



Press release – 21 April 2020

Tissue production and market pulp remain at 100%

Navigator temporarily reduces UWF production by 15%

In order to keep an adequate balance between supply and demand, thus to avoid building unnecessary stock throughout the supply chain, we have decided , to temporarily reduce our UWF paper production capacity immediately by approximately 15%, a level that can be reviewed in the coming weeks according to the market evolution.

Until mid-March, we had the second highest order book ever in our history. However, in the last five weeks, due to the COVID crisis that is affecting our economies, with the consequent lockdown of schools, offices, retailers and other business sectors that had a clearly negative impact in printing and writing paper consumption, we experienced a reduction of orders, as well as, several postponements to the end of Q2 and Q3.

Hence, we will reconsider this decision on a continuous basis and adjust it according to the evolution of demand. We would like to reassure our channel partners and customers that this decision will not have any negative impact on our ability to fulfil all existing orders, as well as those still to be booked. We are well prepared to return to our maximum capacity at any moment. Our market pulp and tissue businesses are running normally.

We are continuously reviewing our contingency plan, keeping our key objectives unchanged concerning the health and protection of our staff, suppliers and

customers and keeping our industrial sites and offices in safe and healthy conditions.

Navigator will continue to take all reasonable measures to contain COVID-19 risks and maintain business operations. We will keep your team fully updated on the status of our operations and activities.

About The Navigator Company

The Navigator Company is an integrated producer of forests, pulp and paper, tissue and energy, whose activity is carried out in modern, large-scale factories, with cutting-edge technology, and which is a benchmark of quality in the sector. The Company's business model is based on an excellent raw material – *Eucalyptus globulus* – whose intrinsic characteristics allow the development of a distinctive strategy, based on high quality products, which today are an international reference in this sector.

The Company is the third-largest Portuguese exporter, representing approximately 1% of the national GDP and 2.4% of national goods exported, and generates the greatest National Value Added. In 2018, The Navigator Company had a turnover of approximately € 1.6 billion. Nearly 91% of the Group's products are sold outside Portugal and are exported to approximately 130 countries.

Consolidating its position as a European leader in the production of uncoated woodfree printing and writing paper (UWF) and ranked fourth worldwide, the company is also Europe's biggest producer (ranked fifth worldwide) of bleached eucalyptus kraft pulp (BEKP). The company recently entered into the *tissue* business and currently has a 65 thousand tonne production capacity of finished product per year at the Vila Velha de Ródão factory and 70 thousand tonnes at the new Cacia factory.

The Navigator Company has successfully followed a strategy of innovation and development of its own brands and *premium* products, which translates into a market share in Western Europe of 19% in UWF, around 54% in the *premium* sector and with a weight of 64% of its own brands in its sales.

The Company has over 110,000 hectares of forest under its management and the largest certified nursery in Europe, with the capacity to produce 12 million plants per year. The Group has vertically integrated forest activity with its own Forest Research Institute, which is a global reference in the genetic improvement of the *Eucalyptus globulus*. It creates a vast forest area in Portugal, 100% certified by the FSC® (FSC C010852) and PEFC™ (PEFC/13-23-001) international systems. It also has the installed capacity of 1.6 million tonnes of paper, 1.5 million tonnes of pulp (80% integrated into paper), 135 thousand tonnes of tissue, producing around 2.5 Twh of electricity each year. It is responsible for approximately 4% of the energy production in Portugal and 52% of the energy produced from biomass.

In early 2019, The Navigator Company was classified by the Carbon Disclosure Project (CDP) as a global leader in fighting climate change, reaching a prominent place on this organisation's "A" list. The Company was recognised for its actions in 2018 for cutting emissions, reducing climate risks and developing a low carbon-impact economy. It was the only Portuguese company to obtain the maximum classification, and became one of only five companies in the world in the sector of pulp, paper and forests to receive this distinction.

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