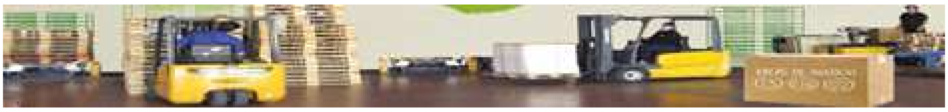
2020 RESULTS ANNOUNCEMENT

WE EMPOWER OUR ROOTS

55 YEAR HISTORY

inapa



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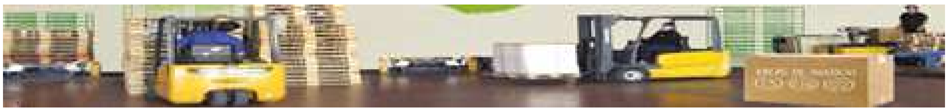


1. MESSAGE FROM THE CEO

2020 was one of the most challenging years that Inapa had to face during its 55-year of history.

The pandemic caused by Covid 19 had a very significant impact on writing and graphic papers consumption which, according to Eurograph, suffered a 20% contraction in Western Europe when compared to 2019. After a second quarter with a decrease of 38%, there was a progressive recovery, which was halted by the second Covid wave by the end of the year, resulting in a weaker demand than initially forecasted.

We must highlight in 2020 the merger of Papyrus Deutschland into Papier Union, under the new company name Inapa Deutschland. The consolidation of this activity after the acquisition in August 2019, allowed Inapa to obtain an important market share gain, limiting the reduction of turnover to 1%, surpassing once again in 2020 the one billion euro annual turnover mark.

We continued the implementation of our strategic plan for the 2019-2021 period, achieving a positive progression along the strategic development axes.

Regarding the optimization of Paper Distribution, we concluded the process of synergies resulting from the acquisition of Papyrus France, having closed the facilities in Tremblay and Pantin. In Germany, with the merger between Papyrus Deutschland and Papier Union, we have made significant progress in implementing the synergies plan, with the closure of several locations and the resizing of teams. The savings already identified are above those initially estimated and presented to shareholders.

In 2020 we started the implementation of Inapa Group new ERP (SAP 4 / HANA), having already migrated all operations from Papyrus Deutschland to the new system. Despite the impact of Covid-19 and the significant travel limitations, with a direct implication in the implementation of ERP, we expect to conclude in 2021 the migration to the ERP of all operations in Germany and in two other geographies, allowing us to achieve a higher level of Group efficiency.

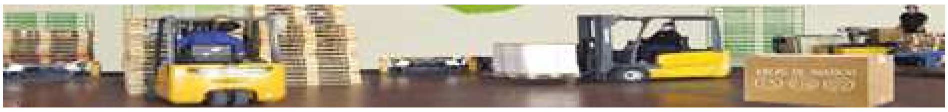
The turnover of the Complementary Businesses as a whole proved to be resilient to the economic environment, having grown by 1% compared to 2019 when considering the cross-selling activity. The sales focus on higher margin and value added products, combined with strict cost management, allowed a significant evolution in the operating results of the Packaging and Visual Communication companies, which improved from 2.2 to 3.4 million euros.

We maintained the policy of reducing the group's net debt, which stood at 315 million euros (including IFRS16 effects), a reduction of 22 million euros compared to December 2019, while simultaneously reducing the weight of current debt (excluding trade finance), from 25% to 14% of the total gross debt.

The net income for the period was -15.5 million euros, strongly impacted by the booking of 11.6 million euros of non-recurring costs related to the restructuring of operations, with a special impact on the merger of operations in Germany after the acquisition of Papyrus Deutschland.

The recurring EBITDA stood at 27.4 million euros, 0.9 million below 2019. It should be noted that during the second half of the year this result reached 16.6 million euros (3.3% on sales), an increase of 2.5 million (17% growth) compared to the same period of 2019.

The results of recurring EBITDA were driven by a sales performance above the market and by a significant improvement on the gross margin over sales, combined with a very strict cost management.



In 2020, we obtained a significant gain in market share in the paper distribution sector, where we registered a 3% growth in tons of paper sold, compared to a 20% decrease in paper consumption in Western Europe according to Eurograph statistics.

The gross margin increased by 7.1 million euros and stood at 18.3% of sales (+ 1.0pp compared to 2019), having reached a level of 19.0% on sales in the second half. This margin improvement was achieved in all business areas and is the result of the businesses focus on higher value added products.

The effect of the restructuring undertaken was already evident during the second half of the year, with savings of 8.4 million euros on net operating costs when compared with 2019.

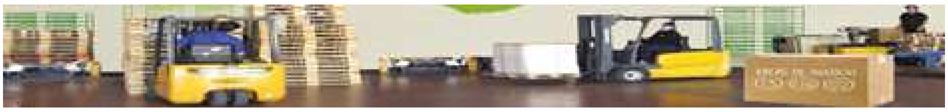
We believe that the recurring operating results achieved in a particularly adverse year and the savings and efficiency initiatives identified and already partially implemented clearly validate the strategic options taken, with particular relevance to the most recent acquisition operation of Papyrus Deutschland.

Despite the various disruptions to which we were subject this year due to Covid-19, it is worth noting that the various operations of the Inapa Group continued to develop their activity uninterruptedly, while maintaining their customer service, thanks to the commitment of our employees, to whom I address a special recognition.

To our employees, customers, suppliers, shareholders and the financial institutions that accompany us, we thank you for the support given over time that allows us to continue our mission.

