paper products
- Explore acquisition opportunities to foster growth in the Packaging and Viscom areas

03. SUSTAINABILITY

A. Continue the debt reduction process and the strengthening of the equity/debt ratio through the generation of operational cash flows and the divestment in fixed assets

B. Bring in new talent with digital skills and rejuvenate the structure

C. Reduce direct emissions by increasing renewable energy generation and by increasing the usage of green energy/fuels in the operations

D. Improve indirect emissions by increasing the purchases of certified product

Efficiency

The efficiency pillar is composed by four strategic lines, which aim to solidify the positioning of Inapa in the market and with its customers, and to optimise profitability.

By focusing on customer loyalty and on Inapa's leadership position (Line A), we intend to maintain our position in the paper market and to develop customer loyalty and share of wallet.

We seek to position Inapa as the "supplier of choice" by leveraging our know-how and by offering a wide range of quality and environmentally sustainable products. For this purpose, it is important to increase the use of digital channels, leverage new CRM tools and tools for streamlining the contact with the customer (e.g. chatbots and bots to give a quick response to customers and handle orders) and, whenever possible, help customers to adopt measures to reduce their carbon footprint. In parallel, it is necessary to respond to fluctuations in prices and product availability. Therefore, we will seek to maintain a strong price discipline, constantly trying to optimise the product portfolio and the supplier base.

It is important to increase the weight of sales made through electronic channels (B-line), which should contribute to increase productivity, of our customers and of our teams, by increasing the teams focus on the sale of added value products and price discipline.

We will be continuously searching for ways of rationalising the infrastructure and optimising logistics in terms of cost efficiency and customer service (Line C).

Finally, we will finish the implementation of the new ERP in the Group, increasing the scope of shared services, and we will resort to new technologies wherever possible in order to reduce costs (Line D).

In 2022, we highlight that we started using the Group's new ERP (SAP S/4HANA) in Portugal and Spain and developed a project in Germany aimed at optimising logistics operations. In 2023, SAP will be implemented in France and Turkey, concluding the digital transformation of the Group. We will continue to seek making the most of synergies from the acquisitions of Papyrus Deutschland (and the additional opportunities identified in the meantime) and JJ Loos (Viscom company acquired in 2022).

Growth

This pillar comprises two strategic lines that aim to ensure the growth and development of the business, with particular emphasis on the Packaging and Viscom areas.

The focus on significant organic growth in non-paper products (Line A), aims to explore the potential for cross-selling through, for example, the sale of non-paper products (e.g. Packaging, Viscom or office supplies) made by paper distribution companies (or vice-versa). It is also important to promote the growth of Packaging and Viscom through product innovation and customisation, strengthening the customer solution orientation or through an increased use of web channels.

We intend to explore growth opportunities through acquisitions in Packaging and Viscom (Line B). The acquisition of JJ Loos in 2022 or, for example, in the previous three-year periods of Special Pack (2019) and Embaltec (2016), illustrate the path we intend to take.

Sustainability

This pillar is supported by 4 lines aimed at improving the Group's sustainability in financial, organisational, social and environmental terms.

We intended, as it occurred in 2019-2021, to continue the trend of reducing debt, through operational cash flow and divestment of fixed assets, improving the equity/debt ratio (Line A). It should be noted that during this triennium, despite the acquisition of Papyrus Deutschland and the different contextual challenges, the Group managed to achieve a reduction in its debt levels. This path increased in 2022 with a reduction of € 41 M in net financial debt to 221 million euros, reflected in a decrease in the net financial debt / Re-EBITDA ratio from 8.3x to 2.5x.

We aim to rejuvenate the structure and attract new talent with digital skills (Line B), responding to the concerns of the new generations. The aim is to align the development of professionals with the technological and digital trends, to encourage the acquisition of skills in data analysis and problem solving and to promote principles associated with ethics, agility and mobility, among others.

Finally, it should be highlighted the goal associated with reducing the emissions of the Group (Scope 1 and Scope 2) - from vehicles, heating and electricity - by increasing the generation of renewable energy and the use of green energy/fuels in operations (Line C). It should be emphasised that by 2022, a 14% reduction in the direct emissions of the Group (Scope 1) and a 16% reduction in indirect emissions (Scope 2) was accounted for. This evolution results from initiatives such as the electricity switch in Germany to renewable sources, the increase of neutral electricity produced by the solar panel system in the facilities of Inapa Portugal and successes related to the optimisation of transport, resulting from synergies created by the restructuring of the business in Germany, among others. The reduction of emissions attributed to the Group's value chain (Scope 3) is also included in the plan (Line D). The intention is to encourage suppliers to adopt more sustainable practices. In this sense, by 2022, indirect emissions from Scope 3, resulting from purchased goods, were reduced by 3% and upstream transport emissions by 14%. The progress in supplier transport emissions resulted mainly from the optimisation of delivery itineraries, changes in production and in transport to renewable and carbon-neutral energies and actions related to improvements in the grouping of deliveries.

Also, progress can be noted in the indicators associated with the United Nations Sustainable Development Goals (SDGs) (identified for 2019-2022). For the period 2022-24, new goals were also defined for the SDGs establishing as priorities improvements in the areas:

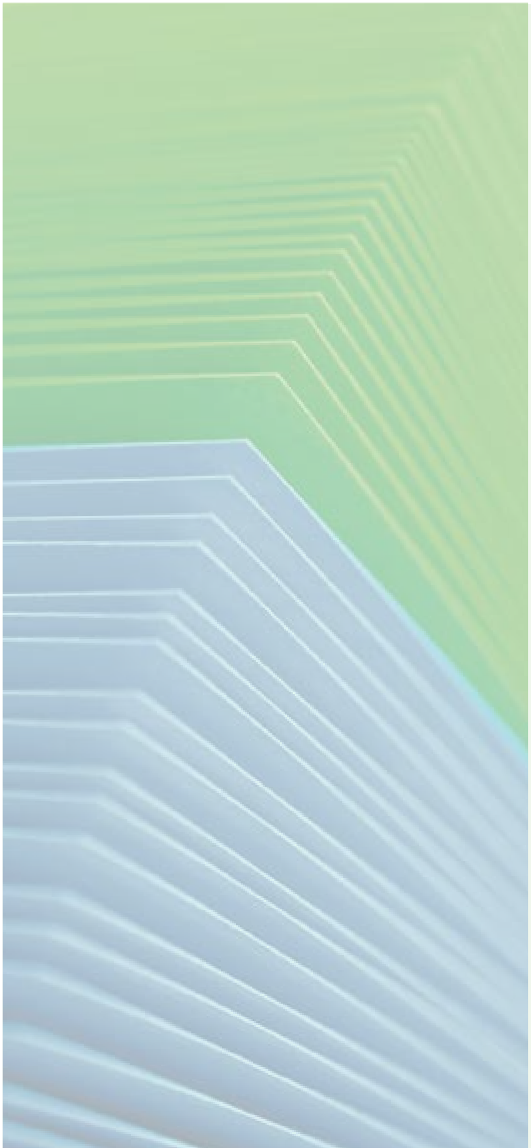
3) Good health and well-being;
5) Gender equality;
6) Clean water and sanitation;
7) Affordable and clean energy;
8) Decent work and economic growth;
12) Responsible consumption and productionn;
13) Climate action;
15) Life on land.

9

Statutory bodies

By deliberation of the General Meeting on May 31, 2007, the Company has adopted the administration and supervision model from article 278, nr. 1, paragraph b) of the CSC (Portuguese Companies Code), namely, Board of Directors, comprising an Audit Committee and a Chartered Accountant.

GENERAL ASSEMBLY BOARD



BOARD OF DIRECTORS

Diogo Francisco Bastos Mendes Rezende
Chairman of the Board of Directors – since 4th May 2018
Chairman of the Executive Committee – Election Year 2015

Inês Patrícia Arêde Simões Louro
Member of the BD and EC – Election Year 2019

Frederico João de Moser Lupi
Member of the BD and EC – Election Year 2015

João Miguel Pacheco Sales Luís
Member of the Board – Election Year 2013

Victor Maurílio Silva Barros
Member of the Board and Chairman of Audit Committee – Election Year 2019

Emília de Noronha Galvão Franco Frazão
Member of the Board and Audit Committee – Election Year 2019

Patrícia Isabel Sousa Caldinha
Member of the Board and Audit Committee – Election Year 2019

EXECUTIVE COMMITTEE

Diogo Francisco Bastos Mendes Rezende
Chairman

Inês Patrícia Arêde Simões Louro
Finance

Frederico João de Moser Lupi
Operations

REMUNERATION COMMITTEE

Ricardo Andrade Amaro
Chairman

Pedro Manuel Macedo Vilas Boas
Member

Tiago Manuel Rodrigues Estevinho
Member

AUDIT COMMITTEE

Victor Maurílio Silva Barros
Chairman

Emília de Noronha Galvão Franco Frazão
Member

Patrícia Isabel Sousa Caldinha
Member

CHARTERED ACCOUNTANT AND AUDITORS

PricewaterhouseCoopers & Associados – SROC, Lda.

Corporate Governance

Board of Directors
Executive Board

Diogo Rezende
CHAIRMAN

Inês Louro

Frederico Lupi

GENERAL ASSEMBLY		
Remuneration Committee	**Board of Directors - Executive**	**Board of Directors - Non Executive**
Ricardo Andrade Amaro [Chairman] Pedro Manuel Macedo Vilas Boas Tiago Manuel Rodrigues Estevinho	Diogo Francisco Bastos Mendes Rezende [Chairman] Inês Patrícia Arêde Simões Louro Frederico João de Moser Lupi	João Miguel Pacheco Sales Luís Victor Maurílio Silva Barros Emília de Noronha Galvão Franco Frazão Patrícia Isabel Sousa Caldinha
Chartered Accountant and Auditors	**Executive Committee**	**Audit Committee**
PricewaterhouseCoopers & Associados – SROC, Lda.	Diogo Francisco Bastos Mendes Rezende [Chairman] Inês Patrícia Arêde Simões Louro Frederico João de Moser Lupi	Victor Maurílio Silva Barros [Chairman] Emília de Noronha Galvão Franco Frazão Patrícia Isabel Sousa Caldinha

Board of Directors Non-Executive

João Sales Luís

Victor Barros

Emília Frazão

Patrícia Caldinha

The corporate governance model adopted assigns the following competences to the corporate governance bodies:

The **Board of Directors** represents the Company and manages its business operations, in this instance, subject to the resolutions of the shareholders or to interventions of the Audit Committee, where applicable legislation or the provisions of the Company's Articles of association so dictate, as well as deliberates on the matters set out in the provisions of Sub-paragraphs a) to n) of Article 406 of the CSC (Portuguese Companies Code), as well as to:

- Delegate on an Executive Committee, the company's day-to-day management and any other competences it may deem fit to delegate by special resolution to the effect;

- Delegate, within the limits permitted by law, in one or more Directors of the company, certain management powers, whose limits it will necessarily define;

- Deliberate, within the terms and limits of the law, on instructions that are legally-binding on Subordinated Companies;
- Deliberate, under a proposal from the Executive Committee, on the budget and plan of the Group;
- Deliberate, under a proposal from the Executive Committee, on the setting of strategic goals regarding risk-taking and on its respective internal control and management systems;
- Deliberate on the acquisition and disposal of majority shareholdings or holdings in control, as well as those subject to a special acquisition or disposal process under the terms of the Portuguese Securities Code;
- Approve, with a previous and binding opinion of the Audit Committee, the regulation on transactions with related parties and/or its amendments, as well as to approve transactions with related parties under the terms established in such regulation;
- Co-opt directors under the terms contemplated in the law and/or in the company's by-laws;
- To deliberate on any matter on which a director requests a Board resolution.

In this particular regard, it is important to mention that non-executive directors are responsible for monitoring the activity carried out by the Executive Committee and the Audit Committee, pronouncing on matters within the competence of the body they are part of or that are submitted to it by either of the aforementioned Committees, as well as advising the executive management, which role is all the more relevant since it is carried out with full knowledge of the facts, but free from the demands and constraints of daily management.

The exercise of these attributions by non-executive members of the Board of directors has proven to be relevant to the proper functioning of this model, and to date, no constraints have been found.

The **Executive Committee** of the Board of Directors is responsible for the daily management of the company, as well as to:

- Establish the plans of the Company and of the Group for the policy, objectives and strategy, to be approved by the Board of Directors;
- Establishing the general lines of internal organisation of the company, including the internal systems of risk management and control, for the approval of the Board of Directors;
- Prepare the budgets for operations, for investment and development plans, in the medium and long-term, for approval by the Board of Directors;
- Monitor and coordinate, including the definition of management guidelines and control of subordinated companies;
- Provide financial support to subordinated companies in the ways and under the conditions that are most appropriate for the defence of the company's goals;

- Approve contracts for the acquisition of goods or services, whose value for each type of goods or services is less than 500,000 euros;

- Negotiate and sign short-term financing contracts for the company, under the terms and conditions that it considers most appropriate to protect the company's interests;

- Negotiate and sign contracts to change, replace or renew financing contracts of the company, including commercial paper programmes, under the terms and conditions that it deems most appropriate to defend the interests of the company; the powers mentioned in this paragraph are restricted to non-substantial changes to the financing contracts contemplated herein;

- Negotiate new financing contracts for more than one year and a day of the company, for the issuing of bonds and commercial paper programmes, however, with the binding of the company, in this type of operation, being expressly conditioned to a prior resolution of the Board of Directors;

- Acquire, sell or charge goods or assets of the company's fixed assets that are included in budgets approved by the Board of Directors;

- Acquire, sell or charge goods or assets of the fixed assets of the company not included in the budgets approved by the Board of Directors up to an individual amount of 1.5% of the paid share capital;

- Deliberate on making investments, disinvestments and restructuring in and by subordinated companies;

- Take or grant leases on any buildings or real estate fractions;

- Represent the company in and out of court, actively or passively, as well as propose and pursue any actions, confess them and desist from them, compromise and commit to be arbitrators;

- Acquire, sell or charge shares in other companies, as long as they do not exceed individually, 2.5% of the paid-up share capital, being subject to prior deliberation of the Board of Directors;

- Conclude, amend and cancel labour contracts and exercise disciplinary authority over the staff;

- Open, operate and close bank accounts;

- Appoint representatives of the company.

The **Audit Committee** is responsible for:

- Supervising the management of the company;

- Supervising compliance with the law and agreements of the company;

- Verifying the regularity of the books, accounting records and supporting documents;

- Verifying, whenever it deems convenient and by the means that it considers appropriate, the extension of the cashbook and stock of any type of goods or values belonging to the company or received by it as guarantee, deposit or other title;

- Verifying the accuracy of the accounting documents;

- Verify if the accounting policies and valuation criteria adopted by the company lead to a correct evaluation of assets and results;

- Elaborate an annual report on its supervisory action and issue an opinion on the report, accounts and proposals presented by the Board, which must state whether it agrees or not with the management report and with the accounts for the financial year and include the declaration stipulated in paragraph c) of no. 1 of Article 29-G of the Securities Code, signed by each of its members;

- Convene Shareholders General Assembly when the Chairman of the Board of Shareholders does not do so, even if he/she should do it;

- Supervising the effectiveness of the risk management system, of the internal control system and of the internal audit system;

- Receiving reports on irregularities presented by shareholders, company employees or others;

- Control the process of preparation and disclosure of financial statements;

- Supervising the audit of accounts to documents of the company's financial statements;

- Certifying if the report on corporate governance structure and practices disclosed by the company includes the elements referred in article number 29-H of the Securities Code;

- Proposing the appointment of the Chartered Accountant to the General Meeting, approving annually the scope of the respective auditing work and the corresponding fees, approving any additional services other than auditing, and supervising its independence;

- Issuing a prior opinion on the regulation of transactions with related parties and its changes, as well as on transactions with related parties, under the terms established in the refered regulation;

- Report to the Public Prosecutor's Office the criminal facts of which it has knowledge and which constitute public crimes;

- Contract the services of experts that help to assist with one or more of its members in the exercise of their functions.

By law, the Chartered Accountant is responsible for: verifying the regularity of the books, accounting records and supporting documents; verifying, whenever he/she deems necessary and in the manner he/she deems appropriate, the extension of cash flow and the stock of any type of goods or assets belonging to the company or received by it as a guarantee, deposit or other title; verifying the accuracy of the financial statements; verifying whether the accounting policies of the company are being complied with and, if so, to what extent. Verifying whether the accounting policies and valuation criteria adopted by the Company are leading to appropriately represent its assets and results, in accordance with the applicable accounting and reporting standards.

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Main shareholders

As of 31 December 2022, the shareholders with qualified holdings in conformity with Article 16 of the CVM (Portuguese Securities Code) were as follows:

	ORDINARY SHARES	% ORDINARY SHARES	% VOTING RIGHTS
Parpública - Participações Públicas SGPS, SA	236,199,384	44.89%	33.33%
Banco Comercial Português SA	71,097,348	13.51%	13.51%
Nova Expressão SGPS, SA	52,625,000	10.00%	10.00%
Novo Banco	34,445,831	6.55%	6.55%
Total Qualified Holdings	**394,367,563**	**74.94%**	**63.39%**
Ordinary Shares	**526,225,508**		

The trading volume of ordinary shares during 2022 was of 149 million shares, which represents around 28% of the share capital represented by ordinary shares with voting rights.

During the year 2022, under the terms of Article 16 from CVM, two changes were communicated in what concerns qualified positions. The position of Banco Comercial Português SA, was reduced to a qualified holding below the threshold of 15%, maintaining a qualified holding. The position of Nova Expressão SGPS SA, was increased to a qualified holding of 10% of the voting rights.

The sum of the qualified stakes totals 74.94% of the shares representing the share capital, which places the free-float of Inapa in relation to these securities at 25.06%.

Risk factors

The Group's core business is paper distribution, serving as a link between upstream paper producers and downstream intermediate consumers (companies and paper manufacturing industries, such as graphics, advertisers, media companies, publishing groups and booksellers, among others), modern distribution (large-scale distribution and specialised retail chains) and final consumers (companies in the office segment and individuals).

The Inapa Group classifies the risks to which it is exposed into four major categories: strategic risks, operational risks, compliance risks, and financial risks.

Strategic Risks

Risk Area	Description	Management
Macroeconomic Trends	The economy behaviour in general may have an impact on the Group's performance, namely at the top line level. A slowdown in economic activity levels or a reduction in consumer and producer confidence indexes may cause a slowdown or fall in paper demand, namely the demand for writing and printing paper, thereby affecting its operations, sales, earnings, and the financial situation of the Group.	Because Inapa's business is present in eight European countries, as well as in Angola and Turkey, its turnover accounts for more than 95%, based on external activity. These circumstances naturally expose Inapa's business to risks arising from the performance of each economy where it operates. On the other hand, it is also a risk mitigation factor due to the less likely occurrence of the same pattern of economic behaviour in all markets at the same time.
Changes of demand/ consumption patterns	The paper distribution business is sensitive to changes in the behavioral patterns of demand, mainly in segments such as advertising and media, and also to changes in the structure of distribution.	The Inapa Group operates in different geographies and has sought to diversify its business base, increasing the weight of complementary businesses.
Balance between supply and demand	The balance between supply and demand depends on a variety of factors, among which we highlight the evolution in the production capacity installed and the level of economic activity and evolution of consumption patterns. Besides the productive capacities in different geographies, the trends in the paper demand in emerging markets like China and India and its impact on those markets' suppliers, the impact of exchange rate fluctuations on the various markets competitiveness, and some regulatory issues that affect the world paper trade are all factors which, either individually or in combination, may directly or indirectly impact the performance of the Company, its financial situation and its earnings.	Inapa Group operates in different geographies and has tried to diversify its business base, developing commercial relationships with producers located in different continents and increasing the weight of complementary businesses.
Structure of the sector	The paper distribution business has undergone structural changes, with concentration movements between operators, particularly in Europe. This competitive environment may directly and indirectly affect the company's future strategic decisions and, consequently, its positioning in each market, as well as the corresponding results and asset allocation. In a context of sector consolidation, Inapa may be the target of a public tender offer.	Inapa Group has sought to broaden its portfolio of products and Partners, and continually invests in improving efficiency in order to guarantee its competitiveness.

(cont.)

Risk Area	Description	Management
Environmental risks	Given the growing environmental sustainability concern, the legal and regulatory requirements in this area are expected to increase significantly. Failure to comply may result not only in financial penalties, but also in difficulties to have access to financing.	Inapa has incorporated in its strategic plan sustainability goals and reducing the ecological footprint Inapa develops its activity seeking to adopt practices that promote sustainable development of the environment, through the promotion of certified products and reducing its ecological footprint. In the case of the paper sector, most of the environmental impact is downstream of Inapa's operations, in the production of paper. Hence the adoption of initiatives, together with suppliers, to adopt environmentally sustainable practices.

Operational Risks

Risk Area	Description	Management
Disruptive events: Natural disasters	The activity is subject to possible natural disasters and abnormal weather conditions, the frequency and intensity of which will tend to worsen as a result of climate change.	All Inapa warehouses are insured against possible losses caused by this type of phenomena. Given the high number of warehouses and their geographic dispersion, we consider that the exposure to this type of risk is relatively low, as it is possible to continue operations if one of the locations is affected.
Disruptive events: Pandemics	The company's operational activity is subject to the risks of the emergence of pandemics. The implementation of measures that influence the mobility of people or goods by government entities may have a significant impact on the company's operations and on the financing of the activity. Disruptions in the transport network at an international level or in countries where the Group or its main suppliers operate may bring limitations on the supply of products and influence the Group's activity	Operational risks are mitigated (i) by the high geographical dispersion of Inapa's operations, both at the Group level and at the level of each of its national operations and its suppliers, and (ii) by the contingency plans adopted by each Group company, which ensure that, except in the areas of warehousing and transportation, which require the physical presence of employees, the others can be ensured, in essence, through telework.
Disruptive events: Armed conflict	Armed conflict and the application of international economic sanctions can have significant impacts on product demand, product availability or prices.	The geographical dispersion of sales and supply mitigates these risks.
Purchase price fluctuations/ Pricing management	The ability that paper and/or fuel prices have an influence on selling prices of products / services, is not totally elastic. It may occur that the margins of products sold/services rendered are directly affected or through increases in transport costs associated with distribution, having therefore a negative effect on the activity, financial situation and Group results.	Inapa has at its disposal some means of mitigating this risk, among which stand out its systems, which in the sales process, introduce authorisation levels in accordance with the margin generated by the operation. In addition, the inventory levels with which Inapa operates minimise the impact of price changes.
Disruptions in storage and distribution	Significant and/or prolonged interruptions in the ability to serve the customer in terms of distribution may lead to deterioration of the Inapa Group's image/reputation, with an impact on Sales.	Group companies are constantly seeking to improve logistical processes in order to maximise customer experience at the lowest cost.
Disruptions and property damage	The Group's units are subject to the risks inherent to any economic activity, such as accidents or breakdowns that may cause damages to the Group's assets or temporary interruptions in the activity.	These risks are monitored by Inapa on an ongoing basis by means of the processes and information systems implemented, being some of the operational risks covered by insurance policies. The normal development of the business may be temporarily affected by risks arising from the merger or restructuring of subsidiaries.

(cont.)

Risk Area	Description	Management
Customer retention/ loyalty	Inapa's performance depends on its ability to secure its customer base.	Besides having a very significant number of clients (over 80,000), its geographical dispersion, and a wide range of competitive, top-quality products and an appropriate level of pre and post-sales service, Inapa has been developing a customer loyalty program to its traditional customer base by offering an integrated range of products and services that complement its core business, thus increasingly asserting itself in the paper market as a global service provider.
Credit Risk	Inapa is exposed to the credit risk it grants to its customers. An aggravation of economic conditions may give rise to difficulties for the Group's customers to meet their obligations to Inapa Group.	Since 2011, Inapa has maintained an insurance (in large European insurance companies) to cover the credit risk of its operating subsidiaries This insurance covers the main countries of the Group, thus covering the majority of sales of the Group. Regardless of the hedging mentioned above, the Group has credit risk evaluation and monitoring policies in order to ensure that sales are made to customers with an appropriate credit profile. These policies include, namely, credit limits for customers, recorded in the IT system, which prevent new orders from being placed with customers whose credit limit has been fully utilised. These credit limits are subject to periodic review, or whenever there is relevant information arising from the recommendation of the internal and external monitoring systems. Also to be noted is the existence of internal teams dedicated to monitoring customer credit and the holding of periodic meetings by local management to monitor the ageing of customer balances.
Human Resources	The Group's ability to successfully implement the outlined strategy depends on its ability to retain and, whenever necessary, recruit the most qualified and competent employees for each function.	Although the Group's human resources policy is oriented towards achieving these goals, it is not possible to guarantee that in the future there will be no limitations in this area. Recent reinforcement of skills in this area at corporate level.
IT	The Group's operations are also dependent on IT processing.This involves the maintenance and processing of financial reporting records, monitoring and control of logistics, warehousing, and transportation operations, and accounting. Inapa may also be exposed to risks related to the migration processes of its base systems, which may have a transitory effect on its operations.	As it is not possible to absolutely guarantee a full identification and timely redressing of every single issue concerning its information technology systems, Inapa conducts a regular assessment of the information systems in order to determine whether they are suitable to the Group's needs. In order to mitigate the risks associated with a potential problem in the Group's datacenters, a "disaster recovery exercise" is performed annually to test the alternative infrastructure and the recovery process. A new backup solution was implemented, widely recognised as one of the best in the market, with the latest technology available and with a much higher resilience than the previous solution. As for the project to implement the new ERP in the Group's operations, a wide range of tests are carried out to ensure the suitability of the solution for the business and to guarantee that there are no impacts on the countries that already operate in the system. Within the scope of the data migration process from the old source system to the new ERP, several test loads are carried out for quality systems throughout the project and before the final migration of data to the production system. A new "change management" process was also implemented during 2022 in order to minimise the risk of changes being made to the ERP production system that could impact its stability.
Cyber security	The risk of computer fraud/cyber attack is something that has been gaining an international dimension, and it is not possible to fully mitigate this risk, despite the measures and procedures implemented.	Inapa has been investing significantly in security policies that minimise its exposure to cyber attack risk. Periodic assessments are performed and training sessions on best practices are held for employees, and the main risks are covered by insurance policies.

Compliance Risks

Risk Area	Description	Management
Legal and regulations	The Group may be negatively affected by changes in the legislation and other tax regulations applicable in Portugal, the European Union and in the various countries where it operates.	Inapa pursues a policy of flexibility and adaptability of itsoperations and cost structure, whereby no significant impacts are antecipated from possible new regulations.
Claims/ Litigation	Inapa may be part of any litigation arising from the conduct of its business, including legal proceedings which may have been ruled in favour of the Company, fully or partially, or sentences that may be subject to recourse by the counterparties in conformance with applicable legal procedure and until that time as such sentences have been upheld in a court of final appeal.	Inapa relies on the support of local legal advisory teams that accompany the subsidiary companies in each geography in the pre-litigation and litigation phases of the dispute, being accompanied/coordinated by the legal department of the parent company whenever their relevance or specificity so recommends.

Financial Risks*

Risk Area	Description	Management
Interest rates	As Inapa does not hedge its exposure to adverse changes in interest rates, such changes may have a negative impact on its performance, financial situation, and earnings.	As a way of managing these variations, the Group's financial area constantly follows the development of the market, and is able to use financial instruments to minimise the effects of interest rates volatility, monitoring the expenses incurred, as well as the expected amounts of future expenses. This is achieved through the preparation of budgets, based on the expected and reasonably possible evolution and the financial needs of the Group. Consequently, the Company interacts with its financial partners with the objective of ensuring the financing of its operations and competitive financing costs.
Currency risk	Variations in the exchange rate for the euro into other currencies (particularly the Turkish lira and kwanza) can impact on the financial situation of the company as Inapa operates in Turkey and Angola. The Group also has exposure to the US dollar due to purchases made in this currency, particularly in the operation in Turkey.	The exposure to currency risk is limited because the aggregate value of sales in currencies other than Euro (namely kwanza and Turkish lira) represents less than 2% of the total sales of the Group. Inapa constantly monitors the exchange rate evolution of the geographic regions to which the Group is exposed.
Financial Risk: Investment	The Group's operations require investments. Risk that the Inapa Group may not be able to finance its operations, namely in terms of investment, or that it may only be able to do so at a higher cost.	Inapa expects to fund its investments by mobilising cash flows generated from operating activities. Should these activities fail to generate sufficient income, Inapa may be required to partly fund the envisaged investments with funding from external sources, including bank loans and/or capital markets.

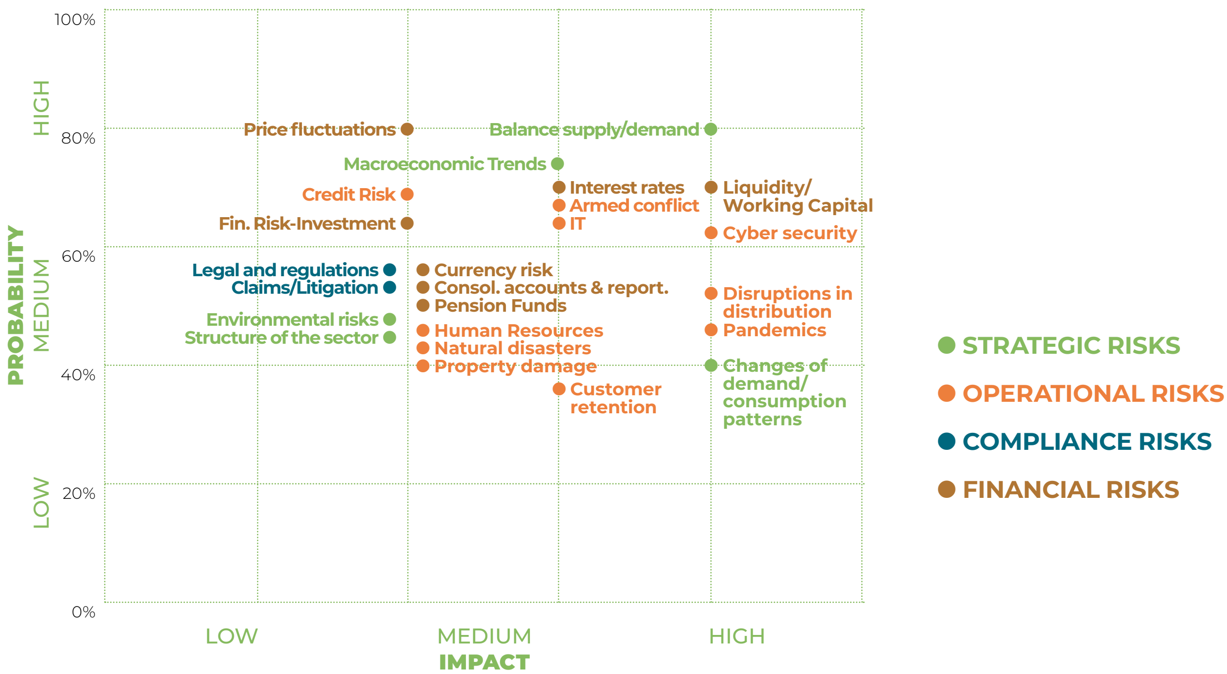
(cont.)

Risk Area	Description	Management
Financial Risk: Liquidity/ Working Capital	For the development of its operations, Inapa needs working capital. More adverse economic scenarios that lead to changes in the commercial and financial policies of our partners, including suppliers, customers, or financial institutions, could create working capital needs that may influence liquidity levels.	Inapa manages the Group's liquidity risk using two approaches: by striving to ensure that the Group's financial debt has a maturity that adequately matches its ability to generate cash resources, and by resorting to credit facilities to support treasury operations (current account, confirming, etc.). Treasury management is done locally in each Group company supervised by the Holding Company. Cash flow forecasts are updated and regularly monitored by the Holding. Cash flow forecasts are updated and regularly monitored. Inapa remains in close contact with financial institutions and credit insurers in order to ensure adequate financing levels for its operations.
Pension Funds	Inapa grants supplementary retirement and survivor's pension plans to the employees of its subsidiaries Inapa France, SAS, Inapa Packaging SAS, Semaq Emballages, S.A., Papyrus Deutschland and Papier Union GmbH. It accounts for the inherent costs and associated charges in accordance with the provisions of International Accounting Standard nr. 19 (IAS 19). The amount recorded in the consolidated accounts under liabilities for pension benefits is based on predefined actuarial assumptions, whereas the beneficiaries of the pension plans may live longer than expected and, as such, may benefit from the plan beyond the period provided for, since they are defined benefit pension plans. Therefore, pension liabilities may exert an adverse constraint on cash flows.	Inapa periodically reviews the actuarial calculations, including the associated costs and cash flows in the respective annual budgets.
Consolidation of accounts and reporting	Risk of making errors in the preparation of internal and external reports.	Inapa has internal and external control methods to mitigate these risks. Implementation of SAP in all Group companies will bring a strong contribution, with the alignment of processes/ procedures.

* IN THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (3, 8 AND 9) YOU CAN FIND MORE DETAIL ON THE VARIOUS ASPECTS OF FINANCIAL RISK MANAGEMENT.

Risk Matrix

The following matrix shows the risks identified previously, considering their classification according to their probability of occurrence (low, medium and high) and impact in case of occurrence (low, medium and high).



Ethics

Doing business with ethics is a cornerstone of Inapa's culture and the heart of our success.

By acting with high ethical standards, we create a positive and collaborative atmosphere. The way we do business is not a short-term goal, it is rather a contribution for the Group's long-term sustainability.

Employees' daily actions must meet the highest ethical standards. Everyone should act in accordance with strong moral principles, communicate with transparency and treat with esteem, consideration, dignity and tolerance all the people, regardless of race, nationality, colour, ethnicity, citizenship, religion, gender, age or disability.

Inapa is committed to follow the best international practices concerning Human Rights, labour, environmental protection and anti-corruption laws, namely the Ten Principles of the United Nations Global Compact:

Human Rights	**1.** Respect and uphold internationally proclaimed human rights.
	2. Ensure non-participation in human rights violations.
Labour Practices	**3.** Uphold the freedom of association and the effective recognition of the right to collective bargaining.
	4. Abolish all forms of forced and compulsory labour.
	5. Effective abolishment child labour.
	6. Elimination of discrimination in employment.
Environmental Protection	**7.** Supporting a preventive approach to environmental challenges.
	8. Undertake initiatives to promote environmental responsibility.
	9. Promote the development and diffusion of environmentally friendly technologies.
Anti-Corruption	**10.** Work against corruption in all its forms, including extortion and bribery.

At the end of 2017 the new Inapa's Code of Conduct was launched, trying to align the good practices of the corporate model with the conduct of all employees and partners by the highest ethical standards. The Group's employees received a copy of the new Code, in their own language, so that they can use it as a consultation tool whenever they have any questions. In the Code, guidelines are presented in terms of the principles they must respect (integrity, respect, transparency and compliance) and how to report any irregularities. Guidance is also given on how to behave in a way that guarantees integrity to i) colleagues, ii) the company, iii) the business partners and iv) the community.

Inapa Culture and Values

In 2022, the new Inapa Group values were defined: Client Focus, Reliability, Agility and Sustainability.

Over the years, Inapa Group has been building a solid foundation which allows it to maintain a leadership position in the markets where it operates. We want to continue to grow, based on a joint effort. Inapa is committed to an approach focused on providing an excellent service to clients and a support that ensures our clients, partners, employees and stakeholders a sustainable business with a common goal: to improve the world.

Improving the World
Improving the World is the new signature of Inapa Group, which is reflected in all its actions, from the human aspect, to operations and to the sustainable way to reduce the environmental impact of our activities. Our intention is to convey our confidence and purpose in contributing to a better, more balanced world.

To support these new values, the Group has defined the core inner competencies that all employees need to have:

1. Client Focus
The Client is the core of our business, therefore all Inapa employees must focus on his real needs, to provide the appropriate solutions, based on a close and personalised follow up.

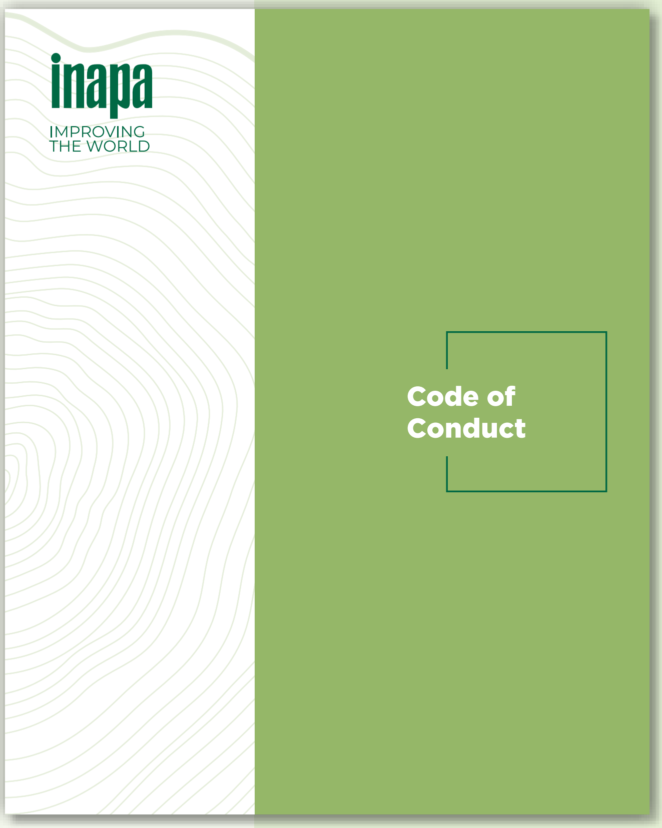
2. Results-driven Orientations
It is the ability to efficiently and effectively achieve the department/area objectives and perform the tasks assigned to it, ensuring that the expected results are achieved and, at the same time, boosting the team's development and growth.

3. Sustainability Mindset
Corporate sustainability is fundamental. The contribution of each individual through small actions on a daily basis can make all the difference, such as reducing energy consumption, for example.

4. Optimisation of Work Processes
Promote changes with the main goal of stimulating all parties involved to work harmoniously, avoiding waste of time and resources.

5. Team Work & Colaboration
The ability to join working teams of mixed composition (within and outside their usual working environment) and to collaborate actively with other teams or departments is fundamental. Knowing how to listen and respect divergent ideas, share and develop solutions in partnership is challenging and enriching.
Together we are stronger!

OUR VALUES SHAPE OUR FUTURE



THE INAPA CODE OF CONDUCT CAN BE CONSULTED HERE:

Human resources

In its Human Resources strategy, Inapa has adopted a close correlation between the Group's strategic guidelines and the evolution of the different Group businesses based on a common platform of processes and policies that are followed by the different companies and geographies where the Group operates.

The Human Resources policies of the Inapa Group reflect one of the main guiding principles that sustain our plans and actions. Developed in articulation with the strategic guidelines of the Group. These policies consider the human aspect of Inapa and are based on a common platform of processes in the different companies of the Group, in the various geographies.

Always having in mind the common values and ethical principles, the Human Resources policies are anchored in seven goals: diversity and equality; attraction and commitment; development and enhancement; recognition and merit; prevention and safety; change management and work-personal life balance.

Year 2022 was characterised by the return to work after the Covid-19 pandemic, with new approaches and trends in work processes and also by the conflict in Ukraine. Internally, Inapa Group continues to adapt its structure to the challenges that arise, particularly in the paper industry. Still to be noted, in the Visual Communication sector, the entrance of JJ Loos in Inapa Group, a company based in France with around 31 employees.

Year 2022 recorded an increase of 9 employees, compared to the same period of the previous year, for a total of 1,652 employees in all Group companies.

As a reflection of the impacts described above, there was a reduction in the number of employees in Germany, by around 20 employees, also as a result of the adaptation of the structure of the company Inapa Deutschland GmbH to the merger that took place in 2020.

Evolution of the distribution of employees by company

BUSINESS AREA	COMPANY	COUNTRY	2019	2020	2021	2022	Observations	
PAPER	Inapa Deutschland GmbH	Germany	0	932	910	889		Merger of Papier Union + Papyrus Deutschland in 2020
	Papier Union	Germany	489	n.a.	0			Merger with Papyrus Deutschland into Inapa Deutschland in 2020
	Papyrus Deutschland	Germany	526	n.a.	0		Acquisition in Jul/2019	Merger with Papier Union into Inapa Deutschland in 2020
	Inapa France	France	250	223	199	194		
	Inapa Portugal	Portugal	65	60	61	64		
	Inapa España	Spain	75	64	52	53		
	Inapa Belgium	Belgium	28	28	28	23		
	Inapa Angola	Angola	4	4	4	5		
	Korda	Turkey	45	41	41	39		
PACKAGING	Inapa Packaging	Germany	67	50	45	40		
	Inapa Packaging	France	35	39	40	38		
	Semaq	France	37	39	41	40		
	Embaltec	France	25	28	27	28		
	Inapa Packaging	Portugal	38	38	39	39		
VISUAL COMMUNICATION	Inapa ComPlott	Germany	68	73	65	71		
	Inapa Comunicação Visual	Portugal	11	8	8	7		
	JJ Loos	France	0	0	0	31	Acquisition at the end of Nov/2022	
HOLDING	Inapa - IPG	Portugal	15	14	16	17		
SHARED SERVICES	Inapa Shared Center	Portugal	60	68	67	74		
TOTAL			**1,838**	**1,709**	**1,643**	**1,652**		

Reflecting the composition of the business, the largest number of employees remains in the paper distribution area, representing in 2022 about 77% of the total, 2 pp below the weight of the previous year, 2021.

The complementary businesses of Packaging and Visual Communication registered an increase from 29 employees to about 294, essentially due to the acquisition of the company JJ Loos, representing now 18% of the Group's total.

The Shared Services and Holding area, with 91 employees, showed an increase of 8 employees compared to the previous year, motivated by the continuous increase in skills and the provision of transversal services to the whole Group in the Financial and Information Technologies area, thus allowing an increase in efficiency and synergies between the various Group companies. In total, the Shared Services and Holding area had a small increase of 1 pp to 6% of the Group total.

By country, and considering all businesses together, the largest market, Germany, showed a decrease of around 20 to 1,000 employees, with its weight in the total falling to 61%.

France presented an increase in its structure with the acquisition of the visual communication company, JJ Loos. Inapa France registered a decrease of 5 employees, while the complementary business companies presented an increase of 29 employees, a mix between the decrease of 2 employees in the Packaging companies and the increase of 31 in Visual Communication. In total terms, France reached 331 employees (24 more than in 2021), corresponding to a weight of around 20% of the total Inapa Group.

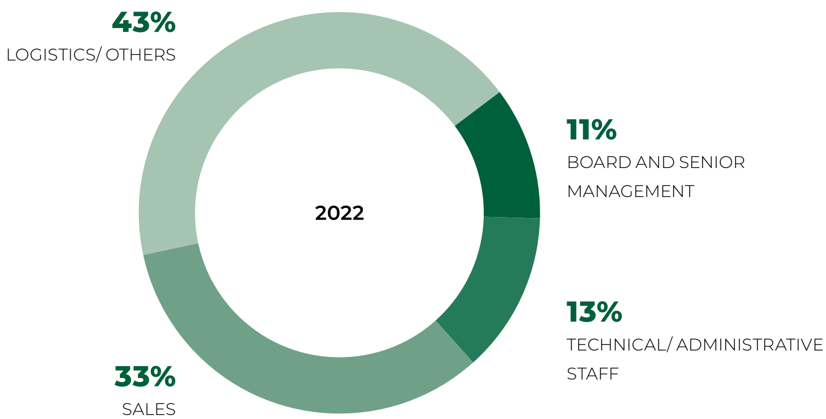
Portugal, in turn, in the set of its various companies, recorded a positive variation of 10 employees to 201, maintaining its weight in 12%.

Spain has presented, in 2022, a very slight increase of 1 employee in relation to the previous year, reaching a total of 53 and representing about 3% in terms of weight.

The remaining countries had 67 employees, 6 less than the previous year. Korda, a company located in Turkey, had around 39 employees and Inapa Belgium, 23.

The graph below illustrates the distribution of our employees by professional categories.

Employees per category



Considering the Group's commercial nature, by category, the commercial area represents 33% of the employees, and the logistics and transport area represents 43%. The support areas - technical, administrative and back office staff - represent 13% of the Group's employees. Senior management, board members and administration represent 11% of the total number of the Group's employees.

we deliver what we promise

Splitter printed on myIceblink Bianco 250g and
interior printed on myIceblink Bianco 145g.

GROUP'S ACTIVITY OVERVIEW

2

1

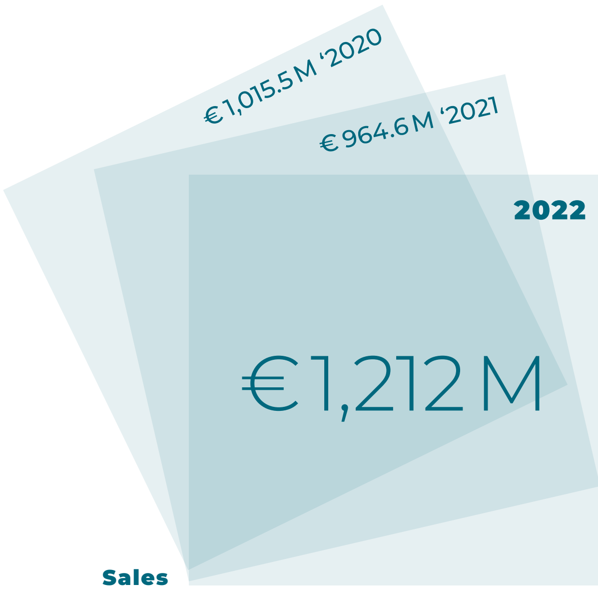
Main activity indicators

MILLION EUROS
(EXCEPT WHEN SPECIFICALLY MENTIONED)

	2022	2021	2020	2019	VAR. 22/21
Tonnes ('000)	714	841	913	887	-15.1%
Sales	1 211.7	964.6	1 015.5	1 030.8	25.6%
Gross Margin	242.7	179.3	185.5	178.4	35.4%
Gross Margin (%)	*20.0%*	*18.6%*	*18.3%*	*17.3%*	*1.4 pp*
Net operating costs	154.7	146.2	156.6	148.6	5.8%
Operating income	30.5	28.8	23.6	24.8	5.9%
Operating costs	185.2	175.0	180.2	173.4	5.8%
Impairment of trade receivables	1.1	1.6	1.5	1.5	-34.4%
Re-EBITDA	86.9	31.5	27.4	28.3	176.3%
Re-EBITDA (%)	*7.2%*	*3.3%*	*2.7%*	*2.7%*	*3.9 pp*
Non recurrent costs	10.8	0.7	11.6	1.6	10.2
EBITDA	76.1	30.8	15.8	26.7	147.0%
EBITDA (%)	*6.3%*	*3.2%*	*1.6%*	*2.6%*	*3.1 pp*
EBIT	52.8	15.5	-2.7	10.8	241.1%
EBIT (%)	*4.4%*	*1.6%*	*-0.3%*	*1.0%*	*2.8 pp*
Financial function	16.0	14.2	15.5	15.7	13.0%
EBT	36.8	1.3	-18.2	-4.9	35.5
Taxes on profits	-19.1	2.0	2.8	0.8	-21.0
Net income	17.8	3.3	-15.5	-4.1	14.4

	31/12/22	31/12/21	31/12/20	31/12/19	
Net debt	221.1	261.8	315.0	337.3	-15.6%
Net debt/Re-EBITDA	2.5 x	8.3 x	11.5 x	11.9 x	-5.8 x
Net debt excluding Trade Finance	202.9	241.8	258.7	248.4	-16.1%
Interest coverage	5.4 x	2.2 x	1.8 x	1.8 x	3.2 x
Working capital	35.8	11.4	73.0	87.6	215.1%

Inapa presents a table of alternative activity indicators to the Financial Statements. This table facilitates the analysis of the evolution of the business by the management and is aligned with what is practiced by the other market players.



Glossary

Sales: Sales of merchandise and other products [Note 25]. **Gross margin:** Sales of merchandise and other products [Note 25] - Cost of sales [Note 13] + Net cash discounts [Note 25] [Note 27]. **Net operating costs:** Operating costs – Operating income. **Operating income:** Service rendered and Other income excluding Net cash discounts [Note 25] [Note 27]. **Operating costs:** Personnel costs [Note 26] + Other costs (except for provisions and impairment of trade receivables) [Note 27], excluding Non recurrent costs. **Impairment of trade receivables:** Provisions and Impairment of trade receivables included in Other costs [Note 27]. **Re-EBITDA:** Earnings before depreciation and amortization [Note 28], Financial function, Non recurrent Costs and Income Tax [Note 30]. **Re-EBITDA (%):** Re-EBITDA / Sales. **Non recurrent costs:** Mainly related to restructuring costs, namely compensation for termination of work contracts [Note 26]. **EBIT:** Results before Net financial function and Income tax [Note 30]. **EBIT (%):** EBIT / Sales. **Financial function:** Net financial function [Note 29] +Gains / (losses) in associates [Note 10]. **Net debt:** Gross debt - Cash and cash equivalents [Note 21]. **Net debt excluding Trade Finance:** Net debt – Trade finance [Note 21]. **Financial charges coverage:** Re-EBITDA/Financial function. **Working Capital:** Trade receivables + Inventories – Trade payables.

2

Main events

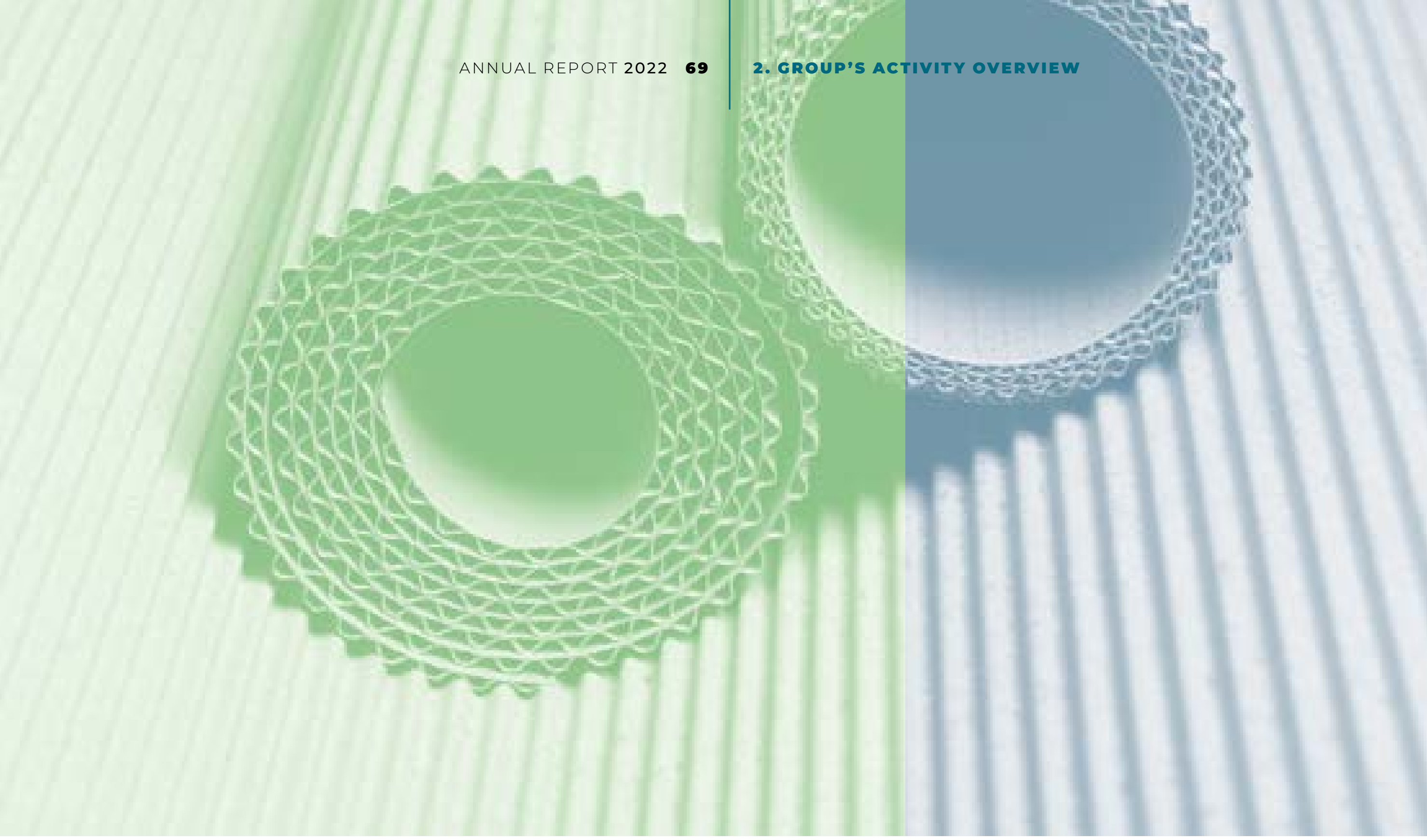
29/04 2021 Results Announcement

29/04 Annual Report Disclosure and Ordinary General Meeting notice

20/05 Ordinary General Meeting

20/05 Governing Bodies triennial 2022-24

15/09 Gender Equality Plan



21/09 First half 2022 results announcement

04/10 Qualified stake of Nova Expressão SGPS, SA

10/10 New representative for Investor Relations and the CMVM

16/11 Qualified stake of BCP

30/11 JJ Loos acquisition

Subsequent Facts

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

3 | Economic context

MACROECONOMIC CONTEXT

The year of 2022 was one of uncertainty and global-scale challenges. The conflict in Ukraine, which started when the world economy was still recovering from the impact of Covid-19, contributed to the acceleration of inflation in energy and subsequent contagion to food and service goods. Central banks have tightened their monetary policies in order to contain inflationary pressures. Purchasing power and consumer confidence have been reduced and investment decisions have been postponed or cancelled.

However, unlike in the world's two largest economies (the US and China), the Eurozone activity was less affected by the conflict than expected at the beginning of the year. This evolution is explained by different aspects that contributed to avoid a contraction in the last quarter, such as a mild winter, high levels of gas reserves and savings in gas consumption. These aspects coincided with the easing of inflation and historic low levels of unemployment in December (6.1%), generating positive signals for 2023.

The global growth for 2022 was 3%, which represents half of the growth in 2021. For 2023, a growth of 2% is forecasted. In the case of the European Union, the estimated growth in 2022 is 3.5%, with 0.8% expected for 2023.

The inflation rate was 9.2%, with a projection of 6.4% for 2023. The evolution will be strongly related to the development of the conflict in Ukraine and the consequent pressures on inflation and central bank policies.

In the next paragraphs, some comments are presented regarding the economic evolution in 2022 and future prospects in the countries where the Inapa Group operates.

In 2022 the **German economy** grew by 1.8%, stimulated by demand (mainly for services) related with the reopening of the economy in the post-pandemic period. Despite the growth, investment and private consumption had not yet reached pre-pandemic levels in the third quarter. In the fourth quarter, decreases were observed in these indicators, contributing to a reduction in GDP of 0.2%. In 2023, GDP is expected to grow by 0.2%. In the beginning of the year, it is anticipated a slight contraction related to rising energy prices and lower export growth. The evolution of energy prices, the development of government support for families, the gradual adjustment of global supply chains, as well as the financial strength of companies and order portfolios, are expected to contribute to the recovery of economic growth later on. Inflation in 2022 was 8.7%, with a projection of 6.3% for 2023.

The **French economy** grew by 2.6% in 2022, driven by a carry-over effect. A slowdown in the second half of the year related to supply constraints and increases in energy and raw material prices is highlighted. During this period, private consumption remained stable with a decline in the levels of consumer confidence. Increased imports have dampened growth. By 2023, GDP is projected to grow by 0.6%. The economy is expected to present restrained dynamism in the first half of the year. Investment will be reduced in line with rising production costs, tightening financial conditions and uncertainty. The expected slowdown in inflation will contribute to a gradual recovery in the second half. Private consumption and investment will increase as domestic demand and international trade recover. Inflation in 2022 was 5.9%, and in 2023 it is expected to be 5.2%.

In 2022, the **Spanish economy** grew by 5.5%. This evolution was fostered by the recovery of the tourism sector, private consumption, and developments in the labour market. However, in the last quarter, the economy was still below pre-pandemic levels (4Q2019). In 2023, the economy is expected to grow in the first semester, earning greater dynamism in the second semester. The expected growth for the year is 1.4%. The slowing down of inflation throughout the year should contribute to the strengthening of private consumption, as well as to the normalisation of the tourism sector. The implementation of the Recovery and Resilience Mechanism (RRP) will positively impact investment. In terms of constraints, the impact of the tightening of monetary policies and the reduction of the dynamism of the labour market stand out. Inflation in 2022 was 8.3%, and in 2023 it is expected to be 4.4%.

The **Portuguese economy** grew by 6.7% in 2022. Growth was spurred by private consumption and exports, benefiting from the dynamism of the tourism sector following the easing of restrictions associated with Covid-19. Industrial activity and construction presented a moderate performance, particularly in the last four months of the year. This evolution was related to unfavourable external conditions and volatility of raw material prices. For 2023, a growth of 1.0% is anticipated. The prospects for the beginning of the year are moderate, being related to uncertainties regarding energy prices during the winter months. Growth is expected to increase in the second quarter of the year, intensifying thereafter. Inflation in 2022 was 8.1%, and is expected to be 5.4% in 2023.

In 2022, the **Turkish economy** grew by 5.3%, presenting one of the highest growth rates among OECD countries in the first half of the year (7.5%). The strong growth in private consumption was fuelled by a favourable trend in the labour market. The tourism sector fully recovered, and exports benefited from supply constraints in Asia.

However, investment activity was moderate, and imbalances were developed, with the current account deficit increasing due to energy imports. Inflation reached 85.5% for consumer prices and 158% for producer prices in October 2022, driven by the depreciation of the lira and higher import prices. For 2023, growth is projected to be 3.0%, but uncertainties in global demand and geopolitical risks may limit investment and affect exports. Inflation is expected to persist above 40%.

The growth of the **Belgian economy** in 2022 was 3.1%. The easing of Covid-19-related restrictions contributed to a period of momentum in the first half of 2022, particularly in private consumption. In the second half of the year, there was a slowdown related with high inflation. In the third and fourth quarters, GDP increased by 0.2% and 0.1%, respectively. In 2023 the expected growth is 0.8%. The indexation of wages and social benefits to inflation will continue to contribute to the recovery of household purchasing power, with an expansion of private consumption expected. The response of economic actors to the needs of the energy transition and the financial contributions associated with the Recovery and Resilience Mechanism (RRP) should contribute to growth. On the other hand, uncertainty, tightening financial conditions, rising wages and input costs are likely to negatively affect investment decisions. Unlike in 2022, net exports are expected to slow the pace of growth (reflecting the trend associated with global trade). Inflation in 2022 was 10.3%, and in 2023 it is estimated to be 4.3%.

Gross domestic product, volume (percentage of change on preceding year, 2018-2023F)

	2018	2019	2020	2021	2022 F	2023 F
Global	3.6%	2.8%	-3.2%	5.9%	3.1%	2.2%
Eurozone (20)	1.8%	1.6%	-6.1%	5.3%	3.5%	0.9%
European Union	2.1%	1.8%	-5.7%	5.4%	3.5%	0.8%
Germany	1.0%	1.1%	-3.7%	2.6%	1.8%	0.2%
France	1.9%	1.8%	-7.8%	6.8%	2.6%	0.6%
Spain	2.3%	2.0%	-11.3%	5.5%	5.5%	1.4%
Portugal	2.8%	2.7%	-8.3%	5.5%	6.7%	1.0%
Belgium	1.8%	2.2%	-5.4%	6.1%	3.1%	0.8%
Turkey	3.0%	0.9%	1.8%	11.4%	5.3%	3.0%

SOURCE: EUROPEAN COMMISSION (FEBRUARY 2023). FOR GLOBAL AND TURKEY, OCDE (NOVEMBER 2022)

SECTOR FRAMEWORK

In the first half of 2022, paper consumption volumes in Western Europe remained stable compared to the previous year. However, in the second half of the year, there was a decrease in paper demand. This was due to the decision by operators along the value chain to reduce paper stocks (stocks had been reinforced in previous months to avoid disruptions in activity due to paper shortages, given the instability in paper production). The return to a more stable situation in logistics chains, mainly felt from September onwards, made part of the safety stocks redundant.

In Western Europe, the reduction in the consumption of paper for graphic, writing and printing was, according to Eurograph (European Association of Graphic Producers), 7.4% (in the first half of the year there was an increase of 0.4%). This level of reduction was felt in both the demand for coated woodfree and uncoated woodfree papers. It should be noted that, in overall, the decrease in paper consumption in Western Europe compared to the pre-pandemic period was around 20%.

Inapa's main markets - Germany, France, Spain, Portugal and Belgium - recorded a combined volume reduction of 9.7%. All these countries have experienced declines in demand. According to Eurograph, Germany recorded a reduction of 11.8%, France 8.4%, Spain 7.4% and Portugal 1.8%. These figures refer to the consumption of coated and uncoated papers – which represents about 90% of the papers sold. These figures do not include the remaining subfamilies that include specialties, cardboard and self--adhesives, among others. In the Benelux (Belgium and Luxembourg), where Inapa is mainly represented in the office paper segment, the market decreased by 8.1%. In Europe, the total reduction in aggregate volumes of coated and uncoated paper was 9.6%.

According to statistics from CEPI (Confederation of European Paper Industries), paper and board production decreased by 5.9% compared to 2021, to 84.8 million tonnes. In 2022, the structural divergence between the evolution of production for graphic, writing, and printing papers and paper and cardboard for packaging persisted. This was related with longer periods of inactivity in mills in the second half of the year (due to high electricity and gas costs), and with the conversion processes of mills. There was a decrease in the production of woodfree coated papers by 12.0% and woodfree uncoated papers by 5.8%, while newsprint continued its downward trend with a 9.9% decrease. Coated and uncoated mechanical pulp papers also experienced declines in production by 19.5% and 13.2%, respectively.

The production of paper and board for packaging presented a more moderate decline, reducing 4.6% versus 2021. The combined effect of the fall in exports to countries outside the Cepi's membership by 13.3%, with the periods of inactivity of the mills (previously mentioned), resulted in an overall reduction in activity of 3.3%. Imports from markets outside Cepi's coverage area grew by 6.8% compared to 2021, driven by greater availability in the maritime sector (e.g. reduction of container tariffs and increased availability).

In summary, the share of graphic grades in total production decreased to 26.1% in 2022, compared to 27.1% in 2021. The share of packaging grades was 59.8% (compared to 59.1% in 2021) and the share of all other grades of paper and board – mainly for industrial and special purposes - decreased to 4.8%. Finally, it is noteworthy that the sanitary and household paper segment increased its share to 9.3%, reaching levels similar to those seen during the Covid-19 pandemic.

In 2022, the price of coated papers increased by around 62.0%, depending on the weight, while the price of office papers in general grew by 37.2% and the price of newsprint increased by 78.9% (January to December - Fastmarkets [1] FOEX indices for Europe). Paper producers were impacted by successive increases in pulp prices in the early months of the year, as well as by a significant increase in energy costs in Europe related with the rise in gas prices (stimulated by the conflict between Russia and Ukraine), and by the high prices of CO_2 emission rights.

It is not expected that there will be any increases in pulp production capacity in the first half of 2023. Therefore, and given that there is growth in certain segments (such as tissue), prices are expected to remain stable. Potential price variations will be related to changes in cost variables such as energy.

1 FASTMARKETS RISI IS AN INDEPENDENT COMPANY THAT PUBLISHES PRICE STATISTICS FOR PULP, PAPER, RECYCLED PAPER AND WOOD BIOMASS.

4

Consolidated performance

In 2022, after two years of crisis caused by Covid-19, the activity was marked by the invasion of Ukraine by Russia in late February. The conflict resulted in sustained increases in energy costs, raw materials and transportation, which, combined with a shortage of paper supply in a context of mill closures and conversions, contributed to a further increase in prices. A strike in one of the major European paper producers, which lasted from December 2021 to April 2022, also contributed to a lower availability of paper in the European market.

The consolidated sales of the Inapa Group in 2022 were 1,211.7 million euros, representing an increase of 25.6% compared to 2021. This evolution reflected a very significant increase in paper prices in the various segments, which was related with substantial increases in paper production costs, in a context where demand was clearly higher than the supply.

Sales related to the complementary packaging, visual communication and office consumables businesses grew by 7.1% in 2022 compared to 2021. These areas showed positive performances, with the packaging business maintaining its resilience, registering a strong growth (+8.1% when compared to the previous year). With the resumption of events and fairs, which were suspended since 2020, the area of visual communication has witnessed a recovery, having recorded a growth of 4.3% in 2022 compared to 2021.

At the end of the year, Inapa Group concluded the acquisition of JJ Loos, a company specialised in the sale of printing equipment and consumables for visual communication (Viscom) in France. This transaction is part of Inapa's strategic plan for the 2022-2024 triennium, which highlights exploring acquisition opportunities in the packaging and visual communication areas as one of its priorities. By acquiring JJ Loos, the Group strengthens its position in France, where it is already present in the paper distribution sector through Inapa France, and in the packaging sector with Inapa Packaging, Semaq and Embaltec. The Group consolidated the operations of JJ Loos SAS on December 31, 2022.

The gross margin on sales increased by 1.4 percentage points, from 18.6% in 2021 to 20.0% in 2022. During this period, in a context of strong price increases by producers, our teams maintained a careful management of pricing and sales mix, continuing to focus on products with higher margins.

Net operating costs as a percentage of sales (excluding impairment of trade receivables),

decreased by 2.4 percentage points compared to the previous year (15.2% in 2021 to 12.8% in 2022), benefiting from gains from the reorganisations implemented in Germany, France, and Spain in recent years. In absolute terms, Inapa recorded an increase of 8.5 million euros, mainly due to the increase in personnel expenses (associated with commissions and bonuses related with better sales performances, as well as with the cancellation of government supports obtained in the context of the pandemic, namely layoffs), and transportation costs (mostly due to the increase in fuel costs).
Inapa remained focused on implementing cost reduction measures by creating more flexible structures. In this regard, additional cost reduction measures have been identified in logistics and commercial organisation in Germany. These measures are currently being implemented and savings are expected to be progressively reflected in 2023 and 2024.

In 2022, impairment of trade receivables amounted to 1.1 million euros, representing a decrease of 0.5 million euros compared to 2021. Inapa maintains strict monitoring of risks, following internal procedures for credit control of its client portfolio, while working closely with the Group's credit insurer to mitigate potential credit risks.

Recurring EBITDA improved significantly in 2022, reaching 86.9 million euros (+55.4 million euros compared to 2021). This amount represents 7.2% of sales, +3.9 p.p. compared to 2021.

The non-recurrent costs amounted to 10.8 million euros and were primarily related to expenses incurred with ongoing restructuring processes in the logistics and commercial areas in Germany aimed at optimizing the operations of the Group.

In 2022, EBITDA reached 76.1 million euros (equivalent to 6.3% of sales), representing an increase of 45.3 million compared to 2021.

Operating results (EBIT) were of 52.8 million euros, corresponding to an improvement of 37.3 million compared to the previous year.

The financial function for 2022 increased by 1.8 million euros to 16.0 million euros (compared to 14.2 million euros in 2021). This increase was driven by the rise in the average cost of debt, as reference rates progressively increased in the second half of the year, as well as non-recurring costs associated with early repayments of finance lease facilities..

The consolidated earnings before taxes were positive at 36.8 million euros (compared to 1.3 million euros in 2021) driven by the positive operational performance achieved during 2022. Income tax amounted to 19.1 million euros, of which around 12.6 million euros were related to deferred taxes and 6.5 million euros to current taxes. The net income for 2022 was positive at 17.8 million euros, representing an improvement of 14.4 million euros compared to 2021.

Working capital increased by 24.4 million euros compared to December 2021, to 35.8 million euros. This variation was related with the combined effects of, on the one hand, the application of the non-recourse factoring contract negotiated this year at Inapa France (covering a significant portion of customer balances in that geography, similar to what we did in 2021 for the Group's operations in Germany) and, on the other hand, by the increase in inventories by 34.9 million euros.

As of December 31, 2022, the consolidated net debt amounted to 221.1 million euros, representing a significant reduction of 40.7 million euros compared to December 2021. This translates into a significant improvement in the net debt / Re-EBITDA ratio from 8.3x in 2021 to 2.5x in 2022. The balance of short-term debt remained stable, with current debt excluding Trade Finance standing at 64.1 million euros, or 27% of the total gross debt (25% in December 2021).

Business areas performance

In 2022, the structural changes in consumption patterns, combined with the trend of digitalisation and e-commerce, continued to stimulate the growth in demand for paper and board packaging, which is essential for transportation, in the agri-food, pharmaceutical and other industries. Sanitary and household products also maintained a growth trend. On the other side, the more traditional writing and printing papers continued to record declines in consumption. Globally, in Western Europe, the decline was of around 20%, when compared to the pre-pandemic period.

Paper will always have its relevance to the global economy and will continue to be irreplaceable in many instances. There are many studies that prove the greater impact and recall of the messages transmitted on paper compared to electronic media, proving that the written word on paper has a tangible and tactile presence that can never be replaced by the information that is transmitted digitally. It is worth mentioning that paper is one of the most renewable and recyclable materials available, which is a highly relevant fact in the context of overall growing concerns regarding environmental sustainability.

On the supply side, we continued to witness, throughout 2022, to a progressive increase in the average paper price of the producers. This was driven by a significant increase in the cost of various production factors (pulp, chemicals, energy), as well as a new balance between supply and demand related with the economic recovery that resulted in an increase in paper demand in Europe. This occurred within a context of reduced supply by producers and strong limitations on paper imports from other continents due to constraints in the global logistics chain. In the second half of the year, predictions of an economic slowdown, coupled with rapid regularisation in logistics chains, led to a sharp reduction in stocks (which were previously at very high levels across the distribution chain).

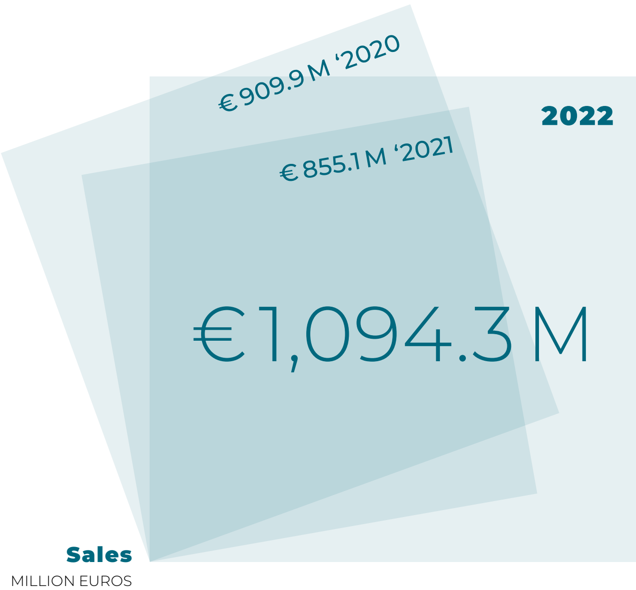
Paper distribution, the core business of the Inapa Group, was subject to the market dynamics described above, with sales in 2022 increasing by 28% compared to 2021, representing approximately 90% of the Group's total turnover. Inapa remained focused on margin optimisation, organic growth, and cost reduction measures, creating more flexible structures. In this regard, additional cost reduction measures were identified in the logistics and commercial organisation areas in Germany. These measures which are currently being implemented, will gradually be reflected in the 2023 and 2024 performance. We also carried out sale and leaseback operations for the Sintra and Leganés warehouses.

The packaging and visual communication complementary businesses recorded an overall growth of 7% compared to the same period in 2021. The packaging area has shown great resilience and has continued to evolve in a very positive way, supported by the growth in the e-commerce and agri-food industry, wine, chemical and cosmetic sectors, among others. Visual communication witnessed a positive evolution in the first months of 2022. This was related with the economic recovery and with the resumption of major specialty fairs and open-house events or webshops for our customers, who have shown a greater willingness to invest. In the second half of the year, there was a lower flow of orders compared to 2021, due to fears of recession in Europe caused by the risk of shortages of energy sources, high inflation levels and rising interest rates.

Inapa remains focused on boosting the cross-selling of packaging materials, visual communication and graphic and office consumables, as a way to increase its penetration in customers and off-set the decrease in the paper activity. In this sense, we continued to explore cross-selling in the areas of packaging through the sale of hygiene and safety products such as protective equipment for social distancing, sign & display and adhesive & floor marking.

Paper

In 2022, the Paper business of Inapa Group companies accounted for € 1,094.3 million in sales, representing a growth of approximately 28% compared to the same period in 2021.



After a first half of the year, in which paper consumption volumes in Western Europe were stable compared to the previous year, the second half saw a reduction in paper demand. This evolution was determined by the decision, by the operators along the value chain, to reduce paper stocks. Note: In the previous months the operators across the value chain strengthened the stocks to avoid stoppages of activity due to lack of paper, given the instability in paper production. The return to a more stable situation in the logistics chains, especially after September, made these security stocks redundant.

In 2022, Western Europe experienced a decrease in paper consumption of 7.4% compared to 2021. In the European countries where Inapa operates, consumption declined by 9.7% compared to 2021.

In this context, volume sales in 2022 were 714 thousand tonnes. This amount represents a decrease of 15% compared to the same period of 2021. However, the sales reached 1,094.3 million euros, which represents an increase of 28% compared to 2021.

Throughout the year, we continued to explore cross-selling opportunities (for solutions related with packaging, hygiene and safety products, PPE and social distancing equipment, sign & display, adhesive & floor marking, among others) as a way to increase penetration within customers and to offset the decline in the paper segment.

In Germany, the integration plan for Papyrus Deutschland was successfully implemented, with cost savings exceeding the targeted amount. However, the market decline related with the effects of Covid-19, exacerbated by the loss of market share during the merger and restructuring process, led to the need for further operation reduction. Inapa identified additional potential cost savings in logistics, commercial organisation, and administration, which are currently in the implementation phase, and will progressively have impact in 2023 and 2024. Throughout the year, Inapa stabilised its market share and increased margins, reaching a good level of profitability.

In France, strict pricing discipline and control of sales conditions led to a positive evolution of gross margin percentage (in relation to sales) compared to the same period of the previous year. This commercial dynamic, combined with an optimised and flexible cost structure, resulted in significant growth in profitability levels with a Re-EBITDA margin above the market average. In 2022, Inapa began the implementation project for the Group's new ERP (SAP S/4HANA), which is expected to be concluded in the second quarter of 2023.

Inapa continued its strategy of improving the sales mix, amidst a strong increase in prices by producers, largely driven by rising production costs (particularly pulp, energy, and chemicals). We have observed a change in the producers' commercial strategy, which is currently more reactive and focused on short-term, with immediate and high price increases, order selection (and cancellation), and discontinuation of less profitable businesses.

Given the new balance between supply and demand, we were able to pass on these increases in prices [1] to our customers and increase the margin on sales in 2022.

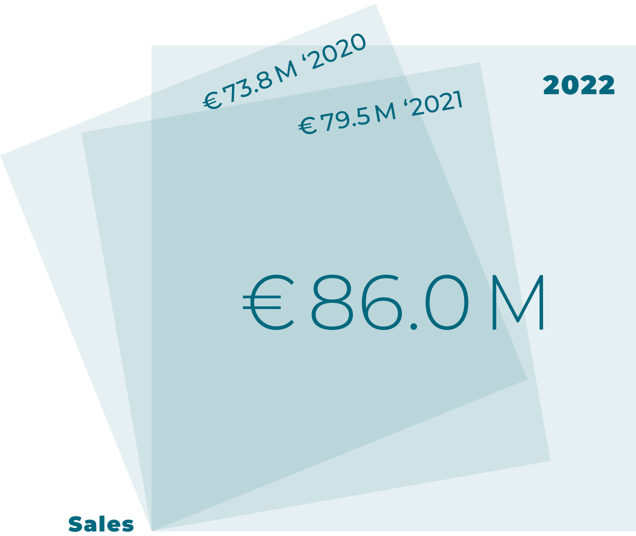
We remained focused on constant improvement of efficiency levels and sought new ways to optimise our structures. In 2022, we benefited fully from significant savings in operating costs resulting from the implementation of various restructuring plans in Germany, France, and Spain, while experiencing an increase in personnel expenses (related to commissions and bonuses due to improved sales performances and cancellations of government support obtained during the pandemic, including layoffs) and transportation costs (mostly due to the increased cost of fuel).

The operating results (EBIT) for the paper business were a positive 50.6 million euros, representing 4.6% of sales (14.9 million euros and 1.7% in 2021).

(1) AVERAGE SELLING PRICE: PAPER SALES/TONNES.

Packaging

In 2022, the Packaging business of the Inapa Group companies represented 86.0 million euros in sales, presenting a growth of approximately 8% compared to the same period in 2021.



Sales
MILLION EUROS

The year 2022 was characterised by constraints in the logistics area, the energy crisis, and disruption in production and supply chains. In this context, the packaging segment once again demonstrated its resilience by increasing sales by 8% compared to the same period in 2021. According to statistics from the Confederation of European Paper Industries (Cepi), it is estimated that the packaging market share has remained stable, representing 59.8% of the total production of paper and cardboard (59.1% in 2021).

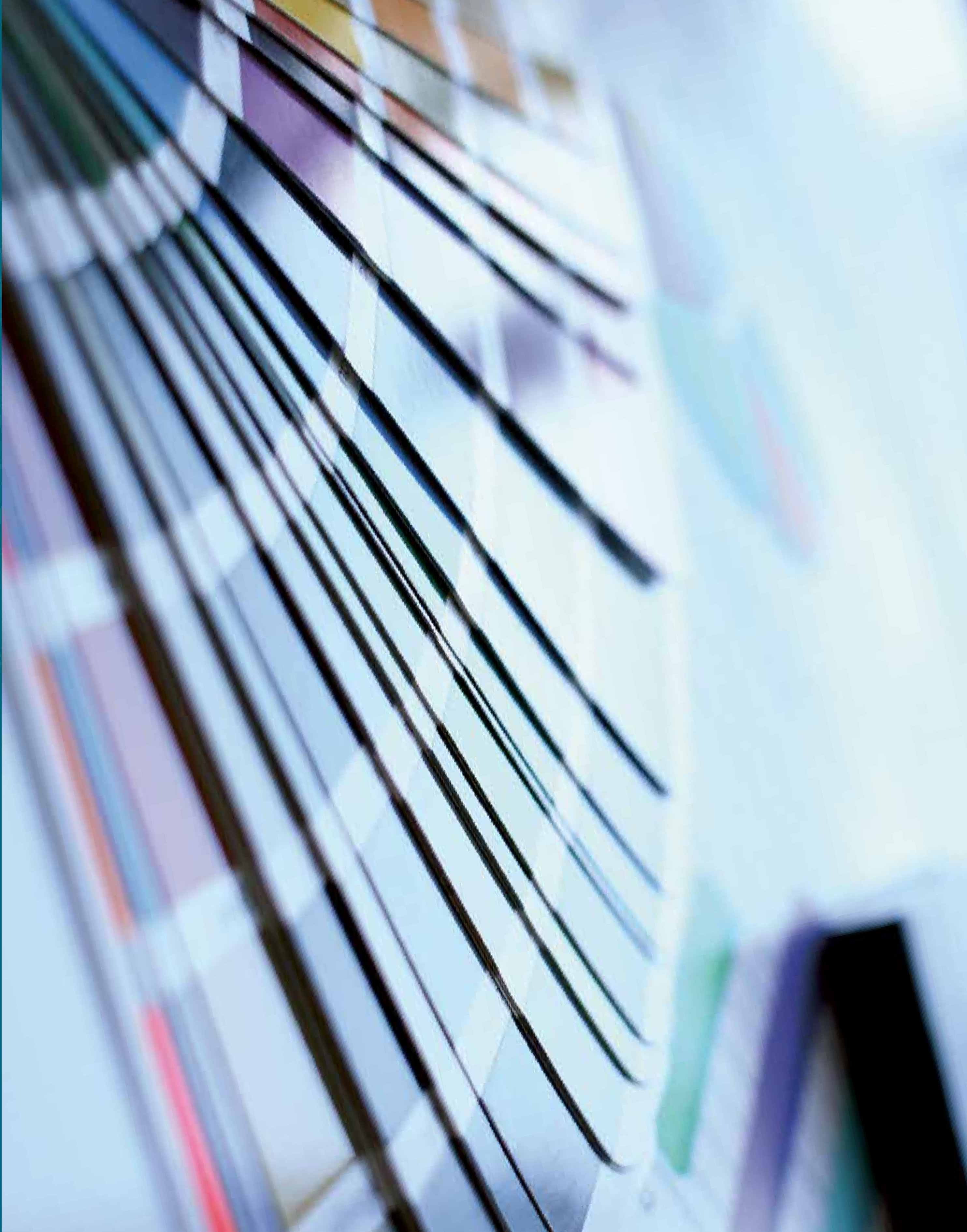
The packaging sector continued to benefit from the substitution effect resulting from the community phase-out standards for plastic packaging. Paper packaging can be easily recycled and does not pose any threat to the environment. With the increasing demand in its various uses such as food and beverages (Thermal packaging or Packaging for food) or in other sectors of the industry and transportation (Lightweight packaging), growth is expected to continue in the coming years.

In Germany, we continued the promotion of the different product ranges in our portfolio, particularly in the areas of e-commerce and maritime transportation solutions (one of the fastest growing areas in the German packaging market), and in the sale of standard products from Inapa Packaging (Stop Gliss solutions, among others). We also maintained our focus on process improvement and in the harmonisation of the product portfolio through the Inapa Deutschland sourcing chain, thereby optimising costs and increasing profitability.

Despite the challenges presented in 2022, Inapa maintains its prominent position in the French market. The economic situation of great uncertainty experienced in 2022 led to disruptions across the supply chains which we were able to overcome due to our strong relationships with our suppliers. This advantage allowed us to continue to support our customers by providing them a wide range of offerings for sectors such as agri-food, wine, chemical industry, and cosmetics, among others. We maintained a solid business development capacity supported by the modernisation of our sales tools (websites) and by the reinforcement of the training to our sales team (in topics such as new products and sales techniques). We remained focused on maintaining our margin and on the operational integration strategy of the three packaging companies in France. The goal of the integration is to optimise best practices in logistics and back-office areas, thereby ensuring high levels of profitability.

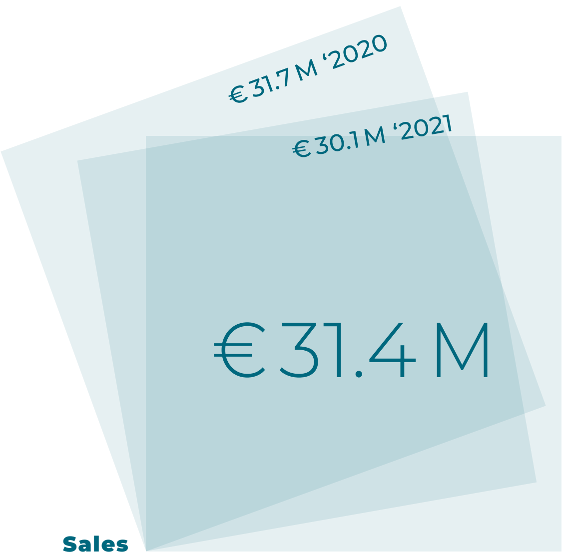
In Portugal, despite the positive return on investment from different options (e.g. offering customised and engineered packaging solutions; pursuing a diversification agenda for our customer portfolio; entering new market segments), sales evolution was negatively impacted by the transition in early January to the new ERP of the Group (SAP S/4HANA) leading to the reduction in volume in the key & major accounts, automotive, and e-commerce channels. The impact of the slowdown in our commercial performance associated with the increase in operational costs (particularly in transportation and distribution, energy & utilities, and personnel costs) resulted in a deterioration of profitability compared to 2021. We were, however, successful in controlling and protecting the commercial margins by applying an effective pricing strategy and the implementation of actions to increase productivity and mitigate risks caused by high inflation.

The operational results in the packaging area were 3.9 million euros, representing 4.5% of sales (4.4 million euros and 5.5% in 2021).



Visual communication

In 2022 the business of the Visual Communication generated 31.4 million euros of sales, presenting a growth of about 4% compared to 2021.



Sales
MILLION EUROS

After two years of being impacted by the challenges posed by the Covid-19 pandemic, in particular, the reduction of events and advertising investments, the market has seen a recovery in the first months of 2022. Along with a greater willingness to invest in new equipment by our clients, there has been an increase in the flow of orders and in the demand for maintenance and spare parts services. For the first time since April 2020, we participated (again) in specialty fairs (such as FESPA in Berlin, CPrint in Madrid, and Portugal Print in Portugal, among others). This is a great sales booster, especially in the LFP (Large Format Printing) segment.

However, the maintenance of high levels of inflation in the second half of the year, the increase in interest rates, the uncertainty regarding energy prices, combined with forecasts of recession in 2023, led to a slowdown in demand, more specifically to a greater reluctance of customers to make new investments in hardware, along with a greater competition in the market, generating pressure on margins.

In Germany, we launched different initiatives to boost sales such as the diversification of the product portfolio and the reactivation of the webshop, along with the holding of open house events and technical assistance workshops in the different locations of Inapa ComPlott. We have also organised technical training programmes related with maintenance services in the LFP segment which is an area of high added value.

In Portugal, there was a slight increase in sales which was driven by investments in large format digital printing equipment and diversification of our portfolio. However, the combined impact of inflation with the worsening of our operational cost structure, a decrease in demand for higher value-added products and intense competition, resulted in a reduction in gross margin and profitability. The transition to the new ERP of the Group (SAP S/4HANA), at the beginning of the year, brought some challenges and disruptions that required resilience and perseverance from the entire organisation.

