



EARNINGS ANNOUNCEMENT
(unaudited information)

1Q22

This document is a translation of a document originally issued in Portuguese, prepared using accounting policies consistent with the International Financial Reporting Standards adopted in European Union (IFRS-EU), 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.

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Highlights of 1Q22

Pulp Segment

Total revenues for Altri Group reached € 249.2 M during 1Q22, an increase of 46.5% vs 1Q21 and a sequential increase of 19.8% vs 4Q21, benefiting from the favorable pulp price environment.

The level of EBITDA in the 1Q22 increased by 85.6% to € 61.0 M vs 1Q21, which implies a margin improvement of 5.1 p.p. to 24.5%. On a sequential basis, EBITDA rose by 22.9%, an improvement in margin of 0.6 p.p. vs 4Q21. This performance shows the continuous search for efficiency improvement in the various plants of the Altri Group, in a challenging cost inflation environment.

Altri Group's Net Profit (Continued operations) reached € 29.8 M in 1Q22, an increase of 144.8% when compared to 1Q21.

The Net Debt of the Altri Group at the end of 1Q22 was € 303.3 M, which compares to € 344.0 M at the end of 2021. This evolution, once again, shows the strong cash flow generation capacity of the Altri Group, leading to a reduction in the **Net Debt/EBITDA LTM ratio to 1.2x.**

In April, the Altri Group announced the area of Palas de Rei, in the province of Lugo in the autonomous community of Galicia, as **the location where it intends to build a greenfield industrial unit with an annual production capacity of 200,000 tons of dissolving pulp and sustainable textile fibers.** After this important milestone, several steps can move forward at an accelerated pace to allow an investment decision by the end of 2022.

Since April, the Altri Group began to include environmental information in the invoices sent to its customers. By sharing values per ton of greenhouse gas emissions, water consumption and renewable energy consumption, the Altri Group intends to increase transparency to customers and society, as well as to position itself in a higher level of continuous improvement in terms of sustainability.

Message from the CEO

Altri Group maintained a strong performance in the first three months of this year, continuing the work of excellence carried out in 2021. We presented a high level of production of cellulosic fibers, ultimately benefiting from the strong demand, but also from the continuing upward trend of prices in international markets.

The demand for cellulosic fibers continues to show a very positive dynamic, in most geographies, with the exception of China. There is a strong increase in the American continent, being particularly important the acceleration of demand in Western Europe.

This context, combined with low stocks, has led to successive price increases. The price reached 1,200 dollars per ton at the end of the first quarter, but since then, several updates totaling 100 dollars have been announced to the market. This result allowed the growth of our revenues as well as our EBITDA and net income.

This operational and financial performance, the result of the daily commitment of our people, but also of our partners, suppliers, and customers, becomes more relevant in the face of the adverse context we have faced, and will continue to face, of strong increases in the prices of energy and raw materials, especially chemicals and wood.

The inflationary pressures that are being felt are a reflection of the disruptions in the logistics chains that were already being felt last year, but are now exacerbated by Russia's invasion of Ukraine, a reprehensible act on all levels. And this is a reality that will be with us in the near future, requiring from all of us an increasingly prudent management.

The Altri Group is already an example in the efficiency of its operations, the result of constant investments that prove it is possible to achieve a balance between profitability and sustainability.

This is the right formula to make the Altri Group's business grow. And it is based on this careful analysis that we are progressing in the preparation of the Gama project in Galicia. In this sense, we recently took an important step by choosing Palas de Rei, in Lugo, as meeting the appropriate conditions for the location of the sustainable fiber complex. We are confident that we are taking the necessary steps to create the right conditions for a unique project for the production of sustainable cellulosic-based textile fibers.

José Soares de Pina

Operational and Financial Performance

Pulp Segment

The global demand for Pulp showed an increase of 0.6% until February 2022, with the demand for Hardwood Pulp increasing by around 2.1% compared to the same period of 2021, according to the *PPPC (World Chemical Market Pulp Global 100 Report- February 2022)*.

Altri Group is essentially exposed to the Hardwood market, so when looking at the regional demand it should be noted that most geographical areas show a positive dynamic in early 2022. The main highlights are North America (+10.8%), Latin America (+3.7%) and Western Europe (+3.0%), which maintain the positive evolution already seen in 2021. China continues to show a decrease (-4.1%), being still affected by factors already identified in 2021 and which continue to restrict many of the economic relations with the Asian country, namely logistical factors (availability of ships and freight costs) and health factors (Zero Covid policy). Given the restrictions mentioned, exports of various types of paper from China to Europe are ultimately affected, strengthening the position of local paper producers and their suppliers of raw materials.

