Annual Report 21

making our world + renewable

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ALTRI, SGPS, S.A.

Public Company

Head Office: Rua Manuel Pinto de Azevedo, 818 – Oporto

NIF 507 172 086

Share Capital: 25,641,459 Euro

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To the Shareholders

Pursuant to the legal and statutory requirements, the Board of Directors of Altri, SGPS, S.A. (hereinafter referred to as "Altri", "Company" or "Group"), hereby presents the Annual Report for 2021. In accordance with Article 508(6)(C) of the Commercial Companies Code (CSC), the Board of Directors decided to submit a single Management Report, fulfilling all the applicable legal requirements that will enable a complete, practical and integrated analysis of the information made available therein.

INTRODUCTION

Altri was incorporated in February 2005 and, as a result of relevant and complex acquisitions, namely Biotek, S.A. ("Biotek") and, later, Celulose Beira Industrial (CELBI), S.A. ("Celbi"), industrial units that joined the already owned Caima Indústria de Celuse, S.A. ("Caima"), quickly became known and recognized as a reference European producer of cellulose fibres for paper applications and, more recently, of cellulose fibres for special applications, mainly for the textile sector. It is also a reference player in the renewable forest-based energy sector, namely in industrial cogeneration through black liquor and biomass, insofar as its forestry strategy is based on the full use of all the components provided by the forest: pulp, black liquor and forest waste.

All the shares representing Altri's share capital are admitted to trading on a regulated market - Euronext Lisbon - integrating its main reference index, PSI.

Altri's success is due to a variety of factors, most notably the high level of investment made, especially in recent years - Altri has invested in the last ten years more than 477 million Euro in industrial units in Portugal, equipping them with the most advanced technology available on the global market. Therefore, Altri's industrial units are now national and international references in terms of best practices and environmental compliance.

Altri has three pulp mills in Portugal: Celbi, in Figueira da Foz, Biotek (previosuly named Celtejo – Empresa de Celulose do Tejo, S.A.), in Vila Velha de Ródão and Caima, in Constância, with an installed capacity of production of cellulose fibres of more than 1.1 million tonnes in the three units as a whole.

The forest is a strategic asset for Altri. At the end of 2021, Altri, through its subsidiaries, Altri Florestal, S.A. and Florestsul, S.A., managed 88.3 hectares of forest in Portugal. Altri's management practices are certified by the main sustainable forest management certification systems, a guarantee that the Company will achieve its goals, now and in the future.

In these lands, eucalyptus stands out as the main crop of Altri's forest, ensuring a self-supply that complements the supply provided by the wood and biomass market. These lands are fully certified by the Forest Stewardship Council® (FSC®) and the Programme for the Endorsement of Forest Certification (PEFC), two of the most renowned certification bodies worldwide.

Although Altri's forests are scattered across the country, they are mostly concentrated in Tejo's valley, a fact that makes them even more relevant due to their proximity to Altri's manufacturing units. This proximity is extremely relevant from the strategic point of view, because it allows optimising transportation costs, while ensuring a greater efficiency in the mobilisation of wood when compared to the production of wood located at farther distances.

The pursuit of Altri's industrial strategy is based on integrated forest management in Portugal, which aims at optimising the forest, guaranteeing that all its components are fully used. Thus, eucalyptus is processed in Altri's mills, producing paper pulp and electricity (cogeneration), while the bark, the branches and the forest waste are used to generate electricity using biomass.

Altri's development strategy is clearly based on the reinforcement of its operational efficiency and, at the same time, on the diversification of the sources of revenue for segments with higher added value and that enable an evolution in the value chain. Thus, in order to comfortably compete in the commodity market, and in a context marked by an adverse exchange rate, the Company must reduce its operating costs and, on the other hand, invest in the manufacture of products with higher added value, which will allow the Group to grow.

Altri aims to become the most efficient producer of cellulose fibre on a global scale providing a door-to-door service to its customers.

With this goal in mind, Altri defined four strategic development vectors that focus its activity and future investments:

- Valuing People
- Developing and Valuing the Forest
- Investing in Operational Excellence and Technological Innovation
- Affirming Sustainability as a Factor of Competitiveness

Regarding the energy sector, Altri is also investing in generating electricity via renewable-based industrial cogeneration (a process based on the use of plant components with combustible properties).

Additionally, Altri, through its subsidiary Greenvolt - Energias Renováveis, S.A. (GreenVolt), owns and currently manages five thermoelectric biomass power plants in Portugal, which demonstrates its strong commitment to the renewable energy sector. GreenVolt is today the main reference in terms of energy production from residual forest biomass in Portugal.

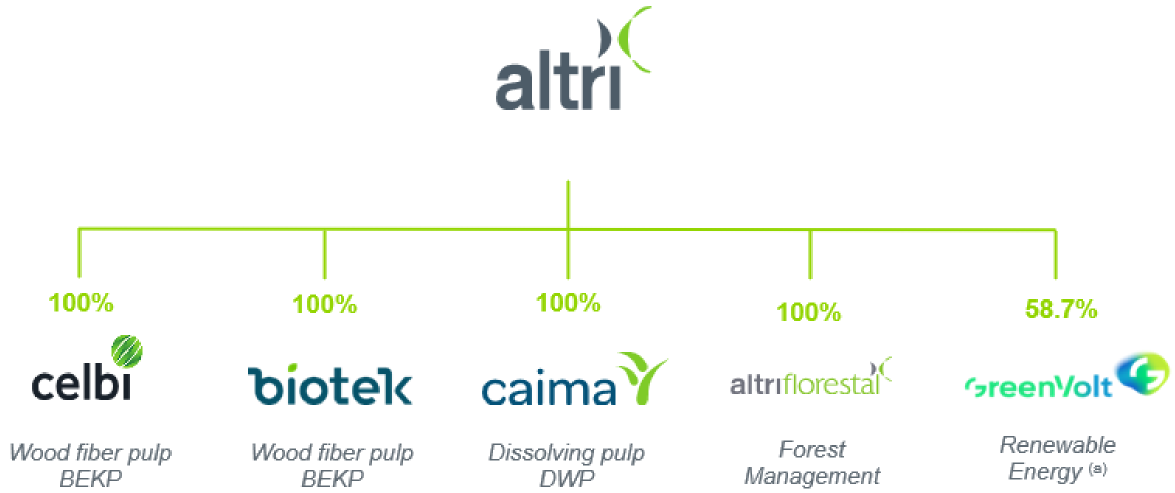
On June 30, 2021, this subsidiary took the first step of international expansion, having acquired an urban biomass plant (urban waste wood, namely - demolition/construction waste) in Tilbury, United Kingdom. This plant has an installed capacity of 42MW. For this acquisition, GreenVolt established a partnership with a UK investor (Equitix Investment Management Ltd), reserving for itself the majority position. This acquisition was a decisive step for 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.

As is already widely known, on July 15, 2021, all the shares representing the share capital of this subsidiary were admitted to trading on Euronext Lisbon, as a result of an extraordinarily successful Initial Public Offering (IPO). The shares were subscribed by a number of professional investors and by V-Ridium Europe Sp. z.o.o., with the latter participating in the capital increase not through a cash contribution, as the others did, but through a contribution in kind consisting of all the shares representing a subsidiary company, V-Ridium Power Group, Sp. z.o.o., a company that is now wholly owned by GreenVolt. V-Ridium is a company under Polish law, operating in the renewable energy sector, and is a reference player in this sector. It has in pipeline wind and solar projects, mostly in Poland and Greece. This company, fully owned by GreenVolt, is one of the largest companies in Europe in the business of the development of utility-scale solar and wind projects, being present in several markets worldwide.

GreenVolt's accelerated process of internationalization did not stop there. This Altri subsidiary also invested in the sector of decentralized energy generation, so essential to our society as a fundamental axis of energy transition and as an instrument for reducing the costs of energy bills. GreenVolt operates in Portugal in the Business-to-Business ("B2B") through its majority owned subsidiary Profit Energy and in Spain in the Business-to-Consumer ("B2C") through its subsidiary Perfecta Energía.

As a result of the IPO, Altri Group now owns 58.72% of Greenvolt - Energias Renováveis, S.A. and its subsidiaries. The Altri Group carried out a study regarding the optimization of its shareholding in the share capital of its subsidiary Greenvolt - Energias Renováveis, S.A., which, after analyzing the impacts and advantages of a full separation of the pulp business and the renewable energy business, concluded that such separation would be feasible, as it would constitute an adequate response to the optimised evolution of the companies involved, adjusted to the underlying reality of their businesses and to their evolution perspectives. Altri's Board of Directors will propose, in the Annual General Meeting of 2022, under conditions that the respective proposal will present, the distribution to Altri's shareholders of a maximum number of shares corresponding to 52,523,229 shares of GreenVolt, and corresponding to the shareholding that Altri currently holds directly (43.27%). It is the understanding of Altri's Board of Directors that the proposed distribution of shares will be approved by the Company's shareholders, since the Board believes that the shareholders will not only agree, but also consider essential, for the reasons already mentioned, the total separation of the pulp business from the renewable energy business. The delivery of the shares to the shareholders will take place, expectedly, in a period never exceeding 30 days from the date of the resolution (i.e., in a period always less than 12 months after December 31, 2021). Accordingly, GreenVolt and its subsidiaries are presented in this consolidated financial information as a Group of assets classified as held for distribution to shareholders as of December 31, 2021.

Consequently, the functional organisational structure of the Altri Group, in the end of 2021, is as follows:



(a) Presented in this consolidated financial information as a Group of assets classified as held for distribution to shareholders, with reference to December 31, 2021.

MESSAGE FROM THE CEO

The year 2021 was another year of strong growth for the Altri Group. Despite all the constraints arising from the pandemic, with high restrictions in terms of logistics in global terms, we were once again able to surpass ourselves, reaching levels of production of cellulosic fibers, but also of turnover levels, unparalleled in the history of our Company.

These results are consequence of the daily commitment of our people, but also of our partners, suppliers and customers. They are also a reflection of the continuous investment that the Altri Group has made in its production units in Portugal, at Celbi, Caima and Biotek, making them increasingly efficient, responding to the growing demand for our products worldwide.

This growth was, however, achieved in a balance between economic, social and environmental sustainability. We seek to create value for all our stakeholders by complying with the best practices in the forestry sector, investing in forest certification and implementing measures that stimulate biodiversity, in line with the 2030 Commitment assumed by the Altri Group.

It is this unique positioning that led the Altri Group to be selected by the Galician authorities to develop a unique project for the production of sustainable cellulosic textile fibers. It is a project that, if implemented, will make a strong contribution to the replacement of synthetic fibers, of fossil origin.

We are also reducing our dependence on energy from fossil sources. Caima will soon become the first Iberian producer of cellulosic fibers free of fossil fuels, and the Group, as a surplus producer of energy, is switching to the energy market regime.

This is one of the measures implemented to face a year that appears to be full of challenges. This shift to an energy market regime will have a positive impact during the first quarter of 2022, allowing us to mitigate the effects of the rise in energy prices as a result of the tragedy that is being experienced in Ukraine where millions of innocent people are suffering from an unjustifiable Russian military operation.

The war scenario increases uncertainty, aggravating logistical constraints at a global level, which were already being felt, and pushing energy prices to historic highs at a time when difficulties in the value chains of several industries were already creating inflationary pressures. We will continue to focus on managing and optimizing our business in a sustainable way, with the aim of keeping creating value for all our stakeholders.

José Soares de Pina

MACROECONOMIC FRAMEWORK

The year 2021 was characterized by the critical role of vaccination in the fight against the Covid-19 pandemic. Although vaccination is a long and asymmetric process, with different implementations depending on the development of the regions of the globe, the mass vaccination process in developed economies resulted in a decrease in the number of infections and, consequently, a decrease in restrictions, which allowed economic activity to grow. Nevertheless, the world was always on alert for the possibility of new infectious variants emerging, which meant that the pace of recovery was not constant. The projections of the annual variation of the GDP at constant prices (in %) of the world economy are mostly around 5%: 5.5% by the World Bank, 5.7% by the European Community, and 5.9% by the International Monetary Fund. The OECD is a little more cautious, estimating a growth rate of 3.8%.

For 2022, fighting the pandemic will continue to be key. However, new adversities will be on the table. The armed conflict in Ukraine, besides the humanitarian catastrophe it caused to the people of that country and the trail of destruction, will have repercussions on the world economy. There are several impacts, namely on the price of raw materials where, for example, oil has reached new historic highs. In parallel, the world has been trying to respond to the Russian invasion with economic sanctions that will have an impact on countless economies, both for the role of exporter and importer. Additionally, the inflation issue may be particularly relevant, implying important changes in monetary policy. Central Banks may have to implement more restrictive monetary policies, contracting demand and thus causing economic deceleration. For 2022, the OECD puts forward GDP growth projections (at constant prices) of around 3.9% for the world economy. The World Bank points to an annual GDP variation at constant prices of 4.1%, while the IMF goes further, with a forecast of around 4.8%. However, all forecasts are under permanent revision due to the possible impact of the conflict in Ukraine.

As for the Eurozone economy, which had fallen in 2020, it showed a solid recovery in 2021, with the latest OECD estimates pointing to growth of 5.2%. Private consumption was the main responsible for this recovery. Inflation rates, both the overall rate and the underlying rate, experienced large increases, reaching 4.1% and 2.0%, respectively, in October 2021. In the next two years, growth is expected to slow gradually to 4.3% in 2022 and 2.5% in 2023. As for unemployment, it is expected to be back at pre-pandemic levels and to fall below that level in 2023. The OECD forecasts estimate that the unemployment rate in the Eurozone will fall from 7.9% in 2020 to 7.7% in 2021, 7.2% in 2022 and 7.0% in 2023. Eurozone inflation, meanwhile, closed 2021 at 2.4%, and is estimated at 2.7% and 1.8% for 2022 and 2023.

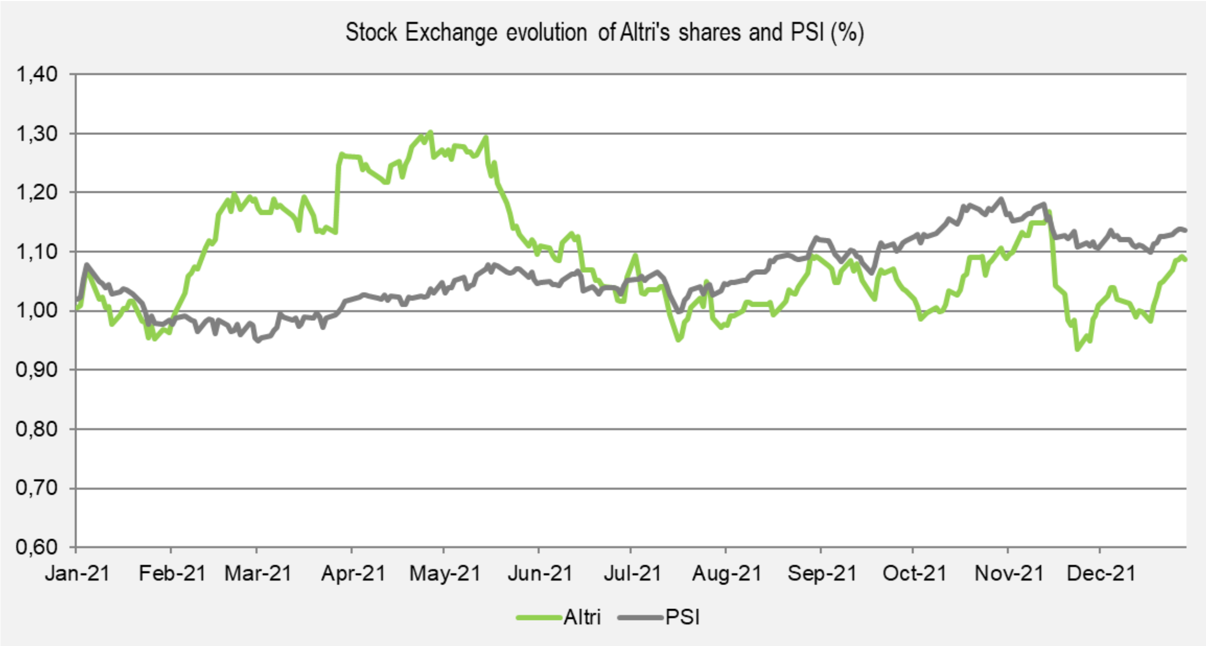
Economic activity in Portugal recovered more robustly than expected in the second and third quarters of 2021, when most restrictive measures were withdrawn, driven mainly by private consumption. The latest projections advance GDP growth between 4.8% and 4.9% in 2021. For 2022, the OECD estimates GDP growth of 5.8% for 2022 and 2.8% for 2023. At the same time, after having closed 2020 with a slight deflation of 0.1%, Portugal will have reached inflation levels of 0.9% in 2021. The Bank of Portugal (BdP) projections for the coming years point to inflation of 1.8% in 2022 and 1.1% in 2023. As for unemployment, BdP and INE estimates point to 6.6% in 2021, 6.0% in 2022 and 5.7% in 2023 (values in % of the active population).

As for China, the most recent estimates point to the economy growing around 8.1% in 2021, a value well above the average of the other major economies. For 2022, the OECD foresees growth of around 5% in 2022 and 2023. Inflation is expected to follow the global trend, rising from an estimated 0.8% in 2021 to 1.7% and 2.4% in 2022 and 2023, respectively.

Source: *IMF - Informação de Mercados Financeiros*, Macroeconomic Framework Report for 2021 and Scenario for 2022, March 21, 2022

STOCK EXCHANGE EVOLUTION

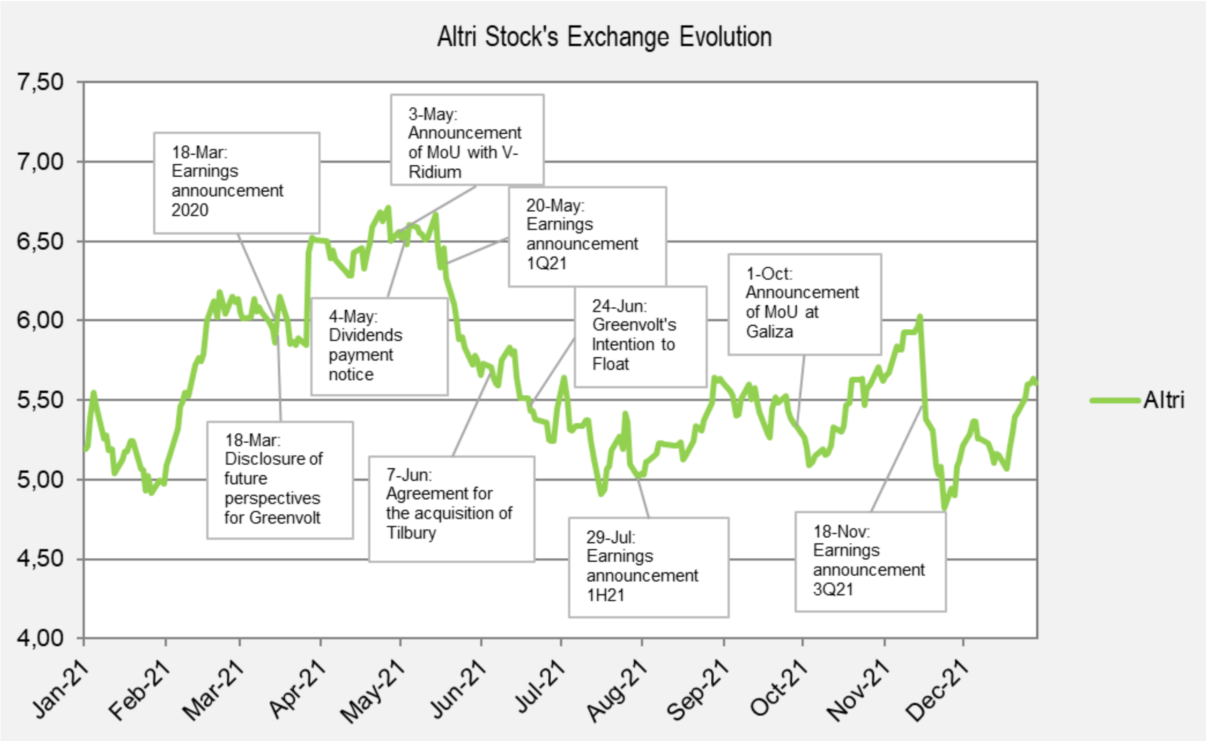
(Note: PSI was regarded as an index with an initial value identical to that of the security under analysis in order to enable a better comparison between share prices)



At the end of 2021, Altri's share price closed at 5.61 Euro per share. Market capitalisation was about 1.151 billion Euro at the end of 2021.

In 2021, Altri's shares were traded at a maximum price of 6.715 Euro per share and at a minimum of 4.822 Euro per share. In total, approximately 156.4 million Altri shares were traded in that period, corresponding to 76.2% of the issued capital.

The main events that marked the evolution of the Company's shares in FY 2021 can be chronologically described as follows:



- As of March 18, 2021, the Group announced its financial performance for the year 2020, reaching a consolidated net profit of 35.0 million Euro. Total revenue[1] amounted to 615.6 million Euro. Consolidated EBITDA[2] amounted to over 130.4 million Euro. On that date, shares closed at 6.04 Euro per share;
- On the same date, Altri informed the market that its subsidiary GreenVolt would begin the implementation of an ambitious project of national and international expansion in order to consolidate its leadership position at national level and establish itself as a reference player at international level in the renewable energy market, not only from forest biomass, but also through innovative models of solar and wind energy;
- Additionally, the market was informed of studies to investigate a possible operation that would culminate in the admission to trading of all shares representing the share capital of GreenVolt in the regulated market Euronext Lisbon;
- On May 3, 2021, Altri announced the signing of a Memorandum of Understanding with the Polish company V-RIDIUM EUROPE SP. Z O.O., agreeing on a possible share capital increase of GreenVolt in the context of its IPO;
- In the press release issued on May 4, 2021, Altri announced that dividends for the 2020 fiscal year, corresponding to 0.25 Euro per share, would be paid as from May 20;
- Through an announcement made on May 20, 2021, the Group released the results for the first quarter of 2021. In that period, total revenue[1] amounted to 179.2 million Euro, EBITDA[2] reached about 39.5 million Euro, while the consolidated net profit recorded 13.2 million Euro;
- On June 7, 2021, Altri informed the market that its subsidiary GreenVolt, together with funds managed by the Equitix Group, has entered into an agreement for the acquisition of Tilbury Green Power Holdings Limited, a company under English law, which owns a biomass renewable energy production plant;

[1] Total revenues = Sales + Services rendered + Other income
[2] EBITDA = Profit before income tax, Financial results and Amortisation and depreciation

- In the communication of June 24, 2021, Altri made available to investors its intention to proceed with the IPO and the characteristics and conditions of this operation. Already in the second half of the year, the Prospectus of the operation was disclosed, and the operation ended successfully, i.e. with all the shares representing the share capital of GreenVolt being admitted to trading on the regulated market Euronext Lisbon on July 15, 2021;
- As of July 29, 2021, announced to the market its financial performance for the first half of 2021, reaching total revenues[1] of around 387 million Euro, EBITDA[2] of 109 million Euro and a consolidated net profit of 44.8 million Euro;
- On October 1, 2021, Altri announced a Memorandum of Understanding with a public-private consortium from the region of Galicia to study exclusively the construction of a greenfield industrial unit with the capacity to produce around 200,000 tons of soluble pulp and sustainable fibers per year;
- As of November 18, 2021 the Group released the results for the third quarter. During the first nine months of the year, the Group recorded total revenues1 of 635.3 million Euro, EBITDA[2] achieved 207.6 million Euro and the consolidated net profit was 92.8 million Euro. In this earnings release, Altri highlighted GreenVolt's and Altri's growth prospects, and it seemed reasonable and necessary to consider a study on the optimization of Altri's shareholding in GreenVolt, which could involve a possible spin-off of this shareholding if there is an adequate response to the optimized evolution of the companies in question.

THE GROUP'S ACTIVITY

Altri is a leading European producer of cellulose fibres. Besides pulp production, the Group is also present in the field of forest-based renewable energy, particularly in industrial cogeneration using black liquor and biomass, through the subsidiary GreenVolt. The forest strategy is based on the full use of all the components made available by the forest: pulp, black liquor, and forest residues.

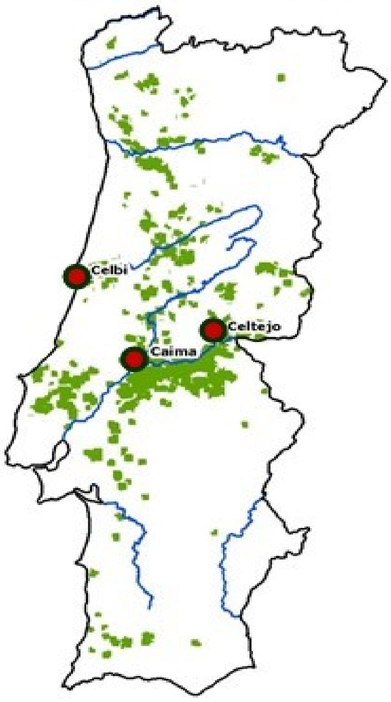
Currently, Altri manages about 88,300 hectares of forest in Portugal, fully certified by the Forest Stewardship Council® (FSC®) and by the Programme for the Endorsement of Forest Certification (PEFC), two of the most worldwide acknowledged forest certification mechanisms.

Currently, Altri owns three pulp mills in Portugal, with an installed capacity that, in 2021, exceeded 1.1 million tons of eucalyptus pulp.

The main financial holdings held and managed by the Altri Group related to the pulp sector are as follows:

– **Caima – Indústria de Celulose (Constância)** – dissolving pulp producer and distributor;
– **Celulose Beira Industrial (Celbi) (Figueira da Foz)** – paper pulp producer and distributor;
– **Biotek** (previosuly named Celtejo – Empresa de Celulose do Tejo, S.A.) **(Vila Velha de Ródão)** – paper pulp producer and distributor;
– **Altri Florestal (Furadouro)** – the company that manages the Group's forestry resources.

Location of the Altri Group's industrial units



Additionally, the Group also holds a 58.72% stake in GreenVolt, which operates in the renewable energy production sector, nationally and internationally. As mentioned above, GreenVolt and its subsidiaries are presented in this consolidated financial information as a group of assets classified as held for distribution to shareholders, with reference to December 31, 2021.

Altri's product

Celbi and Biotek produce cellulosic fibres, using the sulphate process, or Kraft for applications in the paper industry. Caima produces cellulosic fibres, using the sulphite process, for specific applications, mainly in the textile industry.

Celbi's cellulosic fibres are bleached without the use of elemental chlorine (ECF, elemental chlorine free). Caima and Celtejo's cellulosic fibres are TCF (totally chlorine free), i.e., they are bleached without the use of chlorine compounds.

In the case of Celbi and Biotek, the use of eucalyptus globulus as raw material, combined with the production process, gives their products special characteristics that make them particularly suitable for the production of certain types of paper or cardboard.

These characteristics recommend, in the case of Celbi, their use in the production of fine printing and writing paper, paper for decorative laminates and paper to support high quality printing. In the case of Biotek the product is particularly suitable for the production of tissue papers.

Caima produces cellulosic fibres for specific applications, mainly in the textile industry, using eucalyptus globulus as raw material. Its product is used in the production of viscose, one of the raw materials for the textile industry, alongside cotton and polyester. Examples of final products, which integrate in its production process paper and dissolving pulp, are the paper (writing, decoration or tissue), textile industry (clothes), glasses, tires, mattresses, sponges, electronic gadgets like LCD's, food industry (for example the production of sauces), inks, cigarettes, dishes, among many others. With this range of applications, cellulosic fibres industry adds relevant value to society.

The target markets for cellulosic fibres are Western Europe, Eastern Europe and the Mediterranean. Cellulosic fibres for specific applications produced by Caima is mainly sold in China, which is the world's largest viscose producer.

In addition to cellulosic fibres of Caima, this subsidiary also sells magnesium lignosulphonate, which is mainly used in the construction industry, as an addictive for concrete.

These cellulosic fibres are approved by Nordic Ecolabelling of Paper Products (Celbi and Biotek) and by European Ecolabel (Celbi), so that they can be used in products that intend to use this environmental label. These are both environmental labelling programmes based on an analysis of the product's life cycle.

The pulp production process and the integrated forest management enables the use of renewable energy sources: black liquor and biomass. These renewable energy sources are used by Altri and GreenVolt in Portugal, generating energy that is injected into the national public grid.

Paper pulp market

The global demand for Pulp during 2021 showed a decrease of 3.2%, with the demand for Hardwood Pulp decreasing by around 4.1% compared to the same period of 2020, according to the PPPC (World Chemical Market Pulp Global 100 Report- December 2021).

The region with the greatest change was Western Europe with an acceleration of demand of 5.0%, still not enough to offset the decrease in demand from China (-12.1%). Western Europe benefited from a strong increase in demand for Printing and Writing (P&W) paper accompanied by a general post-pandemic economic recovery, which benefited most paper segments. On the other hand, China showed some slowdown in demand, with the influence of several external factors that ended up having a relevant impact. Logistical restrictions were one of these factors, given the low availability of ships and the sharp increase in world sea freight prices, limiting exports of paper produced in China (and consequent consumption of pulp). Additionally, the energy crisis led the Chinese Government to enact restrictions on the operation of several industries, in which the Paper industry is included.

Pulp Global Demand by Region

Thousand Tons	2021	2020	Var.%
Bleached Hardwood Sulphate	36,345	37,895	-4.1%
Bleached Softwood Sulphate	24,977	25,992	-3.9%
Unbleached Sulphite	2,762	2,317	19.2%
Sulphite	111	110	0.9%
Global Demand of Pulp	**64,195**	**66,315**	**-3.2%**
***Hardwood* by region**			
North America	3,313	3,281	1.0%
Western Europe	8,213	7,822	5.0%
Eastern Europe	1,525	1,526	-0.1%
Latin America	2,662	2,617	1.7%
Japan	977	878	11.2%
China	13,974	15,891	-12.1%
Rest of Asia/Africa	5,489	5,692	-3.6%
Oceania	191	188	1.6%
Total	**36,345**	**37,895**	**-4.1%**

Source: PPPC (World Chemical Market Pulp Global 100 Report- December 2021)

One of the important factors to check 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 January 2022 it is close to the lows of the last twelve months. The level of stocks recorded in January 2022 represents a decrease of 12% compared to the same period in the previous year and around 28% below the average level of the last three years. Despite being partially explained by some global logistical constraints, these stock levels show that the European Pulp market continues with a very healthy level of demand.

Pulp Stocks in European Ports

Thousand Tons	2019	2020	2021
Stocks (EU Ports)	1,912	1,542	1,198

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

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

At the end of 2021, Pulp price (BHKP) in Europe was at 1,140 USD/ton, a level that remained stable during 4Q21 and practically the entire 3Q21. Despite the decline in pulp prices in China during 3Q21, the strong demand for pulp in Europe by European paper producers led to the maintenance of prices. In China, pulp (BHKP) prices started to recover during 4Q21, reducing the difference to the price practiced in the European market.

BHKP Pulp Price Evolution in Europe (2017 to 2021)

US$/ton	2017	2018	2019	2020	2021	2021			
						1Q21	2Q21	3Q21	4Q21
Avg. Pulp price (BHKP)	819	1,037	858	680	1,014	767	1,009	1,138	1,140

Source: FOEX.

Dissolving Pulp (DP), targeted for textile use and mainly used in Asia, recorded a global demand increase of 14% in 2021, recording a new maximum of 6.8 million tons, according to the Pulp and Paper Products Council (PPPC), Global DP Demand Report – December 2021. This increase was driven by the post-pandemic recovery in Asia. DP prices followed the general upward movement of pulp prices in 2021, with some slowdown at the end of 3Q21 and 4Q21, given some cooling felt in China and production restrictions by the local government.

Operational Performance

Total volumes of pulp produced in 2021 recorded an absolute record of 1,126 thousand tons, an increase of 2.2% vs 2020. Sales in the same period also achieved a record, amounting around 1,153 thousand tons (+5.0% vs 2020).

Operational Indicators (Annual)

Thousand tons	2021	2020	2021/2020
Production Pulp BHKP	1,029	1,010	1.9%
Production Pulp DWP	97	92	5.6%
Total Production	**1,126**	**1,102**	**2.2%**
Pulp Sales BHKP	1,060	997	6.3%
Pulp Sales DWP	93	101	-7.6%
Total Sales	**1,153**	**1,098**	**5.0%**

FINANCIAL REVIEW

Altri's financial information has been prepared in accordance with the principles of recognition and measurement of the International Financial Reporting Standards as adopted by the European Union. (IFRS-EU).

Income Statement of 2021

€ M	2021	2020 (Restated with IFRS 5)	2021/2020
Total revenues	**793.4**	**575.0**	**38.0%**
Cost of sales	321.4	286.9	12.0%
External supplies and services	201.2	151.3	33.0%
Payroll expenses	43.2	39.0	10.9%
Other expenses	3.3	2.9	12.7%
Fair value changes in biological assets	0.0	-1.2	-103.0%
Provisions and impairment losses	-3.6	-1.8	103.7%
Total expenses	**565.7**	**477.2**	**18.6%**
EBITDA	**227.7**	**97.9**	**132.7%**
EBITDA margin	**28.7%**	**17.0%**	**+11.7 pp**
Amortisation and depreciation	-64.0	-62.2	2.9%
EBIT	**163.8**	**35.7**	**359.1%**
EBIT margin	**20.6%**	**6.2%**	**+14.4 pp**
Results related to investments	0.0	0.0	s.s.
Financial expenses	-22.1	-26.4	-16.5%
Financial income	8.6	4.4	95.1%
Financial results	**-13.5**	**-22.0**	**-38.8%**
Profit before income tax and CESE of continued operations	**150.3**	**13.7**	**s.s.**
Income tax	-26.5	11.2	s.s.
Energy sector extraordinary contribution (CESE)	-0.1	-0.1	-20.1%
Consolidated net profit of continued operations in the period	**123.7**	**24.7**	**400.7%**
Net profit after income tax from discontinued operations	11.6	10.3	12.5%
Consolidated net profit for the period	**135.2**	**35**	**2.867**
Attributable to:			
Equity holders of the parent	127.8	35	2.654
Non-controlling interests	7.4	0.0	s.s.

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 of continued operations, Financial results and Amortisation and depreciation
(c) EBITDA margin = EBITDA / Total revenues
(d) EBIT = Profit before income tax and CESE of continued operations and Financial results
(e) EBIT margin = EBIT / Total revenues
(f) Net Profit from discontinued operations is related with the GreenVolt activity

As previously mentioned, Altri Group started to consider the activity of GreenVolt as a 'Discontinued Operation' in terms of reporting financial information. As such, the financial information presented is essentially focused on the Pulp activity.

Total revenues of Altri Group amounted to € 793.4 M during the year of 2021, a 38.0% increase vs 2020, as a result of the more favourable pulp price environment and increased sales volume. EBITDA recorded € 227.7 M, +132,7% vs 2020 with an EBITDA margin of 28.7%, +11.7 p.p. when compared to the same period of 2020. The net profit of Altri Group, already excluding GreenVolt, achieved € 123.7 M, a significant increase comparatively to the € 24.7 M recorded in 2020.

The total net investment[3] made during 2021 by the Group's industrial units amounted to approximately 26.1 million Euro.

Altri's nominal remunerated net debt[4] on December 31, 2021 amounted to 344.0 million Euro,which is equivalent to a Net Debt/EBITDA ratio of 1.5x.

[3] Total net investment: Payments in the period related to the acquisition of property, plant and equipment related to the operational activity of the Pulp segment

[4] Nominal remunerated net debt: Bank loans (nominal values) + Other loans (nominal values) – Cash and cash equivalents

ACTIVITY DEVELOPED BY THE NON-EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS

In 2021, all non-executive directors regularly and effectively performed their duties of monitoring and following-up on the activity carried out by the executive members.

This monitoring took place not only through their regular and assiduous participation in the meetings of the Board of Directors, but also through the participation of some of these non-executive members in the specialized committees existing within the Board, such as the Strategic and Operational Monitoring Committee, the Ethics Committee and the Sustainability Committee, committees which regularly report their activities to the Board of Directors.

Where necessary, the non-executive directors maintained close and direct contact with the Group's operational and financial managers, in a perfect articulation that promotes an enlightened and informed environment.

In the 2021 financial year, and within the scope of the meetings of the Board of Directors, the executive directors always reported on the development of their activity and provided all the information that was requested by the other members of the Board of Directors.

PROPOSAL OF THE BOARD OF DIRECTORS FOR THE APPROPRIATION OF INDIVIDUAL NET PROFIT

Altri, SGPS, S.A., as the Group's holding, as of 31 December 2021, recorded in its separate accounts prepared in accordance with the principles of recognition and measurement of the International Financial Reporting Standards as adopted by the European Union, a net profit of 88,065,822 Euro. The Board of Directors proposes to the Shareholders' General Meeting, under the terms and legal applications, the following distribution:

Dividends	51,282,918 Euros
Free Reserves	36,782,904 Euros

The Board of Directors proposed to the General Meeting in its annual report the distribution, under conditions that the respective proposal will present, of a cash dividend corresponding to 25 cents per share. The same proposal will also include the distribution of a dividend in kind, consisting of a maximum number of 52,523,229 shares representing the share capital and voting rights of GreenVolt. If in this scenario of joint distribution, i.e. in cash and in kind (the latter, as referred to in Notes 1 and 7 of the Notes to the consolidated financial statements) the amount to be distributed exceeds the amount of distributable funds, the portion of the dividend in cash will be reduced by the amount corresponding to the excess, rounded down (to a minimum of 0.01 Euros per share).

RISK MANAGEMENT

Risk Management plays a vital role in the Group's management structure. It is our understanding that risk management is an enhancer of value creation.

For a more comprehensive description of the risks related to the Group's activities, see the Corporate Governance Report, the Consolidated Financial Statements and accompanying notes, the Separate Financial Statements and accompanying notes and the Sustainability Report.

OUTLOOK

Pulp demand continues to show strong dynamics in Europe at the beginning of 2022, especially for end-use Printing and Writing Paper (P&W) and Tissue. The strong demand for Pulp combined with the low availability, visible from the low levels of stocks in European ports, has already led to two price increases, announced for February (US$30), March (US$30) and April (US$50) to US$1,250/ton.

In terms of supply, logistical constraints continue to be an issue. More recently, the war in Ukraine and the sanctions imposed on Russia by several Western countries should contribute to worsen logistical constraints and add inflation of some variable costs. The prolonged strikes in the sector in Northern Europe are also a factor with a relevant impact on the dynamics of the European market.

On the cost side, the generalized inflation of productive factors is a challenge that we intend to manage in the best possible way. Since the increase in energy costs was the main negative factor during 4Q21, Altri Group decided to change the regulated cogeneration energy regime to the market regime, which will have a positive impact already in the 1Q22, given its status as surplus energy producer.

The Galicia project continues to develop rapidly, with environmental impact, economic feasibility and engineering studies being initiated with our partners at Impulsa, the public-private consortium in the Galicia region with whom we have signed the Memorandum of Understanding (MoU) to exclusively study the construction of an industrial unit from scratch with an annual production capacity of 200,000 tons of dissolving pulp and sustainable textile fibers. We expect to the able to announce the final location of the project in the short term.

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

- Celbi: No stoppage scheduled
- Caima: October 2022
- Biotek: May 2022

We refer to the considerations disclosed in Note 47. Subsequent events in the Notes to the Consolidated Financial Statements.

LEGAL MATTERS

Treasury shares

Under the terms and for the purposes of the provisions of Article 66, paragraph 5, d) of the Portuguese Companies Act, it is reported that as of December 31, 2021 Altri did not hold any of its own shares, nor did it acquire or sell any of its own shares during the year.

Shares held by Altri's governing bodies

Pursuant and for the purposes of Article 447 of the Portuguese Companies Act, we hereby inform that, on December 31, 2021, Altri's directors held the following shares:

Ana Rebelo de Carvalho Menéres de Mendonça [a]	38,295,053
João Manuel Matos Borges de Oliveira [b]	31,000,000
Paulo Jorge dos Santos Fernandes [c]	27,146,874
Domingos José Vieira de Matos [d]	26,669,010
Paula Simões de Figueiredo Pimentel Freixo	4,500

[a]– The 38,295,053 shares correspond to the total of Altri, SGPS, S.A. shares held by the company PROMENDO INVESTIMENTOS, S.A., of which director Ana Rebelo de Carvalho Menéres de Mendonça is director and majority shareholder.
[b]– The 31,000,000 shares correspond to the total of Altri, SGPS, S.A. shares held by the company CADERNO AZUL, S.A., of which director João Manuel Matos Borges de Oliveira is director and majority shareholder.
[c]The 27,146,874 shares correspond to the total of Altri, SGPS, S.A. shares held by the company ACTIUM CAPITAL, S.A., of which the director Paulo Jorge dos Santos Fernandes is director and majority shareholder.
[d]– The 26,669,010 shares correspond to the total of Altri, SGPS, S.A. shares held by the company LIVREFLUXO, S.A., of which director Domingos José Vieira de Matos is director and majority shareholder.

On December 31, 2021, the Statutory Auditor, the members of the Supervisory Board and the Board of the General Meeting did not hold Altri's shares.

Qualifying Holdings

On December 31, 2021 and according to the notifications received by the Company, under the terms and for the purposes of Articles 16, 20 and 29-R of the Portuguese Securities Code, it is reported that the companies and/or individuals who have a qualified social participation exceeding 2%, 5%, 10%, 15%, 20%, 25%, 33%, 50%, 66% and 90% of the voting rights, are as follows:

1 Thing, Investments, S.A.	**No. of shares held on 31-Dec-2021**	**% Share capital with voting rights**
Directly (a)	20,541,284	10.01%
Total attributable	**20,541,284**	**10.01%**

[a] - The 20,541,284 shares represent Altri, SGPS, S.A. total shares held directly by 1 THING, INVESTMENTS, S.A., whose board of directors includes Altri's director Pedro Miguel Matos Borges de Oliveira

Domingos José Vieira de Matos	**No. of shares held on 31-Dec-2021**	**% Share capital with voting rights**
Through Livrefluxo, S.A. (of which he is dominant shareholder and director)	26,669,010	13.00%
Total attributable	**26,669,010**	**13.00%**

Paulo Jorge dos Santos Fernandes	**No. of shares held on 31-Dec-2021**	**% Share capital with voting rights**
Through Actium Capital, S.A. (of which he is dominant shareholder and director)	27,146,874	13.23%
Total attributable	**27,146,874**	**13.23%**

João Manuel Matos Borges de Oliveira	**No. of shares held on 31-Dec-2021**	**% Share capital with voting rights**
Through Caderno Azul, S.A. (of which he is dominant shareholder and director)	31,000,000	15.11%
Total attributable	**31,000,000**	**15.11%**

Promendo Investimentos, S.A.	**No. of shares held on 31-Dec-2021**	**% Share capital with voting rights**
Directly (a)	38,295,053	18.67%
Through its director José Manuel de Almeida Archer	11,500	0.01%
Total attributable	**38,306,553**	**18.68%**

[a] - The 38,295,053 shares represent Altri, SGPS, S.A. total shares held by Promendo Investimentos, S.A. that are considered equally attributable to Ana Rebelo de Carvalho Menéres de Mendonça, director and dominant shareholder of Promendo Investimentos, S.A. and director of Altri, SGPS, S.A.

Altri was not informed of any holdings exceeding 20% of the voting rights.

Diversity Policy - Article 29 H(1)(q) of the Portuguese Securities Code

Diversity policy is not a new issue for the Altri Group. In fact, although the areas of activity of the group - eminently industrial - are areas historically prone to male predominance, the truth is that, for several years now, the Group has been outlining and implementing policies that have been resulting in greater gender equality, not only in the Board of Directors, but also in senior and middle management positions.

The Company, from early on, encouraged the assumption of top positions by women, as exemplified by the election of Dr. Laurentina da Silva Martins, in 2009 and, in 2014, the election of Dr. Ana Rebelo de Carvalho Menéres de Mendonça, both of whom remain in office. In fact, it should be noted that, already in 2014, one third of the board of directors of Altri was composed of women, at a time when the issue of gender diversity was not so urgently on the political and social agenda as today. This circumstance reflects the Altri Group's vision in this matter that it considers so important.

It should be noted that, in 2020, Dr. Maria do Carmo Guedes Antunes de Oliveira and Dr. Paula Simões de Figueiredo Pimentel Freixo Matos Chaves were also elected to the board of directors, and together with Dr. Laurentina Martins and Dr. Ana Mendonça, they make up one third of the board of directors of Altri. Thus, in a board currently composed of twelve members, four members are women.

Additionally, Altri published, in September 2021, a new version of the Plan for Gender Equality, subject to a thorough review across the organization, and which reflects a significant deepening of the commitments that Altri has made with the diversity issues. These matters are now more than ever, along with others, at the heart of the Group's decisions. Thus, it is the intention of this Plan, under the terms and for the purposes of the provisions of Article 7, paragraph 1, of Law 62/2017 of August 1, to further contribute to diversity and inclusion in the Group, promoting equal treatment and opportunities between women and men, the elimination of discrimination on the basis of sex and encouraging the reconciliation between personal, family and professional life.

Altri believes that a healthy gender balance contributes decisively to teams being more eclectic, self-challenging and proactive.

This matter is developed in Point 15 of the Corporate Governance Report and a full detail on it can be consulted directly in the Altri Group's Plan for Equality, available on the Company's website, as well as on the CMVM's website, which can be accessed through the following link:
https://web3.cmvm.pt/sdi/emitentes/docs/PPI80578.pdf

Non-financial Information

As mandatory by Directive 2014/95/EU of the European Parliament and of the Council, transposed for national law by Decree-Law No. 89/2017 of 28 July, the Group must provide information on non-financial matters. Such information should be sufficient for an understanding of the evolution, performance, position and impact of their activities, referring, at least, to environmental, social and worker issues, equality between women and men, non-discrimination, respect for human rights, combating corruption and attempts of bribery.

The non-financial information provided for in Decree-Law No. 89/2017 is included in the Sustainability Report for the period of 2021.

CLOSING REMARKS

We could not conclude without thanking the Group's various stakeholders for their trust in our organization, with whom we want to renew - on a daily basis - our commitment to excellence. We would also like to express our gratitude to all our employees for their enormous dedication and commitment, which build us every day.

Porto, April 7, 2022

The Board of Directors

Alberto João Coraceiro de Castro

Paulo Jorge dos Santos Fernandes

João Manuel Matos Borges de Oliveira

Domingos José Vieira de Matos

Laurentina da Silva Martins

Pedro Miguel Matos Borges de Oliveira

Ana Rebelo Carvalho Menéres de Mendonça

Maria do Carmo Guedes Antunes de Oliveira

Paula Simões de Figueiredo Pimentel Freixo Matos Chaves

José Armindo Farinha Soares de Pina

José António Nogueira dos Santos

Carlos Alberto Sousa Van Zeller e Silva

Management Report

Attachments

Annual Report 21

making our world + renewable

STATEMENT PURSUANT TO ARTICLE 29 G(1) (C) OF THE PORTUGUESE SECURITIES CODE

The signatories individually declare that, to the best of their knowledge, the Management Report, the Separate and Consolidated Financial Statements and other accounting documents required by law or regulation were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS-EU"), presenting a true and fair view of the assets and liabilities, the financial position and the consolidated and separate results of Altri, SGPS, S.A. and of the companies included in the consolidation perimeter and that the Management Report faithfully describes the business evolution, performance and financial position of Altri, SGPS, S.A. and of its subsidiaries included in the consolidation perimeter, contains a description of the major risks and uncertainties that they face.

STATEMENT OF RESPONSIBILITY

The members of the Board of Directors of Altri, SGPS, S.A. declare that they take responsibility for this information and ensure that the information contained therein is true and that there are no omissions known to them.

Pursuant to Article 210 of the Social Security Welfare Contributions Code (approved by Law no. 110/2009, of 16 September), we inform you that there are no overdue debts to the State, namely to Social Security.

APPENDIX I

1. **Board of Directors**

Qualifications, experience and positions held in other companies by the members of the Board of Directors:

Alberto João Coraceiro de Castro

He holds a degree in Economics from the Faculty of Economics of Porto and a PhD from the University of South Carolina. His areas of specialization are industrial economics, labor economics, business strategy and internationalization and in which he has several academic and dissemination publications.

Currently, he is Invited Full Professor at the Faculdade de Economia e Gestão of UCP, of which he was the first Director and where he currently directs the Center for Management Studies and Applied Economics.

In the field of applied research, he coordinated or participated in the preparation of successive strategic plans for the footwear industry, since 1990, in the strategic plan for the cork industry and in the strategic plan for the foundry industry.

He was designated Director and President in April 2020.

In addition to the Companies where he currently exercises management functions, his professional experience includes:

- Chairman of the Fiscal Council of Mota-Engil (2006-2018);
- Member of EDP's General and Supervisory Board between 2006 and 2015;
- Chairman of the Board of Directors of the Financial Development Institution.

Throughout his career and currently, he works in several associations:

- Chairman of the Supervisory Board of the *Associação Empresarial de Portugal* (AEP), *Fundação AEP* and the Matosinhos Jazz Orchestra;
- Vice-President of the Direction of the Association for the Museums of Transport and Communications (Alfândega Porto);
- *Porto de Leixões* Customer Provider;
- Vice-President of the Economic and Social Council between 2017 and 2020;
- Writes fortnightly in the economic supplement *Dinheiro Vivo*.

On December 31, 2021, the other companies where he performs management functions are:

- Non-executive director of Mystic Invest, S.A. (a)

As of December 31, 2021, the other companies where he performs inspection duties are:

- Chairman of the Supervisory Board of the Super Bock Group, S.G.P.S., S.A. (a)

(a) companies, on December 31, 2021, that cannot be considered as part of Altri, S.G.P.S., S.A. Group

Paulo Jorge dos Santos Fernandes

Graduated from Porto University with a degree in Electronic Engineering, also has an MBA from the University of Lisbon.

He is one of the founders of RAMADA INVESTIMENTOS E INDÚSTRIA, the current holding company of the Ramada group, a group that was acquired in the 90s, of which he has been a shareholder and director since then. Ramada Investimentos' activity includes, within the industrial area, which is its core area of activity, steel, machining and manufacturing of structures for molds and wire drawing. It also develops a strong activity in the Real Estate area, focused on the management of real estate assets, especially forestry, and on the management of financial investment

He is also one of the founders of COFINA, a group of which he is a shareholder and director, having been directly involved, always with executive functions (Chairman and CEO), in the construction and management of the group since its creation, which is a reference in the media sector in Portugal.

He is also one of the founders of ALTRI, which resulted from a process of spin-off of Cofina, being also a shareholder and director (Vice-President), assuming executive functions in the construction of the group since its foundation, a group that has registered a remarkable growth through the realization of large and complex M&A transactions. Its industrial units are today a world benchmark for technology and innovation and operate in the cellulosic fiber production sector and in the forest-based renewable energy sector, namely industrial cogeneration through black liquor and biomass.

More recently, and also as one of the founders, he promoted the Initial Public Offering (IPO) of the ALTRI subsidiary, GREENVOLT, through an extraordinarily successful operation with unique contours in the Portuguese capital market. He is also a shareholder and director. This group is dedicated to the production of renewable energy from biomass, sun, wind and decentralized.

In addition to the Companies which currently holds functions of director, his professional experience includes:

1982/1984	Assistant Director of Production of CORTAL
1986/1989	General Director of CORTAL
1989/1994	President of the Board of CORTAL
1995	Director of CRISAL – CRISTAIS DE ALCOBAÇA, S.A.
1997	Director of the Group Vista Alegre, S.A.
1997	Director of the Board of ATLANTIS - Cristais de Alcobaça, S.A.
2000/2001	Director of SIC

Throughout his career, also played roles in several associations:

1989/1994	President of FEMB (Fédération Européene de Mobilier de Bureau) for Portugal
1989/1990	President of the General Assembly Assoc. Industr. Águeda
1991/1993	Member of the Advisory Board Assoc. Ind. Portuense
Since 2005	Board Member of the Association of Former Students of MBA
2013/2016	Chairman of the Supervisory Board of BCSD
Since 2006	Advisory Board Member for Engineering and Management IST
Since 2016	Board Member of CELPA - Paper Industry Association

On December 31, 2021, the other companies where he carries out management functions are as follows:

– A Nossa Aposta – Jogos e Apostas On-Line, S.A. (a)

– Actium Capital, S.A. (a)
– Articulado – Actividades Imobiliárias, S.A. (a)
– Cofihold, S.A. (a)
– Cofihold II, S.A. (a)
– Cofina, S.G.P.S, S.A. (a)
– Cofina Media, S.A. (a)
– Elege Valor, Lda. (a)
– F. Ramada II Imobiliária, S.A. (a)
– Greenvolt - Energias Renováveis, S.A.
– Préstimo – Prestígio Imobiliário, S.A. (a)
– Ramada Aços, S.A. (a)
– Ramada Investimentos e Indústria, S.A. (a)
– Santos Fernandes & Vieira Matos, Lda. (a)

On December 31, 2021, the other companies where he carries out supervision functions are as follows:

– Fisio Share - Gestão De Clínicas, S.A. (a)

(a) companies, on December 31, 2021, that cannot be considered as part of Altri, S.G.P.S., S.A. Group

João Manuel Matos Borges de Oliveira

Graduated from the Porto University with a degree in Chemical Engineering, holds an MBA from INSEAD.

He is one of the founders of RAMADA INVESTIMENTOS E INDÚSTRIA, the current holding company of the Ramada group, a group that was acquired in the 1990s, of which he has been a shareholder and executive director (Chairman and CEO) since then. Ramada Investimentos' activity includes, within the industrial area, which is its core area of activity, steel, machining and manufacturing of structures for molds and wire drawing. It also develops a strong activity in the Real Estate area, focused on the management of real estate assets, especially forestry, and on the management of financial investment

He is also one of the founders of COFINA, a group of which he is a shareholder and director, having been directly involved in the construction and management of the group since its creation, which is a reference in the media sector in Portugal.

He is also one of the founders of ALTRI, which resulted from a process of spin-off of Cofina, being also a shareholder and director (Vice-President), assuming executive functions in the construction of the group since its foundation, a group that has registered a remarkable growth through the realization of large and complex M&A transactions. Its industrial units are today a world benchmark for technology and innovation and operate in the cellulosic fiber production sector and in the forest-based renewable energy sector, namely industrial cogeneration through black liquor and biomass.

More recently, and also as one of the founders, he promoted the Initial Public Offering (IPO) of the ALTRI subsidiary, GREENVOLT, through an extraordinarily successful operation with unique contours in the Portuguese capital market. He is also a shareholder and director. This group is dedicated to the production of renewable energy from biomass, sun, wind and decentralized.

In addition to the Companies which currently holds functions of director, his professional experience includes:

1982/1983	Assistant Director of Production of Cortal
1984/1985	Production Director of Cortal
1987/1989	Marketing Director of Cortal
1989/1994	General Director of Cortal
1989/1995	Vice President of the Board of Cortal
1989/1994	Director of Seldex
1992/1994	Vice-President of the General Assembly of the Industrial Association of
1995/2004	Chairman of the Supervisory Board of the Industrial Association of the District
1996/2000	Non-executive Director of Atlantis, S.A.
1997/2000	Non-executive Director of Vista Alegre, S.A.
1998/1999	Director of Efacec Capital, S.G.P.S., S.A.
2008/2015	Chairman of the Supervisory Council of Porto Business School
2008/2011	Non-executive director of Zon Multimédia, S.G.P.S., S.A.
2011/2013	Member of University Library CFO Advisory Forum
Since 2019	Member of the Remuneration Committee of the Serralves Foundation

On December 31, 2021, the other companies where he carries out management functions are as follows:

– Caderno Azul, S.A. (a)
– Cofina, S.G.P.S., S.A. (a)
– Cofina Media, S.A. (a)
– Cofihold, S.A. (a)

– Cofihold II, S.A. (a)
– Elege Valor, Lda. (a)
– F. Ramada II Imobiliária, S.A. (a)
– Greenvolt - Energias Renováveis, S.A.
– Indaz, S.A. (a)
– Préstimo – Prestígio Imobiliário, S.A. (a)
– Ramada Aços, S.A. (a)
– Ramada Investimentos e Indústria, S.A. (a)
– Universal – Afir, S.A. (a)

a) companies, on December 31, 2021, that cannot be considered as part of Altri, S.G.P.S., S.A. Group

Domingos José Vieira de Matos

Holds a degree in Economics from the Faculty of Economy of the University of Porto. Initiated his carrier in management in 1978.

He is one of the founders of RAMADA INVESTIMENTOS E INDÚSTRIA, the current holding company of the Ramada group, a group that was acquired in the 90s, of which he has been a shareholder and director since then. The activity of Ramada Investimentos e Indústria includes, within the industrial area, which is its core area of activity, steel, machining and fabrication of structures for molds and wire drawing. It also develops a strong activity in the Real Estate area, focused on the management of real estate assets, especially forestry, and on the management of financial investment

He is also one of the founders of COFINA, a group of which he is a shareholder and director, having been directly involved in the construction and management of the group since its foundation, which is a reference in the media sector in Portugal.

He is also one of the founders of ALTRI, which resulted from a process of spin-off of Cofina, being also a shareholder and director, and having participated in the construction of the group since its foundation, a group that has registered a remarkable growth through the completion of large and complex operations. of M&A. Its industrial units are today a world benchmark for technology and innovation and operate in the cellulosic fiber production sector and in the forest-based renewable energy sector, namely industrial cogeneration through black liquor and biomass.

More recently, and also as one of the founders, he promoted the Initial Public Offering (IPO) of the ALTRI subsidiary, GREENVOLT, through an extraordinarily successful operation with unique contours in the Portuguese capital market. He is also a shareholder and director. This group is dedicated to the production of renewable energy from biomass, sun, wind and decentralized.

In addition to the Companies which currently holds functions of director, his professional experience includes:

1978/1994	Director of CORTAL, S.A.
1983	Founding Partner of PROMEDE – Produtos Médicos, S.A.
1998/2000	Director of ELECTRO CERÂMICA, S.A.

On December 31, 2021, the other companies where he carries out management functions are as follows:

– Cofina, S.G.P.S., S.A. (a)
– Cofihold, S.A. (a)
– Cofihold II, S.A. (a)
– Elege Valor, Lda. (a)
– F. Ramada II Imobiliária, S.A. (a)
– Greenvolt - Energias Renováveis, S.A.
– Livrefluxo, S.A. (a)
– Préstimo – Prestígio Imobiliário, S.A. (a)
– Ramada Aços, S.A. (a)
– Ramada Investimentos e Indústria, S.A. (a)
– Santos Fernandes & Vieira Matos, Lda. (a)
– Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.
– Universal - Afir, S.A. (a)

(a) companies, on December 31, 2021, that cannot be considered as part of Altri, S.G.P.S., S.A. Group

Laurentina da Silva Martins

With formation in Finance and Administration from Instituto Superior do Porto and is connected with Altri Group since its incorporation. She was designated Director in May 2009.

Her professional experience includes:

1965	Finance Director Assessor of Companhia de Celulose do Caima, S.A.
1990	Finance Director of Companhia de Celulose do Caima, S.A.
2001	Director of Cofina Media, S.G.P.S., S.A.
2001	Director of Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
2004	Director of Grafedisport – Impressão e Artes Gráficas, S.A.
2005	Director of Silvicaima – Sociedade Silvícola do Caima, S.A.
2006	Director of EDP – Produção Bioeléctrica, S.A.

On December 31, 2021, the other companies where she carries out management functions are as follows:

– Cofina, S.G.P.S., S.A. (a)
– Ramada Investimentos e Indústria, S.A. (a)

(a) companies, on December 31, 2021, that cannot be considered as part of Altri, S.G.P.S., S.A. Group

Pedro Miguel Matos Borges de Oliveira

Holds a degree in Financial Management by the Institute of Administration and Management of Porto. In 2000 completed the Executive MBA in the Enterprise Institute Porto in partnership with ESADE Business School, Barcelona, currently Catholic Porto Business School. In 2009 completed the Business Valuation Course in EGE-Business Management School.

He is a shareholder and director of RAMADA INVESTIMENTOS E INDÚSTRIA, the current holding company of the Ramada group, a group that was acquired in the 90s. The activity of Ramada Investimentos e Indústria includes, within the industrial area, which is its core area of activity, steel, machining and fabrication of structures for molds and wire drawing. It also develops a strong activity in the Real Estate area, focused on the management of real estate assets, especially forestry, and on the management of financial investment. He is also a shareholder and director of COFINA, a group that is a reference in the media sector in Portugal.

He is also a shareholder and director of ALTRI, which resulted from a spin-off process from Cofina, a group that has recorded remarkable growth through the completion of large and complex M&A operations. Its industrial units are today a world benchmark for technology and innovation and operate in the cellulosic fiber production sector and in the forest-based renewable energy sector, namely industrial cogeneration through black liquor and biomass.

More recently, and as one of the founders, he promoted the Initial Public Offering (IPO) of the ALTRI subsidiary, GREENVOLT, through an extraordinarily successful operation with unique contours in the Portuguese capital market. He is also a shareholder and director. This group is dedicated to the production of renewable energy from biomass, sun, wind and decentralized.

In addition to the Companies which currently exercise functions of administration, his professional experience includes:

1986/2000	Management advisor of FERÁGUEDA, Lda.
1992	Manager of Bemel, Lda.
1997/1999	Director´s assistant of GALAN, Lda.
1999/2000	Director´s assistant of the the Department of Saws and Tools of F.RAMADA, AÇOS E INDÚSTRIAS, S.A.
2000	Director of the Department of Saws and Tools of F.RAMADA, AÇOS E INDÚSTRIAS, S.A.
2006	Board member of UNIVERSAL AFIR, AÇOS ESPECIAIS E FERRAMENTAS, S.A.
2009	Board member of F. Ramada - Investimentos, S.G.P.S., S.A.

On December 31, 2021, the other companies where he carries out management functions are as follows:
– Cofihold, S.A. (a)
– Cofihold II, S.A. (a)
– Cofina, S.G.P.S., S.A. (a)
– F. Ramada II Imobiliária, S.A. (a)
– Greenvolt - Energias Renováveis, S.A.
– Préstimo – Prestígio Imobiliário, S.A. (a)
– Ramada Aços, S.A. (a)
– Ramada Investimentos e Indústria, S.A. (a)
– Universal - Afir, S.A. (a)
– Valor Autêntico, S.A. (a)
– Título Singular, S.A. (a)
– 1 Thing, Investments, S.A. (a)

(a) companies, on December 31, 2021, that cannot be considered as part of Altri, S.G.P.S., S.A. Group

Ana Rebelo de Carvalho Menéres de Mendonça

Holds a degree in Economics by the Universidade Católica Portuguesa of Lisbon.

She is a shareholder and manager of RAMADA INVESTIMENTOS E INDÚSTRIA, the current holding of the Ramada group, a group that was acquired in the 90s. The activity of Ramada Investimentos e Indústria includes, within the industrial area, which is its core area of activity, steel, machining and fabrication of structures for molds and wire drawing. It also develops a strong activity in the Real Estate area, focused on the management of real estate assets, especially forestry, and on the management of financial investment

She is also a shareholder and director of COFINA, a group that is a reference in the media sector in Portugal.

She is as well a shareholder and director of ALTRI, which resulted from a spin-off process from Cofina, a group that has registered remarkable growth through the completion of large and complex M&A operations. Its industrial units are today a world benchmark for technology and innovation and operate in the cellulosic fiber production sector and in the forest-based renewable energy sector, namely industrial cogeneration through black liquor and biomass.

More recently, and as one of the founders, she promoted the Initial Public Offering (IPO) of the ALTRI subsidiary, GREENVOLT, through an extraordinarily successful operation with unique contours in the Portuguese capital market. She is also a shareholder and administrator. This group is dedicated to the production of renewable energy from biomass, sun, wind and decentralized.

In addition to the Companies which currently holds functions of director, her professional experience includes:

1995	Journalist in the economic newspaper SEMANÁRIO ECONOMICO
1996	Commercial Department of CITIBANK
1996	Board member of PROMENDO, S.A.
2009	Board member of PROMENDO, S.G.P.S., S.A.

On December 31, 2021, the other companies where she carries out management functions are as follows:

– Cofina, S.G.P.S., S.A. (a)
– Cofihold, S.A. (a)
– Cofihold II, S.A. (a)
– F. Ramada II Imobiliária, S.A. (a)
– Greenvolt - Energias Renováveis, S.A.
– Promendo Investimentos, S.A. (a)
– Préstimo – Prestígio Imobiliário, S.A. (a)
– Ramada Aços, S.A. (a)
– Ramada Investimentos e Indústria, S.A. (a)

(a) companies, on December 31, 2021, that cannot be considered as part of Altri, S.G.P.S., S.A. Group

Maria do Carmo Guedes Antunes de Oliveira

She has a degree in Economics from the Faculdade de Economia of Porto, having also completed an MBA at the Nova School of Business and Economics. She was designated Director in April 2020.

In addition to the companies where she currently exercises management functions, her professional experience includes:

1981	Economic Consultant of the Porto Merchants Association;
1983 – 1985	Project Analyst at SPI - Sociedade Portuguesa de Investimentos;
1983 – 1990	BPI's Project Coordinator with responsibilities in the area of companies, namely in terms of credit, consultancy, capital markets, company valuation, etc;
1990 and 1987	Common Representative of Bondholders in the issuance of the following bonds: Sogrape 87, Sogrape 90 and Amorim Lage 87;
1990 – 2000	Responsible for the Evaluation and Consulting Area of the Northern Business Department of BPI - Mergers and Acquisitions Area;
1993	Chairman of the Supervisory Board of Macem Confeções, S.A.;
1995	Chairman of the Joint Committee who assessed the calculation of the amount of compensation to be attributed to the holders of shares in the Nationalized Company Siderurgia Nacional;
1996 – 1999	Member of the Board of Directors of BPI Participações;
1996 – 2000	Central Director of Banco Português de Investimento - Corporate Finance Area;
1999 – 2002	Chairman of the Fiscal Council of Brisa - Auto-Estradas de Portugal;
2000 – 2007	Director of Banco Português de Investimento;
2006 – 2007	Member of the Board of Directors of VAA - Vista Alegre Atlantis, SGPS, S.A.;
2005 – 2016	Member of the Board of Directors of ETAF - Empresa de Transportes Álvaro Figueiredo, S.A.;
2015 – 2017	Chairman of the Supervisory Board of APOR - Agency for the Modernization of Porto, S.A.;
2007 - 2017	Responsible for the Direction of Large Northern Companies, the North Special Operations Unit and the Office for Supporting Corporate Centers.
2007 - 2020	General Director of Banco BPI with responsibilities in the Corporate Banking Area and, since 2017, responsible for BPI's Corporate & Investment Banking Department;
2021	Chairman of the Investment Technical Committee of the Capitalization and Resilience Fund;
2021	Chairman of the Technical Investment Committee of the Capitalization Fund of Companies in the Azores.

Her experience also includes the teaching aspect, namely:

1980 – 1981	Assistant in the subject of Economic Analysis II at Universidade Livre do Porto;
1981 – 1982	Assistant in the Macroeconomics chair at the Faculty of Economics of Porto and Assistant in the chairs of Economic Analysis III, Economic Analysis IV and Fluctuations and Economic Development at the Universidade Livre do Porto;
1983 – 1988	Assistant and invited assistant in the Market Analysis course at the Faculty of Economics of Porto;
1989 – 1990	Responsible for the Business Evaluation course in the Postgraduate Course in Financial Analysis at the Faculty of Economics of Porto;
1990 – 1991	Invited Assistant in the Financial Management course in the Economics course at the Faculty of Economics of Porto;
1992 – 1993	Invited assistant responsible for the Financial Operations course in the Management course at the Faculty of Economics of Porto.

On December 31, 2021, the other companies where she carries out management functions are as follows:

Since 2016	Member of the Porto Municipal Council of Economics / Casa dos 24 (a);
Since 2017	Member of the Supervisory Board of the League of Friends of Hospital Santo António in Porto (a)
Since 2021	Non-executive director of Ibersol, S.G.P.S., S.A. (a)

(a) companies, on December 31, 2021, that cannot be considered as part of Altri, S.G.P.S., S.A. Group

Paula Simões de Figueiredo Pimentel Freixo Matos Chaves

She has a degree in Business Administration and Management from the Catholic University of Lisbon.

He was an assistant in the Mathematics Department at Universidade Católica Portuguesa between 1979 and 1980.

Prepared several Market Studies with the cooperation of Professor Manuel Violante (Mackensy / CEO Partner).
Since 2015, he has been a holder of the Advanced Management Program KELLOGG SCHOLL of MANAGEMENT- Northwestern University (Chicago).

Organizer of the Management and Leadership Program, at Universidade Católica Portuguesa, with the participation of 25 Beiersdorf Managers (4-year program), integrating the Development Center with the Faculty of the University. (Subjects: Strategic Innovation; Digital Transformation; Design Thinking).

Since 2017, he has been a member of the Management Board of CENTROMARCA-Portuguese Association of Branded Products Companies.

She was designated Director in April 2020.

In addition to the companies where he currently exercises management functions, his professional experience includes:

1981	Internship in STREICHENBERGER - France (Lyon and Paris);
1982 – 1988	Group Brand Manager / Brand Manager (Marketing) at BEIERSDORF PORTUGAL;
1988 – 1992	Marketing Manager at BEIERSDORF PORTUGAL;
1992 – 2004	Director of Sales and Marketing (Large Retail Distribution Area) at BEIERSDORF PORTUGAL;
2004 – 2009	Director of sales and marketing (large retail and pharmacy channel) at BEIERSDORF PORTUGAL.

On December 31, 2021, the other companies where she carries out management functions are as follows:

Since 2009: General Director of BEIERSDORF PORTUGAL (a)
Since 2017: Member of the Board of Directors of CENTROMARCA-Portuguese Association of Branded Products Companies (a)

(a) companies, on December 31, 2021, that cannot be considered as part of Altri, S.G.P.S., S.A. Group

José Armindo Farinha Soares de Pina

He has a degree in Civil Engineering from the New Jersey Institute of Technology, USA, and also attended a master's degree in Construction Management at the Instituto Superior Técnico. Subsequently, he completed advanced Business Management programs at Indiana University, USA, and INSEAD, France.

He was designated Director in April 2020 and he is currently CEO.

Early in his career, he led renovation and architectural conservation projects in several regions, performing the role of Operations Director for several organizations. In 1995, he joined the American multinational Dow, one of the world's largest groups of industrial chemicals, polymers and for agriculture, where he performed various commercial, operational and global business management functions, with service commissions in several countries in Europe, in the USA and China:

1995/2005	Several commercial and marketing management positions for Europe, Middle East and Africa, in the Construction Materials and Polymers divisions, based in Portugal, Germany and Switzerland
2005/2007	ADC Global General Manager (including the unit of non-woven elastic materials), Germany
2005/2008	Global Director of the Polymers for Health and Hygiene Unit, USA
2008/2010	Global Director of Strategy and Business Development, Specialized Chemical Materials Unit, Switzerland
2010/2014	President and Global Chief Executive Officer of AgroFresh Inc., USA
2014/2017	President of the Division of Agricultural Sciences and Biotechnology for Asia, China
2017/2020	Corporate Strategy and Business Development Director for Asia Pacific, China

Throughout his career, he also held management positions in other organizations:

2014/2017	Vice-Chairman of the Board of Directors of CropLife Asia
1996/2010	Member of the Board of Directors of the World Monuments Fund for Portugal

On December 31, 2021, the other companies where he carries out management functions are as follows:

- Altri Abastecimento de Madeira, S.A.
- Altri Florestal, S.A.
- Biogama, S.A.
- Biotek, S.A.
- Caima – Indústria de Celulose, S.A.
- Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
- Celulose Beira Industrial (CELBI), S.A.
- Florestsul, S.A.
- Greenvolt - Energias Renováveis, S.A.

José António Nogueira dos Santos

He has a degree in Economics from the Faculty of Economics of the University of Coimbra. Of its formative path, CIFAG - Lisbon - Mangement Training, carried out in 1985, the Stora Cell Top Management Program - Skandevo, carried out between 1991 and 1992 and the Advanced Training for Executives from Universidade Católica Portuguesa stand out between 2001 and 2003.

José António Nogueira dos Santos joined the staff of Celulose Beira Industrial (CELBI), S.A. in 1982 in the financial area.
In 2014 he joined the Board of Directors of Celulose Beira Industrial (CELBI), SA and, in 2018, the board of directors of Celtejo - Empresa de Celulose do Tejo, SA, as well as the Board of Directors of Caima- Indústria de Celulose, SA, the three industrial units of the Altri Group.

He was designated Director in April 2020.

In addition to the companies where he currently exercises management functions, his professional experience includes:

- SAFERREIRA, Lda. (Viseu, Portugal), Metallurgical company - Administrative and Financial Director - 1981-1982;
- Celulose Beira Industrial (CELBI), S.A. - Administrative and Financial Director - 2005
- Celulose Beira Industrial (CELBI), S.A. - Chief Financial Officer (CFO) - 2014

On December 31, 2021, the other companies where he carries out management functions are as follows:

- Altri – Abastecimento de Madeira, S.A.
- Altri Florestal, S.A.
- Biotek, S.A.
- Caima – Indústria de Celulose do Caima, S.A.
- Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
- Captaraíz – Unipessoal, Lda.
- Celulose Beira Industrial (CELBI), S.A.
- Florestsul, S.A.
- Inflora – Sociedade de Investimentos Florestais, S.A.
- Viveiros do Furadouro, Unipessoal, Lda.
- Altri Participaciones Y Trading, S.L.

Other positions:

President of the Fiscal Council of the Commercial and Industrial Association of Figueira da Foz (a)
Chairman of the Supervisory Board of the League of Friends of the Figueira da Foz District Hospital (a)
Member of the Fiscal Council of the Biomass Energy Center (a)

(a) companies, on December 31, 2021, that cannot be considered as part of Altri, S.G.P.S., S.A. Group

Carlos Alberto Sousa Van Zeller e Silva

Holds a degree in Chemical Engineering from Faculdade de Engenharia of University of Coimbra and is in Celulose Beira Industrial (CELBI) staff from more than 20 years. He leads ALTRI's Industrial area, having postgraduate degrees and long-term programs for executives in Management, from the Universidade Católica and from Kellogg School of Management.

He was designated Director in Abril 2020 and he is currently Deputy-CEO since March 2021.

In addition to the companies where he currently exercises management functions, his professional experience includes:

- Sonae Indústria - production of pellets
- Celbi - different operational leadership positions, namely project production and implementation
- StoraEnso - activities in the scope of operational and product development

On December 31, 2021, the other companies where he carries out management functions are as follows:

- Altri – Abastecimento de Madeira, S.A.
- Altri Florestal, S.A.
- Biogama, S.A.
- Biotek, S.A.
- Caima – Indústria de Celulose do Caima, S.A.
- Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
- Celulose Beira Industrial (CELBI), S.A.
- Florestsul, S.A.

Other positions:

- Celpa - 1st Secretary of the General Meeting, on behalf of Celulose Beira Industrial (CELBI), S.A. (a)

(a) companies, on December 31, 2021, that cannot be considered as part of Altri, S.G.P.S., S.A. Group

2. Supervisory Board

Qualifications, experience and positions held in other companies by the members of the Supervisory Board:

Pedro Nuno Fernandes de Sá Pessanha da Costa

Qualifications:	Degree in Law from the Faculty of Law of the University of Coimbra in 1981 Complementary training in Company Management and Economic and Financial Analysis at the School of Law of the Portuguese Catholic University, Porto, 1982 and 1983
Professional Experience:	Member of the Bar Association since 1983 Chairman of the General and Supervisory Board of a public company from 1996 to 2010 Chairman of the Fiscal Council of Banco Português de Investimento S.A. since 2016 and BPI Private Equity - Sociedade de Capital de Risco, S.A. from 2018 to August 2019, the date on which both companies were extinguished by merger into Banco BPI, S.A. Chairman of the board of the general meeting of several listed and unlisted companies Continuous law practice since 1983, with a special focus on commercial law and corporate law, mergers and acquisitions, foreign investment and international contracts Co-author of the chapter on Portugal in “Handbuch der Europäischen Aktien-gesellschaft – Societas Europaea” by Jannot / Frodermann, published by C.F. Müller Verlag

Other companies where he carries out functions:

Cofina, S.G.P.S., S.A. (Member of the Supervisory board) (a)
Ramada Investimentos e Indústria, S.A. (President of the Supervisory Board) (a)
Cofina, S.G.P.S., S.A. (Member of the Remuneration Committee) (a)
Ramada Investimentos e Indústria, S.A. (Member of the Remuneration Committee) (a)
SOGRAPE S.G.P.S., S.A. (Chairman of the Shareholders’ General Meeting) (a)
SOGRAPE Vinhos, S.A. (Chairman of the Shareholders’ General Meeting) (a)
SOGRAPE Distribuição S.A. (Chairman of the Shareholders’ General Meeting) (a)
Sandeman & CA, S.A. (Chairman of the Shareholders’ General Meeting) (a)
SOGRAPE S.G.P.S., S.A. (Member of the Remuneration Committee) (a)
Adriano Ramos Pinto, S.A. (Chairman of the Shareholders’ General Meeting) (a)
Aquitex – Acabamentos Químicos Têxteis, S.A. (Chairman of the Shareholders’ General Meeting) (a)
Stow Ovar Manufactoring, S.A. (Chairman of the General Shareholders Meeting) (a)
Honorary Consul of Belgium in Porto (a)

(a) companies, on December 31, 2021, that cannot be considered as part of Altri, S.G.P.S., S.A. Group

António Luís Isidro de Pinho

Qualifications:	Degree in Economics, from Instituto Superior de Ciências do Trabalho e da Empresa (I.S.C.T.E.), (1973 – 1978) Degree in Corporate Organization and Business Administration, from Instituto Superior de Ciências do Trabalho e da Empresa (I.S.C.T.E.), (1986 – 1989) Statutory Auditor, since 1987 Member of the Order of Economists, the Order of Technical Officials Accounts and the Portuguese Association of Tax Consultants.
Professional Experience:	Extensive professional experience essentially in external audit, but also in the financial direction of several companies and in management consulting. Beginning of professional activity in 1976 at Lacticoop, as an intern. Joined Gremetal in January 1979 as a member of the company's financial department, having participated in the construction of the Sines Refinery. From January 1982 until December 1986, he joined Arthur Andersen & Co as an Audit Manager. From 1987 to 1991, he was part of the SOPORCEL group, having performed the functions of Internal Auditor of Soporcel, Financial Director of Emporsil (the group's forestry company) and responsible for the Land Acquisition Department. From 1991 to 1996 he was a member of the Executive Board of SOCTIP, a leading company in its market segment and was in charge of the financial area of the company. Since 1996, he is a full-time Statutory Auditor. Between October 1997 and November 2008, joined the staff of Moore Stephens, as a partner at A. Gonçalves Monteiro & Associados, SROC, a company that was later transformed into Kreston & Associados - SROC, Lda. He currently has the functions of a Statutory Auditor, member of the Statutory Audit Committee or External Auditor, in several companies of significant size and from different sectors of economic activity, being, as Managing Partner of Kreston responsible for the statutory audit of accounts various industrial, commercial and service companies In addition to the technical functions of Auditor, he also holds the position of responsible for the Quality Control of the firm and controller-rapporteur of the Quality Control Commission of the Order of Statutory Auditors.

Other companies where he carries out management functions:

Cofina, S.G.P.S., S.A. (President of the Supervisory board) (a)
Ramada Investimentos e Indústria, S.A. (Member of the Supervisory board) (a)

(a) companies, on December 31, 2021, that cannot be considered as part of Altri, S.G.P.S., S.A. Group

Ana Paula dos Santos Silva e Pinho

Qualifications:	Degree in Economics – Faculdade de Economia do Porto Statutory Auditor (ROC nr. 1.374) Post Graduate in Finance and Tax – Porto Business School Post Graduate in Tax Law – Faculdade de Direito da Universidade do Porto
Professional Experience:	Between September 2001 and September 2010 auditor at Deloitte & Associados, SROC, S.A. (initially as a staff member and later, as Manager) Between October 2010 and October 2019 Manager at Altri's Group Corporate Center with responsibilities in financial reporting, consolidation and tax Since November 2019 head of accounting at Sonae MC's shared services

Other companies where dhe carries out management functions:

Cofina, S.G.P.S., S.A. (Member of the Supervisory board) (a)
Ramada Investimentos e Indústria, S.A. (Member of the Supervisory board) (a)

(a) companies, on December 31, 2021, that cannot be considered as part of Altri, S.G.P.S., S.A. Group

André Seabra Ferreira Pinto

Qualifications:	Degree in Economics at University Portucalense Chartered Accountant (ROC no. 1,243) Executive MBA - Management School of Porto - University of Porto Business School
Professional Experience:	Between September 1999 and May 2008, worked in the Audit Department of Deloitte & Associados, SROC, S.A. (initially as a member of staff and since September 2004 as Manager). Between June 2008 and December 2010, Senior Manager of Corporate Finance department - Transaction Services at Deloitte Consultores. Between January 2011 and March 2013, CFO of companies of the WireCoWorld Group in Portugal. Since April 2013, Director (CFO) of Mecwide Group MWIDE, SGPS, S.A. (Member of the Board of Directors) Manager of Toguether We Change Investments, LDA., Virtusai, LDA. And Apparently Relevant, Lda.

Other companies where he carries out surpervisory functions:

Cofina, S.G.P.S., S.A. (Member of the Remuneration Committee) (a)
Ramada Investimentos e Indústria, S.A. (Member of the Remuneration Committee) (a)
Cofina, S.G.P.S., S.A. (Substitute Member of the Supervisory board) (a)
Ramada Investimentos e Indústria, S.A. (Substitute Member of the Supervisory board) (a)

(a) companies, on December 31, 2021, that cannot be considered as part of Altri, S.G.P.S., S.A. Group

3. Remuneration Committee

Qualifications, experience and positions held in other companies by the members of the Remuneration Committee

João da Silva Natária

Qualifications	Degree in Law from the University of Lisbon

Profissional Experience:

1979	Managing Director of the Luanda/Viana branch of F. Ramada, by joint nomination of the Board and the Ministry of Industry in Angola
1983	Director of the Polyester and Buttons Department at F. Ramada, Aços e Indústrias, S.A.
1984/2000	Human Resources Director at F. Ramada, Aços e Indústrias, S.A.
1993/1995	Board Member of Universal – Aços, Máquinas e Ferramentas, S.A.
2000/2018	Lawyer with an independent practice, specialised in labour law and family law
	Retired

Other positions:

President of the Supervisory Board of Celulose Beira Industrial (CELBI), S.A.
President of the Remuneration Commission of Cofina, SGPS, S.A. (a)
President of the Remuneration Commission of Ramada Investimentos e Indústria, S.A. (a)

(a) companies, on December 31, 2021, that cannot be considered as part of Altri, S.G.P.S., S.A. Group

Pedro Nuno Fernandes de Sá Pessanha da Costa

Qualifications:	Degree in Law from the Faculty of Law of the University of Coimbra in 1981 Complementary training in Company Management and Economic and Financial Analysis at the School of Law of the Portuguese Catholic University, Porto, 1982 and 1983
Profissional Experience:	Member of the Bar Association since 1983 Chairman of the General and Supervisory Board of a public company from 1996 to 2010 Chairman of the Fiscal Council of Banco Português de Investimento SA since 2016 and BPI Private Equity - Sociedade de Capital de Risco, S.A. from 2018 to August 2019, the date on which both companies were extinguished by merger into Banco BPI, S.A. Chairman of the board of the general meeting of several listed and unlisted companies Continuous law practice since 1983, with a special focus on commercial law and corporate law, mergers and acquisitions, foreign investment and international contracts Co-author of the chapter on Portugal in “Handbuch der Europäischen Aktien-gesellschaft – Societas Europaea” by Jannot / Frodermann, published by C.F. Müller Verlag

Other companies where he carries out functions:

Cofina, S.G.P.S., S.A. (Member of the Supervisory board) (a)
Ramada Investimentos e Indústria, S.A. (President of the Supervisory Board) (a)
Cofina, S.G.P.S., S.A. (Member of the Remuneration Committee) (a)
Ramada Investimentos e Indústria, S.A. (Member of the Remuneration Committee) (a)
SOGRAPE S.G.P.S., S.A. (Chairman of the Shareholders’ General Meeting) (a)
SOGRAPE Vinhos, S.A. (Chairman of the Shareholders’ General Meeting) (a)
SOGRAPE Distribuição S.A. (Chairman of the Shareholders’ General Meeting) (a)
Sandeman & CA, S.A. (Chairman of the Shareholders’ General Meeting) (a)
SOGRAPE S.G.P.S., S.A. (Member of the Remuneration Committee) (a)
Adriano Ramos Pinto, S.A. (Chairman of the Shareholders’ General Meeting) (a)
Aquitex – Acabamentos Químicos Têxteis, S.A. (Chairman of the Shareholders’ General Meeting) (a)
Stow Ovar Manufactoring, S.A. (Chairman of the General Shareholders Meeting) (a)
Honorary Consul of Belgium in Porto (a)

(a) companies, on December 31, 2021, that cannot be considered as part of Altri, S.G.P.S., S.A. Group

André Seabra Ferreira Pinto

Qualifications:	Degree in Economics at University Portucalense Chartered Accountant (ROC no. 1,243) Executive MBA - Management School of Porto - University of Porto Business School
Professional Experience:	Between September 1999 and May 2008, worked in the Audit Department of Deloitte & Associados, SROC, S.A. (initially as a member of staff and since September 2004 as Manager). Between June 2008 and December 2010, Senior Manager of Corporate Finance department - Transaction Services at Deloitte Consultores. Between January 2011 and March 2013, CFO of companies of the WireCoWorld Group in Portugal. Since April 2013, Director (CFO) of Mecwide Group MWIDE, SGPS, S.A. (Member of the Board of Directors) Manager of Toguether We Change Investments, LDA., Virtusai, LDA. And Apparently Relevant, Lda.

Other companies where he carries out surpervisory functions:

Cofina, S.G.P.S., S.A. (Member of the Remuneration Committee) (a)
Ramada Investimentos e Indústria, S.A. (Member of the Remuneration Committee) (a)
Cofina, S.G.P.S., S.A. (Substitute Member of the Supervisory board) (a)
Ramada Investimentos e Indústria, S.A. (Substitute Member of the Supervisory board) (a)

(a) companies, on December 31, 2021, that cannot be considered as part of Altri, S.G.P.S., S.A. Group

Article 447 of the Portuguese Companies Act and Article 19 of the Regulation (EU) no. 596/2014 of the European Parliament and of the Council, of 16 April

Disclosure of shares and other securities held by members of the Board of Directors and Managers, as well as by persons closely related thereto, pursuant to Article 29-R of the Portuguese Securities Code, and transactions involving these carried out during the financial year under analysis:

Members of the Board of Directors	Shares held on 31-Dec-2020	Acquisitions	Disposals	Shares held on 31-Dec-2021
Paulo Jorge dos Santos Fernandes (imputation through ACTIUM CAPITAL, S.A.)	26,676,874	470,000	-	27,146,874
João Manuel Matos Borges de Oliveira (imputation through CADERNO AZUL, S.A.)	31,000,000	-	-	31,000,000
Domingos José Vieira de Matos (imputation through LIVREFLUXO, S.A.)	26,669,010	-	-	26,669,010
Pedro Miguel Matos Borges de Oliveira (imputation through 1 THING INVESTMENTS, S.A.)	20,541,284	-	-	20,541,284
Ana Rebelo Carvalho Menéres de Mendonça (imputation through PROMENDO INVESTIMENTOS, S.A.)	38,295,053	-	-	38,295,053
Paula Simões de Figueiredo Pimentel Freixo Matos Chaves	-	4,500	-	4,500

Paulo Jorge dos Santos Fernandes (imputation through ACTIUM CAPITAL, S.A.)