In 2022 the operational performance stood at break-even (0.8 million euros and 2.8% in 2021).

At the end of the year, the Inapa Group completed the acquisition of JJ Loos, a French company specialised in the commercialisation of printing equipment and consumables for visual communication (Viscom). JJ Loos was founded in 1964 and is headquartered in Mulhouse, France, where it is a market leader. With this acquisition we have taken another important step towards the growth and strengthening of our presence in the French market, creating the conditions for the development of commercial synergies and the logistics chain. The Group consolidated JJ Loos' operations on December 31, 2022.

We will continue to develop the visual communication business area in a sustainable way through organic growth, and we will keep an eye out for new opportunities that can drive growth through acquisitions.

6 Inapa - IPG activity

Inapa – IPG, as the holding company of the Group, assumes the definition of the Group's strategic policy, the coordination of the operational activities of the subsidiaries' operational activities in the various markets in which it operates and the search for synergies between the various businesses. During the current year, the company's activity was extended to the following areas of intervention:

- Definition of the Group's strategic guidelines;
- Coordination of the implementation of the Strategic Plan of the markets in which the Group operates;
- Definition of the commercial policy guidelines in each market;
- Settlement of the procurement and negotiation policies with the main Group suppliers;
- Settlement of a funding policy and coordination of its implementation;
- Coordination of treasury and development of relationships with the financial system;
- Management of its real estate properties in Spain, through a specific local branch;
- Planning and management control;
- Definition of the Group accounting policies;
- Internal audit;
- Definition and monitoring of the main risks;
- Development of relations with the shareholders, investors and capital market regulatory institutions;
- Definition of the investment policy and coordination of its implementation;
- Management coordination of information systems;
- Corporate communication;
- Group legal advisory.

Inapa – Investimentos, Participações e Gestão, S.A. reported a positive net income of 17.8 million euros, which compares with a positive result of 3.3 million euros in the previous year.

Sales and services rendered and other income and gains (resulting from services rendered to subsidiaries, from the negotiation of purchases from major suppliers and from the management of own brands) reached 13.8 million euros. Operating results in 2022 were positive and amounted to 24 million euros.

Total equity, on December 31, 2022 was 176.7 million euros. Total net assets amounted to 365.9 million euros, compared to 342.3 million euros in the same period of last year.

Outlook for 2023

The year 2022 was a period of uncertainty and challenges, with the conflict in Ukraine and its repercussions on economic activity being particularly noteworthy: inflation, tightening of central bank monetary policies, and a significant reduction in consumer and investor confidence, among other. Despite this, the European Union's economy grew by around 3%, supported by the easing of Covid-19 restrictions and carry-over effects from 2021. In 2023, economic growth is expected to be more moderate, being projected at 1% (and in line with the slowdown observed in the second half of 2022). The outcome of the conflict in Ukraine will be crucial for growth and inflation.

In the paper industry, in addition to the ongoing structural trend of digitisation, sustainability issues, and energy trends, other significant movements and trends were observed in 2022. These include a reduction in demand for coated and uncoated papers, an increase in the importance of packaging paper compared to graphic art paper, and a significant increase in prices.

We anticipate that 2023 will be, like previous years, a highly challenging period in terms of the context. We will continue with the implementation of the 2022-24 strategy, which consists in promoting efficiency, growth in non-paper business, and our sustainability impact, to consolidate our positioning.

We will maintain our focus on margin management, by optimising the product mix and driving sales of higher value-added products, and also by using electronic sales channels and adopting a highly disciplined pricing approach. The importance of this focus is significant given the context of high price volatility.

The process of consolidating the organisational structure to leverage scale and increase efficiency and flexibility will continue. In 2022, several initiatives were implemented towards this goal, such as the adoption of the new Group ERP (SAP S/4HANA) in Portugal and Spain, and the development of a logistics project in Germany which aims to optimise operations in that geography. The implementation of SAP in France and Turkey is planned for 2023. This process will complete the digital transformation of the Group. We will continue focused on leveraging synergies from the acquisitions of Papyrus Deutschland (including additional opportunities identified for implementation in 2022 and 2023) and JJ Loos (a visual communication company acquired in November 2022).

Regarding growth, Inapa will continue investing in non-paper products to promote organic growth through cross-selling. As in 2022, with the acquisition of JJ Loos, we will continue to explore opportunities for inorganic growth in the Packaging and Visual Communication (Viscom) areas.

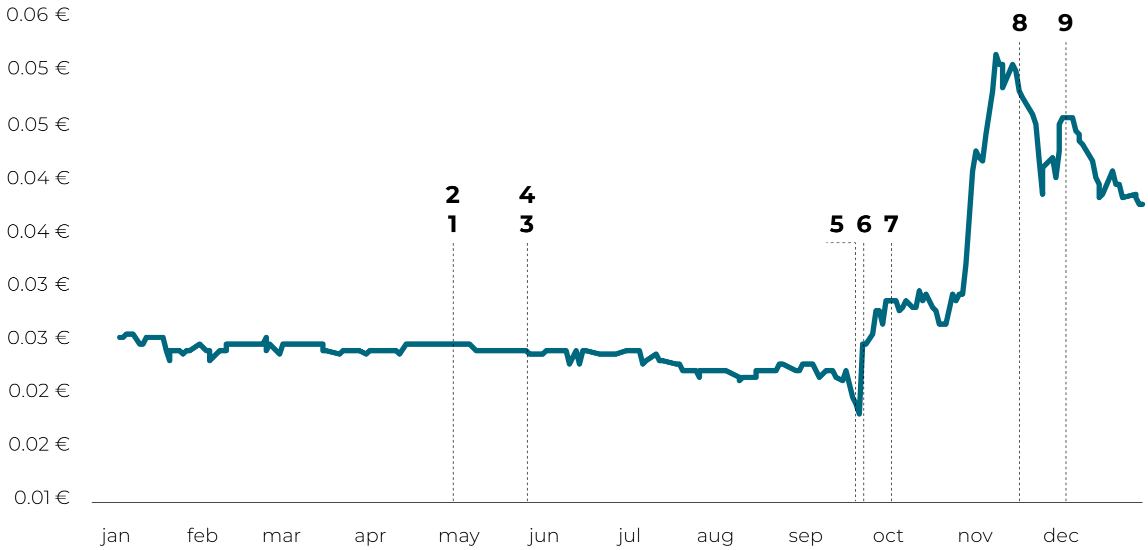
Financial sustainability will continue to be essential in the context of inflation and rising interest rates. We will carry on highly focused on debt reduction, working capital management, and optimisation of gross margin. The reduction in debt levels registered in recent years illustrates the path we intend to pursue. We will also strive to improve our impact on the non-financial sustainability aspects, through the reduction of our ecological footprint, the strengthening and rejuvenating of our teams, and the improvement of the overall impact of our activities on society.

Share performance

In 2022, an appreciation of Inapa's share price has been observed as well as an increase in the volume of transactions when compared to 2021.

From the beginning until the end of 2022, the share price varied from € 0.022 to € 0.037 (68%). This appreciation was mainly observed after the second half of September. The highest value has been reached in November (€ 0.051).

Ordinary shares price evolution



Caption:

1. 2021 ANNUAL RESULTS ANNOUNCEMENT, RELEASE OF FINANCIAL AND SUSTAINABILITY REPORTS (APRIL 29TH)

2. NOTICE OF ORDINARY GENERAL MEETING (APRIL 29TH)

3. ORDINARY GENERAL MEETING (MAY 20TH)

4. ELECTION OF THE GOVERNING BODIES FOR THE THREE-YEAR PERIOD 2022-2024 (MAY 20TH)

5. GENDER EQUALITY PLAN (SEPTEMBER 19TH)

6. ANNOUNCEMENT OF FIRST HALF RESULTS (SEPTEMBER 21ST)

7. QUALIFIED PARTICIPATION OF NOVA EXPRESSÃO, SA INCREASE TO 10% OF VOTING RIGHTS (SEPTEMBER 30TH)

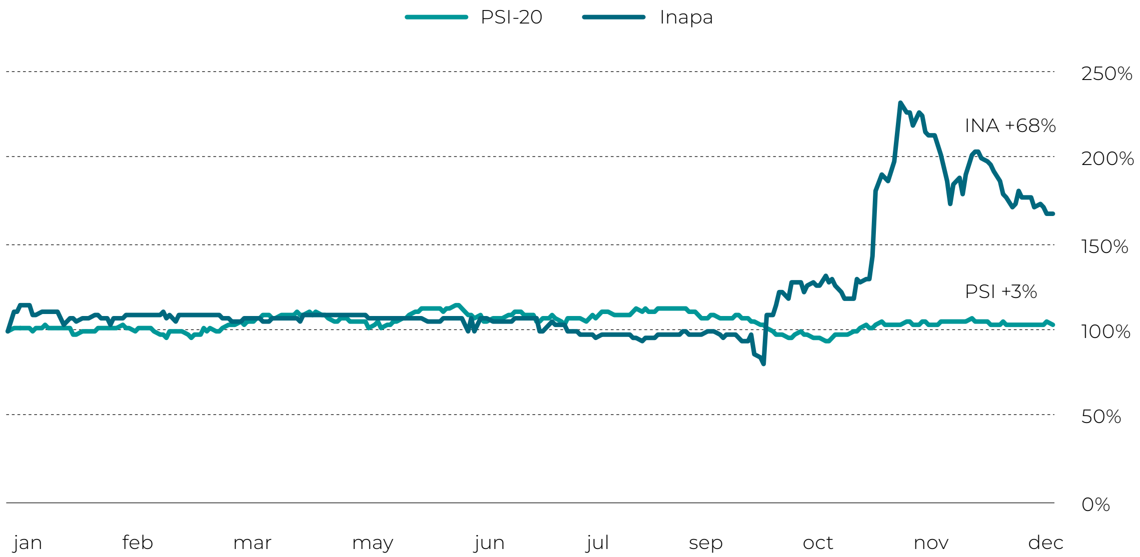
8. QUALIFIED HOLDING OF BANCO COMERCIAL PORTUGUÊS. REDUCTION TO 14.962 % OF THE VOTING RIGHTS (NOVEMBER 15TH)

9. ANNOUNCEMENT OF THE ACQUISITION OF JJ LOOS (NOVEMBER 30TH)

The performance of Inapa shares (+68%) and of the PSI-20 index - which closed the year with a growth of 3% (to 5,726 points) - contrasts with a negative year for most stock markets which coincided with the challenges associated with the recovery of the constraints associated with Covid-19, the conflict in Ukraine, inflationary pressure, and the rise in interest rates, among other things.

2022 Inapa share price evolution vs PSI-20

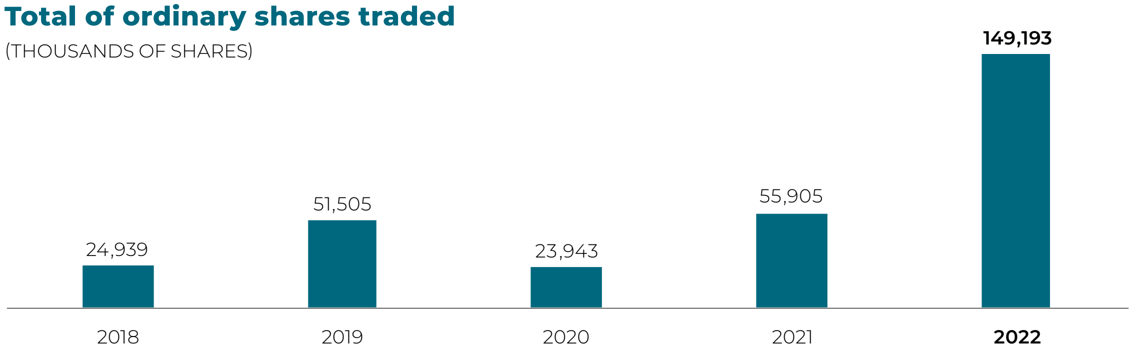
(INDEX=100; 31 DEC 2022)



Concerning volumes, during 2022 more than 149 million of Inapa shares were traded, which corresponds to about 28% of the shares representing the share capital of Inapa and an increase in activity of 167%, when compared to the previous year. This was the year with the highest volume of activity since 2009 (when 349 million shares were traded). As in 2021, the last four months of the year have registered the highest level of activity (81% of the transactions recorded).

Total of ordinary shares traded

(THOUSANDS OF SHARES)



9

Own shares

During the course of 2022, the company did not sell or purchase any of its own shares, and, as so, does not own any of its own shares.

Authorisations granted for transactions between the Company and its Directors.

During the course of the financial year, there were no transactions between the Company and any of its Directors, and no requests for authorisation of any such transactions were submitted to the Company.

10

Application of results

Under the provisions of Articles 32 and 33 of the Companies Code, we propose that the net income of Inapa - Investimentos, Participações e Gestão, SA, in the amount of positive € 17,758,630.01 (seventeen million seven hundred and fifty-eight thousand, six hundred and thirty euros and one cent), should be reported as Retained Earnings.

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Declaration of compliance

In conformance with the provisions of paragraph 1, subparagraph c) of Article nr. 29°-G of CVM (the Portuguese Securities Code), applicable by virtue of the provisions of paragraph 1 of Article 19 of Law No. 99-A/2021, of 31 December, each member of the Board of Directors of Inapa – Investimentos, Participaçãoes e Gestão, S.A. thereby declare that, to the best of their knowledge, the information contained in the Management Report, in the Annual Accounts and in other individual and consolidated financial statements, required by law or regulations as at 31 December 2022, was prepared in conformity with the applicable accounting standards, providing a true and fair view of the assets and liabilities, the financial position and the results of the company and of the companies included in the consolidation perimeter, and that the Management Report faithfully sets out the evolution of social businesses, of the performance and position of this company and of the companies included in the consolidation perimeter, containing a description of the main risks and uncertainties faced by these companies.

Lisbon, May 3rd 2023

Diogo Francisco Bastos Mendes Rezende
CHAIRMAN OF THE BOARD OF DIRECTORS AND CHAIRMAN OF THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTOR

Inês Patrícia Arêde Simões Louro
MEMBER OF THE BOARD AND MEMBER OF THE EXECUTIVE COMMITTEE

Frederico João de Moser Lupi
MEMBER OF THE BOARD AND MEMBER OF THE EXECUTIVE COMMITTEE

Victor Maurílio Silva Barros
MEMBER OF THE BOARD AND CHAIRMAN OF THE AUDIT COMMITTEE

Emília de Noronha Galvão Franco Frazão
MEMBER OF THE BOARD AND MEMBER OF THE AUDIT COMMITTEE

Patrícia Isabel Sousa Caldinha
MEMBER OF THE BOARD AND MEMBER OF THE AUDIT COMMITTEE

João Miguel Pacheco de Sales Luís
MEMBER OF THE BOARD

we have the capabilities to reinvent ourselves

Splitter printed on myIceblink Bianco 250g and
interior printed on myIceblink Bianco 145g.

FINANCIAL INFORMATION

3

Consolidated financial statements

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

THOUSAND EUROS

	Notes	December 31, 2022	December 31, 2021
ASSETS			
Non current assets			
Tangible fixed assets	7	30,822	57,390
Goodwill	8	228,971	232,620
Right of use assets	9	34,596	33,105
Intangible assets	9	129,401	125,471
Investments in associate companies	10	1,346	2,260
Assets at fair value through profit or loss	11	119	120
Other non current assets	15	2,749	3,373
Deferred tax assets	12	25,911	37,148
Total non current assets		**453,914**	**491,487**
Current assets			
Inventories	13	89,956	55,032
Trade receivables	14	49,281	65,801
Income tax receivables	15	1,321	652
Other current assets	15	53,017	60,481
Cash and cash equivalents	16	16,503	7,982
Total current assets		**210,078**	**189,950**
Total assets		**663,992**	**681,437**

(cont.)

TO BE READ TOGETHER WITH THE CONSOLIDATED NOTES OF THE FINANCIAL STATEMENTS.

	Notes	December 31, 2022	December 31, 2021
SHAREHOLDERS' EQUITY			
Share capital	18	180,135	180,135
Share issue premium	19	431	431
Reserves	19	21,282	19,782
Retained earnings	19	-42,926	-46,240
Net profit for the period	20	17,759	3,314
Total shareholders' equity		**176,681**	**157,422**
LIABILITIES			
Non current liabilities			
Loans	21	155,395	183,408
Deferred tax liabilities	12	50,993	48,618
Provisions	22	453	62
Employees' benefits	23	16,866	21,780
Other non current liabilities	24	17	17
Total non current liabilities		**223,724**	**253,886**
Current liabilities			
Loans	21	82,183	86,387
Trade payables	24	103,428	109,470
Income tax liabilities	24	13,302	11,189
Provisions	22	7,389	1,542
Other current liabilities	24	57,284	61,542
Total current liabilities		**263,587**	**270,129**
Total shareholders' equity and liabilities		**663,992**	**681,437**

TO BE READ TOGETHER WITH THE CONSOLIDATED NOTES OF THE FINANCIAL STATEMENTS.

CONSOLIDATED INCOME STATEMENT AT DECEMBER 31, 2022 AND DECEMBER 31, 2021

THOUSAND EUROS

	Notes	December 31, 2022	2nd half 2022*	December 31, 2021	2nd half 2021*
Tonnes*		**714,356**	**324,471**	**841,225**	**448,303**
Sales and services rendered	25	1,230,390	607,204	980,911	527,896
Other income	25	16,164	9,402	12,506	6,596
Total income		**1,246,554**	**616,605**	**993,417**	**534,492**
Cost of inventories sold	13	-973,364	-485,342	-782,581	-421,495
Personnel costs	26	-107,193	-54,992	-94,096	-48,746
Other costs	27	-89,936	-42,718	-85,952	-42,912
Operating results before depreciations and amortizations		**76,060**	**33,553**	**30,789**	**21,339**
Depreciations and amortizations	28	-23,239	-13,787	-15,304	-7,435
Operating results		**52,822**	**19,767**	**15,484**	**13,904**
Gains / (losses) in associates	10	188	34	655	668
Financial results	29	-16,187	-8,157	-14,807	-7,825
Net profit before income tax		**36,823**	**11,644**	**1,332**	**6,747**
Income tax	30	-19,064	-9,846	1,982	-417
Net profit for the period		**17,759**	**1,799**	**3,314**	**6,330**
Attributable to:					
Shareholders of the company		17,759	1,799	3,314	6,330
Earnings per share on continuing operations - euros					
Basic	20	0.0337	0.0034	0.0063	0.0120
Diluted	20	0.0272	0.0028	0.0048	0.0093

TO BE READ TOGETHER WITH THE CONSOLIDATED NOTES OF THE FINANCIAL STATEMENTS.

* NON AUDITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT DECEMBER 31, 2022 AND DECEMBER 31, 2021

THOUSAND EUROS

	Notes	December 31, 2022	2nd half 2022*	December 31, 2021	2nd half 2021*
Net profit for the period before non controlling interests	4	**17,759**	**1,799**	**3,314**	**6,330**
Items that will not be reclassified to profit or loss					
Actuarial gains / losses	19 and 23	2,270	-275	1,061	1,061
Other changes	19	102	102	-	-
Items that may be reclassified subsequently to profit or loss					
Exchange conversion differences	19	-872	-356	-1,492	-1,132
Other comprehensive income recognized in equity		**1,500**	**-529**	**-432**	**-71**
Total comprehensive income for the period		**19,259**	**1,269**	**2,883**	**6,259**
Attributable to:					
Shareholders of the company		19,259	1,269	2,883	6,259
		19,259	**1,269**	**2,883**	**6,259**

TO BE READ TOGETHER WITH THE CONSOLIDATED NOTES OF THE FINANCIAL STATEMENTS.

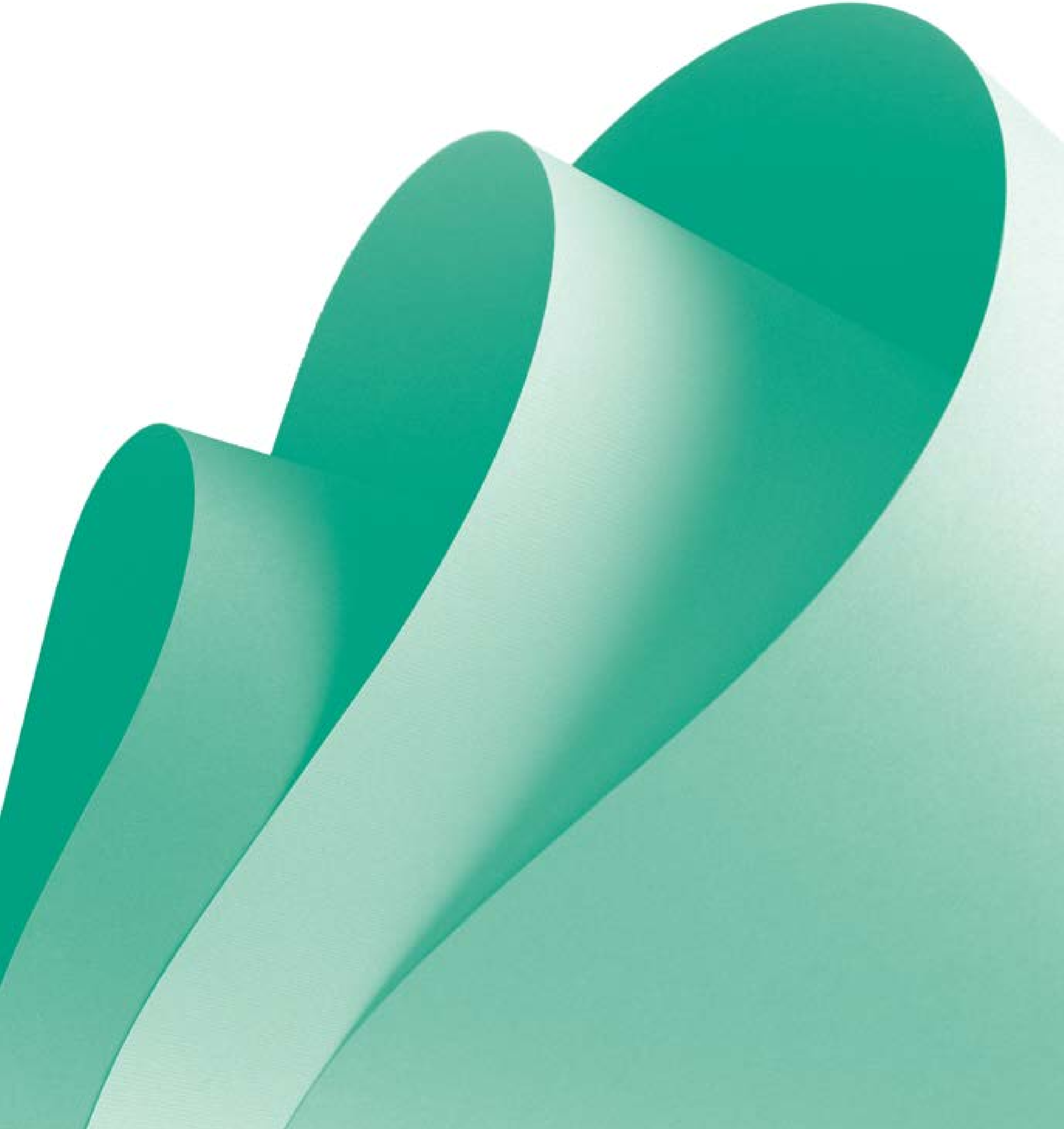
* NON AUDITED

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT DECEMBER 31, 2022 AND DECEMBER 31, 2021

THOUSAND EUROS

		Attributable to shareholders						
	Notes	**Share Capital**	**Share issuance premium**	**Reserves**	**Retained earnings**	**Net profit for the period**	**Total**	**Total shareholders' equity**
Balance as at January 1, 2021		**180,135**	**431**	**20,214**	**-30,786**	**-15,454**	**154,540**	**154,540**
Total comprehensive income		-	-	-432	-	3,314	2,883	2,883
Previous year net loss		-	-	-	-15,454	15,454	-	-
Distribution of dividends		-	-	-		-	-	-
Other variances		-	-	-		-	-	-
Total for the period		**-**	**-**	**-432**	**-15,454**	**18,768**	**2,883**	**2,883**
Balance as at December 31, 2021		**180,135**	**431**	**19,782**	**-46,240**	**3,314**	**157,422**	**157,422**
Balance as at January 1, 2022		**180,135**	**431**	**19,782**	**-46,240**	**3,314**	**157,422**	**157,422**
Total comprehensive income	19	-	-	1,500	-	17,759	19,259	19,259
Previous year net profit	18	-	-	-	3,314	-3,314	-	-
Distribution of dividends		-	-	-		-	-	-
Reduction of equity to cover losses		-	-	-		-	-	-
Other variances	19	-	-	-	-	-	-	-
Total		**-**	**-**	**1,500**	**3,314**	**14,445**	**19,259**	**19,259**
Balance as at December 31, 2022		**180,135**	**431**	**21,282**	**-42,926**	**17,759**	**176,681**	**176,681**

TO BE READ TOGETHER WITH THE CONSOLIDATED NOTES OF THE FINANCIAL STATEMENTS.



CONSOLIDATED CASH FLOW STATEMENT AS AT DECEMBER 31, 2022 AND DECEMBER 31, 2021

THOUSAND EUROS

	Notes	December 31, 2022	2nd half 2022*	December 31, 2021	2nd half 2021*
Cash flow generated from operating activities					
Cash receipts from customers		1,441,412	718,465	1,140,949	622,587
Payments to suppliers		-1,159,959	-588,463	-929,886	-486,942
Payments to personnel		-89,914	-45,064	-74,900	-39,049
Net cash from operational activities		**191,540**	**84,937**	**136,163**	**96,596**
Income taxes received/(paid)		-4,421	-3,216	-1,291	-690
Other proceeds/(payments) relating to operating activity		-129,714	-59,632	-108,055	-75,262
Net cash generated from operating activities	**|1|**	**57,404**	**22,089**	**26,817**	**20,644**
Cash flow from investing activities					
Proceeds from:					
Financial investments		1,994	894	-	-
Tangible fixed assets	7	11,297	86	9,695	8,875
Interest and similar income		-	-	-	-2
Dividends		-	-	783	783
		13,291	**980**	**10,478**	**9,656**
Payments in respect of:					
Financial investments	37	-3,500	-3,500	-	-
Tangible fixed assets		-1,739	-1,134	-1,405	-546
Intangible assets		-833	-376	-1,959	-32
		-6,072	**-5,009**	**-3,364**	**-578**
Net cash used in investing activities	**|2|**	**7,219**	**-4,029**	**7,114**	**9,078**

(cont.)

TO BE READ TOGETHER WITH THE CONSOLIDATED NOTES OF THE FINANCIAL STATEMENTS.

	Notes	December 31, 2022	2nd half 2022*	December 31, 2021	2nd half 2021*
Cash flow from financing activities					
Proceeds from:					
Loans obtained	16	198,706	69,214	208,712	90,212
Interest and similar income		33	33	-	-
		198,739	**69,247**	**208,712**	**90,212**
Payments in respect of:					-
Loans obtained	16	-219,701	-80,964	-203,859	-106,333
Lease capital payments	16	-22,923	-11,772	-11,457	-8,160
Interest and similar expenses	16	-12,068	-5,531	-10,508	-6,250
		-254,692	**-98,267**	**-225,825**	**-120,743**
Net cash used in financing activities	**|3|**	**-55,953**	**-29,020**	**-17,113**	**-30,530**
Increase / (decrease) in cash and cash equivalents	|4| = |1| + |2| + |3|	8,670	-10,960	16,818	-809
Effect of exchange differences		-80	-54	-421	-394
		8,590	**-11,013**	**16,396**	**-1,203**
Cash and cash equivalents at the beginning of the period		7,009	26,612	-9,386	8,212
Cash and cash equivalents at the end of the period	16	15,599	15,599	7,009	7,009
		8,590	**-11,013**	**16,396**	**-1,203**

TO BE READ TOGETHER WITH THE CONSOLIDATED NOTES OF THE FINANCIAL STATEMENTS.

* NON AUDITED

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Notes to the Consolidated Financial Statements

AS OF 31 DECEMBER 2022
(AMOUNTS EXPRESSED IN THOUSANDS OF EUROS, EXCEPT WHERE SPECIFICALLY INDICATED)

1. Introduction

Inapa – Investimentos, Participações e Gestão, S.A. (Inapa – IPG, company or Group) is the parent company of Inapa Group, with the business purpose of owning and managing movable and fixed assets, holding shares in other companies, exploiting its own and third-party commercial and industrial establishments and providing support to companies in general. Inapa Group's main activities are paper distribution, packaging and visual communication. Inapa – IPG is listed on the Euronext Lisbon.

Name: Inapa - Investimentos, Participações e Gestão, SA
Headquarters: Rua Braamcamp 40 - 9°D 1250-050 Lisboa, Portugal
Share capital: 180,135,111 euros
N.I.P.C.: 500 137 994

As a result of its development and internationalization plan, the Inapa Group holds shares in the Paper supply sector in various European countries, specifically (i) Inapa Deutschland Holding, GmbH, which holds shares in Inapa Packaging, GmbH, Inapa ComPlott, GmbH, Inapa Logistics GmbH and Inapa Vertriebs GmbH, headquartered in the same country and Inapa Netherlands BV, headquartered in Netherlands, (ii) Inapa France, S.A. (iii) JJ Loos, SAS (company purchased in 2022 that develops its activity in the visual communication area) (iv) Inapa Portugal - Distribuição de Papel, S.A., the Portuguese company in the Group which holds shares in Inapa Angola - Distribuição de Papel, S.A. and Inapa Comunicação Visual, Lda. (v) Inapa España Distribución Iberica, S.A., operating in Spain, which holds shares in Surpapel, SL (company that markets paper),(vi) EUROPACKAGING - Investimentos, Participações e Gestão, Lda., based in Portugal that develops its activity in Portugal and France through its subsidiaries, Inapa Packaging Lda, Embaltec, Inapa Packaging SAS and Semaq, (vii) a company located in the United Kingdom - Inapa Merchants Holding, Ltd, company without activity, (viii) Inapa Belgium, operating in the Benelux market and (ix) Korda Kağıt Pazarlama ve Ticaret Anonim Şirketi, company operating in the Turkish market.

These consolidated financial statements were approved by Inapa – IPG's Board of Directors on 27 April 2023, being subject to shareholder approval at the General Meeting. It is the opinion of the Board that these financial statements appropriately reflect the Group's operations and financial position.

2. Main accounting policies

The main accounting policies used in the preparation of the consolidated financial statements are described below. These policies were applied consistently in all of the given exercises, unless otherwise stated.

2.1 Basis for presentation

The consolidated financial statements for the Inapa Group 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 and in force at 1 January 2022.

The basis of measurement of the consolidated financial statements of the Inapa Group is the historical cost, except for financial assets at fair value through profit or loss.

The Board of Directors made an evaluation on 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 subsequent events to the reference date of the financial statements, available on the future.

As a result of the evaluation carried out, supported by its projections of short-term cash flows, the Board of Directors concluded that the Group has adequate resources to maintain its activities with no intention of ceasing activities in the short term, and considered it appropriate to use the assumption of continuity of operations in the preparation of the financial statements. This conclusion is not affected by the current liabilities / current assets ratio, since it) results from the way the activity is financed, namely through factoring operations (Note 21), which are negotiated in a timeframe that extends beyond twelve months after the date of approval of the financial statements, and there is the perspective of maintenance of the financing lines currently available; and ii) is temporarily affected in about 15 million euros by the consideration as short term of a loan contracted by the German subsidiary of the Group with a bank consortium (Note 21), the conversion of which to medium and long--term has in the meantime been negotiated.

The preparation of consolidated financial statements requires the use of relevant estimates and judgements regarding the application of the Group's accounting policies. The main assertions, where a greater degree of judgement or complexity is involved, and the more significant assumptions and estimates used for preparing the consolidated financial statements are described in Note 5.

2.2 Basis for Consolidation

Investments in subsidiary companies
Investments in companies in which, directly or indirectly, the Group has the power to control the entities, were included in these financial statements using the full consolidation method (Note 34). The power to control an entity occurs when Inapa - IPG is exposed or holds rights to variable results through its relationship with the entity and has the ability to affect these results through the power it exercises over the entity (subsidiary). The shareholders' equity and the net income, corresponding to the portion owned by third parties, are booked under the caption "Non-controlling interests". Subsidiaries are included in the Consolidation from the date on which control is acquired until the date on which this effectively ends.

Accounting for the acquisition of subsidiaries is carried out using the purchase method, where the assets and liabilities of each subsidiary are identified at their fair value on the date of acquisition, in accordance with IFRS 3. The acquisition cost is measured by the fair value of the assets delivered, equity instruments issued, and liabilities incurred or assumed on the date of acquisition. Costs directly attributable to the acquisition are recorded when they occur in the income statement. Any surplus in the acquisition cost when compared with the fair value of the net assets and liabilities is recognized as a consolidation difference - Goodwill, which is described in Note 8 and in case of a deficit and if the fair value does not suffer any changes after reassessment, the difference is booked in the income statement for the period. The non-controlling interests are given by the respective proportion of the fair value of the identified assets and liabilities.

Transactions of sale or acquisition of participation of non-controlling interests do not result in the recognition of expenses, loss, or Goodwill, being any difference between the transaction value and book value of the traded participation, recognised in Shareholders' equity.

Whenever necessary, the financial statements of the subsidiaries are adjusted as to reflect the Group's current accounting policies. Transactions between Group companies, balances and dividends distributed between Group companies and unrealized gains are eliminated during the consolidation process. Unrealized losses are also eliminated, unless they cannot be recovered due to evidence of impairment.

Investments in associated companies
Investments in companies where Inapa IPG exercises significant influence, generally where it detains between 20% to 50% of the voting shares of the associates, are accounted for using the equity method.

In accordance with the equity method, investments are recorded at their acquisition cost, adjusted by the amount corresponding to the Group's share of the variations in the equity of the associated companies (including net profit or loss) and by the dividends received. The variation in the associated companies' equity, resulting from net profit or loss, is recorded in gains and losses for the period.

Positive differences between the acquisition cost and the fair value of the identifiable assets and liabilities of an associate on the date of acquisition are recognised as an asset (Implicit Goodwill) and are included in the value of the investments (Note 10). If these differences are negative, they are recorded as revenue for the period in the line Gains / (losses) in associated companies.

Investments/Interests in associated companies are evaluated as to whether there are indications that they may be impaired, any impairment losses being recorded as a cost. When impairment losses recognised in previous years cease to exist, they are reversed.

When the participation of the Group in the losses of an associate equals or exceeds its investment in the associate, including receivables not covered by guarantees, the Group no longer records additional losses, unless it has incurred liabilities or made payments on behalf of the entity.

Should an investment in an associate company be reduced, but maintaining significant influence, only a proportion of the amounts previously recognized in other comprehensive income are reclassified to the income statement.

Whenever necessary, adjustments are made to the financial statements of the associates to reflect the Group's current accounting policies. Unrealized losses are also eliminated unless they cannot be recovered due to evidence of impairment.

Investments/Interests in associates are described in Note 10.

2.3. Goodwill

Goodwill is the difference between the acquisition cost of the investments in the Group's companies and the fair value of identifiable assets and liabilities (including contingent liabilities) of these companies as of the date of their acquisition (Note 8). Goodwill is recorded in the reporting/functional currency of the subsidiary and converted to the reporting currency of the Group (euro) at the exchange rate in force on the date of the Group's financial statements. Exchange differences arising from this conversion are recorded in Foreign Exchange adjustments.

For impairment testing purposes, Goodwill is associated to the group of cash generating units that is expected to receive the inherent future economic benefits.

Goodwill is not amortized but is rather subject to impairment tests on an annual basis. Whenever the book value is superior to the recoverable amount, an impairment loss is recorded on the income statement. These impairment losses cannot be reversed.

The recoverable amount is determined based on the value in use of the cash generating unit, calculated via the discounting of estimated cash flows, considering business risks, the time value of money and market conditions.

When the Group reorganises its activity, implying a change in the composition of its cash generating units, to which goodwill has been allocated, the allocation of the goodwill to the new cash generating units is reviewed whenever there is a rationale for doing so. The reallocation is made through an approach based on the relative value of the new cash-generating units that result from the reorganization.

2.4 Currency conversion

The financial statements of each of the Group's companies are prepared in their functional currency, defined as the currency of the economic environment where they operate. The Group's functional and reporting currency is the euro.

All of the monetary assets and liabilities expressed in foreign currency are converted to the functional currency at the exchange rate in force on the reporting date. Foreign currency transactions are converted at the rate in force on the date of each operation. The differences resulting from this conversion are recorded on the income statement.

The results and financial position of the Group's foreign operations that have a functional currency, where the currency is that of a country whose economy is hyperinflationary, are translated into the presentation currency at the closing rate for the reporting period, as are the balances and transactions for the comparative period, after correcting for the impact of inflation rates.

To convert the financial statements of foreign companies included in the consolidated financial statements that use a functional currency different from the Group reporting currency, the following criteria have been used:

Assets and liabilities: Exchange rate parities in force on the balance sheet date.

Gains and losses: Average exchange rates parities observed during the period.

The differences resulting from the currency conversion procedure described above are recorded in the appropriate caption in Shareholders equity (Foreign exchange adjustments).

The exchange rates used for converting financial statements of the English, Angolan and Turkish subsidiaries were the following:

- GBP exchange rate used for converting income statement items: 1.1728 euros;
- GBP exchange rate used for converting the captions in the statement of financial position: 1.1275 euros;
- KWZ exchange rate used for converting the headings in the income statement: 0.0021 euros;
- KWZ exchange rate used for converting the headings in the statement of financial position: 0.0019 euros;
- Turkish Lira exchange rate used for converting the headings in the income statement: 0.0574 euros;

- Turkish Lira exchange rate used for converting the headings in the statement of financial position: 0.0501 euros.

2.5 Intangible assets

Intangible assets are recorded at their acquisition cost, less depreciation and impairment losses, and are only recognised to the extent that it is probable they will produce future economic benefits for the Group, provided their value can be reliably measured.

The caption Intangible assets (Note 9) essentially consists of brand names identified during the acquisition of subsidiaries, initially recorded at their fair value. These are used by Inapa Deutschland, GmbH, Inapa France, SA and Inapa Portugal, SA, and annual amortization is not applicable as it was determined that they have an indefinite useful life. These are subject to regular impairment tests conducted internally by the Group. When impairment losses recognized in previous periods cease to exist, they are reversed, with the purpose of determining the asset's recoverable value (value in use).

Also recorded under this heading are software, patents, and other licenses, which are amortised using the straight-line method over a period varying from three to twelve years, and the cost of acquiring customer portfolios, which are amortised over a period between ten and twenty years.

2.6 Tangible fixed assets

In accordance with the transitional arrangement included in IFRS 1, land was recorded at its fair value at the date of transition to IAS/IFRS (January 1, 2004). The adjustments resulting from the land revaluations were recorded as a correction to Shareholders' equity.

Other tangible fixed assets acquired by December 31, 2003, were recorded at their "deemed cost", which corresponds to their acquisition cost or revalued acquisition cost, in accordance with accounting principles generally accepted in Portugal up to that date, less depreciations and accumulated impairment losses.

Tangible assets acquired after January 1, 2004, are recorded at their acquisition cost, less depreciations and accumulated impairment losses.

Depreciation is booked after the assets are in condition for use and is imputed on a systematic basis over their useful life, which is determined by considering the Group's planned use for the asset, its expected wear and tear, subject to a foreseeable technical obsolescence and the residual value attributable to the asset. The residual value attributable to the asset is an estimate based on the prevailing residual value, at the date of the estimate, for similar assets that have reached the end of their useful life, and which have been operating under conditions similar to those under which the asset will be used.

Depreciations are calculated using the straight line method, on a monthly basis, at the following representative rates for estimated useful life:

Buildings and other constructions	2% - 10%
Basic equipment	7,14% - 12,5%
Transport equipment	12,5% - 25%
Office equipment	10% - 33%

Expenditure on maintenance and repair that neither increases the useful life nor results in significant benefits or improvements to the tangible fixed asset elements, are recorded as costs in the year when they occur.

If the amount recorded is greater than the recoverable value of the asset, this is reduced to the estimated recoverable value by registering impairment losses.

When the item is disposed of or sold, the difference between the sale amount and the sum recorded for the asset value is recognized in the income statement, under “Other income” or “Other costs”.

2.7 Leases

The Group recognizes tangible fixed assets used under lease contracts (assets under right of use) in the statement of financial position. The Group adopts the prescribed recognition exception regarding the lease of low value assets and lease contracts for periods of less than 12 months, for which payments are made and recognised as an expense in the income statement in the period in which they occur, on a straight-line basis over the lease term.

Assets under a right of use are recorded at cost in the statement of financial position when the asset becomes available for use by the company.

Lease liabilities are recorded in the statement of financial position at the current value of the lease payments for the non-cancellable period of the contract. For this current value, the Group uses the incremental financing rate at the date of the beginning of the contract.

Depreciation and impairment losses on assets under right of use are calculated and recorded as established in Note 2.6 for tangible assets being depreciated from the start date to the end of the asset's useful life or until the end of the lease term, the lesser of the two.

Interest included in lease payments, depreciation and impairment losses are recorded in the income statement as expenses for the period to which they refer. Interest expense is presented in financing activities in the cash flow statement.

On 31 December 2022 and 31 December 2021, the company does not hold any contractual position in which it acts as lessor.

2.8 Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their balance sheet value is mainly recoverable through sale and not through their continued use. For assets to be classified in this way, they must be available for immediate sale in their current condition, the sale has to be highly probable and the Board of Directors has to have committed to make the sale within a period of 12 months, in accordance with IFRS 5.

Non-current assets classified as held for sale are recorded at their book value or at their fair value less the expected costs of the sale, whichever is smaller.

Assets and liabilities related to discontinued operations are presented at their realizable value in a separate item, respectively, in the consolidated balance sheet assets and liabilities, and the result for the period of these operations is recorded independently in the consolidated income statement.

2.9 Financial assets

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss based on both the business model for managing those financial assets and the contractual cash flow characteristics of the financial asset.

The Group classifies financial assets as follows:

Amortised cost: Debt instruments (including hybrid instruments that do not meet the separation criteria), only with indexed principal and interest flows, and that fall within the business model of holding the instrument to receive the contractual flows. The balances related to these assets are recorded in the statement of financial position under Customers, Other current and non-current assets and Cash and cash equivalents;

Fair value through other comprehensive income (with recycling): Debt instruments (including hybrid instruments), with only principal and indexed interest cash flows, and which fall within the business model of disposing of the instrument and receiving the contractual flows. These assets are measured at fair value through other comprehensive income. Dividends from these assets are recognised in the income statement on the date they are attributed;

Fair value through profit and loss: Financial assets held for short-term purposes and includes financial assets held for trading and derivative instruments not involved in hedging. It also includes instruments that do not include only principal and indexed interest cash flows, or in which the company has designated the instruments, at the time of initial recognition, to be measured at fair value to avoid accounting imbalances. These assets are measured at fair value through the income statement;

Fair value through other comprehensive income (without recycling): Equity instruments, where the company irrevocably opts on initial recognition for the instrument to be classified in this way. These assets and liabilities are measured at fair value through other comprehensive income.

Financial assets will be reclassified if they are affected by a change in their management business model in accordance with the most appropriate classification, within the limitations prescribed in the standards.

Financial assets are classified as non-current assets, except if their foreseeable maturity is less than 12 months from the financial reporting date.

Investments and divestments are recognised on the date the respective formalisation contracts are signed, independently of the financial settlement date.

Financial assets are initially recorded using their acquisition value, which corresponds to their fair value on that date, and transaction costs are recognised in profit or loss of the year (when assets are classified at fair value through profit or loss).

After initial recognition, investments recorded at fair value through profit or loss or through other comprehensive income are measured at fair value, with reference to their market value at the reporting date. In case they correspond to financial assets representing share capital in unlisted companies, they are likewise recorded at fair value (which, in rare cases, may correspond to their acquisition cost).

For financial instruments other than those recorded at fair value through profit or loss, the effective interest rate method is applied.

Gains or losses arising from a change in fair value through other comprehensive income (with recycling) are recorded under shareholders' equity until the investment is sold, matures or is otherwise liquidated, at which time the accumulated gain or loss that was recorded under equity is moved to the income statement.

The Group assesses, prospectively, impairment losses associated with financial assets at amortised cost and fair value through other comprehensive income.

The Group applies the simplified approach of IFRS 9 to measure expected credit losses, which uses lifetime expected credit losses for receivables arising from contracts with customers. The credit risk of the receivables is assessed at each reporting date taking into consideration the credit risk profile of the third party.

2.10 Derecognition of financial assets

The Group derecognises a financial asset when, and only when:

a) The contractual rights to the cash flows from the financial asset expire; or
b) It transfers the financial asset and the transfer meets the conditions for derecognition.

Specifically in the case of transfers of financial assets relating to securitisation contracts of customer balances, these are only derecognised if the following conditions are met simultaneously:

- Transfer of the right to receive the remuneration underlying the asset;
- Non-retention of a substantial part of the risks and benefits associated to the asset; and
- Transfer of control over the operations.

The Group only derecognises customer balances or other receivables (removed from the asset) when it has substantially transferred all the risks and benefits associated with holding those assets, as mentioned above. If the criteria for derecognition are not met, the receivable balances not yet due are included under the Clients caption and the funds received from the securitisation operation are recorded under the Loans caption (Note 21).

2.11 Financial liabilities

IFRS 9 classifies financial liabilities into two categories:

Financial liabilities at fair value through profit or loss: Financial liabilities in which the purpose is to be held in the short term and includes financial liabilities held for trading and derivative instruments not allocated to hedging operations. These liabilities are measured at fair value through the income statement; and

Other financial liabilities: Non-derivative financial liabilities, with fixed or determinable payments, which are not quoted in an active market. Other financial liabilities include Loans (Note 2.18), Trade payables and Other current and non-current liabilities (Note 2.22). These liabilities are initially recognised at fair value and subsequently measured at amortised cost in accordance with the effective interest rate.

Financial liabilities are not reclassified after initial classification.

Financial liabilities are derecognised when the underlying obligations are extinguished by payment, are cancelled, or expire.

2.12 Impairment of non-financial assets

Assets are assessed for impairment at the reporting date and whenever a change in circumstances indicates that the carrying amount of an asset may not be recoverable (Note 17). In the case of non-current assets that are not amortised because they do not have a finite useful life, impairment tests are performed on an annual basis.

Whenever the book value of an asset is shown to be greater than its recoverable amount, an impairment loss is recognised and recorded on the income statement, or the asset is revalued, and the revaluation recognised in equity. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Impairment losses recognised in prior years are reversed when the reasons for recording them no longer exist (with the exception of Goodwill). The reversal is recorded on the income statement, except when the asset has been revalued and the respective revaluation recorded in equity has been reduced as a result of the impairment loss.

2.13 Inventories

Goods, including packaging material, are valued at the lower of net realisable value or acquisition cost, including necessary expenditure on storage. The costing method used by the Group is weighted average cost. If the net realisable value is lower than the book value, the difference is recognised in the income statement. In view of the activities developed by the Group, inventories comprise paper, graphic consumables, boxes, films, ribbons, tapes, fillers, bags, printers and inks/toners, among others.

2.14 Customers and other current assets

As explained in Note 2.9, the Group applies the simplified model in IFRS 9 for accounts receivable arising from contracts with customers. In practice, trade receivables are recorded at their nominal value less any impairment losses, recognised under the caption Other costs - Impairment of current assets, so that those receivables reflect their net realisable value, taking into consideration the expected credit losses.

As a current practice, the Group makes use of credit insurance. The balances to which credit insurance is applied meet the following conditions, among others:

(a) domicile in the countries where the insurance is in force and the Group operates;
b) arising from the normal commercial activities of the Group;
c) related to transactions within the policy period;
d) for which there is a valid Credit Limit for the Customer;
e) for which the payment terms agreed with the Customer are below the maximum limit in the contracted policy.

The contracted coverage is mentioned in Note 3.b).

The amounts covered by insurance are considered in the impairment analysis of receivables.

Trade receivables balances securitised by discounted bills and not yet due at the date of each financial report are recognised in the Group's financial statements until these have been received.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term investments with original maturities of three months or less, which can be mobilised immediately without any significant risk of fluctuations in value. For cash flow statement purposes this caption also includes bank overdrafts, which are presented in the statement of financial position, in current liabilities, under Loans.

2.16 Share capital and treasury shares

Ordinary shares and preferred shares with no right to reimbursement are recorded in Share capital. Costs directly attributable to the issuance of new shares are shown as a deduction, net of taxes, from the amount received as a result of the issuance and are recorded under Shareholders' equity.

Own shares are accounted for by their acquisition value as a reduction to the shareholders' equity. Gains or losses arising from sales of own shares are recorded in equity.

2.17 Dividends

Dividends are recorded as liabilities in the period in which their distribution is approved by the shareholders of Inapa - IPG until the date of payment.

2.18 Loans

Loans are initially recorded as liabilities at their nominal value, net of issuance expenses, and subsequently at amortised cost. Financial expenses are calculated based on the effective interest rate, including premiums, and are recorded in the income statement on an accruals basis, and added to the current liabilities, when they are not paid during the year.

Loans are classified as current liabilities unless the Group has the unconditional right to defer the reimbursement of the loan for a period of not less than 12 months counting from the date of the financial report.

2.19 Income tax

Income tax includes current taxes and deferred taxes.

Inapa - IPG and its subsidiaries based in Portugal are subject to Corporate Income Tax (IRC) through the special regime for the taxation of groups of companies, consisting of companies in which the Parent Company holds more than 75% and that meet the conditions set out in Article 69 and following of the Corporate Income Tax Code. Inapa - IPG, as the parent company, is responsible for calculating the Group's portuguese taxable profit, through the algebraic sum of the taxable profits and the tax losses based on the income statements of each of the portuguese subsidiary companies belonging to the Group. The foreign subsidiaries of the Company are taxed in accordance with the tax rules in force in their respective countries of origin (see Note 30).

Deferred taxes are recognised in the accounts, if material. The recognised deferred taxes correspond to the temporary differences between the amounts of assets and liabilities for accounting reporting purposes and the respective amounts for taxation purposes. Deferred tax assets and liabilities are calculated based on tax rates that are in effect or substantially in effect at the financial reporting date and are expected to apply to the period when the asset is realised, or the liability is settled. Deferred tax assets are recognised when there is reasonable expectation of sufficient future taxable income to use them. At the date of each financial report a reappraisal is made of the temporary differences underlying the deferred tax assets according to the current expectation of their future recovery. Deferred tax liabilities are recognised for all taxable temporary differences, except those related to: i) the initial recognition of goodwill; or ii) the initial recognition of assets and liabilities, which do not result from a business combination and that at the date of the transaction do not affect the accounting or tax result. However, taxable temporary differences related to investments in subsidiaries should not be recognised to the extent that: i) the parent company is able to control the timing of the reversal of the temporary difference; and ii) it is probable that the temporary difference will not reverse in the foreseeable future. Deferred taxes are recorded in the income statement, except when related to amounts that have been recognised in equity, which implies their likewise recognition in equity.

The amount of taxes recognised in the financial statements corresponds to the Board of Directors' understanding on the tax treatment applicable to the transactions carried out, with liabilities relating to income taxes being recognised based on the interpretation which is made, which is understood to be the most appropriate. In situations where such interpretations may be questioned by the Tax Authorities, they are evaluated regarding the probability of an unfavourable correction to the Group: if probable, giving rise to the recording of a liability presented under Income Tax liabilities in the consolidated statement of financial position; if improbable it may result in the disclosure of a contingency.

2.20 Provisions

Provisions are recognised when, and only when, there is a present liability (legal or implicit) resulting from a past event, that will probably generate an outflow of resources and when the sum of the liability can be reasonably estimated. Provisions are valued at their present value, are reviewed on each balance sheet date, and are adjusted to reflect the best estimate at that date (Note 22). Items that are not specifically treated by other regulations are the only ones presented as liabilities under Provisions in the Consolidated Statement of Financial Position (See Note 2.19 - Income Tax).

Provisions for ongoing legal actions are assessed by the Board of Directors as to the most likely outcome, based on their probability of success, as well as the estimated amounts to be spent, following discussions with the Group's legal advisors, a liability being recognised when an unfavourable outcome is probable, and only disclosed as a contingency if a favourable outcome is unlikely but possible.

2.21 Employees benefits

Suplementary Pension plans – defined benefit

The subsidiaries Inapa France, SA and Inapa Deutschland, GmbH have taken responsibility for paying out retirement pension supplements to some of their employees through defined benefit pension plans.

The liability of Inapa - IPG regarding each of these plans is estimated, at least annually on the reporting date of each year, by specialised, independent entities using the projected unit credit method. In accordance with IAS 19, the costs related to the responsibilities assumed are recorded to the extent that the services are provided by the employees benefiting from the constituted plans.

The present value of an entity's defined benefit obligations and related service costs is determined using the projected unit credit method, in which each period of service gives rise to an additional unit of benefit entitlement and each unit is estimated separately to determine the final obligation. A benefit is attributed to the current period (estimated current service cost) and the current and prior periods (estimated present value of defined benefit obligations).

The benefit is attributed to periods of service, using the plan's benefit formula, unless service is estimated for later years with higher benefits than in prior years, in which case the benefit is estimated on a straight-line basis.

The calculated past service liability, less the market value of any funds set up to meet the liability and the actuarial gains and losses, is recorded under Employees' benefits. Current service costs and interest cost net of the expected return on the funds are registered on the income statement. The amount relating to actuarial gains and losses resulting from the application of an actuarial valuation method and the use of actuarial assumptions is recognised directly in equity under the caption Other reserves.

Supplementary Pension Plans – defined contribution

Contributions made periodically to defined contribution plans are recorded as a cost in the income statement, with no additional responsibility arising for the company.

Benefits at retirement date

In accordance with local legislation, the subsidiaries in France have the responsibility to pay their employees a sum on the date of their retirement, based on the number of years worked for the company. The value of this liability, resulting from past services, is estimated at least annually, on the balance sheet date, by specialised, independent entities using the projected unit credit method and is recorded under the caption Employees' benefits, using a methodology similar to the benefit plans described above, and therefore, actuarial gains and losses are also recorded in Other comprehensive income.

2.22 Suppliers and Other Accounts Payable

Balances to be paid to suppliers, taxes payable and other current liabilities are recorded at their nominal value, which on the date of initial entry corresponds to their fair value. For certain suppliers, and with their agreement, the Company allows for the anticipated payment of certain amount, with partner financial institutions, using confirming. Given the established periods, and their nature, the balances remain classified as Suppliers until paid by the Company.

2.23 Recognition of income and expenses

Under the standard IFRS 15, revenue from contracts with customers is recognised in the income statement according to the five-step model established in this standard. The underlying principle is that an entity recognizes revenue when the contractual obligation to deliver the goods or services is satisfied and by the amount that reflects the consideration the entity is expected to be entitled to, as long as the contracted performance obligations are met. The Group's revenue mainly results from paper supply, packaging and printing materials, among others. Sales and service rendered are recognised net of tax, discounts, and other inherent costs to their completion, at the fair value of the amount received or to be received.

Similarly, and in a much less expressive way, the Group provides storage and transport logistic services to third parties, based on the resources used in its main activity, which are recognised and invoiced as and when services are provided.

Group companies record their income and expenses in accordance with the accrual basis of accounting, in which the income and expenses are recognised as they arise, independently of when they are received or paid, under Other current assets and Other current liabilities (Notes 15 and 24).

2.24 Segment reporting

An operating segment is an identifiable component of the Group that performs business activities and in which financial information is used in the Group Management decision making process. The Group has identified three operating segments: Paper Supply, Packaging, and Visual Communication. The financial information regarding the various operating segments is shown in Note 6.

Paper supply occurs in all of the countries where the Group is present, Packaging occurs in France, Germany and Portugal and Visual Communication occurs in Germany, France and Portugal.

2.25 Contingent assets and liabilities

Contingent liabilities in which the possibility of an outflow of funds affecting future economic benefits is unlikely are not recognised in the consolidated financial statements, being disclosed in the notes (see Note 32), unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not subject to disclosure. Provisions are recognised for situations satisfying the conditions set out in Note 2.20.

Contingent assets are not recognised in the consolidated financial statements but are disclosed in the notes when a future economic benefit is probable.

2.26 Fair value of assets and liabilities

If an active market exists, the fair value of an asset or liability corresponds to its market price.

If the market is not active, valuation techniques generally accepted in the market, based on market assumptions, are used.

When necessary, the Group applies valuation techniques. The valuation models that are most frequently used are discounted cash flow models (level 2 or level 3):

a) Cash and cash equivalents, debtors, and accruals
These financial instruments are mainly composed by short term financial assets and for that reason their accounting value at reporting date is considered to be close to their fair value.

b) Borrowings
The fair value of loans is achieved from the

discounted value of all expected future cash flows expected to be received. The expected cash flows are discounted at current market interest rates. At the reporting date, their carrying amount is approximately their fair value.

c) Creditors and accrued income
These financial instruments are mainly composed of short-term financial liabilities and for that reason their book value at reporting date is considered to be close to their fair value.

The level concepts provided for in the standard concerning fair value of assets and liabilities measured at fair value can be described as:

a) Level 1: fair value is based on price quotations obtained in active and liquid markets at the reporting date;
b) Level 2: fair value is determined through valuation models that may involve other comparable prices in active markets or adjusted prices. This way, the main inputs of the models used are observable in the market;
c) Level 3: fair value is determined through valuation models that do not use observable market inputs.

2.27 Earnings per share

Basic earnings per share are calculated by dividing net profit available to ordinary shareholders by the weighted average number of ordinary shares outstanding. The calculation of the diluted earnings per share corresponds to the division of the net profit attributable to shareholders and potential shareholders by the weighted average number of ordinary shares and options for conversion into shares.

2.28 Subsequent events

Events after the date of the balance sheet that provide additional information about conditions existing at the date of the balance sheet are reflected in the consolidated financial statements. Events after the date of the balance sheet that provide information about conditions that occur after the date of the balance sheet are presented in the notes to the consolidated financial statements if material (see Note 38).

2.29 New standards, interpretations and amendment to the standards

Up to the date of approval of these financial statements, the following accounting standards, interpretations, amendments and revisions have been endorsed by the European Union, with mandatory application for the financial year beginning on 1 January 2022:

Standards / Interpretation	Applicable in the European Union for financial years beginning on or after	
IFRS 16 - COVID-19 Related Rent Bonuses after 30 June 2021 (amendment)	1-Apr-21	Extension of the period of application of the exemption in the accounting of bonuses granted by lessors related to COVID-19, as modifications to the lease, until 30 June 2022
IAS 16 - Revenue Earned Before the Start-Up (amendment)	1-Jan-22	Prohibition of deducting the income obtained with the sale of items produced during the testing phase from the acquisition cost of tangible fixed assets
IAS 37 - Onerous Contracts - costs of fulfilling a contract (amendment)	1-Jan-22	Clarification on the nature of expenses to be considered when determining whether a contract has become onerous
IFRS 3 - References to the Framework (amendment)	1-Jan-22	Update to the references to the Framework and clarification on the recording of provisions and contingent liabilities within a business combination
Improvement Cycle 2018 - 2020	1-Jan-22	Specific and one-off changes to IFRS 1, IFRS 9, IFRS 16 and IAS 41

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

The following accounting standards and interpretations, amendments, and revisions with mandatory application in future economic years were, until the date of approval of these financial statements, endorsed by the European Union:

Standards / Interpretation	Applicable in the European Union for financial years beginning on or after	
IAS 1 - Disclosure of Accounting Policies (amendment)	1-Jan-23	Requirement to disclose "material" rather than "significant" accounting policies
IAS 8 - Disclosure of Accounting Estimates (amendment)	1-Jan-23	Definition of accounting estimate. Clarification on the distinction between changes in accounting policies and changes in accounting estimates
IFRS 17 - Insurance Contracts (new standard)	1-Jan-23	New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary participation features, in terms of aggregation, recognition, measurement, presentation and disclosure
IFRS 17 - Initial Application of IFRS 17 and IFRS 9 - Comparative Information (amendment)	1-Jan-23	This amendment allows avoiding temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented, when applying IFRS 17 for the first time. This amendment allows the application of an "overlay" in the classification of a financial asset, for which the entity does not update the comparative information of IFRS 9
IAS 12 - Deferred Taxes related to Assets and Liabilities associated with a Single Transaction (amendment)	1-Jan-23	Requirement of recognition of deferred tax on the recording of assets under right of use/lease liabilities and provisions for dismantling/related assets, when their initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences, as they are not relevant for tax purposes

These amendments, although approved ("endorsed") by the European Union, were not adopted by the Group in 2022, because their application is not yet mandatory. The future adoption of these amendments is not expected to have a significant impact on the financial statements.

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

Standards / Interpretation	Applicable to accounting periods beginning on or after	
IAS 1 - Non-current Liabilities with Covenants (amendment)	1-Jan-24	Classification of a liability as current or non-current, depending on the right that an entity must defer its payment beyond 12 months after the reporting date, when subject to covenants. Disclosure requirements on covenants
IFRS 16 - Lease Liabilities in Sale and Leaseback Transactions (amendment)	1-Jan-24	Requirements for accounting for sale and leaseback transactions after the transaction date when some or all of the lease payments are variable

These standards have not yet been endorsed by the European Union and, as such, were not applied by the Inapa Group during the year ended on 31 December 2022.

Regarding these standards and interpretations issued by the IASB but not yet endorsed by the European Union, it is not estimated that their future adoption will have significant impacts on the financial statements.

3. Financial risk management

The Group's activities expose it to a variety of financial risk factors: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's exposure to financial risks is mainly associated with customer receivables and loans obtained from financial entities, which give rise to risks derived from non-compliance with contracted conditions and interest rate fluctuation risks.

Financial risk management is carried out centrally by the Financial Department located in Portugal, in accordance with the policies approved by the Board of Directors, and in close cooperation with the various subsidiaries. Fluctuations in the financial market, particularly regarding interest rates, are continuously analysed and the necessary measures are taken to minimise the Group's exposure to financial risk.

The Group's overall goals are to optimise the paper business, diversify growth and ensure the Group's sustainability in financial terms. To this end, the Company has implemented practices to manage its capital in order to ensure the financing of the goals. This includes the management of cash and cash equivalents (which includes bank overdrafts - see Note 16) as well as financing obtained, which together contribute to the concept of net debt (see Note 21). The methodology includes the definition of guidelines by the Board of Directors, which can then be managed with defined autonomy, by the local managers, in day-to-day operations. The most relevant operations include the participation of the Holding Company's Board of Directors and Financial Management, which either accompanies, or is responsible (depending on the financial institution), for communicating with financial partners, negotiating, and agreeing relevant terms. Monitoring is ensured through regular reporting of positions and analysis of future financial needs.

The Board of Directors monitors capital management mainly through the following concepts:

MILLIONS OF EUROS
(EXCEPT WHEN SPECIFICALLY MENTIONED)

	2022	2021
Net debt	221.1	261.8
Net debt/Re-EBITDA (x)	2.5 x	8.3 x
Net debt excluding Trade Finance	202.9	241.8
Finance charge coverage (x)	5.4 x	2.2 x
Working capital	35.8	11.4

NOTE: AS DEFINED IN THE GLOSSARY IN CHAPTER 2.

a) Market risk

Exchange rate risk

Variations in the euro's exchange rate against other currencies, namely the kwanza and the Turkish lira, can have an impact on the company's financial situation, since the Group carries out activities in Angola and Turkey.

Even though these markets do not represent in 2022 more than 1.76% of Group sales, possible devaluations in these currencies against the euro could have a negative impact on activity, the financial situation and earnings.

The Group also has indirect exposure to the US dollar and other currencies due to the impact that variations in these currencies have on its competitiveness, since whenever the euro appreciates against other currencies, the distributors that are located in a zone of influence of these currencies become more competitive against European producers, who are the main suppliers of the Group.

In pursuit of the general objectives indicated above, the Group has implemented internal practices of monitoring by the Board of Directors and local managers to follow the exchange rate risk. This includes monitoring its evolution, as well as evaluating the potential exchange-rate impact on new decisions to be taken. The Company does not make use of derivatives for fixing exchange rate.

The following table shows the Group's exposure to exchange rate risk as at 31 December, based on the values of the Group's financial assets and liabilities:

December 31, 2022	Euro	Kwanza	Turkish Lira	Total
Assets				
Cash and cash equivalents	16,206	55	242	16,503
Trade receivable and other assets	97,602	219	3,838	101,658
Assets at fair value through profit or loss	119	-	-	119
Total financial assets	**113,927**	**274**	**4,079**	**118,281**
Liabilities				
Loans and other financial instruments	234,760	3	2,814	237,578
Suppliers and other liabilities	142,319	206	1,941	144,466
Total financial liabilities	**377,079**	**209**	**4,754**	**382,043**
Net financial position	**-263,152**	**66**	**-675**	**-263,762**

December 31, 2021	Euro	Kwanza	Lira Turca	Total
Assets				
Cash and cash equivalents	6,988	55	939	7,982
Trade receivable and other assets	123,432	186	2,401	126,019
Assets at fair value through profit or loss	120	-	-	120
Total financial assets	**130,540**	**242**	**3,339**	**134,122**
Liabilities				
Loans and other financial instruments	268,354	3	1,439	269,795
Suppliers and other liabilities	150,952	206	1,426	152,584
Total financial liabilities	**419,306**	**209**	**2,864**	**422,379**
Net financial position	**-288,766**	**34**	**475**	**-288,257**

At 31 December 2022, a positive variation of the euro by 10% against other currencies would result in a positive impact on equity of 60 thousand euros (31 December 2021: -50 thousand euros).

Interest rates risk

The cost of the majority of the financial debt contracted by Inapa - IPG is indexed to variable reference rates, and the Group is therefore currently exposed to interest rate risk. As the Group does not hedge its exposure to adverse changes in interest rates, such changes may have a negative material impact on its operations, financial situation, and earnings. However, and as a way of managing these variations, the Group's financial department continuously follows the market's development and is in a position to use financial instruments to minimise the effects of interest rate volatility, monitoring the costs incurred as well as the expected amounts of future costs. This is done through the preparation of cash flow budgets, based on expected and reasonably possible developments and the financial needs of the Group. Consequently, the Company interacts with its financial partners with the objective of ensuring the financing of its operations and competitive financing costs.

At 31 December, 2022, if the reference rate used in borrowings varies by 0.25%, keeping all other variables constant, the annualised finance charges would have a variation of approximately 813 thousand euros (December 31, 2021: 933 thousand euros).

At 31 December, 2022 and 2021, the development of financial assets and liabilities with exposure to interest rate risk according to the interest rate review date (Euribor 1, 3 or 6 months) is presented as follows:

December 31, 2022	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Assets						
Non-current						
Assets at fair value through profit or loss	-	-	-	22	97	119
Current						
Cash and cash equivalents	16,503	-	-	-	-	16,503
Total financial assets	**16,503**	**-**	**-**	**22**	**97**	**16,622**
Liabilities						
Non-current						
Loans	-	14,517	91,053	5,551	4,258	115,378
Convertible bonds	-	-	-	9,000	-	9,000
Lease liabilities	343	-	30,673	-	-	31,017
Current						
Loans	16,753	6,657	22,967	3,704	367	50,448
Convertible bonds	-	-	3,000	-	-	3,000
Trade Finance	144	17,984	-	-	-	18,128
Lease liabilities	904	-	9,703	-	-	10,607
Total financial liabilities	**18,144**	**39,158**	**157,396**	**18,254**	**4,625**	**237,578**

December 31, 2021	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Assets						
Non-current						
Assets at fair value through profit or loss	-	-	-	22	98	120
Current						
Cash and cash equivalents	7,982	-	-	-	-	7,982
Total financial assets	**7,982**	**-**	**-**	**22**	**98**	**8,103**
Liabilities						
Non-current						
Loans	1,250	14,652	100,023	8,655	4,798	129,378
Convertible bonds	-	-	-	12,000	-	12,000
Lease liabilities	11,256	-	30,774	-	-	42,030
Current						
Loans	2,653	4,929	42,748	2,437	400	53,167
Convertible bonds	-	-	3,000	-	-	3,000
Trade Finance	9	19,960	-	-	-	19,968
Lease liabilities	3,354	-	6,898	-	-	10,252
Total financial liabilities	**18,521**	**39,540**	**183,443**	**23,092**	**5,198**	**269,795**

b) Credit risk

The Group is exposed to the credit risk that it grants to its customers. The Group has no significant credit risk concentrations and has credit risk evaluation and monitoring policies that ensure that sales are made to customers with an appropriate credit history.

In the pursuit of the general objectives indicated above, the Group follows a policy of permanent and careful monitoring of customer accounts, namely taking into consideration their age and associated risks, and in the case of risks to collection, these will be subject to the recognition of an impairment loss.

The Group companies make use of business information services and, whenever the solution is adequate to the contingencies they face, they hedge these risks by contracting credit insurance.

The Group's common practices include setting credit limits for customers, internal teams dedicated to monitoring customer credit and periodic meetings with local management to monitor the ageing of customer balances.

The maximum exposure to credit risk corresponds to the book values of the financial assets presented in the following tables regarding the concentration of credit risk.

At 31 December 2022 and 2021, the ageing of customer balances and other financial assets and the limit value of loans contracted for the customer portfolio is as follows:

	2022		2021	
	Trade receivables	**Other financial assets**	**Trade receivables**	**Other financial assets**
Current accounts not due	30,350	17,635	55,316	57,546
Past due accounts				
1 to 30 days	5,685	944	6,773	70
31 to 60 days	5,355	148	1,165	158
61 to 90 days	4,055	566	615	-5
+ than 91 days	3,734	33,085	1,589	2,448
	49,178	**52,377**	**65,458**	**60,217**
Doubtful accounts	9,336	1,109	10,899	1,592
Impairment	-9,234	-1,109	-10,556	-1,592
Net trade receivable balances	**49,281**	**52,377**	**65,801**	**60,217**
Trade credit insurance limits	**642,986**		**629,957**	

Other financial assets correspond to the captions Other non-current assets and Other current assets excluding Deferred costs (see Note 15).

Regarding overdue balances without recognised impairment, Inapa-IPG considers that there are no relevant risks of losses with their collection.

The Group has a credit insurance policy contracted with Atradius Crédito y Caución S.A., one of the main credit insurers on a global level. This policy was renewed during 2022 until 31 December 2024 and covers no less than 70% of the above customer balances (excluding customer balances with collection risk). The above credit limit amount is only applied to customers with contracted credit insurance. The percentage of cover for customers covered by the policy is generally 95%.

The credit risk of financial assets concerning Cash and cash equivalents at 31 December, 2022 is as follows:

Cash and cash equivalents Financial institutions by rating	**2022**
AA-	11,262
A	695
BB	3,996
Totally guaranteed deposits	237
Others	313
Total	**16,503**

237 thousand euros of the “Cash and cash equivalents” are in demand deposits, fully guaranteed by the Deposit Guarantee Fund. Of the remaining amount presented in other categories, about 2 387 thousand euros are also guaranteed by the Deposit Guarantee Fund.

The amounts in “Other” refer to bank deposits in banks or entities “with no rating”.

c) Concentrations of credit risk

Concentration of financial assets by sector of activity

The table below shows the Group's exposure to credit risk as at 31 December 2022 and 2021, according to the values of financial assets, categorised by sector of activity:

	Paper supply	Packaging	Visual Communication	Others business and activities	Total
December 31, 2022					
Assets					
Cash and cash equivalents	10,319	1,560	1,001	3,624	16,503
Assets at fair value through profit or loss	10	97	-	13	119
Trade receivables and other assets	72,728	12,854	5,686	10,390	101,658
Total assets	**83,056**	**14,511**	**6,687**	**14,026**	**118,280**
December 31, 2021					
Assets					
Cash and cash equivalents	6,649	611	84	638	7,982
Assets at fair value through profit or loss	9	98	-	13	120
Trade receivables and other assets	100,586	13,870	5,279	6,285	126,019
Total assets	**107,244**	**14,579**	**5,363**	**6,935**	**134,121**

Concentration of financial assets by geographical area

The table below presents the Group's exposure to credit risk as at 31 December 2022 and 2021 according to the values of financial assets, categorised by geographical area:

	Germany	France	Portugal	Spain	Others	Total
December 31, 2022						
Assets						
Cash and cash equivalents	2,359	8,930	4,199	529	487	16,503
Assets at fair value through profit or loss	-	103	13	-	3	119
Trade receivables and other assets	22,430	38,001	26,100	9,424	5,704	101,658
	24,789	**47,034**	**30,311**	**9,952**	**6,194**	**118,280**
December 31, 2021						
Assets						
Cash and cash equivalents	3,429	1,312	1,194	951	1,096	7,982
Assets at fair value through profit or loss	-	104	13	-	3	120
Trade receivables and other assets	42,610	48,353	21,927	9,082	4,047	126,019
	46,039	**49,769**	**23,133**	**10,033**	**5,146**	**134,121**

d) Liquidity risk

Inapa - IPG manages the Group's liquidity risk by acting in two ways: by ensuring that the medium and long-term component of its financial debt matches its expected ability to generate funds and by always having credit facilities available (lines in current account).

The following table analyses the Group's interest-bearing financial liabilities as at 31 December 2022 and 2021 by relevant maturity groups, based on the remaining period to contractual maturity. The amounts in the table are contractual undiscounted cash flows including interest.

December 31, 2022	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Liabilities						
Loans and financial instruments						
Commercial paper	160	4,686	2,072	15,334	-	22,252
Bank loans (including bank overdrafts)	1,873	5,710	45,577	67,837	62,532	183,529
Trade finance	75	1,454	17,285	-	-	18,814
Convertible bonds	157	-	3,428	9,833	-	13,418
Lease liabilities	1,124	2,261	8,739	19,946	13,147	45,217
	3,389	**14,111**	**77,100**	**112,950**	**75,680**	**283,231**

December 31, 2021	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Liabilities						
Loans and financial instruments						
Commercial paper	115	4,516	2,739	16,788	-	24,158
Bank loans (including bank overdrafts)	2,388	6,537	43,067	62,840	73,311	188,143
Trade finance	102	976	19,209	-	-	20,287
Convertible bonds	196	-	3,543	13,418	-	17,156
Lease liabilities	890	2,103	9,258	32,222	10,683	55,156
	3,691	**14,132**	**77,816**	**125,268**	**83,994**	**304,901**

4. Financial Assets and Liabilities

The reconciliation of the statement of financial position with the various categories of financial assets and liabilities is detailed as follows:

	Financial assets at amortized cost	Assets at fair value through profit or loss	Other financial liabilities at amortized cost	Assets and liabilities out of scope of IFRS 9	Total
December 31, 2022					
Assets					
Assets at fair value through profit or loss	-	119	-	-	119
Other non-current assets	2,749	-	-	-	2,749
Trade receivables and others current assets	98,909	-	-	3,389	102,298
Cash and cash equivalents	16,503	-	-	-	16,503
Total assets	**118,161**	**119**	**-**	**3,389**	**121,670**
Liabilities					
Non-current loans	-	-	124,378	31,017	155,395
Other non-current liabilities	-	-	17	-	17
Current loans	-	-	71,576	10,607	82,183
Suppliers and other current liabilities	-	-	144,449	16,263	160,712
Total liabilities	**-**	**-**	**340,420**	**57,887**	**398,308**

	Financial assets at amortized cost	Assets at fair value through profit or loss	Other financial liabilities at amortized cost	Assets and liabilities out of scope of IFRS 9	Total
December 31, 2021					
Assets					
Assets at fair value through profit or loss	-	120	-	-	120
Other non-current assets	3,373	-	-	-	3,373
Trade receivables and others current assets	122,646	-	-	3,636	126,282
Cash and cash equivalents	7,982	-	-	-	7,982
Total assets	**134,001**	**120**	**-**	**3,636**	**137,757**
Liabilities					
Non-current loans	-	-	141,378	42,030	183,408
Other non-current liabilities	-	-	17	-	17
Current loans	-	-	76,135	10,252	86,387
Suppliers and other current liabilities	-	-	152,567	18,444	171,011
Total liabilities	**-**	**-**	**370,098**	**70,726**	**440,824**

The lease liabilities, despite being financial liabilities are not included in the scope of IFRS 9, therefore in the table above they are included in Assets and liabilities out of scope of IFRS 9.

The fair value of financial assets and liabilities is similar to their carrying amount.

In 2022 and 2021 gains and losses with financial assets and liabilities are analysed as follows:

Gains and losses on assets and liabilities

	2022	2021
Gains / (losses) from loans and receivables	-940	-895
Interest received:		
From loans and other receivables	64	66
Interest paid:		
From financial liabilities measured at amortised cost	-10,501	-11,170
Commissions, guarantees and other costs of financial liabilities	-5,965	-3,352
Total net gains and losses	**-17,342**	**-15,350**

5. Relevant estimates and judgments

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 the 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.

The estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are shown below:

a) Estimated impairment of goodwill and brand differences

The Group performs annual impairment tests on Goodwill, in accordance with the accounting policy in Note 2.3. Recoverable values for cash flow generating units are determined based on value in use. These calculations require that the Group use estimates, in which the main variables are the discount rate and expected sales growth (Notes 8 and 9).

Similarly, impairment tests are conducted on the brands recorded in other intangible assets, where estimates were used (Note 9).

b) Actuarial assumptions

Liabilities for defined benefits (Note 23) are calculated based on certain actuarial assumptions. The difference between the assumptions used and the actual situation may have a material effect on the financial statements.

c) Income tax

The Group is subject to income taxes in various jurisdictions and the tax calculation made by the Group (Notes 12 and 30) is subject to review by the various tax authorities. When the final result of these reviews differs from the amounts initially recorded, the differences will have an impact on the income tax and deferred tax balances in the period in which such differences are identified.

Additionally, deferred tax assets correspond to the value of tax losses for which there is expectation of future recovery. The non-recovery of tax losses or changes to the recovery expectation in future fiscal years will impact the results of the fiscal year in which the situation occurs.

d) Derecognition of financial assets

As mentioned in Note 2.10, the Group only derecognises customer balances or other receivables (removed from assets) when it has substantially transferred all the risks and benefits associated with holding those assets. To this end, judgment is applied in interpreting contracts with partner financial entities, as well as in the analysis of compliance with the criteria for derecognition.

6. Segment report

The information in the report by segment is presented in accordance with the identified operating segments, which are paper supply, packaging and visual communication.

The paper supply segment includes the offer of products to the graphic and office industry, with a portfolio of paper products, graphic consumables as well as the associated logistical services. The packaging segment includes the offer of standard solutions and products such as boxes, films, tapes, fillers, bags, labels, among other equipment. The visual communication segment includes the offer of products and services for large format digital printing: printers, inks/toners, media, software and technical assistance. Not included above, are Other activities that include the activities carried out by the holdings and by other companies not associated to the businesses referred above, which include shared services, investment and equity management.

In what concerns the determination of segments, Management took into consideration the organization and verticalization of the products/services provided, that share the same distribution methods, being this the format in which Management monitors the activity. Reportable segments were not aggregated.

The results, assets and liabilities for each segment correspond to those that are directly attributable and those for which there is reasonable basis for attribution, on the basis of management information. Inter-segmental transfers are carried out at market prices and are not materially significant.

At 31 December 2022 and 2021, the financial information by operating segments is analysed as follows:

	December 31, 2022					
	Paper	Packaging	Visual Communication	Others Activities	Eliminations on consolidation	Consolidated
REVENUES						
External sales (Note 25)	1,094,346	85,956	31,358	-	-	1,211,661
Inter-segment sales	286	1,997	920	-	-3,203	-
Other revenues	30,107	2,517	1,622	13,383	-12,736	34,893
Total Revenues	**1,124,740**	**90,471**	**33,900**	**13,383**	**-15,940**	**1,246,554**
RESULTS						
Segment results	50,567	3,864	-13	-4,232	2,636	52,822
Operational results						**52,822**
Gains/ (losses) in associated companies	188	-	-	-	-	188
Interest expense	-11,989	-1,020	-453	-9,676	5,956	-17,182
Interest income	5,582	24	95	868	-5,575	995
Net profit before income tax	**44,348**	**2,869**	**-372**	**-13,040**	**3,018**	**36,823**
Income tax	-18,532	-1,162	24	606	-	-19,064
Income from ordinary activities						**17,759**
Net profit for the year	**25,816**	**1,707**	**-348**	**-12,434**	**3,018**	**17,759**
OTHER INFORMATION						
Segment assets	552,269	48,088	16,370	21,354	-	638,081
Deferred tax assets						25,911
Total consolidated assets						**663,992**
Segment liabilities	275,460	24,711	7,412	128,736	-	436,318
Deferred tax liabilities					-	50,993
Total consolidated liabilities						**487,311**
Capex	5,877	973	1,084	163	-	8,098
Depreciations and amortizations	16,865	2,016	742	3,616	-	23,239
Impairment of receivables current and non-current	298	22	18	118	-	456

	December 31, 2021					
	Paper	**Packaging**	**Visual Communication**	**Others Activities**	**Eliminations on consolidation**	**Consolidated**
REVENUES						
External sales (Note 25)	855,052	79,487	30,062	4	-	964,606
Inter-segment sales	241	2,018	1,623	-	-3,882	-
Other revenues	27,536	1,290	831	-845	-	28,812
Total Revenues	**882,830**	**82,796**	**32,515**	**-841**	**-3,882**	**993,417**
RESULTS						
Segment results	14,872	4,383	838	-4,214	-395	15,484
Operational results						**15,484**
Gains/ (losses) in associated companies	655	-	-	-	-	655
Interest expense	-11,103	-946	-195	-8,940	5,176	-16,009
Interest income	3,130	-	3	920	-2,853	1,201
Net profit before income tax	**7,554**	**3,437**	**647**	**-12,234**	**1,928**	**1,332**
Income tax	4,172	-1,665	239	-764	-	1,982
Income from ordinary activities						**3,314**
Net profit for the year	**11,727**	**1,772**	**886**	**-12,998**	**1,928**	**3,314**
OTHER INFORMATION						
Segment assets	556,652	46,648	11,679	29,310	-	644,289
Deferred tax assets						37,148
Total consolidated assets						**681,437**
Segment liabilities	303,639	24,019	5,403	142,335	-	475,396
Deferred tax liabilities						48,618
Total consolidated liabilities						**524,015**
Capex	7,729	594	1,465	187	-	9,974
Depreciations and amortizations	11,954	2,100	804	445	-	15,304
Impairment of receivables current and non-current	379	-40	16	-	-	355

The geographical breakdown of segment assets at the end of the period and total revenues for the Group as a whole, is presented below:

	2022		2021	
	Assets	**Total revenues**	**Assets**	**Total revenues**
Germany	439,161	794,192	460,852	647,002
France	120,925	321,149	105,562	239,985
Portugal	56,738	45,661	65,957	40,603
Spain	7,177	46,557	1,560	36,093
Others	14,081	38,995	10,357	29,735
	638,081	**1,246,554**	**644,289**	**993,417**

No customer represents more than 10% of group sales.

Non-current assets by geographical region

As of 31 December, 2022 and 2021, the values of non-current assets by location are as follows:

	2022					
	Germany	France	Portugal	Spain	Others	Total
Tangible fixed assets - net	11,171	15,715	3,124	307	504	30,822
Right of use assets	21,697	5,175	4,638	2,130	956	34,596
Investments in associate companies	-	-	-	1,346	-	1,346
Assets at fair value through profit or loss	-	103	13	-	3	119
Other non-current assets	-	1,831	860	-	58	2,749
	32,869	**22,825**	**8,635**	**3,783**	**1,520**	**69,633**

	2021					
	Germany	France	Portugal	Spain	Others	Total
Tangible fixed assets - net	12,439	19,206	11,031	14,123	591	57,390
Right of use assets	27,706	4,098	390	137	774	33,105
Investments in associate companies	1,100	-	-	1,160	-	2,260
Assets at fair value through profit or loss	-	104	13	-	3	120
Other non-current assets	422	1,880	1,070	-	-	3,373
	41,666	**25,289**	**12,504**	**15,421**	**1,368**	**96,248**

Information regarding the Goodwill breakdown by segment can be consulted in the respective note (Note 8).

7. Tangible fixed assets

During 2022 and 2021, the tangible fixed assets movements and the related depreciations, were as follows::

	Land	Buildings and other con-structions	Basic equipment	Transport equipment	Office equipment and others	In progress	Total
Tangible fixed assets							
Acquisition costs							
Balance as at January 1, 2022	**18,474**	**63,410**	**16,618**	**5,809**	**15,429**	**457**	**120,198**
Exchange rate differences	-	-8	-13	-9	-15	-	-46
Increases	-	353	1,429	386	319	22	2,510
Disposals/ Transfers/ Write offs	-9,480	-19,484	-7,495	-2,242	-1,458	-117	-40,277
Changes in consolidation perimeter	-	69	1	1	17	-	88
Balance as at December 31, 2022	**8,994**	**44,340**	**10,539**	**3,945**	**14,293**	**363**	**82,474**
Accumulated depreciation							
Balance as at January 1, 2022	**-**	**31,995**	**13,454**	**4,322**	**13,035**	**-**	**62,808**
Exchange rate differences	-	-6	-13	-9	-14	-	-41
Increases	-	7,707	769	498	907	-	9,881
Disposals/ Transfers/ Write offs	-	-10,946	-6,449	-2,152	-1,449	-	-20,996
Balance as at December 31, 2022	**-**	**28,751**	**7,762**	**2,659**	**12,479**	**-**	**51,652**
Net value	**8,994**	**15,589**	**2,778**	**1,286**	**1,814**	**363**	**30,822**

	Land	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment and others	In progress	Total
Tangible fixed assets							
Acquisition cost							
Balance as at January 1, 2021	**22,373**	**72,016**	**23,496**	**6,659**	**11,015**	**1,081**	**136,641**
Exchange rate differences	-	-16	-38	-26	-40	-	-119
Increases	-	233	1,534	118	519	1,087	3,490
Disposals/ Transfers/ Write offs	-3,899	-8,823	-8,374	-943	3,935	-1,711	-19,815
Balance as at December 31, 2021	**18,474**	**63,410**	**16,618**	**5,809**	**15,429**	**457**	**120,198**
Accumulated depreciations							
Balance as at January 1, 2021	**-**	**33,683**	**19,259**	**4,805**	**9,374**	**-**	**67,123**
Exchange rate differences	-	-13	-34	-26	-37	-	-110
Increases	-	1,084	797	570	1,120	-	3,571
Disposals/ Transfers/ Write offs	-	-2,759	-6,569	-1,026	2,578	-	-7,776
Balance as at December 31, 2021	**-**	**31,995**	**13,454**	**4,322**	**13,035**	**-**	**62,808**
Net value	**18,474**	**31,416**	**3,164**	**1,486**	**2,395**	**457**	**57,390**

In terms of disposals, the sale and leaseback transactions of the warehouses in Leganés, Spain and Sintra, Portugal (with a net book value of 19.3 million euros on the date of the transaction), were the most significant, as a result of which Assets under right of use (in the amount of 6.1 million euros - see Note 9) and Lease liabilities (7.7 million euros - see Note 21) were recognised.