Pulp Global Demand by Region

000' Tons	Jan-Feb 22	Jan-Feb 21	YoY
Bleached Hardwood Sulphate	6,010	5,887	2.1%
Bleached Softwood Sulphate	3,920	3,979	-1.5%
Unbleached Sulphite	463	464	-0.2%
Sulphite	20	21	-4.8%
Pulp Global Demand	10,413	10,351	0.6%
Bleached Hardwood per region			
North America	551	497	10.8%
Western Europe	1,366	1,327	3.0%
Eastern Europe	255	258	-1.2%
Latin America	426	410	3.7%
Japan	170	147	15.4%
China	2,258	2,355	-4.1%
Rest of Asia/Africa	944	865	9.1%
Oceania	42	28	50.7%
Total	6,010	5,887	2.1%

Source: PPPC (World Chemical Market Pulp Global 100 Report- February 2022).

One of the important factors to confirm the balance of demand and supply of Pulp in the European market is the level of stocks in European Ports. We see that this level of stocks has continued to decline monthly since September 2021, and in March 2022 it is close to historic lows. The level of stocks recorded in March 2022 is the lowest level of the quarter, representing a 20% decrease when compared to the same period last year and about 29% below the average level of the last three years. These stock levels continue to show strong demand in the European pulp market.

Pulp Stocks in European Ports

Mil Tons	Mar-22	Feb-22	Jan-22	2021	2020	2019
Stocks (EU Ports)	1,108	1,152	1,113	1,198	1,542	1,912

Note: Monthly end-of-period stocks. Monthly average for annual values.

Source: Europulp (Federation of the National Associations of Pulp Sellers in Europe).

At the end of 1Q22, the price of Pulp (BHKP) in Europe was at 1,200 USD/ton, after two consecutive increases of 30 USD/ton, announced for February and March. This rise in Pulp prices had been initiated in 4Q21 in China, contributing to the price differential between the two regions narrowing significantly. The strong demand for pulp that continues to be felt in the European market, combined with a very low level of stocks, has already led to two additional announcements of pulp price increases of 50 USD/ton for April and May.

BHKP Average Pulp Price Evolution in Europe (2017 to 1Q22)

US\$/ton	2022 1Q22	2021	2020	2019	2018	2017
Avg. Pulp Price (BHKP)	1,151	1,014	680	858	1,037	819

Source: FOEX.

Dissolving Pulp (DP), targeted for textile use and used mainly in Asia, started the year 2022 (until February) with a global demand increase of 1.6%, after a strong recovery of 14% in the year 2021, according to the Pulp and Paper Products Council (PPPC), Global DP Demand Report - February 2022. DP prices have followed the general upward movement in pulp prices in 2022, continuing to perform very strongly.

Altri Group

Operational Performance

Total volume of Pulp produced in 1Q22 achieved 280.3 thousand tons, a level almost equal to the same period in the previous year. In terms of Pulp sales, the volume reached approximately 298.1 thousand tons in 1Q22, a slight decrease of 2.1% when compared to 1Q21. In relation to the previous quarter, the evolution of pulp production (+7.9%) and sales (+10.9%) has a more positive evolution, essentially due to Celbi's scheduled shutdown in the previous quarter (October 2021).

Operational Indicators (Quarters)

000' tons	1Q22	1Q21	1Q22/1Q21	4Q21	1Q22/4Q21
Production Pulp BHKP	256.5	256.5	0.0%	235.8	8.8%
Production Pulp DWP	23.8	23.9	-0.5%	23.9	-0.7%
Total Production	280.3	280.4	-0.1%	259.8	7.9%
Pulp Sales BHKP	264.0	273.2	-3.4%	255.9	3.2%
Pulp Sales DWP	34.1	31.4	8.5%	12.8	167.1%
Total Sales	298.1	304.6	-2.1%	268.7	10.9%

Economic and Financial Performance

As mentioned in the 2021 Earnings Announcement, Altri Group considers the activity of GreenVolt as a 'Discontinued Operation' in terms of reporting financial information. As such, and already since the last quarter of 2021, the financial information presented is essentially focused on the Pulp activity.

