

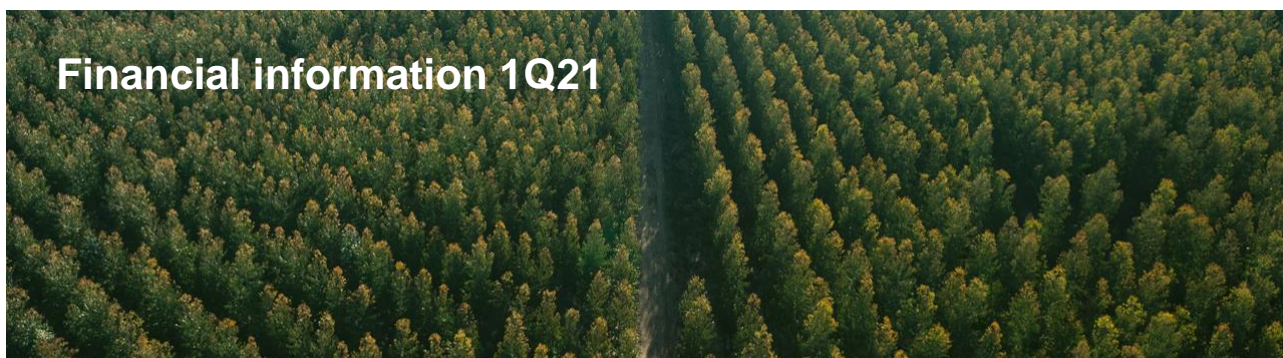


**ALTRI, SGPS, S.A.**  
Public Company

## **Financial Information – 1<sup>st</sup> Quarter of 2021**

This document is a translation of a document originally issued in Portuguese, prepared using accounting policies consistent with the International Financial Reporting Standards and in accordance with the International Accounting Standard 34 – Interim Financial Reporting, some of which may not conform or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

Head Office: Rua Manuel Pinto de Azevedo, 818 – Oporto  
Fiscal Number 507 172 086  
Share Capital: 25,641,459 Euro



## TABLE OF CONTENTS

1. HIGHLIGHTS.....	3
2. FINANCIAL REVIEW .....	4
3. INVESTMENTS .....	9
4. DEBT .....	9
5. SUSTAINABILITY .....	10
6. PULP MARKET .....	11
7. ALTRI – Business Profile .....	12
8. FUTURE PERSPECTIVES.....	13

## Financial information 1Q21

### 1. HIGHLIGHTS

#### 1.1. Altri Group's First Quarter Activity Summary

- ✓ Pulp production amounts to 280.4 million tonnes;
- ✓ Pulp sales amount to 304.6 million tonnes;
- ✓ Renewable electric energy production through forest biomass amounts to 179.2 GWh;
- ✓ Exports reach to 119.2 million Euro;
- ✓ EBITDA of 39.5 million Euro:
  - 32.7 million Euro in the Pulp segment;
  - 6.8 million Euro in the Energy segment.
- ✓ Nominal remunerated debt <sup>1</sup> of 459.6 million Euro.

During the first quarter of 2021, Altri Group's pulp production reflects a slightly decrease of 0.7% in relation to the first quarter of 2020 and a 2.7% increase comparatively to the fourth quarter of 2020. Pulp sales present an upward trend, namely 6.1% in relation to the first quarter of 2020 and 12.3% over the fourth quarter of 2020.

It should also be noted that the production of renewable electric energy through forest biomass, in the period under analysis, reached about 179.2 GWh, which corresponds to a 2.8% decrease over the first quarter of 2020. This variation is mainly explained by the scheduled annual maintenance stoppage at Constância plant in February and at Figueira da Foz plant in March.

---

<sup>1</sup> Nominal remunerated net debt: Bank loans (nominal values) + Other loans (nominal values) – Cash and cash equivalents.

## Financial information 1Q21

### 2. FINANCIAL REVIEW

#### 2.1. 1Q2021 Financial Results

The financial information was prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards, as adopted by the European Union (IFRS-EU).