At 31 December 2022, there were no contractual commitments for the acquisition of tangible fixed assets.

8. Goodwill

The change in the balance recorded under Goodwill during 2022 and 2021 was as follows:

Goodwill	
January 1, 2021	
Acquisition value	244,386
Accumulated Impairment losses	-11,766
Balance as at January 1, 2021	**232,620**
Movements during 2021	
Exchange rate differences	-
Increases	-
Impairment	-
Transfers and disposals	-
	232,620
December 31, 2021	
Acquisition value	244,386
Accumulated Impairment losses	-11,766
Balance as at December 31, 2021	**232,620**

(cont.)

Movements during 2022	
Exchange rate differences	0
Increases	1,937
Impairment	0
Transfers and disposals	-5,586
	228,971
December 31, 2022	
Acquisition value	240,737
Accumulated Impairment losses	-11,766
Balance as at December 31, 2022	**228,971**

The Group consolidated the operations of JJ Loos SAS as of 31 December 2022. The company was acquired by Inapa France, with reference to 31 December 2022, for 3,500 thousand euros, which originated the recognition of goodwill of 1,937 thousand euros, considering a fair value of assets acquired and assumed liabilities of 1,563 thousand euros (see Note 37).

The caption Transfers and write-offs includes an adjustment of - 5,586 thousand euros negative, arising from the recognition of an indemnity asset relating to the acquisition of Papyrus Deutschland GmbH & Co. KG in 2019, not initially recognised. The adjustment was not applied retrospectively, given its non-material nature in the context of the consolidated financial statements, both for the period and for the previous year.

When subsidiaries operating in the three business segments in which the Group operates are acquired, namely paper distribution, packaging and visual communication, Goodwill is calculated as the difference between the cost of acquisition and the fair value of the assets and liabilities acquired.

During the evaluation process and consequent determination of the acquisition value, future economic benefits are considered, which essentially result from the synergies and scale effects achieved with the concentration of activities, obtained at the level of each operating segment as a whole, and which cannot be allocated to individual cash-generating units.

Consequently, and considering that the operating segments are the lowest level within the Group used by the Board of Directors to monitor Goodwill, those differences were allocated to the group of cash-generating units that represent the activity of the segment of the acquired subsidiary. This approach is consistently followed at the level of the Group's three business segments.

Under these circumstances, the allocation of Goodwill is analysed as follows:

	Paper	Pack-aging	Visual Com.	Total
Goodwill	203,780	15,657	9,536	228,971

As mentioned in Note 2.3, the amounts recorded in Goodwill are subject to impairment tests annually or whenever there are indications of possible loss of value. The Group calculates on an annual basis the recoverable amount of assets and liabilities associated with the paper distribution activity, as well as the Packaging and Visual Communication activities, by determining the value in use, according to the DCF (Discounted Cash Flows) method.

The analysis performed calculates, in an integrated way, the recoverable amount of the business (and consequently of the Goodwill), comparing it with the net assets of the group of cash-generating units, which include, among others, Goodwill, Brands, tangible and intangible assets. An additional analysis is made regarding the recoverable value of Brands (see Note 9).

The impairment tests carried out for the purpose of the financial statements as at 31 December 2022 were based on cash flow projections up to 2027, prepared on the basis of plans approved by the Board of Directors. The cash flow projections beyond 2027 result from the application of perpetuity growth rates, which do not exceed the long-term average growth rate of the operations. The EBITDA margins and discount rate assumed in the impairment tests reflect management expectations regarding market and operations development.

To calculate the discount rate applied in the impairment tests of the Goodwill of the various Groups of cash-generating units, the following approach was used:

- Risk-free interest rate: average yield of German Government Bonds with an average implicit maturity of 10 years;
- Cost of debt: weighted average cost of Inapa debt on 31.12.2022, considering fixed rate and variable rate debt;

- Leveraged beta: calculated based on market information from European companies in the Paper industry, adjusted for differences in capital structure and tax effects;
- Market risk premium: average value for the risk-free market;
- Country risk premium: weighted average country risk of the markets in which Inapa operates;
- Target capital structure: according to management evaluation;
- Tax rate: weighted average of the nominal tax rates of the markets in which Inapa operates.

The assumptions for each of the variables used in the calculation of the discount rate are shown in the following table:

	December 31, 2022	December 31, 2021
Risk free interest rate	2.14%	1.19%
Cost of debt	5.42%	5.01%
Leveraged Beta	1.06	0.89
Market risk premium	5.94%	6.00%
Country risk premium	0.56%	0.40%
Objective capital structure (D/(D+E))	46%	57%
Tax rate	28%	30%

The main assumptions that served as a basis for the impairment tests to the Paper distribution activity were as follows:

	December 31, 2022	December 31, 2021
Growth rate (in perpetuity)	0.00%	0.00%
EBITDA margin	5.91%	4.90%
Pre-tax discount rate	9.28%	6.96%

NOTE: THE EBITDA MARGIN PRESENTED REFERS TO THE AVERAGE OVER THE PROJECTION PERIOD; THE PRE-TAX DISCOUNT RATE IS OBTAINED ITERATIVELY FOR EACH GROUP OF CASH GENERATING UNITS, AS RECOMMENDED BY IAS 36.

The increase of the EBITDA margin that is implicit in the impairment test of the Paper supply activity in 2022, when compared to the previous year, reflects the updated average market price and gross margin, as well as the lower weight of costs on sales, as a result of the additional efficiency measures identified in Germany, mainly in the logistic and commercial areas.

The Company carried out sensitivity analyses to impairment tests of Goodwill of the various Groups of cash generating units, simulating separately the impact of a variation of 50 basis points in the growth rate, in the EBITDA Margin and in the discount rate, having concluded that there were no signs of impairment.

Regarding the impairment test of the Paper supply activity, possible variations in the assumptions used in the calculation of the recoverable amount, separately, would only lead to an impairment loss for a negative variation of 1,130 basis points in the growth rate, a negative variation of 195 basis points in the EBITDA margin and a positive variation of 620 basis points in the discount rate. The Board of Directors does not consider these variations in assumptions as probable, based on the operating strategy defined for the Inapa Group and the macroeconomic and market estimates known on this date.

9. Intangible assets and assets under right of use

a) Intangible assets

During 2022 and 2021, the movements in intangible assets, as well as in the respective amortisations, were as follows:

	Software, industrial property and other rights	Trade-marks	Customer Portfolio	Advances and intangible in progress	Total
Acquisition cost					
Balance as at January 1, 2022	**50,647**	**130,692**	**6,096**	**3,699**	**191,135**
Exchange rate differences	-20	-	-	-	-20
Increases	3,850	-	-	1,738	5,588
Disposals/Transfers/Write-offs	-9,061	-	-	-3,950	-13,011
Changes in consolidation perimeter	55	-	-	-	55
Balance as at December 31, 2022	**45,471**	**130,692**	**6,096**	**1,488**	**183,747**
Accumulated amortizations and impairment losses					
Balance as at January 1, 2022	**35,289**	**27,464**	**2,909**	**-**	**65,662**
Exchange rate differences	-15	-	-	-	-15
Increases	3,225	-	212	-	3,437
Disposals/Transfers/Write-offs	-14,793	-	-	-	-14,793
Changes in consolidation perimeter	54	-	-	-	54
Balance as at December 31, 2022	**23,760**	**27,464**	**3,121**	**-**	**54,345**
Acquisition cost	45,471	130,692	6,096	1,488	183,747
Accumulated amortizations	23,760	-	3,121	-	26,881
Accumulated impairment losses	-	27,464	-	-	27,464
Net value	**21,711**	**103,227**	**2,974**	**1,488**	**129,401**

	Software, industrial property and other rights	Trade-marks	Customer Portfolio	Advances and intangible in progress	Total
Acquisition cost					
Balance as at January 1, 2021	**40,096**	**130,692**	**6,096**	**8,513**	**185,397**
Exchange rate differences	-43	-	-	-	-43
Increases	1,668	-	-	4,816	6,484
Disposals/Transfers/Write-offs	8,926	-	-	-9,629	-703
Balance as at December 31, 2021	**50,647**	**130,692**	**6,096**	**3,699**	**191,135**
Accumulated amortizations and impairment losses					
Balance as at January 1, 2021	**33,510**	**27,464**	**2,697**	**-**	**63,671**
Exchange rate differences	-35	-	-	-	-35
Increases	1,878	-	212	-	2,090
Disposals/Transfers/Write-offs	-64	-	-	-	-64
Balance as at December 31, 2021	**35,289**	**27,464**	**2,909**	**-**	**65,662**
Acquisition cost	50,647	130,692	6,096	3,699	191,135
Accumulated amortizations	35,289	-	2,909	-	38,198
Accumulated impairment losses	-	27,464	-	-	27,464
Net value	**15,358**	**103,227**	**3,187**	**3,699**	**125,471**

At 31 December 2022, there were no commitments for the acquisition of intangible assets.

The changes in the caption Software, patents, and industrial property in 2021 and 2022 are essentially due to the investment in IT infrastructures and the development and implementation of the Group's new ERP (SAP software).

The balance shown as assets in progress and advances that at December 31, 2022 amounts to 1,488 thousand euros (2021: 3,699 thousand euros), corresponds essentially to the investment in the new ERP of the Group.

Inapa - IPG identified as intangible assets of indefinite useful life, a set of brands registered when the subsidiaries that held them were acquired, for which there is no defined time limit at which they will stop generating economic benefits for the Group, these being the only intangible assets of the Group with indefinite useful life.

The value of the intangible assets in question is subject to annual impairment tests in accordance with the provisions of IAS 36, which resulted in an impairment loss of 27,464 thousand euros recorded in 2006, setting their net value at December 31, 2022 and 2021, at 103,227 thousand euros.

The book value of the Brands refers to the Paper segment, marketed mainly in France, Germany, and Portugal.

In 2022 a valuation was made which calculated the estimated value of the Brands using the DCF (Discounted Cash Flow) method, taking into account the respective total profitability.

The impairment tests performed for the purpose of the financial statements as of 31 December 2022 were supported by cash flow projections up to 2027, prepared based on the plans approved by the Board of Directors.

The cash flow projections beyond 2027 result from the application of perpetuity growth rates, which do not exceed the average long-term growth rate of the operations.

The methodology used to determine the discount rate was the same used in the impairment tests of Goodwill (see Note 8).

The main assumptions used as a basis for the impairment tests to the Brands were as follows:

	December 31 2022	December 31 2021
Growth rate (in perpetuity)	0.00%	0.00%
Pre-tax discount rate	8.85%	6.45%

The valuation performed resulted in the following amounts of recoverable value per brand:

Description	Valuation amount
Inapa Tecno	93,772
Inapa Imagine	22,367
Galaxi	8,211
Bavaria	12,336
Prima	9,078
Others	65,594
	211,358

After performing the impairment tests, no impairment loss to be recorded was identified.

The Company carried out sensitivity analyses to the impairment test of the Brands, simulating the impact of a variation of 50 basis points in the growth rate and in the discount rate, separately, and concluded that there were no indications of impairment.

b) Right of use assets

During 2022 and 2021, the movements occurred in right of use assets, as well as in the respective amortisations, were as follows:

	Buildings and other constructions	Transport equipment	Office equipment and others	Total
Acquisition cost				
Balance as at January 1, 2022	**46,828**	**13,072**	**594**	**60,494**
Exchange rate differences	-	-	-	-
Increases	12,698	3,831	530	17,060
Write-offs/Contractual changes	-8,402	-4,705	-18	-13,124
Changes in consolidation perimeter	-	-	-	-
Balance as at December 31, 2022	**51,125**	**12,199**	**1,106**	**64,430**
Accumulated amortizations				
Balance as at January 1, 2022	**19,770**	**7,558**	**61**	**27,389**
Exchange rate differences	-	-	-	-
Increases	6,644	3,134	143	9,920
Write-offs/Contractual changes	-2,752	-4,706	-18	-7,476
Changes in consolidation perimeter	-	-	-	-
Balance as at December 31, 2022	**23,662**	**5,986**	**186**	**29,834**
Acquisition cost	51,125	12,199	1,106	64,430
Accumulated amortizations	23,662	5,986	186	29,834
Accumulated impairment losses	-	-	-	-
Net value	**27,463**	**6,213**	**920**	**34,596**

	Buildings and other constructions	Transport equipment	Office equipment and others	Total
Acquisition cost				
Balance as at January 1, 2021	**52,551**	**12,304**	**729**	**65,585**
Exchange rate differences	-	-	-	-
Increases	8,712	3,245	-	11,957
Write-offs/Contractual changes	-14,434	-2,477	-135	-17,047
Balance as at December 31, 2021	**46,828**	**13,072**	**594**	**60,494**
Accumulated amortizations				
Balance as at January 1, 2021	**27,226**	**6,686**	**134**	**34,046**
Exchange rate differences	-	-	-	-
Increases	6,172	3,407	63	9,643
Write-offs/Contractual changes	-13,628	-2,536	-135	-16,300
Balance as at December 31, 2021	**19,770**	**7,558**	**61**	**27,389**
Acquisition cost	46,828	13,072	594	60,494
Accumulated amortizations	19,770	7,558	61	27,389
Accumulated impairment losses	-	-	-	-
Net value	**27,058**	**5,514**	**533**	**33,105**

The contractual changes/write-offs relate essentially to leases that ended during the period.

The assets recorded under this item relate essentially to lease contracts for warehouses and offices, and vehicles used by the Group in its activity in various geographies, also considering contractual conditions relating to extensions or renewals, when existing, in determining the value of right of use assets and lease liabilities.

10. Investment in associated companies

At 31 December 2022 and 2021, investments in associated companies were made up as follows:

	2022	2021
Surpapel, SL	1,346	1,160
Römerturm Feinstpapier GmbH & Co KG	-	1,100
	1,346	**2,260**

As of 31 December 2022 and for the year then ended, the financial information in respect of investment in associated companies is as follows:

Company	Headquarter	Assets	Shareholders' Equity	Revenues	Net profit and loss	% share capital	Appropri-ated Net profit and loss	Balance sheet value
Surpapel, SL	Polígono Industrial Guadalquivir, c/ Tecnología, 1 41120 Gelves Sevilha	8,420	2,517	14,717	779	25%	186	1,346
							186	**1 346**

Company	Headquarter	Shareholders' Equity (a)	% owned (b)	(a) x (b)	Implicit Goodwill	Investment balance
Surpapel, SL	Polígono Industrial Guadalquivir, c/ Tecnología, 1 41120 Gelves Sevilha	2,517	25%	629	717	1,346

In 2022 the participation in Römerturm Feinstpapier GmbH & Co KG was sold.

The movement during the financial years ended at 31 December 2022 and 2021, in the item Equity interests in associated companies, was as follows:

Balance as at January 1, 2021	**2,385**
Acquisitions	-
Disposals	-
Distribution of dividends	- 780
Share of results	655
Balance as at December 31, 2021	**2,260**
Acquisitions	-
Disposals	- 1,100
Distribution of dividends	-
Share of results	186
Balance as at December 31, 2022	**1,346**

11. Financial assets at fair value through profit or loss

At 31 December 2022 and 2021, the caption Financial assets at fair value through profit or loss was as follows:

	2022	2021
Non-current		
Others	119	120
Current		
Others	-	-
	119	**120**

The movement during the year ended at 31 December 2022 and 2021 in the caption Financial assets at fair value through profit or loss was as follows:

Assets at fair value through profit or loss movements

Balance as at January 1, 2021	**119**
Acquisitions	-
Disposals	-
Changes in fair value	1
Balance as at December 31, 2021	**120**
Acquisitions	-
Disposals	-
Changes in fair value	-1
Balance as at December 31, 2022	**119**

12. Deferred taxes

All situations that may significantly affect future taxes are recorded in the financial statements at 31 December 2022 and 2021.

In 2022 and 2021, the movements in deferred tax assets and liabilities were as follows:

	01-01-2022	Transfers	Fair value reserve and Other reserves	Net profit and loss for the year (note 30)	31-12-2022
Deferred tax assets					
Taxable provisions	663	-	-	877	1,540
Unused tax losses	27,574	-	-	-10,151	17,423
Others	8,910	-1,810	-1,026	873	6,947
	37,148	**-1,810**	**-1,026**	**-8,401**	**25,911**
Deferred tax liabilities					
Revaluation of fixed assets	-1,261	-	-	-,1,405	-2,666
Depreciations	-23,646	1,935	-	-1,585	-23,297
Others	-23,711	-124	-	-1,195	-25,030
	-48,618	**1,810**	**-**	**-4,185**	**-50,993**
Net deferred tax	**-11,471**	**-**	**-1,026**	**-12,586**	**-25,082**

	01-01-2021	Transfers	Fair value reserve and Other reserves	Net profit and loss for the year (note 30)	31-12-2021
Deferred tax assets					
Taxable provisions	391	-	-	272	663
Unused tax losses	26,262	-	-	1,312	27,574
Others	6,930	3,847	-492	-1,375	8,910
	33,584	**3,847**	**-492**	**209**	**37,148**
Deferred tax liabilities					
Revaluation of fixed assets	-1,216	-	-	-45	-1,261
Depreciations	-25,859	-	-	2,212	-23,646
Others	-20,595	-3,847	-	731	-23,711
	-47,670	**-3,847**	**-**	**2,898**	**-48,618**
Net deferred tax	**-14,086**	**-**	**-492**	**3,107**	**-11,471**

In 2022, of the negative 1,026 thousand euros recognised above under Fair value reserve and other reserves, -1,000 thousand euros are in respect of Actuarial gains/losses in the statement of comprehensive income (Note 23), -26 thousand euros are presented under Exchange conversion differences, in the same statement.

In 2021, of the negative 492 thousand euros recognised above in Fair value reserve and other reserves, -401 thousand euros are presented in Actuarial gains/losses in the statement of comprehensive income (Note 23), -91 thousand euros negative are presented in Exchange conversion differences, in the same statement.

The deferred tax liabilities shown under Others above relate essentially to the valuation of the Brands (Note 9), amounting to 23,226 thousand euros.

Deferred tax assets are recognised on tax losses to the extent that it is probable that the respective tax benefit will be realised through future taxable profits. The Group recognised deferred tax assets amounting to 17,423 thousand euros relating to tax losses that may be deducted from future taxable profits, and which are detailed as follows:

Company	Tax value 2022	Tax value 2021	Limit date
Inapa France	4,574	7,447	unlimited
Inapa España	5,000	7,207	unlimited
Inapa Belgium	-	1,329	unlimited
Inapa Deutschland	7,849	11,591	unlimited
	17,423	**27,574**	

In the current year, for the entities above that present a tax loss, the Board has evaluated the probability of recovery, through projections of cash-flows, taking into account the deadline date for using these losses, adapting the calculations, although the entities are not considered cash-generating units, per se. The growth rate after 5 years was the one used for the impairment tests to Goodwill (paper supply segment) and brands (Notes 8 and 9).

13. Inventories

As at 31 December 2022 and 2021, Inventories are broken down as follows:

	2022	2021
Finished and intermediate products	651	651
Merchandise	91,384	55,863
	92,035	**56,514**
Adjustment for realisable value (Note 17)	-2,079	-1,482
	89,956	**55,032**

No inventories have been consigned as guarantee of fulfilment of contractual obligations.

The cost of goods sold for the years ended 31 December 2022 and 2021 amounted to 973,364 and 782,581 thousand euros, respectively, and was calculated as follows:

	2022	2021
Initial inventories	56,514	64,728
Changes in consolidation perimeter (Note 37)	1,101	-
Purchases and inventory adjustments	1,007,188	775,318
Final inventories	92,035	56,514
	972,768	**783,531**
Impairment losses (Note 17)	1,392	946
Reversals of impairment losses (Note 17)	-796	-1,897
	973,364	**782,581**

14. Customers

At 31 December 2022 and 2021, Customers were broken down as follows:

	2022	2021
Trade receivables		
Trade receivables - current account	42 104	59 167
Trade receivables - bills of exchange	7 075	6 291
Doubtful trade receivables	9 336	10 899
	58 514	**76 357**
Accumulated impairment losses (Note 17)	-9 233	-10 556
Trade receivables - net balance	**49 281**	**65 801**

During 2022 and 2021, the Group recognised an impairment loss in the amount of EUR 702 thousand and EUR 1,580 thousand respectively, related to the strengthening of the impairment of trade receivables, which was recorded in the caption Other costs (Notes 17 and 27).

The reduction of the Trade receivables balance in 2022 is associated with the realization of credit assignment operations through the realization of a factoring contract in the Group's French operation that covers most of the customer balances in that geography (see Note 21). The sale of credits under this contract meets the conditions that allow their derecognition (Note 2.10).

15. Income Tax Recoverable and Other Assets

As of 31 December 2022, and 2021, the balance Tax receivable is broken down as follows:

	2022	2021
Income tax	1,321	652
	1,321	**652**

As at December 31, 2022 and 2021, the balances of Other current and non-current assets are analysed as follows:

	2022	2021
Other non-current assets		
Other Investments	558	500
Other debtors	2,886	3,584
Accumulated impairment losses (Note 17)	-695	-711
	2,749	**3,373**
Other current assets		
Advances to suppliers	2,369	2,888
Other debtors	34,032	39,850
Other taxes receivable	928	1,204
Accumulated impairment losses	-414	-881
	34,545	**43,062**
Accrued income	13,641	14,987
Deferred costs	2,461	2,431
	53,017	**60,481**

The caption Other non-current debtors includes, among others, guarantee deposits with factoring companies in the amount of 791 thousand euros (2021: 805 thousand euros) and Loans granted in the amount of 1.1 million euros (2021: 1.5 million euros).

The caption Other current debtors includes the 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 (see Note 14 and Note 21 d)).

As of December 31, 2022 and 2021, Accrued income corresponds mainly to the amount related to the Group's revenues resulting from negotiation processes on purchases and bonus on purchases to be received from suppliers.

16. Cash and cash equivalents

The breakdown of cash and cash equivalents as at 31 December 2022 and 2021 is analysed as follows:

	2022	2021
Immediately available bank deposits	16,500	7,950
Cash	3	32
Cash and cash equivalents in balance sheet	**16,503**	**7,982**
Bank overdrafts	-904	-974
Cash and cash equivalents on the cash flow statement	**15,599**	**7,009**

Bank overdrafts include credit balances on current accounts with financial institutions, included in the statement of financial position under Loans (Note 21).

The movements in the financing captions in the statement of financial position and the cash flows for the periods ended 31 December 2022 and 2021 were reconciled.

	2022					
	Balance as at January 1, 2022	**Proceeds from financing ativities**	**Payments in respect of financing ativities**	**Non-monetary movements**	**Effect of exchange differences**	**Balance as at December 31, 2022**
Non-current Liabilities						
Loans	183,408	179,463	-30,791	-176,460	-225	155,395
Current Liabilities						
Loans	86,387					82,183
Bank overdrafts	-974					-904
Subtotal	**85,413**	**19,276**	**-206,718**	**181,541**	**1,767**	**81,279**
Other current liabilities - accrued interest (Note 24)	1,609	-	-17,182	15,953	-	380
	270,430	**198,739**	**-254,692**	**21,034**	**1,542**	**237,054**

	2021					
	Balance as at January 1, 2021	**Proceeds from financing ativities**	**Payments in respect of financing ativities**	**Non-monetary movements**	**Effect of exchange differences**	**Balance as at December 31, 2021**
Non-current Liabilities						
Loans	221,462	178,810	-50,659	-165,394	-811	183,408
Current Liabilities						
Loans	102,921					86,387
Bank overdrafts	-18,741					-974
Subtotal	**84,180**	**29,902**	**-160,556**	**134,283**	**-2,396**	**85,413**
Other current liabilities - accrued interest (Note 24)	211	-	-14,611	16,009	-	1,609
	305,853	**208,712**	**-225,825**	**-15,102**	**-3,207**	**270,430**

Non-cash movements include reclassifications from non-current to current liabilities during the period, accruals of expenses, as well as financial transactions with no associated cash flow.

17. Impairments

During 2022 and 2021, recognised asset impairments had the following movements:

	Goodwill	Other intangible assets	Inventories	Trade receivables	Other current and non-current assets	
	(Note 8)	(Note 9)	(Note 13)	(Notes 14 and 27)	(Notes 15 and 27)	Total
Balance as at January 1, 2021	**11,766**	**27,464**	**2,516**	**11,864**	**1,549**	**55,159**
Increases	-	-	946	1,580	43	2,569
Utilisation/ Transfers	-	-	-83	-1,065	-	-1,148
Reversals	-	-	-1,897	-1,268	-	-3,165
Exchange rate differences				-554	-	-554
Balance as at December 31, 2021	**11,766**	**27,464**	**1,482**	**10,556**	**1,592**	**52,861**
Increases	-	-	1,392	702	420	2,514
Utilisation/ Transfers	-	-	-	-1,189	-876	-2,065
Reversals	-	-	-796	-639	-27	-1,462
Exchange rate differences	-	-	-	-198	-	-198
Balance as at December 31, 2022	**11,766**	**27,464**	**2,079**	**9,233**	**1,109**	**51,651**

The effect of increases and reversals of inventory impairments is recorded in cost of sales (Note 13).

Increases and reversals of inventory impairment are broken down by segments as follows for the periods ended 31 December 2022 and 2021:

	2022				
	Paper supply	Packaging	Visual Communication	Other Operations	Total
Increase of inventories impairment	685	212	-	496	1,392
Reversal of inventories impairment	-640	-155	-	-	-796

	2021				
	Paper supply	Packaging	Visual Communication	Other Operations	Total
Increase of inventories impairment	820	126	-	-	946
Reversal of inventories impairment	-1,860	-37	-	-	-1,897

18. Share capital

Share capital

At 31 December 2022, the share capital is represented by 526,225,508 shares, of which all are ordinary in nature. The share capital, in the amount of EUR 180,135 thousand, is fully subscribed and paid up.

At the General Meeting of 20 May 2022, the shareholders of Inapa - Investimentos, Participações e Gestão, S.A. approved the proposal for the allocation of profits presented by the Board of Directors, under which the positive net profit for the year 2021, amounting to 3,314,095.51 euros, was transferred to retained earnings.

In 2022, Inapa-IPG was notified under Article 16 of the Securities Code and CMVM Regulation 5 / 2008, of the change in qualifying holdings.

The ordinary shares are traded under the ISIN PTINA0AP0008.

The shareholder structure on 31 December 2022 and 31 December 2021 is as follows:

Shareholder	December 31, 2022 Ordinary shares	% of ordinary shares	% voting rights
Parpública – Participações Públicas (SGPS), SA	236,199,384	44.89%	33.33%
Participação imputável ao MillenniumBCP	71,097,348	13.51%	13.51%
Fundo de Pensões do Grupo Banco Comercial Português	-	0.00%	0.00%
Banco Comercial Português	71,097,348	13.51%	13.51%
Nova Expressão SGPS, SA	52,625,000	10.00%	10.00%
Novo Banco, SA	34,445,831	6.55%	6.55%
Total of qualified participations	**394,367,563**	**74.94%**	**63.39%**

Shareholder	December 31, 2021 Ordinary shares	% of ordinary shares	% voting rights
Parpública – Participações Públicas (SGPS), SA	236,199,384	44.89%	33.33%
Participação imputável ao MillenniumBCP	112,996,710	21.47%	21.47%
Fundo de Pensões do Grupo Banco Comercial Português	19,483,041	3.70%	3.70%
Banco Comercial Português	93,513,669	17.77%	17.77%
Nova Expressão SGPS, SA	43,500,000	8.27%	8.27%
Novo Banco, SA	34,445,831	6.55%	6.55%
Total of qualified participations	**427,141,925**	**81.17%**	**69.62%**

Own shares

At 31 December, 2022 and 2021, Inapa - IPG did not hold any of its own shares.

19. Share issue premium, Reserves and Retained earnings

As at 31 December 2022 and 2021, the breakdown of the captions Share premium, Reserves and Retained earnings is as follows:

	2022	2021
Share issuance premium	**431**	**431**
Foreign exchange adjustments	-11,155	-10,282
Revaluation reserve	31,532	31,532
Legal reserve	7,574	7,574
Other reserves	-6,669	-9,041
Reserves	**21,282**	**19,782**
Retained earnings	**-42,926**	**-46,240**

The Share issue premium corresponds to the difference between the nominal value of Inapa – IPG shares held and their issue value and cannot be distributed as dividends, but may be included in the Share Capital or may be used for covering losses.

The Currency translation reserve includes the difference in foreign exchange conversion for all the Group's assets and liabilities expressed in foreign currencies into euros using the exchange rates in force on the date of the financial report. The negative variation of 872 thousand euros is presented in the statement of comprehensive income under the caption Balances that may in the future be reclassified to profit or loss. The change in Other reserves in the amount of 2,372 thousand euros relates mainly to balances that will not be reclassified to profit or loss, more precisely, to actuarial gains/losses and respective deferred taxes (see Notes 23 and 12).

The Revaluation reserves mainly correspond to the value of the assets revalued on the date of transition to IAS/IFRS.

The variation in Retained earnings reflects the application of the previous year's results.

In the current period, amounts previously presented in comprehensive income were not reclassified to the income statement.

Business legislation requires that at least 5% of the net annual income is held in a legal reserve account until it represents at least 20% of the Share Capital. This reserve may not be distributed unless the company is liquidated, but may be used to cover losses, after other reserves are exhausted, or incorporated in the share capital.

20. Earnings per share

The basic earnings per share are calculated based on the net profit and loss for the year attributable to Inapa - IPG and the weighted average number of ordinary shares in circulation. The basic earnings per share and diluted earnings per share are as follows:

	2022	2021
Net profit for the period - in euros	17,759	3,314
Weighted average number of ordinary shares	526,226	526,226
Convertible bonds - potential shares	125,747	157,184
Basic earning per share - in euros	0.0337	0.0063
Diluted earning per share - in euros	0.0272	0.0048

Also, to be noted that, in accordance with paragraph no. 69 of IAS 33, even in the presence of a negative net profit, the same rules should be applied to determine the amounts to be considered in the earnings per share calculation.

Convertible bonds - potential shares are the convertible bonds that were issued to acquire Papyrus Deutschland GmbH & Co. KG (see Note 21). These bonds give to the holder a conversion option (american) into 19% of ordinary shares of Inapa - IPG (fixed-for-fixed).

21. Loans and other financing

At December 31, 2022 and 2021, debt was as follows:

		2022	2021
Current debt			
Bank loans			
Bank overdrafts	a)	904	974
Short-term financial instruments	a)	14,157	16,303
Commercial paper, redeemable at its nominal value	b)	5,750	6,521
Medium and long-term financial instruments (portion maturity within 1 year)	c)	29,637	29,370
		50,448	**53,167**
Convertible bonds	**e)**	**3,000**	**3,000**
Trade Finance	**d)**	**18,128**	**19,968**
Lease liabilities		**10,607**	**10,252**
Total current debt		**82,183**	**86,387**
Non- current debt			
Bank loans			
Commercial Paper, reimbursed by nominal value	b)	13,791	15,241
Medium and long-term financial instruments	c)	101,587	114,137
		115,378	**129,378**
Convertible bonds	**e)**	**9.000**	**12.000**
Lease liabilities		**31,016**	**42,030**
Total non-current debt		**155,395**	**183,408**
		237,578	**269,795**

a) Bank overdrafts and short-term financing have annual renewal periods and bear interest at Euribor at 1, 3, 6 or 12 months plus a spread.

b) Commercial paper debt is detailed as follows:

The Group has commercial paper issuance programmes negotiated with contractual maturities of up to one year which it classifies as current liabilities. When the Group has negotiated maturity periods longer than one year, it presents the portion due within one year as current liabilities and the remaining amount as non-current liabilities.

Issuer	Amount	Maturity	Interest rate	Repayment
Inapa - IPG and Inapa Portugal	14,466	September 2025	Variable rate	half yearly instalments
Inapa - IPG and Inapa Portugal	725	September 2025	Variable rate	half yearly instalments
Inapa - IPG	3,100	February 2023	Variable rate	bullet at maturity
Inapa - IPG	1,250	June 2023	Variable rate	monthly instalments

c) The medium and long-term financing, including the portion due within one year, is detailed as follows:

Bank loans

Amount	Maturity	Interest rate	Repayment
48,452	April 2033	Variable rate	Annual instalments
34,671	June 2035	Variable rate	Half-yearly instalments
7,030	November 2033	Variable rate	Monthly instalments
14,823	October 2023	Variable rate	Monthly instalments beginning from March 2023
2,398	March 2024	Variable rate	Monthly instalments
2,425	March 2025	Variable rate	Quarterly instalments
1,319	June 2024	Variable rate	Monthly instalments
390	June 2023	Variable rate	Half-yearly instalments
661	March 2024	Variable rate	Quarterly instalments

The Group secured in 2020 specific credit lines made available in the context of Covid-19, which amounts as at 31 December 2022 are detailed as follows:

i) Financing with the guarantee of the French State in the amount of 7,814 thousand euros (9,674 thousand euros at December 31, 2021). They bear interest at a fixed rate and will be repaid by May 2026.

ii) Financing guaranteed by the Portuguese State in the amount of 2,750 thousand euros. Earning interest at a monthly Euribor 6 months plus 1.50 percentage points. To be repaid in monthly instalments up to 2026, with a grace period of up to 18 months.

d) Bank loans associated with factoring operations in the amount of 18,128 thousand euros, the capital being guaranteed by customers' invoices.

e) Convertible bonds issued in the amount of 15,000 thousand euros and the amount outstanding at 31 December 2022 is 12,000 thousand euros. These were issued in favour of Papyrus GmbH, as part of the consideration for the acquisition of Papyrus Deutschland GmbH & Co. KG. They bear interest quarterly at a fixed rate of 5.00%. To be repaid in 5 equal principal instalments, the first in July 2022 and the last in July 2026.

As indicated above, at 31 December 2022, the Group has convertible bonds issued in the amount of 12,000 thousand euros. These bonds, which grant the holder the option to convert (American type) in 2022 into 19.3% (2021: 23.0%) of ordinary shares of Inapa - IPG (fixed-for-fixed), were issued in favour of Papyrus Deutschland GmbH & Co. KG, and the selling party was also credited with a vendor note for the remaining amount of the acquisition, which has already been fully settled. The implicit valuation of the option must therefore be viewed strictly in the context of the Papyrus acquisition transaction as a whole and does not constitute a relevant valuation benchmark outside this framework. In accordance with the measurement principles of IAS 32, as the bond interest rate in this transaction exceeds comparable interest rates, no value has been assigned to the option for accounting purposes.

At 31 December 2022 and 2021 the debt relating to lease liabilities was as follows:

	2022	2021
Debt related to lease liabilities		
Non-current	31,016	42,030
Current	10,607	10,252
	41,624	**52,282**
Debt related to lease liabilities		
Value of income - not discounted		
less than 1 year	26,708	11,933
more than 1 year and less than 5 years	12,970	35,541
more than 5 years	7,004	10,293
	46,283	**57,767**
Finance costs to be supported	-4,660	-5,485
	41,624	**52,282**

As at 31 December 2022 and 2021, non-current borrowings, current borrowings and liabilities for lease liabilities have the following terms and repayment terms:

	2022					
	Currency	Interest rate	Less than 1 year	1 to 5 years	More than 5 years	Total
Bank overdrafts and short term loans	Eur	6.5%	13,555	-	-	13,555
Bank overdrafts and short term loans	TRY	15.1%	1,506	-	-	1,506
Commercial paper	Eur	6.2%	5,750	13,791	-	19,541
Other loans	Eur	5.2%	29,637	49,492	52,095	131,224
Trade finance	Eur	3.7%	18,128	-	-	18,128
Convertible bonds	Eur	5.1%	3,000	9,000	-	12,000
Lease liabilities	Eur	4.1%	10,607	18,347	12,670	41,623
			82,184	**90,630**	**64,765**	**237,578**

	2021					
	Currency	Interest rate	Less than 1 year	1 to 5 years	More than 5 years	Total
Bank overdrafts and short term loans	Eur	3.8%	17,277	-	-	17,277
Bank overdrafts and short term loans	TRY	0.0%	-	-	-	-
Commercial paper	Eur	4.5%	6,521	15,241	-	21,762
Other loans	Eur	3.4%	29,370	49,856	64,281	143,506
Trade finance	Eur	1.6%	19,968	-	-	19,968
Convertible bonds	Eur	5.1%	3,000	12,000	-	15,000
Lease liabilities	Eur	4.0%	10,252	31,347	10,683	52,281
			86,388	**108,443**	**74,964**	**269,795**

The average interest rate in Turkish lira (TRY) refers to financing located in the operation in Turkey and is primarily due to country risk.

At 31 December 2022, the Group had available approximately 31,000 thousand euros relating to unused credit facilities, namely factoring (31 December 2021: 77,600 thousand euros).

At 31 December 2022 and 2021, the net amount of consolidated financial debt is as follows:

	2022	2021
Loans		
Current	50,448	53,167
Non-current	115,378	129,378
	165,826	**182,545**
Trade Finance	18,128	19,968
Convertible bonds	12,000	15,000
Lease liabilities	41,624	52,282
	237,578	**269,795**
Cash and cash equivalents (Note 16)	16,503	7,982
	16,503	7,982
	221,075	**261,813**

The borrowings contracted by the Group may be subject to financial covenants which, if not met, could entail their early repayment.

The covenants currently in force, the respective ratios and the balance of the respective borrowings at 31 December 2022 are as follows:

Loans	2022	Ratio description	Ratio	Limit
Bank Loan - Inapa France (1)	390	Net debt / Shareholders' Equity	5.50%	50%
Bank Loan - Inapa Portugal and Inapa IPG (2)	15,191	Net debt / Re-EBITDA	2.5x	7.0x

(1) THE RATIO IS CALCULATED ACCORDING TO THE FINANCIAL STATEMENTS OF THE COMPANY INVOLVED.
(2) THE RATIO IS CALCULATED ACCORDING TO THE CONSOLIDATED FINANCIAL STATEMENTS.

Considering the contracted limit, the Group complied with the limits imposed by the financing contracts.

22. Provisions

During 2022 and 2021, the following movements were recorded under Provisions:

	Non-current	Current	Total
Balance as at January 1, 2021	**1,533**	**7,179**	**8,712**
Increases (Notes 26 and 27)	37	-	37
Utilisation	-1,347	-3,795	-5,142
Reversals (Note 25)	-161	-1,842	-2,003
Transfers	-	-	-
Balance as at December 31, 2021	**62**	**1,542**	**1,604**
Increases (Notes 26 and 27)	358	7,360	7,718
Utilisation	-	-1,444	-1,444
Reversals (Note 25)	-	-69	-69
Transfers	-	-	-
Changes in the consolidation perimeter (Note 37)	33	-	33
Balance as at December 31, 2022	**453**	**7,389**	**7,842**

The balance under this caption corresponds to provisions for restructuring costs and the risks inherent in litigation associated with ongoing legal proceedings.

The increase in 2022 was mostly due to the restructuring procedures underway in Germany.

23. Employee benefits

As explained in Note 2.21, the Group has implemented defined benefit pension plans for some of its employees. In addition, other types of post-employment benefits exist, as described below.

	2022	2021
Balances on the balance sheet for:		
Employee benefits:		
Contribution to pension plan - defined benefits	12,878	17,640
Other post-employment benefits - defined benefits	3,988	4,140
	16,866	**21,780**
Expenditure in the Income Statement:		
Contribution to pension plan - defined benefits	-247	117
Other post-employment benefits - defined benefits	131	134
	-115	**251**

Amounts recognized in Reserves:	2022	2021
Retirement pension complements - Defined benefits	-3,100	-833
Others	-170	-629
	-3,270	**-1,462**

The total amount of liabilities for past services and the respective funds related to the defined benefit plans granted to employees are as follows:

December 31	2022	2021	2020	2019	2018	2017	2016
Past service liabilities	-16,866	-21,780	-24,316	-24,618	-6,676	-6,731	-5,700
Fund	-	-	-	-	-	-	133
Surplus or deficit of the plan	**-16,866**	**-21,780**	**-24,316**	**-24,618**	**-6,676**	**-6,731**	**-5,567**
Experience adjustments plan liabilities	6	6	6	6	6	-30	-51
Experience adjustments on plan assets	-	-	-	-	-	-6	26

a) Defined benefits Pension plan

Companies located in Portugal

At 31 December, 2022 and 2021, there are no pension plans for members of the corporate bodies or employees of the Portuguese companies of the Group.

Inapa France, SA

In previous years, there was a defined benefit plan for three employees of Inapa France, whose management was performed by an external entity. During 2022, this plan was liquidated, and there was no liability on 31 December 2022.

The actuarial study carried out by an independent entity, reported to 31 December 2021, considered the following actuarial assumptions:

	2022	2021
Future salary increases rate	-	1.30%
Discount rate	-	0.80%
Mortality table	-	TGF/TGH 2005

According to the respective actuarial study, at 31 December 2022 and 2021, the present value of the liability corresponding to the defined retirement benefits and respective accounting provision was as follows:

Balance sheet amounts	2022	2021
Past services cost obligations	-	838
Present value of the uncovered obligation	**-**	**838**

The movement recorded in the past service liability related to pension supplements and respective constituted fund was as follows:

Defined benefit obligation	2022	2021
Beginning of year	838	825
Current service cost	-	9
Interest cost	-	3
Actuarial losses / (gains)	-	1
Benefits paid	-441	-
Adjustments	-397	-
End of year	**0**	**838**

The amounts recognised in the income statement are as follows:

Costs recognised in the year	2022	2021
Costs recognised in the year	-	9
Interest costs	-	3
Adjustments	-397	-
Total costs included in Personnel costs	**-397**	**12**

Inapa Deutschland, GmbH

From the former Papier Union GmbH (now part of Inapa Deutschland, GmbH), is currently attributed to 9 of its former pensioners, a pension supplement scheme (locked in 1982), calculated on the basis of 0.4% of salary earned in each year of service in the company up to a maximum of 12%. The liability related to this pension plan is not covered by any fund constituted for this purpose, and therefore it is fully recorded in the statement of the Group's financial position.

From the ex-Papyrus Deutschland Gmbh & Co. KG (now part of Inapa Deutschland, GmbH), is currently attributed to 422 of its current and former employees, active and pensioners, a pension supplement scheme of differentiated defined benefits. The benefit plans include: lump sum pensions depending on the number of years of service; lump sum pensions arising from the first 10 years of service, with a subsequent annual increase of a lump sum pension amount; individual pension commitments, such as lump sum pensions and pensions based on the respective remuneration; and deferred compensation under annual remuneration waiver/single benefit payment arrangements. The liability related to these pension plans is not covered by any fund constituted for this purpose and is therefore fully recorded in the Group's statement of financial position.

The liability of Inapa Deutschland, GmbH, calculated based on an actuarial study made by an independent entity for the purposes of applying IAS 19, is recognised in the statement of financial position under Employee benefits and amounts, at 31 December 2022, to 12,878 thousand euros (2021: 16,802 thousand euros).

The actuarial study carried out by an independent entity, reported at December 31, 2022, considers the following actuarial assumptions:

	2022	2021
Future salary increases rate	2.20%	2.20%
Discount rate	3.70%	0.80%
Future pension increases rate	1.80%	1.80%
Mortality table	RT 2018 G	RT 2018 G

According to the respective actuarial study, on 31 December 2022, the present value of the obligation corresponding to defined retirement benefits and the respective accounting provision was as follows:

Balance sheet amounts	2022	2021
Past services cost obligations	12,878	16,802
Present value of the uncovered obligation	**12,878**	**16,802**

The movement recorded in the past service liability was as follows:

Defined benefit obligation	2022	2021
Beginning of year	16,802	18,496
Current service cost	21	29
Interest cost	130	76
Actuarial losses / (gains)	-3,100	-834
Regularizations	-	-
Benefits paid	-976	-965
End of year	**12,878**	**16,802**

The amounts recognised in the income statement are as follows:

Costs recognised in the year	2022	2021
Current service costs	21	29
Interest costs	130	76
Regularizations	-	-
Total costs included in Personnel costs	**151**	**105**

The values recognised in Reserves are as follows:

	2022	2021
Recognition of actuarial losses / (gains)	-	-
Actuarial losses / (gains)	-3,100	-834
	-3,100	**-834**

b) Other post-employment benefits

In accordance with local legislation, the French subsidiaries are obliged to pay their employees at the date of retirement and in a lump sum, a defined amount based on the number of years of employment with the company, the professional category and the salary earned at the date of retirement. The value of these liabilities that is recorded in the statement of financial position as at December 31, 2022 of Inapa France amounts to approximately 2,753 thousand euros (2021: 2,994 thousand euros).

The liabilities relating to these retirement benefits for services rendered were determined based on the following actuarial assumptions:

	2022	2021
Future salary increases rate	2.50%	1.25%
Discount rate	3.70%	0.95%
Mortality table	INSEE 2016-2018	INSEE 2015-2017

According to the respective actuarial study, at 31 December, 2022 and 2021, the present value of the liability corresponding to the defined retirement benefits and respective accounting provision was as follows:

Balance sheet amounts	2022	2021
Past services cost obligations	2,753	2,994

The movements recorded under past service costs liabilities related to the benefits attributed were as follows:

Defined benefit obligation	2022	2021
Beginning of year	2,994	3,594
Current service cost	148	35
Interest cost	28	12
Actuarial losses / (gains)	-191	-465
Benefits paid	-113	-182
Others	-112	-
End of year	**2,753**	**2,994**

Actuarial gains and losses include an increase of 320 thousand euros related to the effect of changes in demographic and financial assumptions used in the calculation of the liability and a decrease of 129 thousand euros related to other actuarial adjustments.

The amounts recognised in the income statement are as follows:

Costs recognised in the year	2022	2021
Current service costs	36	35
Interest costs	28	12
Total costs included in Personnel costs	**64**	**47**

The amounts recognised in Reserves are as follows:

	2022	2021
Recognition of actuarial losses / (gains)	-	-
Actuarial losses / (gains)	-191	-465
	-191	**-465**

Similarly, in relation to the same benefit provided for in French legislation, the liability recorded in the statement of financial position of the subsidiary Inapa Packaging, SAS at 31 December 2022 amounts to approximately 221 thousand euros (2021: 251 thousand euros).

The liabilities related to these retirement benefits for services rendered were determined based on the following actuarial assumptions:

	2022	2021
Future salary increases rate	2.50%	2.00%
Discount rate	3.70%	0.95%
Mortality table	INSEE 2016-2018	INSEE 2015-2017

According to the respective actuarial study, at 31 December 2022 and 2021, the present value of the liability corresponding to the defined retirement benefits and respective accounting provision was as follows:

Balance sheet amounts	2022	2021
Past services cost obligations	221	251

The movements recorded under past service costs liabilities related to the benefits attributed were as follows:

Defined benefit obligation	2022	2021
Beginning of year	251	397
Current service cost	25	-12
Interest cost	2	1
Actuarial losses / (gains)	-57	-105
Benefits paid	-	-31
Others	-1	-
End of year	**221**	**251**

The amounts recognised in the income statement are as follows:

Costs recognised in the year	2022	2021
Current service costs	24	-12
Interest costs	2	1
Total costs included in Personnel costs	**26**	**-11**

The amounts recognised in Reserves are as follows:

	2022	2021
Recognition of actuarial losses / (gains)	-	-
Actuarial losses / (gains)	-57	-105
	-57	**-105**

Also relating to the same benefit provided for under French legislation, the subsidiary Semaq at 31 December 2022 recorded a liability in the statement of financial position of approximately 356 thousand euros (2021: 406 thousand euros).

The liabilities relating to these retirement benefits for services rendered were determined based on the following actuarial assumptions:

	2022	2021
Future salary increases rate	2.50%	2.00%
Discount rate	3.70%	0.95%
Mortality table	INSEE 2016-2018	INSEE 2015-2017

According to the respective actuarial study, at 31 December 2022 and 2021, the present value of the liability corresponding to the defined retirement benefits and respective accounting provision was as follows:

Balance sheet amounts	2022	2021
Past services cost obligations	356	406

The movements recorded under past service costs liabilities related to the benefits attributed were as follows:

Defined benefit obligation	2022	2021
Beginning of year	406	464
Current service cost	30	-5
Interest cost	4	1
Actuarial losses / (gains)	-56	-22
Benefits paid	-	-32
Others	-28	-
End of year	**356**	**406**

The amounts recognised in the income statement are as follows:

Costs recognised in the year	2022	2021
Current service costs	3	-5
Interest costs	4	1
Total costs included in Personnel costs	**6**	**-4**

The amounts recognised in Reserves are as follows:

	2022	2021
Recognition of actuarial losses / (gains)	-	-
Actuarial losses / (gains)	-56	-22
	-56	**-22**

Also relating to the same benefit provided for under French legislation, the subsidiary Embaltec at 31 December 2022 recorded a liability in the statement of financial position of approximately 147 thousand euros (2021: 194 thousand euros).

The liabilities relating to these retirement benefits for services rendered were determined based on the following actuarial assumptions:

	2022	2021
Future salary increases rate	2.50%	2.00%
Discount rate	3.70%	0.95%
Mortality table	INSEE 2016-2018	INSEE 2015-2017

According to the respective actuarial study, at December 31, 2022 and 2021, the present value of the liability corresponding to the defined retirement benefits and respective accounting provision was as follows:

Balance sheet amounts	2022	2021
Past services cost obligations	147	194

The movements recorded in the liabilities with past services related to the benefits attributed were as follows:

Defined benefit obligation	2022	2021
Beginning of year	194	215
Current service cost	15	-7
Interest cost	2	1
Actuarial losses / (gains)	-38	-15
Benefits paid	-8	-
Others	-18	-
End of year	**147**	**194**

The amounts recognised in the income statement are as follows:

Costs recognised in the year	2022	2021
Current service costs	-3	-7
Interest costs	2	1
Total costs included in Personnel costs	**-1**	**-7**

The amounts recognised in Reserves are as follows:

	2022	2021
Recognition of actuarial losses / (gains)	-	-
Actuarial losses / (gains)	-38	-15
	-38	**-15**

Also relating to the same benefit provided for under French legislation, the subsidiary JJ Loos, SAS at 31 December 2022 recorded a liability in the statement of financial position of approximately 67 thousand euros.

The liabilities relating to these retirement benefits for services rendered were determined based on the following actuarial assumptions:

	2022
Future salary increases rate	2.50%
Discount rate	3.70%
Mortality table	INSEE 2016-2018

According to the respective actuarial study, at 31 December 2022, the present value of the liability corresponding to the defined retirement benefits and respective accounting provision was as follows:

Balance sheet amounts	2022
Past services cost obligations	67

The movements recorded in the liabilities with past services related to the benefits attributed were as follows:

Defined benefit obligation	2022
Beginning of year	-
Current service cost	-
Interest cost	-
Actuarial losses / (gains)	-
Change in perimeter	67
End of year	**67**

Additionally, Inapa France attributes long term service bonuses to its employees who reach a certain number of years of service, calculated as follows:

Time of Service	Amount*	
20 years	300 €	
30 years	500 €	+ 1 day off
35 years	700 €	
40 years	1,000 €	+ 1 day off

* AFTER DEDUCTING AMOUNTS ALREADY ALLOCATED UNDER THE PREVIOUS CONDITIONS

The liabilities at 31 December 2022, amounting to 74 thousand euros (2021: 97 thousand euros), are fully recorded in the statement of financial position. These were calculated according to the following assumptions, based on the current value of projected salaries, for active staff:

	2022	2021
Future salary increases rate	2.50%	1.25%
Discount rate	3.70%	0.95%
Mortality table	INSEE 2016-2018	INSEE 2015-2017

The movements recorded under past service costs liabilities related to benefits attributed were as follows:

Defined benefit obligation	2022	2021
Beginning of year	97	117
Current service cost	6	3
Interest cost	1	0
Actuarial losses / (gains)	-16	-18
Benefits paid	-10	-5
Others	-3	-
End of year	**74**	**97**

The amounts recognised in the income statement are as follows:

Costs recognised in the year	2022	2021
Current service costs	2	3
Interest costs	1	-
Total costs included in Personnel costs	**3**	**4**

The amounts recognised in Reserves are as follows:

	2022	2021
Recognition of actuarial losses / (gains)	-	-
Actuarial losses / (gains)	-16	-18
	-16	**-18**

Inapa Packaging, SAS also attributes long term service bonuses to its employees, calculated as follows:

Time of service	Amount
20 years	500 €
30 years	500 €
35 years	500 €
40 years	500 €

The liabilities on December 31, 2022, amounting to 10 thousand euros (2021: 12 thousand euros), are fully recorded in the statement of financial position. These were calculated in accordance with the following assumptions:

	2022	2021
Future salary increases rate	2.50%	2.00%
Discount rate	3.70%	0.95%
Mortality table	INSEE 2016-2018	INSEE 2015-2017

The movements recorded in the past service liability related to retirement benefits were as follows:

Defined benefit obligation	2022	2021
Beginning of year	12	15
Current service cost	1	1
Interest costs	-	-
Actuarial losses / (gains)	-3	-3
Benefits paid	-1	-
End of year	**10**	**12**

The amounts recognised in the income statement are as follows:

Costs recognised in the year	2022	2021
Current service costs	1	1
Interest costs	-	-
Total costs included in Personnel costs	**1**	**1**

The amounts recognised in Reserves are as follows:

	2022	2021
Recognition of actuarial losses / (gains)	-	-
Actuarial losses / (gains)	-3	-3
	-3	**-3**

In accordance with local legislation, subsidiary Korda is obliged to make on the date of retirement and in a lump sum, a payment of a defined amount based on the number of years of employment with the company and the salary earned at the date of retirement. In Turkey, these payments are calculated on the basis of successive 30-day periods (limited to a maximum earned salary of 10,848 Turkish Liras per year of employment between January and June 2022 and 15,371 Turkish Liras per year of employment between July and December 2022).

The liabilities relating to these retirement benefits for services rendered were determined based on the following actuarial assumptions:

	2022	2021
Future salary increases rate	11.63%	14.10%
Discount rate	-0.93%	4.01%

The liability recognised in the statement of financial position at 31 December 2022 is 361 thousand euros (2021: 186 thousand euros).

Defined benefit obligation	2022	2021
Beginning of year	**186**	192
Effect of exchange differences	-48	-109
Current service cost and interest cost	32	103
Actuarial losses / (gains)	192	-
End of year	**361**	**186**

The amounts recognised in the income statement are as follows:

Costs recognised in the year	2022	2021
Current service costs	-	1
Interest costs	32	-
Total costs included in Personnel costs	**32**	**1**

The amounts recognised in Reserves are as follows:

	2022	2021
Recognition of actuarial losses / (gains)	-	-
Actuarial losses / (gains)	192	-3
	192	**-3**

Analysis of sensitivity to changes in the main assumptions:

Company / Plan	Liability as at 31.12.2022	Variation in discount rate		Variation in expected salary increases		Average plan duration (in years)
		+0.5%	-0.5%	+1%	-1%	
Defined benefit pension plans	12,878	12,363	13,393	12,878	12,878	9
Other post employment benefits	3,988	3,831	4,157	4,332	3,682	10
Total	**16,866**	**16,193**	**17,549**	**17,209**	**16,559**	

24. Tax liabilities, Other non-current liabilities, Suppliers and Other current liabilities

At 31 December 2022 and 2021 income tax payable breaks down as follows:

	2022	2021
Income tax payable	13,302	11,189
Other taxes	**13,302**	**11,189**

At December 31, 2022, the balance of income tax payable includes a provision for ongoing tax processes amounting to 5.5 million euros, as well as the estimated income tax for the year amounting to 6,012 thousand euros (Note 30). Additionally, a receivable balance related to income tax in the amount of 1,321 thousand euros is recorded in assets (Note 15).

At December 31, 2022 and 2021, Other non-current liabilities, Suppliers and Other current liabilities were made up as follows:

	2022	2021
Other non-current liabilities		
Other creditors	17	17
	17	17
Suppliers		
Current account	100,489	104,616
Invoices in progress	2,940	4,854
	103,428	**109,470**
Other current liabilities		
Advances from trade receivables	2,041	969
Other creditors	14,365	23,539
Other payable taxes	16,264	18,444
Accruals and deferrals	24,615	18,590
	57,284	**61,542**

Other taxes payable mainly correspond to value added tax payable and Other creditors mainly relate to balances payable to non-operational creditors of the group, as well as liabilities to customers for liabilities arising from volume discounts on annual sales.

The balance accruals and deferrals is analysed as follows:

	2022	2021
Personnel costs to be paid	8,542	6,863
Taxes payable	70	36
Accrued interest	380	1,609
Transportation costs	2,277	2,390
Honoraries	684	546
Marketing support	1,177	135
Insurance	1,565	532
Trade receivables bonuses payable	8,763	2,318
Others	1,156	4,160
	24,615	**18,590**

25. Sales and services rendered and Other income

Sales and services rendered for the years ended 31 December 2022 and 2021 are broken down as follows:

	2022	2021
Sales of merchandise and other products	1,211,661	964,606
Services rendered	18,728	16,305
	1,230,390	**980,911**

In 2022 and 2021, the balances under the caption Other income are analysed as follows:

	2022	2021
Net cash discounts	4,370	-
Reversals of trade receivables´ impairment (Note 17)	639	1,268
Reversals of provisions (Note 22)	69	2,003
Other income	11,086	9,235
	16,164	**12,506**

Other income refers to services charged to customers, advertising, debt recovery, rents for space rental, among others.

26. Personnel costs

In 2022 and 2021, the balances under the caption Staff costs are analysed as follows:

	2022	2021
Wages and salaries	78,015	73,487
Social security contributions (Note 23)	17,018	16,460
Pension costs	-115	251
Provisions (Note 22)	7,360	-
Other personnel costs	4,916	3,898
	107,193	**94,096**

The Salaries and wages item includes the amount of 1,100 thousand euros related to remuneration of the Board of Directors (2021: 977 thousand euros).

Other staff costs include restructuring costs in the total amount of 1,916 thousand euros (2021: 678 thousand euros).

The Group had an average of 1,621 employees in its service during the year (2021: 1,643), of which 1,420 (2021: 1,452) in companies based abroad.

27. Other costs

In 2022 and 2021, the balances of Other costs are analysed as follows:

	2022	2021
Administrative expenses	81,045	76,378
Net cash discounts	-	2,773
Indirect taxes	5,409	4,624
Provisions (Note 22)	358	37
Impairment of trade receivables (Note 17)	702	1,580
Impairment of current and non-current assets (Note 17)	420	43
Other costs	2,002	516
	89,936	**85,952**

Administrative and commercial expenses can be broken down as follows:

	2022	2021
Distribution expenses	46,898	45,149
Marketing expenses	3,284	3,073
Facilities expenses	17,895	14,560
Personnel related expenses	7,010	6,630
IT expenses	1,469	3,138
Other	4,489	3,829
	81,045	**76,378**

28. Depreciation and amortisation

In 2022 and 2021, the balances under this caption are analysed as follows:

	2022	2021
Tangible fixed assets (Note 7)	9,881	3,571
Intangible assets (Note 9)	3,437	2,090
Right of use assets (Note 9)	9,920	9,643
	23,239	**15,304**

29. Financial results

Financial income and expenditure for 2022 and 2021 are made up as follows:

	2022	2021
Financial income		
Interests obtained	48	30
Positive FX	931	1 135
Other profits and financial income	16	36
	995	**1 201**
Financial costs		
Interests paid	10,501	11,170
Negative FX	716	1,487
Other costs and financial losses	5,965	3,352
	17,182	**16,009**
Net financial function	**-16,187**	**-14,807**

The Other financial costs and losses caption includes, among others, costs associated with bank commissions (2022: 2,063 thousand euros; 2021: 1,054 thousand euros), stamp duty (2022: 254 thousand euros; 2021: 216 thousand euros) and financing - factoring (2022: 3,239 thousand euros; 2021: 1,603 thousand euros).

30. Income tax

Income tax for the years ended 31 December 2022 and 2021 breaks down as follows:

	2022	2021
Current taxes	-,6,478	-1,125
Deferred taxes (Note 12)	-12,586	3,107
	-19,064	**1,982**

In accordance with the tax law in force in each country, the tax declarations of the companies included in the consolidation are subject to revision and correction by the tax authorities during a period, which in Portugal and Germany is 4 years and in France is 3 years. In most of the countries where the Group operates, tax losses can be deducted from taxable income in subsequent years, and in all of them for an unlimited period, although they are subject to review by the tax authorities.

The Portuguese group companies are subject to corporate income tax at the standard rate of 21%, plus a municipal surcharge of 1.5%, resulting in an aggregate tax rate of 22.5% (with state surcharge applicable to taxable profits exceeding 1.5 million euros). The French group companies are subject to a 25% tax rate. The German group companies are subject to two types of taxation, both under IAS 12 as income tax, on different profit concepts, with trade taxes ranging from 8.75% to 20.3% (depending on the state) and corporate taxes of 15.83%, resulting in an average rate of 30.6%.

The Group's Board of Directors believes that any corrections that may be made by the tax authorities as a result of inspections/ reviews will not have a significant effect on the consolidated financial statements as of December 31, 2022.

The Group's tax on profit before tax differs from the theoretical amount that would result from applying the weighted average rate of tax on profits to the consolidated profit as follows:

	2022	2021
Net income before tax on profits	36,823	1,332
Nominal average tax rate applied to profits	-11,047	-399
Income tax - value	-19,064	1,982
	-,8,017	**2,382**
Differences - Portugal	513	-335
Differences - France	-58	69
Differences - Germany	-5,218	2,246
Differences - Turkey	146	116
Differences - other countries	-3,400	286
	-8,017	**2,382**

In 2022 the weighted average nominal rate of tax on profit was 30% (2021: 30%).

The average nominal tax rate results from the average of nominal rates of the various countries in which the Group is located.

In 2022, in the differences against the tax value calculated based on the average nominal rate, totalling -8,017 thousand euros, 1,614 thousand euros relate to differences between the statutory rate of each country and the nominal average rate and -9,631 thousand euros negative correspond to permanent differences. The item Differences - other countries includes deferred tax asset adjustments on tax losses in Spain and Belgium in the amount of 3,536 thousand euros.

In 2021, in the differences against the tax amount calculated based on the average nominal rate, totalling 2,382 thousand euros, 681 thousand euros relate to differences between the statutory rate of each country and the average nominal rate, and 1,701 thousand euros correspond to permanent differences.

31. Commitments

a) Guarantees

At 31 December 2022 and 2021, the Group's liabilities to third parties for guarantees provided were as follows:

	2022	2021
Bank guarantees		
In favour of financial institutions	109,300	115,414
Real guarantees		
On tangible fixed assets	28,146	28,504
	137,445	**143,917**

The bank guarantees provided are broken down as follows, by geography:

	2022	2021
Portugal	52,881	54,412
Germany	43,735	46,735
Others	12,684	14,267
Total	**109,300**	**115,414**

Both bank guarantees and real guarantees were provided in connection with financing contracted (see Note 21), responding only to the extent of their responsibilities.

32. Contingencies

Contingent liabilities

On 1st August 2007, Papelaria Fernandes - Indústria e Comércio, SA filed an action against Inapa - Investimentos, Participações e Gestão, SA and its subsidiaries Inaprest - Prestação de Serviços, Participações e Gestão, SA (extinct company) and Inapa Portugal - Distribuição de Papel, SA in which it requests, in summary:

- the annulment of the following acts:

- of the creation in June 2006 of a commercial pledge as counter-guarantee for the comfort letters issued by Inapa - Investimentos, Participações e Gestão, SA as collateral for the financing maintained by that company with Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo;

- of the deals carried out in 1991 to concentrate paper distribution activities in SDP (now Inapa Portugal) and envelope production and marketing activities in Papelaria Fernandes;

- the acquisition in 1994 of the stake held by Papelaria Fernandes in SDP (now Inapa Portugal);

- the compensation of credits carried out, also in 1994, between Papelaria Fernandes and Inaprest.

- the condemnation of Inapa:

- to maintain the comfort letters issued in favour of Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo;

- indemnify Papelaria Fernandes in the event of possible mobilisation of the collateral security as counter-guarantee for the letters of comfort.

Papelaria Fernandes - Industria e Comércio, SA subsequently settled its liabilities with Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo and as a result:

- the comfort letters issued by Inapa - IPG became obsolete and were returned by the respective beneficiaries;

- consequently, this company communicated to Papelaria Fernandes - Indústria e Comércio, SA the verification of the resolutive condition of the commercial pledge made by it 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 is currently awaiting the Court to determine the effects on the dissolution / liquidation action of Inaprest - Prestação de Serviços, Participações e Gestão, SA. The Group believes that this process should not result in financial impacts, and therefore no provision has been made.

33. Related Parties

The balances at 31 December 2022 and 2021 with related parties of the Group are as follows:

	2022					
	Trade Receivables	Bank Deposits	Other current and non current assets	Bank loans	Lease liabilities	Other current and non-current liabilities
Surpapel SL	19	-	-	-	-	14
BCP	1	92	-	85,987	-	519
	20	**92**	**-**	**85,987**	**-**	**533**

	2021					
	Trade Receivables	Bank Deposits	Other current and non current assets	Bank loans	Lease liabilities	Other current and non-current liabilities
Surpapel SL	64	-	-	-	-	3
BCP	1	314	-	90,552	6,528	343
	65	**314**	**-**	**90,552**	**6,528**	**346**

The liability with BCP includes the current value of 7,910 thousand euros (2021: 7,851 thousand euros).

During 2022 and 2021, the transactions with related parties of the Group, were as follows:

	2022				
	Sales and services rendered	**Other income**	**Financial income**	**Other costs**	**Financial costs**
Surpapel SL	92	-	-	17	-
BCP	-	-	-	-	3,986
	92	**-**	**-**	**17**	**3,986**

	2021				
	Sales and services rendered	**Other income**	**Financial income**	**Other costs**	**Financial costs**
Surpapel SL	168	3	-	11	-
BCP	-	-	-	-	3,652
	168	**3**	**-**	**11**	**3,652**

The related parties considered relevant for the purposes of the financial statements were the associates, mentioned in Note 10, the shareholders with participation exceeding 20%, mentioned in Note 18 and the key management elements. Although the participation of Banco Comercial Português became less than 20% in the end of 2022, it was still considered a related party during 2022, for disclosure purposes.

The loans obtained from BCP were contracted under normal market conditions.

Remuneration of key management personnel

The key management elements correspond to the members of the management bodies of the company and the persons in charge, who are not members of these bodies, but have direct or indirect authority and responsibility for planning, directing, and controlling the company's activities.

Remuneration paid to members of the key management elements in 2022 and 2021 is analysed as follows:

	2022	2021
Board of Directors		
Wages	1 100	977
Other key management personnel		
Wages	1,540	1,590

34. Companies included in the consolidation

The subsidiaries included in the consolidation, by applying the full consolidation method, as at 31 December 2022, are as follows:

Designation	Registered Office	Group % Stake	Activity	Direct Shareholder	Incorp. Date
Inapa Portugal - Distribuição de Papel SA	Rua das Cerejeiras, n.º 5, Vale Flores 2710-632 Sintra Portugal	100	Paper supply	Inapa - IPG, SA	1988
Inapa España Distribuición de Papel, SA	Calle Delco, n.º 1-3 Polígono Industrial Ciudad del Automóvil 28914 Leganés, Madrid	100	Paper supply	Inapa - IPG, SA	Dec/98
Inapa France, SA	11 rue de la Nacelle - Villabé 91813 Corbeil-Essonnes Cedex France	100	Paper supply	Inapa - IPG, SA	May/98
Inapa Belgium	Vaucampslaan, 30 B-1654 Huizingen Belgium	100	Paper supply	Inapa - IPG, SA	May/98
Inapa Packaging, SAS	14, Impasse des Moines 91410 Dourdon France	100	Packaging	EUROPACKAGING - Investimentos, Participações e Gestão, Lda.	Jan/08
Inapa Deutschland Holding GmbH	Osterbekstraße 90a D-22083 Hamburg Germany	100	Holding	Inapa - IPG, SA	Apr/00
Inapa Deutschland GmbH	Osterbekstraße 90a D-22083 Hamburg Germany	100	Paper supply	Inapa Deutschland Holding GmbH	Apr/00
Inapa Packaging GmbH	Osterbekstraße 90a D-22083 Hamburg Germany	100	Packaging	Inapa Deutschland GmbH	2006
Inapa – Merchants, Holding, Ltd	39 Hendon Lane Finchley Central, London, N3 1RY United Kingdom	100	Holding	Inapa - IPG, SA	1995
Inapa ComPlott GmbH	Industriestraße 7 40822 Mettmann Germany	100	Visual Com-munication	Inapa Deutschland GmbH	Jan/08
Edições Inapa, Lda	Rua Braamcamp 40 - 9°D, 1250-050 Lisboa, Portugal	100	Editing	Inapa - IPG, SA	Nov/09

(cont.)

Designation	Registered Office	Group % Stake	Activity	Direct Shareholder	Incorp. Date
EUROPACKAGING - Investimentos, Participações e Gestão, Lda.	Rua Braamcamp 40 - 9°D, 1250-050 Lisboa, Portugal	100	Holding	Inapa - IPG, SA	Oct/11
Inapa Angola – Distribuição de Papel, SA	Largo 17 de Setembro N.° 3 – 3° andar – Sala 302 Edifício Presidente Business Center Luanda, Angola	100	Paper supply	Inapa Portugal - Distribuição de Papel SA	Dec/09
Societe D'emballage et de Manutention D'Aquitaine Sarl	Bordeaux Fret – Z.I de Bruges Rue de Strasbourg, 33521 BRUGES cedex France	100	Packaging	Inapa Packaging, SAS	Feb/12
Inapa Shared Center, Lda	Rua das Cerejeiras, n.° 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, n.° 5, Vale Flores 2710-632 Sintra Portugal	100	Visual Com-munication	Inapa Portugal - Distribuição de Papel SA	Jan/13
KORDA Kağıt Pazarlama ve Ticaret Anonim Şirketi	Kasap Sokak. Konak Azer Ishani 34394 Istambul Turkey	100	Paper supply	Inapa - IPG, SA	Sep/13
Inapa Packaging, Lda	Rua Gonçalves Zarco, 3386 4450-822 Santa Cruz do Bispo Portugal	100	Packaging	EUROPACKAGING - Investimentos, Participações e Gestão, Lda.	Sep/13
Embaltec SAS	Z.A.E. de l'Epinette 59850 NIEPPE France	100	Packaging	Inapa Packaging, SAS	Nov/16
Inapa Deutschland Vertriebs GmbH	Osterbekstraße 90a D-22083 Hamburg Germany	100	Holding	Inapa Deutschland GmbH	Sep/12
Inapa Logistics GmbH	Osterbekstraße 90a D-22083 Hamburg Germany	100	Holding	Inapa Deutschland GmbH	Sep/12
Inapa Netherlands BV	Nassauplein 30 NL-2585 Den Haag Netherlands	100	Paper supply	Inapa Deutschland Holding GmbH	May/18
JJ Loos SAS	11 Avenue de Bruxelles 68350 Didenheim France	100	Visual Com-munication	Inapa France, SA	Dec/22

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

JJ Loos SAS became part of the Group after its acquisition in 2022 (Notes 8 and 37).

35. Companies excluded from Consolidation

In the year ended 31 December 2022, all the entities controlled by Inapa were included in the consolidation process.

36. Costs incurred with services provided by the current auditors

In the financial years ended 31 December 2022 and 2021, the amounts paid for services provided to subsidiary companies by the main auditors/reviewers were as follows::

	2022	2021
Statutory Audit	473	527
Limited review services	17	23
Reliability assurance services	-	-
Tax consultation services	-	-
Other services	42	-
	533	**549**

The services provided above include costs with services provided by Mazars France in the amount of 167.8 thousand euros ((2021: 131.5 thousand euros), related to Statutory Audit Services and 42 thousand euros referring to Other Services.

37. Consolidation Perimeter

The Group consolidated the operations of JJ Loos SAS as of 31 December 2022. The company was acquired by Inapa France, with reference to 31 December 2022, for 3.500 thousand euros, which originated the recognition of goodwill of 1.937 thousand euros (Note 8), considering a fair value of the assets acquired and liabilities assumed of 1.563 thousand euros.

The assets and liabilities (presented in aggregate) resulting from the acquisition are as follows:

	2022
	Entries
Items	**JJ Loos**
Tangible fixed assets, assets under right of use and intangible assets	1,368
Other non-current assets	58
Inventories	1,101
Trade receivables	1,119
Other current receivables and other assets	251
Cash and bank deposits	894
Total fully consolidated assets	**4,791**
Lease liabilities - non-current	1,063
Employee benefits	67
Provisions	33
Other non-current creditors	-
Lease liabilities - current	217
Suppliers	1,441
Other payables	408
Total consolidated liabilities	**3,228**
Fair value of identifiable assets and liabilities at acquisition/sale date	**1,563**

The Group consolidated the operations of JJ Loos SAS as at 31 December 2022. The amount of profit and revenue of JJ Loos SAS for the period from 1 January until 31 December 2022 corresponded to negative 120 thousand euros and 7,620 thousand euros, respectively.

38. Subsequent Events

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

Information required by law

Under the terms of paragraph 1 of Article 210 of Law Nr. 110/2009 of 16 September, we inform you that the consolidated companies do not have any outstanding debts to the Social Security or the State.

3

Statutory Audit Report and Auditors' Report on the Consolidated Financial Statements

Statutory Audit Report and Auditors' Report

(Free translation from the original in Portuguese)

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Inapa – Investimentos, Participações e Gestão, S.A. (the Group), which comprise the consolidated statement of financial position as at December 31, 2022 (which shows total assets of Euros 663,992 thousand and total shareholders' equity of Euros 176,681 thousand including a net profit of Euros 17,759 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 year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of Inapa – Investimentos, Participações e Gestão, S.A. as at December 31, 2022, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. In accordance with the law we are independent of the entities that are included in the Group and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.
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Receção: Palácio Sottomayor, Avenida Fontes Pereira de Melo, nº16, 1050-121 Lisboa, Portugal
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Matriculada na CRC sob o NIPC 506 628 752, Capital Social Euros 314.000
Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485

Key Audit Matter	Summary of the Audit Approach
Recoverability of Goodwill and brands *Disclosures related to Goodwill and brands presented in notes 2.3, 2.5, 2.12, 5, 8 and 9 of the consolidated financial statements.* As at December 31, 2022, a Goodwill in the amount of 228,971 thousand is recorded in the consolidated statement of financial position of the Group. Additionally, in the Intangible assets heading, an amount of Euros 103,227 thousand is recorded, net of accumulated impairments, relating to brands whose useful life was considered indefinite, therefore it is not subject to amortization. In accordance with the applicable standards (IFRS) these assets must be subject to impairment tests on an annual basis. For that purpose, the recoverable amount is determined based on discounted cash flows models, which require the use of estimates and assumptions defined by the Board of Directors, based on economic and market projections, namely cash flows associated with the operating activity, perpetuity growth rates and discount rates. It should be noted that any unfavourable future variations between the actual cash flows and those estimated in the Business Plan may lead to relevant impacts on the calculation of the recoverable value of the financial investments and consequently, significantly affect the Group's financial and economic position. Given the amounts involved, the complexity of the valuation models, the assumptions used and the inherent high level of judgment and subjectivity, this matter was considered a key matter for the purposes of our audit.	The performed audit procedures included, among others, obtaining and analysing the Goodwill and brands impairment tests. We performed an assessment to the adequacy of the impairment model used by the Board of Directors and the mathematical accuracy of the calculations. We assessed the reasonableness of the estimates and judgments made by the Board of Directors, underlying the relevant assumptions used in the impairment tests models and respective sensitivity analyses. We performed a reconciliation of the future cash flow projections with the Business Plan approved by the Board of Directors. We also assessed the reasonableness of the cash-generating unit definition, on which the impairment tests were performed. We inquired the Management about the adequacy of the assumptions that have greater sensitivity in determining the recoverable value, namely the revenues growth and EBITDA margin. An analysis of the adequacy of the discount rate and the perpetuity growth rate was also performed, using the peer's information and other information available in the market. Sensitivity analyses were also carried out on the main assumptions in order to determine the level of variations that, individually or collectively, could lead to impairment losses on the assets tested. The procedures described above, carried out to assess the reasonableness of the assumptions

Key Audit Matter	Summary of the Audit Approach
	and methodology associated with the impairment model, were performed with the support of our team of specialists. We reviewed the disclosures presented in the consolidated financial statements, in particular those related to the estimates and assumptions that present higher sensitivity in determining the recoverable amount based on value in use, based on the applicable accounting standards and factors considered relevant.
Going concern *Disclosures related to going concern are presented in notes 2.1 and 3 of the consolidated financial statements.* As at December 31, 2022, the consolidated financial statements of INAPA Group show a current liability higher than the current assets by Euros 53,509 thousand (December 31, 2021: Euros 80,179 thousand). As disclosed in note 2.1 of the consolidated financial statements, the Board of Directors assessed the Group's ability to operate as a going concern, based on the existing financial position as at December 31, 2022, as well as additional relevant information available for the purpose, namely the treasury budget for twelve months after the financial reporting date, cash available on December 31, 2022, available and unused credit lines, as well as ongoing negotiations for the renewal or contracting of new financing. As also disclosed in note 3 of the consolidated financial statements, as a result of the assessment carried out, the Board of Directors concluded that the Group has adequate resources to maintain its activities. Consequently, the Board of Directors is convinced that the continuity of the Group's operations and liquidity are assured, based on	The audit procedures developed included, among others, the assessment of the adequacy of the use of the going concern assumption, used by the Board of Directors in the preparation of the consolidated financial statements based on the reasonableness analysis performed on the assumptions and methodology associated to the treasury budget for twelve months after the financial reporting date, approved by the Board of Directors. In the scope of our analysis, we inquired the Board of Directors about the rationale and assumptions used in the treasury budget and its assessment of the potential effects of the estimated evolution of inflation, paper prices and interest rates and its impact on the Group's operational performance and liquidity. We also analysed the sensitivity scenarios to the main risk factors identified by the Group, based on the financial position as at December 31, 2022 and the perspective of the cash flows that will be generated in the next twelve months. We reviewed the disclosures presented in the consolidated financial statements, based on the

Key Audit Matter	*Summary of the Audit Approach*
the estimated cash needs, as of this date, for a period of twelve months. Given the Group's current financial position on December 31, 2022 and the high level of judgment and subjectivity associated with the assumptions used in the treasury budget, the uncertainty of the Group activity and the impact these have on the analysis of liquidity and continuity of operations, this matter was considered a key matter for the purposes of our audit.	applicable accounting standards and factors considered relevant.

Responsibilities of management and supervisory board for the consolidated financial statements

Management is responsible for:

a) the preparation of the consolidated financial statements, which present fairly the consolidated financial position, the consolidated financial performance and cash flows of the Group in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;

b) the preparation of the Directors' report, the corporate governance report, the non-financial statement and the remunerations report in accordance with the applicable law and regulations;

c) the creation and maintenance of an appropriate system of internal control to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;

d) the adoption of appropriate accounting policies and criteria; and

e) the assessment of the Group's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Group's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Group's financial information.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a) identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

e) evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion;

g) communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

h) of the matters we have communicated to those charged with governance, including the supervisory board, we determine which one's were the most important in the audit of the consolidated financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure; and

i) confirm to the supervisory board that we comply with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes verifying that the information included in the Directors' report is consistent with the consolidated financial statements and the verification set forth in paragraphs 4 and 5 of article No. 451 of the Portuguese Company Law on corporate governance matters and verifying that the consolidated non-financial statement and the remunerations report were presented.

Report on other legal and regulatory requirements

Directors' report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the Directors' report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Directors' report is consistent with the audited consolidated financial statements and, taking into account the knowledge and assessment about the Group, no material misstatements were identified.

Corporate governance report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the corporate governance report includes the information required under article No. 29-H of the Portuguese Securities Market Code, that no material misstatements were identified in the information disclosed in this report and that it complies with paragraphs 1 c), d), f), h), i) and l) of that article.

European Single Electronic Format (ESEF)

The Entity's consolidated financial statements for the year ended on December 31, 2022 must comply with the applicable requirements established in Commission Delegated Regulation (EU) 2019/815, of December 17, 2018 (ESEF Regulation).

The management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements included in the annual report are presented in accordance with the requirements of the ESEF Regulation.

Our procedures took into account the OROC Technical Application Guide on ESEF reporting and included, among others:

a) obtaining an understanding of the financial reporting process, including the annual report presentation in valid XHTML format; a) gaining an understanding of the financial reporting process, including submitting the annual report in valid XHTML format; and

b) the identification and assessment of the risks of material misstatement associated with the tagging of information in the consolidated financial statements, in XBRL format using iXBRL technology. This assessment was based on an understanding of the process implemented by the entity to tag the information.

In our opinion, the consolidated financial statements included in the annual report are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

Consolidated non-financial statement

In compliance with paragraph 6 of article No. 451 of the Portuguese Company Law, we hereby inform that the Group prepared a separate report of the Directors' report that includes the consolidated non-financial statement set forth in article No. 508-G of the Portuguese Company Law, which was disclosed together with the Directors' report.

Remunerations report

In compliance with paragraph 6 of article No. 26-G of the Portuguese Securities Market Code, we hereby inform that the Entity included in a separate section, in its corporate governance report, the information set forth in paragraph 2 of that article.

Additional information required in article No. 10 of the Regulation (EU) 537/2014

In accordance with article No. 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters referred to above, we also provide the following information:

a) We were first appointed auditors of Inapa – Investimentos, Participações e Gestão, S.A. in the Shareholders' General Meeting of May 20, 2022 for the period from 2022 to 2024.

b) The management has confirmed to us it has no knowledge of any allegation of fraud or suspicions of fraud with material effect in the financial statements. We have maintained professional scepticism throughout the audit and determined overall responses to address the risk of material misstatement due to fraud in the consolidated financial statements. Based on the work performed, we have not identified any material misstatement in the consolidated financial statements due to fraud.

c) We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Group's supervisory board as of May 3, 2023.

d) We declare that we did not provide any prohibited non-audit services referred to in paragraph 1 of article No. 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014 and that we remain independent of the Group in conducting our audit.

May 3, 2023

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

Individual financial statements

STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2022 AND DECEMBER 31, 2021

THOUSAND EUROS

	Notes	December 31, 2022	December 31, 2021
ASSETS			
Non-current assets			
Tangible fixed assets	6	174	51
Investment properties	7	-	12 211
Right of use assets	8	45	93
Intangible assets	8	109	118
Investments - equity method	9	303,668	284,948
Investments - other methods		13	13
Other non-current receivables	13	24,822	25,413
Deferred tax assets	10	27	27
Total non-current assets		**328,858**	**322,874**
Current assets			
Trade receivables	11	7,052	4,632
Income tax receivable	12	723	-
Other current receivables	13	26,275	14,066
Deferrals		216	209
Cash and cash equivalents	4	2,794	511
Total current assets		**37,060**	**19,417**
Total assets		**365,918**	**342,291**

(cont.)

TO BE READ TOGETHER WITH THE NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS.

	Notes	December 31, 2022	December 31, 2021
SHAREHOLDERS' EQUITY			
Share capital	15	180,135	180,135
Issuance premium	15	432	432
Legal reserves	15	7,574	7,574
Other reserves	15	890	890
Retained earnings	15	14,803	15,134
Other shareholders' equity changes	15	-44,912	-50,057
Net profit for the year		17,759	3,314
Total shareholders' equity		**176,681**	**157,422**
LIABILITIES			
Non-current liabilities			
Loans	16	85,905	100,775
Total non-current liabilities		**85,905**	**100,775**
Current liabilities			
Suppliers		481	208
Income tax payable	12	-	60
Loans	16	72,851	68,558
Other payables	17	29,999	15,268
Total current liabilities		**103,331**	**84,094**
Total liabilities		**189,237**	**184,869**
Total shareholders' equity and liabilities		**365,918**	**342,291**

TO BE READ TOGETHER WITH THE NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS.

INCOME STATEMENT AS AT DECEMBER 31, 2022 AND 2021

THOUSAND EUROS

	Notes	December 31, 2022	December 31, 2021
Income and expenses			
Sales and services rendered	5 and 18	1,472	1,598
Gains / (losses) in associated/subsidiary companies	9	17,322	3,645
General and administrative expenses	19	-1,860	-3,011
Personnel costs	20	-2,383	-2,029
Other gains and profits	18	12,343	9,512
Other losses and expenses	21	-2,464	-195
Net profit / (loss) before depreciations, financial function and income tax		**24,430**	**9,520**
Depreciations and amortizations	22	-410	-413
Operational result (before financial function and income tax)		**24,020**	**9,107**
Financial income - interests and similar gains	23	1,418	1,307
Financial costs - interests and similar costs	23	-7,012	-6,303
Net profit before income tax		**18,426**	**4,111**
Income tax	10	-667	-797
Net profit for the period	**26**	**17,759**	**3,314**
Basic earning per share	26	0,0337	0,0063
Diluted earning per share	26	0,0272	0,0048

TO BE READ TOGETHER WITH THE NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS.