Date	Type	Volume	Price (€)	Place	No. of shares
31-Dec-20	-	0	0.000000	-	26,676,874
22-Nov-21	Acquisition	150	5.215000	Euronext Lisbon	26,677,024
22-Nov-21	Acquisition	535	5.215000	Euronext Lisbon	26,677,559
22-Nov-21	Acquisition	536	5.220000	Euronext Lisbon	26,678,095
22-Nov-21	Acquisition	1,447	5.220000	Euronext Lisbon	26,679,542
22-Nov-21	Acquisition	1,797	5.220000	Euronext Lisbon	26,681,339
22-Nov-21	Acquisition	750	5.210000	Euronext Lisbon	26,682,089
22-Nov-21	Acquisition	557	5.210000	Euronext Lisbon	26,682,646
22-Nov-21	Acquisition	525	5.210000	Euronext Lisbon	26,683,171
22-Nov-21	Acquisition	2,000	5.225000	Euronext Lisbon	26,685,171
22-Nov-21	Acquisition	2,000	5.225000	Euronext Lisbon	26,687,171
22-Nov-21	Acquisition	1,000	5.225000	Euronext Lisbon	26,688,171
22-Nov-21	Acquisition	250	5.225000	Euronext Lisbon	26,688,421
22-Nov-21	Acquisition	81	5.225000	Euronext Lisbon	26,688,502
22-Nov-21	Acquisition	440	5.225000	Euronext Lisbon	26,688,942
22-Nov-21	Acquisition	904	5.225000	Euronext Lisbon	26,689,846
22-Nov-21	Acquisition	1,748	5.230000	Euronext Lisbon	26,691,594
22-Nov-21	Acquisition	532	5.230000	Euronext Lisbon	26,692,126
22-Nov-21	Acquisition	1,792	5.230000	Euronext Lisbon	26,693,918
22-Nov-21	Acquisition	750	5.210000	Euronext Lisbon	26,694,668
22-Nov-21	Acquisition	636	5.210000	Euronext Lisbon	26,695,304
22-Nov-21	Acquisition	632	5.210000	Euronext Lisbon	26,695,936
22-Nov-21	Acquisition	810	5.210000	Euronext Lisbon	26,696,746
22-Nov-21	Acquisition	1,490	5.210000	Euronext Lisbon	26,698,236
22-Nov-21	Acquisition	507	5.210000	Euronext Lisbon	26,698,743
22-Nov-21	Acquisition	351	5.210000	Euronext Lisbon	26,699,094
22-Nov-21	Acquisition	810	5.215000	Euronext Lisbon	26,699,904
22-Nov-21	Acquisition	281	5.215000	Euronext Lisbon	26,700,185
22-Nov-21	Acquisition	417	5.215000	Euronext Lisbon	26,700,602
22-Nov-21	Acquisition	1,144	5.215000	Euronext Lisbon	26,701,746
22-Nov-21	Acquisition	2,000	5.200000	Euronext Lisbon	26,703,746

22-Nov-21	Acquisition	2,000	5.200000	Euronext Lisbon	26,705,746
22-Nov-21	Acquisition	1,000	5.200000	Euronext Lisbon	26,706,746
22-Nov-21	Acquisition	2,000	5.195000	Euronext Lisbon	26,708,746
22-Nov-21	Acquisition	1,041	5.195000	Euronext Lisbon	26,709,787
22-Nov-21	Acquisition	959	5.195000	Euronext Lisbon	26,710,746
22-Nov-21	Acquisition	78	5.195000	Euronext Lisbon	26,710,824
22-Nov-21	Acquisition	578	5.195000	Euronext Lisbon	26,711,402
22-Nov-21	Acquisition	344	5.195000	Euronext Lisbon	26,711,746
22-Nov-21	Acquisition	2,000	5.195000	Euronext Lisbon	26,713,746
22-Nov-21	Acquisition	2,000	5.195000	Euronext Lisbon	26,715,746
22-Nov-21	Acquisition	691	5.195000	Euronext Lisbon	26,716,437
22-Nov-21	Acquisition	309	5.195000	Euronext Lisbon	26,716,746
22-Nov-21	Acquisition	370	5.195000	Euronext Lisbon	26,717,116
22-Nov-21	Acquisition	484	5.195000	Euronext Lisbon	26,717,600
22-Nov-21	Acquisition	702	5.195000	Euronext Lisbon	26,718,302
22-Nov-21	Acquisition	204	5.195000	Euronext Lisbon	26,718,506
22-Nov-21	Acquisition	240	5.195000	Euronext Lisbon	26,718,746
22-Nov-21	Acquisition	397	5.195000	Euronext Lisbon	26,719,143
22-Nov-21	Acquisition	2,000	5.195000	Euronext Lisbon	26,721,143
22-Nov-21	Acquisition	603	5.195000	Euronext Lisbon	26,721,746
22-Nov-21	Acquisition	2,000	5.190000	Euronext Lisbon	26,723,746
22-Nov-21	Acquisition	3,000	5.190000	Euronext Lisbon	26,726,746
22-Nov-21	Acquisition	130	5.185000	Euronext Lisbon	26,726,876
22-Nov-21	Acquisition	1,870	5.185000	Euronext Lisbon	26,728,746
22-Nov-21	Acquisition	853	5.185000	Euronext Lisbon	26,729,599
22-Nov-21	Acquisition	91	5.185000	Euronext Lisbon	26,729,690
22-Nov-21	Acquisition	152	5.185000	Euronext Lisbon	26,729,842
22-Nov-21	Acquisition	904	5.185000	Euronext Lisbon	26,730,746
22-Nov-21	Acquisition	243	5.185000	Euronext Lisbon	26,730,989
22-Nov-21	Acquisition	224	5.185000	Euronext Lisbon	26,731,213
22-Nov-21	Acquisition	533	5.185000	Euronext Lisbon	26,731,746
22-Nov-21	Acquisition	724	5.250000	Euronext Lisbon	26,732,470
22-Nov-21	Acquisition	278	5.250000	Euronext Lisbon	26,732,748
22-Nov-21	Acquisition	22	5.250000	Euronext Lisbon	26,732,770
22-Nov-21	Acquisition	45	5.250000	Euronext Lisbon	26,732,815
22-Nov-21	Acquisition	572	5.250000	Euronext Lisbon	26,733,387
22-Nov-21	Acquisition	359	5.250000	Euronext Lisbon	26,733,746
22-Nov-21	Acquisition	391	5.250000	Euronext Lisbon	26,734,137
22-Nov-21	Acquisition	120	5.250000	Euronext Lisbon	26,734,257
22-Nov-21	Acquisition	1,880	5.250000	Euronext Lisbon	26,736,137
22-Nov-21	Acquisition	609	5.250000	Euronext Lisbon	26,736,746
22-Nov-21	Acquisition	574	5.230000	Euronext Lisbon	26,737,320
22-Nov-21	Acquisition	750	5.245000	Euronext Lisbon	26,738,070
22-Nov-21	Acquisition	172	5.245000	Euronext Lisbon	26,738,242
22-Nov-21	Acquisition	515	5.245000	Euronext Lisbon	26,738,757
22-Nov-21	Acquisition	375	5.245000	Euronext Lisbon	26,739,132
22-Nov-21	Acquisition	582	5.245000	Euronext Lisbon	26,739,714
22-Nov-21	Acquisition	374	5.230000	Euronext Lisbon	26,740,088
22-Nov-21	Acquisition	1,052	5.230000	Euronext Lisbon	26,741,140

22-Nov-21	Acquisition	1,200	5.230000	Euronext Lisbon	26,742,340
22-Nov-21	Acquisition	546	5.230000	Euronext Lisbon	26,742,886
22-Nov-21	Acquisition	254	5.230000	Euronext Lisbon	26,743,140
22-Nov-21	Acquisition	246	5.230000	Euronext Lisbon	26,743,386
22-Nov-21	Acquisition	556	5.230000	Euronext Lisbon	26,743,942
22-Nov-21	Acquisition	198	5.230000	Euronext Lisbon	26,744,140
22-Nov-21	Acquisition	386	5.215000	Euronext Lisbon	26,744,526
22-Nov-21	Acquisition	1,614	5.215000	Euronext Lisbon	26,746,140
22-Nov-21	Acquisition	822	5.215000	Euronext Lisbon	26,746,962
22-Nov-21	Acquisition	900	5.215000	Euronext Lisbon	26,747,862
22-Nov-21	Acquisition	278	5.215000	Euronext Lisbon	26,748,140
22-Nov-21	Acquisition	626	5.215000	Euronext Lisbon	26,748,766
22-Nov-21	Acquisition	79	5.215000	Euronext Lisbon	26,748,845
22-Nov-21	Acquisition	295	5.215000	Euronext Lisbon	26,749,140
22-Nov-21	Acquisition	978	5.250000	Euronext Lisbon	26,750,118
22-Nov-21	Acquisition	404	5.250000	Euronext Lisbon	26,750,522
22-Nov-21	Acquisition	618	5.250000	Euronext Lisbon	26,751,140
22-Nov-21	Acquisition	34	5.250000	Euronext Lisbon	26,751,174
22-Nov-21	Acquisition	1,199	5.250000	Euronext Lisbon	26,752,373
22-Nov-21	Acquisition	575	5.250000	Euronext Lisbon	26,752,948
22-Nov-21	Acquisition	226	2.250000	Euronext Lisbon	26,753,174
22-Nov-21	Acquisition	346	2.250000	Euronext Lisbon	26,753,520
22-Nov-21	Acquisition	750	5.275000	Euronext Lisbon	26,754,270
22-Nov-21	Acquisition	401	5.275000	Euronext Lisbon	26,754,671
22-Nov-21	Acquisition	327	5.275000	Euronext Lisbon	26,754,998
22-Nov-21	Acquisition	522	5.275000	Euronext Lisbon	26,755,520
22-Nov-21	Acquisition	2,000	5.275000	Euronext Lisbon	26,757,520
22-Nov-21	Acquisition	100	5.275000	Euronext Lisbon	26,757,620
22-Nov-21	Acquisition	900	5.275000	Euronext Lisbon	26,758,520
22-Nov-21	Acquisition	749	5.280000	Euronext Lisbon	26,759,269
22-Nov-21	Acquisition	663	5.280000	Euronext Lisbon	26,759,932
22-Nov-21	Acquisition	476	5.280000	Euronext Lisbon	26,760,408
22-Nov-21	Acquisition	1,420	5.280000	Euronext Lisbon	26,761,828
22-Nov-21	Acquisition	152	5.310000	Euronext Lisbon	26,761,980
22-Nov-21	Acquisition	690	5.310000	Euronext Lisbon	26,762,670
22-Nov-21	Acquisition	281	5.315000	Euronext Lisbon	26,762,951
22-Nov-21	Acquisition	785	5.315000	Euronext Lisbon	26,763,736
22-Nov-21	Acquisition	523	5.315000	Euronext Lisbon	26,764,259
22-Nov-21	Acquisition	1,580	5.315000	Euronext Lisbon	26,765,839
22-Nov-21	Acquisition	989	5.315000	Euronext Lisbon	26,766,828
22-Nov-21	Acquisition	750	5.300000	Euronext Lisbon	26,767,578
22-Nov-21	Acquisition	640	5.300000	Euronext Lisbon	26,768,218
22-Nov-21	Acquisition	330	5.300000	Euronext Lisbon	26,768,548
22-Nov-21	Acquisition	3,096	5.305000	Euronext Lisbon	26,771,644
22-Nov-21	Acquisition	543	5.305000	Euronext Lisbon	26,772,187
22-Nov-21	Acquisition	750	5.305000	Euronext Lisbon	26,772,937
22-Nov-21	Acquisition	579	5.305000	Euronext Lisbon	26,773,516
22-Nov-21	Acquisition	473	5.305000	Euronext Lisbon	26,773,989
22-Nov-21	Acquisition	684	5.305000	Euronext Lisbon	26,774,673

22-Nov-21	Acquisition	750	5.310000	Euronext Lisbon	26,775,423
22-Nov-21	Acquisition	482	5.310000	Euronext Lisbon	26,775,905
22-Nov-21	Acquisition	527	5.310000	Euronext Lisbon	26,776,432
22-Nov-21	Acquisition	539	5.305000	Euronext Lisbon	26,776,971
22-Nov-21	Acquisition	354	5.305000	Euronext Lisbon	26,777,325
22-Nov-21	Acquisition	750	5.310000	Euronext Lisbon	26,778,075
22-Nov-21	Acquisition	900	5.310000	Euronext Lisbon	26,778,975
22-Nov-21	Acquisition	551	5.310000	Euronext Lisbon	26,779,526
22-Nov-21	Acquisition	527	5.310000	Euronext Lisbon	26,780,053
22-Nov-21	Acquisition	563	5.325000	Euronext Lisbon	26,780,616
22-Nov-21	Acquisition	1,300	5.325000	Euronext Lisbon	26,781,916
22-Nov-21	Acquisition	137	5.325000	Euronext Lisbon	26,782,053
22-Nov-21	Acquisition	48	5.325000	Euronext Lisbon	26,782,101
22-Nov-21	Acquisition	209	5.325000	Euronext Lisbon	26,782,310
22-Nov-21	Acquisition	1,791	5.325000	Euronext Lisbon	26,784,101
22-Nov-21	Acquisition	2,000	5.325000	Euronext Lisbon	26,786,101
22-Nov-21	Acquisition	2,000	5.325000	Euronext Lisbon	26,788,101
22-Nov-21	Acquisition	586	5.325000	Euronext Lisbon	26,788,687
22-Nov-21	Acquisition	1,366	5.325000	Euronext Lisbon	26,790,053
22-Nov-21	Acquisition	530	5.320000	Euronext Lisbon	26,790,583
22-Nov-21	Acquisition	476	5.320000	Euronext Lisbon	26,791,059
22-Nov-21	Acquisition	868	5.320000	Euronext Lisbon	26,791,927
22-Nov-21	Acquisition	2,001	5.320000	Euronext Lisbon	26,793,928
22-Nov-21	Acquisition	956	5.320000	Euronext Lisbon	26,794,884
22-Nov-21	Acquisition	169	5.320000	Euronext Lisbon	26,795,053
22-Nov-21	Acquisition	248	5.330000	Euronext Lisbon	26,795,301
22-Nov-21	Acquisition	1,769	5.330000	Euronext Lisbon	26,797,070
22-Nov-21	Acquisition	617	5.330000	Euronext Lisbon	26,797,687
22-Nov-21	Acquisition	206	5.330000	Euronext Lisbon	26,797,893
22-Nov-21	Acquisition	191	5.330000	Euronext Lisbon	26,798,084
22-Nov-21	Acquisition	404	5.375000	Euronext Lisbon	26,798,488
22-Nov-21	Acquisition	1,596	5.375000	Euronext Lisbon	26,800,084
22-Nov-21	Acquisition	2,000	5.375000	Euronext Lisbon	26,802,084
22-Nov-21	Acquisition	184	5.375000	Euronext Lisbon	26,802,268
22-Nov-21	Acquisition	816	5.375000	Euronext Lisbon	26,803,084
22-Nov-21	Acquisition	750	5.415000	Euronext Lisbon	26,803,834
22-Nov-21	Acquisition	376	5.415000	Euronext Lisbon	26,804,210
22-Nov-21	Acquisition	422	5.415000	Euronext Lisbon	26,804,632
22-Nov-21	Acquisition	750	5.415000	Euronext Lisbon	26,805,382
22-Nov-21	Acquisition	623	5.415000	Euronext Lisbon	26,806,005
22-Nov-21	Acquisition	627	5.415000	Euronext Lisbon	26,806,632
22-Nov-21	Acquisition	1,373	5.415000	Euronext Lisbon	26,808,005
22-Nov-21	Acquisition	79	5.415000	Euronext Lisbon	26,808,084
22-Nov-21	Acquisition	900	5.415000	Euronext Lisbon	26,808,984
22-Nov-21	Acquisition	1,100	5.415000	Euronext Lisbon	26,810,084
22-Nov-21	Acquisition	2,000	5.415000	Euronext Lisbon	26,812,084
22-Nov-21	Acquisition	58	5.415000	Euronext Lisbon	26,812,142
22-Nov-21	Acquisition	667	5.415000	Euronext Lisbon	26,812,809
22-Nov-21	Acquisition	275	5.415000	Euronext Lisbon	26,813,084

22-Nov-21	Acquisition	2,000	5.315000	Euronext Lisbon	26,815,084
22-Nov-21	Acquisition	2,000	5.315000	Euronext Lisbon	26,817,084
22-Nov-21	Acquisition	2,000	5.315000	Euronext Lisbon	26,819,084
22-Nov-21	Acquisition	1,000	5.315000	Euronext Lisbon	26,820,084
22-Nov-21	Acquisition	32	5.315000	Euronext Lisbon	26,820,116
22-Nov-21	Acquisition	953	5.315000	Euronext Lisbon	26,821,069
22-Nov-21	Acquisition	15	5.315000	Euronext Lisbon	26,821,084
22-Nov-21	Acquisition	2,000	5.315000	Euronext Lisbon	26,823,084
22-Nov-21	Acquisition	792	5.290000	Euronext Lisbon	26,823,876
22-Nov-21	Acquisition	750	5.335000	Euronext Lisbon	26,824,626
22-Nov-21	Acquisition	428	5.335000	Euronext Lisbon	26,825,054
22-Nov-21	Acquisition	2,584	5.335000	Euronext Lisbon	26,827,638
22-Nov-21	Acquisition	653	5.335000	Euronext Lisbon	26,828,291
22-Nov-21	Acquisition	393	5.345000	Euronext Lisbon	26,828,684
22-Nov-21	Acquisition	53	5.345000	Euronext Lisbon	26,828,737
22-Nov-21	Acquisition	750	5.345000	Euronext Lisbon	26,829,487
22-Nov-21	Acquisition	12	5.345000	Euronext Lisbon	26,829,499
22-Nov-21	Acquisition	1,371	5.345000	Euronext Lisbon	26,830,870
22-Nov-21	Acquisition	629	5.345000	Euronext Lisbon	26,831,499
22-Nov-21	Acquisition	331	5.345000	Euronext Lisbon	26,831,830
22-Nov-21	Acquisition	669	5.345000	Euronext Lisbon	26,832,499
22-Nov-21	Acquisition	2,000	5.310000	Euronext Lisbon	26,834,499
22-Nov-21	Acquisition	750	5.320000	Euronext Lisbon	26,835,249
22-Nov-21	Acquisition	432	5.320000	Euronext Lisbon	26,835,681
22-Nov-21	Acquisition	1,969	5.320000	Euronext Lisbon	26,837,650
22-Nov-21	Acquisition	1,585	5.320000	Euronext Lisbon	26,839,235
22-Nov-21	Acquisition	264	5.320000	Euronext Lisbon	26,839,499
22-Nov-21	Acquisition	2,000	5.310000	Euronext Lisbon	26,841,499
22-Nov-21	Acquisition	58	5.310000	Euronext Lisbon	26,841,557
22-Nov-21	Acquisition	942	5.310000	Euronext Lisbon	26,842,499
22-Nov-21	Acquisition	451	5.365000	Euronext Lisbon	26,842,950
22-Nov-21	Acquisition	432	5.365000	Euronext Lisbon	26,843,382
22-Nov-21	Acquisition	1,222	5.365000	Euronext Lisbon	26,844,604
22-Nov-21	Acquisition	483	5.365000	Euronext Lisbon	26,845,087
22-Nov-21	Acquisition	509	5.365000	Euronext Lisbon	26,845,596
22-Nov-21	Acquisition	343	5.365000	Euronext Lisbon	26,845,939
22-Nov-21	Acquisition	368	5.365000	Euronext Lisbon	26,846,307
22-Nov-21	Acquisition	567	5.365000	Euronext Lisbon	26,846,874
23-Nov-21	Acquisition	277	5.100000	Euronext Lisbon	26,847,151
23-Nov-21	Acquisition	723	5.100000	Euronext Lisbon	26,847,874
23-Nov-21	Acquisition	404	5.095000	Euronext Lisbon	26,848,278
23-Nov-21	Acquisition	596	5.095000	Euronext Lisbon	26,848,874
23-Nov-21	Acquisition	180	5.100000	Euronext Lisbon	26,849,054
23-Nov-21	Acquisition	540	5.100000	Euronext Lisbon	26,849,594
23-Nov-21	Acquisition	100	5.100000	Euronext Lisbon	26,849,694
23-Nov-21	Acquisition	940	5.100000	Euronext Lisbon	26,850,634
23-Nov-21	Acquisition	666	5.100000	Euronext Lisbon	26,851,300
23-Nov-21	Acquisition	497	5.100000	Euronext Lisbon	26,851,797
23-Nov-21	Acquisition	77	5.100000	Euronext Lisbon	26,851,874

23-Nov-21	Acquisition	1,000	5.095000	Euronext Lisbon	26,852,874
23-Nov-21	Acquisition	1,000	5.095000	Euronext Lisbon	26,853,874
23-Nov-21	Acquisition	204	5.095000	Euronext Lisbon	26,854,078
23-Nov-21	Acquisition	117	5.095000	Euronext Lisbon	26,854,195
23-Nov-21	Acquisition	624	5.095000	Euronext Lisbon	26,854,819
23-Nov-21	Acquisition	55	5.095000	Euronext Lisbon	26,854,874
23-Nov-21	Acquisition	1,862	5.115000	Euronext Lisbon	26,856,736
23-Nov-21	Acquisition	42	5.115000	Euronext Lisbon	26,856,778
23-Nov-21	Acquisition	96	5.115000	Euronext Lisbon	26,856,874
23-Nov-21	Acquisition	750	5.115000	Euronext Lisbon	26,857,624
23-Nov-21	Acquisition	750	5.115000	Euronext Lisbon	26,858,374
23-Nov-21	Acquisition	177	5.115000	Euronext Lisbon	26,858,551
23-Nov-21	Acquisition	823	5.115000	Euronext Lisbon	26,859,374
23-Nov-21	Acquisition	1,750	5.140000	Euronext Lisbon	26,861,124
23-Nov-21	Acquisition	1,750	5.140000	Euronext Lisbon	26,862,874
23-Nov-21	Acquisition	500	5.140000	Euronext Lisbon	26,863,374
23-Nov-21	Acquisition	1,450	5.145000	Euronext Lisbon	26,864,824
23-Nov-21	Acquisition	1,550	5.145000	Euronext Lisbon	26,866,374
23-Nov-21	Acquisition	1,450	5.125000	Euronext Lisbon	26,867,824
23-Nov-21	Acquisition	1,000	5.125000	Euronext Lisbon	26,868,824
23-Nov-21	Acquisition	404	5.125000	Euronext Lisbon	26,869,228
23-Nov-21	Acquisition	46	5.125000	Euronext Lisbon	26,869,274
23-Nov-21	Acquisition	100	5.125000	Euronext Lisbon	26,869,374
23-Nov-21	Acquisition	292	5.110000	Euronext Lisbon	26,869,666
23-Nov-21	Acquisition	1,000	5.110000	Euronext Lisbon	26,870,666
23-Nov-21	Acquisition	1,208	5.110000	Euronext Lisbon	26,871,874
23-Nov-21	Acquisition	1,417	5.105000	Euronext Lisbon	26,873,291
23-Nov-21	Acquisition	245	5.105000	Euronext Lisbon	26,873,536
23-Nov-21	Acquisition	838	5.105000	Euronext Lisbon	26,874,374
23-Nov-21	Acquisition	1,580	5.110000	Euronext Lisbon	26,875,954
23-Nov-21	Acquisition	496	5.110000	Euronext Lisbon	26,876,450
23-Nov-21	Acquisition	1,424	5.110000	Euronext Lisbon	26,877,874
23-Nov-21	Acquisition	350	5.120000	Euronext Lisbon	26,878,224
23-Nov-21	Acquisition	2,355	5.120000	Euronext Lisbon	26,880,579
23-Nov-21	Acquisition	404	5.120000	Euronext Lisbon	26,880,983
23-Nov-21	Acquisition	391	5.120000	Euronext Lisbon	26,881,374
23-Nov-21	Acquisition	2,500	5.120000	Euronext Lisbon	26,883,874
23-Nov-21	Acquisition	1,249	5.130000	Euronext Lisbon	26,885,123
23-Nov-21	Acquisition	425	5.130000	Euronext Lisbon	26,885,548
23-Nov-21	Acquisition	326	5.130000	Euronext Lisbon	26,885,874
23-Nov-21	Acquisition	2,000	5.135000	Euronext Lisbon	26,887,874
23-Nov-21	Acquisition	950	5.165000	Euronext Lisbon	26,888,824
23-Nov-21	Acquisition	515	5.165000	Euronext Lisbon	26,889,339
23-Nov-21	Acquisition	2,035	5.165000	Euronext Lisbon	26,891,374
23-Nov-21	Acquisition	2,000	5.150000	Euronext Lisbon	26,893,374
23-Nov-21	Acquisition	860	5.145000	Euronext Lisbon	26,894,234
23-Nov-21	Acquisition	463	5.145000	Euronext Lisbon	26,894,697
23-Nov-21	Acquisition	677	5.145000	Euronext Lisbon	26,895,374
23-Nov-21	Acquisition	2,000	5.130000	Euronext Lisbon	26,897,374

23-Nov-21	Acquisition	232	5.125000	Euronext Lisbon	26,897,606
23-Nov-21	Acquisition	191	5.125000	Euronext Lisbon	26,897,797
23-Nov-21	Acquisition	2,077	5.125000	Euronext Lisbon	26,899,874
23-Nov-21	Acquisition	2,500	5.125000	Euronext Lisbon	26,902,374
23-Nov-21	Acquisition	2,269	5.125000	Euronext Lisbon	26,904,643
23-Nov-21	Acquisition	586	5.125000	Euronext Lisbon	26,905,229
23-Nov-21	Acquisition	645	5.125000	Euronext Lisbon	26,905,874
23-Nov-21	Acquisition	34	5.115000	Euronext Lisbon	26,905,908
23-Nov-21	Acquisition	2,431	5.115000	Euronext Lisbon	26,908,339
23-Nov-21	Acquisition	542	5.115000	Euronext Lisbon	26,908,881
23-Nov-21	Acquisition	92	5.115000	Euronext Lisbon	26,908,973
23-Nov-21	Acquisition	401	5.115000	Euronext Lisbon	26,909,374
23-Nov-21	Acquisition	390	5.125000	Euronext Lisbon	26,909,764
23-Nov-21	Acquisition	1,110	5.125000	Euronext Lisbon	26,910,874
23-Nov-21	Acquisition	3,000	5.110000	Euronext Lisbon	26,913,874
23-Nov-21	Acquisition	1,306	5.105000	Euronext Lisbon	26,915,180
23-Nov-21	Acquisition	1,194	5.105000	Euronext Lisbon	26,916,374
23-Nov-21	Acquisition	1,000	5.105000	Euronext Lisbon	26,917,374
23-Nov-21	Acquisition	3,000	5.090000	Euronext Lisbon	26,920,374
23-Nov-21	Acquisition	750	5.090000	Euronext Lisbon	26,921,124
23-Nov-21	Acquisition	930	5.090000	Euronext Lisbon	26,922,054
23-Nov-21	Acquisition	851	5.090000	Euronext Lisbon	26,922,905
23-Nov-21	Acquisition	469	5.095000	Euronext Lisbon	26,923,374
23-Nov-21	Acquisition	750	5.090000	Euronext Lisbon	26,924,124
23-Nov-21	Acquisition	268	5.090000	Euronext Lisbon	26,924,392
23-Nov-21	Acquisition	610	5.090000	Euronext Lisbon	26,925,002
23-Nov-21	Acquisition	511	5.090000	Euronext Lisbon	26,925,513
23-Nov-21	Acquisition	452	5.090000	Euronext Lisbon	26,925,965
23-Nov-21	Acquisition	387	5.090000	Euronext Lisbon	26,926,352
23-Nov-21	Acquisition	22	5.090000	Euronext Lisbon	26,926,374
23-Nov-21	Acquisition	490	5.085000	Euronext Lisbon	26,926,864
23-Nov-21	Acquisition	510	5.085000	Euronext Lisbon	26,927,374
23-Nov-21	Acquisition	2,000	5.085000	Euronext Lisbon	26,929,374
23-Nov-21	Acquisition	1,000	5.085000	Euronext Lisbon	26,930,374
23-Nov-21	Acquisition	2,000	5.085000	Euronext Lisbon	26,932,374
23-Nov-21	Acquisition	1,000	5.085000	Euronext Lisbon	26,933,374
23-Nov-21	Acquisition	750	5.085000	Euronext Lisbon	26,934,124
23-Nov-21	Acquisition	250	5.085000	Euronext Lisbon	26,934,374
23-Nov-21	Acquisition	750	5.085000	Euronext Lisbon	26,935,124
23-Nov-21	Acquisition	250	5.085000	Euronext Lisbon	26,935,374
23-Nov-21	Acquisition	1,000	5.085000	Euronext Lisbon	26,936,374
23-Nov-21	Acquisition	1,000	5.085000	Euronext Lisbon	26,937,374
23-Nov-21	Acquisition	1,000	5.085000	Euronext Lisbon	26,938,374
23-Nov-21	Acquisition	1,000	5.085000	Euronext Lisbon	26,939,374
23-Nov-21	Acquisition	1,000	5.085000	Euronext Lisbon	26,940,374
23-Nov-21	Acquisition	455	5.085000	Euronext Lisbon	26,940,829
23-Nov-21	Acquisition	545	5.085000	Euronext Lisbon	26,941,374
23-Nov-21	Acquisition	545	5.085000	Euronext Lisbon	26,941,919
23-Nov-21	Acquisition	455	5.085000	Euronext Lisbon	26,942,374

23-Nov-21	Acquisition	1,000	5.085000	Euronext Lisbon	26,943,374
23-Nov-21	Acquisition	18	5.085000	Euronext Lisbon	26,943,392
23-Nov-21	Acquisition	460	5.085000	Euronext Lisbon	26,943,852
23-Nov-21	Acquisition	522	5.085000	Euronext Lisbon	26,944,374
23-Nov-21	Acquisition	348	5.085000	Euronext Lisbon	26,944,722
23-Nov-21	Acquisition	356	5.085000	Euronext Lisbon	26,945,078
23-Nov-21	Acquisition	296	5.085000	Euronext Lisbon	26,945,374
23-Nov-21	Acquisition	314	5.085000	Euronext Lisbon	26,945,688
23-Nov-21	Acquisition	1,186	5.085000	Euronext Lisbon	26,946,874
23-Nov-21	Acquisition	2,463	5.100000	Euronext Lisbon	26,949,337
23-Nov-21	Acquisition	987	5.100000	Euronext Lisbon	26,950,324
25-Nov-21	Acquisition	1,630	5.035000	Euronext Lisbon	26,951,954
25-Nov-21	Acquisition	967	5.035000	Euronext Lisbon	26,952,921
25-Nov-21	Acquisition	390	5.035000	Euronext Lisbon	26,953,311
25-Nov-21	Acquisition	2,500	5.035000	Euronext Lisbon	26,955,811
25-Nov-21	Acquisition	196	5.035000	Euronext Lisbon	26,956,007
25-Nov-21	Acquisition	867	5.035000	Euronext Lisbon	26,956,874
25-Nov-21	Acquisition	955	5.035000	Euronext Lisbon	26,957,829
25-Nov-21	Acquisition	112	5.035000	Euronext Lisbon	26,957,941
25-Nov-21	Acquisition	680	5.050000	Euronext Lisbon	26,958,621
25-Nov-21	Acquisition	753	5.050000	Euronext Lisbon	26,959,374
25-Nov-21	Acquisition	792	5.050000	Euronext Lisbon	26,960,166
25-Nov-21	Acquisition	1,556	5.050000	Euronext Lisbon	26,961,722
25-Nov-21	Acquisition	764	5.050000	Euronext Lisbon	26,962,486
25-Nov-21	Acquisition	180	5.050000	Euronext Lisbon	26,962,666
25-Nov-21	Acquisition	764	5.050000	Euronext Lisbon	26,963,430
25-Nov-21	Acquisition	2,500	5.050000	Euronext Lisbon	26,965,930
25-Nov-21	Acquisition	944	5.050000	Euronext Lisbon	26,966,874
25-Nov-21	Acquisition	1,600	5.060000	Euronext Lisbon	26,968,474
25-Nov-21	Acquisition	1,000	5.060000	Euronext Lisbon	26,969,474
25-Nov-21	Acquisition	600	5.060000	Euronext Lisbon	26,970,074
25-Nov-21	Acquisition	2,244	5.060000	Euronext Lisbon	26,972,318
25-Nov-21	Acquisition	362	5.060000	Euronext Lisbon	26,972,680
25-Nov-21	Acquisition	2,500	5.060000	Euronext Lisbon	26,975,180
25-Nov-21	Acquisition	1,694	5.060000	Euronext Lisbon	26,976,874
25-Nov-21	Acquisition	2,500	5.045000	Euronext Lisbon	26,979,374
25-Nov-21	Acquisition	2,500	5.045000	Euronext Lisbon	26,981,874
25-Nov-21	Acquisition	30	5.045000	Euronext Lisbon	26,981,904
25-Nov-21	Acquisition	2,470	5.045000	Euronext Lisbon	26,984,374
25-Nov-21	Acquisition	1,250	5.045000	Euronext Lisbon	26,985,624
25-Nov-21	Acquisition	834	5.045000	Euronext Lisbon	26,986,458
25-Nov-21	Acquisition	416	5.045000	Euronext Lisbon	26,986,874
25-Nov-21	Acquisition	750	5.050000	Euronext Lisbon	26,987,624
25-Nov-21	Acquisition	873	5.050000	Euronext Lisbon	26,988,497
25-Nov-21	Acquisition	480	5.050000	Euronext Lisbon	26,988,977
25-Nov-21	Acquisition	397	5.050000	Euronext Lisbon	26,989,374
25-Nov-21	Acquisition	402	5.050000	Euronext Lisbon	26,989,776
25-Nov-21	Acquisition	2,098	5.050000	Euronext Lisbon	26,991,874
25-Nov-21	Acquisition	302	5.050000	Euronext Lisbon	26,992,176

25-Nov-21	Acquisition	397	5.050000	Euronext Lisbon	26,992,573
25-Nov-21	Acquisition	19	5.050000	Euronext Lisbon	26,992,592
25-Nov-21	Acquisition	434	5.050000	Euronext Lisbon	26,993,026
25-Nov-21	Acquisition	1,650	5.050000	Euronext Lisbon	26,994,676
25-Nov-21	Acquisition	850	5.050000	Euronext Lisbon	26,995,526
25-Nov-21	Acquisition	523	5.050000	Euronext Lisbon	26,996,049
25-Nov-21	Acquisition	496	5.080000	Euronext Lisbon	26,996,545
25-Nov-21	Acquisition	13	5.080000	Euronext Lisbon	26,996,558
25-Nov-21	Acquisition	251	5.080000	Euronext Lisbon	26,996,809
25-Nov-21	Acquisition	27	5.080000	Euronext Lisbon	26,996,836
25-Nov-21	Acquisition	112	5.080000	Euronext Lisbon	26,996,948
25-Nov-21	Acquisition	63	5.080000	Euronext Lisbon	26,997,011
25-Nov-21	Acquisition	1,230	5.080000	Euronext Lisbon	26,998,241
25-Nov-21	Acquisition	68	5.080000	Euronext Lisbon	26,998,309
25-Nov-21	Acquisition	240	5.090000	Euronext Lisbon	26,998,549
25-Nov-21	Acquisition	100	5.090000	Euronext Lisbon	26,998,649
25-Nov-21	Acquisition	307	5.090000	Euronext Lisbon	26,998,956
25-Nov-21	Acquisition	32	5.090000	Euronext Lisbon	26,998,988
25-Nov-21	Acquisition	146	5.090000	Euronext Lisbon	26,999,134
25-Nov-21	Acquisition	1,450	5.100000	Euronext Lisbon	27,000,584
25-Nov-21	Acquisition	18	5.100000	Euronext Lisbon	27,000,602
25-Nov-21	Acquisition	6,000	5.100000	Euronext Lisbon	27,006,602
25-Nov-21	Acquisition	658	5.100000	Euronext Lisbon	27,007,260
25-Nov-21	Acquisition	321	5.100000	Euronext Lisbon	27,007,581
25-Nov-21	Acquisition	1,553	5.100000	Euronext Lisbon	27,009,134
25-Nov-21	Acquisition	2,500	5.110000	Euronext Lisbon	27,011,634
25-Nov-21	Acquisition	2,255	5.110000	Euronext Lisbon	27,013,889
25-Nov-21	Acquisition	171	5.110000	Euronext Lisbon	27,014,060
25-Nov-21	Acquisition	74	5.110000	Euronext Lisbon	27,014,134
25-Nov-21	Acquisition	2,500	5.100000	Euronext Lisbon	27,016,634
25-Nov-21	Acquisition	731	5.100000	Euronext Lisbon	27,017,365
25-Nov-21	Acquisition	2,500	5.100000	Euronext Lisbon	27,019,865
25-Nov-21	Acquisition	2,695	5.100000	Euronext Lisbon	27,022,560
25-Nov-21	Acquisition	1,574	5.100000	Euronext Lisbon	27,024,134
25-Nov-21	Acquisition	304	5.090000	Euronext Lisbon	27,024,438
25-Nov-21	Acquisition	2,196	5.090000	Euronext Lisbon	27,026,634
25-Nov-21	Acquisition	750	5.095000	Euronext Lisbon	27,027,384
25-Nov-21	Acquisition	1,190	5.095000	Euronext Lisbon	27,028,574
25-Nov-21	Acquisition	560	5.095000	Euronext Lisbon	27,029,134
25-Nov-21	Acquisition	1,000	5.075000	Euronext Lisbon	27,030,134
25-Nov-21	Acquisition	317	5.075000	Euronext Lisbon	27,030,451
25-Nov-21	Acquisition	786	5.075000	Euronext Lisbon	27,031,237
25-Nov-21	Acquisition	214	5.075000	Euronext Lisbon	27,031,451
25-Nov-21	Acquisition	15	5.075000	Euronext Lisbon	27,031,466
25-Nov-21	Acquisition	1,000	5.075000	Euronext Lisbon	27,032,466
25-Nov-21	Acquisition	6,668	5.075000	Euronext Lisbon	27,039,134
25-Nov-21	Acquisition	750	5.080000	Euronext Lisbon	27,039,884
25-Nov-21	Acquisition	307	5.080000	Euronext Lisbon	27,040,191
25-Nov-21	Acquisition	943	5.080000	Euronext Lisbon	27,041,134

25-Nov-21	Acquisition	240	5.070000	Euronext Lisbon	27,041,374
25-Nov-21	Acquisition	2,500	5.070000	Euronext Lisbon	27,043,874
25-Nov-21	Acquisition	750	5.075000	Euronext Lisbon	27,044,624
25-Nov-21	Acquisition	440	5.075000	Euronext Lisbon	27,045,064
25-Nov-21	Acquisition	1,244	5.075000	Euronext Lisbon	27,046,308
25-Nov-21	Acquisition	566	5.075000	Euronext Lisbon	27,046,874
25-Nov-21	Acquisition	69	5.050000	Euronext Lisbon	27,046,943
25-Nov-21	Acquisition	145	5.050000	Euronext Lisbon	27,047,088
25-Nov-21	Acquisition	174	5.050000	Euronext Lisbon	27,047,262
25-Nov-21	Acquisition	1,198	5.050000	Euronext Lisbon	27,048,460
25-Nov-21	Acquisition	338	5.045000	Euronext Lisbon	27,048,798
25-Nov-21	Acquisition	1,076	5.045000	Euronext Lisbon	27,049,874
25-Nov-21	Acquisition	560	5.045000	Euronext Lisbon	27,050,434
25-Nov-21	Acquisition	750	5.045000	Euronext Lisbon	27,051,184
25-Nov-21	Acquisition	722	5.045000	Euronext Lisbon	27,051,906
25-Nov-21	Acquisition	520	5.045000	Euronext Lisbon	27,052,426
25-Nov-21	Acquisition	750	5.050000	Euronext Lisbon	27,053,176
25-Nov-21	Acquisition	84	5.055000	Euronext Lisbon	27,053,260
25-Nov-21	Acquisition	5,000	5.055000	Euronext Lisbon	27,058,260
25-Nov-21	Acquisition	712	5.055000	Euronext Lisbon	27,058,972
25-Nov-21	Acquisition	740	5.055000	Euronext Lisbon	27,059,712
25-Nov-21	Acquisition	200	5.055000	Euronext Lisbon	27,059,912
25-Nov-21	Acquisition	400	5.055000	Euronext Lisbon	27,060,312
25-Nov-21	Acquisition	156	5.055000	Euronext Lisbon	27,060,468
25-Nov-21	Acquisition	590	5.055000	Euronext Lisbon	27,061,058
25-Nov-21	Acquisition	453	5.055000	Euronext Lisbon	27,061,511
25-Nov-21	Acquisition	915	5.055000	Euronext Lisbon	27,062,426
25-Nov-21	Acquisition	2,500	5.050000	Euronext Lisbon	27,064,926
25-Nov-21	Acquisition	926	5.060000	Euronext Lisbon	27,065,852
25-Nov-21	Acquisition	950	5.060000	Euronext Lisbon	27,066,802
25-Nov-21	Acquisition	154	5.060000	Euronext Lisbon	27,066,956
25-Nov-21	Acquisition	421	5.060000	Euronext Lisbon	27,067,377
25-Nov-21	Acquisition	424	5.060000	Euronext Lisbon	27,067,801
25-Nov-21	Acquisition	1,779	5.065000	Euronext Lisbon	27,069,580
25-Nov-21	Acquisition	403	5.065000	Euronext Lisbon	27,069,983
25-Nov-21	Acquisition	782	5.065000	Euronext Lisbon	27,070,765
25-Nov-21	Acquisition	818	5.065000	Euronext Lisbon	27,071,583
25-Nov-21	Acquisition	200	5.065000	Euronext Lisbon	27,071,783
25-Nov-21	Acquisition	1,200	5.065000	Euronext Lisbon	27,072,983
25-Nov-21	Acquisition	558	5.065000	Euronext Lisbon	27,073,541
25-Nov-21	Acquisition	1,268	5.065000	Euronext Lisbon	27,074,809
25-Nov-21	Acquisition	2	5.065000	Euronext Lisbon	27,074,811
25-Nov-21	Acquisition	750	5.070000	Euronext Lisbon	27,075,561
25-Nov-21	Acquisition	1,817	5.070000	Euronext Lisbon	27,077,378
25-Nov-21	Acquisition	2,385	5.070000	Euronext Lisbon	27,079,763
25-Nov-21	Acquisition	4,000	5.070000	Euronext Lisbon	27,083,763
25-Nov-21	Acquisition	957	5.070000	Euronext Lisbon	27,084,720
25-Nov-21	Acquisition	858	5.070000	Euronext Lisbon	27,085,578
25-Nov-21	Acquisition	200	5.070000	Euronext Lisbon	27,085,778

25-Nov-21	Acquisition	1,089	5.075000	Euronext Lisbon	27,086,867
25-Nov-21	Acquisition	3,501	5.075000	Euronext Lisbon	27,090,368
25-Nov-21	Acquisition	4,000	5.075000	Euronext Lisbon	27,094,368
25-Nov-21	Acquisition	200	5.075000	Euronext Lisbon	27,094,568
25-Nov-21	Acquisition	974	5.075000	Euronext Lisbon	27,095,542
25-Nov-21	Acquisition	1,190	5.075000	Euronext Lisbon	27,096,732
25-Nov-21	Acquisition	867	5.075000	Euronext Lisbon	27,097,599
25-Nov-21	Acquisition	928	5.075000	Euronext Lisbon	27,098,527
25-Nov-21	Acquisition	983	5.075000	Euronext Lisbon	27,099,510
25-Nov-21	Acquisition	2,500	5.085000	Euronext Lisbon	27,102,010
25-Nov-21	Acquisition	2,500	5.085000	Euronext Lisbon	27,104,510
25-Nov-21	Acquisition	138	5.085000	Euronext Lisbon	27,104,648
25-Nov-21	Acquisition	2,360	5.085000	Euronext Lisbon	27,107,008
25-Nov-21	Acquisition	2	5.085000	Euronext Lisbon	27,107,010
25-Nov-21	Acquisition	2,000	5.080000	Euronext Lisbon	27,109,010
25-Nov-21	Acquisition	1,200	5.080000	Euronext Lisbon	27,110,210
25-Nov-21	Acquisition	489	5.080000	Euronext Lisbon	27,110,699
25-Nov-21	Acquisition	311	5.080000	Euronext Lisbon	27,111,010
25-Nov-21	Acquisition	304	5.080000	Euronext Lisbon	27,111,314
25-Nov-21	Acquisition	117	5.080000	Euronext Lisbon	27,111,431
25-Nov-21	Acquisition	800	5.080000	Euronext Lisbon	27,112,231
25-Nov-21	Acquisition	1,200	5.090000	Euronext Lisbon	27,113,431
25-Nov-21	Acquisition	1,195	5.090000	Euronext Lisbon	27,114,626
25-Nov-21	Acquisition	105	5.090000	Euronext Lisbon	27,114,731
25-Nov-21	Acquisition	4,000	5.090000	Euronext Lisbon	27,118,731
25-Nov-21	Acquisition	563	5.090000	Euronext Lisbon	27,119,294
25-Nov-21	Acquisition	77	5.090000	Euronext Lisbon	27,119,371
25-Nov-21	Acquisition	591	5.080000	Euronext Lisbon	27,119,962
25-Nov-21	Acquisition	430	5.080000	Euronext Lisbon	27,120,392
25-Nov-21	Acquisition	62	5.080000	Euronext Lisbon	27,120,454
25-Nov-21	Acquisition	52	5.080000	Euronext Lisbon	27,120,506
25-Nov-21	Acquisition	591	5.080000	Euronext Lisbon	27,121,097
25-Nov-21	Acquisition	269	5.080000	Euronext Lisbon	27,121,366
25-Nov-21	Acquisition	500	5.080000	Euronext Lisbon	27,121,866
25-Nov-21	Acquisition	640	5.080000	Euronext Lisbon	27,122,506
25-Nov-21	Acquisition	4,000	5.090000	Euronext Lisbon	27,126,506
25-Nov-21	Acquisition	1,057	5.090000	Euronext Lisbon	27,127,563
25-Nov-21	Acquisition	145	5.090000	Euronext Lisbon	27,127,708
25-Nov-21	Acquisition	440	5.090000	Euronext Lisbon	27,128,148
25-Nov-21	Acquisition	424	5.090000	Euronext Lisbon	27,128,572
25-Nov-21	Acquisition	70	5.090000	Euronext Lisbon	27,128,642
25-Nov-21	Acquisition	1,354	5.085000	Euronext Lisbon	27,129,996
25-Nov-21	Acquisition	232	5.085000	Euronext Lisbon	27,130,228
25-Nov-21	Acquisition	414	5.085000	Euronext Lisbon	27,130,642
25-Nov-21	Acquisition	232	5.085000	Euronext Lisbon	27,130,874
25-Nov-21	Acquisition	236	5.085000	Euronext Lisbon	27,131,110
25-Nov-21	Acquisition	1,532	5.085000	Euronext Lisbon	27,132,642
25-Nov-21	Acquisition	468	5.085000	Euronext Lisbon	27,133,110
25-Nov-21	Acquisition	1,394	5.085000	Euronext Lisbon	27,134,504

25-Nov-21	Acquisition	606	5.085000	Euronext Lisbon	27,135,110
25-Nov-21	Acquisition	29	5.085000	Euronext Lisbon	27,135,139
25-Nov-21	Acquisition	28	5.085000	Euronext Lisbon	27,135,167
25-Nov-21	Acquisition	623	5.085000	Euronext Lisbon	27,135,790
25-Nov-21	Acquisition	750	5.085000	Euronext Lisbon	27,136,540
25-Nov-21	Acquisition	599	5.085000	Euronext Lisbon	27,137,139
25-Nov-21	Acquisition	355	5.085000	Euronext Lisbon	27,137,494
25-Nov-21	Acquisition	886	5.100000	Euronext Lisbon	27,138,380
25-Nov-21	Acquisition	501	5.100000	Euronext Lisbon	27,138,881
25-Nov-21	Acquisition	78	5.100000	Euronext Lisbon	27,138,959
25-Nov-21	Acquisition	530	5.105000	Euronext Lisbon	27,139,489
25-Nov-21	Acquisition	959	5.105000	Euronext Lisbon	27,140,448
25-Nov-21	Acquisition	578	5.105000	Euronext Lisbon	27,141,026
25-Nov-21	Acquisition	1,707	5.105000	Euronext Lisbon	27,142,733
25-Nov-21	Acquisition	148	5.105000	Euronext Lisbon	27,142,881
25-Nov-21	Acquisition	402	5.105000	Euronext Lisbon	27,143,283
25-Nov-21	Acquisition	2,000	5.110000	Euronext Lisbon	27,145,283
25-Nov-21	Acquisition	1,591	5.110000	Euronext Lisbon	27,146,874
31-Dec-21	-	0	0.000000	-	27,146,874

Paula Simões de Figueiredo Pimentel Freixo Matos Chaves

Date	Type	Volume	Price (€)	Place	No. of shares
31-Dec-20	-	0	0.000000	-	-
31-Mar-21	Acquisition	584	6.540000	Euronext Lisbon	584
31-Mar-21	Acquisition	1,500	6.540000	Euronext Lisbon	2,084
31-Mar-21	Acquisition	764	6.540000	Euronext Lisbon	2,848
31-Mar-21	Acquisition	824	6.540000	Euronext Lisbon	3,672
31-Mar-21	Acquisition	828	6.540000	Euronext Lisbon	4,500
31-Dec-21	-	0	0.000000	-	4,500

Corporate Governance Report

Annual Report 21

making our world + renewable

CORPORATE GOVERNANCE

Dear Shareholders, Stakeholders and Company in general,

Through this document, ALTRI, SGPS, S.A. ("**ALTRI**" or "**Company**") is pleased to present the Corporate Governance Report ("**Report**") that aims to be a faithful picture of the governance model implemented and that has been developed in the organization during the 2021 financial year.

ALTRI's governance model aims to promote an increasingly effective corporate governance, capable of responding to all the challenges that arise in society - challenges of environmental responsibility, social responsibility and good corporate governance - always based on strict compliance with national, EU and international legal and soft law requirements.

ALTRI promotes a culture of continuous improvement, in which teams and their members are challenged to go beyond what is strictly necessary and the established standards. This fosters an integrated vision of the organization, of its requirements in the most diverse areas and of the transversal fulfilment of the commitments undertaken - such as ALTRI's commitment 2030, which was defined based on the Sustainable Development Goals (SDGs) defined in the World Agenda 2030, or even the Company's adherence to the Target Gender Equality initiative of the United Nations Global Compact, which led ALTRI to take important steps in other areas that it also considers essential, such as diversity and inclusion.

The image of rigour, transparency and sustainability that is the matrix of ALTRI's management was recognized with an A rating by the Carbon Disclosure Project (CDP), under the Climate Change program. This rating is the only one given to a Portuguese company in the ALTRI sector and places it above the European average (which is B) and the international pulp sector. ALTRI thus integrates 29% of the companies that achieved a leadership performance.

In addition to the rating assigned in the fight against climate change, ALTRI also received a B rating in forest protection, the same achieved in terms of policies to ensure water quality, in what was the first year in which its practices were evaluated. In both assessments made by CDP, a non-profit organization that presents the largest and most complete global system of environmental disclosure, ALTRI obtained a result that is perfectly aligned with the industry average.

ALTRI works daily to build a more renewable world.

The Report template presented is the one contained in the Regulation of the Securities Market Commission (**CMVM**) number 4/2013, and the information contained therein complies with all applicable legal requirements, including, but not limited to, article 29-H of the same legal provision and is subject to compliance with the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG) 2018, revised in 2020 (**IPCG Corporate Governance Code**).

Part I - Information on shareholder structure, Organisation and corporate governance

A. SHAREHOLDER STRUCTURE

I. Capital structure

1. Capital structure

The share capital of ALTRI, SGPS, S.A. (hereinafter referred to as "Company" or "ALTRI") amounts to € 25,641,459.00, fully subscribed and paid up, consisting of 205,131,672 ordinary shares, meaning that they are all registered, book-entry shares with the same inherent rights and duties, each with a nominal value of 12.5 Euro cents.

The amount of capital and the corresponding voting rights of all the qualified shareholders are detailed in section II.7.

All the shares representing the company's share capital have been admitted to trading on the Euronext Lisbon regulated market, managed by Euronext Lisbon, integrating its main index, the PSI.

2. Restrictions on the transfer and ownership of shares

The Company's Articles of Association do not include any restrictions on the transfer of ownership of shares and there are no shareholders with special rights. Therefore, ALTRI's shares are freely transferable in accordance with the applicable legal regulations.

3. Treasury shares

The Company does not hold any treasury shares as of 31 December, 2021.

4. Important agreements to which the company is a party and that come into effect, amend or terminate in cases such as a change in the control of the company after a takeover bid, and their effects

There are no significant agreements concluded by ALTRI including clauses regarding change of control (including following a takeover bid), i.e., that enter into force, are amended, entail making payments or incurring costs, or terminate in such circumstances or if there is a change in the composition of the Board of Directors, and there are no specific conditions that limit the exercise of voting rights by the Company's shareholders, that may interfere with the success of Takeover Bids.

Some financing agreements concerning ALTRI's subsidiaries contain the standard clauses of early repayment in case of changes in the shareholder control of these subsidiaries.

5. Framework governing the renewal or withdrawal of defensive measures, in particular those that provide for the limitation of the number of votes that may be held or exercised by a single shareholder individually or together with other shareholders

ALTRI did not adopt any defensive measures.

6. Shareholders' agreements of which the company is aware and that may result in restrictions on the transfer of securities or voting rights

As far as we are aware, there are no shareholder agreements whose subject is the Company.

II. Shareholdings and Bonds held

7. Qualifying holdings

As of 31 December, 2021 and according to the notifications received by the Company, pursuant to and for the purposes of Articles 16, 20 and 29-R of the CVM, the Company informs that the companies and/or natural persons with qualifying holdings exceeding 2%, 5%, 10%, 15%, 20%, 25%, 33%, 50%, 66% and 90% of the voting rights are as follows:

Norges Bank	No. of shares held on 31-Dec-2021	% Share capital with voting rights
Directly	3,361,003	1.64%
Shares on loan (right to recall)	943,213	0.46%
Total attributable	**4,304,216**	**2.10%**

1 Thing, Investments, S.A.	No. of shares held on 31-Dec-2021	% Share capital with voting rights
Directly (a)	20,541,284	10.01%
Total attributable	**20,541,284**	**10.01%**

(a) - The 20,541,284 shares represent Altri, SGPS, S.A. total shares held directly by 1 THING, INVESTMENTS, S.A., whose board of directors includes Altri's director Pedro Miguel Matos Borges de Oliveira

Domingos José Vieira de Matos	No. of shares held on 31-Dec-2021	% Share capital with voting rights
Through Livrefluxo, S.A. (of which he is dominant shareholder and director)	26,669,010	13.00%
Total attributable	**26,669,010**	**13.00%**

Paulo Jorge dos Santos Fernandes	No. of shares held on 31-Dec-2021	% Share capital with voting rights
Through Actium Capital, S.A. (of which he is dominant shareholder and director)	27,146,874	13.23%
Total attributable	**27,146,874**	**13.23%**

João Manuel Matos Borges de Oliveira	No. of shares held on 31-Dec-2021	% Share capital with voting rights
Through Caderno Azul, S.A. (of which he is dominant shareholder and director)	31,000,000	15.11%
Total attributable	**31,000,000**	**15.11%**

Promendo Investimentos, S.A.	No. of shares held on 31-Dec-2021	% Share capital with voting rights
Directly (a)	38,295,053	18.67%
Through its director José Manuel de Almeida Archer	11,500	0.01%
Total attributable	**38,306,553**	**18.68%**

(a) - The 38,295,053 shares represent Altri, SGPS, S.A. total shares held by Promendo Investimentos, S.A. that are considered equally attributable to Ana Rebelo de Carvalho Menéres de Mendonça, director and dominant shareholder of Promendo Investimentos, S.A. and director of Altri, SGPS, S.A.

This matter is also addressed in the Annual Management Report.

The up-to-date information on qualifying holdings is available at https://altri.pt/en/investors/shareholder-information.

8. Number of shares and bonds held by members of the management and supervisory boards, pursuant to Article 447(5) of the Portuguese Companies Act (CSC)

The shares and bonds held by members of management and supervisory boards in the Company and in companies in a control or group relationship with the Company, directly or through related persons, are disclosed in the appendices to the Management Report as required by Article 447 of the CSC and Article 19 of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014.

9. Special powers of the Board of Directors as regards resolutions on the capital increase

The Board of Directors does not have any special powers, it has the competences and powers conferred on it by the CSC and the Company's Articles of Association.

We should note that Article 4 of the Company's Articles of Association, as amended by resolution taken on April 30, 2021, gives the Board of Directors the possibility to resolve to increase the Company's share capital, one or more times, up to the limit of 35 million Euro, establishing in that resolution the conditions of subscription and the categories of shares to be issued, from among the existing ones.

This statutory provision, pursuant to the final part of the Article 456(2)(b) of the CSC, will be in force for a period of five years, expiring on April 30, 2026. From that date onwards, the General Meeting will be given exclusive power in these matters.

10. Significant commercial relationships between the holders of qualifying holdings and the Company

There are no significant commercial relationships established directly between qualifying shareholders and the Company that the Company has been made aware of.

Information on the deals between the Company and related parties can be found in note 34 of the Notes to the Consolidated Statements and note 20 of the Notes to the Separate Accounts concerning transactions with related parties.

B. GOVERNING BODIES AND COMMITTEES

I. GENERAL MEETING

a) Composition of the board of the general meeting

11. Details and position of the members of the Board of the General Meeting and their terms of office

In compliance with the provisions of Article 11 of the Company's Articles of Association and Article 374 of the CSC, the board of the General Meeting is composed of a chairman and a secretary elected by the Company's shareholders at the General Meeting for a three-year term of office coinciding with the mandate of the governing bodies.

As of 31 December, 2021, the Board of the General Meeting was composed of the following members, in their first term of office:

Chairman: Manuel Eugénio Pimentel Cavaleiro Brandão

Secretary: Maria Conceição Henriques Fernandes Cabaços

The term of office began in 2020 and ends in 2022.

b) Exercising the voting right

12. Restrictions on voting rights

There are no statutory limitations on the exercise of voting rights at ALTRI.

The Company's share capital is fully represented by a single category of shares; each share corresponds to one vote and there are no statutory limitations on the number of votes that may be held or exercised by any shareholder.

The Company has not issued preferential shares without voting rights.

In order to participate in the General Meeting, shareholders are required to prove their status by reference to the "Registration Date" in compliance with the applicable legal provisions set forth in the Call Notice; the Company does not have requirements other than the ones established by law.

We should also note that, in line with the provisions of Article 23C(2) of the CVM, the exercise of participation and voting rights at the General Meeting is not impaired by the transfer of shares after the date of registration, nor does it require them to be blocked between that date and the date of the General Meeting.

Individual shareholders and legal persons may be represented by a person appointed for that purpose by means of a written document addressed to the Chairman of the Board of the General Meeting, by letter delivered at the

Company's headquarters by the end of the third business day prior to the General Meeting.

A shareholder may also, in accordance with the applicable legal provisions, appoint different persons to represent shares held in different securities accounts, without prejudice to the principle of unity of vote and the possibility of voting in different directions legally provided for shareholders acting in a professional capacity.

The Company's shareholders may vote by correspondence on all matters subject to consideration by the General Meeting, by means of a written statement, with the identification of the shareholder which, in the case of a natural person, consists of a certified copy of the corresponding citizen card, required in compliance with Article 5(2) of Law 7/2007, of 5 February, as amended by Law no. 61/2021, of 19 August, and, in the case of a legal person, consists of a duly recognised signature, in accordance with the applicable legal provisions.

Pursuant to the Company's Articles of Association:

- Without prejudice to the proof of quality of shareholder in compliance with the terms and deadlines provided by law, only postal votes sent by registered mail to the Company's registered office, addressed to the Chairman of the Board of the General Meeting and received by the latter by the end of the third business day prior to the date of the General Meeting, will be admitted;
- The voting statement must be signed by the holder of the shares or by the person legally representing him/her, and the shareholder, if a natural person, must accompany the voting statement with a certified copy of his/her identification document and, if a legal entity, its signature must be recognized as such and its powers for the act;
- Voting statements must (i) indicate the item or items on the agenda to which they refer, (ii) indicate the specific proposal to which they refer, indicating the proponents, as well as (iii) contain a precise and unconditional indication of the voting direction for each proposal;
- Postal votes count for the verification of the constitutive quorum of the General Meeting, being the result of the vote by correspondence in relation to each item of the agenda disclosed in the item to which it refers;
- The postal vote is considered revoked in the case of the presence in the General Meeting of the shareholder who issued it or of the representative designated by him/her;
- If the vote declarations omit the vote in relation to proposals presented prior to the date on which the same votes were issued, the shareholder will be considered to have abstained in relation to those proposals;
- Postal votes count as negative votes in relation to deliberative proposals presented subsequent to the date on which those votes were issued.

The Chairman of the Board of the General Meeting is responsible for checking whether the statements of vote by correspondence are compliant; votes corresponding to statements not accepted as valid will be deemed not issued.

Without prejudice to constantly monitoring the adequacy of its model and to respond immediately to any request addressed to it in a different direction, ALTRI has been encouraging the physical participation of its shareholders, either directly or through representatives, in its general meetings, considering that they are the ideal moment for Shareholders to come into contact with the management team, taking advantage of the presence of the members of the other governing bodies, namely the Supervisory Board and the Statutory Auditor, as well as the members of the Remuneration Committee. This interaction has been beneficial for the Company.

In this context, the Company has not implemented the mechanisms required to allow exercising the right to vote by electronic means, or the possibility of attending the meeting by telematic means. These forms of voting and participation were never requested by any of the Company's Shareholders, so it is considered that the absence of such forms of voting and participation does not entail any constraint or restriction on the exercise of the right to vote and participate in General Meetings.

We should also note that the Company discloses, within the applicable legal deadlines and in all places required by law, the calls to General Meetings, which contain information on how shareholders can qualify to participate and exercise their voting rights, as well as on procedures to be adopted to allow exercising the right to vote by correspondence or to appoint a representative.

The Company also discloses, in accordance with applicable legal provisions, the deliberation proposals, the preparatory information required by law, representation letter drafts and ballot papers for exercising the right to vote by correspondence, in order to guarantee, promote and encourage the participation of the shareholders or their appointed representatives in the General Meetings.

In this context, the Company believes that the current model promotes and encourages, in the terms broadly described in this Report, the participation of the Shareholders in the General Meetings.

13. Maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any of the relationships referred to in Article 20(1) of the Securities Code

There are no limitations on the number of votes that may be held or exercised by a single shareholder or Group of shareholders.

14. Shareholders' resolutions that, by statutory requirement, may only be taken with a qualified majority

In accordance with the Company's Articles of Association, corporate resolutions are taken by a majority of the votes cast, regardless of the percentage of share capital represented at the meeting, unless a different majority is required by law.

In a second call, the General Meeting may deliberate regardless of the number of shareholders present and the share capital they represent.

The deliberative quorum of the General Meeting is in accordance with the provisions of the CSC.

II. MANAGEMENT AND SUPERVISION

a) Composition

15. Identification of the corporate governance model in place

ALTRI adopts the so-called reinforced one-tier governance model, which includes a Board of Directors and a Supervisory Board, as provided for in Article 278(1)(a) of the CSC, and a Statutory Auditor, in compliance with the provisions of Article 413(2)(a) of the CSC, by reference to the aforementioned Article 278(3).

The Board of Directors is, therefore, the body responsible for managing the Company's business in pursuit of its corporate purpose, determining its strategic orientation, without prejudice to the monitoring and assessment of management by the Supervisory Board, within the scope of its powers.

The Company continuously monitors the adequacy of the model in place, which has proved to be perfectly suitable and crucial for the Group's good performance.

As regards the policy of diversity in the corporate bodies, it should be noted that this is not a new topic for the ALTRI Group.

At a time when there was no legal requirement, ALTRI was already following a path of growing evolution, with a gender representation considered expressive in its organization.

In fact, taking into account that the activity carried out by the Group's companies is an industrial activity historically prone to male predominance, the Company has, from an early stage, encouraged the promotion of women to senior positions, such as in the case of the election of Laurentina da Silva Martins in 2009 and, in 2014, the election of Ana Rebelo de Carvalho Menéres de Mendonça. It is essential to highlight that, as early as 2014, one third of the ALTRI board was composed of women, at a time when the issue of gender diversity was not so urgently on the political and social agendas.

In 2020, ALTRI elected Maria do Carmo Guedes Antunes de Oliveira and Paula Simões de Figueiredo Pimentel Freixo Matos Chaves to the board of directors, who, together with Laurentina Martins and Ana Mendonça, who were reappointed, constitute one third of the current members of the Company's board of directors.

The members of the Board of Directors who are currently in office have already shown that they have the individual characteristics (namely competence, independence, integrity, availability and experience) to fully perform their duties in line with the interests of the Company and its Shareholders, thanks to their seniority and experience.

16. Statutory rules on procedural and material requirements for the appointment and replacement of members of the Board of Directors, where applicable

The members of the Company's Board of Directors are elected by the Shareholders, by resolution taken at the General Meeting. The members of the Board of Directors are elected for a period of three years and can be re-elected one or more times.The Board of Directors is composed of an even or odd number of members, with a minimum of three and a maximum of fifteen, elected by the General Meeting.

The Group's market positioning and the results disclosed to the public, especially in 2021, show that the Company's management team has been performing its duties with a high level of expertise, precision and competence.

Also with regard to the election of the members of the Board of Directors, it is important to mention the statutory rule set forth in Article 15 of the Articles of Association, according to which, at the electoral

General Meeting, one director may be elected among the candidates proposed on the lists endorsed by Groups of shareholders, depending on whether the total number is three or four, five or six, seven or more than seven, provided that none of said Groups holds shares representing more than twenty percent and less than ten per cent of the Company's share capital. If there are proposals to that effect, the election will be held separately before the election of the other directors. Each of the aforementioned lists shall propose at least two candidates eligible for each of the available positions. No shareholder may subscribe to more than one of the aforementioned lists, and if, in a single election, lists are submitted by more than one group, the voting will be based on all of these lists. These rules will only apply if, under any circumstances, the Company is considered to be a public company, a State concessionary or an entity equivalent to it.

17. Composition of the Board of Directors

The Board of Directors, currently composed of twelve members, is the body responsible for managing the Company's business in the pursuit of its corporate purpose, as well as for determining ALTRI's strategic orientation; therefore, in carrying out its duties, the Board of Directors always acts in the manner it deems more suitable to defend the Company's interests, focused on permanently creating value for its shareholders and other stakeholders.

On December 31, 2021, this body was composed of the following members:

- Alberto João Coraceiro de Castro – Chairman
- Paulo Jorge dos Santos Fernandes – Vice-President
- João Manuel Matos Borges de Oliveira – Vice-President
- Domingos José Vieira de Matos – Member
- Laurentina da Silva Martins – Member
- Pedro Miguel Matos Borges de Oliveira – Member
- Ana Rebelo de Carvalho Menéres de Mendonça – Member
- Maria do Carmo Guedes Antunes de Oliveira – Member
- Paula Simões de Figueiredo Pimentel Freixo Matos Chaves – Member
- José Armindo Farinha Soares de Pina – Member
- José António Nogueira dos Santos – Member
- Carlos Alberto Sousa Van Zeller e Silva – Member

All the members of the Board of Directors were elected at the General Meeting held on April 30, 2020 for the 2020/2022 triennial.

Name	First Nomination	End of mandate
Paulo Jorge dos Santos Fernandes	March 2005	31 December 2022
João Manuel Matos Borges de Oliveira	March 2005	31 December 2022
Domingos José Vieira de Matos	March 2005	31 December 2022
Laurentina da Silva Martins	March 2009	31 December 2022
Pedro Miguel Matos Borges de Oliveira	April 2014	31 December 2022
Ana Rebelo de Carvalho Menéres de Mendonça	April 2014	31 December 2022
Alberto João Coraceiro de Castro	April 2020	31 December 2022
Maria do Carmo Guedes Antunes de Oliveira	April 2020	31 December 2022
Paula Simões de Figueiredo Pimentel Freixo Matos Chaves	April 2020	31 December 2022
José Armindo Farinha Soares de Pina	April 2020	31 December 2022
José António Nogueira dos Santos	April 2020	31 December 2022
Carlos Alberto Sousa Van Zeller e Silva	April 2020	31 December 2022

18. Distinction to be drawn between executive and non-executive members of the Board of Directors and, as regards non-executive members, identification of the members that may be considered independent

As of 31 December, 2021, the Board of Directors, made up of twelve members, included three executive members: José Armindo Farinha Soares de Pina (chairman), Carlos Alberto Sousa Van Zeller e Silva (vice-chairman) and José António Nogueira dos Santos (member).

The Board of Directors also included three independent members: Alberto João Coraceiro de Castro, Maria do Carmo Guedes Antunes de Oliveira and Paula Simões de Figueiredo Pimentel Freixo Matos Chaves.

ALTRI considers that the independence criteria set forth in section 18.1 of the Annex to CMVM Regulation 4/2013, which classifies the directors as independent directors, and the independence criteria set forth in recommendation III.4 of the IPCG's Corporate Governance Code have been met with regard to these three directors.

The other directors, Paulo Jorge dos Santos Fernandes, João Manuel Matos Borges de Oliveira, Pedro Miguel Matos Borges de Oliveira, Ana Rebelo Carvalho Menéres de Mendonça and Laurentina da Silva Martins are non-executive directors, not independent.

Considering the personal profile, career and professional experience of the members of ALTRI's Board of Directors, it is considered that the number of non- executive directors, relative to the total number of members of the board, is adequate and balanced given the nature and size of the Company. In this context, ALTRI considers that there are enough non-executive directors to guarantee an effective monitoring, as well as a real supervision of the activity carried out by the executive directors, especially since the Company has developed mechanisms to enable non-executive directors to take independent and informed decisions, in particular by:

- Ensuring that the executive directors are available to provide non-executive directors with all the additional information deemed relevant or necessary, as well as to carry out further studies and analyses concerning all matters that are deliberated upon, or otherwise analysed, by the Company;

- Sending the calls for meetings to all the members of the Board of Directors in advance and in a timely manner, including the corresponding meeting agenda, even if provisional, together with all the other relevant information and documentation;

- Ensuring that all the records of the Company and its subsidiaries, namely minutes books, share registration books, contracts and other documents supporting the operations carried out by the Company or its subsidiaries are available for examination, and that a direct channel for obtaining information is created and promoted among the directors and the operational and financial officers of the various companies that are part of the Group, without the need for executive directors to take part in that process.

In this matter, as in others, the Company ensures an ongoing assessment of the model in place, having concluded that it has proved to be adequate and efficient.

The management report includes, in the chapter "Activity carried out by the non-executive members of the Board of Directors", a description of the activity carried out by the non-executive directors in FY 2021.

19. Professional qualifications of the members of the Board of Directors

The curricula of the members of the Board of Directors are presented in Appendix I of the Management Report.

20. Regular and significant family, professional or commercial relationships between the members of the Board of Directors and shareholders to whom a qualified shareholding with voting rights exceeding 2% can be ascribed

On December 31, 2021:

The Vice-President of the Board of Directors Paulo Jorge dos Santos Fernandes is a director and majority shareholder of ACTIUM CAPITAL, S.A., a company holding 13.23% of ALTRI's share capital.

The Vice-President of the Board of Directors João Manuel Matos Borges de Oliveira is a director and majority shareholder of CADERNO AZUL, S.A., a company holding 15.11% of ALTRI's share capital, and brother of the director Pedro Miguel Matos Borges de Oliveira.

The director Pedro Miguel Matos Borges de Oliveira is the President of the Board of Directors of the company 1 THING, INVESTMENTS, S.A., a company holding 10.01% of ALTRI's share capital and is João Manuel Matos Borges de Oliveira's brother.

The director Domingos José Vieira de Matos is a director and majority shareholder of LIVREFLUXO, S.A., a company holding 13.00% of ALTRI's share capital.

The director Ana Rebelo de Carvalho Menéres de Mendonça is a director and majority shareholder of PROMENDO INVESTIMENTOS, S.A., a company holding 18.67% of ALTRI's share capital.

ALTRI has a policy of preventing situations of conflict of interest, which is foreseen in the Regulation on Related Parties Transactions and Conflicts of Interest, approved by the Board of Directors on 19 November 2020, having obtained the prior favourable opinion of the Company's Supervisory Board. Additionally, there is a Code of Ethics, which is also transversally applicable to all levels of the organization, including members of the corporate bodies. According to the Code of Ethics, one of ALTRI's values is integrity. Integrity implies total correctness in the relationship with others and with the company, assuming loyalty and transparency in behavior. ALTRI trusts in the integrity of all its employees and, therefore, demands loyalty and transparency from all of them.

Therefore, it does not allow any conflict of interest situations between any Employee or Partner and ALTRI.

A conflict of interest exists when (i) the Employee's or Partner's private interest interferes, or appears to interfere in any way, with the interests of the company as a whole and/or (ii) an Employee or Partner, or close family members or friends, receive an improper personal benefit as a result of that Employee's or Partner's position in the company.

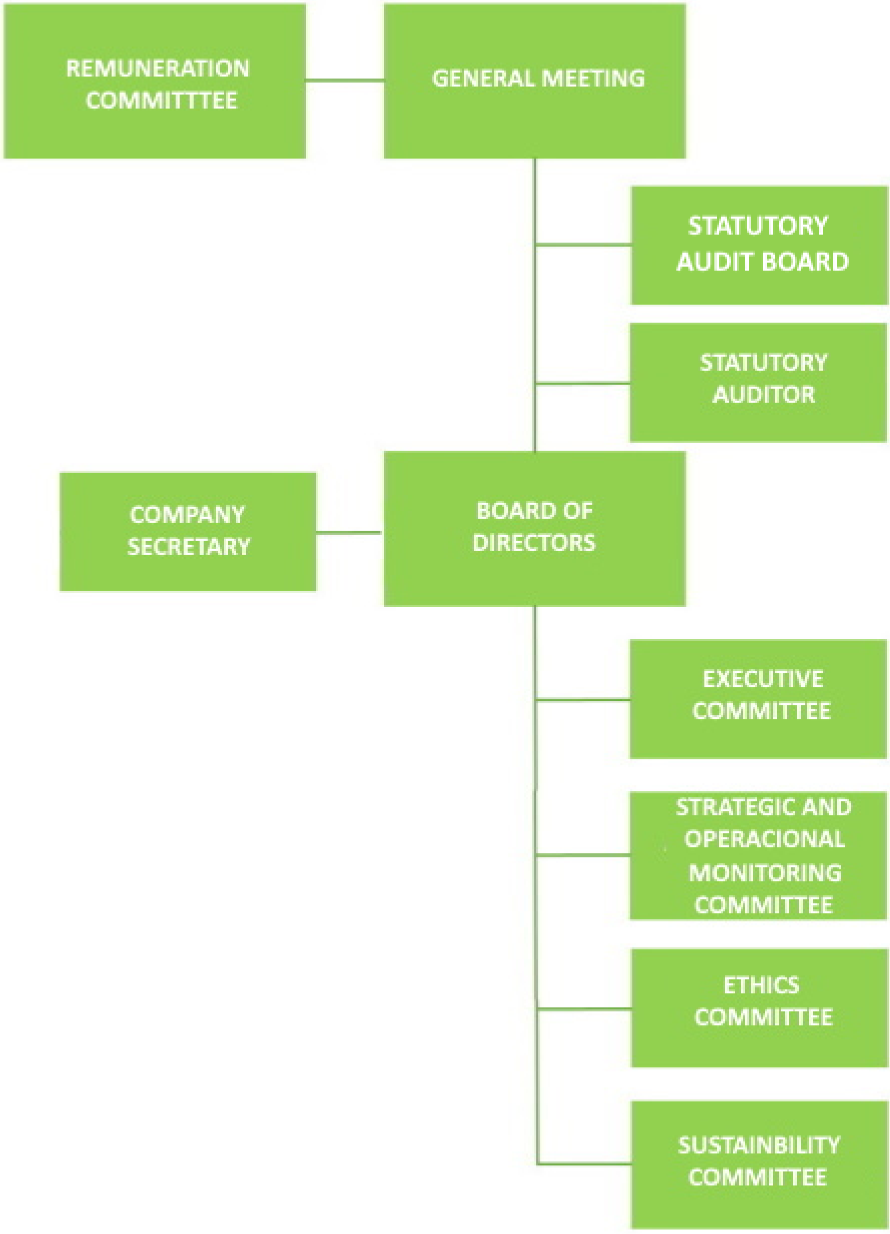
When faced with a potential conflict of interest situation, Employees or Partners should:

a. inform their direct supervisors, in writing, of the conflict of interest in which they are or may be involved, before undertaking any transaction or completing the business in question;

b. refrain from (i) intervening in or influencing, directly or indirectly, the making of decisions that may affect entities with which there may be a conflict of interest, and (ii) participating in meetings where such decisions are discussed or confidential information affecting such conflict is evaluated.

At all times, the Employee or Partner must refrain from acting on their own motivations, not giving priority to their own interests or those of third parties, whenever this could jeopardize ALTRI's interests.

21. Organisational charts or flowcharts concerning the allocation of powers to the various governing bodies, committees and/or departments, including information on delegations of powers, particularly with regard to the delegation of the company's day-to-day management



In accordance with ALTRI's current governance structure, the Board of Directors is the body responsible for managing the Company's business in pursuit of its corporate purpose, as well as for determining the Group's strategic orientation, always acting in the manner it deems more suitable to defend the Company's interests, focused on permanently creating value for the company, its shareholders and other stakeholders. The Board of Directors is currently composed of twelve members elected at a General Meeting, one of whom is the chairman, two vice-president and nine members, nine of whom are non-executive members.

As part of the performance of its duties, the Board of Directors is constantly interacting with the Supervisory Board and the Statutory Auditor, thus cooperating with the supervisory body in a regular, transparent and precise manner, in compliance with the corresponding operating regulations and the best corporate governance practices.

There is no limitation to the maximum number of positions that may be accumulated by directors on the management bodies of other companies. Therefore, the members of the Company's Executive

Committee are in most cases members of the management bodies of the Group's subsidiaries, ensuring close and permanent monitoring of their respective activities.

ALTRI's Board of Directors encourages all operational divisions and areas to create multidisciplinary teams with a view to developing relevant projects for the Group; this multidisciplinary allows ensuring that all issues are identified and that the ways of solving these issues are analysed from different perspectives, providing a more cross-cutting insight into the topics under analysis. ALTRI believes that establishing agile and effective communication channels between the Company's divisions, and between these and the operational areas, and between all of these and the boards of directors of the various subsidiaries and of the Company itself is the best way to implement projects, to identify the risks associated with these, to develop the mechanisms necessary to mitigate these risks, from a truly comprehensive perspective analysed from different points of view.

ALTRI believes that an effective flow of information within the organisation is the only way to ensure an equally adequate flow of information between the multidisciplinary teams and the governing bodies and, consequently, between these and the shareholders, investors, other stakeholders, financial analysts and the market in general.

In compliance with this Group policy, which is perfectly in line with recommendation I.1.1. of the Corporate Governance Code of the IPCG, and in compliance with the applicable legal regulations, ALTRI has been ensuring the accurate and timely disclosure of information to the market, through the CMVM's

Information Disclosure System (CMVM's IDS), guaranteeing that this information is made available to its shareholders, other stakeholders and the market in general at the same time and with the same level of detail.

In line with the above, ALTRI lists the Company's Committees and/or departments and their powers and attributions:

Executive Commitee

The Executive Committee is responsible for the day-to-day management of the Company, under the terms set forth in the respective delegation of powers, which observes the limits set forth in article 407(4) of the Portuguese Companies Code.

The Executive Commitee manage its activity in accordance with the purposes of the Company and with the values, principles e strategies set forth by the Board of Directors.

The Executive Committee shall provide, in an adequate and timely manner, whenever requested by the Company's corporate bodies, information concerning the management of the Company and its subsidiaries.

Strategic and Operational Monitoring Committee

The mission of the Strategic and Operational Monitoring Committee is to support the Board of Directors in monitoring the performance of the Company's Executive Committee, to assist the Board of Directors in evaluating the members of the Executive Committee, and to support the Board of Directors and the Executive Committee in matters such as corporate governance evaluation and assessment.

Ethics Committee

The Ethics Committee is a specialized committee within the Board of Directors, responsible for accompanying the disclosure and compliance with the Group's Code of Ethics, monitoring compliance with and observance of the rules contained therein, in the personal and professional conduct of all its employees with respect for common ethical principles, regardless of their position or function. The mission of this committee includes ensuring the regular operation of mechanisms for reporting irregularities that constitute ethical or legal violations, assessing such reports and forwarding them, as applicable, to the body responsible for the matter in question. This Committee also monitors the implementation of the measures included in the Group's current Equality Plan. The Ethics Committee works in perfect articulation with the Board of Directors, to which it periodically reports on the performance of its activities.

In addition to having non-executive directors in its composition, it is also integrated by the heads of the Group's departments who are dedicated to areas that support the activities of this committee, namely the people and talent department, the legal and compliance department, and the sustainability department.

Sustainability Committee

The Sustainability Committee is also a specialized committee within the Board of Directors, whose primary mission is to participate in defining and monitoring the Group's sustainability policy and strategy. In addition to having non-executive directors in its composition, it is also made up of the heads of the group's departments who are dedicated to areas that assist the activities of this committee, namely the sustainability department and the legal and compliance department.

Remuneration Committee

Unlike the other committees,the Remuneration Committee is elected by the General Meeting, in compliance with the provisions of Article 399(1) of the Portuguese Companies Code and the Bylaws of the Company. It is the committee responsible for evaluating performance and approving the remuneration of the members of the Board of Directors and the other corporate bodies. It is up to this committee, in compliance with the provisions of Article 26-A and following of the Portuguese Securities Code, and recommendation V.2.2. of the IPCG's Corporate Governance Code, to prepare the Statement on the Remuneration and Compensation Policy of the Corporate Bodies, as well as the proposal for approval of this policy, and submit it to the scrutiny of the deliberative body for this matter, which is the General Meeting.

If the Remuneration and Compensation Policy of the Corporate Bodies is approved by the General Meeting, it is the responsibility of this committee to fight for its application, monitoring its permanent adequacy to the situation of the Company.

In terms of corporate management, ALTRI highlights the following areas:

Corporate Areas

The corporate areas report directly to the Chief Executive Officer (CEO), and are as follows:

- Investor Relations and M&A (Mergers and Acquisitions);
- People & Talents;
- Legal & Compliance;
- Sustainability, Risk and Communication.

Operational Area

The operational areas report to the Chief Operational Officer (COO), and are as follows:

- Manufacturing of all the Group's industrial units;
- Industrial Operational Developments;
- I&D (Innovation and Development);
- Digital Transformation Technologies & Energy;
- Project Management.

Financial Area & Shared Services

The divisions that compose the Financial and Shared Services Area report to the Chief Financial Officer (CFO) and are as follows:

- Financial Operations and Accounting;
- Consolidation & Tax Department;
- IT (Information Technology);
- Purchasing and Procurement;
- Occupational Health.

Forestry Area

The divisions of the Forestry Area are under the responsibility of the director of the area that is part of the Extended Executive Committee and are as follows:

- Forest Department;
- Suppliers Department;
- Strategy and Development.

Commercial Area

The divisions of the Commercial Area are under the responsibility of the director of the area that is part of the Extended Executive Committee and are as follows:

- Logistics & Back Office;
- Commercial Department.

Resolutions on structuring matters of the Group's activity are taken by the Board of Directors as a collegial body composed of all its members, executive and non-executive, in the normal performance of their duties. The ALTRI Executive Committee, composed of three directors (CEO, COO and CFO), together with the two directors of the subsidiaries, with whom they constitute the Extended Executive Committee (and who are the directors responsible for the Commercial and Forestry areas) focus their activity essentially on the daily management of the business and implementation of the Board of Directors' resolutions.

The members of the Extended Executive Committee (which are five members - CEO, COO, CFO, the director responsible for the forestry area and the director responsible for the commercial area, for a total of five persons) compose the Board of Directors of the Group's subsidiaries, thus ensuring in-depth knowledge of the business, close to the operations and people, which means that the decisions taken at the level of the Group's holding company, ALTRI, are even more conscious and informed.

ALTRI believes that the deeper the knowledge of the Company’s directors about the specifics and subtleties of the business, the better their decisions on strategic lines and, consequently, the more successful the decisions taken by the top management.

Accordingly, and considering the activities developed by the members of the Board of Directors, both at ALTRI and at its subsidiaries, the Company’s functional organisation chart as of 31 December 2021 was as follows:

ALTRI SGPS, S.A.
Alberto João Coraceiro de Castro
Paulo Jorge dos Santos Fernandes
João Manuel Matos Borges de Oliveira
Domingos José Vieira de Matos

Laurentina da Silva Martins

Pedro Miguel Matos Borges de Oliveira

Ana Rebelo de Carvalho Menéres de Mendonça

Maria do Carmo Guedes Antunes de Oliveira

Paula Simões de Figueiredo Pimentel Freixo Matos Chaves

José Armindo Farinha Soares de Pina

José António Nogueira dos Santos

Carlos Alberto Sousa Van Zeller e Silva

CELBI	CAIMA INDÚSTRIA	BIOTEK	ALTRI FLORESTAL	GREENVOLT
José Soares de Pina	José Soares de Pina	José Soares de Pina	José Soares de Pina	Clara Patrícia Costa Raposo
José António Nogueira dos Santos	José António Nogueira dos Santos	José António Nogueira dos Santos	José António Nogueira dos Santos	João Manuel Manso Neto
Carlos Alberto Sousa Van Zeller e Silva	Carlos Alberto Sousa Van Zeller e Silva	Carlos Alberto Sousa Van Zeller e Silva	Carlos Alberto Sousa Van Zeller e Silva	Paulo Jorge dos Santos Fernandes
Miguel Allegro Garcez Palha de Sousa da Silveira	Miguel Allegro Garcez Palha de Sousa da Silveira	Miguel Allegro Garcez Palha de Sousa da Silveira	Miguel Allegro Garcez Palha de Sousa da Silveira	João Manuel Matos Borges de Oliveira
João Carlos Ribeiro Pereira	João Carlos Ribeiro Pereira	João Carlos Ribeiro Pereira	João Carlos Ribeiro Pereira	Domingos José Vieira de Matos
				Pedro Miguel Matos Borges de Oliveira
				Ana Rebelo de Carvalho Menéres de Mendonça
				José Soares de Pina
				Clementina Maria Damaso de Jesus Silva Barroso
				Céline Dora Judith Abecassis-Moedas
				António Jorge Viegas de Vasconcelos

b) Functioning

22. Availability and location of the regulations governing the functioning of the Board of Directors

The regulations governing the functioning of the Board of Directors are available on the Company's Internet webpage at (www.altri.pt) ("Investors" tab, "Governance" section).

23. Number of meetings held by the Board of Directors and attendance record of its members

Article 17 of the Company's Articles of Association establishes that the Board of Directors shall meet ordinarily, at least once a quarter, and extraordinarily, whenever convened, verbally or in writing, by its Chairman or at the request of any two directors.

The quorum for any meeting of the Board of Directors requires that the majority of its members be present or duly represented.

In 2021, the Board of Directors held seven meetings with all directors present or represented.

The meetings of the Board of Directors are scheduled in the last meeting of each year for the following year, and prepared in advance, and all the documentation supporting the proposals included in the agenda is made available, ensuring that the conditions are in place for directors to fully exercise their duties and take fully informed decisions.

Similarly, call notices and, subsequently, meeting minutes are made available to the chairman of the Supervisory Board, creating a regular flow of information that fosters an active and permanent supervision.

24. Details regarding the governing bodies responsible for assessing the performance of executive directors

In line with what is stated in section 21 above, the Remuneration Committee is the body responsible for assessing the performance and approving the remuneration of the members of the Board of Directors and other governing bodies. This committee is responsible, in compliance with the provisions of Articles 26-A and following of the CVM, and of recommendation V.2.3. of the Corporate Governance Code of the IPCG, for preparing the Declaration on the Governing Body Remuneration and Compensation Policy, as well as for preparing a proposal for the approval of said Policy and for submitting it to the General Meeting, which is the deliberating body responsible for deciding on these matters.

Once the Governing Body Remuneration and Compensation Policy reflected in said Declaration is approved by the Shareholders at a General Meeting, this committee is responsible for enforcing its application, while ensuring that it is in line with the Company's reality.

At least one member of the Remuneration Committee must attend the Annual General Meetings at when the Declaration on Governing Body Remuneration and Compensation Policy is on the Agenda, in order to ensure that any doubts regarding said Declaration that may arise therein are clarified. The committee was represented by Pedro Pessanha at the Annual General Meeting held in 2021.

25. Pre-established criteria for assessing the performance of executive directors

The assessment of the performance of executive directors is based on pre- established criteria, based on performance indicators objectively set for each term of office, which are in line with the Company's medium-/long-term performance and business growth strategy.

The remuneration of the executive members of the Board of Directors contains a variable component, which includes a short-term variable premium (paid annually), and a medium-term variable premium (paid after a 3-year deferral).

The criteria for setting the variable remuneration (short-term variable premium and medium-term variable premium) aim to reward executive Directors for the fulfilment of pre-established objectives, whether related to the Company, or related to the individual performance of the director and also related to the teams that are under the responsibility of each one.

The short-term variable premium cannot be higher than the annual fixed remuneration and is paid in the first half of the year following the year to which it relates, after the clearance of the accounts for the financial year.

The mid-term variable premium cannot exceed the sum of annual remuneration plus the short-term variable premium, and is designed to more sharply align the interests of executive directors with those of shareholders, with a view to raising awareness of the importance of the respective performance for the overall success of the Company, being calculated by reference to the period corresponding to a term of office, based on (i) the total return to the shareholder (share appreciation plus distributed dividend), (ii) the sum of the consolidated net results for the 3 years (2020 to 2022) and (iii) the evolution of the Company's business.

The variable component (short and medium term) is determined according to the individual performance of each executive director, taking into account the respective annual individual assessment, in accordance with previously defined quantitative (financial and non-financial) and qualitative objectives. Quantitative and qualitative objectives are long-term in nature and therefore have a timeframe that may extend over one or more years.

Individual quantitative objectives should reflect the Company's financial performance, namely its growth and the return generated for shareholders, and the achievement of environmental, social and corporate governance indicators. The financial indicators shall take into account the strategic objectives of the Company, in particular the evolution of the Company's turnover and results and the financial and capital strength of the Company.

The individual performance assessment process for each executive director is annual and must be supported by concrete evidence, made available to the ALTRI Remuneration Committee.

26. Availability of each of the members of the Board of Directors and details of the positions held at the same time in other companies within and outside the group, and other relevant activities carried out by members of these boards throughout the financial year

ALTRI's directors, in particular the executive directors, are fully committed to their demanding duties. Therefore, the Group's senior managers are very present, being close to their people and their business.

Their professional activities, the names of other companies where they perform management duties and details of other relevant activities carried out by them are presented in Appendix I of the Management Report.

c) Committees within the management or supervisory body and managing directors

27. Identification of the committees created within the Board of Directors and the location where the regulations governing their functioning are available

In 2021, the ALTRI Group Ethics Committee was appointed by the ALTRI Board of Directors, at the proposal of the Executive Committee, as well as the Sustainability Committee.

28. Composition, if applicable, of the executive committee and/or identification of the managing director(s)

In a resolution of the Board of Directors dated May 28, 2020, an Executive Committee was appointed, made up of the following Directors: Eng. José Armindo Farinha Soares de Pina (President); Dr. José

António Nogueira dos Santos (Member) and Eng. Carlos Alberto Sousa Van Zeller e Silva (Member). Subsequently, on March 18, 2021, the Board of Directors decided to promote Carlos Alberto Sousa Van Zeller e Silva to Vice-Chairman of the Executive Committee, and the operating regulations of this Committee were adapted accordingly.

In this way, of the twelve members that make up the Board of Directors, three make up the Executive Committee, which has the powers of day-to-day management of the Company, under the terms and for the purposes established in the respective delegation of powers and with the limits provided for in article 407, no. 4, of the Commercial Companies Code.

The Executive Committee develops its activity in accordance with the interests of the Company and bearing in mind the values, principles and strategies defined by the Board of Directors.

The Executive Committee must provide, in an appropriate and timely manner, whenever requested to do so by the corporate bodies of the Company, information on the management of the Company and its its dominated societies.

Additionally, the Executive Committee is responsible for ensuring the following:
• prior and timely delivery, to all members of the Board of Directors, notices of meetings of that body, including agenda, even if provisional meeting, accompanied by other relevant information and documentation;
• availability for the supply, to the non-executive directors, of all the additional information they deem relevant or necessary, as well as to proceed with the more in-depth studies and analyses in relation to all matters that are the subject of deliberation or that, if not, are under analysis, in any way, in the Company, and yet,
• availability of the registration books of the Company and subsidiaries, such as minutes books, share registration books, documents supporting the operations carried out in the Company or subsidiaries, for the purposes of control and verification, as well as the availability and promotion of a direct channel for obtaining information from administrators and operational and financial managers of the Group's subsidiaries, without the need for any intervention by the executive directors in this process.

29. Description of the powers of each of the committees and summary of the activities carried out in the exercise of the corresponding powers

The **Executive Committee**, during the year 2021, was responsible, namely for monitoring management of the Company's activity, as established in the respective delegation of powers, and by ensure the execution of the decisions and policies deliberated by the Board of Directors.

The Executive Committee informed the Board of Directors and corporate bodies about the activity developed during the year 2021, providing information on the decisions taken and the most relevant actions that have been taken to materialize the decisions and policies deliberated by the Board of Directors.

The **Strategic and Operational Monitoring Committee** provided support to the Board of Directors in monitoring the performance of the Company's Executive Committee, assisted the Board of Directors in the process of evaluating the members of the Executive Committee, and supported the Board of Directors and the Executive Committee in matters such as corporate governance assessment and evaluation.

The **Ethics Committee** was appointed by the Board of Directors, based on a proposal from the Executive Committee, in the year 2021, and is the body responsible for instilling the principles and rules that guide the internal and external relationships established between all companies of the Altri Group with its stakeholders, with the primary objective of guiding the personal and professional conduct of all employees in respect of common ethical principles, regardless of their position or function.

In accordance with the Regulations of the Ethics Committee, the same is composed of:

(a) two to four independent non-executive Directors of the Company;
(b) one member of the Supervisory Board;
(c) two to four Directors of the Company who report directly to executive Directors.

The composition of the Ethics Committee appointed for the current term of office is composed of the following members:

- Laurentina Martins (Chairman)
- Paula Pimentel (Vice-Chairman)

Members:

- Pedro Pessanha (Chairman of the Supervisory Board)

Invited Members:

- António Pedrosa (Head of People & Talent)
- Raquel Rocha Carvalho (Head of Legal & Compliance)
- Sofia Reis Jorge (Head of Sustainability, Risk & Communication)

In the performance of its duties, the Ethics Committee is responsible for:

a) proposing the approval of amendments to the Code of Ethics and Conduct, whenever necessary or convenient;
b) monitoring the disclosure of and compliance with the Code of Ethics and Conduct;
c) ensuring the regular operation of the mechanisms for communicating irregularities that constitute legal or ethical violations;
d) assessing the communications of irregularities, by any employee, partner, supplier or any other stakeholder and, when applicable, forward them to the competent ALTRI bodies;
e) clarifying the issues that are submitted to its appreciation and that fall under its competence;
f) issuing appraisals, recommendations and clarifications on the Code of Ethics and Conduct, as well as on any codes of ethics and good conduct, whenever necessary or convenient;
g) proposing instruments, policies and objectives on ethics, good conduct and equality;
h) informing the Board of Directors on the activity it carries out;
i) promoting the implementation of actions to disseminate the Code of Ethics and Conduct.

The **Sustainability Committee** operates as an internal committee of the Board of Directors, a body which was appointed in 2021 at the proposal of the Executive Committee, and is responsible for supporting the latter in defining and monitoring the sustainability policy and strategy.

In accordance with the Regulations of the Sustainability Committee, the same is composed of:

(a) three non-executive Directors of ALTRI;
(b) two to four ALTRI Directors, namely with experience in ESG (Environmental, Social and Governance) and sustainability matters.

The composition of the Sustainability Committee appointed for the current term of office consists of the following members:

- Maria do Carmo Oliveira (Chairman)

Members:

- Ana Mendonça (Board Member)
- Paula Pimentel (Board Member)

Invited Members:

- Raquel Rocha Carvalho (Head of Legal & Compliance)
- Sofia Reis Jorge (Head of Sustainability, Risk & Communication)

In the performance of its duties, it is the Sustainability Committee's responsibility:

a) To propose to the Board of Directors the commitments, objectives and targets for sustainability;

b) To ensue that the necessary investments for the execution of the sustainability strategy are made available;
c) To evaluate the alignment of the strategic plan with the sustainability commitments undertaken, its purpose, values and corporate culture;
d) To analyze ALTRI's sustainability context as a support to its strategy and development with a view to creating long term value;
e) To monitor and report to the Board of Directors on the performance of sustainability indicators in line with the established policies, commitments, objectives and targets;
f) To ensure the alignment of sustainability objectives with the sustainable development objectives defined in the United Nations agenda, with the results of stakeholder consultations and with good practices in the sector;
g) To issue the opinions and recommendations it deems appropriate and identify and propose new challenges in these matters;
h) To propose to the Board of Directors the approval of the Sustainability Report.

The **Remuneration Committee** is, unlike the other committees that are appointed by the Board of Directors, elected by the General Meeting, in compliance with Article 399(1) of the Portuguese Companies Code and the Bylaws of the Company. It is the committee responsible for performance evaluation and approval of the remuneration of the members of the Board of Directors and other corporate bodies. It is up to this committee, in compliance with the provisions of Article 26-A and following of the Portuguese Securities Code, and recommendation V.2.2. of the IPCG's Corporate Governance Code, to prepare the Statement on the Remuneration and Compensation Policy of the Governing Bodies, as well as the proposal for approval of this policy, and submit it to the scrutiny of the deliberative body for this matter, which is the General Meeting.

If the Remuneration and Compensation Policy for the Corporate Bodies is approved by the shareholders in the General Meeting, it is the responsibility of this committee to fight for its application, monitoring its permanent adequacy to the situation of the Company.