#### 1Q2021 Income Statement

thousand Euro	1Q2021	1Q2020	1Q21/1Q20 Var%	4Q2020	1Q21/4Q20 Var%
<b>Total revenues (a)</b>	<b>179,203</b>	<b>165,660</b>	<b>8.2%</b>	<b>146,102</b>	<b>22.7%</b>
Cost of sales	86,068	81,037	6.2%	66,501	29.4%
External supplies and services	44,202	42,948	2.9%	37,895	16.6%
Payroll expenses	9,447	9,193	2.8%	9,487	-0.4%
Other expenses	675	1,193	-43.4%	-902	-174.8%
Fair value changes in biological assets	0	0	-	-1,246	-
Provisions and impairment losses	-663	-1,857	-64.3%	-645	2.9%
<b>Total expenses</b>	<b>139,728</b>	<b>132,514</b>	<b>5.4%</b>	<b>111,090</b>	<b>25.8%</b>
<b>EBITDA (b)</b>	<b>39,474</b>	<b>33,146</b>	<b>19.1%</b>	<b>35,012</b>	<b>12.7%</b>
<b>EBITDA margin (c)</b>	<b>22.0%</b>	<b>20.0%</b>	<b>+2.0 pp</b>	<b>24.0%</b>	<b>-1.9 pp</b>
Amortisation and depreciation	-19,780	-19,766	0.1%	-17,812	11.1%
<b>EBIT (d)</b>	<b>19,694</b>	<b>13,380</b>	<b>47.2%</b>	<b>17,200</b>	<b>14.5%</b>
<b>EBIT margin (e)</b>	<b>11.0%</b>	<b>8.1%</b>	<b>+2.9 pp</b>	<b>11.8%</b>	<b>-0.8 pp</b>
Results related to investments	51	120	-57.5%	-20	-
Financial expenses	-3,287	-5,806	-43.4%	-7,724	-57.4%
Financial income	2,861	1,277	124.1%	1,548	84.8%
<b>Financial results</b>	<b>-375</b>	<b>-4,409</b>	<b>91.5%</b>	<b>-6,197</b>	<b>93.9%</b>
<b>Profit before income tax and ESEC</b>	<b>19,319</b>	<b>8,971</b>	<b>115.4%</b>	<b>11,004</b>	<b>75.6%</b>
Income tax	-5,106	-2,156	136.8%	1,680	-
Energy sector extraordinary contribution (ESEC)	-1,016	0	-	-1,998	-49.2%
<b>Consolidated net profit for the period</b>					
Attributable to:					
Holders of equity in the parent company	<b>13,197</b>	<b>6,815</b>	<b>93.7%</b>	<b>10,690</b>	<b>23.5%</b>
Non-controlling interest	-7	0	-	-4	76.7%

(a) Total revenues = Sales + Services rendered + Other income

(b) EBITDA = Profit before income tax and ESEC, Financial results and Amortisation and depreciation

(c) EBITDA margin = EBITDA / Total revenues

(d) EBIT = Profit before income tax and ESEC and Financial results

(e) EBIT margin = EBIT / Total revenues

Key indicators: Pulp Segment

tons	1Q2021	1Q2020	1Q21/1Q20 Var%	4Q2020	1Q21/4Q20 Var%
BHKP pulp production	256,520	259,748	-1.2%	251,358	2.1%
DWP pulp production	23,892	22,584	5.8%	21,583	10.7%
<b>Total pulp production</b>	<b>280,412</b>	<b>282,332</b>	<b>-0.7%</b>	<b>272,941</b>	<b>2.7%</b>
BHKP pulp sales	273,186	254,286	7.4%	254,266	7.4%
DWP pulp sales	31,433	32,897	-4.4%	17,018	84.7%
<b>Total pulp sales</b>	<b>304,620</b>	<b>287,183</b>	<b>6.1%</b>	<b>271,285</b>	<b>12.3%</b>

The first quarter of 2021 was marked by a recovery in demand in most markets, with several price increases announced during the year 2021, which raised the market price at the date of this press release to 1,090 USD/tad. During the first quarter of the year, the average market price of pulp (BHKP) recorded by PIX was 767 USD/tad, being the price recorded, at the end of March 2021, of 865 USD/tad.

In operational terms, Altri Group's industrial units, produced, during the first quarter, 280.4 thousand tons of pulp (-0.7% comparatively to the same period of 2020). On the other hand, pulp sales reached 304.6 thousand tons, which corresponds to a 6.1% increase over the first quarter of 2020 and a 12.3% increase over the fourth quarter of 2020.

During the quarter under analysis, Altri Group exported 262.7 thousand tons of pulp, which corresponds to 86% of its pulp total sales. In monetary terms, quarterly exports amounted to 119.2 million Euro.