Diogo Rezende

Inapa Group CEO



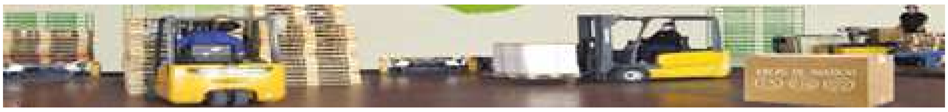
2. MAIN ACTIVITY INDICATORS

Amounts in MILLION EUROS (except when specified otherwise)

	2020	2019	2018	2017	VAR. 20/19
Tonnes ('000)	913	887	735	813	2,9%
Sales	1 015,5	1 030,8	860,3	885,7	-1,5%
Gross margin	185,5	178,4	151,9	161,7	4,0%
Gross margin (%)	*18,3%*	*17,3%*	*17,7%*	*18,3%*	*1,0 pp*
Net Operating costs	156,6	148,6	131,9	136,6	5,4%
Operating Income	23,6	24,8	22,9	21,0	-4,9%
Operating Costs	180,2	173,4	154,9	157,5	3,9%
Impairment of receivables	1,5	1,5	1,5	2,5	-0,5%
Re-EBITDA	27,4	28,3	18,4	22,6	-3,2%
Re-EBITDA (%)	*2,7%*	*2,7%*	*2,1%*	*2,6%*	*0,0 pp*
Non recurrent costs	11,6	1,6	2,0	3,3	10,0
EBITDA	15,8	26,7	16,5	19,3	-40,8%
EBITDA (%)	*1,6%*	*2,6%*	*1,9%*	*2,2%*	*-1,0 pp*
EBIT	-2,7	10,8	10,6	13,7	-124,9%
EBIT (%)	*-0,3%*	*1,0%*	*1,2%*	*1,5%*	*-1,3 pp*
Financial Function	15,5	15,7	14,3	13,2	-1,2%
EBT	-18,2	-4,9	-3,7	0,3	-13,3
Taxes on Profits	2,8	0,8	0,1	0,0	2,0
Net income	-15,5	-4,1	-3,6	0,2	-11,3

	31/12/20	31/12/19	31/12/18	31/12/17	VAR. 20/19
Net debt [1]	315,0	337,3	272,2	296,4	-6,6%
Interest coverage	1,8 x	1,8 x	1,3 x	1,7 x	0,0 x
Working capital	73,0	87,6	97,0	119,6	-16,7%

[1] Includes securitization.



3. RELEVANT FACTS

24/APR 2019 results announcement.

30/APR 2019 annual report publication.

Notice of Ordinary General Meeting.

22/MAY Ordinary General Meeting.

30/JUN Merger of Papyrus Deutschland GmbH & Co KB into Papier Union GmbH under the new name Inapa Deutschland GmbH.

25/SEP First half 2020 results announcement.

09/NOV Gender Equality Plan.

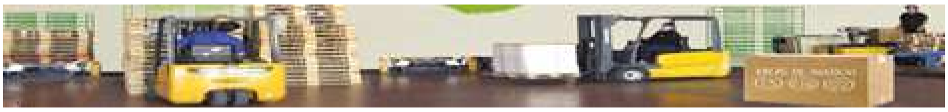
02/DEC Cyber-attack on corporate IT systems.

2020 was definitively marked by the pandemic outbreak caused by covid-19 outbreak which continues to have significant human, social and economic negative impacts globally.

The Group continues to monitor closely, and with concern, all related developments, particularly in the markets in which it is present.

Given the uncertainty involved, the Group cannot fully anticipate the impact of these events on its results. However, the Group has implemented a number of measures it considers necessary and appropriate to minimize potential adverse consequences, and continues to monitor its progress regularly in order to quickly adjust to reality.

The Group will continue to develop its activity, serving its clients, among which are some who are in the first line of combating the pandemic, such as hospitals, security forces, pharmaceutical industry and many others, always in the best interest of its stakeholders.



4. ECONOMIC CONTEXT

4.1. Macroeconomic Context

The year of 2020 was marked by the pandemic caused by Covid-19, with world GDP declining 3.4%. After a significant contraction in the 1st semester, there was a strong recovery in the 3rd quarter, exceeding expectations, a trend that stagnated or in some cases was reversed in the 4th quarter, as a result of new Covid-19 outbreaks and the reintroduction of restrictive measures.

China was the only major economy to grow in 2020, recovering to the pre-pandemic level of economic activity and consolidating its position as a candidate for leadership in the world economy. USA was strongly affected by the pandemic, but with a lower impact on GDP than in other developed economies, showing greater resilience than most advanced economies and also benefiting from an expansive fiscal policy. Europe was one of the regions most affected by the pandemic, with a decline on GDP of 6.8%. Despite a faster monetary policy response than in the financial crisis, there were difficulties in approving the European recovery plan. It is also worth mentioning the disparity registered in the various European countries, highlighting the different economic structures and the different measures of containment and support for the economy adopted.

Prospects for 2021 are subject to a high degree of uncertainty, obviously depending on the successful implementation of the vaccination programs and pandemic control. A recovery compared to 2020 is expected, given not only the extreme stopovers recorded in 2020 (which should not be repeated in 2021), but also the stimulus measures adopted in most economies and the commitment made by the main central banks to maintain favourable financial conditions for economic recovery for a long period of time.

The continued effects of the pandemic in the first quarter of 2021, as a result of new variants and difficulties in the implementation of the vaccination plans, brought additional pressure, particularly in Europe, with the Eurozone expected to recover to pre-pandemic levels only in 2022, despite the positive momentum brought by the Next Generation EU program, proposed by the European Commission. The pace of recovery will vary from country to country - some countries are expected to resume pre-pandemic levels in late 2021 or early 2022; others will take longer.

The perspectives for 2021 are dominated by the pandemic and recovery support initiatives, although some sources of uncertainty have dissipated by the end of 2020 with the release of the European recovery plan (Next Generation EU) and with the signing of the trade agreement between the European Union and the United Kingdom. It must be noted that there remains a geopolitical uncertainty in the global panorama, in particular concerning tensions between China and the USA, in a context of leadership change in the USA.

We consider relevant to share some views on economic developments in 2020 and prospects for 2021 in the countries in which the Inapa Group has operations.