As the Corporate Bodies' Remuneration and Compensation Policy was approved by the shareholders in the General Meeting, it was the responsibility of this committee to fight for its application, monitoring its permanent adequacy to the reality of the Company.

Company Secretary

The Company Secretary exercises the powers attributed to him/her by law, namely the provisions of article 446-B of the Portuguese Companies Code and which are, among others, the following: **a)** Act as secretary for the meetings of the corporate bodies; **b)** Draw up the minutes and sign them jointly with the members of the respective corporate bodies and the chairman of the board of the general meeting, when this is the case; **c)** Keep and maintain in order the books and sheets of minutes, the attendance lists, the share registration book, as well as the related expedient; **d)** Issue the legal notices of meetings for all company bodies; **e)** Recognise the signatures of the members of the company bodies on the company's documents; **f)** Certify that all copies or transcriptions extracted from the company's books or filed documents are true, complete and up-to-date **g)** Satisfy, within the scope of his/her powers, any requests made by shareholders exercising their right to information and provide the information requested of the members of the corporate bodies performing supervisory functions regarding resolutions of the board of directors or the executive committee **h)** Certify the content, total or partial, of the articles of association in force, as well as the identity of the members of the various company bodies and the powers they hold; **i)** Certify the updated copies of the articles of association, of the resolutions of the shareholders and of the administration and of the entries in force in the company's books, as well as ensure that they are delivered or sent to the holders of shares who have requested them and who have paid the respective cost. He/she is also responsible for supporting the flow of information between the Board of Directors and the Supervisory Body and ensuring the timely registration of corporate resolutions with the Commercial Registry Office.

All corporate secretarial duties were accurately and regularly performed in 2021.

III. SUPERVISION

a) Composition

30. Identification of the supervisory body corresponding to the model in place

According to the governance model that has been adopted, the Supervisory Board and the Statutory Auditor are the Company's supervisory bodies.

31. Composition of the Supervisory Board, indicating the minimum and maximum number of members, the statutory term of office, the number of effective members, the date of first appointment and the date of expiration of each member's term of office

The members of the Supervisory Board are elected at a General Meeting for a period of three years and can be re-elected one or more times. It is composed of three members and one or two alternates, and it fully takes on the duties assigned to it by law, which include making a proposal for the appointment of the Statutory Auditor or Audit Firm, in compliance with the provisions of Article 413(1)(b) of the CSC, fulfilling a duty that it also assigned to it pursuant to Article 420(2)(b) of the CSC.

On December 31, 2021, this body was composed of the following members:

- Pedro Nuno Fernandes de Sá Pessanha da Costa – Chairman
- António Luís Isidro de Pinho – Member
- Ana Paula dos Santos Silva e Pinho – Member
- André Seabra Ferreira Pinto – Substitute

The members of the Supervisory Board, Pedro Pessanha and André Pinto, were elected, for the first time, in April 2014, for the term that started in 2014 and ended in 2016, having been reelected in April 2017 for the three-year period that began in 2017 and ended in 2019, in the exercise of a third term. Member António Pinho was elected for the first time in April 2017, for the three-year period that started in 2017 and ended in 2019, being in the second mandate. The member Ana Paula dos Santos Silva e Pinho was elected for the first time in April 2020, for the three-year period that started in 2020 and ends in 2022.

32. Identification of the members of the Supervisory Board who are considered independent pursuant to Article 414(5) of the CSC

As a collective body, the Supervisory Board's independence depends on the independence of each of its members, which is assessed in accordance with the definition given under the terms of Article 414(5) of the CSC, and any incompatibilities are assessed in accordance with the definition of Article 414-A(1) of the CSC.

All the members of the Company's Supervisory Board thus comply with the independence rules identified above. Each of the members individually signs a declaration for this purpose which is submitted to the Company.

33. Professional qualifications of each of the members of the Supervisory Board and other relevant curricular information

All the members of ALTRI's Supervisory Board have the formation, competence and experience that allow them to fully exercise their duties, in line with the provisions of Article 414(4) of the CSC and Article 3(2) of Law 148/2015, of 9 September. The President is duly supported by the other members of the Supervisory Board.

The professional qualifications and other activities carried out by the Supervisory Board are presented in Appendix I of the Management Report.

b) Functioning

34. Availability and location of the regulations governing the functioning of the Supervisory Board

The regulation governing the functioning of the Supervisory Board is available on the Company's website (www.altri.pt) ("Investors" tab, "Governance section").

35. Number of meetings held by the Supervisory Board and attendance record of its members

In 2021, the Supervisory Board held six meetings which were attended by all its members. The minutes of the aforementioned meetings are recorded in the Supervisory Board minutes book, in accordance with the applicable legal provisions.

36. Availability of each of the members of the Supervisory Board and details of the positions held at the same time in other companies within and outside the group, and other relevant activities

The members of Supervisory Board have undertaken a commitment to the Company, which they have been scrupulously fulfilling, showing an availability that is fully in line with ALTRI's interests. The information about the qualifications, professional experience and other positions held by the members of the Supervisory Board is detailed in Appendix I of the Management Report.

c) Powers and duties

37. Description of the procedures and criteria applicable to the supervisory body for the purposes of hiring additional services from the external auditor

The Supervisory Board is responsible for giving prior approval to the provision of services other than audit services by the External Auditor.

As a preliminary remark, we should note that the Board of Directors, when considering the possibility of hiring the External Auditor or the Statutory Auditor to provide additional services, makes sure, before communicating its decision to the Supervisory Board, that the External Auditor or the Statutory Auditor or entities within their networks are not hired to provide services that, pursuant to Commission Recommendation C(2002) 1873 of 16 May, could compromise their independence.

Once the Board of Directors concludes that the conditions are in place and puts forward the subject to the Supervisory Board, the Supervisory Board carries out an in-depth analysis of the additional services to be provided by the External Auditor and the Statutory Auditor, taking a favourable decision if the analysis shows that: (i) hiring the additional services does not compromise the External Auditor's independence; (ii) there is a healthy balance between the regular audit services and the additional services whose provision is under analysis and that (iii) the provision of the additional services which are being proposed is not prohibited pursuant to Article 37(2) of Law no 140/2015, of 7 September. In this analysis, the Supervisory Board also ascertains whether (iv) the additional services will be provided in compliance with the quality standards in force in the Group, while ensuring that, should these services be provided, they do not compromise the independence required for the performance of audit duties.

In this regard, we should note that Ernst & Young Audit & Associados - SROC, S.A., prior to accepting the award of the services, also carries out, in compliance with its internal policies, a strict assessment to make sure that the services it proposes to provide do not compromise, under any circumstances, the independence criteria it undertook to meet upon accepting the election to perform its duties.

Therefore, the Company considers that a demanding degree of control is ensured in the verification of the commitment of the independence criteria when deciding to contract additional services from the External Auditor.

We should also note that the Supervisory Board receives, every year, the declaration of independence of the External Auditor and the Statutory Auditor, which describes the services that were provided by them and by other entities within their network, the fees that were paid, possible threats to their independence and safeguard measures to deal with them.

Any potential threats to the independence of the External Auditor, as well as the respective safeguard measures are assessed and discussed in an open and transparent manner between the Supervisory Board and the External Auditor.

38. Other duties of the supervisory body

The Supervisory Board is responsible for supervising the Company, fulfilling the duties provided for in Article 420 of the CSC and its Regulations.

38.1. The Supervisory Board, in the performance of its statutory and legally assigned duties, is responsible for:

a. Supervising the Company's management;
b. Ensuring compliance with the law and the company's Articles of Association;
c. Preparing, every year, a report on its supervisory activity and giving an opinion on the report, accounts and proposals presented by the Board of Directors;
d. Convening the General Meeting whenever the chairman of the board fails to do so;
e. Supervising the effectiveness of the risk management, internal control and internal audit systems;
f. Receiving reports of irregularities submitted by shareholders, employees or third parties;
g. Hiring experts to provide services that support one or several members in the performance of their duties; these experts should be hired and remunerated according to the importance of the matters entrusted to them and the Company's economic situation;
h. Fulfilling all other duties provided by law or the Company's Articles of Association;
i. Supervising the preparation and disclosure of the financial information;
j. Proposing to the General Assembly the appointment of the Statutory Auditor;
k. Supervising the accounting review of the Company's financial statements;
l. Supervising the independence of the Statutory Auditor, namely regarding the provision of additional services.

38.2. In order to perform these duties, the Supervisory Board:

a. Obtains from the Management the information required to carry out its activity, namely on the operational and financial evolution of the company, changes in the composition of its portfolio, terms of operations that are carried out and contents of decisions that are taken;
b. Monitors the risk management and internal control system, preparing an annual assessment report and recommendations addressed to the Management, where necessary;
c. Receives, at least two days before the meeting, the individual and consolidated financial statements, and the associated Management reports, analysing, in particular, the main changes, relevant transactions and the corresponding accounting procedures and clarifications obtained from the Management, namely through the Board of Directors and the external auditor, and issues its assessments and resolutions;
d. Informs the Management of analyses and inspections that are carried out and measures that are taken and the corresponding results;

e. Attends the General Meetings and the meetings of the Board of Directors to which he/she is convened or at which the accounts for each financial year are discussed;
f. Carries out an annual self-assessment of its activity and performance, including the review of these regulations, with the aim of developing and implementing measures to improve its functioning;
g. Performs all other duties that are assigned to him/her by law.

In addition, the Supervisory Board represents the Company before the External Auditor and the Statutory Auditor being responsible, in particular, for proposing the entity which should provide said services and its remuneration, while ensuring that the Group has the appropriate conditions in place to enable said services to be provided.

The Supervisory Board is the first recipient of the reports issued by the External Auditor and Statutory Auditor, as well as the Group's interface in its relationships with those entities, and it is also responsible for deciding on relevant projects and work plans and on the adequacy of the resources allocated to the implementation of these projects.

The Supervisory Board is therefore responsible for preparing, every year, a report on its supervisory activity and giving an opinion on the report, accounts and proposals presented by the management, as well as for supervising the effectiveness of the risk management and internal control system.

The Supervisory Board, in coordination with the Board of Directors, regularly analyses and supervises the preparation and disclosure of financial information, providing all the necessary support, based on the assumption, given the nature of the Company, that no data must be disclosed in any way that may lead to an unauthorised and untimely access to relevant information by third parties.

In addition, the supervisory body is called upon to intervene in order to issue an opinion whenever there is a transaction between ALTRI directors and the Company itself or between ALTRI and companies in a control or group relationship, where one of the parties is a director, pursuant to Article 397 of the CSC.

The Supervisory Board will be called upon to give its opinion regardless of the materiality of the operation in question.

On the other hand, as part of the Company's supervisory body and within the scope of the internal audit, the External Auditor analyses (i) the functioning of internal control mechanisms, reporting any weaknesses that may be identified; (ii) checks whether the main elements of the internal control and risk management systems implemented in the Company regarding the process of disclosure of financial information are presented and disclosed in the annual information on Corporate Governance and (iii) issues a legal certification of accounts and Audit Report, which certifies that the report on the corporate governance structure and practices includes the elements referred to in Article 66-B of the CSC in its current wording or, if that is not the case, ensuring that such information is included in another report that is also provided to the shareholders, that the provisions of Article 29-H of the CVM are complied with, that it conforms to the structure in CMVM Regulation number 4/2013, and that it includes a declaration of compliance with the Corporate Governance Code of the IPCG.

In FY 2021, the Statutory Auditor monitored the development of the Company's activities and carried out the examinations and checks deemed necessary for the legal review and certification of accounts, in interaction with the Supervisory Board and always relying on the cooperation of the Board of Directors, which provided all information that was requested as quickly as possible.

In line with the above, the Statutory Auditor gave its opinion on the activity carried out in 2021, and this information was included in its annual audit report, which will be submitted to the Shareholders for approval at the Annual General Meeting.

The supervisory body is responsible for monitoring ALTRI and its subsidiaries and ensuring that they comply with the legislation applicable to their areas of business, in order to carry out a precise and careful analysis of the levels of compliance within the Group. This analysis allowed concluding that the Group, in the course of its activity, has been achieving high levels of compliance, which are perfectly in line with the interests of the Company and its Shareholders.

IV. STATUTORY AUDITOR

39. Details of the statutory auditor and the partner who represents it

In 2021, ALTRI's Statutory Auditor was Ernst & Young Audit & Associados - SROC, S.A., represented by Rui Manuel da Cunha Vieira.

40. Number of consecutive years for which the statutory auditor has been providing services for the company and/or group

Ernst & Young Audit & Associados - SROC, S.A. has been responsible for auditing the accounts of the Company and the Group companies since 2017, having been elected for its first term, upon proposal of the Supervisory Board, at the General Meeting held on April 26, 2017 until 2019, for a second annual term in April 2020, and for a third annual term in April 2021.

41. Description of other services provided by the Statutory Auditor to the company

The statutory auditor is, simultaneously, the Company's External Auditor as detailed below.

V. EXTERNAL AUDITOR

42. Identification of the external auditor appointed for the purposes of Article 8 of the CVM and of the audit firm partner who represents it, as well as the corresponding CMVM registration number

The Company's External Auditor, appointed pursuant and for the purposes of Article 8 of the CVM, is Ernst & Young Audit & Associados - SROC, S.A., represented by Rui Manuel da Cunha Vieira, registered at the CMVM under no. 1154.

43. Number of consecutive years for which the external auditor and the partner who represents it have been providing services for the company and/ or group

The External Auditor was elected for for the first time in 2017 and served his third term in 2021 (one year), as well as the partner who represents him.

44. Policy on the rotation of the external auditor and the partner who represents it in the performance of its duties

With regard to the rotation of the External Auditor, the Company had not established, until the date of entry into force of the new Statute of the Institute of Statutory Auditors, approved by Law no. 140/2015, of 7 September, a policy on the rotation of the External Auditor based on a predetermined number of terms, taking into account, in particular, the fact that such a rotation policy is not common or standard practice and that, as part of the continuous monitoring of the adequacy of the model in place, it never identified situations of loss of independence or any other situations that would make it advisable to adopt a formal policy requiring such rotation.

The entry into force of the new Statute of the Institute of Statutory Auditors on 1 January 2016 laid down a new scheme applicable to the rotation of statutory auditors for companies whose shares are admitted to trading on a regulated market, such as our Company. For this reason, in 2016, the Supervisory Board launched a selection process with the purpose of electing a new Statutory Auditor that, in compliance with all the legal requirements in terms of technical competence and independence, could be elected at an Annual General Meeting, an election that occurred at the Annual General Meeting held in 2017.

In this context, the Company does not have a formal internal policy providing for the rotation of the External Auditor, considering it unnecessary, since it fully complies with all legal requirements in this matter.

45. Details of the body responsible for assessing the external auditor and frequency with which this assessment is carried out

The Supervisory Board, in the exercise of its duties, monitors the performance of the External Auditor throughout the year and assesses its independence on an annual basis. In addition, the Supervisory Board promotes, where necessary or appropriate depending on the Company's activities or legal or market requirements, a reflection on the adequacy of the External Auditor to the level required for the performance of its duties.

46. Details of services, other than audit services, provided by the external auditor and internal procedures in place for approving the hiring of such services and the reasons justifying their approval

During the financial year 2021, the External Auditor provided services other than those of In particular, in the audit, reliability assurance services were provided, namely, to validation of indicators within the scope of the provisions of the incentive contract and the provision of services for the issuance of a Report on the Annual Value Tire Declarations. You said services were approved by the Fiscal Council, which evaluated and concluded that the performance of such services did not affect the independence of the External Auditor, an element that essential for considering the provision of these services. Safeguarding this first criterion, the Fiscal Council decided to authorize them because their performance corresponds to the interest of the Society, given the experience, specialization and quality of the provider in the matters under consideration, the recognized quality of services and knowledge of the different areas of the Company and its Group.

47. Details of the annual remuneration paid to the auditor and other natural or legal persons within its network, broken down by percentage for the following services:

	31/12/2021		31/12/2020	
Company				
Audit and statutory audit (€)	2,700	1.9%	2,650	2.0%
Group entities				
Audit and statutory audit (€)	143,250	94.6%	134,500	98.0%
Other assurance services (€)	2,500	3.5%	5,000	0.0%
Total				
Audit and statutory audit (€)	145,950	96.5%	137,200	100.0%
Other assurance services (€)	2,500	3.5%	5,000	0.0%
	148,450		142,200	

C. INTERNAL ORGANISATION

I. Articles of Association

48. Rules governing amendments to the Articles of Association

Statutory amendments follow the applicable legal provisions, in particular of the Portuguese Companies Act, which require a majority of two-thirds of the issued votes for the adoption of such a resolution.

II. Reporting of Irregularities

49. Reporting means and policy on the reporting of irregularities in the company

The Supervisory Board is the body to which any reports of irregularities by any employee, partner, supplier or any other stakeholder should be addressed in compliance with the provisions of paragraph j) of number 1 of article 420 of the CSC.

This procedure is set out in ALTRI Code of Ethics, which also states that, if any complaint is sent to the Company's Ethics Committee, the latter shall forward it to the Supervisory Board if the matter in question is one that, by law, should be solved by this body.

The ALTRI Group has a specific mechanism for reporting irregular situations which, in accordance with the purposes of Recommendation number I.2.4 of the Corporate Governance Code of the IPCG, are ethical or legal violations with a significant impact on the areas of accounting, the fight against corruption and banking and financial crime (Whistleblowing), which protects the confidentiality of the information that is provided and the identity of the whistle-blower, where requested.

If the Board of Director receives a request for clarification or an expression of concern regarding the Whistleblowing system, it will be immediately forwarded to the Supervisory Board.

The report to the Supervisory Board of any irregularity or indication of irregularity should be made by postal mail, to the Company's registered office, by letter addressed to the Supervisory Board or by email to the following address: denuncias.conselhofiscal@altri.pt.

We should note that no irregular situations were reported to the Company's Supervisory Board in 2021.

III. Internal control and risk management

50. Individuals, boards or committees responsible for the internal audit and/or implementation of the internal control systems

Risk management, as the cornerstone of the principles of good corporate governance, is an area regarded as crucial by ALTRI, which promotes the permanent awareness of all its employees across all the levels of the organisation, instilling such responsibility across all decision-making processes.

Risk management is carried out based on a rationale of value creation, with a clear identification of the situations that may threaten the company's business goals.

Environmental management, based on sustainability criteria, and Social Responsibility are playing an increasingly important role within the organisation and, in these areas, risk management is also being more carefully monitored.

Despite the fact that there isn't a department specifically created for this purpose, risk management is ensured within the ALTRI Group by each of its divisions, which are sufficiently and deeply aware of the need to identify and quantify the risk associated with any and all decisions, based on criteria that are communicated

to them and enable them to assess, autonomously and in each individual case, whether the risk in question can be taken by the management or whether the decision on taking such risk, according to criteria of materiality or exposure of the Group, is the responsibility of the Board of Directors of the company in question, either ALTRI or any of its subsidiaries. Therefore, the Group's operational teams operate based on clear criteria of (i) risk-taking levels and who should make the decision on whether or not to take them; (ii) the identification of ways to mitigate such risks; (iii) personal accountability, leading to more thoughtful decision- making.

Risk management is thus ensured by all ALTRI divisions, based on the following methodology, which includes several stages:

- The first stage is the identification and prioritisation of internal and external risks that may have a material impact on the pursuit of the Group's strategic goals;

- The operational managers of the various Group divisions identify the risk factors and events that may affect ALTRI's operations and activities, as well as possible control processes and mechanisms;

- In addition, the impact and likelihood of occurrence of each risk factor are weighted and, depending on the level of exposure, the need to respond to the risk is assessed; and

- Risk mitigation measures are monitored and the level of exposure to critical factors is constantly monitored.

The Board of Directors is responsible for deciding the level of exposure assumed by the Group in its different activities at each moment and, without prejudice to any delegation of duties and responsibilities, for setting overall risk levels and making sure that risk management policies and procedures are being followed.

In monitoring the risk management process, the Board of Directors, as the body responsible for ALTRI's strategy, has the following set of objectives and responsibilities:

- Knowing the most significant risks that affect the Group;

- Ensuring that the Group has an appropriate knowledge of the risks that affect its operations and how to manage them;

- Ensuring that the risk management strategy is disseminated across all hierarchical levels;

- Ensuring that the Group can minimise the probability of occurrence and the impact of the risks on the business;

- Ensuring that the risk management process is appropriate and that the risks with a higher probability of occurring and with a greater impact on the Group's operations are strictly monitored;

- Ensuring permanent communication with the Supervisory Board, informing it of the level of exposure of the risk that was taken and requesting, where necessary, the opinions of this body that it deems necessary for making thoughtful and informed decisions, ensuring that the identified risks and outlined policies are analysed under the multidisciplinary perspectives that guide the group's performance.

Subsidiaries manage risks within the criteria and powers that have been established.

The Supervisory Board is permanently monitoring and supervising the group's performance in this matter.

Based on this methodology, ALTRI has come to the conclusion that it has managed to ensure greater awareness and thoughtfulness in decision making across all levels of the organisation, given the inherent responsibility of each internal player, which contributes to people feeling empowered and truly involved as active participants in the Company's performance.

ALTRI, as it has been repeatedly mentioned throughout this report, is constantly monitoring the adequacy of its model also as part of the area of risk management, and has concluded that, to date, it has proved perfectly suitable to its organisational structure.

51. Details of hierarchical and/or functional dependency relationships with other governing bodies or committees

The Supervisory Board is responsible for assessing the risk management mechanisms, and the control procedures deemed suitable for mitigation are reported to this body. It is therefore the responsibility of this body to supervise the measures taken by the Company regarding these matters and to periodically check whether the risks effectively incurred by the Company are consistent with what has been outlined by the Board of Directors.

The External Auditor, in the exercise of its duties, checks the adequacy of the mechanisms and procedures in question, reporting its findings to the Board of Directors.

The Board of Directors is responsible for monitoring said mechanisms and procedures.

52. Other functional areas responsible for risk control

At ALTRI, risk management is ensured by all the divisions and operational units, as comprehensively described in section 51 above. ALTRI, as it has been repeatedly mentioned throughout this report, is constantly monitoring the adequacy of its model also as part of the area of risk management, and has concluded that, to date, it has proved perfectly suitable to its organisational structure.

53. Identification and description of the major economic, financial and legal risks to which the company is exposed as part of its business activity

The Board of Directors considers that the Group is exposed to the normal risks arising from its activity, namely at the level of its operating units. We highlight the following risk factors:

1. Credit Risk
    - 1.1 interest rate risk;
    - 1.2 exchange rate risk;
    - 1.3 risk of variability in commodity prices;
    - 1.4 risks related to forest management and eucalyptus production;
    - 1.5 risk related to sustainability, ESG ("Environmental, Social and Governance") and climate change;
2. Liquidity risk;

3. Credit risk;

4. Capital risk.

In addition to the financial risks identified above, it is important to bear in mind that the Group is also exposed to legal, tax and regulatory risks.

In relation to these specific risks, ALTRI, as well as its business, has permanent legal, tax and regulatory advice, which works in conjunction with the business areas, ensuring, in a preventive manner, the protection of the Group's interests in the scrupulous fulfilment of its obligations, legal provisions applicable to the Company's business areas.

This consultancy is also supported at national and international level by external service providers that ALTRI hires from firms of recognized reputation and in accordance with high criteria of competence, rigor and professionalism.

However, ALTRI and its subsidiaries may be affected, like any other entities, by legislative changes that have occurred both in Portugal, in the European Union or in other countries where it develops its commercial activity. ALTRI does not, of course, control such changes which, if they occur, could have an adverse impact on the Group's business and could, consequently, impair or impede the achievement of strategic objectives. ALTRI's policy in this area is guided by delegating to the Legal Department the permanent monitoring of legislative changes and new legal acts, being informed on this matter and able to permanently respond to the challenges that the materialization of legal, fiscal and regulatory measures can cause.

54. Description of the procedure for identifying, assessing, monitoring, controlling and managing risks

As described in section 52, the Board of Directors is the body responsible for outlining the Group’s general strategic policies, including the risk management policy, being duly supported by the Extended Executive Committee, which ensures, not only a constant monitoring, but also that any situations that are detected are reported to the Board of Directors, in order to guarantee a permanent and effective risk control.

At ALTRI, risks are identified and assessed, monitored, controlled and managed as follows:

The risks faced by the Group in the normal performance of its activity are identified. There is an assessment of all the material risks with an impact on the Group’s financial performance and value. Then there is a study to compare the value at risk with the costs of the hedging instruments, if any, and, consequently, the evolution of the risks that are identified and the hedging instruments is monitored according to the following methodology:

- The first stage is the identification and prioritisation of internal and external risks that may have a material impact on the pursuit of the Group’s strategic goals;

- The operational managers of the various operational units of the Group identify the risk factors and events that may affect ALTRI’s operations and activities, as well as possible control processes and mechanisms;

- In addition, the impact and likelihood of occurrence of each risk factor are weighted and, depending on the level of exposure, the need to respond to the risk is assessed; and

- Risk mitigation measures are monitored and the level of exposure to critical factors is constantly monitored.

The Company has been implementing additional risk management strategies essentially aimed at ensuring that the control systems and procedures, as well as the policies that are adopted allow meeting the management bodies’, the shareholders’ and other stakeholders’ expectations.

We highlight the following strategies:

- The control systems and procedures and policies in place are in accordance with all the applicable laws and regulations and are effectively enforced;

- All financial and operational information is comprehensive, reliable, safe and

disclosed periodically and in a timely manner;

- ALTRI's resources are used in an efficient and rational manner; and

Value for shareholders is maximised and the Company's operational management takes the necessary measures to correct any problems that may be reported.

At the end of this process, the Board of Directors, as an executive body, is responsible for taking the necessary decisions, always acting in the manner it deems more suitable to defend the Company's and its Shareholders' interests.

55. Core details on the internal control and risk management systems implemented in the company regarding the procedure for disclosing financial information

There are very few ALTRI employees involved in the process of disclosing financial information.

All those involved in the financial analysis of the Company are considered to have access to privileged information and are formally notified of the content of their obligations, as well as of the sanctions arising from the misuse of such information.

The internal rules applicable to the disclosure of financial information are aimed at ensuring its timely disclosure and preventing asymmetric access to information by the market.

The internal control system in the areas of accounting and preparation and disclosure of financial information is based on the following key principles:

- The use of accounting principles which are detailed in the notes to the financial

statements is one of the pillars of the control system;

- The plans, procedures and records of the Company and its subsidiaries provide reasonable assurance that only duly authorised transactions are recorded

and that such transactions are recorded in accordance with widely accepted accounting principles;

- Financial information is systematically and regularly analysed by the management of the operational units, ensuring a continuous monitoring and budget control;

- The process of preparing and reviewing financial information includes establishing a timetable for closing the accounts, which is shared with all the areas involved, and all documents are subject to an in-depth review;

- The accounting records and the separate financial statements of the various Group companies are prepared by the administrative and accounting departments. The financial statements are prepared by chartered accountants and reviewed by each subsidiary's financial division. Once they are approved, the documents are sent to the External Auditor, who issues his Legal Certification of Accounts;

- The consolidated financial statements are prepared every three months by the consolidation team. This process is an additional element aimed at controlling the reliability of the financial information, in particular by ensuring the uniform application of accounting principles and cut-off procedures, by checking balances and transactions between Group companies;

- The consolidated financial statements are prepared under the supervision of the financial division. The documents comprised in the annual report are sent to the Board of Directors for review and approval. Once they are approved, the documents are sent to the External Auditor, who issues his Legal Certification of Accounts and the Audit Report; and

- The preparation of the individual and consolidated financial information and the Management Report is coordinated by the Executive Committee, being presented to the Board of Directors and supervised by the Supervisory Board. These bodies review the Company's consolidated financial statements on a quarterly basis.

Regarding risk factors that may have a material impact on accounting and financial reporting, we highlight the use of accounting estimates based on the best information available when the financial statements are being prepared, as well as on the knowledge and experience obtained in past and/or present events. We also highlight balances and transactions with related parties: in the ALTRI Group, balances and transactions with related entities refer essentially to the operating activities currently developed by the Group companies, as well as to borrowing and lending operations remunerated at market rates.

The Executive Committee, in the first place, and the Board of Directors, in the second place, regularly analyze and supervise the preparation and disclosure of financial information, in articulation with the Supervisory Board, in order to prevent undue and untimely access by third parties to relevant information.

IV. Investor Assistance

56. Department responsible for investor assistance, composition, functions, the information made available by said department and contact details

In compliance with the applicable legal provisions, as well as with the regulations of the CMVM on this matter, ALTRI ensures that all the information related to the business of the group’s companies that fits into the concept of privileged information is disclosed to its shareholders and to the market in general at first hand. Therefore, ALTRI has been ensuring that information is provided to the shareholders and the market in general in a continuous and timely manner, precisely when its privileged nature becomes clear.

The Company has an Investor Support Office with a Representative for Market Relations and a person responsible for Investor Relations.

Investors can send their requests for information to the following addresses:

Rua Manuel Pinto de Azevedo, 818 4100-320 Porto

Tel: + 351 22 834 65 02

Fax: + 351 22 834 65 03

Email: investor.relations@altri.pt

ALTRI provides financial information about its separate and consolidated activity, as well as about its subsidiaries on its Internet webpage (www.altri.pt). This website is also used by the company to publish press releases that had previously been disclosed via the CMVM’s Information Disclosure System and possibly made available to the press at a later stage, indicating any relevant facts occurring as part of the company’s activities. The Group’s financial statements for the most recent financial years are also available on this page. Most of the information is made available by the Company in Portuguese and English.

57. Market Liaison Officer

The functions of Group's market liaison are performed by Miguel Valente and the investors relations functions are performed by Rui Cesário Pereira.

58. Information on the extent and deadline for replying to the requests for information received throughout the year or pending from preceding years

Whenever necessary, the market liaison officer is responsible for providing all the relevant information about key events and facts deemed materially relevant, for the disclosure of quarterly results and for replying to requests for clarification from investors or the general public regarding the financial information that has been made publicly available. All the requests for information sent by investors are analysed and replied within five business days.

V. Website

59. Address(es)

ALTRI has an Internet webpage with information about the Company and the Group. The address is www.altri.pt.

60. Location where information on the firm, public company status, headquarters and other details referred to in Article 171 of the Commercial Companies Code is available

www.altri.pt \ about Altri \ our world

61. Location where the Articles of Association and the regulations on the functioning of bodies and/or committees are available

www.altri.pt \ investors \ governance

62. Location where the information about the identity of the members of the governing bodies, the representative for market relations, the Investor Support Office or equivalent structure, their duties and means of access is available

www.altri.pt \ about Altri

www.altri.pt \ investors \ investor assistance

63. Location where the reports and accounts are available for at least five years, together with a six-month calendar of corporate events, disclosed at the beginning of each semester, including, among others, dates of general meetings, disclosure of annual accounts, half-yearly accounts and, where applicable, quarterly accounts

www.altri.pt \ investors \ reports and presentations

www.altri.pt \ investors \ financial calendar

64. Location where the call for the general meeting and all the preparatory

and subsequent information is available

www.altri.pt \ investors \ general meetings

65. Location where the historical archive with the resolutions passed at the company's general meetings, the share capital that was represented and the voting results pertaining to the 3 preceding years is available

www.altri.pt \ investors \ general meetings

D. REMUNERATION REPORT

The Board of Directors presents below a clear and understandable report that provides a comprehensive overview of the remuneration, including all benefits in whatever form, awarded or due during the last financial year to each member of the management and supervisory bodies, in accordance with the remuneration policy referred to in Article 26-A of the Portuguese Securities Code, including newly appointed and former members.

The information contained in this report complies with all applicable legal requirements, namely, but not limited to, Article 26-G of the Portuguese Securities Code.

The processing by the Company of the personal data included in this remuneration report aims to increase its level of transparency regarding the remuneration of the respective members of the management and supervisory bodies, in order to strengthen the level of accountability of the latter and the ability of shareholders to supervise the remuneration of the members of the Company's management and supervisory bodies.

This remuneration report is submitted for consideration at the annual general meeting following the financial year to which it relates and explains how the assessment made at the previous general meeting was taken into account.

After the general meeting, the remuneration report is published on www.altri.pt and remains available for at least 10 years.

I. Powers

66. Details of the powers for establishing the remuneration of governing bodies

The Remuneration Committee is the body responsible for approving the remuneration of the members of the Board of Directors and other governing bodies on behalf of the shareholders, in accordance with the statement on the remuneration policy approved by the shareholders at the General Meeting.

II. Remuneration committee

67. Composition of the remuneration committee, including the identification of natural or legal persons hired to provide support and declaration on the independence of each of its member and advisers

Currently, ALTRI has a Remuneration Committee elected at a general shareholder meeting for a three-year term of office, starting in 2020 and ending in 2022, which is composed as follows:

- João da Silva Natária – Chairman
- André Seabra Ferreira Pinto – Member
- Pedro Nuno Fernandes de Sá Pessanha da Costa – Member

All the members of the Remuneration Committee are independent from the members of the Board of Directors and from any other interest groups.

With regard to the identification of natural or legal persons hired to provide support to this Committee, we should note that their responsibilities include the autonomy to, using the Company's budget and in compliance with criteria of reasonableness in this matter, hire external service providers which can independently carry out assessments, studies and prepare reports which may help that committee to fully perform its duties, as better explained in section 68 below.

This committee should rely on benchmarking studies on remuneration policies, ensuring that the Declaration on the Governing Body Remuneration and Compensation Policy is in line with the best practices in use in companies of similar relevance and size.

In 2021, this committee did not consider it necessary to hire any persons or entities to support its decision-making.

68. Knowledge and experience of the members of the Remuneration Committee in remuneration policy issues

The experience and professional qualifications of the members of the Remuneration Committee are reflected in the curricula available on the Company's website at www.altri.pt, "Investors" tab, "Investors / General meeting /2020/ Annex: Résumés", which were provided as part of their election at the 2020 Annual General Meeting and remain available in accordance with the applicable legal provisions.

ALTRI considers that the professional experience and career of the members of the Remuneration Committee are fully suited to the duties that have been assigned to them, enabling them to perform them with the required precision and efficiency. Without prejudice to the qualifications of the other members, we should point out João da Silva Natária, due to his extensive experience and specific knowledge in the area of remuneration assessment and policy.

Furthermore, and in addition to what has already been mentioned in section 67 above, where necessary, the committee turns to specialised internal or external resources to support its decisions.

In these situations, the Remuneration Committee freely decides to hire, on behalf of ALTRI, the consultancy services deemed necessary or convenient, making sure that the services are provided independently and that the providers in question are not hired to provide any other services to ALTRI or its subsidiaries without the express authorisation of the Remuneration Committee.

III. Remuneration structure

69. Description of the management and supervisory body remuneration policy referred to in Article 26-A of the Portuguese Securities Code

As provided for in Article 26-B of the Portuguese Securities Code, a Declaration on the Management and Supervisory Body Remuneration Policy is submitted to the general meeting for examination.

The Remuneration and Compensation Policy applicable to ALTRI's governing bodies, approved at the General Meeting held on April 30, 2021, is in line with the following principles:

1. PRINCIPLES OF ALTRI'S CORPORATE BODIES POLICY

ALTRI's Corporate Bodies Remuneration Policy is based on the assumption that competence, dedication, availability and performance are the determining elements of good performance, and that only with good performance is it possible to ensure the necessary alignment with the company's interests and its shareholders.

In view of the Company's interest, culture and long-term strategy, ALTRI's Corporate Bodies Remuneration Policy aims, as established in article 26-C(1) of the CVM, to "contribute to the company's corporate strategy, its long-term interests and its sustainability".

In particular, the Remuneration Policy aims to:

- Attract and retain the best professionals for the functions to be performed, providing the necessary conditions of stability in the exercise of functions;

- Reward performance, by means of remuneration appropriate to the mechanisms for defending the interests of Shareholders, discouraging excessive risk-taking, by providing for mechanisms for deferring variable remuneration;

- Reward the focus on continuous improvement, productivity and the creation of long-term value for shareholders;

- Reward environmental sustainability and energy efficiency of relevant activities of the Society.

This Policy is based on criteria aimed at the sustainability of the Company, is aligned with comparable benchmarking and, complying with legal requirements, is based on the following vectors:

<u>Responsibility inherent to the functions performed</u>

The functions performed and the responsibilities assumed by each member are, necessarily, taken into account in the definition of remuneration. Not all members are in the same position, which imposes a carefully case-by-case definition. In assessing the level of responsibility, the time of dedication, the requirement imposed by the areas under their supervision and the functions performed in the subsidiaries must be considered.

<u>Company's economic situation</u>

The definition of remuneration must be compatible with the size and economic capacity of the Company, while ensuring adequate and fair remuneration.

<u>Market standards</u>

The observance of market rules, through a comparative exercise ("benchmark"), is essential to pay adequately and competitively, taking into account the practice of the reference market (nationally and internationally), the activity developed and the results obtained.

<u>Alignment of management interests with the strategic objectives of the Company</u>

The definition of compensation should be based on performance evaluation criteria and objectives of financial and non-financial nature, aligned with the Company's business strategy and that ensure the effective long-term sustainability of the Company.

<u>ESG Commitment</u>

The objectives associated with setting remuneration should be linked to the Company's performance on environmental, social and corporate governance (ESG) indicators, reflecting the Company's commitment to sustainable development, particularly in the area of environmental sustainability, as well as ongoing compliance with the Company's values and ethical principles, which are a cornerstone of the way it structures itself and relates to all stakeholders.

<u>Conditions of employment and remuneration of employees</u>

The defined remuneration must take into consideration the employment and remuneration conditions of the Company's employees, which is achieved through a benchmarking exercise with the reference market (at national and international level), with reference to equivalent functions, in order to ensure internal equity and a high competitive level.

ALTRI Remuneration Committee believes that these principles are in line with the legislative and recommendatory framework in force, and also reflect the Company's vision on this matter.

Additionally, ALTRI Remuneration Committee has taken into consideration the following facts:

- at a meeting of ALTRI Board of Directors held on May 28, 2020, an Executive Committee was formed for the current term of office (three-year period 2020/2022), consisting of the Directors José Soares de Pina (Chairman), José António Nogueira dos Santos (Member) and Carlos Alberto Sousa Van Zeller e Silva (Member); subsequently, on March 18, 2021, the Board of Directors promoted Carlos Alberto Sousa Van Zeller e Silva to Vice-Chairman of the Executive Committee;

- at a meeting of ALTRI Board of Directors held on May 28, 2020, a Strategic and Operational Monitoring Committee was set up for the current term of office (three-year period 2020/2022), comprising the Directors Paulo Jorge dos Santos Fernandes, João Manuel Matos Borges de Oliveira and José Soares de Pina;

- the participation of non-executive directors in internal committees within the Board of Directors.

2. BOARD OF DIRECTORS:

ALTRI Remuneration Committee, in line with the Company's organizational model and the principles described above, has taken the following measures into consideration:

a. strengthening the need to maintain a process of objective setting and performance evaluation;

b. ensuring consistency between quantitative and qualitative objectives;

c. ensuring that the quantitative objectives of the Executive Directors are aligned with the quantitative objectives of the Company's senior management;

d. the overall fixed remuneration of the Board of Directors, including remuneration paid by subsidiaries to members of the Board of Directors, may not exceed 3,500,000 euros per year;

e. the remuneration of non-executive directors comprises only a fixed component, corresponding to a fixed monthly remuneration, the amount of which is determined by the remuneration Committee and revised, if necessary, on a periodic basis, taking into account the best practices and the responsibilities of each non-executive director;

f. in line with market practices, the remuneration of non-executive directors may be differentiated (i) by the special representative functions of the Company that each one may be assigned; (ii) by the experience and know-how in executive functions previously exercised in the Company, as well as (iii) by the business knowledge and know-how in the sector of activity in which the company operates;

g. the non-executive directors, depending on the experience acquired over the years in executive functions and the deep knowledge and know-how of the Company's business that they are recognized for, may also earn a differentiated remuneration as a result of the value they contribute to the company under the terms referred to in the previous paragraph and also as a result of taking on responsibilities that may take place in business monitoring committees, which may exist within the Board of Directors;

h. the remuneration of executive directors comprises two components:

- fixed component, corresponding to an amount paid monthly;

- variable component, which includes a short term variable bonus (paid annually), and a medium term variable bonus (paid after a 3 year deferral).

i. the short-term variable bonus cannot be higher than the fixed annual remuneration and is paid in the first half of the year following the year to which it relates, after the year-end accounts have been closed;

j. the medium term variable bonus cannot exceed the sum of the annual remuneration plus the short term variable bonus, and is designed to align the interests of the executive directors more closely with those of the shareholders, with a view to increasing awareness of the importance of their performance to the overall success of the Company, being calculated with reference to the period corresponding to a term, based on (i) total shareholder return (share valuation plus distributed dividends), (ii) the sum of the consolidated net results for the 3 years (2020 to 2022) and (iii) the evolution of the Company's business;

k. the variable component (short and medium term) is determined according to the individual performance of each executive director, taking into account the respective annual individual assessment, in accordance with previously defined quantitative (of a financial and non-financial nature) and qualitative objectives;

l. quantitative and qualitative objectives are long-term in nature and therefore have a timeframe that may extend over one or more years;

m. individual quantitative objectives should reflect the Company's financial performance, namely its growth and the return generated for shareholders. Financial indicators should take into account the strategic objectives of the company, in particular the evolution of the company's turnover and results and the financial and capital strength of the company;

n. individual qualitative objectives should reflect the achievement of environmental, social and corporate governance indicators;

o. the individual performance assessment process for each executive director is annual and must be supported by concrete evidence, made available to ALTRI Remuneration Committee.

In view of the different business areas covered by the Company, it is considered appropriate that the payment of the fixed and/or variable component of the remuneration of executive directors may be divided between the Company and subsidiary companies whose management bodies comprise them, in accordance with the terms to be defined by the ALTRI Remuneration Committee.

Thus, and based on the measures listed above, it is ALTRI Remuneration Committee's understanding that the remuneration of executive directors (and also of non-executive directors) is adequate and, as established in Article 26-C(1) of the CVM, "contributes to the company's business strategy, to its long-term interests and to its sustainability".

It is also the understanding of ALTRI Remuneration Committee that the total remuneration of the directors complies with the adopted remuneration policy, being duly explained "how it contributes to the long-term performance of the company and how the performance criteria were applied", as imposed by Article 26-G(2)(b) of the CVM.

Finally, there are no mechanisms in the Company that establish the possibility of departing from the procedure for applying the ALTRI Remuneration Policy, and no derogations have been applied or any exceptional circumstances provided for in Article 26-G(2)(g) of the CVM have been verified.

3. SUPERVISORY BOARD

The remuneration of the members of the Supervisory Board shall be based on fixed annual amounts considered appropriate for the function.

4. GENERAL SHAREHOLDERS' MEETING

The remuneration of the members of the Board of the Shareholders' General Meeting shall be exclusively fixed and shall respect market practices.

5. STATUTORY AUDITOR

The Statutory Auditor shall receive a fixed remuneration that is appropriate for the function benchmarked against the market, under the supervision of the Supervisory Board.

6. NUMBER OF ACTIONS AND OPTIONS GRANTED

No form of remuneration in which shares or options are allocated is in force, thus complying with the provisions of Article 26-G(2)(e) of the Portuguese Securities Code.

7. SEVERANCE GRANT IN THE EVENT OF A TERMINATION OF DUTIES PRIOR TO OR UPON THE EXPIRY OF THE RESPECTIVE MANDATES

The remuneration policy maintains the principle according to which severance grants for Directors or members of other governing bodies in the event of an early termination of their duties or upon the expiry of their respective mandates are not contemplated, without prejudice to the Company's compliance with the legal provisions in force concerning such matters.

There are no mechanisms in the Company that provide for the possibility of requesting reimbursement, to the administrators with variable remuneration, thus complying with the provisions of Article 26-G(2)(f) of the Portuguese Securities Code.

No compensation was paid in 2021 to former members of the Board of Directors, or members of other governing bodies, for termination of their duties.

8. SCOPE OF THE PRINCIPLES

The principles underlying the remuneration and allowance policies referred to in the present declaration do not only cover the total remuneration paid out by ALTRI, SGPS, S.A., but also include the remuneration paid to the members of its Board of Directors by other companies that ALTRI, SGPS, S.A. controls, whether directly or indirectly.

70. Information on how the remuneration is structured in order to align the interests of the members of the management body with the long-term interests of the company, as well as on how it is based on performance assessment and discourages excessive risk-taking

The remuneration policy for executive directors aims at ensuring an appropriate and precise consideration for the performance and contribution of each of the directors to the organisation's success, aligning the interests of the executive directors with those of the shareholders and the Company. In addition, the remuneration policy provides for a medium-term variable component, indexed to the Company's performance, intended to better align the interests of the executive directors with those of the Shareholders and with the long-term interests of the Company.

Proposals for the remuneration of executive directors are prepared taking into account: (i) the duties performed in ALTRI and in its subsidiaries; (ii) the responsibility and added value of the individual's performance; (iii) the knowledge and experience acquired in the position held; (iv) the Company's economic situation; (v) the remuneration earned in companies operating in the same sector and in other companies listed in Euronext Lisbon. Regarding the latter, the Remuneration Committee considers, within the limits of the available information, all the Portuguese companies with a similar size, namely the ones listed in Euronext Lisbon, and companies operating in international markets whose characteristics are similar to ALTRI's.

In compliance with Article 26-G(2)(c) of the Portuguese Securities Code, the annual variation in the remuneration of the directors, the Company's performance and the average remuneration of full-time equivalent employees of the Company, excluding members of the board of directors and supervisory body, during the last five fiscal years, is presented as follows:

Annual Variation	2017 vs. 2016	2018 vs. 2017	2019 vs. 2018	2020 vs. 2019	2021 vs. 2020
Remuneration of Executive Directors					
José Armindo Farinha Soares de Pina	N/A	N/A	N/A	N/A	N/A
José António Nogueira dos Santos	N/A	N/A	N/A	N/A	N/A
Carlos Alberto Sousa Van Zeller e Silva	N/A	N/A	N/A	N/A	N/A
Remuneration of Non-Executive Directors					
Paulo Jorge dos Santos Fernandes	0.06%	25.00%	—%	—%	10.59%
João Manuel Matos Borges de Oliveira	0.06%	25.00%	—%	—%	10.59%
Domingos José Vieira de Matos	0.27%	25.00%	—%	—%	8.27%
Pedro Miguel Matos Borges de Oliveira	0.27%	25.00%	—%	—%	8.27%
Ana Rebelo de Carvalho Menéres de Mendonça	(26.32)%	30.83%	(0.36)%	0.37%	21.27%
Laurentina da Silva Martins	—%	—%	84.03%	(45.21)%	—%
Alberto João Coraceiro de Castro	N/A	N/A	N/A	N/A	N/A
Maria do Carmo Guedes Antunes de Oliveira	N/A	N/A	N/A	N/A	N/A
Paula Simões de Figueiredo Pimentel Freixo Matos Chaves	N/A	N/A	N/A	N/A	N/A
José Manuel de Almeida Archer	—%	—%	—%	(50.04)%	N/A
Company Performance					
EBITDA	14.10%	53.16%	(20.84)%	(44.08)%	132.67%
Revenues (1)	8.70%	17.88%	(3.99)%	(18.30)%	37.98%
Net Profit	24.80%	102.46%	(48.16)%	(65.32)%	286.72%
Average Remuneration of Employees in Full-Time Equivalent Terms					
Group Employees	3.44%	(9.02)%	0.34%	10.24%	0.15%

71. Reference to the existence of a variable remuneration component and information about the possible impact of this component on the performance assessment

The remuneration policy, as detailed in section 69 above, was approved at the General Meeting held on April 30, 2021 and includes a performance-based variable component.

There are no mechanisms to prevent executive directors from entering into contracts that call into question the rationale underlying the variable remuneration. However, the Remuneration Committee takes these factors into account in the criteria for calculating the variable remuneration.

The Company has not entered into any contracts with members of the Board of Directors that mitigate the risk inherent in the variability of the remuneration, nor is it aware of the existence of similar contracts entered with third parties.

72. The deferred payment of the remuneration's variable component and specify the relevant deferral period

The information on the deferral of the payment of the variable component of remuneration, mentioning the deferral period, is detailed in item 69 of this Report.

73. Criteria for the assignment of share-based variable remunerations

There is no provision for the award of variable remuneration in which shares or other share-based incentive systems are awarded, thus complying with the provisions of article 26-G(2)(e) of the Portuguese Securities Code.

74. Criteria for the assignment of option-based variable remunerations

There is no provision for the award of variable remuneration in which option rights are awarded, thus complying with the provisions of article 26-G(2)(e) of the Portuguese Securities Code.

75. Main parameters and grounds for annual bonus schemes and any non- financial benefits

ALTRI has no annual bonus schemes or non-financial benefits other than the variable remuneration describe above.

76. Main characteristics of the complementary pension or early retirement schemes for directors and dates on which they were individually approved at a general meeting

ALTRI has no complementary pension or early retirement schemes for members of management and supervisory bodies.

In this regard, we should note that the director Laurentina Martins receives a pension assigned to her when she left her position in the subsidiary Caima – Indústria de Celulose, S.A. in the standard terms in force in that Company's Pension Plan. She left the company on September 30, 2012.

So, we should clarify that the pension she receives is no more than a right acquired as a result of the employment relationship established with said subsidiary and it is not related to the managerial duties she performs at ALTRI; i.e., should she terminate her service at ALTRI, whatever the reason for such termination, the right to receive said pension would always be ensured. This means that her independence is not affected by this circumstance.

In this regard, we should note that, in 2021, the director in question, in compliance with the rules inherent to the plan, made no contributions to the aforementioned fund; however, she received an amount of 28,088 Euros relating to her retirement pension.

For more detailed information about the Pension Plan referred herein, please read note 33 of the notes to the consolidated statements on December 31, 2021.

IV. Disclosure of remunerations

77. Details of the amount of annual remuneration paid, collectively and individually, to the members of the company's management bodies by the company, including their fixed and

variable remuneration and, with regard to the latter, a reference to the different components involved in its calculation

In compliance with the provisions of Article 26-G(2)(a) of the Portuguese Securities Code, it should be clarified that only non-executive directors receive remuneration at ALTRI. Some non-executive directors (see information in point 78 below) also receive remuneration as non-executive directors in the subsidiary Greenvolt - Energias Renováveis, S.A. The executive directors are remunerated by the subsidiary CELBI.

With regard to remuneration paid directly by the Company during the 2021 financial year to the above-mentioned non-executive directors, it amounted to 1,919,520.00 Euros, divided as follows: Paulo Fernandes - 490,310 Euros; João Borges de Oliveira - 490,310 Euros; Domingos Matos - 282,500 Euros; Pedro Borges de Oliveira - 282,500 Euros; Ana Mendonça - 109,900 Euros; Alberto Castro - 84,000 Euros; Laurentina Martins - 60,000 Euros; Maria do Carmo Oliveira - 60,000 Euros; Paula Pimentel - 60,000 Euros.

To the extent that the Company remunerates only non-executive directors, no variable remuneration is applicable, and therefore, as far as these are concerned, the reference to the proportion between fixed and variable remuneration as required by Article 26-G(2)(a) is not applicable.

78. Amounts paid by other companies in a control or group relationship or subject to a common control

In compliance with the provisions of Article 26-G(2)(d) of the Portuguese Securities Code, it should be clarified that the following remuneration was paid through the Group's subsidiaries to the following directors of the Company:

The overall amount paid by the subsidiaries amounted to 2,024,013.48 Euros, as described:

- The executive directors of ALTRI are remunerated by the subsidiary CELBI, and the remuneration earned was as follows: José Pina - 800,000 Euros (of which 56.25% corresponds to fixed remuneration and 43.75% to variable remuneration); Carlos Van Zeller e Silva - 575,000 Euros (of which 52.17% corresponds to fixed remuneration and 47.83% to variable remuneration) and José Nogueira dos Santos - 475,000 Euros (of which 51.58% corresponds to fixed remuneration and 48.42% to variable remuneration);

- The following non-executive directors are remunerated by the subsidiary GreenVolt earning only fixed remuneration, as follows: Paulo Fernandes - 51,944.24 Euros; João Borges de Oliveira - 51,944.24 Euros; Domingos Matos - 23,375 Euros; Pedro Borges de Oliveira - 23,375 Euros; Ana Mendonça - 23,375 Euros.

79. Remuneration paid in the form of profit-sharing and/or payment of bonuses and the reasons for which such bonuses and/or profit-sharing were granted

No remunerations in the form of profit-sharing or bonuses were paid in the financial year under analysis.

80. Compensation paid or payable to former executive directors upon termination of service during the year

No compensations were paid or are payable to former executive directors upon termination of service during the financial year under analysis.

81. Annual amount of the remuneration earned, collectively and individually, by the members of the company's supervisory bodies

In compliance with the provisions of Article 26-G(2)(a) of the Portuguese Securities Code, the remuneration of the members of the Supervisory Board is composed of a fixed annual amount based on ALTRI's and on market practices used by companies with a similar relevance and size. In the year ended on December 31, 2020, the remuneration of the current members of the Supervisory Board amounted to 31,620 Euro, distributed as follows: Pedro Pessanha - 15,000 Euro; António Pinho – 8,310 Euro; Ana Paula Pinho - 8,310 Euro.

The remuneration earned by the statutory auditor is described in section 47 above.

In compliance with Article 26-G(2)(c) of the Portuguese Securities Code, the annual variation in the remuneration of the Supervisory Board, the Company's performance and the average remuneration of full-time equivalent employees of the Company, excluding members of the board of directors and supervisory body, during the last five fiscal years, is presented as follows:

Annual Variation	**2017 vs. 2016**	**2018 vs. 2017**	**2019 vs. 2018**	**2020 vs. 2019**	**2021 vs. 2020**
Remuneration of Supervisory Board Members					
Pedro Nuno Fernandes de Sá Pessanha da Costa	—%	—%	—%	—%	—%
António Luís Isidro de Pinho	N/A	N/A	—%	—%	—%
Ana Paula dos Santos Silva e Pinho	N/A	N/A	N/A	N/A	N/A
Guilherme Paulo Aires da Mota Correia Monteiro	N/A	N/A	—%	N/A	N/A
André Seabra Ferreira Pinto	N/A	N/A	N/A	N/A	N/A
José Guilherme Barros Silva	N/A	N/A	N/A	N/A	N/A
Company Performance					
EBITDA	14.10%	53.16%	(20.84)%	(44.08)%	132.67%
Revenues (1)	8.70%	17.88%	(3.99)%	(18.30)%	37.98%
Net Profit	24.80%	102.46%	(48.16)%	(65.32)%	286.72%
Average Remuneration of Employees in Full-Time Equivalent Terms					
Group Employees	3.44%	(9.02)%	0.34%	10.24%	0.15%

82. Remuneration of the chairman of the board of the general meeting in the year under analysis

The remuneration of the chairman of the board of the general meeting in the year ended on December 31, 2021 amounted to 3,500 Euro and the remuneration of the secretary amounted to 1,500 Euro.

V. Agreements with remuneration implications

83. Contractual limitations provided for the compensation paid upon dismissal of a director without just cause and its relation to the variable component of the remuneration

The remuneration policy maintains the principle of not paying compensation to directors or members of other governing bodies associated with the early termination or at the end of their term of office, without prejudice to compliance by the Company with the legal provisions in force in this area.

84. Reference to the existence and description, with indication of the amounts involved, of agreements between the company and the members of the management body and senior managers, within the meaning of Article 29-R(1) of the Portuguese Securities Code, providing for compensation in the event of resignation, dismissal without just cause or termination of the employment relationship following a change in the control of the company

There are no agreements between the Company and the members of the management body or other senior managers, within the meaning of Article 29-R(1) of the CVM, providing for compensation in the event of resignation, dismissal without just cause or termination of the employment relationship following a change in the control of the Company. There are also no agreements with the directors aimed at ensuring the payment of compensations if their terms of office are not renewed.

VI. Plans for assigning shares or stock options

85. Identification of the plan and its intended recipients

ALTRI does not have a plan to assign shares or stock options to members of governing bodies or employees, thus complying with the provisions of Article 26-G(2)(e) of the Portuguese Securities Code.

86. Characterisation of the plan

ALTRI does not have a plan to assign shares or stock options.

87. Stock options assigned to the company's employees

No stock options have been assigned to the Company's employees, thus complying with the provisions of Article 26-G(2)(e) of the Portuguese Securities Code.

88. Control mechanisms for employee share-ownership schemes considering that voting rights are not directly exercised by the employees

Not applicable as explained above.

E. TRANSACTIONS WITH RELATED PARTIES

I. Control mechanisms and procedures

89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties

Any transactions with related parties, particularly those which are materially relevant, comply with all the legal requirements, namely regarding obtaining a prior favourable opinion from the Company's supervisory body.

The Company's supervisory body has access to the terms of the potential transaction, with very comprehensive information, and may request any further information and clarifications that it deems appropriate or necessary.

Its opinion is, obviously, binding.

On the other hand, the Company operates in all areas, and particularly in this one, guided by criteria of precision and transparency.

The Company approved, by resolution of the Board of Directors on November 19, 2020, after a favorable opinion from the Fiscal Council on November 18, 2020, the Regulation on Transactions with Related Parties and Conflicts of Interest, and that is available on the Company's website (http://www.altri.pt/pt/investors/governance) It should also be noted that the Board of Directors provides, at least quarterly, to the Fiscal Council all the information it requests, including reporting on transactions with related parties, never having been involved in the execution of any transaction that could calling into question the rigor and transparency that guides the Company's activities, without having been observing the procedure for requesting a prior opinion to the Supervisory Board.

90. Details of transactions that were subject to control in the year under analysis

In FY 2021, there were no significant commercial deals or transactions between the Company and qualifying shareholders that the Company has been made aware of.

In addition, we should also note that there were no deals or transactions with members of the Supervisory Board.

None of the transactions with companies that are in a control or group relationship with ALTRI were deemed materially relevant, they were carried out under normal market conditions and all of them fit into the Company's regular activity and, therefore, there is no need to disclose them separately.

91. Description of the procedures and criteria applicable to the intervention of the supervisory body for the purpose of the prior assessment of deals between the company and qualified shareholders or entities related with them

Transactions with ALTRI directors or with companies that are in a control or group relationship with ALTRI and which involve a director, regardless of their amount, are always subject to the prior authorisation of the Board of Directors, provided that the supervisory body has issued a favourable opinion, in accordance with the provisions of Article 397 of the CSC.

Therefore, any transactions with related parties, particularly those which are materially relevant, comply with all the legal requirements, namely regarding obtaining a prior favourable opinion from the Company's supervisory body.

In 2021, the Supervisory Board was not asking to issue any opinion on this purpose.

II. Information on business deals

92. Details of the place where the financial statements, including information on business deals with related parties, are available

The information on deals with related parties is provided in note 34 of the Notes to the Consolidated Statements and note 21 of the Notes to the Separate Accounts.

Part II - Corporate Governance Assessment

1. Identification of the corporate governance code adopted

This corporate governance report presents a description of the corporate governance structure in force at ALTRI, as well the policies and practices whose adoption under this model is necessary and appropriate to ensure governance in line with the best practices in this area.

The assessment performed complies with the legal requirements of Article 29-H of the Portuguese Securities Code and also discloses, in light of the comply or explain principle, the degree of compliance with the IPCG Recommendations included in the Corporate Governance Code of IPCG, as this is the Corporate Governance Code adopted by the Company.

The information obligations required by Law 50/2020 of 25 August, as well as by Articles 447 and 448 of the Portuguese Companies Act, by CMVM Regulation no. 5/2008 of 2 October 2008 and by the Regulation (EU) no. 596/2014, of the European Parliament and of the Council of 16 April, are fully complied with.

All the legal provisions mentioned in this Report and the Recommendations contained in the 2019 Corporate Governance Code may be consulted at www.cmvm.pt and https://cam.cgov.pt/images/ficheiros/2020/revisao_codigo_pt_2018_ebook-05.11.2020.pdf, respectively.

This Report shall be read as an integral part of the Annual Management Report and Separate and Consolidated Financial Statements for the 2021 financial year, as well as with the Sustainability Report that complies with the provisions of Article 66(B) of the Companies Act, as amended by Decree-Law 89/2017 of 28 July.

2. Analysis of compliance with the Corporate Governance Code adopted

ALTRI has been encouraging and promoting all actions aimed at the adoption of the best Corporate Governance practices, basing its policy of high ethical standards of social and environmental responsibility and with decisions increasingly based on sustainability criteria.

ALTRI' Board of Directors is committed to the integrated and effective management of the Group. The Group's performance, by encouraging transparency in relations with investors and the market, has been guided by the constant search for the creation of value and the promotion of the legitimate interests of shareholders, the Company's employees and other stakeholders.

For the purposes of compliance with the provisions of Article 29-H(1)(m) of the Portuguese Securities Code, the following are the Recommendations contained in the Corporate Governance Code of IPCG which the Company proposes to comply with.

Recommendations	Compliance	Remarks
Chapter I · GENERAL PROVISIONS		
General Principle ***Corporate Governance should promote and enhance the performance of companies, as well as of the capital markets, and strengthen the trust of investors, employees and the general public in the quality and transparency of management and supervision, as well as in the sustained development of the companies.***		
I.1. Company's relationship with investors and disclosure		
Principle: *Companies, in particular its directors, should treat shareholders and other investors equitably, namely by ensuring mechanisms and procedures are in place for the suitable management and disclosure of information*		
Recommendation		
I.1.1. The Company should establish mechanisms to ensure the timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts, and to the markets in generall	**Adopted**	Part 1, item 21, 22, 38, 59 to 65
I.2. Diversity in the composition and functioning of the company's governing bodies		
Principles:		
I.2.A *Companies ensure diversity in the composition of its governing bodies, and the adoption of requirements based on individual merit, in the appointment procedures that are exclusively within the powers of the shareholders*		
I.2.B *Companies should be provided with clear and transparent decision structures and ensure a maximum effectiveness of the functioning of their governing bodies and commissions*		
I.2.C *Companies ensure that the functioning of their bodies and commissions is duly recorded, in particular in minutes, which make it possible to know not only the meaning of the decisions taken, but also their reasons and the opinions expressed by their members.*		
Recommendations:		
I.2.1. Companies should establish standards and requirements regarding the profile of new members of their governing bodies, which are suitable according to the roles to be carried out. Besides individual attributes (such as competence, independence, integrity, availability, and experience), these profiles should take into consideration general diversity requirements, with particular attention to gender diversity, which may contribute to a better performance of the governing body and to the balance of its composition	**Adopted**	Part 1, item 16, 19, 26, 33 and 36
I.2.2. The company's managing and supervisory boards, as well as their committees, should have internal regulations — namely regulating the performance of their duties, their Chairmanship, periodicity of meetings, their functioning and the duties of their members —, disclosed in full on the company's website. Minutes of the meetings of each of these bodies should be drawn out.	**Adopted**	Part 1, item 22, 27, 29, 34 and 61
I.2.3. The composition and the number of annual meetings of the managing and supervisory bodies, as well as of their committees, should be disclosed on the company's website.	**Adopted**	Part 1, item 23 and 35
I.2.4. A policy for the communication of irregularities (whistleblowing) should be adopted that guarantees the suitable means of communication and treatment of those irregularities, with the safeguarding of the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality is requested.	**Adopted**	Part 1, item 38 and 49

I.3. Relationships between the company bodies		
Principle: *Members of the company's boards, especially directors, should create, considering the duties of each of the boards, the appropriate conditions to ensure balanced and efficient measures to allow for the different governing bodies of the company to act in a harmonious and coordinated way, in possession of the suitable amount of information in order to carry out their respective duties.*		
Recommendations:		
I.3.1. The bylaws, or other equivalent means adopted by the company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the managing and supervisory boards are provided with access to all the information and company's collaborators, in order to appraise the performance, current situation and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the managing board, without impairing the access to any other documents or people that may be requested for information	**Adopted**	Part 1, item 18, 38 and 61
I.3.2. Each of the company's boards and committees should ensure the timely and suitable flow of information, especially regarding the respective calls for meetings and minutes, necessary for the exercise of the competences, determined by law and the bylaws, of each of the remaining boards and	**Adopted**	Part 1, item 18, 23, 28, 38
I.4. I.4. Conflicts of interest		
Principle: *The existence of current or potential conflicts of interest, between members of the company's boards or committees and the company, should be prevented. The non-interference of the conflicted member in the decision process should be guaranteed.*		
Recommendations:		
I.4.1. The members of the managing and supervisory boards and the internal committees are bounded, by internal regulation or equivalent, to inform the respective board or committee whenever there are facts that may constitute or give rise to a conflict between their interests and the company's interest.	**Adopted**	Part 1, item 20
I.4.2. Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and other clarifications that the board, the committee or their respective members may request.	**Adopted**	Part 1, item 20
I.5. Related party transactions		
Principle: *Due to the potential risks that they may hold, transactions with related parties should be justified by the interest of the company and carried out under market conditions, subject to principles of transparency and adequate supervision.*		
Recommendations:		
I.5.1. The managing body should disclose in the corporate governance report or by other means publicly available the internal procedure for verifying transactions with related parties.	**Adopted**	Part 1, item 89
I.5.2. The managing body should report to the supervisory body the results of the internal procedure for verifying transactions with related parties, including the transactions under analysis, at least every six months.	**Adopted**	Part 1, item 89

Chapter II · SHAREHOLDERS AND GENERAL MEETINGS		
Principles:		
II.A *As an instrument for the efficient functioning of the company and the fulfilment of the corporate purpose of the company, the suitable involvement of the shareholders in matters of corporate governance is a positive factor for the company's governance*		
II.B *The company should stimulate the personal participation of shareholders in general meetings, which is a space for communication by the shareholders with the company's boards and committees, and for reflection about the company itself.*		
II.C *The company should implement adequate means for the participation and remote voting by shareholders in meetings.*		
Recommendations:		
II.1. The company should not set an excessively high number of shares to confer voting rights, and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote.	**Adopted**	Part 1, item 12
II.2. The company should not adopt mechanisms that make decision making by its shareholders (resolutions) more difficult, specifically, by setting a quorum higher than that established by law.	**Adopted**	Part 1, item 14
II.3. The company should implement adequate means for the remote participation by shareholders in the general meeting, which should be proportionate to its size.	**Partially adopted**	Part 1, item 12 Clarification on recommendations partially adopted below
II.4. The company should also implement adequate means for the exercise of remote voting, including by correspondence and electronic means.	**Partially adopted**	Part 1, item 12 Clarification on recommendations partially adopted below
II.5. The bylaws, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this rule will be subject to a shareholder resolution — without increased quorum in comparison to the legally established — and in that resolution, all votes cast will be counted without observation of the imposed limits.	**Recommendation not applicable**	Clarification on recommendations not applicable below
II.6. company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body, and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the managing body	**Adopted**	Part 1, item 4 and 84
Chapter III · NON - EXECUTIVE MANAGEMENT, MONITORING AND SUPERVISION		
Principles:		
III.A *The members of governing bodies who possess non-executive management duties or monitoring and supervisory duties should, in an effective and judicious manner, carry out monitoring duties and incentivise executive management for the full accomplishment of the corporate purpose, and such performance should be complemented by committees for areas that are central to corporate governance*		
III.B *The composition of the supervisory body and the non-executive directors should provide the company with a balanced and suitable diversity of skills, knowledge, and professional experience.*		

***III.C.** The supervisory body should carry out a permanent oversight of the company's managing body, also in a preventive perspective, following the company's activity and, in particular, the decisions of fundamental importance.*		
Recommendations:		
III.1. Without prejudice to the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in recommendation V.1.1.	**Adopted**	Part 1, item 18
III.2. The number of non-executive members in the managing body, as well as the number of members of the supervisory body and the number of the members of the committee for financial matters should be suitable for the size of the company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed. The formation of such suitability judgment should be included in the corporate governance report.	**Adopted**	Part 1, item 18
III.3. In any case, the number of non-executive directors should be higher than the number of executive directors.	**Adopted**	Part 1, item 18
III.4. Each company should include a number of non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to: i. having carried out functions in any of the company's bodies for more than twelve years, either on a consecutive or non- consecutive basis; ii. having been a prior staff member of the company or of a company which is considered to be in a controlling or group relationship with the company in the last three years; iii. having, in the last three years, provided services or established a significant business relationship with the company or a company which is considered to be in a controlling or group relationship, either directly or as a shareholder, director, manager or officer of the legal person; iv. having been a beneficiary of remuneration paid by the company or by a company which is considered to be in a controlling or group relationship other than the remuneration resulting from the exercise of a director's duties; v. having lived in a non-marital partnership or having been the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of company directors or of natural persons who are direct or indirect holders of qualifying holdings, or vi. having been a qualified holder or representative of a shareholder of qualifying holding.	**Adopted**	Part 1, item 18

III.5. The provisions of paragraph (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the termination of his/her functions in any of the company's bodies and the new appointment, a period of 3 years has elapsed (cooling-off period).	**Recommendation not applicable**	Clarification on recommendations not applicable below
III.6. The supervisory body, in observance of the powers conferred to it by law, should assess and give its opinion on the strategic lines and the risk policy prior to its final approval by the management body.	**Adopted**	Part 1, item 15 and 38
III.7. Companies should have specialised committees, separately or cumulatively, on matters related to corporate governance, appointments, and performance assessment. In the event that the remuneration committee provided for in article 399 of the Commercial Companies Code has been created and should this not be prohibited by law, this recommendation may be fulfilled by conferring competence on such committee in the aforementioned matters.	**Adopted**	Part 1, item 27 and 29
Chapter IV · EXECUTIVE MANAGEMENT		
Principles:		
IV.A *As way of increasing the efficiency and the quality of the managing body's performance and the suitable flow of information in the board, the daily management of the company should be carried out by directors with qualifications, powers and experience suitable for the role. The executive board is responsible for the management of the company, pursuing the company's objectives and aiming to contribute towards the company's sustainable development*		
IV.B *In determining the number of executive directors, it should be taken into account, besides the costs and the desirable agility in the functioning of the executive board, the size of the company, the complexity of its activity, and its geographical spread*		
Recommendations:		
IV.1. The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors applicable to their performance of executive functions in entities outside of the group	**Adopted**	Clarification on recommendations not adopted below
IV.2. The managing body should ensure that the company acts consistently with its objects and does not delegate powers, namely, in what regards: i) the definition of the strategy and main policies of the company; ii) the organisation and coordination of the business structure; iii) matters that should be considered strategic in virtue of the amounts involved, the risk, or special characteristics.	**Adopted**	Part 1, item 21 and 28
IV.3. In the annual report, the managing body explains in what terms the strategy and the main policies defined seek to ensure the long-term success of the company and which are the main contributions resulting therein for the community at large.	**Adopted**	Part 1, item 21, 50 and 54
Chapter V · EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENT		
V.1 Annual evaluation of performance		
Principle:		
The company should promote the assessment of performance of the executive board and of its members individually, and also the assessment of the overall performance of the managing body and its specialized committees		
Recommendation:		

V.1.1. The managing body should annually evaluate its performance as well as the performance of its committees and executive directors, taking into account the accomplishment of the company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees	**Adopted**	Clarification on recommendations not adopted below
V.2 Remuneration		
Principles:		
V.2.A *The remuneration policy of the members of the managing and supervisory boards should allow the company to attract qualified professionals at an economically justifiable cost in relation to its financial situation, induce the alignment of the member's interests with those of the company's shareholders — taking into account the wealth effectively created by the company, its financial situation and the market's — and constitute a factor of development of a culture of professionalization, sustainability, promotion of merit and transparency within the company*		
V.2.B *Directors should receive compensation:* *i) that suitably remunerates the responsibility taken, the availability and the expertise placed at the disposal of the company;* *ii) that guarantees a performance aligned with the long-term interests of the shareholders and promotes the sustainable performance of the company; and* *iii) that rewards performance.*		
Recommendations		
V.2.1. The company should create a remuneration committee, the composition of which should ensure its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the Commercial Companies Code.	**Adopted**	Part 1, item 66, 67 and 68
V.2.2. The remuneration should be set by the remuneration committee or the general meeting, on a proposal from that committee.	**Adopted**	Part 1, item 66, 67 and 68
V.2.3. For each term of office, the remuneration committee or the general meeting, on a proposal from that committee, should also approve the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report.	**Recommendation not applicable**	Clarification on recommendations not applicable below
V.2.4 In order to provide information or clarifications to shareholders, the chair or, in case of his/her impediment, another member of the remuneration committee should be present at the annual general meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the company's boards and committees or, if such presence has been requested by the shareholders	**Adopted**	Part 1, item 24
V.2.5. Within the company's budgetary limitations, the remuneration committee should be able to decide, freely, on the hiring, by the company, of necessary or convenient consulting services to carry out the committee's duties	**Adopted**	Part 1, item 67
V.2.6. The remuneration committee should ensure that those services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorization of the committee.	**Adopted**	Part 1, item 67

V.2.7. Taking into account the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company, and not stimulating the assumption of excessive risks.	**Adopted**	Part 1, item 69 to 76
V.2.8. A significant part of the variable component should be partially deferred in time, for a period of no less than three years, being necessarily connected to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation	**Adopted**	Part 1, item 69
V.2.9. When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years.	**Recommendation not applicable**	Clarification on recommendations not applicable below
V.2.10. The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value.	**Adopted**	Clarification on recommendations adopted below
V.3 Appointments		
Principle:		
Regardless of the manner of appointment, the profile, the knowledge, and the curriculum of the members of the company's governing bodies, and of the executive staff, should be suited to the functions carried out.		
Recommendations:		
V.3.1. The company should, in terms that it considers suitable, but in a demonstrable form, promote that proposals for the appointment of the members of the company's governing bodies are accompanied by a justification in regard to the suitability of the profile, the skills and the curriculum vitae to the duties to be carried out	**Adopted**	Part 1, item 16, 19, 22, 29, 31 and 33
V.3.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee unless this is not justified by the company's size.	**Recommendation not applicable**	Clarification on recommendations not applicable below
V.3.3. This nomination committee includes a majority of non-executive, independent members.	**Recommendation not applicable**	Clarification on recommendations not applicable below
V.3.4. The nomination committee should make its terms of reference available, and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for proposal are those who present a higher degree of merit, who are best suited to the demands of the functions to be carried out, and who will best promote, within the organisation, a suitable diversity, including gender diversity.	**Recommendation not applicable**	Clarification on recommendations not applicable below
Chapter VI · INTERNAL CONTROL		
Principle:		
Based on its mid and long-term strategies, the company should establish a system of risk management and control, and of internal audit, which allow for the anticipation and minimization of risks inherent to the company's activity.		
Recommendations:		
VI.1. The managing body should debate and approve the company's strategic plan and risk policy, which should include the establishment of limits on risk-taking	**Adopted**	Part 1, item 21, 51 to 54

VI.2. The supervisory board should be internally organised, implementing mechanisms and procedures of periodic control that seek to guarantee that risks which are effectively incurred by the company are consistent with the company's objectives, as set by the managing body	**Adopted**	Part 1, item 51
VI.3. The internal control systems, comprising the functions of risk management, compliance, and internal audit should be structured in terms adequate to the size of the company and the complexity of the inherent risks of the company's activity. The supervisory body should evaluate them and, within its competence to supervise the effectiveness of this system, propose adjustments where they are deemed to be necessary.	**Adopted**	Part 1, item 27, 29, 38 e 50 to 55
VI.4. The supervisory body should provide its view on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance and internal audit functions, and may propose the adjustments deemed to be necessary.	**Adopted**	Part 1, item 37, 38 to 50
VI.5. The supervisory body should be the recipient of the reports prepared by the internal control services, including the risk management functions, compliance and internal audit, at least regarding matters related to the approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities	**Adopted**	Part 1, item 37, 38 to 50
VI.6. Based on its risk policy, the company should establish a risk management function, identifying (i) the main risks it is subject to in carrying out its activity; (ii) the probability of occurrence of those risks and their respective impact; (iii) the devices and measures to adopt towards their mitigation; and (iv) the monitoring procedures, aiming at their accompaniment.	**Adopted**	Part 1, item 50 to 55
VI.7. The company should establish procedures for the supervision, periodic evaluation, and adjustment of the internal control system, including an annual evaluation of the level of internal compliance and the performance of that system, as well as the perspectives for amendments of the risk structure previously defined	**Adopted**	Part 1, item 38 and 50 to 55
Chapter VII · FINANCIAL INFORMATION		
VII.1 Financial information		
<u>Principles</u>:		
VII.A. *The supervisory body should, with independence and in a diligent manner, ensure that the managing body complies with its duties when choosing appropriate accounting policies and standards for the company, and when establishing suitable systems of financial reporting, risk management, internal control, and internal audit*		
VII.B. *The supervisory body should promote an adequate coordination between the internal audit and the statutory audit of accounts*		
Recommendation:		
VII.1.1. The supervisory body's internal regulation should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the managing body, including suitable accounting policies, estimates, judgments, relevant disclosure and its consistent application between financial years, in a duly documented and communicated form	**Adopted**	Part 1, item 34 and 38
VII.2 Statutory audit of accounts and supervision		
<u>Principle</u>:		

The supervisory body should establish and monitor clear and transparent formal procedures on the relationship of the company with the statutory auditor and on the supervision of compliance, by the auditor, with rules regarding independence imposed by law and professional regulations.		
Recommendations:		
VII.2.1. By internal regulations, the supervisory body should define, according to the applicable legal regime, the monitoring procedures aimed at ensuring the independence of the statutory audit.	**Adopted**	Part 1, item 34, 37, 38 and 42 to 47
VII.2.2. The supervisory body should be the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports, having the powers, namely, to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the company.	**Adopted**	Part 1, item 37 and 38
VII.2.3. The supervisory body should annually assess the services provided by the statutory auditor, their independence and their suitability in carrying out their functions, and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.	**Adopted**	Part 1, item 37 and 38

➢ **Recommendation II.3. The company should implement adequate means for the exercise of voting rights through postal votes, including by electronic means.**

As stated in section 12 of Part 1 of this Report, the Company has implemented the necessary means to ensure the right to vote by correspondence.

With regard to electronic voting, the Company has not implemented the mechanisms necessary for its implementation (i) because this form of voting has never been requested by any of the shareholders and (ii) because it considers that this circumstance does not entail any constraint or restriction on the shareholders' ability to exercise their right to vote, which is promoted and encouraged by the Company.

ALTRI has been encouraging the physical participation of its shareholders, either directly or through representatives, in its General Meetings, considering that they are the ideal moment for Shareholders to come into contact with the management team, taking advantage of the presence of the members of the other governing bodies, namely the Supervisory Board and the Statutory Auditor, as well as the members of the Remuneration Committee. This interaction has been beneficial for the Company.

➢ **Recommendation II.4. The company should implement adequate means in order for its shareholders to be able to digitally participate in general meetings.**

As stated in section 12 of Part 1 of this Report, the Company has implemented the necessary means to ensure the right to vote by correspondence.

With regard to the possibility of holding General Meetings by telematic means, the Company has not triggered the mechanisms necessary for its implementation because (i) this method has never been requested by any of the shareholders, (ii) the costs of implementing telematic means are high and (iii) this circumstance does not entail any constraint or restriction on the shareholders' ability to exercise their right to vote, which is promoted and encouraged by the Company.

In view of the preceding paragraph and emphasising what is mentioned above, ALTRI has been encouraging the physical participation of its shareholders, either directly or through representatives, in its general meetings, considering that they are the ideal moment for Shareholders to come into contact with the management team, taking advantage of the presence of the members of the other governing bodies, namely the Supervisory Board and the Statutory Auditor, as well as the members of the Remuneration Committee. This interaction has been beneficial for the Company.

Therefore, it is understood that all necessary and adequate means to ensure participation in General Meetings are already in place.

- **Recommendation II.5. The bylaws, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this rule will be subject to a shareholder resolution — without increased quorum in comparison to the legally established — and in that resolution, all votes cast will be counted without observation of the imposed limits.**

The Company's Articles of Association do not establish any limitation on the number of votes that may be held or exercised by a single shareholder individually or together with other shareholders.

- **Recommendation III.5. The provisions of (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the termination of his/her functions in any of the company's bodies and the new appointment, a period of 3 years has elapsed (cooling-off period).**

None of the Company's directors are in the aforementioned situation.

- **Recommendation IV.1. The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors and how these are to carry out their executive functions in entities outside of the group.**

The Board of Directors delegated in the Executive Committee a day-to-day management of the Company.

The Regulation on transactions between related parties and conflict of interest set forth the rules regarding conflicts of interest.

- **Recommendation V.1.1. The managing body should annually evaluate its performance as well as the performance of its committees and delegated directors, taking into account the accomplishment of the company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees**

The assessment of the Board of Directors' performance is submitted to the General Meeting for consideration in accordance with the law, regarding compliance with the Company's strategic plan and budget, risk management, internal functioning and relationships with other governing bodies. The Board of Directors does not choose a specific moment to formally carry out a documented self-assessment; this self-assessment is carried out regularly by a body which meets at least once per quarter and which monitors the company's activity as closely and regularly as possible, reflecting the fairness and adequacy of the body's performance.

In addition, and as provided for in the CSC (Article 376), the General Meeting carries out an annual general assessment of the Company's management.

- **Recommendation V.2.3. For each term of office, the remuneration committee or the general meeting, on a proposal from that committee, should also approve the maximum amount of all compensations payable to any member of a board or committee of the company**

due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report

The remuneration policy that has been approved does not include a pension or compensation scheme.

➢ **Recommendation V.2.9. When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years**

The variable component of the remuneration does not include options or other instruments directly or indirectly dependent on the value of the shares.

➢ **Recommendation V.2.10. The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value**

The remuneration policy approved by the General Meeting upon proposal of the Remuneration Committee establishes that the individual remuneration of non-executive directors has an exclusively fixed nature.

➢ **Recommendation V.3.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee unless this is not justified by the company's size**

The Company does not have an appointment committee for the reasons listed in sections 27, 29 and 67 of Part I of this Report.

➢ **Recommendation V.3.3. This nomination committee includes a majority of non-executive, independent members**

The Company does not have an appointment committee for the reasons listed in sections 27, 29 and 67 of Part I of this Report

➢ **Recommendation V.3.4. The nomination committee should make its terms of reference available, and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for proposal are those who present a higher degree of merit, who are best suited to the demands of the functions to be carried out, and who will best promote, within the organisation, a suitable diversity, including gender diversity**

The Company does not have an appointment committee for the reasons listed in sections 27, 29 and 67 of Part I of this Report.

3. Other Information

In line with the above, a ALTRI would like to point out that, given its significant compliance with the majority of the recommendations, the Company's has almost fully adopted the recommendations of the IPCG Corporate Governance Code, which can be seen in its diligent and careful management, absolutely focused on the creation of value for the Company and, consequently, for the shareholders.

Sustainability Report

Annual Report 21

making our world + renewable

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1. Altri in 2021

Business

Production of 1.1 million tons of cellulosic fibers	**793 M €** revenue	Company listed in Euronext Lisbon and a member of PSI20

Valuing people

774 employees	**15%** women	**24** women in leadership roles

Developing and recovering the forest

9.140 hectares forest conservation area	**8,176,442 tCO_2e** carbon sequestration	**69%** certified wood

Focus on excellence and technological innovation

Digester of **fibrous material of fine particle size**	**Altri Operating System**	Recovery of **acetic acid and furfural**

Affirm sustainability as a factor of competitiveness

147.454 tCO_2e Emissions of scope 1, 2	**8,176,442 tCO_2e** Carbon sequestration Forest	**19 m^3/tsa** specific use of water in industrial units

Main events

Altri joins act4nature

We joined act4nature Portugal, an initiative of BCSD Portugal - Business Council for Sustainable Development through which companies are encouraged and mobilized to protect, promote and restore biodiversity and ecosystem services, contributing to stop and reverse their loss by 2030.

Biotek: Competitiveness, Innovation, Strategic Development

50 years ago, we introduced the new generation of our unit in Vila Velha de Ródão: We have transformed renewable biological assets into thousands of recyclable applications.

Signing of the Memorandum of Understanding to study the construction of an industrial biounit in Galicia

It is expected that this industrial biounit will be able to produce around 200,000 tons of dissolving pulp and sustainable fibers annually, mainly with a view to supplying the textile sector, falling within the “Next Generation EU ” program and the Spanish National Recovery and Resilience Plan. It is also planned to develop a technical, operational and commercial plan in the context of the *Proyecto de Gestión Sostensible de los Bosques Gallegos*.

Caima started with the DP2.0 project - re-qualification of the pulp washing stage

Prior to the bleaching stage, two state-of-the-art pulp washers were installed, which will improve the quality of the final product and reduce the organic load to the mill effluent.

Altri in the race for the planet toward Glasgow

We were one of the participants in the race *Climes to Go*. A race against time for the fight against climate change toward Glasgow, which in November hosted the United Nations Climate Change Conference - COP26.

Celbi celebrates 25 years of EMAS

We have been committed to sustainability for several decades, and Celbi has been one of the first Portuguese companies to be registered with EMAS, the EU eco-management and audit scheme.

Altri signs a manifesto for the promotion of innovation, economic development and sustainability for Portugal

We have signed the manifesto "Innovation, economic development and sustainability for Portugal", which is part of the National Sustainability Award. With the signing of this document, the commitment is made to work in line with the 2030 United Nations Sustainable Development Goals (SDGs), the globally signed Paris agreement, and the European Green Deal.

Altri is part of the United Nations' gender equality accelerator program

We have joined *Target Gender Equality*, a United Nations accelerator program to promote gender equality in business leadership

Altri's environmental management achieves leadership status in the CDP ranking

We were distinguished by *CDP – Disclosure, Insight, Action* with **Leadership (A-)** rating in the fight against climate change, rising one level from last year's assessment. We are therefore joining the limited number of international companies that perform very well in terms of good environmental practices.

Altri in the top 10 of pulp and paper worldwide in terms of sustainability

We have been classified as a **low-risk** investment company at ESG risk ratings from Sustainalytics.

"*Caima Go Green*" represents an investment of 40 million euros and will make Caima the first Iberian producer of cellulosic fibers free of fossil fuels

The construction of a new biomass boiler will allow Caima to abandon fossil fuels throughout its production process, in order to guarantee full energy autonomy from exclusively renewable sources, becoming the first Iberian company in its industry to achieve this historic milestone.

Balanced changing processes

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Since the beginning of this century, the paradigms of the economy and business management have been changing. More or less in parallel, the notion of stakeholders (as opposed to shareholders) was recovered, the spectrum of company objectives was extended to what was conventionally called the *triple bottom-line* and, finally, a framework was given to this process in the E-S-G model *(Environment – Social responsibility – Governance*). This English terminology shows that much of this dynamic has an original Anglo-Saxon matrix that, however, has been making its way, spreading and imposing itself in the business world. The evidence is multiple and varied, from the regulatory component to the systematic coverage of these matters in economic publications, from the business roundtable positions of this world (including Portuguese) to ESG funds and so on. Since the Paris Agreement in 2015, the number of climate-related regulations and directives has more than tripled. The Financial Times has a section called *Moral Money* and a regular coverage of ESG materials, including specialized investment funds that have multiplied in recent years.

With more or less excess and, more or less convincingly (the accusations of greenwashing keep growing…), things have changed. In this context, the old principle “Caesar's wife must be above suspicion” is insightful. It is not enough for a company to have the underlying principles of the ESG model inscribed in its DNA, or to practice them routinely, to give them form and expression.

ALTRI is proud that this evolution was not led by fashion models, or much less, as a reply to external pressures. In many topics implied in the ESG paradigm we are heirs of an enterprise culture that fosters and expands principles as a way of being: For us, for a long time, the *stakeholders* are our partners and our shareholders, the *triple bottom-line* is people, the planet and the profits, and therefore we do not need to apply for greenwashing. We have not been waiting, nor do we need to stick to Anglicisms. It is not today or now that we are included on the international industry rankings of best environmental performance. It was not because we created the Sustainability and Ethics Committees during 2021 that these results appeared, as set out in the message of the Chairman of the Sustainability Committee and detailed in this report. And yet that creation is relevant, not only as a pretext for external communication (to be and to appear), but because “the habit (also) makes the monk”, ultimately reflecting on the governance of the company. The existence of those decision-making bodies in these forums brings regularity and allows the debate to be deepened and extended to the themes of sustainability, ethics and conduct, in a process in which the independence of its constituent members is gaining relevance, for the credibility it brings. The messages from the CEO and the Chairman of the Sustainability and Ethics Committees give expression to these intentions, and some of them, such as the review of the Code of Ethics, have already been implemented.

As it usually happens in processes of change, there are excesses and opportunism. The pendulum will swing but will tend to a balanced position. The dust spread by the media will settle, making visible the kings who were after all naked. We are proud of what we do, we know what we can do, we want to do more and better, but we have enough modesty to realize that there are many things that we do not know, and that we can improve by comparing ourselves with the best and to be one of them.

2021 it was not a good year for us, because we cannot ignore what continued to happen around. As in 2020, we committed ourselves to supporting the ALTRI community (employees, suppliers, customers, engaging communities and shareholders) without alarm. We know the meaning of social responsibility. *We walk the talk.* We do not need proclamations to do, as the Portuguese song says, “what has not yet been done,” which must be done. This Report bears witness to this.

Alberto Castro
Chairman of the Board of Directors

Grow in a sustained and consistent manner

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A year of achievements

After a challenging 2020 for the world, 2021 showed us that it is not feasible to wait for the ideal conditions to move forward. Our sense of commitment to people, the planet, and prosperity has increased. Resilience has become boldness, making Altri a global industry benchmark for innovation and sustainability.

2021 was effectively a year of achievements! Our financial and non-financial results reflect the commitment of the whole organization to do more and better, and in particular are the result of our constant focus on continuous improvement, across the group.

In terms of sustainability, we have achieved the classification of ***Leadership (A-)*** for the Climate, in the ranking of the CDP - *Carbon Disclosure Project*, the only one granted to a Portuguese company in the pulp and paper industry, which places Altri above the European average of B and also the pulp and paper industry at international level, that is C. We also saw in ESG *Risk Ratings* of Sustainalytics a reflection of our commitment to achieving a 19.3 rating, a clear evolution from the previous year's assessment. With this result we have entered the top 10 worldwide for pulp and paper companies. Altri thus becomes a “ESG low-risk company” for investors.

Forest is where we look for the raw material for our business. It is closely linked to everything we do, and the activity of thousands of outside workers and service providers depends on it. The forest contributes unequivocally to carbon neutrality, as well as to the dynamization of the rural economy as no other activity in Portugal. It is important to preserve and recover it through an integrated vision, which also includes the protection of biodiversity and its ecosystems.

At the forefront of innovation

The respect that the forest deserves is undeniable, as is the value it represents for Altri. We take the lead in the change we want to see in the world, focusing on innovation. That is how we started to introduce hybrid forest exploration machinery in 2021, as well as a pilot project with ARD equipment (implements, rippers, disks) that will represent an optimization in soil preparation for replanting, allowing three operations simultaneously and thus reducing fossil fuel consumption. These steps are taken with the certainty that there is still a long way to go but knowing that we are in the right direction with the offer of friendly solutions to the planet.

The optimization of industrial processes is a constant concern in the companies of the Altri group, with the reduction of waste production as a constant objective. It is more important than ever to move quickly toward a circular bioeconomy, in order to ensure the sustainability of the flow of materials, where the focus on waste recovery becomes particularly relevant.

In order to achieve this objective, and in the constant search for solutions, we have deepened our partnership in the Agristarbio project focused on the production of fertilizer from secondary sludge of the WWTP in Biotek. We also continue with the optimization of the lime kiln with the objective of reducing the consumption of lime from the outside.

At Celbi, we have completed a new project for the collection and treatment of odorous gases, as well as started with a new digester for the recovery of fine cellulosic wastes that will allow the maximum use of all raw materials, based on unique technology worldwide, at the same time improving our efficiency and reducing the specific consumption of wood.

Already in the transition to 2022, and expected to be completed in 2024, we announced the “Caima Go Green” project. An investment of 40 million euros to make Caima the first Iberian producer of cellulosic fibers totally free of fossil fuels. This bet allows the implementation of innovative specialty projects, such as the production of acetic acid and furfural, which besides recovering secondary

compounds of the manufacturing process, makes it possible to market them internationally as high value added green intermediate compounds.
This commitment to Innovation, Sustainability and Continuous Improvement associated with the Circular Economy is due to multidisciplinary teams of excellence, which allow us to idealize and implement unique projects in the world.

We are made of people

People are certainly what sets us apart. That is where our wealth and resilience lie. That is why we are working to ensure that they have an even safer workplace, with equality policies and opportunities for training and progress. We are also already preparing for the future of work in our group, where functional and operational skills mobility opens new professional perspectives. Where the flexibility and versatility of teams enables even higher levels of efficiency. Where compatibility between the obligations of work and the needs of families is not only possible but desirable. A future where our people feel increasingly self-fulfilled and proud of their contribution to building a more renewable world.
People make culture, but the essence of culture lies in the combination of both the values and the behavior of the organization. This is how we identified the basic values that define our culture, through a work involving various parts of the organization. They are *Integrity, Simplicity, Courage and Excellence*. This is the compass that guides our behavior and where we are willing to build the future.
Therefore, we have also updated the Altri Code of Ethics to better serve our stakeholders: internal and external entities, employees, communities, customers, suppliers and investors.