Total revenues associated with pulp production units amounted to approximately 158.1 million Euro, which corresponds to a 10% increase over the first quarter of 2020 and an 8% increase when compared to the fourth quarter of 2020.

In the quarter under analysis, EBITDA of the pulp production units amounted to 32.7 million Euro, which corresponds to an increase of 29% comparatively to the EBITDA recorded in the same period of the previous year.

## Key indicators: Energy Segment

Altri Group, through its subsidiary Greenvolt, operates five energy power plants through forest biomass with approximately 97 MW of installed capacity, hence allowing it to consolidate its integration strategy between the forestry sector producing biomass and the production of energy from this renewable resource.

On March 18, 2021, the market was informed about the election of João Manso Neto as Chief Executive Officer (CEO) of Greenvolt and the intention to study the possibility to perform an operation that, subject to market conditions and under the usual terms in similar situations, may culminate in the admission to trading of all the shares representing Greenvolt in the regulated market Euronext Lisbon.

	1Q21	1Q20	1Q21/1Q20	4Q20	1Q21/4Q20
Energy sales GWh	179.2	184.4	-2.8%	176.3	1.6%
Energy sales thousand €	21,142	21,757	-2.8%	20,931	1.0%
<b>EBITDA thousand €</b>	<b>6,766</b>	<b>7,787</b>	<b>-13.1%</b>	<b>8,672</b>	<b>-22.0%</b>

Total revenues associated with the units of energy production through forest biomass, developed through the subsidiary Greenvolt amounted to, in the first quarter of 2021, 21.1 million Euro, which corresponds to a decrease of 2.8% compared to the first quarter of 2020.

EBITDA, in the first quarter of 2021, reached 6.8 million Euro, which corresponds to a 13.1% decrease over the same period of the previous year.

It should be noted that, during the period under analysis, there was a maintenance stoppage in the both industrial units at Constância and Figueira da Foz, which impacted the injected power and the level of costs.

Greenvolt has an ambitious project of national and international growth, intending to consolidate its leadership position in the national market and enhance as a reference player within the renewable energy in the international market, not only through forest biomass, but also through innovative models of solar and wind energy.

Under this goal, on 3 May, Greenvolt entered into a Memorandum of Understanding with the Company incorporated under Polish law V-Ridium Europe, where the parties foresee that V-Ridium Europe will conduct in Greenvolt, in the context of a potential IPO, and on further terms yet to be defined, an increase in Greenvolt's share capital, which may take place as new entries in kind, for a subscription price corresponding to the maximum price interval to be established within the scope of Greenvolt's IPO, based on an assessment of V-Ridium corresponding to 56 million Euro ("Subscription"), and to this amount may be added the amount of 14 million Euro, subject to certain conditions to be agreed between the parties, namely the fulfilment of the Business Plan.

V-Ridium is a company incorporated under Polish law, which operates in the renewable energy sector, being a reference player in this sector and having a pipeline of wind and solar projects, mainly in Poland and Greece, with about 2,800 MW, of which more than 1,500 MW are in advanced stages of development.

## 1Q2021 Consolidated Results

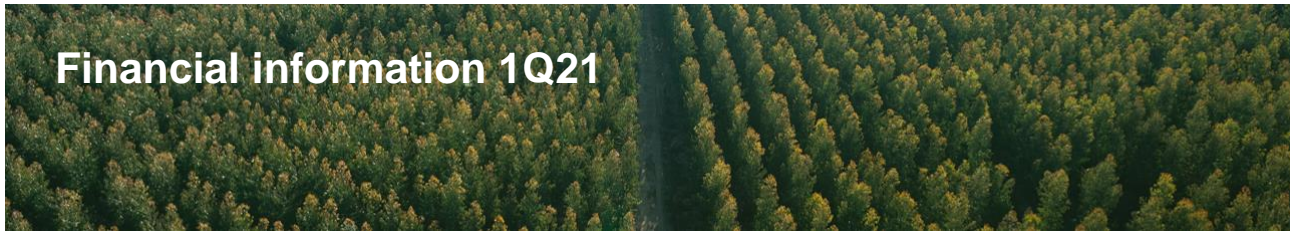
Altri's total revenues, during the quarter under analysis, reached 179.2 million Euro, corresponding to an increase of about 8.2% compared to the same period of the previous year.

