



making  
our world  
**renewable**

(Unaudited information)

## **Earnings Announcement**

# 2021

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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.

## 1. HIGHLIGHTS OF 2Q21

- **Altri Group recorded a new quarter and semester record in Pulp Production and Sales in 2021.** Production reached 290.5 thousand tons and Sales 290.8 thousand tons in 2Q21.
- **Total revenues for the Altri Group reached € 207.7 M during 2Q21, an increase of 28% vs. 2Q20,** benefiting from a favorable pulp price environment.
- **Quarterly EBITDA grew 132% to € 69.4 M. EBITDA margin reached 33.4%.** This performance shows the continuous search for efficiency improvement in the various plants of the Altri Group.
- Free Cash Flow<sup>1</sup> in 2021, excluding the effect of the Tilbury acquisition, was about € 52 M (considering dividends paid of € 51.3 M and a net debt reduction of approximately € 1 M).
- In terms of sustainability, **Altri Group has strengthened its commitment to communities, presenting its Commitment 2030,** with the goals it intends to achieve in meeting the United Nations Sustainable Development Goals.
- In the Energy area, **the success of GreenVolt's IPO,** concluded in July, shows the market's recognition of Altri Group's bet in a national and international expansion strategy in the Renewable Energy area.

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<sup>1</sup> Free Cash Flow: Change in net debt compared to 31.12.2020 + Dividends paid.

## MESSAGE FROM THE CEO

The second quarter of this year continued to be a challenging time for Altri and for Portugal, in a pandemic situation, more than a year after it started in our Country.

A moment that necessarily affects the activity of our teams, our partners and customers. We have taken all the necessary measures to ensure, as a priority, the safety and well-being of all those who share our daily lives and the company has shown that it is prepared to face this challenge with resilience, creativity and focus on delivering results to all our stakeholders. I would like to thank all of our people for their dedication and the example they have set during this challenging period.

In this context, I note the strong operational and financial performance of Altri, with the establishment of quarterly and half-year records for production and sales. Our industrial units, which are second generation biorefineries, increased, without exception, their performance, allowing us to supply the market with base materials for thousands of products that are part of our daily lives, as well as to increase domestic sales and exports. In this period, the company recorded a strong growth in EBITDA to € 69.4 M, which represents an increase of +132% year-on-year, and +75.8% over the first quarter of the year. In the first semester, the Group also presented very significant results, with EBITDA growing to € 108.9 M, +72.8% when compared to the same period of last year.

In terms of forest management, Altri has contributed significantly to an increasingly better production forest, by systematically supporting producers and partners in the adoption of best practices and certification of their plantations.

A quarter that is also marked by the placement in the capital market of the subsidiary GreenVolt, in an absolutely record time and with the full commitment of its exceptional team.

Also in terms of our commitment to contribute to a more renewable world, Altri reinforced its commitment to measures that will allow the Group to meet its demanding Commitment 2030 and the United Nations Sustainable Development Goals.

José Pina

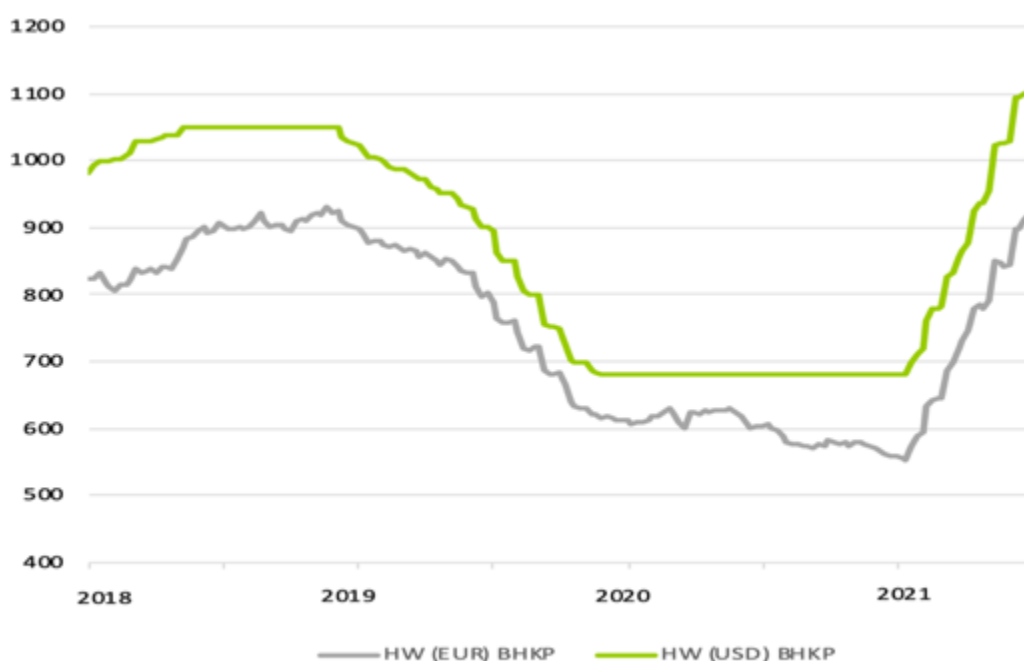
## 2. OPERATIONAL AND FINANCIAL PERFORMANCE