In 2020, as a result of Covid-19 pandemic and despite the measures taken to contain it, the **German economy** contracted by 5.3%, after 10 years of expansion. After the historical decline registered in the 2nd quarter, GDP recovered significantly in the 3rd quarter. In the 4th quarter, despite the new restrictions, it was possible to avoid further contraction. For 2021, it is expected a still weak first quarter, reflecting the contraction in consumption, particularly in terms of services, as well as reduced demand in exports, but with a gradual recovery in the following quarters. Overall the forecast is a GDP growth of 3.0% in 2021, with the economy resuming pre-pandemic levels between 2021 and 2022.

The **French economy** registered a decrease of 8.2% in 2020. In the 1st semester, there was a very significant decline, reflecting the negative evolution of private consumption, investment and exports.

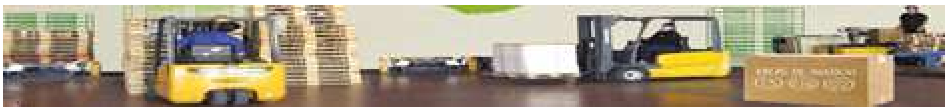
After a higher than expected recovery in the 3rd quarter, in the 4th quarter there was a further decline of GDP, reflecting new restrictions. These are expected to remain high in the first quarter of 2021, with a particular impact on the consumption of services, resulting in a GDP recession. In the 2nd quarter, a GDP growth should already be achieved, with the partial release of restrictions and the first effects of the national recovery plan. For the 3rd quarter, reflecting the end of restrictions and the impact of the aforementioned plan, it is expected a strong recovery, supported mainly by private consumption, but also by exports. Globally, the forecast is that GDP grows by 5.9% in 2021, with activity resuming pre-pandemic levels in the first half of 2022.

After an unprecedented decline in the first half, the **Spanish economy** recorded a strong growth in the third quarter, supported mainly by private consumption and investment. The reintroduction of less severe restrictions than in other European countries resulted in a slightly positive behaviour of GDP in the 4th quarter. Globally, GDP fell 11% in 2020. GDP is estimated to fall slightly in the 1st quarter of 2021, as a result of the more restrictive measures imposed earlier this year, and to recover in the 2nd quarter. During the 2nd semester, the activity should have a strong performance, benefiting from the resumption of private consumption, investment and some recovery in international tourism. GDP forecast is an expansion of 5.7% in 2021, with a significant recovery in tourism offsetting the slowdown in domestic demand.

The **Portuguese economy** registered a strong contraction in 2020 (-7.6%), mainly as a result of the significant impact of the pandemic in the tourism sector, which has a significant weight in the economy. The quarterly evolution of the economy reflected the development of the pandemic and the introduction of restrictions: after a significant decrease in the 1st semester, GDP recovered strongly in the 3rd quarter. In the 4th quarter, growth was only slightly positive. GDP is expected to fall again in the first quarter of 2021, given the introduction of more restrictive measures in mid-January, and is expected to start to recover in the second quarter, with a strong recovery in the summer months, supported by tourism, and a more gradual growth thereafter. It is estimated that GDP will grow 4.1% in 2021.

In 2020 the **Belgian economy** registered a 6.2% contraction in GDP, reflecting the reduction in domestic demand resulting from the restrictive measures imposed and the fall in confidence levels. The recovery in the 3rd quarter was higher than expected, but it was interrupted by the reintroduction of restrictions associated with a 2nd wave of Covid-19 in the 4th quarter. A gradual improvement is expected over the course of 2021, reflecting the resumption of private consumption, with investment showing a more gradual recovery. GDP is expected to grow 3.9% in 2021, reaching the pre-crisis level in the second half of 2022.

The **Turkish economy** grew 1.8% in 2020, emerging as one of the few countries that avoided contraction due to the pandemic caused by Covid-19. After a 9.9% contraction in the 2nd quarter, GDP grew 6.7% in the 3rd quarter and maintained a positive trajectory, in the 4th quarter, reflecting government support measures. On the other hand, the pandemic accentuated the challenges in terms of monetary policy, with pressure on inflation and in particular on the lira, which suffered a sharp devaluation throughout the year. In November the 450 bp increase in the interest rate by the Central Bank made it possible to contain the devaluation of the lira. For 2021 is expected a growth of 5.9%, assuming the maintenance of government support measures. The Turkish economy remains vulnerable, given the high indebtedness of companies, inflationary tensions and exposure to geopolitical and commercial risks.



	2018	2019	2020F	2021E	2022E	2018 - 2020	2020 - 2022E
Global	3,4	2,7	-3,4	5,6	4,0		
Euro Zone	**1,9**	**1,3**	**-6,8**	**3,9**	**3,8**		
Germany	1,3	0,6	-5,3	3,0	3,7		
France	1,8	1,5	-8,2	5,9	3,8		
Spain	2,4	2,0	-11,0	5,7	4,8		
Portugal	2,8	2,2	-7,6	4,1	4,3		
Belgium	1,8	1,7	-6,2	3,9	3,1		
Turkey	3,0	0,9	1,8	5,9	3,0		

Source: OECD (Mar/2021), European Commission (Feb/2021)

4.2. Sector Framework

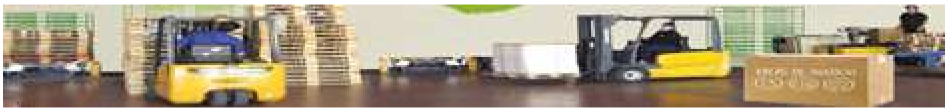
During 2020, demand for paper in Europe recorded significant drops compared to 2019, as a result of successive lockdowns due to the Covid-19 pandemic outbreak. Based on the statistics provided by Eurograph (European Association of Graphic Paper Producers), Western Europe recorded a 19.6% decrease in paper consumption for graphic, writing and printing papers. Coated woodfree papers decreased by 26.0%, while uncoated woodfree papers decreased by 15.0% compared to 2019.