Total operational expenses in the quarter, amounted to 139.7 million Euro, which corresponds to a 5.4% increase over the same period of 2020.

Thus, Altri's Group EBITDA, in the quarter under analysis, reached 39.5 million Euro, a 19.1% increase when compared to the EBITDA recorded in the same period of the previous year.

Altri's Group EBIT amounted to 19.7 million Euro, an increase of 47.2% comparatively with the same period of 2020. The consolidated net profit of the quarter reached 13.2 million Euro.





### 3. INVESTMENTS

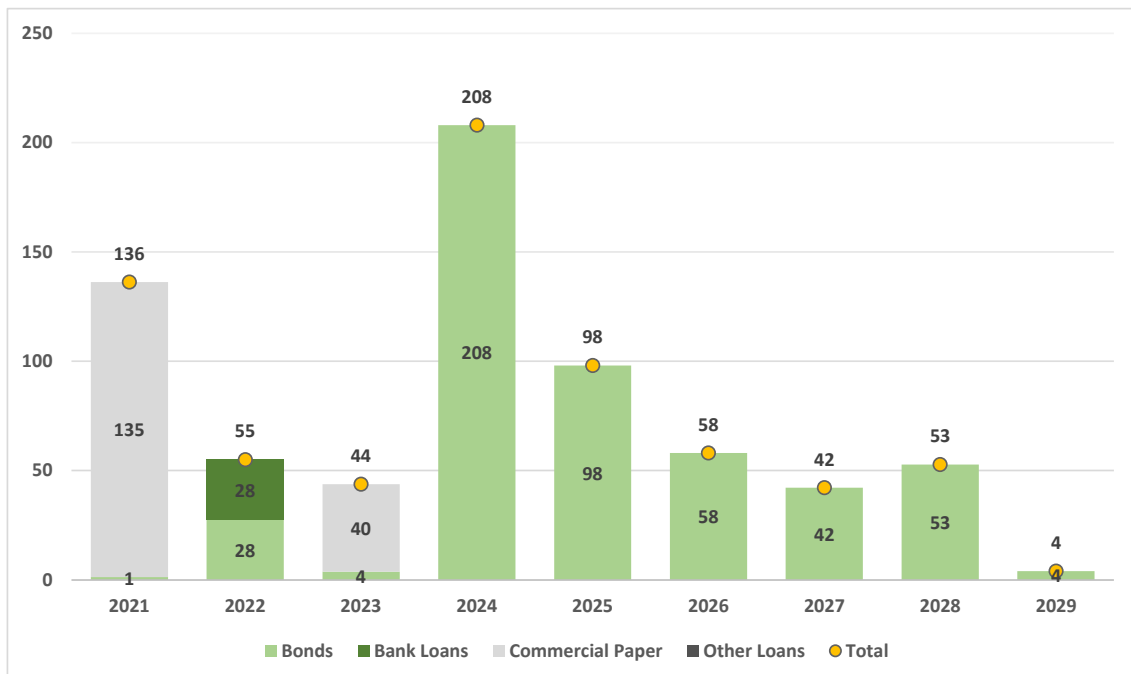
The total net investment<sup>2</sup> made during the first quarter of 2021 by the Group's industrial units amounted to approximately 7.1 million Euro.

### 4. DEBT

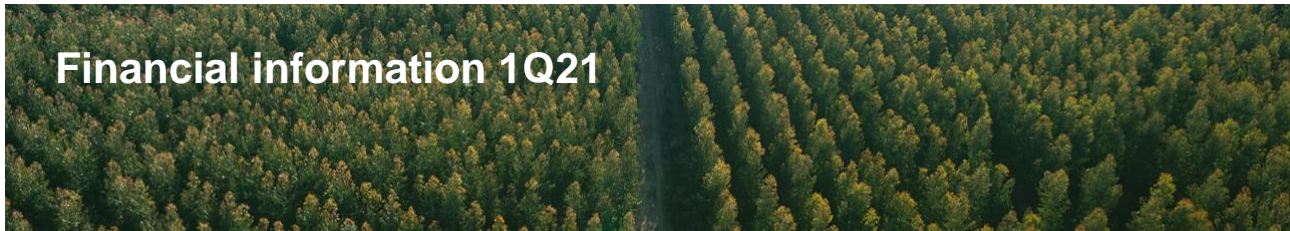
Altri's nominal remunerated net debt on March 31, 2021, amounted to 459.6 million Euro, which corresponds to a decrease of 15.7 million Euro over the last quarter of 2020.