Total revenues of Altri Group amounted to around € 249.2 M during 1Q22, a 46.5% increase vs 1Q21, as a result of the favorable evolution of pulp prices during the last year. EBITDA reached € 61.0 M, +85.6% vs 1Q21 with an EBITDA margin of 24.5%, +5.1 p.p. when compared to the same period in the previous year. The net profit of the Altri Group, excluding GreenVolt, achieved € 29.8 M, a significant increase of 144.8% comparatively to the € 12.2 M recorded in 1Q21.

Income Statement Highlights of the 1Q22

€ M	1Q22	1Q21*	1Q22/1Q21	4Q21**	1Q22/4Q21
Pulp	200.0	135.4	47.7%	173.6	15.2%
Other	49.2	34.7	42.0%	34.5	42.7%
Total Revenue	249.2	170.1	46.5%	208.1	19.8%
EBITDA	61.0	32.9	85.6%	49.6	22.9%
EBITDA margin	24.5%	19.3%	+5.1 pp	23.9%	+0.6 pp
EBIT	44.5	16.8	165.4%	34.1	30.5%
EBIT margin	17.9%	9.9%	+8.0 pp	16.4%	+1.5 pp
Net profit from Continued operations	29.8	12.2	144.8%	33.3²	-10.4%
Net profit from Discontinued operations ¹	3.7	1.0	267.4%	1.6	135.8%
Consolidated Net Profit¹	33.6	13.2	154.2%	34.9	-3.8%

* 1Q21 restated according to IFRS 5. ** 4Q21 restated according to IFRS 3

¹ attributable to equity holders of the parent company

² The net profit in 4Q21 includes the recognition of tax benefits and other effects (reversal of provisions for tax processes, etc.)

Total Revenue are now presented by nature, namely, i) Pulp - refers to revenues directly from the sale of pulp and ii) Others - refers essentially to the sale of biomass, the rendering of operation and maintenance services of GreenVolt's biomass plants and the sale of energy (directly related to the production process of cellulosic fibers) to the national grid.

Investment

The total net investment made by the Altri Group during the first quarter of 2022 was € 6.8 M, which compares with the € 5.9 M in 1Q21.

Financial Net Debt

The Altri Group's Net Debt at the end of 1Q22 was € 303.3 M, a reduction from € 344.0 M at the end of 2021. This level of debt is equivalent to a Net Debt/EBITDA LTM ratio of 1.2x. The Total Net Debt level, when adding Lease Liabilities, was € 375.6 M at the end of 1Q22 vs € 417.1 M at the end of 2021.

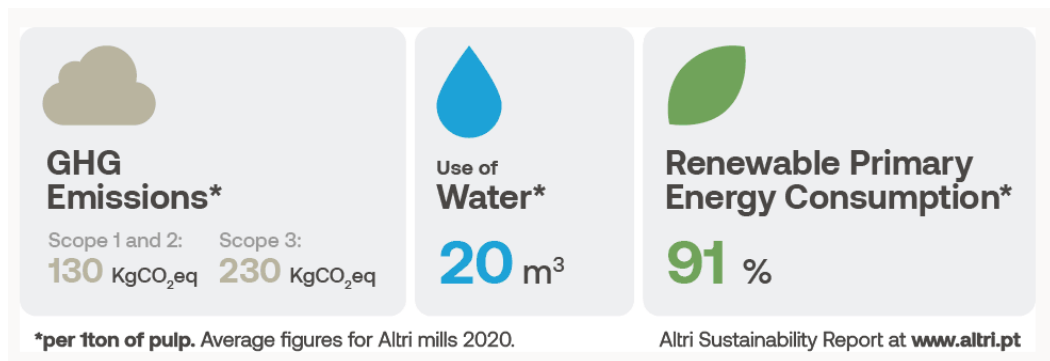
Sustainability

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

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

Based on this strategy, 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, resulting in the definition of the “2030 Commitment” of the Altri Group. Every quarter we see progress towards a more sustainable Group, of which we would highlight the following initiatives in 1Q22:

- **The Altri Group is a global pioneer in integrating environmental information in the invoices sent to its customers.** The documents sent to customers now present information regarding i) emissions of greenhouse gases, ii) the use of water and iii) the consumption of renewable energy, per ton of cellulosic fiber produced. This information is audited by an independent external entity.