In the main markets in which Inapa is present (Germany, France, Spain, Portugal and Belgium), the total volume of paper sales decreased by 17.7%, according to Eurograph statistics, with all countries showing decreases vis-à-vis 2019. Germany recorded a decrease of 15.1%, France 18.0%, Spain 26.7% and Portugal 16.4%. The data presented refers to the consumption of coated and uncoated papers - which represents about 90% of the traded papers - not including the remaining subfamilies that include specialties, cardboards and self-adhesive, among others. In relation to Belux (Belgium and Luxembourg), where Inapa is represented mainly in the office paper segment, the market decreased by 16.0%. In total (aggregated volumes of coated and uncoated paper), there was a decrease of 18.0% in Europe.

Regarding the production of paper and board, and according to the statistics of CEPI (Confederation of European Papier Industries), there was a reduction of 5% in relation to 2019 to 85.1 million tons. The structural divergence between the evolution of paper production for graphic, writing and printing papers and paper and board for packaging was accentuated in 2020 due to the health crisis. There was a decrease of 18.4% in the production of coated woodfree papers, 20.5% in newsprint and 11.4% in uncoated woodfree papers (mainly office papers). Mechanical pulp coated papers fell by 24.2% and uncoated papers by 14.9%. As for the production of packaging grades there was an increase of 2.1% compared to 2019. Despite the slowdown in the economy in Europe and sanitary restrictions, the majority of factories remained in production, with the decreases in demand being mostly compensated by machine downtimes. The influence of imports from markets outside the CEPI area remained limited to uncoated office papers, which decreased by 1.8%.

The share of paper for graphic arts, printing and writing production decreased from 32.8% in 2019 to 27.9% in 2020, while cardboard and packaging paper increased from 54.1% in 2019 to 58.2% in 2020. In this period, the share of the tissue sector rose from 8.5% to 9.3% and other special and industrial papers remained at 4.6%.

Although paper consumption in the graphic and office sectors has recently shown a negative trend, it must be reminded that it represents only about 25% of world consumption of pulp, while other sectors, such as Packaging and Tissue, continued to show healthy growth levels, reinforced in 2020 by the health crisis due to the Covid-19 pandemic outbreak. Considering that currently no increases are expected in pulp production capacity before 2022, it is estimated that the pulp price will increase over the course of 2021, with greater emphasis on long fiber pulp, essentially used in the production of



paper related products for packaging and tissue. The cost increase happens with paper producers facing over capacity in most paper segments, along with a decrease in demand. The price of coated papers fell by 5.5%, while the price of office papers in general fell by an average of 4.3% (Fastmarkets RISI indexes for Europe). Due, on the one hand, to the sharp increase in the cost of raw materials for producers and, on the other hand, to the low levels at which paper prices are, there should be pressure in 2021 to increase prices. The balance between the size of the order book with producers and the offer, as well as the differential vis-à-vis the price of pulp, will certainly be driving the initiatives to increase paper prices, which will have a greater impact on non-integrated manufactures.

4.3. Consolidated Performance

Inapa consolidated performance in 2020 reflects, on the one hand, the sectorial context previously described, with a significant impact of the Covid-19 pandemic outbreak and the confinement measures in the activity of the majority of the subsidiaries of the Group, and on the other hand, the positive impact of the acquisition of Papyrus Deutschland, whose integration took effect as from August 1, 2019.

Reflecting these two effects, Inapa Group consolidated sales in 2020 were 1,015.5 million euros, down 1.5% from 2019. It should be noted that in 2020 we achieved a significant gain in the paper distribution market share, with sales totalling 913 thousand tons, an increase of 2.9% compared to 2019.

Sales related to the complementary businesses of packaging, visual communication and office consumables decreased by 3.1% compared to 2019. The different areas showed distinct behaviours, with the packaging business growing by 1.6 % compared to the previous year, and the visual communication area, more penalized by the Covid-19 outbreak due to the widespread postponement of events and fairs, recording a drop of 12.4%.

Gross margin as a percentage of sales increased 1.0 pp in 2020 to 18.3% (17.3% in the same period of 2019). This margin improvement has been achieved in all areas of the business and reflects the continued adoption in Papyrus Deutschland of the strategy that Inapa has been following in the remaining operations – careful management of pricing and improvement of the sales mix, through the commitment to value added products.

Net operating costs, excluding impairment of receivables, increased by 8.0 million euros in 2020 (+ 5.4%), representing 15.4% of sales, +1.0 pp than in 2019. This development was mainly conditioned by the integration of Papyrus Deutschland, partially offset by the reduction in variable costs as a result of the reduction in volumes, and by the positive contribution of government supports (notably layoffs), which allowed for some reduction in fixed costs. In France we have completed the reorganization process of the logistics and distribution areas following the acquisition of Papyrus France, with the closure of Tremblay and Pantin facilities in the Paris area, with full impact of the savings to be felt only in 2021. In Germany, the merger of Papyrus Deutschland GmbH and Papier Union, under the new name of Inapa Deutschland, GmbH, took place on June, 30 2020. Significant improvements were made in the implementation of the synergies plan, with the closure of several locations and the resizing of the teams, with the savings already identified being above those initially estimated. The synergies gains of the logistics and distribution areas and the optimization of resources were already felt in the second half of the year, with net operating costs 8.4 million euros below 2019. In 2020, these gains were however relatively low compared to their medium-term potential.

Impairment of receivables amounted to 1.5 million euros in 2020 and remained in line with 2019. In the current context of the crisis caused by the Covid-19 outbreak, Inapa has strengthened risk monitoring, following strict internal credit control procedures for its client portfolio, always working in close coordination with the Group's credit insurer.

Recurrent EBITDA amounted to 27.4 million euros in 2020 (28.3 million euros in 2019), with a margin on sales of 2.7%, in line with 2019. It should be noted that in the second half of the year there was a strong recovery with recurrent EBITDA reaching 16.6 million euros (3.3% on sales), an increase of 2.5 million euros compared to the same period in 2019.

One off costs amounted to 11.6 million euros and are related mainly to the costs incurred and foreseen with the restructuring processes resulting from consolidation initiatives still taking place in the logistics and commercial areas, particularly in Germany, where we started in 2020 the implementation of the new organization model. In France we completed in the last quarter of 2020 the process of optimizing the structure after the integration of the former Papyrus France.

