

**THE NAVIGATOR COMPANY, S.A.**  
**Public Company**

Headquarters: Mitrena, Apartado 55, 2901-861 Setúbal  
Registered at the Commercial Register of Setúbal  
Share capital: € 500,000,000 - Corporate Entity: 503 025 798

**Privileged Information**

In accordance with and for the purposes of article 17 of the Regulation (EU) number 596/2014 of the European Parliament and of the Council, of 16 April 2014, and of number 1 of article 248 of the Portuguese Securities Code and other applicable regulations, The Navigator Company S.A. (“Navigator”) is providing the following clarification to the market:

The Navigator Company is permanently following the evolution of the public health emergency situation, having implemented a contingency plan at the end of February, based on the General Health Directorate’s guidelines. Furthermore, it has also created an Office responsible for managing and monitoring the spread of the Covid-19 virus across the Group, reporting directly and regularly to the Executive Committee.

The contingency plan outlined by Navigator is essentially aimed at protecting the health of all employees and the community in general, as well as ensuring the continuity of operations. Thus, the Group has been communicating and implementing with its employees and entities to which it relates a set of measures, instructions and recommendations for prevention and strong containment, widely disseminated across the Company which has allowed operations to proceed as usual and without any disruption to the client’s service.

The demand for uncoated woodfree paper (“UWF”) has been stable during the beginning of the year and Navigator recorded a high level of paper orders in January and February, registering during mid-March the second highest order book ever. However, from the last weeks of March onwards, a large number of countries where the Group operates have gone into lockdown, with the shutdown of commercial activities, schools, universities and offices, impacting directly the activity of our clients and leading to a significant reduction in global paper consumption.

Specifically, in the last four weeks, Navigator registered an important reduction in its order book, with several orders being canceled and postponed until the end of this quarter and after, namely orders to be produced in April and May.

In light of this situation, the Company has decided to reduce its paper output in line with the current market conditions in the 120 countries where it operates, and will stop gradually and temporarily production in some of its UWF paper machines. This stoppage will start on April 22<sup>nd</sup> and is currently estimated to last for a period of 30 days. For now, the stoppage of these machines will result in a reduction of output of 700 tons per day, with the possibility of reaching a maximum reduction in global output of almost 2000 tons per day. This stoppage will not impact on the worker´s income.

Even though the consumption of UWF has demonstrated in the past stronger resilience in comparison to other types of printing and writing papers, we are currently operating under exceptional circumstances. These measures, also exceptional, are considered necessary so that the Group can optimize its operations, remaining agile and quickly reacting to the significant changes which occur on the market on a daily basis. Navigator will continue, as always, to work hard at capturing all business opportunities available, that will allow reducing the length of downtime.

Integrated pulp production will be adjusted accordingly to the production needs of the remaining paper machines. The Aveiro´s pulp mill continues to operate under business as usual, both regarding the production of market pulp and tissue. The tissue mill in Vila Velha de Ródão is also operating as planned.

Navigator is planning to mitigate the expected drop in sales with the implementation of several cost reduction measures and a significant revision of its CAPEX plan for 2020. At this moment, Navigator enjoys a comfortable liquidity situation, resulting from a significant increase in cash position and available credit lines, as well as a thorough management of working capital, namely from an efficient management of paper and raw-materials inventories.

In this context of strong uncertainty, the Company is following on a daily basis the market evolution, keeping deeply committed to ensure the health and well-being of its employees and families, as well as the continuity and sustainability of its business operations.

Lisbon, April 21<sup>st</sup>, 2020