### PULP SEGMENT

According to data from the Pulp and Paper Products Council (PPPC), World Chemical Market Pulp Global 100 Report (May 2021), the cumulative total demand for the first five months of 2021 of hardwood pulp decreased slightly in 1.3% compared to the same period of 2020. This decrease is justified by the integration of part of the pulp that ceased to come to the market by a large producer of pulp and paper in Southwest Asia. However, there was an increase in China (+1.3%) and in Western Europe (+0.9%). The inventory level on hand at hardwood pulp producers were 37 days, which corresponds to a decrease of 4 days compared to the level of inventories that occurred in 2Q20.

During 2Q21, Pulp prices (BHKP) showed a strong increase (+27% in USD) and there were several announcements of price increases during the quarter. The demand in China had a positive effect on prices in Europe. At the beginning of July 2021, the PIX market price was 1,114 USD/ton, which compares with 865 USD/ton at the end of 1Q21 and 680 USD/ton at the end of 2020. On average, the price recorded by PIX was 1,009 USD/ton during 2Q21 vs 767 USD/ton during 1Q21.

#### BHKP Pulp Price Evolution in Europe (2018 to July 21)



Source: FOEX.

The Dissolving Pulp, aimed at textile use, followed the general movement of rising prices given the strong demand from China, the world's main destination for this type of pulp.

In operational terms, Altri Group beat absolute records for production and sales in the quarter (2Q21) and half year (1H21). The production volume of 290.5 thousand tons of pulp means an increase of 7.8% vs. 2Q20. Pulp sales reached a similar level to production, at 290.8 thousand tons (+2.7% vs 2Q20). In 1H21 production reached 570.9 thousand tons (+3.5% vs 1H20) and sales 595.4 thousand tons (+4.4% vs 1H20).

### Operational Indicators (Pulp)

tons	2Q21	2Q20	2Q21/2Q20	1Q21	2Q21/1Q21
Production Pulp BHKP	265,235	245,667	8.0%	256,520	3.4%
Production Pulp DWP	25,270	23,850	6.0%	23,892	5.8%
<b>Total Production</b>	<b>290,504</b>	<b>269,517</b>	<b>7.8%</b>	<b>280,412</b>	<b>3.6%</b>
Pulp Sales BHKP	267,126	257,363	3.8%	273,186	-2.2%
Pulp Sales DWP	23,659	25,727	-8.0%	31,433	-24.7%
<b>Total Sales</b>	<b>290,785</b>	<b>283,090</b>	<b>2.7%</b>	<b>304,620</b>	<b>-4.5%</b>

The evolution of Pulp Prices (BHKP) continued to be favorable in 2Q21 with an increase of 27% vs 1Q21 (in average terms in USD). Increased demand for pulp in China has been the main driver for the positive evolution of prices in 2021, despite some cooling in Dissolving Pulp that can be attributed to the seasonality of this market and slight increase in inventories. As a consequence, total revenues associated to the Pulp segment of the Altri Group reached € 187 M, an increase of 32.8% vs. 2Q20 and a growth of 18.2% vs. 1Q21. Pulp segment quarterly EBITDA reached € 65.2 M, +196% vs 2Q20 and +99% vs 1Q21.