In 2020, EBITDA totalled 15.8 million euros, equivalent to 1.6% of sales. Operational results (EBIT) were negative by 2.7 million euros.

The 2020 financial charges decrease by 0.2 million euros to 15.5 million euros (15.7 million euros in 2019). This progression is mainly explained by the reduction of the cost of debt among with the financing of the activity.

Consolidated earnings before taxes were negative by 18.2 million euros, compared to 4.9 million euros negative in 2019. Income Tax was 2.8 million euros positive, of which about 3.7 million euros related to deferred taxes and 0.9 million euros related to current taxes, leading to a negative net income in 2020 of 15.5 million euros.

Working capital decreased by 14.6 million euros (-16.7%) compared to December 2019, to 73.0 million euros. This reduction was due to a strict management of working capital (lower customers balances and inventories, with greater impact than the reduction of suppliers), along with the optimization of the logistics network with the closure of warehouses and the reduction of activity.

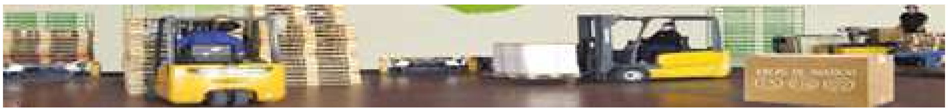
Consolidated net debt on December, 31 2020 stood at 315 million euros, 22 million euros less than in 2019. This progression results from the rigorous working capital management measures mentioned above and the application of operational cash flow, while ensuring ongoing investments in the area of information systems, particularly in the replacement of the Group's ERP. Current debt excluding Trade finance, associated to factoring contracts, is around 46.6 million euros, i.e. 14% of total gross debt (25% in 2019).

In view of the uncertainty of the impact of the Covid-19 pandemic on the activity, the Group raised credit lines in different geographies with the state guarantee. In addition, maturities were revised with the application of the moratorium under the measures defined by the Portuguese State, with the extension of the terms of eligible financing contracts by 18 months.

4.4. Business Areas Performance

The global paper industry continues to face major challenges, with declines in the consumption of printing and writing papers due to changing habits in the digital age, particularly in the mature markets of North America and Western Europe.

In 2020, the restrictions imposed to restraint the spread of the Covid-19 virus, notably with an impact on the changes in behaviour such as telework and the teleschool, have exacerbated this trend. With the lifting of the stricter containment rules, demand increased immediately, albeit to levels that still



fell short of pre-pandemic values. With the new waves and the respective activity restriction measures, demand has again been affeted.

In this very challenging context, the impacts on the activity of the Group in 2020 were significant. However, we have been able to ensure the continuity, without interruptions, of the services provided to our customers. In view of the challenges presented, the Group quickly implemented a set of measures to minimize the health risks for its employees and the short-term impacts of profitability and the stability of its patrimonial structure, with our companies having resorted to different support instruments made available by governments in their respective countries.

Despite the pressure on the costs of raw materials in production, notably as a result of increased global demand for pulp-based products without an increase in supply, the sharp drop in paper demand in 2020 , impacted by the health crisis, led to a decrease in average suppliers prices.

Despite the negative trend of price developments, we maintained our strategy of improving the margin, both as a percentage of sales and per tonne sold.

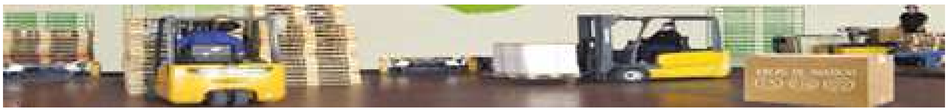
Paper will always be relevant to the global economy and will continue to be irreplaceable for a variety of purposes. There are countless studies that prove the greatest impact and recall of the messages transmitted on paper support compared to electronic supports, proving that the word written on paper has a tangible and tactile presence that can never be replaced by the information displayed on screens. It should also be noted that paper is one of the most renewable and recyclable materials in existence, a very relevant issue in the context of growing concern with environmental sustainability.

Paper distribution continues to be the most relevant business for the Group, and also the most challenging, given the market dynamics described above. We continued with the strategy of improving sales mix, supported by adapting the product portfolio to the needs of customers, while simultaneously maintaining a systematic focus on efficiency and productivity, through the continuous adjustment of business and organization models.

In Germany, the merger of Papyrus Deutschland GmbH and Papier Union, under the new name of Inapa Deutschland, GmbH, took place on June, 30 2020. Significant improvements were made in the implementation of the synergy plan, with the closure of several locations and the resizing of the teams, with the savings already identified being above those initially estimated. Only six months after the merger, efficiency gains in the logistics and distribution network and resource optimization were still relatively small compared to their medium term potential.

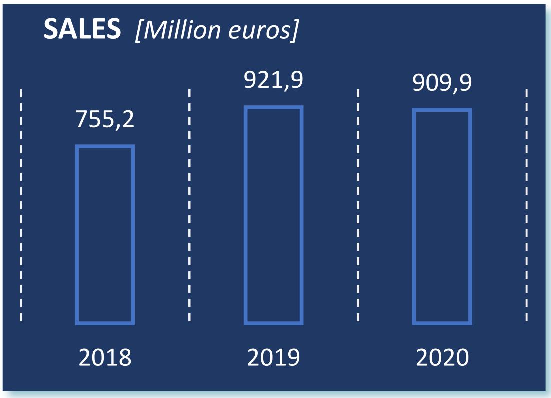
Paper distribution sales in 2020 compared to 2019 fell only by 1.3% with the integration of Papyrus Deutschland and accounted for about 90% of the Group's total turnover.

Complementary businesses of packaging and visual communication had a distinct progression in 2020 compared to 2019. The packaging area proved to be very resilient in the context of the health crisis, showing a growth supported in e-commerce and agri-food industry and driven by the new needs of protection and social distancing products. As for visual communication, its performance in 2020 was heavaly penalized by the Covid-19 outbreak due to the cancellation of the major fairs which, in conjunction with the economic crisis, led to the postponement of investment decisions. Papyrus Deutschland had a lower weight of these complementary businesses in the total of its activity, which proved to be an opportunity for growth, based on cross-selling.