Sustainability is in our DNA

Sustainability is at the heart of everything we do at Altri. An example of this is the evolution of the Sustainability Advisory Group, originally established in 2020, to a Sustainability Committee that operates within the Board of Directors. This change reflects the strengthening of the commitment to sustainability, in a transversal way to the Company.
Our ambition in terms of sustainability was largely reflected in the launch of our *2030 Commitment*. This document identifies the targets we are proposing to achieve by 2030 in a variety of areas, with a particular focus on seven Sustainable Development Goals (SDGs). There are twelve targets that point to our future, from carbon emissions, water and energy consumption, gender equality, safety or biodiversity in our forests. In that sense, we began in 2021, with the support of Altri leaders from a wide variety of areas, to monitor and drive the goals we want to achieve through a detailed plan with intermediate goals.

The future is now!

Seeking to advance our mission of making the world more renewable, Altri announced in the last quarter of 2021 the signing of a Memorandum of Understanding with a public-private consortium in the region of Galicia, Spain, to study exclusively the construction of an industrial plant from the ground up to produce sustainable fibers for the textile sector. This investment, which may in total exceed 700 million euros, aims to build one of the world's best plants in terms of sustainability and to be a benchmark in terms of operational profitability. This objective will be achieved through the efficiencies inherent in the integration of several industrial units, which use fully certified proximity raw material, without fossil fuels, self-sufficient in energy terms and using the best available technologies (BAT). The investment also includes, at a later stage, the incorporation of recycled textile fibers into its production process. This will be a decisive step in the future of Altri, illustrating our strategy of focusing on high added value segments, which present unique opportunities to solve needs based on materials of natural, cellulosic and renewable origin.
I will finish as I started. 2021 was a year of achievements for Altri! A year that has made us proud of sustained and consistent growth, and to which the entire organization has contributed in an

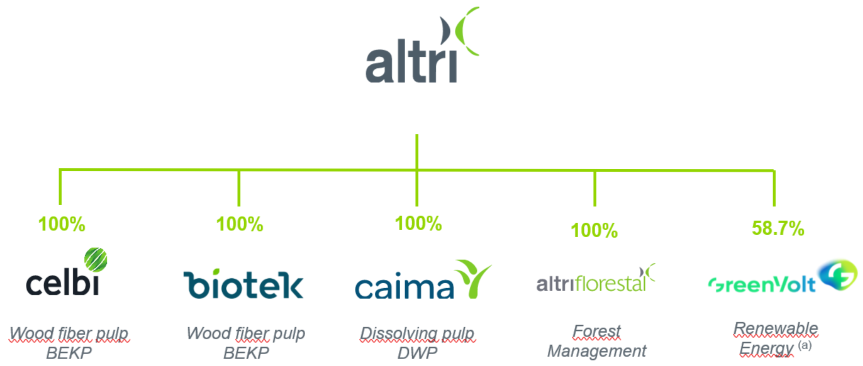
extraordinary way. This is the basis of the work that we have also defined for the coming years, solid and projected in a future that is intended to be better than the present.
We therefore renew our commitment. Because the future is now!

José Soares de Pina
CEO

4. ABOUT US

Our business

102-2 102-4 102-6



(a) Presented in this financial information as a Group of assets classified as being held for distribution to shareholders, with reference to December 31, 2021.

Producing quality cellulosic fibers

Production of bleached cellulosic fibers (BEKP) used primarily to produce domestic paper and printing and writing paper

1,029,033
tons produced

Production of dissolving cellulosic fibers (DWP) used mainly in the production of textiles

96,622
tons produced[1]

Sustainable forest management

88,300
hectares of FSC® and PEFC™ certified forest on national territory[2,3]

Produce renewable energy

Energy production through residual forest biomass and black liquor

896
GWh Electric energy from renewable sources injected into the national electricity network

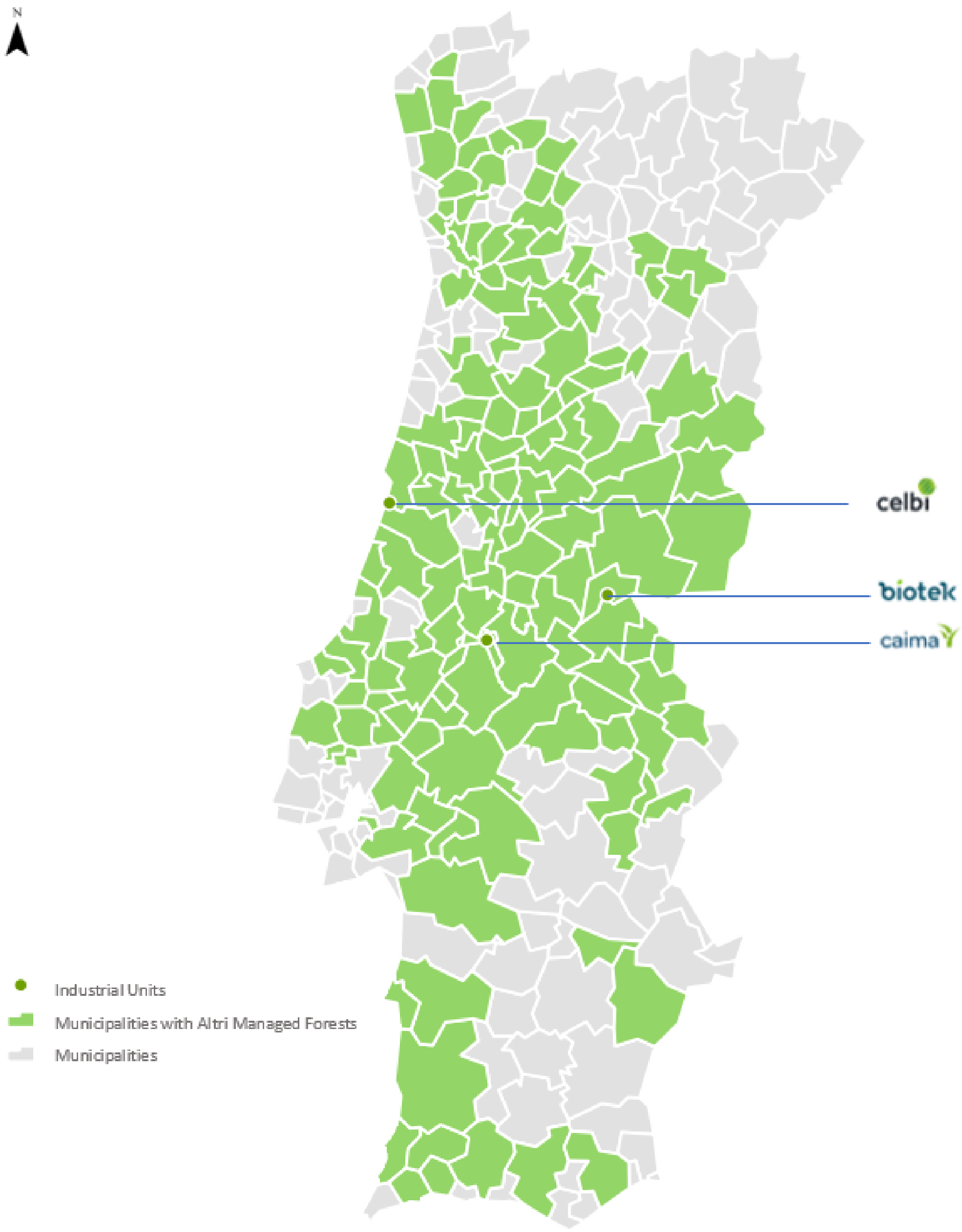
In order to promote business sustainability, we are committed to:

- Replace fossil materials with materials of renewable origin
- Promote efficiency in the use of resources
- Promote the circular economy and decarbonization
- Promote sustainable forest management
- Increase renewable energy production

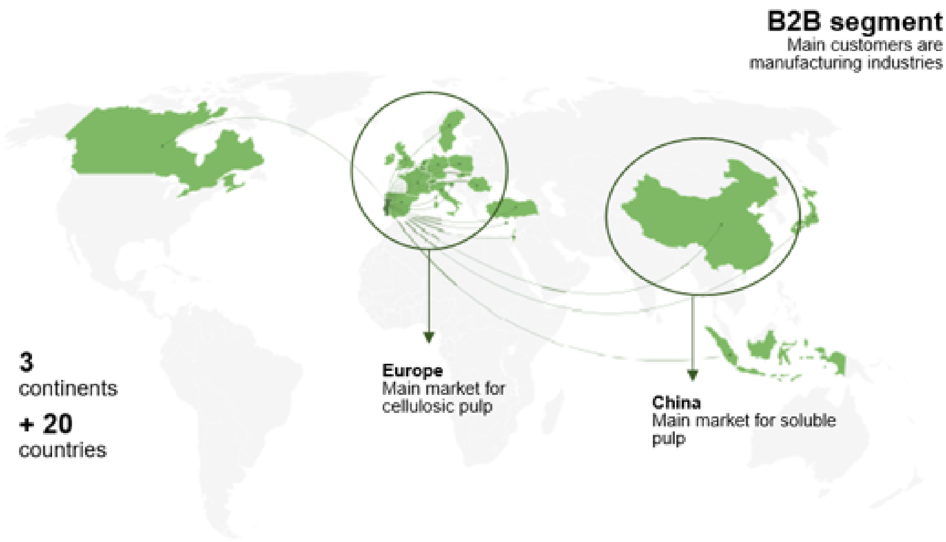
[1] More information about our forest-to-pulp production process is available in the 2021 Sustainability Report. Available here: https://altri.pt/pt/sustentabilidade/relatorios.

[2] **FSC–License Code : FSC-C104460 (Chain of Custody) - FSC-C004615 (Forest Management)**
[3] **PEFC–License Code : PEFC/13-32-025 (Chain of Custody) - PEFC/13-23-002 (Forest Management)**

Where is Altri



Market


B2B segment
Main customers are manufacturing industries
3
continents
+ 20
countries
Europe
Main market for cellulosic pulp
China
Main market for soluble pulp

GOVERNANCE, ETHICS, POLICIES AND CERTIFICATIONS

Material topic: Ethics, anti-corruption practices and anti-competitive behavior

102-16 102-17 102-18 205-1 205-3

Governance

Our Governance structure consists of the following bodies:

General Meeting **Supervisory Board** **Board of Directors** **Statutory Auditor**

The Governance model has been strengthened, and in 2021 the Sustainability Committee was set up within the Board of Directors. The structure consists of the following Committees:

Executive Committee **Strategic and Operational Monitoring Committee** **Remuneration Committee** **Ethics Committee** **Sustainability Committee**

Sustainability Committee

In 2020, Altri created the Sustainability Advisory Group with the objective of supporting the Board of Directors in the definition and follow-up of its sustainability strategy.

In 2021, decision was taken to move to a Sustainability Committee, established within the Board of Directors, with a view to further strengthening the importance and visibility of the sustainability strategy in Altri's overall strategy. The Sustainability Committee naturally has the support of the various leaders of the operational areas who were also part of the Advisory Group.

The concern about sustainability is completely rooted in Altri's teams and employees, not just on its Board of Directors. It is a subject that is transversal to the whole organization. And that concern is not recent, it is decades old! 25 years ago, Celbi was one of the first national companies to join EMAS (Eco-Management and Audit scheme). And it is not just a matter of concern. Altri has invested continuously and very intensively in reducing the environmental impact caused by its activity. Only with a lot of effort is it possible to be a World benchmark in water use, or to achieve CDP's leading position in combating climate change, or to be considered a low-risk company in the ESG Sustainalytics Risk Rating. It should be noted that Altri launched, through Bioelétrica do Mondego, the first issuance of Green Bonds admitted to trading at Euronext Lisbon.

In Altri, despite the good results, we know that there is still much to do! That's why much of the planned investments are in the area of sustainability, such as the new biomass plant in Caima, an investment of about 40 million euros, which will allow this plant to stop using fossil fuels.

The 2030 Commitment made by Altri contains a set of very ambitious targets both in the environmental field and in terms of gender equality, and safety and well-being at work. Just to give an example, although, as mentioned, Altri is already a worldwide reference in water use, the commitment is to halve this consumption by 2030. Achieving these goals will require a lot of investment and a very focused strategy.

It is the responsibility of the Sustainability Committee, in addition to proposing to the Board of Directors new sustainability objectives and targets and to monitor the performance of the defined objectives, to review and monitor the investments necessary for its pursuit with a view to always creating long-term value.

Maria do Carmo Oliveira
Chairman of the Sustainability Committee
Non-Executive Director of Altri

Altri's Ethics and Policies

Altri takes ethics as the basic principle of its conduct as a way of creating truly sustainable value. Therefore, guiding decisions based on ethical principles and criteria of social responsibility is, for Altri, the basis of true complementarity and interdependence between its activity and the community in which it is inserted. This enhances the continuous improvement of its performance, promotes the quality of life of the people of the community and contributes decisively to their sustainability.

Altri thus promotes a culture of loyalty and transparency, based on compliance with its Code of Ethics and Conduct, which has been in force for several years in the organization and is currently under review, and that defines the principles and rules that establish relations with the various internal and external entities, collaborators, customers, suppliers and other *stakeholders*[4].

In the belief that in an increasingly complex and challenging world for companies, strong instruments and practices need to be strengthened to ensure compliance with the principles of ethics and transparency, Altri's Board of Directors has promoted the appointment of the Ethics Committee, that works in its direct dependence.

The Ethics Committee shall:

- Track and verify the correct interpretation and implementation of Altri's compliance system
- Prevent, detect and investigate violating behaviors of the Code of Ethics and/or other codes adopted by Altri and the regulations that supplement and/or relate to them;
- Serve as a reporting recipient of possible violations of the rules of the codes implemented by Altri and of supplementary regulations.

Laurentina da Silva Martins
Chairman of the Ethics Committee
Non-Executive Director of Altri

In 2021, no irregularities were reported to the Ethics Committee.

Reporting of irregularities

Our Code of Ethics presents the process through which it is possible to report irregularities as established therein.

All reports of irregularities should be addressed to the Supervisory Board	Irregularities are breaches of an ethical or legal nature with a significant impact on accounting, on the fight against corruption and on banking and financial crime	The reports shall be carried out by means of a closed envelope letter marked as confidential to the following address: Rua Manuel Pinto de Azevedo, 818 4100-320 Porto

In the year 2021, no irregularities were reported to the Supervisory Board.

Anti-corruption

Our Code of Ethics and Conduct includes rules about anti-corruption, although these are not exhaustive and are only general guidelines on the conduct to be adopted in the face of potential or real situations of corruption or bribery. In view of the recent published legislation, which will only enter into

[4] The Code applies to all employees of the Group, including the governing bodies of all companies as well as to professional representatives, external auditors, customers, suppliers and other persons providing services to them under any title (partners), whether permanently or occasionally.

force in June 2022, we will conduct a process of creating an Internal Anti-Corruption Regulation that meets all applicable legal and regulatory requirements.

Currently, in the field of corruption, this Code establishes that any corruption in the exercise of the activity is strictly prohibited, establishing that employees must act in an open and transparent manner, free of corruption, not paying bribes and not influencing the Business Partner decisions in any way that is not fully aligned with the legality and Ethics we adopted in our business.

In 2021, no communications or reports were made to the Supervisory Board related to suspected corruption.

Other policies

At Altri we have a set of policies that express the commitments and guidelines for various topics in addition to our Code of Ethics and Conduct, namely the Gender Equality Plan and the Code of Conduct for Forest Service Providers [5].

In 2021 we published the Sustainability Policy, which presents a set of commitments of environmental and social economic nature.
The Policy is available at: https://altri.pt/pt/sustentabilidade/politica-de-sustentabilidade.

Certifications

We focus on continuous improvement through the structuring of processes and activities based on recognized national and international standards, reflected on external certification and recognition. Validation of our processes based on these benchmarks is a seal of confidence that our activity is managed and structured to improve continuously.

REFERENTIAL	Altri
ISO 9001- Quality Management System	All Group companies
ISO 14001- Environmental Management System	All industrial units
ISO 45001- Safety and Occupational Health Management System	All industrial units
ISO/IEC 17025- - General requirements for the competence of testing and calibration laboratories	Laboratories to support the process of all industrial units
ISO 50001- Energy Management System	All industrial units
EMAS - EU Eco-Management and Audit scheme	Celbi and Caima
FSC® – Forest Stewardship Council PEFC™ – Program for the Endorsement of Forest Certification	Altri Florestal and industrial units

[5] More information on Internal Policies and Regulations available here: https://altri.pt/pt/investidores/governance

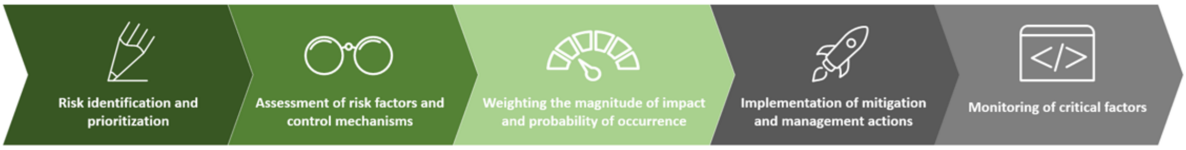
RISK MANAGEMENT

102-11 102-15

For us, risk management is something that is part of the day-to-day management of the organization, however, and with the urgency of climate change and the potential impacts that it can have on the business, the risk management process has become increasingly important.
At Altri we have an integrated multidisciplinary system in the processes of identification, evaluation, prioritization, management and monitoring of risks, within the framework of the System of Quality, Environment, Energy and Safety Management, where the risks related to ESG (e.g., climate-related risks) are integrated.
Twice a year different risk analysis and business opportunities are reviewed and once a year risk and opportunity mitigation and management actions are evaluated. The risks are prioritized according to a matrix of relevance, the result of the assessment of the magnitude of the impact and the probability of occurrence.

Risk analysis process
Risk management is ensured by all management areas, based on the following methodology:

i) Identification and prioritization of internal and external risks, which may affect in a material way the pursuit of Altri's strategic objectives.
ii) Identification of risk factors that may affect our operations and activities through control processes and mechanisms by the operating officers in the various management areas.
iii) Weighting of the impact and probability of occurrence of each risk factor and assessment of the need for response, depending on the level of exposure.
iv) Implementation and follow-up of relevant mitigation actions.
v) Constant monitoring of exposure level to critical factors.



Risks

Identification of employees with the values and culture of the company
Organization under renewal process with many young employees
Limitations on access to raw material
Provision of the service of suppliers and subcontractors
Perception of the surrounding communities of the manufacturing units
Environmental impact of industrial units/environmental restrictions on industrial production
Fires and natural disasters
Impact of climate change
Industry reputation
Cyber attacks
Power injection restrictions on the national electrical network
Pandemics (SARS COV-2)
Accidents at work
Constraints in the product transportation chain

Opportunities

Renewable raw material
Energy self-sufficiency
Operational reliability
Good reputation and good level of customer service
Organization under renewal process with many young employees
Good delegation/acceptance of responsibilities
Clear guidance for objectives and goals
Continuous improvement project - Altri Operating System
Innovation and product and process development
Investment in technologically more advanced equipment
Promotion of the circular economy
Decarbonization of industry and prevention of the effects of climate change
Promotion of energy efficiency
Digital transformation
Quality of available infrastructure
Geographical proximity to the customer
Forest heritage and its role in carbon sequestration
Relocation of production centers

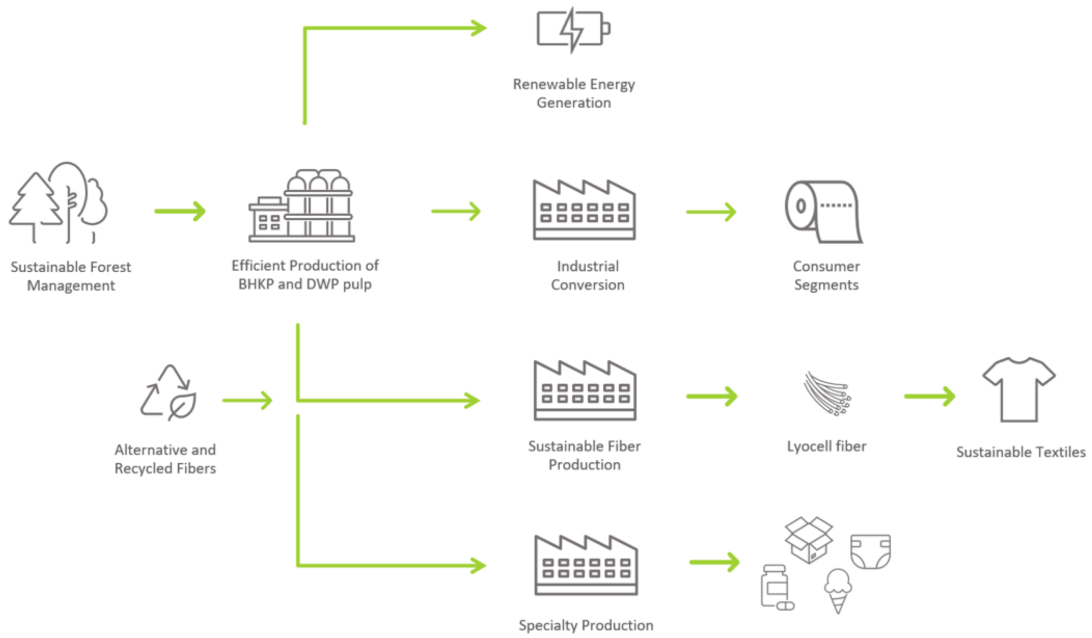
Altri has a project in place to align the risk management process with the COSO ERM 2017 and ISO 31000:2018 references.

Objectives

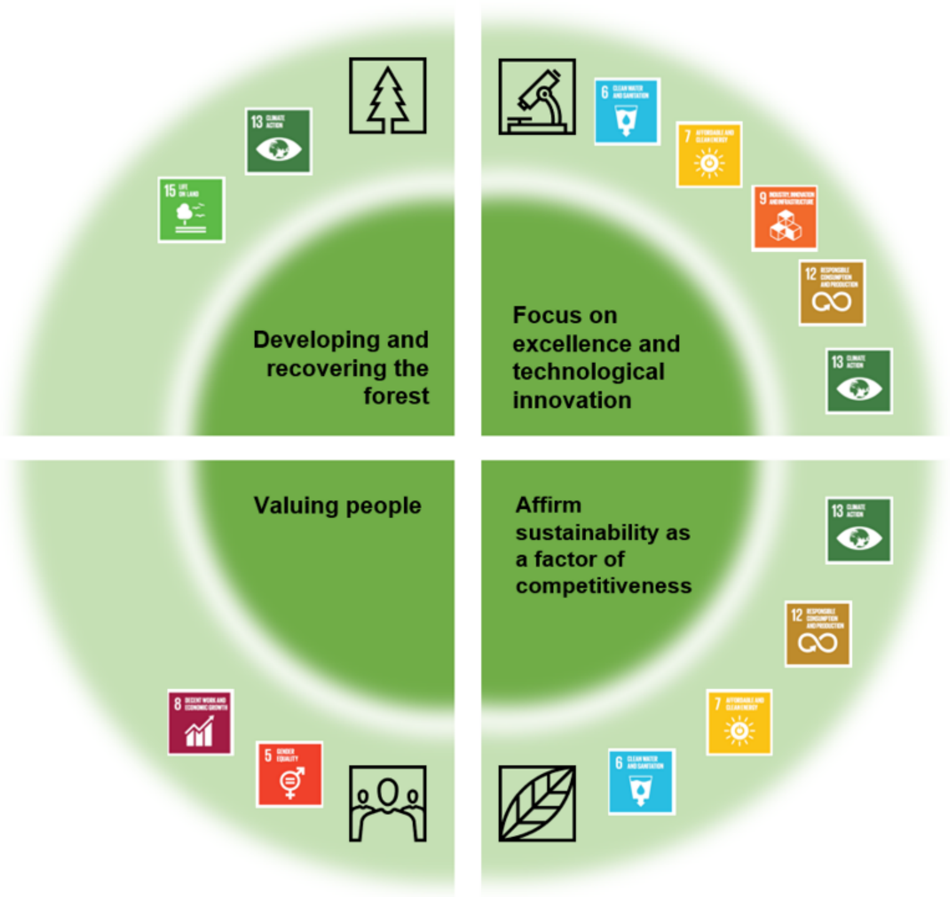
- Risk **integrated management and vision**
- **Formalize and professionalize** risk management
- **Strengthen** the Internal Control and Compliance System
- **Transparency** in communication to the market
- **Integrated performance** of the different lines of defence and Business Units

5. OUR STRATEGY

At Altri we work in different areas, all converging toward the development of more sustainable solutions and products.



Our business strategy is based on four axes that guide activity and future investments in the different areas in which we operate. ESG topics are an integral part of our operation, and they are discussed in a transversal manner throughout the organization.



2030 COMMITMENT
Our contribution to the SDGs

Altri recognizes the importance of the United Nations Sustainable Development Goals (SDGs) as part of a joint, global-ambition agreement that aims to end poverty, protect the planet, and improve the lives and prospects of all the world's citizens. Our contribution to the SDGs is reflected in our 2030 Commitment.
Altri supports all seventeen SDGs, with a focus on objectives 5, 6, 7, 8, 12, 13 and 15 identified as more relevant to our agenda and for which our operations and products have a greater impact.
2030 Commitment arises from the fact that we recognize that we have positive impacts that contribute to the SDGs, and we are aware of the negative impacts that we have a responsibility to mitigate.

Forests are increasingly valued mainly for their potential in mitigating climate change. Sustainable forest management safeguards biodiversity and helps fight climate change.

The Intergovernmental Panel on Climate Change (IPCC) recognizes the importance of sustainable forest and soil management in combating climate change and protecting biodiversity. At Altri, we seek to focus on long-term planning to ensure that our forestry operations are prepared and adapted to climate change. Risks and opportunities related to climate change and forests and land use are taken into account in our risk management process, an integral part of Altri's management approach. Improved productivity and high quality raw materials help maximize benefits by substituting fossil-based products.

The Altri 2021 Gender Equality Plan has as a fundamental objective, under the terms and for the purposes set out in article 7, no.1, Law 62/2017, to contribute to achieve equal treatment and opportunities for women and men, promoting the elimination of discrimination based on sex and encouraging the worklife balance.

Forests play a key role in the natural maintenance of hydrological cycles and in the absorption of CO_2, and for this reason, they increase resilience to the impacts of climate change. The commitment to sustainable forest management contributes to SDG 6 - Clean water and sanitation. Likewise, we seek to reduce the use of water in our production processes, making them more efficient.

When it is not properly managed, CO_2 contributes to climate change, while SO_2 and NOx emissions affect air quality and can cause acid rain and the consequent acidification of soils.

The European Union Emissions Trading System (EU ETS)- the first mandatory system for trading GHG emissions - covers 40% of EU emissions and is one of the biggest regulatory elements in the fight against climate change. The ETS grants carbon permits to industries where it is considered that climate-related costs may cause companies to transfer production to countries outside the EU, with lower requirements.

Altri is developing a tool to assess its emissions, from the forest to the final use of cellulosic fibers, to calculate emissions in a more transversal way and adapted to its reality. The advantage of this tool is that it allows the calculation and dissemination of GHG data, including avoided emissions and carbon sequestration in our forests. We intend to show that Altri makes a relevant contribution to SDG 13- Climate Action and to make our operations and respective impacts more transparent for customers.

The consumption of energy from renewable sources is essential for reducing the ecological footprint and consequently mitigate environmental impacts. At Altri we produce energy from renewable sources and we seek to ensure that the energy consumption of our industrial units is also from renewable sources.

Our operations are developed using renewable raw materials and are based on sustainable forest management, which contributes to the responsible consumption and use of resources. The world needs material consumption to shift to materials that are renewable and recyclable – circular bioeconomy – to combat climate change. Likewise, we seek to make our processes more efficient in order to generate less waste and reintegrate those that we cannot avoid in our production chain.

We emphasize an inclusive culture, with strong values and a sense of purpose, where the health and safety of employees always comes first. We work continuously and are committed to ensuring initiatives to promote the health and safety of our employees. These initiatives range from our operations, to the security measures implemented during the global pandemic. We have an internal prevention policy to ensure the well-being and health and safety of our employees and service providers.

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

Valuing people

The focus on people's development is one of our main intents, and so the Altri People Lab was created, a concept that aggregates the main actions of promoting and valuing human capital through programs of:

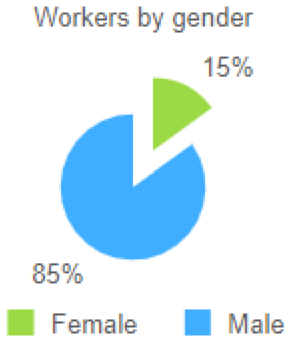
- Development of soft skills and career management – To be Altri
- Knowledge management – To know Altri
- Engagement with the organization - Identity
- Technical development and vertical specializations – Functional
- Management and leadership – Strategy, Management, Leadership
- Promotion of innovation and sustainability - Innovation & Sustainability

Promotion of diversity and equality

Material topic: Human rights (equal opportunities, diversity, non-discrimination)

102-8 405-2

Diversity and gender equality are a concern we recognize as current and relevant, and while our areas of activity – eminently industrial – are historically more prone to the predominance of men, we have for several years been defining and implementing measures that materialize in greater gender parity.



We have developed the Plan for Gender Equality, which presents a structured action aimed at consolidating a social paradigm in which balanced representativeness is real.
The fundamental objective of the Plan for Gender Equality is to contribute to achieving effective equality of opportunity between women and men, promoting the elimination of gender discrimination and fostering a healthy balance between personal, family and professional life, leading to employees feeling even more committed to Altri.
The Board of Directors of Altri, without losing the thread of meritocracy, promotes diversity policies at various levels:

- **career progression policies**, performance assessment and salary reviews based on diversity promotion concerns
- **recruitment procedures** presenting lists of potential employees to be recruited sufficiently representative of both genders
- **operational instructions for multidisciplinary teams** formed in the context of the most varied projects to be constituted based on the concern for a balanced representativeness.

The Plan:

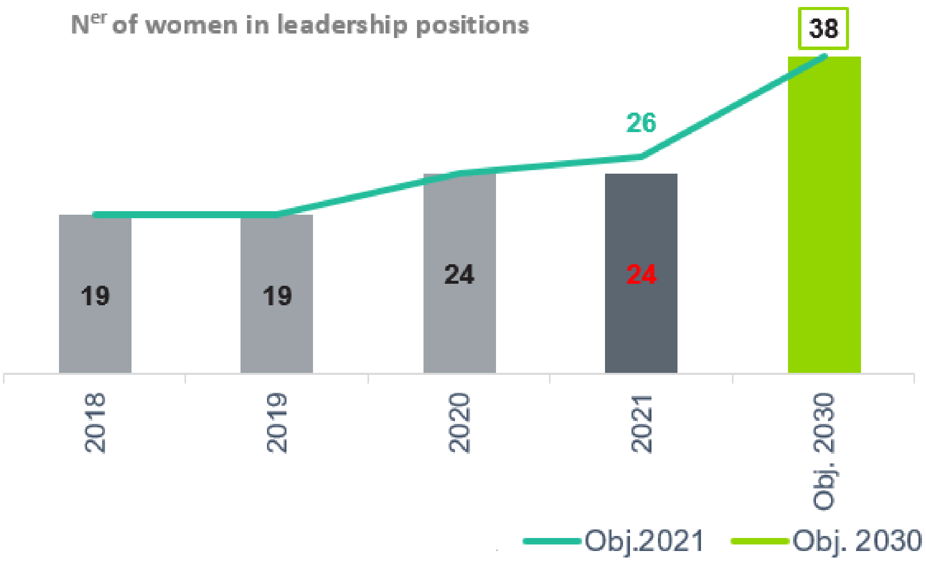
- recognizes and prioritizes equal opportunities for women and men as a basic right and makes a commitment to the implementation of cross-cutting and positive policies that make this right an unavoidable reality
- reduces imbalances detected in the present and prevents imbalances in the future
- promotes a change in the organizational culture that encourages equality, which also translates into an effective commitment to the realization of an investment in an amount appropriate to its continuation

The Plan covers the following areas:

COMPANY STRATEGY, MISSION AND VALUES	**EQUAL ACCESS TO EMPLOYMENT**	**INITIAL TRAINING AND DEVELOPMENT**
EQUALITY IN WORKING CONDITIONS	**PROFESSIONAL CAREER PROMOTION/PROGRESSION**	**PROTECTION IN PARENTHOOD**
A HEALTHY BALANCE BETWEEN PROFESSIONAL LIFE AND FAMILY AND PERSONAL LIFE	**PREVENTION OF HARASSMENT AT WORK**	

In order to meet our goals, we have integrated *Target Gender Equality*, the United Nations Global Compact Accelerator program that supports companies in setting ambitious goals for women's representation and leadership in management positions. Comprising a diagnostic analysis, peer training and learning workshops, *Target Gender Equality* has given us the opportunity to substantiate our contribution to SDG 5- Goal 5, which advocates equal representation, participation, and leadership in organizations.

UN GLOBAL COMPACT Network Portugal TARGET GENDER EQUALITY



Measures implemented in 2021 to achieve the commitment
Altri: • Review of the Gender Equality Plan • Altri's adherence the TGE (*Target Gender Equality)* initiative, a United Nations program, the promotion accelerator of gender equality in organizations and business leadership • Career management and recruitment

Skills development

404-1 404-2

We are committed to the development of skills of the employees of Altri and have improved our performance in order to promote further training. At Altri, people are the most valuable asset so betting on them and their development is positive not only for themselves, but also for the company, which now provides a more qualified workforce, with the ability to innovate and develop improved solutions that promote sustainability.

In 2021, there was a 34% increase in the total volume of hours of training, recovering the sharp decrease observed in 2020, caused by the impacts of the pandemic. There was also greater equality in the distribution of hours of training between men and women whose average number of hours of training is currently equal, thus promoting, effective equality in access to training.

Because we have quite different employee profiles and operate in several areas, we seek to diversify our training offering, focusing it on five main topics:


Process
44 actions
+ 5500 hours
Behavioral management
57 actions
+ 1300 hours
Maintenance
14 actions
+ 800 hours
Safety
172 actions
+ 8500 hours
Others
98 actions
+ 2200 hours

Performance management

In 2021 we started with the design of the Objective Performance Management System (GPO) model through the Altri People Performance Program, which consists of a methodology for measuring employees' performance, in order to align performance objectives and expectations, recognize talent and reward merit.

The resulting analysis will allow the creation of the Altri Performance Matrix, an important tool for the fulfillment of the mission of the Altri People Performance

In 2022, we will start the annual process of Management by Objectives, which reaches the Altri universe through a specific internal communication plan and, in the second quarter of the year, the training of internal performance managers is complementarily planned.

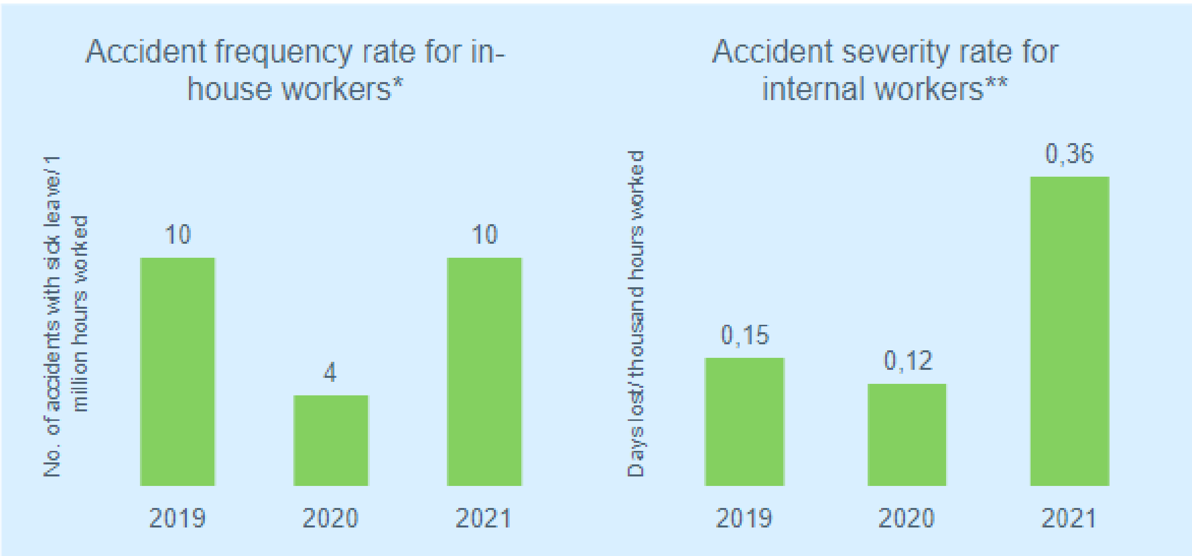
Safety Culture

Material topic: Health, safety and well-being of employees

403-5 403-9

The safety culture is present in the way we manage the various activities we develop, such as the selection and maintenance of safe equipment, the identification and signaling of risks, the compliance

with internal and external rules and procedures, and the involvement and awareness of our employees, this latter aspect being fundamental to maintaining a safe and zero-accident workplace.
The promotion of people's health and well-being is also recognized by us as a means of valuing our employees, and therefore, in addition to the provision of a fair health plan, with more risk guarantees, better protection for serious diseases, greater network of medical care providers and greater process streamlining, we have been strengthening the promotion of increasingly safe and healthy working environments, with particular emphasis on disease prevention.
For a global and integrated vision of this domain and an effective promotion of a safety culture, the Clinical, Occupational Health and Wellness Management of Altri, led by the Labor Physician, was created. This area is responsible for the definition, promotion and implementation of health and welfare policies and for the coordination of the occupational medicine services of the Group's companies, responding to the specific requirements of each company.
In order to act properly and implement effective improvement actions, we monitor indicators related to Health and Safety at work. In 2021, our ratio of mandatory accidents reporting decreased by 32% compared to the previous year[6].
However, a worse performance was recorded in 2021, at the level of the severity of incidents with internal employees, as evidenced by the “Frequency index” and “Severity index” indicators, shown in the following charts:



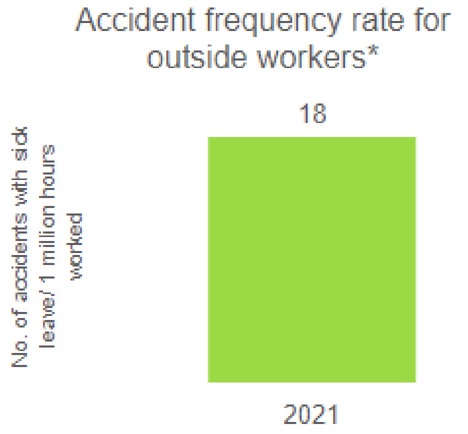
* Evaluation of the Frequency Index (FI) according to the International Labor Organization (ILO): FI: < 20 Good | 20 – 50 Acceptable | 50 – 80 Insufficient | > 80 Bad 5
**Assessment of the Severity Index (SI) according to ILO: SI: < 0,5 Good | 0,5 – 1 Acceptable | 1 – 2 Insufficient | > 2 Bad

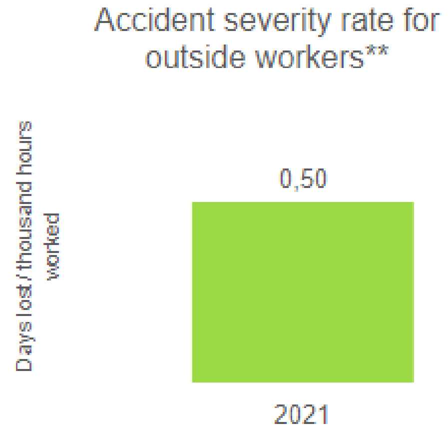
These indicators of accidents continue, despite everything, within the “good” classification stipulated by the International Labor Organization.
The main cause of the reported incidents was the non-use of the appropriate Personal Protective Equipment (PPE) for the tasks to be performed, the non-compliance with the equipment consignment procedure and the conditions for access to the inadequate and/or poorly flagged intervention site. In order to mitigate the first two causes, Altri also initiated in 2021 an intensive program of chemical risk training and appropriate the use of PPE, about safe behavior in industrial activities and carried out a thorough review and standardization of the procedure for the assignment of equipment to its mills. The communication process, in the H&S section, is currently under review, aiming to promote the Security

[6] More information on the ratio of mandatory accidents reporting available in GRI Table for Option “In accordance” – Essential GRI Table for Option ‘In accordance’- Essential.

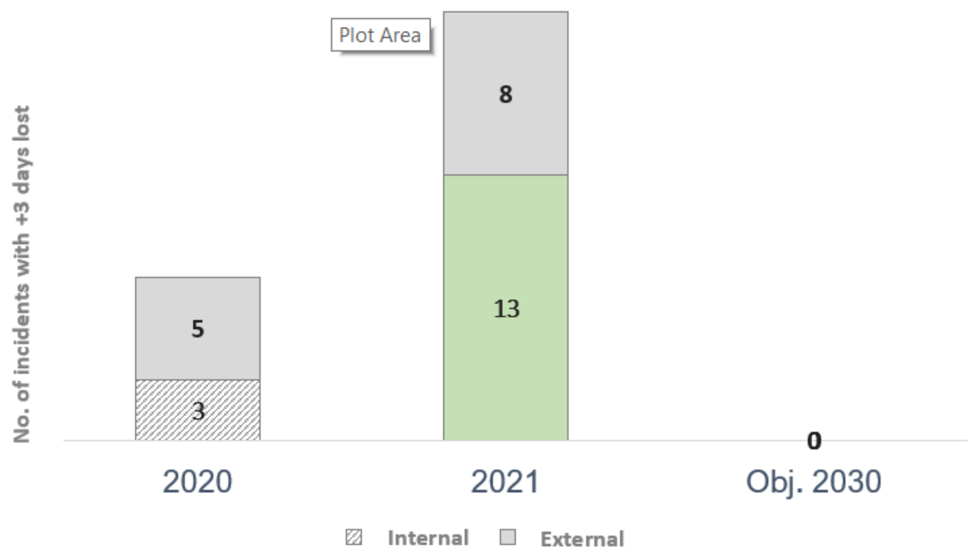
Culture in Altri, namely through a deep analysis of root causes, in an innovative approach in the Portuguese industrial landscape.
Currently, OHS training can be delivered in-room, at our facilities, or can be delivered on the floor, both at the mill and outside, through our traveling training van.

Regarding monitoring indicators related to external workers, in 2021, we began to monitor them more closely and identified as the main causes of the incidents the shortcomings in the risk assessment of the tasks to be carried out, the non-use of appropriate PPE for the task to be performed and the non-compliance with the equipment consignment procedure.





* Evaluation of the Frequency Index (FI) according to the International Labor Organization (ILO): FI: < 20 Good | 20 – 50 Acceptable | 50 – 80 Insufficient | > 80 Bad 5
**Assessment of the Severity Index (SI) according to ILO: SI: < 0,5 Good | 0,5 – 1 Acceptable | 1 – 2 Insufficient | > 2 Bad



In 2021 awareness-raising and 172 training actions and 8545 training hours were promoted in the following areas and on the following subjects:

Occupational Health and Safety (OHS) integration	Hazards, risks and prevention measures of the various plants - Hazard Identification Registration and Risk Evaluation (HIRE)	Safe Behaviors project - Safety Click
Safety and checking of machines and work equipment	Security of the Paper Industry (CSIP) for internal and external resident workers	Chemical risks
Preparation and consignment of work	Industrial emergencies	Safety and Health at Forestry Work in partnership with CELPA
First aid and use of fire extinguishers	Job accident simulations in the forest environment	

Considering the above and in order to achieve our objective of zero accidents, a set of measures to be implemented in 2022 was developed:

Improve the OHS "Top/Down" communication process	Conduct internal and intercompany audits of consignment processes (started in April 2021)	Resume CSIP training and implement Forest Industry Safety Training for external workers at CELPA level
Hold regular monthly accident analysis meetings with OHS technicians from outside companies	Promote Safety walks and Safety minutes focused on key OHS occurrences	Install shields on moving parts of machinery
Continue the “Safe Behaviors – Next steps” program	Develop the individual capability of operational team leaders to be “Safety Ambassadors” through Safety Clicks”	Creation of the *Safety-Lab* - a new methodology, based on the study of behaviors, in a *bottom-up* approach logic.

Developing and recovering the forest

Material topic: Forest management and biodiversity protection

Biodiversity Strategy and Biodiversity Stations

Through *Altri Diversity*, the strategy of conservation and promotion of biological diversity and the landscape is aimed at conducting the company's activities in the protection and enhancement of natural spaces present in the forest areas under the management of Altri Florestal.
In 2021, the strategy was based on conservation and restoration of habitats with high conservation value and contribution was provided to the strengthening of the axis of monitoring and communication of the presence and protection of natural values.

altridiversity

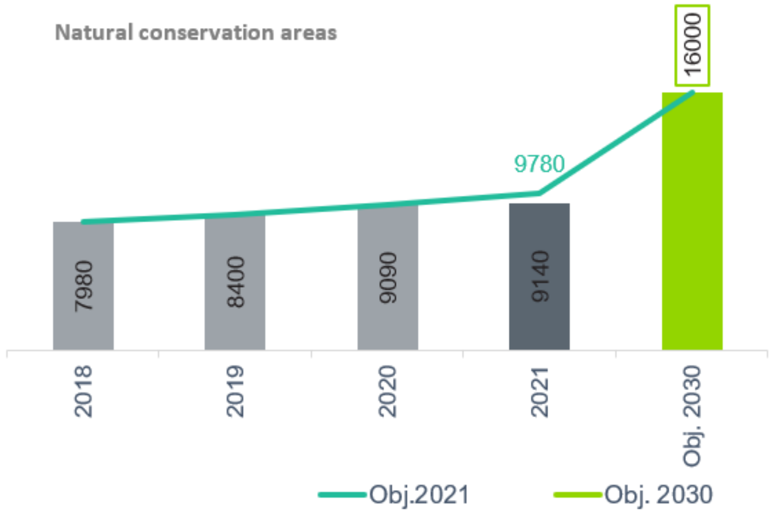
In 2021, the Forest Sustainability working group was set up. Its scope and purpose being:
- Information sharing and follow-up of projects within the framework of the Biodiversity Strategy
- Analysis of AltriDiversity monitoring indicators based on the objectives of implementing the biodiversity strategy
- Analysis and decision on sustainability issues with direct relation to forest management and wood and biomass supply activities

The main achievements of the actions implemented under the strategy were:

- **The strengthening of natural capital** through active management, through the realization of restoration actions of habitats of high conservation value.
- **The increase in economic practices and activities with a positive impact on natural capital management**, with the installation of two biodiversity stations and a biodiversity interpretation center, combined with the installation of a feeding field for necrophagous birds.

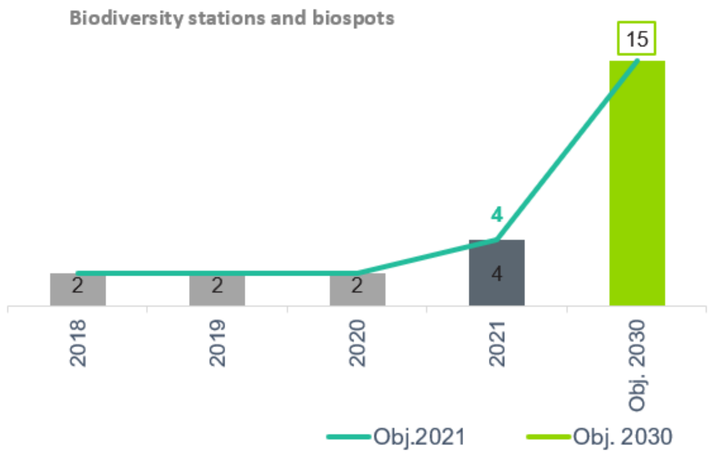
In order to achieve these objectives, control of invasive woody species was carried out in the manor of Cabeço Santo in Águeda. This measure allowed the restoration of the adjacent riparian and oak wood habitats, facilitating the natural regeneration of native vegetation, namely the habitats of heathers and arbutus and in some places the evolution to the oak woods of common oaks (*Quercus robur*).
The installation of two biodiversity stations (Cabeço Santo and Palmeiro) and the Galisteu biodiversity interpretation center have enabled benefits to be generated in support of the monitoring of natural values, and its disclosure to the neighboring communities, and to the existence of physical infrastructures for the enjoyment of these sites by the same communities.
The necrophagous bird feeding field in Galisteu has allowed integrated management to promote populations of endangered species of birds of prey, guaranteeing support for feeding these species. This favors their stay in the territory of the Tejo Internacional Natural Park and the increase in the probability and success of nesting.

More than 10% of Altri's forest area is conservation area



In 2021, the internal processes of the brokerage activity (purchase and rental of properties) were changed, including the review of the criteria for prospecting conservation areas adjacent to the forest production areas, with the main objective of dedicating its management to the maintenance and increment of natural values.
Several contacts were made with entities and owners managing high natural value areas (e.g. Municipalities), with the objective of recovering areas with high conservation potential, through management agreements with Altri.

Measures implemented in 2021 to achieve the commitment
Altri Florestal • Creation of two new Biodiversity Stations (EBIO) - Palmeiro and Cabeço Santo • Planning of two new biospots - one located in the area of Biotek and other in the vicinity of the living science center Centro de Ciência Viva de Constança
Biotek • Start-up of the preparation work for the installation of the biospot to the north of the industrial perimeter of Biotek



Biodiversity Conservation Project: Bonelli's Eagle- (*Aquila fasciata*) – LIFE WxAquila Project

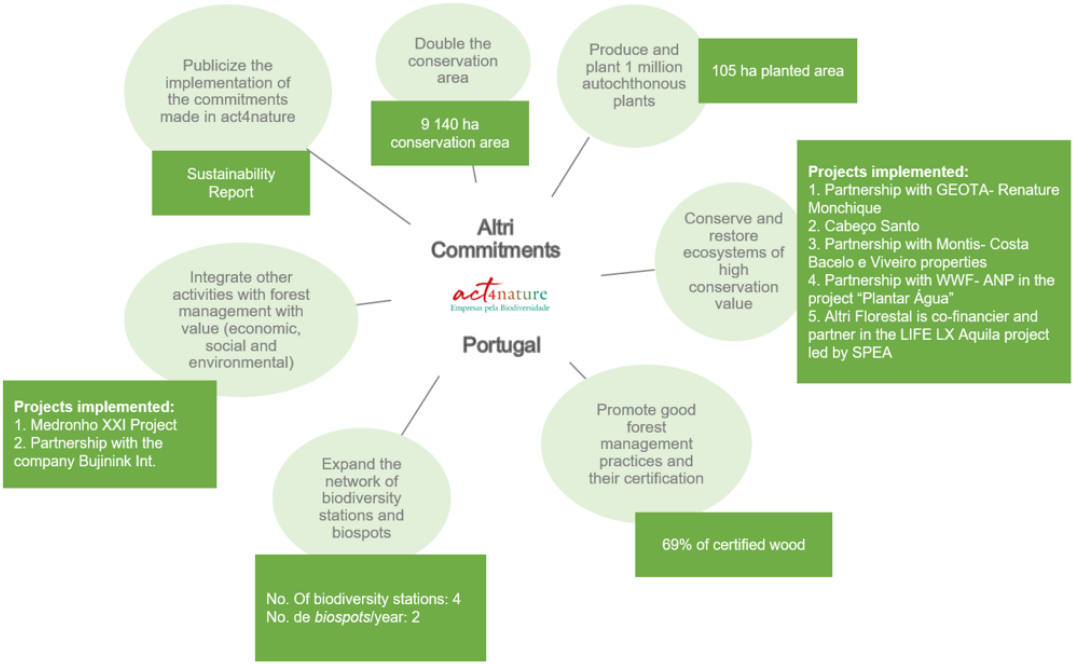
In the LIFE WxAquila project coordinated by the Portuguese Society for the Study of Birds (SPEA), the aim is to join the local communities, authorities and specialists to protect Bonelli's eagles who, in the Metropolitan Area of Lisbon, live extraordinarily close to the communities. The objective is to create a network of custody composed of private landowners and public entities, who will be guardians of the natural values of the region and in particular of the Bonelli's eagles, and thus demonstrate that it is possible to reconcile the conservation of predators with human activities.
In the last quarter of 2021, a nesting platform was installed on a property owned by Altri Florestal in the West region of Portugal.
Among the main actions of the LIFE WxAquila project are:

- Monitoring of breeding couples and marking of juveniles obtaining fundamental information to serve as a basis for conservation actions.
- Promotion of best agroforestry management practices to increase fire resilience in nesting areas and increase abundance of wild prey.

act4nature
Empresas pela Biodiversidade

In 2021, Altri took another step toward a more sustainable future by joining the group of 27 companies, which in Portugal made commitments under act4nature Portugal, an initiative promoted by BCSD

Portugal in the framework of act4nature international, launched in France in 2018, in order to mobilize companies to protect, promote and restore biodiversity.



In order to comply with the disclosure of commitments made under act4nature, we have included in the Annex to this report the state of play regarding commitments made.

"The preservation of biodiversity in the forest heritage managed by Altri is one of the objectives of our 2030 Commitment.
We want to protect our Natural Capital in all its dimensions, balancing the production of raw materials, essential to our business, with the preservation of all other forms of life that we have the responsibility to care for and leave to future generations.
For this reason, it is natural that we identify and endorse the principles of Act4nature."
José Soares de Pina - Chairman of the Executive Board (CEO) of Altri

Certified Wood Supply Strategy

In 2021, Altri Florestal supplied the Group's industrial units with 69% of certified wood. This is the result of continuous work in encouraging good forest management of raw material suppliers and in the valuation of wood, achieved through price differentiation in certified wood.

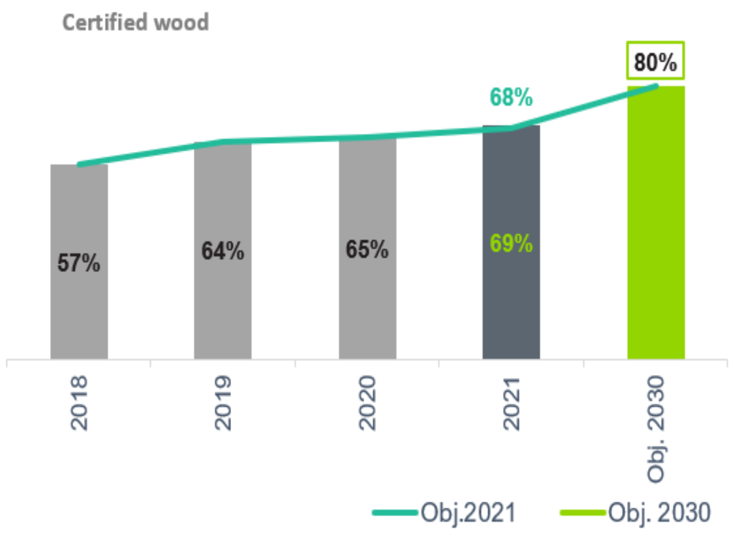
Altri Florestal is also part of the two national associations representing FSC® and PEFC™, actively participating in the construction of forest management regulations.

Altri's forest management achieves historical results in external audit of FSC® recertification, thus starting the fourth certification cycle
Altri Florestal carried out its external audit of FSC® (Forest Stewardship Council®) recertification of forest management. No non-compliance has been identified by the audit team.
The audit team highlighted the key positive aspects of Altri's development of forest management performance, namely:

- Consistency in the application of procedures and their effective implementation in management activities
- The ability of the entire technical and operational team to demonstrate forest management practices and the organization's ability to meet new challenges
- The focus on the safety and training of employees and service providers
- The strategy of diversification of forest products and the development of associated ecosystem services (e.g. Biodiversity).

These outcomes are the result of the daily effort of all employees to ensure that the Altri forests are a reference in responsible forest management.

Measures implemented in 2021 to achieve the commitment
Altri Florestal The increase in the consumption of certified wood results from the expansion of the internally managed forest area, the consequent increase in self-supply and the differentiation of certified wood prices practiced by our suppliers.



Risk Management in forest activity

In order to effectively manage the risks in the forest activity, a prior evaluation of possible environmental impacts resulting from forestry operations is carried out before the operations are performed, through the analysis of the work sites. The results of the analyzes, including preventive measures, are integrated in the operational projects following the Forest Practices Code.

Altri Florestal also monitors the implementation of afforestation projects in order to assess whether the measures envisaged in the project are having the desired effect or whether action is needed to correct or adapt future procedures. In the monitoring of social impacts, for example, the proximity of local populations, cultivated land and compliance with applicable legislation is considered.

Management of biotic threats to the Altri forest is based on the Principles of Integrated Protection. Harmful organisms are constantly monitored, and their possible impacts and risks are estimated, with priority being given to the research and application of natural pest control and to the research of more resistant eucalyptus trees.

Focus on excellence and technological innovation

Vision

To be leaders in innovation of excellence and a recognized partner for Altri stakeholders, developing focused, lean and high value added solutions.

Objectives for innovation and technological development

1. Developing new products – developing internal know-how to enable the group to develop, produce and market products of higher added value.

2. Identify and develop innovative processes and technology – developing innovative processes and technology that sustain the efficiency of productive processes and sustain the production of new products.

3. State-of-the-Art Monitoring – Technology tracking that can significantly impact the business and develop benchmarks to identify areas of improvement and risk.

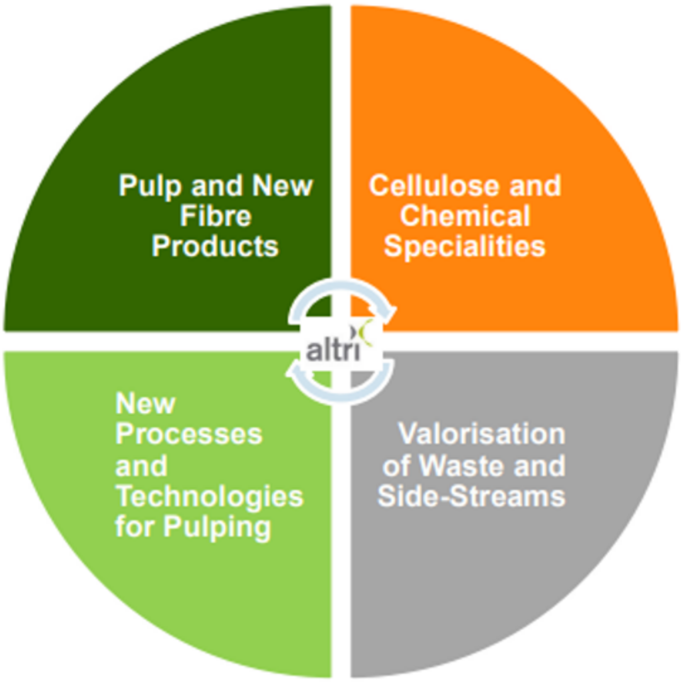
4. Evaluate new business - keep up-to-date information on core areas and the ongoing prospecting of new business areas within the industry and in adjacent areas

5. Developing intellectual capital – consolidating and systematizing basic scientific and technical information that enables the training or strengthening of the competencies of senior and medium staff that ensure long-term sustainability.

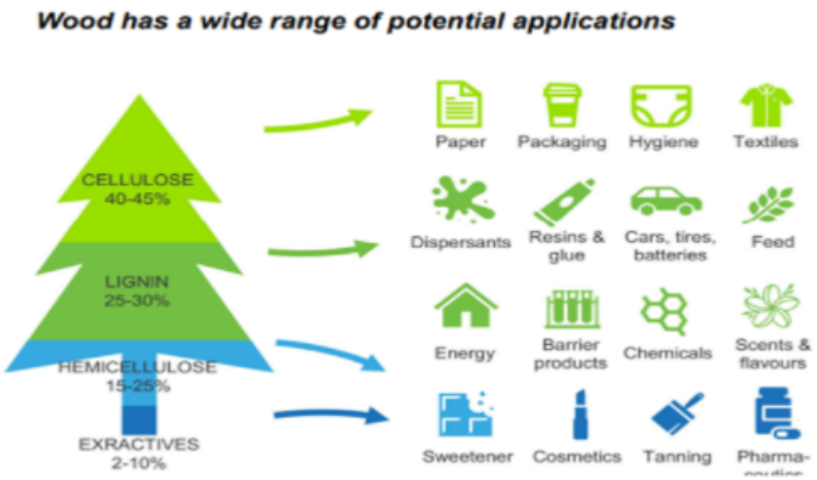
6. Consolidate R&D&I activities – to be the pivot agent for coordination and systematization of all research, development and innovation (R&D&I) actions for the technological area of Altri.

Our innovation projects focus on the creation of economic value and intellectual capital in four strategic axes, in areas adjacent to the current business, aiming at the creation of new products and, whenever possible based on the Circular Economy.

Innovation Projects include different themes:



It all starts in the forest...
Wood and biomass have a wide range of potential applications, which the cellulosic fiber industry has been exploring for decades.



Source: CEPI

Research & Development Projects (R&D)

GRETE
Project for the development of new solvents and the dissolution and regeneration of fibers that aims to extend the use of textile fiber raw material in the dissolving pulp for stationery.
Status: Ongoing until 2023
Partnerships: VTT, Aveiro University, Helsinki University, Metsa, BOKU and Materially
Contribution to sustainability: Study of alternative fibrous materials to produce cellulosic-based textile fibers with a lower consumption intensity and a lower environmental footprint.[7]

FIBRE4FIBRE
Project that aims to develop Caima's dissolving pulp for its optimization in the applications of cellulosic-based textile fibers, namely for Viscose and Lyocell processes.
Status: Ongoing until 2023
Partnerships: CENTI and Citeve
Contribution to sustainability: By optimizing the dissolving pulp product, it allows to increase the efficiency of life cycle conversion from wood to textile fiber. It consolidates the vision of the production of raw material for a market of cellulosic-based textile fibers that are the sustainable alternative to cotton fibers and synthetic fibers, e.g. Polyester.[8]

[7] GRETE is a Bio-Based Industries Joint Undertaking project in the scope of the Horizon 2020 Research and Innovation Program of the European Union under the grant agreement No837527 – GRETE – H2020-BBI- JTI-2018 "Green chemicals and technologies for the wood-to-textile value chain".

[8] Fiber4Fiber project (POCI-01-0247-ERDF-046948) - co-financed under the Research and Technological Development Incentive System, within the framework of Portugal 2020, through the Competitiveness and Internationalization Operational Program (EFC) and the European Regional Development Fund (ERDF) – "Fiber4Fiber: Dissolving Eucalyptus globulus pulp for the development of new processed cellulose-based fibers".

CAIMACHEM
Research project on extraction and recovery of acetic acid and furfural in evaporation condensate at the Caima plant.
Status: Completed in September 2021
Partnerships: National universities and international technology companies
Contribution to sustainability: The application of knowledge developed in this project will allow the use of secondary chains for the production of two new renewable base products, increasing the value creation to the same amount of wood. At the same time, it allows to reduce the organic load of the condensate (process treatment) before feeding to the effluent treatment stage (end-of-line treatment).[9]

B2SOLUTIONS
Bioplastics development project for application in flexible paper-coating and bio-composite plastics for application in semi-rigid and rigid plastics in the production of injection molding components for the automotive industry and other industries.
Status: Ongoing until 2023
Partnerships: United Resins, United BioPolymers, The Navigator Company, Simoldes, University of Aveiro and University of Coimbra
Contribution to sustainability: Evaluation of the use of fibrous and non-fibrous chains, sub-chains or waste from the pulp industry for recovery in the production of composites, replacing plastic materials of a fossil nature.[10]

HIGH2RPAPER
Project for the development of a new recycled paper incorporating raw pulp from waste from the eucalyptus bleached pulp industry, based on the principles of the circular economy, giving rise to products of higher added value.
Status: Ongoing until 2023
Partnerships: University of Beira Interior, Papeleira Corboard and University of Coimbra
Contribution to sustainability: Recovery of fibrous waste from the pulp industry to produce cardboard or carton products "coreboard".

[11]Industrial Innovation and Circular Economy Projects

Cooking of fibrous material of fine particle size

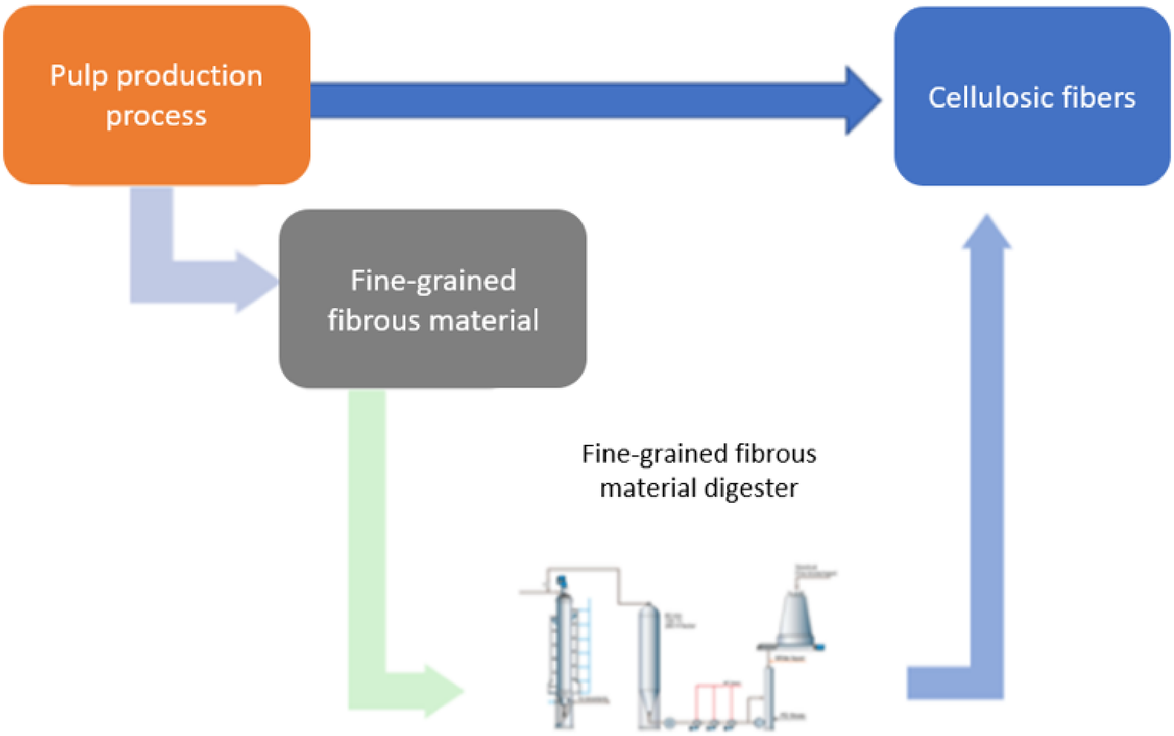
[9] Project "CaimaChem – POCI-01-0247-ERDF-045125- co-financed under the European Union's 2020 scheme of incentives for Research and Technological Development, Portugal 2020 and European Regional Development Fund (ERDF).
[10] Project "B2Solutions" – POCI01-0247-ERDF-048505- co-financed under the scheme for incentives for Research and Technological Development, within the framework of the European Union's 2020, Portugal 2020 and the European Regional Development Fund (ERDF).
[11] Project "High2RPaper" – POCI-01-0247-ERDF-049716- co-financed under the European Union's European Community Regional Development and Research Incentive and Technological Development scheme, within the 2020 framework, Portugal 2020 and the European Regional Development Fund (ERDF).

Altri started a study in 2018 to evaluate the viability of a fine granular fibrous material digester fibrous material of fine particle size. In November 2021, the industrial installation started, finishing this R&D process in a productive industrial investment. This project was an important milestone in Altri's innovation activity, thus implementing a technology that is a prototype worldwide.

Status: Completed in November 2021

Partnerships: Andritz

Contribution to sustainability: Reuse of fibrous material of fine particle size wasted in the process, allows to increase production efficiency, reducing specific consumption of wood.



> "This project is the culmination of the collaborative efforts between ANDRITZ and Altri, from design, development and testing to implementation. This first technology of its kind was also possible thanks to the joint contribution of the multidisciplinary teams of Altri and Celbi, including Innovation, Engineering, Operations and Laboratory. The successful implementation of this project demonstrates the commitment and investment of the Altri group in Innovation and Continuous Improvement".
>
> Gabriel Sousa, Executive Director for Innovation and Technological Development at Altri

> "This is one of those projects that makes us proud. Technologically innovative on a global scale and with the concept of circular economy. It combines knowledge, teamwork, continuous improvement and innovation, which are trademarks of the Altri group in general and Celbi in particular."
>
> Paulo Jordão, Industrial Director of Celbi

Acetic acid and furfurfural in Caima

Since 2018, Altri has been studying the industrial viability of recovering the acetic acid and furfural present in the evaporation condensates. This Industrial Innovation project is supported by the knowledge generated in the CaimaChem R&D project.

Status: Ongoing

Partnerships: Sulzer Chemtech

Contribution to sustainability:

The removal of acetic acid and furfural allows:

- Recover these compounds and minimize the impact on the effluent
- Increase Caima's turnover by adding value to its process without impact on wood consumption
- To transform a sub-chain into a product, leading to a decrease in the organic load of condensate for treatment of effluent, with a reduction in the inherent costs
- Production of two renewable-based products, based on a concept of circular economy, which will add economic, environmental and social value to Caima
- Synergy with the biomass boiler, which will produce the renewable base steam needed for the acetic acid and furfural separation unit

These projects are under development with the aim of recovering these two compounds that will be consumed as raw materials from various chemical industries, thus enabling environmentally sustainable valuation.

On the acetic acid

Acetic acid is the basic raw material for a chemical production chain. Four lines stand out: VAM, PTA, Acetate Esters and Acetic Anhydride. The conventional acetic acid process is based on carbonylation of fossil methanol, so the Caima process would be a renewable-based alternative.

Acid acetic main applications				
• Solvents, Inks and Coatings • Cosmetics	• Plastic • Textiles • Packaging	• Vinyl plastics • Latex paints • Adhesives	• Molding compounds • Textile fibers	• Disenfectant • Agrochemicals
				

On the furfural

Furfural is a chemical basis for different uses. Its main use is like furfuryl alcohol, in solvents, pharma and other specialties. Furfural is produced in its entirety by renewable means, through acid dehydration of C5 sugars present in biomass (solid or liquor).

Furfural main applications

- Medicine, Pharma, Perfumes, Solvent, Polymers, Drugs & Insecticides

- Lubricant, Fuel, Fungicide

- Resine, Frangance and Perfumes, Food, Solvent, Herbicide Pharma

- Polymers, Adhesives, Nylon

Continuous improvement is a permanent commitment to the search for competitive advantage and to the continued strengthening of our position throughout the value chain.

With this purpose, in the context of continuous improvement projects aimed at the operational areas currently being carried out in the Altri Group, the synergy of themes and the potential added value of a mutual assistance between the various units becomes clear.

Our goal is to turn strategy into action, challenging and preparing for the future, through methodical management focused on improving processes and on everyone's commitment.

At Altri we value operational and management excellence and people development. The commitment to think differently and the need to change for the better, every day, in all areas and with the involvement of all is a cultural characteristic that is already part of our DNA. *The Altri Operating System* as a management and governance model can ensure and enhance the synergies of the ongoing transformation process.

The Altri Operating System is nowadays our way of working and represents our concept of continuous improvement.

Objectives:

- Encourage sharing, communication, knowledge and experience among colleagues
- Break paradigms, including that of independent manufacturing units
- Stimulate the ability to identify problems, challenges and opportunities for improvement
- Collect insights from already tested actions
- Clarify issues and discuss (if possible, validate) previously the effectiveness of countermeasures identified by the team

Hoshin Methodology

In November 2021, a cross event took place at the three industrial units with a simple objective: To unfold the strategy in continuous improvement activities.

In companies there is often a misalignment in the different priorities. This lack of alignment prevents organizations from achieving the full growth potential for which they are endowed.

To address this, *Strat to Action* is a KAIZEN™ methodology that enhances communication in the organization, ensuring the implementation of strategic decisions and prioritizing what is most important. From the top to the point of impact, where root causes are identified and solved, all employees are involved. By differentiating the essentials, *Strat Action* is a focus exercise. This process consists of annual cycles, which are triggered in the Planning and Review stages, called *Hoshin Planning* and *Hoshin Review*, respectively.

- How do we **align the whole organisation** to support the business strategy?
- How **to organise the resources** to implement the strategy?
- How **to focus** the organisation **on improving** rather than maintaining?

The *Strat to Action* is used to **align the Objectives and Goals** to be achieved, focusing on:
- On the **"How"** to execute the improvements in the organisation's critical processes.
- On the **"Unfolding"** of the improvement objectives to the point of impact.

Daily Kaizen implementation

Altri began the implementation of the *Altri Operating System* in the daily work of the employees. Brief, focused meeting routines have been incorporated into the management and tracking of teams in Altri's operational areas, with the creation of visual team boards, with key performance indicators (KPIs) and work schedules. Team meetings are optimized by following the agenda and more recently in some cases, using the PowerBi data modeling tool, focusing the meeting on discussion of indicators deviations, priorities, and evaluating improvement actions.

Kobetsu methodology in Project Management at Altri

For example, the first Kobetsu to be implemented in Altri Florestal was the "**Biomass consumption optimization**", with the following objectives:

a. Test the efficiency of the application of the log screening technique, leading to 0% of inert inputs at the plant entrance.
b. Qualify the biomass according to its calorific value, changing the metric in the acquisition of €/ tons to €/gigajoule.
c. Compare the value of energy purchased and produced, allowing the detection of losses in the energy production process.

In addition, the work carried out allowed to develop a portfolio of different sources of biomass and associated calorific power, and an application of biomass surveys and reporting mechanisms to the mill.

> "The objectives proposed were achieved, the leader of this kobetsu considers that the results presented are of great magnitude, not only from a financial point of view, but also from the various improvements introduced in strategic processes for the sustainability of the business."
>
> Tiago Cordeiro, Biomass Supply Management Technician

The most recent project concluded with the application of this methodology was the "**Identification and Diagnosis of Eucalyptus Vitality**", which contributed to the systematization of the registration and reporting of mortality situations identified in forest stands. This kobetsu began with the identification of potential causes of Eucalyptus mortality, symptoms of vitality (biotic and abiotic factors) and defined the metrics to be followed.

Additionally, a Field Guide of symptoms and cause of lack of vitality of eucalyptus stands was created with descriptive structure to support decision making and the development of the application "Vitality Diagnosis" with the possibility of georeferencing the site and associating photographs of the affected areas.

> "This project is transversal to the forest area and will result in the sharing of detected cases among forestry technicians and prevention solutions or measures."
>
> Clara Araújo, Coordinator of Afforestation Projects

AFFIRM SUSTAINABILITY AS A FACTOR OF COMPETITIVENESS

Combating climate change

Material topic: Climate change and GHG emissions

Climate change is one of today's greatest challenges, impacting the environment and people through natural disasters, ecosystem loss and livelihoods.

The importance we attach to sustainable forest management is based on the principle that climate change presents challenges and opportunities, and that sustainable forest management is part of the solution to climate change problems, putting us in a unique and privileged position as active agents in implementing solutions.

Developments in the global, European and national regulatory agenda, such as the introduction of the Basic Law on Climate, the establishment of emission reduction targets, the need to move toward a circular economy, and the requirements for a healthy life set our path to the future.

Evolution of the regulatory agenda

november 2016

The first truly global climate agreement - the **Paris Agreement** - was approved at the Paris Climate Conference (COP21) in 2015 and entered into force in November 2016.

december 2019

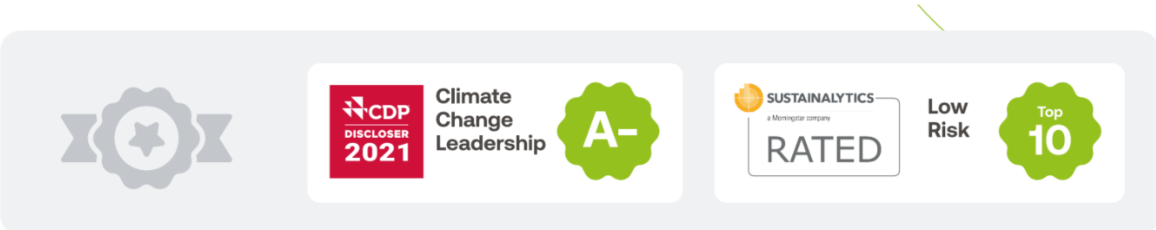
The **European Green Deal** sets out an action plan to promote the efficient use of resources through the transition to a clean and circular economy, restore biodiversity and reduce polluters.

march 2020

The European Union (EU) has proposed a European Climate Law, as an integral part of the European Green Deal, which proposes the target of reducing emissions in the EU by 55% by 2030 and, as a general ambition level, the EU must achieve climate neutrality. until 2050.

Despite the growing problematization of the subject of climate change in Altri, concern for sustainability is a cross-cutting concern for the whole organization and has been part of its sphere of concern and priorities for a few years. As an example, 25 years ago Celbi was one of the first national companies to join the EMAS - Eco Management and Audit scheme.

Our effort has been recognized through several internationally recognized indices and ratings, such as the CDP - Disclosure, Insight, Action, through which we have obtained A- Leadership classification in terms of our action in combating climate change, to become part of the limited group of international companies that have a high performance in terms of good environmental practices.



This classification, in 2021, was the only one attributed to a Portuguese company in the pulp and paper sector and placed us above the European average of B, and the pulp and paper sector at international level of C. Example of this recognition was also the low risk classification (19.3 rating) at the ESG risk ratings of Sustainalytics, which puts us in the top 10 worldwide among companies of the pulp and paper industry, and granted Altri the title of "ESG low-risk company" for investors.
It should also be noted that we launched, through Bioelétrica do Mondego, the first issuance of Green Bonds admitted to trading at *Euronext Lisbon*. Despite our well-known performance and good results, we recognize that there is still much to do. For this reason, a large part of our planned investments focusses on the area of sustainability, namely Caima's new biomass plant - "Caima Go Green", an investment of around 40 million euros, that will allow this plant to stop using fossil fuels.

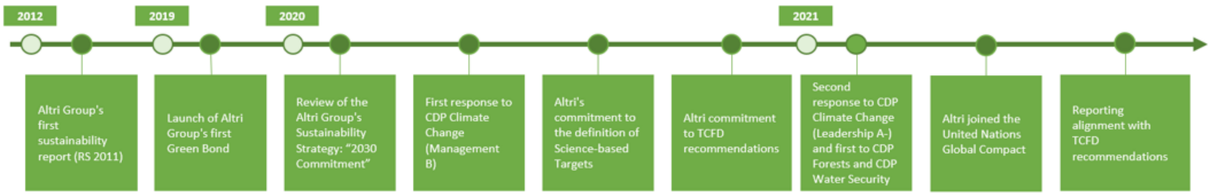
Task Force on Climate-related Financial Disclosure
According to the *World Economic Forum*, climate change represents the highest risk (severity) globally over the next 10 years. As Earth's temperature increases, extreme weather events are increasingly common, disrupting natural ecosystems and human health, causing economic losses to businesses, threatening their assets and infrastructure.

In this context, and in line with various international initiatives (SDG, Paris Agreement, European Green Deal, among others), there is a growing need for the investor community to analyze business resilience against climate risks and opportunities, requiring clear financial information markets, comprehensive and accurate on the impacts of climate change on business performance. In this sense, and in order to promote the disclosure of comparable and quality information, the Financial Stability Board (FSB) created *the* Task Force on Climate-related Financial Disclosure (TCFD) to improve and increase the disclosure of climate-related financial information. TCFD, in its working context, has published a set of recommendations for reporting financial information, related to climate risks and opportunities, centered on four key areas: Governance; Strategy; Risk Management; and Metrics and Goals.

The increase in reporting quality, through alignment with TCFD recommendations, allows a better assessment of companies' exposure to climate risks in the short, medium and long term, leading to a more informed decision-making about where and when investors should allocate capital.

ALTRI'S JOURNEY

Given the current context, and with climate change and GHG emissions being one of our material topics, we have the concern and ambition to align the report with the recommendations of TCFD. In this sense, we identify opportunities for improvement on an ongoing basis to provide the best possible response to the expectations of the capital market and the different stakeholders. This is a logical step for us, continuing the Group's effort and ambition to contribute to climate change mitigation, in line with **2030 Commitment**.
Taking into account best management and reporting practices, and in view of our genesis and culture, we regularly monitor climate risks and opportunities, reporting relevant information in accordance with TCFD recommendations on CDP - Climate Change*,* having obtained the result *'Leadership (A-)'* in 2021. In addition, this report also aims to respond to the recommendations of the TCFD, presenting information related to the four key areas mentioned. Some relevant points are the governance model for climate change, the impacts associated with climate risks and opportunities, how climate risks and opportunities are identified, evaluated and managed, and various relevant metrics and targets to assess and manage climate risks and opportunities. A table of correspondence between the recommendations of TCFD and the communication channel where we report the most detailed information for this purpose is also attached.



The evaluation and reporting exercise is dynamic and is continually reviewed to ensure that our management and reporting practices are aligned with the needs of the capital market and appropriate to the business context in which the Group fits.

GOVERNANCE

Sustainability at Altri considers environmental, social and governance aspects in all operations. Our concern and effort are clear - to contribute to sustainable development and to base strategic priorities on objectives of continuous improvement, innovation and sustainability. To this end, the Board of Directors (BoD) delegates to the Executive Board (EB) the responsibility to ensure the management of sustainability and climate change, with the support of the Sustainability Committee and the Sustainability Management.

In 2021, Altri created the Sustainability Committee (SC), whose main objective is to support the BoD in defining and monitoring the sustainability strategy, in line with the '2030 Commitment', integrating the climate change theme (e.g. assessing and managing risks and opportunities of climate change; Propose greenhouse gas emission reduction (GHG) targets and initiatives; Review strategies, targets and budgets; And monitor performance; among others). SC meets at least every three months and reports directly to the BoD[12].

The Sustainability Committee has the support of the Sustainability Management, which leads daily and operational work, in alignment with other relevant areas of the Group, with direct responsibility for the implementation and daily management of sustainability and climate change issues (e.g. Operational, Legal, Human Resources, Procurement and Logistics, Forest and Wood Supply, Financial, Investor and Commercial Relations). In addition, the Sustainability Management, by the position of the Executive Director of Sustainability, reports directly and regularly to the Executive Committee.

STRATEGY

In line with the vision and strategy, we aim to be a reference company in the production of eucalyptus cellulosic fibers, based on sustainable forest management. In order to achieve this ambition, we have defined as objectives the implementation of processes for continuous improvement of environmental performance, namely, the reduction of the ecological footprint, the increase in operational efficiency in industrial units, the increase in productivity and the promotion of a sustainable forest management. Based on this vision, and with climate change being a material topic, we monitor the risks and opportunities associated with climate change, identifying transient risks (e.g. political/legal, reputational, among others), physical risks (e.g. acute) and climate opportunities (e.g. new products and services, resource efficiency, among others).

[12]Further details on the composition, functions and competencies of the SC can be found in the Chapter About us > Governance, Ethics, Policies and Certifications.

CLIMATE RISKS

Type of risk	Description and impact of the risk	Altri Reply
Transition – Political and Legal Existing and emerging regulation/price increase of GHG emissions	Altri's plants (Biotek, Caima and Celbi) are covered by the European Emissions Trading System (EU-ETS). With the transition from Stage III to Stage IV of the EU-ETS (2021-2030), the allocation of free licenses will be reduced, so it may be necessary to acquire CO_{2e} allowances if the plants do not follow the energy transition and defined European objectives. This may have a relevant financial impact, mainly with the increase in the price of CO_{2e}.	. Within the framework of the '2030 Commitment', we have set several GHG reduction targets, namely: Consume 100% of primary energy of renewable origin and reduce specific emissions of GHG from scope 1 and 2 by 60%, both contributing to the Science Based Target (SBT) submitted (in validation and approval phase by SBTi). . Annual implementation of various energy efficiency and GHG emission reduction initiatives. . ISO 50001 certification of Biotek, Caima and Celbi plants. . Caima Go Green Project: future investment of €40M in Caima to make carbon neutral operations (biomass against fossil fuels).
Transition – Reputational Stigmatization of the industry/changes in consumer preferences	The issue of climate change has been of great importance in recent years and, above all, since the European Parliament declared the climate and environmental emergency and promoted several relevant commitments (e.g. Commitment 1.5ºC, Fit for 55, Green Deal). In this sense, most stakeholders are more attentive to climate-related issues, requiring new low-carbon solutions and products.	Future investment in an industrial biounit (Spain), with annual production capacity of 200 tons of dissolving pulp and sustainable fibers, contributing to the strengthening of the circular economy and decarbonization of the textile sector. Development of the Fiber4Fiber project, which aims to develop dissolving pulps to produce cellulosic-based fibers such as viscose and lyocell, allowing the distinction between products with renewable origin. Altri defines several criteria and procedures to minimize environmental impacts, for example the policy of supplying wood and conservation areas and biospots. The forests managed by Altri have more than 8.1 million tons of CO_2 stock in live biomass.
Physical – Acute Increase in frequency and severity of extreme weather events	Increasing the frequency and intensity of extreme weather events (e.g. storms, floods, droughts, high temperatures and/or fires) can have a negative impact on the stability of the wood supply, which is the main raw material in the production process. The wood comes from Altri's own forests, and the rest is acquired mainly from suppliers of the Iberian Peninsula and a small fraction of certified sources in South America. On the other hand, longer periods of drought and high temperatures increase the risk of forest fires, putting our forest assets in Portugal at risk, compromising the value of biological assets.	The implementation of an innovative wood cooking technology (fine grain material digester) improved the efficiency of raw material use, increasing production capacity (2.5%) and reducing the specific consumption of wood and waste. . Active member of AFOCELCA (group of companies for forest fire monitoring and fighting). 2.9 M€ invested in preventive forestry and 3.8 M€ in AFOCELCA forest fire detection and firefighting devices. . Definition of a strategy for combating forest fires, based on four technical criteria: Arrival times; Initial mass attack (single blow); Material damage; Potential hazard. . Reforestation of 2,000 ha according to best practices and involvement of more than 300 people in preventing, monitoring, and fighting rural fires. . Investment in the Furadouro nurseries, with an annual production capacity of about 7 million plants for planting in the forests and/or selling to customers. . Adherence to act4nature Portugal, publicly committing Altri to protect, promote and restore biodiversity.

Opportunity Type	Description and impact of the opportunity	Altri Reply
Products and services Development and expansion of low carbon products/ services	Our value chain is mainly based on the use of renewable resources, e.g. biomass products. European climate and energy regulations, the EU-ETS and the Renewable Energy Directive (RED), emphasize the production of renewable energy, including biomass. On the other hand, the European Commission's Bioeconomy Strategy (updated in 2018 in line with the SDGs and the Paris Agreement) also supports the development of biomass-based industries and the partial replacement of non-renewable products by more sustainable and biological-based alternatives. Bioeconomy is expected to play an important role in the low-carbon economy in the coming years. The establishment of favorable agreements within these schemes in relation to incentives for the use of renewable raw materials solutions, the use of biomass and the production of other carbon-free energy can be competitive advantages for Altri and industry.	. Use of biomass, either through black liquor (by-product of the pulp production process and in turn a renewable fuel) and/or through residual forest biomass in the electricity production process. The electricity produced by our industrial units is sufficient to meet the needs of the mills, and energy self-sufficiency is guaranteed. . Future investment in an industrial biounit in Spain, capable of producing 200 thousand tons of dissolving pulp and renewable fibers annually, contributing to the strengthening of the circular economy and decarbonization of the textile sector. . Development of the Fiber4Fiber project, which aims to optimize dissolving pulp to produce cellulosic-based textile fibers, such as viscose and lyocell, allowing the distinction between products with renewable origin.
Source of Energy Participation in carbon markets	Since the EU-ETS phase 3, the number of licenses has been reduced, pushing different industries to accelerate the path of energy transition. In addition, in line with the decarbonization of the economy and the Paris Agreement, Phase 4 (2021-2030) is stricter in terms of allocation of allowances, reducing free allowances. The three Altri plants are covered by the EU-ETS, and two of them, Biotek (in Vila Velha de Ródao) and Celbi (in Leirosa) receive free CO_{2e} allocation licenses. However, despite the reductions in licenses during EU-ETS phase 3, the emission reduction measures implemented have allowed Altri to have an excess of portfolio allowances, which can be marketed on a high market, considering that we will continue to invest in energy efficiency measures and programs, in investing in renewable energy, in reducing GHG emissions and in low-carbon products and services.	. ISO 50001 certification of Biotek, Caima and Celbi plants. . Annual implementation of various energy efficiency and GHG emission reduction initiatives. . €40M in Caima to make carbon neutral operations (biomass to the detriment of fossil fuels).
Source of Energy Use of low emission energy sources	The use of 100% renewable energy sources represents an opportunity: To reduce our energy dependence on fossil fuels; to achieve carbon neutrality more quickly, in line with the Portuguese and European commitment (2050) and our strategy and '2030 Commitment'; And reduce the costs associated with energy consumption and CO_2 emissions.	. Caima Go Green Project: future investment of €40M in Caima to make carbon neutral operations (biomass to the detriment of fossil fuels). . Use of biomass from black liquor (by-product of the pulp production process and in turn renewable fuel) and residual forest biomass in the electricity production process. The electrical energy produced used to meet the needs of the plants.

RISK MANAGEMENT

For Altri, a substantive change (financial impact) can be described as the one that can affect us directly or our value chain: Financially, relevant changes in key financial KPIs (e.g. revenue), or strategically, as is the case with changes that make it impossible to pursue our strategic objectives.

Risk management is carried out in a value-creation perspective, with a clear identification of threat situations that may affect business objectives[13]. The Group's management, based on sustainability criteria, is becoming increasingly crucial within the organization, and risk management is monitored in a holistic manner (including environmental and social components), with increasing acuteness.

[13] *See chapter* *Risk Management*.

METRICS AND TARGETS

Investors and other stakeholders require a deep understanding of how an organization measures and monitors its risks and opportunities, including those related to climate change. Access to the metrics and targets used by the organization allows stakeholders to better assess the organization's potential risk-return relationship, ability to meet financial obligations, overall exposure to climate impacts, and progress in managing, mitigating, and adapting to them.

The way in which we manage sustainability in Altri considers several interrelated metrics, in line with the decarbonization of the economy and several goals, within the framework of Commitment 2030[14].

METRICS

Energy and climate

- Specific energy consumption (GJ/tSA);
- Specific emissions of GHG from scope 1, 2 and 3 (kg CO_2e/tSA);
- Avoided emissions (t CO_2e);
- Steam consumption (t/tSA);
- Renewable electricity produced and injected into REN (GWh) and primary energy consumption of renewable origin in the Altri plants (GJ);
- Carbon sequestration (t CO_2e).

Circular Economy

- Renewable origin of raw materials used (%);
- Recovery of by-products and waste (%).

Biodiversity

- Wood consumption with forest management certification (%);
- Area under natural conservation management (ha);
- Number of biodiversity stations and biospots (no.).

Water and effluents

- Organic load (COD, kg O_2/tSA) in industrial effluents from Altri;
- Specific use of water (m^3/tSA).
- Mapping of water use in water stress areas (%).

TARGETS

Energy and climate

- SBT (approval in progress): Reduce specific emissions of GHG from scope 1+2 (kg CO_2e/tSA) by 60% by 2030.
- SBT (approval in progress): Reduce specific emissions of GHG from scope 3+2 (kg CO_2e/tSA) by 30% by 2030.
- Increase by at least 60% the amount of renewable electricity injected into the REN (GWh) by 2030.
- 100% of the primary energy consumed in the industrial units of Altri is of renewable origin by 2030.

Circular Economy

- 100% of process waste recovered or reused.

Biodiversity

- Increase by 40% the percentage of wood consumption with forest management certification by 2030 (act4nature).
- Double the area under natural conservation management (ha) (act4nature).
- Develop 13 biodiversity stations and *biospots (no.) (act4nature).*

Water and effluents

- Reduce the specific use of water (m^3/tSA) in Altri's industrial units by 50% up to 2030 (act4nature).
- Reduce the organic load (COD, kg O_2/tSA) in Altri's

NEXT STEPS

We have the ambition to strengthen the incorporation of climate issues into the Group's risk-craving structure and to consider them in all business processes and decisions. However, the identification and quantification of the impacts of climate change is an ongoing process of development. At Altri we are committed to further refining the approach to climate risk and opportunity management, committed to continuous improvement in activities, with the objective of developing new management practices in relation to climate change, as well as improving the alignment of the report with the recommendations of TCFD and related.