STATEMENT OF COMPREHENSIVE INCOME AS AT DECEMBER 31, 2022 AND 2021

THOUSAND EUROS

	Notes	December 31, 2022	December 31, 2021
Net profit for the period		**17,759**	**3,314**
Items that will not be reclassified to profit or loss			
Equity method adjustments		2,372	1,061
Items that may be reclassified subsequently to profit or loss			
Equity method adjustments		-872	-1,492
Total other comprehensive income	**9**	**1,500**	**-432**
Total comprehensive income for the period		**19,259**	**2,883**
Attributable to:			
Shareholders of the company		19,259	2,883
		19,259	**2,883**

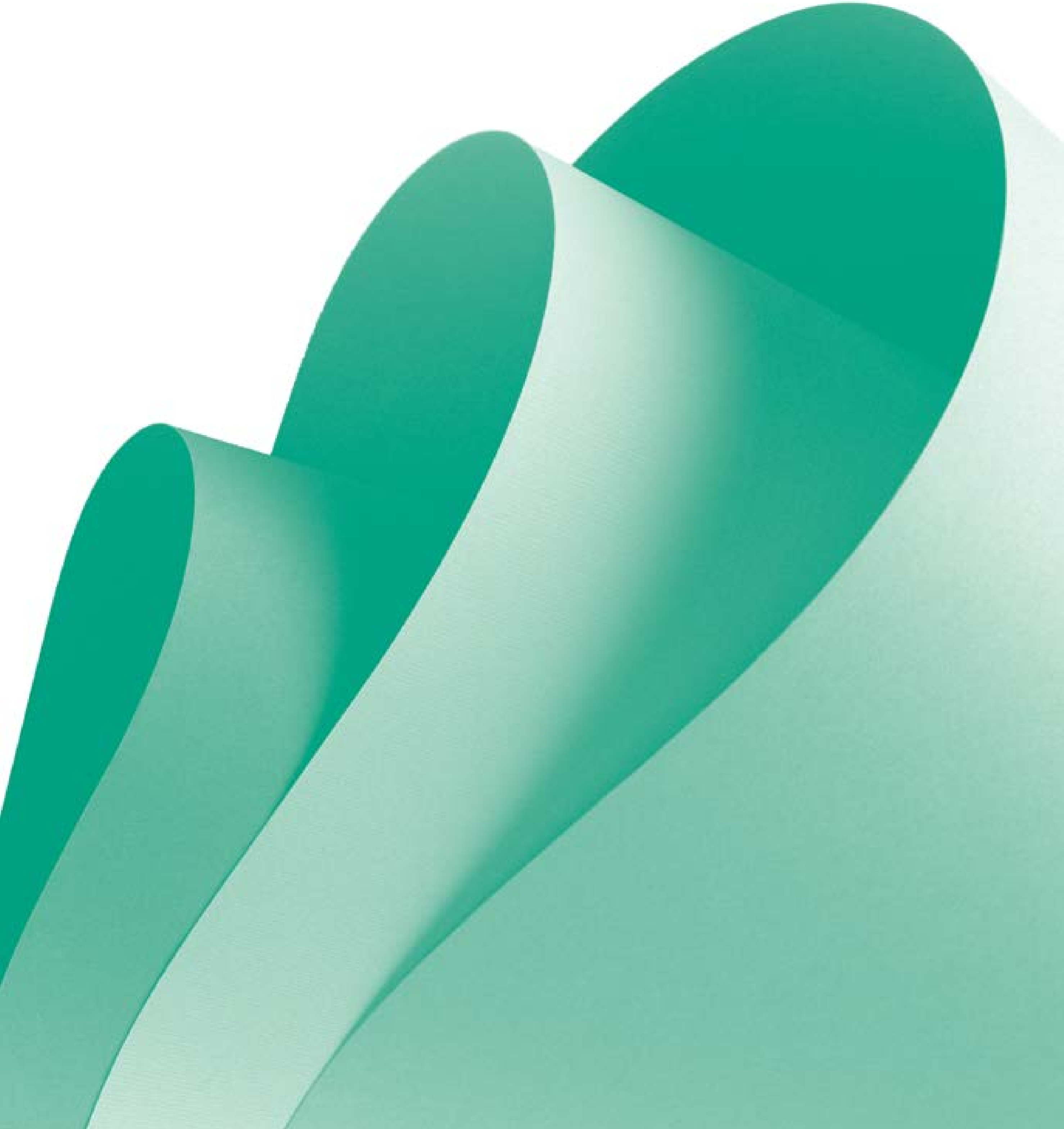
TO BE READ TOGETHER WITH THE NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT DECEMBER 31, 2022 AND DECEMBER 31, 2021

THOUSAND EUROS

	Notes	Share capital	Share issuance premium	Legal reserves	Other reserves	Retained earnings	Other shareholders' equity changes	Net profit for the period	Total
As at January 1, 2021		**180,135**	**432**	**7,574**	**890**	**13,954**	**-32,992**	**-15,454**	**154,540**
Changes in period									
Reclassification of equity method from previous period	15	-	-	-	-	16,634	-16,634	-	-
Other comprehensive income	9						-432		-432
		-	**-**	**-**	**-**	**16,634**	**-17,065**	**-**	**-432**
Net profit for the period		-	-	-	-		-	3 314	3 314
Total		**-**	**-**	**-**	**-**	**16,634**	**-17,065**	**3 314**	**2,883**
Shareholders' equity movements in the period									
Other operations - Net profit applications	15	-	-	-	-	-15,454	-	15,454	-
		-	**-**	**-**	**-**	**-15,454**	**-**	**15,454**	**-**
As at December 31, 2021		**180,135**	**432**	**7,574**	**890**	**15,134**	**-50,057**	**3,314**	**157,422**
Changes in period									
Reclassification of equity method from previous period	15	-	-	-	-	-3,645	3,645	-	-
Other comprehensive income	9						1,500		1,500
		-	**-**	**-**	**-**	**-3,645**	**5,145**	**-**	**1,500**
Net profit for the period		-	-	-	-		-	17,759	17,759
Total		**-**	**-**	**-**	**-**	**-3,645**	**5,145**	**17,759**	**19,259**
Shareholders' equity movements in the period									
Other operations - Net profit applications	15					3,314		-3,314	-
		-	**-**	**-**	**-**	**3,314**	**-**	**-3,314**	**-**
As at December 31, 2022		**180,135**	**432**	**7,574**	**890**	**14,803**	**-44,912**	**17,759**	**176,681**

TO BE READ TOGETHER WITH THE NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS.



CASH FLOW STATEMENT AS AT DECEMBER 31, 2022 AND 2021

THOUSAND EUROS

	Notes	December 31, 2022	December 31, 2021
Cash flow generated from operating activities			
Cash receipts from customers		-	248
Payments to suppliers		-63	-977
Payments to personnel		-2,229	-2,004
Net cash from operational activities		**-2,292**	**-2,734**
Income taxes (paid)/received		-1,117	-1,102
Other proceeds/(payments) relating to operating activity		27,537	8,524
Net cash generated from operating activities	**1**	**24,129**	**4,688**
Cash flow generated from investing activities			
Proceeds from:			
Intangible assets		-	2
Interest and similar income		23	180
Loans conceded		19,682	4,374
		19,705	**4,556**
Payments in respect of:			
Tangible fixed assets		-	-
Intangible assets		-18	-
Interest and similar expenses		-	-
Loans granted		-20,615	-2,701
		-20,633	**-2,701**
Net cash used in investing activities	**2**	**-929**	**1,855**

(cont.)

TO BE READ TOGETHER WITH THE NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS.

	Notes	December 31, 2022	December 31, 2021
Cash flow from financing activities			
Proceeds from:			
Loans obtained		162,012	142,426
	4	**162,012**	**142,426**
Payments in respect of:			
Loans obtained		-172,844	-144,954
Lease capital payments		-6,152	-316
Interest and similar expenses		-3,933	-3,796
	4	**-182,930**	**-149,067**
Net cash used in financing activities	**3**	**-20,917**	**-6,641**
Increase / (decrease) in cash and cash-equivalent	1+2+3	2,283	-97
Effect of exchange differences		-	-
		2,283	**-97**
Cash and cash equivalents - beginning of period	4	511	608
Cash and cash equivalents - end of period	4	2,794	511
		2,283	**-97**

TO BE READ TOGETHER WITH THE NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS.

5

Notes to the Individual Financial Statements

AS OF 31 DECEMBER 2022
(AMOUNTS EXPRESSED IN THOUSANDS OF EUROS, EXCEPT WHERE SPECIFICALLY INDICATED)

1. Introduction and identification

Inapa - Investimentos, Participações e Gestão, SA (Inapa – IPG, Entity, Company, or Firm) is the dominant company of the Inapa Group and has as its corporate purpose the ownership and management of movable and immovable assets, the acquisition of interests in the capital of other companies, the operation of commercial and industrial establishments owned or by others and the provision of assistance to companies in general. Inapa - IPG is listed on Euronext Lisbon. The most relevant equity holders are mentioned in Note 15.

Name: Inapa - Investimentos, Participações e Gestão, SA
Headquarters: Rua Braamcamp 40 - 9°D 1250-050 Lisboa, Portugal
Share capital: 180,135,111 euros
N.I.P.C.: 500 137 994

These financial statements were approved by the Board of Directors at its meeting on 27 April 2023 and are subject to shareholder approval at the General Meeting. It is the opinion of Management that these financial statements reflect in a true and adequate manner the operations of Inapa - IPG, as well as its financial position and performance and cash flows.

2. Accounting framework for the preparation of financial statements

2.1 Preparation basis

The separate/accompanying financial statements of Inapa - IPG have been prepared in accordance with the International Financial Reporting Standards (IAS/IFRS), issued by the

International Accounting Standards Board (IASB), and the interpretations endorsed by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Committee on Interpretations (SIC), as adopted by the European Union and in force on 1 January 2022.

The basis of measurement of Inapa – IPG's financial statements is the historical cost, except for financial assets at fair value through results.

2.2 New standards, interpretations, and amendments to standards

Until the date of approval of these financial statements, the following accounting standards, interpretations, amendments, and revisions ("endorsed") have been approved ("endorsed") by the European Union, with mandatory application to the year beginning on 1 January 2022:

Standard / Interpretation	Applicable in the European Union for financial years starting on or after	
IFRS 16 - COVID-19-related income allowances after 30 June 2021 (amendment)	1-April-21	Extension of the period of application of the exemption in the accounting of bonuses granted by landlords related to COVID-19, as amendments to the lease, until 30 June 2022
IAS 16 – Income obtained before entry into service obtained before commissioning (change)	1-Jan-22	Prohibition of deduction of income from the sale of articles produced during the test phase at the cost of acquiring property, plant, and equipment
IAS 37 – Contracts for pecuniary interest – costs of performing a contract (amendment)	1-Jan-22	Clarification of the nature of the expenditure to be considered in determining whether a contract has become onerous
IFRS 3 – References to the Conceptual Framework (amendment)	1-Jan-22	Updating of references to the Conceptual Framework and clarification on the recording of provisions and contingent liabilities in the context of a business concentration
Improvement Cycle 2018 – 2020	1-Jan-22	Specific and one-off amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41

As a result of the adoption of the other standards, interpretations, amendments, and revisions referred to above, no significant effects were produced in the financial statements of Inapa - IPG..

The following accounting standards and interpretations, amendments, and revisions with mandatory application in future economic years, have been, up to the date of approval of these financial statements, approved ("endorsed") by the European Union:

Standard / Interpretation	Applicable in the European Union for financial years starting on or after	
IAS 1 – Disclosure of accounting policies (amendment)	1-Jan-23	Disclosure requirement for "relevant" accounting policies over "significant" accounting policies
IAS 8 – Disclosure of accounting estimates (amendment)	1-Jan-23	Definition of accounting estimate. Clarification of the distinction between changes in accounting policies and changes in accounting estimates
IFRS 17 – Insurance contracts (new standard)	1-Jan-23	New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary participation in the characteristics of gains or losses, in terms of aggregation, recognition, measurement, presentation and disclosure
IFRS 17 – Initial application of IFRS 17 and IFRS 9 – Comparative Information (amendment)	1-Jan-23	This amendment makes it possible to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts in the comparative information presented in the application of IFRS 17 for the first time. This amendment allows the application of an "overlap" in the classification of a financial asset, for which the entity does not update the comparative information of IFRS 9.
IAS 12 - Deferred taxes related to assets and liabilities associated with a single transaction (amendment)	1-Jan-23	Requirement for recognition of deferred taxes on the registration of assets under the right to use/liability of the lease and provisions for decommissioning/related asset, where their initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences, as they are not relevant for tax purposes

These amendments, although approved ("endorsed") by the European Union, were not adopted by Inapa - IPG in 2022, due to their application not yet being mandatory.

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

The following accounting standards and interpretations, amendments and revisions have been issued by the IASB and have not yet been approved ("endorsed") by the European Union:

Standard / Interpretation	Applicable in years beginning on or after	
IAS 1 – Non-current liabilities with covenants (amendment)	1-Jan-24	Classification of a liability as current or non-current, depending on an entity's right to defer its payment beyond 12 months after the reporting date, when subject to covenants.
IFRS 16 – Lease liabilities in sale and relocation transactions (amendment)	1-Jan-24	Accounting requirements for sale and relocation transactions after the transaction date, when some or all lease payments are variable

These standards have not yet been adopted ("endorsed") by the European Union and, as such, were not applied by Inapa - IPG in the year ended 31 December 2022.

With respect to these standards and interpretations, issued by the IASB but not yet approved ("endorsed") by the European Union, their future adoption is not expected to have significant impacts on the Company's financial statements.

3. Main accounting principles and evaluation criteria

The Board of Directors made an evaluation of the Company's ability to continue as a going concern, based on all relevant information, facts and circumstances, of financial, commercial or other nature, including subsequent events to the reference date of the financial statements, available on the future.

As a result of the evaluation carried out, Management has concluded that the Company has adequate resources to maintain the activities, with no intention to cease activities in the short term, and, therefore, considered appropriate the use of the assumption of continuity of operations in the preparation of the financial statements. This conclusion is not affected by the current liabilities/current assets ratio, since: i) it results from the classification in short-term liabilities of a bond issue, wholly placed in the subsidiary Inapa France, SAS, whose renewal, on the date of its maturity for the medium/long term, depends on the intention of the Company and is expected to occur in the following year and ii) there is an intention to postpone the maturity of other liabilities with companies of the Group in the course of 2023 (see footnote 5). As a result of the assessment of the short-term cash flow projection, the Group of which the Entity is the dominant company has adequate financial resources to renew the maturity of these liabilities.

(i) Tangible fixed assets

Property, plant, and equipment are recorded at their cost of acquisition, less accumulated depreciation and impairment losses. This cost includes the estimated cost at the date of the transition to IFRS and the acquisition costs of assets obtained after that date.

The cost includes the purchase price of the asset, the costs directly attributable to its acquisition, including non-deductible taxes, and the costs incurred to prepare the asset to star operating.

The land is not depreciated. The depreciation of the remaining assets is calculated, after the date on which the goods are available for use, on a straight line basis method, according to the estimated useful life period from the date they are ready for use, each of them and corresponding to the following rates:

Buildings and other constructions	2% - 5%
Basic equipment	7.14% - 12.5%
Transport equipment	20% - 25%
Administrative equipment	10% - 12.5%

The depreciation process is reviewed annually, begins in the month of the year in which the respective asset is in a condition to be used.

Maintenance and repair expenses that do not increase the useful life of the assets or result in significant improvements, or improvements in the assets of the property, plant, and equipment, are recorded as expenses for the year in which they occur.

(ii) Investment property

Property, plant, and equipment are classified as capital goods when held for the purposes of capital appreciation and income derivatives.

Investment property is initially valued at its acquisition cost, including transaction expenses that are directly attributable to it. Since investment properties are fully leased to Group companies, after initial recognition, investment properties are valued at cost minus accumulated depreciation and impairment losses. Depreciation is calculated using the constant share over the estimated useful life method, using the same rates as property, plant, and equipment.

Costs incurred with investment goods in use, namely maintenance, repairs, insurance, and property taxes, are recognized as expenses in the period to which they relate. Improvements or improvements to investment real estate for which there are expectations that they will generate additional future economic benefits beyond what is initially estimated are capitalized under the caption “Investment property”.

iii) Intangible assets

Intangible assets are valued at acquisition cost, less accumulated amortization, and impairment losses. Intangible assets are only recognized if it is likely that the future economic benefits attributable to the asset will flow to the Company, are controllable and their cost can be reliably assessed.

The acquisition cost corresponds to the purchase price, including the costs of intellectual property rights and taxes on non-refundable purchases, after deduction of commercial discounts and rebates.

Assets with undefined useful life are not subject to amortization but are subject to annual impairment tests.

Development expenses are recognized whenever the Company demonstrates the ability to complete its development and commences its use and for which the asset created is likely to generate future economic benefits. Development expenditure which does not meet these criteria shall be recorded as expenditure for the financial year in which it is incurred.

The depreciation of an intangible asset with a finite useful life shall be calculated, after the date of commencement of use, according to the straight line method, according to the estimated useful life, considering the residual value.

Intangible assets are generally amortised over a period of 5 years.

(iv) Leases

The Company recognises in the Statement of Financial Position the assets under lease agreements (right of use assets). Excluded are those classified with a low value or term of less than 12 months, whose payments are made and recognized as an expense in the Income Statement in the period in which they occur, in a linear manner throughout the lease.

Right of use assets are measured at cost, in the Statement of financial position, when the good becomes available for use by the Company.

The lease liability is recorded in the Statement of Financial Position, at the present value of the lease payments, for the non-terminable period of the contract. For this current amount, the Company uses the incremental financing rate on the contract commencement date.

Depreciation and impairment losses of assets under the right of use are calculated and recorded as set forth in note 3. i) for the property, plant, and equipment, being depreciated from the start date to the end of the useful life of the asset or until the end of the lease term, the lesser of the two.

Interest included in lease payments, depreciation and impairment losses is recorded in the Income Statement as an expense for the period to which it relates. Interest expense is presented in the financing activities, in the cash flow statement.

When the entity is a lessor, the rents receivable are recognized in a linear manner throughout the contract.

(v) Investments in subsidiaries and associates

Investments in subsidiaries and associates are recorded using the equity method.

The subsidiaries correspond to the financial interests in companies in which Inapa - IPG holds, directly or indirectly, the power to control the entities. The power to control an entity occurs when Inapa - IPG is exposed to or holds rights to variable results through its relationship with it and has the ability to affect those results through the power it exercises over the entity (subsidiary).

The associates correspond to financial interests in companies in which Inapa - IPG exerts, directly or indirectly, significant influence but does not have control, usually with investments representing between 20% and 50% of the voting rights.

According to the equity method, financial participations are recorded at their acquisition cost, adjusted by the amount corresponding to the Group's participation in the changes in equity (including net income) of the associates and by the dividends received. The change in the equity of the associates, resulting from the net result, is recorded in gains or losses of the period.

Differences between the cost of acquisition and the fair value of the associate's identifiable assets and liabilities at the date of acquisition, if positive, are recognized as an asset (implied goodwill) and maintained at the value of the investment in associates (Note 9). If these differences are negative, they are recorded as income for the period under the caption "Imputed gains/losses of subsidiaries and associates".

According to the normative, an evaluation of investments in associates must be made when there are indications that the asset may be in impairment being recorded as cost the impairment losses that are shown to exist. When impairment losses recognized in prior periods cease to exist, they are reversed. For this purpose, the Company uses its goodwill impairment analysis process at the level of the consolidated financial statements.

Under the equity method, the financial statements include the Company's share of the total gains and losses recognized from the date the significant control or influence begins to the date it actually ends. Unrealized gains or losses on transactions between Inapa Group companies, including those associated with them, are eliminated. Dividends granted by subsidiaries or associates are considered reductions in the investment held.

When the portion of a subsidiary's or associate's losses exceeds the value of the investment, the Group recognizes additional losses in the future if the Group has incurred obligations or made payments for the benefit of the associate or subsidiary.

If the financial interest in an associate is reduced but retains significant influence, only a proportionate amount of the amounts previously recognized in other complete income is reclassified in the income statement.

The accounting policies applied by subsidiaries and associates are amended, whenever necessary, to ensure that they are applied consistently by Inapa - IPG and its subsidiaries and associates.

Entities that qualify as subsidiaries and associates are listed in Note 9.

(vi) Financial assets and liabilities

Financial assets

The Company classifies financial assets, taking into account their subsequent measurement, at amortized cost, at fair value through other comprehensive income or fair value through profit or loss, based on both the business model for the management of those financial assets and the contractual characteristics in terms of cash flows of the financial asset.

Inapa - IPG classifies financial assets as follows:

Amortized cost: Debt instruments (including hybrid instruments that do not meet the separation criteria), with only principal and indexed interest cash flows, and that are part of the business model of maintaining the instrument to receive the contractual flows. The balances relating to these assets are recorded in the Statement of Financial Position under the captions Customers, Other current and non-ordinary assets and Cash and cash equivalents. These assets are subsequently measured based on the effective interest rate method, minus impairment losses. Interest on these financial assets is recognized in financial income and gains.

Fair value through other comprehensive income (with recycling): Debt instruments (including hybrid instruments), with only principal and indexed interest cash flows, and which are part of the business model of disposal of the instrument and receipt of contractual flows. These assets and liabilities are measured at fair value through other comprehensive income. Dividends earned from these assets are recognized in the income statement on the date they are allocated;

Fair value through profit and loss: Financial assets whose holding is intended to be held in the short term and includes financial assets held for trading and derivative instruments not allocated to hedging transactions. It also includes instruments that do not include only principal and indexed interest cash flows, or where the enterprise has designated the instruments, in its designation, to be measured at fair value in order to avoid accounting imbalances. These assets are measured at fair value through the income statement;

Fair value through other comprehensive income (without recycling): Equity instruments, which the company chooses at its initial recognition, so that the instrument is classified in this way. These assets and liabilities are measured at fair value through other comprehensive income.

Financial assets will be reclassified if they are affected by a change in their management business model according to the most appropriate classification, within the limitations defined in the standards.

Financial assets are classified as non-current assets unless their foreseeable maturity is less than 12 months from the date of financial reporting.

Investments – other methods

Financial interests corresponding to equity instruments (other than subsidiaries and associates) are measured at their fair value.

Trade receivables and Other receivables

The items of Trade receivables and Other receivables constitute rights receivable for the sale of goods or services in the ordinary course of the Company's business, are initially recognized at fair value, and are subsequently measured at amortized cost, less impairment adjustments, when applicable (Notes 11 and 13).

The Company applies the simplified approach of IFRS 9 to measure expected credit losses, which considers expected credit losses over the useful life, for accounts receivable arising from contracts with customers. The credit risk of accounts receivable is assessed at each reporting date, considering the credit risk profile of the customer (Note 14).

For Other assets that do not arise from contracts with customers (in accordance with IFRS 15), which generally refer to subsidiary entities, are subject to the general impairment model of IFRS 9 (three-step model). Given that the credit risk of subsidiaries is considered low, with access to current and forward-looking and current financial information, the impairment estimate generally corresponds to the first step of the model with the assessment of the risk of uncollectibility of cash flows for the next 12 months.

In the history of Inapa – IPG, the amounts derecognized for non-payment have been rare and very insignificant.

Derecognition of financial assets

The entity derecognises a financial asset when, and only when:

(a) the contractual rights to cash flows arising from the financial asset expires;
(b) transfers the financial asset and the transfer satisfies the conditions for derecognition.

The Company only derecognizes customer balances or other receivables (removed from the asset) when it transfers substantially all risks and benefits associated with their holding. If the derecognition criteria are not met, unpaid claims are included under the caption Customers and funds received are recorded under Loans.

Financial liabilities

IFRS 9 established the classification of financial liabilities in two categories:

Financial liabilities at fair value through profit or loss: Financial liabilities that are intended to be held in the short term and include financial liabilities held for trading and derivatives not allocated to hedging transactions. These liabilities are measured at fair value through the income statement; and

Other financial liabilities: non-derivative financial liabilities, with fixed or determinable payments, that are not quoted on liquid markets. Other financial liabilities include "Borrowings", "Suppliers" and "Other current and non-current liabilities". These liabilities are initially measured at fair value and are subsequently at amortized cost, using the effective interest rate method.

Financial liabilities are not reclassified into categories after their initial classification.

Financial liabilities are derecognised when the underlying obligations are extinguished by payment, cancelled, or expire.

Loans

Loans are initially recognized at fair value, net of transaction and assembly costs incurred. The financing is subsequently presented at amortised cost with the difference between nominal value and initial fair value recognised in the income statement over the loan period using the effective interest rate method.

Loans are classified in current liabilities unless the Company has the unconditional right to defer payment of liabilities for at least 12 months after the date of the financial report, in which case they are classified in non-current liabilities (Note 16).

Suppliers and Other Liabilities

Suppliers and Other Liabilities represent payment obligations for the purchase of goods or services and are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest rate method.

(vii) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, bank deposits, other short-term, highly liquid investments with initial maturities of up to three months and reduced risk of fair value change, and bank overdrafts. Bank findings are presented in the Statement of Financial Position, Current Liabilities, Loans, and are considered in the preparation of the consolidated Statement of Cash Flows, as cash and cash equivalents (Note 4).

viii) Impairment of non-financial assets

The Company makes an impairment assessment of assets on the date of the financial report and whenever there is a change in circumstances indicating that the amount for which an asset is recorded cannot be recovered (Note 14). In the case of non-current assets that are not amortized because they do not have a finite useful life, impairment tests are performed annually.

When the value at which an asset is recorded is greater than its recoverable amount, an impairment/provision loss is recognised, which is recorded in the income statement or equity when the asset has been revalued, in which case its revaluation will be reduced. The recoverable amount is the highest value of the fair value of an asset minus the costs of sale and its use value.

The reversal of impairment losses recognised in previous years is recorded when the reasons for recording them no longer exist (except Goodwill). The reversal is recorded in the income statement, except when the asset has been revalued and its revaluation recorded in equity has been decreased because of the impairment loss.

(ix) Provisions, contingent assets and liabilities

Provisions are recognized when, and only when, the Company has a present obligation (legal or constructive), because of past events, and it is more likely that for the resolution of that obligation, an outflow of funds will occur, and the value of the obligation can be reasonably estimated.

Provisions are valued at present value, revised at the date of each financial report, and adjusted to reflect the best estimate on that date, considering the risks and uncertainties inherent in those estimates.

Provisions for restructuring expenses are recognised when there is a formal and detailed restructuring plan, and this has been communicated to the parties involved.

Current obligations resulting from onerous contracts are assessed and recorded as provisions. An onerous contract exists when the Company is an integral part of the provisions of a contract or agreement, the execution of which has associated expenses that cannot be avoided, which exceed the economic benefits arising therefrom.

Contingent liabilities are not recognised in the financial statements and are disclosed where the possibility of an outflow of resources encompassing economic benefits is not remote. Contingent assets are not recognised in the financial statements and are disclosed when a future economic inflow of resources is likely.

Provisions for ongoing lawsuits are evaluated by the Board for the most likely conclusion, based on their likelihood of success, as well as the estimate of the amounts to be spent, after their analysis with the Company´s legal advisers, leading to the recognition of a liability when an unfavorable outcome is likely, and only being disclosed as a contingency if an unfavorable outcome is unlikely but possible.

(x) Revenue

Revenue from contracts with customers is recognized in the income statement according to the 5-step model foreseen in IFRS 15. The underlying principle is that the entity recognises revenues from the transfer of goods or services to customers for the value it expects to obtain in exchange for those goods and services, to the extent that the contractual obligations are fulfilled. The entity's revenues come mainly from the management and intermediation in supply contracts, administrative services provided to Group entities, royalties from the brands held and interest on financing granted. Sales and services are recognized net of taxes, discounts, and other costs inherent in their realization, at the fair value of the amount received or receivable.

Royalty revenues are recognised in accordance with the economic periodisation regime and considering the substance of the corresponding contracts, provided that the economic benefits are likely to flow to the Company and their amount can be reliably assessed and accounted for under "Other income and earnings".

Interest income is recognised using the effective interest method, provided that the economic benefits are likely to flow to the Company and their amount can be reliably measured.

(xi) Accrual basis

Transactions are responsibly recognized when they are generated, regardless of when they are received or paid. The differences between the amounts received and paid and the corresponding revenue and expenditure are recorded under the caption Other current assets and Other current liabilities.

(xii) Effects of changes in exchange rates

All assets and liabilities denominated in foreign currency have been converted into euros using the exchange rates in force at the time of the financial report. Favorable and unfavorable exchange differences caused by differences between the exchange rates in effect on the date of the transactions and those in effect on the date of the charges, payments or the date of the financial report were recorded as income and expenses for the year.

For the purpose of converting the financial statements of foreign companies in which financial interests are valued using the equity method and which use a functional currency other than the Company's reporting currency, the following criteria have been used:

Assets and Liabilities: Exchange rate parities in force at the date of financial reporting.

Gains and Losses: Average exchange rate parities verified in the period.

The currency translation differences resulting from the process described above are shown in Equity (Adjustments to financial assets).

The exchange rates for the conversion of the financial statements of the English, Angolan and Turkish subsidiaries were as follows:

- Exchange rate of the pound sterling used for the conversion of elements of the profit and loss account: 1.1728 euros;
- Exchange rate of the pound sterling used for the conversion of the items in the statement of financial position: 1.1275 euros;
- Exchange of the Kwanza used for the conversion of the elements of the income statement: 0.0021 euros;
- Exchange of the Kwanza used for the conversion of the items of the statement of financial position: 0.0019 euros;
- Turkish lira exchange rate used for the conversion of elements of the profit and loss account: 0.0574 euros.
- Turkish lira exchange rate used for the conversion of items in the statement of financial position: 0.0501 euros.

(xiii) Income taxes

Income tax includes current taxes and deferred taxes.

Current income tax is calculated based on the Company's taxable results in accordance with the current tax rules; Deferred taxes result from temporary differences between the amount of assets and liabilities for accounting reporting purposes (carrying amount) and their amounts for tax purposes (tax basis).

Deferred taxes, assets and liabilities are calculated using the tax rates in effect or announced to take effect on the expected date of reversal of the temporary differences.

Deferred tax assets are only recognised when there are reasonable expectations of obtaining sufficient future tax profits for their use, or in situations where there are taxable temporary differences that offset the deductible temporary differences in the period of their reversal. Deferred tax obligations are recognized for all taxable temporary differences, except those related to: (i) the initial recognition of goodwill; or ii) the initial recognition of assets and liabilities that do not result from a business combination and that, at the date of the transaction, do not affect the accounting or tax result. However, as regards taxable temporary differences related to investments in subsidiaries, they should not be recognised to the extent that: (i) the parent undertaking can control the period of reversal of the temporary difference; and (ii) the temporary difference is unlikely to reverse in the near future.

At the end of each period, the calculation of these deferred taxes is reviewed and reduced whenever their future use is no longer likely to occur.

Deferred taxes are recognised as expenses or income for the financial year, unless they result from amounts recorded directly in equity, in which case the deferred tax is also presented under the same caption.

The amount of taxes recognized in the financial statements corresponds to the Board's understanding of the tax treatment applicable to the transactions carried out, and the liabilities related to income taxes are recognized based on the interpretation that is made and that is understood to be the most appropriate. In situations where such interpretations may be questioned by the Tax Authority, they are evaluated in relation to the probability of an unfavorable correction to Inapa - IPG, if probable, giving rise to the registration of a liability presented in Income Tax payable in the Statement of Financial Position, if unlikely may translate into the disclosure of a contingency.

With regard to the tax in force, as indicated in Note 10, the Company and its subsidiaries based in Portugal are subject to Corporate Income Tax (IRC), under the special regime for the taxation of groups of companies. Inapa - IPG, as the dominant company, is responsible for calculating the taxable profit of the group, through the algebraic sum of taxable profits and tax losses calculated in the income statements of each of the dominated companies. Inapa - IPG:

- recognises the total amount of current tax receivable/payable to the tax authorities in its Individual Statement of Financial Position;
- recognises as a current tax expense on its individual income statement only its

individual contribution to the income tax assessment; and

- recognises an amount receivable/payable to its subsidiaries which are part of the special regime for taxation of groups for their contribution to the amount of current tax receivable/payable.

(xiv) Fair value of assets and liabilities

If an active market exists, the fair value of an asset or liability corresponds to its market price.

Where there is no active market, valuation techniques generally accepted in the market based on market assumptions are used.

When necessary, Inapa - IPG applies evaluation techniques. The most commonly used valuation models are the discounted cash flow models (level 2 or level 3).

a) Cash and cash equivalents, debtors, and accruals
These financial instruments are mainly composed of short-term financial assets and, for this reason, their carrying value at the reporting date is considered to be approximate to fair value.

b) Borrowings
The fair value of loans is obtained through the discounted value of all expected cash flows that are expected to be paid. Expected cash flows are discounted at current market interest rates. At the reporting date, their book value is approximately their fair value.

c) Creditors and accruals
These financial instruments are mainly composed of short-term financial liabilities and for that reason, their book value at the reporting date is considered to be approximate to fair value.

The level concepts set forth in the standard regarding the Fair Value of assets and liabilities measured at fair value can be described as:

a) Level 1: fair value is based on price quotations obtained in the active and liquid markets at the reporting date;

b) Level 2: Fair value is determined using valuation models, which may involve other comparable quotes in the active market or adjusted quotes. Thus, the main inputs of the models used are observable in the market;

c) Level 3: Fair value is determined through valuation models, the main inputs of which are not observable in the market.

(xv) Relevant estimates and judgments

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

The estimates that present the most significant risk of giving rise to a significant adjustment in the carrying value of assets and liabilities in the following financial year are presented below:

a) Estimated impairment of financial holdings

According to the standards, if there are indications that a financial participation may be impaired, Inapa - IPG shall test whether there is impairment in investments in subsidiaries and associates. This analysis shall be carried out taking into account the information prepared for the purpose of analysing the impairment of goodwill at the level of the consolidated financial statements. The recoverable values of the cash-generating units are determined based on the calculation of the value in use. These calculations require the use of estimates (note 9).

4. Cash flows

The breakdown of cash and cash equivalents as at 31 December 2022 and 2021 is analysed as follows:

	2022	2021
Immediately available bank deposits	2,794	511
Cash	-	1
Cash and cash equivalents	**2,794**	**511**

Movements in the financing item of the Statement of Financial Position have been reconciled with related cash flows for the periods ended 31 December, 2022 and 2021.

	2022				
	Balance as at January 1, 2022	Proceeds from financing activities	Payments in respect of financing activities	Non-monetary movements	Balance as at December 31, 2022
Non-current liabilities					
Loans	**100,775**	**158,749**	**-14,347**	**-159,272**	**85,905**
Current liabilities					
Loans	68,558	3,263	-,161,572	162,602	72,851
Other current liabilities - accrued interest	219	-	-7,010	6,791	-
	169,552	**162,012**	**-182,930**	**10,123**	**158,756**

(cont.)

	2021				
	Balance as at January 1, 2021	**Proceeds from financing activities**	**Payments in respect of financing activities**	**Non-monetary movements**	**Balance as at December 31, 2021**
Non-current liabilities					
Loans	110,307	135,554	-8,309	-136,777	100,775
Current liabilities					
Loans	63,356				68,558
Bank overdrafts	-2,110				-
Subtotal	**61,246**	**6,872**	**-134,455**	**134,894**	**68,558**
Other current liabilities - accrued interest	743		-6,303	5,779	219
	172,296	**142,426**	**-149,067**	**3,896**	**169,552**

Non-monetary movements include reclassifications from non-current liabilities to current liabilities over the period, specialisations of expenses, as well as financial transactions without associated financial flows.

5. Related parties

5.1 Related to the parent company.

As mentioned in Note 1, Inapa - IPG is the parent company of the Inapa Group, and Note 5.3 discloses the balances with shareholders.

5.2 Key management personnel

The key management personnel correspond to the members of the company's management bodies and those in charge, who, not being members of those bodies, have direct or indirect authority and responsibility for the planning, direction, and control of the company's activities.

The remuneration paid by Inapa Group to the members of the main management elements in 2022 and 2021 are analyzed as follows:

	2022	2021
Board of Directors		
Wages	**1,100**	**977**
Other key management personnel		
Wages	**1,540**	**1,590**

5.3 Balances with other related parties

The Company maintains commercial and financial relations with the subsidiaries.

The subsidiaries owned directly by the Company as of 31 December 2022 are as follows:

Assignment	Matrix	% of Direct participation	The activity
Inapa France, SA	11 rue de la Nacelle – Villabé 91813 Corbeil-Essonnes Cedex France	100.00	Paper distribution
Inapa Deutschland Holding GmbH	Osterbekstraße 90 D-22083 Hamburg Germany	100.00	Property
Inapa Deutschland GmbH	Osterbekstraße 90ª D-22083 Hamburg Germany	5.10*	Paper distribution
Edições Inapa, Lda	Rua Braamcamp 40 - 9°D 1250-050 Lisboa Portugal	100.00	Editing
EUROPACKAGING - Investimentos, Participações e Gestão, Lda.	Rua Braamcamp 40 - 9°D 1250-050 Lisboa Portugal	100.00	Property
Inapa Portugal, SA	Rua das Cerejeiras, n.º 5, Vale Flores 2710-632 Sintra Portugal	100.00	Paper distribution
Inapa España Distribución de Papel, SA	Calle Delco, n.º 1-3 Polígono Industrial Ciudad del Automóvil 28914 Leganés, Madrid	100.00	Paper distribution
Inapa Belgium	Vaucampslaan, 30 B-1654 Huizingen Belgium	100.00	Paper distribution
Inapa – Merchants, Holding, Ltd	39 Hendon Lane Finchley Central, London, N3 1RY United Kingdom	100.00	Property
Inapa Shared Center, Lda	Rua das Cerejeiras, n.º 5, Vale Flores 2710-632 Sintra Portugal	99.75	Shared Services
KORDA Kağıt Pazarlama ve Ticaret Anonim Şirketi	Kasap Sokak. Konak Azer Ishani 34394 Istambul Turkey	100.00	Paper distribution

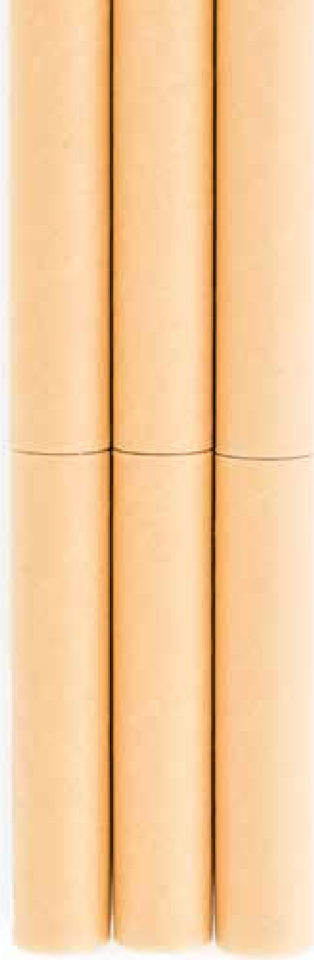
*100% INDIRECT STAKE THROUGH INAPA DEUTSCHLAND HOLDING GMBH

The full list of related parties can be found in Note 34 to the consolidated financial statements, published together with the separate financial statements.

At December 31, 2022 and 2021, the balances with companies of the Inapa Group were as follows:

	2022						
	Current assets		Non--current assets	Liabilities			
		Other current assets (Note 13)		Loans (Note 16)			Other current liabilities (Note 17)
					Other borrowings		
Company	Trade receivables (Note 11)	Group Companies	Other non-current assets (Note 13)	Borrowings – bonds	Non-current	Current	Current
Inapa Portugal, SA	886	1,558	-	-	21,196	4,900	6,566
Edições Inapa, Lda	-	1,179	-	-	-	-	-
Inapa France, SA	361	124	-	44,000	-	1,800	5,146
Inapa Belgium	13	616	-	-	-	-	100
Inapa España, SA	164	848	-	-	-	3,500	4,302
Inapa Deutschland Holding, GmbH	923	2,056	11,617	-	-	-	226
Inapa Deutschland, GmbH	4,449	6,105	12,700	-	2,300	-	10,272
Inapa Shared Center, Lda	61	1,808	-	-	-	3,170	1,651
EUROPACKAGING - Investimentos, Participações e Gestão, Lda.	117	733	-	-	-	-	-
Inapa Packaging, Lda.	9	55	-	-	-	300	79
Inapa Packaging, GmbH	31	6	-	-	-	-	5
Inapa Packaging, SAS	3	-	-	-	-	-	4
Inapa Comunicação Visual, Lda	-	264	-	-	-	-	250
Inapa Angola, SA	-	19	-	-	-	-	-
KORDA Kağıt Pazarlama ve Ticaret Anonim Şirketi	29	1,134	-	-	-	-	2
Embaltec SAS	-	-	-	-	-	-	7
Semaq Emballages, SA	5	-	-	-	-	-	7
Inapa – Merchants, Holding, Ltd	-	-	-	-	-	-	-
Inapa ComPlott, GmbH	-	7	-	-	-	-	7
	7,052	**16,513**	**24,317**	**44,000**	**23,496**	**13,670**	**28,623**

	2021						
	Current assets		Non--current assets	Liabilities			
		Other current assets (Note 13)		Loans (Note 16)			Other current liabilities (Note 17)
					Other borrowings		
Company	Trade receivables (Note 11)	Group Companies	Other non-current assets (Note 13)	Borrowings – bonds	Non-current	Current	Current
Inapa Portugal, SA	653	1,094	-	-	22,296	-	4,511
Edições Inapa, Lda	-	1,179	-	-	-	-	-
Inapa France, SA	304	45	-	44,007	-	1,800	3,346
Inapa Belgium	7	561	-	-	-	-	164
Inapa España, SA	14	123	-	-	-	3,500	2,631
Inapa Deutschland Holding, GmbH	746	1,556	8,617	-	-	-	-
Inapa Deutschland, GmbH	2,567	1,441	16,296	-	2,300	-	2,015
Inapa Shared Center, Lda	53	330	-	-	-	3,270	1,350
EUROPACKAGING - Investimentos, Participações e Gestão, Lda.	117	2,322	-	-	-	-	-
Inapa Packaging, Lda.	53	186	-	-	-	-	-
Inapa Packaging, GmbH	15	3	-	-	-	-	-
Inapa Packaging, SAS	3	-	-	-	-	-	-
Inapa Comunicação Visual, Lda	101	44	-	-	-	-	-
Inapa Angola, SA	-	19	-	-	-	-	-
KORDA Kağıt Pazarlama ve Ticaret Anonim Şirketi	-	1,404	-	-	-	-	-
Embaltec SAS	-	-	-	-	-	-	-
Semaq Emballages, SA	-	-	-	-	-	-	-
Inapa – Merchants, Holding, Ltd	-	-	-	-	-	-	321
Inapa ComPlott, GmbH	-	3	-	-	-	-	-
	4,632	**10,310**	**24,913**	**44,007**	**24,596**	**8,570**	**14,337**



The balances receivable from Edições Inapa, Lda and Inapa Portugal, S.A. do not bear interest nor have a fixed repayment term.

Receivables and loans granted recorded in Other assets - Group Companies relating to Inapa Belgium and Inapa Shared Center Lda bear interest at current market rates.

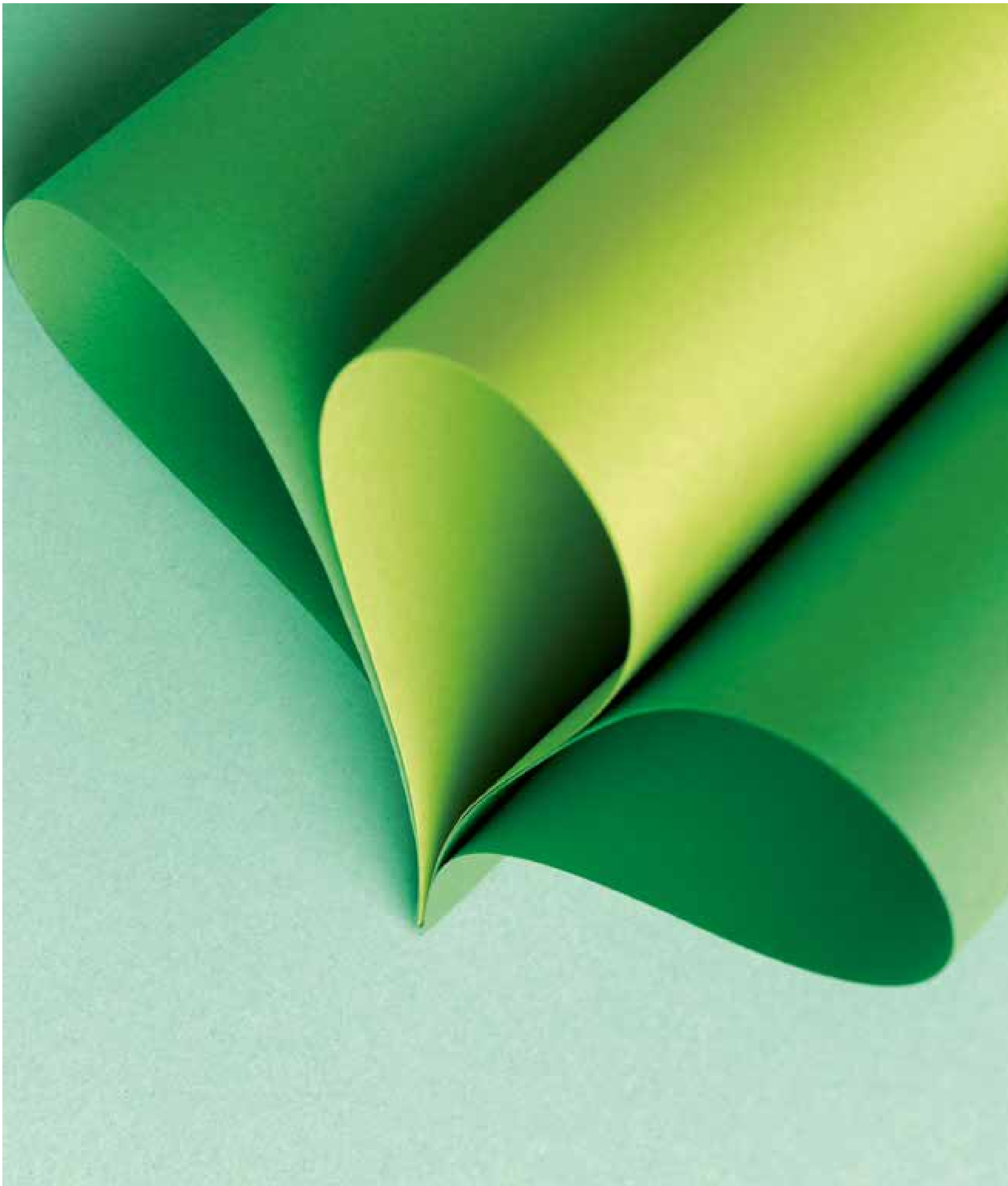
Of the balance receivable from Europackaging Lda, only 714 thousand euros are due at current market rates.

Of the receivables booked in Non-Current Assets, the balance relating to Inapa Deutschland Holding GmbH and Inapa Deutschland GmbH bears interest at the current market rate.

Accounts payable recorded in Loans from Inapa Portugal, S.A. Inapa España, SA, Inapa Deutschland GmbH, Inapa France, SA, and Inapa Shared Center Lda bear interest at current market rates.

At December 31, 2022 and 2021, the balances with other related entities were as follows:

	2022			
	Bank deposits	Other current and non-current assets	Loans	Other current and non-current liabilities
BCP	2	-	34,618	-
	2	**-**	**34,618**	**-**
	2021			
	Bank deposits	Other current and non-current assets	Loans	Other current and non-current liabilities
BCP	2	-	35,337	-
	2	**-**	**35,337**	**-**



In 2022 and 2021, bank loan balances, excluding estimates of interest and bank expenses, are classified as non-current liabilities. BCP's loans were contracted under normal market conditions.

During fiscal years 2022 and 2021, transactions with related entities were as follows:

	2022			
	Sales and services rendered	**Other gains and profits and financial income**	**Other expenses**	**Financial costs**
Inapa Portugal, SA	188	4	50	1,136
Inapa France, SA	251	157	315	886
Inapa Belgium	-	5	104	-
Inapa España, SA	145	380	317	196
Inapa Deutschland Holding GmbH	134	544	226	-
Inapa Deutschland, GmbH	642	1,895	342	94
Inapa Shared Center, Lda	8	21	164	84
EUROPACKAGING - Investimentos, Participações e Gestão, Lda.	-	50	-	-
Inapa Packaging, SAS	11	-	-	-
Inapa Packaging GmbH	16	-	-	-
Inapa Packaging, Lda	15	-	-	-
Inapa Comunicação Visual, Lda	15	-	-	-
BCP	-	-	-	1,404
KORDA Kağıt Pazarlama ve Ticaret Anonim Şirketi	18	-	11	-
Semaq Emballages, SA	19	-	-	-
Embaltec SAS	11	-	-	-
Edições Inapa, Lda	-	-	-	-
Inapa Angola, SA	-	-	-	-
Inapa ComPlott, GmbH	-	-	-	-
	1,472	**3,057**	**1,529**	**3,799**

	2021			
	Sales and services rendered	Other gains and profits and financial income	Other expenses	Financial costs
Inapa Portugal, SA	227	28	18	953
Inapa France, SA	251	147	171	683
Inapa Belgium	-	3	(4)	-
Inapa España, SA	122	392	682	183
Inapa Deutschland Holding GmbH	184	362	185	-
Inapa Deutschland, GmbH	684	1,579	1,167	118
Inapa Shared Center, Lda	7	1	181	104
EUROPACKAGING - Investimentos, Participações e Gestão, Lda.	-	90	-	-
Inapa Packaging, SAS	11	1	-	-
Inapa Packaging GmbH	20	1	-	-
Inapa Packaging, Lda	31	-	-	-
Inapa Comunicação Visual, Lda	12	1	-	-
BCP	-	-	-	1,351
KORDA Kağıt Pazarlama ve Ticaret Anonim Şirketi	18	1	(13)	-
Semaq Emballages, SA	20	-	-	-
Embaltec SAS	11	-	-	-
Edições Inapa, Lda	-	-	-	-
Inapa Angola, SA	-	-	-	-
Inapa ComPlott, GmbH	-	1	-	-
	1,598	**2,608**	**2,388**	**3,392**

6. Property, plant and equipment

During the year ended 31 December 2022, movements in fixed assets were as follows:

	2022					
	Buildings and other constructions	**Basic equipment**	**Transport equipment**	**Administr. Equipment**	**Other tangible assets**	**Total**
Acquisition cost						
Balance as at January 1, 2022	**34**	**17**	**23**	**150**	**11**	**235**
Increases	-	-	145	-	-	145
Disposals	-	-	-	-	-	-
Transfers/Write-offs	7	-17	-	20	-11	-
Balance as at December 31, 2022	**42**	**-**	**168**	**170**	**-**	**380**
Accumulated depreciations						
Balance as at January 1, 2022	**16**	**15**	**6**	**137**	**10**	**184**
Increases	-	-	12	5	-	17
Disposals	-	-	-	-	-	-
Transfers/Write-offs	11	-15	-	18	-10	4
Balance as at December 31, 2022	**28**	**-**	**18**	**161**	**-**	**206**
Net value as at beginning of 2022	18	2	17	12	1	51
Net value as at end of 2022	**14**	**-**	**151**	**9**	**-**	**174**

During the year ended 31 December 2021, the movements in fixed assets were as follows:

	2021					
	Buildings and other construc-tions	Basic equip-ment	Transport equip-ment	Administr. Equipment	Other tangible assets	Total
Acquisition cost						
Balance as at January 1, 2021	**34**	**17**	**7**	**149**	**11**	**218**
Increases	-	-	23	1	-	24
Disposals	-	-	-7	-	-	-7
Transfers/Write-offs	-	-	-	-	-	-
Balance as at December 31, 2021	**34**	**17**	**23**	**150**	**11**	**235**
Accumulated depreciations						
Balance as at January 1, 2021	**16**	**14**	**7**	**133**	**10**	**180**
Increases	-	1	6	5	1	12
Disposals	-	-	-7	-	-	-7
Transfers/Write-offs	-	-	-	-	-	-
Balance as at December 31, 2021	**16**	**15**	**6**	**137**	**10**	**184**
Net value as at beginning of 2021	18	3	-	16	1	38
Net value as at end of 2021	**18**	**2**	**17**	**12**	**1**	**51**

7. Investment properties

During the year ended 31 December 2022, movements in investment properties were as follows:

	2022		
	Land	**Buildings and other constructions**	**Total**
Acquisition cost			
Balance as at January 1, 2022	**3,905**	**11,714**	**15,619**
Increases	-	-	-
Disposals	-3,905	-11,714	-15,619
Transfers/Write-offs	-	-	-
Balance as at December 31, 2022	**-**	**-**	**-**
Accumulated depreciations			
Balance as at January 1, 2022	**-**	**3,407**	**3,407**
Increases	-	252	252
Disposals	-	-3,659	-3,659
Transfers/Write-offs	-	-	-
Balance as at December 31, 2022	**-**	**-**	**-**
Net value as at beginning of 2022	**3,905**	**8,307**	**12,211**
Net value as at end of 2022	**-**	**-**	**-**

During the year ended 31 December 2021, the movements in investment properties were as follows:

	2021		
	Land	**Buildings and other constructions**	**Total**
Acquisition cost			
Balance as at January 1, 2021	**3,905**	**11,714**	**15,619**
Increases	-	-	-
Disposals	-	-	-
Transfers/Write-offs	-	-	-
Balance as at December 31, 2021	**3,905**	**11,714**	**15,619**
Accumulated depreciations			
Balance as at January 1, 2021	**-**	**3,133**	**3,133**
Increases	-	274	274
Disposals	-	-	-
Transfers/Write-offs	-	-	-
Balance as at December 31, 2021	**-**	**3,407**	**3,407**
Net value as at beginning of 2021	**3,905**	**8,581**	**12,486**
Net value as at end of 2021	**3,905**	**8,307**	**12,211**

The item Investment Properties referred to the acquisition, in 2009, through assignment by the Spanish subsidiary of the Group, of the real estate and furniture leases of the property destined for a warehouse located in Leganés (Madrid). At the end of 2022, the company sold the property for 11,000 thousand euros.

8. Intangible assets and right of use assets

a) Intangible assets

During the year ended 31 December 2022, the movements in intangible assets were as follows:

	2022			
	Software	Other intangible assets	In progress	Total
Acquisition cost				
Balance as at January 1, 2022	**286**	**299**	**57**	**643**
Increases	14	-	-	14
Disposals	-	-	-	-
Transfers/Write-offs	57	-	-57	-
Balance as at December 31, 2022	**357**	**299**	**-**	**657**
Accumulated depreciations				
Balance as at January 1, 2022	**225**	**299**	**-**	**524**
Increases	23	-	-	23
Disposals	-	-	-	-
Transfers/Write-offs	-	-	-	-
Balance as at December 31, 2022	**248**	**299**	**-**	**547**
Net value as at beginning of 2022	**61**	**-**	**57**	**118**
Net value as at the end of 2022	**109**	**-**	**-**	**109**

During the year ended 31 December 2021, movements in intangible assets were as follows:

	2021			
	Software	**Other intangible assets**	**In progress**	**Total**
Acquisition cost				
Balance as at January 1, 2021	**285**	**299**	**44**	**628**
Increases	1	-	14	15
Disposals	-	-	-	-
Transfers/Write-offs	-	-	-	-
Balance as at December 31, 2021	**286**	**299**	**57**	**643**
Accumulated depreciations				
Balance as at January 1, 2021	**215**	**299**	**-**	**514**
Increases	10	-	-	10
Disposals	-	-	-	-
Transfers/Write-offs	-	-	-	-
Balance as at December 31, 2021	**225**	**299**	**-**	**524**
Net value as at beginning of 2021	**70**	**-**	**44**	**113**
Net value as at the end of 2021	**61**	**-**	**57**	**118**

b) Right of use assets

During the financial year 2022, the movements of the right of use assets, as well as their depreciation, were as follows:

	2022		
	Buildings and other constructions	Transport equipment	Total
Acquisition cost			
Balance as at January 1, 2022	**66**	**210**	**276**
Increases	70	-	70
Disposals	-	-	-
Transfers/Write-offs	-66	-59	-125
Balance as at December 31, 2022	**70**	**150**	**220**
Accumulated depreciations			
Balance as at January 1, 2022	**61**	**122**	**182**
Increases	69	49	118
Disposals	-	-	-
Transfers/Write-offs	-66	-59	-125
Balance as at December 31, 2022	**64**	**111**	**175**
Net value as at beginning of 2022	**6**	**88**	**93**
Net value as at the end of 2022	**6**	**39**	**45**

During the financial year 2021, the movements of the right of use assets, as well as their depreciation, were as follows:

	2021		
	Buildings and other constructions	**Transport equipment**	**Total**
Acquisition cost			
Balance as at January 1, 2021	**66**	**185**	**251**
Increases	66	25	91
Disposals	-	-	-
Transfers/Write-offs	-66	-	-66
Balance as at December 31, 2021	**66**	**210**	**276**
Accumulated depreciations			
Balance as at January 1, 2021	**61**	**71**	**132**
Increases	66	50	116
Disposals	-	-	-
Transfers/Write-offs	-66	-	-66
Balance as at December 31, 2021	**61**	**122**	**182**
Net value as at beginning of 2021	**6**	**113**	**119**
Net value as at the end of 2021	**6**	**88**	**93**

9. Investments

As at 31 December 2022 and 2021, investments in subsidiaries and associated companies booked under Investments – equity method are broken down as follows:

Investments in subsidiaries & associates	Headquarters	% of direct share	% of indirect share
a) Portugueses			
Inapa Portugal, SA	Sintra	100.00%	100.00%
Edições Inapa, Lda	Lisboa	100.00%	100.00%
Inapa Shared Center, Lda	Sintra	99.75%	100.00%
EUROPACKAGING - Investimentos, Participações e Gestão, Lda.	Lisboa	100.00%	100.00%
b) Foreign			
Inapa España Distribuición de Papel, SA	Spain	100.00%	100.00%
Inapa France, SA	France	100.00%	100.00%
Inapa Deutschland Holding, GmbH	Germany	100.00%	100.00%
KORDA Kağıt Pazarlama ve Ticaret Anonim Şirketi	Turkey	100.00%	100.00%
Inapa – Merchants, Holding, Ltd	Reino Unido	100.00%	100.00%
Inapa Deutschland, GmbH	Germany	5.10%	100.00%
Inapa Belgium	Belgium	100.00%	100.00%

Financial Investments Variation

Investments in subsidiaries	
Balance as at January 1, 2021	**282,001**
Movements in 2021	
Investments and acquisitions	1,357
Equity method	3,214
Recognized in profits and losses	3,645
Recognized in other comprehensive income	-432
Dividends received	-1,623
Disposals and other decreases	-
Impairments	-
Balance as at December 31, 2021	**284,948**
Movements in 2022	
Investments and acquisitions	-
Equity method	18,822
Recognized in profits and losses	17,322
Recognized in other comprehensive income	1,500
Dividends received	-102
Disposals and other decreases	-
Impairments	-
Balance as at December 31, 2022	**303,668**

The amounts recognised from equity accounting were determined after the regularisation adjustments of accounting standards, being recognised in Other comprehensive income, Actuarial gains and losses (2022: 2.270 thousand euros; 2021: 1.061 thousand euros), Other variations (2022: 102 thousand euros) and Currency translation differences (2022: -872 thousand euros; 2021: -1,492 thousand euros).

In 2022 and 2021 no dividends were distributed by the subsidiaries to Inapa - IPG.

The amounts shown under Dividends received refer to dividends attributed and that are in current account with the subsidiaries.

As mentioned in Note 3 v), the Goodwill calculated during application of the equity method is recorded under the heading Investments - equity method. The Goodwill booked by Inapa – IPG, together with the remaining Goodwill booked in the consolidated accounts of the Inapa Group, was allocated as a whole to each of the several segments of the Group's business and its impairment was tested considering each business segment throughout the Group (Note 3 x v a)). In 2006, there was an impairment for the Goodwill of the Group as a whole, which was reflected in the separate Financial Statements of Inapa - IPG as an adjustment for the application of the equity method.

This year, the Group calculated the recoverable value of the assets and liabilities associated with the activity of the various business segments, determining the value in use, according to the DCF (Discounted Cash Flow) method.

The analysis was conducted considering the information prepared for the purposes of Goodwill's impairment analysis at the level of the consolidated financial statements, in particular with respect to the cash flow, perpetual growth rate and discount rate projections (as described in Note 8 to these consolidated financial statements).

After the impairment tests were performed, no impairment loss was identified to be recorded.

The Company performed sensitivity analyses, simulating separately the impact of a 50-basis point change in the growth rate and discount rate, and it was concluded that there was no evidence of impairment.

10. Income tax – current and deferred

The Company and its Portuguese subsidiaries (Inapa Portugal, Edições Inapa, Inapa Shared Center, Europackaging, Inapa Packaging and Inapa Comunicação Visual) are taxed on the basis of the Corporate Income Tax (IRC) under the special regime for taxation of corporate groups, in which the parent company holds more than 75% and which meet the conditions of Article 69 and ensuing under the Corporate Income Tax Code.
Inapa – IPG as the dominant company, is responsible for calculating the taxable profits of the Group, through the algebraic sum of taxable fiscal profit and losses ascertained in the income statements of each of the Portuguese group entities.

The current tax gain or loss is calculated by each subsidiary based on its individual tax situation. Any gain or loss arising from the consolidated tax regime is recognized by the Company as profit or loss within the fiscal year itself.

The payment of income tax is based on self-assessment statements that are subject to inspection and possible adjustment by the Tax Authority within the next four years. If tax losses are determined, they can be used in the future for an unlimited period, being subject to possible adjustment by the Tax Administration following revisions that are made to the declarations of the years in which the losses are deducted.

The Company is subject to Corporate Income Tax at the regular rate of 21%, plus 1.5% of “derrama”, resulting in an aggregate tax rate of 22.5%. Additionally, Inapa is subject to an additional state tax corresponding to a rate of 3%, for taxable income between 1.5 million euros and 7.5 million euros, a rate of 5% between 7.5 million euros and 35 million euros and 9% for income greater than 35 million euros. The additional state tax (derrama) is applied to the taxable income before deduction of prior year tax losses.

The value of deferred taxes relative to 31 December 2022 and 31 December 2021 is as follows:

	December 31, 2022		December 31, 2021			
	Base	**Deferred tax**	**Base**	**Deferred tax**	**Retained earnings**	**Income of fiscal year**
Deferred tax asset:						Dr/(Cr)
Transition adjustment						
- intangible assets	-	-	-	-	-	-
- financial discount	-	-	-	-	-	-
Others	126	27	129	27	-	1
		27		**27**		
Deferred tax of the year						**1**

The tax on profit before tax differs from the theoretical amount that would result from the application to profit of the weighted average rate of tax on profits as follows:

	2022	2021
Net income before tax on profits	**18,426**	**4,111**
Nominal tax rate (22,5%)	-4,146	-925
Income tax - value	-667	-797
	3,479	**128**
Equity method effect	3,897	820
Non-deductible expenses	-688	-682
Non-taxable income	513	2
Others	-243	-13
	3,479	**128**

11. Trade receivables

At 31 December 2022 and 2021, the breakdown of Trade receivables was as follows:

	2022	2021
Trade receivables - Group (Note 5.3)	7,052	4,632
Trade receivables - others	291	291
	7,342	**4,922**
Impairment losses (Note 14)	-291	-291
	7,052	**4,632**

12. Income tax

At 31 December 2022 and 2021, the balances of income tax were as follows:

	Recoverable		Payable	
	2022	2021	2022	2021
Income tax	723	-	-	60
	723	**-**	**-**	**126**

There are no overdue debts with the State and other public entities.

13. Other current and non-current assets

At 31 December 2022 and 2021, the breakdown of the caption “Other non-current assets and Other current assets” is as follows:

	2022	2021
Other non-current assets		
Inapa Deutschland Holding GmbH (Note 5)	11,617	8,617
Inapa Deutschland GmbH (Note 5)	12,700	16,296
Others	852	847
	25,169	**25,760**
Impairment losses (Note 14)	**-348**	**-348**
	24,822	**25,413**
Other current assets		
Income accruals		
Amounts to be invoiced	169	2,096
Amounts to be invoiced Group (Note 5)	2,442	708
	2,611	**2,804**
Other debtors		
Group Companies (Note 5)	14,071	9,602
Other recoverable taxes	357	197
Other debtors	9,247	1,474
	23,675	**11,272**
Impairment losses (Note 14)	-11	-11
	26,275	**14,066**

The non-current balances receivable of Inapa Deutschland Holding, GmbH and Inapa Deutschland, GmbH bear interest at current market rates. The current balances receivable in “Other debtors” refer to the intervention of Inapa – IPG in the management and intermediation in supply contracts.

The Group’s current balances derive from estimates of interest receivable, royalties, and financial commissions, as well as one-off loans granted, divided into amounts already invoiced (Other debtors) and amounts to be invoiced (accruals of income).

The balance of “Other debtors”, includes an amount of 5,586 thousand euros relating to a compensation asset regarding the acquisition of Papyrus Deutschland GmbH & Co.

14. Impairments

During the years 2022 and 2021, impairments of recognised assets had the following movements:

	Invest-ments (note 9)	Trade receivables (note 11)	Other non-current receivables (note 13)	Other current receivables (note 13)	Total
Balance as at January 1, 2021	**83**	**291**	**348**	**11**	**732**
Increases	-	-	-	-	-
Utilizations	-	-	-	-	-
Reversals	-	-	-	-	-
Balance as at December 31, 2021	**83**	**291**	**348**	**11**	**732**
Increases	-	-	-	-	-
Utilizations	-	-	-	-	-
Reversals	-	-	-	-	-
Balance as at December 31, 2022	**83**	**291**	**348**	**11**	**732**

15. Share capital, reserves and other items of equity

On 31 December 2022 and 2021, equity details are as follows:

	2022	2021
Share capital	180,135	180,135
Issuance Premium	432	432
Legal reserve	7,574	7,574
Other reserves	890	890
Retained earnings	14,803	15,134
Adjustments in financial assets - Related to the equity method	-44,912	-50,057
Net result for the period	**17,759**	**3,314**
	176,681	**157,422**

As of 31 December 2022, share capital was represented by 526,225,508 shares, all of which were ordinary in nature. The share capital is fully subscribed and paid-up.

As of 31 December 2022, Inapa - IPG did not hold any own shares nor was there any transaction of own shares during the 2022 financial year.

The Issuance Premium corresponds to the difference between the nominal value of the Inapa - IPG shares acquired and their realization value and are not distributable in the form of dividends and may be used for incorporation into the capital or to cover losses.

The commercial legislation establishes that at least 5% of the annual net revenue must be destined to the reinforcement of the legal reserve until it represents, at least, 20% of the share capital. This reserve is not distributable, except in case of liquidation of the Company, but can be used to absorb losses after the depletion of the other reserves or incorporation into the capital.

The item Adjustments in financial assets includes movements in the equity of the subsidiaries and associates of Inapa – IPG, following the application of the equity method.

The variation in the Equity Adjustments in the amount of 2,372 thousand euros, presented in the Statement of Comprehensive Income, mainly concerns balances that will not be reclassified to results (referring to the implicit movements associated with the application of the equity method).

At the General Meeting of 20 May 2022, the shareholders of Inapa – Investimentos, Participações e Gestão, S.A. approved the proposal for the application of the results presented by the Board of Directors, pursuant to which the net result for the 2021 financial year, in the amount of 3,314,095.51 euros, was transferred to retained earnings.

In 2022, Inapa-IPG was notified, pursuant to article 16 of the Securities Code and CMVM Regulation nr. 5/2008, of the change of qualifying holdings.

The common shares are traded with ISIN PTINA0AP0008.

Equity reserve (included in the balance under “Equity method investments”): the difference between the results attributable to financial participations recognized in the income statement and the number of dividends already received or the payment of which may be required in respect of the same participations is subject to the legal reserve regime described above. As of 31 December 2022, the value of the subsidiaries’ appropriated profits is positive, but given the accumulated value of equity losses appropriated in previous years, it leads to the existence of a negative balance of the equity reserve.

The shareholder structure at December 31, 2022 and December 31, 2021 is as follows:

Shareholder	December 31, 2022		
	Ordinary shares	% of ordinary shares	% voting rights
Parpública – Participações Públicas (SGPS), SA	236,199,384	44.89%	33.33%
Participação imputável ao MillenniumBCP	71,097,348	13.51%	13.51%
Fundo de Pensões do Grupo Banco Comercial Português	-	0.00%	0.00%
Banco Comercial Português, SA	71,097,348	13.51%	13.51%
Nova Expressão SGPS, SA	52,625,000	10.00%	10.00%
Novo Banco, SA	34,445,831	6.55%	6.55%
Total of qualified participations	**394,367,563**	**74.94%**	**63.39%**

Shareholder	December 31, 2021		
	Ordinary shares	% of ordinary shares	% voting rights
Parpública – Participações Públicas (SGPS), SA	236,199,384	44.89%	33.33%
Participação imputável ao MillenniumBCP	112,996,710	21.47%	21.47%
Fundo de Pensões do Grupo Banco Comercial Português	19,483,041	3.70%	3.70%
Banco Comercial Português, SA	93,513,669	17.77%	17.77%
Nova Expressão SGPS, SA	43,500,000	8.27%	8.27%
Novo Banco, SA	34,445,831	6.55%	6.55%
Total of qualified participations	**427,141,925**	**81.17%**	**69.62%**

16. Loans

As of 31 December 2022, and 2021 the loan items are analysed as follows:

	2022	2021
Non-current		
Commercial Paper	13,136	14,576
Mid and Long-term financing	40,153	44,793
Convertible bonds	9,000	12,000
Group Companies (Note 5)	23,496	24,596
Lease liabilities	120	4,810
	85,905	**100,775**
Current		
Bond loans (Note 5)	44,000	44,007
Overdrafts and bonded accounts	2,050	2,150
Commercial Paper	5,680	6,461
Medium and long-term financial instruments (portion maturity within 1 year)	4,376	3,267
Convertible bonds	3,000	3,000
Group Companies (Note 5)	13,670	8,570
Lease liabilities	75	1,104
	72,851	**68,558**

The bond loans correspond to two bond issues made by Inapa – IPG, in the amount of 42,700 thousand euros and 1,300 thousand euros with full repayment in June 2023, with interest payable at the Euribor rate at 6 months plus a spread. As of 31 December 2022 and 2021, these obligations were in the possession of Inapa France, SA.

Total commercial paper debt amounts to 18,816 thousand euros and corresponds to issues with three financial institutions. Two issues with a nominal value of 15 716 thousand euros repayable in regular payments up to 2025 and one issue repayable at face value over one year, with interest payable at the variable rate.

Bank loans - non current (40,152.9 thousand euros) and current (4,375.6 thousand euros) includes five financial financings maturing until 2035, with interest at variable rates.

As of 31 December 2022, the Company presents Convertible Bonds issued in the amount of 12 million euros (15 million euros as of 31 December 2021). Interest is due at the rate of 5%, with a quarterly maturity, with the principal being repaid in 5 equal installments, the first in July 2022 and the last in July 2026. These bonds, which gave their holder the option to convert 19.3% of Inapa-IPG's ordinary shares existing at the date of their issuance (fixed by fixed), were issued to Papyrus GmbH as part of the consideration for the acquisition of Papyrus Deutschland GmbH & Co.KG, and the seller was also a creditor of a Seller's Loan Note for the remaining amount of the acquisition, which has now been fully liquidated. The implicit assessment of the option must therefore be seen strictly in the context of the acquisition of Papyrus as a whole and does not constitute a relevant benchmark for the assessment outside this framework. In accordance with the measurement principles of IAS 32, since the interest rate of the obligation in this transaction exceeds comparable interest, no value has been assigned to the option for accounting purposes.

At the end of the 2022 financial year, the Company still had contracted and unused bank credit lines in the amount of 200,000 euros.

As of 31 December 2022, and 2021, the maturity of non-current loans is as follows:

	2022	2021
Between 1 and 5 years	58,299	66,284
Over 5 years	27,607	34,491
	85,905	**100,775**

Lease liabilities corresponds to the debt for the acquisition of goods under lease agreements, the assets of which are recorded under the caption Investment properties (see note 7) and Transport equipment (see note 6).

At 31 December 2022 and 2021, other debts relating to lease liabilities included in the Loans items – current and non-current, was as follows:

	2022	2021
Debt related to lease liabilities		
• Non-current	120	4,810
• Current	75	1,104
	196	**5,914**

	2022	2021
Debt related to lease liabilities		
Value of income - not discounted		
• less than 1 year	83	1,285
• more than 1 year and less than 5 years	128	5,255
• more than 5 years	-	-
	211	**6,540**
Finance costs to be supported	**-15**	**-626**
Updated value of debt with lease liabilities	**196**	**5,914**

The debt relating to finance leases as of 31 December 2022 corresponds essentially to transport equipment. On 31 December 2021, it essentially corresponded to the amount due to Novo Banco, which was liquidated in the course of 2022, following the sale of the financed property (Leganés).

As of 31 December 2022 and 2021, the exposure of loans to changes in interest rates according to contractual rate-setting periods is as follows:

	2022	2021
Periods for setting interest rates		
Less than 6 months	146,756	154,333
Between 6 and 12 months	-	-
Between 1 and 5 years	12,000	15,000
More than 5 years	-	-
	158,756	**169,333**

As of 31 December 2022 and 2021, the net financial debt is as follows:

	2022	2021
Loans		
Current	72,851	68,558
Non-current	85,905	100,775
	158,756	**169,333**
Cash and bank deposits (Note 4)	**-2,794**	**-511**
	155,962	**168,822**

The current covenant, its ratio and the balance of its financing as of 31 December 2022 are as follows:

Loan	2022	Ratio	Ratio	Limit
Commercial Paper - Inapa Portugal and Inapa IPG	15 191	Net financial debt	2.5x	7.0x

The ratio will be calculated based on the consolidated financial statements.

17. Other current liabilities

As of 31 December 2022 and 2021, the breakdown of the item "Other current liabilities" is as follows:

	2022	2021
Other current liabilities		
Accrued expenses		
Personnel costs to be paid	291	269
Group Companies (Note 5)	1,471	-
Others	493	13
	2,255	**282**
Deferred income		
Services to invoice	-	438
	-	**438**
Other Creditors		
Group Companies (Note 5)	27,152	14,337
Other payable taxes	203	66
Others	388	145
	27,743	**14,548**
	29,999	**15,268**

18. Sales, services and other income and gains

As of 31 December 2022, and 2021, the heading "Sales and services provided", in the amount of 1,472 thousand euros and 1,598 thousand euros, respectively, corresponds to services provided to companies of the Inapa Group (Note 5).

In 2022 and 2021, the caption "Other income and gains" is presented as follows:

	2022	2021
Other supplementary income	10,704	8,032
Royalties of Group Companies	1,268	885
Rentals	371	375
Others	-	220
	12,343	**9,512**

The caption "Other supplementary income" corresponds mainly to the income obtained by the Company from the intervention in negotiation processes involving the Inapa Group.

19. External supplies and services

In years 2022 and 2021, the details of expenditure on external supplies and services are made up as follows:

	2022	2021
Specialized services	709	594
Rentals	26	24
Travel and accommodation	48	29
Communication	14	5
Insurance	101	112
Advertising and marketing	454	2,167
Fees	71	28
Litigation and notary	25	3
Others	412	49
	1,860	**3,011**

Advertising and marketing expenses corresponds to various actions to reinforce the group's global sales, maintain or reinforce market share or grow in volume in the Group's main customers.

20. Personnel expenses

In 2022 and 2021, the balances under the heading "Personnel expenses" are analysed as follows:

	2022	2021
Wages and salaries	1,847	1,619
Social security contributions	472	327
Other personnel costs	64	84
	2,383	**2,029**

During the financial year, the Company had an average of 17 employees (2021: 16 employees).

21. Other expenses and losses

The data for the caption “Other expenses and losses” for the financial years 2022 and 2021 are given in the following table:

	2022	2021
Taxes	302	93
Tangible assets disposals	964	-
Contributions	-	15
Donations	5	-
Others	1,193	88
	2,464	**195**

22. Expenses/reversal of depreciation and amortization

In 2022 and 2021, balances under this caption are as follows:

	2022	2021
Tangible fixed assets (Note 6)	17	12
Intangible assets (Note 8)	23	10
Investment properties (Note 7)	252	274
Right of use assets (Note 8)	118	116
	410	**413**

23. Financial income and expenditures

The detail of financial income and expenditures of the years 2022 and 2021 is as follows:

	2022	2021
Financial income		
Interests obtained	1,418	1,307
	1,418	**1,307**
Financial costs		
Interests paid	-6,355	-5,647
Stamp duty	-151	-176
Other costs and financial losses	-506	-480
	-7,012	**-6,303**
	-5,594	**-4,995**

24. Financial risk management

The Company, as the dominant company of the Inapa Group, directly and indirectly carries out management activities in its subsidiaries. The fulfillment of obligations assumed by the Company depends on the cash flows generated by the subsidiaries, which include the distribution of dividends, the payment of interest, the repayment of loans granted and the payment for services provided by the Company. In addition, as noted in Note 3(x), the Company derives revenues from its management and intermediation activity in supply contracts.

The Company's activities expose it to a variety of financial risk factors: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's exposure to financial risks is essentially associated with loans obtained from financial institutions, which result in risks derived from non-compliance with the contracted conditions and risks of fluctuation of interest rates.

Financial risk management is conducted by the Financial Department, in accordance with the policies approved by the Board of Directors, and in close cooperation with the various subsidiaries. Financial market fluctuations, in particular regarding interest rates, are continuously analyzed and measures deemed necessary are taken to minimize the Company's (and the Group's) exposure to financial risk.

The Company has implemented practices for managing its capital in order to ensure its regular financing. This includes the management of equity itself (see Note 15), cash and cash equivalents (which includes bank overdrafts – see Note 4), as well as loans, which together contribute to the concept of net debt (see Note 16). Operations include the participation of the Company's Board of Directors and Financial Management, which is responsible for communication with financial partners, negotiations, and the agreement of the relevant terms. Monitoring is ensured through regular reporting on positions and analysis of future financial needs.

a) Market risk

Foreign exchange risk

The foreign exchange risk to which the Company is directly exposed at the level of financial assets and liabilities is not significant in the context of the individual financial statements.

The activity developed by the Inapa Group in geographies with a currency other than the euro represents, in 2022, no more than 1.76% of the Group's sales.

In pursuit of the general objectives indicated above, Inapa - IPG has implemented internal monitoring practices by the Management to monitor foreign exchange risk. This includes monitoring their development as well as assessing the potential exchange rate impact on the new decisions to be taken. The Company does not use derivatives to fix the exchange rate.

Interest rate risk

The cost of most of the financial debt contracted by Inapa-IPG is indexed to variable reference rates, and Inapa - IPG is currently exposed to interest rate risk. To the extent that Inapa - IPG does not cover exposure to adverse changes in interest rates, such changes could have a significant negative effect on its business, financial condition, and results. However, and as a way of managing these variations, the financial department permanently monitors the evolution of the market and is able to use financial mechanisms and instruments that allow it to mitigate the effects of interest rate volatility, following the expenses incurred, as well as the expected values of future expenses. This is done through the preparation of treasury budgets, based on expected and reasonably achievable developments and the financial needs of the Company (and the Group it leads). Consequently, the Company interacts with its financial partners, in order to ensure the financing of operations and competitive financing costs.

As of 31 December 2022, if the reference rate used on borrowings varied by 0.25%, keeping all other variables constant, annual financial charges would vary by around 218 thousand euros (31 December 2021: 234 thousand euros).

Within the scope of the Separate Financial Statements, Inapa – IPG has financing (see Note 16) contracted both with external entities and with its subsidiaries (see Note 5). The Group's internal remuneration policy follows internal transfer pricing criteria, in accordance with market benchmarks, allowing an adequate remuneration of the capital invested, but does not end up representing a risk for the individual company due to the dominant position it assumes over these companies. Thus, interest rate risk is considered to be focused on liabilities to entities external to the Inapa Group (excluding the liabilities disclosed in Note 5).

On December 31, 2022, and 2021, the evolution of financial assets and liabilities with exposure to interest rate risk to entities external to the Inapa Group is presented as follows, depending on the date of revision of the interest rate (Euribor at 1, 3 or 6 months):

December 31, 2022	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Assets						
Current						
Cash and cash equivalents	2,794	-	-	-	-	2,794
Total financial assets	**2,794**	**-**	**-**	**-**	**-**	**2,794**
Liabilities						
Non-current						
Loans	-	13,268	40,021	-	-	53,289
Convertible bonds	-	-	-	9,000	-	9,000
Lease liabilities	108	-	12	-	-	120
Current						
Loans	1,250	4,727	6,129	-	-	12,106
Convertible bonds	-	-	3,000	-	-	3,000
Lease liabilities	40	-	36	-	-	75
Total financial liabilities	**1,398**	**17,995**	**49,197**	**9,000**	**-**	**77,590**

December 31, 2021	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Assets						
Current						
Cash and cash equivalents	511	-	-	-	-	511
Total financial assets	**511**	**-**	**-**	**-**	**-**	**511**
Liabilities						
Non-current						
Loans	1,250	13,987	44,133	-	-	59,369
Convertible bonds	-	-	-	12,000	-	12,000
Lease liabilities	4,769	-	41	-	-	4,810
Current						
Loans	1,650	4,533	5,694	-	-	11,877
Convertible bonds	-	-	3,000	-	-	3,000
Lease liabilities	1,048	-	57	-	-	1,104
Total financial liabilities	**8,716**	**18,520**	**52,925**	**12,000**	**-**	**92,161**

b) Credit risk

Inapa - IPG is exposed to credit risk in financial assets receivable from third parties. The Group does not have significant concentrations of credit risk and has credit risk assessment and monitoring policies that ensure that sales are made to customers with an adequate credit history. They correspond mainly to Group entities or entities with business relationships with its subsidiaries.

The maximum exposure to credit risk shall correspond to the book values of financial assets as follows:

December 31, 2022	
Assets	
Cash and cash equivalents	2,794
Trade receivable and other assets	57,791
Total assets	**60,585**
December 31, 2021	
Assets	
Cash and cash equivalents	511
Trade receivable and other assets	43,913
Total assets	**44,424**

As of 31 December 2022, and 2021, the seniority of customer balances and other financial assets is as follows:

	2022		2021	
	Trade receivables	**Other financial assets**	**Trade receivables**	**Other financial assets**
Current accounts not due	7,052	49,452	4,632	38,661
Past due accounts				
1 to 30 days	-	169	-	12
31 to 60 days	-	28	-	119
61 to 90 days	-	447	-	-7
+ than 91 days	-	643	-	496
	7,052	**50,740**	**4,632**	**39,282**
Doubtful accounts	291	358	291	358
Impairment	-291	-358	-291	-358
Net trade receivables balances	**7,052**	**50,740**	**4,632**	**39,282**

The credit risk of financial assets relating to cash and cash equivalents as of 31 December 2022, is as follows:

Cash and bank deposits Financial Institutions by rating	**2022**
BB	2,774
Fully guaranteed deposits	21
Total	**2,794**

Of the amounts of cash and cash equivalents, 21 thousand euros, are demand deposits guaranteed in full by the Deposit Guarantee Fund. Of the amount of 2,774 thousand euros presented in other categories, about 100 thousand euros are also guaranteed by the Deposit Guarantee Fund.

c) Liquidity risk

Inapa - IPG manages its liquidity risk by acting in two ways: by ensuring that the medium and long-term component of its financial debt is adequate to the expected capacity to generate funds and by always having lines of credit (current account lines), either through direct relationships with financial partners, or through its subsidiaries.

Within the scope of the separate Financial Statements, Inapa – IPG has financing (see Note 16) contracted both with external entities and with its subsidiaries (see Note 5). The maturity periods are contractually defined, but they do not end up posing a risk to the company in individual terms due to the dominant position it assumes over these companies. Thus, liquidity risk is considered to be concentrated in liabilities to entities external to the Inapa Group (excluding the liabilities disclosed in Note 5).

The following table analyzes the remunerated financial liabilities of Inapa - IPG at December 31, 2022 and 2021 by relevant maturity groups, based on the remaining period until contractual maturity. The values in the table are undiscounted contractual cash flows, including interest.