**Debt maturity profile**

(million Euro)



<sup>2</sup> Total net investment: Payments in the period related to the acquisition of property, plant and equipment related to the operational activity of the Pulp and Energy segments.



## 5. SUSTAINABILITY

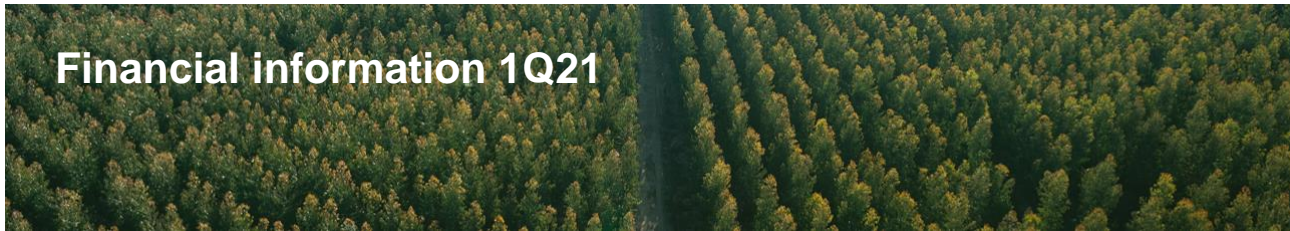
Altri has defined four strategic development vectors that focus its activity and its future investments:

- Develop and Enhance the Forest
- Focus on Operational Excellence and Technological Innovation
- To Value the People
- Affirming Sustainability as a Competitiveness Factor

Based on this strategy, the main sustainability objectives for the Group were identified, in line with the United Nations Sustainable Development Goals (SDGs), as well as with the expectations of our stakeholders. These have been identified based on the results of an auscultation carried out at the end of 2020, culminating in the development of the Altri Group’s “2030 Commitment”.

2030 Commitment		2018	2030 Goal
	Reduce the specific water use (m <sup>3</sup> / tSA) in Altri's industrial units by 50%	20	10
	Reduce the organic load (COD, kg O <sub>2</sub> / tSA) in Altri's industrial effluents by 60%	11	4
	Increase by at least 60% the amount of renewable electric energy injected into the National Electricity Network (GWh)	625	1000
	<b>100%</b> of the primary energy consumed at Altri's industrial units is from renewable sources	83%	100%
	Doubling the number of women in leadership roles	19	38
	100% of process waste recovered or reused	77%	100%
	Reduce specific GHG emissions of scope 1 and 2 by 60% (kg CO <sub>2</sub> / tSA)	192	66
	Reduce scope 3 emissions by 30% (kg CO <sub>2</sub> / tSA)	292	202
	Increase the percentage of wood consumption with forest management certification by 40%	57%	80%
	Duplicate the area under natural conservation management (ha)	7980	16000
	Develop 13 biodiversity stations and biospots	2	15
	Walk towards zero accidents with lost days *		Continuous improvement in order to achieve this goal