### Operational and Financial Indicators (Pulp)

	2Q21	2Q20	2Q21/2Q20	1Q21	2Q21/1Q21
Pulp Sales (000' tons)	290.8	283.1	2.7%	304.6	-4.5%
Revenues Pulp (€ 000')	186,900	140,735	32.8%	158,059	18.2%
EBITDA Pulp (€ 000')	65,192	22,029	195.9%	32,708	99.3%
EBITDA mg	34.9%	15.7%	+19.2 pp	20.7%	+14.2 pp

## ENERGY SEGMENT (GREENVOLT)

The Altri Group, through its subsidiary GreenVolt, operates five thermoelectric power plants from forest biomass with about 98 MW of installed capacity, thus consolidating its strategy of integration between the forest biomass producing industry and energy production from this renewable resource.

Total revenues associated with the portuguese forest biomass power generation unit in 2Q21 amounted to € 20.8 M, which translates as a 4.0% decrease vs. 2Q20. EBITDA reached € 7.2 M, and despite an increase of 6.3% vs. 1Q21, registered a decrease of 8.2% vs. 2Q20. This decrease is due to a shutdown of the power plant located at Vila Velha de Rodão, associated with the replacement of equipment to improve the efficiency of production at this same plant, which reduced the sales of this unit to zero during the months of May and June, while maintaining the level of fixed costs. It should be noted that the EBITDA mentioned excludes approximately € 3 M of non-recurring transaction costs, mainly due to the acquisition of Tilbury.

## Operational and Financial Indicators (Energy)

	2Q21	2Q20	2Q21/2Q20	1Q21	2Q21/1Q21
Energy Sales (GWh)	172.8	182.1	-5.1%	179.2	-3.6%
Energy Revenues (€ 000')	20,764	21,628	-4.0%	21,200	-2.1%
EBITDA Energy (€ 000')*	7,190	7,830	-8.2%	6,766	6.3%
EBITDA mg	34.6%	36.2%	-1.66 pp	31.9%	+2.7 pp

\*Recurring Energy EBITDA - excludes non-recurring transaction costs of approximately € 3 M mainly due to the acquisition of Tilbury.

Additionally, on June 30, 2021, GreenVolt took the first step towards international expansion, having acquired an urban biomass plant (urban wood waste, such as demolition/construction waste) in Tilbury, United Kingdom, with an installed capacity of 42MW. GreenVolt has agreed a partnership with a local financial investor (Equitix Investment Management Ltd), reserving for itself a majority position. This acquisition allows GreenVolt to pursue its ambitious project of growth and internationalization, consolidating its position in the renewable energy sector at the European level and contributing to the expansion of the business. Despite not being consolidated in Altri Group accounts, taking into account the transaction date, it is noted that in 1H21 the revenues associated with this plant reached € 24.3 M<sup>2</sup> and an EBITDA of € 12.2 M<sup>3</sup>.

Also on June 30, 2021, GreenVolt entered into an agreement to acquire 70% of Profit Energy's share capital. The completion of the transaction is subject to the verification of a number of conditions, including a non-opposition decision by the Competition Authority, and the transaction is expected to be completed by the end of August 2021. Profit Energy is an engineering company specialized in the development and design of renewable energy and energy efficiency projects, with a particular focus on solar photovoltaic systems and LED lighting, including the provision of project development and engineering services, procurement and construction, and operation and maintenance services.

Already after the conclusion of 2Q21, and following the communications disclosed in this regard, an increase in GreenVolt's share capital in the amount of 177,599,998.75 Euro was recorded on July 14, 2021, following which 41,788,235 new ordinary, book-entry, nominative shares without nominal value were issued at a unit subscription price of 4.25 Euro. These shares were subscribed:

- By a group of professional investors, who subscribed 30,588,235 shares, amounting to 129,999,998.75 euros;
- By the company V-Ridium Europe Sp. z.o.o., which subscribed 11,200,000 shares, in the amount of 47,600,000 euros (with an issue premium in the amount of 8,400,000 euros), by delivering 11,200,000 shares of V-Ridium Power Group, Sp. z.o.o., representing 100% of the share capital of that company, which is now wholly owned by GreenVolt.

V-Ridium is a Polish company, operating in the renewable energy sector, and is a reference player in this sector. It has a pipeline of wind and solar projects, mostly in Poland and Greece, with about 2,800 MW of which more than 1,500 MW are at an advanced stage of development.