December 31, 2022	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Liabilities						
Loans and financial instruments						
Commercial paper	160	4,629	2,016	14,608	-	21,413
Bank loans (including bank overdrafts)	203	544	8,713	21,860	34,781	66,102
Convertible bonds	157	-	3,428	9,833	-	13,418
Lease liabilities	13	15	54	131	-	213
	534	**5,188**	**14,211**	**46,433**	**34,781**	**101,146**

December 31, 2021	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Liabilities						
Loans and financial instruments						
Commercial paper	115	4,471	2,695	16,052	-	23,333
Bank loans (including bank overdrafts)	121	424	6,910	19,248	37,609	64,311
Convertible bonds	196	-	3,543	13,418	-	17,156
Lease liabilities	11	122	1,193	5,159	-	6,485
	443	**5,017**	**14,340**	**53,878**	**37,609**	**111,286**

25. Financial assets and liabilities

The reconciliation of the statement of financial position with the various categories of financial assets and liabilities included therein is detailed as follows:

	Financial assets at amortized cost	Assets at fair value through profit or loss	Other financial liabilities at amortized cost	Assets and liabilities out of scope of IFRS 9	Total
December 31, 2022					
Assets					
Other non-current assets	24,822	-	-	-	24,822
Trade receivables and other current assets	32,969	-	-	357	33,326
Cash and cash equivalents	2,794	-	-	-	2,794
Total assets	**60,585**	**-**	**-**	**357**	**60,943**
Liabilities					
Non-current loans	-	-	85,785	120	85,905
Loans	-	-	72,776	75	72,851
Suppliers and other current liabilities	-	-	30,277	203	30,480
Total liabilities	**-**	**-**	**188,838**	**399**	**189,237**

	Financial assets at amortized cost	Assets at fair value through profit or loss	Other financial liabilities at amortized cost	Assets and liabilities out of scope of IFRS 9	Total
December 31, 2021					
Assets					
Other non-current assets	25,413	-	-	-	25,413
Trade receivables and other current assets	18,500		-	197	18,697
Cash and cash equivalents	511	-	-	-	511
Total assets	**44,424**	**-**	**-**	**197**	**44,621**
Liabilities					
Non-current loans	-	-	95,965	4,810	100,775
Loans	-	-	67,454	1,104	68,558
Suppliers and other current liabilities	-	-	15,409	66	15,475
Total liabilities	**-**	**-**	**178,829**	**5,980**	**184,809**

26. Result per share

The calculation of basic earnings per share is based on net income attributable to Inapa - IPG shareholders and the weighted average number of common shares outstanding, as follows:

	2022	2021
Net profit and loss for the period	17,759	3,314
Net income to distribute to ordinary shares - in thousands	17,759	3,314
Ordinary shares - in thousands	526,226	526,226
Convertible bonds - potential shares - in thousands	125,747	157,184
Basic earning per share - in euros	0,0337	0,0063
Diluted earnings per share - in euros	0,0272	0,0048

Convertible bonds – the potential shares correspond to the convertible bonds issued in connection with the acquisition of Papyrus Deutschland GmbH & Co.KG (see note 16). These securities give the holder the option to convert (U.S. type) 19.3% (2021: 23.0%) of Inapa-IPG's common shares (fixed for fixed).

27. Contingent liabilities and contingent assets

Contingent liabilities

On March 1, 2007, Papelaria Fernandes – Indústria e Comércio, SA brought an action against Inapa – Investimentos, Participações e Gestão, SA and its subsidiaries Inaprest – Prestação de Serviços, Participações e Gestão, SA (defunct company) and Inapa Portugal – Distribuição de Papel, SA, in which it requests, in summary:

- the annulment of the following acts:

- the constitution, in January 2006, of a commercial commitment to counter-guarantee the letters of comfort issued by Inapa – Investimentos, Participações e Gestão, SA as a guarantee of the financing maintained by that company with Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo;

- the business carried out in 1991 to concentrate the activities of paper distribution in SDP (now Inapa Portugal) and production and marketing of envelopes in Papelaria Fernandes;

- the acquisition, in 1994, of the stake held by Papelaria Fernandes in SDP (now Inapa Portugal);

- of the credit compensation carried out, also in 1994, between Papelaria Fernandes and Inaprest.

- Inapa's condemnation to:

- maintain the letters of comfort issued in favor of Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo;

- indemnify Papelaria Fernandes in case of possible mobilization of the commercial pledge as a counter-guarantee of the comfort letters.

Papelaria Fernandes – Indústria e Comércio, SA subsequently regularized its responsibilities to Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo, for which:

- the comfort letters issued by Inapa - IPG no longer have an object, having been returned by the respective beneficiaries;

- this Company has consequently communicated to Papelaria Fernandes – Indústria e Comércio, SA the verification of the resolutive condition of the commercial pledge constituted by it in its favor.

The action, to which a value of 24,460 thousand euros was attributed, was challenged by Inapa – IPG and its subsidiary Inapa Portugal – Distribuição de Papel, SA, pending the Court to determine the effects on the action of the dissolution/ liquidation of Inaprest – Prestação de Serviços, Participações e Gestão, SA. Inapa Group understands that this process should not result in any material charges and no provisions have been made.

Liabilities relating to bank guarantees.

The Company has provided several bank guarantees, through various financial institutions, in the total amount of 109.3 million euros. For issuing commercial paper (19.5 million euros) and for other financing (89.8 million euros).
In addition, and to guarantee financing total of 52.5 million euros, a pledge was established on shares of the subsidiaries of Inapa - IPG (53% of Inapa Deutschland GmbH, 55.5% of Inapa France SAS and 35.5% of Inapa Portugal S.A.).

28. Fees for services provided by the reviewer

In the year ended 31 December 2022 and 2021, the amounts supported with the services provided by the reviewer to Inapa - IPG, were as follows:

	2022	2021
Audit Services	49	47
Limited Review Services	17	21
	66	**68**

29. Events occurring after the date of the financial report

As of the date of publication of the accounts, no subsequent events have been recorded.

6

Statutory Audit Report and Auditors' Report on the Individual Financial Statements

pwc

Statutory Audit Report and Auditors' Report

(Free translation from the original in Portuguese)

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Inapa – Investimentos, Participações e Gestão, S.A. (the Entity), which comprise the statement of financial position as at December 31, 2022 (which shows total assets of Euros 365,918 thousand and total shareholders' equity of Euros 176,681 thousand including a net profit of Euros 17,759 thousand), the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity and the cash flow statement for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Inapa – Investimentos, Participações e Gestão, S.A. as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the financial statements" section below. In accordance with the law we are independent of the Entity and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	Summary of the Audit Approach
Recoverability of the financial investments	
Disclosures related to financial investments are presented in notes 3(v), 3(xv) e 9 of the financial statements.	
As at December 31, 2022, Inapa – Investimentos, Participações e Gestão, S.A. holds financial investments in subsidiaries and associates in the amount of Euros 303,668 thousand, which are valued at the equity method. As disclosed in note 3 of the financial statements, the financial investments are subject to impairment testing whenever there are indicators or changes in the underlying circumstances which indicate that the carrying value may not be recoverable. For that purpose, the recoverable amount is determined based on discounted cash flows models, which require the use of estimates and assumptions defined by the Board of Directors, based on economic and market projections, namely cash flows associated with the operating activity, perpetuity growth rates and discount rates. It should be noted that any unfavourable future variations between the actual cash flows and those estimated in the Business Plan may lead to relevant impacts on the calculation of the recoverable value of the financial investments and consequently, significantly affect the Entity's financial and economic position. Given the amounts involved, the complexity of the valuation models, the assumptions used and the inherent high level of judgment and subjectivity, this matter was considered a key matter for the purposes of our audit.	The performed audit procedures included, among others, obtaining the organisational structure of INAPA Group, the calculation that supports the valuation of the investments recorded using the equity method, as well as the Goodwill and brands impairment tests. We performed an assessment to the adequacy of the impairment model used by the Board of Directors and the mathematical accuracy of the calculations. We assessed the reasonableness of the estimates and judgments made by the Board of Directors, underlying the relevant assumptions used in the impairment tests models and respective sensitivity analyses. We performed a reconciliation of the future cash flow projections with the Business Plan approved by the Board of Directors. We also assessed the reasonableness of the cash-generating unit definition, on which the impairment tests were performed. We inquired the Management about the adequacy of the assumptions that have greater sensitivity in determining the recoverable value, namely the revenues growth and EBITDA margin. An analysis of the adequacy of the discount rate and the perpetuity growth rate was also performed, using the peer's information and other information available in the market. Sensitivity analyses were also carried out on the main assumptions in order to determine the level of variations that, individually or collectively, could lead to impairment losses on the assets tested.

Key Audit Matter	***Summary of the Audit Approach***
	The procedures described above, carried out to assess the reasonableness of the assumptions and methodology associated with the impairment model, were performed with the support of our team of specialists. We reviewed the disclosures presented in the financial statements, in particular those related to the estimates and assumptions that present higher sensitivity in determining the recoverable amount based on value in use, based on the applicable accounting standards and factors considered relevant.
Going concern *Disclosures related to going concern are presented in notes 3 and 24 of the financial statements.* As at December 31, 2022, the Entity's financial statements show a current liability higher than the current assets by Euros 66,271 thousand (December 31, 2021: Euros 64,677 thousand). As disclosed in note 3 of the financial statements, the Board of Directors assessed the Group's ability to operate as a going concern, based on the existing financial position as at December 31, 2022, as well as additional relevant information available for the purpose, namely the treasury budget for twelve months after the financial reporting date, cash available on December 31, 2022, available and unused credit lines, as well as ongoing negotiations for the renewal or contracting of new financing. As also disclosed in note 3 of the financial statements, as a result of the assessment carried out, the Board of Directors concluded that the Group has adequate resources to maintain its activities. Consequently, the Board of Directors is convinced that the continuity of the Group's operations and liquidity are assured, based on the estimated cash needs, as of this	The audit procedures developed included, among others, the assessment of the adequacy of the use of the going concern assumption, used by the Board of Directors in the preparation of the financial statements based on the reasonableness analysis performed on the assumptions and methodology associated to the treasury budget for twelve months after the financial reporting date, approved by the Board of Directors. In the scope of our analysis, we inquired the Board of Directors about the rationale and assumptions used in the treasury budget and its assessment of the potential effects of the estimated evolution of inflation, paper prices and interest rates and its impact on the Group's operational performance and liquidity. We also analysed the sensitivity scenarios to the main risk factors identified by the Group, based on the financial position as at December 31, 2022 and the perspective of the cash flows that will be generated in the next twelve months.

Key Audit Matter	*Summary of the Audit Approach*
date, for a period of twelve months. Given the Entity's current financial position on December 31, 2022 and the high level of judgment and subjectivity associated with the assumptions used in the treasury budget, the uncertainty of the Group activity and the impact these have on the analysis of liquidity and continuity of operations, this matter was considered a key matter for the purposes of our audit.	We reviewed the disclosures presented in the financial statements, based on the applicable accounting standards and factors considered relevant.

Responsibilities of management and supervisory board for the financial statements

Management is responsible for:

a) the preparation of the financial statements, which present fairly the financial position, the financial performance and the cash flows of the Entity in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;

b) the preparation of the Directors' report, the corporate governance report, the non-financial statement and the remunerations report in accordance with the applicable law and regulations;

c) the creation and maintenance of an appropriate system of internal control to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

d) the adoption of appropriate accounting policies and criteria; and

e) the assessment of the Entity's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Entity's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Entity's financial information.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;

c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;

e) evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

f) communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

g) of the matters we have communicated to those charged with governance, including the supervisory board, we determine which one's were the most important in the audit of the financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure; and

h) confirm to the supervisory board that we comply with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes verifying that the information included in the Directors' report is consistent with the financial statements and the verification set forth in paragraphs 4 and 5 of article No. 451 of the Portuguese Company Law on corporate governance matters and verifying that the non-financial statement and the remunerations report were presented.

Report on other legal and regulatory requirements

Directors' report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the Directors' report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Directors' report is consistent with the audited financial statements and, taking into account the knowledge and assessment about the Entity, no material misstatements were identified.

Corporate governance report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the corporate governance report includes the information required under article No. 29-H of the Portuguese Securities Market Code, that no material misstatements were identified in the information disclosed in this report and that it complies with paragraphs 1 c), d), f), h), i) and l) of that article.

European Single Electronic Format (ESEF)

The Entity's financial statements for the year ended on December 31, 2022 must comply with the applicable requirements established in Commission Delegated Regulation (EU) 2019/815, of December 17, 2018 (ESEF Regulation).

The management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the financial statements included in the annual report are presented in accordance with the requirements of the ESEF Regulation.

Our procedures took into account the OROC Technical Application Guide on ESEF reporting and included, among others, obtaining an understanding of the financial reporting process, including the annual report presentation in valid XHTML format.

Non-financial statement

In compliance with paragraph 6 of article No. 451 of the Portuguese Company Law, we hereby inform that the Entity prepared a separate report of the Directors' report that includes the non-financial statement set forth in article No. 66-B of the Portuguese Company Law, which was disclosed together with the Directors' report.

Remunerations report

In compliance with paragraph 6 of article No. 26-G of the Portuguese Securities Market Code, we hereby inform that the Entity included in a separate section, in its corporate governance report, the information set forth in paragraph 2 of that article.

Additional information required in article No. 10 of the Regulation (EU) 537/2014

In accordance with article No. 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters referred to above, we also provide the following information:

a) We were first appointed auditors of the Entity in the Shareholders' General Meeting of May 20, 2022 for the period from 2022 to 2024.

b) The management has confirmed to us it has no knowledge of any allegation of fraud or suspicions of fraud with material effect in the financial statements. We have maintained professional scepticism throughout the audit and determined overall responses to address the risk of material misstatement due to fraud in the financial statements. Based on the work performed, we have not identified any material misstatement in the financial statements due to fraud.

c) We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Entity's supervisory board as of May 3, 2023.

d) We declare that we did not provide any prohibited non-audit services referred to in paragraph 1 of article No. 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014 and that we remain independent of the Entity in conducting our audit.

May 3, 2023

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

7

Report and Opinion of the Audit Committee

Dear Shareholders,

In accordance with the provisions of subparagraph g) of paragraph 1 of Article 423-F of the Portuguese Companies Code and Article 22 of the Company's Bylaws, the Audit Committee of the Board of Directors of Inapa – Investimentos, Participações e Gestão, SA hereby presents its annual report on the supervisory activities carried out during 2022 and its opinion on the Management Report and on the individual and consolidated financial statements for the fiscal year ended on 31 December 2022, as well as on the proposal on earnings distribution presented by the Board of Directors.

Annual report of activities undertaken by the Audit Committee

The governance model adopted by the Company includes the Board of Directors, an Audit Committee and a Statutory Auditor. All members observe the criteria of independence and compatibility for the exercise of their duties, assessed in accordance with the provisions of Paragraph 5 of Article 414 and in paragraph 1 of Article 414-A and paragraph 3 of Article 423-B, of the Portuguese Commercial Companies Code, respectively.

1. Activity developed by the Audit Committee regarding the 2022 fiscal year

During the 2022 fiscal year, the Audit Committee held 16 meetings with full attendance of its members. The meetings were attended, when appropriate and on invitation by the Committee, by members of the Executive Committee, the Statutory Auditor and External Auditor, and members of the corporate center.

In compliance with the powers legally and statutorily assigned to the Audit Committee, as defined in its regulation, it has developed several activities and initiatives, of which the following are highlighted.

1.1. Monitoring the Company's activity, ensuring compliance with the law and the Company's bylaws and supervision of the Company's management

The Audit Committee has regularly monitored the activity and business evolution of the Company and its subsidiaries, as well as its compliance with the applicable legal, statutory, and regulatory framework. This was achieved through participating in the Board of Directors meetings – following the Company's governance model; specific meetings, contacts and other inquiries with the Executive Committee or its members; systematic analysis of operational information made available periodically, as well as through contacts and meetings maintained with several operational directors and with the Statutory Auditor and External Auditor.

During the course of its activities, the Audit Committee monitored the main topics detailed below with the regularity and detail considered appropriate, having requested and obtained the clarifications deemed relevant:

a) Decisions related to the Group's financing structure, with a focus on its adequacy and economic and financial sustainability;

b) The evolution of the business in the different geographies where the Group operates;

c) The compliance with the 2022 annual budget and monitoring the preparation of the annual budget for 2023;

d) Compliance with the guidelines of the strategic plan;

e) The progress of legal actions in which the Group is involved;

f) Compliance with tax obligations;

g) The implementation of the new ERP (SAP) for the whole Group;

h) The information control and security systems – cybersecurity;

i) The Group's insurance policy;

j) The transactions with related parties.

The Audit Committee analysed the functioning and compliance with the legal framework of corporate governance, namely the internal functioning of the management body and its Executive Committee. Still within the scope of monitoring corporate governance issues, the Audit Committee analysed the Corporate Governance Report for the year 2022, in particular its adherence to legal requirements and to the Corporate Governance Code and other recommendations published by the Portuguese Institute of Corporate Governance.

1.2. Monitoring and supervision of the effectiveness of internal control, risk management and internal audit systems

During the 2022 fiscal year, the Audit Committee carried out several monitoring, supervision and evaluation initiatives in order to assess the functioning and adequacy of internal control, risk management and internal audit systems, and obtained regular reporting from the Head of the Risk Management and Internal Audit Department.

In collaboration with the Executive Committee, the Audit Committee defined the annual plan of activities of the Risk and Internal Audit Department, which ensures the evaluation and monitoring of the main risks to which the Group is subject, as well as the effectiveness of the respective management and internal control systems in the countries where the Group operates. It regularly monitored the development of internal audit work and the effectiveness of recommendations issued and implemented. It assessed compliance with the business plan, issuing guidelines as deemed appropriate.

Regarding the functional reporting of the Risk Management and Internal Audit area, the Audit Committee also assessed the requirements to review the Risk Management & Internal Audit Charter and of the Risk Management & Internal Audit Manual.

1.3. Monitoring the compliance with accounting policies and practices and monitoring the process of preparing and disclosing financial information

Regarding accounting policies, regularity of records and accountability, the Audit Committee regularly monitored the process of preparing periodic financial information subject to disclosure under regulatory terms, either semiannual or annual. For this purpose, its members held regular meetings and other contacts deemed appropriate, individually or collectively, either with the Executive Committee or with the heads of the departments involved or with the Statutory Auditor and External Auditor.

1.4. Annual assessment of the activities of the Statutory Auditor and External Auditor

The Audit Committee monitored the audit work developed by the Statutory Auditor and External Auditor in its several phases, namely through the monitoring, discussion and analysis of:

a) The planning of activities;

b) The conclusions about the internal control system;

c) The conclusions of the audit work on the limited review of the interim consolidated financial statements;

d) The preliminary and final conclusions of the audit work on the individual and consolidated annual accounts;

e) The legal certification of the accounts;

f) The additional report addressed to the supervisory body;

g) The audit recommendations made and the communications to be sent to the Audit Committee as provided for in the regulations.

In the performance of its duties, and following the procedures implemented, the Audit Committee assessed the competence and independence of the Statutory Auditor and External Auditor. Within the scope of the verification of the compliance with the independence rules, the Audit Committee also monitored and assessed the non-audit services provided by the external auditor, considering that the services provided do not jeopardize the independence and do not condition the opinion of the Statutory Auditor and External Auditor.

1.5. Irregularities Report

Regarding the best practices on corporate governance, and within the principles that guide the Company’s business activity, the Audit Committee monitored and tested the whistleblowing mechanism in place in coordination with Inapa's Ethics Officer.

During 2022, it has not come to the attention of the Audit Committee the occurrence of any case or situation, by any form raised or reported by shareholders, company employees or others.

Opinion regarding Report and Accounts

The Audit Committee examined the Management Report and the Individual and Consolidated Financial Statements for the fiscal year ending in 31 December 2022, which includes the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in shareholder's equity, the cash flow statement as well as the Notes to the financial statements, documents with which the Audit Committee is of favorable opinion.

To the best of their knowledge, the individual and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted in the European Union.

The Audit Committee examined the Legal Certification of Accounts and Auditors' Report regarding the individual and consolidated financial information, issued by the company's Statutory Auditor and External Auditor.

The Audit Committee expresses its agreement with the opinion issued by the Statutory Auditor and External Auditor of the Company in its Legal Certification of Accounts and Auditors' Report on the individual and consolidated financial statements.

Thus, the Audit Committee is of the opinion that the Management Report and the individual and consolidated financial statements for the 2022 fiscal year of Inapa – Investimentos, Participações e Gestão, S.A., as well as the proposal for the earnings distribution contained in the Management Report, are in accordance with accounting, legal and statutory provisions, and therefore recommends its approval at the General Meeting.

Declaration of Conformance

In conformance with the provisions of paragraph 1, subparagraph c) of Article 29-G of the Portuguese Securities Code), the members of the Audit Committee of the Board of Directors of Inapa - Investimentos, Participações e Gestão, S.A., hereby declare that to the best of their knowledge, the information contained in the Management Report, in the annual accounts, in the Legal Certification of Accounts and Auditors' Report and in all other documents for the rendering of individual and consolidated accounts, required by law or regulations, regarding 31 December 2022, was prepared in accordance with applicable accounting standards, thereby giving a truthful and appropriate view of the assets and liabilities, the financial situation and earnings of the Company and the companies included within the consolidated statements, and that the Management Report faithfully represents the growth of the company's businesses, the performance and the standing of the company and the companies included in the consolidation statements, including a description of the main risks and uncertainties affecting the companies.

In conformance with the provisions of paragraphs 5 and 6 of Article 420 of the Portuguese Companies Code, in order to fulfill the provisions of paragraph 2 of Article 423-F of the same code, the Audit Committee hereby declares that:

- The Corporate Governance Report for the fiscal year 2022 follows the CMVM (Portuguese Securities Market Commission) model approved by regulation number 4/2013, constitutes a specific chapter of the Management Report, and includes the elements referred in Article 29-H of the CVM (Portuguese Securities Code);

- Agrees with the above mentioned Management Report and annual accounts

Lisbon, 3 May 2023

THE AUDIT COMMITTEE

Victor Maurílio Silva Barros
BOARD MEMBER AND CHAIRMAN OF THE AUDIT COMMITTEE

Emília de Noronha Galvão Franco Frazão
BOARD MEMBER AND MEMBER OF THE AUDIT COMMITTEE

Patrícia Isabel Sousa Caldinha
BOARD MEMBER AND MEMBER OF THE AUDIT COMMITTEE

improve
our work,
our life,
our world

Splitter printed on myIceblink Bianco 250g and
interior printed on myIceblink Bianco 145g.

CORPORATE GOVERNANCE REPORT

4

Part I

Mandatory Information on Shareholders Structure, Organisation and Corporate Governance

Introduction

This Corporate Governance report was prepared in accordance and to comply with the Regulation of CMVM (the Portuguese Securities Market Commission) 4/2013 from July 12.

This report follows the model structure published in Annex I of the previously mentioned CMVM Regulation.

The report on remunerations is included in this chapter, point D, as provided for in the Securities Market Code, Article 26-G, nr. 8.

A. Ownership Structure

I. CAPITAL STRUCTURE

1. The capital structure (share capital, number of shares, distribution of capital by shareholders, etc.), including an indication of shares that are not admitted to trading, different classes of shares, rights and duties of same and the capital percentage that each class represents (Article 29-H (1), al. a).

The share capital, fully subscribed and paid-up, amounts to € 180.135.111,43, being represented by 526.225.508 of ordinary, nominative shares with no nominal value.

All shares are admitted to trading on the Euronext Stock Exchange, with the code ISIN PTINA0AP0008, and confer the same right to participate in the Company's results and benefit from the same voting weight:
- 1 vote per share, without prejudice to the limitation on voting rights contained in Article 13-A of the Articles of Association, which states that "Votes cast by a shareholder, in his/her own name or as a representative of another, exceeding one third of the total votes corresponding to the share capital will not be considered."

The Company has not established any mechanism that has the effect of undermining the free transferability of shares, free appraisal by the shareholders of the performance of the governing body members or cause the mismatch between the right to receive dividends or to subscribe for new securities and the right to vote for each ordinary share.

On point 7 it is described the information about qualified stakes.

2. Restrictions on the transfer of shares, such as clauses on consent for disposal, or limits on the ownership of shares (Art. 29-H (1) al (a)).

There are no restrictions to the free transfer of ownership of the shares other than the ones arising from the applicable law (namely the obligation to launch a public tender offer when, with the participation acquired, the shareholder exceeds 50% of the total voting rights).

3. Number of own shares, the percentage of share capital that it represents and corresponding percentage of voting rights that corresponded to own shares (Art.° 29-H, n (1) al. (a)).

The company does not hold any own share.

4. Important agreements to which the company is a party and that come into effect, amend or terminated in cases such as a change in the control of the company after a takeover bid, and the respective effects, except where due to their nature, the disclosure thereof would be seriously detrimental to the company; this exception does not apply where the company is specifically required to disclose said information pursuant to other legal requirements (Article 29-H (1)(j)).

The Company is not a party to any agreement that will come into force, be amended, or terminated to which in the event of a mere change in the Company's controlling shareholder. It is not included, on what was previously mentioned, any dispositions of medium / long term financing established with the banking system, in obedience to certain typical clauses of amendment or termination of contracts provisions, whenever a new shareholder structure may not offer the same guarantees of the company's solvency.

5. A system that is subject to the renewal or withdrawal of countermeasures, particularly those that provide for a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders.

Pursuant to the provisions of the statutory amendment of 15 November 2018, referred to in 1, the Board of Directors shall submit, every five years, a proposal for a resolution to the General Meeting to amend or maintain the limiting provision of voting rights, without aggravated quorum requirements for the quorum supplemented by law and in which all votes cast shall be counted, without limiting the voting rights.

6. Shareholder's agreements that the company is aware of and that may result in restrictions on the transfer of securities or voting rights (Article 29-H (1), al. (g)).

The company is not aware of any agreements signed between its shareholders.

II. SHAREHOLDINGS AND BONDS HELD

7. Details of the natural or legal persons who, directly or indirectly, are holders of qualifying holdings (Article 29-H, nr. 1, als. c) and d)) and Article 16), with details of the percentage of capital and votes attributed and the source and causes of the attribution.

The shareholders with qualified holdings on 31 December 2022 were:

	ORDINARY SHARES	% ORDINARY SHARES	% VOTING RIGHTS
Parpública - Participações Públicas SGPS, SA	236,199,384	44.89%	33.33%
Banco Comercial Português SA	71,097,348	13.51%	13.51%
Nova Expressão SGPS, SA	52,625,000	10.00%	10.00%
Novo Banco	34,445,831	6.55%	6.55%
Total Qualified Holdings	**394,367,563**	**74.94%**	**63.39%**
Ordinary Shares	**526,225,508**		

8. A list of the number of shares and bonds held by members of the management and supervisory boards. (NOTE: the information is being provided to comply with Article 447/5 of the Portuguese Commercial Companies Code).

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

9. Special powers of the Board of Directors, especially as regards resolutions on capital increase (Article 29-H (1), al i) with an indication as to the allocation date, time period, within which said powers may be carried out, the upper ceiling for capital increase, the amount already issued pursuant to the allocation of powers and mode of implementing the powers assigned.

The Board of Directors is not currently authorized to increase the company's capital under the provisions of Article 456 of the Portuguese Companies Code.

Notwithstanding the foregoing, on 10 July 2019, 15.000 bonds convertible into shares were issued, until July 2026, under the terms and conditions approved by resolution on the General Meeting of 15 November 2018, with the nominal value of € 1,000 each, in the global amount of € 15,000,000, fully subscribed and paid by Papyrus GmbH, by payment of part of the price for which Inapa acquired Papyrus Deutschland GmbH & Co. KG and Papyrus Deutschland Verwaltungs GmbH.

In order to accommodate the conversion of such obligations, by the same General Meeting, it was approved a capital increase from the current € 180,135,111,43 to € 195,135,111,43.

On 31 December 2022, the bond loan had been written off to the value of € 3,000,000, from which € 12,000,000 were able to suffer a conversion.

10. Information on any significant business relationships between the holders of qualifying holdings and the company.

There have been no business or operations, outside regular market conditions, between the company and owners of qualified holding or entities that are in any kind of relationship with them, in accordance with Article 20 of the CVM (Securities Code).

B. Corporate boards and Committees

I. GENERAL MEETING

a) Composition of the Board of the General Meeting (throughout the said year).

11. Details and position of the members of the Presiding Board of the General Meeting and respective term of office (beginning and end).

At present, the Board of the General Meeting is as follows:

- Chairman - Ricardo Andrade Amaro
- Secretary - Pedro Capitão Barbosa

The current composition of the Board of the General Meeting was established for the period 2022-2024, together with the other members of the Governing Bodies in the General Meeting held on 20 May 2022.

The Chairman of the Board of the General Meeting has, besides the support of the respective Secretary, the support of the Company's Secretary as well as the administrative services and means of the company, which are deemed sufficient and adequate for the good performance of his duties.

b) Exercising the right to vote.

12. Any restrictions on the right to vote, such as restrictions on voting rights subject to holding a number or percentage of shares, deadlines for exercising voting rights, or systems whereby the financial rights attaching to securities are separated from the holding of securities (Article 29-H(1) al. (f)).

The Company's Articles of Association does not stipulate any minimum number of shares to exercise the voting rights.

Pursuant to the provisions of Article 23-C, nr. 1 of the Securities Code, "any person who, on the date of registration, corresponding to 0 hours (GMT) of the 5th trading day prior to the day the meeting is held, holds shares that confer, according to the law and the Articles of Association, at least one vote, shall have the right to participate in the General Meeting and discuss and vote in whoever", and pursuant to the provisions of paragraph 5 of Article 13, of the Company's articles of association, each share registered in the name of a shareholder counts one vote.

The statutory regulations on the exercise of voting by post are set out in nr. 2 of article 13, of the company's Articles of Association, which stipulate that:

"Shareholders may exercise their voting rights by post. To do so, they should address a registered letter to the Chairman of the Board of the General Meeting, with acknowledgement of receipt, with at least three working days prior to the date of the General Meeting session to which it relates."

The ballot paper and the proxy form are available on the Company's website, and interested shareholders may send such documentation by registered post or via email indicated in the meeting's notice, in order to exercise their voting right with no need to attend physically in order to exercise their vote.

The Company maintains the option of sending the voting bulletins by email, this way allowing its shareholders to participate in the GM at a distance.

The Company's Articles of Association do not contain any rules regarding detachment system of any equity rights.

The company considers that it is in the best interest of its shareholders not to implement a telematics voting system, given that, in addition to not having received any expression of interest to date from shareholders or potential investors in participating in its meetings by telematic voting means, (i) on past General Meetings there was always a low number of participants and (ii) the implementation of a system allowing voting by telematic means to be carried out in a safe way, would represent a significant cost to the Company, and (iii) makes available to its shareholders the possibility of sending the voting ballot by e-mail.

Without prejudice to the foregoing, during the validity of Law 1-A/2020, of March 19, amended by Law No. 4-A/2020, of April 6, Law No. 4-B/2020, of April 6, Law No. 14/2020, of May 9, Law No. 16/2020, of May 29, Law No. 28/2020, of July 28, Law No. 58-A/2020, of September 30, Law No. 75-A/2020, of December 30, Law No. 1-A/2021, of January 13 and Law No. 4-B/2021, of February 1, which establishes exceptional and temporary measures to respond to the epidemiological situation caused by the coronavirus SARS-CoV-2 and the disease COVID-19, the telematic participation in the company's general meetings will be governed by the provisions of 1 of its Article 5, which provides that "the participation by telematic means, namely video or teleconference of members of collegiate bodies of public or private entities in the respective meetings, does not impede the regular functioning of the body, namely with regard to quorum and deliberations, however, it must be registered, in the respective minutes, the form of participation".

13. Details of the maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship with him/her as set out in Article 20(1).

At the General Meeting held on 15 November 2018, the Articles of Association that provided for the limitation of the voting rights expressed by one shareholder have been reviewed.

This provision, as amended, provides that votes cast by one shareholder, in his/her own name or in representation of another, exceeding one third of the total votes corresponding to the share capital will not be considered. The voting rights corresponding to shares held by a shareholder, subject to a common domain, are also covered by this statutory provision, being proportionally limited when affecting several shareholders.

It is settled that the Board of Directors has to submit, every other five years, a proposal for resolution by the General Meeting to change or maintain this statutory provision, without aggravated quorum requirements relative to the complementarily quorum established by law. On this deliberation, all votes are counted, not being applied the limitation of votes.

14. Details of shareholders' resolutions that, imposed by the Articles of Association, may only be taken with a qualified majority, in addition to those legally provided, and details of said majority.

The company's Articles of Association do not contemplate other qualified majorities for the adoption of corporate resolutions besides those provided for by law, namely:

- So that the General Meeting can deliberate at first call on amendments on the Articles of Association, on mergers, asset split, transformation, dissolution or other matters for which the law requires a qualified majority, without specifying it, shareholders must be present or duly represented by those whose holding shares represent at least 1/3 of the share capital; on a second call the General Meeting may deliberate independently of the represented share capital (Art. 383, paragraphs 2 and 3 of the Company's Code - CCC);

- In the resolutions indicated in the previous paragraph, the decision must be approved by 2/3 of the votes cast, irrespective of whether the meeting is held at first or second call; however, if, at second call, shareholders holding at least half of the share capital are present or represented, the resolutions on the referred matters may be taken by a majority of the votes cast.

II. MANAGEMENT AND SUPERVISION
(BOARD OF DIRECTORS, EXECUTIVE BOARD

OF DIRECTORS AND THE GENERAL AND SUPERVISORY BOARD)

a) Composition (throughout the year of reference)

15. Details of corporate governance model adopted.

According to the resolution of the General Meeting of 31 May 2007, the company adopted as a model of administration and supervision the contemplated in paragraph b) of nr. 1 of Article 278 of the CCC, namely a Board of Directors, comprising an Audit Committee and Statutory Auditor.

At the Board of Directors meeting of 8 June 2022, the regulations of the Board of Directors were approved, as well as the creation of an Executive Committee, to which the current management of the company was delegated.

Article 4 of the Board of Directors' regulations stipulates that the Board must meet ordinarily once every trimester.

The Company's Articles of Association provide in article 22 that the members of the Audit Committee shall be appointed at a General Meeting, which is composed by three members, one of which will serve as Chairman. The Chairman will be responsible for convening the respective meetings. The Audit Committee will ordinarily meet, at least every two months. In addition, the Executive Committee provides, when requested, the supporting documentation of its deliberations and other documents that it keeps on file.

The minutes of each meeting of the Board of Directors, the Executive Committee and the Audit Committee have been written and are available for consultation by the Governing Bodies at the company's headquarters, and the Chairman of each Body is available to provide any clarification.

The minutes of the Executive Committee meetings are regularly presented to the Audit Committee, and the minutes of the latter's meetings are regularly presented to all the members of the Board of Directors.

Under the provision of the Board of Directors Regulation approved in 8 June 2022, whenever the Chairman of the Board of Directors performs executive functions, the independent directors must appoint a leading independent director from among them to, namely, (i) act, whenever necessary, as interlocutor with the Chairman of the Board of Directors and with other Directors, (ii) ensure that they have the set of conditions and means necessary to perform their duties, and (iii) coordinate them in the performance evaluation by the management body.

16. Articles of association rules on the procedural requirements governing the appointment and replacement of members of the Board of Directors, the Executive Board and the General and Supervisory Board, where applicable. (Article 29-H (1) al. (h)).

In conformity with provision of paragraph 1 of Article 18 of the company's bylaws, the Board of Directors should be composed by

5 to 12 members, elected on the General Meeting.

Paragraph 2 of the same article states that “the shareholders who vote against a motion to elect the Directors have the right to appoint one Director, as long as this minority represents at least 10% of the share capital".

Paragraph 3 of the same article states that the Director designated by the minority will automatically replace the less voted person of the winning list, or in case of equal votes, the person on the last position of the same list.

In conformity with the provisions of paragraph 7 of Article 18 of its Bylaws, “if the Board of Directors, being composed by a number of members lower than the maximum number provided for in paragraph one of this Article, deems it convenient for the management of the company’s business that the number of Directors be increased, it may appoint two new members up to the first Annual General Meeting of the company, as long as the limit of twelve members set for the Board of Directors in these articles is not obviously exceeded. The first annual General Meeting held after such appointment shall confirm or not the Board of Director’s decision on the number of Directors and, if agreed, will ratify the appointment of new members”.

Paragraphs 8 and 9 from Article 18 of the Articles of Association provide that the “absence, during a calendar year, from more than two meetings of the Board of Directors, without justification accepted by the Board, will lead to a definitive absence of the Director” and that “the Board of Directors will co-opt substitutes for its members who are permanently absent or, in accordance with the law, have been removed from the position or have resigned. Replacements thus effected shall continue until the end of the period for which the members of the Board of Directors who made the co-optation were elected, unless this has not been ratified before at the first subsequent General Meeting, to which approval must be submitted, as determined in nr. 4 of Article 393 of the Commercial Companies Code.”

Finally, paragraph 5 of Article 18 of the Articles of Association states that “the Board of Directors may delegate the day-to-day management of the company to one or more directors or to an Executive Committee.”

The company has not introduced any type of measure that could imply future payment or assumption of costs by the company in the event of a change of control or changes in the composition of the Board of Directors, that may be liable to impair the economic interest in the transmission of shares and shareholders' appreciation of the Directors’ performance.

17. Composition of the Board of Directors, the Executive Board and the General and Supervisory Board, where applicable, with details of the articles of association’s

minimum and maximum number of members, duration of term of office, number of effective members, date when first appointed and end of the term of office of each member.

According to the bylaws, the Board of Directors must be comprised of five to twelve members, elected by the General Meeting for a three-year renewable period, being able to delegate the day-to-day management of the company to an Executive Committee.

In the use of this prerogative, the Board of Directors decided, by resolution dated from 8 June 2022, to delegate the daily management of the company to an Executive Committee, being the composition of each of the two referred bodies as follows:

BOARD OF DIRECTORS AND FUNCTION		EXECUTIVE COMMITTEE AND FUNCTION	DATE OF FIRST APPOINTMENT	END OF TERM OF OFFICE
Diogo Francisco Bastos Mendes Rezende	Chairman	Chairman	29.07.2015	31.12.2024
Inês Patrícia Arêde Simões Louro	Member	Member	23.05.2019	31.12.2024
Frederico João de Moser Lupi	Member	Member	01.10.2015	31.12.2024
Victor Maurílio Silva Barros*	Member		23.05.2019	31.12.2024
Emília Noronha Galvão Franco Frazão	Member		23.05.2019	31.12.2024
Patrícia Isabel Sousa Caldinha	Member		23.05.2019	31.12.2024
João Miguel Pacheco de Sales Luís	Member		07.05.2013	31.12.2024

** Lead independent director*

18. Distinction to be drawn between executive and non-executive directors and, as regards non-executive members, details of members that may be considered independent, or, where applicable, details of independent members of the General and Supervisory Board.

The independence criteria that served as a basis to the assessment of the directors' situation were those set out in the Article 414 of the Companies Act and in regulation nr. 4/2013 from CMVM.

In the assessment of independence criteria of non-executive directors, the provisions set out in regulation nr. 4/2013 of the CMVM (namely Article 18.1) and in the Commercial Companies Code (Article 414.5(b)) were taken into consideration.

When the criteria from the IPG code (2018), revised in 2020, were applied there were no discrepancies in the assessment of the independence of Directors.

The Board of Directors has elected for the 2022-2024 term Diogo Francisco Bastos Mendes Rezende as its Chairman, who combines these functions with Chairman of the Executive Committee.

The Board has elected, for the functions of lead independent director, the Chairman of the Audit Committee, Victor Maurílio Silva Barros, with the mission of (i) acting as the interlocutor with the Chairman of the Board of Directors, (ii) ensuring that the conditions and means necessary for the performance of the functions of independent directors exist, and (iii) coordinating the performance evaluation of the management body.

	NON-EXECUTIVE	INDEPENDENT
Diogo Francisco Bastos Mendes Rezende	No	
Inês Patrícia Arêde Simões Louro	No	
Frederico João de Moser Lupi	No	
Victor Maurílio Silva Barros*	Yes	Yes
Emília Noronha Galvão Franco Frazão	Yes	Yes
Patrícia Isabel Sousa Caldinha	Yes	Yes
João Miguel Pacheco de Sales Luís	Yes	Yes

** Lead independent director*

19. Professional qualifications and other relevant curricular information of each member of the Board of Directors, the General and Supervisory Board and the Executive Board of Directors, where applicable.

Diogo Francisco Bastos Mendes Rezende
CHAIRMAN

Academic qualifications

- Degree in Economics, NOVA SBE, Universidade Nova de Lisboa
- MBA by INSEAD

Professional qualifications

- CEO - of Ford Lusitana (2004-2014)
- CEO - of Chrysler Jeep in Portugal (1998-2003)
- Assistant professor of Applied Entrepreneurship in the Master's program (2013-2015) and member of the Advisory
- Board (2011-2015) at Nova School of Business and Economics
- Adjunct Professor of Marketing at Nova School of Business and Economics (1996-1998)
- Marketing and Sales Director at Ford Lusitana (1992-1998)
- Strategic Consultant at ESFI - Strategy and Finance (1990-1991)
- Chairman of the Board of Directors / Management Board of subsidiaries from Inapa Group:
  - Europackaging - Investimentos, Participações e Gestão, Lda.
  - Inapa Belgium, SA
  - Inapa ComPlott GmbH
  - Inapa Deutschland Holding, GmbH
  - Inapa Deutschland, GmbH
  - Inapa España Distribución de Papel, SA
  - Inapa France SAS
  - Inapa Merchants Holding, Ltd
  - Inapa Packaging, GmbH
  - Inapa Packaging, Lda.
  - Inapa Packaging, SAS
  - Inapa Portugal Distribuição- de Papel, SA
  - JJ Loos SAS

Inês Patrícia Arêde Simões Louro

Academic qualifications

- Degree in Business Management by ISEG
- MBA by the Lisbon MBA

Professional qualifications

- Corporate Director of Strategic Planning and Control at ETE Group (2016-2019)
- Director of Strategic Planning and Pricing at Portugal Telecom (2009-2015)
- Director of Strategic Planning and Control at Portugal Telecom (2006-2009)
- Director of Business Development at PT Comunicações (2004-2005)
- Corporate Planning and Control Officer at Portugal Telecom (2002-2003)
- Director of Planning and Control at PTM.com (2001-2002)
- Director/Manager of the following subsidiaries of Inapa Group
  - Europackaging – Investimentos, Participações e Gestão, Lda.
  - Inapa Angola, SA
  - Inapa Deutschland Holding, GmbH
  - Inapa Deutschland, GmbH
  - Inapa España Distribución de Papel, SA
  - Inapa Portugal – Distribuição de Papel, SA
  - Inapa Shared Center Lda
  - Korda Kağit Pazarlama Ve Ticaret Anonim Şirketi

Frederico João Moser Lupi

Academic qualifications

- Degree in Economics, NOVA SBE, Universidade Nova de Lisboa
- Three Executive programs by INSEAD (Fontainebleau, France)

Professional qualifications

- CFO of the EIP Group (2015)
- Coordinating director of bancassurance in the BCP Group in Lisbon and Athens, commercial director in Banco Pinto e Sottomayor (BCP Group), coordinating director and member of the Executive Committee in Athens in Millennium Bank, commercial director of the retail network in Millennium BCP and director of the Real Estate business (1996-2014)
- Financial director and deputy director of Lusalite (1993-1995)
- Director/Manager of the following subsidiaries of Inapa Group:
  - Inapa Angola, SA
  - Inapa Belgium, SA
  - Inapa Deutschland Holding, GmbH
  - Inapa Deutschland, GmbH
  - Inapa España Distribución de Papel, SA
  - Inapa France SAS
  - Inapa Portugal Distribuição de Papel, SA
  - Inapa Shared Center, Lda.
  - JJ Loos SAS
  - Korda Kağit Pazarlama Ve Ticaret Anonim Şirketi

Victor Maurílio Silva Barros

Academic qualifications

- Executive Program in Advanced Valuation, New York University Stern School of Business
- PhD in Management with specialization in Finance by ISEG - University of Lisbon
- Master's degree in finance by ISEG - University of Lisbon
- Post-graduate diploma in Regional and International Taxation
- Degree in Management, University of Madeira
- Certified Accountant
- CFA® charterholder by the CFA Institute
- Advanced Program for Non-Executive Directors - Portuguese Institute of Corporate Governance

Professional qualifications

- Chairman of the Audit Board of Rádio e Televisão de Portugal, SA (since 2021)
- Member of the Audit Board of IDEFE / ISEG Executive Education (since 2017)
- Assistant Professor of Finance at ISEG - Universidade de Lisboa (since 2016)
- Faculty Advisor of ISEG in the CFA Institute Research Challenge (since 2015)
- Invited Assistant Professor at ISEG - University of Lisbon (2013-2016)
- Researcher at ADVANCE/CSG - Research in Social Sciences and Management (since 2011)

Emília de Noronha Galvão Franco Frazão

Academic qualifications

- Degree in Business Administration and Management by Universidade Católica
- Advanced Programme for Non-executive Directors - Portuguese Institute of Corporate Governance

Professional qualifications

- Member of the Board of Directors of Associação - Fundo de Assistência do Crédito Agrícola Mútuo (FACAM) (since 2020)
- Member of the Audit Board of Monte d'Alva - Alimentação, SA (since 2020)
- Member of the Fiscal Council of SGEHR - Sociedade Gestora e Exploradora de Hotéis e Resorts, SA (since 2019)
- Non-executive Member of the Board of Directors of FUNDIESTAMO - Sociedade Gestora de Organismos de Investimento Coletivo, SA (from 2019 to April 2022)
- Coordinating Director at Novo Banco (2013-2017)
- Non-Executive Director Espírito Santo Capital - Sociedade de Capital de Risco (2013-2015)
- Executive Director of Espírito Santo Capital - Sociedade de Capital de Risco (2000-2013)
- Executive Board Member at IAPMEI (1999-2000)
- Director at Banco Espírito Santo de Investimento, SA (1991-1999)
- Lecturer at Catholic University (1988-1991 and 1994-1998)

Patrícia Isabel Sousa Caldinha

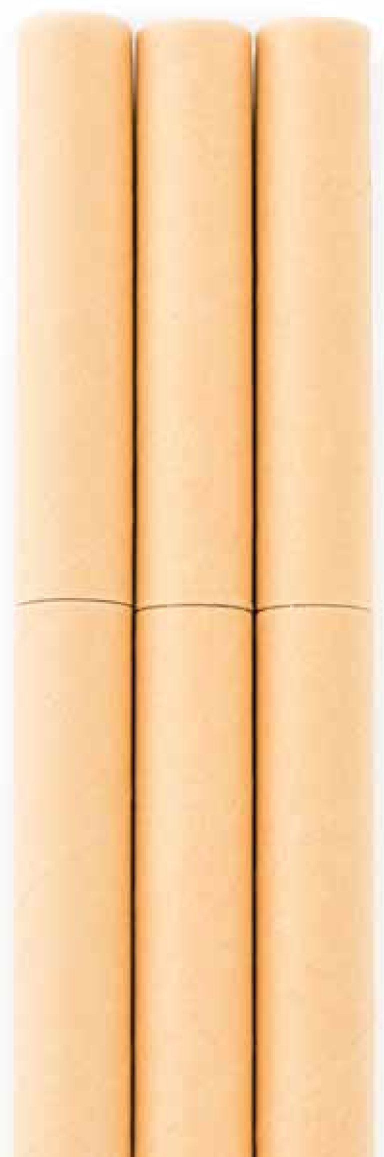
Academic qualifications
- Degree in Business Management by Universidade Autónoma de Lisboa
- Chartered Accountant
- Certified Economist and Accountant

Professional qualifications
- Substitute of the Supervisory Board of VICTORIA - Seguros Vida, SA (since March 2022)
- Substitute of VICTORIA - Seguros , SA (since March 2022)
- Member of the Fiscal Council of Águas do Tejo Atlântico, SA (since 2021)
- Member of the Fiscal Council of Insight Venture - Sociedade de Capital de Risco, SA (since 2021)
- Member of the Board of Directors of the Order of Statutory Auditors (since 2021)
- Chairman of the Board of Auditors Registration Committee (since 2021)
- Member of the Fiscal Council of EPAL - Empresa das Águas Livres, SA (since 2018)
- Alternate member of the Fiscal Council of Simarsul - Sanitation of the Peninsula of Setúbal, SA and Águas do Centro Litoral, SA (since 2017)
- Alternate member of the Fiscal Council of Águas do Tejo Atlântico, SA (from 2017 to 2021)
- Provides individual activity of Statutory Auditor and related services (since 2012)
- Member of the Board at Auto Jardim do Algarve - Rent a Car, SA (2005-2007)
- Member of the Board at JMTC - Sociedade Gestora de Participações Sociais, SA (1998-2005)
- Manager at Auto Jardim do Algarve - Automóveis de Aluguel, Lda. (1997-2012)
- Manager at Auto Colibri - Auto Repairs, Lda. (1997-2012)
- Auditor at António Borges & Associados, Audit Firm (1995-2015)
- Consultant at António Borges & Associados - Consultores Associados, SA (1995-2004)

João Miguel Pacheco de Sales Luís

Academic qualifications
- PADE (Top Management Program) of AESE (1999/2000)
- MBA by Universidade Nova de Lisboa (1997)
- Technical Accounting Officer
- Degree in Business Administration and Management by Universidade Católica Portuguesa (1981)

Professional qualifications
- Member of the Supervisory Board of Banco Caixa Geral de Angola (since 2022)
- President of the Fiscal Council of the International Bank of São Tomé Príncipe (since 2019)
- President of the Foundation Social Work of the Irish Dominican Sisters (since 2015)
- President of the Fiscal Council of Unicre - Credit Financial Institution, SA (2013-2018)
- Managing Director of the retail network at BCP (2008-2012)
- Retail Commercial Director at BCP (2003-2008)
- Managing Director of the Stock Brokerage Business at BCP Investment (2001-2003)
- Coordinating Director of Private Banking in the South Zone (2000-2001)
- Coordinating Director of the "International Private Banking" (1998-2000)
- Marketing Director of the Western Insurance Company (1997-1998)
- Commercial Director of Nova Rede (1995-1997)
- General Manager of BCPI (BCP Asset Management Company) (1991-1994)
- Technical of BCP Millennium Studies and Planning Department (1986-1991)
- Technical at Planning and Control Department at Sorefame (Metalworking and Railway Industry) (1986-1991)



The lists proposed for the election of the Board of Directors are accompanied by a curriculum vitae of the candidates, to assess the suitability of the members for the exercise of their mandate, including academic qualifications and a description of the professional activities during their careers. This information is made available to shareholders within the deadlines established by law for convening elective General Meetings.

The company's management and supervisory bodies show a diverse representation in terms of age, gender, and professional background, which contributes to achieving a greater range of understanding and depth of analysis, as well as a more comprehensive view of the multiple implications of adopted decisions.

The average age of the members of the Board of Directors is 53 years old. The maximum age is 63 and the minimum age is 36, which represents an age range of 27 years.

Regarding the distribution in terms of gender of the members of the Board of Directors, the Executive Committee and the Audit Committee, there is a balance, with the underrepresented gender being at least 1/3 in the different management and supervisory bodies.

The following tables provide additional information regarding the distribution in terms of age and gender of the company's management and supervisory bodies.

Board of Directors

Age Group	Women	Men	Total	% women	% men
< 30 years old	0	0	0		
30-50 years old	1	1	2	**43%**	**57%**
> 50 years old	2	3	5		
Total	**3**	**4**	**7**		

Executive Committee

Age Group	Women	Men	Total	% women	% men
< 30 years old	0	0	0		
30-50 years old	1	0	1	**33%**	**67%**
> 50 years old	0	2	2		
Total	**1**	**2**	**3**		

Audit Committee

Age group	Women	Men	Total	% women	% men
< 30 years old	0	0	0		
30-50 years old	0	1	1	**66%**	**37%**
> 50 years old	2	0	2		
Total	**2**	**1**	**3**		

The qualifications and professional background of the 7 members of these bodies are described in points 19, 26 and 36 of this report.

20. Customary and meaningful family, professional or business relationships between members, where applicable, of the Board of Directors, the General and Supervisory Board and the Executive Board of Directors with shareholders that are assigned with a qualifying holdings that are greater than 2% of the voting rights.

At the present date, there are no family, professional or commercial relationships between members of the Board of Directors and shareholders that are attributable to a qualifying holding greater than 2% of the voting rights.

21. Organisational structure or flowcharts concerning the allocation of powers between the various corporate boards, committees and/or departments within the company, including information on delegating powers, particularly as it regards the delegation of the company's daily management.

GENERAL MEETING

REMUNERATION COMMITTEE

- Ricardo Andrade Amaro | Chairman
- Pedro Vilas Boas
- Tiago Estevinho

BOARD OF DIRECTORS

NON-EXECUTIVE	EXECUTIVE
Victor Barros	Diogo Rezende | Chairman
Emília Frazão	Inês Louro
Patrícia Caldinha	Frederico Lupi
João Sales Luís	

AUDIT COMMITTEE

- Victor Barros | Chairman
- Emília Frazão
- Patrícia Caldinha

EXECUTIVE COMMITTEE

- Diogo Rezende | Chairman
- Inês Louro
- Frederico Lupi

CORPORATE CENTER

David Pedroso	Internal Audit (*)
António Alvim	Legal
João Alvarinho	IT
Miguel Loureiro	Investor Relations
Carlos Alves	Consolidation
Sofia Picoto	Finance and Planning
Gilbert Trepmann	Graphic
Antoine Lequitte	Office
Jean Philippe Folly	Sustainability

GERMANY

- Thomas Schimanowski
- Martin Tewes
- Carsten Schodel
- Alexander Herbst
- Achim Thörner
- Jürgen Luzar

FRANCE

- Afonso Chaby
- Marc Gautier
- Alexis Dormoy

SPAIN

- Ginés Ramírez
- Pedro Huidobro
- Miguel Moreira

PORTUGAL

- Ginés Ramírez
- Luís Ferreira
- Miguel Moreira

TURKEY

- Suzi Matat

BELUX

- Chris Luyten

ANGOLA

- António Franco

* IT ALSO REPORTS TO THE AUDIT COMMITTEE

By resolution of the Board of Directors dated 8 June 2022, the following powers were delegated to the respective Executive Committee, pursuant to the provisions of article 407, paragraphs 3 and 4, of the Portuguese Companies Code, without prejudice to the power of the Board of Directors to adopt resolutions on the same matters pursuant to paragraph 8 of the same legal provision:

a) The day-to-day management of the Company;

b) Monitoring and coordination of subordinate companies, including the definition of management and control guidelines;

c) Setting out plans for the implementation of policy, objectives, and strategy of the Company and the Group for approval by the Board of Directors;

d) Setting out general guidelines concerning the Company's internal organisation, including internal control and risk management systems, for approval by the Board of Directors;

e) Preparing the Company's operational budgets and medium and long-term investment and development plans, for approval by the Board of Directors;

f) Approving contracts for the procurement of goods and services by the Company up to a limit of € 500,000;

g) Negotiating and concluding short-term financing agreements for the Company, under such terms and conditions as it deems most appropriate to protect the interests of the Company;

h) Negotiating and celebrating agreements to change, replace or renew Company financing contracts, including commercial paper programmes, under such terms and conditions as it deems more appropriate to protect the interests of the Company;

i) Negotiating new financing contracts for more than one year and a day of the Company, bond issues and commercial paper programmes, provided, however, that binding the Company, in this type of operation, is expressly conditional upon a prior resolution of the Board of Directors;

j) Provide financial support to subordinated companies, in the manner and under the conditions that it deems most appropriate to defend the interests of the Company;

k) Purchasing, selling and pledging goods or assets accounted for as fixed assets of the Company in accordance with budgets approved by the Board of Directors;

l) Purchasing, selling and pledging goods or assets accounted for as fixed assets of the Company not included in budgets approved by the Board of Directors up to a value of 1.5% of the realized share capital per item;

m) Purchasing, selling or pledging shares in other companies, provided the transactions in question do not exceed 2.5% of the realized share capital per item, above which limit prior approval from the Board of Directors shall be required;

n) Deliberate on the realization of investments, divestitures and restructuring in and by the Subordinate Companies;

o) Renting or letting out any buildings or sectional title properties;

p) Representing the Company in court and out of court, either as plaintiff or as defendant, as well as proposing and filing any legal suits, admitting guilt, withdrawing or settling out of court and committing to abide by arbitrage proceedings;

q) Entering into, amending and terminating employment contracts and exercising powers of discipline over the staff;

r) Opening, transacting and closing bank accounts;

s) Appointing duly mandated representatives of the Company.

In the resolution mentioned, the Board of Directors clarified that the powers contained in paragraph h) should be understood as being restricted to non-substantial amendments to the financing agreements contemplated therein.

The following are non-delegable competences of the Executive Committee:

- Deliberate on matters stated in paragraphs a) to m) of Article 406 of the Commercial Companies Code;
- Deliberate, under the terms and limits established in article 503 of the Portuguese Companies Code, on binding instructions to Subordinated Companies;
- Deliberate under the proposal from the Executive Committee, on the budget and plan of the Company and the Group;
- Deliberate on the acquisition and disposal by the Company of majority or controlling shareholdings, as well as those subject to a special acquisition or disposal process under the terms of the Portuguese Securities Code (CMVM);
- Deliberate, under proposal of the Executive Committee, on the setting of the Company's strategic goals regarding risk-taking and on the respective internal control and risk management systems;
- Approve, with a previous and binding opinion of the Audit Committee, the regulation on transactions with related parties and/or its amendments, as well as approving transactions with related parties under the terms established in such regulation.

It should also be noted that all Directors, including those belonging to the Audit Committee, in addition to assessing and approving the budget and strategic plan for the three-year period, monitor its progress on at least a quarterly basis.

The strategic plan for the 2022-2024 three-year period, where the priorities, policies and strategic goals are set out, was discussed on a meeting of the Board of Directors on 18 May 2022, and was reviewed and approved on a meeting of the Board of Directors on 25 September 2022.

The strategic plan previously referred was designed with a view to the long-term success of the company and carried out from a perspective that promotes the community's environmental and social sustainability. In chapter 1 of the Annual Report, the strategic plan is detailed, and a progress report is made on the initiatives that have been carried out as part of its implementation.

The Board of Directors and the Audit Committee regularly assess the adequacy of the risk mitigation measures present in the company, jointly defining work programs to monitor and maintain the adequacy of the measures in progress, allowing adjustments to be made whenever justified. The Audit Committee regularly assesses the operational risks and the compliance of the control mechanisms.

It should also be noted that, in the resolution of the Board of Directors on 8 June 2022, the Chairman of the Executive Committee was especially entrusted, in accordance with the provisions of article 407(6) of the CCC, to:

- Ensure that all information is provided to the other members of the Board of Directors regarding the activity and resolutions of the Executive Committee;

- Ensure compliance with the limits of the delegation of powers and the company's strategy.

The Chairman of the Executive Committee sends regular notices and the minutes of the Executive Committee meetings to the Chairman of the Audit Committee and they are filed and available for consultation by the other members of the governing bodies at the company's head office. The notices, decision support materials and minutes of the Board of Directors are distributed to all company directors.

By virtue of the applicable legal provisions, reproduced in the Board of Directors' resolution of 8 June 2022, the Audit Committee is especially entrusted with the following duties:

- Supervising the management board of the company;

- Supervising compliance with the law and Articles of Association;

- Verifying due compliance of the accounting books, accounting records and supporting documents;

- Verifying, whenever it deems convenient and in the way it considers appropriate, the extension of cash flow and the stock of any type of goods or values belonging to the company or received by it as guarantee, deposit or other title;

- Verifying the accuracy of the accounting documents;

- Verifying whether the accounting policies and valuation criteria adopted by the Company are conducive to appropriately represent its assets and results;

- Compiling, on an annual basis, an audit report on its audit and supervisory action and issuing an opinion on the annual report and accounts and proposals of the Board of Directors, where it states its agreement or not on the management report and financial statements and include the declaration subscribed by its members, according to Article 245.1 c) of the Securities Code (now Article 29-G.1 c), signed by each of its members;

- Convening the General Meeting of Shareholders when the Chairman of the respective Board must do so but does not do it;
- Supervising the effectiveness of the risk management system, the internal control system and the internal audit system;
- Receiving reports on irregularities presented by shareholders, company employees or others;
- Auditing the process of preparation and disclosure of financial statements;
- Supervising the audit of the company's financial statements;
- Certifying whether the report on corporate governance structure and practices disclosed by the Company includes the elements referred in Article 29-H of the Securities Code as amended by Law nr. 99-A/2021 of 31 December;
- Propose the appointment of the Statutory Auditor to the General Meeting, approve annually the scope of the respective audit work and the corresponding fees, approve any provision of additional services other than audit services and oversee their independence;
- To issue a prior opinion on the regulation on transactions with related parties and its alterations, as well as on transactions with related parties under the terms established in the said regulation;
- To report to the Public Prosecutor's Office the criminal facts of which it has knowledge, and which constitute public crimes;
- To hire services of experts to assist one or more of its members in the exercise of their functions.

In the performance of its duties the Audit Committee meets with the external auditor and the chartered accountant – the two functions are assigned to the same entity – and is the first recipient of the reports.

The Audit Committee makes an assessment of the work plan to be performed by the internal auditor, receives its reports, supervises regularly the work in progress and the adequacy of its paths.

Annually, the Audit Committee makes an assessment of the work performed by the external auditor and the chartered accountant.

In case it considers adequate its dismissal, it should propose its replacement in the General Meeting.

The Audit Committee annually gives its opinion on the report and accounts submitted by management, which lists the strategic pillars and objectives of the current mandate.

The work plan for the auditing of the accounts is reviewed jointly with the Audit Committee. The progress of the work, including its conclusion, is monitored by the Audit Committee, which is the first recipient of the auditor's report.

Within the scope of their work, the Chartered Accountant and the external auditor carry out:

- An identification and assessment of risks of material misstatement of the financial statements due to fraud or error;
- An understanding of the internal control relevant to the audit;
- An assessment of the appropriateness of accounting policies;
- A conclusion on whether the going concern assumption is appropriate and whether any material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern;
- An evaluation of the overall presentation, structure and content of the financial statements;
- A communication with those charged with governance, including the supervisory body, of the scope, planned timing of the audit and significant audit findings including any significant deficiencies in internal control identified during the audit;
- A communication to those charged with governance, including the supervisory body, regarding the matters of most significance in the audit of the financial statements for the year;
- A statement to the supervisory body on the compliance with relevant ethical requirements regarding independence and any relationships that may be perceived as threats to independence.

b) Functioning

22. Availability and place where rules on the functioning of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, may be viewed.

In the resolution of the Board of Directors of 8 June 2022, the regulations of the following governing bodies: Board of Directors, Executive Committee and Audit Committee have been approved.

Those regulations are contained in a single document (the Board of Directors' Regulations) that can be consulted at its head office (Rua Braamcamp 40 – 9° D - Lisbon) or through its official website www.inapa.com.

23. The number of meetings held and the attendance report for each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.

From 1 January 2022 until 31 December, 2022 the Board of Directors met with the following assiduity:

- Number of meetings: 18
- Attendance per member:

Diogo Francisco Bastos Mendes Rezende:	100%
Inês Patrícia Arêde Simões Louro:	89%
Frederico João de Moser Lupi:	94%
Victor Maurílio Silva Barros:	94%
Emília Noronha Galvão Franco Frazão:	94%
Patrícia Isabel Sousa Caldinha:	100%
João Miguel Pacheco de Sales Luís:	78%

From 1 January 2022 until 31 December, 2022 the Executive Committee of the Board of Directors met with the following assiduity:

- Number of meetings: 37
- Attendance per member:

Diogo Francisco Bastos Mendes Rezende:	100%
Inês Patrícia Arêde Simões Louro:	100%
Frederico João de Moser Lupi:	100%

24. Details of competent corporate boards undertaking the performance appraisal of executive directors.

The General Meeting and the Board of Directors are responsible for the assessment of the executive directors' performance.

For remuneration purposes, the Remuneration Committee is also responsible for the performance appraisal of executive directors.

25. Predefined criteria for assessing executive directors' performance.

To determine the remuneration attributed to its corporate body members, Inapa is ruled by the following criteria:

- Simplicity, clarity, transparency, and alignment with the Company's culture, also taking into account the Group to which it belongs;

- Competitiveness, taking into consideration market practices and equity, being the remuneration practice based on uniform, consistent, fair, and balanced criteria;

- Pursuit of excellence in management, through a set of reference business practices, enabling the Company to achieve balance and sustainability; and

- Determination of individual variable remuneration considering the evaluation of the respective performance, based on criteria of a financial and non-financial nature, in accordance with the functions and level of responsibility, as well as with the Company's results.

26. The availability of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and details of the positions held at the same time in other companies within and outside the group, and other relevant activities undertaken by members of these boards throughout the financial year.

The 4 non-executive directors are in a part-time regime relatively to the management of the company.

The positions held inside and outside the company are as follows:

Victor Maurílio Silva Barros

In the Company:

- Member of the Board of Directors
- Chairman of the Audit Committee

In the Group:

- None

Outside the Group:

- Chairman of the Audit Committee of Rádio e Televisão de Portugal, SA (since 2021).
- Assistant Professor of Finance at ISEG - Universidade de Lisboa (since 2020)
- Member of the Fiscal Board of IDEFE / ISEG Executive Education (since 2017)
- Faculty Advisor of ISEG at the CFA Institute Research Challenge (since 2015)
- Researcher at ADVANCE/CSG - Social Sciences and Management Research (since 2011)

Emília Noronha Galvão Franco Frazão

In the Company:

- Member of the Board of Directors
- Member of the Audit Committee

In the Group:

- None

Outside the Group:

- Member of the Board of Directors of Associação - Fundo de Assistência do Crédito Agrícola Mútuo (FACAM) (since January 2020).
- Member of the Supervisory Board of Monte d'Alva - Alimentação, SA (since January 2020)
- Member of the Audit Board of SGEHR - Sociedade Gestora e Exploradora de Hotéis e Resorts, SA (since July 2019)
- Non-executive Member of the Board of Directors of FUNDIESTAMO - Sociedade Gestora de Organismos de Investimento Coletivo, SA (from September 2019 until April 2022)

Patrícia Isabel Sousa Caldinha

In the Company:

- Member of the Board of Directors
- Member of the Audit Committee

In the Group:

- None

Outside the Group:

- Alternate member of the Supervisory Board of VICTORIA - Seguros Vida, SA (since March 2022).
- Alternate of VICTORIA - Seguros , SA (since March 2022)
- Member of the Fiscal Council of Águas do Tejo Atlântico, SA (since 2021)
- Member of the Directive Council of the Portuguese Institute of Statutory Auditors (since 2021)
- Chairman of the Registration Committee of the Portuguese Institute of Statutory Auditors (since 2021)
- Member of the Supervisory Board of Insight Venture - Sociedade de Capital de Risco SA (since 2021)
- Member of the Fiscal Council of EPAL - Empresa Portuguesa das Águas Livres, SA (since 2018)
- Alternate member of the Audit Board of Simarsul - Saneamento da Península de Setúbal e Águas do Centro Litoral, SA (since 2017)
- Provides, on an individual basis, the activity of Statutory Auditor and related services.

João Miguel Pacheco de Sales Luís

In the Company:
- Member of the Board of Directors

In the Group:
- None

Outside the Group:
- Member of the Audit Board of Banco Caixa Geral de Angola (since 2022).
- Chairman of the Audit Board of Banco Internacional de São Tomé e Príncipe (since 2019)
- Chairman of Fundação Obra Social das Religiosas Dominicanas Irlandesas (since 2015)

The 3 Executive Directors are in a full-time assignment to the current management of the Company and its subsidiaries.

The positions held inside and outside the Company are as follows:

Diogo Francisco Bastos Mendes Rezende

In the Company:
- Chairman of the Board of Directors
- Chairman of the Executive Committee of the Board of Directors

In the Group:
- Chairman of the Board of Directors / Management Board of:
  - Europackaging - Investimentos, Participações e Gestão, Lda.
  - Inapa Belgium, SA
  - Inapa ComPlott GmbH
  - Inapa Deutschland Holding, GmbH
  - Inapa Deutschland, GmbH
  - Inapa España Distribución de Papel, SA
  - Inapa France SAS
  - Inapa Merchants Holding, Ltd
  - Inapa Packaging, GmbH
  - Inapa Packaging, Lda.
  - Inapa Packaging, SAS
  - Inapa Portugal Distribuição de Papel, SA
  - JJ Loos SAS
  - Korda Kağit Pazarlama Ve Ticaret Anonim Şirketi

Outside the Group:
- Manager of Bica Consult, Lda.

Inês Patrícia Arêde Simões Louro

In the Company:
- Member of the Board of Directors
- Member of the Executive Committee of the Board of Directors

In the Group:
- Director / manager of:
  - Europackaging - Investimentos, Participações e Gestão, Lda.
  - Inapa Angola, SA
  - Inapa Deutschland Holding, GmbH
  - Inapa Deutschland, GmbH
  - Inapa España Distribución de Papel, SA
  - Inapa Portugal - Distribuição de Papel, SA
  - Inapa Shared Center Lda
  - Korda Kağit Pazarlama Ve Ticaret Anonim Şirketi

Outside the Group:
- None

Frederico João de Moser Lupi

In the Company:
- Member of the Board of Directors
- Member of the Executive Committee of the Board of Directors

In the Group:
- Director / Manager of:
  - Inapa Angola, SA
  - Inapa Belgium, SA
  - Inapa Deutschland Holding, GmbH
  - Inapa Deutschland, GmbH
  - Inapa España Distribución de Papel, SA
  - Inapa France SAS
  - Inapa Portugal Distribuição- de Papel, SA
  - Inapa Shared Center, Lda.
  - JJ Loos SAS
  - Korda Kağit Pazarlama Ve Ticaret Anonim Şirketi

Outside the Group:
- None

c) Committees within the Board of Directors or Supervisory Board and Board Delegates.

27. Details of the committees created within the Board of Directors, the General and Supervisory Board and the Executive Board of Directors, where applicable, and the place where the rules on the functioning thereof is available.

At the level of the Board of Directors, only one Executive Committee has been created, to which the day-to-day management of the company has been delegated.

Given the small size of the company, considering the provisions of Article 413/2 of the PCC (Portuguese Companies Code) - as the company is below two of the three thresholds, net turnover and number of employees – to the limited number of members from the Board of Directors – seven -, and to the functions performed by its Audit Committee (which would overlap with other committees), and the number of Members from the Board of Directors that make part of the Executive Committee (3) and the Audit Committee (3), only remaining one independent director, without executive or auditing functions (1), the Board considered that it is not justified the appointment of other committees, with responsibilities in matters of company management and supervision. The number of non-executive directors represents more than half of the total number of directors, which is an adequate number considering its size and the complexity of activities it performs.

Also, it is worth noting that a lead independent director has been appointed to coordinate the performance evaluation of the Board of Directors, acting as a liaison with the Chairman of the Board of Directors and ensuring that the conditions and means necessary for the performance of the functions of the independent directors exist.

It is the company's understanding that the only senior managers of the company are the members of its Board of Directors.

28. Composition of the Executive Board and/or details of the Board Delegate/s, where applicable.

The company's Executive Board has the following composition:

- Chairman: Diogo Francisco Bastos Mendes Rezende;
- Member: Inês Patrícia Arêde Simões Louro;
- Member: Frederico João de Moser Lupi.

29. Description of the powers of each of the committees established and a summary of activities undertaken in exercising said powers.

The competencies of the Audit Committee and of the Executive Committee are detailed on section 21.

III. SUPERVISION

(SUPERVISORY BOARD, AUDIT COMMITTEE OR GENERAL AND SUPERVISORY BOARD)

a) Composition (throughout the current year).

30. Details of the Supervisory Body (Supervisory Board, the Audit Committee or the General and Supervisory Board) representing the model adopted.

The Company has adopted as its supervisory body an Audit Committee operating within the scope of its Board of Directors in accordance with the adopted governance model.

31. Composition of the Supervisory Board, the Audit Committee, the General and Supervisory Board or the Financial Matters Committee, where applicable, with details of the articles of association's minimum and maximum number of

members, duration of term of office, number of effective members, date of first appointment, date of end of the term of office for each member and reference to the section of the report where said information is already included pursuant to paragraph 17.

Paragraph 4 of Article 22 of the Company's Act, states that "The Audit Committee of the Board of Directors shall be composed of three members, complying with the requirements stipulated by law, one of whom shall act as chairman and shall be appointed from among the members of the Board of Directors by the General Meeting."

The members of the Audit Committee are elected by the General Meeting for a three years term mandate.

The Audit Committee is made up of the following members of the Board of Directors who have been in office since the dates indicated below:

NAME	POSITION	DATE OF 1st APPOINTMENT	TERM OF MANDATE
Victor Maurílio Silva Barros	Chairman	23.05.2019	31.12.2024
Emília Noronha Galvão Franco Frazão	Member	23.05.2019	31.12.2024
Patrícia Isabel Sousa Caldinha	Member	23.05.2019	31.12.2024

The Company believes that the current composition of the Audit Committee with three independent members is appropriate, given the size of the Company and the complexity of the risks of its activity, to carry out the duties assigned to it with efficiency.

32. Details of the members of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, which are considered to be independent pursuant to Article 414/5 CSC and reference to the section of the report where said information already appears pursuant to paragraph 18.

All members of the Audit Committee comply with the rules of independence in accordance with the definition given pursuant to paragraph 5 of Article 414, with any incompatibilities being assessed in accordance with the definition provided for in paragraph 1 of Art. 414-A and paragraph 3 of Art. 423-B of the Portuguese Companies Code.

33. Professional qualifications of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and other important curricular information, and reference to the section of the report where said information already appears pursuant to paragraph 21.

The qualifications of each member of the Audit Committee are described on section 19 of this report.

b) Functioning

34. Availability and place where the rules on the functioning of the Supervisory Board,

the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, may be viewed, and reference to the section of the report where said information already appears pursuant to paragraph 22.

The functioning regulations of the Audit Committee, included in the Regulations of the Board of Directors, are available to shareholders and other interested parties on the company's website - www.inapa.com - or at its head office.

35. The number of meetings held and the attendance report for each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, as applicable, and reference to the section of the report where said information already appears pursuant to paragraph 23.

From 1 January 2022 until 31 December 2022:

- Number of meetings: 16
- Attendance per member:

Victor Maurílio Silva Barros:	100%
Emília Noronha Galvão Franco Frazão:	100%
Patrícia Isabel Sousa Caldinha:	100%

36. The availability of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, indicating the positions held simultaneously in other companies inside and outside the group, and other relevant activities undertaken by members of these Boards throughout the financial year, and reference to the section of the report where such information already appears pursuant to paragraph 26.

The members of the Audit Committee exercise their positions on a part-time regime, and do not hold any other position in the Company or in the Group, apart from the positions inherent to their capacity as members of the Board of Directors.

The positions held by the members of the Audit Committee outside the Company and the Group were / are as follows:

Victor Maurílio Silva Barros

In the Company:

- Member of the Board of Directors
- Chairman of the Audit Committee

In the Group:

- None

Outside the Group:

- Chairman of the Audit Committee of Rádio e Televisão de Portugal, SA (since 2021).
- Assistant Professor of Finance at ISEG - Universidade de Lisboa (since 2020)
- Member of the Fiscal Board of IDEFE / ISEG Executive Education (since 2017)
- Faculty Advisor of ISEG at the CFA Institute Research Challenge (since 2015)
- Researcher at ADVANCE/CSG - Social Sciences and Management Research (since 2011)

Emília Noronha Galvão Franco Frazão

In the Company:

- Member of the Board of Directors
- Member of the Audit Committee

In the Group:

- None

Outside the Group:

- Member of the Board of Directors of Associação - Fundo de Assistência do Crédito Agrícola Mútuo (FACAM) (since January 2020).
- Member of the Supervisory Board of Monte d'Alva - Alimentação, SA (since January 2020)
- Member of the Audit Board of SGEHR - Sociedade Gestora e Exploradora de Hotéis e Resorts, SA (since July 2019)
- Non-executive Member of the Board of Directors of FUNDIESTAMO - Sociedade Gestora de Organismos de Investimento Coletivo, SA (from September 2019 until April 2022)

Patrícia Isabel Sousa Caldinha

In the Company:

- Member of the Board of Directors
- Member of the Audit Committee

In the Group:

- None

Outside the Group:

- Alternate member of the Supervisory Board of VICTORIA - Seguros Vida, SA (since March 2022).
- Alternate of VICTORIA - Seguros , SA (since March 2022)
- Member of the Fiscal Council of Águas do Tejo Atlântico, SA (since 2021)
- Member of the Directive Council of the Portuguese Institute of Statutory Auditors (since 2021)
- Chairman of the Registration Committee of the Portuguese Institute of Statutory Auditors (since 2021)
- Member of the Supervisory Board of Insight Venture - Sociedade de Capital de Risco SA (since 2021)
- Member of the Fiscal Council of EPAL - Empresa Portuguesa das Águas Livres, SA (since 2018)
- Alternate member of the Audit Board of Simarsul - Saneamento da Península de Setúbal e Águas do Centro Litoral, SA (since 2017)
- Provides, on an individual basis, the activity of Statutory Auditor and related services.

João Miguel Pacheco de Sales Luís

In the Company:

- Member of the Board of Directors

In the Group:

- None

Outside the Group:

- Member of the Audit Board of Banco Caixa Geral de Angola (since 2022).
- Chairman of the Audit Board of Banco Internacional de São Tomé e Príncipe (since 2019)
- Chairman of Fundação Obra Social das Religiosas Dominicanas Irlandesas (since 2015)

The three Executive Directors are assigned on a full-time regime to the day-to-day management of the Company and of its subsidiaries.

c) Powers and Duties.

37. A description of the procedures and criteria applicable to the supervisory body for the purposes of hiring additional services from the external auditor.

It is the responsibility of the Audit Committee to pre-approve the provision of any service distinct to auditing services to be provided by the external auditor or a member of its network.

The Audit Committee analyses the different audit services and the proposals presented by the external auditor or a member of its network, previously evaluated and communicated by the Executive Committee, to ensure that: (i) the contracting of additional services does not jeopardize the independence of the external auditor; (ii) the balance between the statutory audit services and the additional audit services whose provision is being analyzed is ensured; and (iii) the additional services under consideration are not prohibited and considering the permitted provisions to be waived by each member state in accordance with EU Regulation nr.. 537/2014 of the European Parliament and of the Council, of April 16.

38. Other duties of the supervisory body and, where appropriate, the Financial Matters Committee.

In addition to the powers assigned in Article 8 of the Regulations, and described in section 21, the Audit Committee is also responsible for:

a) Assessing the independence of the Chartered Accountant in audit work and additional services;

b) Reviewing the transparency report, signed by the Auditor, and published in his website. This report includes related matters on ethics, independence, monitoring and declaration on the effectiveness of the functioning of the internal quality control system;

c) Representing the Company, within the scope of its powers, with the external auditor;

d) Receiving communications from the external auditor about deficiencies detected in the internal control system or other irregularities;

e) Supervising the Internal Audit and Risk Management activity, with the following scope: (i) Annual activity plan; (ii) Reception and periodic reporting of the activity carried out; (iii) Evaluation of the results and conclusions of the work; (iv) Issuing guidelines understood as convenient;

f) Approving the Risk Management and Internal Audit Charter and Risk Management and Internal Audit Manual.

The Audit Committee regularly monitors the capacity of the Chartered Accountant (ROC) and external auditor to conduct their activities in an independent and impartial manner to ensure the confidence of readers in the reliability of financial statements, having approved an internal procedures manual at its meeting on March 16, 2023.

As mentioned in point 21, the Audit Committee regularly assesses the adequacy of the risk mitigation measures present in the Company, defining, together with the Board of Directors, work programs to monitor and maintain the adequacy of the measures in progress, allowing adjustments to be made whenever justified.

The Audit Committee also evaluates regularly the operational risks and the adequacy of control mechanisms.

IV. STATUTORY AUDITOR

39. Details of the statutory auditor and the partner who represents it.

The statutory auditor is the firm PricewaterhouseCoopers & Associados - SROC, Lda. represented by Mr. Hugo Miguel Patrício Dias - effective Chartered Accountant.

Hugo Miguel Patrício Dias is registered at CMVM under nr. 20161042 and with the OROC under nr. 1432.

40. State the number of years that the statutory auditor consecutively carries out duties with the company and/or group.

The external auditor - PwC - is currently serving its first term of office in the company, having been elected for the functions it performs on 20 May 2022, replacing the company Deloitte & Associados, SROC SA.

Dr. Hugo Miguel Patrício Dias has represented the statutory audit company PricewaterhouseCoopers & Associados - SROC, Lda since 20 May 2022.

41. Description of other services that the statutory auditor provides to the company.

PricewaterhouseCoopers & Associados - SROC, Lda and other entities belonging to the same network have provided other permitted services referred to in item 46.

V. EXTERNAL AUDITOR

42. Details of the external auditor appointed in accordance with Article 8 and the partner that represents same in carrying out these duties, and the respective registration number at the CMVM.

The external auditor of the Company is the firm PricewaterhouseCoopers & Associados - SROC, Lda represented by Hugo Miguel Patrício Dias.

The external auditor has got the CMVM registration nr. 20161485. Its representative has the CVMV registration nr. 20161042 and with the SROC nr. 1432.

43. State the number of years that the external auditor and respective partner that represents same in carrying out these duties consecutively carries out duties with the company and/or group.

The external auditor is currently serving his first term of office, having been elected on 20

May 2022, replacing Deloitte & Associados, SROC, SA.

The partner that represents him has been in office since 20 May 2022.

44. Rotation policy and schedule of the external auditor and the respective partner that represents said auditor in carrying out such duties.

The policies and schedule of rotation rearding the external auditor and respective partner are those established by law.

45. Details of the Board responsible for assessing the external auditor and the regular intervals when this assessment is carried out.

In addition to the General Meeting, the Audit Committee is responsible for the annual evaluation of the external auditor. Within this scope, this Committee is responsible for monitoring and evaluating the services provided by the external auditor (audit and non-audit services). To carry out this monitoring, the Committee includes in its agenda meetings with the external auditor in order to: (i) monitor and evaluate the work performed and in progress, meeting during mid-year (limited) and annual audits; (ii) learn about the scope and planning of the audit; (iii) to analyse the agenda of the audit work and (iv) to analyse and appraise the conclusions of its audit reports.

The Committee works with the external auditor on a regular basis, ensuring appropriate working conditions for the performance of all services provided, in order to monitor its independence throughout the year.

Within the scope of this interaction, it is the external auditor's responsibility to immediately inform the Audit Committee of any irregularities relevant to the performance of the supervisory body's functions, as well as any difficulties encountered while carrying out its duties.

Additionally, and in accordance with the auditing standards in force, the external auditor must, within the scope of its powers, verify the efficiency and operation of the internal control mechanisms and report any shortcomings and irregularities to the Audit Committee.

Likewise, the external auditor confirms its independence annually in its Legal Certification of Accounts / Audit Report and in the additional report addressed to the supervisory body.

46. Details of services, other than auditing, carried out by the external auditor for the company and/or companies in a control relationship and an indication of the internal procedures for approving the recruitment of such services and a statement on the reasons for said recruitment.

The contracting of services other than auditing services, provided to the Group in Portugal and abroad, is subject to rigorous analysis in order to prevent any conflicts of interest with the External Auditor or a member of its network. Any type of work other than audit services that may have potential conflict of interest must not be provided. These services are also assessed for compliance with Law nr. 140/2015 of 9 September, amended by Law nr. 99-A/2021 of 31 December, and EU Regulation nr. 537/2014 of the European Parliament and of the Council of 16 April.

The Audit Committee approved at a meeting on 15 October 2021 the "Terms of Reference for the selection of the SA for the three-year period 2022-2024" in which it established ex-ante the criteria and requirements for the selection of the SA and external auditor to be proposed to the General Meeting.

Such document was prepared in the light of the applicable legal and regulatory rules and namely Law 140/2015 of 7 February, which approved the Statute of the Order of Statutory Auditors, Law 148/2015 of 9 September, which approved the Legal Framework for Audit Supervision, as well as Regulation EU 537/2014 of the European Parliament and of the Council of 6 April.

It was based on such Terms of Reference that the Audit Committee proposed to the General Meeting the election of the Statutory Auditor and external auditor for the three-year period 2022-2024.

PricewaterhouseCoopers & Associados - SROC, Lda was elected at the General Meeting of May 20, 2022.

In addition to the auditing work, which comprises the statutory audit services, the External Auditor's fees relate to the following distinct auditing services: the limited review of the half-yearly consolidated financial statements, services provided directly to the Company.

47. Details of the annual remuneration paid by the company and/or legal entities in a control or group relationship to the auditor and other natural or legal persons pertaining to the same network and the percentage breakdown relating to the following services (For the purposes of this information, the network concept results from the European Commission Recommendation No. C (2002) 1873 of 16 May):

By the Company*	€
Services of Statutory audit and auditing	49,060
Limited review services	17,340
By other entities included in the Group*	
Audit services and review of accounts	256,248
Limited review services	0
Reliability guarantee services	0
Tax consultancy services	0
Other services	0

* INCLUDING INDIVIDUAL AND CONSOLIDATED ACCOUNTS

C. Internal Organisation

I. ARTICLES OF ASSOCIATION

a) Composition of the Board of the General Meeting (throughout the reference year).

48. Rules applicable to the amendment of the Articles of Association Art.29-H, nr. 1, al. h).

The company bylaws, with the exception of changing the headquarters within the national territory, in which the Board of Directors has a specific delegation, can only be changed by resolution of the General Meeting.

For the General Meeting to deliberate on this matter on first convening, shareholders that hold shares representing at least 1/3 of the share capital must be present or duly represented; on second convening, the Meeting may deliberate whatever the number of shareholders present and the capital they represent (Art. 383, nr. 2 and 3 CCC).

Decisions shall be approved by 2/3 of the votes cast, irrespective of whether the General Meeting is held at first or at second call; however, if, at second call, shareholders holding at least half of the share capital are present or represented, decisions on such matters may be approved by a majority of the votes cast.

By virtue of its paragraph 4, the limitation of voting rights contemplated in paragraph 1 of Article 13-A shall also apply to resolutions to amend the Company's Articles of Association.