[14] *See* chapter *Comittment 2030.*

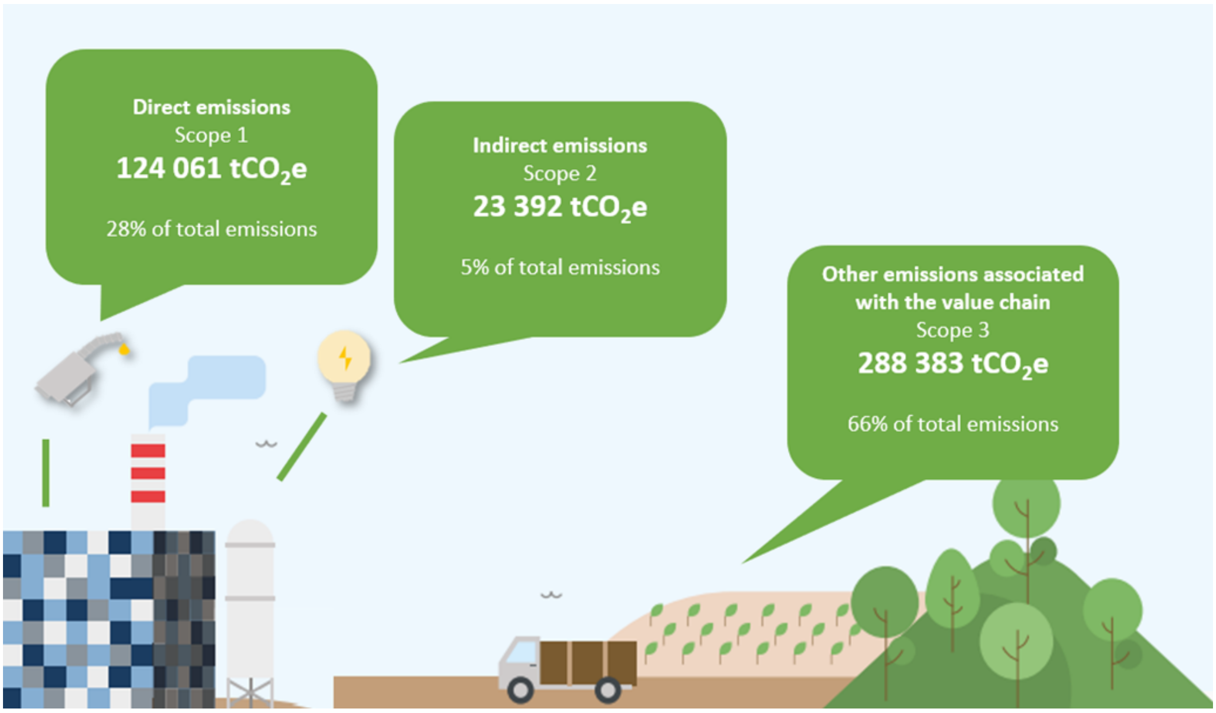
01 Governance	02 Strategy	03 Risk Management	04 Metrics and Targets
Altri plans to maintain strong Board oversight of climate risks and opportunities, in line with the 2030 Commitment. Different company leaders should be called upon to reflect on the implications of climate change for the company's activities and its value chain.	Altri intends to deepen the different analyzes to present more detailed impact assessments of climate risks and opportunities, for different time horizons and temperature scenarios, reinforcing the way in which climate-related issues are considered in all business areas, taking strategic decisions and financial planning.	Altri plans to continue to deepen the analysis of climate risks (transition and physical risks), improving the quantification of financial impacts, in order to implement appropriate mitigation and management measures and to leverage the development of business opportunities, supporting the strategic execution of Altri.	Altri is committed to the continuous review of current metrics and targets (eg GHG reduction targets -SBT; circularity; renewable energy production) and to the establishment of new metrics and targets (eg financial incentives at the management level associated with the management of climate change; internal carbon pricing) appropriate to the management of identified climate risks and opportunities.

Climate Impact

305-1 305-2 305-3 305-4 305-5

We seek to make our climate impact more and more positive, particularly by replacing fossil materials, sustainable forest management and providing renewable solutions. The positive effects on the climate resulting from our action are achieved by carbon sequestration by the absorption of CO_2 from the atmosphere by the trees, as well as by the substitution of fossil and finite materials by renewable materials.

We combat climate change through the supply of renewable materials, production efficiency and sustainable forest management.



Altri's annual climate impact forecast

<table>
<tr><th rowspan="3"></th><th colspan="5">tCO_2e</th></tr>
<tr><th rowspan="2">2019</th><th rowspan="2">2020</th><th colspan="3">2021</th></tr>
<tr><th>Altri Indústria</th><th>Altri Florestal</th><th>Total</th></tr>
<tr><td colspan="6">Scope 1 GHG emissions – Direct emissions</td></tr>
<tr><td>Direct emissions from operations</td><td>133,294</td><td>122,419</td><td>120,943</td><td>3,090</td><td>124,033</td></tr>
<tr><td colspan="6">Scope 2 GHG emissions – Indirect emissions</td></tr>
<tr><td>Indirect emissions – associated with the acquisition of electricity (market-based)</td><td>36,417</td><td>21,407</td><td>23,326</td><td>66</td><td>23,392</td></tr>
<tr><td>Indirect emissions – associated with the acquisition of electricity (location-based)</td><td>43,690</td><td>23,743</td><td>22,317</td><td>85</td><td>22,402</td></tr>
<tr><td colspan="6">GHG emissions from scope 3 – Other emissions</td></tr>
<tr><td>Purchases of goods and services</td><td>119,468</td><td>119,668</td><td>116,574</td><td>2,886</td><td>119,460</td></tr>
<tr><td>Activities related to fuels and energy not included in scope 1 and 2</td><td>22,228</td><td>16,130</td><td>23,784</td><td>203</td><td>23,987</td></tr>
<tr><td>Upstream transportation (wood and chemicals)</td><td>80,272</td><td>54,917</td><td>80856</td><td>19</td><td>80,875</td></tr>
<tr><td>Treatment of waste generated from operations, including transport</td><td>2,860</td><td>2,014</td><td>3,164</td><td>—</td><td>3,164</td></tr>
<tr><td>Downstream transport (product)</td><td>53,120</td><td>45,266</td><td>43,650</td><td>—</td><td>43,650</td></tr>
<tr><td>Other emissions related to suppliers</td><td>20,008</td><td>15,044</td><td>2,950</td><td>19,724</td><td>22,674</td></tr>
<tr><td>Total – GHG emissions from scope 3</td><td>297,956</td><td>253,039</td><td>265,550</td><td>22,832</td><td>292,335</td></tr>
<tr><td>Total - GHG emissions from scope 1, 2 (market-based) and 3</td><td>467,668</td><td>396,865</td><td>409,847</td><td>25,988</td><td>435,836</td></tr>
<tr><td>Other – avoided emissions associated with the sale of electricity</td><td>(186,555)</td><td>(154,961)</td><td>(15,353)</td><td>—</td><td>(15,353)</td></tr>
<tr><td>Other – Carbon reservoir in the forest</td><td colspan="2">(8,044,739)</td><td>—</td><td>(8,176,442)</td><td>(8,176,442)</td></tr>
<tr><td>Other- Biogenic emissions from combustion of non-fossil fuels (tCO_2 biogenic)</td><td>1,544,501</td><td>1,466,622</td><td>1,381,374</td><td>—</td><td>1,381,374</td></tr>
</table>

Direct emissions (scope 1)

Our direct emissions are mainly associated, in pulp mills, with the combustion of fossil fuels and the pulp manufacturing process and, in the activity of Altri Florestal, with the use of fossil fuels in stationary and fleet equipment, as well as direct and indirect N_2O emissions resulting from the application of fertilizers. In 2021, in line with best reporting practices, also included in scope 1 are CH_4 and N_2O emissions associated with the use of non-fossil fuels in pulp mills. Despite the inclusion of this new type of source, total emissions from scope 1 remained practically unchanged.

Indirect emissions (scope 2)

Indirect emissions of scope 2 are associated with the production of electricity acquired by Altri to third parties. In 2021 there was an overall increase of 8% in these emissions (calculated according to the market-based method), which resulted mainly from the increase, in the same order of magnitude, of the carbon content of the electricity purchased.

Other indirect emissions (scope 3)

The emissions from the value chain – upstream and downstream of the own operation – account for about two-thirds of our total emissions. The most relevant category corresponds to the production of goods and services purchased, where the emissions associated with the production of wood and chemical products used in pulp mills are accounted for, as well as the fertilizers and phytopharmaceuticals applied in nurseries and forest areas under Altri management. Outsourced transport, upstream and downstream of the facility (in particular wood for pulp mills and pulp product for customer premises) is also relevant. Other emissions from suppliers are associated with internal transport by third parties in plants and sub-contracted operations of forestry, forest exploitation and forest protection against fires.

In 2021, the accounting methodology of some indirect emission categories was adjusted, in particular category 3 (activities related to fuels and electricity not included in scope 1 and 2), in which electricity losses have been taken into account not only in the transmission system but also in the distribution network, and in category 4 (upstream transport (wood and chemicals)), where the transportation of plants to the nurseries of Altri Florestal was also included.

Biogenic CO_2 emissions

The use of non-fossil fuels - biomass and by-products of the pulp production process - is considered neutral in terms of CO_2 emissions, since it corresponds to the carbon release that has been removed from the atmosphere by the growth of this biomass. In 2021, Altri started to account for and report the biogenic emissions[15] of all non-fossil fuels used in its plants: Residual forest biomass; Sulphite liqueurs (black liqueurs); Other gases of biogenic origin generated in the production process; And biogas generated in the anaerobic treatment of effluents.

Carbon reservoir

At the end of 2021, 8.2 million tons of CO_2 were stored in the forest area under Altri management, relating to the accumulated carbon stock in 88,267 hectares of self-managed forest of which 37,173 hectares are leased.

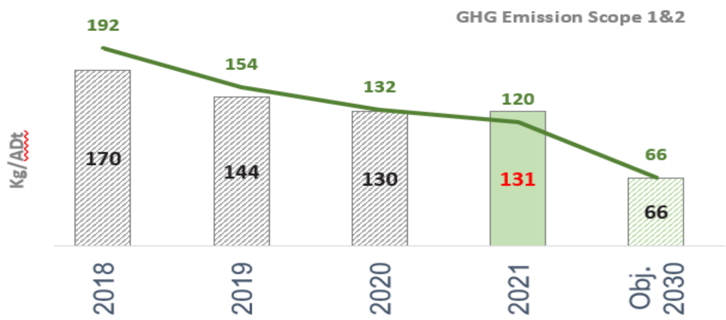
Integrated calculation of the Altri carbon footprint

We are implementing an integrated accounting process for carbon emissions, removals and storage that occur throughout the value chain – forest production, pulp manufacturing and product use – through which we intend to quantify and communicate rigorously and transparently, the net climate impact of our activity and our contribution to SDG 13.

We believe it is essential to focus on reducing our total emissions, but above all on improving the efficiency of our processes, so we monitor the specific emission value, and our reduction commitments are based therein.

Our commitment by 2030 is to reduce by 60% the specific emissions from scope 1 and 2 and 30% the emissions from scope 3. This year we are presenting results of a reduction in specific emissions from scope 1 and 2 of about 33% compared to the base value of 2018 and are progressing in pursuit of the achievements set out in our commitments.

[15] In line with the guidelines of the GHG Protocol methodology, these CO_2 emissions are reported separately, given their distinct nature. Emissions of CH_4 and NO_2 which also occur in the combustion of these fuels are accounted for in scope 1.



Measures implemented in 2021 to achieve the commitment
Biotek: Optimization of the operation of the recovery boiler and associated turbine

Management of emissions from Scope 3

At Altri, we recognize that our responsibility goes beyond the direct impact of our operations, increasingly betting on the reduction of negative impacts throughout our value chain. For this reason, we have been implementing initiatives that include parties in our value chain to improve their performance and reduce their negative impacts.

***Gigaliners* (*case study* 1):**
We developed with Luís Simões an innovative partnership in Portugal, which allowed us to create a more efficient and environmentally sustainable transport alternative. The solution consists in the development of 25,25-meter transport vehicles, called *gigaliners*, which transport pulp between our industrial plant in Leirosa (Celbi) and the Maritime Port of Figueira da Foz.
Luís Simões brings to our service eight vehicles that gather a set of features that make this the most efficient solution to carry out this transport. This combination allows driving with a gross weight of up to 60 tons and has axle weights below the maximum permitted by law today, because it has eight axles, allowing an estimated reduction of about 30% in road wear compared to the wear caused by conventional vehicles.

This multimodal road-sea solution arises from the need to find alternative formulas to add value to the supply chain, through the development and implementation of efficient solutions, increasing the competitiveness of both companies.

Benefits:
. Around 33% reduction in the number of trucks to be driven between Celbi and Port of Figueira da Foz (equivalent to 40 000 vehicles per year)
. Reduction in total fuel consumption by about 15% per ton/ride

The key is to develop solutions that increase transport efficiency without increasing traffic volume.
The solution developed by Luís Simões, in partnership with Altri, had the know-how of Reta–Serviços Técnicos e Rent-a-Cargo, a company of the Luís Simões group that is dedicated to the design of vehicles adapted to specific activities of customers.

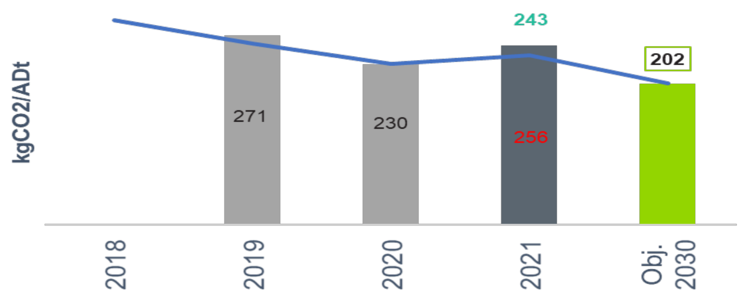
LARGE IN SIZE
small in the ecological footprint

Hybrid machines (*case study* 2):

We have been using since December 2021, the second hybrid machine in Portugal for logging. This is about our ambition to reduce the carbon footprint, extending that commitment to forestry activities and our value chain. Given that the market for this type of equipment is still little developed, the first activities to be covered are forest exploration and land preparation. We intend to be at the forefront of market developments in the industry, driving the use of this type of technology in the Altri Florestal service provider market.

This hybrid technology has a different operation than a car, as the batteries are self-charged and not connected to power. The hybrid part of this machine will charge around 120 hp that complement the 400 diesel hp.

This machine runs at an average of 1200 revolutions per minute (rpm), while a machine without this technology runs at 1750/1800 rpm. When working with larger woods, there is greater efficiency and greater savings, as the hybrid allows stable acceleration, contrary to the peak consumption seen on conventional machines. Thus, lower fuel consumption and stable engine performance represent less greenhouse gas emissions to the environment.



Measures implemented in 2021 to achieve the commitment
Altri Florestal: Support the service providers in purchasing a hybrid harvester. The model (Logset) will allow significant fuel savings that are directly reflected in the reduction of emissions

The contribution of our products to the fight against climate change

Combating climate change and reducing environmental impacts are on the agenda of several downstream companies, which values our practices and highlights Altri positively in the market. We contribute to non-plastic and renewable solutions that promote the reduction of the impacts of our customers.

At Altri, we regularly collaborate with projects that aim to minimize the climate impact and contribute to being part of the solution in the fight against climate change. The battle against climate change cannot be set aside, and it is more important than ever to accelerate the transition to a circular bioeconomy. The world needs renewable and recyclable materials to combat climate change and limit the use of finite resources that have a large carbon footprint. These materials can lessen the climate impact, promote healthier lives, reduce chemicals in the environment, promote product durability, and a more circular approach to materials and carbon.

While textile consumption continues to increase, consumers are increasingly aware of the negative impacts of man-made fibers of oil and cotton origin. In view of climate change, producers, retailers and brand owners are rethinking every step of the value chain – from the supply of raw materials to production, packaging and logistics. When our products replace others, of fossil origin or other non-renewable alternatives, we are significantly benefiting the climate.

We have been increasing the forest area under our management, which allows us to ensure more sustainable performance in our low carbon products, supporting the mitigation of some of the world's climate challenges. The climate benefit and economic appreciation of forest planting are obtained while promoting biodiversity and other sustainable aspects.

We want to be leaders in the fight against climate change, prioritizing:
. Biodiversity
. Use of the soil
. Climatic benefits
. Resilient Communities

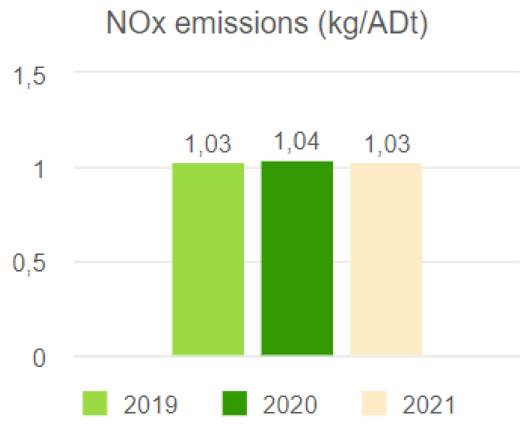
Being well informed of the conditions of tree growth, we can intervene in the fluctuations in growth that may occur due to climate change. Our forests support competitive wood supply and create value through sustainable management, mitigating the impacts of climate change and optimizing soil use.

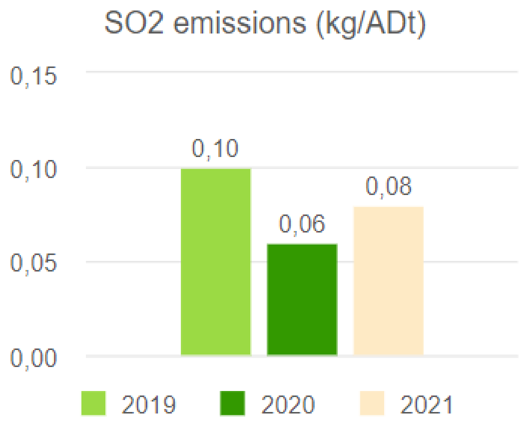
Gaseous emissions

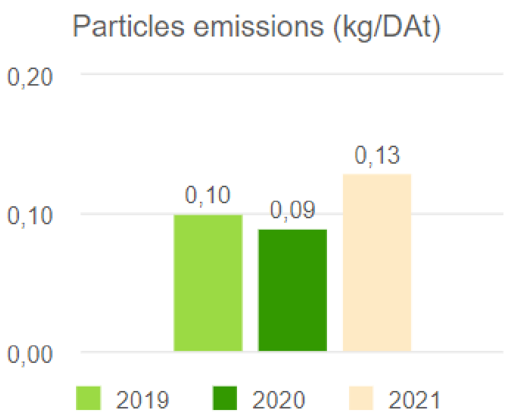
305-7

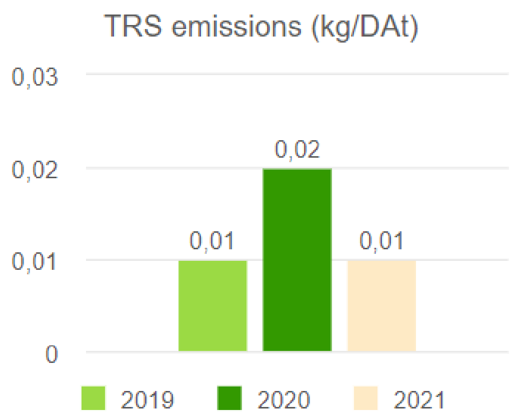
Gaseous emissions are primarily the result of combustion processes, including carbon dioxide (CO_2), sulfur dioxide (SO_2), nitrogen oxides (NOx) and fine particles. When not managed correctly, CO_2 contributes to global warming, while so $_2$ and NOx emissions affect air quality and can cause acid rain and soil acidification.

At Altri, we work to reduce atmospheric emissions through the (growing) use of renewable energy sources, improving energy efficiency and focusing on clean technologies such as gas washers and sleeve filters associated with advanced process control systems.


NOx emissions (kg/ADt)
1,5
1
0,5
0
1,03
1,04
1,03
2019
2020
2021


SO2 emissions (kg/ADt)
0,15
0,10
0,05
0,00
0,10
0,06
0,08
2019
2020
2021


Particles emissions (kg/DAt)
0,20
0,10
0,00
0,10
0,09
0,13
2019
2020
2021


TRS emissions (kg/DAt)
0,03
0,02
0,01
0
0,01
0,02
0,01
2019
2020
2021

Circular Economy

The optimization of industrial processes is a constant concern in Altri's companies, with the reduction of waste production being a principle that underlies the way we develop our activity. However, since the processes of eliminating this flow are extremely complex, considering the entire production process, our focus is on the recovery of waste, reintegrating it into our production process, or its recovery through use in other industries, in particular by integrating the principles of circular bioeconomy.

CIRCULAR BIOECONOMY
Circular bioeconomy integrates the concepts of circular economy and bioeconomy focusing on the use of natural raw materials in closed cycles.
The concept of circular bioeconomy applied to forest management stimulates the use of resources, such as wood, biomass and non-woody forest products, and the enhancement of ecosystem services, contributing to the reduction of the exploitation of natural raw materials and to the promotion of innovation and the development of products with added value in forest-based industries and in new sectors, such as the chemical, pharmaceutical or textile sectors.

There are several examples of projects developed with the objective of promoting the circular economy, namely:

- **The HIGH2RPAPER project**[16]

- **Cooking of fibrous material of fine particle size**[17]
- **Acetic acid and furfural**[18]

[16] See chapter *Focus on excellence and technological innovation*).
[17] See chapter *Focus on excellence and technological innovation*.
[18] See chapter *Focus on excellence and technological innovation*.

In order to achieve the goal of Altri to recover and reuse 100% of the procedural waste, as set out in 2030 Commitment, we promote the creation of partnerships for the development of new ways of using by-products, replacing virgin raw materials.

The waste for which we are looking for new solutions is:

Dregs

Grits

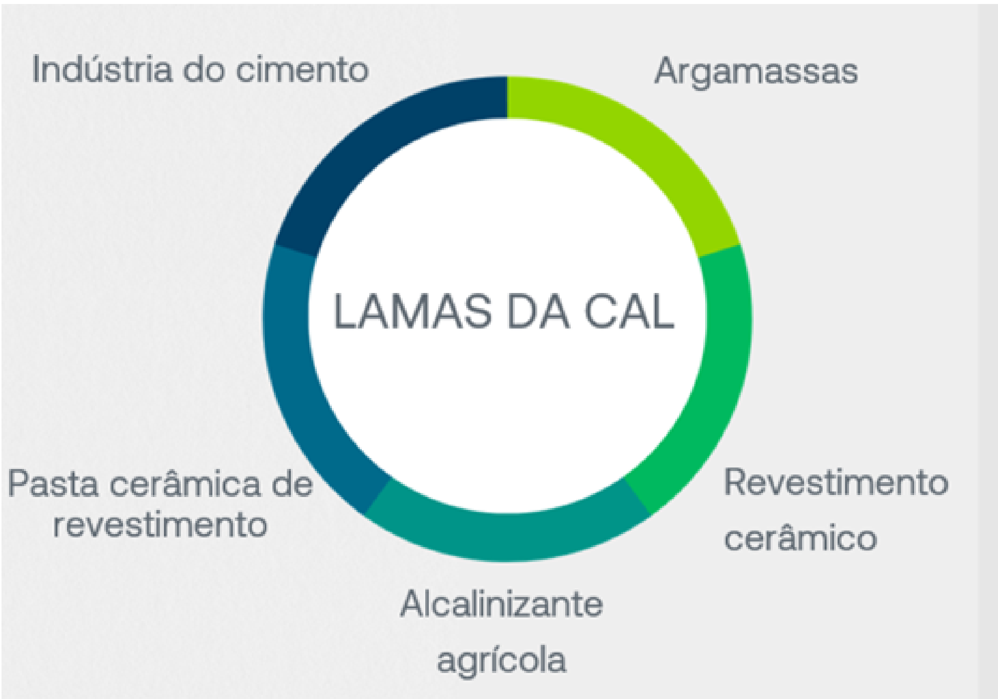
Lamas de Cal e Cinzas Forno

Cinzas Caldeiras Biomassa

Areias e Escórias Caldeiras

Lamas Primárias

Currently, lime sludge is recovered in the cement manufacturing process. Tests were carried out to incorporate lime sludge into the production of ceramic coating paste and, in clayey lots for the production of ceramic coating. Tests were carried out for the incorporation of lime kiln ash in the process of manufacture of ceramic porcelain paste and in lots of feldspar.

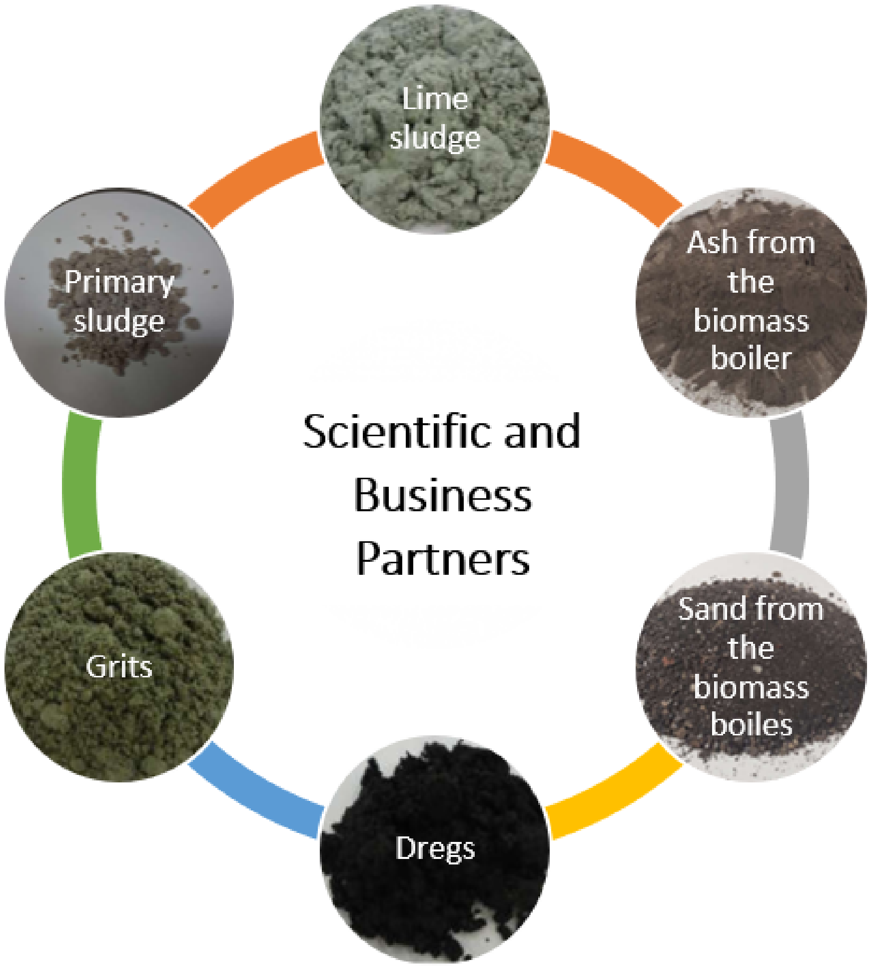


In the context of Kobetsu 'Return to origins', possible applications of waste produced in our industrial facilities were identified, with a view to its application to improve the quality of the soils, particularly the eucalyptus plantations, which are our main raw material. The objective is to return elements that were removed to the forest in wood and biomass, present in the waste. Currently, the possibility of using lime sludge and biomass boiler ash as a soil alkalinizing corrective and the use of fluidized bed sands in filling existing depressions in the forest paths is under examination. This use will allow waste to be used for the same purposes as virgin natural resources which, although abundant, are not inexhaustible.

Partnerships with Universities and higher Institutes

At Altri we have collaborated with Universities and Higher Institutes, making available waste produced in our industrial units for projects to develop new products in which these institutions are involved.

We have established a collaboration with the University of Aveiro and other institutions of the national scientific system to develop products with and for partner companies, where residues produced in our activities will be incorporated, with distinct applications in the area of construction, ceramics and glass. The importance of this partnership, aiming at the direct substitution of raw materials by waste, lies in the development of mechanisms that support and create conditions for this application.

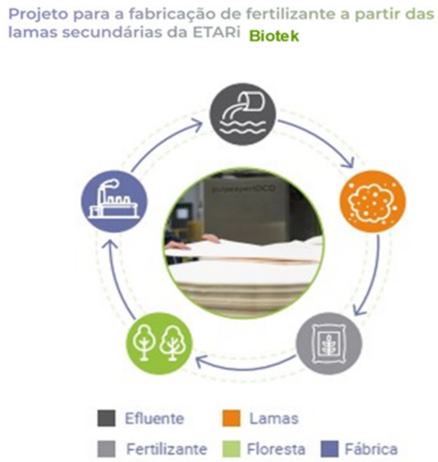


We want to add value to waste through initiatives and partnerships, enabling the reduction of virgin raw materials extraction and contributing to a circular economy.
Our industrial units have specific characteristics that enable the implementation and development of different waste recovery projects.

BIOTEK

Agristarbio – production of fertilizer from secondary waste from the WWTP

This pilot project aims to create a solution for the recovery of organic waste through fertilizer production, using secondary sludge as raw material. The sludge is the result of effluent from Biotek's industrial waste water treatment plant (WWTP), resulting from the effluent treatment of pulp manufacture of cellulosic fibers. The project was developed in partnership with Agristarbio, a company that owns the technology applied in the plant, which aimed to develop and produce organomineral fertilizers, adjusted to the needs of the soil-culture binomial, optimized for use in the own forests and plantations. The resulting product is a substitute for chemical synthesis fertilizers, which being rich in organic matter contributes to better fertilization and soil structure.



Optimization of lime kiln

The production process has a high consumption of lime from an external supplier, increasing the costs and generation of procedural waste. Based on our policies of continuous improvement, a methodology has been developed that reduces the consumption of lime. This project has optimized the process in three strands:

- Increased production capacity of the lime kiln, allowing greater productive efficiency and a lower dependence on external suppliers and other production factors, not controlled by Altri.
- Reduction of waste production and consequent reduction of the environmental footprint.
- Economic benefit resulting from savings in the consumption of lime and the reduction in the transport costs of the waste previously produced.

Collection and treatment of bad odorous gases in Biotek

Concentrated Not Condensible Gases (CNCG) and Stripped off gases (SOG) are gases that result from the evaporation process and are usually sent to the lime kiln or recovery boiler.
Currently, in Biotek, the treatment of the CNCG and SOG does not allow the recovery of chemicals, namely sulfur, a factor that unbalances the chemical balance of the mills. The CNCG has a high sulfur content - one of the constituents of the cooking liqueurs - and is an essential raw material for the pulp production process. We intend to carry out technical-economic comparison studies of the technological solutions available for the conversion of sulfur present in these gases into sulfuric acid, promoting its chemical and energy recovery and consequent reduction of negative environmental impacts.

ALTRI FLORESTAL

Within the scope of the RePLANT Project, the prototype of an ARD equipment (Implement, Ripper and Disks) is under development for localized mobilization of the soil and planting. The prototype under test is being developed by the company FRAVIZEL and tests have already been carried out in Calha do Grou. This implement aims to perform two tillage operations for planting simultaneously: Ripping and grading. In addition, it also enables to carry out a deep fertilization.

The development of this machine allows for optimization in soil preparation for replanting, reducing the number of passages needed by reducing soil liming and also the consumption of fossil fuels, since it enables three operations simultaneously.

Water

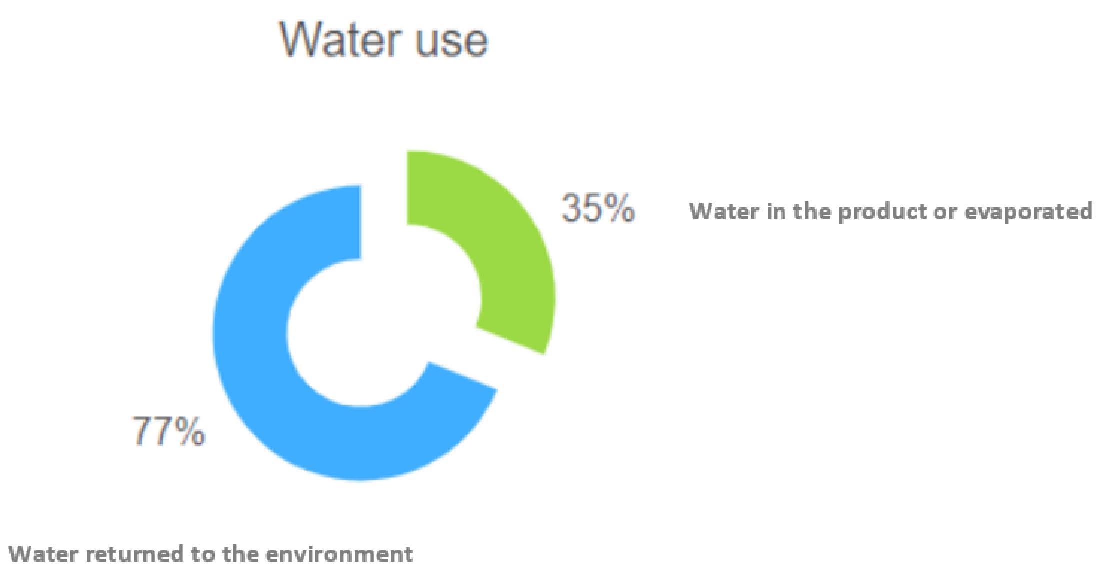
303-3 303-4

Water is an increasingly scarce commodity, with Portugal reaching a meteorological drought in 2021 in about 94% of its territory[19]. At national level, around 8% of water consumption is due to industry[20], adding responsibility to companies such as Altri in the responsible management of this resource. In

[19] IPMA, 2022. Evolution of the meteorological drought situation. Information available here: https://www.ipma.pt/pt/media/noticias/news.detail.jsp?f=/pt/media/noticias/textos/Evolucao_seca_meteorologica_2021_2022.html

[20] APA, 2016. Volumes captured by industry and region. Information available here: https://rea.apambiente.pt/content/press%C3%B5es-quantitativas-e-qualitativas-sobre-os-recursos-h%C3%ADdricos

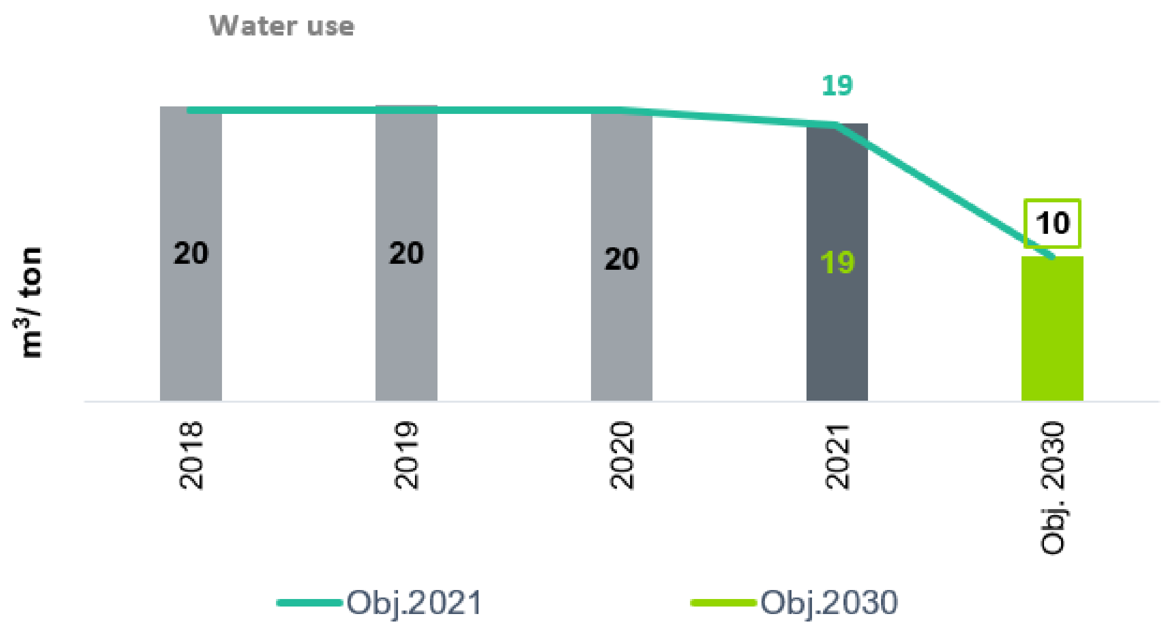
this sense, we seek to manage the use of water, its consumption and its discharge in order to generate the least possible negative impact on the environment.

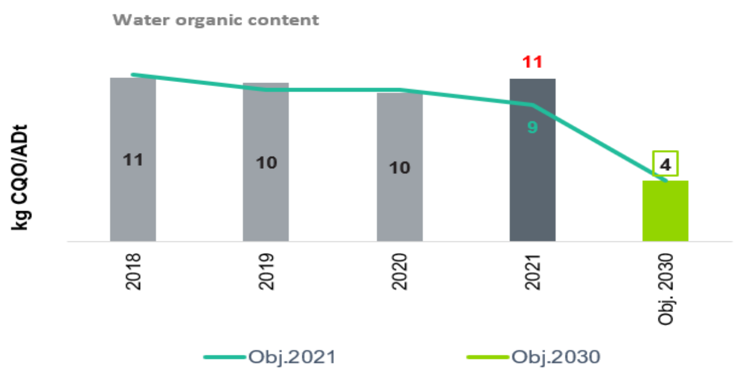


In order to improve the management of water use and liquid effluents, several monitoring and efficiency improvement measures have been implemented, among others.

caima	biotek	celbi
Re-qualification of the washing operations to allow the closure of circuits and the consequent reduction of water consumption.	Checking fire network enclosures and ducts for leak detection and repair. Inspection and repair of water cooling towers. Creation of conditions for the recycling of white water, returned by local customers. Improvement of condensate segregation from evaporation for reuse in the manufacturing process. Re-qualification of the flushing process to allow the closure of circuits and the consequent reduction of water consumption.	Analysis of indicators and normalization of deviations from established values. Checking the underground enclosures of the fire network for leak detection and repair. Inspection and improvement of cooling towers. Reduction of overflow of sealing waters. Placing an exchanger in the installation of diffuse emissions to reduce the temperature of the warm water produced in order to maintain the water network balanced. Use recovered water in the installation of diffuse emissions. List of possible uses of clarified effluent in place of process water or 45°C water

The measures implemented and the internal awareness efforts for responsible water use contributed to a 1% reduction in the value of specific water use compared to the previous year.


Water use
m3/ ton
20
20
20
19
19
10
2018
2019
2020
2021
Obj. 2030
Obj.2021
Obj.2030


Water organic content
kg CQO/ADt
11
10
10
11
9
4
2018
2019
2020
2021
Obj. 2030
Obj.2021
Obj.2030

Measures implemented in 2021 to achieve the commitment
Biotek: Optimization of dilution factors in pulp washing equipment Optimization of bleaching alkaline circuit closures Optimization and stabilization of the process conditions of bleaching to improve its performance and consequently to reduce the organic load on generated effluents
Caima: Placing in service of the 2nd bioreator of anaerobic treatment

Energy

302-1 302-3 302-4

At Altri, we have been working to improve the energy efficiency of our production processes, which has been a continuous reduction in energy consumption and therefore in costs. The development of measures and improvements is supported by the processes deployed in the plants, all of which are certified by ISO 50001- Energy Management System, which represents the guarantee of continuous improvement associated with the promotion of energy efficiency.

In 2021, there was a 3% reduction in total energy consumption, with a 0.4% increase in electricity consumption and a 3% reduction in thermal energy consumption. With regard to specific energy consumption, which relates energy consumption figures to production values, there has been a 5% reduction, which shows a significant improvement in the efficiency of production processes, which currently require 14.5 GJ per ton produced, less 0.7 GJ per ton compared to 2020.

Initiatives implemented to improve energy efficiency:

Celbi

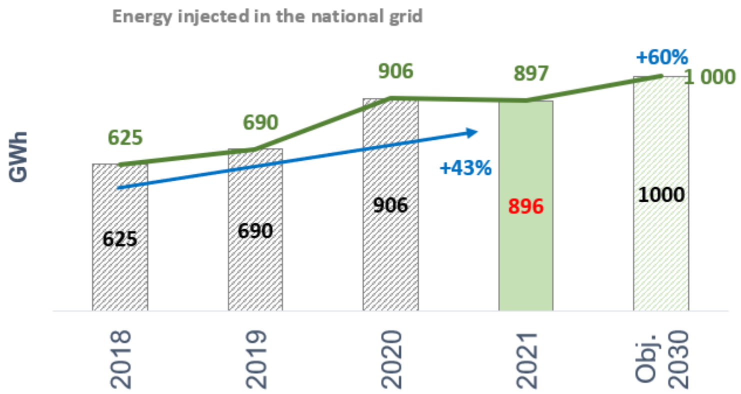
- Prioritization of consumption in the wood park at off-peak hours
- Inspection/survey of steam leaks and repair
- Inspections/survey of compressed air leaks and repair
- Turbine condensation system improvements (paddle angle change)
- Survey of control loops with improved pumping energy efficiency

Biotek

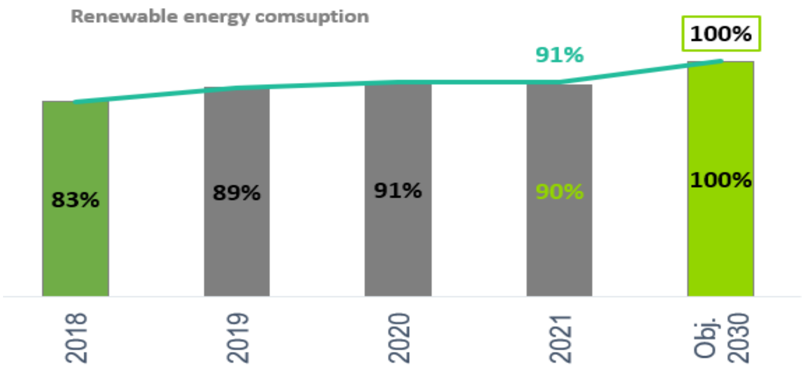
- Replacement of halogen and fluorescent lamps with LED lighting
- Installation of frequency converters
- Replacement of old engines with high energy efficiency engines

Caima

- Installation of exchanger in the bleaching and optimization of the operation of the compressors



Measures implemented in 2021 to achieve the commitment
Upgrade of the turbine of the Ródão Power plant Increased stability and injection of the Ródão Power plant Self-consumption by the Ródão Power plant

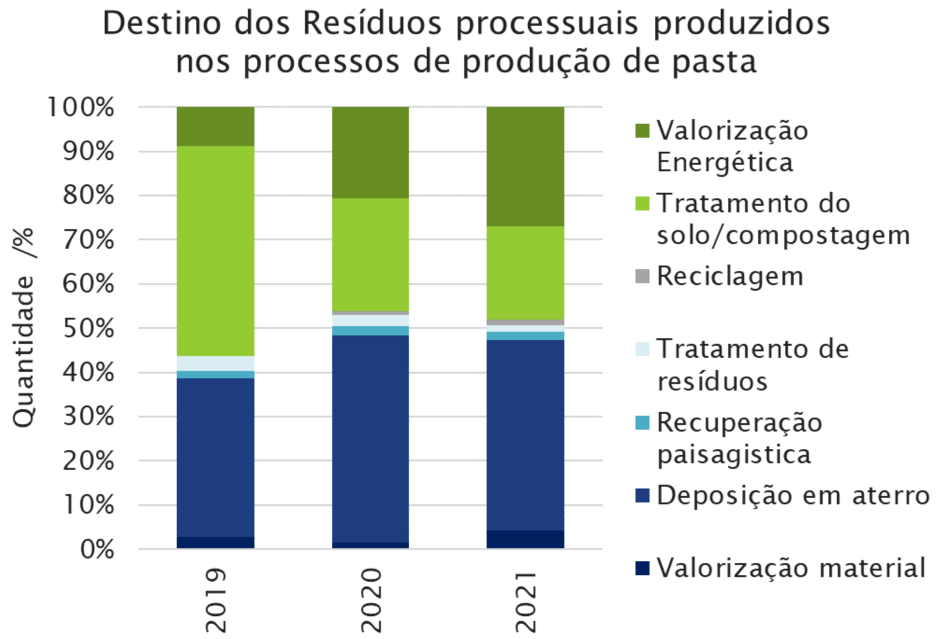


Measures implemented in 2021 to achieve the commitment
Altri: Evaluation of the feasibility of renewable electricity generation projects for self-consumption from photovoltaic solar energy
Biotek and Celbi: Use of green hydrogen in Biotek and Celbi lime kilns Contacts with suppliers to identify viable alternative solutions available on the market
Caima: Entry into operation of the new biomass plant of Caima (licensing and award of main equipment) Placing in service of the second anaerobic bioreactor in Caima (increased biogas production and use) that will lead to stabilization of the process and will reduce the use of natural gas as a resource fuel in case of disturbance

Waste

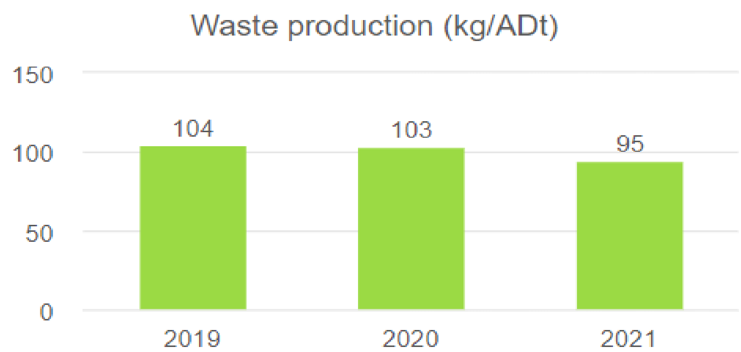
306-3

Due to the nature of our activity, almost 100% of the waste produced is non-hazardous waste, which means that only a tiny part of the waste has the potential to pose a risk to public health or the environment. Even though it is a minor part, we take all the necessary measures to ensure that this waste is properly routed and treated, eliminating the risks of potential negative impacts.



There has been a significant increase in the energy recovery of the waste we produce. This recovery represents the destination of around 26% of process waste, whereas in 2019 it accounted for about 9%. Currently, 42% of the process waste from the industrial units has as its final destination the landfill, which represents an improvement in performance over 2020, where about 47% of the waste had that destination.

Besides focusing on the recovery of our waste, we also focus on the efficiency of our processes, in order to generate less and less waste, avoiding treatment operations. We have seen an improvement in our performance, with a reduction of around 9% in the waste generated per ton of pulp produced compared to 2019.



Measures implemented in 2021 to achieve the commitment

Biotek

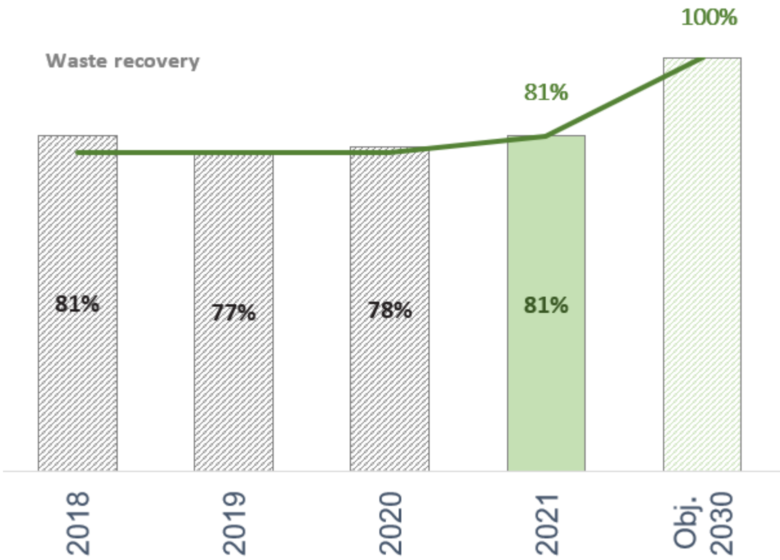
- Dynamization of operational optimization projects in the lime kiln area, improving the performance of the installation with the consequent reduction of waste produced.

Altri

- Development of research project in the area of re-use of process waste for transformation into new products.

Altri Florestal

- Installation of a controlled environment test for comparison of new organomineral fertilizers (AgriStarBio) produced from WWTP sludge.



Taxonomy

EU taxonomy to meet the requirements of the Regulation (EU) 2020/852

The European Union has been working to address the major global environmental challenges and to guide society toward sustainable development.

Given the nature of global environmental challenges, a systemic and forward-looking approach to environmental sustainability needs to be followed, which runs counter to rising negative trends, such as climate change, biodiversity loss, excessive resource consumption, food shortages, ocean acidification, the deterioration of freshwater reserves and the alteration of the soil use system, as well as the emergence of new threats, such as hazardous chemicals and their combined effects.

The pursuit of these objectives requires the allocation of a substantial capital value to sustainable projects, and the aim should be to promote them and eliminate obstacles to their financing. In addition, there is a growing need for transparency and the inclusion of environmental and social risks in corporate governance models and how they respond to them.

The European Union has made efforts to harmonize the criteria which define whether an economic activity is qualified as environmentally sustainable. In this sense, EU Regulation 2020/852 (EU Taxonomy) promotes cross-border harmonization and financing of businesses and activities, with the aim of facilitating the raising of funding for environmentally sustainable projects. This Regulation establishes uniform criteria for the selection of the assets underlying these investments.

The regulation of the European Union taxonomy published in the Official Journal of the European Union on 22 June 2020 establishes *the framework* to support the classification of economically sustainable activities from an environmental point of view for investment purposes, It is a key instrument for achieving the path of carbon neutrality proposed by the European Commission and adopted in 2019 with the European Green Pact.

In order to comply with this regulation, two delegated acts were published in the Official Journal of the European Union in 2021:

i. On December 9, 2021, the delegated act on climate, with application as of January 1, 2022. This regulates the assessment criteria to evaluate whether an activity is environmentally sustainable by contributing to the objectives of climate change mitigation and adaptation, and to establish whether this economic activity does not significantly affect the fulfillment of any of the other environmental objectives set in the regulation of the European Union taxonomy, and is carried out in accordance with minimum social safeguards; and

ii. On December 10, 2021, the delegated act concerning article 8, with effect from 1 January 2022. This regulates the reporting of environmental financial information to companies covered by the Non-Financial Information Reporting Directive (which will be replaced by the Corporate Sustainability Reporting Directive), namely the proportion of revenue (turnover), capital expenditure (CapEx) and operating expenditure (OpEx) that are associated with environmentally sustainable economic activities.

Since its establishment, Altri has been carrying out its activities in an ethical, complete and transparent way, providing results that are the outcome of its vision of management, the efficiency of its processes, the continuous innovation, the professionalism and competence of its team, the competitiveness of its supply and its reputation in the market. In this sense, Altri intends to continue to develop the necessary actions to position it as a reference, ensuring alignment with international macro objectives and maintaining its economic competitiveness in the long term.

In accordance with Directive 2013/34/EU of the European Parliament and of the European Council, Altri is obliged to publish non-financial statements, it is therefore within the framework of Regulation (EU) No 2020/852 of the European Parliament and of the European Council of 18 June 2020 – Framework Definition to facilitate sustainable investment. In this way, Altri has initiated the process of structuring internal practices that enable it to meet the requirements of the EU Taxonomy and thus align itself with good practices of sustainability and reporting of information. The EU Taxonomy is an important transparency tool that allows reporting of the alignment of activities (current and future) with sustainable development from an environmental point of view.

With reference to December 31, 2021, Altri publicly publishes for the first time in this report, information on the so-called EU Taxonomy regarding the eligibility of its economic activities in relation to climate objectives, materialized by the size of its income weight (turnover), operating expenses (OpEx) and capital expenditures (CapEx).

In the first year of application, according to the content of the European Commission's delegated Act (EU) 2021/2178, Altri discloses the percentage of revenue (turnover), capital expenditure (CapEx) and operating expenditure (OpEx) for eligible activities according to taxonomy, without the need to assess the technical evaluation criteria, that is, without determining the alignment of these activities with the climate objectives, determining only what percentage of the three indicators is associated with environmentally sustainable economic activities.

Specification of key performance indicators (KPI's)

i. **Turnover:** The proportion of turnover is calculated as the share of net turnover resulting from products or services, associated with economic activities eligible under the taxonomy (numerator) divided by the net turnover corresponding to the credit recognized in accordance with IFRS (denominator) under the headings Sales and services provision (Note 41 of the Annex to the consolidated financial statements);

ii. **Capital expenditure (CapEx):** The denominator covers the additions of tangible and intangible fixed assets during the exercise, excluding the effects resulting from depreciations, amortizations and any remeasures, notably resulting from revaluations, fair values and impairments. The denominator also covers the additions of property, plant and equipment, and intangible assets resulting from concentrations of business activities (perimeter entries at historical cost). The numerator corresponds to the part of the capital expenditure included in the denominator which:

   a. is related to assets or processes associated with economic activities eligible for taxonomy,
   b. is part of a plan to expand economic activities eligible for taxonomy, or to allow economic activities eligible for taxonomy to become aligned with taxonomy,
   c. is related to the acquisition of the production of economic activities eligible for taxonomy and with individual measures that enable the transformation of the activities concerned into low carbon activities or that allow reductions in greenhouse gas emissions and provided that these measures are applied and operational in the 18-month term.

iii. **Operating expenses (OpEx):** The denominator should cover the uncapitalized direct costs related to research and development, building renovation measures, short-term leasing, maintenance and repair, as well as any other direct expenses related to the daily maintenance of property, plant and equipment, by the company or third parties to whom activities are outsourced, which are necessary to ensure the continued and effective functioning of these assets. The numerator corresponds to the part of the capital expenditure included in the denominator which:

   a. is related to assets or processes associated with economic activities eligible for taxonomy, including training needs and other needs for human resource adaptation, and direct costs not capitalized that represent research and development; or

b. is part of the CapEx plan to expand economic activities eligible for taxonomy or to allow economic activities eligible for taxonomy to become aligned with taxonomy in a predefined calendar;
c. is related to the acquisition of the production of economic activities eligible for taxonomy and to individual measures that enable the transformation of the activities concerned into low carbon activities or that allow reductions in greenhouse gas emissions, as well as individual building renovation measures and provided that these measures are implemented and operational within 18 months.

Turnover:

Percentage of turnover for eligible activities

Business activities	Turnover (euros)	Turnover (% of total)
A. Eligible activities		
4.8 Electricity generation from bioenergy	6,097,653	1%
4.20 Cogeneration of heat/cool and power from bioenergy	45,153,261	6%
Sub-total eligible activities (A)	**51,250,914**	**7%**
B. Ineligible activities		
Turnover of ineligible activities (B)	**733,966,411**	**93%**
Total turnover of consolidated business (A+B)	**785,217,325**	**100%**

Since the core business of the Altri Group is the production of bleached eucalyptus pulp, an ineligible activity, the turnover of the Altri Group for eligible activities is essentially associated with the activities of: (i) production of electricity from bioenergy, and (ii) heat/cold cogeneration and electricity from bioenergy, these activities being included in the taxonomy of Annexes I and II of the delegated Climate Act (Commission Regulation (EC) 2021/2139), contributing these activities to the objective of climate change mitigation. It should be noted that the main activity of the Group concerns the production and sale of pulp, and this activity is not eligible under the delegated Climate Act (Commission delegated Regulation (EU) 2021/2139).

Capital expenditure (CapEx):

Percentage of capital expenditure for eligible activities

Business activities	CapEx (euros)	CapEx (% of total)
A. Eligible activities		
1.3. Forest management	15,238,519	39%
4.20 Cogeneration of heat/cool and power from bioenergy	4,512,780	12%
5.1. Construction, extension and operation of water collection, treatment and supply systems	45,420	0%
5.3. Construction, extension and operation of waste water collection and treatment	1,101,953	3%
Sub-total eligible activities (A)	**20,898,672**	**54%**
B. Ineligible activities		
Turnover of ineligible activities (B)	**18,150,719**	**46%**
Total consolidated CapEx (A+B)	**39,049,391**	**100%**

The total amount of capital expenditure included in the denominator of the indicator represents the total amount of additions that occurred in the financial year ended December 31, 2021, under the headings of property, plant and equipment, intangible assets and rights of use (Notes 9, 12 and 10, respectively, of the annex to the consolidated financial statements) for continued activities.

Allocation of additions of property, plant and equipment, intangible assets and rights of use between continued activities and discontinued activities

2021 Additions	Tangible Assets	Intangible Assets	Rights of use	Total
Continued activities	30,367,853	279,931	8,401,607	39,049,391
Discontinued activities	21,815,352	30,778,678	1,134,690	53,728,720
Total additions	**52,183,205**	**31,058,609**	**9,536,297**	**92,778,111**

The additions of property, plant and equipment, intangible assets and rights of use of the discontinued activities, as referred to in Notes 1 and 7 of the Annex to the consolidated financial statements, correspond to the additions that occurred under those headings in the financial year 2021 in Greenvolt and its subsidiaries.
The capital expenditure incurred in the financial year ended December 31, 2021 by the Altri Group is essentially associated with the activities of: (i) forest management, (ii) heat/cold cogeneration and electricity from bioenergy, (iii) construction, expansion and operation of water collection, treatment and supply systems, and (iv) construction, expansion and operation of waste water collection and treatment systems, These activities are included in the taxonomy of Annexes I and II of the delegated Climate Act (Commission Regulation (EU) 2021/2139), contributing the aforementioned activities to the objective of climate change mitigation and adaptation.
Regarding the CapEx additions associated with eligible activities, they were essentially carried out in order to bring the Altri Group closer to the objectives defined in the framework of commitment 2030 and Act4nature and which present the following details:

• Expand the network of biodiversity stations and biospots. In the year ended December 31, 2021, the Altri Group installed 4 new biodiversity stations and 2 integrated biospots in the areas under Altri's forest management.

• Conserve and/or restore ecosystems of high conservation value. In 2021, Altri Group implemented 5 projects of local relevance that contribute directly to the conservation and restoration of natural values, establishing appropriate partnerships wherever possible from local scope and giving priority to contact with the school community.

• Develop conservation, restoration and promotion actions of environmental values, integrated with the regular activities of forest production in territories of size, importance and relevance at landscape level, contributing to regional and national policies for the conservation of biological diversity and with demonstrative impact. In 2021, the Altri Group installed a nesting platform dedicated to the promotion of the regional population of Bonelli's eagle in an area under the management of Altri.

• Reduce the specific use of water (m3/tSA) in the industrial units of Altri by 50%. To this end, in 2021, the Altri Group invested in repairing the water cooling towers, created conditions for recycling the white water returned by the paper plants, improved condensate segregation from evaporation for reuse in the manufacturing process and installed variable speed drives to improve level control of the sealing water pots to prevent overflow.

• Reduce the organic load (COD, kg O_2/tSA) in Altri's industrial effluents by 60%. To this end, in 2021, the Altri Group invested in optimizing dilution factors in pulp washing equipment, in optimizing the alkaline circuit closures of bleaching and stabilizing the procedural conditions of bleaching to improve its performance and consequently to reduce the organic load on generated effluents.

• 100% of the primary energy consumed in the industrial units of Altri is of renewable origin. In this context, in 2021, the Altri Group started to use Green Hydrogen in the Celbi and Biotek lime kilns, and the new biomass plant in Caima was started up and the 2nd anaerobic bio reactor in Caima (higher biogas production) was put into service. This will reduce the use of natural gas as a resource fuel in case of disturbance, ensuring optimization of the biomass supply to the boiler.

• Reduce scope 3 emissions by 30% (kgCO_2/tSA). Altri Florestal supported a service provider in the purchase of a hybrid harvester. The model (Logset) will allow significant fuel savings that are directly reflected in the reduction of emissions.

Operating expenses (OpEx):

Percentage of operational expenses for eligible activities

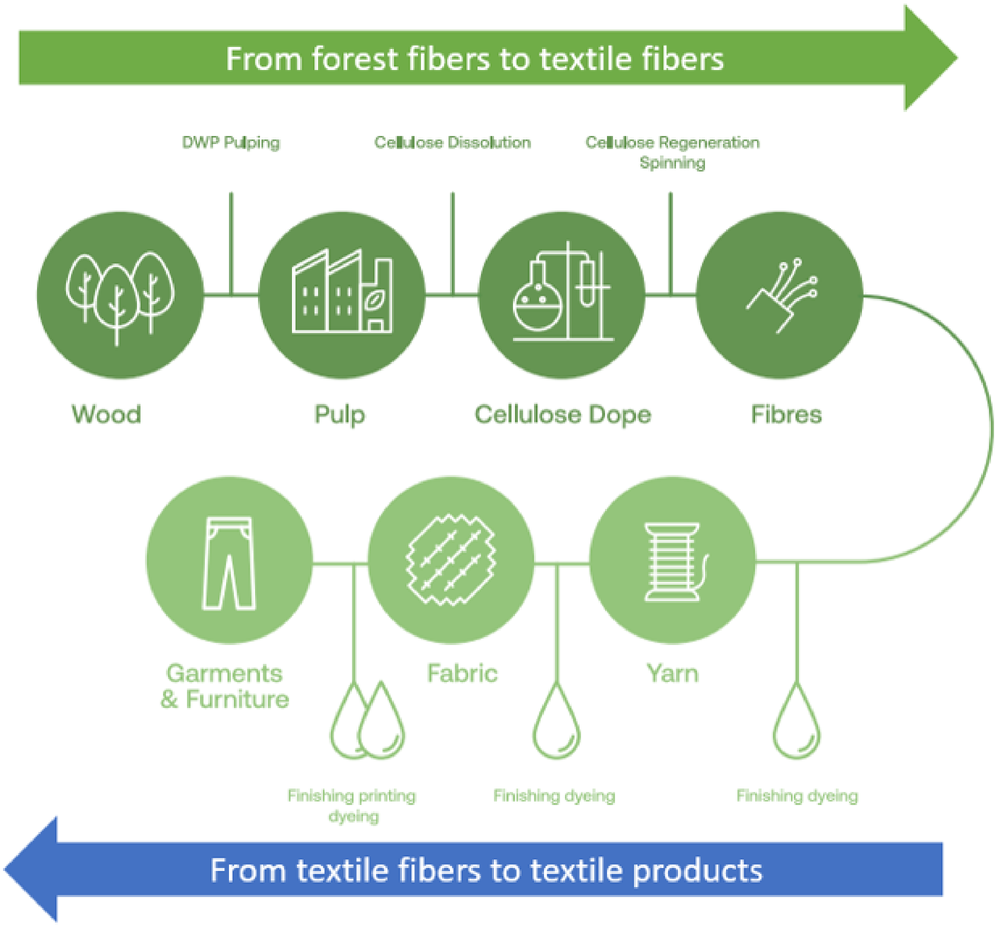
Business activities	OpEx (euros)	OpEx (% of total)
A. Eligible activities		
1.3. Forest management	3,787,605	8%
4.8 – Electricity generation from bioenergy	810,671	2%
4.20 - Cogeneration of heat/cool and power from bioenergy	4,161,627	9%
5.1. Construction, extension and operation of water collection, treatment and supply systems	201,394	0%
5.3. Construction, extension and operation of waste water collection and treatment	877,027	2%
Sub-total eligible activities (A)	**9,838,324**	**21%**
B. Ineligible activities		
Turnover of ineligible activities (B)	**37,306,946**	**79%**
Total consolidated CapEx (A+B)	**47,145,270**	**100%**

The total amount of operating expenses included in the denominator of the indicator represents the total amount of operating expenses recognized in the financial year ended December 31, 2021, on the lines of costs for forestry, conservation and repair and rent and rentals under the external supplies and services heading (Note 43 of the Annex to the consolidated financial statements).
The operational expenses of the Altri Group are essentially associated with the activity of: (i) forest management, (ii) electricity generation from bioenergy, (iii) heat/cold cogeneration and electricity from bioenergy, (iv) construction, expansion and exploitation of water collection, treatment and supply systems and (v) construction, extension and exploitation of waste water collection and treatment systems, these activities being included in the taxonomy of Annexes I and II of the delegated Climate Act (Commission Regulation (EU) 2021/2139), thus contributing to the objective of climate change mitigation and adaptation.

6. HOW WE CREATE VALUE

From cellulosic fibers to textile fibers

The textile industry has a huge impact on the environment, from the impact of microplastics released to the environment, from washing (estimated to represent 35% of the total amount of microplastics released into the environment[21]) to greenhouse gas emissions (it is estimated that 10% of global emissions originate from the production of clothing and footwear[22]). In addition, world per capita consumption of textile fibers has been increasing exponentially and is expected to reach 17.1 kilograms per person in 2030 (currently per capita consumption is around 14 kilograms per person). Considering the urgency of this theme, we decided to invest in the production of cellulosic fibers for the textile sector, particularly in the production of dissolving pulp from a forest basis, which are more sustainable alternatives when compared with other solutions based on fibers of fossil origin, such as polyester.



Source: Adaptation of the GRETE Project

The production of textile products from processed cellulosic fibers[23] is obtained from processes of direct derivatization or dissolution. In both cases the starting material is a pulp called "dissolving pulp" obtained from softwood (e.g. pine) or hardwood (e.g. eucalyptus). The description dissolving pulp, in

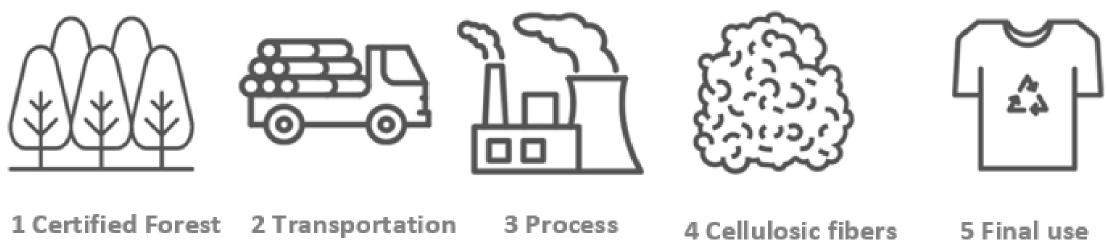
[21] Information released by the European parliament on "the impact of textile production and waste on the environment" available here: https://www.europarl.europa.eu/news/pt/headlines/society/20201208STO93327/o-impacto-da-producao-e-dos-residuos-texteis-no-ambiente-infografia

[22] Information released by the European parliament on "the impact of textile production and waste on the environment" available here: https://www.europarl.europa.eu/news/pt/headlines/society/20201208STO93327/o-impacto-da-producao-e-dos-residuos-texteis-no-ambiente-infografia

[23] Man made cellulosic fibers – MMCF in English terminology.

order to distinguish it from the pulp, implies technological conditions for cooking which are more aggressive, so that the finished product has characteristics that allow its dissolution.

Caima is the only company in Portugal, and one of the few in Europe, to produce dissolving pulp by the magnesium bisulfite process for use in the textile industry. Currently Caima has the capacity to produce about 125 tons of cellulosic fibers per year.



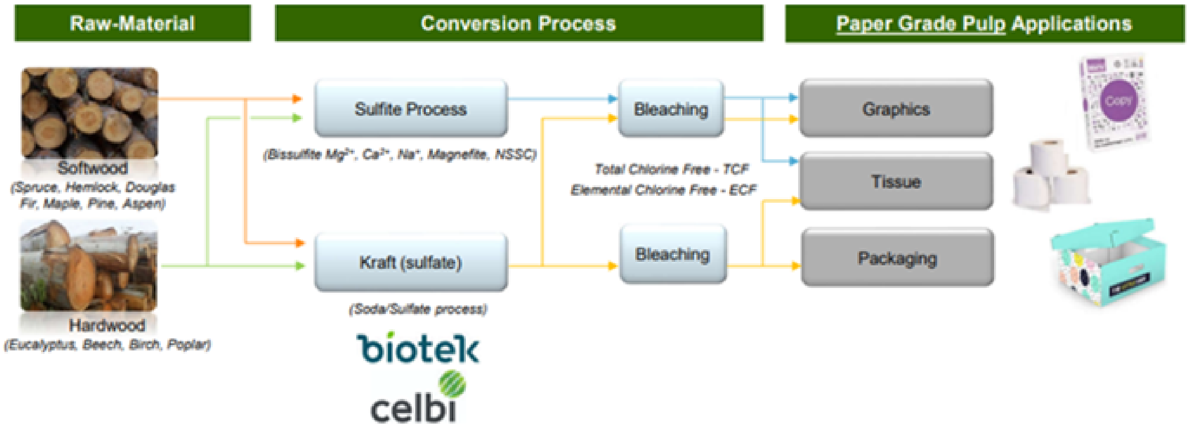
On textile cellulosic fibers

Fibers used in the production of processed cellulose-based fibers have the same biological origin as paper fibers. The process to arrive at textile fiber, however, has some significant differences:

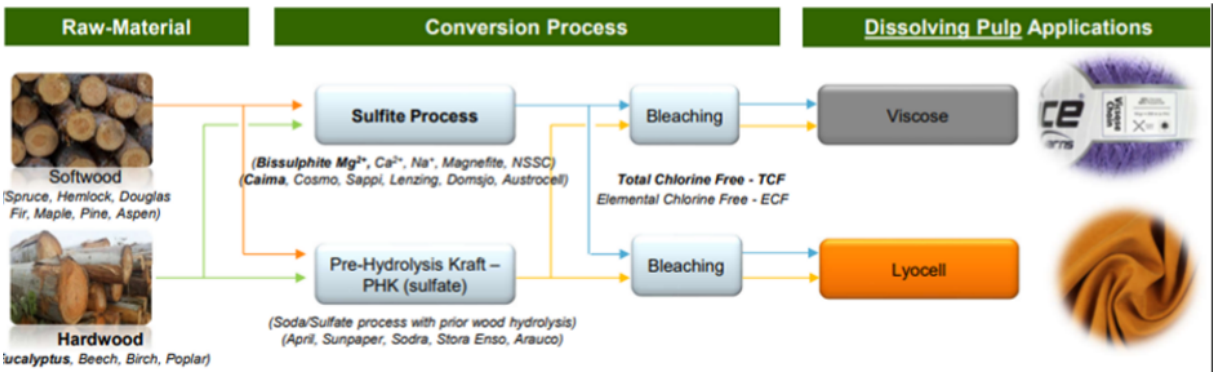
1. The pulp used is called dissolving, as opposed to paper because it has a higher level of de-polymerization of the pulp chains (shorter chains) which allows for other stages of the process to dissolve this pulp in a suitable solvent.
2. The purity of cellulose (α-cellulose) is higher than pulp, through the elimination of the hemicelluloses, by acid attack complemented by alkaline treatments. The need to have purer cellulose

products arises from the fact that, with the current technologies, hemicelluloses cause losses of yield in conversion and generate textile fibers of inferior quality.

From wood to *paper grade pulp*



From wood to dissolving pulp



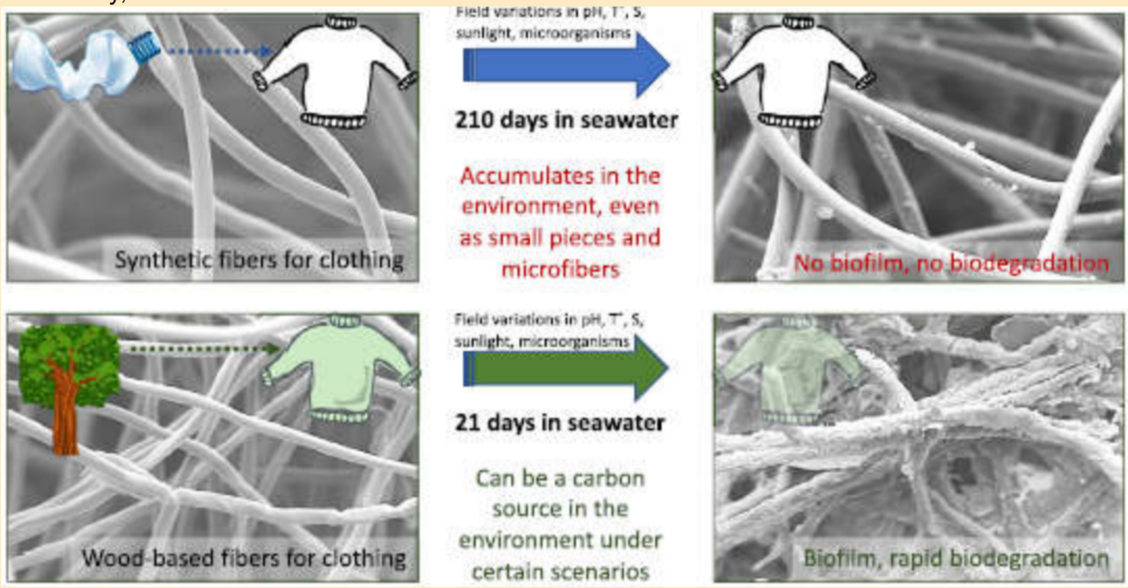
Raw-Material	Process	Indicative Preferred Application *
Softwood	Sulfate (PHK)	Acetates
Sofwood	Sulfite	Ethers
Hardwood	Sulfate (PHK)	Viscose / Lycell
Hardwood	**Sulfite**	**Viscose / Lyocell**

caima

*Source *: Chemical Changes of Cellulose Pulps in the Processing to Viscose Dope P. Strunk, Å. Lindgreen, B. Eliasson and R. Agnemo, 2011; Characterization of cellulose pulps and the influence of their properties on the process and production of viscose and cellulose ethers; Peter Strunk, 2012*

Although with a stronger presence in pulp production for paper applications, namely tissue, printing, writing and specialties, since 2013 we have been present in the market for dissolving pulp for textile applications, through Caima. Initially dedicated to textile fiber products, such as viscose, we began a process of product optimization that allowed us to consolidate our position as a sustainable supplier. Currently, we aim to evolve to the production of dissolving pulp for clients that produce textile fibers, such as lyocell, and simultaneously analyze opportunities for evolution in the value chain of cellulosic base fibers. We also maintain strong attention to the different flows of secondary materials that result from industrial processes to create greater added value.

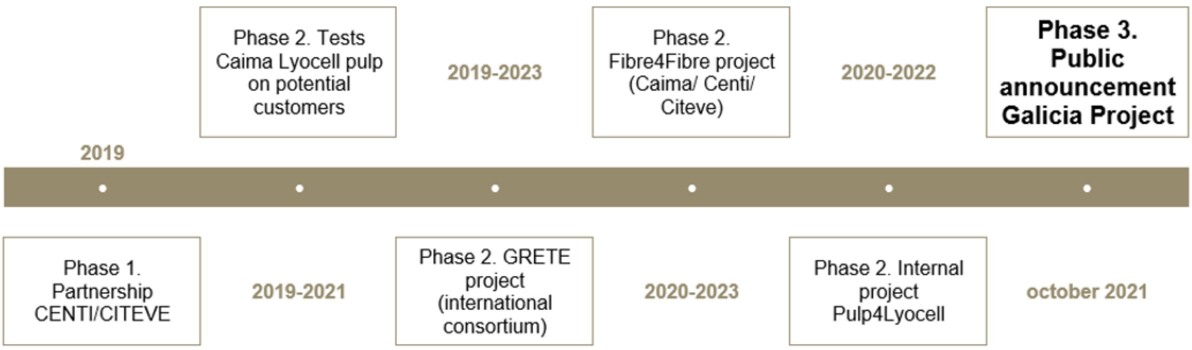
Cellulosic-based textile fibers: A renewable, more sustainable alternative
Based on a scientific study of life cycle analysis of processed cellulosic fibers, lyocell fiber is the one with the lowest environmental impact, except for viscose produced with recycled fibers and flax. This is a technology validated since the 80's and presents an alternative, in terms of product quality and sustainability, to viscose.



Source: Translation of "degradation of synthetic and wood-based cellulose fabrics in the marine environment: Comparative assessment of field, aquarium, and bioreactor experiments Sarah-Jeanne Royer, KaraWiggin, Michaela Kogler, Dimitri D. Deheyn; Science of the Total Environment 791 (2021) 148060

Altri's initiatives in the textile industry

The process that now culminates with the public announcement of the Gama project, to be developed in Galicia, results from a long-term value creation strategy, which has been designed and implemented in recent years, aligned with our vision, and reflected in the development of our activities.



1. About the CENTI/CITEVE partnership

Investment in the textile sector, based on the production of cellulosic fibers, was defined as a strategic area for Altri. The partnership with CENTI and CITEVE played a fundamental role, which enabled us to accelerate the development of this area. This tripartite partnership has complementary synergies with the resources available to each organization, bringing together two critical ranks for the national economy: Cellulosic fibers industry and textile industry.

Altri, is a reference in the industrial processes of production of cellulosic fibers. The CENTI has unique skills in the development of advanced materials and has a privileged relationship with the textile industry. The CITEVE is the center of competence par excellence for the entire Portuguese textile industry, also marking its presence in Asia, Latin America and Africa.

Our main objectives for cooperation are:

1. To increase the competitiveness of the national cellulosic fiber pulp sectors for paper and textiles – developing technical skills and internal know-how that will enable the country and its industries to develop, produce and market products of higher added value, associated with the pulp and paper industry, forestry and textile.
2. Support Altri's business development - build a solid technical and scientific basis that supports Altri's strategic vision and business development in the dissolving pulp area and its regenerated cellulose fibers in its different technologies.
3. Develop new renewable products based on cellulosic fibers and innovative processes – follow-up of technology development and processes that allow the production of high value-added functional fibers and cellulosic-based biomaterials.
4. Create a technical training platform and develop intellectual capital – to develop, consolidate and systematize basic scientific and technical information, enabling the training or strengthening of the competencies of the management in new areas of knowledge, associated with the most sustainable cellulosic base fibers.
The partnership is structured in three phases of research and development: i) conversion of dissolving pulp to textile fiber, ii) regenerated cellulose to textile and technical applications and iii) regenerated cellulose fibers for technical applications.

Within the framework of these partnerships, the new Altri Advanced Fiber Laboratory is being created in the new facilities of the CENTI. This new lab will support our development and innovation strategy.

2. R&D projects

We have been focusing on the development of projects and initiatives in the textile sector, for example the GRETE project, FIBER4FIBER, and the PDD02- Lyocell-dissolving pulp project, which has been under development since June 2020 in Caima.

3. Gama project

Based on our path of innovation and development in the textile sector, the partnership with the Galicia Regional Government was announced in October 2021 to assess the possibility of a new industrial project. This project foresees the annual production of about 200,000 tons of dissolving pulp and sustainable fibers, mainly aiming at the supply of the textile sector and falling within the 'Next Generation EU' program and the Spanish National Recovery and Resilience Plan. This project is still framed in Altri's 2030 Commitment.

This unit will also be able to provide the peninsular Northwest textile cluster, contributing to the strengthening of the circular economy and decarbonization of an important economic sector, such as the textile sector.

7. OUR STAKEHOLDERS

102-12 102-13 102-42 102-43

We recognize the importance of our stakeholders and their involvement to our long-term success.

Maintaining dialog with our stakeholders is key to identifying their concerns, global trends and market expectations. Our involvement with our stakeholders is through structured interactions, through customer and employee satisfaction surveys, listening to investors[24] and through our complaint channels.

Involvement with stakeholders in the media and social media is also important to understand opinions, concerns and trends, both locally, in the vicinity of our business units, but also at the Altri Group level, in a more global perspective.

EXTERNAL ASSOCIATIONS AND COMMITMENTS

In 2021, we actively collaborated with various organizations to meet the key needs and expectations of the market, namely:

- Science Based Targets initiative[25]
- Business Council for Sustainable Development (BCSD Portugal)
- United Nations Global Compact
- World Wildlife Fund (WWF)
- COTEC Portugal
- CELPA- Associação da Indústria Papeleira
- Tecnicelpa

[24] More information on stakeholder engagement mechanisms available in GRI Table for option “In accordance” – Essential.

[25] The “Science Based Targets” initiative is a collaboration between CDP, the World Resources Institute (WRI), the World Wild Fund (WWF), and the United Nations Global Compact (UNGC).

- *Confederation of European Paper Industries (ECPI)*
- Business & Biodiversity Initiative
- Forest Stewardshio Council (FSC Portugal)
- AFOCELCA
- International Union of Forest Research organizations (IUFRO)
- Institut Européen de la Foret Cultivée (IEFC)
- Centro Pinus
- Associação Nacional de Empresas Florestais, Agrícolas e do Ambiente (ANEFA)
- Associação Empresarial da Região de Santarém (NERSANT)
- Associação Empresarial da Beira Baixa (AEBB)
- Program for the Endorsement of Forest Certification (PEFC) Portugal
- IberLinx
- Associação Comercial e Industrial da Figueira da Foz (ACIFF)
- CDP- Disclosure Insight Action

UN Global Compact

Altri supports the ten principles of the UN Global Compact , where human rights principles are integrated, in line with our sustainability strategy. The UN Global Compact presents a set of initiatives to encourage companies around the world to take responsibility for the impacts of their operations. Annually, we publicly disclose the progress of our commitment on the UN Global Compact website.

Science-based targets are a tool that helps us ensure that reductions in GHG emissions, present in 2030 Commitment, are being made at the pace and scale required to accomplish them.

Suppliers

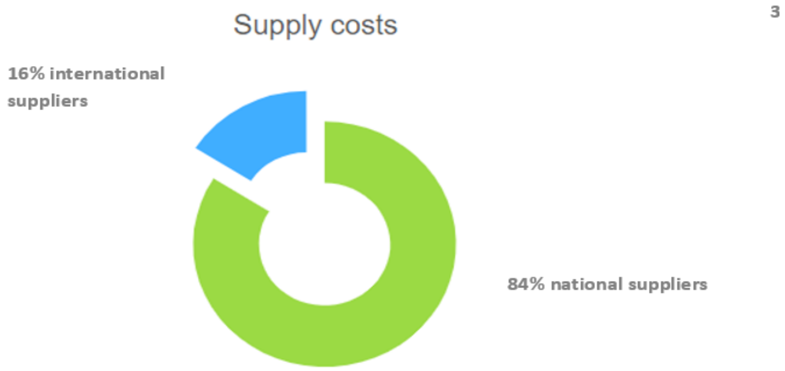
102-9 204-1 308-1 414-1

Aware of the importance of balancing financial performance and its contribution to sustainable development, we work across our value chain with customers, partners, suppliers, academic and research institutions and start-ups to drive innovation and find new solutions to some of the world's sustainability challenges.

Suppliers are a key part of the value chain, as our activity is intrinsically linked to the responsiveness of suppliers, both in the provision of services and delivery of materials and in compliance with legal, tax requirements, environmental and sustainability policies particularly relevant to the relationship of trust we wish to maintain with suppliers.

With the aim of promoting the local and national economy, the origin of our suppliers is an important criterion for selecting them, and in 2021, 84% of total supplier spending was with national suppliers[26].

[26]In 2020, spending on national suppliers represented 92% of the total volume of purchases and, in 2021, represents 84%, which is due to changes in the Altri wood supply, which was replaced by imports of domestic wood, as a result of market circumstances.



In order to maintain a close relationship and facilitate verification of those requirements required by Altri, suppliers are requested to register with the External Services Qualification Portal ("PQSE" or "Portal") and provide the required documentation, that is validated and regularly checked by our teams.
The information registered on the Portal also allows the Altri Group to have greater knowledge about the management policies and practices of the suppliers. Currently, of the more than 400 suppliers registered and approved to maintain contractual relations with Altri, there is already a significant percentage with relevant sustainability certifications, as detailed in the table below.

Management System	**% certified suppliers**
Environmental Management System - ISO 14001	22%
Occupational Health and Safety Management System - ISO 45001	17%
Energy Management System - ISO 50001	4%
Quality Management System - ISO 9001	39%

The existence of PQSE also allows the evaluation of suppliers to take place in a simple way, since this is also done through the Portal. The evaluation criteria relate not only to technical implementation, but also to extremely important points, such as environmental and health and safety at work. Suppliers are notified of the detailed result of the assessment upon completion of the assessment. Where necessary corrective measures are implemented, but there is a preference for preventive measures that are presented throughout the contractual relationship.
We believe that this proximity becomes beneficial in the relationship with the supplier, making it possible to act in a preventive manner and consequently to continuously improve the contractual relationship.
In order to strengthen the commitment and alignment of the goals of the Altri Group with those of its suppliers, it is foreseen the publication of the Supplier Code of Conduct, which aims to achieve greater commitment, among other matters, with regard to the protection of the environment, of Human Rights and Labor Relations, with a view to achieving more sustainable policies of action.
Currently, and since 2019, we have implemented the Code of Conduct for Forest Service Providers, the most significant supplier group in the Group, and with which we consider that we have a responsibility to act. The Code applies to the employees, partners, suppliers and subcontractors of the Forest Service Providers, covering a significant part of the value chain and expanding the sphere of action.
This document establishes that all those covered by the Code should guide their conduct for the ethical values that govern Altri and comply with the principles and rules of the Altri Code of Ethics and Conduct[27].

[27] See chapter *About us - Governance, Ethics, Policies and Certifications*

Fiscal Strategy

207-1 207-2 207-3

Altri's tax approach and tax policy

In line with our values, we have a commitment to the stakeholders of complete transparency in the process of creating economic value.
As a responsible and prudent contributor, we are committed to ensuring compliance with tax laws, rules and regulations in all territories where we develop our business, promoting conscious taxation, by encouraging fraud prevention and the fight against fraud, and by seeking to ensure that fiscal strategy is consistent with economic activity and trading and business strategies at various locations.

ALTRI GROUP
- The taxes we paid are the natural reflection of our good financial performance
- We are committed to continuously improve our economic and social performance
- We believe that our businesses play a leading role in contributing to the development of society through taxes paid

In order to ensure that this objective is achieved, supported by internal guidelines and strict compliance with local laws, we adopt international guidelines in the field of transfer pricing policies, thus enabling fiscal policy to be aligned with best market practices. In view of the increasingly high reporting and communication standards, we further commit ourselves to following and proactively implement a transparent fiscal policy and responsible fiscal action, fulfilling the contribution to the Society in the territories where we operate through the payment of taxes.
As with any other expenditure intrinsic to the process of creating economic value, we have an obligation to treat tax expenditures as part of our financial responsibility to stakeholders. Tax is just one of the many factors that are considered in the decision-making process. Based on reasonable and justified reasons, in our decision-making process in response to business activity, we consider the possible effects of tax incentives and other benefits, or exemptions granted by the Government.
At Altri, we do not have any investments in operations in jurisdictions defined by the Council of the European Union as non-cooperating jurisdictions for tax purposes or in any jurisdictions of similar secrecy. According to our tax strategy our company locations are motivated by commercial and rational business reasons.

Fiscal compliance and governance

To ensure proper fiscal risk management and compliance with fiscal regulation, adequate and sufficiently qualified human resources are dedicated. In this way, tax issues are managed by the tax team, which is complemented by the support of tax advisors, whose services are intended to assist in complying with local tax practices.
Given the dispersion of the teams that naturally arise with the presence in various jurisdictions, strong communication and ongoing dialogue between the central fiscal team and the fiscal teams present in each geography is promoted. In situations where there are uncertainties or questions about any subject, teams in each geography seek to expose the situation to the central team, and a strategy of action is defined together, a strategy that may require the involvement of tax advisors. In this way, decisions are centralized in more complex situations.
Altri's fiscal policy is supported by comparative analyses of market best practices and related internal controls, with the objective of identifying and managing possible associated fiscal risks, ensuring compliance with local tax claims and requirements, as well as other existing requirements.

The Executive Committee is responsible for the supervision and monitoring of these policies as an intrinsic part of Altri's risk management processes.

The Executive Committee is always informed of the main tax implications of the most relevant transactions which are subject to its approval.

OUR WAY

• Based on the principles set out in the Group's Code of Conduct, Altri's fiscal policy describes the main principles and guidelines of taxation at Altri

• Taxes are paid in accordance with applicable tax laws and regulations

Stakeholders engagement

The commitment to fiscal transparency is also reflected in the relationship with tax authorities and the Government. We have a transparent, proactive and receptive relationship with all tax authorities, always with the aim of minimizing litigation and building links of transparency, trust and partnership.

We are committed to collaborating and presenting all relevant documentation and information to the tax authorities to ensure the correct handling of transactions with respect to taxation and to avoid any tax disputes at a later date. For all of the above, we value the ongoing dialogue on tax issues with stakeholders through the various means available for this purpose.

Community

At Altri, we seek to work with and for our communities through job creation, but also through support for local projects, including social projects. This year, in order to present the main initiatives in which we have participated and to which we have had the honour of contributing, we invited the supported associations to state in the first person the impacts of the support provided by Altri companies.

Altri distributes 50 computers across the community

On February 11 and 12, Altri distributed 50 computers to school group students located in the geographical surroundings of its main industrial units. The group, through its Celbi units (located in Figueira da Foz), Caima (with headquarters in Constância), Bioelétrica (in Mortágua) and Biotek (in Vila Velha de Rodão), listed some of the needs of school groups from Paião (Figueira da Foz), Constança, Mortágua e Vila Velha de Rodão in computer equipment, "in order to contribute to the mitigation of the shortcomings felt, especially at a time when the school classes are held in a remote system.

Biotek supports Santa Casa da Misericórdia of Vila Velha de Rodão

The daily pandemic effects caused a deep impact on social institutions in the country. The Santa Casa de Misericórdia de Vila Velha de Rodão, as an association of social inclusion, remained unscathed and was forced to implement measures to reorganize social responses. And those measures involved a great financial effort.
With the aim of mitigating the socio-economic effects, Santa Casa de Misericórdia de Vila Velha de Ródão and Biotek S.A, concluded an important protocol in the field of Social Development and Energy Efficiency.
The signature of this protocol reveals the understanding and knowledge of each entity, especially on social responsibility projects, and on the use of fuels with clear environmental advantages, thus contributing to minimize the increase in costs incurred by the institution. In fact, it demonstrates the importance of Biotek as a fundamental agent for the development of the social sector of the community, in the municipality of Vila Velha de Ródão.
The Santa Casa da Misericórdia is an association that accommodates 112 elderly people in three different buildings, and that includes a child care center with 33 children. Through the protocol with Biotek, it will be possible for this entity to benefit from the support required in the purchase of "pellets" for the winter period (2020/2022).
This support, for which we are grateful, represents a valuable aid, intended for use in the boilers that integrate the residential structure climate system for the elderly, day care center and child care center, thus improving the conditions of thermal comfort of the users who live in the structure.

Similarly, a final word of appreciation must be given for the support that Biotek has offered in testing the SARS-COVID-2 virus to the collaborators of Santa Casa da Misericórdia. It is important to note that the number of employees (106) is currently higher than normal, motivated by the circumstances in our country.

Vice-Ombudsman of Santa Casa da Misericórdia de Vila Velha de Ródão
Eng. Joaquim Espírito Santos

Caima supports the Living Science Center of Constância

The Living Science Center of Constance (CCVC) is a non-profit association, dedicated to the dissemination of Astronomy and related sciences and, in particular, to support formal education in schools.
Sixteen years after starting its activity, equipping itself as well as possible, and adjusting the framework of science mediators to the characteristics of its mission, the COVID-19 pandemic created difficulties, resulting not only from the drastic reduction in the number of visitors/participants and consequently from the loss of revenue, as in additional charges indispensable to the guarantee of sanitary conditions of spaces and equipment, together with the innovation effort to create outdoors activities.
Although without the possibility of using the planetary room – in the most severe periods of the pandemic – digital methods were used and digital cameras were adapted to telescopes in order to, in the observations of celestial objects, transfer images to screens, followed by debates adjusted to the audience.
Having a small telescope emerged on the market which, via Wi-Fi, does not allow eyes to touch the eyepieces, and that transfers the images taken to the participants' mobile phones, the CCVC asked Caima and Altri Florestal for financial support for its acquisition. Our request was satisfied by Altri, and the equipment has become a fundamental support in observation sessions – at the CCVC site and in actions taken outdoors – while at the same time adding excellent image quality with evidence of remarkable technological progress now within the reach of non-specialized audiences.

Almost at the same time, Altri authorized the creation of a pedestrian route that crosses the company's forest area toward the brook Ribeiro Carvalho, from where the Zêzere River is accessed and then the river – in canoes – going down to the mouth in the historical area of Constance. It was remarkable the acceptance of the request, to which Altri added the purpose of carrying out a study of important details associated with the fauna and flora of the region (at different times of the year) and the production of biospots to be installed on the said route.
Through significant support - equipment and space qualification - the CCVC now has the content that combines technological innovation, biodiversity and heritage, important contributions to a greater attractiveness of the public.

Astronomer and Scientific Coordinator of the Living Science Center of Constance
Máximo Ferreira

Celbi supports Project without Differences E8G

Caritas of Coimbra, in Praia da Leirosa, is working closely and in support of the communities of the parish of Marinha das Ondas, Figueira da Foz, and neighboring parishes, for more than 30 years. In the last 12 years, the cooperation with Celbi has been increasingly important for the growth of the social structure and support to communities.
This has been a cooperation of good neighbors, where the difficulties have brought them closer creating a strong relationship. Caritas always pays attention to the problems of the Communities and Celbi is committed to solving some of the problems with economic support. So, a partnership for many actions and projects has been born over the last decade.
In 2017, the Caritas of Coimbra, applies for the first time to the "Programa Escolhas", which focuses on promoting school success and reducing school abandonment and absenteeism on vulnerable communities. In the 6^{th} generation of the "Programa Escolhas", the intervention was directed to Praia da Leirosa. Celbi has decided to become a partner and this partnership continues to this day.
In 2021, as a result of the new application to the 8^{th} generation of the project intervention was extended to the multicultural parish of Marinha das Ondas that concentrates a high percentage of foreign people and where socio-economic inequalities are accentuated. This intervention by the Consortium of 9 entities intention is to minimize inequalities, promote school success and develop personal skills. The project and the partnership with local, public and private entities is based on the profitable use of resources and synergies facilitating an integrated approach in the territory.
The goal of the 8^{th} generation program was to promote human dignity and the need for social change with more positive effects on the individual, family and community, improving levels of school success, school progression and adaptation to a new digital and technological age, reducing social exclusion and inequalities.
The support of Celbi throughout the development of this project, in the various generations, has been substantial: The creation of spaces for digital inclusion; The creation of an atelier for the development of people and artistic skills, such as sewing and manual arts; Support in the hire of buses for the tours in the scope of the program; Support in the production of publicity and advertising material; Donation of paper pulp plates to carry out of artistic activities; Donation of pallets for decoration of the interior and exterior spaces of the project headquarters; And other kinds of support, trying to respond promptly and efficiently to the problems that most affect people and the community.
In 2021, Celbi made available 12 new complete computers to the ICD rooms that are operating at the parish council of Marinha das Ondas and at the headquarters of the project at Praia da Leirosa, where activities are linked to the new technologies: digital art, creative study, digital citizenship, so important for the development of personal skills and to reduce inequalities.