All the shares representing GreenVolt's share capital were admitted to trading on Euronext Lisbon on July 15, 2021.

<sup>2</sup> Average exchange rate (GBP/EUR) between January 1 and June 30, 2021 of 1.1521.

<sup>3</sup> Excluding non-recurring transaction costs of € 1.2 M. Accounting information in accordance with UK GAAP.

On July 26, GreenVolt informed that, as agreed in the Underwriting Agreement entered into on July 1, 2021, the Joint Global Coordinators acting in the name and on behalf of the Managers, exercised the Greenshoe Option, resulting in the issue by GreenVolt of 4,588,235 additional shares, with a unit price of 4.25 Euro per share. Accordingly, GreenVolt will resolve on the corresponding additional capital increase in the amount of 19,499,998.75 Euro, to be carried out through the issue of the new optional shares.

## CONSOLIDATED RESULTS

Altri Group's total revenues reached € 207.7 M during 2Q21, an increase of 27.9% vs. 2Q20, while operating costs grew 4.4% in 2Q21 vs. 2Q20, leading Altri Group's EBITDA to reach € 69.4 M, an increase of 132.4% when compared to the same period last year. It should be noted that consolidated EBITDA includes a non-recurrent negative impact of approximately € 3 M, mainly related to the acquisition of Tilbury at the end of 2Q21. Consolidated net income reached € 31.6 M in 2Q21 vs € 2.4 M in 2Q20.

### Income Statement of 2Q21

€ 000'	2Q21	2Q20	2Q21/2Q20	1Q21	2Q21/1Q21
<b>Total revenues (a)</b>	<b>207,664</b>	<b>162,363</b>	<b>27.9%</b>	<b>179,203</b>	<b>15.9%</b>
Cost of sales	75,117	80,738	-7.0%	86,068	-12.7%
External supplies and services	51,273	40,446	26.8%	44,202	16.0%
Payroll expenses	11,012	10,424	5.6%	9,447	16.6%
Other expenses	658	1,048	-37.3%	675	-2.5%
Fair value changes in biological assets	0	0	-	0	-
Provisions and impairment losses	223	-153	-	-663	-
<b>Total expenses</b>	<b>138,283</b>	<b>132,503</b>	<b>4.4%</b>	<b>139,728</b>	<b>-1.0%</b>
<b>EBITDA (b)</b>	<b>69,381</b>	<b>29,860</b>	<b>132.4%</b>	<b>39,474</b>	<b>75.8%</b>
<b>EBITDA margin (c)</b>	<b>33.4%</b>	<b>18.4%</b>	<b>+ 15.0 pp</b>	<b>22.0%</b>	<b>+11.4 pp</b>
Amortisation and depreciation	-19,729	-19,775	-0.2%	-19,780	-0.3%
<b>EBIT (d)</b>	<b>49,653</b>	<b>10,085</b>	<b>392.3%</b>	<b>19,694</b>	<b>152.1%</b>
<b>EBIT margin (e)</b>	<b>23.9%</b>	<b>6.2%</b>	<b>+17.7 pp</b>	<b>11.0%</b>	<b>+12.9 pp</b>
Results related to investments	-32	-68	-53.5%	51	-
Financial expenses	-7,008	-7,191	-2.5%	-3,287	113.2%
Financial income	2,530	385	-	2,861	-11.6%
<b>Financial results</b>	<b>-4,510</b>	<b>-6,875</b>	<b>-34.4%</b>	<b>-375</b>	<b>1102.2%</b>
<b>Profit before income tax and CESE</b>	<b>45,143</b>	<b>3,210</b>	<b>1306.4%</b>	<b>19,319</b>	<b>133.7%</b>
Income tax	-13,505	-794	1601.6%	-5,106	164.5%
Energy sector extraordinary contribution (CESE)	-97	0	-	-1,016	-
<b>Consolidated net profit for the period</b>					
Attributable to:					
Holders of equity in the parent company	<b>31,554</b>	<b>2,416</b>	<b>1205.9%</b>	<b>13,197</b>	<b>139.1%</b>
Non-controlling interest	-13	0	-	-7	-

Note: Financial information in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU)

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

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

(c) EBITDA margin = EBITDA / Total revenues

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

(e) EBIT margin = EBIT / Total revenues

The total net investment made during the second quarter of 2021 by the Altri Group amounted to approximately € 6.9 M.