II. REPORTING OF IRREGULARITIES

49. Reporting means and policy on the reporting of irregularities in the company.

The Board of Directors has approved and made public an internal regulation for the reporting of irregularities, the essential bases of which are as follows:

1. The employees of Inapa Group (management and staff of the company, Directors, management, and staff of its affiliate companies) are bound to promptly report any irregular practices, of which they may have become aware being perpetrated in Inapa Group companies, to the following officials:

a. To the Chairman of the Executive Committee of the Board of Directors of Inapa – Investimentos, Participações e Gestão, S.A. should such irregular practices involve the management and staff of the parent company, or Directors of its affiliate companies;

b. Without prejudice to what is stated on the following paragraph, to the

Chairman of the Audit Committee of the Board of Directors should such irregular practices involve the Directors of Inapa – Investimentos, Participações e Gestão, S.A. or of its supervisory board and/or its staff;

c. To the Chairman of the Board of Directors should such irregular practices involve a member of the Audit Committee of the Board of Directors of Inapa – Investimentos, Participações e Gestão, S.A.;

d. By email ethics@inapa.com when related with other employees from affiliate companies.

2. In the situations referred in paragraph a) of paragraph 1 above, the Chairman of the Executive Committee shall submit such allegations, with the urgency deemed necessary to the Chairman of the Audit Committee of the Board of Directors.

3. Such allegations shall be submitted in writing, and their author shall be entitled to demand from the recipient a written statement that the information in question shall be treated in the strictest confidence.

4. The reporting official shall be assured that, barring allegations of a calumnious nature, any information provided within the scope of these regulations shall neither be raised as grounds for instituting proceedings against him or her nor for any unfavorable treatment towards him or her.

To be able to act in a swift manner, the company has decided that communications should be addressed to executive members or the legal head of the Group. Notwithstanding that this communication is normally made to the CEO or the legal head of the Group, the Audit Committee is informed of all communications that are performed, analyzing any irregularities, and monitoring its resolutions.

All reported non-compliance situations are treated as confidential and, if requested, anonymously.

III. INTERNAL CONTROL AND RISK MANAGEMENT

50. Individuals, boards, or committees responsible for internal audits and/or implementation of the internal control systems.

The Board of Directors approves the systems of internal control and risk management of the company and the group, by its own initiative, or from the initiative of the Executive Committee of the Board of Directors.

An internal audit plan of the company and its subsidiaries is also evaluated annually by the Executive Committee and Audit Committee, whose execution and compliance is regularly evaluated by the Executive Committee and the Audit Committee.

Audit Committee regularly evaluates the on-going activities of the Company and of the Group, evaluates the risks that it is subject to as well as the implementation of the measures adopted for its mitigation, namely through work programs developed with the Board of Directors.

Within the scope of the action described above, the Audit Committee is regularly presented with the reports made by the head of internal audit, under his direction and within the scope of his powers, that whenever appropriate, adopts the adequate measures for the complete clarification and determination of responsibilities of the identified situations. The Audit Committee also supervises the effectiveness of the risk management and internal control system.

The internal auditor of the Group is responsible for the implementation and evaluation of internal control systems.

Planning and management control services of the group are responsible for monitoring the activity of each of the Group companies.

The assessment of the respective functioning and adjustment to the needs of the company and the group are regularly assessed by the Audit Committee and, within the scope of the powers that are legally assigned to it, by the External Auditor.

51. Details, even including organisational structure, of hierarchical and/or functional dependency in relation to other boards or committees of the company.

The organisational structure and hierarchical and functional dependencies are described in section 21.

52. Other functional areas responsible for risk control.

In addition to the areas identified above, it should also be noted as areas with responsibility for risk control, the central IT and information systems department, internal control, and accounting department in each of the companies and at the level of the shared services center.

53. Identification and description of the major types of risks (economic, financial, and legal) to which the company is exposed in pursuing its business activity.

The Group's main activity is the distribution of paper, and as such it acts as a link between the upstream paper producers and the downstream intermediate consumers (companies and paper manufacturing industries, such as printers, advertisers, media companies, newspaper, and book publishers, among others), modern distributors (large-scale suppliers and specialized retail chains) and final consumers (companies in the office segment and individuals).

The Inapa Group classifies the risks to which it is exposed, according to the matrix approved by the Board of Directors, in four major categories: strategic risks, operational risks, compliance risks, and financial risks.

Strategic Risks

Risk Area	Description	Management
Macroeconomic Trends	The economy behaviour in general may have an impact on the Group's performance, namely at the top line level. A slowdown in economic activity levels or a reduction in consumer and producer confidence indexes may cause a slowdown or fall in paper demand, namely the demand for writing and printing paper, thereby affecting its operations, sales, earnings, and the financial situation of the Group.	Because Inapa's business is present in eight European countries, as well as in Angola and Turkey, its turnover accounts for more than 95%, based on external activity. These circumstances naturally expose Inapa's business to risks arising from the performance of each economy where it operates. On the other hand, it is also a risk mitigation factor due to the less likely occurrence of the same pattern of economic behaviour in all markets at the same time.
Changes of demand/ consumption patterns	The paper distribution business is sensitive to changes in the behavioral patterns of demand, mainly in segments such as advertising and media, and also to changes in the structure of distribution.	The Inapa Group operates in different geographies and has sought to diversify its business base, increasing the weight of complementary businesses.
Balance between supply and demand	The balance between supply and demand depends on a variety of factors, among which we highlight the evolution in the production capacity installed and the level of economic activity and evolution of consumption patterns. Besides the productive capacities in different geographies, the trends in the paper demand in emerging markets like China and India and its impact on those markets' suppliers, the impact of exchange rate fluctuations on the various markets competitiveness, and some regulatory issues that affect the world paper trade are all factors which, either individually or in combination, may directly or indirectly impact the performance of the Company, its financial situation and its earnings.	Inapa Group operates in different geographies and has tried to diversify its business base, developing commercial relationships with producers located in different continents and increasing the weight of complementary businesses.
Structure of the sector	The paper distribution business has undergone structural changes, with concentration movements between operators, particularly in Europe. This competitive environment may directly and indirectly affect the company's future strategic decisions and, consequently, its positioning in each market, as well as the corresponding results and asset allocation. In a context of sector consolidation, Inapa may be the target of a public tender offer.	Inapa Group has sought to broaden its portfolio of products and Partners, and continually invests in improving efficiency in order to guarantee its competitiveness.
Environmental risks	Given the growing environmental sustainability concern, the legal and regulatory requirements in this area are expected to increase significantly. Failure to comply may result not only in financial penalties, but also in difficulties to have access to financing.	Inapa has incorporated in its strategic plan sustainability goals and reducing the ecological footprint. Inapa develops its activity seeking to adopt practices that promote sustainable development of the environment, through the promotion of certified products and reducing its ecological footprint. In the case of the paper sector, most of the environmental impact is upstream of Inapa's operations, in the production of paper. Hence the adoption of initiatives, together with suppliers, to adopt environmentally sustainable practices.

Operational Risks

Risk Area	Description	Management
Disruptive events: Natural disasters	The activity is subject to possible natural disasters and abnormal weather conditions, the frequency and intensity of which will tend to worsen as a result of climate change.	All Inapa warehouses are insured against possible losses caused by this type of phenomena. Given the high number of warehouses and their geographic dispersion, we consider that the exposure to this type of risk is relatively low, as it is possible to continue operations if one of the locations is affected.
Disruptive events: Pandemics	The company's operational activity is subject to the risks of the emergence of pandemics. The implementation of measures that influence the mobility of people or goods by government entities may have a significant impact on the company's operations and on the financing of the activity. Disruptions in the transport network at an international level or in countries where the Group or its main suppliers operate may bring limitations on the supply of products and influence the Group's activity	Operational risks are mitigated (i) by the high geographical dispersion of Inapa's operations, both at the Group level and at the level of each of its national operations and its suppliers, and (ii) by the contingency plans adopted by each Group company, which ensure that, except in the areas of warehousing and transportation, which require the physical presence of employees, the others can be ensured, in essence, through telework.
Disruptive events: Armed conflict	Armed conflict and the application of international economic sanctions can have significant impacts on product demand, product availability or prices.	The geographical dispersion of sales and supply mitigates these risks.
Purchase price fluctuations/ Pricing management	The ability that paper and/or fuel prices have an influence on selling prices of products / services, is not totally elastic. It may occur that the margins of products sold/services rendered are directly affected or through increases in transport costs associated with distribution, having therefore a negative effect on the activity, financial situation and Group results.	Inapa has at its disposal some means of mitigating this risk, among which stand out its systems, which in the sales process, introduce authorisation levels in accordance with the margin generated by the operation. In addition, the inventory levels with which Inapa operates minimise the impact of price changes.
Disruptions in storage and distribution	Significant and/or prolonged interruptions in the ability to serve the customer in terms of distribution may lead to deterioration of the Inapa Group's image/reputation, with an impact on Sales.	Group companies are constantly seeking to improve logistical processes in order to maximise customer experience at the lowest cost.
Disruptions and property damage	The Group's units are subject to the risks inherent to any economic activity, such as accidents or breakdowns that may cause damages to the Group's assets or temporary interruptions in the activity.	These risks are monitored by Inapa on an ongoing basis by means of the processes and information systems implemented, being some of the operational risks covered by insurance policies. The normal development of the business may be temporarily affected by risks arising from the merger or restructuring of subsidiaries.
Customer retention/ loyalty	Inapa's performance depends on its ability to secure its customer base.	Besides having a very significant number of clients (over 80,000), its geographical dispersion, and a wide range of competitive, top-quality products and an appropriate level of pre and post-sales service, Inapa has been developing a customer loyalty program to its traditional customer base by offering an integrated range of products and services that complement its core business, thus increasingly asserting itself in the paper market as a global service provider.

(cont.)

Risk Area	Description	Management
Credit Risk	Inapa is exposed to the credit risk it grants to its customers. An aggravation of economic conditions may give rise to difficulties for the Group's customers to meet their obligations to Inapa Group.	Since 2011, Inapa has maintained an insurance (in large European insurance companies) to cover the credit risk of its operating subsidiaries This insurance covers the main countries of the Group, thus covering the majority of sales of the Group. Regardless of the hedging mentioned above, the Group has credit risk evaluation and monitoring policies in order to ensure that sales are made to customers with an appropriate credit profile. These policies include, namely, credit limits for customers, recorded in the IT system, which prevent new orders from being placed with customers whose credit limit has been fully utilised. These credit limits are subject to periodic review, or whenever there is relevant information arising from the recommendation of the internal and external monitoring systems. Also to be noted is the existence of internal teams dedicated to monitoring customer credit and the holding of periodic meetings by local management to monitor the ageing of customer balances.
Human Resources	The Group's ability to successfully implement the outlined strategy depends on its ability to retain and, whenever necessary, recruit the most qualified and competent employees for each function.	Although the Group's human resources policy is oriented towards achieving these goals, it is not possible to guarantee that in the future there will be no limitations in this area. Recent reinforcement of skills in this area at corporate level.
IT	The Group's operations are also dependent on IT processing.This involves the maintenance and processing of financial reporting records, monitoring and control of logistics, warehousing, and transportation operations, and accounting. Inapa may also be exposed to risks related to the migration processes of its base systems, which may have a transitory effect on its operations.	As it is not possible to absolutely guarantee a full identification and timely redressing of every single issue concerning its information technology systems, Inapa conducts a regular assessment of the information systems in order to determine whether they are suitable to the Group's needs. In order to mitigate the risks associated with a potential problem in the Group's datacenters, a "disaster recovery exercise" is performed annually to test the alternative infrastructure and the recovery process. A new backup solution was implemented, widely recognised as one of the best in the market, with the latest technology available and with a much higher resilience than the previous solution. As for the project to implement the new ERP in the Group's operations, a wide range of tests are carried out to ensure the suitability of the solution for the business and to guarantee that there are no impacts on the countries that already operate in the system. Within the scope of the data migration process from the old source system to the new ERP, several test loads are carried out for quality systems throughout the project and before the final migration of data to the production system. A new "change management" process was also implemented during 2022 in order to minimise the risk of changes being made to the ERP production system that could impact its stability.
Cyber security	The risk of computer fraud/cyber attack is something that has been gaining an international dimension, and it is not possible to fully mitigate this risk, despite the measures and procedures implemented.	Inapa has been investing significantly in security policies that minimise its exposure to cyber attack risk. Periodic assessments are performed and training sessions on best practices are held for employees, and the main risks are covered by insurance policies.

Compliance Risks

Risk Area	Description	Management
Legal and regulations	The Group may be negatively affected by changes in the legislation and other tax regulations applicable in Portugal, the European Union and in the various countries where it operates.	Inapa pursues a policy of flexibility and adaptability of itsoperations and cost structure, whereby no significant impacts are antecipated from possible new regulations.
Claims/ Litigation	Inapa may be part of any litigation arising from the conduct of its business, including legal proceedings which may have been ruled in favour of the Company, fully or partially, or sentences that may be subject to recourse by the counterparties in conformance with applicable legal procedure and until that time as such sentences have been upheld in a court of final appeal.	Inapa relies on the support of local legal advisory teams that accompany the subsidiary companies in each geography in the pre-litigation and litigation phases of the dispute, being accompanied/coordinated by the legal department of the parent company whenever their relevance or specificity so recommends.

Financial Risks*

Risk Area	Description	Management
Interest rates	As Inapa does not hedge its exposure to adverse changes in interest rates, such changes may have a negative impact on its performance, financial situation, and earnings.	As a way of managing these variations, the Group's financial area constantly follows the development of the market, and is able to use financial instruments to minimise the effects of interest rates volatility, monitoring the expenses incurred, as well as the expected amounts of future expenses. This is achieved through the preparation of budgets, based on the expected and reasonably possible evolution and the financial needs of the Group. Consequently, the Company interacts with its financial partners with the objective of ensuring the financing of its operations and competitive financing costs.
Currency risk	Variations in the exchange rate for the euro into other currencies (particularly the Turkish lira and kwanza) can impact on the financial situation of the company as Inapa operates in Turkey and Angola. The Group also has exposure to the US dollar due to purchases made in this currency, particularly in the operation in Turkey.	The exposure to currency risk is limited because the aggregate value of sales in currencies other than Euro (namely kwanza and Turkish lira) represents less than 2% of the total sales of the Group. Inapa constantly monitors the exchange rate evolution of the geographic regions to which the Group is exposed.
Financial Risk: Investment	The Group's operations require investments. Risk that the Inapa Group may not be able to finance its operations, namely in terms of investment, or that it may only be able to do so at a higher cost.	Inapa expects to fund its investments by mobilising cash flows generated from operating activities. Should these activities fail to generate sufficient income, Inapa may be required to partly fund the envisaged investments with funding from external sources, including bank loans and/or capital markets.

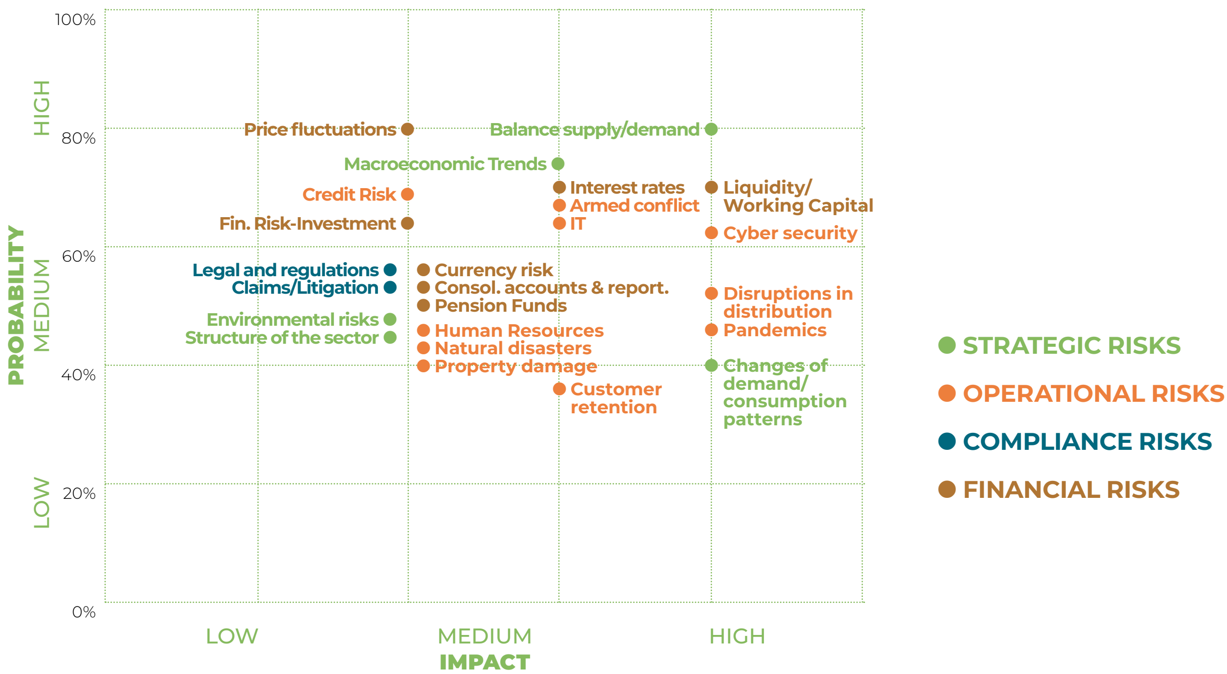
(cont.)

Risk Area	Description	Management
Financial Risk: Liquidity/ Working Capital	For the development of its operations, Inapa needs working capital. More adverse economic scenarios that lead to changes in the commercial and financial policies of our partners, including suppliers, customers, or financial institutions, could create working capital needs that may influence liquidity levels.	Inapa manages the Group's liquidity risk using two approaches: by striving to ensure that the Group's financial debt has a maturity that adequately matches its ability to generate cash resources, and by resorting to credit facilities to support treasury operations (current account, confirming, etc.). Treasury management is done locally in each Group company supervised by the Holding Company. Cash flow forecasts are updated and regularly monitored by the Holding. Cash flow forecasts are updated and regularly monitored. Inapa remains in close contact with financial institutions and credit insurers in order to ensure adequate financing levels for its operations.
Pension Funds	Inapa grants supplementary retirement and survivor's pension plans to the employees of its subsidiaries Inapa France, SAS, Inapa Packaging SAS, Semaq Emballages, S.A., Papyrus Deutschland and Papier Union GmbH. It accounts for the inherent costs and associated charges in accordance with the provisions of International Accounting Standard nr. 19 (IAS 19). The amount recorded in the consolidated accounts under liabilities for pension benefits is based on predefined actuarial assumptions, whereas the beneficiaries of the pension plans may live longer than expected and, as such, may benefit from the plan beyond the period provided for, since they are defined benefit pension plans. Therefore, pension liabilities may exert an adverse constraint on cash flows.	Inapa periodically reviews the actuarial calculations, including the associated costs and cash flows in the respective annual budgets.
Consolidation of accounts and reporting	Risk of making errors in the preparation of internal and external reports.	Inapa has internal and external control methods to mitigate these risks. Implementation of SAP in all Group companies will bring a strong contribution, with the alignment of processes/ procedures.

* IN THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (3, 8 AND 9) YOU CAN FIND MORE DETAIL ON THE VARIOUS ASPECTS OF FINANCIAL RISK MANAGEMENT.

Risk Matrix

The following matrix shows the risks identified previously, considering their classification according to their probability of occurrence (low, medium and high) and impact in case of occurrence (low, medium and high).



54. Description of the procedure for identification, assessment, monitoring, control and risk management.

The identification and evaluation of risks is an ongoing process in which the Board of Directors, the Executive Committee, the Audit Committee and Internal Audit are involved, and priorities for action in the area of risk-taking are established through a work plan for risk evaluation and mitigation.

The risks and existing mechanisms that allow their identification and evaluation are described in the previous point.

The monitoring, control and management of risks is carried out on an ongoing basis by the Executive Committee. During the year, the Audit Committee also supervises the effectiveness of the risk management and internal control system, relying also on regular reporting from internal audit.

In the meetings of the Audit Committee, a regular appraisal is made, on a monthly basis, of the Company's risks. At these meetings, a status report is usually made on risk management and internal auditing, with the respective internal manager, monitoring the activities and conclusions of its actions, and a regular discussion is held on the need to adjust the resources and activities developed to the evolution of the risks inherent to the activity of the Company and its Group.

55. Core details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information (Art 29-H, nr. 1, al.) l)).

The process of disclosure of financial information is followed-up in its process of production and treatment of information, both by the corporate bodies of administration and supervision, as well as by the business units and corporate services. The accounting documents and other financial information are prepared by the Consolidation and Planning and Control Departments, based on the information provided by the business units.
Throughout the year, the Audit Committee, monitors the implementation of systematized formalization of relevant data and elements that are part of Inapa's risk management and internal control system, as well as the implementation of common IT platforms to strengthen control mechanisms.

IV. INVESTOR ASSISTANCE

56. Department responsible for investor relations, composition, functions, the information made available by said department and contact details.

The company provides investor support through the Market Relations representative.

Roles of Investor support:

- To provide all investors – corporate or particular – with the most complete and accurate information, in the strict respect for the applicable legislation, concerning the corporate structure of the Company and the Group, on the rights and duties of the shareholders in conformance with the legislation and the Company's Articles of Association, on its financial and economic situation according to the disclosed elements.

- To provide investors, in due respect for the existing applicable legislation, with any additional or complementary information and clarification they may reasonably ask for and on the aforementioned items of information.

Type of information made available by the department:

- Information published by the company with corporate or economic-financial nature, of at least from the three previous years, in Portuguese and English.

- Any relevant fact that can influence the company's activity, in Portuguese and in English.

Access means to the office and information disclosed:

- By post to:
  - Rua Braamcamp, nr. 40 – 9.º D,
  1250-050 Lisbon – Portugal
- By fax: +351 21 382 30 16
- By telephone: +351 21 382 30 07
- By e-mail: miguel.loureiro@inapa.pt
- By website: www.inapa.com

57. Market Liaison Officer

The Company's representative for market relations is Mr. Miguel Dias Costa Faro Loureiro.

58. Data on the extent and deadline for replying to the requests for information received throughout the year or pending from preceding years.

The investor relations received a small number of information requests, by email or phone, having answered all the requests within the period of five working days.

V. INTERNET SITE

59. Address (es).

The Company's website can be found in the address www.inapa.com.

60. Place where information on the firm, public company status, headquarters and other details referred to in Article 171 of the Commercial Companies Code is available.

Information can be obtained in the company's head office, Rua Braamcamp, nr. 40 – 9.º D, 1250-050 Lisbon - Portugal.
The information is also available in the company's website www.inapa.com.

61. Place where the articles of association and regulations on the functioning of the boards and/or committees are available.

The information can be obtained in the

company's head office, Rua Braamcamp, nr. 40 – 9.º D, 1250-050 Lisbon – Portugal.
The information is also available in the company's website www.inapa.com.

62. Place where information on the names of the corporate boards' members, the Market Liaison Officer, the Investor Assistance Office or comparable structure, respective functions, and contact details, is available.

The information can be obtained in the company's head office at Rua Braamcamp, nr. 40 – 9.º D, 1250-050 Lisbon - Portugal.
The information is also available in the company's website www.inapa.com.

63. Place where the documents are available and relate to financial accounts reporting, which should be accessible for at least ten years and the half-yearly calendar on company events that is published at the beginning of every six months, including, inter alia, general meetings, disclosure of annual, half-yearly and where applicable, quarterly financial statements.

The place where the information can be found is its head office, Rua Braamcamp, nr. 40 – 9.º D, 1250-050 Lisbon - Portugal.
The information is also available in the institutional website (www.inapa.com) and on the Portuguese Securities Market Commission's website (www.cmvm.pt).

64. Place where the notice convening the General Meeting and all the preparatory and subsequent information related thereto is disclosed.

The information can be obtained in the company's head office, Rua Braamcamp, nr. 40 – 9.º D, 1250-050 Lisbon - Portugal.
The information is also available in the company's website (www.inapa.com) and the CMVM website (www.cmvm.pt).

65. Place where the historical archive on the resolutions accepted at the company's General Meetings, share capital and voting results relating to the preceding three years are available.

The information can be obtained in the company's head office, Rua Braamcamp, nr. 40 – 9.º D, 1250-050 Lisbon - Portugal.
The information is also available in the company's website (www.inapa.com) and the CMVM website (www.cmvm.pt).

D. Remuneration

I. POWER TO ESTABLISH

66. Details of the powers for establishing the remuneration of corporate boards, members of the executive committee or chief executive and directors of the company.

The remuneration of the Governing Bodies is determined by:
- The Remuneration Committee, and;
- The General Meeting.

The company considers that its directors, according to paragraph 1 (25) of article 3 ° from the EU Regulation nr. 596/2014 of the European Parliament and of the Council of 16 April 2014, are exclusively its members of the administrative and supervisory bodies.

II. REMUNERATION COMMITTEE

67. Composition of the remuneration committee, including details of individual and legal persons recruited to provide services to said committee and a statement on the independence of each member and advisor.

On the General Meeting of 20 May 2022, the following remuneration committee has been elected:

- Chairman: Ricardo João Andrade Amaro;
- Member: Pedro Manuel Macedo Vilas Boas;
- Member: Tiago Manuel Rodrigues Estevinho.

All members of the Remuneration Committee are independent relatively to the members of the Board of Directors.

68. Knowledge and experience in remuneration policy issues by members of the Remuneration Committee.

The Remuneration Committee is a collegial body, for which were appointed either people or entities with experience in the matter of remuneration policy, as it can be seen in the respective curricula presented at the Meeting that elected them and which are presented below:

Ricardo João Andrade Amaro

Academic qualifications

- Bachelor degree in Law, Faculdade de Direito de Lisboa
- Post-graduation in Commercial Law Practices, Faculdade de Direito, Universidade Católica de Lisboa

Professional qualifications

- Partner at Morais Leitão, Galvão Teles, Soares da Silva & Associados
- Vice-President of the General Assembly Board of Banco Santander Totta, SA

Pedro Manuel Macedo Vilas Boas

Academic qualifications

- Degree in Business Management and Administration from the School of Economics and Business Sciences of Universidade Católica de Lisboa
- Training Course "PDO - Program for Operational Directors", School of Economics and Business Sciences of Universidade Católica de Lisboa
- Training Course "PADE - Program for Top Management of Companies" by AESE - School of Management and Business

Professional qualifications

- Central Director of Banco Comercial Português, S.A. (Millennium BCP) responsible for the Specialised Follow-up Division
- Coordinator of Millennium BCP's Special Projects Unit
- Responsible for a Division of the Corporate Finance and Investment Banking Relationship

Tiago Manuel Rodrigues Estevinho

Academic qualifications

- Bachelor's degree in Economics, Nova School of Business and Economics, UNL
- Postgraduate Diploma in Finance, Nova School of Business and Economics, UNL
- Masters in Finance, Nova School of Business and Economics, UNL

Professional qualifications

- Economist at Parpública, Participações Públicas (SGPS), S.A.: technical advisory and company monitoring

III. REMUNERATION STRUCTURE

69. Description of the remuneration policy of the Board of Directors and Supervisory Board as set out in Article 2 of Law Nr. 28/2009, of 19 June.

I. INTRODUCTION

Pursuant to and for the purposes of compliance with Article 26-A et seq. of the Portuguese Securities Code (as amended by Law nr. 50/2020 of 25 August), the Remuneration Committee of Inapa - Investimentos,Participações e Gestão, S.A. ("**Inapa**" or "**Company**") shall submit for the approval of the General Assembly a remuneration policy for the members of the Company's management and supervisory bodies every four years and whenever a relevant change occurs in the current remuneration policy ("**Remuneration Policy**").

In turn, Recommendation V.2 of the Corporate Governance Code, approved by the Portuguese Institute of Corporate Governance, recommends that the Remuneration Policy should include a set of additional elements to be submitted to evaluation by the General Meeting.

In this Remuneration Policy, the current remuneration practices were analyzed and suggestions were made to ensure that such practices are adequate and reflect the risk profile and long-term objectives of the Company, considering market practices and assuming that they should be based on uniform, consistent, fair, and balanced criteria.

It was also subject to due consideration, the evolution of the remuneration system of the rest of Inapa employees, considering the current conditions of employment and the current economic situation, to ensure an alignment of the remuneration evolution of the executive members with the remuneration evolution of the other employees of the companies in a controlling or group relationship with Inapa or controlled by Inapa ("**Group**").

This Remuneration Policy was prepared by Inapa's remuneration committee elected at the General Meeting held on 23 May 2019 ("**Remuneration Committee**"), being composed by three members, independent in relation to the members of the management and supervisory bodies of the Company and with knowledge and experience in remuneration matters.

To help in the preparation of this policy, the Remuneration Committee sought the assistance of an external and independent entity with the objective of assessing the level of competitiveness of the remuneration of the members of the governing bodies in relation to the comparable national market.

Inapa – Investimentos, Participações e Gestão, SA approved the remuneration policy of the corporate bodies under the new legal regime approved by Law nr. 50/2020, of 25 August at the general meeting of 21 May 2021.

In 2022, the Remuneration Committee considered that there was no need to submit to the shareholders for approval a new remuneration policy of Inapa, nor to review the current policy.

II. REMUNERATION POLICY FOR GOVERNING BODIES

In order to determine the remuneration to be attributed to corporate bodies members, Inapa is ruled by the following criteria:

- Simplicity, clarity, transparency, and alignment with the Company's culture, also taking into account the Group to which it belongs;

- Competitiveness, taking into consideration the market practices and equity, being the remuneration practice based on uniform, consistent, fair, and balanced criteria;

- Pursuit of excellence in management, through a set of reference business practices, enabling the Company to achieve balance and sustainability; and

- Determination of individual variable remuneration considering the evaluation of the respective performance, based on criteria of a financial and non-financial nature, in accordance with the functions and level of responsibility, as well as the Company's results.

How the Remuneration Policy contributes to the company's business strategy, its long-term interests and its sustainability.

In the market where Inapa operates, one of the main critical success factors is the ability to attract, motivate and retain the best professionals.

The purpose of the current Remuneration Policy for members of the management and supervisory bodies is to promote the continuous alignment with the short, and long-term business goals and strategy, as well as with the best market practices and, thus, contribute to the sustainability of Inapa's results and alignment with the interests of shareholders, for the creation of long-term value and to be compatible with an adequate and rigorous risk management.

The Remuneration Policy is thus intended to be an effective instrument of good corporate governance of the Company, aiming to provide information to shareholders, protect their interests and provide greater transparency on remuneration of the governing bodies.

III. REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS, INCLUDING MEMBERS OF THE AUDIT COMMITTEE IN EFFECT.

The remuneration of non-executive directors is based on effective performance and on the balance of the respective evaluation and only comprises a fixed component. This remuneration takes additionally into consideration the performance of functions in the Audit Committee, and also the assumption of functions as Chairman of the Audit Committee.

Fixed Component

The members of Inapa's Audit Committee of the Board of Directors receive a supplement to their remuneration as non-executive directors (referred to in the previous paragraph), paid 12 times a year. Specifically, the value of the remuneration of non-executive directors was determined for the 2019/2021 term of office and will remain unchanged for the 2022 term of office. In year 2022, fixed remuneration paid to non-executive directors corresponds to the amount indicated in Inapa's Governance Report.

The remuneration to non-executive directors corresponds to a fixed amount and paid 14 times a year. Specifically, the value of the remuneration of non-executive directors was determined for the 2019/2021 term of office. In 2022, the fixed remuneration paid to non-executive directors corresponds to the amount indicated in Inapa's Corporate Governance Report.

Variable component

Although remuneration practices take into consideration Inapa's financial condition and of the economic group headed by it, no form of variable remuneration is envisaged for non--executive members of the management body nor for the members of the supervisory body.

The intention is that non-executive directors do not have any component of their remuneration dependent on the achievement of objectives in order to safeguard their independence.

IV. FIXED AND VARIABLE COMPONENTS OF THE VARIABLE REMUNERATION OF EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS

The remuneration system of the executive members of the Board of Directors of Inapa comprises a fixed component and a variable component, guided by the following principles:

a) To be aligned with the current market and with the functions effectively performed, stimulating the performance of the executive members of the Board of Directors, in individual and group terms;

b) To reward the results achieved by the executive members of the Board of Directors;

c) To help attracting and retaining qualified staff to Inapa.

Fixed component

The value of the fixed component was determined for the 2019/2021 term of office, remaining unchanged to date according to information on the application of the company's remuneration policy presented by the Remuneration Committee to the General Meeting of 20 May, 2022.

The base remuneration of the executive directors shall be reviewed at least at the end of each term of office, which will also include the weighting, according to benchmark criteria, of the total remuneration model practiced by comparable companies, in order to ensure at all times that the remuneration model for executive members of the Board of Directors remains a balanced, fair and competitive model, both nationally and internationally (given the growing exposure of Inapa to markets outside Portugal).

Variable component

The awarding of variable remuneration is based on degrees of achievement of quantitative and qualitative goals that are associated with the performance indicators that are objective, simple, transparent and (in relation to quantitative objectives) measurable, assessed annually as outlined below:

1. The variable remuneration is paid exclusively in cash, taking into account the following target values and maximum limits (without prejudice to numbers 10 and 11, below):

   i) Minimum value of the variable remuneration attributable - 13.6% of the respective fixed remuneration of the executive member of the Board of Directors;

   ii) Variable remuneration target - 20% of the respective fixed remuneration of the respective executive member of the Board of Directors;

   iii) Maximum value of the remuneration attributable - 30% of the respective fixed remuneration of the respective executive member of the Board of Directors.

2. Specifically, the attribution and calculation of the amount of the variable remuneration is based on the results of the performance evaluation of the executive members of the Board of directors, carried out with reference to the entire calendar year in question, and it is determined considering the following components:

   i) Quantitative component - includes the evaluation of Inapa's performance through quantitative indicators, with a global weight of 80%;

ii) Qualitative component - covers the weighted average of the competency assessment of the executive member of Inapa's Board of Directors with a global weight of 20%.

3. The concrete achievement of the mentioned quantitative objectives must be previously validated and certified by an independent external entity at an earlier time.

4. The value of the performance bonus will be determined and awarded in accordance with the following parameters, calculated linearly:

Quantitative component

- If the performance reaches less than 80% of the goals set, no variable component shall be attributed;

- If the registered performance is between 80% and 100% of the fixed goals, an amount between 16% and 20% of the fixed remuneration of reference of each executive member of the Board of Directors is due;

- If the registered performance is between 100% and 120% of the fixed goals, an amount between 20% and 30% of the fixed reference remuneration of each executive member of the Board of Directors is due;

- If the registered performance reaches more than 120% of the fixed objectives, an amount corresponding to 30% of the fixed reference remuneration of each executive member of the Board of Directors is due.

Qualitative component

- If the overall performance registered is level 1 ("Well Below Expected"), no addition to the variable component is calculated for this purpose;

- If the overall performance registered is level 2 ("Somewhat Below Expected"), an amount of 4% of the fixed reference remuneration of each executive member of the Board of Directors is due;

- If the overall performance registered is of level 3 ("As Expected"), the following is due 20% of the fixed reference remuneration of each executive member of the Board of Directors;

- If the overall registered performance is of level 4 of "Above Expected" (level 4), the amount of 24% of the fixed reference remuneration of each executive member of the Board of Directors;

- If the overall performance registered is level 5 ("Much Above the Expected"), an amount of 30% of the fixed reference remuneration of each executive member of the Board of Directors is due.

5. The annual key performance indicators (and weights) when compared to year 2022 budget are as follows:

Quantitative component

- Sustainability – Reduction of the weight of debt in the Balance sheet (30%)

- Profitability - % annual growth rate of recurrent EBITDA (30%)

- Profitability - % annual savings on operating costs (15%)
- Activity - % annual turnover growth (Packaging and Viscom) (15%)
- ESG - % of purchasing volume with sustainable production standards (10%)

Qualitative component

- Leadership skills of the Board of Directors and contribution to the performance of the Executive Committee (40%)
- Relation with Stakeholders (35%)
- Contribution to Inapa's reputation (25%)

6. The variable remuneration is subject, wholly or partially, to mechanisms for (a) reduction of the variable remuneration at a time prior to its attribution (malus) and (b) reversion through the retention of part or all of the variable remuneration awarded, whose payment of any of its installments has not yet been made (claw back), the latter mechanism being applied as a supplement in the event that the reduction mechanism proves insufficient, in the following situations:

   i) The executive member of Inapa's Board of Directors in question participated directly and decisively or was responsible for an action that resulted in significant losses for Inapa;

   ii) Serious or fraudulent breach of Inapa's code of conduct or internal rules by the executive member of the Board of Directors with a significant negative impact on Inapa, or situations justifying just cause of dismissal of the executive member of the Board of Directors; and/or

   iii) False statements and/or material errors or omissions in Inapa's financial statements for which the objective conduct of the executive member of the Board of Directors has contributed decisively.

   iv) the possibility contemplated in article 26-G, no. 2, paragraph f) of the Securities Market Code to request the reimbursement of a variable remuneration is not foreseen.

7. In the event of termination of office of an executive member of the Board of Directors, for whatever reason (except for dismissal for just cause or due to the occurrence of another situation that gives rise to the application of the malus or claw back mechanisms), after the end of the variable remuneration assessment period but before full payment of the respective variable remuneration, the variable remuneration shall be paid in full.

8. Payment of the variable remuneration corresponding to the financial year in which the executive member of the Board of Directors ceases functions shall not be due, except for situations of termination by mutual agreement, retirement, death, disability or in any other case of an early termination of the term of office, for reasons not attributable to the executive member of the Board of Directors (namely change

of the Company's control, among others, following a takeover bid or other fact unconnected to the executive member of the Board of Directors), in which case the variable remuneration shall be due *pro rata temporis*. In particular, the executive member of the Board of Directors shall not be entitled to a variable remuneration for the performance of his/her duties during the period between the start of the financial year and the date of the elective general meeting (under the terms of the provisions of Article 391(4) of the Portuguese Companies Code), should the executive member of the Board of Directors not be re-elected.

9. In the event of termination of duties of the executive members of the Board of Directors, before the end of the term of office, due to dismissal for just cause or due to the verification of another situation giving rise to the application of the malus or claw back mechanisms, the last will lose the right to receive all the variable remuneration allocated but not paid.

10. The variable remuneration of the executive members of the Board of Directors shall not exceed 10% in each year of the net income of Inapa's financial year.

11. In financial years in which Inapa does not achieve a positive net income, there shall in no case be payment of variable remuneration to the executive members of the Board of Directors.

12. The executive members of the Board of Directors shall not enter into contracts or other legal instruments, either with Inapa or with third parties, that have the effect of mitigating the risk inherent to the variability of their remuneration.

Benefits

The following benefits are also assigned to Executive Directors:

a) Life insurance, which value is achieved according to the amount of basic compensation of each of the executive directors;

b) Automobile, including maintenance, insurance and fuel, whose total value varies among executive directors according to the responsibilities assumed;

c) Health insurance and other benefits in line with the Group's policy.

V. CURRENT REMUNERATION POLICY OF THE STATUTORY AUDITOR

The Statutory Auditor of the Company is remunerated according to the terms and conditions agreed in the service agreement celebrated between him/her and Inapa, in accordance with market practices and the legal and recommendation framework.

The indication of the amount of annual remuneration paid by the company and/or legal persons in a control or group relationship with the auditor and other natural or legal persons belonging to the same network and the breakdown of the percentage relating to the following services is detailed in item 47 of this chapter.

VI. CHARACTERISTICS OF SUPPLEMENTARY PENSIONS OR EARLY RETIREMENT SCHEMES

There are no supplementary pension or early retirement schemes for members of Inapa's corporate bodies.

VII. DEFINITION, REVISION, OR RENEWAL OF THE REMUNERATION POLICY

The definition of the Remuneration Policy of the members of Inapa's corporate bodies is submitted to the General Meeting of Inapa for approval, by proposal of the Remuneration Committee.

The review and application of the Remuneration Policy for the members of Inapa corporate bodies will be carried out in accordance with the following principles:

a) The Remuneration Committee meets at least once a year to monitor Inapa's situation on matters relevant to determining and setting the variable remuneration of executive members and to analyze relevant information that may justify consideration of adjustments to the application of the Remuneration Policy, in matters of compliance, risk management and human resources.

b) The definition and any possible proposals for revision of the Remuneration Policy are based on the articulation of Inapa's objectives, measured according to its strategic plan in each moment, in the conclusions of comparative remuneration studies with listed national companies and with foreign companies in the peer sector, and in an articulation of principles with the remuneration plan of other Inapa employees and collaborators;

c) The Remuneration Committee will consider annually the opinions expressed by shareholders and analysts on the Remuneration Policy;

d) The Remuneration Committee will hire the necessary external consultants and support for the production of comparative remuneration studies and best corporate governance practices within the scope of the remuneration policies for executive directors, assessing the conditions of their independence to provide the services that may be requested of them;

e) In accordance with the provisions of Article 26-B, paragraph 1 of the Portuguese Securities Code, the Remuneration Committee shall in any case submit a proposal for the approval of the General Meeting for the revision of the Remuneration Policy at least every 4 years and whenever a relevant change occurs in the Remuneration Policy in force.

Without prejudice to the review proposals (extraordinary), the Remuneration Committee shall, at least at the end of each term of office, on the occasion of the assessment of the achievement of the goals set for the term of office in question, specifically analyze and make a reasoned decision on whether to propose a review of the Remuneration Policy in any of its components in order to ensure, at all times and with adequate agility, compliance with the remuneration policy goal of retaining and attracting talent to Inapa.

Whenever the Remuneration Policy is revised, all relevant changes introduced will be described, as well as how those changes reflect the votes and opinions expressed by shareholders on the remuneration policy, as well as the Remuneration Reports (included in the Corporate Governance Report and to be prepared under the provisions of Article 26-G of the Securities Code) issued on that policy since the last vote on it at the General Meeting.

This Remuneration Policy was prepared by Inapa's remuneration committee elected at the General Meeting held on May 23, 2019 ("**Remuneration Committee**").

Inapa - Investimentos, Participações e Gestão, SA approved the remuneration policy of the governing bodies under the new legal regime approved by Law nr. 50/2020 of August 25, in the general meeting of May 21, 2021.

In 2022, the Remuneration Committee considered that there was no need to submit to the shareholders' approval a new remuneration policy for Inapa, nor, at this stage, to review the current policy.

VIII. DEROGATION OF THE REMUNERATION POLICY

The remuneration policy may be partially and temporarily derogated from in exceptional circumstances that so require to serve the long-term interests and sustainability of Inapa, or to ensure its viability.

The Remuneration Committee may decide to temporarily derogate from this Policy, in its whole or in part, in unusual circumstances such as:

a) In case of material changes in the structure, organisation, ownership, and business of the organisation (for example, mergers or acquisitions), which may require adjustments in the remuneration components or other elements to ensure business continuity; and

b) In any other circumstances, provided that the changes are necessary to serve the long-term interests and sustainability of the organisation or to ensure its financial viability.

Any action by the Remuneration Committee to derogate from the Remuneration Policy will be disclosed in the Remuneration Report for the year in question, included in the Corporate Governance Report and to be prepared under the provisions of Article 26-G of the Portuguese Securities Code.

IX. STOCK PLANS OR STOCK OPTIONS

The Company has no stock plans or stock options of Inapa's issued titles to its Governing Bodies or employees.

X. EXISTENCE OF CONTRACTS SIGNED BETWEEN INAPA AND MEMBERS OF ITS CORPORATE BODIES, ENFORCEABILITY OR UNENFORCEABILITY OF PAYMENTS RELATIVE TO THE DISMISSAL AND TERMINATION OF DUTIES OF DIRECTORS.

There are no contracts, management ones or of any other nature, signed between Inapa and the members of its corporate bodies that are in force.

In particular:

a) There are no contractual limitations on any compensation payable to directors for dismissal without due cause, nor are there any expressed mechanisms for demanding any damages or compensation, other than those legally due;

b) Inapa has no agreements in place with members of its Board of Directors and/or senior management that provide for compensation in the event of resignation, unfair dismissal, or termination of employment following a change in Company control.

XI. CONTRACTING CONSULTANCY SERVICES

In the formulation of this remuneration policy, Inapa contracted consultancy services to assist the Remuneration Committee in the performance of its duties.

To the best of the Remuneration Committee's knowledge, such services are provided on an independent basis and the respective service providers will not be engaged to provide any other services to Inapa or to others with which it is in a controlling or group relationship, without the Remuneration Committee having the opportunity to be consulted and to give its opinion on that.

70. Information on how remuneration is structured, to enable the alignment of the interests of the members of the board of directors with the company's long-term interests and how it is based on the performance assessment and how it discourages excessive risk taking.

The remuneration of non-executive members of the Board of Directors did not include any variable remuneration.

Executive members can have a variable remuneration based on the degree of achievement of quantitative and qualitative goals that are associated with performance indicators, objective, simple, transparent and (in relation to quantitative objectives) measurable, as outlined below:

1) The variable remuneration is paid in cash, considering the following reference values (Target) and maximum limits:

    i) Minimum value of the variable remuneration attributable - 13.6% of the fixed remuneration of the respective executive member of the Board of Directors;

    ii) Variable remuneration target - 20% of the respective fixed remuneration of the executive member of the Board of Directors;

    iii) Maximum value of attributable remuneration - 30% of the fixed remuneration of the respective executive member of the Board of Directors.

2) Specifically, the attribution and calculation of the amount of variable remuneration is based on the results of the performance evaluation of the executive members of the Board of Directors, carried out with reference to the entire calendar year in question, and is determined considering the following components:

   i) Quantitative Component - includes the assessment of Inapa's performance through quantitative indicators, with an overall weight of 80%;

   ii) Qualitative component - comprises the weighted average of the skills assessment of the executive member of the Board of Directors of Inapa in question, with an overall weight of 20%.

The specific achievement of the quantitative objectives referred to will be previously validated and certified by an independent external entity.

The variable remuneration is subject, in whole or in part, to mechanisms for (a) the reduction of variable remuneration at a time prior to its award (malus) and (b) the reversal by withholding part or all of the variable remuneration awarded where payment of any of its parts has not yet been made (claw back), the latter mechanism being applied in a supplementary manner should the reduction mechanism prove insufficient in the following situations:

i) the executive member of the Board of Directors of Inapa in question participated directly and decisively or was responsible for an action that resulted in significant losses for Inapa;

ii) serious or fraudulent breach of the code of conduct or of Inapa's internal regulations by the executive member of the Board of Directors with a significant negative impact on Inapa, or situations that justify a just cause for the dismissal of the executive member of the Board of Directors; and/or

iii) materially relevant false declarations and errors or omissions in the financial statements of Inapa to which an objective conduct of the executive member of the Board of Directors has decisively contributed.

The remuneration structure of the executive committee described in the previous point provides for a fixed and a variable component, which will be aligned with market practices and assuming that the remuneration practice will be based on uniform, consistent, fair and balanced criteria.

71. Reference, where applicable, to there being a variable remuneration component and information on any impact of the performance appraisal on this component.

It is expected that the remuneration of executive directors will have a variable component dependent on a performance evaluation under the terms previously addressed, with a quantitative and qualitative component, as described on the previous point.

72. The deferred payment of the remuneration's variable component and specify the relevant deferral period.

In the remuneration policy approved at the General Meeting of 21 May 2021, a deferral of the variable component (non-existent) was not established. For each Assessment Period of the AVR (Annual Variable Remuneration), if due, is considered to have been awarded on the date of approval of the remuneration of the corporate bodies of Inapa by the annual general shareholders' meeting of Inapa, and is paid as follows: (a) 50% of the AVR is paid in the month following the date of the annual general shareholders' meeting of Inapa, (b) the payment of the remaining 50% of the AVR is deferred over each of the subsequent 3 years from the date of payment of the initial 50% of the AVR (1/3 per year).

73. The criteria whereon the allocation of variable remuneration on shares is based, and also on maintaining company shares that the executive directors have had access to, on the possible share contracts, including hedging or risk transfer contracts, the corresponding limit and its relation to the total annual remuneration value.

The remuneration of executive Directors does not establish any component based in shares.

None of the directors holds any shares in the Company, nor have any shares been awarded to them in the past by virtue of variable remuneration schemes.

74. The criteria whereon the allocation of variable remuneration on options is based and details of the deferral period and the exercise price.

The remuneration of executive Directors does not establish any component based on options issued by the Company.

75. The key factors and grounds for any annual bonus scheme and any other additional non-financial benefits.

In order to determine the remuneration to be attributed to the members of the Governing Bodies, Inapa is governed by the following criteria:

- Simplicity, clarity, transparency and alignment with the Company's culture, also taking into account the Group in which it operates;
- Competitiveness, taking into account market practices and fairness, as the remuneration practice is based on uniform, consistent, fair and balanced criteria;
- Pursuing excellence in management through a set of benchmark business practices that enable the Company to achieve balance and sustainability; and
- Determination of the individual variable remuneration considering the respective performance evaluation, based on financial and non-financial criteria, according to the functions and level of responsibility, as well as the results of the Company.

How the Remuneration Policy contributes for the company's business strategy, for its long-term interests and sustainability.

In the market where Inapa operates, one of the main critical success factors is the ability to attract, motivate and retain the best professionals.

The current Remuneration Policy for members of the management and supervisory bodies aims to promote continued alignment with the goals and the short and long-term business strategy, as well as with best market practices and thus contribute for the sustainability of Inapa's results and to align them with the interests of shareholders, and long-term business goals and strategy, as well as with the best market practices, and thus contribute to the sustainability of Inapa's results and aligning them with the interests of shareholders, for the creation of long-term value and to be compatible with an adequate and rigorous risk management.

The Remuneration Policy is thus intended to be an effective instrument of good corporate governance of the Company, aiming to provide information to shareholders, protect their interests and provide greater transparency in the matter of remuneration of the corporate bodies.

No other benefits are defined, in addition to those provided for in the remuneration policy:

a) Life insurance, whose value is measured according to the amount of basic compensation of each of the executive directors;

b) Automobile, including fuel, maintenance and insurance, whose total value varies among executive directors according to the responsibilities assumed;

c) Health insurance and other benefits in line with the Group's policy.

76. Key characteristics of the supplementary pension's regime or early retirement schemes for directors and state date when said schemes were approved at the general meeting, on an individual basis.

There are no supplementary pensions or early retirement schemes for Board of Directors and Audit Committee members.

IV. REMUNERATION DISCLOSURE

77. Disclosure of the annual remuneration earned, on aggregated and individual basis, by the members of the company's management body, including fixed and variable remuneration paid by the company and, regarding the latter, reference to the different components that gave rise to it.

The average annual remuneration of the Company's full-time equivalent employees, excluding members of the management and supervisory bodies, during the last five financial years is presented in the table "Average annual remuneration per employee at Inapa – IPG."

	Inapa - IPG		Subsidiaries	
	Fixed Remuneration in 2022	Variable Remuneration in 2022	Fixed Remuneration in 2022	Variable remuneration in 2022
Diogo Francisco Bastos Mendes Rezende	€ 350 000.00	€ 50,400.00 (*)	-	-
Frederico João de Moser Lupi	€ 259 000.00	€ 36,260.00 (*)	-	-
Inês Patrícia Arêde Simões Louro	€ 259,000.00	€ 36,260.00 (*)	-	-
Victor Maurílio Silva Barros	€ 70,500.00	-	-	-
Emília de Noronha Galvão Franco Frazão	€ 16,500.00	-	-	-
Patrícia Isabel Sousa Caldinha	€ 16,500.00	-	-	-
João Miguel Pacheco Sales Luís	€ 10,500.00	-	-	-

(*) ½ OF THE VARIABLE REMUNERATION AWARDED BY THE REMUNERATION COMMITTEE FOR THE PERFORMANCE ON THE 2021 FINANCIAL YEAR. THE REMAINDER WAS DEFERRED FOR PAYMENT IN EQUAL AND SUCCESSIVE ANNUAL INSTALLMENTS TO BE MADE IN 2023, 2024 AND 2025

Average Annual Remuneration per Employee of INAPA IPG

	2018	2019	2020	2021	2022	Total
Total remunerations	€ 733,421.09	€ 599,799.20	€ 557,766.02	€ 598,823.77	€ 705,853.59	€ 3,195,663.67
Average Annual Remuneration per Employee	€ 73,958.43	€ 61,517.87	€ 62,262.25	€ 61,947.29	€ 70,585.36	€ 330,271.19
Average Annual Remuneration per Employee (2018-2022)						€ 66,054.24

78. Any amounts paid, for any reason whatsoever, by other companies in a control or group relationship, or that are subject to a common control.

No amounts were paid by other companies in a control or group relationship, or which are subject to a common control.

79. Remuneration paid in the form of profit sharing and/or bonus payments and the reasons for said bonuses or profit sharing being awarded.

The remuneration scheme approved at the General Meeting contemplates, in its quantitative component, indicators that influence the generation of the Group's results, but there are no mechanisms for reimbursement of results.

It should be noted that the remuneration regulation of Inapa's corporate bodies (approved by the Remuneration Committee) does not allow such variable remuneration to exceed in each year the amount equivalent to 10% of net income for Inapa's financial year.

80. Compensation paid to or owed by former executive directors concerning contract termination during the financial year.

No compensation was paid to former executive directors nor compensations for the cessation of their duties are due during the last financial year.

The remuneration policy in what regards to variable remunerations establishes that:

- In the event of termination of duties of the executive member of the Board of Directors, for any reason (other than dismissal for good cause or due to the verification of another situation giving rise to the application of the malus or claw back mechanisms), after the end of the variable remuneration period, but before the full payment of the respective variable remuneration, the full variable remuneration will be paid;

- The payment of the variable remuneration corresponding to the fiscal year in which the executive member of the Board of Directors ceases functions shall not be due, except in cases of termination by mutual agreement, retirement, death, invalidity or in any other case of early termination of the mandate, for reasons not attributable to the executive member of the Board of Directors (namely, changes in the control of the Company, among others, following a takeover bid or other fact unrelated to the executive member of the Board of Directors), in which case variable remuneration will be due *pro rata temporis*. In particular, the executive member of the Board of Directors shall not be entitled to a variable remuneration for the performance of his duties during the period between the beginning of the financial year and the date of the elective general meeting (under the terms of the provisions of article 391, number 4 of the Portuguese Companies Code), should the executive member of the Board of Directors not be re-elected.

In the event of the termination of the duties of the executive members of the Board of Directors, before the end of the term of office due to dismissal for just cause or due to the verification of another situation giving rise to the application of the malus or claw back mechanisms, the last will lose the right to receive all the variable remuneration paid but not paid.

The variable remuneration is subject, in whole or in part, to mechanisms of (a) reduction of the variable remuneration prior to its attribution (malus) and (b) reversal by way of retention of part or all of the variable remuneration attributed whose payment of any of its installments has not yet been performed (claw back), the latter being a supplementary mechanism if the reduction mechanism proves to be insufficient, in the following situations:

i) The executive member of Inapa's Board of Directors in question participated directly and decisively or was responsible for an action that resulted in significant losses for Inapa;

ii) Serious or fraudulent breach of Inapa's code of conduct or internal rules by the executive member of the Board of Directors with a significant negative impact on Inapa, or situations justifying just cause of dismissal of the executive member of the Board of Directors; and/or

iii) False statements and/or material errors or omissions in Inapa's financial statements for which the objective conduct of the executive member of the Board of Directors has contributed decisively.

81. Details of the annual remuneration paid, as a whole and individually, to the members of the company's supervisory board for the purposes of Law nr. 28/2009 of 19 June.

The remuneration of the Audit Committee members is described under section 77.

The members of the Audit Committee during 2022 were:

- Victor Maurílio Silva Barros
- Emília de Noronha Galvão Franco Frazão
- Patrícia Isabel Sousa Caldinha

82. Details of the remuneration in the said year of the Chairman of the Board of the General Meeting.

The remuneration of the Chairman of the Board of the General Meeting, has not been altered during the referred financial year, being paid € 5,000.00 (five thousand euros) for each meeting that he/she chairs.

V. AGREEMENTS WITH REMUNERATION IMPLICATIONS

83. The envisaged contractual restraints for compensation payable for the unfair dismissal of directors and the relevance thereof to the remunerations' variable component.

The remuneration policy adopted does not provide for contractual limitations on any compensation payable to directors for dismissal without just cause or any express mechanisms for demanding any indemnity or compensation, without prejudice to that which is legally due. The Company does not have any agreements in place with members of its management body and/or directors that provide for compensation in the event of resignation, unfair dismissal, or termination of employment contract, following a change in the Company's control.

In what concerns the variable remuneration, the remuneration policy defines that:

- In the event of termination of office duties of an executive member of the Board of Directors, for whatever reason (except for dismissal for good cause or due to the occurrence of another situation that gives rise to the application of the malus or claw back mechanisms), after the end of the assessment period of the variable remuneration, but before full payment of the respective variable remuneration, the variable remuneration shall be paid in full;

- The payment of the variable remuneration corresponding to the financial year in which the executive member of the Board of Directors ceases functions shall not be due, except in situations of termination by mutual agreement, retirement, death, disability or in any other case of early termination of the term of office for reasons not attributable to the executive member of the Board of Directors (namely change of control of the Company, among others, as a result of a takeover bid, or other fact unrelated to the executive member of the Board of Directors), in which case the variable remuneration shall be due *pro rata temporis*. In particular, the executive member of the Board of Directors shall not be entitled to a variable remuneration for the performance of his/her duties during the period between the start of the financial year and the date of the elective general meeting (under the terms of the provisions of number 4 of article 391 of the Portuguese Companies Code), should the executive member of the Board of Directors not be re-elected.

84. Reference to the existence and description, with indication of the amounts involved, of agreements between the company and the members of the board of directors and managers providing for compensation in the event of resignation, unfair dismissal or termination of employment following a change in company control.

There are no agreements between the Company and members of the Board of Directors and/or senior management containing provisions on the payment of compensations upon resignation, unfair dismissal or termination of employment following a change in the company's controlling shareholders.

VI. SHARE-ALLOCATION AND/OR STOCK OPTION PLANS

85. Details of the plan and the number of persons included therein.

The Company does not have any share-allocation or stock option scheme to award shares in the capital of the Company to its governing bodies or personnel.

86. Characteristics of the plan (allocation conditions, non-transfer of share clauses,

criteria on share-pricing and the exercising option price, the period during which the options may be exercised, the characteristics of the shares or options to be allocated, the existence of incentives to purchase shares and/or exercise options).

The Company has no plan to attribute shares or share options to its governing bodies or employees.

87. Stock option plans for the company employees and staff.

The Company has no plan to attribute shares or share options to its governing bodies or employees.

88. Control mechanisms for a possible employee-shareholder system inasmuch as the voting rights are not directly exercised by said employees (Art. 245 A (1) al. e)).

The Company does not have any plan to attribute shares or share options to its governing bodies or employees, and no control mechanisms are envisaged in a possible employee-shareholder system.

E. Related party transactions

CONTROL MECHANISMS AND PROCEDURES

89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties (For said purpose, reference is made to the concept resulting from IAS 24).

At the meeting of 23 December 2020, the Board of Directors of Inapa - Investimentos, Participações e Gestão, S.A. approved, with the prior opinion of the Audit Committee, a new regulation on transactions of the company with related parties.

Related entities, for the purposes of the aforementioned regulation, are understood to be those considered as such in the international standards adopted pursuant to Regulation (EC) Nr. 1 606/2002, of the European Parliament and of the Council, of 19 July and in particular:

a) The entities that directly or indirectly control, are controlled or are under common control of the company;

b) The entities that have an interest in the company that gives it significant influence over it or have joint control over it;

c) Associates or joint ventures in which the entity is an entrepreneur;

d) The key elements of the company's management or the people closely related to them, being considered as such:

- The members of the Company's management bodies and those responsible, who, not being members of those bodies, directly or indirectly have authority and responsibility for planning, directing and controlling the entity's activities;

- The spouse of the key management member or person living with him or her in de facto union, dependent descendants and other dependents;

- Any entity that is directly or indirectly dominated by the key management element, constituted for its benefit or that this is also a key management element.

e) The entity over which a key management element or person closely related to it exercises control, joint control or significant influence or over which they have, directly or indirectly, significant voting power;
f) The entity that is a post-employment benefit plan for the benefit of employees of the company or company in a controlling or group relationship.

According to this regulation, that require prior approval by the Board of Directors, with prior opinion from the Audit Committee, all transaction between the Company or its subsidiaries with related entities that are not carried out within the current scope of the Company's activity and under market conditions, transactions of significant relevance as well as those that, due to the combination of their nature, amount and/or conditions of realization may give rise to particular relevance in terms of transparency and or conflicts of interest.

In view of the concrete reality of the Company and its subsidiaries, the following levels of materiality were established, for transactions alone or in conjunction with other transactions with the same related party, during the same financial year, from which the transactions are of significant relevance, which delimit the delegation of powers of the Executive Committee:

Type of transaction	**Limit**
Purchase and sale of goods and services	750,000€
Financial investments	5,000,000€
Loans and other financing, excluding pure renewals	10,000,000€
Other transactions	500,000€

All other transactions with related parties are mandatorily notified to the Audit Committee until the end of the month following the end of each quarter, to confirm that they were carried out within the scope of the activity under market conditions.

The regulation in question establishes that in the assessment of transactions with related parties, the respective reasonableness and transparency must be ensured, namely with regard to the pursuit of the interests of the company and its subsidiaries, taking into account the normal conditions under which such transactions are practiced in the market and that the same does not result, directly or indirectly, in a more favourable treatment than the one likely to be obtained by a third party under equal circumstances.

The regulation also provides that transactions between the Company and/or its subsidiaries with related parties that are not carried out within the scope of the company's current activity and under market conditions and whose individual or aggregate value in the same year in relation to the same related party is equal to or greater than 2.5% of the Company's consolidated assets, according to its most recent audited accounts, must be publicly disclosed, at the latest at the time they are realized.

90. Details of transactions that were subject to control in the referred year.

There were no transactions with related parties that needed the specific control from the Audit Committee, however, transactions within the scope of the Company's day-to-day business and under market conditions were analyzed on a quarterly basis.

91. A description of the procedures and criteria applicable to the supervisory body when same provides preliminary assessment of the business deals to be carried out between the company and the holders of qualifying holdings or entity-relationships with the former, as envisaged in Article 20 of the Securities Code.

The procedures and criteria are described in section 89.

II. DATA ON BUSINESS DEALS

92. Details of the place where the financial statements including information on business dealings with related parties are available, in accordance with IAS 24, or alternatively a copy of the said data.

The information about business deals with related parties is described on note 33 to the consolidated financial statements of the company.

III. OTHER ELEMENTS

93. Means of preventing and managing conflicts of interest.

The Code of Conduct currently in force covers all employees and managers of Inapa Group (including members of the Board of Directors of the Company).

The Code of Conduct indicates that a conflict of interest exists when their personal activities interfere, or appear to interfere, with their judgment in acting in the best interest of Inapa.

It is defined that employees and directors must abstain from doing business with family members or with others with whom they have relevant affective relationships.

They shall not use their position in Inapa to obtain special treatment for themselves, their family, or anyone of relevant significance to them. This applies to purchasing products, sales, investments, hiring or selecting contractors or suppliers, or any other business relationships.

Every activity outside professional activities, paid or unpaid, must be disclosed and may not raise conflicts of interest with Inapa. No company assets may be used while engaging in any outside professional activity.

Should any member of the Board of Directors find themselves in a situation of potential conflict of interest, he/she must disclose it to the Chairman of the Board of Directors, or if the potential conflict affects the Chairman of the Audit Committee, and consequently exclude themselves from the decision-making process.

It is also foreseen that no employee, manager, or administrator may participate in decision making related to a company in which he/she may have a direct or indirect financial interest. Finally, the Code of Conduct also states that no gifts, meals, entertainment, or any favours should be accepted from suppliers, service providers, or customers that might compromise, or appear to compromise, their judgment when making objective decisions in the best interest of Inapa.

Part II

Corporate Governance Assessment

1. Details of the Corporate Governance code implemented.

This Corporate Governance report was prepared in accordance with the recommendations contained in the IPCG Corporate Governance Code (2018) and reviewed in 2020.

The full text of the reports concerning the governance of this company, are permanently available at:

- The company's head office, located at Rua Braamcamp, nr. 40 - 9th floor D, in Lisbon;
- The company's website: www.inapa.pt;
- The website of Comissão do Mercado de Valores Mobiliários (CMVM): www.inapa.pt.

The company hereby informs that this report will be available for consultation in all of the aforementioned locations in a separate format and as an appendix to its annual report, of which it is an integral part.

2. Compliance analysis with the adopted Corporate Governance Code.

The structure followed in the evaluation of corporate governance follows the model recommended in the IPCG Corporate Governance Code (2018) reviewed in 2020.

For each of the recommendations, its adherence or not is declared, and an explanation is presented through the references to the articles of Part I - mandatory information on shareholder structure, organisation, and Corporate Governance and complemented, for cases of non-compliance, partial compliance or when the recommendation was considered not applicable, by further information is presented after the table, in point 3 - Other Information.

Principle / Recommendations	Compliance	Remission Part I
Chapter I – General Section		
General Principle:		
Corporate Governance should promote and enhance the performance of companies, as well as of capital markets, and strengthen the trust of investors, employees, and the general public in the quality and transparency of management and supervision, as well as in the sustained development of the companies.		
I.1. Company's relationship with investors and disclosure		
Principle:		
Companies, in particular its directors, should treat shareholders and other investors equitably, namely by ensuring mechanisms and procedures are in place for the suitable management and disclosure of the Company's information.		
Recommendations:		
I.1.1. The Company should establish mechanisms to ensure the timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts, and to the markets in general.	Yes	22 34 56 to 65
I.2. Diversity in the composition and functioning of the company's governing bodies		
Principles:		
I.2.A. Companies ensure diversity in the composition of its governing bodies, and the adoption of requirements based on individual merit, in the appointment procedures that are exclusively within the powers of the shareholders. **I.2.B.** Companies should be provided with clear and transparent decision structures and ensure a maximum effectiveness of the functioning of their governing bodies and commissions. **I.2.C.** Companies ensure that the functioning of their bodies and committees is duly recorded, namely in minutes, to allow an understanding not only of the meaning of the decisions taken, but also of their grounds and opinions expressed by their members.		
Recommendations:		
I.2.1. Companies should establish standards and requirements regarding the profile of new members of their governing bodies, which are suitable according to the roles to be carried out. Besides individual attributes (such as competence, independence, integrity, availability, and experience), these profiles should take into consideration general diversity requirements, with particular attention to gender diversity, which may contribute to a better performance of the governing body and to the balance of its composition.	No	15 to 19 26
I.2.2. The company's managing and supervisory boards, as well as their committees, should have internal regulations — namely regulating the performance of their duties, their Chairmanship, periodicity of meetings, their functioning and the duties of their members —, disclosed in full on the company's website. Minutes of the meetings of each of these bodies should be drawn out.	Yes	15 to 19 21 22 23 27 34

(cont.)

Principle / Recommendations	Compliance	Remission Part I
I.2.3. The composition and the number of annual meetings of the managing and supervisory bodies, as well as of their committees, should be disclosed on the company's website.	Yes	22 23 35 61
I.2.4. A policy for the communication of irregularities (whistleblowing) should be adopted that guarantees the suitable means of communication and how to deal with those irregularities, with the safeguarding of the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality is requested.	Yes	49
I.3. Relationships between the company bodies		
Principle:		
Members of the company's boards, especially directors, should create, considering the duties of each of the boards, the appropriate conditions to ensure balanced and efficient measures to allow for the different governing bodies of the company to act in a harmonious and coordinated way, in possession of the suitable amount of information in order to carry out their respective duties.		
Recommendations:		
I.3.1. The bylaws, or other equivalent means adopted by the company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the managing and supervisory boards are provided with access to all the information and company's collaborators, in order to appraise the performance, current situation and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the managing board, without impairing the access to any other documents or people that may be requested for information.	Yes	15 21
I.3.2. The bylaws, or other equivalent means adopted by the company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the managing and supervisory boards are provided with access to all the information and company's collaborators, in order to appraise the performance, current situation and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the managing board, without impairing the access to any other documents or people that may be requested for information.	Yes	15 21
I.4. Conflicts of interest		
Principle:		
The existence of current or potential conflicts of interest, between members of the company's boards or committees and the company, should be prevented. The non-interference of the conflicted member in the decision process should be guaranteed.		
Recommendations:		
I.4.1. The members of the managing and supervisory boards and the internal committees are bounded, by internal regulation or equivalent, to inform the respective board or committee whenever there are facts that may constitute or give rise to a conflict between their interests and the company's interest.	Yes	93

(cont.)

Principle / Recommendations	Compliance	Remission Part I
I.4.2. Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and other clarifications that the board, the committee or their respective members may request.	Yes	93
I.5. Related party transactions		
Principle:		
Due to the potential risks that they may hold, transactions with related parties should be justified by the interest of the company and carried out under market conditions, subject to principles of transparency and adequate supervision.		
Recommendations:		
I.5.1. The managing body should disclose in the corporate governance report or by other means publicly available the internal procedure for verifying transactions with related parties.	Yes	38 to 91
I.5.2. The managing body should report to the supervisory body the results of the internal procedure for verifying transactions with related parties, including the transactions under analysis, at least every six months.	Not applicable	89 to 91
Chapter II – Shareholders and General Meeting		
Principles:		
II.A. As an instrument for the efficient functioning of the company and the fulfilment of the corporate purpose of the company, the suitable involvement of the shareholders in matters of corporate governance is a positive factor for the company's governance. **II.B.** The company should stimulate the personal participation of shareholders in General Meetings, which is a space for communication by the shareholders with the company's boards and committees, and for reflection about the company itself. **II.C.** The company should implement adequate means for the participation and remote voting by shareholders in meetings.		
Recommendations:		
II.1. The company should not set an excessively high number of shares to confer voting rights, and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote.	Yes	1 12 13
II.2. The company should not adopt mechanisms that make decision making by its shareholders (resolutions) more difficult, specifically, by setting a quorum higher than that established by law.	Yes	14
II.3. The company should implement adequate means for the remote participation by shareholders in the general meeting, which should be proportionate to its size.	Yes	12
II.4. The company should also implement adequate means for the exercise of remote voting, including by correspondence and electronic means.	Yes	12

(cont.)

Principle / Recommendations	Compliance	Remission Part I
II.5. The bylaws, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this rule will be subject to a shareholder resolution - without increased quorum in comparison to the legally established - and in that resolution, all votes cast will be counted without observation of the imposed limits.	Yes	5 13
II.6. The company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body, and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the managing body.	Yes	16 69 80 83 84
Chapter III – Non Executive Board and Supervisory Board		
Principles:		
III.A. The members of governing bodies who possess non-executive management duties and supervisory duties should, in an effective and judicious manner, carry out monitoring duties and incentivise executive management for the full accomplishment of the corporate purpose, and such performance should be complemented by committees for areas that are central to corporate governance. **III.B.** The composition of the supervisory body and the non-executive directors should provide the company with a balanced and suitable diversity of skills, knowledge, and professional experience. **III.C.** The supervisory body should carry out a permanent oversight of the company's managing body, also in a preventive perspective, following the company's activity and, in particular, the decisions of fundamental importance.		
Recommendations:		
III.1. Without prejudice to the legal powers of the Chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator from amongst them (Lead Independent Director), namely, (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in recommendation V.1.1.	Yes	18
III.2. The number of non-executive members in the managing body, as well as the number of members of the supervisory body and the number of the members of the committee for financial matters should be suitable for the size of the company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed. The formation of such suitability judgment should be included in the corporate governance report.	Yes	17 18 27 31
III.3. In any case, the number of non-executive directors should be higher than the number of executive directors.	Yes	18

(cont.)

Principle / Recommendations	Compliance	Remission Part I
III.4. Each company should include a number of non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the company, nor under any circumstance likely to affect his / her impartiality of analysis or decision, namely due to: i. Having carried out functions in any of the company's bodies for more than twelve years, either on a consecutive or non-consecutive basis; ii. Having been a prior staff member of the company or of a company which is considered to be in a controlling or group relationship with the company in the last three years; iii. Having, in the last three years, provided services or established a significant business relationship with the company or a company which is considered to be in a controlling or group relationship, either directly or as a shareholder, director, manager or officer of the legal person; iv. Having been a beneficiary of remuneration paid by the company or by a company which is considered to be in a controlling or group relationship other than the remuneration resulting from the exercise of a director's duties v. Having lived in a non-marital partnership or having been the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of company directors or of natural persons who are direct or indirect holders of qualifying holdings, or having been a qualified holder or representative of a shareholder of qualifying holding; vi. Having been a qualified holder or representative of a shareholder of qualifying holding.	Yes	18 20 32
III.5. The provisions of paragraph (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the termination of his / her functions in any of the company's bodies and the new appointment, a period of 3 years has elapsed (cooling-off period).	Not applicable	18
III.6. The supervisory body, in observance of the powers conferred to it by law, should assess and give its opinion on the strategic lines and the risk policy prior to its final approval by the management body.	No	21 38 54
III.7. Companies should have specialised committees, separately or cumulatively, on matters related to corporate governance, appointments, and performance assessment. In the event that the remuneration committee provided for in article 399 of the Commercial Companies Code has been created and should this not be prohibited by law, this recommendation may be fulfilled by conferring competence on such committee in the aforementioned matters.	No	24 27 29 66
Chapter IV – Executive Board		
Principles:		
IV.A. As way of increasing the efficiency and the quality of the managing body's performance and the suitable flow of information in the board, the daily management of the company should be carried out by directors with qualifications, powers, and experience suitable for the role. The executive board is responsible for the management of the company, pursuing the company's objectives and aiming to contribute towards the company's sustainable development. **IV.B.** In determining the number of executive directors, it should be taken into account, besides the costs and the desirable agility in the functioning of the executive board, the size of the company, the complexity of its activity, and its geographical spread.		

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Principle / Recommendations	Compliance	Remission Part I
Recommendations:		
IV.1. The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors applicable to their performance of executive functions in entities outside of the group.	Yes	28 93
IV.2. The managing body should ensure that the company acts consistently with its objects and does not delegate powers, namely, in what regards: i) the definition of the strategy and main policies of the company; ii) the organisation and coordination of the business structure; iii) matters that should be considered strategic in virtue of the amounts involved, the risk, or special characteristics.	Yes	21 28
IV.3. In the annual report, the managing body explains in what terms the strategy and the main policies defined seek to ensure the long-term success of the company and which are the main contributions resulting therein for the community at large.	Yes	21 50 52 to 55 89
Chapter V – Evaluation of Performance, Remuneration and Appointments		
V.1. Annual Evaluation of Performance		
Principle:		
The company should promote the assessment of evaluation of the executive board and of its members individually, and also the assessment of the overall performance of the managing body and its specialized committees.		
Recommendations:		
V.1.1. The managing body should annually evaluate its performance as well as the performance of its committees and executive directors, taking into account the accomplishment of the company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees.	Not applicable	18 24 25 27 38
V.2. Remuneration		
Principle:		
V.2.A. The remuneration policy of the members of the managing and supervisory boards should allow the company to attract qualified professionals at an economically justifiable cost in relation to its financial situation, induce the alignment of the member's interests with those of the company's shareholders — taking into account the wealth effectively created by the company, its financial situation and the market's — and constitute a factor of development of a culture of professionalization, sustainability, promotion of merit and transparency within the company. **V.2.B.** Directors should receive a compensation: (i) That suitably pays for the responsibility taken, the availability and the expertise placed at the disposal of the company; (ii) That guarantees a performance aligned with the long-term interests of the shareholders and promotes the sustainable performance of the company; and (iii) That rewards performance.		

(cont.)

Principle / Recommendations	Compliance	Remission Part I
Recommendations:		
V.2.1. The company should create a remuneration committee, the composition of which should ensure its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the Commercial Companies Code.	Yes	66 to 68
V.2.2. The remuneration should be set by the remuneration committee or the general meeting, on a proposal from that committee.	Yes	66 a 68
V.2.3. For each term of office, the Remuneration Committee, or the General Meeting, on a proposal from that committee, should also approve the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report.	No	69 to 81 83 to 86
V.2.4. In order to provide information or clarifications to shareholders, the chair or, in case of his / her impediment, another member of the remuneration committee should be present at the annual general meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the company's boards and committees or, if such presence has been requested by the shareholders.	Yes	69 80
V.2.5. Within the company's budgetary limitations, the remuneration committee should be able to decide, freely, on the hiring, by the company, of necessary or convenient consulting services to carry out the committee's duties.	Yes	67 69
V.2.6. The remuneration committee should ensure that those services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorization of the committee.	Yes	69
V.2.7. Taking into account the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company, and not stimulating the assumption of excessive risks.	Yes	69 70
V.2.8. A significant part of the variable component should be partially deferred in time, for a period of no less than three years, being necessarily connected to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation.	Yes	69 to 72
V.2.9. When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years.	Not applicable	74
V.2.10. The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value.	Yes	69
V.3. Appointments		
Principle:		
Regardless of the manner of appointment, the profile, the knowledge, and the curriculum of the members of the company's governing bodies, and of the executive staff, should be suited to the functions carried out.		

(cont.)

Principle / Recommendations	Compliance	Remission Part I
Recommendations:		
V.3.1. The company should, in terms that it considers suitable, but in a clear way, promote that proposals for the appointment of the members of the company's governing bodies are accompanied by a justification in regard to the suitability of the profile, the skills and the curriculum vitae to the duties to be carried out.	No	19
V.3.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee unless this is not justified by the company's size.	Not applicable	27
V.3.3. This nomination committee includes a majority of non-executive, independent members.	Not applicable	27
V.3.4. The nomination committee should make its terms of reference available, and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for proposal are those who present a higher degree of merit, who are best suited to the demands of the functions to be carried out, and who will best promote, within the organisation, a suitable diversity, including gender diversity.	Not applicable	27
Chapter VI – Internal Control		
Principle:		
Based on its mid and long-term strategies, the company should establish a system of risk management and control, and of internal audit, which allow for the anticipation and minimization of risks inherent to the company's activity.		
Recommendations:		
VI.1. The managing body should debate and approve the company's strategic plan and risk policy, which should include the establishment of limits on risk-taking.	Yes	21 54
VI.2. The supervisory board should be internally organized, implementing mechanisms and procedures of periodic control that seek to guarantee that risks which are effectively incurred by the company are consistent with the company's objectives, as set by the managing body.	Yes	21 50 54 55
VI.3. The internal control systems, comprising the functions of risk management, compliance, and internal audit should be structured in terms adequate to the size of the company and the complexity of the inherent risks of the company's activity. The supervisory body should evaluate them and, within its competence to supervise the effectiveness of this system, propose adjustments where they are deemed to be necessary.	Yes	50 to 55
VI.4. The supervisory body should provide its view on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance and internal audit functions, and may propose the adjustments deemed to be necessary.	Yes	21 50 to 55
VI.5. The supervisory body should be the recipient of the reports prepared by the internal control services, including the risk management functions, compliance and internal audit, at least regarding matters related to the approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities.	Yes	21 49

(cont.)

Principle / Recommendations	Compliance	Remission Part I
VI.6. Based on its risk policy, the company should establish a risk management function, identifying (i) the main risks it is subject to in carrying out its activity; (ii) the probability of occurrence of those risks and their respective impact; (iii) the devices and measures to adopt towards their mitigation; and (iv) the monitoring procedures, aiming at their accompaniment.	Yes	50 to 55
VI.7. The company should establish procedures for the supervision, periodic evaluation, and adjustment of the internal control system, including an annual evaluation of the level of internal compliance and the performance of that system, as well as the perspectives for amendments of the risk structure previously defined.	Yes	21 54 55
Chapter VII – Financial Information		
VII.1. Financial Information		
Principles:		
VII.A. The supervisory body should, with independence and in a diligent manner, ensure that the managing body complies with its duties when choosing appropriate accounting policies and standards for the company, and when establishing suitable systems of financial reporting for risk management, internal control, and internal audit. **VII.B.** The supervisory body should promote an adequate coordination between the internal audit and the statutory audit of accounts.		
Recommendations:		
VII.1.1. The supervisory body's internal regulation should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the managing body, including suitable accounting policies, estimates, judgments, relevant disclosure and its consistent application between financial years, in a duly documented and communicated form.	Yes	21 38
VII.2. Statutory audit of accounts and supervision		
Principle:		
The supervisory body should establish and monitor clear and transparent formal procedures on the relationship of the company with the statutory auditor and on the supervision of compliance, by the auditor, with rules regarding independence imposed by law and professional regulations.		
Recommendations:		
VII.2.1. By internal regulations, the supervisory body should define, according to the applicable legal regime, the monitoring procedures aimed at ensuring the independence of the statutory audit.	Yes	21 37 38 41 44 to 47
VII.2.2. The supervisory body should be the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports, having the powers, namely, to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the company.	Yes	21
VII.2.3. The supervisory body should annually evaluate the services provided by the statutory auditor, their independence, and their suitability in carrying out their functions and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.	Yes	21 38 45

3. Additional clarifications in the recommendations in which there was no adhesion, partial adherence or was considered not applicable.

I.2.1. –The Company considered not to establish criteria and requirements for the profile of new members of corporate bodies, since past selection processes duly guarded such attributes as competence, independence, integrity, availability, and experience.

Gender equality, in the current mandate, had the legal framework of gender parity as a guiding rule, having been fully complied with by the corporate bodies, namely the Board of Directors and the Audit Committee.

I.3.1. – The Company, through the regulations of the Board of Directors and the Audit Committee, establishes mechanisms to comply with the recommendation.

I.3.2. –The Company, through the regulations of the Board of Directors and Audit Committee, establishes mechanisms for complying with the recommendation.

I.5.2. –The recommendation is understood as not applicable since it is up to the supervisory body itself to periodically verify transactions with related parties in accordance with the provisions of article nr. 29-S, nr. 1 of the CMV added by law 50/2020 of 25 August.

III.6. –The non-executive directors that make up the Audit Committee pronounce themselves within the Board of Directors on the strategic guidelines and risk policy.

III.7. –The Company, with its governance model, has a remuneration committee elected by the General Meeting and independent from the Board of Directors. In view of the small size of the company, measured considering the provisions of paragraph 2 of Article 413 of the CCC, and the job functions performed by the Audit Committee, the Company believes that the creation of specialized committees is not justified.

IV.1. – There is no internal regulation that defines the performance regime of executives or executive functions outside the group, however the Code of Conduct provides that all external professional activities, whether paid or not, must be communicated and cannot raise conflicts of interest with Inapa.

V.1.1. –The duty of the Board of Directors to evaluate the performance of its committees is not considered applicable, as they are non-existent.

V.2.3. – No formal mechanisms are foreseen to demand any indemnity or compensation, beyond what is legally due. Inapa does not have agreements in force with members of its board of directors and/or managers that provide for compensation in the event of just cause dismissal, unfair dismissal or termination of the employment relationship following a change in the Company's control. The remuneration policy, in point IV, establishes the situations in which executive directors may or may not be entitled to variable remuneration for the current year when the termination occurs. Since there are no agreements and mechanisms for variable remuneration are foreseen, the Company understands that what is provided for by law.

V.3.1. –Proposals for the election of members of the governing bodies submitted for approval by the General Meeting are accompanied by a description containing the academic qualifications and professional qualifications of each member. The description is not accompanied by a statement of reasons for each profile. The Company does not have its own regulations that require the definition of profiles since there has always been an adaptation of profiles proposed to the functions to be performed in each profile of the Board of Directors.

V.3.2. – In view of the small size of the Company, assessed in the light of the provisions of paragraph 2 of Article 413 of the CCC, and the limited number of members of the Board of Directors (seven), the appointment of a nominating committee is not justified.

V.3.3. – The Company does not have a nomination committee.

V.3.4. – The Company does not have a nomination committee.

VI.1. –The Board of Directors makes an annual assessment of the adequacy of the risk mitigation measures present in the Company, jointly defining a work program that monitors the maintenance of the adequacy of the on-going measures and allows adjustments to be made whenever necessary.

V.2.9. - Not applicable since the remuneration scheme for executive directors does not contemplate the allocation of options or other instruments directly or indirectly dependent on the value of the company's shares.

Report Model for disclosure of Non-financial Information

PART I - INFORMATION ON ADOPTED POLICIES	REFERENCES
A. INTRODUCTION	
1. Description of the Company's general policy with regard to sustainability issues, indicating any changes to the previously approved policy.	Chap. 5
2. Description of the methodology and the reasons for its adoption in the reporting of the non-financial information, as well as any changes occurred in relation to previous years and the reasons for them.	Chap. 5 (5.3 to 5.7)
B. BUSINESS MODEL	
General description of the Company's business model and Company's organisation structure / Group, indicating main business areas and markets where it operates (if possible, with organigrams, graphs or functional charts).	Chap. 1 (Pages 14 to 63)
C. MAIN RISK FACTORS	
1. Identification of the main risks associated with the topics being reported and resulting from the Company's activities, products, services, or commercial relations, including, where applicable and whenever possible, the supply and subcontracting chains.	Chap. 1 (Pages 42 to 56) Chap.4 (Notes 11 to 55)
2. Description of how these risks are identified and managed by the Company.	
3. Explanation of the internal functional division of responsibilities, including the corporate committees, commissions, committees, or departments responsible for the identification and management / monitoring of risks	
4. Express indication of the new risks identified by the Company in relation to previous years as well as the risks that no longer exist.	
5. Indication and brief description of the main opportunities that are identified by the Company regarding the issues to be reported.	
D. IMPLEMENTED POLICIES	
Description of policies: i. environmental, ii. social and fiscal, iii. concerning employees and gender equality and non-discrimination, iv. concerning human rights and v. concerning the fight corruption and bribery attempts, including due diligence policies, as well as the results of their implementation, including related non-financial key performance indicators, and their comparison with the previous year.	Chap. 5, 6 and 7
i. Environmental Policies	
1. Description of the Company's strategic objectives and the main actions to be taken for their achievement.	Chap. 5 and 6
2. Description of the main performance indicators defined.	Chap. 5 and 6
3. Indication, compared with the previous year, of the degree of achievement of those objectives, at least by reference to: **i) Sustainable use of resources:** consumption of water, other raw materials and energy; measures taken to improve the efficiency of resource use; use of energy efficiency measures and use of renewable energy.	Chap. 6 (6.6)
ii) Pollution and climate change: indication of the values of greenhouse gas emissions; indication of emissions of pollutants into nature; indication of penalties incurred and measures to prevent, reduce or repair these emissions.	Chap. 6 (6.6)

(cont.)