- **EU taxonomy to meet the requirements of the regulation (EU) 2020/852.** In compliance with legal requirements, and with reference to December 31, 2021, the Altri Group publicly disclosed in the Sustainability Report, information about the eligibility of its economic activities regarding climate objectives, materialized by the size of their weight in income (turnover), operating expenses (OpEx) and capital expenditures (CapEx).
- **2030 Commitment – Current status by the end of 2021.** Altri Group achieves an excellent evolution of its environmental metrics, having accomplished more than 90% of the internally required goals at the end of 2021, in 10 of the 12 SDGs (Sustainable Development Goals) assumed with the United Nations. We include the table with the evolution mentioned in the annex.

Perspectives

Pulp demand in Europe in 2022 maintains the strong momentum seen at the beginning of the year, especially for printing and writing paper (P&W) as well as Tissue end use segments. Strong demand for Pulp coupled with low availability, visible by historically low stock levels at European ports, led to the announcement of two additional Pulp (BHKP) price increases, announced for April (US\$50) and May (US\$50), to US\$1,300/ton.

Supply continues to be influenced by global logistics constraints, to which were added, during the quarter, additional challenges arising from the conflict in Ukraine and consequent difficulties in several value chains. China's restrictive health policy (Zero Covid) continues to be an important factor influencing the dynamics of global logistics as well as domestic demand. Given this context, the various regional markets end up operating in a more isolated manner, with North America being the most dynamic of the current markets, followed by Europe, Latin America and Rest of Asia/Africa.

The inflation of variable costs in the sector, and also for Altri Group, is one of most serious challenges for 2022 to which the Group is trying to manage in the best way. The increase in costs such as natural gas, chemicals as well as a higher level of wood imports ends up leading to a relevant increase in production costs per ton. On the other hand, the change from regulated energy regime to market regime during the 1Q22 improved significantly the energy balance of the Group. It is our belief that these factors support the maintenance or even the possible increase of pulp prices.

The Gama project in Galicia continues to move forward at a high pace, now with the potential location announced in April. The sustainable fiber plant is to be located in the Palas de Rei area in the province of Lugo, Autonomous Community of Galicia in Spain. After this important milestone, we are moving on to the next steps that include the environmental impact study, the detailed engineering and economic feasibility project, as well as the definition of the financing structure. We remind you that the Gama project stems from a Memorandum of Understanding (MoU) signed with Impulsa, a public-private consortium from the region of Galicia, to study exclusively the construction of a greenfield industrial plant with an annual production capacity of 200,000 tons of soluble pulp and sustainable textile fibers and for which a final investment decision is expected during the fourth quarter of 2022.