Altri Group's nominal interest bearing net debt, as of June 30, 2021, amounted to € 710.4 M, an increase of € 250.8 M vs. 1Q21. This figure includes the acquisition of Tilbury, completed on June 30, 2021. Excluding the Tilbury acquisition, net debt would be € 474.4 M.

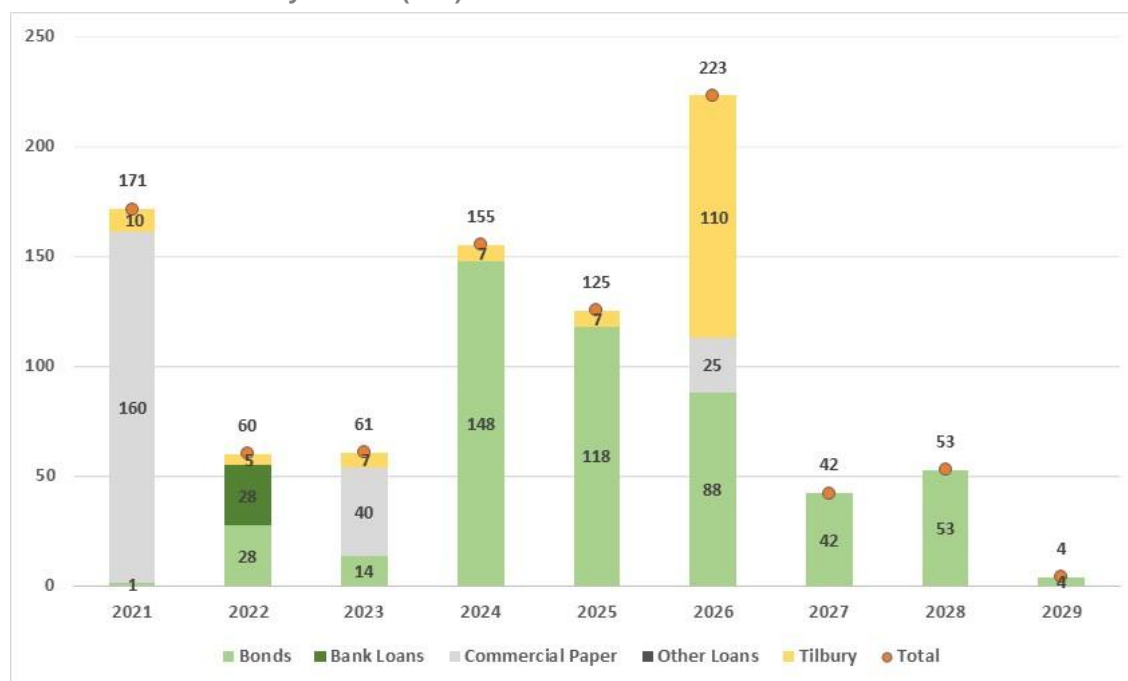


### Financial Debt Evolution

€ M	2Q21	1Q21	2020
Net Debt*	710.4	459.6	475.3
Net Debt* (ex- Tibury)	474.4	n.a.	n.a.

\* Bank Loans + Other Loans - Cash and cash equivalents

### Financial Debt Maturity Profile (€ M)















### 3. 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, and on the results of an auscultation carried out at the end of 2020, the main sustainability objectives for the Group were identified, in line with the Sustainable Development Goals (SDGs) of the United Nations, and with the expectations of our stakeholders. Thus resulting in the definition of the “**2030 Commitment**” of the Altri Group.

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

Over the next quarters we will be updating the various initiatives aligned with the different objectives of Commitment 2030 developed by the Altri Group.



In order to reinforce its 2030 commitment to double the number of women in leadership positions, Altri, as a signatory member of the United Nations Global Compact, has joined Target Gender Equality (TGE), an accelerator program that supports companies around the world in setting and achieving ambitious targets for women's representation and leadership in companies.

#### 4. PERSPECTIVES

In the Pulp segment, after a very strong start to the year, with Pulp (BHKP) prices rising 62% (in USD), more stability is expected for the second half of the year. However, we continue to have consistent signs of solid demand in Europe supported by some change in consumption patterns of some paper segments and by the 18% reduction in pulp inventories in European ports in the first six months of the year.