In 2021, the project accompanied 143 children and young people, 163 families and other people from the community who indirectly benefited from the support provided by Celbi.
Celbi also developed awareness campaigns among its employees for participation in the different campaigns to collect goods, namely children's and adult clothing, school material, blankets and coats, facilitating the development of campaigns and the articulation with Caritas.
In this 8th generation program are included, in addition to the Caritas of Coimbra and Celbi, the city of Figueira da Foz, the parish council of Marinha das Ondas, the Grouping of Schools of Paião, the Commission for the Protection of Children and Youth of Figueira da Foz, Figueira Domus, University of Coimbra are included. University of Coimbra – Center of Digital Competence Softsciences and Microplásticos.

Technical Director of the Cáritas Diocesana de Coimbra
Marta Amaral

ALTRI Group promotes the "Heart Month" challenge
There is no denying the decisive role that sport, more precisely physical activity has, so that a healthy lifestyle can be achieved. The regular practice of a physical activity brings physical, mental and even social advantages, and should be associated with appropriate eating habits in order to prevent or manage health problems and concerns.
Aware of the essential nature of this condition and taking advantage of the arrival of the month of May, traditionally associated with the month of the heart, we launched a challenge to our employees. This challenge consisted of a healthy competition among them, which met as the main purpose to promote the reduction of sedentary lifestyle and the practice of physical activity, not forgetting the objective of solidarity.
During May, our employees were then challenged to achieve the World Health Organization (WHO) physical activity objectives. So, to participate, each employee installed an app on their mobile phone and applied for membership to the ALTRI CLUB. Whenever the worker practiced physical activity and registered it in the app, he contributed with "heart coins" to a common pouch.
At the end of May, the amount of "heart coins" of the common stock exchange was converted into monetary value, and consequently donated to three institutions. Finally, the top 10 of the employees who contributed most to the common stock exchange were rewarded with the possibility of indicating the institution that they would like to be contemplated with the donation of the company.
Considering the results obtained, we must admit that the initiative was a great success. The nearly 100 "athletes" that joined and the more than 10,000 kilometers traveled – between hiking, racing and cycling – revealed extraordinary cooperation among our employees in raising "heart coins", so that the goal was achieved in solidarity.
We obtained "819 heart coins" in the common exchange that were converted into euros (each heart coin was assigned a value of 5 euros), thus obtaining 4,095 euros to be distributed to 3 institutions, namely:

- APPACDM (Lavos): https://appacdm-figfoz.com/
- Santa Casa da Misericórdia (Constância): https://scmconstancia.pt/
- Fundação João Almiro (Campo de Besteiros): http://joaoalmiro.pt/

Climes to Go

Altri participated in the race for the planet toward Glasgow

The Altri Group was one of the participants in the race *Climes to Go*. A race against time to fight climate change, toward Glasgow. 10 days, about three thousand kilometres and a journey that passed through Spain, France, England and ended in Scotland, where the United Nations Climate Change Conference – COP26 took place. The Climes to Go initiative this year brought together three teams, with four elements, and turned a marathon into a friendly competition where sustainability and climate protection were first. Altri joined the Calouste Gulbenkian Foundation and Oney Bank to support the teams.

Over the course of the trip, the teams monitored both their water footprint and their carbon footprint and responded to previously defined challenges. Each team had a budget in climates (a fictional currency that measured their choices) that they lost or won according to the various options throughout the trip (water consumption, means of transport used, food, accommodation and performance in meeting the challenges and tasks).

Among the objectives of this race were the mobilization of Portuguese society for the urgent climate transition, through an invitation to direct participation in an attractive and challenging way; To demonstrate that the path of decarbonization toward carbon neutrality is possible, necessary and inevitable; To show the viability of the different modes of transport (as an alternative to fossil fuels) for long distances; Demonstrate the influence of lifestyles on our carbon footprint by analysing the impact of our choices and behaviours on a daily basis and alerting us to the need for adaptation, taking into account the effects of climate change in particular in more vulnerable locations. The trip culminated in a side Event at COP26 in Glasgow, where the participants had the opportunity to share their experience.

In order to involve all of the group's employees on this trip, Altri brought the exhibition of the trip to its factories in an itinerant way. There it was possible to follow the day of each team throughout the journey, with the aim of realizing the challenges they have encountered and the solutions they have achieved.

Response to COVID

The COVID-19 pandemic has promoted deep and rapid labor changes, imposing demanding and complex challenges in the management of employees' health and safety.

In order to limit the negative impact that COVID-19 has caused on the economic and social level and to ensure sustainable development, it was essential to base the company's social responsibility on the protection and promotion of employees' health and welfare. In this sense, we have developed the contingency Plan for COVID-19, aiming at:

- Preventing and control transmission of SARS-COV-2 infection in the workplace
- Preventing and control other occupational risks that are directly or indirectly associated with or aggravated by COVID-19
- Minimizing the impact of SARS-COV-2 infection on the most vulnerable employees
- Monitoring the epidemiological evolution of COVID-19 in the working population of the company.

march 2020 — Start of regular testing of employees for Covid-19

april 2020 — Mandatory use of mask on premises

2020- present — Regular and periodic Health Education Measures, which follow the evolution of the epidemiological state and technical-scientific progress of Covid-19

In order to better manage COVID-19 within our facility, we promote continuous follow-up of various indicators, monitoring their evolution and triggering additional measures where necessary.

		Total
Rapid antigen tests	TRAg	**34,436**
	TRAg +	**167**
Cases	Quarantine	**216**
	Surveillance	**383**

	2020	2021	Variation 20/21
Absence as a result of COVID-19 (hours)[28]	31,974	5,617	(82)%
Prophylactic isolation (hours)	1,465	4,197	186%
Supplementary work as a result of COVID-19 (hours)	18,716	1,914	(90)%
Cost of supplementary work as a result of COVID-19 (€)	€ 355.718	€ 43.882	(88)%

One of the measures adopted to deal with the pandemic was the use of teleworking, which, although we belong to an eminently industrial sector, which was not susceptible to this type of work in most functions, represented 53,851 hours of teleworking in 2020 and 49,013 in 2021, corresponding to about 4% of the total hours worked.

[28] Prophylactic isolation and team hours in prevention.

8. ON THIS REPORT

102-1 102-46 102-48 102-49 102-50 102-53 102-54 102-56

The Altri Group recognizes the urgent need to contribute to sustainable development by improving practices and increasing efficiency in the operation and development of activities.
Considering that the promotion of equality and non-discrimination is visibly reflected in Altri's mission and given the extent of the content presented in the Sustainability Report, Altri chose to dispense with the references of gender breakdown.
The fifth Sustainability Report represents the continuity work that has been done by the Group to promote sustainable development and performance improvement, enhancing positive impacts and reducing negative impacts.
The information presented in this Report has been verified by PwC, which has produced an Independent Assurance Report included in the Annexes[29].

Reporting period

This report refers to information on the performance of the Altri Group in the period from 1 January 2021 to 31 December 2021. Whenever possible and in order to allow an evolutionary and comparative view of the main indicators, information about the Group's performance is presented in previous years.

Scope

The report discloses the performance of the companies that are part of the consolidation perimeter of the Altri Group. Where it is not possible to report information about a particular company and thus ensure the scope mentioned above, this will be duly identified.
The scope change in relation to the 2020 Sustainability Report is highlighted, and now does not include the Greenvolt company. As this subsidiary is a publicly traded company, the information concerning it will be reported by Greenvolt itself, under the legal terms applicable to listed companies. In this way, and whenever possible, the data for 2020 have been updated to exclude this company from its scope.

Decree-Law no. 89/2017 of July 28 and Global Reporting Initiative (GRI)

The information provided for in this Report responds to the requirements of Decree-Law no. 89/2017, which transposes Directive 2014/95/EU, regarding the disclosure of non-financial information, which covers the Altri Group. In compliance with the above-mentioned diplomas, the Report presents sufficient data and information to understand the evolution of the performance, position and impact of the Group's activities in environmental and social matters, including information on employees, equality between women and men and non-discrimination, as well as Human Rights and fight against corruption and bribery attempts[30].
This report has been drawn up in accordance with the GRI standards for the option "In accordance" – Essential[31].

Contacts

For further information on the data presented in this Sustainability Report, please consult our website (altri.pt) or contact us at sustentabilidade@altri.pt.

[29] Independent Assurance Report.
[30] See Table of correspondence with the requirements of Decree-Law no. 89/2017.
[31] See GRI Table for option "In accordance" – Essential.

Matrix of materiality

102-46 102-47

In 2020, Altri's matrix of materiality was developed with identification of the most relevant topics of sustainability (material topics). The matrix results from the crossing of stakeholder needs and expectations, identified through a questionnaire and Altri's internal perspective on the topics most relevant to the group.

9. ATTACHMENTS

GRI TABLE FOR OPTION "IN ACCORDANCE" - ESSENTIAL

Disclosures		Location/default	Checking	SDGs
ORGANIZATIONAL PROFILE				
102-1	Organization name	About this Report		
102-2	Activities, brands, products and services	About us > Our Business		
102-3	Location of the headquarters	Rua Manuel Pinto de Azevedo, 818 4100-320 Porto PORTUGAL		
102-4	Location of operations	About us > Our Business		
102-5	Property and legal nature	http://www.altri.pt/pt/about/overview		
102-6	Markets served	About us > Our Business		
102-7	Size of the organization	Altri in 2021 About us > Our Business Our strategy > Valuing people		
102-8	Information on employees and other employees	Valuing people Indicator answered in table below.		8

	2020	2021
Permanent contracts (n.°)	**708**	**731**
Male	**609**	**624**
Female	**99**	**107**
Fixed-term contracts (n.°)	**57**	**43**
Male	**46**	**35**
Female	**11**	**8**
Type of employment by gender		
Full time (n°)	**765**	**774**
Male	**655**	**659**
Female	**110**	**115**
Part time (n°)	**0**	**0**
Male	**0**	**0**
Female	**0**	**0**
Total employees	**765**	**774**

102-9	Supply chain	Our stakeholders > Suppliers		
102-10	Significant changes in the organization and supply chain	About this Report		
102-11	Approach to the precautionary principle	About us > Risk Management		
102-12	External initiatives	Our stakeholders		
102-13	Member of associations	Our stakeholders		
STRATEGY				
102-14	Message from the President	Balanced changing processes - Message from the Chairman of the Board of Directors Grow in a sustained and consistent manner - Message from the Chairman of the Executive Board		
102-15	Key impacts, risks and opportunities	About us > Risk Management		
ETHICS AND INTEGRITY				
102-16	Values, principles, standards and rules of conduct	**Mission** To produce eucalyptus pulp in a sustainable manner, meeting the requirements and expectations of the customers. **Vision** We want to be a European reference company in the efficient production of eucalyptus pulp based on sustainable forest management **Values** Driven to results and overall quality Focus on the needs and expectations of customers and stakeholders Commitment to defending sustainable development and protecting biodiversity Focus on continuous improvement Leverage the diversity, talent, skills and performance of the organization Priority in safety at work In 2021, we began a process of internal reflection on our purpose and values, which is expected to be completed in the first quarter of 2022. About us Governance, Ethics and Group policies		16

102-17	Mechanisms of advice and ethical concerns	About us Governance, Ethics and Group policies		
GOVERNANCE				
102-18	Governance structure	About us Governance, Ethics and Group policies		
INVOLVEMENT WITH STAKEHOLDERS				
102-40	List of groups of Stakeholders	Our Stakeholders		
102-41	Collective labor agreements	Indicator answered in table below.		8

	2020	2021
Employees covered by collective bargaining agreements		
Total unionized employees (no.)	**765**	**774**
Total unionized employees (no.)	**245**	**288**
Male	**240**	**282**
Female	**5**	**6**
Percentage of unionized employees (%)	**32%**	**37%**
Percentage of employees covered by collective bargaining agreements (%)	**88%**	**88%**

102-42	Identification and selection of Stakeholders	The identification of the main stakeholders was carried out based on criteria of importance, relevance and influence of all those, people or institutions, which affect and/or may be affected by the activities and products of the Altri Group. Our stakeholders		
102-43	Stakeholders engagement approach	Our stakeholders Indicator answered in table below.		

Shareholders/ investors	Customers	Employees	Academic Community
• Annual General Meeting • Report and Accounts, Company Government Report and Sustainability Report, prepared by the Board of Directors and presented to shareholders' scrutiny • AltriNews - as a tool for communicating the activities carried out by the Group every quarter • Altri's website www.altri.pt	• Visits • Customer surveys • Evaluation of the external perception of customers. • Strategic partnerships • AltriNews - as a tool for communicating the activities carried out by the Group every quarter • Report and Accounts, Company Government Report and Sustainability Report • Altri's website www.altri.pt	• Daily and weekly meetings • Intranet • Meeting of Leaders and Medium and Senior Staff for disclosure of the objectives of the company • Training actions • Meetings with Commissions Trade unions • Environment Committee, Health and Safety at work • Participation programs • AltriNews - as a tool for communicating the activities carried out by the Group every quarter • MyBiotekChannel • Altri's website www.altri.pt	• Protocols of collaboration with Universities • Grant of stages curricular and post-curricular in collaboration with the training centers, Schools and Universities • Professional internships in collaboration with Instituto de Emprego e Formação Profissional • Visits to the plants • AltriNews - as a tool for communicating the activities carried out by the Group every quarter • Altri's website www.altri.pt

Communities/ non-governmental organizations	Official entities	Partners and suppliers
• Financial donations • Collaboration in Support for institutions Social solidarity • Voluntary actions • Joint organization with fire brigades of simulations of emergency operations • Offer of the training ground for fire brigades • Transfer of computer equipment • Support for various School initiatives • Program: Summer Academy • AltriNews - as a tool for communicating the activities carried out by the Group every quarter • Sustainability Report • Altri's website www.altri.pt	• Regular delivery of statistics and reports of different nature (tax, labor, environmental, health and safety at work, training professional, etc.) • AltriNews - as a tool for communicating the activities carried out by the Group every quarter • Sustainability Report • Altri's website www.altri.pt	• Qualification and evaluation of suppliers of services and raw materials • Training for service providers, covering environmental and safety matters • Partnerships with CELPA • Information sessions on environment and security, intended for managers of services providers' companies • Participation of security technicians from external companies in actions • Paper Industry Safety Card (CSIP) • Responsible behaviors program • Training in the working front in the Forest • AltriNews - as a tool for communicating the activities carried out by the Group every quarter • Sustainability Report • Altri's website www.altri.pt

Media	Policy makers
• Press releases	• CELPA, CEPI, Fit for 55 • Meetings • Written communication and proposal for a revision, in a regulatory framework, at national and European Union level

102-44	Main issues and concerns raised by Stakeholders	Our stakeholders		
REPORTING PRACTICE				
102-45	Entities included in the demonstrations	R&C 2021		
102-46	Definition of the content of the report and the limits of the topics	About this Report > Matrix of Materiality		
102-47	List of material topics	About this Report > Matrix of Materiality		
102-48	Reformulation of information	About this Report		
102-49	Amendments to the report	About this Report		
102-50	Reporting period	About this Report		
102-51	Most recent report date	2020		
102-52	Reporting cycle	Annual		
102-53	Contact for report questions	About this Report		
102-54	Option "In accordance" to GRI standards	About this Report		
102-55	GRI content index	Present table.		
102-56	External check	About this Report Independent Assurance Report		

<table>
<tr><th colspan="3">Disclosures</th><th>Location/default</th><th>Checking</th><th>SDGs</th></tr>
<tr><td colspan="6">GRI 200 - ECONOMIC DISCLOSURES</td></tr>
<tr><td colspan="6">GRI 201 - ECONOMIC PERFORMANCE</td></tr>
<tr><td rowspan="3">Forms of Management</td><td>103-1</td><td>Explanation of the material topics and its limits</td><td>The material topics of Altri were defined based on the methodology described in the Matrix of Materiality (see On this Report > Matrix of Materiality).
With a direct relation to Economic Performance, the topic “Economic Performance” was considered a topic of high materiality (see On this Report > Matrix of Materiality).</td><td></td><td></td></tr>
<tr><td>103-2</td><td>The way of management and its components</td><td>Altri announces the management of economic performance through its Report and Accounts.</td><td></td><td></td></tr>
<tr><td>103-3</td><td>Evolution of the management form</td><td>Altri performs the measurement and monitoring of the indicators associated with this aspect and reports them in its Report and Accounts.</td><td></td><td></td></tr>
<tr><td colspan="2">201-1</td><td>Direct economic value generated and distributed</td><td>Indicator answered in table below.

Note: The figures for the waste generated for 2020 have been updated, no longer including information on Greenvolt.</td><td></td><td>5
7
8
9</td></tr>
</table>

	2020	2021
DIRECT ECONOMIC VALUE GENERATED (€)	575,043,972	793,418,101
Turnover (1)	575,043,972	793,418,101
DISTRIBUTED ECONOMIC VALUE (€)	531,129,446	627,799,183
Operating costs (2)	441,148,588	525,964,372
Wages and benefits of employees (3)	39,011,970	43,248,488
Investor payments (4)	61,539,502	71,796,085
Payments to the State (5)	(10,664,671)	(13,337,061)
Donations and other investments in the community (6)	94,057	127,299
ACCUMULATED ECONOMIC VALUE (€)	43,914,526	165,618,918

(1) Sales + Provision of services + Other income (excluding intra-group transactions)
(2) Cost of sales + Supply of external services + Other expenses (excluding intra-group transactions)
(3) Personnel costs (excluding intra-group transactions)
(4) Dividends distributed by Altri SGPS
(5) Payments/(Collections) of collective Income Tax on continuing operations
(6) Donations

GRI 204 - BUYING PRACTICES					
	204-1	Proportion of expenses with local suppliers	Our stakeholders > Suppliers		12
GRI 205 - ANTI-CORRUPTION					
Forms of Management	103-1	Explanation of the material topic and its limits	The material topics of Altri were defined based on the methodology described in the Matrix of Materiality (see On this Report > Matrix of Materiality). With a direct relationship to the Anti-Corruption, the topic "Ethics, Anti-Corruption practices and Anti-competitive behavior" was considered a high materiality topic (see On this Report > Matrix of Materiality).		
Forms of Management	103-2	The way of management and its components	Altri has promoted several initiatives related to Anti-Corruption (see About us - Governance, Ethics, Policies and Certifications).		
Forms of Management	103-3	Evolution of the management form	Altri performs the measurement and monitoring of the indicators associated with this aspect and reports them in this Report (see About us - Governance, Ethics, Policies and Certifications).		
	205-1	Operations assessed for the risk of corruption	The Altri Group has a Code of Ethics and Conduct that establishes anti-corruption rules that are rooted in the organization. In the course of the 2021 financial year, no consistent corruption practices were identified.		16
	205-2	Communication and training on anti-corruption policies and procedures	Indicator answered in table below.		16

	2021
Total of governance bodies to which anti-corruption policies and procedures have been communicated (no.)	4*
Percentage of governance bodies to which anti-corruption policies and procedures (%) have been reported	100%
Total of employees to whom anti-corruption policies and procedures have been communicated (no.)	774
Percentage of employees to whom anti-corruption policies and procedures were reported (%)	100%

* General Meeting, Board of Directors, Supervisory Board and Statutory Auditor

205-3	Confirmed corruption incidents and actions taken	Indicator answered in table below.		16

	2020	2021
Total confirmed corruption cases (No.)	0	0
Total cases resulting in dismissal of employees or disciplinary action (no.)	0	0
Total no. of cases of non-renewal of contracts with partners due to corruption cases (no.)	0	0
Total number of lawsuits against the organization or employees due to corruption cases (no.)	0	0

GRI 207 - TAXES				
207-1	Tax approach	Our stakeholders > Fiscal Strategy		
207-2	Government. Fiscal risk control and management	Our stakeholders > Fiscal Strategy		
207-3	Stakeholders involvement and management of tax concerns	Our stakeholders > Fiscal Strategy		
207-4	Geography report	A list of the Altri Group subsidiaries, associated companies and joint ventures and their country of constitution can be found in the note available in "4. Investments" of the section Consolidated Financial statements and attached notes, which coincide with the country in which entities are considered residents for tax purposes		

GRI 300 - ENVIRONMENTAL DISCLOSURES				
GRI 301 - MATERIALS				
301-1	Material consumption by weight or volume	Indicator answered in table below. **Scope:** Industrial units of Altri (Celbi, Biotek, Caima) **Note:** The 2020 material consumption figures have been updated, no longer including information on Greenvolt.		8 12

	2020	2021
Total renewable materials (t)	3,450,114	3,444,886
Total non-renewable materials (t)	183,932	197,451
% renewable materials	95%	95%
% non-renewable materials	5%	5%

301-2	Used materials from recycling	Indicator answered in table below. **Scope:** Industrial units of Altri (Celbi, Biotek, Caima) **Note:** The 2020 material consumption figures have been updated, no longer including information on Greenvolt.		8 12

	2020	2021
Amount of renewable material used - wood (t)	3,450,114	3,444,886
Total material used (t)	3,634,046	3,642,337
Total percentage of used renewable materials	95%	95%
Total materials from recycling (t)	-	—%

GRI 302 – ENERGY					
Forms of Management	103-1	Explanation of the material topic and its limits	The material topics of Altri were defined based on the methodology described in the Matrix of Materiality (see On this Report > Matrix of Materiality). With direct relation to Energy, the topic "Energy efficiency" was considered a very high materiality topic (see See On this Report > Matrix of Materiality).		
	103-2	The way of management and its components	Altri has promoted several Energy-related initiatives (see the chapter entitled "Confirming Sustainability as a Factor of Competitiveness > Energy).		
	103-3	Evolution of the management form	Altri performs the measurement and monitoring of the indicators associated with this aspect and reports them in this Report (see the chapter entitled "Affirming Sustainability as a Factor of Competitiveness > Energy).		
302-1		Energy consumption within the organization	Indicator answered in table below. **Scope:** Industrial units of Altri (Celbi, Biotek, Caima) and Altri Florestal		7 8 12 13

	2020	2021
FUELS CONSUMED WITHIN THE ORGANIZATION		
EU ETS Fuels (GJ)	13,983,343	13,938,229
Natural Gas (GJ)	1,290,540	1,365,750
Fuel oil (GJ)	180,667	144,537
Diesel fuel (GJ)	160	603
Black liquor (GJ)	12,250,407	12,146,104
Non-condensable gases (GJ)	138,366	153,730
Methanol (GJ)	123,203	127,505
Non-EU ETS fuels - Stationary Equipment (GJ)	2,959,281	2,161,146
Diesel fuel (GJ)	99	37
Natural Gas (GJ)	47,760	40,886
Black liquor (GJ)	1,612,025	1,564,157
Biomass (GJ)	1,299,397	482,663
Other- fuel oil (GJ)	—	73,403
Non-EU ETS fuels - Mobile Equipment (GJ)	14,192	7,901
Petrol (GJ)	—	1
Diesel fuel (GJ)	14,192	7,900
Total Fuel consumption (GJ)	**16,956,817**	**16,107,276**
Fuel consumption of renewable origin (GJ)	**15,423,399**	**14,547,563**
Fuel consumption of non-renewable origin (GJ)	**1,533,418**	**1,559,714**
ENERGY CONSUMED WITHIN THE ORGANIZATION		
Energy consumption (GJ)	16,717,015	16,289,069
Electric power (GJ)	2,195,099	2,203,961
Steam (GJ)	14,521,916	14,085,108
ENERGY SOLD (GJ)		
Energy sold (GJ)	867,077	881,363

302-3	Energy intensity	Indicator answered in table below.		7 8 12 13

	Celbi	Biotek	Caima	2020	Celbi	Biotek	Caima	2021
ENERGY INTENSITY								
Energy intensity (GJ/ADt)	12.7	18.9	25	15.2	12.7	18.4	18	14.5

Note: For the ratio, only electrical power and steam are considered.

302-4	Reduction of energy consumption	Indicator answered in table below.		7 8 12 13

Quantification of achieved reductions (GJ/tSA)	Celbi *	Biotek	Caima
2020	'-0.33GJ/tSA'	1.98 GJ/tSA	2.08 GJ/tSA
2021	0.02 GJ/tSA	0.003 GJ/tSA	0.4 GJ/tSA
Initiatives developed to improve energy efficiency	Prioritization of consumption in wood park during off-peak hours; Inspections/surveying of steam leaks and repair; Inspections/ surveying of compressed air leaks and repair; Improvements in the condensing system of turbine 6 (change of blade angle); Survey of control loops with the possibility of improving pumping energy efficiency	Replacement of halogen and fluorescent lamps by led lighting; Installation of frequency converters. Replacement of old motors with high energy efficiency motors.	Installation of a heat exchanger in the bleaching plant and optimization of compressor operation

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GRI 303 - WATER AND EFFLUENTS					
Forms of Management	103-1	Explanation of the material topic and its limits	The material topics of Altri were defined based on the methodology described in the Matrix of Materiality (see On this Report > Matrix of Materiality). With direct relation to Water, the topic "Water Management" was considered a high materiality topic (see On this Report > Matrix of Materiality).		
	103-2	The way of management and its components	Altri has promoted several water-related initiatives (see Affirming sustainability as a factor of competitiveness> Water).		
	103-4	Evolution of the management form	Altri performs the measurement and monitoring of indicators associated with this aspect and reports them in this Report (see Affirming sustainability as a factor of competitiveness> Water).		
303-1		Interactions with water as a shared resource	Altri, within the framework of responsible water management as a natural resource, mapped its operations according to the risk associated with water use, through the Aqueduct Water Tool, developed by WRI. According to this mapping, 100% of Altri's operations are located in areas where water stress has a low to medium level. Celbi captures water on the Mondego River and in underground water holes for use in the pulp manufacturing process, along which there are several loop closures to reduce the maximum amount of fresh water collected. At the end of the process, the waters are treated and returned to the receiving medium in accordance with the criteria defined for the quality of the final effluent. Biotek takes water from the Tagus River for use in the pulp manufacturing process and also supplies WTS treated water to the Navigator and Paper Prime plants. In the process of pulp production, several actions were implemented, namely closure of circuits, recycling of treated effluent from the Biotek WWTP, given the high quality achieved, thus reducing water uptake. At the end of the process, the waters are treated and returned to the receiving medium in accordance with the criteria defined for the quality of the final effluent. Caima captures water on the Tagus River for use in the pulp manufacturing process, along which there are several loop closures to reduce the maximum amount of fresh water captured. At the end of the process, the waters are treated and returned to the receiving medium in accordance with the criteria defined for the quality of the final effluent.		6

Objective of reducing water use	Celbi	Biotek	Caima
2020	16m^3/tSA	22m^3/tSA	40m^3/tSA
2021	15.5m^3/tSA	20m^3/tSA	40m^3/tSA

303-2	Management of impacts related to water discharge	The point of discharge and the quality of the final effluent are defined in the permit for the rejection of waste water. As guidelines for effluent quality, the values identified in the BREF of this industry are also followed. Annual monitoring is carried out to the receiving medium according to the title of private use of the national maritime space and the definition of the ELVs below is according to the period under analysis (dry, wet, exceptional).		
303-3	Water capture	Indicator answered in table below. **Scope:** Industrial units of Altri (Celbi, Biotek, Caima) **Note:** The water collection figures for 2020 have been updated, no longer including information on Greenvolt		

WATER CAPTURE	2020	2021
Surface abstraction (m^3)	20,978,024	20,680,425
Underground abstraction (m^3)	3,478,000	3,675,518
Total water use (m^3)	**24,456,024**	**24,355,943**

303-4	Effluents	Indicator answered in table below. **Scope:** Industrial units of Altri (Celbi, Biotek, Caima) **Note:** The effluent values for 2020 were updated, no longer including information on Greenvolt		

	2020	2021
TOTAL EFFLUENT PER DESTINATION		
TOTAL - Volume of discharged effluent (m^3)	**18,441,074**	**18,753,302**
Surface water (m^3)	9,068,864	8,544,323
Groundwater (m3)	—	—
Sea water (m^3)	9,372,210	10,208,979
Third Party Water (m3)	—	—
TOTAL EFFLUENT PER CATEGORY		
Fresh water (m^3)	9,068,864	8,544,323
Other types of water (m^3)	9,372,210	10,208,979

303-5	Water consumption	Indicator answered in table below. **Scope:** Industrial units of Altri (Celbi, Biotek, Caima) **Note:** The water consumption figures for 2020 have been updated, no longer including information on Greenvolt.		

	2020	2021
WATER CONSUMPTION		
Total water consumption of all areas in m3	6,014,950	5,602,541

GRI 304 - BIODIVERSITY					
Forms of Management	103-1	Explanation of the material topics and its limits	The material topics of Altri were defined based on the methodology described in the Matrix of Materiality (see On this Report > Matrix of Materiality). With a direct relation to Biodiversity, the topic "Forest management and biodiversity protection" was considered a high materiality topic (see On this Report > Matrix of Materiality).		
Forms of Management	103-2	The way of management and its components	Altri has promoted several initiatives related to Biodiversity (see Our strategy > Developing and recovering our forest).		
Forms of Management	103-3	Evolution of the management form	Altri performs the measurement and monitoring of the indicators associated with this aspect and reports them in this Report (see Our strategy > Developing and recovering our forest).		
304-1		Operating facilities (own, leased or managed) in areas adjacent to protected areas and areas with high biodiversity value outside the protected areas	Our Strategy > Developing our Forest Indicator answered in table below.		6 14 15

Protected area (ha)	2020	2021
Tejo Internacional Natural Park	1,905	1,627
Serra de São Mamede Natural Park	1,075	1,236
Serra de Montejunto Protected Landscape	342	393
Serras de Aire and Candeeiros Natural Park	109	117
Serra da Estrela Natural Park	7	7
Serras do Porto Park	129	129
Serra da Gardunha	410	410
Total	3,977	3,919

304-2	Significant impacts of activities, products and services on biodiversity	Indicator answered in table below.		6 14 15

Site of Community importance (ha)	2020	2021
São Mamede	1,901	2,382
Monchique	2,093	1,597
Nisa / Lage da Prata	794	1,190
Serra de Montejunto	343	478
Cabrela	284	118
Malcata	284	450
Serra da Lousã	267	578
Serras da Freita e Arada	243	284
Rio Paiva	210	270
Serra da Gardunha	223	363
Serras de Aire e Candeeiros	136	183
Sicó / Alvaiázere	130	244
Carregal do Sal	105	158
Valongo	106	144
Serra de Montemuro	87	91
Cabeção	59	59
Tagus Estuary	28	27
Alvão / Marão	11	18
Sado Estuary	8	96
Serra da Estrela	7	7
Caldeirão	1	51
Complexo do Açor		5
Rio Lima		10
Total	7,320	8,803

304-3	Protected or recovered habitats	Indicator answered in table below.		6 14 15

Habitat	Name	Area
3120	Oligotrophic waters with low mineralization in generally sandy soils of the western Mediterranean with Isoetes spp	60
3170	Mediterranean temporary ponds	2
4020	Temperate Atlantic wet heaths of *Erica ciliaris* and *Erica tetralix*	3
4030	European dry heaths	559
5210	Arborescent brushwoods of Juniperus spp.	83
5230	Arborescent brushwoods of *Laurus nobilis*	4
5330	Thermo-Mediterranean pre-desert scrubs	877
6310	Perennial leaf Quercus spp. woodlands	1697
6420	Mediterranean wet grasslands Molinio meadows - Holoschoenion	2
8220	Siliceous rocky slopes with chasmophytic vegetation	25
91B0	Thermophilic woods of Fraxinus angustifolia	5
91	Alluvial forests of *Alnus glutinosa* and *Fraxinus excelsior (Alno-Padion, Alnion incanae, Salicion alcae)*	95
91F0	Mixed forests of *Quercus robur, Ulmus laevis, Ulmus minor, Fraxinus excelsior or Fraxion angustifolia* on the banks of large rivers (*Ulmenion minoris*)	1
9230	Galician and Portuguese oak woods of *Quercus robur* and *Quercus pyrenaica*	22
9240	Iberian oak woods of *Quercus faginea* and *Quercus canariensis*	4
9260	Forests of *Castanea sativa*	8
92A0	Salix alba and Populus alba gallery forests	101
92B0	Gallery forests along the intermittent Mediterranean water courses with *Rhododendron ponticum* , *Salix* and other species	1
92D0	Southern riparian galleries and thickets (*Nerio-Tamaricetea* and *Securinimion tinctoriae*)	19
9330	Forests of *Quercus suber*	95
9340	Forests of Quercus ilex and *Quercus rotundifolia*	90

304-4	**Species included in the International Union for Conservation of Nature (IUCN) Red List and lists of national conservation species, whose habitats are in areas affected by the company's operations**	Indicator answered in table below.		6 14 15

Birds		Amphibians and reptiles		Fish	
Red-necked nightjar - *Caprisulgus ruficollis*	VU	Salamandra -Lusitanian - *Chioglossa Lusitanica*	VU	River lamprey - Lampetra fluviatilis	CR
Black-eared wheatear - *Oenanthe hispanica*	VU	Clagate-of-carapace-striated - *Emys orbicularis*	EN	European eel - *Anguilla Anguilla*	EN
Black vulture - *Aegypius monachus*	CR	Palmate newt - *Triturus helveticus*	VU	Iberian arched-mouth nase - *Iberoondrostoma lemmingii*	EN
Royal Eagle - *Aquila chrysaetos*	EN			Portuguese nase - *Iberochrodonstoma Lusitanicum*	CR
Black stork - *Ciconia nigra*	VU	Mammals		Chub - *Squalius alburnoides*	VU
Vulture-of-Egypt - *Neophron pernopterus*	EN	Fringe bat - *Myotis Nattereri*	VU	South Escale - *Squalius pyrenaicus*	EN
Goshawk - *Accipiter gentilis*	VU	Iberian wolf - *Canis lupus*	EN		
Stone curlew - *Burhinus oednemus*	VU				
Short-eared owl - *Flemish Asio*	EN	Invertebrates			
Nightjar - *Caprisulgus europaeus*	VU	*Eupydryas aurinia*	VU		
Montagu's harrier - *Circus pygargus*	EN	*Coenagrion mercuriale*	VU		
Peregrine - *Falco peregrinus*	VU	Iberian arched-mouth nase - *Iberoondrostoma lemmingii*	EN		
Hobby - *Falco subbuteo*	VU	Portuguese nase - *Iberochrodonstoma Lusitanicum*	CR		
Euroasian spoonbill - *Platalea leucorodia*	VU				
Imperial Eagle - *Aquila adalberti*	CR				

IUCN Categories

Vulnerable (VU): Considered to be at high risk of extinction in nature.

Endangered (EN): Considered to be at very high risk of extinction in nature.

Critically Endangered (CR): Considered to be at extremely high risk of extinction in nature.

GRI 305 - EMISSIONS

Forms of Management	103-1	Explanation of the material topics and its limits	The material topics of Altri were defined based on the methodology described in the Matrix of Materiality (see On this Report > Matrix of Materiality). With a direct relation to emissions, the topic "Climate change and greenhouse gas emissions" was considered a topic of high materiality (see On this Report > Matrix of Materiality).		
Forms of Management	103-2	The way of management and its components	Altri has promoted several initiatives related to Emissions (see Our strategy > Affirm sustainability as a factor of competitiveness > Combating climate change).		
Forms of Management	103-3	Evolution of the management form	Altri measures and monitors the indicators associated with this aspect and reports them in this report (see Our strategy > Affirm sustainability as a factor of competitiveness > Combating climate change).		
305-1		Direct greenhouse gas emissions - GHG (Scope 1)	Our strategy > Affirm sustainability as a factor of competitiveness > Combating climate change **Scope:** Industrial units of Altri (Celbi, Biotek, Caima) and Altri Florestal **Note:** The effluent values for 2020 were updated, no longer including information on Greenvolt.		3 12 13 14 15
305-2		Indirect emissions of GHG (Scope 2)	Our strategy > Affirm sustainability as a factor of competitiveness > Combating climate change **Scope:** Industrial units of Altri (Celbi, Biotek, Caima) and Altri Florestal **Note:** The effluent values for 2020 were updated, no longer including information on Greenvolt.		3 12 13 14 15
305-3		Other indirect GHG emissions (Scope 3)	Our strategy > Affirm sustainability as a factor of competitiveness > Combating climate change **Scope:** Industrial units of Altri (Celbi, Biotek, Caima) and Altri Florestal		3 12 13 14 15
305-4		Intensity of GHG emissions	Our strategy > Affirm sustainability as a factor of competitiveness > Combating climate change Indicator answered in table below.		13 14 15

	2020	2021
Intensity of GHG emissions from pulp mills (kg$CO_2$and/tSA) for scope 1 and 2	131	128
Intensity of GHG emissions from pulp mills (kg$CO_2$and/tSA) for scope 3	230	256

305-5	Reduction of GHG emissions	Indicator answered in table below.		

	2020	2021
Emission reduction over 2019 (tCO_2e) in scope 1, 2 and 3	(15)%	(8)%
Avoided emissions associated with the sale of electricity (tCO_2e)	(154,961)[32]	(15,353)

305-6	Emissions of ozone depleting substances	Note: Reported values are fluorinated gases, however the ozone depleting substances value is 0. Indicator answered in table below.		3 12 13

	2020	2021
EMISSION OF OZONE DEPLETING SUBSTANCES		
Gases	370	669

[32] Reported value in 2020 includes Greenvolt.

305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant emissions	Our strategy > Affirm sustainability as a factor of competitiveness >c Combating climate change		3 12 14 15
GRI 306 - WASTE				
Forms of Management 103-1	Explanation of the material topic and its limits	The material topics of Altri were defined based on the methodology described in the Matrix of Materiality (see On this Report > Matrix of Materiality). With a direct relation to Waste, the theme "Waste Management" was considered a topic of high materiality (see On this Report > Matrix of Materiality).		
Forms of Management 103-2	The way of management and its components	Altri has promoted several initiatives related to waste management (see Affirming sustainability as a factor of competitiveness > Waste).		
Forms of Management 103-3	Evolution of the management form	Altri performs the measurement and monitoring of indicators associated with this aspect and reports them in this Report (see Affirm sustainability as a competitiveness factor > Waste).		
306-1	Generation of waste and significant impacts related to waste	Primary sludges, secondary sludges and tailings from the screening are generated in the pulp production process. In the industrial units of Altri, the sludge resulting from the effluent treatment of the plant is recovered energy in the biomass boilers installed in the industrial complex. Secondary sludge resulting from the effluent treatment of Celbi is energy-recovered at the recovery boiler. In Celbi, the tailings from the screening were recovered in the biomass boilers and, recently, an investment was made in a digester that allows the recovery of the tailings from the screening and sawdust for pulp production. In Biotek, secondary sludge resulting from the removal of the organic raw material in the plant's sector effluents is mainly directed to composting. In Caima, secondary sludge resulting from effluent treatment is energy-valued at the biomass plant and is also sent to composting. Our strategy > Affirm sustainability as a factor of competitiveness		3 6 12 14
306-2	Management of significant impacts associated with waste	In Celbi, within the framework of the Serrim digester Project, the tailings from the screening that result from the pulp production process and the sawmill that results from the wood processing are sent to the digester that allows the recovery of the cellulose fibers for pulp production. In Biotek, the routing of part of the lime sludges produced in the chemical recovery process, as a by-product to another company in the Group, allowed lime to be recovered to the manufacturing process, to the detriment of its route to treatment as waste. Our strategy > Affirm sustainability as a factor of competitiveness		3 6 12 14
306-3	Waste Generated	Indicator answered in table below. **Scope:** Industrial units of Altri (Celbi, Biotek, Caima) **Note:** The figures for the waste generated for 2020 have been updated, no longer including information on Greenvolt.		3 6 12 14

WASTE PRODUCTION	2020	2021
Total weight of waste generated (t)	111,799	**106,570**
Hazardous waste	282	**251**
Recovery	72	**102**
Disposal	111,516	**149**
Non-hazardous Waste	111,517	**106,318**
Recovery	57,099	**61,350**
Disposal	54,418	**44,968**

GRI 307 - ENVIRONMENTAL COMPLIANCE				
307-1	Non-compliance with environmental laws and regulations	During the 2021 financial year, none of the companies in the Altri Group were subject to any penalty (definitive/final decision) in environmental matters.		16
GRI 308 - SUPPLIER ENVIRONMENTAL ASSESSMENT				
308-1	New suppliers that have been selected based on environmental criteria	Our stakeholders > Suppliers		

GRI 400 - SOCIAL DISCLOSURES				
GRI 401 - EMPLOYMENT				
401-1	New employee hires and employee turnover	Indicator answered in table below.		5 8

	2020	2021
Total employees	765	774
Age range (no.)		
< 30 years	111	118
From 30 to 50 years	430	437
> 50 years	224	219
Gender (no.)		
Male	655	659
Female	110	115
New hires	25	42
Age range (no.)		
< 30 years	9	26
From 30 to 50 years	15	14
> 50 years	1	2
Gender (no.)		
Male	16	33
Female	9	9
New hire rate	3,27%	5,43%
Age range (no.)		
< 30 years	1,18%	3,36%
From 30 to 50 years	1,96%	1,81%
> 50 years	0,13%	0,26%
Gender (no.)		
Male	2,09%	4,26%
Female	1,18%	1,16%
Employees who left	33	33
Age range (no.)		
< 30 years	9	4
From 30 to 50 years	6	13
> 50 years	18	16
Gender (no.)		
Male	20	28
Female	13	5
Turnover rate	4,31%	4,26%
Age range (no.)		
< 30 years	1,18%	0,52%
From 30 to 50 years	0,78%	1,68%
> 50 years	2,35%	2,07%
Gender (no.)		
Male	2,61%	3,62%
Female	1,70%	0,65%

401-2	Benefits granted to full-time employees that are not granted to temporary or part-time employees	Indicator answered in table below. **Note:** The benefits of the Pension Fund, Health Insurance and Life Insurance are applicable only to permanent employees.		8

	Celbi	Biotek	Caima	Altri Florestal	Nurseries	FlorestSul
BENEFITS						
Health insurance	X	X	X	X	X	X
Life insurance	X	X	X	X		X
Pension Fund	X	X	X	X		X
Payment of the first 3 days of sick leave not covered by Social Security.	X	X		X		X
Supplement to the leave allowance up to 90 days in order to maintain net remuneration.	X	X	X	X		X
Birth allowance		X				

GRI 403- OCCUPATIONAL HEALTH AND SAFETY					
Forms of Management	103-1	Explanation of the material topic and its limits	The material topics of Altri were defined based on the methodology described in the Matrix of Materiality (see On this Report > Matrix of Materiality). With a direct relation to Occupational Health and Safety, the topic "Employees' Health, Safety and Welfare" was considered a high materiality topic (see On this Report > Matrix of Materiality).		
	103-2	The form of management and its components	Altri has promoted several initiatives related to Occupational Health and Safety (see Our strategy > Valuing people).		
	103-3	Evolution of the management form	Altri performs the measurement and monitoring of the indicators associated with this aspect and reports them in this Report (see Our strategy > Valuing people).		
403-1		Health and safety management system at work	Altri has implemented a Health and Safety Management System (see About us- Certifications) that covers all workplaces, internal employees and workers of service providers. Altri Florestal, Viveiros, Altri SL and FlorestSul have implemented the normative references PEFC and FSC®, which cover internal and external workers who carry out activities in the local area.		3 8
403-2		Hazard identification, risk assessment and incident investigation	assessment and accident investigation Altri has implemented the H&S Management System, under which certification audits and internal audits are carried out, which include audits in forest works and wood and biomass deposits, training is promoted and information about the SST standards and workplace risks is released, incidents and near-accidents are analyzed, training and exercises are promoted for the Emergency intervention teams, inspections were carried out at the workplace and simulations took place for training the teams of 1st intervention and accidents in forestry work, and there is a fire brigade for emergency response. For the investigation of labor incidents there are procedures in place that determine how to investigate, discuss and implement the measures necessary to minimize the occurrence of work incidents. The 5 Whys methodology is used, the incidents are reported and released throughout the organization. The evaluation and improvement of the H&S Management System is ensured through the periodic review of the system itself, the establishment of objectives and improvement plans in H&S, and the		3 8

403-3	Health services at work	In 2021, the Occupational Health of the Altri Group, led by Celbi's Occupational Physician, was created with the objective of defining and promoting health and welfare policies in all Altri companies. The occupational medicine services in each company cover nursing activities, the carrying out of periodic medical examinations to assess the suitability of employees for the performance of their duties and collaboration with the health and safety services at work in identifying the health risks of employees, as well as in the analysis of the causes of accidents at work or the occurrence of occupational diseases. In addition, we have Safety technicians who perform, guide and coordinate the activities of the security service, particularly with regard to the distribution, operation control and maintenance of the safety material. They also carry out inspections of the safety conditions of the facilities or the staff's working conditions, and prepare statistical reports and findings on accidents, and collaborate in the processes of information and training of employees and other players in the workplace in the areas of prevention and safety, the process through which the quality of the service is ensured.		3 8
403-4	Participation of employees, consultation and communication to employees concerning health and safety at work	For the participation and consultation of employees in the OHS Management System meetings are promoted by the Committee on Environment and Health, where employees' representatives, senior managers of Altri and the occupational physician are present; employees are also consulted on the use of PPE and on the preparation of RIPARS. Additionally, for employee involvement, weekly Safety minutes are held at KAIZEN Safety Clicks meetings, and the Safe behaviors methodology is followed - next steps.		3 8
403-5	Training of employees in Health and Safety at work	Our Strategy > Valuing People		3 8
403-6	Promotion of the health of the employee	Altri promotes the health of its employees through medical and nursing services at the medical clinic, consultations and prescription of medicines, health and welfare awareness campaigns, recommendations of the occupational physician alerting to risks to the health of the employee (ex: tobacco, excess weight...). Absences for medical consultations are considered justified and remunerated.		3 8
403-7	Prevention and mitigation of health and safety impacts of work directly linked to business relationships	Altri distributes information leaflets, availability of Safety Documentation (Prevention and Inspection forms, procedures, standards, forest practices with AIR), dissemination of H&S videos on internal TV circuits, display of Safety signs and Disclosure of Incident and near-Incident Communications (Flash incidents and Flash near-accident) and performs the weekly Safety minutes at KAIZEN meetings.		3 8

403-8	Employees covered by a health and safety management system	In the case of Altri's industrial units, internal and external workers who perform functions on the site are covered by the H&S system which is audited internally and externally. In the case of Altri Florestal, Altri SL and FlorestSul, in which PEFC and FSC® normative references are implemented, whose review covers the analysis of H&S performance, and the definition of improvement plans at the level of H&S, 100% of internal employees are covered by system.		3 8
403-9	Accidents at work	Main types of accidents at work with internal employees: Trauma, burns, minor injuries, fractures, trapping, contact with cutting objects and excessive physical effort. With the external workers: Trauma, burns, minor injuries and trapping. To identify hazards related to serious work accident hazards or to eliminate/mitigate them Altri has safety plans, procedures and standards, hazard identification and risk assessment records, safety signs, RIPARs, Safety Data Sheet, Monitoring of exposure to physical and chemical agents, H&S inspections, implementation of collective protection measures, infrastructure and equipment improvement. The main hazards that have contributed to serious accidents at work have been: Chemicals; work requiring the use of machinery; working at height; traveling; logging and transporting of wood; exposure to adverse weather conditions. Indicator answered in table below. **Scope:** Industrial units of Altri (Celbi, Biotek and Caima) and Altri Florestal **Note:** Data on external workers do not include information on Altri Florestal in 2021, since the number of hours worked could not be calculated. **Note 1:** There was an update regarding the number of deaths resulting from occupational accidents reported in 2020, since one death that occurred in that year after the publication of the Report was reported.	✓	3 8

	2020	2021
ABSOLUTE VALUES FOR EMPLOYEES		
Deaths resulting from accidents at work	1	0
Serious accidents at work (excluding deaths)	1	0
Mandatory communication work accidents	44	30
Number of hours worked	1,278,569	1,292,999
RATIOS FOR EMPLOYEES		
Deaths resulting from accidents at work	0.8	0.0
Serious accidents at work (excluding deaths)	0.8	0.0
Mandatory communication work accidents	34.4	23.2
ABSOLUTE VALUES FOR EXTERNAL WORKERS		
Deaths resulting from accidents at work	2	1
Serious accidents at work (excluding deaths)	4	0
Mandatory communication work accidents	74	57
Number of hours worked	—	979,064
RATIOS FOR EMPLOYEES		
Deaths resulting from accidents at work	—	1.0
Serious accidents at work (excluding deaths)	—	0.0
Mandatory communication work accidents	—	58.2

403-10	Occupational diseases	In 2021, no occupational diseases or deaths resulting from occupational diseases were recorded. In order to mitigate or eliminate risks and hazards, Altri monitors workplace exposure risks (noise, chemical, ergonomic) by safety technicians and accompanied by the occupational physician.		3 8

GRI 404 - TRAINING AND EDUCATION				
404-1	**Average training hours per year and employee**	Our strategy > Valuing people > Developing skills Indicator answered in table below.	✓	4 5 8

2021			
Total of employees by category and functional	Male	Female	Total
Senior Staff and Technicians (no.)	90	24	114
Medium Staff and Direct Managers (no.)	95	11	106
Other employees (no.)	474	80	554
Total (no.)	659	115	774
Total hours of training (h)			
Senior Staff and Technicians (no.)	2,239	704	2,943
Medium Staff and Direct Managers (no.)	1,319	201	1,520
Other employees (no.)	12,521	1,909	14,430
Total (no.)	16,079	2,814	18,893
Average hours of training per category (h/employee)			
Senior Staff and Technicians (no.)	25	29	26
Medium Staff and Direct Managers (no.)	14	18	14
Other employees (no.)	26	24	26
Total (no.)	24	24	24

404-2	**Programs to improve the skills of employees and the transition**	Our strategy > Valuing people > Developing skills		8

	Number of training actions (n.º)	Number of hours (h)
Process	44	5,689
Behavioral management	57	1,381
Maintenance	14	899
Safety	172	8,545
Other	98	2,315
Total	**406**	**18,893**

GRI 405 - DIVERSITY AND EQUAL OPPORTUNITIES				
405-1	**Diversity of governance bodies and employees**	Our strategy > Valuing people > Promoting equality and diversity Indicator answered in table below.		5 8

2021	Age range	Male	Female	Total
Senior Staff and Technicians (no.)	< 30 years	2	—	2
	From 30 to 50 years	55	16	71
	> 50 years	33	8	41
	TOTAL	90	24	114
Senior Staff and Technicians (%)	< 30 years	2	0	2
	From 30 to 50 years	48	14	62
	> 50 years	29	7	36
	TOTAL	79	21	100
Medium Staff and Direct Managers (no.)	< 30 years	4	3	7
	From 30 to 50 years	49	5	54
	> 50 years	42	3	45
	TOTAL	95	11	106
Medium Staff and Direct Managers (%)	< 30 years	4	3	7
	From 30 to 50 years	46	5	51
	> 50 years	40	3	43
	TOTAL	90	10	100
Other employees (no.)	< 30 years	81	28	109
	From 30 to 50 years	278	36	314
	> 50 years	115	16	131
	TOTAL	474	80	554
Other employees (%)	< 30 years	15	5	18
	From 30 to 50 years	50	7	57
	> 50 years	21	3	24
	TOTAL	86	14	100
Total (no.)		**659**	**115**	**774**

with university degree		Male	Female	Total
No. of employees with higher education (no.)		200	90	290
Rate of employees with higher education (%)		30.35	78.26	37.47
Governing bodies by functional category age group and gender				
	Age range	Male	Female	Total
Governance bodies (no.)	< 30 years	0	0	0
	From 30 to 50 years	0	0	0
	> 50 years	8	4	12
	TOTAL	8	4	12
Governance bodies (%)	< 30 years	0.0	0.0	0.0
	From 30 to 50 years	0.0	0.0	0.0
	> 50 years	66.7	33.3	100
	TOTAL	66.7	33.3	100

<table>
<tr>
<td>405-2</td>
<td>Ratio between the basic salary and the remuneration of women and men</td>
<td>Indicator answered in table below.

Note: The data presented do not include the employees of Altri Sales.
<table>
<tr><th>Base remuneration by functional category and gender (€)</th><th>F/M ratio</th></tr>
<tr><td>Senior staff and Technicians</td><td>0.86</td></tr>
<tr><td>Medium Staff and Direct managers</td><td>0.92</td></tr>
<tr><td>Other employees</td><td>0.93</td></tr>
<tr><td>Total</td><td>0.97</td></tr>
<tr><th>Total remuneration per functional category and gender (€)</th><th></th></tr>
<tr><td>Senior Staff and Technicians</td><td>0.86</td></tr>
<tr><td>Medium Staff and Direct managers</td><td>0.83</td></tr>
<tr><td>Other employees</td><td>0.76</td></tr>
<tr><td>Total</td><td>0.87</td></tr>
</table>
</td>
<td></td>
<td>5
8
10</td>
</tr>
<tr><td colspan="5">GRI 406 - NON-DISCRIMINATION</td></tr>
<tr>
<td>406-1</td>
<td>Cases of discrimination and measures taken</td>
<td>There was no record during the financial year 2021 of any reporting of discriminatory situations that required concrete measures to combat such situations.</td>
<td></td>
<td>5
8
16</td>
</tr>
<tr><td colspan="5">GRI 413 - LOCAL COMMUNITIES</td></tr>
<tr>
<td>413-1</td>
<td>Operations with local community involvement, impact assessment and program development</td>
<td>Our stakeholders > Community</td>
<td></td>
<td></td>
</tr>
<tr>
<td>413-2</td>
<td>Operations with significant current and potential negative impacts on local communities</td>
<td>Our stakeholders > Community</td>
<td></td>
<td>1
2</td>
</tr>
<tr><td colspan="5">GRI 414 - SUPPLIER SOCIAL ASSESSMENT</td></tr>
<tr>
<td>414-1</td>
<td>New suppliers that have been selected based on social criteria</td>
<td>Our stakeholders > Suppliers</td>
<td></td>
<td></td>
</tr>
<tr><td colspan="5">GRI 417 - MARKETING AND LABELING</td></tr>
<tr>
<td>417-1</td>
<td>Information and labeling requirements for products and services</td>
<td>Altri complies with Regulation (EU) No 53/2010 of 20 May 2010, and a safety data sheet describing the main characteristics, applications and rules of use and recycling is available for all products.
Pulps for use in stationery products are approved by the Nordic Ecolabelling of Paper Products and European Ecolabel, and can be used in products intended to use this environmental label.</td>
<td></td>
<td>12
16</td>
</tr>
<tr><td colspan="5">GRI 419 – SOCIOECONOMIC COMPLIANCE</td></tr>
<tr>
<td>419-1</td>
<td>Non-compliance with social and economic laws and regulations</td>
<td>No pecuniary charges/fines/penalties were imposed on any of the companies in the Altri Group for failure to comply with social and economic laws and/or regulations.
For all companies in the Altri Group, there has been no non-compliance with social and economic laws and/or regulations.</td>
<td></td>
<td>18</td>
</tr>
</table>

Legend:

N/C – No Check

SDGs – Sustainable Development Goals

METHODOLOGICAL NOTES - CARBON FOOTPRINT 2021

For the calculation of Altri's carbon footprint, Celbi, Biotek and Caima pulp mills were included, as well as Altri Florestal. In 2019, Altri restructured and refined the carbon footprint calculation to improve its alignment with several international frameworks and references, such as the GHG Protocol, CDP Climate change and CEPI's Carbon Footprints for Paper and Board Products Framework. The 2021 carbon footprint reporting is aligned with the GHG Protocol, according to the three reporting scopes. Other emissions, such as forest carbon stock, emissions avoided by the sale of electricity and biogenic emissions, are reported independently.

The following areas were considered:

Scope 1: Refers to direct greenhouse gas (GHG) emissions from operations by sources owned or controlled by Altri. It includes emissions under EU-ETS and other emissions such as other Caima fuels and leaks from fluorinated gases. Scope 1 also included internal waste management in 2021.

Scope 2: Relating to GHG emissions associated with the production of electricity acquired by Altri. These emissions were calculated according to market-based and location-based methodologies.

Scope 3: Refers to other indirect GHG emissions associated with the Altri value chain. The categories calculated in this scope are:

- **Upstream and downstream transport** - the transport category has been subdivided into two: Upstream and downstream transport, i.e. transport of wood and chemicals (upstream transport) and transport of product (downstream transport);
- **Purchase of goods and services** - including the purchase of chemicals, external biomass, fertilizers and phytopharmaceuticals.
- **Activities related to fuels and energy not included in scope 1 and 2** – calculated on the basis of activity data present in scope 1 and 2, such as emissions associated with extraction, refining and transport of fuels and losses in the network.
- **Waste generated from operations** (including transport) – includes waste generated in pulp mills.
- **Other emissions** – suppliers, including information available from service providers and internal timber and pulp transport contractors for pulp plants, and subcontracted for Altri Florestal, namely in regard to forestry operations, exploration operations and forest fire defense operations.

Other emissions:

- **Forest Carbon Reservoir:** Under Altri Florestal, carbon stock in the forest under its management was calculated.
- **Avoided emissions:** The methodology for calculating avoided emissions has been revised. For this purpose, electrical energy injected into the grid by pulp mills was considered (only surplus plants in electrical power were considered in this calculation).
- **Biogenic emissions:** The biogenic emissions associated with the consumption of non-fossil fuels in pulp mills have been calculated. The main non-fossil fuels are black liquor and biomass.

Exclusions: GHG emissions associated with product use and product end-of-life are outside the carbon footprint reporting scope, since Altri is a pulp producer. Other categories of scope 3 were considered not relevant or not applicable to Altri's activity.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD)

Recognizing the value of sustainability reporting benchmarks, the following correlation table demonstrates the relationship between this sustainability report and TCFD recommendations (2021 update).

CATEGORY	REPORT RECOMMENDATION	REPORTING SITE
GOVERNANCE	A) Describe the supervision of the Board of Directors on climate-related risks and opportunities.	2021 Sustainability Report (TCFD; About us - Governance, Ethics, policies and Certifications). CDP – Climate change 2021 (C1.1a; C1.1b).
	(b) Describe the role of management in the assessment and management of climate-related risks and opportunities.	2021 Sustainability Report (TCFD; About us - Governance, Ethics, policies and Certifications). CDP – Climate change 2021 (C1.2, C1.2a).
STRATEGY	a) Describe the risks and opportunities related to the climate identified by the Organization for the short, medium and long term.	Sustainability Report 2021 (TCFD; Our Strategy). CDP – Climate change 2021 (C2.1; C2.3; C2.3a; C2.4; C2.4a).
	b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning.	Sustainability Report 2021 (TCFD;Our Strategy: How we create value). CDP – Climate change 2021 (C2.1; C2.3a; C2.4a; C3.1; C; C3.2a; C3.2b; C3.3; C3.4).
	(c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2021 Sustainability Report (TCFD). CDP – Climate change 2021 (C4.1; C4.1a; C4.1b; C4.2; C4.2a; C4.2b).
RISK MANAGEMENT	(A) Describe the organization's process for identifying and assessing climate-related risks.	Sustainability Report 2021 (TCFD; About us - Risk Management). CDP – Climate change 2021 (C2.1a; C2.2; C2.2a).
	(b) Describe the process of the Organization to manage climate-related risks.	Sustainability Report 2021 (TCFD; About us - Risk Management). CDP – Climate change 2021 (C2.2).
	(c) Describe how the organization's climate-related risk identification, assessment and management processes are integrated into global risk management.	Sustainability Report 2021 (TCFD; About us - Risk Management). CDP – Climate change 2021 (C2.2).
METRICS AND TARGETS	A) Disclose the metrics used by the organization to assess climate-related risks and opportunities, in line with the risk management strategy and process.	Sustainability Report 2021 (TCFD; 2030 Commitment; Our Strategy). CDP – Climate change 2021 (C4.2; C4.2a; C4.2b; C9.1). Altri website (our commitment; Environment)
	(b) Disclose GHG emissions (scope 1, 2 and 3) and associated risks.	2021 Sustainability Report (TCFD; Combating climate change). CDP – Climate change 2021 (C6.1; C6.3; C6.5; C6.5a).
	c) Describe the objectives used by the organization to manage climate-related risks and opportunities and assess its performance against objectives.	Sustainability Report 2021 (TCFD; Commitment 2030). CDP – Climate change 2021 (C4.1; C4.1a; C4.1b; C4.2; C4.2a; C4.2b). Altri website (Our commitment)

TABLE OF CORRESPONDENCE WITH THE REQUIREMENTS OF DECREE OF LAW NO. 89/2017

Requirement	Answer
BUSINESS MODEL	
DL 89/2017 - Art°3° (referred to the N°2 of Article°508°- G of the CCC) - Directive 2014/95/EU- Art. 19a (1)(a)	
Business model of the company	About us
	Our strategy
	About us Governance, Ethics and Group policies
DIVERSITY IN GOVERNMENT BODIES	
DL 89/2017 - Art°4° (referred to art° 245.°- N.° 1 r) and N.°2 of the SMC) - Directive 2014/95/EU - Art. 20 (1)(g)	
Diversity policy applied by the company in relation to its administrative and supervisory bodies	About us Governance, Ethics and Group policies
	Our strategy > Valuing people
ENVIRONMENTAL ISSUES	
DL 89/2017 - N°2 of Art°3° (referred to N°2 of Art°508° of CCC) - Directive 2014/95/EU - Art. 19a (1) (a-E)	
Specific policies related to environmental issues	About us Governance, Ethics and Group policies
	Our strategy > Affirm sustainability as a factor of competitiveness
Results of the implementation of policies	Our strategy > Affirm sustainability as a factor of competitiveness
The main associated risks and how these risks are managed	About us > Risk Management
Key performance indicators	Our strategy > Affirm sustainability as a factor of competitiveness
SOCIAL ISSUES AND OTHER RELATIVE TO EMPLOYEES	
DL 89/2017 - N°2 of Art°3° (referred to N°2 of Art°508° of CCC) - Directive 2014/95/EU - Art. 19a (1) (a-E)	
Specific policies relating to social issues and issues relative to employees	About us Governance, Ethics and Group policies
	Our strategy > Valuing people
Results of the implementation of policies	Our strategy > Valuing people
The main associated risks and how these risks are managed	About us > Risk Management
	Our strategy > Valuing people
Key performance indicators	Our strategy > Valuing people
EQUALITY BETWEEN WOMEN AND MEN AND NON-DISCRIMINATION	
N°2 of DL 89/2017 Art°3° (referred to art°508° N°2 of CCC) - Directive 2014/95/EU - Art. 19a (1)(a-E)	
Specific policies related to issues of equality between women and men and non-discrimination	About us Governance, Ethics and Group policies
	Our strategy > Valuing people
Results of the implementation of policies	Our strategy > Valuing people
The main associated risks and how these risks are managed	About us > Risk Management
	Our strategy > Valuing people
Key performance indicators	Our strategy > Valuing people
RESPECT FOR HUMAN RIGHTS	
N°2 of DL 89/2017 Art°3° (referred to art°508° N°2 of CCC) - Directive 2014/95/EU - Art. 19a (1)(a-E)	
Specific policies related to respect for Human Rights	About us - Governance, Ethics and Group policies In the Altri Group Code of Ethics and Conduct it is established that: The Altri Group respects and promotes human rights, as enshrined in the United Nations Universal Declaration of Human Rights and guides its action in respect for equal opportunities. In addition to what is established in the document that guides the conduct of employees, we set our course for the full compliance with all applicable human rights legislation, considering that national and European laws immediately safeguard fundamental rights. In view of the above, we promote equal opportunities, respect for human rights, and we totally repudiate any use of child and forced labor, recognizing these matters as principles that are part of the Group's DNA.
Results of the implementation of policies	
The main associated risks and how these risks are managed	
FIGHTING CORRUPTION AND BRIBERY ATTEMPTS	
No. 2 of the Article 3 of the DL 89/2017 (referred to paragraph 2 of Article 58 of the CSC) - Directive 2014/95/EU - Art. 19a (1)(a-E)	
Specific policies related to the fight against corruption and bribery attempts	About us Governance, Ethics and Group policies
Results of the implementation of policies	About us Governance, Ethics and Group policies
The main associated risks and how these risks are managed	About us Governance, Ethics and Group policies
	About us > Risk Management

Altri- Act4Nature commitments

SMART individual commitments	Indicators	2021
Double the conservation area in 10 years In 2030, in areas under forest management (own or leased area), we intend to achieve a network of conservation areas of about 16,000 ha while maintaining the entire structure of the company committed to this goal.	Conservation area (ha/year)	9140
	Conservation area (ha/year/habitat)	163
Produce and plant 1 million autochthonous plants In the Furadouro nurseries, we intend to produce for reforestation projects, own and partners, at least 1 million native plants in 10 years. Partnerships will be established through collaboration protocols between Altri and other entities with the aim of supporting reforestation initiatives and ensuring their viability and maintenance.	Area (ha) planted/ha	105
	No. of plants/year	62674
Expand the network of biodiversity stations and biospots Install 13 new biodiversity stations and integrated biospots in the areas under Altri's forest management.	No. of biodiversity stations	4
	No. of biospots/year	2
Conserve and/or restore ecosystems of high conservation value Implement 10 projects of local relevance that contribute directly to the conservation and restoration of natural values, establishing appropriate partnerships wherever possible from local scope and giving priority to contact with the school community. To develop conservation, restoration and promotion actions of environmental values, integrated with the regular activities of forest production in territories of size, importance and relevance at landscape level, contributing to regional and national policies for the conservation of biological diversity and with demonstrative impact.	No. of projects implemented and their results	5 projects implemented in 2021 that contribute directly to the conservation and restoration of natural values: **1- Partnership with GEOTA - Renature Monchique** - continuation of planting and assembly work in conservation areas; **- Cabeço Santo** - Partnership with Cabeço Santo Association for the restoration and eradication of woody invaders in the ecological corridor of Ribeira de Belazaima. **- Partnership with Montis (Costa Bacelo and Vieiro properties)** - implementation of the conservation management agreement for the restoration and renaturalization of habitats of riparian galleries and mountain habitats . **- Partnership with WWF - ANP in the project "Plantar Água"**, aiming at the recovery of habitats in the Cachopo stream in the Serra do Caldelrão. **- Altri Florestal is co-financier and partner in the LIFE LX Aquila project led by SPEA** - the installation of a nesting platform dedicated to the promotion of the regional population of Bonelli's Eagle in an area under the management of Altri was carried out.
Integrate other activities with forest management with value (economic, social and environmental) Promote 10 locally relevant projects and/or activities that generate economic, social and environmental value in areas under forest management. Promote projects focused on value added by the presence of forest production areas and their contribution to generate other direct economic values in other products (e.g. Honey, Medronho, mushrooms).	No. of projects per year or other project-specific KPIs	**- Medronho XXI Project** - propagation of superior genetic material *of Arbutus unedo* that meets the specific needs of forest producers. **- Partnership with Buijinink Int.** - Harvesting of *Eucalyptus globulus* branches for floral arrangements and production of essential eucalyptus oil. **- Partnership with Honey producer** in the municipality of Penamacor.
Promote good forest management practices and their certification Ensure that there is an increase in consumption in our certified industrial timber plants from 57% (2018) to at least 80% in 2030.	Quantity of wood certified/ total quantity of wood consumed	69%
Reduce the specific use of water in Altri's industrial units Reduce specific water use by 50% from the reference value of 2018, which was 20m3/tSA.	Specific water use (m3/tSA)	19
To publicize the implementation of the commitments made in act4nature	Annually in the Sustainability Report	Present table

pwc

Independent Limited Assurance Report

(Free translation from the original in Portuguese)

To the Board of Directors of Altri, S.G.P.S., S.A.,

Introduction

We were engaged by the Board of Directors of Altri, S.G.P.S., S.A. ("Altri" or "Company") to perform a limited assurance engagement on the indicators identified below in the section "Responsibilities of the auditor", which integrate the sustainability information included in the Sustainability Report 2021 ("Report"), for the year ended in December 31, 2021, prepared by the Company for the purpose of communicating its annual sustainability performance.

Responsibilities of the Board of Directors

It is the responsibility of the Board of Directors to prepare the indicators identified below in the section "Responsibilities of the auditor", included in the Sustainability Report 2021, in accordance with the sustainability reporting guidelines Global Reporting Initiative, GRI Standards, for the option "In accordance – Core" and with the instructions and criteria disclosed in the Sustainability Report 2021, as well as for the maintenance of an appropriate internal control system that enables the adequately preparation of the mentioned information.

Responsibilities of the auditor

Our responsibility is to issue a limited assurance report, which is professional and independent, based on the procedures performed and specified in the paragraph below.

Our work was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants and we have fulfilled other technical standards and recommendations issued by the Institute of Statutory Auditors. These standards require that we plan and perform our work to obtain limited assurance about whether the GRI Standards indicators, identified in the Sustainability Report 2021, are free from material misstatement.

Our limited assurance engagement also consisted in carrying out procedures with the objective of obtaining a limited level of assurance as to whether the Company applied, in the sustainability information included in the Sustainability Report 2021, the GRI Standards guidelines.

For this purpose the above mentioned work included:

(i) Inquiries to management and senior officials responsible for areas under analysis, with the purpose of understanding how the information system is structured and their awareness of issues included in the report;
(ii) Identification of the existence of internal management procedures leading to the implementation of economic, environmental and social policies;

(iii) Testing, on a sampling basis, the efficiency of processes and systems in place for collection, consolidation, validation and reporting of the performance information previously mentioned, through calculations and validation of reported data;

(iv) Confirmation that operational units follow the instructions on collection, consolidation, validation and reporting of performance information;

(v) Execution of substantive procedures, on a sampling basis, in order to collect evidence of the reported information;

(vi) Comparison of financial and economic data included in the sustainability information with the data audited by the external auditor, in the scope of the audit of Altri's financial statements for the year ended in December 31, 2021;

(vii) Analysis of the process for defining the materiality of the sustainability issues, based on the materiality principle of GRI Standards, according to methodology described by the Company in the Report;

(viii) Verification that sustainability information included in the Report complies with the requirements of GRI Standards, for the option "In Accordance - Core".

The procedures performed were more limited than those used in an engagement to obtain reasonable assurance and, therefore, less assurance was obtained than in a reasonable assurance engagement.

We believe that the procedures performed provide an acceptable basis for our conclusion.

Quality control and independence

We apply the International Standard on Quality Control 1 (ISQC1) and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and of the ethics code of the Institute of Statutory Auditors.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the indicators identified above in the section "Responsibilities of the auditor", included in the Sustainability Report 2021, relating to the year ended in December 31, 2021, were not prepared, in all material respects, in accordance with GRI Standards requirements and with the instructions and criteria disclosed in the Report and that the Company has not applied, in the sustainability information included in the Report, the GRI Standards guidelines, for the option "In accordance – Core".

Restriction on use

This report is issued solely for information and use of the Board of Directors of the Company for the purpose of communicating its annual sustainability performance in the Sustainability Report 2021 and should not be used for any other purpose. We will not assume any responsibility to third parties other than Altri by our work and the conclusions expressed in this report, which will be attached to the Company's Sustainability Report 2021.

April 7, 2022

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

António Brochado Correia R.O.C. nº 1076
Registered with the Portuguese Securities Market Commission under nº 20160688

(This is a translation, not to be signed)

GREEN BONDS REPORTS

A.1 GreenVolt 2021-2028 Green Bond Report

2021 Allocation and Impact Report

Introduction

Greenvolt – Energias Renováveis, S.A. ("GreenVolt") is a Portuguese company, dedicated, among other activities, to the promotion, development, operation, maintenance and management, directly or indirectly, in Portugal or abroad, of power stations and other facilities of generation, storage and supply of renewable energy, such as sourced from bioelectric, solar, wind, water, industrial or urban waste, biomass or any other renewable source, having issued, in November 2021, a Green Bond, admitted to trading in Portugal, on the Euronext Lisbon regulated market.

To finance its investments, GreenVolt developed a Green Bond Framework, which served as the basis for the issuance of its GreenVolt 2021-2028 Green Bond, having been issued 10,000 Notes, each with a nominal value of Euro 10,000 (ten thousand Euro), corresponding to a total nominal value of Euro 100,000,000 (one-hundred million Euro), and with a coupon rate of 2.625%.

The use of proceeds of this first issuance was exclusively allocated to the refinancing of the financing structure implement to finance the acquisition of Tilbury Green Power (TGP) – in the United Kingdom – a joint venture, in which GreenVolt (indirectly) acquired a 51% stake, in June 2021.

The Issuance aligns with the established guidelines of the Green Bond Principles, drawn up by the International Capital Market Association, having obtained a positive Second-Party Opinion ("SPO") from the independent and specialist company in ESG ratings and research Sustainalytics.

This document presents, as defined in the GreenVolt Green Bond Framework, the annual report to investors regarding the investment allocation, including relevant information on the application of funds and on the resulting environmental benefits.

The information included here is available on GreenVolt's website, at https://greenvolt.pt/en/investors/green-funding.

Project description

The operation aimed to refinance the funding structure put in place to finance the acquisition of Tilbury Green Power (TGP) – in the United Kingdom – a joint venture, in which GreenVolt (indirectly) acquired a 51% stake, in June 2021.

TGP is a renewable energy biomass power plant, located in the port of Tilbury, Essex, England. It is located approximately 25 miles from central London, and it is, therefore, strategically located to process waste wood for the area.

Tilbury Power Plant operation plays a key role in meeting the UK's climate objectives, namely, with regard to the reduction of the greenhouse effect resulting from the use of fossil fuels, being fully aligned with the principles of the circular economy.

Tilbury Power Plant was built following the most robust and demanding technical specifications based on proven modern technology and is considered one of the best performances plants in the United Kingdom.

The plant has an injection capacity of 41.6 MW and started operations in January 2019.

Green Bond Framework:

Use of proceeds	The main goal is the utilisation of the proceeds for Green Projects, which should provide clear environmental benefits. The eligibility criteria defined in the Green Bond Framework are: 1. Renewable and Clean Energy; 2. Energy Efficiency; 3. Integrated Pollution Prevention and Control.
Project evaluation and selection	a. GreenVolt has established a Green Bond Committee (GBC) which is composed of members from the following departments: Engineering, Sustainability, Legal and Finance. The GBC is in charge of selecting eligible assets after proposed projects and merger and acquisition (M&A) transactions have been reviewed by GreenVolt's Investment Working Group (IWG). b. GreenVolt analyses and conducts pre-screening of projects considering environmental and social risks. Projects that do not comply with E&S risk assessment or have credibility risk will be rejected and not be taken into consideration.

Management of proceeds	a. GreenVolt will manage the proceeds of the bonds on a portfolio basis using an internal management system. This process is overseen by the Finance department. b. All proceeds from the first issuance will be immediately allocated to the acquisition of Tilbury Green Power. This transaction closed in June 2021. Look-back period and time to allocation are, therefore, in line with market practice. c. Pending allocation, GreenVolt will temporarily hold and/or invest in its treasury liquidity portfolio (in cash or cash equivalents), or in reimbursement/purchase of existing debt. Proceeds not immediately disbursed will not be invested in non-green projects, GHG intensive activities nor in controversial activities.
Reporting	a. GreenVolt will report within its Sustainability Report, on an annual basis, on the allocation and impact of proceeds until full allocation. The issuer may also provide separate impact reporting documents. Reporting will be based on a portfolio approach per type of renewable asset. b. Allocation reporting will include a description of projects, disclose a breakdown of the proceeds outstanding, the total amount of the proceeds allocated and the unallocated amount. c. Impact reporting will include indicators such as injected renewable energy capacity (MW), expected annual renewable energy generation (MWh), reduction of waste wood biomass and estimated annual GHG emission avoided or reduced (tCO2e).

Green Bond Allocation Report

Elegible Green Projects (1)	Available amount (€) (2)	Proceeds allocation project (3)	Assigned amount (€) (4)	Allocated amount (€) (5)	Percentage of proceeds allocated (%) (6)
1. Renewable and Clean Energy 2. Energy Efficiency 3. Integrated Pollution Prevention and Control	100,000,000	Acquisition of Tilbury Green Power	103,372,653	100,000,000	100%
Total	100,000,000			100,000,000	

a. Categories of eligible projects
b. Total Green Bond amount
c. Project to which proceeds were allocated
d. Project assigned amount
e. Green Bond amount allocated to the project
f. Percentage of use of Green Bond proceeds

Green Bond Impact Report (data from July to December 2021)

Elegible Green Projects (1)	Available amount (€) (2)	Allocated amount (€) (3)	Eligible value (%) (4)	Injection capacity (MW) (5)	Injected renewable energy (MWh) (6)	CO_2 emissions avoided ($tonCO_2e$) (7)	Wood waste recycled from construction and demolition (ton) (8)
Acquisition of Tilbury Green Power	100,000,000	100,000,000	100%	41.6	161,849	34,365	132,305
Total	**100,000,000**				**161,849**	**34,365**	**132,305**

a. Identification of projects falling under the eligible categories: 1. Renewable and Clean Energy and 2. Energy Efficiency 3. Integrated Pollution Prevention and Control
b. Total Green Bond amount
c. Green Bond amount allocated to the project
d. Elegible value
e. Injected renewable energy capacity
f. Renewable energy injected by project in the reference period, between July and December 2021
g. Avoided emissions. Avoided emissions are those corresponding to the emissions that would occur if the electricity produced resulted from the national system, using as a reference the emission factor of the national grid, available at: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021
a. Biomass consumed by Tilbury Green Power, in the reference period, between July and December 2021

Greenvolt – Energias Renováveis S.A.

Type of Engagement: Annual Review
Date: March 23, 2022
Engagement Team:
Nadia Djinnit, nadia.djinnit@morningstar.com, (+1) 416 861 0403
Javier Frisancho Salinas, javier.frisanchosalinas@morningstar.com

Introduction

In November 2021, Greenvolt – Energias Renováveis S.A. ("Greenvolt")[1] issued green bonds aimed at refinancing the acquisition of Tilbury Green Power ("TGP"), a joint venture, in which Greenvolt indirectly acquired a 51% stake, in June 2021 in the UK. The green bonds have financed[2] a project according to the categories listed in the Framework, namely – Renewable and Clean Energy, Energy Efficiency, and Integrated Pollution Prevention and Control. In October 2021, Sustainalytics provided a Second-Party Opinion[3] on the Greenvolt – Energias Renováveis S.A. Bond Framework (the "Greenvolt Green Bond Framework" or the "Framework").[4] In March 2022, Greenvolt engaged Sustainalytics to review the projects funded through the issued 2021 green bonds and provide an assessment as to whether the projects met the Use of Proceeds criteria and the Reporting commitments outlined in the Green Bond Framework.

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded with proceeds from the 2021 green based on whether the projects and programmes:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the Greenvolt Green Bond Framework; and
2. Reported on at least one of the Key Performance Indicators (KPIs) for each Use of Proceeds criteria outlined in the Greenvolt Green Bond Framework.

Table 1 lists the Use of Proceeds, Eligibility Criteria, and associated KPIs.

Table 1: Use of Proceeds, Eligibility Criteria, and associated KPIs

Use of Proceeds	Eligibility Criteria	Key performance indicators (KPIs)
Renewable and Clean Energy / Energy Efficiency	Renewable energy projects and energy efficiency projects (including residual forest biomass, wood waste, wind and solar, decentralized generation and storage), M&A transactions within the renewable energy sector, and other related and supporting expenditures such as R&D	• Installed renewable energy capacity (MW) • Expected annual renewable energy generation (MWh) • Estimated annual GHG emission avoided or reduced (tCO_2e)
Integrated Pollution Prevention and Control	Projects contribute to decreased air and GHG emissions. Biomass power plants designed and operated according to the Best Available Techniques reference document (BREF).[5]	• Reduction of biomass waste in the forest • Recycled construction and demolition wood waste • Estimated annual GHG emission avoided or reduced (tCO_2e) • Emissions of dust, nitrogen oxides (NOx), and sulphur dioxide (SO_2)

[1] Greenvolt – Energias Renováveis, S.A., Portuguese company and subsidiary of the Altri Group.
[2] The proceeds were fully allocated in 2021.
[3] Sustainalytics' Second-Party Opinion on the Framework is available at: https://greenvolt.pt/fileManager/comunicados/pdf_en_81.pdf
[4] The Greenvolt Green Bond Framework is available at: https://greenvolt.pt/fileManager/comunicados/pdf_en_79.pdf
[5] EU, "Best Available Techniques (BAT) for Large Combustion Plants", (2010), at: https://op.europa.eu/en/publication-detail/-/publication/c31e5e11-db60-11e7-a506-01aa75ed71a1/language-en

Issuing Entity's Responsibility

Greenvolt is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, amounts allocated, and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of Greenvolt's Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from Greenvolt employees and review of documentation to confirm the conformance with the Green Bond Framework.

Sustainalytics has relied on the information and the facts presented by Greenvolt with respect to the Nominated Projects. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by Greenvolt.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

Conclusion

Based on the limited assurance procedures conducted,[6] nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of Greenvolt's Green Bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Green Bond Framework. Greenvolt has disclosed to Sustainalytics that the proceeds of the green bond were used to refinance the acquisition of TGP, which took place in June 2021.

Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the green bond in 2021 to determine if projects aligned with the Use of Proceeds Criteria outlined in the Green Bond Framework and above in Table 1.	All projects reviewed complied with the Use of Proceeds criteria.	None
Reporting Criteria	Verification of the projects funded by the green bond in 2021 to determine if the impact of projects was reported in line with the KPIs outlined in the Green Bond Framework and above in Table 1. For a list of KPIs reported please refer to Appendix 1.	All projects reviewed reported on at least one KPI per Use of Proceeds criteria.	None

[6] Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendices

Appendix 1: Allocation Reporting by Eligibility Criteria

Use of Proceeds Category	Eligibility Criteria	Number of Projects	Total Allocated Amount (EUR)
Renewable and Clean Energy / Energy Efficiency Integrated Pollution Prevention and Control	Acquisition of Tilbury Green Power	1	100,000,000
Allocated proceeds (EUR)			103,372,653
Net proceeds raised from the issuance (EUR)			100,000,000
Percentage of net proceeds allocated			100%

Appendix 2: Impact Reporting by Eligibility Criteria

Use of Proceeds Category	Eligibility Criteria	Green Bond Impact Reported by Eligibility Criteria			
		Project capacity (MW)	Renewable energy generated (MWh)[7]	CO_2 emissions avoided (tCO_2e)[8]	Wood waste recycled from construction and demolition (ton)[9]
Renewable and Clean Energy / Energy Efficiency / Integrated Pollution Prevention and Control	Acquisition of Tilbury Green Power[10]	41.6	161,849	34,365	132,305

Disclaimer

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These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit http://www.sustainalytics.com/legal-disclaimers.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world's foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2021, Climate Bonds Initiative named Sustainalytics the "Largest Approved Verifier for Certified Climate Bonds" for the fourth consecutive year. The firm was also recognized by Environmental Finance as the "Largest External Reviewer" in 2021 for the third consecutive year. For more information, visit www.sustainalytics.com.

<u>INDEPENDENT LIMITED ASSURANCE REPORT</u>

(Free translation of a report originally issued in Portuguese language: in case of doubt the Portuguese version will always prevail)

To the Board of Directors of
Greenvolt Energias Renováveis, S.A.

Introduction

We have performed a limited assurance engagement in order to report on the Green Bonds Allocation and Impact Report ("Greenvolt Green Bonds Report") of Greenvolt Energias Renováveis, S.A. ("Greenvolt"), included in Annex III (A) of the 2021 Sustainability Report of Greenvolt Group, which was prepared by the Company's Board of Directors in accordance with Greenvolt Green Bond Framework ("Greenvolt Framework").

Responsibilities

The Board of Directors is responsible for the preparation and content of the Greenvolt Green Bond Report, included in Annex III (A) of the 2021 Sustainability Report of Greenvolt Group in accordance with the Greenvolt Framework, as for designing and maintaining an appropriate internal control system to enable the preparation of the information.

Our responsibility is to issue an independent and professional limited assurance report based on the procedures performed and specified in the "Scope" section.

Scope

Our work was performed in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Those standards require that we plan and perform the review to obtain limited assurance about whether the information included in the Green Bonds Report is free from material misstatement.

The procedures performed are dependent on our professional judgment, considering our understanding of the Company, the use of the proceeds of the Green Bonds and other circumstances relevant to our work. Our work included:

i) interviewing Greenvolt's employees involved in the preparation of the Greenvolt Green Bonds Report so to understand the projects financed or refinanced, the management internal procedures and systems in place, as well as the associated control environment;

ii) verify the application of eligibility criteria's, described in the Greenvolt Framework, regarding the selection of the projects financed and refinanced by the resources obtained through the Green Bond emission of Greenvolt;

iii) analyzing the procedures used for obtaining the information and data presented on the Greenvolt Green Bonds Report;

iv) validating that the information disclosed is in accordance with the reporting requirements established on the Greenvolt Framework; and

v) verifying, on a sample basis, the information related with indicators included on the Greenvolt Green Bonds Report, as well as verifying that they were appropriately compiled from the data provided by the Company's information sources.

The procedures performed on a limited assurance engagement are substantially less in scope than a reasonable assurance engagement and, consequently, a lower level of assurance than in a reasonable assurance engagement, is obtained. Accordingly, we do not express an opinion on the Greenvolt Green Bonds Report. We consider that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence and quality control

We conducted our work in compliance with the ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors), which is based on the fundamental principles of integrity, objectivity, professional competence, diligence, confidentiality and professional behavior.

We applied the International Standards on Quality Control 1. Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the information included on Green Bonds Allocation and Impact Report, included in Annex III (A) of the 2021 Sustainability Report of Greenvolt Group, has not been prepared, in all material respects, in accordance with reporting criteria disclosed in the Green Bonds Report and in the Framework.

Restriction of use

This report is intend solely for the purposes of reporting on the performance and activities related with the issuance and use of Green Bonds proceeds as requested by the Board of Directors of the Company. We will not assume any responsibility for our work and our conclusion to third parties other than the Company. Our report should not be used for any other purpose and should not be published in other document besides 2021 Sustainability Reports of Greenvolt Group and Altri Group.

Lisbon, March 30 2022

Deloitte & Associados, SROC S.A.
Represented by João Carlos Reis Belo Frade, ROC
Registration in OROC n.º 1216
Registration in CMVM n.º 20160827

A.2 SBM 2019-2029 Green Bond Report

2021 Allocation and Impact Report

Introduction

Sociedade Bioelétrica do Mondego, S.A. ("SBM") and Banco BPI, S.A. ("BPI") launched the first green bond issuance admitted to trading in Portugal in the unregulated market Euronext Access Lisbon, in February 2019.

Sociedade Bioelétrica do Mondego, S.A. is a Portuguese company, 100% owned by Greenvolt – Energias Renováveis, S.A. ("GreenVolt"), dedicated to construction, operation and maintenance of a 34.5 MW capacity biomass power plant, located in Figueira da Foz.

To finance its investments, SBM developed a SBM Green Bond Framework, which served as the basis for the issuance of its SBM 2019-2029 Green Bond, by private placement, in the amount of Euro 50,000,000 (fifty-million Euro), with a coupon rate of 1.90%.

The use of proceeds was allocated exclusively to the financing of the 34.5 MW biomass power plant, located in Celbi's manufacturing perimeter, although in the initial phase of the project there were advances of own funds made by SBM's parent company.

The SBM Green Bond Framework is in line with the conditions established by the Green Bond Principles published by the International Capital Market Association, having obtained a positive Second-Party Opinion ("SPO") from the ESG ratings and specialised independent research company Sustainalytics.

This document presents, as defined in the SBM Green Bond Framework, the annual report to investors regarding the investment allocation, including relevant information on the application of funds and on the resulting environmental benefits. The information included here is available on GreenVolt's website, at https://greenvolt.pt/en/investors/green-funding.

Project description

The operation was intended to finance the investments of Sociedade Bioelétrica do Mondego, S.A., in the construction of a new biomass power plant of GreenVolt, located in Figueira da Foz, contributing to the pursuit of a structuring policy in the energy field, which allows to reduce the external dependency and the greenhouse effect resulting from the use of fossil fuels. The use of forest biomass, on the other hand, in addition to contribute to job creation and forest management, allows to reduce fire risks, promoting a clean and renewable energy environment, thus reinforcing the sustainability commitment of GreenVolt.

This investment by SBM contributed to the diversification of the energy sources of GreenVolt and is part of the strategy defined for the national energy policy, through the construction of a central for production of electricity from non-conventional sources (namely, the energy recovery of forest biomass).

The Biomass Plant started operating in July 2019, having produced a total of 291,402 MWh in 2021.

Summary of the SBM Green Bond Framework:

Use of proceeds	The main goal is the utilisation of the proceeds for Green Projects, which should provide clear environmental benefits. The eligibility criteria defined in the SBM Green Bond Framework are: 1. Renewable and Clean Energy 2. Integrated Pollution Prevention and Control
Positive impacts	a. Energy Efficiency. b. National Energy Bill Decrease. c. Job Creation and Economic Growth. d. Reduction of Forest Fire Risk / Sustainable Forest Management ("SFM") Practices. e. Enhance Circular Economy.
Project evaluation / selection	a. SBM's projects are proposed to the Investment Working Group, which is formed by SBM directors. This group manages and reviews all proposed projects. b. Eligible Green projects are selected among the various eligible sectors and result from the application of the eligibility criteria, under the responsibility of the Green Bond Committee. c. Only those projects approved by both Investment Working Group and Green Bond Committee will be considered for Green Bond financing. d. Eligible Green Projects are monitored and reported on an annual basis.

Management of proceeds	a. The net proceeds of the green bonds issued will be managed on a single project / single company basis. b. The Finance Department ensures the allocation of net proceeds according to an internal management system that aims to define the destination of cash flows, set reserved accounts for not invested funds and adjust periodically the net proceeds. c. Proceeds not immediately disbursed will be held and not invested in non-green projects, GHG intensive activities, nor controversial activities: proceeds not disbursed shall be invested according to SBM's liquidity and/or liability management activities, following the market best practices.
Reporting	a. SBM will provide an annual update on the use of proceeds related to its Green Bonds issuance. b. The report is expected to disclose a breakdown of the Green Bond proceeds outstanding and the amount of allocated and unallocated proceeds. c. Information should include Performance Indicators to allow access the environmental impact of its Eligible Green Projects. d. Examples of products and impact indicators considered 1. Renewable and Clean Energy: - Installed renewable energy capacity (MW) - Expected annual renewable energy generation (MWh) - Estimated annual GHG emission avoided or reduced (tCO_2e) 2. Integrated Pollution Prevention and Control: - Reduction of biomass waste in the forest - Estimated annual GHG emission avoided or reduced (tCO_2e)

Green Bond Allocation Report

The proceeds' allocation was made in full in 2019 (this information can be seen in more detail in the 2019 Green Bonds Report, which was reviewed by both Sustainalytics and Deloitte).

Eligible Green Project (1)	Signed amount (€) (2)	Proceeds allocation project (3)	Allocated amount (€) (4)	Weight in assets total value (%) (5)	Percentage of proceeds allocated (%) (6)
1. Renewable and Clean Energy 2. Integrated Pollution Prevention and Control	50,000,000	Biomass Power Plant	50,000,000	60.28%	100%
Total	50,000,000		50,000,000		

a. Categories of eligible projects
b. Total Green Bond amount
c. Project to which proceeds were allocated
d. Amount allocated to the project
e. Weight of Green Bond proceeds in the total value of the project
f. Percentage of use of Green Bond proceeds

Green Bond Impact Report (data from January to December 2021)

Eligible Green Project (1)	Signed amount (€) (2)	Weight in total Green Bond (%) (3)	Eligible value (%) (4)	Installed capacity (MW) (5)	Renewable energy annual generation (MWh) (6)	CO_2 emissions avoided ($tonCO_2e$) (7)	Reduction of biomass waste in the forest (ton) (8)
Biomass Power Plant	50,000,000	100%	100%	34.5	291,402	39,048	420,914
Total	**50,000,000**				**291,402**	**39,048**	**420,914**

a. Identification of projects falling under the eligible categories: 1. Renewable and Clean Energy and 2. Integrated Pollution Prevention and Control
b. Total Green Bond amount
c. Weight of the project in total Green Bond proceeds
d. Eligible value
e. Installed renewable energy capacity
f. Renewable energy generation by project in the reference period, between January and December 2021
g. Avoided emissions. Avoided emissions are those corresponding to the emissions that would occur if the electricity produced resulted from the national system, using as a reference the emission factor of the national grid: https://www.apren.pt/en/renewable-energies/others/
h. Biomass used by the Biomass Power Plant

SUSTAINALYTICS
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Sociedade Bioelétrica do Mondego, S.A.