PAPER

In 2020, the Group's paper business represented 909.9 million euros of sales, down 1.3% compared to 2019.



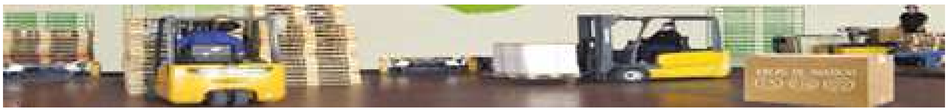
At the beginning of 2020, the market fell in line with the long-term trend. From mid-March, with the successive lockdowns due to the pandemic outbreak Covid-19, there was a significant decrease in consumption. In 2020 full year, we witnessed a 19.6% decrease in paper consumption in Western Europe. In the European countries where Inapa operates, consumption decreased by about 17.7% compared to 2019. In this context, Inapa's turnover fell only by 1.3%, supported by the consolidation of a full year of sales of Papyrus Deutschland (in 2019 the consolidation focused only on the period from August to December).

The pandemic Covid-19 outbreak had significant negative impacts on the 2020 activity across all the geographies where we operate, mainly due to (i) the change in behaviours (telework, teleschool, etc.), (ii) the generalized decrease in advertising investment and cancellation of events, (iii) the closure of restaurants and hotels and (iv) the reduction in the number of international travel (with a greater impact on sales of value added products). On the other hand, we have seen an increase in the demand for packaging solutions, through the greater relevance of e-commerce, which we have also explored through cross-selling, and hygiene and safety products, in the area of protective equipment and social distancing, sign & display and adhesive & floor marking.

During the first months of the greatest fall in activity as a result of the pandemic outbreak, the Group resorted to layoff forms and different government supports to mitigate the financial impact and immediately maintained a special focus on the adequacy of logistics services and inventory management, along with a careful analysis of the exposure to customer credit risk.

In Germany, Inapa is currently the largest player in the paper distribution market, being the leader in the office segment and co-leader in the print segment, working with more than 10,000 references. In 2020, we focused on the implementation of the integration plan to obtain higher levels of efficiency in the logistics and distribution and aiming to achieve resources optimization, although the impacts in 2020 are relatively reduced in view of its potential in the medium term. It is noteworthy the continued good performance of sales of value added products alongside the dynamic of promoting the own brand “tecno”, supported in competence centers and teams of experts that we have been developing in recent years, which has allowed to increase the gross margin on sales. Finally, it is worth mentioning that the Group's new ERP (SAP 4 / HANA) has been successfully implemented in all operations with Papyrus origin, despite significant limitations due to travel bans. We maintain the expectation of completing the project in all companies in Germany before the end of the first half of 2021.

In France, the post-merger reorganization was successfully completed. The maintenance of price discipline and the strict control of sales conditions allowed, despite the drop in volumes, gross margin on sales to be once again above the estimated value for 2020 and with a very positive progression compared to the same period of the previous year. This commercial dynamism, coupled with a reduction in costs with the synergies obtained in the merger, resulted in a sharp growth on profitability levels and the maintenance of Recurrent EBITDA margin level in line with international good practices.

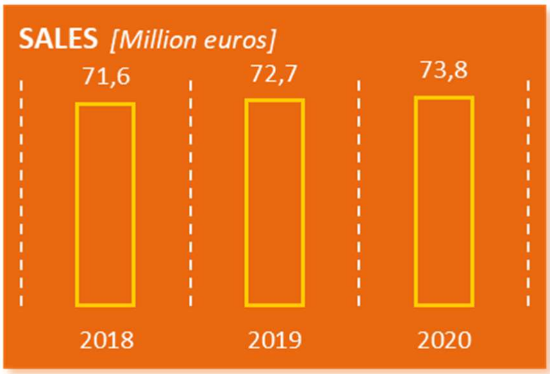


Inapa maintained a strict pricing policy and a focus on improving the sales mix, which, along with the adoption of this same strategic vector at Papyrus Deutschland, and despite the decrease in the average sales price[1], allowed the increase of the margin on sales in 2020.

We remain focused on constantly improving efficiency levels. In 2020, despite having achieved significant savings in operating costs, the ratio over sales of the overall administrative and personnel costs increased compared to 2019 due to the significant drop in the market. In France, the savings resultin from the restructuring and integration plan that we started in 2017 were already very significant, reflecting the conclusion of the reorganization of the logistics and distribution network in the last quarter of the year with the closure of the Tremblay and Pantin facilities in the Paris area.

The operational results (EBIT) of paper business were negative by 3.0 million euros, after about 10.8 million euros of non-recurrent costs. In summary, the consequence for consumption reductions due to the containment measures of the Covid-19 pandemic outbreak adopted in all geographies, was only partially offset by increased margins and reduced operating costs, in addition to the contributions of governments support, namely layoffs.

PACKAGING



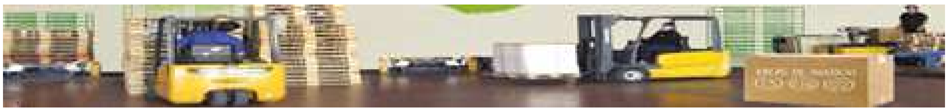
In 2020, the business of the packaging companies of the Inapa Group represented 73.8 million euros of sales, 1.1 million euros above the volume of 2019.

The production of packaging grades is estimated to have increased by 2.1% compared to 2019. According to CEPI (Confederation of European Paper Industries) statistics, the structural divergence between the evolution of production for the graphic sector and of packaging grades continued to exist, with the packaging market share growing + 4.1pp to 58.2% of total paper and board production compared to 2019 (54.1%). Of the different categories, the production of transport packaging and corrugated boxes showed the most notable growth, of around 3.3%. The packaging sector, framed by a widespread concern for environmental protection, has been investing in the research and development of new solutions that can replace plastic such as thermal Packaging, Packaging for food or lightweight Packaging that can be used in a variety of uses since agri-food, cosmetics, among others.