The focus of the Altri Group continues to be on developing operational improvements in its industrial units in order to improve their efficiency and maintain a level of profitability that is a reference of the sector in Europe.

In the energy segment, through its listed subsidiary GreenVolt, it will continue to develop the ambitious project of national and international expansion. GreenVolt intends to consolidate its leadership position in Portugal and become a reference player at international level in the renewable energy market, both in forest biomass and also in solar and wind energy.

Oporto, July 29, 2021

## APPENDICES

### I. Description of the ALTRI Group

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® -C005615) 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 at the end of June 2021 can be represented as follows:



### II. Pulp Mill's Maintenance Downtime Schedule

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

Mill	2021
CELBI	October
CELTEJO	No Downtime
CAIMA	September

### III. 1H21 Consolidated Results

Altri Group broke the absolute record of semester production and sales, producing 570.9 thousand tons of pulp in 1H21 (+3.5% vs 1H20). Pulp sales reached 595.4 thousand tons (+4.4% vs 1H20). Total revenues reached € 386.9 M during 1H21, a growth of 17.9% vs 1H20, while operating costs grew 4.9% in 1H21 vs 1H20. Altri Group EBITDA reached € 108.9 M, an increase of 72.8% when compared to the same period last year. As already mentioned in the 2Q21 commentary above, consolidated EBITDA includes a non-recurrent negative impact of approximately € 3 M, mainly related to the acquisition of Tilbury at the end of the semester. Consolidated net income reached € 44.8 M in 1H21 vs € 9.2 M in 1H20.

#### Operational Indicators (Pulp)

tons	1H21	1H20	1H21/1H20
Production Pulp BHKP	521,755	505,415	3.2%
Production Pulp DWP	49,162	46,434	5.9%
<b>Total Production</b>	<b>570,916</b>	<b>551,849</b>	<b>3.5%</b>
Pulp Sales BHKP	540,313	511,649	5.6%
Pulp Sales DWP	55,092	58,624	-6.0%
<b>Total Sales</b>	<b>595,405</b>	<b>570,273</b>	<b>4.4%</b>

#### Income Statement of 1H21

€ 000'	1H21	1H20	1H21/1H20
<b>Total revenues (a)</b>	<b>386,867</b>	<b>328,023</b>	<b>17.9%</b>
Cost of sales	161,186	161,776	-0.4%
External supplies and services	95,474	83,393	14.5%
Payroll expenses	20,459	19,616	4.3%
Other expenses	1,332	2,241	-40.6%
Fair value changes in biological assets	0	0	-
Provisions and impairment losses	-440	-2,010	-
<b>Total expenses</b>	<b>278,011</b>	<b>265,016</b>	<b>4.9%</b>
<b>EBITDA (b)</b>	<b>108,856</b>	<b>63,007</b>	<b>72.8%</b>
<b>EBITDA margin (c)</b>	<b>28.1%</b>	<b>19.2%</b>	<b>+8.9 pp</b>
Amortisation and depreciation	-39,509	-39,541	-0.1%
<b>EBIT (d)</b>	<b>69,347</b>	<b>23,466</b>	<b>195.5%</b>
<b>EBIT margin (e)</b>	<b>17.9%</b>	<b>7.2%</b>	<b>+10.8 pp</b>
Results related to investments	19	51	-63.0%
Financial expenses	-10,295	-12,997	-20.8%
Financial income	5,391	1,661	224.5%
<b>Financial results</b>	<b>-4,885</b>	<b>-11,285</b>	<b>-56.7%</b>
<b>Profit before income tax and CESE</b>	<b>64,462</b>	<b>12,181</b>	<b>429.2%</b>
Income tax	-18,610	-2,950	531.0%
Energy sector extraordinary contribution (CESE)	-1,113	0	-
<b>Consolidated net profit for the period</b>			
Attributable to:			
Holders of equity in the parent company	<b>44,759</b>	<b>9,232</b>	<b>384.8%</b>
Non-controlling interest	-20	0	-

Note: Financial information in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU)

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

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

(c) EBITDA margin = EBITDA / Total revenues

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

(e) EBIT margin = EBIT / Total revenues



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Fiscal number: 507 172 086  
Share capital: 25,641,459 Euros

[www.altri.pt](http://www.altri.pt)



**Earnings  
Announcement**

**2Q21**