Type of Engagement: Annual Review
Date: February 25, 2022
Engagement Team:
Nadia Djinnit, nadia.djinnit@morningstar.com , (+1) 416 861 0403
Javier Frisancho Salinas, javier.frisanchosalinas@morningstar.com

Introduction

In February 2019, Sociedade Bioelétrica do Mondego ("SBM")[1] issued green bonds aimed at financing a 34.5 MW biomass power plant, located in the manufacturing area of Figueira da Foz in central Portugal. The Green Bonds have financed projects[2] from all categories listed in the Framework, namely – Renewable and Clean Energy, and Integrated Pollution Prevention and Control. In February 2019, Sustainalytics provided a Second-Party Opinion[3] on the Sociedade Bioelétrica do Mondego Green Bond Framework (the "SBM Green Bond Framework" or the "Framework").[4] In February 2022, SBM engaged Sustainalytics to review the projects funded through the issued 2019 green bonds and provide an assessment as to whether the projects met the Use of Proceeds criteria and the Reporting commitments outlined in the Framework.

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded with proceeds from the 2019 green bond based on whether the projects:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the SBM Green Bond Framework; and
2. Reported on at least one of the Key Performance Indicators (KPIs) for each Use of Proceeds criteria outlined in the SBM Green Bond Framework.

Table 1 lists the Use of Proceeds, Eligibility Criteria, and associated KPIs.

Table 1: Use of Proceeds, Eligibility Criteria, and associated KPIs

Use of Proceeds	Eligibility Criteria	Key performance indicators (KPIs)
Renewable and Clean Energy	Funds to finance the construction of a new biomass power plant located in Figueira da Foz • Endogenous renewable energy source (biomass), thereby avoiding greenhouse gas emissions; • Energy production from biomass from Altri Group's own operations and external sources to supply to the national grid.	• Installed renewable energy capacity (MW) • Expected annual renewable energy generation (MWh) • Estimated annual GHG emission avoided or reduced (tCO_2e)
Integrated Pollution Prevention and Control	Funds to finance the implementation of the Best Available Techniques released by the EU for the energy production sector[5] to reduce air emission and greenhouse gas from the biomass power plant • Reduction of air emissions and greenhouse gas. • Contribution to decreased GHG emissions.	• Reduction of biomass waste in the forest • Estimated annual GHG emission avoided or reduced (tCO_2e) • Emissions of dust, nitrogen oxides (NOx), sulphur dioxide (SO_2) and hydrochloric acid and hydrofluoric acid (HCL and HF)

[1] Sociedade Bioelétrica do Mondego, S.A. is a Portuguese company, wholly-owned by Greenvolt – Energias Renováveis, S.A., a subsidiary of the Altri Group.
[2] The proceeds' allocation was made in full in 2019.
[3] Sustainalytics' Second-Party Opinion on the Framework is available at: https://www.greenvolt.pt/fileManager/comunicados/pdf_pt_73.pdf
[4] The Sociedade Bioelétrica do Mondego Green Bond Framework is available at: https://www.greenvolt.pt/fileManager/comunicados/pdf_pt_74.pdf
[5] EU, "Best Available Techniques (BAT) for Large Combustion Plants", (2010), at: https://op.europa.eu/en/publication-detail/-/publication/c31e5e11-db60-11e7-a506-01aa75ed71a1/language-en

	• Design and operation of biomass power plant according to the Best Available Techniques reference document (BREF) published by the European Union for the energy production sector.	

Issuing Entity's Responsibility

SBM is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, amounts allocated, and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of SBM's Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from SBM employees and review of documentation to confirm the conformance with the SBM Green Bond Framework.

Sustainalytics has relied on the information and the facts presented by SBM with respect to the Nominated Projects. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by SBM.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

Conclusion

Based on the limited assurance procedures conducted,[6] nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of SBM's Green Bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the SBM Green Bond Framework. SBM has disclosed to Sustainalytics that the proceeds of the green bond were fully allocated as of December, 2019.

[6] Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the green bond in 2019 to determine if projects aligned with the Use of Proceeds Criteria outlined in the SBM Green Bond Framework and above in Table 1.	All projects reviewed complied with the Use of Proceeds criteria.	None
Reporting Criteria	Verification of the projects funded by the green bond in 2019 to determine if the impact of projects was reported in line with the KPIs outlined in the SBM Green Bond Framework and above in Table 1. For a list of KPIs reported please refer to Appendix 1.	All projects reviewed reported on at least one KPI per Use of Proceeds criteria.	None

Appendix

Appendix 1: Allocation and Impact Reporting by Eligibility Criteria

Green Bond Allocation Report

The proceeds' allocation was made in full in 2019 (this information can be seen in more detail in the 2019 Green Bonds Report, which was reviewed by both Sustainalytics and Deloitte).

Eligible Green Project (1)	Signed amount (€) (2)	Proceeds allocation project (3)	Allocated amount (€) (4)	Weight in assets total value (%) (5)	Percentage of proceeds allocated (%) (6)
1. Renewable and Clean Energy 2. Integrated Pollution Prevention and Control	50,000,000	Biomass Power Plant	50,000,000	60.28%	100%
Total	**50,000,000**		**50,000,000**		

(1) Categories of eligible projects
(2) Total Green Bond amount
(3) Project to which proceeds were allocated
(4) Amount allocated to the project
(5) Weight of Green Bond proceeds in the total value of the project
(6) Percentage of use of Green Bond proceeds

Green Bond Impact Report (data from January to December 2021, inclusive)

Eligible Green Project (1)	Signed amount (€) (2)	Weight in total Green Bond (%) (3)	Eligible value (%) (4)	Installed capacity (MW) (5)	Renewable energy annual generation (MWh) (6)	CO_2 emissions avoided ($tonCO_2e$) (7)	Reduction of biomass waste in the forest (ton) (8)
Biomass Power Plant	50,000,000	100%	100%	34.5	291,402	39,048	420,914
Total	**50,000,000**				**291,402**	**39,048**	**420,914**

(1) Identification of projects falling under the eligible categories: 1. Renewable and Clean Energy and 2. Integrated Pollution Prevention and Control
(2) Total Green Bond amount
(3) Weight of the project in total Green Bond proceeds
(4) Eligible value
(5) Installed renewable energy capacity
(6) Renewable energy generation by project in the reference period, between January and December 2021
(7) Avoided emissions. Avoided emissions are those corresponding to the emissions that would occur if the electricity produced resulted from the national system, using as a reference the emission factor of the national network https://www.apren.pt/contents/publicationsreportcarditems/boletim-energias-renovaveis-dezembro-2019-vf.pdf
(8) Biomass used by the Biomass Power Plant

Disclaimer

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world's foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2021, Climate Bonds Initiative named Sustainalytics the "Largest Approved Verifier for Certified Climate Bonds" for the fourth consecutive year. The firm was also recognized by Environmental Finance as the "Largest External Reviewer" in 2021 for the third consecutive year. For more information, visit www.sustainalytics.com.

INDEPENDENT LIMITED ASSURANCE REPORT

(Free translation of a report originally issued in Portuguese language: in case of doubt the Portuguese version will always prevail)

To the Board of Directors of
Sociedade Bioelétrica do Mondego, S.A.

Introduction

We have performed a limited assurance engagement in order to report on the Green Bonds Allocation and Impact Report SBM ("SBM Green Bonds Report") of Sociedade Bioelétrica do Mondego, S.A. ("Company" or "SBM"), included in Annex III (B) of the 2021 Sustainability Report of Greenvolt Group, which was prepared by the Company's Board of Directors in accordance with SBM Green Bond Framework ("SBM Framework").

Responsibilities

The Board of Directors is responsible for the preparation and content of the SBM Green Bond Report, included in Annex III (B) of the 2021 Sustainability Report of Greenvolt Group in accordance with the SBM Framework, as for designing and maintaining an appropriate internal control system to enable the preparation of the information.

Our responsibility is to issue an independent and professional limited assurance report based on the procedures performed and specified in the "Scope" section.

Scope

Our work was performed in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Those standards require that we plan and perform the review to obtain limited assurance about whether the information included in the Green Bonds Report is free from material misstatement.

The procedures performed are dependent on our professional judgment, considering our understanding of the Company, the use of the proceeds of the Green Bonds and other circumstances relevant to our work. Our work included:

i) interviewing Greenvolt's employees involved in the preparation of the SBM Green Bonds Report so to understand the projects financed or refinanced, the management internal procedures and systems in place, as well as the associated control environment;

ii) analyzing the procedures used for obtaining the information and data presented on the SBM Green Bonds Report;

iii) validating that the information disclosed is in accordance with the reporting requirements established on the SBM Framework; and

iv) verifying, on a sample basis, the information related with indicators included on the SBM Green Bonds Report, as well as verifying that they were appropriately compiled from the data provided by the Company's information sources.

The procedures performed on a limited assurance engagement are substantially less in scope than a reasonable assurance engagement and, consequently, a lower level of assurance than in a reasonable assurance engagement, is obtained. Accordingly, we do not express an opinion on the SBM Green Bonds Report. We consider that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence and quality control

We conducted our work in compliance with the ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors), which is based on the fundamental principles of integrity, objectivity, professional competence, diligence, confidentiality and professional behaviour.

We applied the International Standards on Quality Control 1. Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the information included on SBM Green Bonds Allocation and Impact Report, included in Annex III (B) of the 2021 Sustainability Report of Greenvolt Group, has not been prepared, in all material respects, in accordance with reporting criteria disclosed in the Green Bonds Report and in the Framework.

Restriction of use

This report is intend solely for the purposes of reporting on the performance and activities related with the issuance and use of Green Bonds proceeds as requested by the Board of Directors of the Company. We will not assume any responsibility for our work and our conclusion to third parties other than the Company. Our report should not be used for any other purpose and should not be published in other document besides 2021 Sustainability Reports of Greenvolt Group and Altri Group.

Lisbon, March 30 2022

Deloitte & Associados, SROC S.A.
Represented by João Carlos Reis Belo Frade, ROC
Registration in OROC n.º 1216
Registration in CMVM n.º 20160827

Consolidated Financial Statements and Accompanying Notes

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ALTRI, SGPS, S.A.
CONSOLIDATED STATETEMENTS OF FINANCIAL POSITION AS AT
31 DECEMBER 2021 AND 2020
(Translation of financial statements originally issued in Portuguese - Note 48)

(Amounts expressed in Euros)

ASSETS	Notes	31.12.2021	31.12.2020
NON-CURRENT ASSETS:			
Biological assets	13	105,583,652	105,621,199
Property, plant and equipment	9	341,794,191	523,507,899
Right-of-use assets	10.1	63,961,630	65,462,658
Investment properties		24,169	82,131
Goodwill	11	265,630,973	265,630,973
Intangible assets	12	367,268	52,201,704
Investments in joint ventures and associates	4.2	758,652	755,583
Other investments		317,046	280,147
Other non-current assets	21	3,210,260	3,210,260
Derivative financial instruments	31	163,618	—
Deferred tax assets	14	16,813,768	27,757,056
Total non-current assets		798,625,227	1,044,509,610
CURRENT ASSETS:			
Inventories	13	82,821,010	75,454,614
Trade receivables	15	100,495,090	64,149,699
Assets associated with contracts with customers	17	—	7,476,825
Other receivables	16	17,364,991	9,691,305
Income tax	18	3,361,653	17,160,243
Other current assets	19	7,716,549	5,649,993
Derivative financial instruments	31	1,130,725	7,313,870
Cash and cash equivalents	20	238,937,382	254,568,719
Total current assets		451,827,400	441,465,268
Group of assets classified as held for distribution to shareholders	7	1,039,610,758	—
Total assets		2,290,063,385	1,485,974,878

EQUITY AND LIABILITIES	Notes	31.12.2021	31.12.2020
EQUITY:			
Share capital	23	25,641,459	25,641,459
Legal reserve	23	5,128,292	5,128,292
Hedging reserve	23	(2,364,102)	3,515,384
Other reserves	23	393,895,052	376,043,942
Amounts recognized in other comprehensive income and accumulated in equity related to group of assets classified as held for distribution to shareholders	7	(7,833,846)	—
Consolidated net profit for the year attributable to Equity holders of the parent		127,799,449	34,977,248
Total equity attributable to Equity holders of the parent		542,266,304	445,306,325
Non-controlling interests	22	181,273,579	14,584
Total equity		723,539,883	445,320,909
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Bank loans	24	—	27,500,000
Other loans	24	458,218,797	532,417,574
Reimbursable government grants	24	2,288,430	2,942,267
Lease liabilities	10.2	62,858,948	65,461,849
Other non-current liabilities	26	6,724,855	10,487,366
Deferred tax liabilities	14	32,150,741	48,071,097
Pension liabilities	33	3,271,159	5,180,204
Provisions	25	4,082,239	16,689,458
Derivative financial instruments	31	540,350	1,053,386
Total non-current liabilities		570,135,519	709,803,201
CURRENT LIABILITIES:			
Bank loans	24	27,584,583	2,135,970
Other loans	24	97,854,330	168,869,728
Reimbursable government grants	24	653,837	2,847,177
Lease liabilities	10.2	10,255,602	9,588,771
Trade payables	27	134,741,292	104,104,493
Liabilities associated with contracts with customers	29	5,347,173	3,641,936
Other payables	28	16,626,218	13,394,102
Income tax	18	21,049,389	4,705,554
Other current liabilities	30	30,050,829	21,200,376
Derivative financial instruments	31	3,099,150	362,661
Total current liabilities		347,262,403	330,850,768
Liabilities directly associated with the group of assets classified as held for distribution to shareholders	7	649,125,580	—
Total liabilities and equity		2,290,063,385	1,485,974,878

The accompanying notes are an integral part of the consolidated financial statements.

The Chartered Accountant — The Board of Directors

ALTRI, SGPS, S.A.
CONSOLIDATED INCOME STATEMENTS
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020
(Translation of financial statements originally issued in Portuguese - Note 48)

(Amounts expressed in Euros)

	Notes	31.12.2021	31.12.2020 (Restated Note 5)
Sales	41	775,710,375	555,710,804
Services rendered	41	9,506,950	11,912,019
Other income	36	8,200,776	7,421,149
Costs of sales	13	(321,425,367)	(286,948,657)
External supplies and services	43	(201,247,844)	(151,279,786)
Payroll expenses	42	(43,248,488)	(39,011,970)
Amortisation and depreciation	39	(63,991,936)	(62,214,351)
Fair value changes in biological assets	13	(37,547)	1,246,135
Provisions and impairment losses	25	3,575,100	1,754,745
Other expenses	37	(3,291,162)	(2,920,145)
Results related to investments	4.2	3,069	30,111
Financial expenses	38	(22,075,872)	(26,448,220)
Financial income	38	8,612,984	4,413,861
Earnings before taxes and CESE from continuing operations		150,291,038	13,665,695
Income tax	14	(26,516,279)	11,156,342
Energy sector extraordinary contribution (CESE)	18	(97,227)	(121,740)
Consolidated net profit from continuing operations		123,677,532	24,700,297
Profit after tax from discontinued operations	7	11,552,292	10,268,182
Consolidated net profit for the year		135,229,824	34,968,479
Attributable to:			
Equity holders of the parent			
Continued Operations	40	123,677,532	24,700,297
Discontinued Operations	40	4,121,917	10,276,951
Non-controlling interests			
Continued Operations		—	—
Discontinued Operations		7,430,375	(8,769)
		135,229,824	34,968,479
Earnings per share			
From continuing operations			
Basic	40	0.60	0.12
Diluted	40	0.60	0.12
From discontinued operations			
Basic	40	0.02	0.05
Diluted	40	0.02	0.05

The accompanying notes are an integral part of the consolidated financial statements.

The Chartered Accountant

The Board of Directors

ALTRI, S.G.P.S., S.A.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020
(Translation of financial statements originally issued in Portuguese - Note 48)

(Amounts expressed in Euros)

	Notes	31.12.2021	31.12.2020
Consolidated net profit for the year		135,229,824	34,968,479
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Changes in pension liabilities - gross amount	33	515,568	(406,784)
Changes in pension liabilities - tax effect	14	(115,449)	242,297
		400,119	(164,487)
Items that may be reclassified to profit or loss in the future			
Changes in fair value of cash flow hedging derivatives - gross amount	31	(43,885,373)	8,163,346
Changes in fair value of cash flow hedging derivatives - tax effect	14	11,050,894	(2,154,172)
Change in exchange rate reserve		1,183,820	(5,762)
Others		—	172
		(31,650,659)	6,003,584
Other comprehensive income for the year		(31,250,540)	5,839,097
Total consolidated comprehensive income for the year		103,979,284	40,807,576
Attributable to:			
Equity holders of the parent		114,505,715	40,816,345
Non-controlling interests		(10,526,431)	(8,769)

The accompanying notes are an integral part of the consolidated financial statements.

The Chartered Accountant

The Board of Directors

ALTRI, S.G.P.S., S.A.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020
(Translation of financial statements originally issued in Portuguese - Note 48)

(Amounts expressed in Euros)

		Attributable to Equity holders of the parent								
	Notes	Share capital	Legal reserve	Hedging reserves	Other reserves	Amounts recognized in other comprehensive income and accumulated in equity related to group of assets classified as held for distribution to shareholders	Profit and loss result	Total	Non-controlling interest	Total equity
Balance as at 1 January 2020	23	25,641,459	5,128,292	(2,493,790)	336,927,499	—	100,826,022	466,029,482	13,453	466,042,935
Appropriation of the consolidated result from 2019	45	—	—	—	100,826,022	—	(100,826,022	—	—	—
Distribution of dividends	45	—	—	—	(61,539,502)	—	—	(61,539,502)	—	(61,539,502)
Capital contributions		—	—	—	—	—	—	—	9,900	9,900
Others		—	—	—	—	—	—	—	—	—
Total consolidated comprehensive income for the year		—	—	6,009,174	(170,077)	—	34,977,248	40,816,345	(8,769)	40,807,576
Balance on 31 December 2020	23	25,641,459	5,128,292	3,515,384	376,043,942	—	34,977,248	445,306,325	14,584	445,320,909
Balance as at 1 January 2021	23	25,641,459	5,128,292	3,515,384	376,043,942	—	34,977,248	445,306,325	14,584	445,320,909
Appropriation of the consolidated result from 2020	45	—	—	—	34,977,248	—	(34,977,248)	—	—	—
Distribution of dividends	45	—	—	—	(71,796,085)	—	—	(71,796,085)	—	(71,796,085)
Liquidation of companies		—	—	—	—	—	—	—	(704)	(704)
Acquisition of subsidiaries	6	—	—	—	—	—	—	—	6,986,264	6,986,264
Capital contributions by non-controlling interests	6	—	—	—	—	—	—	—	41,177,606	41,177,606
Change in holding percentage in subsidiaries	4.1	—	—	—	54,244,752	—	—	54,244,752	143,627,857	197,872,609
Held for distribution to shareholders	7	—	—	8,072,375	(238,529)	(7,833,846)	—	—	—	—
Others		—	—	—	5,597	—	—	5,597	(5,597)	—
Total consolidated comprehensive income for the year		—	—	(13,951,861)	658,127	—	127,799,449	114,505,715	(10,526,431)	103,979,284
Balance on 31 December 2021	23	25,641,459	5,128,292	(2,364,102)	393,895,052	(7,833,846)	127,799,449	542,266,304	181,273,579	723,539,883

The accompanying notes are an integral part of the consolidated financial statements.

The Chartered Accountant

The Board of Directors

ALTRI , SGPS, S.A.
CASH FLOW STATEMENTS
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020
(Translation of financial statements originally issued in Portuguese - Note 48)

(Amounts expressed in Euros)

	Notes	2021		2020	
Operating activities:					
Receipts from customers		938,180,999		656,219,920	
Payments to suppliers		(647,922,282)		(465,561,147)	
Payments to personnel		(37,150,654)		(31,386,072)	
Other receipts/payments relating to operating activities		(1,444,530)		(6,523,169)	
Income Tax (paid)/received		9,434,333	261,097,866	10,856,929	163,606,461
Cash flows generated by operating activities (1)			261,097,866		163,606,461
Investment activities:					
Receipts arising from:					
Investments		—		202,200	
Property, plant and equipment		760,245		335,764	
Investment grants		1,045,515		298,595	
Interest and similar income		81,030		730,316	
Dividends		—	1,886,790	—	1,566,875
Payments relating to:					
Investments in subsidiaries net of cash and cash equivalents acquired	20	(176,376,463)		(821,779)	
Investments in joint ventures		(571,650)		—	
Loans conceded		(19,367,235)		—	
Property, plant and equipment		(41,002,471)		(37,369,808)	
Intangible assets		(24,108,406)		—	
Investment grants		—	(261,426,225)	—	(38,191,587)
Cash flows generated by investment activities (2)			(259,539,435)		(36,624,712)
Financing activities:					
Receipts arising from:					
Loans obtained	24	921,293,555		579,703,753	
Shareholders Loans		39,974,360		—	
Capital contributions by non-controlling interests		41,177,606		9,900	
Change in holding percentage in subsidiaries	22	141,905,245		—	
Other financing transactions		6,034,904	1,150,385,670	2,034,258	581,747,911
Payments relating to:					
Interest and similar expenses		(23,037,860)		(14,470,998)	
Distributed dividends		(71,796,085)		(61,541,554)	
Loans obtained	24	(778,119,093)		(546,195,753)	
Shareholders Loans		(1,421,363)		—	
Reimbursable government grants	24	(2,847,178)		(178,966)	
Lease liabilities	10.2	(13,934,674)		(12,429,629)	
Other financing transactions		(16,782,515)	(907,938,768)	(2,685,086)	(637,501,986)
Cash flows generated by financing activities (3)			242,446,902		(55,754,075)
Cash and cash equivalents at the beginning of the year	20		252,572,629		181,343,914
Acquisition of subsidiaries	6		1,020,787		—
Changes in currency exchange rate			95,646		1,041
Cash and bank variation: (1)+(2)+(3)			244,005,333		71,227,674
Cash and cash equivalents at the end of the year	20		497,694,395		252,572,629

The accompanying notes are an integral part of the consolidated financial statements.

The Chartered Accountant

The Board of Directors

1. INTRODUCTORY NOTE

ALTRI, SGPS, S.A. ('Altri” or 'Company') is a public company incorporated on 1 February 2005, in Portugal, as part of the restructuring of Cofina, SGPS, S.A., whose headquarters are located at Rua Manuel Pinto de Azevedo, 818, in Porto, Portugal, and its main activity involves managing shareholdings, while its shares are listed at Euronext Lisbon.

Altri is dedicated to managing shareholdings primarily in the industrial sector, as the parent company of the group of companies shown under Note 4 and referred to as the Altri Group. There is no other company above it that includes these consolidated financial statements. The current activity of the Altri Group focuses on the production of bleached eucalyptus pulp through three production units and on the production of electric energy from forest waste and biomass through thermoelectric power plants.

During 2021, Altri Group, through the subsidiary GreenVolt, started a growth strategy based not only in biomass, but also dedicated to the development of wind power and photovoltaic projects and distributed electricity generation, having the Group made the following investments:

a. Acquisition of 51% of Tilbury Green Power Holdings Limited (owner of a biomass power plant in the United Kingdom) on June 30, 2021, in partnership with the Equitix fund;

b. Acquisition of 100% of V-Ridium Power Group Sp. Z.o.o. (a solar and wind project development platform based in Warsaw), on July 14, 2021;

c. Acquisition of 70% of the companies Track Profit Energy and Track Profit II Invest, which are engaged in the development of energy efficiency projects as well as installation of solar photovoltaic projects, on August 24, 2021;

d. Acquisition of a 42.19% stake in the Spanish company Tresa Energía S.L. ("Perfecta Energia"), which holds a 65% stake in Perfecta Consumer Finance, on October 25, 2021. Perfecta Energia operates in the renewable energy sector, in the sale, installation and maintenance of solar energy panels for self-consumption for residential clients.

In July 2021, the subsidiary GreenVolt was listed on the stock exchange as a result of the Initial Public Offering (IPO). As a result of this operation, Altri Group now owns 58.72% of Greenvolt - Energias Renováveis, S.A. and its subsidiaries. The Altri Group carried out a study regarding the optimization of its shareholding in its subsidiary GREENVOLT - ENERGIAS RENOVÁVEIS, S.A., which, after analyzing the impacts and advantages of a full separation of the pulp and renewable energy businesses, concluded that such separation would be feasible as it would provide an adequate response to the optimized evolution of the companies concerned, adjusted to the underlying reality of their businesses and their evolutionary perspectives. Altri's Board of Directors will propose, at the Annual General Meeting of 2022, the distribution to Altri's shareholders of a maximum number of shares corresponding to 52,523,229 shares of GreenVolt, which corresponds to the shareholding that Altri currently holds directly. It is the understanding of Altri's Board of Directors that the proposed distribution will be approved by the Company's shareholders, primarily because the Board believes that the shareholders will not only agree, but also consider essential, for the reasons already mentioned, the total separation of the pulp business from the renewable energy business. The delivery of shares to shareholders will take place, hopefully, in a period never exceeding 30 days from the date of the resolution (i.e., in a period always less than 12 months after December 31, 2021). Accordingly, GreenVolt and its subsidiaries are presented in this consolidated financial information as a group of assets classified as held for distribution to shareholders as of December 31, 2021 (Notes 5 and 7).

Faced with this reality, the Board of Directors considers, with reference to December 31, 2021, there is only one business segment, namely the production and commercialization of bleached eucalyptus pulp (Note 41).

The Altri Group's consolidated financial statements are shown in Euro, in amounts rounded off to the nearest Euro. This is the currency used by the Group in its transactions and, as such, is deemed to be the functional currency. The operations of foreign companies whose functional currency is not the Euro are included in the consolidated financial statements in accordance with the policy set forth under Note 2.2.d).

The financial statements were approved by the Board of Directors and authorised for issue on 7 April 2022. Its final approval is still subject to agreement from the Shareholders' General Meeting. The Group and the Board of Directors expect the same to be approved with no significant changes.

SIGNIFICANT EVENTS: COVID-19

Since the beginning of the pandemic, Altri Group implemented a set of measures for the prevention, control and surveillance, covering the entire organization, from the operational areas to the central structures, in all the Group's businesses.During the year 2021, the Altri Group continued its process of monitoring and evaluating the actions implemented in order to meet the demands arising from the pandemic COVID-19.

Given the uncertainty in the social and economic context, and despite the above measures, Altri Group will continue to be attentive and careful, in the management of its business, and in the evaluation and monitoring of the actions already implemented and/or to be implemented in order to manage and anticipate, as much as possible, the impacts of this pandemic in its operational and financial performance.

Ensuring the permanent well-being of all Employees, their families and the community has always been and will continue to be a priority of the Altri Group. The Altri Group put in place a set of additional preventive measures to protect the health and safety of its Employees, based on the recommendations of the Portuguese Health Authority to deal with the pandemic. The human resources department, based on the recommendations of the Portuguese Health Authority, proceeded with the elaboration of a Group’s COVID-19 Contingency Plan. This plan has been continuously adjusted considering the evolution of the pandemic, being essential for the purposes of containing the impacts of the pandemic between our employees and the local community. Within the scope of the continuous dissemination of the Contingency Plan to employees, there has been regular communication on several topics, of which the following stand out: communication of risk behaviours to be avoided, the five most common mistakes in the use of masks, among others.

In the current context of the COVID-19 pandemic, the effectiveness of the mass vaccination process must also be mentioned, as well as the effectiveness of any additional containment measures defined by governments. The combination of these various factors means that the effects on the global economy and on consumption patterns will be under control, despite the existing imbalances and the need to take measures to allow the resumption of activity and the normal functioning of the various economic flows.

2. MAIN ACCOUNTING POLICIES

The main accounting policies adopted in preparing the attached consolidated financial statements are described below. These policies were consistently applied during the periods being compared.

In addition, there were no significant changes to the main estimates used by the Group in preparing the consolidated financial statements.

2.1 BASIS FOR PRESENTATION

The attached financial statements were prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union (“IFRS-EU”) in force for the fiscal year beginning on 1 January 2021. These correspond to the International Financial Reporting Standards, as issued by the International Accounting Standards Board ('IASB') and interpretations issued by the

IFRS Interpretations Committee ('IFRS - IC') or by the former Standing Interpretations Committee ('SIC'), which have been adopted by the European Union on the account publication date.

The Board of Directors assessed the capacity of the Company, its subsidiaries, joint ventures and associates, to operate on a going concern basis, based on the entire relevant information, facts and circumstances, of a financial, commercial or other nature, including events subsequent to the financial statements' reference date, as available regarding the future. As a result of the assessment conducted, the Board of Directors concluded that it has adequate resources to keep up its operations, which it does not intend to cease in the short term; therefore, it was considered appropriate to use the going concern basis in preparing the financial statements.

The attached consolidated financial statements were prepared from the accounting books and records of the company, its subsidiaries, joint ventures and associates, adjusted in the consolidation process, in the assumption of going concern basis. When preparing the consolidated financial statements, the Group used historic cost as its basis, modified, where applicable, via fair-value measurement of i) biological assets measured at fair value, ii) certain financial instruments, (iii) financial and non-financial assets and liabilities measured at fair value within the scope of the business combination, which are recorded at their fair value.

Preparation of the consolidated financial statements in compliance with the IFRS-EU calls for the use of estimates, assumptions, and critical judgements in the process of determining accounting policies to be adopted by the Group, with significant impact on the book value of assets and liabilities, as well as on income and expenses for the period. Although these estimates are based on the best experience of the Board of Directors and on its best expectations regarding current and future events and actions, current and future results may differ from these estimates. Areas involving a higher degree of judgement or complexity, or areas with significant assumptions and estimates are disclosed in Note 2.4.

In addition, for financial reporting purposes, fair-value measurement is categorized in three levels (Level 1, 2 and 3), taking into account, among others, whether the data used are observable in an active market, as well as their meaning in terms of valuing assets / liabilities or disclosing them.

Fair value is the amount for which an asset can be exchanged or a liability can be settled, between knowledgeable and willing parties, in a transaction not involving a relationship between them, regardless whether this price can be directly observable or estimated, using other valuation techniques. When estimating the fair value of an asset or liability, the Group considers the features that market participants would also take into account when valuing the asset or liability on the measurement date.

Assets measured at fair value following initial recognition are grouped into 3 levels according to the possibility of observing their fair value in the market:

Level 1: fair value is determined based on active market prices for identical assets/liabilities;

Level 2: fair value is determined based on evaluation techniques. The assessment models' main inputs are observable in the market; and

Level 3: fair value is determined based on assessment models, whose main inputs are not observable in the market.

(i) Adoption of new standards and interpretations, amendments, or reviews

Up to the date for approving these financial statements, the European Union endorsed the following accounting standards, interpretations, amendments, and revisions, mandatorily applied to the financial year beginning on 1 January 2021:

Standard / Interpretation	Applicable in the European Union in the financial years initiated in or after	
Amendment to IFRS 4 Insurance Contracts - deferral of application of IFRS 9	1-Jan-21	This amendment refers to the temporary accounting consequences that result from the difference between the effective date of IFRS 9 - Financial Instruments and the future IFRS 17 - Insurance Contracts. Specifically, the amendment made to IFRS 4 postpones until January 1, 2023 the expiry date of the temporary exemption from the application of IFRS 9 in order to align the effective date of the latter with that of the new IFRS 17. This temporary exemption is optional to apply and is only available to entities whose activities are predominantly insurance related.
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Phase 2 - Benchmark interest rate reform (IBOR Reform)	1-Jan-21	These amendments are part of the second phase of the IASB's "IBOR reform" project and allows for exemptions related to reforming the benchmark for reference interest rates by an alternative interest rate (Risk Free Rate (RFR)). The amendments include the following practical expedients: • A practical expedient that requires contractual changes, or changes in cash flows that are directly required by the reform, to be treated the same as a floating interest rate change, equivalent to a movement in the market interest rate; • Allow changes required by the reform to be made to hedge designations and hedge documentation without discontinuing the hedging relationship; • Provide temporary operational relief to entities that must comply with the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.
Amendments to IFRS 16 - Leases - COVID-19 Related Concessions for Rentals Beyond June 30, 2021	1-Apr-21	On May 28, 2020, the amendment to IFRS 16 entitled 'Covid-19 Related Concessions' was issued, and introduced the following practical expedient: a lessee may elect not to assess whether a Covid-19 related concession of rent is a lease modification. Lessees that choose to apply this expedient, account for the change to rental payments resulting from a Covid-19 related concession in the same way as they account for a change that is not a lease modification under IFRS 16. Initially, the practical expedient applied to payments originally due by June 30, 2021, however, due to the extended impact of the pandemic, on March 31, 2021, it was extended to payments originally due by June 30, 2022. The change applies to annual reporting periods beginning on or after April 1, 2021. In short, the practical expedient can be applied provided the following criteria are met: • the change in lease payments results in a revised consideration for the lease that is substantially equal to, or less than, the consideration immediately prior to the change; • any reduction in lease payments only affects payments due on or before June 30, 2022; and • there are no significant changes to other terms and conditions of the lease.

There were no significant effects on the Group's financial statements for the year ended December 31, 2021, from the adoption of the above standards, interpretations, amendments and revisions.

(ii) Standards, interpretations, amendments, and revisions that will have mandatory application in the future economic exercises.

On the approval date of these financial statements, the following accounting standards and interpretations, to be mandatorily applied in future financial years, were endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years initiated in or after	
Amendments to IFRS 3 - References to the Framework for Financial Reporting	1-Jan-22	This amendment updates the references to the Conceptual Framework in the text of IFRS 3, with no changes being made to the accounting requirements for business combinations. It also clarifies the accounting treatment to be adopted in respect of liabilities and contingent liabilities under IAS 37 and IFRIC 21, incurred separately versus those included in a business combination. The amendment is of prospective application.
Amendments to IAS 16 - Income Earned Before Start of Operation	1-Jan-22	Clarifies the accounting treatment given to the consideration obtained with the sale of products that result from the production in test phase of tangible fixed assets, prohibiting their deduction from the acquisition cost of the assets. The entity recognizes the income obtained from the sale of such products and the costs of their production in the income
Amendments to IAS 37 - Onerous Contracts - costs of fulfilling a contract	1-Jan-22	This amendment specifies that in assessing whether or not a contract is onerous, only expenses directly related to the performance of the contract can be considered, such as incremental costs related to direct labor and materials and the allocation of other directly related expenses such as the allocation of depreciation expenses for tangible assets used to perform the contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly charged to the counterparty in accordance with the contract. This amendment should be applied to contracts that, at the beginning of the first annual reporting period to which the amendment is applied, still include unfulfilled contractual obligations, without restating the comparative.
Amendments to IFRS 1 - Subsidiary as a first-time adopter of IFRS (included in the annual improvements for the 2018-2020 cycle))	1-Jan-22	This improvement clarifies that when the subsidiary elects to measure its assets and liabilities at the amounts included in the parent company's consolidated financial statements (assuming no adjustment to the consolidation process has occurred), the measurement of the cumulative translation differences of all foreign operations can be made at the amounts that would be recorded in the consolidated financial statements based on the parent company's date of transition to IFRS.
Amendments to IFRS 9 - Derecognition of Financial Liabilities - Fees to be included in the '10 percent' change test (included in the annual improvements for the 2018-2020 cycle)	1-Jan-22	This improvement clarifies which fees an entity should include when assessing whether the terms of a financial liability are substantially different from the terms of the original financial liability. This improvement clarifies that, when performing derecognition tests on renegotiated liabilities, only fees paid or received between the debtor and the creditor should be included, including fees paid or received by the debtor or the creditor on behalf of the other.

Amendments to IAS 41 - Taxation and fair value measurement (included in the annual improvements for the 2018-2020 cycle)	1-Jan-22	This improvement eliminates the requirement to exclude tax cash flows in the fair value measurement of biological assets, ensuring consistency with the principles of IFRS 13 - Fair Value.
IFRS 17 - Insurance Contracts; includes amendments to IFRS 17 (some of which not approved)	1-Jan-23	IFRS 17 applies to all insurance contracts (i.e. life, non-life, direct insurance and reinsurance), regardless of the type of entity that issues them, as well as some guarantees and some financial instruments with discretionary participation features. In general terms, IFRS 17 provides an accounting model for insurance contracts that is more useful and more consistent for issuers. In contrast to the requirements of IFRS 4, which are based on previously adopted local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.
Amendments to IAS 8 - Defining Accounting Estimates	1-Jan-23	The amendment clarifies the distinction between change in accounting estimate, change in accounting policy and correction of errors. In addition, it clarifies how an entity uses measurement techniques and inputs to develop accounting estimates.
Amendments to IAS 1 - Disclosures of Accounting Policies	1-Jan-23	These amendments aim to assist the entity in disclosing 'material' accounting policies, previously referred to as 'significant' policies. However, due to the absence of this concept in IFRS, it was decided to replace it by the concept "materiality", a concept already known to users of financial statements. In assessing the materiality of accounting policies, the entity has to consider not only the size of the transactions but also other events or conditions and the nature of these.

These amendments, although endorsed by the European Union, were not adopted by the Group in 2021, because its application is not yet mandatory. It is not expected that the future adoption of these amendments will have significant impacts on the financial statements.

(iii) New, amended, or revised standards and interpretation not adopted by the European Union

The following accounting standards and interpretations were issued by IASB and are not yet endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years begun on or after	
Amendments to IAS 1 Presentation of financial statements - Classification of liabilities as current and non-current	1-Jan-23	This amendment aims to clarify the classification of liabilities as current or non-current balances depending on the rights that an entity has to defer its payment, at the end of each reporting period. The classification of liabilities is not affected by the entity's expectations (the assessment should determine whether a right exists, but should not consider whether the entity will or will not exercise that right), or by events occurring after the reporting date, such as the breach of a covenant. However, if the right to defer settlement for at least twelve months is subject to certain conditions being met after the reporting date, those criteria do not affect the right to defer settlement for the purpose of classifying a liability as current or non-current. This amendment also includes a new definition of "settlement" of a liability and it is of retrospective application.
Amendments to IAS 12 - Deferred Taxes related to Assets and Liabilities arising from a Single Transaction	1-Jan-23	The amendments clarify that payments that settle a liability are tax deductible, however it is a matter of professional judgment whether such deductions are attributable to the liability that is recognized in the financial statements or the related asset. This is important in determining whether there are temporary differences in the initial recognition of the asset or liability. According to these amendments, the initial recognition exception is not applicable to transactions that have given rise to equal taxable and deductible temporary differences. It only applies if the recognition of a leasing asset and a leasing liability gives rise to taxable and deductible temporary differences that are not equal.
Amendments to IFRS 17 - Insurance Contracts - Initial application of IFRS 17 and IFRS 9 - Comparative Information	1-Jan-23	This amendment to IFRS 17 relates to the presentation of comparative information for financial assets in the initial application of IFRS 17. The amendment adds a transition option that allows an entity to apply an 'overlay' to the classification of a financial asset in the comparative period(s) presented in initially applying IFRS 17. The overlay allows all financial assets, including those held in relation to non-contractual activities within the scope of IFRS 17 to be classified, instrument by instrument, in the comparative period(s) in a manner aligned with how the entity expects those assets to be classified on initial application of IFRS 9.

These standards are yet to be endorsed by the European Union. As such, they were not applied by the Group in the fiscal year ended December 31, 2021.

Regarding these standards and interpretations, as issued by the IASB but yet to be endorsed by the European Union, it is not believed that their future adoption will entail significant impacts on the attached financial statements.

2.2 CONSOLIDATION PRINCIPLES

The consolidation principles adopted by the Altri Group in preparing its consolidated financial statements include the following:

a) Subsidiaries included in consolidation

Investments in companies in which the Altri Group holds the power to control their financial and operating policies, such that it manages to influence, as a result of its involvement, return from activities of the entity held as well as the ability to affect said return (definition of control used by the Group) are included in the consolidated financial statements using the full consolidation method.

When the Group owns less than a majority of the voting rights of an investee, it has control over the investee when the voting rights are sufficient to decide unilaterally on the relevant activities of its investee. The Group considers all relevant facts and circumstances when assessing whether the voting rights over the investee are sufficient to give it control, including also considering the existence of call options exercisable or becoming exercisable to enable the Group to exercise its power. Control is reassessed by the Group whenever facts and circumstances indicate that there are changes in one or more of the control conditions mentioned above.

The equity and net profit of these companies corresponding to third-party shareholding therein are shown separately in the consolidated statement of financial position and in the consolidated income statement under line items 'Non-controlling interests.' The companies included in the financial statements using the full consolidation method are disclosed in Note 4.1.

The total comprehensive income is attributed to the owners of the parent company and of the interests they do not control, even if this results in a deficit balance in terms of the interests not controlled by them.

The results of the subsidiaries acquired or sold during the financial year are included in the income statements from the date when control was taken or until the date when control was loss.

Whenever necessary, adjustments are made to the financial statements of subsidiaries in order to adapt their accounting policies to those used by the Group. Transactions, balances, cash flows and dividends distributed among Group companies are eliminated on the consolidation process, as well as, unrealized gains on transactions between Group companies. Unrealized losses are also eliminated, when they do not indicate an impairment of the transferred asset.

b) Investments in subsidiaries, joint ventures and associates

Financial investments in joint ventures are investments in entities that are the object of a joint agreement by all or by their holders, with the parties that have joint control of the agreement rights over the entity's net assets. Joint control is obtained by contractual provision and exists only when the associated decisions have to be taken unanimously by the parties that share control.

In situations where the investment or financial interest and the contract concluded between the parties allows the entity to have direct joint control over the rights to hold the asset or obligations inherent in the liabilities related to that agreement, it is considered that such a joint agreement does not corresponds to a joint venture, but to a jointly controlled operation.

Investments in associates are investments where the Group wields significant influence, but in which it does not hold control or joint control. Significant influence (presumed when voting rights are between 20% to 50%) is the power to participate in the entity's financial and operational policy decisions, without, however, exercising joint control or control of those policies.

Financial investments in joint ventures and associates are recorded using the equity method.

In accordance with the equity method, these financial investments are initially recorded at acquisition cost or at fair value in case the entities are acquired via business combinations processes. Financial investments are subsequently adjusted by the amount corresponding to the Group's participation in the comprehensive income (including net income for the year) of the joint ventures and the associates, against other comprehensive income of the Group or of the gains or losses for the year, as applicable. In addition, the dividends of these companies are recorded as a decrease in the value of the investment, and the proportionate share in changes in equity is recorded as a change in the Group's equity.

The differences between the acquisition price and the fair value of the identifiable assets and liabilities of the joint ventures and the associates on the acquisition date, if positive, are recognized as Goodwill and maintained at the value of the financial investment in joint ventures and associates. If these differences are negative, they are recorded as income for the year under the item “Results related to investments”, after reconfirmation of the fair value attributed (Note 2.2.c)).

Investments in joint ventures and associates are evaluated when there is an indication that the asset might be impaired, as impairment losses are recorded as an expense when shown to exist. When impairment losses recognised in previous financial years no longer exist, are reversed.

When the Group’s share in joint ventures and associates's accumulated losses exceeds the amount at which the investment is recorded, the investment is reported as nil value, except when the Group has shouldered commitments towards the joint venture and associate. In such cases, a provision is recorded in order to fulfil those obligations.

Unrealised gains in transactions with joint ventures and associates are proportionally eliminated from the Group interest in the associate against the investment in those entities. Unrealised losses are similarly eliminated, but only to the extent there is no evidence of impairment of the transferred asset.

The accounting policies of joint ventures and associates are changed, whenever necessary, in order to make sure they are consistently applied by every Group company.

Investments in joint ventures and associates are disclosed in Note 4.2.

c) Business combinations and Goodwill

In a business combination, the differences between the acquisition price of investments in subsidiaries, plus the value of non-controlling interests, and the amount attributed to fair value of identifiable assets and liabilities of those companies on their acquisition date, when positive, are recorded as 'Goodwill' and, when negative, following a revaluation of the determination, are recorded directly in the income statements.

The Group performs, in a transaction-by-transaction basis, the concentration test to assess whether it is dealing with a purchase of assets or a concentration of business activities. That is, determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the concentration test is met, or the above mentioned criteria are not met, the Group considers acquisition of a group of assets, being recorded as non-financial asset the difference between the net assets acquired and the acquisition cost.

The differences between the acquisition cost of investments in subsidiaries based abroad and the fair value of the identifiable assets and liabilities of those subsidiaries at the date of acquisition are recorded in the reporting currency of those subsidiaries, and converted to the Group's reporting currency (Euro) at the exchange rate in force at the date of the statement of financial position. Exchange rate differences arising from this translation are recorded under the equity caption "Currency translation reserve" included in the equity caption "Other reserves". In addition, if there are intra-group loans whose repayment is not required in the near future, the respective exchange differences are recognized in equity under "Currency translation reserve", to the extent that they are understood to be part of the net investment in the subsidiary that use a currency other than the Euro.

The differences between the acquisition price of financial investments in joint ventures and associates and the amount attributed to the fair value of the identifiable assets and liabilities of these companies at the date of their acquisition, when positive, are maintained under the heading “Investments in joint ventures and associates” and, when negative, after a reconfirmation of the fair value attributed, they are recorded directly in the income statement, under the caption “Results related to investments”.

The Altri Group, on a transaction-by-transaction basis (for each business combination), chooses to measure any non-controlling interest in the acquired company either at fair value or in the proportional part of non-controlling interests in the acquired company's identifiable net assets. Until 1 January 2010, non-controlling interests were valued solely in accordance with the fair-value proportion of acquired assets and liabilities.

The amount of future contingent payments is recognised as a liability when combination occurs according to its fair value and afterwards adjusted at fair value through profit and loss. Any change to the initially recognised amount is recorded against the amount of Goodwill, but only if this occurs within the measuring period (12 months after the acquisition date) and if this is related to facts and circumstances that existed on the acquisition date. Otherwise, it has to be recorded against the income statement, unless said contingent payment is categorised as equity, in which case it should not be remeasured, and only at the time of the settlement thereof will the impact on equity be recognised.

Subsequent transactions involving the purchase or sale of interests in entities already controlled, without this resulting in a loss of control, are treated as transactions between holders of capital affecting only the equity line items, without impacting the line item 'Goodwill' or the income statement.

When a business combination is achieved in stages, the fair value on the previous acquisition date of interests held is remeasured to fair value on the date when control is gained, against the results of the period when control is achieved, thus affecting the determining of Goodwill or purchase price allocation.

At the time when a sales transaction generates a loss of control, that entity’s assets and liabilities have to be derecognised, and any interest withheld at the disposed entity shall be remeasured at fair value, and any loss or gain resulting from this disposal is recorded in the income statement.

The Group annually tests for the existence of Goodwill impairment. The recoverable amounts of the cash flow-generating units are determined based on the calculation of values in use. These calculations call for the use of assumptions that are based on estimates of future circumstances whose occurrence could be different from the estimate. Goodwill impairment losses cannot be reversed.

d) Conversion of financial statements of subsidiaries expressed in foreign currency

The assets and liabilities in the financial statements of entities that use a currency other than the Euro included in the consolidation are converted to Euro using the exchange rates on the date of the statement of financial position and the expenses and revenues, and cash flows are converted to Euro using the weighted average exchange rate occurring in the financial year. The resulting currency exchange difference is recorded under the 'Currency translation reserves’ is included in the equity item “Other reserves”.

The Goodwill amount and fair-value adjustments resulting from the acquisition of entities that use a currency other than the Euro are treated as assets and liabilities of that entity and transposed to Euro according to the applicable exchange rate at the end of the financial year.

Whenever a subsidiary that uses a currency other than the Euro is disposed of, the accumulated currency exchange difference is recognised in the profit-and-loss statement as a gain or loss in the disposal, if there is a loss of control, or transferred to non-controlling interests, if there is no loss of control.

The exchange rate used in converting the subsidiary's accounts from subsidiaries that use a currency other than the Euro was as follows:

	31.12.2021		31.12.2020	
	End of the financial year	Average for the financial period included in the financial statements (a)	End of the financial year	Average for the financial period included in the financial statements (a)
Swiss Franc	1.0329	1.0812	1.0802	1.0705
Great British Pound	0.8401	0.8516	n.a.	n.a.
Polish Zloty	4.5962	4.5918	n.a.	n.a.

(a) I.e., since the acquisition date.

2.3 MAIN RECOGNITION AND MEASUREMENT CRITERIA

The main recognition and measurement criteria used by the Altri Group in preparing its consolidated financial statements are as follows:

a) Intangible assets

Intangible assets are recorded at acquisition cost, net of depreciation and accumulated impairment losses. Intangible assets are recognised only if they are likely to result in future economic benefits for the Group, if they can be controlled by the Group, and if their value can be reasonably measured.

When acquired individually, intangible assets are recognised at cost, comprising: i) the purchase price, including costs with intellectual rights and fees after any discounts are deducted; and ii) any cost directly attributable to preparing the asset for its intended use.

When acquired in a business combination, and recognised separately from goodwill, intangible assets are initially recognised at their fair value at the acquisition date (which is considered as cost), determined under the application of the acquisition method, as foreseen in the IFRS 3 Business Combinations. After initial recognition, intangible assets acquired in a business combination are recorded at their cost less accumulated amortisation and impairment losses, on the same basis as intangible assets acquired separately.

Considering that the IFRS-EU does not specifically and consistently address the accounting treatment to be given to variable future payments associated with the acquisition of assets, in situations where there are variable future payments to be supported as a result of the acquisition of assets outside the scope of business combinations, or that have been treated as acquisition of assets, the Group recognises the expected value of such future payments at their discounted value, in relation to the fulfilment, by third parties, of relevant milestones in projects in the segment Development – Solar and Wind Energy. Such payments are recognised as a liability under "Other payables" against the book value of the corresponding assets.

Development expenses for which the Group is shown as being able to complete its development and begin its sell and/or use and relative to which the created asset is likely to generate future economic benefits, are capitalised. Development expenses that do not meet these criteria are recorded as expense in the period in which they are incurred.

Internal costs associated with software maintenance and development are recorded as expenses in the income statement when incurred, except when said expenses are directly associated with projects for which future economic benefits are likely to be generated for the Group. In such situations, expenses are capitalised as intangible assets.

After the assets are available for use, depreciation is calculated using the straight-line method in accordance with the estimated useful life period (generally 3 to 5 years). In the case of an intangible asset associated with operating licences of power plants belonging to Greenvolt - Energias Renováveis, S.A. (previously named Bioelétrica da Foz, S.A.) and its subsidiaries, the useful life period amounts to the licence period.

When the estimated useful life is indefinite, namely in case of connection licenses to the electric grid, the intangible assets are not depreciated but are subject to annual impairment tests.

b) Property, plant and equipment

Property, plant and equipment acquired until 1 January 2004 (date of transition to IFRS) are recorded at their 'deemed cost' which amounts to the acquisition cost, or revaluated acquisition cost in accordance with the accounting principles generally accepted in Portugal up to that date, net of accumulated amortisation and impairment losses.

Property, plant and equipment acquired after that date are recorded at acquisition cost, net of the corresponding depreciation as well as accumulated impairment losses.

The acquisition cost includes the asset's purchase price, expenses directly attributable to its acquisition, and charges with preparing the asset so that it can be readied for proper use. Borrowing costs that are directly attributable to the acquisition or construction of assets are capitalized as part of the cost of these assets.

After the date when the assets are available for use, depreciation is calculated using the straight-line method in accordance with the estimated useful life period for each group of assets.

Depreciation rates used correspond to the following estimated useful life periods:

	Years
Land and natural resources	20 to 50
Buildings and other edifications	10 to 50
Plant and machinery	2 to 15
Vehicles	2 to 10
Office equipment	2 to 10
Other tangible assets	3 to 10

In the case of property, plant and equipment belonging to Greenvolt - Energias Renováveis, S.A. and its subsidiaries, the useful life period used corresponds to the operating licence period as follows:

Plant	End of concession
Mortágua	2024
Vila Velha de Ródão	2031
Constância	2034
Figueira da Foz	2034
Mondego (Figueira da Foz)	2044
Tilbury	2037

In the case of projects in a development stage, expenses are capitalised only when it is probable that the project will be effectively built, and it is probable that future economic benefits will flow to the Group. If there are changes in the regulatory framework or other circumstances that modify the expected completion of the project, the assets are derecognised and the respective impacts on expenses for the year are recognised.

The cost of self-constructed assets includes the cost of materials and direct labor, as well as any other costs directly attributable to developing the asset until its condition for use or sale.

Costs related to prospecting and attracting new business are recorded as an expense in the period in which they occur.

The liability is subsequently treated at amortized cost, with changes in the value of such payments recognized against the value of the corresponding assets, except for the financial effect of the discount or changes in the applicable discount rate, which is recognized as interest expense, in analogy to the treatment prescribed by IFRIC 1.

Impairment losses detected in the realisation amount of property, plant and equipment are recorded in the year when they are estimated, against the line item 'Provisions and impairment losses' in the income statement.

Maintenance and repair expenses that do not increase the assets' useful life or result in significant upgrades or improvements to components of property, plant and equipment are recorded as an expense in the financial year when they are incurred.

Property, plant and equipment in progress represent fixed assets still under construction, and are recorded at acquisition cost net of any impairment losses. These fixed assets are amortised from the moment when they are available for use and under the necessary operating conditions, as intended by management.

Internal costs associated with project development are recorded as expenses in the income statement when incurred, except where these costs are directly associated with projects for which the generation of future economic benefits for the Group is probable. In these cases the costs are capitalized as tangible fixed assets.

Considering the substance of the transaction, land perpetual surface rights acquired are considered to be land.

Gains or losses resulting from the sale or write-off of the tangible fixed asset are determined as the difference between the sales price and the net book value on the disposal or write-off date. They are recorded in the profit-and-loss statement under the line items 'Other income' or 'Other expenses'.

The Group assesses assets for impairment whenever events or circumstances may indicate that the book value of the asset exceeds its recoverable amount, and at least annually, with the impairment recognized in the income statement (when applicable).

c) Investment properties

The Altri Group's investment properties correspond to properties not assigned to the Group's operations, and are not intended for use in the production or supply of goods or services, or for administrative purposes or for sale during the normal course of business.

The investment properties are initially measured at cost (including transaction costs) and are subsequently kept at acquisition or production cost, net of any accumulated impairment losses.

After the date when the goods are available for use, depreciation is calculated using the straight-line method in accordance with the estimated useful life period for each asset.

d) Right of Use

At the start of every agreement, the Group assesses whether the agreement is, or contains, a lease. That is, whether the right of use of a specific asset or assets is being transferred for a certain period of time in exchange for a payment.

The Group as lessee

The Group applies the same recognition and measurement method to every lease, except for short-term leases and leases associated with low-value assets. The Group recognises a liability relative to lease payments and an asset identified as a right of use of the underlying asset.

(i) Right-of-use assets

On the lease start date (that is, the date from which the asset is available for use), the Group recognises an asset relative to right of use. 'Right-of-use assets' are measured at cost, net of depreciation and accumulated impairment losses, adjusted by remeasuring lease liability. The cost comprises the initial value of the lease liability adjusted for any lease payments made on or prior to the start date, on top of any initial direct costs incurred, as well as a cost estimate for dismantling and removing the underlying asset (as applicable), net of any incentive granted (as applicable).

The right-of-use asset is depreciated in twelfths, using the straight-line depreciation method, based on the lease term.

If ownership of the asset is transferred to the Group at the end of the lease period, or the cost includes a purchase option, depreciation is calculated by taking into account the asset's estimated useful life.

Right-of-use assets are also subject to impairment losses.

(ii) Lease liabilities

On the lease start date, the Group recognises a liability measured at the present value of the lease payments to be made throughout the agreement. Lease payments included in measuring lease liability include fixed payments, net of any incentives already received (where applicable) and variable payments associated with an index or rate. Where applicable, payments also include the cost of exercising a purchase option, which shall be exercised by the Group with reasonable certainty, and payments of penalties for ending the agreement, if the lease terms reflect the Group's exercising option.

The lease liability is measured at amortised cost, using the effective interest method. It is remeasured when changes occur to future payments derived from a change to the index or rate, as well as possible modifications to the lease agreements.

Variable payments not associated with any indices or rates are recognised as an expense during the financial year, in the financial year when the event or condition leading to the payment occurs.

Since the interest rate implicit in the contract is not readily determinable, the Group, for the calculation of the present value of future lease payments, uses the incremental interest rate at the inception date of the lease. This rate is determined by observing market data from composite bond interest rate curves with reference to the lease commencement date for similar maturities to the lease term. Thereafter, the amount of the lease liability is increased by accrued interest and reduced by rent payments made. Additionally, the amount is remeasured if there is any change in the terms of the agreement, the amount of the lease payments (e.g., changes in future payments caused by a change in an index or rate used to determine those payments) or a change in the valuation of a call option associated with the underlying asset.

(iii) Short-term leases and low-value leases

The Group applies the recognition exemption to its assets' short-term leases (i.e., leases lasting up to 12 months and not containing a purchase option). The Group also applies the recognition exemption to leases of assets deemed to be of low value. Payments of short-term and low-value leases are recognised as an expense in the financial year, throughout the lease period.

e) Government grants or from other public bodies

Grants attributed as part of personnel training programmes, or production support, are recorded under the line item 'Other income' in the consolidated profit-and-loss statement for the financial year when said programmes are conducted, regardless of the date when they are received, when all necessary conditions have been fulfilled for receiving them.

Government grants related to fixed assets are recorded in the statement of financial position as 'Other current liabilities' and 'Other non-current liabilities' regarding short-term and medium-/long-term instalments, respectively, and recognised in the profit-and-loss statement proportionally to the amortisation of subsidised property, plant and equipment.

Grants pertaining to biological assets valued at fair value are only recognised in the profit-and-loss statement when their allocation is unconditional, that is, when the allocation's terms and conditions are all met.

Financial incentives received for funding property, plant and equipment are recorded under the line item 'Reimbursable government grants' of current and non-current liabilities in accordance with the repayment plan outlined by the allocating bodies.

f) Impairment of non-current assets, except goodwill

The Group's asset impairment is assessed on the date of every statement of financial position and whenever there is an event or change in circumstances indicating that the amount for which the asset is recorded might not be recoverable.

Whenever the amount for which the asset is recorded is higher than its recoverable amount, an impairment loss is recognised and recorded in the profit-and-loss statement under the line item 'Provisions and impairment losses.'

The recoverable amount is either the net sales price or the value in use, whichever is higher. The net sales price is the amount that would be obtained from the asset's disposal, in a transaction between independent knowledgeable entities, net of the costs directly attributable to the disposal. The use value is the present value of estimated future cash flows that are expected to arise from the continuous use of the asset and from its disposal at the end of its useful life. The recoverable amount is estimated for each asset individually or, if not possible, for the cash-generating unit to which the asset belongs.

The reversal of impairment losses recognised in previous financial years is recorded when it is concluded that previously recognised impairment losses no longer exist or has decreased. The reversal of impairment losses is recognised in the profit-and-loss statement under the line item 'Provisions and impairment losses' This reversal of the impairment loss is made up to the limit of the amount that would have been recognised (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

g) Borrowing costs

Financial expenses related to loans are generally recognised as an expense in the income statement in accordance on an accrual basis.

Financial expenses on loans directly related to the acquisition, construction or production of property, plant and equipment are capitalised as part of the cost of the asset. The capitalisation of these expenses begins after the start of preparation of the construction or development activities of the asset and is interrupted when those assets are available for use or at the end of the construction of the asset or when the project in question is suspended.

h) Inventories

The goods and raw materials, subsidiaries and consumables are valued at average acquisition cost, net of the amount of quantity discounts granted by suppliers, which is lower than the corresponding market value.

Finished and intermediate goods, sub-products and work in progress are stated at production cost, including the cost of raw materials, direct labour and production overheads, which is lower than the corresponding market value. From this standpoint, harvested wood owned by the Group is valued at production cost, including costs incurred with cutting, gathering and transport of harvested wood owned, as well as the accumulated cost of plantation, maintenance and administrative expenses in proportion to the harvested area.

The Group proceeds to record the corresponding impairment losses in order to reduce, where applicable, inventories at their net realisable value or market price.

i) Biological assets

Part of the Altri Group's activity comprises the cultivation of various forest species, especially eucalyptus, which are basically used as raw materials for producing eucalyptus pulp. The Altri Group owns several forests geared to these operations, which are categorised under the line item 'Biological assets.' The forest land owned by the Group is stated according to the accounting policy referred to under Note 2.3.b) and are given under the line item 'Property, plant and equipment' of the consolidated statement of financial position. Forest land not owned by the Altri Group and that is leased is measured according to the accounting policy referred to under Note 2.3.d) right of use, and is given under the line item 'Right-of-use assets' in the consolidated statement of financial position.

Biological assets are measured at fair value, except for the initial investment amount in the first two years, when they are measured at cost. After said date, the assets are measured at fair-value. Determining this fair value entails using the discounted cash-flow method, whose present value was obtained via an independent assessment conducted by an external entity. Said assessment considered assumptions regarding forest productivity, the sales price of lumber net of the cost of cutting, rents (own and leased land), gathering, transportation, along with maintenance expenses as well as with updating future money flows using the estimated discount rate.

The discount rate corresponds to the market interest rate, without inflation, in a manner consistent with the projection structure, determined taking into account the profitability that the Group expects to obtain from forestry assets, which are essentially intended to be incorporated into the Group's pulp production.

Changes in estimates are recognised as changes in fair value of biological assets in the profit-and-loss statement.

Biological assets are evaluated according to level 3 of the fair-value hierarchy.

The value of wood is transferred to production costs when the corresponding wood, after it is cut, is incorporated in the end product. Cutting own wood is stated at the specific cost of each forest (or grove) when transferred to the operating facilities comprising the inventory.

j) Provisions

Provisions are recognised when, and only when, the Group has a present (legal or implicit) obligation resulting from a past event, it is likely that, to resolve this obligation, an outflow of resources occurs and the obligation amount can be reasonably estimated. Provisions are reviewed on the date of each statement of financial position and adjusted to reflect the best estimate on that date.

Provisions for restructuring expenses are recognised by the Group whenever a formal and detailed restructuring plan exists and has been communicated to the parties involved.

Provisions for dismantling and decommissioning power plants

The Group comprises provisions for these purposes when there is a legal, contractual or constructive obligation at the end of the assets' useful life. Consequently, provisions of this nature have been included at power plants in order to address the corresponding liabilities regarding expenses with restoring sites and land to its original conditions. These provisions are calculated based on the present value of the corresponding future liabilities. They are recorded against an increase in the respective property, plant and equipment, being amortized on a straight-line basis for the average expected useful life of these assets.

On an annual basis, provisions are subject to review in accordance with the estimate of the corresponding future liabilities. The provision's financial update, in reference to the end of each period, is recognised under the income statement.

Environmental expenditures are recognised as expenses in the period in which they are incurred unless they meet the necessary criteria for being recognised as an asset.

k) Pension supplements

(i) Defined benefit plans

Some of the Group's subsidiaries have committed to granting their employees cash benefits as retirement pension or disability supplements, which fall under established benefit plans.

To cover these liabilities, corresponding autonomous pension funds are in place, whose annual charges, determined according to actuarial calculations, are recorded as expenses or income for the financial year, in compliance with IAS 19 – 'Employee benefits.'

The effect of measuring liabilities according to established benefit plans, including actuarial gains and losses, and income from the plan's assets (where applicable) net of interest is recognised under Other comprehensive income. Such measurement is not the subject of reclassification to profit-and-loss statement in subsequent financial years.

The net interest is recognised in the profit-and-loss statement. The cost of past services is also recognised in the income statement, in the financial years when the services were provided by the workers.

Any deficient hedging from the autonomous pension funds in view of liabilities for past services is recorded as a liability in the Group's financial statements.

When the asset situation of the autonomous pension funds is greater than the liabilities for past services, the Altri Group records an asset in its financial statements, to the extent where the differential corresponds to lesser allocation needs for pension funds in the future.

Actuarial liabilities are calculated according to the Projected Unit Credit Method, using actuarial and financial assumptions deemed appropriate (Note 30).

(ii) Defined contribution plans

From May 2014, the Group's subsidiaries have been providing these retirement supplements through defined contribution plans. The Group attributes its employees with permanent subordinated employment contracts a defined contribution pension plan. In accordance with this plan, the Group attributes to each permanent employee a percentage of his pensionable salary based on his length of service. The contribution to the Pension Fund varies each year depending on the Altri Group's results, and the contributions made are recorded as an expense in the period, thus no longer having any liability for future benefits related to the Pension Fund. The defined benefit plans are not contributory for its participants.

l) Financial instruments

Financial assets and liabilities

Financial assets and liabilities are recognised in the Group's consolidated statement of financial position when it becomes part of the instrument's contractual provisions.

Financial assets and liabilities are initially measured at their fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and liabilities (which are not financial assets and liabilities measured at fair value through income statement) are added to or deducted from the fair value of the financial asset and liability, as appropriate, in the initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or liabilities recognised at fair value through the income statement are recognised immediately in the consolidated income statement.

Financial assets

All purchases and sales of financial assets are recognised on the date of signature of the respective purchase and sale contracts, regardless of the date of their financial settlement. All recognised financial assets are subsequently measured at amortised cost or at their fair value, depending on the business model adopted by the Group and the characteristics of its contractual cash flows.

Classification of financial assets

(i) Debt instruments and receivables

Fixed income debt instruments and receivables that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held taking into account a business model whose objective is to preserve it in order to receive its contractual cash flows; and
- the contractual terms of the financial asset generate, on specific dates, cash flows that are solely payments of principal and interest on the amount of principal outstanding.

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating the corresponding interest during its life.

For financial assets that are not acquired or originated with impairment (i.e. assets impaired on initial recognition), the effective interest rate is the one that accurately discounts estimated future cash flows (including fees and commissions paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) over the expected life of the instrument in its gross carrying amount at the date of its initial recognition.

The amortised cost of a financial asset is the amount by which it is measured on initial recognition net of principal repayments plus the accumulated amortisation, using the effective interest rate method, of any difference between that initial amount and the amount of its repayment, adjusted for any impairment losses.

Interest-related revenue is recognised in the consolidated income statement under the line item 'Financial income', using the effective interest rate method, for financial assets subsequently recorded at amortised cost or at fair value through income statement. Interest revenue is calculated by applying the effective interest rate to the financial asset's gross carrying amount.

Debt instruments and receivables that meet the following conditions are subsequently measured at fair value through other comprehensive income:
- the financial asset is held by considering a business model whose objective provides for both receiving its contractual cash flows and its disposal; and
- the contractual terms of the financial asset generate, on specific dates, cash flows that are solely payments of principal and interest on the amount of principal outstanding.

(ii) Capital instruments designated at fair value through other comprehensive income

In the initial recognition, the Group can make an irrevocable choice (on a financial-instrument-by-financial-instrument basis) to state certain investments under equity instruments (shares) at fair value through other comprehensive income when these fulfil the definition of capital provided for under IAS 32 Financial instruments: Presentation and not held for trading. Classification is determined on an instrument-by- instrument basis.

The fair-value designation through other comprehensive income is not permitted if the investment is held for trading purposes or when resulting from a contingent consideration recognised as part of a business combination.

A capital instrument is held for trading if:
- it is acquired chiefly for the purpose of short-term disposal;
- in the initial recognition, it is part of a portfolio of identified financial instruments that the Group jointly manages and which shows an actual recent pattern of obtaining short-term gains; or
- if it is a derivative financial instrument (except if attributed to a hedging transaction).

Investments in equity instruments recognised at fair value through other comprehensive income are initially measured at their fair value plus transaction expenses. Subsequently, they are measured at their fair value with gains and losses arising from their change, as recognised under other comprehensive income. At the time of its disposal, the accumulated gain or loss generated with these financial instruments is not reclassified to the consolidated income statement, but, rather, merely transferred to the line item 'Retained Earnings', included in the equity caption “Other reserves”.

Dividends associated with investments in equity instruments recognised at fair value through other comprehensive income are recognised in the consolidated income statement when they are attributed / resolved on, unless the same clearly represent a recovery on the part of the investment cost. Dividends are recorded in the consolidated income statement under the line item 'Financial income.'

In the first application of IFRS 9, the Group designated investments in equity instruments that were not held for trading as stated at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria for being measured at amortised cost or at fair value through other comprehensive income are measured at fair value through the profit-and-loss statement. These financial assets include financial assets held for trading, financial assets designated at the time of initial recognition as measured at fair value through profit or loss, or financial assets that are mandatorily measured at fair value.

Financial assets recorded at fair value through the income statement are measured at fair value obtained at the end of each reporting period. The corresponding gains or losses are recognised in the consolidated profit-and-loss statement, except if they are part of a hedging relationship.

Financial asset impairment

The Group recognises expected impairment losses for debt instruments measured at amortised cost or at fair value through other comprehensive income, as well as for trade receivables, of other receivables, and for assets associated with contracts with customers. Impairment loss of these assets is recorded according to expected impairment losses ('expected credit losses') of those financial assets. The loss amount is recognised in the profit-and-loss statement for the financial year when this situation occurs.

The expected impairment loss amount for the aforementioned financial assets is updated on every reporting date in order to reflect the credit risk changes occurred since the initial recognition of the corresponding financial assets.

Expected impairment losses for financial assets measured at amortized cost (trade receivables and other receivables and assets associated with contracts with customers) are estimated using the uncollectability matrix based on Group debtors' credit history in the last few years, as well as from estimated future macroeconomic conditions.

According to the expected simplified approach, the Group recognises expected impairment losses for the economic life of trade receivables and other receivables ('lifetime'). Expected losses on these financial assets are estimated using an impairment matrix based on the Group's historical experience of impairment losses, affected by specific prospective factors related to debtors' expected credit risk, by the evolving general economic conditions and by an evaluation of current and projected circumstances on the financial reporting date.

Measuring and recognising expected credit losses

Measuring expected impairment losses reflects the estimated likelihood of default, the likelihood of loss due to said default (i.e., the magnitude of loss in the event of default) and the Group's actual general exposure to said default. The Group considers 'default' to be 60 days after the due date.

Assessment of the likelihood of default and of loss due to said default is based on existing historical information, adjusted for future estimated information as described above.

For financial assets, exposure to default is shown as the assets' gross book value on each reporting date. For financial assets, expected impairment loss is estimated as the difference between every contractual cash flow owed to the Group, as agreed upon between the parties, and the cash flows the Group expects to receive, discounted at the original effective interest rate.

The Group recognises gains and losses regarding impairments in the profit-and-loss statement for every financial instrument, with the corresponding adjustments to their book value via the line item of accumulated impairment losses in the statement of financial position.

Considering the Group's business model and strict credit control policy, bad debts have been almost non-existent.

The Group evaluates expected impairment losses, in accordance with IFRS 9.

The model used for determining impairments of receivables consists of the following:

- Trade receivables stratification by type of associated revenue;
- Analysis of the history of irrecoverable and default for stated subpopulations;
- Segregation of outstanding balances, considering the existence of credit insurance and letters of credit or other credit enhancements;
- For balances not covered by credit enhancement, determining the historical rate of irrecoverable in the last two years;

- Adjusting the rates obtained above with a forward-looking component based on future market evolution projections;
- Applying the rates obtained to trade receivables outstanding balances on the reporting date.

Moreover, the Group maintains impairments recognised in previous financial years as a result of specific past events and based on specific balances examined on a case-by-case basis.

The amounts given in the statement of financial position are net of accumulated impairment losses for bad debts that were estimated by the Group; therefore, they are at their fair value.

For every other situation and nature of balances receivable, the Group applies the general impairment model approach. On every reporting date, it assesses whether there was a significant increase in credit risk from the asset's initial recognition date. If credit risk did not increase, the Group calculates an impairment corresponding to the amount equivalent to expected losses within a 12-month period. If credit risk did increase, the Group calculates an impairment corresponding to the amount equivalent to expected losses for every contractual cash flow up to the asset's maturity. The credit risk is assessed in accordance with the loans disclosed in the credit risk management policies.

Derecognition of financial assets

The Group derecognises a financial asset only when the asset's contractual cash-flow rights expire, or when transferring the financial asset and substantially every risk and benefit associated with its ownership to another entity. When substantially every risk and benefit arising from ownership of an asset is neither transferred nor retained, or control over the asset is not transferred, the Group keeps on recognising the transferred asset to the extent of its continued involvement. In this case, the Group also recognises the corresponding liability, the transferred asset and corresponding liability are measured on a basis that reflects the rights and obligations retained by the Group. If the Group retains substantially every risk and benefit associated with ownership of a transferred financial asset, the Group keeps on recognising said asset; in addition, it recognises a loan for the amount received in the meantime.

In derecognising a financial asset measured at amortised cost, the difference between its carrying amount and the sum of the retribution received and to be received is recognised in the consolidated statement of results.

On the other hand, when derecognising a financial asset represented by a capital instrument recorded at fair value through other comprehensive income, the accumulated gain or loss in the revaluation reserve is reclassified to the consolidated profit-and-loss statement.

However, in derecognising a financial asset represented by a capital instrument irrevocably designated in the initial recognition as recorded at fair value through other comprehensive income, the accumulated gain or loss in the revaluation reserve is not reclassified to the consolidated profit-and-loss statement, but, rather, transferred to the line item 'Retained Earnings.'

Financial liabilities and equity instruments

Classification as financial liability or as an equity instrument

Financial liabilities and equity instruments are classified as liability or as equity according to the transaction's contractual substance.

Equity

The Group considered equity instruments to be those where the transaction's contractual support shows that the Group holds a residual interest in a set of assets after deducting a set of liabilities.

The equity instruments issued by the Group are recognised at the amount received, net of costs directly attributable to their issue.

The repurchase of equity instruments issued by the Group (own shares) is accounted for at its acquisition cost as a deduction from equity. Gains or losses inherent to disposal of own shares are recorded under the line item 'Other reserves.'

Financial liabilities

After initial recognition, every financial liability is subsequently measured at amortised cost or at fair value through profit-and-loss statement.

Financial liabilities subsequently measured at fair value

Financial liabilities are recorded at fair value through profit and loss statement when:
- the financial liability results from a contingent consideration arising from a business combination;
- when the liability is held for trading; or
- when the liability is designated to be recorded at fair value through profit-and-loss statement.

A financial liability is classified as held for trading if:
- it is acquired chiefly for the purpose of short-term disposal; or
- in the initial recognition, it is part of a portfolio of identified financial instruments that the Group jointly manages and which shows an actual recent pattern of obtaining short-term gains; or
- if it is a derivative financial instrument (except if attributed to a hedging transaction).

Financial liabilities recorded at fair value through consolidated profit-and-loss statement are measured at their fair value with the corresponding gains or losses arising from their variation, as recognised in the consolidated profit-and-loss statement, except if assigned to hedging transactions.

Financial liabilities subsequently measured at amortised cost

Financial liabilities not designated for recording at fair value through profit and loss statement are subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating the corresponding interest during its life.

The effective interest rate is the one that accurately discounts estimated future cash flows (including fees and commissions paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) over the expected life of the instrument in its gross carrying amount at the date of its initial recognition.

Types of financial liabilities

Loans in the form of commercial paper issues are categorised as non-current liabilities when they are guaranteed to be placed for more than one year, and the Group's Board of Directors intends to use this source of funding also for more than one year.

The other financial liabilities basically refer to lease liabilities, which are initially recorded at their fair value. Following their initial recognition, these financial liabilities are measured at amortised cost, using the effective interest rate method.

Bills discounted and receivables transferred as factoring

The Group derecognises financial assets in its financial statements only when the contractual right to cash flows inherent to said assets has expired, or when the Group substantially transfers every risk and benefit inherent to the ownership of said assets to a third-party entity. If the Group substantially retains the risks and benefits inherent to ownership of said assets, it keeps on recognising the latter in its financial statements, by recording, in liabilities under the line item 'Other loans', the monetary consideration for the assets thus transferred.

Consequently, customer balances represented by discounted bills but not due and receivables transferred in factoring on the date of each statement of financial position, except for 'factoring without recourse' transactions (and for which the risks and benefits inherent to these receivables are unequivocally transferred), are recognised in the Group's financial statements up to the time when they are received. As at 31 December 2021 and 2020, there were no factoring operations.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are settled, cancelled or have expired.

The difference between the derecognised financial liability's carrying amount and the consideration paid or payable is recognised in the consolidated profit-and-loss statement.

When the Group and a given creditor exchange a debt instrument for another containing substantially different terms, said exchange is accounted for as a cancellation of the original financial liability and the recognition of a new financial liability.

Likewise, the Group accounts for substantial modifications to the terms of an existing liability, or to a part thereof, as a cancellation of the original financial liability and the recognition of a new financial liability.

If the modification is not substantial, the difference between: (i) the liability's carrying amount prior to modification; and (ii) the present value of future cash flows after modification is recognised in the consolidated profit-and-loss statement as a modification gain or loss.

Confirming

The Group contract confirming transactions with financial institutions, which can be considered as reverse factoring agreements. The Group does not use these agreements as a way to manage its liquidity needs, since the payment of invoices remains in place on their due date. On that date, the Group pays the financial institutions the amounts advanced.

Subsequently, and considering that these agreements do not give rise to a financial expense for the Group, the amounts of the invoices advanced to suppliers that sign on to these agreements are maintained in liabilities under the line item 'Trade Payables – securities payable.'

The liability is derecognised only when the underlying obligations are terminated through payment, are cancelled or expire.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the corresponding net amount is shown under the consolidated statement of financial position if there is a present right of mandatory fulfilment to offset the recognised amounts and with the intention of either settling on a net basis or realising the asset and simultaneously settling the liability.

Derivative instruments and hedging accounting

Altri Group uses derivative instruments in managing its financial risks as a way to ensure hedging against said risks. Derivative instruments are not used for trading purposes.

The derivatives used by the Group defined as cash flow hedging instruments are interest rate hedging instruments on borrowings, exchange rate hedging instruments, pulp price hedging instruments as well as inflation rate hedging instruments.

The risk is hedged in its entirety, there is no hedging of risk components, and no target hedging value is defined for these risks.

The Group only designates the spot element of forward contracts as a hedging instrument. The forward element is recognized in Other comprehensive income and accumulated in a separate component of equity.

The Group designates only the spot element of forward agreements as a hedging instrument. The forward element is recognised under Other comprehensive income and accumulated in a separate equity component.

The derivative financial instruments used for economic risk hedging purposes can be classified in the accounts as hedging instruments, provided they cumulatively meet the following conditions:

- (i) On the transaction start date, the hedging ratio is identified and formally documented, including identification of the hedged item, the hedging instrument and assessment of hedging effectiveness;
- (ii) The hedging ratio is expected to be highly effective, on the transaction start date and over the course of its life;
- (iii) The hedging effectiveness can be reliably measured on the transaction start date and over the course of its life;
- (iv) For cash-flow hedging transactions, the likelihood of its occurrence has to be high.

Whenever expectations of evolving interest rates or currency exchange rates so justify, the Group seeks to put under contract transactions protecting against unfavourable operations, using derivative instruments, such as, among others, interest rate swaps (IRS), interest rate and currency exchange rate collars or exchange rate forwards.

Selecting hedging instruments to be used basically states their features in terms of economic risks they seek to hedge. Also considered are the implications of including each additional instrument in existing derivative portfolio, namely effects in terms of volatility of results.

The conditions established for these cash flow hedge instruments are identical to those of the corresponding loans in terms of the amount, maturity dates of the interest and repayment schedules of the loans and for these reasons they qualify as perfect hedges.

In the case of hedging instruments of exchange rate exposure, the Group contracts to cover highly probable transactions and for a small portion of the expected total, so that the hedging strategies are also considered highly effective.

In the case of pulp price hedging instruments, the price indexes to which the futures contracts hedging the pulp price are indexed are those most frequently used by the Group's subsidiaries as a reference for the sale price of their pulp, which is why it is understood that they also provide perfect hedging for highly probable transactions that are expected to occur in much more significant amounts.

In the case of inflation rate hedging instruments, the Group considers only specific transactions where the price variation is indexed to inflation. The hedging instrument is contracted based on the best estimate of the associated future transactions and in order to minimize the sources of inefficiency, arising from the fact that the cash flows do not occur at the same moment and the fact that the transaction values subject to inflation variation are variable. As with interest rate fixing instruments, the Group contracts an index similar to that used to update the price of the hedged transaction.

Hedging instruments are recorded at their fair value.

The determination of the fair value of these financial instruments is made with recourse to third party entities and validated by computer systems for the valuation of derivative instruments, based, in the case of swaps, on the update of future cash flows of the fixed and variable leg of the derivative instrument to the date of the statement of financial position.

Hedge accounting for derivative instruments is discontinued when the instrument matures or is sold, or when the future transaction is no longer highly probable.

Whenever a derivative instrument can no longer be qualified as a hedging instrument, the fair value differences recorded in equity under the caption "Hedging reserve" are transferred to profit or loss of the period or to the carrying amount of the asset that resulted from the hedged forecast transaction. In the case of hedges of highly probable future transactions, the cumulative amount in Other comprehensive income must remain if the hedged future cash flows are still expected to occur. Otherwise, the cumulative amount is reclassified immediately to the income statement as a reclassification adjustment. After the interruption, once the hedged cash flows occur, any cumulative amount remaining in equity under "Hedging reserves" should be accounted for according to the nature of the underlying transaction.

When embedded derivatives exist in other financial instruments or other contracts, they are treated as separate derivatives in situations in which the risks and characteristics are not closely related to the host contracts and in situations in which the contracts are not presented at fair value with unrealized gains or losses recorded in the income statement.

In cases where derivative instruments, although contracted for the specific purpose of hedging financial risks, do not meet the above requirements for classification as hedging instruments, changes in fair value directly affect the income statement, under the headings "Financial income" and "Financial expenses".

m) Cash and cash equivalents

The amounts included under the line item 'Cash and cash equivalents' correspond to cash amounts, bank deposits, term deposits, and other treasury applications, maturing in less than three months, and are subject to insignificant risk of change in value.

In terms of statement of cash-flows, the line item 'Cash and cash equivalents' also comprises bank overdrafts included under the current liability line item 'Bank loans.'

n) Statement of cash-flows

The statement of cash-flows is prepared according to IAS 7, using the direct method.

The statement of cash flows is categorised under operating (which include receipts from customers, payments to suppliers, payments to personnel and others related to operating activities), financing (which include payments and receipts related to borrowings, lease liabilities and dividend payments) and investment activities (which include acquisitions and disposals of investments in subsidiaries and receipts and payments arising from the purchase and sale of property, plant and equipment).

o) Contingent assets and liabilities

Contingent assets are possible assets that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not fully under the control of the Group.

Contingent assets are not recognised in the Group's financial statements being disclosed only when a future economic benefit is likely to occur.

Contingent liabilities are defined by the Group as: (i) possible obligations arising from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not under full control of the Group, or (ii) present obligations arising from past events but that are not recognised because it is unlikely that a cash flow affecting economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the Group's financial statements and are actually disclosed unless the possibility of a cash outflow affecting future economic benefits is remote, in which case they are not disclosed at all.

p) Income tax

Income tax for the financial year is calculated based on the taxable results of the companies included in the consolidation and considers deferred taxation.

Current income tax is calculated based on the taxable results of the companies included in the consolidation in accordance with the tax regulations in force.

As of 31 Decembero 2020, most of the subsidiaries included in the Altri Group's scope of consolidation using the full consolidation method, and which are based in Portugal, were taxed under the special taxation regime for groups of companies, pursuant to art. 69 of the Portuguese Corporate Income Tax Code ("Código do Imposto sobre o Rendimento de Pessoas Coletivas").

On December 31, 2021, as a result of the share capital increase of the subsidiary GreenVolt (Note 7), the subsidiaries based in Portugal below started to be taxed individually, since the percentage of capital held by Altri Group is, as a result of this operation, less than 75%.

- GREENVOLT - Energias Renováveis, S.A.;
- Energia Unida, S.A. (previously named Bioródão, S.A.);
- Ródão Power - Energia e Biomassa do Ródão, S.A.;
- Sociedade Bioelétrica do Mondego, S.A..

Each of the companies taxed under the RETGS, record the income tax in their individual accounts against the group companies account. When subsidiaries contribute with losses, the amount of tax corresponding to the losses that will be offset by the profits of the other companies covered by this regime is recorded in the individual financial statements. If deferred tax assets relating to tax losses generated are recorded, the amount is recorded in the subsidiary against an account payable to Group entities.

The Group recognises the gain with tax incentives to investment in the form of tax breaks in accordance with the criteria set forth under 'IAS 12 – Income tax' for recognising gains with tax credits. This way, the gain is recognised at the time when the right to its use is obtained, while recognising a 'deferred tax asset' if all of those tax credits cannot be used in the financial year and if, in the future, the company is expected to manage sufficient results to allow for their use.

Deferred taxes are calculated using the financial position statement liability method and reflect the temporary differences between the amount of assets and liabilities for accounting reporting purposes and the respective amounts for tax purposes. Deferred tax assets and liabilities are calculated and annually assessed using the tax rates in force or substantially in force at the expected date of reversal of temporary differences.

The measurement of deferred tax assets and liabilities:
-It is conducted in accordance with the expected rates to be applied in the period the asset is realised or the liability settled, based on the tax rates approved on the date of the statement of financial position; and
-It reflects the tax consequences arising from the way the Group expects, on the date of the statement of financial position, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised only when there are reasonable expectations of sufficient future tax profits for their use, or in situations where there are taxable temporary differences that offset the temporary differences deductible in the period of their reversal. At the end of each period, a review is made of these deferred taxes, which are reduced whenever their future use is no longer likely.

Deferred tax liabilities are recognised for every taxable temporary difference.

Deferred taxes are not recognised in respect to temporary differences associated with investments in associates, since the following conditions are simultaneously considered to be met:
-The Group is able to control the timing of the temporary difference reversal; and
-It is likely that the temporary difference will not be reversed in the foreseeable future.

Deferred taxes are recorded as expenses or income for the financial year, except if they result from amounts recorded directly in equity, in which case the deferred tax is also recorded under the same line item.

q) Energy sector extraordinary contribution (ESEC)

Law no. 83-C/2013 of the 2014 State Budget ("State Budget Law 2014"), approved by the Portuguese Government on 31 December 2013, introduced an extraordinary contribution applicable to the energy sector (CESE), with the objective of financing mechanisms that promote the systemic sustainability of the energy sector, through the constitution of a fund that aims to contribute to the reduction of tariff debt and to finance social and environmental policies in the energy sector. This contribution is generally concentrated on economic operators that carry out the following activities: (i) generation, transport or distribution of electricity; (ii) transportation, distribution, storage or wholesale supply of natural gas; and (iii) refining, treatment, storage, transportation, distribution and wholesale supply of oil and oil products.

CESE is calculated based on the companies' net assets as at January 1 of each year, which comply, cumulatively, to: (i) property, plant and equipment; (ii) intangible assets, except industrial property elements; and (iii) financial assets assigned to concessions or licensed activities. In the case of regulated activities, CESE focuses on the value of regulated assets if it is higher than the value of those assets.

The CESE regime was successively extended and became valid for 2020 and 2021 through Law no. 71/2018 of 31 December and Law. no. 75-B/2020 of 31 December, respectively. The Portuguese Government has extended CESE to renewable energies.

The general rate is 0.85%, which is applied to the value of the net assets allocated to the activity (of each power plant), with reference to January 1 of the respective year.

For the fiscal year ended 31 December 2021 and 2020, the biomass plants whose power is less than 20 MW are exempt from CESE payments, which is why no tax has been determined or recorded for the plants whose exemption is applicable.

The annual expense related to CESE is recognized as a liability and recorded as a cost in the income statement under the line item "Energy sector extraordinary contribution", as at January 1 in accordance with IFRIC 21 - Levies.

r) Revenue

Revenue is measured in accordance with the retribution specified in the agreements established with customers and excludes any third-party amount received. This way, the Group recognises revenue when it transfers control over a given asset or service to the customer.

The Group's sources of revenue can be detailed as follows:

(i) Pulp – sales of pulp produced by Altri's three industrial plants;
(ii) Energy – sale of electricity.

Nature, performance obligations, and the time of recognising revenue

The Group recognises revenue according to IFRS 15, which sets forth that an entity recognises revenue in order to reflect the transfer of goods and services contracted by customers, in the retribution amount to which the entity expects to be entitled to receive as consideration for delivery of said goods or services, based on the 5-step model below:

1. contract identification with a client;
2. performance obligation identification;
3. pricing of the transaction;
4. allocation of the transaction price to performance obligation; and
5. recognition of revenue when or as the entity meets a performance obligation.

(i) Pulp – In this business area, the Group has several agreements with private entities for the supply of pulp comprising specific features (namely, bleaching level). These are unique performance obligations that are wholly fulfilled with delivery of the end product under the conditions agreed upon (namely, the 'Incoterms' agreed upon with the customer).

The revenue associated with the sale of pulp, is recognised net of bonuses, discounts (example: commercial discounts and quantity discounts) and taxes, and refers to the consideration received or receivable of the goods and services sold in line with the Group's aforementioned types of business.

Commercial agreements with customers basically refer to the sale of goods and, to a limited extent, to shipment inherent to said goods, where applicable, and in accordance with the reported segments. Revenue is recognised by the amount of the performance obligation fulfilled.

Agreements with the Group's customers do not consider variable remunerations nor include significant financing components. In addition, there is no history of amendments to agreements or the combination of agreements.

Current agreements do not comprise additional associated guarantees. Furthermore, the costs of garnering customers are internal, in most cases, since the agreements are garnered by the Group's internal sales team.

For the transaction price, this is a fixed component, according to the quantities sold.

Transfer of control occurs to the same extent the associated risks are transferred, according to the set contractual conditions. Transfer of control of goods mostly occurs when they are delivered at the customer's premises.

Revenue related to the provision of services is recognized in accordance with IFRS 15, taking into account that the customer simultaneously receives and consumes the benefits generated by the Group.

The Group considers the facts and circumstances when analysing the terms of each contract with clients, applying the requirements that determine the recognition and measurement of revenue in a harmonised way, when dealing with contracts with similar characteristics and circumstances.

(ii) Energy – Revenue from energy sales is measured at the fair value of the consideration received or receivable, net of value added taxes, rebates and discounts. The sale of energy is treated as a single performance obligation, with revenue recognized when control is transferred to the customer. In relation to the transaction price, this is a fixed component in Portugal, while in the United Kingdom there are variable portions that are subject to estimation, according to the schedule established by the regulator. In this business area, the Group presents the following sources of revenue:

1. Biomass:

a. Energy Sales - injects electricity into the public grid from its cogeneration plants and is also treated as a single performance bond, with fixed tariffs ("Feed-in-tariff") in the case of the Portuguese companies. In the case of the UK plant, revenues have a fixed component - Renewable Obligation Certificates (ROCs) - and a variable component that depends on the evolution of the electricity price ("Brown Power");

2. Development (solar and wind power):
   a. Provision of accounting, administrative and asset management services;
   b. Sale of solar and wind energy projects, essentially in the Ready to Build phase.

3. Distributed generation:
   a. Installation and maintenance of decentralized solar power generation units (B2B and B2C);
   b. Development and financing of projects to improve energy efficiency through solar energy.

As of December 31, 2021, Energy is presented as discontinued activity (Note 7).

Revenue related to the provision of services is recognized in accordance with IFRS 15, taking into account that the customer simultaneously receives and consumes the benefits generated by the Group.

Assets associated with contracts with customers

A customer agreement asset is a right to receive a retribution in exchange for goods or services transferred to the customer.

If the Group delivers the goods or provides the services to a customer before the customer pays the retribution or prior to the retribution falling due, the contractual asset corresponds to the conditional retribution amount.

Trade receivables

A receivable represents the Group's unconditional right (that is, it only depends on the passage of time until the retribution falls due) to receive the retribution.

Liabilities associated with agreements with customers

A customer agreement liability is the obligation to transfer goods or services for which the Group has received (or is entitled to receive) a retribution from a customer. If the customer pays the retribution before the Group transfers the goods or services, a contractual liability is recorded when payment is made or when it falls due (whichever happens first). Contractual liabilities are recognised as revenue when the Group fulfils its contractual performance obligations.

c. Accrual accounting basis

The remaining income and expenses are recorded on an accrual basis, whereby they are recognised as they are generated regardless of when they are received or paid. The differences between the amounts received and paid and the corresponding income and expenses generated are recorded under the line items 'Other current assets', 'Other current liabilities', 'Other non-current assets', and 'Other non-current liabilities.'

d. Balances and transactions expressed in foreign currency

All assets and liabilities expressed in foreign currency were converted to Euro using official currency exchange rates in force on the date of the statement of financial position.

Favourable and unfavourable currency exchange differences originated by the differences between currency exchange rates applicable on the transaction date and those applicable on the collection date, payments or on the date of the statement of financial position, of those same transactions, are recorded as income and expenses in the consolidated profit-and-loss statement for the financial year, except those regarding non-monetary amounts whose change in fair value is recorded directly in equity.

e. Subsequent events

The events occurring after the date of the statement of financial position providing additional evidence or information regarding conditions that existed on the date of the statement of financial position (adjusting events) are reflected in the Group's financial statement. Events after the date of the statement of financial position that are indicative of the conditions that arose after the date of the statement of financial position (non-adjusting events), when material, are disclosed in the Notes to the financial statements.

f. Information by segments

In each period, the Group identifies the most adequate segment division taking into consideration the business areas in which the Group is present. Operating segment is a group of assets and operations of the Group whose financial information is used in the decision-making process developed by Group management.