As a result of the Covid-19 outbreak, we have seen in the packaging area a strong demand for products for the health (hygiene, protection and safety equipment), agri-food and food processing sectors and packaging for e-commerce or transport (food, medicines, etc.) which has more than compensated for the decrease in sales to the cosmetics, automotive and electronics industry, resulting in a growth of 1.6% compared to 2019.

In Germany, we continued to increase sales supported by a strong focus of the teams in the diversification the customer portfolio, as well as in marketing actions specifically targeted at different business areas. We also continued with the strategy of promoting Inapa Packaging's standard products such as Stop Gliss solutions and we continued to focus on tailor-made solutions.

[1] Average selling price: Paper sales / tonnes



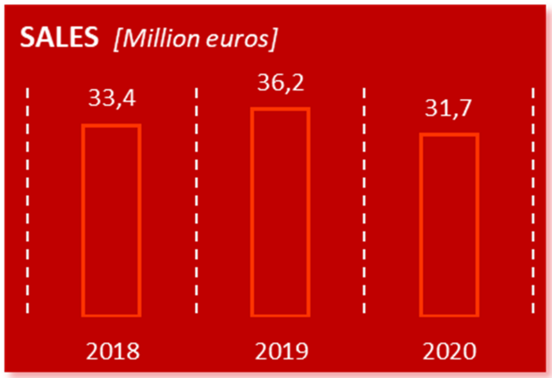
In France, Inapa currently positions itself as one of the leading players in the market. In 2020, we maintained a very positive growth, supported by the new opportunities that arose with the health crisis in the areas of e-commerce and the demand for protective equipment and packaging for hydro alcoholic gel, along with a growth in supply for the agri-food sector. We continued to focus on looking for new customers through market prospect actions and marketing campaigns, complemented by the launch of a new product catalog and a website dedicated to wine packaging.

In Portugal we continued to grow supported by a wide-ranging portfolio of solutions for interior protection, palletizing and exterior protection, along with tailor-made and technical Packaging. We maintained a constant focus on margin and structure optimization, namely in the areas of production and distribution.

Operational results in the packaging area were 3.1 million euros, representing 4.2% of sales (2.1 million euros and 2.9% in 2019). The substantial improvement in the EBIT margin in 2020 reflects the positive impacts of gross margin management, in conjunction with the consolidation of the reinforcement and optimization of the resources allocated to the activity.

VISUAL COMMUNICATION

In 2020, the visual communication business represented 31.7 million euros of sales, a decrease of 12.4% compared to 2019.



The visual communication area was strongly impacted in 2020 by the cancellation of major fairs together with uncertainty regarding the evolution of economic activity, with an impact on major investment decisions.

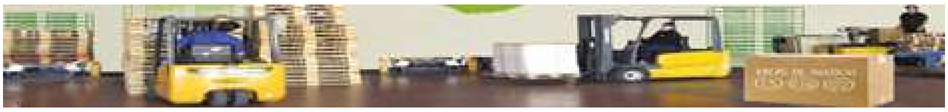
In this context, we have seen a generalized decrease in sales in all segments with the exception of Hardware for LFP (Large Format Printing) that grew in 2020 compared to 2019, as a result of the work that has been developed in the composition of our suppliers portfolio and in the expansion of the customer base.

In Germany, we continued to grow organically. Our brand image has been gaining notoriety and is increasingly seen by suppliers as a channel for the entry of new products into the market.

In Portugal, we carried out a review of the price list of the main families in search of a higher profitability on sales, having obtained very positive results in terms of margin improvement in 2020.

The effort to protect commercial margin together with the reduction of operating costs as a result of the optimization initiatives and the investment we made in the staff and in the opening of new branches in Germany, came to counter the sharp drop in sales, leading to the increase in operational results to 0.3 million euros in 2020, representing 1.0% of sales.

We remain well positioned in terms of geographic coverage and the investment made in recent years, regarding internal sales and technical support structures, will allow us to continue to develop the visual communication business area in a sustainable way through organic growth. We will also continue to be attentive to opportunities that may drive growth through acquisitions.



4.5. Outlook for 2021

The impact of the pandemic outbreak caused by Covid-19 has been more prolonged than anticipated in March 2020. The recovery of the world economy is expected to be slower than anticipated due to the appearance of second and third waves that have led most countries to impose multiple lockdown periods.

With the beginning of vaccination by the end of last year and beginning of 2021 and, above all, with the greater availability of vaccines in the European Union as of the second quarter, it is expected a progressive recovery of the economy, particularly in the second half of the year, with a return to normality in 2022. It is estimated that the end of restrictions (reopening of all trade, greater mobility, return of tourism and events…), coupled with the willingness of consumers to “turn the page”, should translate into a recovery of consumption in the most affected business segments (graphic paper, office paper and visual communication).

We do not yet have full visibility on the impact of the pandemic on the future of the sectors in which we operate, and the trend towards digitization, which was already being felt, should be anticipated. In the short term, we witnessed, on the one hand, a generalized fall in the demand for coated and uncoated papers for the printing industry, schools or offices, as a result of the containment measures implemented, on the other hand, unprecedented opportunities were created in the area of packaging with the growing demand for products for the food or health industry, packaging for e-commerce, etc.

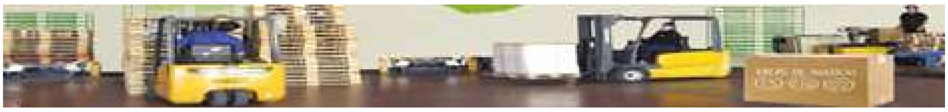
Paper manufacturers reacted to the abrupt cooling of demand in 2020 with a reduction in prices, interrupting the upward trend that had been witnessed. With the maintenance of pressure on raw material costs, and with no further increases in pulp production capacity expected before 2022, in 2021 we have already witnessed a generalized increase in the price of pulp-based products.