PART I - INFORMATION ON ADOPTED POLICIES	REFERENCES
iii) Circular economy and waste management: measures for prevention, recycling, reuse or other forms of waste recovery and disposal.	Chap. 6 (6.1, 6.2, 6.6 and 6.7)
iv) Biodiversity protection: impacts caused by activities or operations in protected areas and measures taken to preserve or restore biodiversity.	Chap. 6 (6.5)
ii. Social and Tax Policies	
1. Description of the company's strategic goals and the main actions to be taken to their implementation.	Chap. 5 and 7
2. Description of the key performance indicators defined.	Chap. 5 and 6
3. Indication, in relation to the previous year, of the level of achievement of those goals, at least by reference to:	
i) Company commitment to the community: the impact of the Company's activity on employment and local development; the impact of the Company's activity on local populations and on the territory; the relations maintained with local community agents and the respective means of dialogue; partnership or sponsorship actions.	Chap. 7 (6.4 and 7.5)
ii) Subcontracting and suppliers: including social, gender equality and environmental issues in the purchasing policy; consideration in relations with suppliers and subcontractors of their social, environmental and governance responsibility; control and audit systems and their results. Whenever possible, include reference to the fact that the Company's suppliers apply policies consistent with those established by the Company	Chap. 5 and Chap. 6 (6.1, 6.2 and 6.6)
iii) Consumers: measures for consumer health and safety; systems for receiving, processing and resolving complaints, namely the number of complaints received and the number of pending complaints, as well as those in which the complainant was found right, satisfaction surveys, and indication of the person responsible for complaints.	Chap. 5 and 6
iv) Responsible investment: if applicable, information on the responsible investment the Company aims to attract, including with regard to the mission/ acquisition of green bonds or SDG-linked bonds.	Not applicable
v) Stakeholders: information on possible ways of consulting stakeholders.	Chap.4 (Notes 49; 56 to 64) Chap.5 (5.6)
vi) Tax information: information on measures or acts with an impact on taxes, including subsidies or any type of grant or advantage granted by the State.	Chap. 2 (Pages 76 and 82)

(cont.)

PART I - INFORMATION ON ADOPTED POLICIES	REFERENCES
iii. Employees and gender equality and non-discrimination	
1. Description of the company's strategic goals and the main actions to be taken for their implementation.	Chap. 7
2. Description of the key performance indicators defined.	Chap. 7
3. Indication, in relation to the previous year, of the level of achievement of those goals, at least by reference to:	..
i) Employment: total number and distribution of employees by gender, age, country and occupational classification, as well as total number and distribution of contractual arrangements (e.g. employment contract, service providers, temporary work, etc.) by gender and age, average length of contracts; percentage of the workforce receiving the national minimum wage, regardless of contractual tie; remuneration for equal or average positions in the company, by gender; average remuneration of directors and managers, including variable remuneration, allowances, severance payments, payment to long-term savings schemes and any other payment broken down by gender; employees with disabilities (including indication of how the Company is complying, or preparing to comply, with Law nr. 4/2019 of 10 January on the employment quota system for people with disabilities).	Chap. 7 (7.1)
ii) Work-life balance: work-time organisation, including measures to provide time off work and family life.	Chap.7 (7.1, 7.2 and 7.3)
iii) Health and safety: health and safety conditions at work and number of accidents at work.	Chap.7 (7.3)
iv) Social relations: organisation of social dialogue, including procedures for informing and negotiating with staff, such as the number of interactions with trade unions and/or works councils, if any; new agreements concluded or revised agreements in place; number of court cases and complaints to the Authority for Working Conditions; percentage of employees covered by collective agreements by country; evaluation of collective agreements, namely in the field of health and safety at work.	Chap.7 (7.1)
v) Training: the policies applied in the field of training and the type of training (e.g. whether the Company provides its employees with training on issues related to the evaluation of the company's performance in "non-financial" matters (e.g. privacy protection / GDPR, anti-money laundering / AML, human rights in the value chain, etc.); the ratio of training hours to the number of employees.	Chap. 7 (7.2)
vi) Equality: measures / policies adopted to promote equal treatment and opportunities between genders; equality plans; number of dismissals by gender; protocols against sexual harassment and gender-based harassment; policies for integration and universal accessibility for persons with disabilities; policies against all discrimination and, where appropriate, diversity management.	Chap.7 (7.1)

(cont.)

PART I - INFORMATION ON ADOPTED POLICIES	REFERENCES
iv. Human Rights	
1. Description of the company's strategic goals and the main actions to be taken to their implementation.	Chap. 5 and Chap. 7 (7.4)
2. Description of the key performance indicators defined.	Not applicable
3. Indication, in relation to the previous year, of the level of achievement of those goals, at least by reference to: **i) Human rights due diligence procedures** applied in particular with regard to the contracting of suppliers and service providers.	Chap. 5 (5.3) and Chap. 6 (6.1 and 6.2)
ii) Measures to prevent the risks of human rights violations and, where appropriate, measures to remedy any abuses; elimination of discrimination in employment (where not already mentioned above); elimination of forced or compulsory labour; effective abolition of child labour.	Not applicable
iii) Prossecutions for human rights violations.	Not applicable
v. Anti-corruption and bribery attempts	
1. Prevention of corruption: measures and instruments adopted to prevent corruption and bribery; policies implemented to dissuade these practices among employees and suppliers; information on the compliance system indicating the respective functional managers, if any; indication of legal proceedings involving the Company, its directors or employees related to corruption or bribery; measures adopted in public procurement, if relevant.	Chap. 5 (5.1 to 5.3)
2. Prevention of money laundering (for issuers subject to this regime): information on measures to prevent and combat money laundering.	Chap. 5 (5.1 to 5.3)
3. Codes of ethics: indication of any code of ethics to which the Company may have adhered or implemented; indication of the respective mechanisms for implementation and monitoring of compliance, if applicable.	Chap. 1 (Pages 57 to 59) Chap. 5 (5.3 to 5.5)
4. Management of conflicts of interest: measures to manage and monitor conflicts of interest, namely requiring managers and employees to sign declarations of interest, incompatibilities and obstacles.	Chap. 5 (5.3 to 5.5)

PART II - INFORMATION ON THE STANDARDS / GUIDELINES FOLLOWED	**REFERENCES**
1. Identification of Standards / guidelines followed in the reporting of Non-financial Information	Chap. 5 (5.5 to 5.7)
2. Identification of the scope and methodology of calculation of indicators	Chap. 6, 7 and 8
GRI Index	AR |Additional Information
Taxonomy (UE)	AR |Additional Information
3. Explanation in case of non-application of policies	Not applicable
4. Other information	

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STRATEGY AND SUSTAINABILITY

5

1

Message from the CEO

We are facing sustainability challenges that are a determinant pillar in our strategy and definition of value creation. Therefore, we develop our activity around sustainability principles, seeking to impact our ecosystem in a positive way - environment, communities, employees, customers, suppliers, and shareholders, among others.

We seek to actively contribute to the well-being and development of our employees, their families, and the communities where we operate, having reinforced the effort in employee training programs and supported initiatives related to the development of local communities and broader crisis management (for example, with campaigns to collect donations to support, through UNICEF, the victims of the conflict in Ukraine).

We adopt, in all business areas and geographies, a responsible and precautionary approach to challenges, assuming a role (direct or indirect) in the conservation of forests and the species dependent on them, in the responsible use of natural resources such as water, and in the reduction of greenhouse effects.

We move forward to invest in efficient practices and structures, such as increasing the use and generation of renewable energy and the use of vehicles with lower consumption or moved by electric or hybrid energy. We have increased the monitoring levels of our supply chain, in order to promote transparency and sustainability practices throughout the value chain.

Despite the highly challenging context, year 2022 was a period of progress in our approach to sustainability issues, with relevant results achieved.

From an environmental point of view, we have increased the weight of sales on ecological paper to 78% (compared with 69%

Improve your work
Improve your life
Improve the world

in 2021). In parallel, we have reduced energy consumption by 15% and water consumption by 2%. We have reduced direct emissions by 14% (GHG, Scope 1 and Scope 2) and waste production by 24%.

We have also made a significant progress from a social and governance perspective. We have reduced the incidence rate of accidents at work by over 20% and increased the number of training hours provided to our employees by 44% when compared to 2021.

The effort made allowed us to achieve a substantial part of the targets we have set for 2019-2022, in terms of the Sustainable Development Goals (SDGs). We thus have decided to strengthen the scope of goals and contribution to the United Nations agenda. To this end, new SDG targets have been defined for 2023-24, establishing 8 priority areas (compared to 5 in the period of 2019-2022).

I express my acknowledgment to our employees and stakeholders who have accompanied us in this strategy, requesting also that they continue to support us and contribute for a common goal: improving the world.

#BeAnImprover

Diogo Rezende
CEO INAPA GROUP

2

Strategy and Sustainability

Responsibility and good citizenship are essential for the Group's business activities.

With a comprehensive approach in all phases of its operations, from purchase to delivery, Inapa strives to present a transparent performance regarding sustainability, aligned with the reference systems in this area, so that customers and stakeholders are acquainted with the goals that the company is proposing to achieve.

Acting as a bond between producers and customers, Inapa considers itself particularly responsible for the path that is taken for the benefit of sustainability. In its roles, both as buyer and seller, the Group companies promote good environmental and social practices, encouraging producers and buyers to produce and use sustainable products, thus ensuring compliance with sustainable principles in the supply chain.

In distribution, the operations contribute to the fulfilment of sustainable principles through greener solutions and services solutions and services that enable them to minimise their footprint.

3

Procurement

Guarantee sustainability in the supply chain.

Our companies are guided by principles of ethics, integrity, and compliance.

The Code of Conduct of Inapa Group is an instrument that should be followed not only by its employees, but also by its suppliers, from whom Inapa expects the same principles - integrity, ethics, and respect for the Law.

FIND HERE INAPA'S CODE OF CONDUCT:

OUR VALUES SHAPE OUR FUTURE

A transparent and socially responsible business relationship is based on commitments between both parties.

For its suppliers, partners, and service providers, Inapa Deutschland has defined a series of specific ground rules in the **Supplier Code of Conduct** ensuring that products and services provided are in line with the basic principles stated in Inapa's Code of Conduct, with the Group's environmental and sustainability policy and with product policy.

The selection of Suppliers is critical to our environmental performance and our social responsibility.

Since it has been introduced, many suppliers have formally accepted our business Code of Conduct.

In order to develop supplier assessments uniformly in what concerns information recording processes, we plan to merge the national purchasing guidelines into a single supplier policy.

Within the scope of consistent expansion of the Packaging and Visual Communication business areas, the requirements for risk management are more demanding, as a result of the significant growth in the supplier portfolio, especially outside the European market.

Inapa Group Supplier Code of Conduct

ENVIRONMENT

- To observe relevant legal environmental standards;
- Reduce and keep its environmental pollution as reduced as possible;
- To have implemented an environmental management system that aims for continuous improvement, preferably under ISO 14001 or EMAS certification;
- To deliver exclusively to Inapa products that comply with all applicable legal requirements;
- To show evidence of fibers origin in order to guarantee their legal and non-controversial sources.

LABOUR

- To comply with the requirements of International Labour Organisation standards;
- Abolish oppressive work;
- Abolish discrimination;
- Respect the right to organise and collective negotiation;
- Practice equal pay for equal work;
- Proactively eliminate illegal work;
- To respect the health, safety and personal rights of its employees.

SUBCONTRACTORS

- Ensure and prove through appropriate documentation that its subcontractors also comply with the regulations of this Code of Conduct;
- Report any misconduct behavior by Inapa employees;
- Actively resolve any suspicious cases and unconditionally cooperate with Inapa;
- Cooperate in the resolution of violations to the Code of Conduct in case obligations are not complied with.

CORRUPTION

- Actively and consistently go against criminal or unethical influence in decisions made by Inapa or other companies and institutions;
- Combat corruption within its own companies;
- To fight fraud and take measures against illegal cartels.

We value long-standing partnership relationships that we have with most of our suppliers.

In 2022, almost 97% of the products and services purchased by the Group came from countries in the European Union, maintaining the same figure as in the previous year.

The importance of Inapa's purchases from "Top 10" suppliers increased by 2pp - from 92% to 94%. The percentage of products sold by Inapa from countries where the Group is present remained above 55%, reflecting Inapa's continuous efforts to maintain ecological advantages through regional purchases with shorter distances. Inapa continues its path of procurement from regions as close as possible to its local centers, keeping up with high quality standards.

This outcome considers the continuous capacity reductions in the industry and the constant supply constraints in the relevant items for the wholesale trade. Long-standing relationships of trust with local suppliers represented an asset in this period.

Procurement of Inapa Group by regions

	2019	2020	2021	2022	+/-
Inapa Countries	60.4%	56.5%	55.4%	55.4%	0.0%
EU	34.3%	40.4%	41.3%	41.5%	0.2%
Asia	2.9%	1.7%	1.3%	1.5%	0.2%
North America	1.1%	0.9%	1.2%	0.7%	-0.5%
Other	1.3%	0.6%	0.7%	1.0%	0.3%

TOP 10 Procurement by Regions

	2019	2020	2021	2022
Germany	17%	31%	22%	28%
France	21%	14%	19%	14%
Finland	14%	8%	5%	2%
Sweden	7%	8%	8%	10%
Italy	5%	7%	5%	3%
Portugal	10%	7%	7%	8%
Poland	4%	7%	7%	9%
Austria	5%	6%	6%	4%
Slovakia	-	4%	7%	7%
Belgium	7%	3%	4%	5%
Spain	2%	-	2%	4%
Total	**92%**	**94%**	**92%**	**94%**

Monitoring the Supply Chain

The development of Inapa's Monitoring of the Supply Chain is based on ESG (Environmental, Social and Governance) principles.

The impact of the supply chain on environment and society, as well as the risk of supply disruptions, are of great concern to Inapa. Certain components of the paper industry face specific sustainability challenges, such as negative impacts on forests and water resources or human rights violations in their supply chain.

The majority of Inapa's suppliers (representing more than 80% of its supply) address these issues by implementing programs to monitor the environmental, social and governance (ESG) performance of their supply chain. These programs include mapping the entire supply chain from raw materials to finished products, assessing suppliers' ESG performance, including labour practices, environmental impact and governance, and reporting on progress.

By playing the role of intermediary between manufacturers and users, Inapa ensures that products are supplied in the right quantity, at the right time and at an optimal cost. Inapa maintains close relationships with suppliers to identify potential disruptions or risks in the supply chain that may negatively impact the sustainability of the supply process of our customers.

In 2022, Inapa improved its supply chain monitoring by broadening its base of analysis criteria and significantly increasing the number of monitored suppliers. This process uses different methodologies or tools such as statements, responses to survey, evidence through third party certificates and an evaluation of the responses supported by a risk scoring system.

ASPECTS MONITORED BY INAPA

Environmental impact:
Suppliers must demonstrate their commitment to reducing their environmental footprint, including greenhouse gas emissions, water use, as well as waste management practices and the use of renewable energy sources.

Social responsibility:
Suppliers should implement fair labour practices such as workers safety and health, non-discrimination, diversity, and inclusion. They should maintain transparent relationships with local communities and indigenous peoples, whose lands and resources may be affected by their operations.

Governance practices:
Suppliers should have clear policies on ethical conduct, anti-corruption practices and responsible procurement of materials. They should demonstrate transparency and accountability through reporting and disclosure practices.

Supply chain management:
Suppliers should ensure that their upstream supply chain partners subscribe to ESG standards. They must also be involved in ongoing efforts to monitor and manage

supply chain risks related to sustainability, ethics, and compliance.

The involvement of a comprehensive supplier base in ESG monitoring will foster risk mitigation, ESG best practices, reputation protection and social responsibility. All these aspects are critical to the success of a business.

Inapa has set itself goals related to integrating 95% of its supply chain in the ESG monitoring process by the end of 2024. This process covers service partners from sectors that are as a matter of principle critical to ESG, such as transportation and facility services.

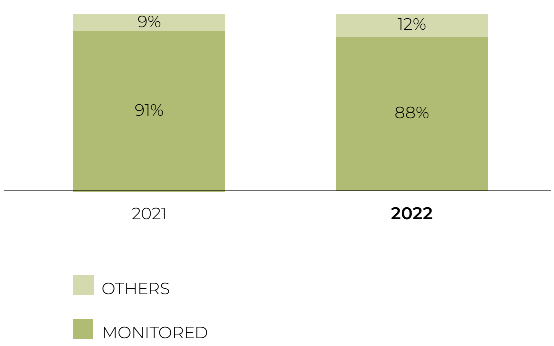
Inapa develops procedures to respond to the most recent or upcoming legislative measures on ESG supply chain monitoring, such as the new German Lieferkettensorgfaltspflichtgesetz (Supply Chain Due Diligence Act; applicable from 2023) as well as the EU Due Diligence Directive (planned for 2026) that aim to ensure that companies take responsibility for their supply chains and the impact their operations have on human rights, environmental and social issues. Inapa will adapt the Group's ESG monitoring program until 2024, so that, before the applicable deadlines, it will be able to make available to its customers not only in Germany, but also in other countries, the evidence associated with these measures.

In this sense, Inapa will perform Due Diligence measures to identify and address any potential risks in its supply chains in compliance with the new legal requirements, including the assessment of suppliers on environmental practices, labour conditions, and other ethical considerations.

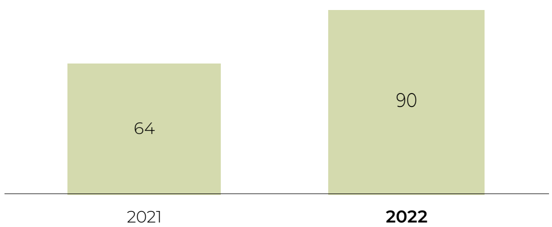
In 2022, the number of suppliers and production sites monitored evolved significantly from 64 to 90 suppliers. However, a slight reduction in purchasing volumes associated with the monitoring process was observed. This evolution is related to the significant decline in the volumes supplied to Inapa by European paper mills, motivated by disruptions arising from the energy crisis and conflict in Ukraine.

It should be noted that procurement management was able to partially compensate for supply interruptions, through purchases from other manufacturers, which have recently been integrated in the monitoring of the ESG Group's supply chain.

Purchasing volumes monitored



Suppliers monitored



Inapa Suppliers Classification Table

Country	Category	A	B+	B	C	D	E
Finland	Paper, Card	12		1			
Sweden	Paper, Cardoard	6		2	2		
Switzerland	Paper, Card				1		
The Netherlands	Paper, Card	1					
Germany	Paper, Cardoard	9	1		1		
Canada	Paper, Card			1			
Belgium	Paper, Card	1	1				
France	Paper, Card		2		1		
Austria	Paper, Cardoard	2	1		1		
South Korea	Paper, Cardoard		1				
Portugal	Paper, Card			2			
Spain	Paper, Cardoard		5				
Italy	Paper, Card		3	5			
Slovenia	Paper, Card						1
Poland	Paper, Card	1	2				
Slovakia	Paper, Card		1				
Croatia	Packaging				1		
China	Paper, Card		1		1	1	2
	Viscom			1	1		
	Graphic Supplies						1
Hungary	Paper, Card						1
Brazil	Paper, Card			1			
Russia	Paper, Card			1			
Serbia	Packaging					1	
Thailand	Paper, Card				1		
Turkey	Packaging				1		1
	Paper, Card			1	2	1	2
Indonesia	Paper, Card		1				
Total		**32**	**19**	**15**	**13**	**3**	**8**
Total 2021		**26**	**11**	**16**	**4**	**1**	**6**
+/- 2022/2021		**23%**	**73%**	**-6%**	**225%**	**200%**	**33%**

A _ Excellent, efficient CSR management, extensively documented, audited according to recognised standards of reliability.

B _ Above average, advanced CSR management, predominantly documented, mostly audited to recognised standards.

C _ Moderate, CSR management with identifiable gaps, insufficiently documented, only a part is audited or certified.

D _ Below average, CSR management mostly does not meet requirements, documentation is very incomplete, no independent review, no certificates.

E _ Doubtful, no CSR management, no documentation or incomplete, no third-party verification, no certificate.

Monitoring: what is evaluated?

QUALITY MANAGEMENT	
Does the company have a quality management system in place?	Is the QMS certified by an independent organisation to generally recognised standards, e.g. ISO 9001 or equivalent?
ENVIRONMENTAL MANAGEMENT	
Does the company have a management system aimed at improving environmental performance? Is the EMS certified by an independent organisation according to generally recognised standards, e.g. ISO 14001, EMAS or equivalent? Does the company have an energy management system? Is this system certified by an independent organisation to generally recognised standards, e.g. ISO 50001 or equivalent?	Does the company have a written policy on sustainable procurement? Has a sustainable procurement management system been introduced? Is this certified by an independent organisation to generally recognised standards e.g. ISO 20400 or equivalent? Does the company have certificates from an independent organisation on the sustainability of its supply chain, such as EcoVadis or similar?
WOOD FIBER CONTROL	
Does the company have a well-documented policy to exclude illegal or environmentally or socially harmful wood fibre material from processing? Has a due diligence system been implemented in accordance with the EUTR?	Is this system certified by an independent organisation according to generally accepted standards, e.g. FSC®, PEFC or equivalent?
COMPLIANCE	
Does the company have a written compliance policy that has been formally approved by the company management Board? Has a compliance management system been introduced? Is it certified by an independent organisation according to generally recognised standards, e.g. ISO 19600 or equivalent?	Does the company have a formal anti-corruption commitment and a board-approved anti-corruption policy? Is this system certified by an independent organisation according to generally recognised standards, e.g. ISO 37001 or equivalent?
LABOUR MANAGEMENT	
Does the company have a formal commitment to comply with the ILO core labour standards and a documented health and safety policy? Has an appropriate health and safety management system been introduced?	Is this certified by an independent organisation according to generally recognised standards e.g. OHSAS 18001, ISO 45001 or equivalent?
HUMAN RIGHTS MANAGEMENT	
Does the company have a formal commitment to respect human rights confirmed by company management board and a written policy to address human rights violations?	Has an adequate human rights management system been introduced?
PUBLIC REPORTS	
The company publishes regularly a report with the goals, results and measures taken on CSR performance parameters, e.g. reduction of energy consumption, GHG emissions, materials use, occupational accident rate, etc.	

The results of the inclusion in 2022 of 26 additional suppliers and their production sites in the ESG monitoring is visible in Inapa's CSR supplier rating table. The number of A-B-C rated suppliers increased significantly compared to the previous year (from 53 in 2021 to 66 in 2022) due to the first audit of ten paper/cardboard mills, of which 5 had the Ecovadis Platinum certification.

Significant deficiencies or missing documentation led to an E score attributed to 8 suppliers. This result requires further investigation and in-depth dialogue with suppliers. In none of these cases, however, could we identify violations of local environmental, labour, anti-corruption or human rights laws. The suppliers in question were not active in high-risk industry sectors and the economic risk was considered low, given that they represented less than 0.1% of purchasing turnover.

The global CSR monitoring employed to Inapa suppliers was able to analyse the risk level associated to 88% of Inapa purchasing volume. The supplier base analysed had 22 production sites located in countries with a Corruption Perception Index below or equal to 45 (Average CPI 2022: 43).

Inapa supports the protection of human rights in its supply chain.

- The protection of human rights and the assurance of core social standards comply with international conventions such as the International Labor Organisation (ILO) and the United Nations Global Compact and demonstrate Inapa's ethical and responsible business practices.

- Failing to protect human rights and endangering essential social standards within our supply chain exposes Inapa to reputational risks and leads to significant damages. Inapa always gives the utmost importance to its reputation.

- The violation of human rights and social standards in the supply chain may result in legal sanctions, lawsuits, or significant fines. Inapa strictly adheres to legal and ethical standards.

- Inapa aspires to achieve long-term sustainability goals. Sustainability implies the creation of sustainable value for stakeholders, employees, and society in general, and this cannot be achieved without the protection of human rights.

Purchasing volume according to suppliers' CSR rating

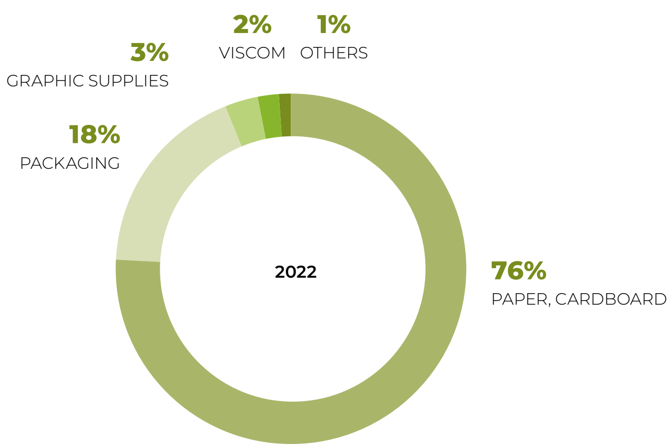
	2020	2021	2022
A	31%	41%	29%
B+	44%	28%	39%
B	8%	22%	14%
C, D, E	0.2%	0.4%	5%
Without monitoring	17%	9%	13%

Four "E" rated suppliers act as traders of packaging and board products (sourced from European producers). Therefore, these companies do not have certificates associated with production quality. However, and based on the credentials of producers these traders work with, they were not considered a risk to the supply chain.

From the total supply sites investigated, 80 have implemented an ISO 14001 certified environmental management system with the aim of improving their ecological performance and transparent public reporting.

The table "Monitored procurement volumes by quality certification and supplier classification 2022" (on next page) presents the share of monitored procurement volume (%) by certification and supplier classification (A to E). As can be seen, the volume of purchases monitored by Inapa comes from units that have implemented quality, environmental, energy, and occupational safety management systems, and the results are reported in an understandable and visible way to the public, as well as the existence of policies associated with the commitment to respect human rights in the supply chains.

Distribution of category C, D, and E suppliers by product type



Volumes of purchases monitored by certification and supplier classification 2022

Inapa Classification	ISO 9001 Quality Management System	ISO 14001 Environmental Management System	ISO 50001 Energy management	ISO 45001/ OHSAS 18001	Formal Human Rights Policy
A	33%	33%	47%	36%	38%
B+	45%	45%	48%	48%	52%
B	16%	16%	2%	11%	9%
C	6%	6%	3%	5%	1%
D	0.0%	0.0%	0.0%	0.03%	0.04%
E	0.1%	0.02%	0.0%	0.0%	0.02%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

It should also be noted that a system for monitoring the supply of wood fiber materials in compliance with FSC® and PEFC standards was implemented in all Inapa suppliers. None of the audited companies were involved in a recognised way in environmental or social conflicts or faced understandable accusations of illegal or corrupt behavior.

Finally, it is noteworthy that six suppliers (with 32 sourcing locations) received Platinum / Gold Label status from the leading provider of CSR scoring services, EcoVadis.

4

Business conduct

Doing business with integrity

Inapa Group companies are committed to ethical business practices.
Doing business with integrity is the basis of our sustainability activities that aim to build and maintain a relationship of trust with clients, shareholders, employees and suppliers.

Inapa is based on values, principles, standards and norms of behaviour fully described in its Code of Conduct to ensure that its businesses are run to the highest standards of business ethics by all employees.

Inapa provides business ethic-training sessions, which address compliance and ethics, to employee's specific job function and related business risk.

However, our Business Code of Conduct is not only addressed to our employees. Our business partners and suppliers must assume the commitment to maintain the same level of ethics in their relations with Inapa Group.

Employees, suppliers, and other stakeholders have access to the Group's Business Code of Conduct, where the acceptable norms and ethical behaviours are described.

Principles of the Code of Conduct

Integrity

- To act consistently with absolute honesty and high ethical standards.

Respect

- To treat customers, suppliers, employees and other stakeholders with courtesy, tolerance, loyalty, and fairness.

Transparency

- The non-existence of hidden agendas or conditions, ensuring that commitments are respected, and information is provided to enhance collaboration between stakeholders, assigning responsibility for actions taken.

Compliance

- Ensure that decisions and/or business are compliant with the law, regulations, and industry best practices.

FIND HERE INAPA'S CODE OF CONDUCT:

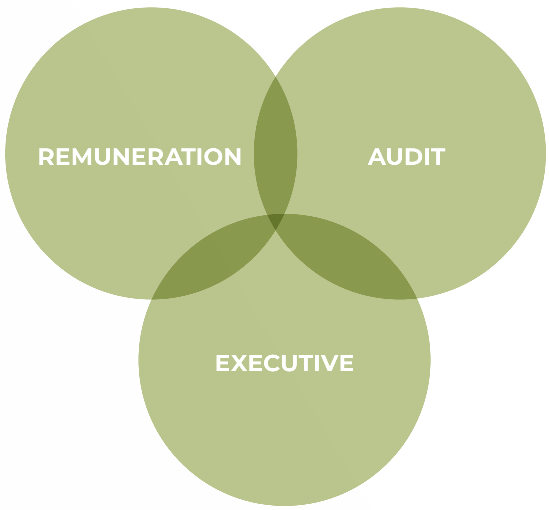
Corporate governance and ethical principles

We are committed to the highest ethical principles.

We expect that the actions of all those who collaborate with Inapa are guided, always, by these principles, anchored in a strong corporate governance structure.

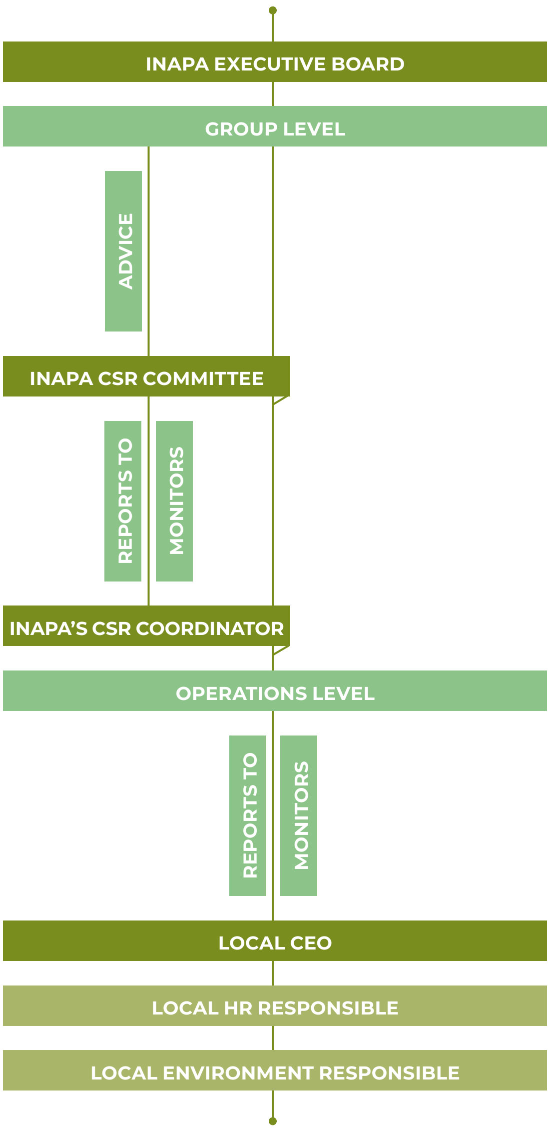
We lead by example. Inapa's Board of Directors and Executive Committee oversee our policies and business practices, ensuring that all employees understand the professional conduct they should adopt in their day-to-day work.

There are three permanent committees that oversee the following areas:



CSR Committee Structure

In 2018, it was defined a Group CSR governance model with a CSR committee and coordinator, whose responsibilities included monitoring and assisting the Executive Committee on Inapa's social responsibility and environmental sustainability issues.



Inapa Executive Board

- Discusses strategic sustainability and CSR issues with Group companies;
- Monitors social and environmental factors that may significantly affect Inapa's business activities;
- Oversees the measures proposed by the CSR Committee;
- Supervises the measures proposed by the CSR Committee and local operational actions, within the scope of the Group's sustainability and social responsibility.

Inapa CSR Committee

- Advises Inapa's Executive Committee on environmental and social responsibility issues at a supra regional level. Has overall responsibility for ensuring progress of the CSR strategy;
- Monitors social and environmental factors that may significantly affect Inapa's business activities and reports to the Executive Committee;
- Assesses the Group's focus and priorities;
- Supports the Group's sustainability goals;
- Identifies action needs and proposes measures accordingly. Inapa CSR Coordinator;
- Helps ensure the success of the Group's CSR strategy by assisting the Inapa Executive Committee;
- Creates a collaborative environment in the development of CSR strategies, promoting the involvement of internal and external stakeholders;
- Conducts CSR assessment and reporting activities.

Local CEOs

At the operational level, each CEO of Inapa Group companies is responsible for monitoring and implementing the Group's CSR strategy locally and reporting directly to the Executive Committee.

The CSR objectives are determined by Inapa's Executive Committee, but the companies decide how these are implemented. The results are monitored through key performance and risk indicators, which are regularly reported and evaluated by the Executive Committee. Based on the analysis of these environmental and social indicators, Inapa engages the company's management by interviewing customers, suppliers, and other stakeholders.

The results of this initial materiality analysis can be seen in the following diagram, which structures the criteria, according to priority, considering guidelines from the Global Reporting Initiative (GRI G4)* and provides the possibility to assess the indicators, since not all GRI guidelines are considered important or necessary for the management and preparation of our sustainability report.

* THE ASSESSMENT OF STAKEHOLDER ISSUES THAT ARE SIGNIFICANT FOR OUR ORGANISATION IS GUIDED BY THE EFFAS RECOMMENDATIONS. THE EUROPEAN FEDERATION OF FINANCIAL ANALYSTS' SOCIETIES (KEY PERFORMANCE INDICATORS FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES V 1.2) FOR "SUPPORT SERVICES", WHICH BEST REFLECTS THE INAPA GROUP BUSINESS MODEL. THE COLLECTION OF SUSTAINABILITY DATA FROM OUR WORKPLACES IN 2022 WAS OBTAINED THROUGH THE USE OF A SPECIALISED SUSTAINABILITY REPORTING SOFTWARE.

201 Economic Performance 2016
202 Market Presence 2016
203 Indirect Economic Impacts 2016
204 Procurement Practices 2016
206 Anti-competitive Behaviour 2016

301 Materials 2016
302 Energy 2016
303 Water and Effluents 2018
304 Biodiversity 2016
305 Emissions 2016
306 Waste 2020
308 Supplier Environmental Assessment 2016

401 Employment 2016
402 Labour Relations 2016
403 Occupational Health and Safety 2018
404 Training and Education 2016
405 Diversity and Equal Opportunities 2016
406 Non-Discrimination 2016
407 Freedom of Association and Collective Bargaining 2016
408 Child Labour 2016
409 Forced or Compulsory Labour 2016
410 Security Practices 2016

411 Rights of Indigenous Peoples 2016
413 Local Communities 2016
414 Supplier Social Assessment 2016
415 Public Policy 2016
416 Customer Health and Safety 2016
417 Marketing and Labeling 2016
418 Customer Privacy 2016

GRI Guidelines

By using the GRI Guidelines, we disclose our most critical findings - whether positive or negative - on the environment, society, and the economy. With this report, we hope to generate reliable, relevant, and standardised information to assess opportunities and risks, and enable more conscious and informed decision-making. GRI is designed to be universally applicable to all organisations of all types and sectors, large and small, around the world. Please check at the end of this report on GRI standards.

Stakeholder engagement

We involve our stakeholders in analysing sustainability related issues, through continuous communication processes, established with all hierarchical levels.

Communication Process	Stakeholders	Frequency
Transparent and continuous dialogue	Local Management Team	Continuously
Events and/or specific communications	Employees	Once a year
General corporate communications	Local companies	From February to March to collect data for the CSR report
General Assembly	Shareholders	At least once a year

"My name is Silvia Wiener, and I am responsible for print communication consulting at Inapa Deutschland. I see print communication as an integral part of sustainable and conscious corporate communication, especially in our so widespread digital world. Analogue media give us a sense of understanding, reality, and genuine touch. They make us want to discover what lies beneath the surface and what goes deeper in terms of content."

Silvia Wiener

HEAD OF PRINT MEDIA CONSULTING
Inapa Deutschland GmbH

7

Environmental management & Sustainable development goals

Inapa faced extraordinary challenges due to structural changes in paper production following the health crisis caused by Covid-19 and in the context of increasing global economic and political tensions.

The Group's environmental management pursued the policy of sustainable use of natural resources and effective protection of the environment.

Global warming has got global consequences. In this regard, United Nations scientists and business leaders have warned of the important role of companies on this issue and their responsibility in mitigating the risks related to climate change to which they are exposed.

Under the scope of the "Business Ambition for 1.5 °C" initiative, developed in the framework of the Sustainable Development Goals (SDGs) established by the United Nations, it is recommended that companies reduce their greenhouse gas emissions in the short term.

In its latest assessment report, the Intergovernmental Panel on Climate Change (IPCC) warns policy makers around the world. To stay within the 1.5°C limit, we need a substantial reduction in global fossil fuel use and drastic measures for energy conservation and efficiency.

In this context, Inapa's Executive Board commissioned the CSR Committee to develop a plan for the introduction of concrete science-based targets (SBT) for implementation across the Group, as well as to develop action plans in close cooperation with operational management. Thus, in 2020 the Group started the analysis of SBT key indicators that will enable the company to successfully contribute to limit warming to 1.5 °C. It should be noted, however, that since 2018 Inapa has access to valid data on its specific greenhouse gas emission footprint, whose quality has been continuously improved.

In 2022, besides the direct and indirect emissions previously analysed by Inapa, important aspects along the value chain were also analysed. In order to develop projects, measures and ideas to reduce emissions, we focused on the company's main clusters (Scope 1 and Scope 2): building management, mobility (transports, company vehicles), material use and waste generation. We have also considered other important clusters (although outside the direct scope of our company), namely product manufacturing and their transport to our warehouses or to our customers (through our partners and service providers).

Collecting data on emissions from the value chain is a real challenge, making it difficult to register it in complete numbers, as the supplier database is predominantly weak, incomplete, or based on non-standard calculations. It is a complex task that consumes time and resources, often exceeding what is considered reasonable. Nevertheless, Inapa decided to gradually include emissions throughout its value chain, even considering that the production or use of the products we sell is not our direct responsibility. Thus, we include in this report, the data from our supply chains in the form of emissions related to production and transport (Scope 3). It should be noted that in 2022, Inapa Group managed to monitor Scope 3 emissions, corresponding to 88% of the total volume of purchases.

We are aware that the future development of paper depends, to a large extent, on effectively go against the considerable ecological risks associated with its use, but also the impact before our employees, families, and societies. As previously mentioned, in 2017 Inapa has developed a Code of Conduct. This document represents and evidences the culture and values of the Group, establishing the principles that guide our business practices and behaviors and reflecting our main concerns and priorities, among which we highlight the following:

- To actively promote diversity and equal opportunities within the Group, regardless of ethnic origin, gender, age, sexual orientation, disability, and religion. This principle is not only present in our code of conduct, but also in the Group's gender equality plan, prepared annually since 2020;
- Maintain a consistent concern regarding health management, safety work conditions and development of our employees. This point has also been one of our priorities, as it is reflected in the Sustainable Development Goals.

Sustainable development goals

Inapa is also committed to contribute for sustainable development efforts in line with the 2023 United Nations Agenda for Sustainable Development, unanimously approved by the United Nations Member States in 2015, and which sets out 17 Sustainable Development Goals (SDGs) addressing economic, social, and environmental issues.

Thus, specific goals were developed for the period 2019-22, focusing on priority areas in which Inapa intends to have a particularly active contribution in the future.

Five SDGs were selected for that period. As described in this document, relevant progress was observed between 2019-22, so new goals were considered for the period 2023-24 (in line with the horizon referring to the Group's strategic lines) extending the scope to 8 SDGs.

Inapa Group Sustainable Development Goals for 2019-2022 and 2023-2024

* THE GOALS RELATED TO **INCREASE THE EFFICIENCY OF NATURAL RESOURCE USE AND TO INCREASE THE USE OF RECYCLED MATERIALS ARE REPORTED**, IN THIS DOCUMENT, WITHIN ODS 15 (PROTECT EARTH LIFE) WHILE IN THE PREVIOUS YEAR'S DOCUMENT THEY WERE INCLUDED IN ODS 12 (SUSTAINABLE PRODUCTION AND CONSUMPTION).

Sustainable Development Goals 2019-22 and 2023-24

Goals		Plan 2019-22	Actions and measures (not exhaustive)	Goals 2023-24
3 GOOD HEALTH AND WELL-BEING	Improve the rate of work accidents and occupational diseases of all Inapa employees -5% until 2022.	√	• Improve occupational safety and health management system; • Reduction of specific occupational safety and health risks; • Increase in employee training in the area of occupational safety and health; • Improve the internal health and safety reports of the Group and its companies.	Reduce the "Average Incidence Rate of Accidents per 1000 employees" to 18.0 until 2024. See page 464
7 AFFORDABLE AND CLEAN ENERGY	Increase the share of renewable energy used in the Group to 12% until 2022.	√	• Changes in the use of electricity consumed for "green energy"; • Shifts in use from fossil fuels to biofuels (Diesel) • Review of the heating options of the Group's companies; • Undertaking projects for the installation of photovoltaic panels; • Reduction of energy used in workplaces: economical use of air conditioning, intelligent lighting; • Reduction of the environmental impact related to travel, favoring the use of videoconferences in meetings between employees.	Increase the share of renewable energy used in the Group to 23% until 2024. See page 415
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Increase the percentage of purchasing volume from suppliers with credible and internationally recognised responsible production standards to over 75% until 2022.	X	• Successfully implemented Group supply chain monitoring program, favouring the participation of the highest scored suppliers; • More careful and economical handling of materials used in logistics and transport; • Improved quality of data collection on waste generation and categorisation.	Reduce waste generation by 15% until 2024. See pages 406 and 429
	Reduce waste generation by 15% until 2022.	√		

√ GOALS ACHIEVED/ OVERCOME   X GOALS NOT ACHIEVED

Sustainable Development Goals 2019-22 and 2023-24

Goals		Plan 2019-22	Goals Actions and measures (not exhaustive)	Goals 2023-24
13 CLIMATE ACTION	Increase resilience and adaptive capacity to risks related to climate change by reducing energy consumption and GHG intensity of Inapa's business activities. Set ambitious CO_2 reduction targets based on the SBT of the UN program "Business Ambition 1.5 °C".	√	• Implementation of KPI's that allow better control of energy intensity/emissions related to buildings, transport, and mobility. • Reduction of energy consumption by increasing efficiency in heating and driving, optimisation of storage and transport space.	Reduce CO_2 emissions by 10% (in transport). Increase monitored purchasing volume to 95% (transport). See page 427
15 LIFE ON LAND	* Increase the efficiency of natural resource use with increased use of recycled materials.	√	• Replace plastic packaging material bands with bioplastic and/or recycled paper. • Increase the use of reused materials.	Increase the participation of Inapa Ecopapers papers (FSC®, PEFC and recycled materials) to 83%. See page 406

√ GOALS ACHIEVED/ OVERCOME   X GOALS NOT ACHIEVED

* THE GOALS RELATED TO **INCREASE THE EFFICIENCY OF NATURAL RESOURCE USE AND TO INCREASE THE USE OF RECYCLED MATERIALS ARE REPORTED**, IN THIS DOCUMENT, WITHIN ODS 15 (PROTECT EARTH LIFE) WHILE IN THE PREVIOUS YEAR'S DOCUMENT THEY WERE INCLUDED IN ODS 12 (SUSTAINABLE PRODUCTION AND CONSUMPTION).

Sustainable Development Goals (additional) 2023-24

	Goals 2023-24
5 GENDER EQUALITY	Promote gender parity in leadership positions* - 40% of leadership vacancies leadership positions will be filled by members of the underrepresented sex. See page 447
6 CLEAN WATER AND SANITATION	Reduce the total water consumption by 10%. Eliminate any unsustainable water withdrawals. See page 417
8 DECENT WORK AND ECONOMIC GROWTH	Reduce the footprint associated to materials (To/CO_2e; Scope 3 emissions) relative to the volume of purchased goods by 4% until 2024. Reduce internal material consumption levels by 5% until 2024, through improvement of the ratio between internal consumption of materials (kg) and volume of purchased goods (tons). See page 427

* LEADERSHIP POSITIONS: C-LEVEL / GENERAL DIRECTOR; DIRECTORS / HEADS; MANAGERS

ENVIRONMENT

6

Chain of Custody Certification

In 2022, the sales of ecological papers has increased to 78%.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

15 LIFE ON LAND *

In order to strengthen our commitment to responsible practices on forest management with our customers, we have integrated the systems FSC® (Forest Stewardship Council®) and PEFC (Program for the Endorsement of Forest Certification) in the Group, which aim to ensure responsible and sustainable forest management. This way, the Group minimises risks and prevents the company from engaging in illegal or ethically unacceptable practices in its supply chain.

In 2004, Inapa Germany was the first certified paper merchant according to the FSC® and PEFC regulations. In 2019, the Group obtained the Multisite FSC® / PEFC certification, a unique certificate to be used by Inapa companies that had already implemented this certification, namely Inapa France, Inapa Deutschland, Inapa Belgium (Belgium and Luxembourg) and Korda.

Today, all Group companies are certified according to the most recognised and advanced certification methods for forest products that require compliance of all members of the supply chain with sustainability, biodiversity, safety, human rights and respect for all laws. This will translate into simpler processes and reduced administrative efforts and costs.

Inapa expects its paper and board suppliers to comply with FSC® /PEFC standards and to have the appropriate certification.

* ACCORDING TO WHAT IS DESCRIBED AT THE END OF THIS SUB-CHAPTER, THE 2023-24 PLAN INTEGRATES SPECIFIC OBJECTIVES RELATED TO THESE SUSTAINABLE DEVELOPMENT GOALS ACCORDING TO THE OBJECTIVES ESTABLISHED BY THE UNITED NATIONS.

On-site audits are conducted annually by independent auditors to ensure the origin of raw materials and compliance with requirements and to combat illegal forestry practices, such as the use of protected wood species from natural forests.

Inapa fully follows all the latest versions of the FSC®/PEFC regulation, particularly with regard to recent requirements on working conditions and the ban of wood fibres coming from conflict geographies/areas.

In 2022, the selling of ecological and certified papers increased to 78%, i.e. to levels comparable to 2019. The increase occurred in all ecological paper product categories, with special emphasis on the increase in the share of recycled products.

The transformations started in 2021 – with the introduction of the new IT structure, the reorganisation of sales and the global reformulation of the product ranges – which contributed to a 9 pp increase in the importance of ecological paper sales in 2022. Inapa aims, in the coming years, to increase the share of environmentally friendly products. In an intermediate stage, the share should reach more than 80% in the short term, to maintain levels similar to 2018-2019, before the crisis caused by Covid-19 and before the acquisition of Papyrus Deutschland.

ENVIRONMENTAL CERTIFICATION
Inapa Group

	FSC®	PEFC	ISO 14001
Inapa - IPG	√	√	
Inapa France	√	√	
Inapa Belgium	√	√	
Inapa Deutschland	√	√	
Inapa España	√	√	√
Inapa Portugal	√	√	√
Korda	√	√	

inapa
IMPROVING THE WORLD

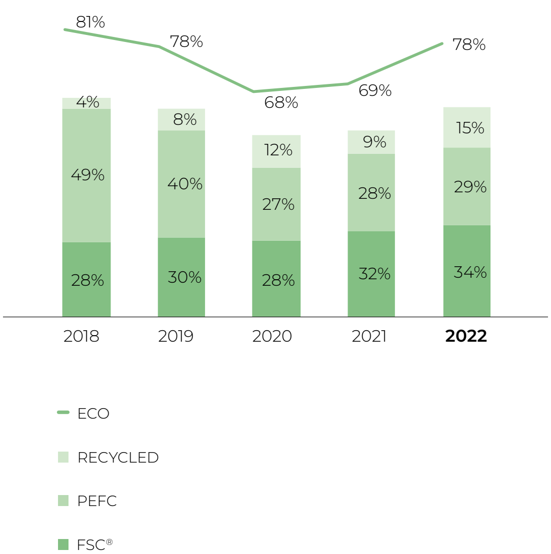
FSC
www.fsc.org
FSC® C003945
The mark of responsible forestry

PEFC™
PEFC/13-32-045
Promoting Sustainable Forest Management
www.pefc.pt

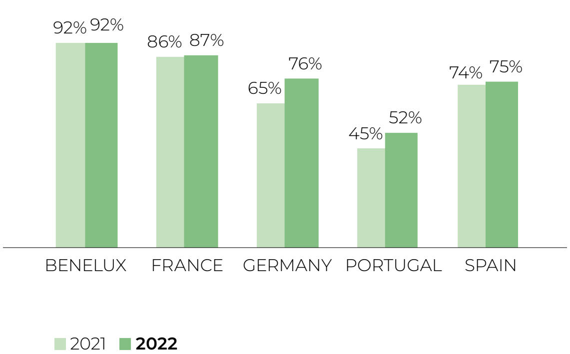
We continue to promote recycled paper using the brand Enviro. We base our communication to customers on highlighting the benefits of our leading range of certified print media from sustainable, controlled and certified forests.

We expect an increase in the trading of certified packaging products in Germany and Portugal, which will contribute to strengthen our position in the market for sustainable packaging solutions.

Sales of de ecological papers



Sales of ecological papers by country



TO COMMUNICATE IN A SUSTAINABLE WAY

ACT IN A RESPONSIBLE WAY WITH INAPA'S SUSTAINABILITY PACK

With the new sustainability pack "in'respect", Inapa Deutschland GmbH offers inspiration for responsible material selection in print productions. It is distributed to customers and potential customers as part of the "act responsible" campaign. It aims to highlight the fact that companies have the option to use more environmentally friendly products, contributing to the preservation of natural resources. This pack consists on the presentation of several application examples, showing our sustainable range: recycled cardboard, synthetic media, adhesive paper, envelopes and premium natural and recycled paper.

UNIQUELY NATURAL: **ENVIRO HARMONY**

State-of-the-art printing technology and environmental protection in harmony: Enviro Harmony has been specially developed for digital printing and complements the ENVIRO collection - launched in 2019 - which meets sustainable and responsible use standards.

It is the only recycled paper with HP Indigo certification and is available in various grammages, and can also be used in the production of short-term / short-run advertising material.

This Inapa paper is a great example that recycling also works with excellency in digital printing.

The market launch of this range was complemented with marketing actions, including the production of a high quality magazine on the topic sustainability.

enviro® **harmony**

Related UN Sustainable Development Goals

Concerning the United Nations SDGs and chain of custody certification, a target has been set for 2024 to increase from 68% to 80% the percentage of purchasing volume from suppliers with credible and internationally recognised production standards.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

X

12.4 and 12.7 Sustainable production and consumption

Goals 2019-22	Goals 2023-24	2019	2020	2021	2022	2023	2024	Evol. 22-24
Increase the percentage of purchasing volume to suppliers with responsible and credible internationally recognised production standards to more than 75% until 2022	Increase the percentage of the purchase volume to suppliers with responsible and credible production standards and internationally recognised to 80% until 2024	n.a.	39%	61%	68%	73%	80%	12 pp

Unit measures: % purchase volume to suppliers with A/B + score

Goals related to the sale of ecological papers were established. Until 2024, 83% of the papers sold by Inapa should be environmentally friendly and certified (recycled; with FSC®/ PEFC standards).

15 LIFE ON LAND

√

15.2 Protect life on earth

Goals 2019-22	Goals 2023-24	2019	2020	2021	2022	2023	2024	Evol. 22-24
Increase the efficiency of the use of natural resources by increasing the use of recycled materials	Increase the importance on the sale of ecological and certified products to 83% until 2024	n.a.	68%	69%	78%	80%	83%	5 pp

Unit measures: % sales of FSC® papers, PEFC, Recycled (Ecopaper)

√ GOALS ACHIEVED/ OVERCOME   X GOALS NOT ACHIEVED

2

Use of sustainable materials

Inapa has used 84% of renewable and recycled materials.

Decarbonising energy all alone is not enough. According to experts, even if we achieve all energy efficiency potentials, carbon emissions will exceed all available climate change mitigation budgets. Given that the global consumption of resources will continue to increase, it will be necessary to implement new measures.

In this context, Inapa believes that increasing the use of materials from sustainable sources and recycling are crucial to achieve the defined climate goals and it has identified the use of packaging materials in logistics as a priority area of intervention.

In 2022, in terms of packaging materials, renewable materials, such as wood and recycled fibres in the form of wooden pallets, corrugated cardboard boxes and paper reams, represented 81% of Inapa's total consumption of packaging materials.

Approximately 15% of pallets are returned and reused. There should be potential to expand the importance of return and reuse. However, disposable wooden pallets are designed to be increasingly more material efficient in economic terms, which stimulates an increase in breakage rates, limiting its reuse.

On the other hand, standard reusable pallets have not been implemented in the paper industry for several reasons. At best, they are used for specific customers and do not offer any savings options.

In the case of office materials ("office") the importance of recycled or renewable materials was maintained in 2022.

AS DESCRIBED AT THE END OF THIS SUB-CHAPTER, THE 2023-24 PLAN INTEGRATES SPECIFIC GOALS RELATED TO THESE SUSTAINABLE DEVELOPMENT GOALS AS ESTABLISHED BY THE UNITED NATIONS

The following table shows the packaging materials used in 2022:

Total of Packaging Materials	2018	2019	2020	2021	2022	22 vs 21 (+/-)
Total weight of renewable materials (in tons)	4,138	1,794	1,674	1,993	1,784	-10%
Total weight of non-renewable materials (in tons)	370	493	139	293	417	42%
Proportion of renewable materials used (in %)	92%	78%	92%	87%	81%	-6%
TOTAL	**4,508**	**2,287**	**2,010**	**2,286**	**2,201**	**-4%**

Total of Operating Materials	2018	2019	2020	2021	2022	22 vs 21 (+/-)
Total weight of renewable materials (in tons)	188	188	151	183	206	13%
Total weight of non-renewable materials (in tons)	-	-	11	53	28	-47%
Toner cartridges (parts)	753	753	871	848	603	-29%
Proportion of recycled materials used (in %)	-	-	14%	22%	12%	-10%
Proportion of renewable materials used (in %)	100%	100%	93%	78%	88%	10%
TOTAL	**188**	**188**	**162**	**236**	**234**	**-1%**

Total of Materials used (renewable / non-renewable)	2018	2019	2020	2021	2022	22 vs 21 (+/-)
	4,696	2,475	1,975	2,522	2,436	-3%

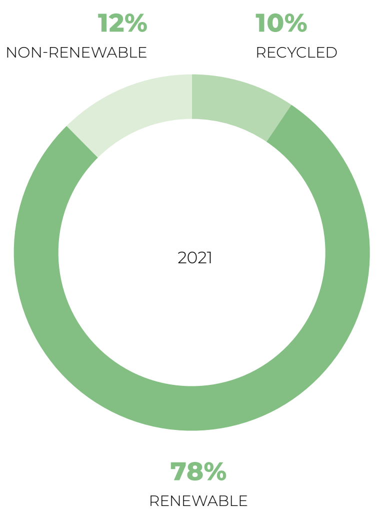
Total of recycled Materials used	2018	2019	2020	2021	2022	22 vs 21 (+/-)
Total weight of renewable materials used (in t)	333	250	188	263	307	17%
Weight of renewable materials used (in %)	7%	10%	10%	10%	13%	2%

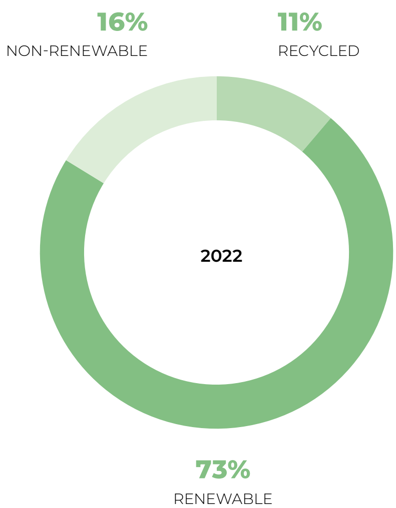
In short, the importance in the mix of renewable and recycled materials in 2022 was of 84%. The representativity on the use of non-renewable materials has increased, standing at 16%. In the next financial year, the goal will be to reverse this trend through specific measures and reduce the use of non-renewable resources.

Regarding the materials used by Inapa, the share of wooden pallets, cardboard, boxes, plastic films and tapes continues to be determinant, which is explained by the huge importance of the activity of storage and logistics.

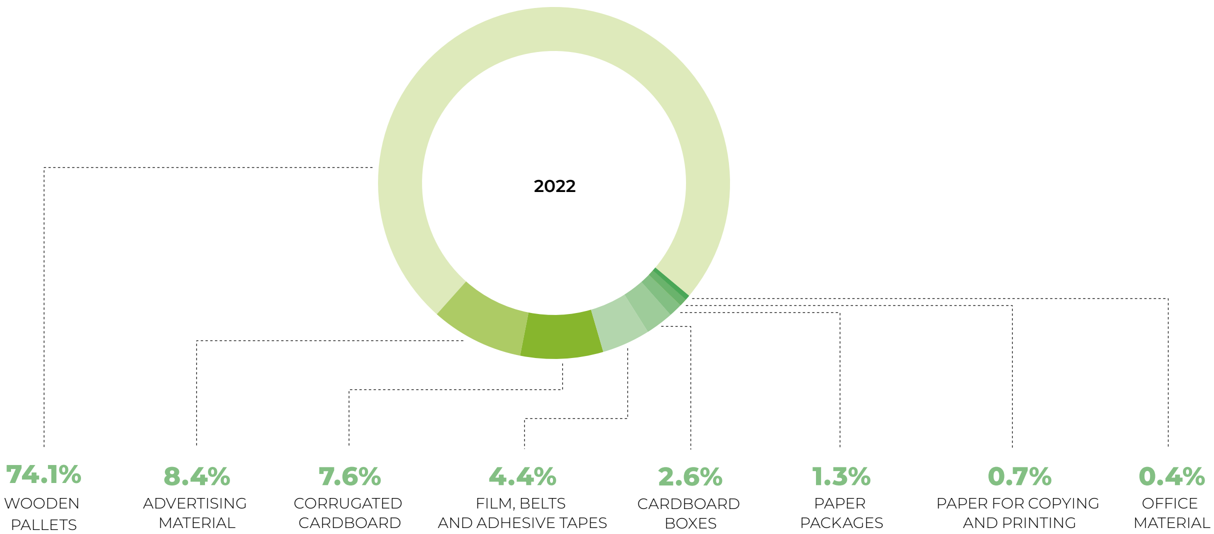
It should also be noted that printed advertising and samples of our products play a key role in the use of materials. We believe in the importance of communicating to our customers and creatives that paper is the basis of our work.

Material mix used by Inapa





Material used by Inapa



3

Ramp up with renewable energy sources

HOW WE MANAGE OUR ENERGY

Inapa's energy consumption was reduced by 17% in 2022.

7 AFFORDABLE AND CLEAN ENERGY *

Inapa's business is driven by three energy factors:

1. The use of heating fuels for warehouse and office building management (Scope 1);

2. The use of fuels for transport with own trucks and for company cars (Scope 1);

3. Electricity consumption for lighting, forklifts, storage systems, IT infrastructure and air conditioning (Scope 2).

In 2022, the Group's energy consumption decreased by 14.8% to 170,210 GJ. Of this amount, 19.6% (33,424 GJ) was provided by renewable energies, which represents a reduction of 3.1 pp compared to 2021 (22.7%).

When compared to 2021, the decrease in total energy consumption is mainly visible in electricity and heating fuels and gas. The facilities occupied by Inapa have been transformed and the closure of facilities and new sites in Germany and France played an important role in the progress made. The energy saving guidelines of public authorities across Europe, in a context of energy crisis and price increases in energy supply, have also contributed for the reduction in terms of consumption.

The reduction of the importance of renewable energies in 2022, was mainly

* AS DESCRIBED AT THE END OF THIS SUB-CHAPTER, THE 2023-24 PLAN INTEGRATES SPECIFIC GOALS RELATED TO THESE SUSTAINABLE DEVELOPMENT GOALS ESTABLISHED BY THE UNITED NATIONS

related to a relatively high decrease in energy consumption in the management of operational sites (buildings energy intensity), which contributed to enhance the relative importance of energy consumed in transport (and which has a higher incidence on the consumption of non-renewable energies) from 43% to 66%.

However, it is important to highlight some of the main initiatives developed in recent years, which also contributed to an unequivocal progress in the importance of renewable energies compared to 2018, 2019 and 2020 (8% vs. 20%).

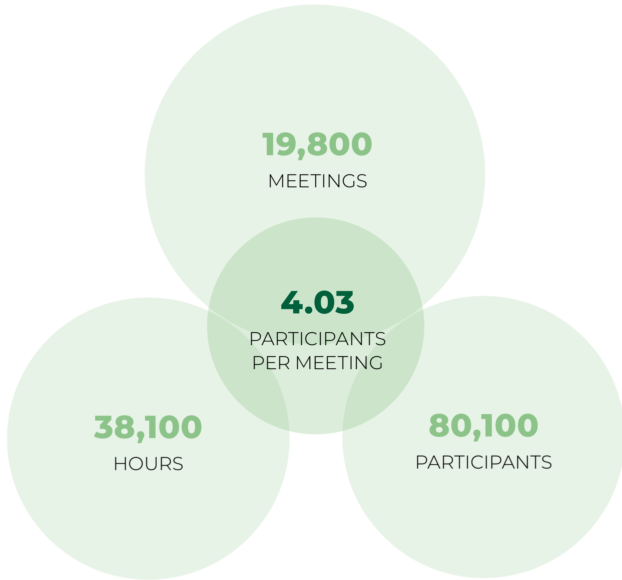
In Germany, around 80% of electricity demand was transferred to wind energy and water-based electricity. Conversion to biogas was also used in some of the facilities in this geography. The production of solar energy produced at Inapa Portugal in Sintra, from 2021, progressed in 2022.

The increased use of electric, hybrid and biodiesel vehicles by the company fleet brought a measurable growth of fuels from renewable energies. It is Inapa's goal to replicate the green electricity contracts and solar panel projects elsewhere to achieve a target renewable energy share of 24% by 2024.

Energy Consumption - Inapa Group

Type of Energy (GJ)	2018	2019	2020	2021	2022	22 vs 21 (+/-)
Total energy consumption purchased within the Group	132,914	172,180	209,291	199,814	170,210	-14.8%
Renewable energy sources	10,111	13,979	16,993	45,307	33,424	-26.2%
Solar energy produced				108	1,197	1,008.3%
Share of renewable energy sources	7.6%	8.1%	8.1%	22.7%	19.6%	-3.0%
Non Renewable energy sources	122,803	158,201	192,298	154,507	136,787	-11.5%
Share of Non Renewable energy sources	92.4%	91.9%	91.9%	77.3%	80.4%	3.1%

There was a general effort to favour the use of the videoconferencing system, mitigating the environmental impact associated with work travel. In 2022, an estimated 19,800 meetings were held by videoconference, totalling 38,100 hours of meetings with 80,100 participants (an average of 4.03 participants per meeting).



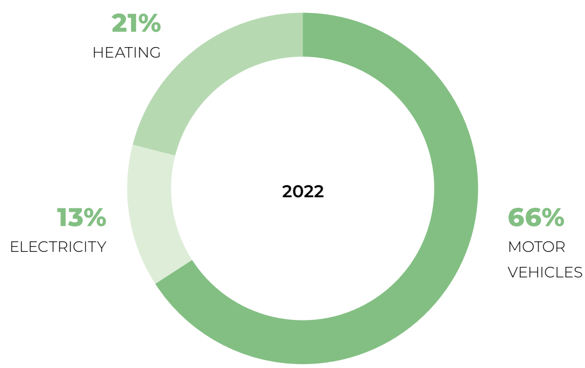
Concerning transports, it should be noted that Inapa continuously invests in renewing its fleet of trucks and cars and in more economical driving technologies that, besides improving exhaust gas values, should also reduce fuel and electricity consumption. For the Group, it is essential to define suitable metrics for monitoring the energy intensity of the company and assessing the measures taken to improve it.

Therefore, there have been introduced the energy performance indicators that respect the following conditions:

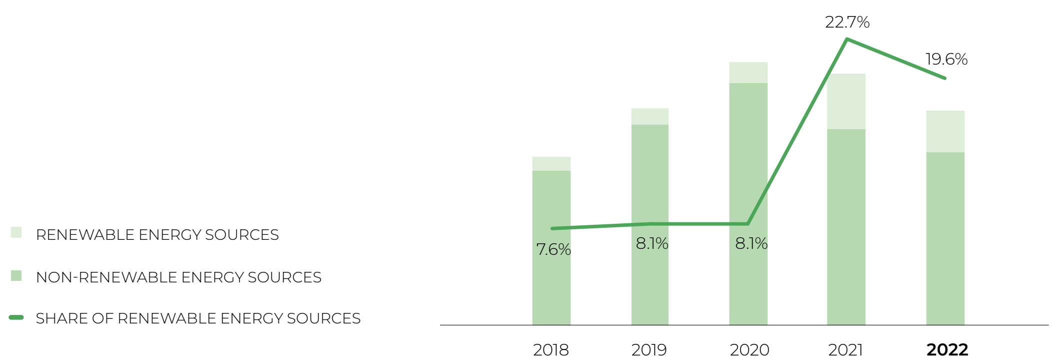
1. The parameters used to determine the indicator must be directly influenced by the company.

2. It must allow a comparative evaluation based on the usual indexes in the sector.

Inapa energy consumption by category



Evolution of renewable energies



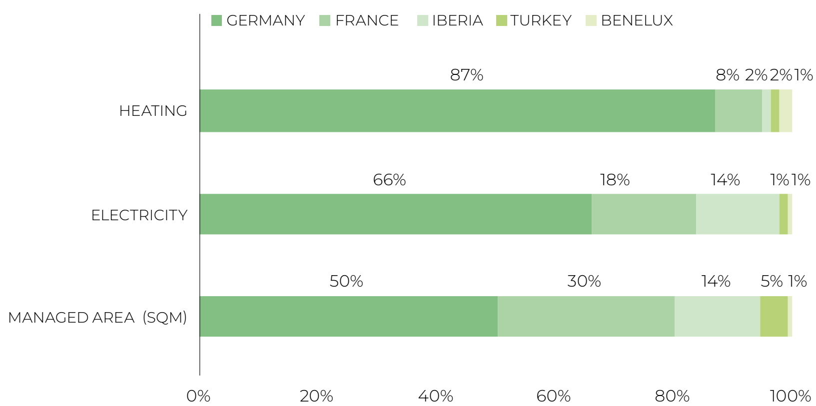
Inapa's energy consumption can be directly influenced in two main areas: the management of operational sites (offices, warehouses) and transportation (with company trucks). Therefore, we have selected an energy intensity indicator to compare the specific consumption of the building with the managed areas (translated into the Amount of Energy / Area of the Building, based on the energy consumption required for the management of our warehouses).

In 2022, the specific energy expenditure of the building was of 58,089 GJ, which compares with a total area of 251,264 m², resulting in an indicator of 0.231 GJ/m² and a decrease of 38.8%, when compared to 2021.

Energy performance in buildings	2020	2021	2022	22 vs 21 (+/-)
Energy consumption (GJ)	88,117	97,776	58,089	-40.6%
Managed Areas (SQM)	313,331	258,921	251,264	-3.0%
Intensity (GJ/SQM)	**0.281**	**0.378**	**0.231**	**-38.8%**

The graph below shows an overview of the individual weighting parameters according to the countries where Inapa operates. Despite the small construction area managed, the share of energy lies predominantly in German operations.

Energy & managed areas by region



Related UN Sustainable Development Goals

Regarding the goals related to the United Nations SDGs for the period 2019-22 and the importance of moving forward with renewable energy sources, a target was set to increase the share of renewable energy use to 12% by 2022. The target has been exceeded. For 2024 we intend to achieve a share of 23.0%.

7 AFFORDABLE AND CLEAN ENERGY

√

7.2 Renewable energies and affordable

Goals 2019-22	Goals 2023-24	2019	2020	2021	2022	2023	2024	Evol. 22-24
Increase the share of renewable energy used in the Group for 12% until 2022.	Increase the share of renewable energy used in the Group for 23% until 2024.	8.0%	8.0%	22.7%	19.6%	21.0%	23.0%	3 pp

Units of measure: Renewable Energy / Total Energy

√ GOALS ACHIEVED/ OVERCOME   X GOALS NOT ACHIEVED

4

Our water footprint

In 2022, a decrease of 2 percentage points was registered in water consumption.

*

At Inapa Group, water is only used for hygiene purposes in our facilities. Occasionally, additional quantities are generated by the management of fire water tanks in some sites.

The water needs of Inapa Group in 2022 were met exclusively by purchasing fresh water to local suppliers.

The sources of suppliers varied from site to site, and there is no information on their origin (water depths, surface water, recycling). There was no evidence of illegal water extraction or of water extraction significantly affecting existing water sources.

-2%
IN WATER CONSUMPTION

Water Consumption per Source (in m³)	2018	2019*	2020	2021	2022	22 vs 21 (+/-)
Total water consumption in the Group	15,209	12,112	13,954	13,186	12,924	-2.0%

(*) DOES NOT INCLUDE DATA FROM PAPYRUS DEUTSCHLAND IN THE SECOND HALF OF 2019

* AS DESCRIBED AT THE END OF THIS SUB-CHAPTER, THE 2023-24 PLAN INTEGRATES SPECIFIC GOALS RELATED TO THESE GOALS OF SUSTAINABLE DEVELOPMENT AS ESTABLISHED BY THE UNITED NATIONS

There is no wastewater treatment. The effluent is discharged to public collectors from local waste disposal companies and the volume discharged was estimated to be in the same order of magnitude as of water supply.

Related United Nations Sustainable Development Goals

Under the goals and targets related to the United Nations SDGs, a target has been set for 2024 to reduce relative water consumption by 10%.

6 CLEAN WATER AND SANITATION

6.4 Clean water and sanitation

Goals 2023-24	2022	2023	2024	Evol. 22-24
Reduce total water consumption by 10%. Eliminate every non-sustainable water withdrawals	0,0514	0,0488	0,0464	10%

Unit of measurement: Water consumption intensity: cubic meters consumed per square meters of building

5

Biodiversity

There are no facilities managed or adjacent to, owned or leased by Inapa in protected areas or in areas with high levels of biodiversity, even if they are not identified as protected areas.

Our operations, our products or our services have no impact on biodiversity. Our Group is not involved in the rehabilitation or protection of these areas.

During 2022 Inapa Group companies continued to support biodiversity by undertaking several initiatives.

Germany

To sustain plant pollination, Inapa Deutschland maintains two colonies of honeybees in the garden of an Inapa employee in Hamburg. The honey bee is an important part of our ecosystem and plays an important role in providing food supply.

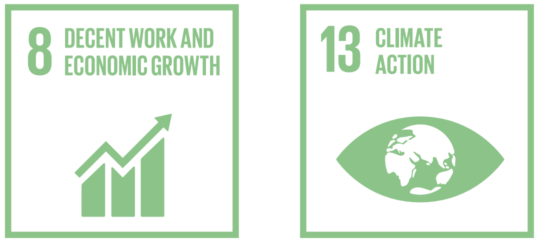
France

Plastic Odyssey is a project that aims to reduce ocean plastic pollution by creating a global network of local recycling initiatives. As part of the customer loyalty program “Lik’Inapa”, Inapa France customers accumulate loyalty points that can be donated to support this cause.

6

Our emissions

In 2022 a 14% decrease was observed in GHG emissions, scope 1 and 2. In parallel, it has also been registered a reduction in GHG emissions scope 3.



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The activities related to the Group's GHG in 2022 respected the commitment of Inapa's Board of Directors to reduce operational GHG emissions, setting ambitious goals and taking effective measures to contribute to the United Nations program "Business Ambition for 1.5 °C" to restrain global warming.

In this context and guided by the results of relevant industry working groups, we have developed reference values associated to the areas that affect Inapa. The expert groups calculated short, medium and long term reduction rates for different economic sectors, taking into account several possible scenarios and influencing factors, such as the availability of alternative technologies, global transportation volumes, implementation difficulties, among others. For Inapa's business model, no specific SBT-based reduction targets were defined in the working groups.

However, short, medium and long-term (2050) reduction targets were presented for the buildings and transport groups, which Inapa considered appropriate to the intensity measurement itself: emissions from these two groups - buildings and transport - should be reduced by 4.4% (buildings) and 3.6% (transport) annually until 2030, to achieve the defined climate targets.

There were also defined specific goals related to UN SDG's 8 and 12, presented at the end of this sub-chapter.

* AS DESCRIBED AT THE END OF THIS SUB-CHAPTER, THE 2023-24 PLAN INCLUDES SPECIFIC TARGETS RELATED TO THESE SUSTAINABLE DEVELOPMENT GOALS, AS ESTABLISHED BY THE UNITED NATIONS

MEASURING GHG INTENSITY OF MANAGED BUILDINGS

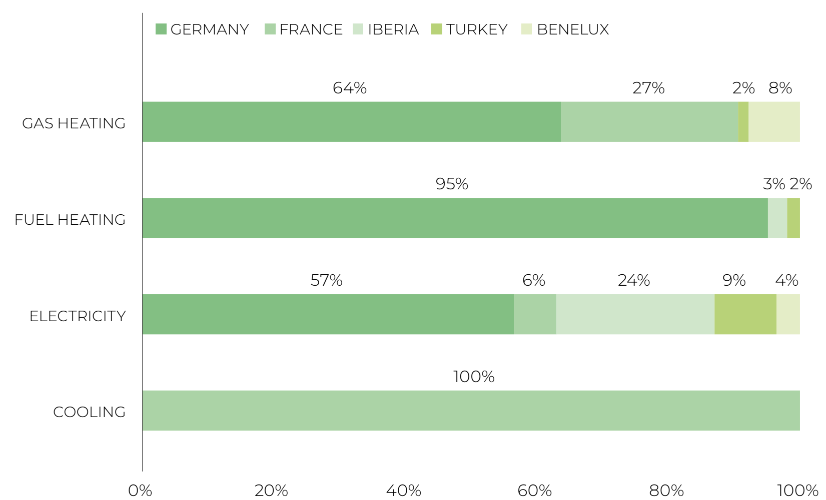
As it was already mentioned, the monitoring of absolute consumption values is limited when it comes to assessing energy intensity of a company's activities. Inapa has introduced an energy intensity indicator for the assessment of GHG emissions in the management of buildings.

In 2022, this indicator was reduced to 7.9 kg CO_2e/m^2 (39.5%), having been strongly influenced by the decrease in consumption and the recent switch to renewable energy in gas and electricity heating in Germany.

ENERGY INTENSITY IN BUILDINGS MANAGEMENT

Category	2021	2022	22 vs 21 (+/-)
Heating w/ Fuel (tons CO_2)	1,848	1,082	-41.5%
Heating w/ Gas (tons CO_2)	1,112	552	-50.4%
Electricity (tons CO_2)	401	337	-16.0%
Cooling (tons CO_2)	23	17	-26.1%
Managed Areas (m^2)	258,921	251,264	-3.0%
Intensity (kg CO_2/ m^2 p.a.)	**13.1**	**7.9**	**-39.5%**

GHG intensity of managed buildings by region



MEASURING TRANSPORT & MOBILITY GHG INTENSITY

Inapa France joined the Initiative Fret21, which aims to encourage companies to act as principals for transporters to better integrate the impact of transport in their sustainability strategy and thus reduce their environmental footprint.

Under the scope of this project, the company has committed to optimise transport routes for customer deliveries with the following actions over the next three years:

- Cooperation with external transporters certified in the area of CO_2 emission reduction;
- Loads Consolidation;
- Reduction of the number of distribution trips and reduction of the distances covered;
- Extension of the fleet with compressed natural gas trucks;
- Improve dialogue with customers to optimise delivery scheduling in order to ensure more opportunities to group quantities.

This project is part of the program EVE and is supported by ADEME as well as a number of professional associations. It is supported by the French Ministry of Ecological Transition and funded by energy suppliers as part of the energy saving certificates scheme.

MODERN TECHNOLOGY ON TRANSPORTS TO REDUCE EMISSIONS

Even though diesel engines will become the basis of Inapa Deutschland's truck fleet in the near future, we are continually investing in optimising them and reducing greenhouse gas emissions. In 2022, for example, thirteen new vehicles with the latest technology entered service and fifteen older vehicles were decommissioned.

Economical and reliable Euro VI engines with optimised consumption, an automatic gearshift system with driving programmes designed for more efficient use, a more efficient power transmission and optimised aerodynamics have enabled a significant reduction in fuel and emissions.

Next year, we will continue the renewal of our vehicle fleet.

DIRECT AND INDIRECT GROUP EMISSIONS (SCOPE 1 and 2)

Year 2022 was highlighted by a decrease in consumption, both in emissions directly attributable to fossil fuel combustion (Scope 1) as well as in indirect emissions although attributed to suppliers (Scope 2), namely from electricity purchases.

Scope 1 direct emissions decreased by 14%, with the largest reduction in absolute values in stationary combustion, namely heating gas and fuel.

Indirect emissions from electricity used in buildings (Scope 2) fell by 16%, as a result of the switch to renewable sources in Germany, which had a positive effect on the balance.

We saw further reductions related to the increase of neutral electricity generated by the solar panel system on the premises of Inapa Portugal in Sintra.

Significant transport-related successes were also achieved, which resulted from the consistent realisation of synergy effects created by the restructuring of the business in Germany, through trucks in service that due to route mergers with other vehicles went out of circulation, increasing the utilisation rate.

INAPA GROUP GHG EMISSIONS (SCOPE 1 and 2)

	TONS CO_2						SHARE					
	2018	2019	2020	2021	2022	22 vs 21 (+/-)	2018	2019	2020	2021	2022	22 vs 21 (+/-)
DIRECT EMISSIONS (Scope 1)												
Company cars & Trucks	5,775	6,598	7,508	5,922	6,041	2.0%	62%	72%	69%	66%	79%	12.4%
Stationary combustion	3,109	2,153	3,320	3,007	1,634	-45.7%	33%	23%	30%	34%	21%	-12.4%
Air conditioning & Cooling	413	464	118	23	20	-13.0%	4%	5%	1%	0%	0%	0.0%
SUBTOTAL SCOPE 1	9,297	9,215	10,946	8,952	7,695	-14%					100%	
INDIRECT EMISSIONS (Scope 2)												
Electricity (market based)	602	1 592	450	401	337	-16%	100%	100%	100%	100%	100%	0%
SUBTOTAL SCOPE 2	602	1 592	450	401	337	-16%	100%	100%	100%	100%	100%	
TOTAL GHG EMISSIONS (Scope 1 and 2)	**9,899**	**10,807**	**11,396**	**9,353**	**8,032**	**-14.1%**						

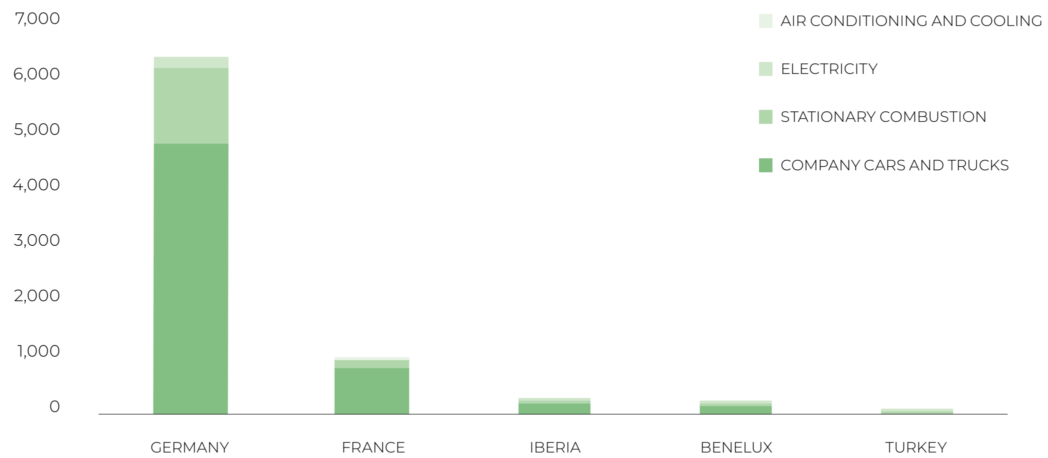
In its core business of paper distribution, Inapa will continue to use fossil fuels to a large extent for building and transport management in the near future.

In the synthesis of scope 1 and 2 emissions by region, the fuel consumption of its own cars and trucks, as well as stationary combustion, are the main emission sources in most of Inapa's geographies. However, Inapa is continuously seeking solutions to achieve optimisation of vehicle usage rates through better route planning and expansion of the external load quota.

The local operational management is responsible for presenting concrete plans and investment requirements as well as funding opportunities.

In this decision criterion, emission reduction goals become more clear and stringent, both as a requirement for the organisation's social responsibility and as a constraint from the relevant state regulatory authorities on environmental legislation.

Scope 1 + 2 , GHG emissions by region



As in all other areas, CO_2 emissions were calculated according to DEFRA (Department for Environment, Food and Rural Affairs), GEMIS (Global Emission Model Integrated Systems) and official EU statistics. Inapa does not produce, export or import substances that destroy the ozone layer and does not emit other significant atmospheric emissions.

Scope 3

INDIRECT EMISSIONS ATTRIBUTABLE TO THE INAPA VALUE CHAIN (SCOPE 3)

As part of their climate management, more and more companies are also addressing greenhouse gas emissions that occur beyond the boundaries of their own facilities along the value chain. These are not within the company's direct sphere of influence and therefore their registration and reporting is not mandatory under the GRI standard protocol chosen by Inapa.

However, Inapa seeks to meet the growing demands of its players by responding to initiatives such as the 1.5 degree Science Based Targets Initiative or the Carbon Disclosure Project. Furthermore, Inapa not only wants to assume its responsibility towards suppliers and service partners within the global value chain of its goods and services, but, as the leading European paper merchant, intends to play a larger role in the reduction of CO_2 emissions.

Inapa considered as most relevant to its business the following key upstream and downstream emission factors in Scope 3, ordered according to the size of their share:

- Emission from the production of purchased goods
- Transport & sale (delivery) of products
- Waste produced by the business
- Business travel
- Energy consumption outside Scope 1+2

Considering the availability of data needed, the effort involved in obtaining and calculating it, and according to their weighting within the individual factors, it was decided to start with the emissions related to products we acquire from our most important suppliers, as a goal to capture at least 80% of the corresponding emissions. In a later stage, the emissions associated with the transport of these products to Inapa or directly to customers will be calculated.

Methodically, the emissions must be calculated according to the Greenhouse Gas (GHG) Protocol Standard, which means that emissions related to products must include the production or extraction/supply of raw materials and subsequent stages of processing, as well as all transportation of materials used to producers (Scope 3.4).

As another parameter, the transportation of goods from suppliers to Inapa or directly from the factory to our customers was analysed, in the emissions category "transportation and upstream distribution" (Scope 3.4).

During data collection from manufacturers and suppliers, it was found that the data on emissions and all the factors to be considered according to the GHG Protocol are not complete, which is explained by the complexity of the production chains at the various stages in the paper industry, whose analysis involves considerable effort. In addition, the inclusion of emissions from the use of goods and their end of life, as required by the GHG, is excluded by manufacturers because it is unpredictable.

In order to draw a picture as realistic as possible of the product-related emissions to be attributed to Inapa, it has also been processed data calculated according to common and recognised industry standards.

In the case of paper, the industry mainly follows EUROGRAPH recommendations for the calculation of the product's carbon footprint (the so-called "Ten Toes").

90% of this information is reported to Inapa through "Profile Paper", the quasi-standard declaration form used by European manufacturers.

The emissions associated with the transport of goods to Inapa warehouses or directly from the factory to our customers were calculated by the suppliers' values.

In cases where these were not available, they were calculated by Inapa itself using the calculation tools of Ecotransit (www.ecotransit.org) and DHL (www.dhl-carboncalculator.com).

SCOPE 3 - GHG EMISSIONS FROM PURCHASED GOODS | 2022

Origin of Production	Production Sites Monitored	Purchased Volume Share	CO_2 Emissions (TO)
Inapa Countries *	39	47.4%	228,049
Europe	42	37.8%	132,061
North America	1	0.7%	488
Asia	7	1.5%	21,758
South America	1	1.0%	2,407
TOTAL	**90**	**88.3%**	**384,763**

* BELGIUM, FRANCE, GERMANY, PORTUGAL, SPAIN, TURKEY

SCOPE 3 - GHG EMISSIONS FROM UPSTREAM TRANSPORT | 2022

Origin	Suppliers with monitored transports	Purchased Volume Share	CO_2 Transport (Ton/CO_2)
Inapa Countries *	39	47.4%	14,721
Europe	42	37.8%	22,087
North America	1	0.7%	561
Asia	7	1.5%	2,145
South America	1	1.0%	439
TOTAL	**90**	**88.3%**	**39,953**

* BELGIUM, FRANCE, GERMANY, PORTUGAL, SPAIN, TURKEY

In Scope 3 of the emissions for year 2022, we have monitored 90 sites and 88.3% of the purchasing volume.

GHG emissions from purchased products decreased by 3% to 384 784 ton/ CO_2 e (down from 395 435 ton/ CO_2). GHG emissions from upstream transportation decreased by 14% to 39 953 ton/ CO_2 e (down from 46 398 ton/ CO_2 in 2021).