Annexes

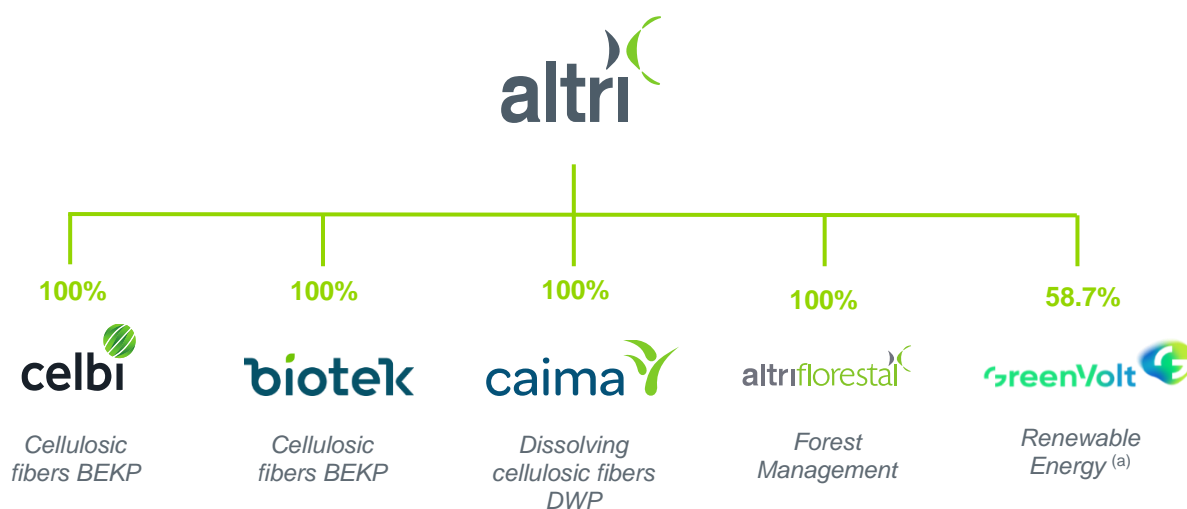
Description of Altri Group

Altri is a reference in European eucalyptus cellulosic fibers 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 through its subsidiary GreenVolt. 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 88.3 thousand hectares of forest in Portugal, entirely certified by the Forest Stewardship Council® (FSC® -C004615) and by Programme for the Endorsement of Forest Certification™ (PEFCTM), two of the most acknowledged certification entities worldwide.

Currently, Altri has three pulp mills in Portugal, with an installed capacity that, in 2021, reached more than 1.1 million tonnes/year of eucalyptus cellulosic fibers.

Altri's current organic structure at the end of March 2022 can be represented as below.



(a) Presented in this consolidated financial information as a Group of assets classified as held for distribution to shareholders, with reference to March 31, 2022.

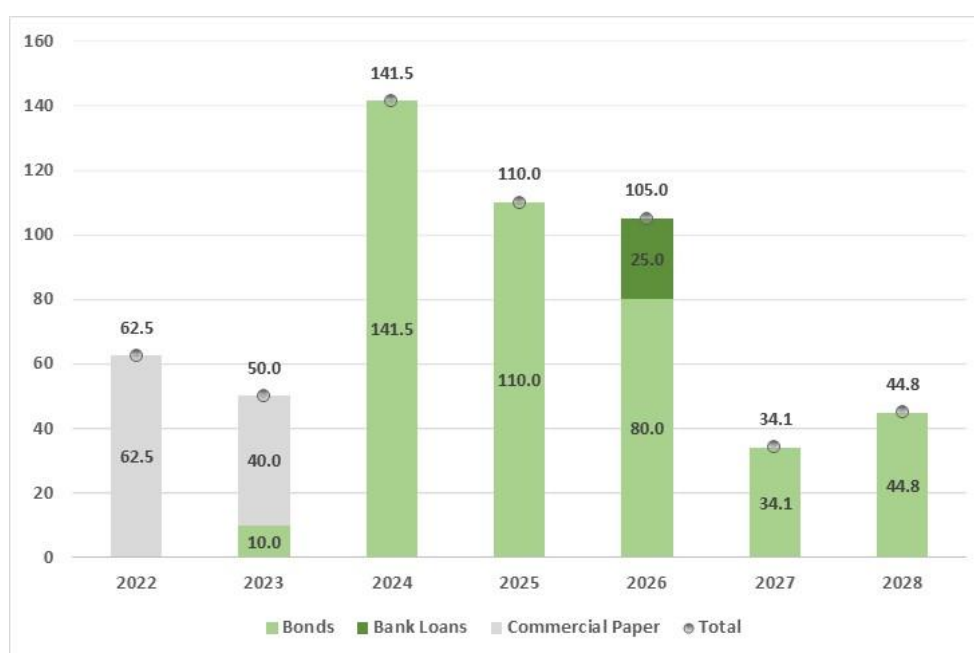
Pulp Mill's Maintenance Downtime Schedule

In terms of stoppages for maintenance during 2022, the schedule is as follows:

Mill	2022	Status
Celbi	No downtime	-
Biotek	May	Scheduled
Caima	October	Scheduled

Source: Altri.

Financial Debt Maturity Profile



Source Altri. Amounts in € M. Note: Commercial Paper renewable with multi-year maturity