Despite the unfavourable context, Inapa maintained its focus on improving margins in 2020, both through product-mix optimization (boosting sales of products with higher added value and through electronic channels), as well as through a very disciplined pricing policy, a focus that should remain a fundamental pillar of Inapa's strategy in the future.

The creation of an organizational structure with reduced operating costs, leveraging the scale and investing in flexibility, will also remain a key line of action. In 2021, we will proceed with the plan to integrate our operations in Germany, following the acquisition of Papyrus Deutschland. The merger of the two companies, which took place in mid-2020, and the conclusion of the implementation of SAP in Germany in the first half of 2021, will allow the capture of most of the estimated synergies with the integration of the operations, which are at the date even above those expected initially. In 2021, we will also benefit from the savings from the reorganization of the logistics operation in the Paris area, which we concluded in 2020, as well as from the impact of the restructuring implemented in the first quarter of 2021 in Spain.

As mentioned before, we proceeded with the implementation of the Group's new ERP (SAP 4 / HANA), despite the impact of travel restrictions associated with Covid-19, imposed both in 2020 and in 2021. After the conclusion of the implementation at Inapa Deutschland, we are already moving forward with roll-out in other geographies.

In addition to the obvious benefits of reducing costs and increasing productivity, the harmonization of processes and systems in all the Group's operations will enhance the Group's strategy of creating shared centers for some functions, which began in late 2020. Additionally the group is also doing a transformational impact on the IT application ecosystem, greatly reducing its complexity and maintenance effort.



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

Despite the prospects for the recovery of activity, we will maintain the discipline on working capital management, which is particularly important in a context of uncertainty. This discipline, together with funds obtained in the scope of Covid-19 support measures and the moratoriums granted by the main financial institutions, allow us to anticipate, in a context of progressive recovery of the activity, the maintenance of a balanced treasury.

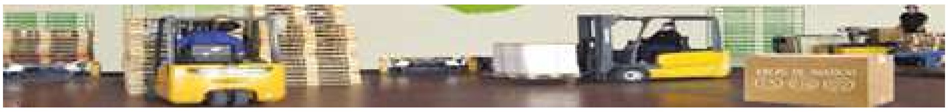
5. CONSOLIDATED ACCOUNTS

CONSOLIDATED INCOME STATEMENT AT DECEMBER 31, 2020 AND DECEMBER 31, 2019

(Amounts in thousands of Euros)

	Period Ended	
	DECEMBER 31, 2020	**DECEMBER 31, 2019**
Tonnes *	**912 589**	**887 296**
Sales and services rendered	1 030 415	1 045 925
Other income	10 844	14 084
Total Income	**1 041 259**	**1 060 008**
Cost of sales	-832 172	-856 788
Personnel costs	-105 114	-89 647
Other costs	-88 148	-86 866
	15 826	**26 707**
Depreciations and amortizations	-18 511	-15 900
Gains / (losses) in associates	-97	-19
Net financial function	-15 447	-15 730
Net profit before income tax	**-18 230**	**-4 942**
Income tax	2 776	799
Net profit / (loss) for the period	**-15 454**	**-4 143**
Attributable to:		
Shareholders of the company	-15 454	-4 143
Earnings per share on continuing operations		
Basic	(0,0294)	(0,0092)
Diluted	(0,0226)	(0,0092)

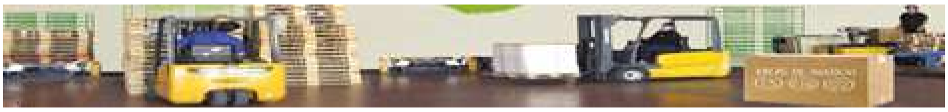
* Non- audited



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2020 AND DECEMBER 31, 2019

(Amounts in thousands of Euros)

	DECEMBER 31, 2020	DECEMBER 31, 2019
ASSETS		
Non current assets		
Tangible fixed assets	69 518	73 726
Goodwill	232 620	231 905
Right of use	31 538	41 778
Intangible assets	121 724	119 472
Investments in associate companies	2 385	2 482
Assets at fair value through profit or loss	119	122
Other non current assets	3 514	3 194
Deferred taxes assets	33 584	28 813
Total non current assets	**495 003**	**501 493**
Current assets		
Inventories	62 212	71 098
Trade receivables	115 621	136 343
Tax to be recovered	11 892	7 012
Other current assets	33 262	40 162
Cash and cash-equivalents	9 354	37 668
Total current assets	**232 341**	**292 285**
Total assets	**727 344**	**793 778**
SHAREHOLDERS' EQUITY		
Share capital	180 135	180 135
Share issue premium	431	431
Reserves	20 214	23 698
Retained earnings	-30 786	-26 644
Net profit for the period	-15 454	-4 143
Total shareholders' equity	**154 540**	**173 478**
LIABILITIES		
Non current liabilities		
Loans	221 462	220 985
Financing associated to financial assets	-	43 953
Deferred tax liabilties	47 670	46 680
Provisions	7 119	9 176
Employees benefits	24 316	24 618
Other non current liabilities	58	40
Total non current liabilities	**300 625**	**345 452**
Current liabilities		
Loans	102 921	110 066
Trade payables	104 857	119 805
Tax liabilities	31 011	21 600
Provisions	7 179	-
Other current liabilities	26 211	23 377
Total current liabilities	**272 179**	**274 848**
Total shareholders' equity and liabilities	**727 344**	**793 778**



6. ADDITIONAL INFORMATION

WARNING

This document contains information and future estimates based on current expectations and management opinions deemed reasonable. Future estimates must not be considered consolidated facts and are subject to several unpredictable factors that may have an impact on future results.

Despite the fact that said estimates represent current expectations, investors, analysts and all those who may make use of this document are warned that future information is subject to uncertain factors and risks, of which many are difficult to forecast. All readers are warned not to attribute inappropriate importance to future estimates and information. We exempt ourselves of any responsibilities concerning any future estimates or information.

Report available on Inapa's website
www.inapa.com

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Inapa is admitted to trading on the Euronext Stock Exchange.
Information about the company shares may be checked under the ticker INA or on the ISIN PTINA0AP0008

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