\* More than 3 days lost



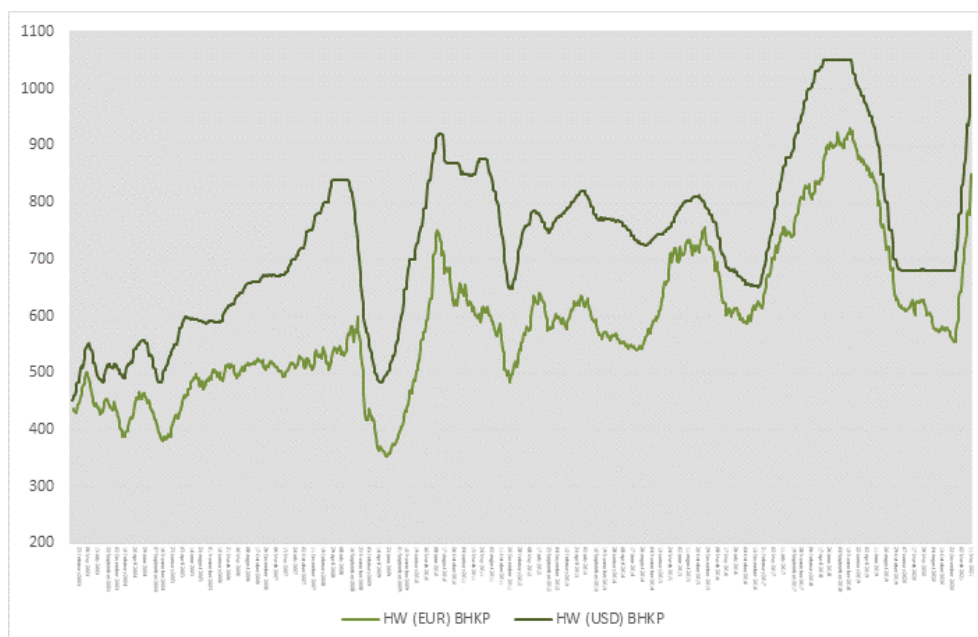
## 6. PULP MARKET

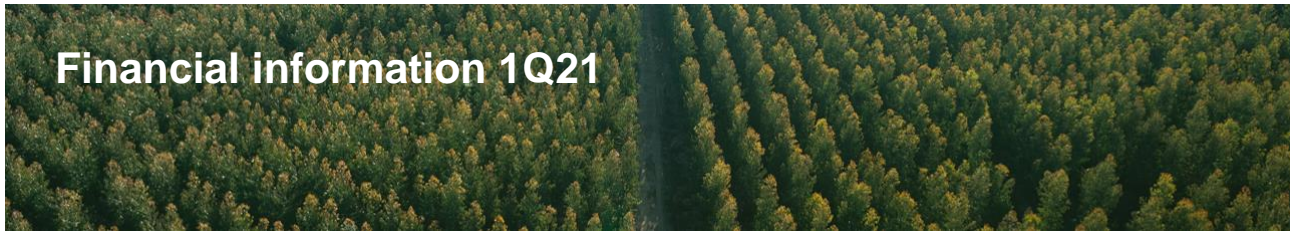
According to data from the Pulp and Paper Products Council (PPPC), World Chemical Market Pulp Global 100 Report, February 2020, the cumulative total demand for the first two months of 2021 of hardwood pulp decreased 2.5% compared to the same period of 2020. The inventory days on hand at hardwood pulp producers were 35 days at the end of February 2021, which corresponds to a decrease of 8 days compared to the level of inventories that occurred a year ago.

In terms of sales price, the benchmark is registering a significant recovery, being, at the date of this press release, at 1,023 USD/tad. However, the announced market price is 1,090 USD/tad, a value that is a record in terms of prices of sales of hardwood pulp.

Evolution of BHKP pulp price in Europe from 2010 to May 2021

Source: *FOEX*





## 7. ALTRI – Business Profile

Altri is a reference in European eucalyptus pulp producers. In addition to pulp production, the Group is also present in the renewable power production business from forest base sources, namely industrial cogeneration through black liquor and biomass. The forestry strategy is based on the full use of all the components provided by the forest: pulp, black liquor and forest wastes.

Currently, Altri manages around 86.3 thousand hectares of forest in Portugal, entirely certified by the Forest Stewardship Council® (FSC®)<sup>3</sup> and by Programme for the Endorsement of Forest Certification™ (PEFC™), two of the most acknowledged certification entities worldwide.

Currently, Altri has three pulp mills in Portugal, with an installed capacity that, in 2020, reached more than 1.1 million tonnes/year of eucalyptus pulp.

Altri's current organic structure can be represented as follows:



<sup>3</sup> FSC-C004615



## Financial information 1Q21

### 8. FUTURE PERSPECTIVES

The current context, although still characterised by a pandemic scenario, is globally optimistic in the medium term, which has resulted in an increase in demand and, consequently, an increase in prices.

Altri Group will continue to develop a set of projects that seek to continuously improve, essentially based on the digital field, which aim to reinforce the efficiency of its production units.

In the Energy Segment, Altri Group, through its subsidiary Greenvolt, will carry on its ambitious project of national and international growth. Greenvolt intends to consolidate its leadership position in the national market and enhance as a reference player within the renewable energy in the international market, not only through forest biomass – a segment which will continue to be the company's core business, with undoubted skills –, but also through innovative models of solar and wind energy.

In terms of stoppages for maintenance during 2021, the schedule is as follows:

- Celbi: October 2021
- Caima: September 2021
- Celtejo: No stoppage scheduled

Oporto, May 20, 2021