Income Statement of 1Q22













€ M	1Q22	1Q21*	1Q22/1Q21	4Q21**	1Q22/4Q21
Pulp	200.0	135.4	47.7%	173.6	15.2%
Other	49.2	34.7	42.0%	34.5	42.7%
Total Revenue	249.2	170.1	46.5%	208.1	19.8%
Cost of sales	103.7	86.0	20.6%	84.2	23.1%
External supplies and services	71.4	42.1	69.5%	62.2	14.7%
Payroll expenses	10.1	9.1	10.9%	14.3	-29.0%
Other expenses	3.0	0.6	369.0%	1.0	196.0%
Provisions and impairment losses	0.0	-0.7	s.s.	-3.4	s.s.
Total expenses	188.2	137.2	37.2%	158.4	18.8%
EBITDA	61.0	32.9	85.6%	49.6	22.9%
EBITDA margin	24.5%	19.3%	+5.1 pp	23.9%	+0.6 pp
Amortisation and depreciation	-16.5	-16.1	2.5%	-15.5	6.4%
EBIT	44.5	16.8	165.4%	34.1	30.5%
EBIT margin	17.9%	9.9%	+8.0 pp	16.4%	+1.5 pp
Results related to investments	0.1	0.1	s.s.	0.0	s.s.
Financial expenses	-6.0	-3.0	99.1%	-8.4	-28.7%
Financial income	2.3	2.9	-18.2%	1.0	126.4%
Financial results	-3.5	-0.1	s.s.	-7.3	-52.5%
Profit before income tax and CESE of continued operations	41.0	16.7	145.8%	26.8	53.3%
Income tax	-11.1	-4.5	s.s.	6.6	s.s.
Energy sector extraordinary contribution (CESE)	-0.1	0.0	s.s.	0.0	s.s.
Consolidated net profit of continued operations	29.8	12.2	144.8%	33.3¹	-10.4%
Profit after tax from discontinued operations	12.5	1.0	1137.0%	4.8	161.2%
Consolidated net profit for the period	42.3	13.2	220.8%	38.1	11.1%
Attributable to:					
Equity holders of the parent	33.6	13.2	154.2%	34.9	-3.8%
Non-controlling interests	8.8	0.0	s.s.	3.2	173.8%

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

* 1Q21 restated according to IFRS 5. ** 4Q21 restated according to IFRS 3.

¹ The net profit in 4Q21 includes the recognition of tax benefits and other effects (reversal of provisions for tax processes, etc.).

2030 Commitment – Current status by the end of 2021

2030 Commitment	2018 base year	2021	Degree of compliance* (2021)	2030 Goal
 Reduce the specific use of water (m ³ /tSA) in Altri's industrial units by 50%	20	19	100%	10
 Reduce the organic load (CQO,kg O ₂ /tSA) in Altri's industrial effluents by 60%	11	11	78%	4
 Increase by at least 60% the amount of renewable electricity injected into the National Electrical Network (GWh)	625	896	99,9%	1000
 100% of the primary energy consumed in the industrial units of Altri is of renewable origin	83%	90%	99%	100%
 Double the number of women in leadership roles	19	24	92%	38
 100% of process waste recovered or reused	77%	81%	100%	100%
 Reduce specific emissions of GHG from scope 1 and 2 by 60% (kgCO ₂ /TSA)	192	131	98%	66
 Reduce scope emissions 3 by 30% (kgCO ₂ /TSA)	292	256	98%	202
 Increase the percentage of wood consumption with forest management certification by 40%	57%	69%	102%	80%
 Double the area under natural conservation management (ha)	7980	9140	93%	16000
 Develop 13 biodiversity stations and biospots	2	4	100%	15
 Walk toward achieving zero accidents with lost days**	n.d.	21	0%	0

* Degree of compliance of the goal in relation to 2021 targets

**More than 3 days lost

Glossary

Total Revenue: Sales + Services rendered + Other income

EBITDA: Profit before income tax and CESE, Financial results and Amortisation and depreciation of continued operations

EBITDA margin: EBITDA / Total Revenue

EBIT: Profit before income tax and CESE and Financial results of continued operations

EBIT margin: EBIT / Total Revenue

Profit after tax from discontinued operations: Profit after tax related to GreenVolt and its subsidiaries' activities

Total net investment: Payments in the period relating to acquisitions of property, plant and equipment related to the operational activity of the Pulp segment.

EBITDA LTM: EBITDA reported in the last twelve months

Net Debt: Bank loans (nominal amounts) + Other loans (nominal amounts) - Cash and cash equivalents

Total Net Debt: Net Debt + Lease Liabilities



EARNINGS ANNOUNCEMENT

1Q22

ALTRI, SGPS, S.A.

Head office: Rua Manuel Pinto de Azevedo, 818, Porto

Share capital: Euro 25,641,459

Registered in the Oporto Commercial Registry Office under the single registration and tax identification number - 507 172 086