SCOPE 3 - GHG EMISSIONS | ANNUAL COMPARISON

Source	2021	2022	22 vs 21 (+/-)
Sites monitored	64	90	41%
Shares of Purchased Volume	91.0%	88.3%	-2.7pp
Emission from purchased goods (ton/CO_2e)	395,435	384,764	-3%
Emission from transport (ton/ CO_2e)	46,398	39,953	-14%

Related United Nations Sustainable Development Goals

Regarding Inapa's emissions level, and in line with the United Nations SDG's, targets related to two SDG's -Dignified work and economic growth and production (8) and Climate Action (13) - have been defined for 2024.

8 DECENT WORK AND ECONOMIC GROWTH

8.4 Dignified work and economic growth

Goals 2023-24	2022	2023	2024	Evol. 22-24
(A) Reduce the material footprint (To/CO_2e; Scope 3 emissions) relative to the volume of goods purchased by 4% until 2024	0,551	0,542	0,530	4%
(B) Reduce internal material consumption levels by 5% until 2024 by improving the ratio of internal material consumption (kg) to volume of purchased goods (tons)	3,160	3,096	3,015	5%

Unit of measurement:

8.4 (A): Footprint associated with materials (To/ CO_2e, Scope 3 emissions; purchased goods + upstream transport) relative to volume of purchased goods (Tons)

8.4 (B): Domestic material consumption (kg) relative to volume of purchased goods (tons)

13 CLIMATE ACTION

√

13.2 Climate Action

Goals 2019-22	Goals 2023-24	2019	2020	2021	2022	2023	2024	Evol. 22-24
Increase resilience and adaptive capacity to climate change related risks, reducing energy consumption and GHG intensity of Inapa's businesses Set ambitious CO_2 reduction targets based on the SBT of the United Nations "Business Ambition 1.5 °C" program.	1. Reduce CO_2 emissions by 10% (in transports)	n.a.	63,483	46,398	39,953	37,955	36,057	10%
	2. Increase monitored purchasing volume to 95% (transports)	n.a.	83%	91%	88%	93%	95%	7 pp

Unit of measurement:

1: Ton/ CO_2

2: % of monitored volume

√ GOALS ACHIEVED/ OVERCOME X GOALS NOT ACHIEVED

7

Waste

The volume of waste produced by Inapa reduced by 24% during 2022.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION *

In 2022, the volume of waste recorded decreased in almost all categories establishing itself in 2015 tons. The effort made by Inapa to control the amounts of waste generated through operations had a positive result. With a 24% reduction compared to 2021, waste consumption equalled its level in 2018.

Compared to 2021, there was a positive evolution in the levels of waste consumption associated with the collection of paper and cardboard waste, packaging waste and, to a lesser extent, also plastics. The importance of household waste, batteries, metals and equipment in the weight of waste is very small and the quantities are stable.

Inapa Group companies follow a policy of waste separation and collection. In 2022, 76% of this waste was recycled. The waste that could not be physically recycled (or composted) has been processed in waste incineration facilities, 70% of which is associated with energy recovery. No waste was sent to landfill.

WASTE PRODUCED BY INAPA GROUP (TO)

Type of waste	2018	2019	2020	2021	2022	22 vs 21 (+/-)
Paper and Cardboard	1,006	1,356	1,090	1,154	992	-14%
Packaging waste	78	313	181	354	187	-47%
Wood	812	518	481	827	526	-36%
Plastic	177	256	201	238	225	-6%
Other waste similar to domestic waste	186	114	139	84	84	0%
Batteries	-	6	0	1	0	0%
Metals	3	3	10	0	1	0%
Electrical and electronic equipment	0	1	3	2	0	0%
Total	**2,261**	**2,568**	**2,105**	**2,660**	**2.015**	**-24%**

* AS DESCRIBED AT THE END OF THIS SUB-CHAPTER, THE 2023-24 PLAN INCLUDES SPECIFIC TARGETS RELATED TO THESE SUSTAINABLE DEVELOPMENT GOALS, AS ESTABLISHED BY THE UNITED NATIONS

It should be noted that some information on the type of waste disposal is based on statistical data from the relevant state environmental authorities, as specific information from on-site waste disposal partners was not always available.

The data presented are based on the quantities of waste collected, weighed and invoiced by the operators separately. Domestic waste was estimated based on removal cycles.

WASTE OF INAPA GROUP IN 2022

Disposal Method	Tons	%
Recycled (closed loop)	1,532	76%
Recovered (including energy recovery)	338	17%
Incineration (without energy recovery)	145	7%

Related United Nations Sustainable Development Goals

The targets related to waste reduction for 2019-2022 have been exceeded. During this period a 22% reduction was observed in Inapa's waste production (from 2,567 to 2,015 tons). For 2024 a further reduction of 15% was set as a goal.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

√

12.5 Sustainable production and consumption

Goals 2019-22	Goals 2023-24	2019	2020	2021	2022	2023	2024	Evol. 22-24
Reduce waste production by 15% until 2022	Reduce waste production by 15% until 2024	2,567	2,105	2,660	2,015	1,864	1,712	15%

Unit of measurement: tons of waste produced

√ GOALS ACHIEVED/ OVERCOME X GOALS NOT ACHIEVED

SOCIAL RESPONSIBILITY

7

Diversity and Inclusion

We are always adpating to the Groups needs for its sustainability.

The diversity of our employees is a key factor in the Group's business relationships, as it is due to this diversity that we can meet the expectations of the different markets in which we are present. Our products are present in more than 40 countries and our sales force gives advice to our customers in seven different languages.

Gender Equality Measures

One of the main objectives of Inapa's Group Human Resources policy is the active promotion of diversity and equal opportunities within the company, regardless of the employees' ethnic origin, gender, age, sexual orientation, disability, and religion. These are the values present in the Code of Conduct, drawn up in 2017 and that remains to this day, with minor adjustments that have been made over the years.

To what concerns gender and diversity, it appears that, up to date, there are no binding standards due to the different sizes of companies in the various countries, their historical development as well as their legal and cultural framework. Having in

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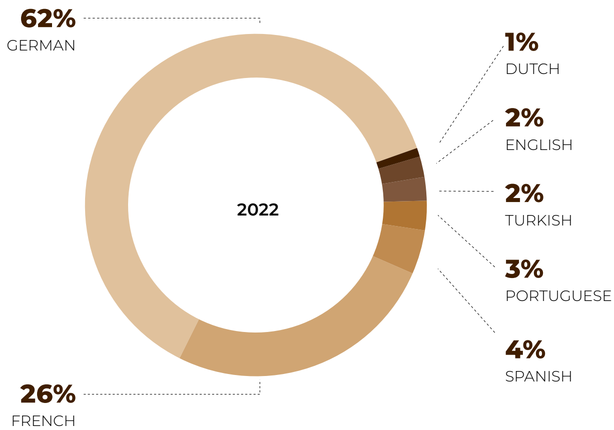
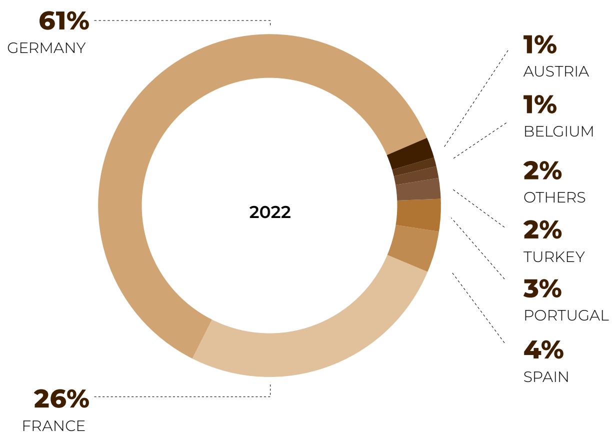
Inapa business by languages:



Geographical breakdown of Inapa sales 2022:



* AS DESCRIBED AT THE END OF THIS SUB-CHAPTER, THE 2023-24 PLAN INTEGRATES SPECIFIC OBJECTIVES RELATED TO THESE SUSTAINABLE DEVELOPMENT GOALS AS ESTABLISHED BY THE UNITED NATIONS.

consideration these factors. The local CEOs are in a better position to apply to their teams the culture formulated at Inapa Code, according to their individual capabilities.

Every year in September, however, the Gender Equality Plan of Inapa Group is disclosed internally and externally, which demonstrates the Group's commitment to the promotion of equality between women and men. Additionally, this same plan is included in the sustainability report so that the Group's intentions in this matter are properly expressed.

The Gender Equality Plan is published on Inapa – IPG's website (www.inapa.pt) in the folder Communications to the Market, in Portuguese as well as in English, to be shared with all Group companies.

Finally, as an action to promote equality and inclusion, Inapa has defined mechanisms for reporting harassment and discrimination behaviors, as well as other unethical behaviors, ensuring the anonymity of the complaint, mechanisms that are included in the Code of Conduct and disclosed to all employees.

In 2022, to comply with the European Union Directive and law nr. 93/2021 of 20 December, Inapa started the process of selecting a company to partner in the preparation of a professional and transparent whistleblowing process, which will allow a greater rigour in dealing with cases of harassment and less appropriate behaviours, whatever their nature and regardless of the intervening parties.

In 2021, a Human Resources area has been created, reporting to the Executive Committee, which assumed the responsibility of making corporate practices uniform, bringing a new approach to diversity, inclusion, and equality, which became more transversal and structured, without neglecting the specificities of the various subsidiaries.

This way, it is intended that the practices, such as, pursuing the strategy, mission, and values of the Group, equal employment opportunities, training, equality in the working conditions, maternity and paternity protection, family assistance, as well as the work-life balance, are uniform, as far as possible, to all the companies of the Group.

Equality Plan

In order that all Inapa's Group companies comply with the European legislative framework (article 7 of law nr. 62/2017, of 1 August and Normative Dispatch nr. 18/2019, of 21 June), and also achieve effective equality of treatment and opportunities between women and men, in 2022 the Executive Committee has communicated its Gender Equality Plan for 2023.

As it was previously done for 2022, the preparation of the 2023 Plan followed the guidelines of in the CITE (commission for

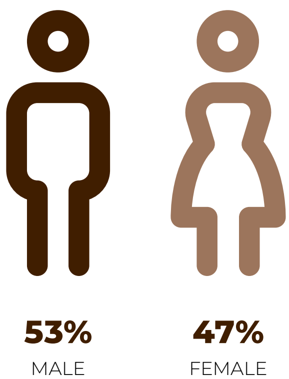
Equality at Work and Employment) guide for that matter and the following diagnosis tools were used:

- Analysis of human resources practices defined and implemented in 2021 and 2022.

- Analysis of the Group's indicators on gender equality.

- Analysis of responses to a questionnaire proposed by CITE, submitted to members of the Boards of the Group's companies, first line directors, managers, and other key job occupations in the Group's subsidiaries. An overall participation of 53% was obtained, of which 53% were male and 47% female.

From this diagnosis, the following conclusions and areas for improvement were identified.



Main conclusions:

- Recognition of the internal and external Group Board's and companies' efforts to demonstrate their commitment to and promotion of gender equality in the strategy, mission, and values, being recognized as a priority issue in the Group and practiced by management teams.

- Group's concern with employees who are temporarily absent from the company, showing total transparency and respect for their needs.

- Implementation of awareness-raising actions for the managers responsible for hiring, hoghlighting the importance of considering non-discrimination practices when selecting candidates.

- When drawing up the training plan, the company bears in mind the principle of equality and non-discrimination between women and men, namely in what regards development opportunities, career progression and the promotion of equal opportunities to management positions.

- Acknowledgement that there is no gender bias or discrimination in the performance evaluation process nor in the career progression.

- Regarding parental leave, it is understood that the company respects the principle of equality between men and women, does not discriminate, complies with legal requirements, and is open to flexibilize when necessary.

- The general opinion is that there is a concern by the Group management to facilitate the employee work-life balance.

- The Group implements and informs its employees about the measures to prevent any type of harassment at work, as well as offences against physical or moral integrity, freedom, honour or dignity of employees. There are mechanisms in the company for reporting such situations.

Areas to Improve

- Internal disclosure of the gender equality plan using all available channels.

- Involvement of the Group's employees on this issue and listening to their opinions.

- Existence of cooperation relationships with public entities and/or civil society organizations that pursue the objective of promoting equality between women and men.

- Encourage the recruitment of men and women for job positions where they are under-represented.

- Give priority, when appropriate, to professionals of the under-represented gender in vocational training actions aimed at professions predominantly carried out by employees of the same gender, to increase diversity.

- Provide more training and performance skills to the genders that are under-represented.

- Creation of a job analysis system, with clear, objective, and transparent evaluation criteria, continuing to respect the principle of "equal pay for equal work or work of equal value".

- Implementation of a system to register employees' interests/career goals to allow their selection and assessment of their incorporation in future jobs.

- Creation of mentoring and coaching programs with the purpose of increasing the network of contacts, visibility, and projection of work, as well as developing leadership skills.

- Definition of training, mentoring and coaching actions for employees returning to work after interruptions for family support and employees in top positions with decision-making responsibility.

- Raising awareness in middle management to issues and behaviors related to gender equality and women's development.

- Ensuring that there is no gender pay gap through regular monitoring.

- Increase of internal awareness-raising actions regarding the possibility of fathers sharing more parental leave with mothers.

- Turning more flexible some specific situations, beyond what is defined in the law of each country, in a more structural way.

- Increase the awareness of managers regarding non-discrimination between men and women on issues related to work-life balance, namely in the management of flexible hours, absences, among others.

- Internal disclosure to reinforce the company's openness towards greater participation of men in work-life balance issues.

In addition to the diagnosis of Inapa practices regarding diversity, inclusion and equality, the preparation of the plan for 2023 was also based on the analysis of the compliance with the actions foreseen in the gender equality plan previously defined for 2022.

Since the actions that we proposed to perform for 2022 were large projects that require a lot of preparation and implementation work, the 2023 plan focuses on the implementation of the actions that are yet to be implemented and consolidation of those that were implemented.

The Group Executive Committee will strive to promote and facilitate actions, most of which will be carried out by local management and human resources management, for each of the Group companies in the different geographies.

Before presenting the new activities of the Gender Equality Plan for 2023, we would like to highlight the activities that will appear in the plans for the coming years, due to the recurrence of the actions in question.

Strategy, mission and values

Measures	Responsible	Areas involved	Indicators	Goals
Disclosure of the Equality Plan. Continue to involve employees in the definition and implementation of the Equality Plan. Encourage employees to participate in the promotion of equality between women and men.				
External disclosure: publication on the website. Internal disclosure: by sending electronic and paper newsletters; publication on the intranet.	Board members Local HRM	Communication	Gender Equality Plan	As soon as the Plan is approved
Inclusion of equality-related issues in the Group's annual survey on the organisational climate.	Board members	Local HRD administration Local management	Survey on Climate	1st quarter
Implementation of survey, focus groups or others, to assess needs concerning diversity, inclusion and equality practices	Local HRM	Board members Local Management	Survey application	Positive progression of the survey results
Involve staff in the implementation of the Equality Plan				
Existence of mechanisms that allow identifying and acting in cases of harassment or discrimination, ensuring the anonymity of the whistle-blower.	Board members	Board members Local HRD Local management	Full compliance through whistleblowing mechanisms	100% in the event of existing cases
Recognize, integrate, and give equal visibility to women and men in all forms of language, both internally and externally. To ensure that employees are informed about their rights and duties in what concerns equality and non-discrimination.				
Adapt the language of all company documents and management and communication tools (reports, regulations, website, intranet, communications, e-mails, images conveyed) to diversity, inclusion, and gender equality.	Board members Local Management	Local HRD Communication	Company's management and communication documents and tools with language adapted to diversity, inclusion and gender equality.	100% of management and communication documents and tools

Continuing Training

Measures	Responsible	Areas involved	Indicators	Goals
Promote equality of opportunities between men and women in the access to training.				
Organisation of training schedules in order to coincide with established normal working hours	Local HRM	Area Managers	Training Plan	Full compliance with

Work-life balance

Measures	Responsible	Areas involved	Indicators	Goals
Work-life balance				
Promotion of teleworking, flexible working hours and the possibility of part-time work whenever justified	Local management Local HRM	Board Directors Managers	Adoption of teleworking, flexible working hours and the possibility of part-time work whenever justified, which is analysed on a case-by-case basis.	Full compliance with

Equality plan for 2023

Strategy, mission and values

Measures	Responsible	Areas involved	Indicators	Goals
Continue to involve all employees in the implementation of the Equality Plan. Encourage the participation of employees in the field of promoting equality between women and men.				
Definition and Implementation of the "Living Diversity, Inclusion and Equality" Programme, which shall be based on the following actions: • Training on protection in parenthood; conciliation of professional and personal life; bias and moral and sexual harassment at work • Focus groups for the definition of improvement actions in diversity, inclusion and equality. • Identification and creation of working groups, implementation and communication of results	Local HRM	Board Local management Communication All employees involved	Nr. of employees involved in the Program	50% coverage in 2023

Equal opportunities towards employment

Measures	Responsible	Areas involved	Indicators	Goals
To promote internal breakdown by gender and achieve a better balance of women and men in the company				
Launch of an internal road show campaign by area/function for women and men covering professions/functions where they are under-represented, in order to obtain testimonials for the internal communication/ promotion campaign for greater diversity and identification of competencies for internal recruitment for the functions covered.	Local HRM	Local management team Responsible for functional areas Communication	% of participation of employees	Participation of 5-10% of target employees in roadshow annually

Continuing Training

Measures	Responsible	Areas involved	Indicators	Goals
Develop management and leadership skills in the women of the Group to achieve a balanced participation of women and men in top decision-making positions and in management and leadership positions				
Creation and Implementation of Training Programs that enable gender harmonisation: • Management and leadership training actions; • Mentoring and coaching programme • Training/orientation actions for middle management on management issues related to the principle of equality and non-discrimination between genders	Local HRM	Administration Communication Local Managers	Ratio of representation of women in management level positions % of managers involved in training actions	Increase in the Ratio until 2024, with a target of 25% reached in 2020 as a reference. 50% of managers involved in training actions
Training actions within the scope of the "Living Diversity, Inclusion and Equality" Programme	HRM	Administration Local Management Communication All employees involved	Nr. of employees covered by the Programme	50% coverage in 2023

Equality in working conditions

Measures	Responsible	Areas involved	Indicators	Goals
Ensure a fair and objective performance evaluation process for women and men.				
Performance evaluation model ensuring that any discrimination is excluded and the attribution of fair grades or scores to all employees regardless of gender	HRM	Administration Directors Managers	Assessment model: objective and non--discriminatory performance	Phased implementation in all geographic areas by the end of 2024
Ensure the principle of equal pay for equal work or work of equal value				
Description of the contents of existing functions in the Group with the definition of the main tasks, regardless of the gender of the employees who will occupy them	Local HRD	Responsible for other functional areas	Description of functional contents	Phased implementation in all countries by the end of 2023
Implementation of a job analysis and evaluation system, seeking to guarantee clear, objective and transparent evaluation criteria, in order to respect the principle of "equal pay for equal work or work of equal value.	Local HRD	Administration Local management team Responsible for the various departments and areas of the company	Qualification of functions and analysis of equal pay with correction plan, if any	Phased implementation in all geographies by the end of 2024

Maternity and parental protection and family assistance

Measures	Responsible	Areas involved	Indicators	Goals
The right to parental leave for female and male employees. To encourage male employees to share the use of initial parental leave.				
Preparation of communication material to adequately disseminate the legislation on: • Parental rights • Pregnancy rights • Exemptions for adoption • Prenatal leave • Assistance to minors • Right to professional reintegration after leave and dispensations	Local HRM	Communication	Dissemination of information	Dissemination of information until the end of 2023 in all geographic areas

Work-Life balance

Measures	Responsible	Areas involved	Indicators	Goals
Reconcile employees' professional and personal life.				
Preparation and launch of the "Improve your Life" programme, which will be based on: • Identification and signing of protocols with physical and emotional well-being entities, childcare/nanny services, institutions for the elderly, among others), especially in areas where partnerships do not yet exist. • Dissemination, through various internal communication media, of resources acquired/negotiated by the company in the geographic area of the company and/or the employees' residence, that facilitate conciliation of professional, family and personal life Local HRD Communication Disclosure of existing resources to support personal life.	Local HRM	Communication	Disclosure of existing resources to support personal life. Nr. of employees using the acquired resources	Implementation of new actions and implementation of the program in the remaining geographies until the end of 2023

Evolution in the number of employees

We are always adapting to the sustainability needs of the Group.

On 31 December 2022, Inapa Group presented a total of 1,652 Headcounts (including the Executive and Non-Executive Committee, as well as the Boards of Directors of the various Group companies). However, for the purposes of the analysis performed in this chapter, we have considered 1616 employees, of the 1,652 headcounts, Inapa Angola operations were excluded, as it is an extremely small operation and with little information organized for reporting, and JJ Loos (French visual communication company), acquired and included in the Group at the end of 2022.

Taking only into account the total number of headcounts that we present in the sustainability report (1,616), in comparison with the previous year, we can see that there was a 1% decrease in the Group's headcounts at the end of the reporting period.

Germany is one of the countries that shows the greatest reduction, with around 5% decrease in its headcount due to a restructuring process that led to the closure of some business units, namely the closure of the Wimsheim logistics operation.

A trend can be observed in the (few) movements in the number and structure of headcounts at Group level (in the year under review) that can be characterized as stable. This trend will eventually change in 2023 and 2024 considering the socio-economic factors that will affect all geographies in the coming years.

It is important to refer that we only mention male gender and female gender or men and women, as no other gender types were reported in the Group.

The figures in the tables below represent the headcount at the end of the reporting period (1,616) and its breakdown.

Staff Composition by Gender and Age Group

Criteria	Nr. of headcounts			Percentage of headcounts		
	2020	2021	2022	2020	2021	2022
Total	**1,709**	**1,639**	**1,616**	**100%**	**100%**	**100%**
By Gender						
Female	547	553	557	32%	34%	34%
Male	1,162	1,086	1059	68%	66%	66%
By Age Group						
< 30 years old	171	124	178	10%	7%	11%
30-50 years old	786	731	680	46%	45%	42%
> 50 years old	752	784	758	44%	48%	47%

NOTE: THE TABLE INCLUDES THE 7 MEMBERS OF THE GROUP'S EXECUTIVE AND NON-EXECUTIVE BOARD, AS WELL AS THE BOARDS OF DIRECTORS FROM THE COMPANIES IN DIFFERENT COUNTRIES.

The tables presented below show the distribution of employees by gender, by different regions, as well as the typology of employees existing in the organization:

Total composition of employees by gender and region

	Male	Female
Portugal	118	83
France	172	128
Germany	689	311
Korda	31	8
Benelux	9	14
Spain	40	13

NOTE: THE TABLE INCLUDES THE 7 MEMBERS OF THE GROUP'S EXECUTIVE AND NON-EXECUTIVE BOARD OF DIRECTORS AS WELL AS THE MANAGEMENT OF THE COMPANIES IN THE DIFFERENT COUNTRIES.

Total workforce by employment type

Headcount	Germany	France	Portugal(*)	Benelux	Korda	Spain
Total Employees	**1000**	**300**	**194**	**23**	**39**	**53**
Number of fixed-term employees	0	0	4	0	0	0
Number of employees with a not defined workload	0	0	0	0	0	0
Number of full-time employees	871	295	189	18	39	49
Number of half-time employees	129	5	1	5	0	4

(*) 7 MEMBERS OF THE GROUP'S EXECUTIVE AND NON-EXECUTIVE BOARD ARE NOT INCLUDED.

France is the country with the greatest balance between men and women in its companies, with the vast majority of employees working full-time.

With regard to employees, who are not employees of the company but whose work is controlled by the Organization, this year there were about 50 employees in the Group as of 31 December 2022. Only a few companies reported the following categories of workers who are not employees:

- Workers on contract with a temporary agency;
- Trainees with internship contracts;
- Trainees with a protocol through their universities, many of them still students;
- Outsourcing workers.

The interns/apprentices in Germany have contracts from 1 to 3 years and many are integrated by the Organization, as such, they are considered for this purpose as employees of Inapa Deutschland, since they have an equivalent situation to employees with fixed-term contracts in most countries.

Over the years, there has not been a very sharp variation in employees, although in previous years this report was not made. The outsourcing regime mainly includes security, catering, and cleaning services and as such, the contracts do not vary from year to year. The variations normally occur in workers with contracts through a temporary work company.

During Covid-19 - and due to some mergers and restructurings - in several countries since 2020 there were periods when the teams were smaller and there was a need for reinforcement, this did not occur this year, currently the countries are in a phase of stabilization of the number of employees and as such the teams are more organized and well sized.

The Executive Committee, Non-Executive Committee and Audit Committee, remained unchanged since the last election in 2019, having been re-elected for the three-year period 2022 - 2024, at the General Meeting of 20 May 2022. The Board of Directors thus continues to consist of seven members, (3 women and 4 men), meeting the requirements of Article 5 of Law No. 62/2017, of 1 August.

The referred deliberations ensured the diversity between men and women contemplated in the diploma in question, having already anticipated the thresholds only applicable after the first meeting held after 1 January 2020 and thus remaining so until the year 2022.

Composition of the Inapa Group Board of Directors (by gender and age)

Age Group	Nr. Gender Female	Nr. Gender Male	Total	% Women vs Men
< 30 years old	0	0	0	0%
30 - 50 years old	1	1	2	100%
> 50 years old	2	3	5	67%
Total	**3**	**4**	**7**	**75%**

Overall, as regards the proportion between women and men in management positions in the Group (Group Executive and Non--Executive Committee, Board of Directors, Directors/heads of and middle managers in Inapa companies), compared to the previous year, there was an increase in the percentage of men and women in management positions in the Group. Compared to the previous year, there was an increase in the percentage of women in management positions, and the current ratio is 1 to 3, that is, approximately one in every three management positions are occupied by women.

This increase in the percentage of women was due to the following factors:

- Decrease of men in management positions in most of the Group's companies, and increase of women;
- Uniformization of concepts and reorganization of functional and transversal categories in all the companies, which led to a change in the numbers in some countries.

The new concepts of functional and transversal categories are as follows:

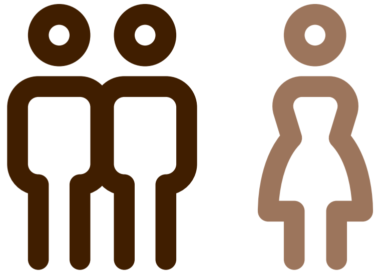
- Board of Directors – Group's Executive and Non-Executive Committee - Management of the companies (CEO, COO, CFO, CIO/ Executive Committee).
- Management:
  - Directors and/or Heads - Directors and Senior Managers responsible for the management of a unit or department, including budgetary, human resources and financial management and definition of the strategic decisions of the Board;
  - Middle Management - Reporting to Directors, Senior Managers and/or the Board. Generally responsible for an area and a team. Responsible for managing planning, activities, and resources. They have a tactical responsibility.

Composition of the Management Team

Age Group	Nr. of Women	Nr. of Men	Total	% Women
< 30 years old	3	2	5	60%
30 - 50 years old	24	67	91	26%
> 50 years old	22	66	88	25%
Total	**49**	**135**	**184**	**27%**

The redefinition of functional categories still underway at the Group level began in 2022 and will continue until the end of 2024, so it is likely that there will be further fine-tuning and slight changes in the coming years. This work is being carried out not only with a view to standardizing practices in the Group, but also within the scope of the actions defined in the gender equality plan, namely in the action "Implementation of an analysis and evaluation system of functions, seeking to guarantee clear, objective and transparent evaluation criteria, in order to respect the principle (equal pay for equal work of equal value)."

Percentage of employees in Group management, by gender 2022



73% MALE

27% FEMALE

United Nations Sustainable Development Goals - Gender Equality

In recent years different goals and targets related to the United Nations SDGs were set by Inapa's leadership. For the period 2022-24 a goal related to the promotion of parity between men and women was established. It is intended that in 2023 and 2024, 40% of leadership positions* are filled by elements of the underrepresented gender.

5.5 Gender Equality

Goals 2019-22	2023	2024
Promote gender parity in leadership positions - 40% of leadership vacancies will be filled by members of the under-represented gender.	40%	40%

Unit of measurement: Number of leadership vacancies filled by members of the under-represented sex/ leadership vacancies (%)

* LEADERSHIP POSITIONS: C-LIGHT / C-LEVEL / MANAGING DIRECTOR; DIRECTORS / HEADS; MANAGERS

Employee turnover in the Group

Acquisitions and restructuring in Germany, as well as minor re-organizations in other countries, have caused the turnover rate to change from one year to the next. In 2022, the global turnover rate was 13%, being lower than the rate observed in the previous year (16%).

The countries with the greatest impact on reducing turnover were Germany and France. In Germany, due to the merger of the German companies into a single company - Inapa Deutschland - 2021 was marked by a number of restructuring processes and uncertainty of the future due to the changes taking place. In 2022 a new restructuring process began without great repercussions on turnover figures in the referred year.

In France, Inapa experienced a sharp reduction in employees due to the closure of an establishment and a warehouse in 2021, and so 2022 was a year of stabilization and consolidation.

Turnover rate

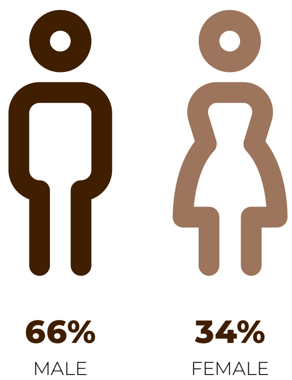
	Number of departures			Turnover Rate		
Criteria	**2020**	**2021**	**2022**	**2020**	**2021**	**2022**
Total	**212**	**259**	**217**	**12%**	**16%**	**13%**
By Gender						
Female	78	82	76	14%	15%	14%
Male	134	177	141	12%	16%	13%
By Age Group						
<30 years old	28	22	42	17%	18%	24%
30-50 years old	93	110	82	12%	15%	12%
>50 years old	91	127	93	12%	16%	12%

THE TURNOVER RATE IS CALCULATED BY DIVIDING THE NUMBER OF EMPLOYEES LEAVING THE COMPANY DURING THE REPORTING PERIOD BY THE TOTAL NUMBER OF EMPLOYEES AT THE END OF THE REPORTING PERIOD.

Number of new starters

	Number of employees			
Critério	**2020**	**2021**	**2022**	**+/- 22-21**
Total	**136**	**103**	**158**	**53%**
By Gender				
Female	56	45	57	27%
Male	80	58	101	74%
By Age group				
<30 years old	44	19	58	205%
30-50 years old	59	64	76	19%
>50 years old	33	20	24	20%

Percentage of employees by gender



In most countries, the proportion of entries and exits of men and women was at 100%, or below this number, which means that there was no great discrepancy between the number of women and men entering and leaving the Group in 2022. Thus, the percentage of women and men has remained constant since 2021.

Additionally, it should be noted that, compared to 2021, the increase in entries of employees under the age of 30 must be highlighted.

Maternity and paternity protection and family assistance

The protection of maternity and paternity, besides being a right of the employees, is part of a set of procedures that enable a better work--life balance, being also considered an important element to attract qualified young talents.

At Inapa´s Group companies it is guaranteed that all employees returning from parental leave assume their previous functions or an equivalent function, even when they are temporarily replaced during their absence.

In comparison with previous years, the rate of return to work decreased slightly. In Portugal, all those who took parental leave in 2022 returned during that year. Germany recorded the highest number of maternity and paternity leaves. In this country, parental leave is longer than one year and can go up to three years or more, making it difficult to have an accurate figure of the percentage of employees who took the leave and returned in the same year.

Return to work rate

	Number of employees			Weight per employee		
Rate of return to work	**2020**	**2021**	**2022**	**2020**	**2021**	**2022**
Total	**30**	**27**	**28**	**67%**	**47%**	**57%**
By Gender						
Female	14	16	13	48%	42%	46%
Male	16	11	15	100%	58%	54%

THE RETURN TO WORK RATE IS CALCULATED AS FOLLOWS: (NUMBER OF EMPLOYEES WHO RETURNED TO WORK AFTER PARENTAL LEAVE)/(TOTAL NR. OF EMPLOYEES WHO TOOK PARENTAL LEAVE DURING THE REPORTING PERIOD)

Parental leave and return to work

Rate of return to work	Number of employees			Female share			Male share		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Employees entitled to parental leave	1709	1639	1616	32%	34%	34%	68%	66%	66%
Employees who took parental leave during the reporting period	45	57	49	64%	67%	69%	36%	33%	31%
Employees who returned to work after taking parental leave	30	27	28	47%	59%	46%	53%	41%	54%
Employees who were still employed 12 months after their return from parental leave	26	13	24	46%	31%	33%	54%	69%	67%

The change in the average number of employees taking parental leave between 2020 and 2022 was around 3% per year. On average in 2022, the percentage of employees who returned to work after their leave ended was around 57%.

Equal pay

In some Inapa operations - namely Germany, France and Spain - the companies are members of employers' associations and are bound by Collective Labour Agreements, ensuring a system based on trust, respect and fairness. Collective agreements ensure commitment in what concerns remuneration.

In the remaining countries, the definition of remuneration is made through a comparison with the market while maintaining a balance in internal equity.

Given the differences in the various countries and the large number of wage categories, it is difficult - if not impossible - to make a direct comparison of income between women and men. Additionally, it is not possible to make a global analysis of all companies, as many of the countries do not have women and/or men in some positions or do not report the data for confidentiality reasons, mainly due to the low number of women and/or men in certain functions/positions.

The table below gives an overview of the proportionality of women's base salary compared to men's base salary.

(%) Proportional ratio of basic salary of Women vs Men (%)

	Base Salary					
	Office			Logistics		
Organization	**Director/ Head**	**Manager**	**Assistant**	**Director/ Head**	**Manager**	**Assistant**
Inapa Portugal	77%	79%	106%	(-)1	(-)1	91%
Inapa España	(-)1	(-)2	63%	(-)4	(-)4	(-)4
Inapa Deutschland	93%	90%	83%	n.a	n.a	82%
Inapa Packaging GmbH	(-)4	107%	99%	n.a	n.a	(-)3
Inapa France	82%	66%	81%	(-)2	(-)2	(-)2
Inapa Packaging France	(-)1	99%	87%	n.a	(-)2	111%
Korda	(-)1	(-)2	285%	n.a	n.a	(-)2
Inapa ComPlott	(-)2	(-)2	86%	n.a	(-)2	(-)2
Inapa Belgium	(-)1	84%	(-)4	n.a	n.a	(-)2
Group Average	**84%**	**87%**	**111%**	**0%**	**0%**	**95%**

(-)1 - PRIVACY REASONS (1 FTE)
(-)2 - NO WOMEN FOUND AT THIS HIERARCHIC LEVEL
(-)3 - NO MEN FOUND AT THIS HIERARCHIC LEVEL
(-)4 - LOW HEADCOUNT

In the table presented on the previous page we can see a relative balance in the ratios presented, with the exception of the ratios which are below 80%.

This is due not only to changes in the categorisation of some functions, as mentioned at the beginning of this report, but also to changes in structure due to the departure of men and the entry of women and vice versa, with different profiles and seniorities.

These changes reflect the effort that countries are making to diversify their teams.

In the following table, which shows the total remuneration income ratios, there is a balance in the Group's companies for all hierarchical levels. There is, however, a slight decrease in most of the ratios when compared to the basic salary table, which means that in terms of total remuneration, women are slightly lower than men.

Proportional ratio of total remuneration (base salary, additional, and variable) between women and men

	Total Remuneration					
	Office			Logistics		
Organization	**Director/ Head**	**Manager**	**Assistant**	**Director/ Head**	**Manager**	**Assistant**
Inapa Portugal	73%	78%	93%	(-)1	(-)1	82%
Inapa España	(-)1	(-)2	47%	(-)4	(-)4	(-)4
Inapa Deutschland	91%	91%	83%	n.a	n.a	75%
Inapa Packaging GmbH	(-)4	103%	97%	n.a	n.a	(-)3
Inapa France	76%	54%	79%	(-)2	(-)2	(-)2
Inapa Packaging France	(-)1	66%	91%	n.a	(-)2	108%
Korda	(-)1	(-)1	228%	n.a	n.a	(-)2
Inapa ComPlott	(-)2	(-)2	74%	n.a	(-)2	(-)2
Inapa Belgium	(-)1	84%	(-)4	n.a	n.a	(-)2
Group Average	**80%**	**60%**	**107%**	**0%**	**0%**	**65%**

(-)1 - PRIVACY REASONS (1 FTE)
(-)2 - NO WOMEN FOUND AT THIS HIERARCHIC LEVEL
(-)3 - NO MEN FOUND AT THIS HIERARCHIC LEVEL
(-)4 - LOW HEADCOUNT

In general, the figures presented do not reflect discrimination in the remuneration of women versus men. However, the Group is increasingly working towards greater parity between women and men, both in terms of job classification, career opportunities, growth and development, among others, and in the income they earn.

As a pattern, all Directors and Managers with non-tabulated salaries are paid according to a model based on their responsibility for revenues and level of leadership. This regulation is independent of sex, gender, age, origin, sexual identity, ideology, religion or differences between employees.

At Inapa Group, we categorize as Senior Managers the Directors and Heads of Department, excluding the Board of Directors of the companies and members of the Group’s Executive and Non-Executive Committee.

For salary comparison, it is important to mention that in Inapa all Senior Managers are “local” managers, since we define “local” as all the countries where Inapa is geographically present and has significant operations. The table below shows the distribution of the Senior Managers in different companies.

Proportion of Senior Managers coming from local communities

Operação	Senior Managers (Nr.)	From local community	Ratio of local senior managers
Inapa Deutschland	24	24	100%
Inapa Belgium	2	2	100%
Inapa ComPlott	2	2	100%
Inapa France	14	14	100%
Inapa Packaging France	0	0	100%
Inapa Packaging GmbH	1	1	100%
Portugal	17	17	100%
Korda	3	3	100%
Inapa España	2	2	100%

Benefits for the employees and their families

As a rule, Inapa Group offers the lowest paid employees a remuneration higher than the local minimum wage, according to their performance.

Not all countries have an internally defined or standardised minimum value, however, there is always an entry level value, even if this is determined informally, in order to maintain internal equity.

Where collective agreements exist within companies, these establish the minimum wage as the starting point of remuneration for different functions. If there is no such agreement, the minimum level must be determined internally considering the market values of each country, for the functions in question.

In Inapa Group countries, where the minimum wage is defined, the entry level salaries of the Group are above the legal minimum wage, offering employees with lower functions, a remuneration above the local minimum wage, according to their performance.

Ratio between the normal entry level wage and the legal minimum wage

	Ratio	
Region	**Office**	**Logistics**
Portugal	115%	100%
France	104%	102%
France Packaging	106%	100%
Turkey	100%	100%
ComPlott	180%	150%
Benelux	114%	118%
Germany	171%	154%
Germany Packaging	156%	138%
Spain	(-)	(-)

(-)1 WITHOUT STANDARD ENTRY SALARY IN SPAIN

Alongside the usual country-specific statutory social benefits, the Group companies provide additional incentives, namely variable cash benefits paid on the basis of outstanding personal performance and the achievement of objectives.

The table below exemplifies the type of benefits, by category, which are granted to full-time employees, and which are not granted to employees on a fixed-term or part-time contract, in the different Group operations.

DISTRIBUTION OF BENEFITS BY TYPE OF CONTRACT

	Benefits granted – Full-time Employees							
Companies	**Life Insurance**	**Health Insurance**	**Protection Impairment and Disability**	**Parental Leave**	**Pension Scheme**	**Equity Participation**	**Bonus**	**Other benefits**
Inapa Portugal	x	x	-	x	-	-	X	-
Inapa España	-	-	-	x	x	-	x	-
Inapa Germany	x	x	x	x	x	x	x	x
Inapa Packaging GmbH	x	x	x	x	x	x	x	x
Inapa France	-	x	x	x	x	-	x	x
Inapa Packaging France	-	x	x	x	x	-	x	x
Inapa Korda	-	x	x	x	-	-	x	-
Inapa ComPlott	x	x	x	x	x	x	x	x
Inapa Belgium	x	-	x	x	x	-	-	-

	Benefits granted – Fixed-term or Part-time Employees							
Companies	**Life Insurance**	**Health Insurance**	**Protection Impairment and Disability**	**Parental Leave**	**Pension Scheme**	**Equity Participation**	**Bonus**	**Other benefits**
Inapa Portugal	-	-	-	-	-	-	-	-
Inapa España	-	-	-	-	-	-	-	-
Inapa Germany	x	x	x	x	x	x	x	x
Inapa Packaging GmbH	x	x	x	x	x	x	x	x
Inapa France	x	-	-	-	-	x	-	-
Inapa Packaging France	x	-	-	-	-	x	-	-
Inapa Korda	-	-	-	-	-	x	-	-
Inapa ComPlott	x	x	x	x	x	x	x	-
Inapa Belgium	x	x	x	x	x	-	x	x

OPEN DIALOGUE

Last year, Inapa did not change its policy of constructive and cooperative dialogue with its employees and their representative bodies, continuing to strictly observe all legal notification deadlines in all matters relating to employee representatives.

Since national legal regulations do not set specific deadlines, we strive to provide timely information to give employee representatives the opportunity to adequately prepare for dialogue.

The typical notice period for employees and their representatives regarding significant operational changes that could fundamentally affect them is between two weeks (France, Belgium and Spain), four weeks (Turkey), and eight weeks (Portugal).

In countries such as France, Germany and Spain, the agreements on Health Management and Occupational Safety Systems are made with employee Trade Unions and/or employee representatives. There are no agreements at Group level.

Committee of Health and Occupational Safety Management Systems

Committee	Level	% Employees represented by the Committee
Committee of Health and Occupational Safety Management Systems at Inapa France	Regional	100%
Committee of Health and Occupational Safety Management Systems at Inapa España	Regional	100%
Committee of Health and Occupational Safety Management Systems at Inapa Germany	Regional	100%
Committee of Health and Occupational Safety Management Systems at Inapa Packaging France	Regional	(*)
Committee of Health and Occupational Safety Management Systems at Korda	Regional	0%
Committee of Health and Occupational Safety Management Systems at Inapa ComPlott	Regional	100%
Committee of Health and Occupational Safety Management Systems at Inapa Portugal	Regional	100%
Committee of Health and Occupational Safety Management Systems at Inapa Packaging GmbH	Regional	100%

(*) PERCENTAGES HAVE NOT BEEN REPORTED.

2

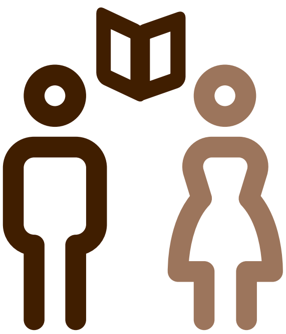
Employees professional development

The educational level, knowledge and competences are a cross-sectional concern of Inapa Group.

The training performance was however higher in 2022. As it will be explained in the following paragraphs, in 2021 we had more training hours for a smaller number of trainees, whereas in 2022, we had a larger number of training hours for a larger number of employees, which in terms of average nr. of training hours per trainee and per gender, gives a misleading impression of underperformance.

Average number of training hours per employer, and by gender

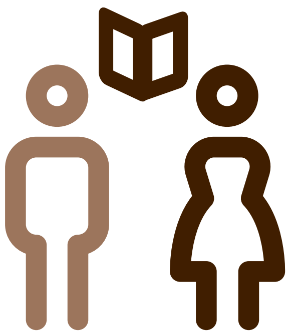
2021



11,8H
MALE

11,0H
FEMALE

2022



10,5H
MALE

11,1H
FEMALE

Continuing training and education - Hours of training by gender

	Nr. of employers attending Training hours				Total number of hours in training programs				Average number of training hours and continuing training per employee			
	2020	2021	2022	+/- 22-21	2020	2021	2022	+/- 22-21	2020	2021	2022	+/- 22-21
Female	260	239	399	67%	993	2 621	4 448	70%	3,1	11	11,1	1%
Male	509	444	651	47%	2 253	5 244	6 855	31%	6,6	11,8	10,5	-11%
Total	**769**	**683**	**1 050**	**54%**	**3 245**	**7 865**	**11 303**	**44%**	**4,2**	**11,5**	**10,8**	**-7%**

In 2022, except for Benelux, all the Group's countries increased the number of employees involved in training actions.

Training is not yet a uniform process in the Group and, as such, there are countries that keep their training plan stable, as it is the case in France, where its training offer revolves around three main axes (this may be a need expressed at company level, at department level, or individually using surveys about the needs and/or professional interviews carried out in the company), and in Germany, which has joined efforts to gather culture and values of the company after unification, with behavioural and leadership training.

On the other hand, countries like Portugal, which doubled the number of employees participating in training activities, began to structure their training plan in 2022, through the creation of a training academy - the [in] Academy - which in the future should be used by the Group's companies wanting to join and wanting to provide varied training to all employees.

In the last quarter of 2022, training started, aimed at Managers. During 2022, Cybersecurity training was provided to all employees, throughout the Group. This trend was the opposite of what was observed with the training supply in 2021, which was more targeted at specific groups.

The Group has got a general concern to organise training schedules according to the employees' working hours, whenever possible.

Regarding the kind of training provided, many of the programs and sessions were aimed at developing specific skills, both behavioural and technical, in the Group's employees.

The following table shows the kind of programs carried out by Group companies for the development of employees' skills but also programs to provide assistance in employees' professional situations.

As far as human rights training is concerned, upon their integration, all employees are informed about Inapa's Code of Conduct, including Inapa's commitment to Labour and Human Rights.

Transition assistance programs	Type and scope of programs implemented, and assistance provided for skills development
No specific programmes were reported other than assistance to retirement and pre-retirement, as well as support schemes for the termination of employment contracts	Main Development Programs implemented: **Germany:** • "future@Inapa"-workshops offered to all employees - building a stronger German company after the merger, 2 years ago. Employees were trained to promote these workshops; • Face-to-face coaching for new managers. • Training program "Inapa fit for future" for employees with high potential, so they have the possibility to develop their skills; **France, Portugal, Spain and Germany:** • Cyber security; • SAP; • Harassment at the workplace; • Leadership competencies; • Competencies on communication; • Technical competencies related with the products, among others. **Turkey and Belgium:** • Cyber security; • Other technical and behavioural training.

3

Promotion of workplace well-being

The training and behaviour of employees is of decisive importance in reducing the occurrence of accidents at work.

The compliance with occupational safety standards is continuously monitored and working conditions are promoted for all employees in a safe and favourable way.

In most Group companies, occupational safety committees have been created which, with the help of external experts, develop programs of workplace-specific measures and monitor their implementation.

In 2022, the number of accidents at work has decreased, in almost all countries, namely in Portugal and Germany, which, curiously enough, were the countries with the highest incidence of accidents in 2021.

The figures presented include various types of accidents at work and commuting accidents. Most injuries were contusions, bruises, strain injuries, stretching injuries. In 2022, there were no accidents of serious consequences and there were no deaths.

3 GOOD HEALTH AND WELL-BEING *

We believe that, in Portugal, the decrease in the number of accidents was caused due to the several measures, implemented by the new warehouse operational manager of Inapa Portugal, many of which did not exist until now due to lack of resources, of which we highlight the following:

- Daily briefings where work accidents and safety measures are subject to metrics and evaluated;
- Reduction in the speed Km/hour of the machines, from 16 Km/hour to 10 Km/hour;
- Warehouse organisation, with limitations for storage and pedestrian passage;
- Restructuring of the layout for greater visibility;
- Use of walkie-talkies in the warehouse;
- Signs for the circulation of cargo and pedestrians.

* AS DESCRIBED AT THE END OF THIS SUB-CHAPTER, THE 2023-24 PLAN INTEGRATES SPECIFIC GOALS RELATED TO THESE OBJECTIVES OF SUSTAINABLE DEVELOPMENT AS ESTABLISHED BY THE UNITED NATIONS

Inapa Packaging Portugal also implemented new safety measures, including new rules for the use of electric cutting machines.

In 2021, Inapa Deutschland has created an Occupational Health and Safety Office to develop joint accident reporting and improve accidents management and prevention, something that prior to the merger was made separately by the different companies (Papier Union and Papyrus). Accident reporting has become more rigorous with the creation of this office, reducing the margin for failure. Thus, in 2021 all accidents began to be reported, resulting in an increase in the number of accidents in that year, since until then the information was lost between companies.

On the other hand, the new safety office and the manager hired for its management, caused an increase in awareness-raising actions, mainly in the former Papier Union sites through training and clarification on accident prevention. This safety manager became responsible for training and to inform all managers and employees.

In other countries such as France, namely in Inapa Packaging companies, prevention training is provided every year, alerting to the risks of accidents at work, both in logistics (warehouses) and in offices.

As a consequence of the intensification of the various prevention actions, in the countries, there was a large reduction in the number of accidents in 2022, having been reflected in the average incidence rate of accidents at work of the group per 1000 employees, which suffered a decrease of 23% when compared with 2021.

Incidence rate of work accidents in the Group, per 1,000 employees

2019	2022
22,4	**19,6** (-12%)

Female				Male				Total			
2020	2021	2022	+/- 22/21	2020	2021	2022	+/- 22/21	2020	2021	2022	+/- 22/21
12,8	12,3	9	-27%	28,4	32	25,5	-20%	23,4	25,4	19,6	-23%

NOTE: THE CALCULATIONS IN THIS AREA INCLUDE ALL TYPES OF EMPLOYEES AND FREELANCE WORKERS OR CONTRACTORS WORKING ON INAPA PREMISES (INCLUDING TEMPORARY WORKERS, SUBCONTRACTORS, AND TRAINEES). WITHIN THE CATEGORY OF ACCIDENTS AT WORK, WE ALSO CONSIDER ACCIDENTS ON THE WAY FROM HOME TO WORK AND VICE VERSA.

Number of work accidents by type and gender

	Female				Male				Total			
	2020	2021	2022	+/- 22/21	2020	2021	2022	+/- 22/21	2020	2021	2022	+/- 22/21
Total nr. of accidents	7	7	5	-29%	33	36	27	-25%	40	43	32	-26%
Total nr. of accidents at work	4	4	2	-50%	30	31	23	-26%	34	35	25	-29%
Nr. of commuting accidents	3	3	3	0%	3	5	4	-20%	6	8	7	-13%
Nr. of fatal accidents	0	0	0	0%	0	0	0	0%	0	0	0	0%

THE NUMBERS LISTED INCLUDE SEVERAL TYPES OF INJURY. SOME MINOR (FIRST AID LEVEL) INJURIES HAVE BEEN REPORTED.

Recordable work accident rate per 1 million working hours (LTIR – Lost Time Incident rate)

Female				Male				Total			
2020	2021	2022	+/- 22/21	2020	2021	2022	+/- 22/21	2020	2021	2022	+/- 22/21
7,9	8,2	6	-16%	18,2	19,8	19	3%	14,8	16,1	14,9	2%

THE FIGURES LISTED INCLUDE VARIOUS TYPES OF INJURY. SOME MINOR INJURIES WERE REPORTED (FIRST AID LEVEL). FOR THE CALCULATION OF HOURS WORKED OR AN ESTIMATE WHEN THIS WAS NOT POSSIBLE TO OBTAIN.

United Nations Sustainable Development Goals (SDGs) - Quality Health

In recent years different goals and targets related to the United Nations SDGs have been set by the Inapa Group leaders. For the period 2019-22 it was established the goal of improving the rate of work accidents and occupational diseases of all Inapa employees by 5% until 2022. The goal was achieved having been registered a variation of the average incidence rate of work accidents per 1000 employees from 22.4 to 19.6 (corresponding to a reduction of 12% in this indicator) in the period between 2019 and 2022.

Until 2024 we intend to reduce this indicator to 18.0.

3 SAÚDE DE QUALIDADE

3.D. Quality Healthcare

Goals 2019-22	Goals 2023-24	2019	2020	2021	2022	2023	2024	Evol. 22-24
Improve the work accidents and occupational illness rate of all Inapa's employees - 5% until 2022	To reduce the "Average Incidence Rate of Accidents per 1000 employees" to 18.0 until 2024	22,4	23,4	25,4	19,6	19,0	18,0	2 p.

Unit of measurement: Average Incidence Rate of Work Accidents per 1000 employees

Human rights

The respect for Human Rights is a core value to Inapa. Due to its complex international supply chain, Inapa Group is exposed to the risk of being confronted, directly or indirectly, with violations of the law or human rights.

Inapa commits to take responsibility and to take action regarding human rights issues in accordance with the ten principles of the United Nations Global Compact (UNGC), in the Modern Slavery Act (MSA) and the Corruption Perception Index (CPI).

In the year under review, Inapa expanded the scope of its Supply Chain Monitoring Program which covers the vast majority of the Group's purchasing volumes.

The information on respect for human rights is made available to all stakeholders of Inapa's Group through the components of this report relating to sustainability. If it has not already been done, the Compliance department will raise awareness of these issues among Group employees through training courses referring to the Inapa Code.

Until now, human rights violations have been reported to Inapa's Executive Committee as part of the internal risk report, when necessary. There were no confirmed cases of human rights violations in the reporting period.

Non-discrimination

As previously mentioned, all employees must follow the guidelines of the Group's Code of Conduct, also regarding reporting situations of inappropriate behaviour and harassment towards colleagues and third parties.

Thus, each employee has the responsibility to report or communicate when they find out or are the victims of an unethical or potentially harmful situation.

If an employee becomes aware of a possible violation of Inapa's Code of Conduct, he/she has the duty to report it. Failure to do so may result in disciplinary action.

Any reported situation of non-compliance will be treated as confidential and, if requested, anonymously.

Line managers, Directors or the Group Ethics Officer will review the possible non-compliance reported and will suggest the best course of action for the investigation.

They will also be responsible for keeping the process confidential and reporting on its progress and conclusions.

Inapa values the help of employees who identify possible issues that need to be addressed. Any person who reports a non--compliance situation will be treated with dignity and respect and will not be subject to any disciplinary action or retaliation for reporting sincerely and in good faith.

Any acts of retaliation (threats, intimidation, exclusion, humiliation and raising concerns maliciously or in bad faith) are considered a breach of the Code and will not be tolerated.

In 2022, a case of moral harassment was reported in the Group. After the report was made by confidential letter, we have opened an investigation process. An instructing commission was also set up, consisting of the CEO of the local company, the workers' representative, and the area director. The main functions of this committee were to gather the necessary information for the process, analyse the results and settle the proceedings.

The whole process was accompanied by local lawyers so that the procedures were in line with local law, it was also reported and accompanied to the Group's ethics officer (Group legal officer), the person appointed for reporting cases of undue accusations. As a result, the employee who exercised disrespectful, discriminatory, and harassing conduct was sanctioned.

Child labour

As described in the Group's Code of Conduct, Inapa is committed to support and respect Human Rights, ensuring that they are not violated in its operations, with its stakeholders, or with whomever it does business with, following the Universal Declaration of Human Rights and international conventions and treaties.

Inapa commits to i) not employ child or forced labour and condemn such practices by third parties, ii) respect the freedom of association to trade unions iii) comply with all legislation and regulations, namely regarding safety and hygiene, iv) ensure good working conditions and v) promote fair compensation and training for its employees.

All Inapa's employees are committed to work according to the human rights and labour principles and rights.

Community engagement

Inapa Group is committed to play an active role in the communities belonging to its geographical units, by developing a relationship of trust, positive impact and fostering business sustainability.

The beginning of conflict in Ukraine originated the beginning of a global food crisis and the consequent general increase of fuel prices and inflation. Inapa Group organized campaigns to raise donations to Ukraine through UNICEF and local institutions.

With the support of Inapa Deutschland, Korda and Inapa in Portugal, the Group made a total donation of € 11,000 to UNICEF. Being in Ukraine for 25 years, already rooted in the communities, this organization knows the most urgent needs of those on the ground and allows, in less than 48 hours, to respond to the needs of children and their families.

In a simple, quick way and in close connection with the local UNICEF, online campaigns were created, and monetary donations went directly to the organisation.

In France, in partnership with the Villabé Chamber, Inapa France organised a collection of material goods to be distributed in Ukraine.

Inapa Belgium (in Belgium and Luxembourg), has joined a national campaign in all Belgian radio stations where one could donate money by requesting a song of their choice, with the rationale of raising donations.

In the countries all together, the contributions raised certainly made a difference in supporting Ukraine.

Iberia

Inapa's Calendar

In 2022, Inapa Group promoted the 10th edition of the Inapa Calendar project, with the collaboration of students from different schools in Portugal and Spain. This project consists in giving design students the opportunity to participate in a real project preparing them for professional life.

The result is the presentation of about 500 works made by students from various schools. With this calendar being a real success among its customers, training for students from the 13 Universities continues to take place either in person or by videoconference. This initiative was divided into two phases: the presentation of the theme to students was made in 2021, and the presentation of the works took place in 2022.

Project Mister Carlos

Being aware that the practice of sports is essential for the development of young people at risk and recognizing the importance for social development of playing team sports and more specifically for the development of emotional and sensory skills of each person, Inapa Packaging in Portugal sponsors a local football team to promote the development of these young people, providing the increase of their self-esteem and self-confidence. These children will be able to face life with greater resilience, dedication, and loyalty, taking care of their physical and mental health.

Running for a good cause

In Portugal, Inapa companies invested in sport and sustainable initiatives, highlighting the participation of an "InapaTeam" in the "Women Always Race", in November 2022. This initiative has the main goal of raising funds for the Portuguese Association to Support Women with Breast Cancer and aims to raise awareness among as many women as possible for the importance of prevention and early detection of this pathology.

By inviting employees to participate with a friend (+1), Inapa Group contributed with a donation in the amount of the entries made.

Green Energy by Inapa

The sustainability component comes to life with this project, which places Portugal in 5th place among the countries that use renewable energies to produce electricity. Since 2020, after the installation of photovoltaic panels, the results have been very positive, noting that in 2022 the energy consumed by Inapa Portugal's facilities in Sintra was 100% self-produced. In numbers, since the installation of photovoltaic panels, it has reduced CO_2 emissions by 175 tons.

Social integration of people with disabilities

As well as in the previous year, Inapa España promoted the social and labour integration of people with disabilities through the hiring of security personnel by the company Ilunion, under the ONCE Foundation (LISMI Law).

The ONCE Foundation for the Cooperation and Social Inclusion of People with Disabilities was created in February 1988, by agreement of the ONCE General Council, as an instrument of cooperation and solidarity of the Spanish blind people towards other groups of people with disabilities for the improvement of their living conditions.

Spain also continues to sponsor the Spanish Karting championship in the junior category.

Blood collection

In collaboration with the Lisbon Centre for Blood and Transplantation (CSTL), Inapa promoted a session for Blood Collection at the premises of Inapa Portugal in Sintra.

Under the motto "Helping others is in your blood?" many employees attended that morning and, although not all could be blood donors (many of them because of Covid-19), 72% of the candidates were considered suitable for blood donation, of which more than half were new donors!

Inapa considers it essential to promote this gesture among the younger generation: through such a simple act we can save lives and/or improve the health and quality of life of many patients. People aged between 18 and 65 years old can consult the conditions required to be a blood donor at:

https://www.ipst.pt/index.php/pt/dador-de-sangue

and *www.dador.pt*

There were also campaigns to collect food and goods for some associations and paper donations were also made to various entities in Portugal and Spain.

Families with a Soul

The Foundation of Obra Social das Religiosas Dominicanas Irlandesas is a social solidarity institution based in Oeiras and develops its activity with children of different ages.

Through the project "Families with a Soul" it aims to reduce isolation and contribute to inclusion and empowerment.

Inapa contributes to this cause by offering paper, allowing children of this institution to have, in their free time, paper to draw on.

The paper offered by Inapa is also used to supply the financial and administrative area.

France

"Ecole de la 2e chance" (E2C)

Over the past few years, Inapa France and the French Ministry of Education have been working together on the problems of school attendance and learning difficulties. This initiative took place with the help of 15 trainees and 14 volunteer hours made available by the company for presentations.

E2C was created to respond to young people who, every year, leave the school system without a diploma or qualification and experience difficulties in integrating into the labour market. E2C trainees are motivated young people who have chosen a second chance, with the help of support tailored specifically to their needs.

In the French department of Essonne, E2Cs are in two sites: Ris-Orangis and Courtaboeuf.

Recruitment and retention of workers with disabilities

Every year, employers and integration institutes mobilise at national and at European level to launch events such as the European Disability Employment Week (EDEW) and the "Semaine Européeenne pour l'Emploi des Handicapés (SEEPH)", which aim to raise awareness about the recruitment and retention in employment of disabled workers in the public and private sectors.

Disability is often misunderstood in companies and is perceived in a very stereotypical way. However, currently 80% of disabilities are invisible and do not require any adaptation of the workplace. It should be noted that if the disability of these workers is not visible, their skills and motivation are guaranteed to be. Through communication with its employees during the week dedicated to Inapa France, the aim was to change the way people look at people with disabilities.

International Day of Women's Rights

As it is common in all markets, France celebrates some festive days as it is the case of the International Day of Women's Rights. In 2022, a testimonial collection action was carried out to celebrate the women of Inapa France.

Last year we had 88 women, which represents 44% of Inapa France employees, with an average age of 46 years old. It is with great pride that we report that, according to the gender equality index, we have in the French market an overall progress of 21%.

Project “Gardons la Vue”

In 2022, Inapa Packaging in France has again supported this project of the Stargardt Foundation, which brings together people affected by Stargardt disease (a hereditary eye disease that affects the central area of the retina) to boost medical research and facilitate the development of new treatments to stop the evolution of the disease and restore vision.

With a sportive and social character, the “Gardons la Vue” project aims to raise awareness of Stargardt’s disease through the participation of a sailboat in regattas during the sports season. The boat, serving as a “megaphone” of the Foundation, aims to raising funds for research and investigation of the disease. Inapa Packaging France contributes to this cause with the participation of a crew in these sportive events.

Belgium and Luxembourg

As it has been an annual practice, Inapa Belgium makes paper donations to several organizations that support and help people with drug and psychotropic problems.

In 2022, Inapa Belgium supported schools and youth associations, through donations and vouchers (offering weekends, day activities or small gifts) allowing the investment in new educational materials and toys for children in Ecuador.

Germany

Support to the Katharinenhöhe Rehabilitation Clinic

For another consecutive year, Inapa Deutschland supports this clinic that is specialized in inpatient and family rehabilitation of children, adolescents, and young adults.

The young patients suffer from cardiological, oncological or other serious chronic diseases and receive competent psychological support in addition to the necessary medical care in this institution.

Inapa Deutschland supports this cause every month by rounding up employees' salaries to the full amounts in euros deposited in the account. Thus, the amounts in cents from the transfer are forwarded to the institution as a monetary donation.

Bike-Job-Bike

On the sustainability component, Inapa Deutschland provides employees with the opportunity to rent a company bicycle for commuting. The benefit granted by the company as non-pecuniary is paid with the monthly salary in the form of deferred compensation and is taxable at only 0.25% of the gross list price per month, according to the currently applicable tax regulations.

Paper donation to *Viva con Agua*

In 2022, we again highlighted Inapa Deutschland's support of the work of Viva con Agua from St. Pauli EV through paper donations. The association's 30-page annual report in DIN A5 format was printed on Enviro® paper.

The worldwide water projects supported by Viva con Agua are designed to be sustainable and follow the W.A.S.H. principle, i.e., they always include sanitation and hygiene supply components to ensure permanent access to clean drinking water.

GREEN Magasine with paper Enviro

The second edition of GREEN Magazine - which focuses on sustainable ideas from across Europe - was sponsored by Inapa Deutschland, with the supply of paper for printing the magazine, which was made on Enviro® top of the range.

Volunteering and donations

To celebrate the "International Volunteer Day" on 5 December 2022, Inapa Deutschland's employees have collected several donations for charitable causes: warm winter clothes, sleeping bags and sleeping mats made available to the homeless and the needy in the city of Hamburg.

Non-perishable food items were also donated to the institution Hamburger Tafel EV, one of the largest voluntary organisations in Germany, which is entirely funded by private donations with no public funding. Only food that is donated to Tafel can be distributed to those in need.

Este é o sexto ano consecutivo que a Inapa publica o relatório de sustentabilidade, promovendo a transparência e a otimização das suas práticas, bem como a adoção de princípios de sustentabilidade, quer interna, quer externamente, junto dos seus colaboradores e *stakeholders*, respetivamente.

Este relatório foi elaborado de acordo com as diretrizes da Global Reporting Initiative – GRI 4.

As informações deste relatório abrangem o ano fiscal transato, de 1 de janeiro de 2022 a 31 de dezembro de 2022.

ADDITIONAL INFORMATION

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Activities and employees		
2.6	Activities, value chain and other business relationships	Pages 14 to 41, 393 to 403
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2.12	Role played by the Chairman of the main Governing Body in supervising the management of impacts	Pages 42 to 48, 334 to 342, 410 to 414
2.13	Delegation of responsibility for managing impacts	Pages 50 to 56, 334 to 342, 406 to 409
Strategy, policies and practices		
2.14	Role of the highest corporate governance body in sustainability reporting	Pages 406 and 407
2.15	Conflicts of interests	Pages 364 to 367, 379, 381 and 472
2.16	Communication of concerns	Pages 333, 334 and 410
2.18	Performance evaluation of the highest governance body	Pages 312 to 320, 323,324,367
2.19	Remuneration policies	Pages 345 to 367
2.20	Process for determining remuneration	Pages 345 to 367
2.21	Proportion of total annual remuneration	Pages 345 to 367
2.22	Sustainable development strategy statements	Pages 390 to 392, 411 to 416
2.23	Policy commitments	Pages 390 to 410, 486 to 487
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201-3	Defined benefit obligation and other retirement plans	Pages 120 to 121, 172 to 181
201-4	Financial assistance received from government authorities	Pages 79 to 88
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Pages 472 to 474
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Pages 78 to 88
203-2	Significant indirect economic impacts and extent of impacts	Pages 78 to 88
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Page 395
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GRI STANDARD DISCLOSURES	DESCRIPTION	INFORMATION AVAILABLE
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GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Page 429
302-2	Energy consumption outside the organization	Page 429
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GRI 303: Effluents and Waste 2018		
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GRI 304: Biodiversity 2016		
304-1	Location in protected areas, or adjacent to, and areas with high biodiversity value outside protected areas.	Page 436
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GRI 305: Emissions 2016		
305-1	Direct GHG emissions (Scope 1)	Pages 437 to 446
305-2	Indirect GHG emissions (Scope 2) from the acquisition of electrical or thermal energy consumed by the organization	Pages 437 to 446
305-3	Other indirect GHG emissions (Scope 3)	Pages 437 to 446
305-4	GHG Emissions Intensity	Pages 437 to 446
305-5	Reduction of GHG Emissions	Pages 437 to 446
305-6	Emissions of substances that deplete the ozone layer, by weight	During the period under review, no procedures, or fines for non-compliance with environmental laws and/or regulations were imposed to Inapa Group. It should be noted that there were no identified cases of significant potential/real negative effects on the environment associated with suppliers.
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant atmospheric emissions	
GRI 306: Waste 2020		
306-1	Waste generation and significant impacts related to waste	Page 447
306-2	Management of significant impacts related to waste	Page 447
306-3	Waste generated	Page 448
306-4	Waste not destined for disposal at end use phase	Page 448
306-5	Waste disposal at end use phase	Page 448
GRI 308: Suppliers Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Pages 398 and 399
308-2	Negative environmental impacts in the supply chain and decisions taken	Pages 401 and 402

GRI STANDARD DISCLOSURES	DESCRIPTION	INFORMATION AVAILABLE
GRI 400: SOCIAL		
GRI 401: Employment 2016		
401-1	Rates on new recruiting and employee hires	Pages 468 to 469
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 475 to 476
401-3	Maternity/paternity leave	Pages 470 to 471
GRI 402: Labour Relations 2016		
402-1	Minimum notice periods regarding operational changes	Page 477
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Pages 481 to 484
403-2	Hazard identification, risk assessment, and investigation on accidents	Pages 481 to 484
403-3	Occupational health services	Pages 481 to 484
403-4	Employees participation, consultation, and communication on occupational health and safety	Page 477
403-5	Training of employees in occupational health and safety	Pages 481 to 484
403-6	Employees and workers health promotion	We did not obtain reporting information in most of the countries.
403-7	Prevention and mitigation of occupational health and safety impacts directly related to business relations	Page 481 to 484
403-8	Employees covered by the occupational health and safety management system.	Page 477
403-9	Workplace accidents	Pages 481 to 484
403-10	Occupational diseases	We did not obtain reporting information in most countries. We figure out that there were no records during the reporting period.
GRI 404: Training and Education 2016		
404-1	Average Training hours per year per employee	Pages 478 to 480
404-2	Programs to improve employees' skills and career transition assistance programs	Page 480
404-3	Percentage of employees that receive regular performance and career development reviews.	Although the data from all Group companies was not reported, in general, most functions are subject to evaluation through various tools: performance evaluation; 360° feedback; team evaluation; target control, among others, depending on the company. The Group is currently working towards standardizing evaluation practices.
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity in governance bodies and employees	Pages 452 to 469
405-2	Ratio of basic salary and remuneration of women vs men	Pages 472 to 473
GRI 406: Non-Discrimination 2016		
406-1	Discrimination cases and corrective actions taken	Pages 486 to 487
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers with their right to exercise freedom of association and collective bargaining conventions considered at risk.	We are not aware of any records of operations and suppliers where employees cannot exercise their right to freedom of association and collective bargaining considered at risk.

GRI STANDARD DISCLOSURES	DESCRIPTION	INFORMATION AVAILABLE
GRI 400: SOCIAL		
GRI 408: Child Labour 2016		
408-1	Operations and suppliers identified as having significant risk for incidents of child labour.	We are not aware of the existence of records on cases of operations and suppliers with significant risk for incidents of child labour.
GRI 409: Forced or Compulsory Labour 2016		
409-1	Operations and suppliers identified as having significant risk for incidents of enforced or compulsory labour.	We are not aware of the existence of registered operations and suppliers with significant risk of enforced or compulsory labour incidents.
GRI 410: Safety Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	We are not aware of the existence of records on direct hiring of security personnel trained in human rights policies or procedures.
GRI 411: Rights of Indigenous Peoples 2016		
411-1	Cases of violations involving rights of indigenous peoples.	During the reporting period there were no reported accidents related to the violation of rights of indigenous communities.
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments and development programs	We are not aware of the existence of formal systematic programs or procedures for the engagement with local communities, impact assessment or program development. The introduction of this type of measures is not yet planned.
413-2	Operations with negative, significant, real, and potential impacts on local communities.	We are not aware of the existence of operations in locations with a real/potential significant risk capable of causing adverse or even negative effects on local communities.
GRI 414: Supplier Social Screening 2016		
414-1	New suppliers' selection based on social criteria	Pages 395 to 403
414-2	Negative social impacts in the suppliers' chain and measures adopted	Pages 395 to 403
GRI 415: Public Policies 2016		
415-1	Political Contributions	During the reporting period, direct or indirect monetary and non-monetary contributions were not made.
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of health and safety impacts of product and service categories	100% of our product and service categories were examined for their health and safety effects across the life cycle.
416-2	Number of incidents of non-compliance concerning the health and safety impacts of products and services	During the reporting period, there were no breaches of regulations or voluntary codes in relation to health and safety impacts of products and services.

GRI STANDARD DISCLOSURES	DESCRIPTION	INFORMATION AVAILABLE
GRI 400: SOCIAL		
GRI 417: Marketing and Labelling 2016		
417-1	Requirements for product and service information and labelling	Pages 422 to 423
417-2	Incidents on non-compliance relating to information and labelling of products and services	There were no incidents of non-compliance with regulations and/or codes related to information and labelling of products and services.
417-3	Incidents of non-compliance related to marketing communications	During the period under review, Inapa complied with all regulations or voluntary codes related to marketing communications, including advertising, promotion and sponsorship.
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the period under review, no complaints were reported to our organisation regarding the protection ofour customer privacy or regarding hte violation of the protection of data protection.

Taxonomy

Framework

The European Union has been making efforts to clarify and standardize criteria that define whether an economic activity is qualified as sustainable, from the environmental point of view, namely with the objective of facilitating the allocation of financial resources to sustainable investments.

In this context, the EU Regulation 2020/852 has been published and it defined the European Union Taxonomy (EU Taxonomy), recognizing as environmentally sustainable for investment purposes the economic activities that:

- Contribute substantially to at least one of the six environmental objectives: i) climate change mitigation, ii) climate change adaptation; iii) sustainable use and protection of water and marine resources; iv) transition to a circular economy; v) pollution prevention and control and vi) protection and restoring of biodiversity and ecosystems;

- Do not undermine significantly any of the other environmental objectives;

- Ensure compliance with minimum social standards, cumulatively, on Human Rights, Corruption, Taxation and Fair Competition.

The economic activities that are deemed to contribute to each of the six environmental objectives - referred to as “eligible activities” - and the technical criteria that each activity must meet to qualify under the EU Taxonomy, are defined through delegated acts.

In December 2021, the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139) was published, establishing the first set of activities and technical assessment criteria relating to a substantial contribution to climate change mitigation and adaptation. In February 2022, the European Commission presented a Complementary Climate Delegated Act that includes, under strict conditions, specific nuclear energy, and gas activities in the list of economic activities covered by the Taxonomy. The draft was formally adopted on 9 March 2022 (Regulation 2022/1214) and published in the Official Journal on 15 July 2022. It is applicable as of 1 January 2023. According to the Complementary Climate Delegated Act the companies covered must disclose additional information regarding their activities in these two sectors (nuclear energy and natural gas).

These Acts are to be subject to regular reviews, with the inclusion of additional activities and updating of the technical eligibility assessment criteria.

In 2021, non-financial companies reported their Taxonomy eligible activities in relation to the activities listed in the Climate Delegated Act (contribution to climate change mitigation and adaptation objectives). On these activities, the eligibility of economic activities was reported, in terms of Turnover, OPEX and CAPEX. For the fiscal year 2022, in addition to eligible activities, non-financial companies - as is the case of Inapa - must assess and report the alignment of these activities with the application of technical criteria and minimum social standards.

In this scope, the Group discloses, in its 2022 report, the inherent results of the eligibility analysis and alignment of its economic activities.

Eligibility analysis

From the analysis carried out on the activities of Inapa Group and taking into account the activities provided in Annexes I and II of the referred EU Delegated Regulation 2021/2139 (Climate Delegated Act), the activities presented in the table at the end of this page were identified as eligible, regarding their contribution to the climate change mitigation goal.

It should be noted that Inapa's core business is not yet included on the list of activities of the EU Taxonomy, so the reporting for 2022 refers only to activities considered supportive, thus not fully reflecting Inapa's commitment to sustainable development. For this reason, the indicators related to eligible activities in 2022 are low, and no figures regarding Turnover of eligible activities are presented.

Among the environmental goals defined in article 9 of the EU Regulation 2020/852, but not yet included in the EU Taxonomy Report, the transition to a circular economy is an area to which Inapa Group has long been very committed: 93% of the waste generated in operations is recycled or used for energy recovery, up to 15% of the pallets used to transport customer orders are reused, a significant part of the packaging materials used in logistics warehouses are made of renewable resources.

CODE	ACTIVITY	DESCRIPTION
6.15	Infrastructure for road transport and low carbon public transport	Electricity chargers
6.5	Transport in motorbikes, passenger cars and light commercial vehicles	Electric vehicles in passenger cars fleet
6.6	Road freight transport services	Private fleet of low emission trucks and optimization of fleet and routes
7.6	Installation, maintenance, and repair of renewable energy technologies	Photovoltaic panels

Alignment analysis

Inapa has developed the Taxonomy alignment analysis based on the interpretation of the Taxonomy Regulation, the Climate Delegated Act and the standards made available by the European Commission.

To determine the percentage of alignment, Inapa assessed for each activity the criteria of "substantial contribution" and "no significant harm (NSHC)", having concluded that activities 6.15, 6.5, 6.6 and 7.6 are aligned with

KPIs EU TAXONOMY

Turnover		Code	Absolute Turnover	Proportion of Turnover	Substantial contribution criteria: Climate change mitigation	Substantial contribution criteria: Climate change adaptation
ECONOMIC ACTIVITIES	**DESCRIPTION**		**K€**	**%**	**%**	**%**
A - Taxonomy - Eligible activities						
A.1 - Environmentally sustainable (taxonomy-aligned) activities						
Infrastructure for road transport and low carbon public transport	Electric chargers	6.15	0	0%	100%	0%
Transport in motorbikes, light passenger vehicles and light commercial vehicles	Electric vehicles in the fleet of passenger cars	6.5	0	0%	100%	0%
Road freight transport services	Own fleet of low emission trucks	6.6	0	0%	100%	0%
Installation, maintenance and repair of renewable energy technologies	Photovoltaic panels	7.6	0	0%	100%	0%
Turnover from environmentally sustainable (taxonomy-aligned) activities (A.1)			0	0%		
B - Taxonomy - Non eligible activities						
Turnover from activities not eligible for taxonomy (B)			1,246,554	100%		
TOTAL TURNOVER (A+B)			**1,246,554**	**100%**		

the Taxonomy, for the objective of mitigation of climate change.

Regarding compliance with Minimum Standards, the analysis was carried out at Group level, having concluded for compliance assurance in the various areas (Human Rights, Corruption, Taxation and Fair Competition), as detailed in this report.

"no significant harm" criteria (NSHC)								
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution prevention and control	Biodiversity and ecosystems	Minimum social safeguards	Taxonomy-aligned Proportion of Turnover	Enabling / Transition Activity
S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	C/T
	S	S	S	S	S	S	0%	C
	S	S	S	S	S	S	0%	C
	S	S	S	S	S	S	0%	C
	S	S	S	S	S	S	0%	C
							0%	

OPEX		Code	Absolute OPEX	Proportion of OPEX	Substantial contribution criteria: Climate change mitigation	Substantial contribution criteria: Climate change adaptation
ECONOMIC ACTIVITIES	**DESCRIPTION**		**K€**	**%**	**%**	**%**
A - Taxonomy - Eligible activities						
A.1 - Environmentally sustainable (taxonomy-aligned) activities						
Infrastructure for road transport and low carbon public transport	Electric chargers	6.15	0	0%	100%	0%
Transport in motorbikes, light passenger vehicles and light commercial vehicles	Electric vehicles in the fleet of passenger cars	6.5	0	0%	100%	0%
Road freight transport services	Own fleet of low emission trucks	6.6	875	26%	100%	0%
Installation, maintenance and repair of renewable energy technologies	Photovoltaic panels	7.6	0	0%	100%	0%
OPEX from environmentally sustainable (taxonomy-aligned) activities (A.1)			875	26%		
B - Taxonomy - Non eligible activities						
OPEX from activities not eligible for taxonomy (B)			2,505	74%		
TOTAL OPEX (A+B)			**3,380**	**100%**		

"no significant harm" criteria (NSHC)								
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution prevention and control	Biodiversity and ecosystems	Minimum social safeguards	Taxonomy-aligned Proportion of OPEX	Enabling / Transition Activity
S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	C/T
	S	S	S	S	S	S	0%	C
	S	S	S	S	S	S	0%	C
	S	S	S	S	S	S	26%	C
	S	S	S	S	S	S	0%	C
							26%	

CAPEX		Code	Absolute CAPEX	Proportion of CAPEX	Substantial contribution criteria: Climate change mitigation	Substantial contribution criteria: Climate change adaptation
ECONOMIC ACTIVITIES	**DESCRIPTION**		**K€**	**%**	**%**	**%**
A - Taxonomy - Eligible activities						
A.1 - Environmentally sustainable (taxonomy-aligned) activities						
Infrastructure for road transport and low carbon public transport	Electric chargers	6.15	19	0%	100%	0%
Transport in motorbikes, light passenger vehicles and light commercial vehicles	Electric vehicles in the fleet of passenger cars	6.5	0	0%	100%	0%
Road freight transport services	Own fleet of low emission trucks	6.6	1001	4%	100%	0%
Installation, maintenance and repair of renewable energy technologies	Photovoltaic panels	7.6	0	0%	100%	0%
CAPEX from environmentally sustainable (taxonomy-aligned) activities (A.1)			1,020	4%		
B - Taxonomy - Non eligible activities						
CAPEX from activities not eligible for taxonomy (B)			24,138	96%		
TOTAL CAPEX (A+B)			**25,158**	**100%**		

“no significant harm” criteria (NSHC)								
Climate change mitigation	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution prevention and control**	**Biodiversity and ecosystems**	**Minimum social safeguards**	**Taxonomy-aligned Proportion of CAPEX**	**Enabling / Transition Activity**
S/N	**S/N**	**S/N**	**S/N**	**S/N**	**S/N**	**S/N**	**%**	**C/T**
	S	S	S	S	S	S	0%	C
	S	S	S	S	S	S	0%	C
	S	S	S	S	S	S	4%	C
	S	S	S	S	S	S	0%	C
							4%	

METHODOLOGY

As defined by EU Taxonomy, the reported amounts have been calculated in accordance with the Consolidated Financial Statements for the year ended on 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS), effective on 1 January 2022 and as adopted by the European Union.

The EU Taxonomy requires companies to disclose how they avoided duplication in the consideration of eligible economic activities (numerator), i.e. in determining turnover, capital expenditures and operating expenses.

Inapa determined the eligible expenses based on its financial accounting, ensuring that the cost elements were considered only once when calculating indicators.

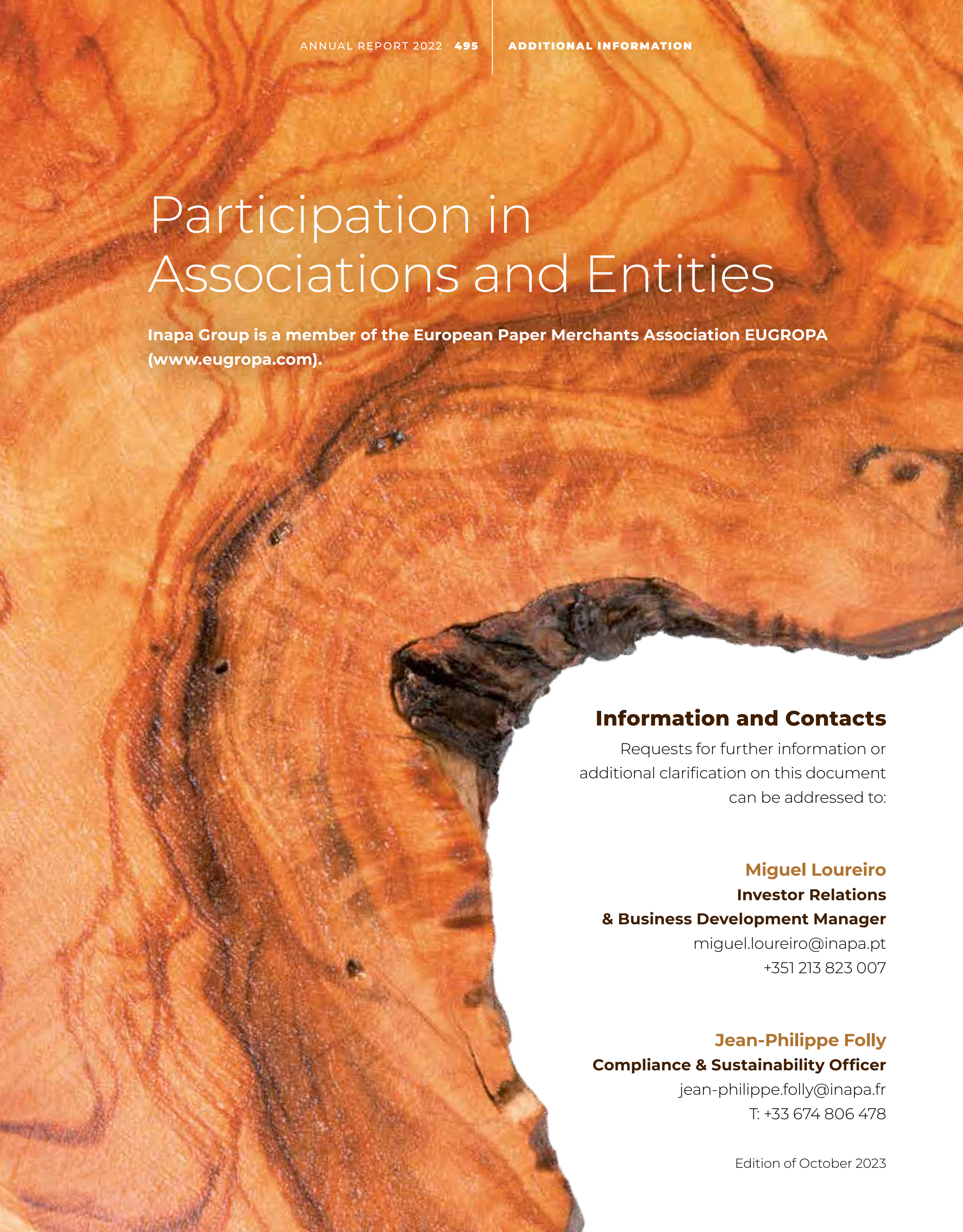
The values considered as eligible relate essentially to asset additions of rights of use regarding the own fleet of low emission trucks.

The total values considered (denominators on the calculation of the ratio of eligible activities) were determined as follows:

- **Turnover:** Corresponds to the consolidated number of sales, services rendered and other income, determined on the basis of the consolidated financial statements as of 31 December 2022 (Note 25 of the Consolidated Financial Statements as of 31 December 2022).

- **CAPEX:** Corresponds to the sum of acquisitions of property, plant and equipment, intangible assets, and assets under rights of use made in 2022 (Notes 7 and 9 of the Consolidated Financial Statements as of 31 December 2022).

- **OPEX:** Corresponds to the following expenses determined based on the Consolidated Financial Statements as of 31 December 2022: expenses with maintenance and repair of buildings and other fixed assets and expenses with short-term rentals (“Short Term Leases”).



Participation in Associations and Entities

Inapa Group is a member of the European Paper Merchants Association EUGROPA (www.eugropa.com).

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