The operating segments are presented in these financial statements in the same way as they are presented internally in the analysis of the evolution of the Group's activity.

The report's accounting policies by segments are those consistently used within the Group. Intersegmental sales and service provisions are all shown at market prices, and all these are eliminated on the consolidation process.

g. Assets held for sale or distribution and discontinued operations

This category includes assets or groups of assets whose corresponding value is realisable via a sales transaction or distribution or, jointly, as a group in a single transaction, and liabilities directly associated with these assets that are transferred in the same transaction. Assets and liabilities in this situation are measured at either the corresponding book value or the fair value net of selling costs, whichever is lower.

In order for this situation to occur, the sale needs to be highly likely (expected to be completed within 12 months), and the asset needs to be available for immediate sale or distribution under current conditions; moreover, the Group needs to have committed to said sale or distribution.

Amortization of assets under these conditions ceases from the moment when they are categorised as held for sale or distribution and are shown as current in appropriate lines for assets, liabilities and equity. A discontinued operating facility is a component (operating facilities and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, of the rest of the entity) of an entity that either was disposed of or is categorised as held for sale or distribution, and:

- (i) represents a major business line or separate geographical area of operations;
- (ii) it is an integral part of a single coordinated plan for disposing a major business line or separate geographical area of operations; or
- (iii) it is a subsidiary acquired solely for resale purposes.

The results of discontinued operating facilities are given as a single amount in the profit-and-loss statement, comprising gains or losses after taxes of the discontinued operating facilities, plus gains or losses after taxes recognised in the fair-value measurement net of selling costs or in the disposal of assets or of one or more group for disposal that constitute the discontinued operating facility.

Balances between continuing operations and discontinued operations are eliminated in the consolidation process. Transactions between continuing operations and discontinued operations are eliminated to the extent that they represent transactions that will no longer be carried out by the Group.

2.4 JUDGEMENTS AND ESTIMATES

In preparing the consolidated financial statements, in accordance with the accounting standards in force (Note 2.1), the Group's Board of Directors adopted certain assumptions and estimates affecting assets and liabilities, as well as income and expenses incurred in relation to the reported periods. All of the estimates and assumptions by the Board of Directors were carried out based on their existing best knowledge, on the date of approval of financial statements, events, and ongoing transactions.

The main value judgements and most significant estimates conducted and used in preparing consolidated financial statements include:

a) Valuation at fair value of assets, liabilities and contingent liabilities in business combination transactions

Under IFRS 3 in a business combination, the acquirer must recognize and measure in the consolidated financial statements the assets acquired and liabilities assumed at fair value at the acquisition date. The difference between the purchase price and the fair value of the assets and liabilities acquired leads to the recognition of goodwill or negative goodwill. The determination of the fair value of assets acquired and liabilities assumed is made internally or by independent external evaluators, to whom the Group's Board of Directors recognizes competence and objectivity, using the discounted cash flow method, using the replacement cost or other techniques for determining fair value, which rely on the use of assumptions that include macroeconomic indicators such as inflation rates, interest rates, exchange rates, discount rates, purchase and sale prices of energy, cost of raw materials, production estimates, useful life and business projections. Consequently, the determination of fair value and goodwill or negative goodwill is subject to numerous assumptions and judgments and therefore changes may result in different impacts on the profit and loss (Note 6).

b) Measurement of the fair value of contingent consideration (earn-outs)

Contingent consideration, arising from a business combination or from the sale of a financial stake, is measured at fair value at the transaction date. Contingent consideration is subsequently remeasured at fair value at each reporting date. Fair value is based on discounted cash flows. The main assumptions consider the probability of achieving each objective and the discount factor and correspond to the Management's best estimates at each reporting date. Changes in the assumptions used could have significant impacts on the values of contingent consideration assets and liabilities recognized in the financial statements (Note 6).

c) Entities included in the consolidation perimeter

In order to determine the entities to be included in the consolidation perimeter, the Group assesses the extent to which it is exposed, or has rights, to variability in the returns from its involvement with that entity and is able to take possession of those returns through the power it holds over that entity (factual control). This assessment requires the use of judgments and assumptions to determine the extent to which the Group is exposed to variability of returns and has the ability to appropriate those returns through control over the investee. Other assumptions and judgments could lead to the Group's consolidation perimeter being different, with a direct impact on the consolidated financial statements (Notes 2.2 a), b) and 4).

d) Determining fair value of biological assets

As mentioned under Note 2.3. i), the fair value of biological assets was determined using an independent assessment carried out by an external entity, which the Group's Board of Directors recognises as being competent and objective. In determining the fair value of biological assets, the discounted cash-flow method was used, which considered assumptions corresponding to the nature of assets under evaluation (Note 13). Changes to these assumptions could entail valuations/devaluations of these assets.

e) Provisions (including provisions for dismantling and decommissioning)

The Group believes there are legal, contractual or constructive obligations regarding the dismantling and decommissioning of property, plant and equipment assigned to generating energy. The Group constitutes provisions according to the corresponding existing obligations in order to address the present value of the respective estimated expenses with replacement of the corresponding sites and land where the power plants are located. For the purpose of calculating the aforementioned provisions, estimates are given for the present value of the corresponding future liabilities (Note 25).

Consideration of other assumptions in the aforementioned estimates and judgements could give rise to financial results that differ from those that were considered.

f) Impairment tests on non-current assets

Impairment analyses require determining fair value and / or the use value of the assets in question (or of some cash-generating units). This process calls for a high number of relevant judgements, namely estimating future cash flows associated with assets or with the corresponding cash-generating units and determining an appropriate discount rate for obtaining the present value of the aforementioned cash flows. In this regard, the Group once again established the requirement calling for use of the maximum possible amount of observable market data. It further established calculation monitoring mechanisms based on the critical challenge of reasonability of assumptions used, their coherence and consistency (in similar situations) (Note 11).

g) Calculating liability associated with pension funds

Liabilities with retirement pensions are estimated based on actuarial assessments conducted by external experts certified by the Insurance and Pension Funds Supervisory Authority. Those assessments comprise a set of financial and actuarial assumptions, namely discount rate, as well as tables showing mortality, disability, growth of pensions and wages, among others. The assumptions adopted in determining pension liabilities correspond to the best estimate by the Group's Board of Directors regarding the future behaviour of the aforementioned variables (Note 33).

h) Determining fair value of derivative financial instruments

In stating financial instruments not traded in active markets valuation techniques have been used that were based on discounted cash-flow methods or on market transaction multiples. Fair value of derivative financial instruments is generally determined by the entities from which they were hired (counterparties), being subject to independent validation using Bloomberg valuation models. The Group's Board of Directors recognizes the competence and objectivity of the counterparties (Note 31).

i) Calculation of the incremental interest rate in the lease agreements

As mentioned in Note 2.3 d), the Group uses its interest rate incremental to the lease start date, since the interest rate implicit in the contract is not readily determinable. Changes in this assumption may imply valuations / devaluations of these assets and liabilities (Note 10).

j) Determining impairment losses in receivables

Impairment losses in receivables are determined as shown under Note 2.3 l). This way, determining impairment through individual analysis amounts to the Group's judgement regarding the economic and financial situation of its customers and to its estimate on the value attributed to any existing guarantees, with the subsequent impact on expected future cash flows. On the other hand, expected impairment losses in credit granted are determined considering a set of historical information and assumptions, which might not be representative of the future uncollectability from the Group's debtors (Note 15).

k) Useful lives of property, plant and equipment, and intangible fixed assets

As mentioned in Note 2.3 I), the Group revises the estimated useful lives of its tangible and intangible assets on each reporting date. Assets' useful lives depend on several factors related both to their use and to the Group's strategic decisions, and even to the economic environment of the various companies included in the scope of consolidation.

Estimates and assumptions were determined based on the best available information on the date when consolidated financial statements are prepared and on the basis of the best knowledge and on experience with past and/or current events. However, there are situations that could occur in subsequent periods which, while not foreseeable on that date, were not considered in those estimates. For this reason and given the degree of uncertainty associated, the actual results of the transactions in question may differ from the corresponding estimates. Changes to those estimates, which occur subsequent to the date of the consolidated financial statements, will be corrected in the profit-and-loss statement on a prospective basis, as provided for under IAS 8 – Accounting Policies, Changes to Accounting Estimates and Errors.

2.5. CHANGES IN ACCOUNTING POLICY AND ERROR CORRECTION

Regarding new standards, interpretations, amendments and revisions to IFRS, see Note 2.1.

During the financial year, there were no voluntary changes in accounting policies. Likewise, no material errors were recognised in relation to previous financial years.

3. FINANCIAL RISK MANAGEMENT

The Altri Group is basically exposed to: (a) market risk; (b) liquidity risk; (c) credit risk; and (d) capital risk. The risk related to sustainability, ESG ("Environmental, Social and Governance") and climate change is addressed in the Group's Sustainability Report. The main objective of the Board of Directors in terms of risk management consists of reducing these risks to a level deemed acceptable for carrying on the Group's business. The risk management policy's guiding principles are outlined by Altri's Board of Directors, which determines acceptable risk limits. The operational implementation of the risk management policy is carried out by the Board of Directors and by the Management at each participated company.

a) Market Risk

Particularly important as part of market risk management are interest rate risk, currency exchange rate risk, the risk of commodity price variability, the risk related to forest management and to growing eucalyptus and the inflation risk.

When it deems necessary, the Group uses derivative instruments in managing its market risks to which it is exposed as a way of guaranteeing their hedging. Derivative instruments are not used for trading or speculation purposes.

i) Interest rate risk

The Group's exposure to the interest rate risk results essentially from Euribor-indexed long-term loans.

The Group uses derivative instruments or similar transactions for the purpose of hedging interest rate risks deemed significant. Three principles are used in selecting and determining interest rate hedging instruments:

- For every derivative or hedging instrument used for protecting against risk associated with a given financing, there was an overlap of the dates of interest flows paid in the hedged financing and the settlement dates under the hedging instruments;

- Perfect equivalence between the basic rates: the indexing used in the derivative or hedging instrument should be the same as that which applies to the financing/transaction being hedged; and

- Since the start of the transaction, the maximum indebtedness cost, resulting from the hedging operation performed, is known and limited, even in scenarios of extreme changes in market interest rates, so that the resulting interest rates are within the cost of the funds considered in the Group's business plan.

Since the Altri Group's major indebtedness is indexed at variable rates, interest rate swaps are used, when such is deemed necessary, as a way to protect against future cash flow changes associated with interest payments. The economic effect of the interest rate swaps put under contract consists of taking the corresponding loans associated with variable rates and converting them to fixed rates. Under these agreements, the Group agrees with third parties (Banks) on the exchange, in pre-set time periods, of the difference between the amount of interest calculated at the fixed rate under contract and at the variable rate of the reset time, in reference to the corresponding notional amounts agreed upon.

The hedging instrument counterparties are limited to credit institutions of high credit quality. It is the Group's policy to favour putting these instruments under contract with banking entities that are part of its financing operations. For the purpose of determining the counterparty in one-time operations, the Altri Group asks for propositions and indicative prices to be submitted to a representative number of banks so as to ensure adequate competitiveness for these operations.

In determining fair value of hedging operations, the Altri Group uses certain methods, such as option assessment models and future cash-flow updating models, while using certain assumptions based on the conditions of prevailing market interest rates on the date of the consolidated statement of financial position. Comparative quotes from financial institutions, for specific or similar instruments, are used as an assessment benchmark.

The Altri Group's Board of Directors approves the terms and conditions of financing deemed material for the Group. As such, it examines the debt structure, the inherent risks and the different existing options in the market, namely regarding the type of interest rate (fixed/variable).

The Group's goal is to limit cash-flow volatility and results, considering the profile of its operating business by using an appropriate combination of debt to fixed and variable rate. The Group's policy allows using interest rate derivatives in order to reduce exposure to changes in Euribor, not for speculation purposes.

Most derivative instruments used by the Group in managing interest rate risk are established as cash-flow hedging instruments, as they provide perfect hedging. The index, calculation conventions, the interest rate hedging instruments, and interest rate hedging instrument repayment plans are altogether identical to the conditions set forth for contracted underlying loans. However, there are some derivative instruments which, despite having been put under contract for interest rate risk hedging purposes, do not fulfil the aforementioned requirements for categorising as hedging instruments.

In the financial years ended 31 December 2021 and 2020, the Group's sensitivity to changes in the interest rate benchmark of 1 percentage point more or less, measured as the change in the financial results, can be analysed as follows, without considering the effect of derivative financial instrument hedging (Note 31):

	31.12.2021	31.12.2020 (Restated)
Interest expenses (Note 38)	9,553,573	10,572,754
A 1 p.p. decrease in the interest rate applied to the entire debt	(5,830,000)	(6,400,000)
A 1 p.p. increase in the interest rate applied to the entire debt	5,830,000	6,400,000

The sensitivity analysis above was calculated based on the exposure to the existing interest rate on the date ending each financial year. This analysis' basic assumption was that the financing structure (remunerated assets and liabilities) remained stable throughout the year and similar to that shown at the end of every financial year, with the rest remaining constant.

ii) Foreign exchange risk

The Group is exposed to foreign exchange risk in transactions regarding the sales of finished products in international markets in a currency other than the Euro.

As at 31 December 2021 and 2020, the balances in Euro expressed in a currency other than the Euro for continued activities are as follows:

	31.12.2021		31.12.2020	
	(USD)	(SEK, GBP and CHF)	(USD)	(SEK, GBP, CHF and NOK)
Receivables	53,224,281	41,886	33,006,178	1,642
Payables	(3,998,115)	(45,573)	(2,027,200)	(396,268)
Bank deposits (Note 20)	10,184,554	493,139	55,895,818	113,230
	59,410,720	489,452	86,874,796	(281,396)

The Group's Board of Directors believes that any changes in foreign exchange rate will not have a significant effect on the consolidated financial statements, both given the dimension of the assets and liabilities expressed in foreign currency and given their short maturity.

Whenever the Board of Directors deems necessary, to reduce the volatility of its results to exchange rate variability, exposure is controlled through a term currency purchase and sell programme (forwards) or other foreign exchange derivative instruments (Note 31).

iii) Commodity price variability risk

Because it carries out its activity in a sector where commodities (eucalyptus pulp) are traded, the Group is particularly exposed to price variations, with the corresponding impact on results. However, to manage this risk, paper pulp price variation hedging agreements were concluded, in the amounts and values deemed suited to the expected operations, thereby mitigating the volatility of their results.

The 5% increase/decrease in the price of pulp marketed by the Altri Group during the financial year ended 31 December 2021 would have entailed an increase/decrease in operating results[1] of around EUR 33.1 million (EUR 20.9 million as at 31 December 2020), without considering the effect of pulp derivatives (Note 31) and with everything else remaining constant.

iv) Risk related to forest management and growing eucalyptus

Altri, through its subsidiary Altri Florestal, oversees forest assets comprising 88.3 thousand hectares, of which eucalyptus accounts for 80%. Most of this forest area is certified by the FSC ® (*Forest*

[1] Operating results = Profit before income tax and CESE, Financial results and related to investments

Stewardship Council®[2]) and by the PEFC (*Programme for the Endorsement of Forest Certification*), which set out principles and criteria for assessing the sustainability of forest management from the economic, environmental and social viewpoints.

In this context, all forestry activities are geared towards the optimisation of the available resources, safeguarding the environmental stability and the ecological values present in its assets and guaranteeing their development.

The risks associated with any forestry activity are also present in the management of Altri Florestal. Forest fires, as well as the pests and diseases which can occur in the different forests spread throughout the Portuguese territory are the greatest risks faced by the sector in which it operates. These threats, if they do occur, affect the normal operation of forest holdings and the efficiency of production according to their intensity.

In order to prevent and reduce the impact of forest fires, Altri Florestal is part of an economic interest group called Afocelca, in partnership with the Navigator Group, whose purpose is to provide, coordinate and manage the means available for fighting fires. On the other hand, it makes significant investments to clear forest areas in order to reduce the risks of fire propagation, as well as to reduce possible losses.

The occurrence of pests and diseases can significantly reduce the growth of forest stands, causing irreversible productivity damages. Integrated control procedures have been put in place to combat pests and diseases, either by releasing specific parasitoids from Australia or through the use of plant protection products to control harmful insect populations, and reduce the negative impact of their presence. On the other hand, in the most affected areas, the subsidiary Altri Florestal is using new plantations with more suitable genetic material that, due to their characteristics, are better able to resist against pests and illnesses.

The 5% increase/decrease in the wood price during the financial year ended 31 December 2021 would have entailed an increase/decrease in operating results of around EUR 13.5 million (EUR 11.6 million as at 31 December 2020), with all the rest remaining constant.

v) Inflation risk

The Group, through its subsidiary GreenVolt, carries out its operations in several countries and is subject to inflation risk, mainly in operations associated with the generation of operating income and the respective costs for the development of the business. The main objective of the inflation risk management policy is to ensure that the variation of inflation in the geographies and market where the Group operates does not negatively affect purchasing power.

As a mitigation strategy the Group seeks (i) to develop its business in geographies with stable inflation rates and (ii) to contract financial hedging instruments for situations in which there is a higher probability of inflation variation.

b) Liquidity Risk

The main objective of the liquidity risk management policy is to ensure that the Group has, at all times, the necessary financial resources to meet its responsibilities and to pursue the strategies outlined in compliance with all its commitments to third parties, as they become due, by adequately managing the maturity of the corresponding loans.

Thus, the Group pursues an active refinancing policy guided by: (i) maintaining a high level of free and readily available resources to address short-term needs; and (ii) extending or maintaining debt maturity according to expected cash flows and the leveraging capability of its statement of financial position.

[2] FSC-C004615

Liquidity analysis for financial instruments is shown in the note pertaining to each category of financial liabilities.

c) Credit Risk

The Group is exposed to credit risk as part of its current operating activity. This risk is controlled through a qualitative financial information-gathering system. Such information is provided by renowned entities providing risk information, thereby enabling an assessment of customer viability in fulfilling its obligations, with the aim of reducing loan-granting risk.

The credit risk assessment is carried out on a regular basis, taking into account the economic conditions at any given time and the specific credit position of each of the companies, adopting corrective procedures where appropriate.

Credit risk is limited by managing risk combination and careful selection of counterparties as well as by taking out credit insurance with specialised institutions and which cover a significant part of the credit granted as a result of the business carried on by the Group.

Nearly all the sales not covered by credit insurance are covered by other credit enhancements, namely, bank guarantees or documentary credits (Note 15).

d) Capital risk

The Altri Group's capital structure, determined by the proportion between equity and net debt, is managed so as to make sure its operating activities continue and it carries on its business, while maximising shareholder return and optimising financing expenses.

The Group periodically monitors its capital structure, by identifying risks, opportunities and measured adjustment needs aimed at achieving the aforementioned goals.

As at 31 December 2021 and 2020, the Altri Group presents an accounting Gearing of 116% and 80%, respectively.

Gearing = total equity / net debt, where net debt is the algebraic sum of the following line items of the consolidated statement of financial position: other loans; bank loans; reimbursable government grants; lease liability and (-) Cash and cash equivalents. For the purposes of calculating this ratio, the items other loans; bank loans; lease liabilities and (-) cash and cash equivalents from discontinued activities were included.

Under the line item Cash and Cash Equivalents, the Group shows a figure of around 69% of its current liabilities.

4. INVESTMENTS

4.1 SUBSIDIARIES INCLUDED IN CONSOLIDATION

The subsidiaries included in consolidation by the integral method, its respective registered offices, proportion of capital held and main activity as at 31 December 2021 and 2020 are as follows:

Company	Registered office	Effective held percentage 2021	Effective held percentage 2020	Main activity
Parent company:				
Altri, SGPS, S.A.	Portugal			Holding (company)

Subsidiaries:				
Altri Abastecimento de Madeira, S.A.	Portugal	100.00%	100.00%	Timber commercialization
Altri, Participaciones Y Trading, S.L.	Spain	100.00%	100.00%	Commercialization of Eucalyptus pulp
Altri Sales, S.A.	Switzerland	100.00%	100.00%	Group management support services
Celulose Beira Industrial (Celbi), S.A.	Portugal	100.00%	100.00%	Production and commercialization of Eucalyptus pulp
Altri Florestal, S.A.	Portugal	100.00%	100.00%	Forest management
Inflora – Sociedade de Investimentos Florestais, S.A.	Portugal	100.00%	100.00%	Forest management
Viveiros do Furadouro Unipessoal, Lda.	Portugal	100.00%	100.00%	Plant production in nurseries and services related with forest and landscapes
Florestsul, S.A.	Portugal	100.00%	100.00%	Forest management
Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.	Portugal	100.00%	100.00%	Generation of thermal energy and electricity
Caima – Indústria de Celulose, S.A.	Portugal	100.00%	100.00%	Production and commercialization of Eucalyptus pulp
Captaraíz Unipessoal, Lda.	Portugal	100.00%	100.00%	Real estate
Biotek, S.A. (a)	Portugal	100.00%	100.00%	Production and commercialization of Eucalyptus pulp
Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.	Portugal	100.00%	100.00%	Real estate
Biogama, S.A. (d)	Portugal	100.00%	—	Holding (company)
Subsidiaries classified as held for distribution to shareholders as of 12.31.2021:				
Greenvolt- Energias Renováveis, S.A. (f)	Portugal	58.72%	100.00%	Electricity generation and holding company
Ródão Power - Energia e Biomassa do Ródão, S.A. (f)	Portugal	58.72%	100.00%	Electricity generation using waste and biomass sources
Sociedade Bioelétrica do Mondego, S.A. (f)	Portugal	58.72%	100.00%	Electricity generation using waste and biomass sources
Energia Unida, S.A. (b)/(f)	Portugal	58.72%	100.00%	Promotion, development and management of self-consumption installations
Golditábua, S.A. (f)	Portugal	58.72%	100.00%	Renewable energy sources
Sociedade de Energia Solar do Alto Tejo (SESAT), Lda. (f)	Portugal	46.97%	80.00%	Electricity generation
Ribatejo Green, Lda (c)/(f)	Portugal	—	70.00%	Electricity generation
Amieira Green, Lda (c)/(f)	Portugal	—	70.00%	Electricity generation
Paraimo Green, Lda (f)	Portugal	41.10%	70.00%	Electricity generation
Piara Solar, Lda (c)/(f)	Portugal	—	70.00%	Electricity generation
Maior Green, Lda (c)/(f)	Portugal	—	70.00%	Electricity generation
Greenvolt Energias Renovaveis Holdco Limited (d)/(f)	United Kingdom	58.72%	—	Holding
Lakeside Topco Limited (d)/(f)	United Kingdom	29.95%	—	Holding
Lakeside Bidco Limited (d)/(f)	United Kingdom	29.95%	—	Holding
Tilbury Green Power Holdings Limited (e)/(f)	United Kingdom	29.95%	—	Holding
Tilbury Green Power Limited (e)/(f)	United Kingdom	29.95%	—	Electricity generation using biomass from urban waste wood
Track Profit Energy, Lda (e)/(f)	Portugal	41.10%	—	Installation of decentralised solar energy production units (B2B)
Track Profit Energy II Invest, Unipessoal, Lda (e)/(f)	Portugal	41.10%	—	Development and financing of projects to improve energy efficiency through solar energy.
Tresa Energía, S.L. (e)/(f)	Spain	24.77%	—	Installation of decentralised solar energy production units (B2C)
V-Ridium Power Group Sp. Z.o.o. (e)/(f)	Poland	58.72%	—	Holding
V-Ridium Power Services Sp. z o.o. (e)/(f)	Poland	58.72%	—	Project development
V-Ridium Wind (EPV 1) sp. z o.o. (e)/(f)	Poland	58.72%	—	Project development - wind energy
VRW 1 Sp. z o. o. (e)/(f)	Poland	58.72%	—	Wind project
VRW 2 Sp. z o. o. (e)/(f)	Poland	58.72%	—	Wind project
VRW 3 Sp. z o. o. (e)/(f)	Poland	58.72%	—	Wind project
VRW 4 Sp. z o. o. (e)/(f)	Poland	58.72%	—	Wind project
VRW 5 Sp. z o. o. (e)/(f)	Poland	58.72%	—	Wind project
VRW 8 Sp. z o.o. (e)/(f)	Poland	58.72%	—	Wind project
VRW 9 Sp. z o.o. (e)/(f)	Poland	58.72%	—	Wind project
VRW 10 Sp. z o.o. (e)/(f)	Poland	58.72%	—	Wind project
VRW 11 Sp. z o.o. (e)/(f)	Poland	58.72%	—	Wind project
VRW 12 Sp. z o.o. (e)/(f)	Poland	58.72%	—	Wind project
VRW 13 Sp. z o.o. (d)/(f)	Poland	58.72%	—	Wind project
VRW 14 Sp. z o.o. (d)/(f)	Poland	58.72%	—	Wind project
VRW 15 Sp. z o.o. (d)/(f)	Poland	58.72%	—	Wind project
FW Lubieszewo (e)/(f)	Poland	58.72%	—	Wind project
VRW 16 Sp. z o.o. (d)/(f)	Poland	58.72%	—	Wind project

VRW 17 Sp. z o.o. (d)/(f)	Poland	58.72%	—	Wind project
VRW 18 Sp. z o.o. (d)/(f)	Poland	58.72%	—	Wind project
V-Ridium Solar sp. z o.o. (e)/(f)	Poland	58.72%	—	Project development - Solar PV
VRS 1 Sp. zo.o. (e)/(f)	Poland	58.72%	—	PV project
VRS 3 Sp. zo.o. (e)/(f)	Poland	58.72%	—	PV project
VRS 6 Sp. zo.o. (e)/(f)	Poland	58.72%	—	PV project
VRS 7 Sp. zo.o. (e)/(f)	Poland	58.72%	—	PV project
VRS 8 Sp. zo.o. (e)/(f)	Poland	58.72%	—	PV project
VRS 9 Sp. zo.o. (e)/(f)	Poland	58.72%	—	PV project
VRS 10 Sp. zo.o. (e)/(f)	Poland	58.72%	—	PV project
VRS 11 Sp. z o.o. (e)/(f)	Poland	58.72%	—	PV project
VRS 12 Sp. z o.o. (e)/(f)	Poland	58.72%	—	PV project
VRS 13 Sp. z o.o. (e)/(f)	Poland	58.72%	—	PV project
VRS 14 Sp. z o.o. (e)/(f)	Poland	58.72%	—	PV project
VRS 15 Sp. z o.o. (e)/(f)	Poland	58.72%	—	PV project
VRS 16 Sp. z o.o. (e)/(f)	Poland	58.72%	—	PV project
VRS 18 Sp. z o.o. (e)/(f)	Poland	58.72%	—	PV project
VRS 19 Sp. z o.o. (e)/(f)	Poland	58.72%	—	PV project
VRS 22 Sp. z o.o. (e)/(f)	Poland	58.72%	—	PV project
VRS 23 Sp. z o.o. (e)/(f)	Poland	58.72%	—	PV project
VRS 24 Sp. z o.o. (e)/(f)	Poland	58.72%	—	PV project
VRS 25 Sp. z o.o. (e)/(f)	Poland	58.72%	—	PV project
J&Z PV Farms Mikułowa Sp. z o.o. (e)/(f)	Poland	58.72%	—	PV project
Merak Energia Sp. z o.o. (e)/(f)	Poland	58.72%	—	PV project
PVE 3 Sp. z o.o. (e)/(f)	Poland	58.72%	—	PV project
Rensol Energy (e)/(f)	Greece	58.72%	—	PV project
Rensol Energy Pv1 Mike (e)/(f)	Greece	58.72%	—	PV project
Rensol Energy Pv2 Mike (e)/(f)	Greece	58.72%	—	PV project
Rensol Energy Pv3 Mike (e)/(f)	Greece	58.72%	—	PV project
Rensol Energy Pv4 Mike (e)/(f)	Greece	58.72%	—	PV project
Rensol Energy Pv5 Mike (e)/(f)	Greece	58.72%	—	PV project
Rensol Energy Pv6 Mike (e)/(f)	Greece	58.72%	—	PV project
Rensol Energy Pv7 Mike (e)/(f)	Greece	58.72%	—	PV project
Green Venture Rotello S.r.l. (e)/(f)	Italy	58.72%	—	PV project
V-Ridium Solar Lazio 1 S.r.l. (d)/(f)	Italy	58.72%	—	PV project
V-Ridium Solar Marche 1 S.r.l. (d)/(f)	Italy	58.72%	—	PV project
V-Ridium Solar Abruzzo 1 S.r.l. (d)/(f)	Italy	58.72%	—	PV project
Green Venturo Montenero S.r.l. (e)/(f)	Italy	58.72%	—	PV project
Green Venturo Montorio S.r.l. (e)/(f)	Italy	58.72%	—	PV project
V-Ridium Bulgaria LTD (e)/(f)	Bulgaria	58.72%	—	Holding and project development
V Ridium Greece IKE (e)/(f)	Greece	58.72%	—	Holding and project development
V Ridium Renouvelables SAS (e)/(f)	France	58.72%	—	Holding and project development
V-ridium Italy S.r.l. (e)/(f)	Italy	58.72%	—	Holding and project development
Krajowy System Magazynów Energii sp. z o.o. (e)/(f)	Poland	29.95%	—	Project development
V-Ridium Renewables S.R.L (Romania) (e)/(f)	Romania	58.72%	—	Holding and project development
OSD V-Ridium Sp. z o.o. (e)/(f)	Poland	58.72%	—	Electricty distribution
V-Ridium Inc (e)/(f)	USA	58.72%	—	Holding and project development
V-Ridium Oak Creek Renewables, LLC (e)/(f)	USA	58.66%	—	Holding and project development
V-Ridium Oak Creek Holdings, LLC (e)	USA	58.66%	—	Holding and project development

(a) Formerly known as Celtejo – Empresa de Celulose do Tejo, S.A.
(b) Formerly known as Bioródão, S.A.
(c) Company extinguished in 2021
(d) Company incorporated in 2021
(e) Company acquired in 2021
(f) Companies classified as held to distribute to shareholders in 31.12.2021

These companies were included in the Altri Group's consolidated financial statements using the full consolidation method, as disclosed in Note 2.2 a).

In July 2021, the subsidiary GreenVolt was listed on the stock exchange as a result of the Initial Public Offering (IPO). As a result of these operations, Altri Group now holds 58.72% of Greenvolt - Energias Renováveis, S.A. and its subsidiaries (Notes 5 and 7).

4.2 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Joint ventures and associates, registered offices, proportion of capital held, main activity and financial position as at 31 December 2021 and 2020 are as follows:

Company	Registered office	Statement of financial position		Effective shareholding percentage		Main activity
		2021	2020	2021	2020	
Pulpchem Logistics, A.C.E.	Lavos	—	—	50.00 %	50.00 %	Purchases of materials, subsidiary materials and services used in pulp and paper production processes
Afocelca - Agrupamento complementar de empresas para protecção contra incêndios, ACE	Herdade da Caniceira	—	—	35.20 %	35.20 %	Provision of forest fire prevention and fighting services
Investments in joint ventures		—	—			
Operfoz - Operadores do Porto da Figueira da Foz, Lda.	Figueira da Foz	758,652	755,583	33.33 %	33.33 %	Port operations
Investments in associates		758,652	755,583			
Total		758,652	755,583			

In the joint ventures presented, resolutions at the General Meeting are taken unanimously, and at the Board of Directors the number of members is equal or the resolutions are taken unanimously, with the parties having joint control. Joint ventures and associates have been included in the consolidated financial statements using the equity method, as indicated in Note 2.2 b).

The movements in the balance of this line item in the financial years ended 31 December 2021 and 2020 are detailed as follows:

	Statement of Financial position				Statement of Financial position	
	31.12.2021				31.12.2020	
	Operfoz	Perfecta Consumer Finance (a)	V-Ridium Group (b)	Total	Operfoz	Total
Opening balance	755,583	—	—	755,583	725,472	725,472
Acquisition of subsidiaries (Note 6)	—	602,589	2,169,953	2,772,542	—	—
Additions	—	571,650	3,207	574,857	—	—
Changes in currency exchange rate	—	—	(35,649)	(35,649)	—	—
Equity method:						
Effects on gains and losses pertaining to joint ventures and associates	3,069	16,498	(292,702)	(273,135)	30,111	30,111
Transfer to discontinued activities (Note 7)	—	(1,190,737)	(1,844,809)	(3,035,546)	—	—
Closing balance	758,652	—	—	758,652	755,583	755,583

(a) Investment in Perfecta Consumer Finance, S.L., is a joint venture acquired on the date of acquisition of Tresa Energia, S.L. (Perfecta Energia), and is 65% owned by this entity.

(b) Investments in the entities, Augusta Energy Sp. z o.o. Group, VRW 6 Żółkiewka Sp. z o.o., VRW 7 Kluczbork Sp. z o.o., CGE 25 Sp. z o.o. and CGE 36 Sp. z o.o., are joint ventures acquired via acquisition from V-Ridium Group on July 14, 2021, and are indirectly 50% owned by the subsidiary V-Ridium Power Group. And also investment in the entity Tarnawa Solar Park Sp. z o.o., this is a joint venture acquired after July 14, 2021 (the date of acquisition of V-Ridium Group), and is indirectly 51% owned by the subsidiary V-Ridium Power Group.

As at 31 December 2021 and 2020, the net book value of the Group’s investment in Operfoz is reconciled as follows:

	31.12.2021	31.12.2020
	Operfoz	Operfoz
Equity	2,275,957	2,266,752
Percentage of share capital held	33.33%	33.33%
The group's share quota in equity	758,652	755,583
Goodwill included in the net book value of the investment	—	—
	758,652	755,583

As of 31 December, 2021 and 2020, the summary financial information of joint ventures and associates, excluding investments that have been transferred to discontinued activities, can be detailed as follows:

	31.12.2021		31.12.2020	
	Associates	Joint ventures	Associates	Joint ventures
Non-current assets	4,072,877	1,984	3,740,920	1,004
Current assets	2,014,297	6,487,447	2,412,922	4,029,152
Non-current liabilities	2,197,833	—	2,183,133	—
Current liabilities	1,613,384	6,489,431	1,703,956	4,030,156
Equity	2,275,957	—	2,266,752	—
Turnover	5,369,121	37,000,334	5,486,642	29,143,165
Net profit for the year	9,205	—	90,334	—

The accounting policies used by these joint ventures and associates are not significantly different from those used by the Altri Group, and so there was no need to the harmonization of the accounting policies.

5. RESTATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated income statement for the year ended December 31, 2020 was restated, in accordance with IFRS 5, as a result of the classification of Greenvolt - Energias Renováveis, S.A. and its subsidiaries as a Group of assets classified as held for distribution to shareholders (Note 7). Thus, the impacts on the consolidated income statement for the year ended 2020 are related to the reclassification of its transactions to the caption "Profit after tax from discontinued operations".

As of December 31, 2020, the impacts of the restatement of the consolidated income statement is as follows:

	31.12.2020 (Before restatement)	Discontinued operations	31.12.2020 (After restatement)
Sales	604,505,125	48,794,321	555,710,804
Services rendered	4,075,916	(7,836,103)	11,912,019
Other income	7,067,647	(353,502)	7,421,149
Costs of sales	(287,335,449)	(386,792)	(286,948,657)
External supplies and services	(158,870,290)	(7,590,504)	(151,279,786)
Payroll expenses	(39,011,970)	—	(39,011,970)
Amortisation and depreciation	(76,905,946)	(14,691,595)	(62,214,351)
Fair value changes in biological assets	1,246,135	—	1,246,135
Provisions and impairment losses	1,754,786	41	1,754,745
Other expenses	(3,054,619)	(134,474)	(2,920,145)
Results related to investments	30,111	—	30,111
Financial expenses	(27,744,804)	(1,296,584)	(26,448,220)
Financial income	4,173,872	(239,989)	4,413,861
Earnings before taxes and CESE	29,930,514	16,264,819	13,665,695
Income tax	7,036,029	(4,120,313)	11,156,342
Energy sector extraordinary contribution (CESE)	(1,998,064)	(1,876,324)	(121,740)
Earnings after taxes and CESE	34,968,479	10,268,182	24,700,297
Profit after tax from discontinued operations	—	(10,268,182)	10,268,182
Consolidated net profit for the year	34,968,479	—	34,968,479

6. CHANGES IN THE CONSOLIDATION PERIMETER

During the period ended December 31, 2021, the following companies were acquired and incorporated:

Company	Registered office	Holding company	Held percentage as at the acquisition date	
			Direct	Effective
Greenvolt Energias Renovaveis Holdco Limited (a)	United Kingdom	Greenvolt- Energias Renováveis, S.A.	100.00%	58.72%
Lakeside Topco Limited (a)	United Kingdom	Greenvolt Energias Renovaveis Holdco Limited	51.00%	29.95%
Lakeside Bidco Limited (a)	United Kingdom	Lakeside Topco Limited	100.00%	29.95%
Tilbury Green Power Holdings Limited (b)	United Kingdom	Lakeside Bidco Limited	100.00%	29.95%
Tilbury Green Power Limited (b)	United Kingdom	Tilbury Green Power Holdings Limited	100.00%	29.95%
V-Ridium Power Group (b)	Poland	Greenvolt- Energias Renováveis, S.A.	100.00%	58.72%
Track Profit Energy, Lda (b)	Portugal	Greenvolt- Energias Renováveis, S.A.	70.00%	41.10%
Track Profit Energy II Invest, Unipessoal, Lda (b)	Portugal	Track Profit Energy, Lda	100.00%	41.10%
Tresa Energia, S. L. (b)	Spain	Greenvolt- Energias Renováveis, S.A.	42.19%	24.77%

(a) Company incorporated in 2021
(b) Company acquired in 2021

a. Tilbury Green Power Holdings Limited ("Tilbury")

The acquisition of 100% of Tilbury Green Power Holdings Limited, which holds Tilbury plant, through its subsidiary Tilbury Green Power Limited ("TGP"), was made by the subsidiary Lakeside Bidco Limited. The acquisition took place on 30 June 2021, so, as of 31 December 2021, the consolidated statement of financial position of the UK companies was considered, with reference to that date, and incorporated six months of the transactions and cash flows.

With reference to the acquisition date, the Group determined the fair value of the assets acquired and the liabilities assumed, based on a valuation made by two independent external entities. The fair value of the identifiable assets and liabilities at the acquisition date is presented as follows:

	At acquisition date		
Values in Euros	**Book values**	**Fair value adjustments**	**Net assets (fair value)**
Property, plant and equipment	161,852,711	42,803,756	204,656,467
Right-of-use assets	57,291,299	—	57,291,299
Intangible assets	—	45,312,045	45,312,045
Deferred tax assets	10,438,568	—	10,438,568
Trade receivables	2,617,293	—	2,617,293
Assets associated with contracts with customers	10,028,451	—	10,028,451
Other assets	1,974,305	—	1,974,305
Cash and cash equivalents	12,087,159	—	12,087,159
Bank loans	(109,605,501)	—	(109,605,501)
Derivative financial instruments	(8,145,161)	—	(8,145,161)
Shareholders loans	(172,588,200)	—	(172,588,200)
Lease liabilities	(57,291,299)	—	(57,291,299)
Provisions	(4,081,872)	—	(4,081,872)
Deferred tax liabilities	(3,261,000)	(21,546,215)	(24,807,215)
Trade payables	(7,239,826)	—	(7,239,826)
Other liabilities	(5,462,285)	—	(5,462,285)
Total net assets acquired	**(111,385,358)**	**66,569,586**	**(44,815,772)**
Non-controlling interests			—
Acquisition cost:			
Payment of Shares			(6,531,021)
Goodwill			**51,346,793**
Net Cash flow resulting from the acquisition (Note 20)			
Payment of Shares			(6,531,021)
Payment of Shareholders loans			(172,588,200)
Total of payments performed			**(179,119,221)**
Cash and cash equivalents acquired			12,087,159
			(167,032,062)

Book values in Euros	**Since the acquisition date**	**12 months (1)**
Sales and Services rendered	45,324,108	67,544,759
Net profit	5,843,485	38,398,281

(1) Unaudited figures, which are based on the individual statutory accounts of TGP and TGPH, disregarding any consolidation and IFRS conversion adjustments.

This biomass plant, with approximately 41.6 MW available for renewable generation, is one of the UK's largest plants of energy production through biomass from municipal waste wood. The plant operates with the generality of its revenues under the Renewables Obligation Certificates (ROCs) system. The ROC component of revenues evolves according to the Retail Price Index (RPI), and a derivative contract has been signed that sets this annual growth at 3.4532% until 2037 (Note 31). For the main cost items - biomass and operation and maintenance - long-term contracts are in place, which have fixed commercial conditions.

The subsidiary GreenVolt's international expansion strategy in the biomass business is based on the exportation of its technical competencies, namely operational excellence. This acquisition fits in subsidiary GreenVolt's strategic pillars, namely the international expansion, the diversification of investment styles and the reinforcement of the assets and competencies base.

Thus, a partnership was agreed with an investor from the United Kingdom (Equitix Investment Management Ltd), reserving for the subsidiary GreenVolt a 51% shareholding position.

In accordance with the agreement between the subsidiary GreenVolt and Equitix, the Board of Directors of Altri considers that it controls Tilbury in accordance with the principles of IFRS 10. As the relevant matters, as defined by the Board of Directors of Altri, are approved and/or controlled by Altri, through its subsidiary GreenVolt and the decisions where the approval of Equitix is required are deemed to be protective rights of Equitix. Therefore, these subsidiaries are included in Altri by the full consolidation method considering that the Group controls its relevant activities.

As at June 30, 2021, Altri recognised the non-controlling interests based on the share capital increase performed by Equitix on Lakeside Topco, subsidiary that holds 100% of Lakeside BidCo, amounting to 35.0 million Great British Pounds (approximately 40.8 million Euros), taking in consideration the fair value of the non-controlling interests at that date.

The acquired tangible fixed assets relate entirely to the assets allocated to the biomass power plant in the United Kingdom, whose construction was completed in January 2019. Therefore, a provision for dismantling and decommissioning of the plant was also recorded, to cover existing liabilities at the end of the useful life of the assets, relating to the physical dismantling of the plant, recovery of the land and other associated costs. Additionally, the balance of suppliers acquired is mainly related to amounts payable to suppliers responsible for the construction of the plant.

Regarding the right-of-use assets acquired, these relate to the land lease agreement, near the Port of Tilbury, which corresponds to the land where the power plant is located.

Finally, as part of the acquisition, an intangible asset was acquired, which relates to a supplementary agreement to the Power Purchase Agreement (signed on 23 March 2015) with ESB Independent Generation Trading Limited (ESB IGT), where part of the terms of the agreement are adjusted, which will benefit the company. In this sense, TGP made a payment of 17.2 million Great British Pounds (around 20.0 million Euros), which will be reflected in an increase in future revenues, as a result of the increase in the net energy sale price.

During 2021, the Group performed the purchase price allocation process. With reference to December 31, 2021, and following the referred valuation exercise, there are technical aspects that are under analysis, therefore, the goodwill calculation is provisional and may be altered depending on the conclusion of the referred valuation analysis. As at December 31, 2021, the difference between the price paid and the fair value of the assets acquired and the liabilities and contingent liabilities assumed was allocated to Goodwill.

The fair value was determined based on the Income Approach - excess earnings methodology, considered to be the most appropriate for the valuation of this type of companies. The main conclusions are detailed as follows:

- A fair value of Property, plant and equipment (building and equipment used in energy production) of 204,656 thousand Euros was calculated, following an appraisal performed by an expert valuer, using the Depreciated replacement cost methodology. This valuation originated a fair value adjustment in the amount of 42,804 thousand Euros and an associated deferred tax liability in the amount of 10,482 thousand Euros. Moreover, the Group reversed the impairment losses that had been recognised in Tilbury, in the years prior to the acquisition by GreenVolt, as it considered that the reasons that had led to the recognition of those impairments are no longer applicable. This reversal was supported by the valuation carried out by independent experts, as well as by the business plan and the current performance of the power plant.

- The identified intangible assets, totalling 45,312 thousand Euros, consisted of the existing energy sales contracts - Power Purchase Agreements and Renewables Obligation Certificates - which were valued using the Excess earnings methodology, generating a fair value adjustment in the same amount and an associated deferred tax liability of 11,065 thousand Euros. It should be noted that, based on the local tax framework, the Tax Amortisation Benefit was not considered by the appraiser.

At the acquistion date, deferred tax assets relating to previous tax credits of the subsidiary (totalling 10,439 thousand Euros), as well as deferred tax liabilities associated with temporary differences between the tax and accounting depreciation of the assets (totalling 3,261 thousand Euros), were also considered.

A goodwill was therefore calculated (100% pertaining to Tilbury, in the amount of 51.3 million Euros, which is supported by the Tilbury plant being in operation beyond 2037, until the end of the land lease where the plant is located in 2054), being the realisation supported by the business plan of the referred plant.

b. **V-Ridium Power Group Sp. Z.o.o. ("V-Ridium")**

The acquisition of 100% of V-Ridium Power Group Sp. Z.o.o. and its subsidiaries (Note 4) was carried out by the subsidiary Greenvolt - Energias Renováveis S.A. on July 14, 2021. The transaction was carried out through a capital increase in kind in the referred subsidiary, comprising all the shares of V-Ridium Power Group Sp. Z.o.o., and amounted to 56 million Euros, to which a contingent amount of approximately 14 million Euros should be added, which is expected to be fully paid in the year ended December 31, 2024, depending on various indicators related to the future evolution of the subsidiary and retention of the key managers. In view of the agreement and nature of this amount payable, the Group's Board of Directors considered the discounted amount for the acquisition date as part of the price paid for the shares.

Altri, through GreenVolt, therefore became the holder of the entire share capital and voting rights of V-Ridium Power Group, with V-Ridium Europe (former shareholder of V-Ridium Power Group) becoming the holder of a qualifying holding in the capital of the subsidiary GreenVolt (Note 22).

The fair value of the identifiable assets and liabilities at the acquisition date amount to 9,639 thousand Euros and is presented as follows:

	At acquisition date		
Values in Euros	**Book values**	**Fair value adjustments**	**Net assets (fair value)**
Property, plant and equipment	1,027,663	5,080,717	6,108,380
Right-of-use assets	580,894	—	580,894
Intangible assets	85,387	—	85,387
Deferred tax assets	420,005	—	420,005
Trade receivables	424,010	—	424,010
Investments in joint ventures	1,217,186	952,767	2,169,953
Other receivables	1,981,149	—	1,981,149
State and other public entities	222,545	—	222,545
Other assets	324,018	—	324,018
Cash and cash equivalents	1,020,787	—	1,020,787
Lease liabilities	(580,894)	—	(580,894)
Trade and other payables	(1,606,544)	—	(1,606,544)
Deferred tax liabilities	(1,893)	(965,336)	(967,229)
Other liabilities	(543,435)	—	(543,435)
Total net assets acquired	**4,570,878**	**5,068,148**	**9,639,026**
Non-controlling interests			—
Acquisition cost:			
Share capital increase through contributions in kind (Note 22)			(56,000,000)
Contingent consideration liability			(13,443,992)
			(69,443,992)
Goodwill			**59,804,966**
Net Cash flow resulting from the acquisition (Note 20)			
Payments performed			—
Cash and cash equivalents acquired			1,020,787
			1,020,787

Book values in Euros	Since the acquisition date	12 months (1)
Sales, Services rendered and Other income	1,839,269	7,950,533
Net profit	(2,412,057)	423,152

(1) Unaudited figures

The acquisition of V-Ridium is part of the subsidiary GreenVolt's strategy of positioning itself upstream in the value chain of the wind and photovoltaic energy business, specifically in the project development business, where profitability is higher and where the needs capital are smaller.

Regarding the joint venture Augusta Energy Sp. z o.o. and considering that the Group has 10 subsidiaries (including the parent company), the equity method was applied to the consolidated financial statements.

As mentioned, V-Ridium is mainly dedicated to the development of wind and solar projects, up to the Ready to Build phase, when the sale will take place. In some cases, the company may also carry out the construction of plants, until they reach the Commercial Operation Date (COD) (sale of energy to the grid). V-Ridium, through its subsidiary V-Ridium Power Services, also provides Asset Management, Accounting and Administrative services to third parties.

At the acquisition date, the tangible fixed assets acquired mainly concern the assets in progress associated with the projects that V-Ridium is developing. In relation to acquired assets under right of use, these essentially concern the payments for land associated with the same projects.

At the acquisition date, the Group determined the fair value of the assets acquired and the liabilities and contingent liabilities assumed, based on an internal valuation using the Discounted cash flows methodology.

The cash flows associated to the assets (having been analysed the portfolio of projects existing at the acquisition date) were estimated through the sale price of the projects at the Ready to build date (values per MW) and the expected operating costs until this date (development expenditure). The valuation obtained was weighted by the expected success rate for each project, attributed according to its stage of development ("milestones", such as obtaining environmental licenses, grid connection, secured leases, among others). The cash flows after taxes were subsequently discounted at a rate of 7% (weighted average cost of capital), which takes into account the country risk and the associated business risk.

This exercise was equally performed in the valuation of the joint ventures owned by V-Ridium, through the sum of the parts method.

The determination of the fair value of the assets implied the recognition of deferred tax liabilities in the amount of 965 thousand Euros.

During the period ended December 31, 2021, the Group recorded the purchase price allocation process on a definitive basis, with the difference between the price paid and the fair value of the assets acquired and the liabilities and contingent liabilities assumed being allocated to Goodwill.

A goodwill amounting to 59.8 million Euros was therefore calculated, considering V-Ridium’s team expected capacity to generate and sell projects.

After the acquisition of V-Ridium by GreenVolt Group, on July 14, 2021, a number of subsidiaries were acquired directly by V-Ridium Group (Note 4). For these acquisitions, the concentration test was carried out, as set forth in IFRS 3 – Business Combinations, and it was concluded that seven of the acquired subsidiaries, due to the nature of the transactions, the type of assets acquired and the initial stage of completion of the projects, they correspond to acquisitions of assets, with intangible assets in progress being recognised in the consolidated financial statements. Additionally, associated with these projects, approximately 12,1 million Euros were recognised under the caption “Other payables”, related to success fees payable to investment suppliers. The entire amount was classified as a current liability, to the extent that the enforceability of this liability is subject to the fulfilment of a set of milestones and compliance by third parties, even though it is closely related to the acquired assets and their characteristics. Although it is estimated that these milestones will be reached in a phased manner until 2023, they are not subject to an unconditional right on the part of the Group to defer payment for a period exceeding 12 months, and therefore were recognised in current liabilities.

In the case of the other acquired subsidiaries, it was concluded that we were dealing with business combinations, having been recognised a residual value of Goodwill as at December 31, 2021, as a result of these acquisitions, in the total amount of 339,600 Euros.

c. **Track Profit Energy and Track Profit II Invest ("Profit")**

The acquisition of 70% of the companies Track Profit Energy and Track Profit II Invest was carried out by the subsidiary GreenVolt on August 24, 2021. The acquisition value, at that date, amounted to approximately 2.3 million Euros, plus a contingent amount of approximately 2.3 million Euros, which are expected to be paid in full by the end of the year ended December 31, 2026, depending on the performance of the subsidiary.

The fair value of the identifiable assets and liabilities at the acquisition date is presented as follows:

	At acquisition date		
Values in Euros	**Book values**	**Fair value adjustments**	**Net assets (fair value)**
Property, plant and equipment	476,446	—	476,446
Right-of-use assets	423,268	—	423,268
Intangible assets	—	625,195	625,195
Deferred tax assets	73,962	—	73,962
Trade receivables	1,743,812	—	1,743,812
Other investments	134,518	—	134,518
Other assets	1,680,577	—	1,680,577
Cash and cash equivalents	529,266	—	529,266
Bank loans	(278,281)	—	(278,281)
Income tax	(89,000)	—	(89,000)
Lease liabilities	(447,255)	—	(447,255)
Trade payables	(807,829)	—	(807,829)
Deferred tax liabilities	—	(140,669)	(140,669)
Other liabilities	(1,965,006)	—	(1,965,006)
Total net assets acquired	**1,474,478**	**484,526**	**1,959,004**
Non-controlling interests			587,701
Acquisition cost:			
Payment of Shares			(2,349,250)
Contingent consideration liability			(2,294,796)
			(4,644,046)
Goodwill			**3,272,744**
Net Cash flow resulting from the acquisition (Note 20)			
Payments performed			(2,349,250)
Cash and cash equivalents acquired			529,266
			(1,819,984)

Book values in Euros	**Since the acquisition date**	**12 months (1)**
Sales and services rendered	5,369,883	10,263,547
Net profit	294,116	660,558

(1) Unaudited figures

The acquisition of Profit stems from the subsidiary GreenVolt's growth strategy in the distributed electricity generation business, which has been experiencing strong growth in recent years and in which the subsidiary GreenVolt intends to have a significant presence in the Iberian market.

At the acquisition date, the subsidiary GreenVolt recognised the fair value of the non-controlling interests, in the amount of 587,701 Euros, which corresponds to the fair value of the net assets on the acquisition date. After the acquisition, a capital increase was carried out by the minority shareholders, in the amount of 330,000 Euros, which the subsidiary GreenVolt followed in its share (70%), the total amount corresponding to 1,100,000 Euros, increasing the value of the non-controlling interests to the amount of 917,701 Euros.

During the period ended December 31, 2021, the Group recorded the purchase price allocation process on a definitive basis, with the difference between the price paid and the fair value of the assets acquired and the liabilities and contingent liabilities assumed being allocated to Goodwill.

At the acquisition date, the Group determined the fair value of the assets acquired and the liabilities and contingent liabilities assumed, which estimated a fair value of 1,959 thousand Euros. Based on an internal valuation, the existing orders and projects' portfolio at the acquisition date was valued by applying the expected margin to the backlog of contracts at the same date, net of a standard margin for the work execution (in terms of subcontracting).

The determination of the fair value of the assets implied the recognition of deferred tax liabilities in the amount of 140,669 Euros.

A goodwill amounting to 3.3 million Euros was therefore calculated, considering Profit's team expected capacity to develop the company's backlog.

d. Tresa Energía ("Perfecta")

The acquisition of 42.19% of the company Tresa Energía, which holds a stake of 65% in Perfecta Consumer Finance, was carried out by the subsidiary GreenVolt on October 25, 2021. The acquisition value, at that date, amounted to approximately 13.7 million Euros.

The effects of this acquisition on the consolidated financial statements are detailed as follows:

	At acquisition date
Values in Euros	**Book values**
Property, plant and equipment	5,158
Intangible assets	85,640
Deferred tax assets	175,241
Trade receivables	1,377,944
Investments in joint ventures	602,589
Other assets	2,115,972
Cash and cash equivalents	8,983,871
Bank loans	(250,540)
Trade payables	(1,704,703)
Other liabilities	(389,327)
Total net assets acquired	**11,001,845**
Non-controlling interests	6,360,167
Acquisition cost:	
Payment of Shares	(13,673,348)
	(13,673,348)
Goodwill	**9,031,669**
Net Cash flow resulting from the acquisition (Note 20)	

Payments performed	(13,673,348)
Cash and cash equivalents acquired	8,983,871
	(4,689,477)

Book values in Euros	Since the acquisition date	12 months (1)
Sales and Services rendered	2,945,087	9,185,799
Net profit	(330,478)	(2,123,681)

(1) Unaudited figures

The acquisition of Perfecta Energía was therefore completed in the last quarter of 2021, with the subsidiary GreenVolt holding an option to acquire the remaining capital, which can be exercised under certain conditions, which lead to the subsidiary being consolidated by the integral method.

As at the date of presentation of these consolidated financial statements, and given that the acquisition was completed at the end of October 2021, the fair value allocation exercise is ongoing under IFRS 3, having been allocated to Goodwill the difference resulting from the acquisition (price paid vs. value of assets acquired and liabilities assumed), in the amount of 9,031,669 Euros. The purchase price allocation process will be concluded within the period up to one year starting from the acquisition date, as permitted by IFRS 3.

The acquisition of Perfecta stems from the subsidiary GreenVolt's growth strategy in the distributed electricity generation business, which has been experiencing strong growth in recent years and in which the subsidiary GreenVolt intends to have a significant presence in the Iberian market.

The acquisition comprised the purchase of an initial stake of 14.31% from the previous shareholder Creas Impacto Fese, S.A., and the subsequent subscription of new shares through a capital increase of 8,673,348 Euros. At the acquisition date, the subsidiary GreenVolt recognised the fair value of the non-controlling interests, in the amount of 6,360,167 Euros, which corresponds to the fair value of the net assets at the acquisition date.

Perfecta Energía holds a 65% stake in the company Perfecta Consumer Finance, which is recognized according to the equity method, since, in accordance with the terms of the agreement between Perfecta and the minority shareholder of Perfecta Consumer Finance, the Board of Directors considers that this company is a joint venture (Note 4).

The impacts arising from each of the aforementioned acquisitions are as follows:

	Tilbury Green Power	V-Ridium	Profit Energy	Perfecta Energia	V-Ridium Group (1)	Total
Goodwill (Note 11)	51,346,793	59,804,966	3,272,744	9,031,669	339,600	**123,795,772**
Investments in subsidiaries net of cash and cash equivalents acquired (Note 20)	(167,032,062)	—	(1,819,984)	(4,689,477)	(577,438)	**(174,118,961)**
Cash and cash equivalents acquired	—	1,020,787	—	—	—	**1,020,787**

(1) Acquisitions made by V-Ridium Group after acquisition by subsidiary GreenVolt

As of December 31, 2021, these acquisitions are presented as discontinued activities (Note 7).

Additionally, effective March 31, 2021, the companies Ribatejo Green, Lda, Amieira Green, Lda, Piara Solar, Lda and Maior Green, Lda, which represented a residual contribution in the Group, were liquidated.

7. DISCONTINUED ACTIVITIES

In July 2021, the subsidiary GreenVolt was listed on the stock exchange as a result of the Initial Public Offering (IPO). As a result of this operation, Altri Group now owns 58.72% of Greenvolt - Energias Renováveis, S.A. and its subsidiaries.

The Altri Group carried out a study regarding the optimization of its shareholding in its subsidiary GREENVOLT - ENERGIAS RENOVÁVEIS, S.A., which, after analyzing the impacts and advantages of a full separation of the pulp and renewable energy businesses, concluded that such separation would be feasible as it would provide an adequate response to the optimized evolution of the companies concerned, adjusted to the underlying reality of their businesses and their evolutionary perspectives. Altri's Board of Directors will propose, at the Annual General Meeting of 2022, the distribution to Altri's shareholders of a maximum number of shares corresponding to 52,523,229 shares of GreenVolt, which corresponds to the shareholding that Altri currently holds directly. It is the understanding of Altri's Board of Directors that the proposed distribution will be approved by the Company's shareholders, primarily because the Board believes that the shareholders will not only agree, but also consider essential, for the reasons already mentioned, the total separation of the pulp business from the renewable energy business. The delivery of shares to shareholders will take place, hopefully, in a period never exceeding 30 days from the date of the resolution (i.e., in a period always less than 12 months after December 31, 2021). Accordingly, GreenVolt and its subsidiaries are presented in this consolidated financial information as a group of assets classified as held for distribution to shareholders as of December 31, 2021 (Note 5).

In accordance with IFRS 5, all the activites of Greenvolt - Energias Renováveis, S.A. and its subsidiaries were presented under "Profit after tax from discontinued activities" in the consolidated income statement for the year ended December 31, 2021, with the information for the year ended December 31, 2020 having been restated.

At December 31, 2021, the results from discontinued operations are as follows:

	31.12.2021
Sales	93,255,057
Services rendered	3,267,717
Other income	214,470
Costs of sales	(8,365,735)
External supplies and services	(24,938,631)
Payroll expenses	(6,442,375)
Amortisation and depreciation	(27,377,188)
Provisions and impairment losses	(150,908)
Other expenses	(589,357)
Results related to investments	(276,204)
Financial expenses	(8,792,297)
Financial income	708,981
Earnings before taxes and CESE of discontinued operations	20,513,530
Income tax	(7,946,225)
Energy sector extraordinary contribution (CESE)	(1,015,013)
Earnings after taxes and CESE of discontinued operations	11,552,292

It is the Group's expectation that transactions between continuing operations and discontinued operations, namely sales of biomass and operation and maintenance services, will continue after distribution, which is why the income and expenses in the discontinued activities line have been eliminated. It is the Group's understanding that this disclosure best represents the activity of continuing operations after distribution. The amount of income from transactions between continuing and discontinued operations is approximately 44.8 million Euros at December 31, 2021 and 46.5 million Euros at December 31, 2020 (Note 5).

As of December 31, 2021, the main assets and liabilities of the discontinued activities present the following detail:

	31.12.2021
Property, plant and equipment	368,531,840
Goodwill	123,900,405
Intangible assets	130,300,986
Cash and cash equivalents	258,757,013
Bank loans	(166,946,092)
Other loans	(232,592,218)
Other net liabilities	(91,466,756)
Total net assets	390,485,178
Group of assets classified as held for distribution to shareholders	1,039,610,758
Liabilities directly associated with the group of assets classified as held for distribution to shareholders	(649,125,580)
Total recognised in the statement of financial position	390,485,178
Hedging reserve	(8,072,375)
Exchange rate reserve	238,529
Amounts recognized in other comprehensive income and accumulated in equity related to group of assets classified as held for distribution to shareholders	(7,833,846)

As of December 31, 2021, cash flows from discontinued activities show the following detail:

	31.12.2021
Cash flows generated by operating activities	28,203,613
Cash flows generated by investment activities	(235,360,867)
Cash flows generated by financing activities	450,719,568

8. FINANCIAL INSTRUMENTS BY CLASS

In accordance with the accounting policies described under Note 2.3.l), financial instruments were classified as follows:

31 December 2021	Financial assets recorded at amortised cost	Assets recorded at fair value through other comprehensive income	Total
Non-current assets			
Derivative financial instruments	—	163,618	163,618
	—	163,618	163,618
Current assets			
Trade receivables	100,495,090	—	100,495,090
Assets associated with contracts with customers	—	—	—
Other receivables	2,524,332	—	2,524,332
Other current assets	4,003,683	—	4,003,683
Derivative financial instruments	—	1,130,725	1,130,725
Cash and cash equivalents	238,937,382	—	238,937,382
	345,960,487	1,130,725	347,091,212
	345,960,487	1,294,343	347,254,830

31 December 2020	Financial assets recorded at amortised cost	Assets recorded at fair value through other comprehensive income	Total
Non-current assets			
Derivative financial instruments	—	—	—
	—	—	—
Current assets			
Trade receivables	64,149,699	—	64,149,699
Assets associated with contracts with customers	7,476,825	—	7,476,825
Other receivables	3,424,833	—	3,424,833
Other current assets	28,498	—	28,498
Derivative financial instruments	—	7,313,870	7,313,870
Cash and cash equivalents	254,568,719	—	254,568,719
	329,648,574	7,313,870	336,962,444
	329,648,574	7,313,870	336,962,444

31 December 2021	Financial liabilities recorded at amortised cost	Liabilities recorded at fair value through other comprehensive income	Total
Non-current liabilities			
Bank loans	—	—	—
Other loans	458,218,797	—	458,218,797
Reimbursable government grants	2,288,430	—	2,288,430
Lease liabilities	62,858,948	—	62,858,948
Derivative financial instruments	—	540,350	540,350
	523,366,175	540,350	523,906,525
Current liabilities			
Bank loans	27,584,583	—	27,584,583
Other loans	96,527,385	—	96,527,385
Reimbursable government grants	653,837	—	653,837
Lease liabilities	10,255,602	—	10,255,602
Trade payables	134,741,292	—	134,741,292
Liabilities associated with contracts with customers	5,347,173	—	5,347,173
Other payables	9,364,492	—	9,364,492
Other current liabilities	26,554,285	—	26,554,285
Derivative financial instruments	—	3,099,150	3,099,150
	311,028,649	3,099,150	314,127,799
	834,394,824	3,639,500	838,034,324

31 December 2020	Financial liabilities recorded at amortised cost	Liabilities recorded at fair value through other comprehensive income	Total
Non-current liabilities			
Bank loans	27,500,000	—	27,500,000
Other loans	532,417,574	—	532,417,574
Reimbursable government grants	2,942,267	—	2,942,267
Lease liabilities	65,461,849	—	65,461,849
Derivative financial instruments	—	1,053,386	1,053,386
	628,321,690	1,053,386	629,375,076
Current liabilities			
Bank loans	2,135,970	—	2,135,970
Other loans	168,869,728	—	168,869,728
Reimbursable government grants	2,847,177	—	2,847,177
Lease liabilities	9,588,771	—	9,588,771
Trade payables	104,104,493	—	104,104,493
Liabilities associated with contracts with customers	3,641,936	—	3,641,936
Other payables	9,622,374	—	9,622,374
Other current liabilities	17,448,463	—	17,448,463
Derivative financial instruments	—	362,661	362,661
	318,258,912	362,661	318,621,573
	946,580,602	1,416,047	947,996,649

Financial instruments measured at fair value

The following table shows the financial instruments that are measured at fair value after initial recognition, grouped into three levels according to the possibility of observing its fair value in the market:

	31.12.2021			31.12.2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value:						
Derivatives (Note 31)	—	1,294,343	—	—	7,313,870	—
Financial liabilities measured at fair value:						
Derivatives (Note 31)	—	3,639,500	—	—	1,416,047	—

As at 31 December 2021 and 2020, there are no financial assets whose terms have been renegotiated and which, if not, would fall due or impaired.

9. PROPERTY, PLANT AND EQUIPMENT

During the financial years ended 31 December 2021 and 2020, the movement occurred in the value of property, plant and equipment, as well as in the corresponding depreciation and accumulated impairment losses, was as follows:

2021

Asset gross value

	Land and natural resources	Building and other edifications	Plant and equipment	Vehicles	Office equipment	Other tangible assets	Property, plant and equipment in progress	Advanced payments on fixed assets	Total
Opening balance	36,528,911	104,206,092	1,418,377,695	4,368,429	11,128,116	14,685,013	18,192,695	652,315	1,608,139,266
Acquisition of subsidiaries (Note 6)	80,000	—	204,659,550	87,280	101,946	326,233	5,991,442	—	211,246,451
Additions	4,069,280	157,924	5,980,390	427,595	266,463	287,933	35,273,753	—	46,463,338
Disposals and write-offs	(5,895)	(280,851)	(5,515,449)	(179,887)	(192,509)	(1,039)	—	—	(6,175,630)
Transfers	199,999	877,159	23,986,489	500	164,760	114,162	(25,343,069)	—	—
Changes in currency exchange rate	—	—	4,359,312	(1,027)	(1,644)	(1,278)	(99,616)	—	4,255,747
Transfer to discontinued activities (Note 7)	(817,956)	(277,931)	(489,291,217)	(284,866)	(177,175)	(3,535,352)	(15,124,261)	(169,484)	(509,678,242)
Closing balance	40,054,339	104,682,393	1,162,556,770	4,418,024	11,289,957	11,875,672	18,890,944	482,831	1,354,250,930

Accumulated depreciation and impairment losses

	Land and natural resources	Building and other edifications	Plant and equipment	Vehicles	Office equipment	Other tangible assets			Total
Opening balance	8,985,491	86,942,022	964,040,798	3,464,862	10,273,497	10,924,697			1,084,631,367
Additions	258,679	1,395,520	72,038,942	308,811	538,944	255,942			74,796,838
Disposals and write-offs	—	(279,725)	(5,255,716)	(175,958)	(192,509)	(1,039)			(5,904,947)
Transfers	—	—	—	—	—	—			—
Changes in currency exchange rate	—	—	79,929	(7)	(17)	(22)			79,883
Transfer to discontinued activities (Note 7)	—	(199,371)	(140,583,545)	(171,429)	(28,711)	(163,346)			(141,146,402)
Closing balance	9,244,170	87,858,446	890,320,408	3,426,279	10,591,204	11,016,232			1,012,456,739
	30,810,169	16,823,947	272,236,362	991,745	698,753	859,440	18,890,944	482,831	341,794,191

2020

Asset gross value

	Land and natural resources	Building and other edifications	Plant and equipment	Vehicles	Office equipment	Other tangible assets	Property, plant and equipment in progress	Advanced payments on fixed assets	Total
Opening balance	31,923,592	103,631,894	1,406,539,351	4,523,421	10,135,814	14,023,935	10,631,228	484,980	1,581,894,215
Additions	4,603,168	200,490	7,268,997	153,569	179,798	102,822	20,434,498	—	32,943,342
Disposals and write-offs	—	—	(6,106,212)	(310,915)	(8,767)	(32,884)	—	—	(6,458,778)
Transfers	2,151	373,708	10,675,559	2,354	821,271	591,140	(12,873,031)	167,335	(239,513)
Closing balance	36,528,911	104,206,092	1,418,377,695	4,368,429	11,128,116	14,685,013	18,192,695	652,315	1,608,139,266

Accumulated depreciation and impairment losses

	Land and natural resources	Building and other edifications	Plant and equipment	Vehicles	Office equipment	Other tangible assets			Total
Opening balance	8,720,733	85,565,585	908,428,775	3,489,520	9,782,183	10,618,387			1,026,605,183
Additions	264,758	1,376,700	61,718,235	287,643	499,611	339,194			64,486,141
Disposals and write-offs	—	—	(6,106,212)	(310,915)	(8,767)	(32,884)			(6,458,778)
Transfers	—	(263)	—	(1,386)	470	—			(1,179)
Closing balance	8,985,491	86,942,022	964,040,798	3,464,862	10,273,497	10,924,697			1,084,631,367
	27,543,420	17,264,070	454,336,897	903,567	854,619	3,760,316	18,192,695	652,315	523,507,899

During the years ended December 31, 2021 and 2020, depreciation for the year amounted to 53,733,384 Euros and 52,538,268 Euros, respectively, and was recorded in the income statement caption "Amortisation and depreciation" (Note 39). At December 31, 2021 and 2020, the remaining amount between what was recorded in the income statement and the amount shown under the caption "Additions", relates to the impact of discontinued activities in the amount of approximately 21.1 million Euros (Note 7) and 11.9 million Euros (Note 5), respectively.

At December 31, 2021 and 2020 no financial charges were capitalized.

At December 31, 2021, the acquisitions in the period were mainly made by the three pulp production units of the Group (Celbi, Caima Indústria and Biotek) and by the subsidiary Altri Florestal, S.A.. In the Celbi production unit, the increase is related to the investment in the sawdust digester, which will increase the efficiency of the production process, increase the production capacity and decrease the specific consumption of raw material. At Caima's production unit, the project to upgrade the washing and bleaching equipment was concluded. Throughout the three pulp production units of the Altri Group, there is continued investment in reducing environmental impacts and in projects to improve the efficiency of the production process. In the subsidiary Altri Florestal, there were investments in land and properties of eucalyptus plantations.

As of December 31, 2020, acquisitions in the period were mainly made by the Group's three pulp production units, namely Celbi, Caima Indústria and Biotek. In the Altri Group's pulp production units, investment continued to be made to improve the efficiency of the production process by improving the washing and bleaching process in Caima, the installation of a new finishing line in Celbi, and in projects to improve the production process and reduce environmental impacts in Biotek.

The disposal/write-off of equipment in the year refers essentially to assets that were practically depreciated.

As at 31 December 2021 and 2020, the line item 'Property, plant and equipment in progress' refers to the following projects:

	31.12.2021	31.12.2020
Sawdust digester	6,781,960	1,913,126
Development of projects	4,060,000	—
Biomass boiler	2,839,900	—
Sieves for removing solids	1,351,148	1,351,148
Main Transformer Boost	865,297	—
Manufacturing optimisation	477,644	2,889,754
Remodeling of operational facilities	343,931	136,434
Furnace leds and chambers	237,887	161,003
Primary heating cassettes	169,346	100,554
Factory effluent cooling	132,432	917,869
Upgraded Washing and Bleaching	—	5,958,482
Collect diffuse emissions	—	1,840,101
Increase in production capacity	—	1,006,700
New turbine	—	893,244
Sprinklers to mitigate the risk of fire	—	159,517
Artificial vision	—	143,640
Other projects	1,631,399	721,123
	18,890,944	18,192,695

10. RIGHT-OF-USE

10.1. RIGHT-OF-USE ASSETS

During the financial year ended 31 December 2021 and 2020, the movement that occurred in the amount of right-of-use assets, as well as the corresponding depreciation, was detailed as follows:

	2021					
	Asset gross value					
	Land and nature resources	Buildings and other edifications	Plant and machinery	Vehicles	Wood yards	Total
Opening balance	136,684,199	28,552	19,477,999	6,408,566	535,986	163,135,302
Acquisition of subsidiaries (Note 6)	57,291,299	640,579	—	363,583	—	58,295,461
Additions	8,653,636	248,601	11,070	564,172	58,818	9,536,297
Disposals and write-offs	(5,050,773)	—	—	(338,764)	—	(5,389,537)
Reclassifications	—	—	2,993	1,852	—	4,845
Changes in currency exchange rate	1,221,329	(6,327)	—	(3,448)	—	1,211,554
Transfer to discontinued activities (Note 7)	(59,336,105)	(679,679)	—	(625,921)	—	(60,641,705)
Closing balance	139,463,585	231,726	19,492,062	6,370,040	594,804	166,152,217

	Accumulated depreciation					
	Land and nature resources	Buildings and other edifications	Plant and machinery	Vehicles	Wood yards	Total
Opening balance	77,349,982	20,220	15,530,484	4,470,249	301,709	97,672,644
Additions	8,253,505	94,698	1,388,571	1,104,095	119,095	10,959,964
Disposals and write-offs	(5,050,773)	—	—	(291,458)	—	(5,342,231)
Changes in currency exchange rate	11,972	(55)	—	(47)	—	11,870
Transfer to discontinued activities (Note 7)	(978,305)	(58,008)	—	(75,347)	—	(1,111,660)
Closing balance	79,586,381	56,855	16,919,055	5,207,492	420,804	102,190,587
	59,877,204	174,871	2,573,007	1,162,548	174,000	63,961,630

	2020					
	Asset gross value					
	Land and nature resources	Buildings and other edifications	Plant and machinery	Vehicles	Wood yards	Total
Opening balance	132,443,164	28,552	19,718,930	5,635,038	115,867	157,941,551
Additions	4,546,093	—	20,789	511,808	115,061	5,193,751
Reclassifications	(305,058)	—	(261,720)	261,720	305,058	—
Closing balance	136,684,199	28,552	19,477,999	6,408,566	535,986	163,135,302

	Accumulated depreciation					
	Land and nature resources	Buildings and other edifications	Plant and machinery	Vehicles	Wood yards	Total
Opening balance	70,575,179	12,978	14,225,576	3,466,365	60,348	88,340,446
Additions	6,894,020	7,242	1,381,640	927,152	122,144	9,332,198
Reclassifications	(119,217)	—	(76,732)	76,732	119,217	—
Closing balance	77,349,982	20,220	15,530,484	4,470,249	301,709	97,672,644
	59,334,217	8,332	3,947,515	1,938,317	234,277	65,462,658

During the years ended December 31, 2021 and 2020, depreciation for the year amounted to 9,860,173 Euros and 9,332,198 Euros, respectively, and was recorded in the income statement caption "Amortisation and depreciation" (Note 39). As of December 31, 2021, the remaining amount between what was recorded in the income statement and the amount shown under the caption "Additions", relates to the impact of discontinued activities in the amount of approximately 1.1 million Euros (Note 7).

The line item 'Land and natural resources' basically concerns lease agreements associated with forest land where the Group's Biological Assets are located. The lease contracts included in this item have an average duration of more than 10 years, and according to the term of each contract, an interval for the incremental interest rate of 1.1% to 5.1% was considered.

The item "Plant and machinery" essentially refers to asset lease contracts related to operational activity in the production of subsidiary materials used in the pulp production process. The lease contracts included in this caption have an average duration of 3 years, and according to the term of each contract, an interval for the incremental interest rate of 1.9% to 2.3% was considered.

The item "Vehicles" refers to car rental contracts and vehicles with high tonnage handling. The lease contracts included in this item have an average duration of 4 years, and according to the term of each contract, an interval for the incremental interest rate of 1.4% to 2.8% was considered.

10.2. LEASE LIABILITIES

During the financial year ended as of 31 December 2021 and 2020, the movement in lease liabilities was as follows:

	31.12.2021	31.12.2020
Opening balance	75,050,620	79,708,400
Acquisition of subsidiaries (Note 6)	58,319,448	—
Additions	9,536,297	5,193,751
Accrued interest	3,759,050	2,578,098
Payments	(13,934,674)	(12,429,629)
Changes in currency exchange rate	1,205,330	—
Other effects	(387,045)	—
Transfer to discontinued activities (Note 7)	(60,434,476)	—
Closing balance	73,114,550	75,050,620
Current	10,255,602	9,588,771
Non-current	62,858,948	65,461,849

In addition, the following amounts were recognised in 2021 and 2020 as expenses related to right-of-use assets:

	31.12.2021	31.12.2020 (Restated)
Depreciation of right-of-use assets (Note 39)	9,860,173	9,332,198
Interest expenses related to lease liabilities (Note 38)	2,491,768	2,578,098
Expenses related to short-term leases	649,771	729,253
Expenses related to leases associated with low-value assets	115,881	132,423
Variable lease payments	542,827	543,246
Total amount recognised in the profit-and-loss account	13,660,420	13,315,218

The maturity of the lease liabilities is as follows:

	31.12.2021					
	2022	2023	2024	2025	>2025	Total
Lease Liabilities	10,255,602	9,205,380	8,321,594	8,094,228	37,237,746	73,114,550
	10,255,602	9,205,380	8,321,594	8,094,228	37,237,746	73,114,550

	31.12.2020					
	2021	2022	2023	2024	>2024	Total
Lease Liabilities	9,588,771	9,678,779	8,493,085	7,801,234	39,488,751	75,050,620
	9,588,771	9,678,779	8,493,085	7,801,234	39,488,751	75,050,620

11. GOODWILL

During the financial years ended 31 December 2021 and 2020, the movement that occurred in Goodwill was as follows:

	31.12.2021	31.12.2020
Opening balance	265,630,973	265,630,973
Acquisition of subsidiaries (Note 6)	123,795,772	—
Changes in currency exchange rate	104,633	—
Transfer to discontinued activities (Note 7)	(123,900,405)	—
Closing balance	265,630,973	265,630,973

As at 31 December 2021 and 2020, the line item 'Goodwill' was composed of the following:

	31.12.2021	31.12.2020
Celbi	253,391,251	253,391,251
Others	12,239,722	12,239,722
	265,630,973	265,630,973

Goodwill is entirely associated with the activity under pulp production (Note 41). The division of Goodwill between Celbi and Others arises from the Group's history of acquisitions, and basically of acquisition transactions by subsidiaries Celbi (Goodwill shown as 'Celbi'), Biotek and Caima (Goodwill shown as 'Others').

The Goodwill is not depreciated, while impairment tests are performed annually and whenever an event or a change in circumstances is identified as showing that the amount at which the asset is recorded may not be recovered. Whenever the amount at which the asset is recorded is higher than its recoverable amount, an impairment loss is recognised. The recoverable amount is either the net sales price or the value in use, whichever is higher. During the financial years ended 31 December 2021 and 2020, no impairment losses pertaining to Goodwill were recorded.

In the 2021 financial year, in order to assess whether or not there was impairment for Goodwill resulting from the acquisition of Celulose Beira Industrial (Celbi), S.A. in the 2006 financial year, in the amount of EUR 253.391.251, the Group evaluated this subsidiary, and concluded that there was no impairment. The evaluation was conducted based on Celbi's historical performance and on an estimated discounted cash flows, on the basis of Celbi's five-year business plan and having considered a medium and long-term sales price of pulp, not influenced by short-term positive or negative fluctuations.

In relation to Goodwill presented in “Others”, in order to assess the existence or not of impairment losses with reference to 31 December 2021, the Group also carried out the valuation of the subsidiaries Caima and Biotek, having concluded that there was no impairment at that Goodwill level. The valuations were carried out based on the historical performance of these entities and on an estimate of discounted cash flows based on Caima and Biotek's five-year business plans and considered a medium and long-term sale price of pulp, not influenced by short-term positive or negative fluctuations.

As mentioned under Note 2.4 f), the relevant assumption relates to determining the discount rate. The inflation rate and the growth rate in perpetuity result from the Group's understanding of future perspectives for changing prices and activity.

The main assumptions used in this calculation with reference to 31 December 2021 and 2020 were the following:

	2021	2020
Inflation rate	1.28%	1.02%
Discount rate	6.09%	6.55%
Growth rate in perpetuity	2.00%	2.00%

The discount rate net of tax (because the cash flows used in the financial projections are also net of tax) used in the financial year ended 31 December 2021 was 6.09% (6.55% in 2020), which was calculated based on the WACC (Weighted Average Cost of Capital) methodology, considering the following assumptions:

	2021	2020
Risk-free interest rate	0.35%	0.06%
Equity risk premium	4.38%	4.72%
Debt risk premium	3.50%	3.50%

From this analysis, the Group concluded that there is a comfortable margin relative to the point from which the Goodwill would be at risk of impairment.

12. INTANGIBLE ASSETS

During the financial years ended 31 December 2021 and 2020, the movements that occurred in the value of intangible assets, as well as in the corresponding depreciation and accumulated impairment losses, was as follows:

2021

	Gross asset value					
	Industrial property and other rights	Software	Licences	Other intangible assets	Intangible assets in progress	Total
Opening balance	1,320	10,071,399	57,164,811	25,600	263,518	67,526,648
Acquisition of subsidiaries (Note 6)	4,844	80,797	—	46,022,626	—	46,108,267
Additions	—	317,045	—	20,245,989	16,215,442	36,778,476
Disposals and write-offs	—	—	—	—	—	—
Transfers	—	26,694	—	—	(26,694)	—
Changes in currency exchange rate	—	—	—	1,238,265	(15,155)	1,223,110
Transfer to discontinued activities (Note 7)	(4,844)	(144,604)	(57,164,811)	(67,506,879)	(16,437,111)	(141,258,249)
Closing balance	1,320	10,351,331	—	25,601	—	10,378,252

	Accumulated amortisation					
	Industrial property and other rights	Software	Licences	Other intangible assets		Total
Opening balance	1,320	9,585,682	5,712,342	25,600		15,324,944
Additions	159	402,498	2,736,224	2,473,441		5,612,322
Disposals and write-offs	—	—	—	—		—
Changes in currency exchange rate	—	—	—	30,981		30,981
Transfer to discontinued activities (Note 7)	(159)	(4,117)	(8,448,566)	(2,504,421)		(10,957,263)
Closing balance	1,320	9,984,063	—	25,601		10,010,984
	—	367,268	—	—	—	367,268

2020

	Gross asset value					
	Industrial property and other rights	Software	Licences	Other intangible assets	Intangible assets in progress	Total
Opening balance	1,320	9,746,655	54,506,433	25,600	—	64,280,008
Additions	—	87,705	2,658,378	—	263,518	3,009,601
Disposals and write-offs	—	—	—	—	—	—
Transfers	—	237,039	—	—	—	237,039
Closing balance	1,320	10,071,399	57,164,811	25,600	263,518	67,526,648

	Accumulated amortisation					
	Industrial property and other rights	Software	Licences	Other intangible assets		Total
Opening balance	1,320	9,241,799	2,968,618	25,600		12,237,337
Additions	—	343,883	2,743,724	—		3,087,607
Disposals and write-offs	—	—	—	—		—
Closing balance	1,320	9,585,682	5,712,342	25,600		15,324,944
	—	485,717	51,452,469	—	263,518	52,201,704

During the financial years ended 31 December 2021 and 2020, amortisation for the financial year came to EUR 398,379 and EUR 343,884, respectively, and were recorded under the profit-and-loss statement line item 'Amortisation and depreciation' (Note 36). At December 31, 2021 and 2020, the remaining amount between what was recorded in the income statement and the amount shown under the caption "Additions", relates to the impact of discontinued activities in the amount of approximately 5.2 million Euros (Note 7) and 2.7 million Euros (Note 5), respectively.

As of 31 December 2020, the line item 'Licences' refered to fair value obtained in acquiring the company Greenvolt - Energias Renováveis, S.A. and its subsidiaries. As of 31 December, 2020, the increase refers to the acquisition of the subsidiary Golditábua, S.A.. This transaction was accounted for as an acquisition of assets, as indicated in Note 2.2 c). On December 31, 2021, these assets were transferred to the caption "Group of assets classified as held for distribution to shareholders" (Note 7).

13. INVENTORIES AND BIOLOGICAL ASSETS

As at 31 December 2021 and 2020, the amount recorded under the line item 'Biological assets' can be detailed as follows:

	31.12.2021	31.12.2020
Opening balance	105,370,143	104,124,008
Increases/reductions in fair value	(37,547)	1,246,135
Subtotal	105,332,596	105,370,143
Prepayments on account of purchases	251,056	251,056
Closing balance	105,583,652	105,621,199

The amount shown as at 31 December 2021 and 2020 by species is disclosed as follows:

	31.12.2021	31.12.2020
Eucalyptus	102,466,653	103,135,407
Pine	2,406,100	1,841,015
Cork oak	412,517	346,395
Others	47,326	47,326
Total	105,332,596	105,370,143

During the financial years ended 31 December 2021 and 2020, the movement concerning eucalyptus and other species was as follows:

	31.12.2021			31.12.2020		
	Eucalyptus	Pine	Cork oak	Eucalyptus	Pine	Cork oak
Opening balance	103,135,407	1,841,015	346,395	101,848,854	1,921,126	306,702
Cuts made in the period	(23,247,060)	(3,070)	(133,860)	(14,786,087)	(6,989)	(10,299)
Growth	13,390,057	512,536	184,796	12,762,795	50,091	10,972
New plantings and replantings (at cost)	3,519,302	1,420	—	4,705,251	750	—
Changes in fair value:						
Discount rate	5,668,947	54,199	15,186	10,693,652	98,161	47,149
Other changes	—	—	—	(12,089,058)	(222,124)	(8,129)
Closing balance	102,466,653	2,406,100	412,517	103,135,407	1,841,015	346,395

The conducted evaluation, calculated for each grove into which the properties are divided, was obtained, considering, in the case of the eucalyptus:

- the occupied area;
- the age of the stands;
- production of debarked wood based on the average annual increase;
- the time turnover occurs.

The discount rate used in the financial year ended 31 December 2021 was 4.74% (5.32% as at 31 December 2020).

The Altri Group performed a sensitivity analysis of this evaluation of changes to key assumptions, and concluded that, had it considered a lower/higher discount rate by 1.5 p.p., the figure for biological assets would have risen/dropped by EUR 17.9 million and EUR 13.8 million, respectively.

As at 31 December 2021 and 2020, (i) there are no amounts of biological assets whose ownership was limited and/or pledged as security for liabilities, or irreversible commitments regarding the acquisition of biological assets, and (ii) there are no government grants related to biological assets recognised in the Group's consolidated financial statements.

As at 31 December 2021 and 2020, the total area under Altri's control came to around 88,300 hectares. The area pertaining to eucalyptus showed the following distribution by ages:

	31.12.2021	31.12.2020
0-5 years	32,795	30,691
6-10 years	24,634	22,796
> 10 years	13,513	15,919
	70,942	69,406

The remaining area under its control refers to other residual forest species of lesser relevance.

As at 31 December 2021 and 2020, the amount recorded under the line item 'Inventories' can be detailed as follows:

	31.12.2021	31.12.2020
Raw materials, subsidiaries and consumables	58,858,508	48,087,845
Goods	171,703	171,584
Products and works in progress	577,101	440,468
Finished products and intermediate goods	32,354,074	38,366,510
Prepayments on account of purchases	1,274,176	1,435,143
	93,235,562	88,501,550
Accumulated impairment losses (Note 25)	(10,414,552)	(13,046,936)
	82,821,010	75,454,614

The cost of sales for the financial year ended 31 December 2021 ascended to EUR 321,425,367 and was determined as follows:

	Raw materials, subsidiaries and consumables	Goods	Finished products and intermediate goods	Products and works in progress	Total
Opening balance	48,087,845	171,584	38,366,510	440,468	87,066,407
Acquisition of subsidiaries	—	291,100	—	—	291,100
Purchases	332,955,623	2,292,272	—	—	335,247,895
Inventory adjustments	—	—	—	22,555	22,555
Transfer to discontinued activities (Note 7)	(6,634,926)	(1,708,254)	—	(22,555)	(8,365,735)
Final inventories transferred to discontinued activities	(873,563)	(1,906)	—	—	(875,469)
Final inventories	(58,858,508)	(171,703)	(32,354,074)	(577,101)	(91,961,386)
	314,676,471	873,093	6,012,436	(136,633)	321,425,367

The cost of sales for the financial year ended 31 December 2020 ascended to EUR 287,335,449 and was determined as follows:

	Raw materials, subsidiaries and consumables	Goods	Finished products and intermediate goods	Products and works in progress	Total
Opening balance	57,559,485	248,329	42,300,850	412,720	100,521,384
Purchases	273,069,789	838,192	—	—	273,907,981
Inventory adjustments	(27,509)	—	—	—	(27,509)
Final inventories	(48,087,845)	(171,584)	(38,366,510)	(440,468)	(87,066,407)
	282,513,920	914,937	3,934,340	(27,748)	287,335,449

At December 31, 2020, the remaining amount between what was recorded in the income statement and the amount shown under the caption "Cost of sales", relates to the impact of discontinued activities in the amount of approximately 0.4 million Euros (Note 5).

14. CURRENT AND DEFERRED TAXES

According to current legislation, tax returns are subject to review and correction by the tax authorities during a period of four years (five years for Social Security), except when there have been tax losses, tax benefits granted, or when inspections, complaints or challenges are in progress, in which cases, depending on the circumstances, the deadlines are extended or suspended. Thus, the Group's tax returns since 2018 may still be subject to review.

The Group's Board of Directors considers that any corrections resulting from reviews/inspections by the tax authorities to those tax returns will not have a material effect on the financial statements as at 31 December 2021 and 2020.

Deferred tax assets and liabilities as at 31 December 2021 and 2020, according to the temporary differences generating them, are detailed as follows:

	31.12.2021		31.12.2020	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Provisions and impairment losses not accepted for tax purposes	2,961,996	—	4,136,168	—
Fair value of derivative instruments	1,109,637	332,516	618,385	1,907,160
Pension fund	728,246	—	1,154,957	—
Harmonization of accounting principles	1,603,198	—	5,862,870	2,554,192
Fixed-asset revaluation - DL 66/2016	6,222,824	—	9,366,128	—
Fair value adjustments in business combination processes	—	—	—	14,900,194
Fair value of biological assets	1,375,505	—	1,951,573	—
Goodwill tax amortisation (Spain)	—	31,335,683	—	28,223,955
Dismantling provision	—	—	1,120,638	—
Right-of-use assets	2,146,865	—	2,186,452	—
Tax losses carried forward	—	—	681,523	—
Others	665,497	482,543	678,362	485,596
	16,813,768	32,150,742	27,757,056	48,071,097

At December 31, 2020, the fair value adjustments in business concentration processes refer to the effect of the measurement at fair value at the acquisition date of the assets allocated to the subsidiary Ródão Power - Energia e Biomassa do Ródão, S.A. and the fair value of the licenses acquired in 2018. At December 31, 2021, these liabilities were transferred to the caption "Liabilities directly associated with the group of assets classified as held for distribution to shareholders" (Note 7).

The movement that occurred in deferred tax assets and liabilities in the financial years ended 31 December 2021 and 2020 was as follows:

	2021	
	Deferred tax assets	Deferred tax liabilities
Balance as at 01.01.2021	27,757,056	48,071,097
Acquisition of subsidiaries (Note 6)	11,107,776	3,262,893
Allocation of fair value in acquisitions of subsidiaries (Note 6)	—	22,652,220
Effects on income statement:		
Increased/(Reduced) provisions and impairment losses	11,653	—
Harmonization of accounting principles	(4,259,672)	(2,554,192)
Fair value of biological assets	(576,068)	—
Fixed-asset revaluation - DL 66/2016	(3,143,304)	—
Fair value adjustments in business combination processes	—	(1,478,838)
Goodwill tax amortisation (Spain)	—	3,111,728
Tax losses carried forward	(2,919,401)	—
Temporary differences in tangible assets	—	4,005,924
Other effects	73,541	(4,917)
Transfer to discontinued activities	1,626,350	(2,525,223)
Total effects on income statement	(9,186,901)	554,482
Effects on equity:		
Fair value of derivative instruments (Note 31)	9,476,250	(1,574,644)
Pension funds	(115,449)	—
Changes in currency exchange rate	278,710	560,273
Total effects on other comprehensive income	9,639,511	(1,014,371)
Transfer to discontinued activities	(22,503,674)	(41,375,580)
Balance as at 31.12.2021	16,813,768	32,150,741

	2020	
	Deferred tax assets	Deferred tax liabilities
Balance as at 01.01.2020	33,501,991	44,894,324
Effects on income statement:		
Increased/(Reduced) provisions and impairment losses	(512,171)	—
Harmonization of accounting principles	(1,778,312)	—
Fair value of biological assets	43,927	—
Fixed-asset revaluation - DL 66/2016	(4,323,435)	—
Goodwill tax amortisation (Spain)	—	2,254,740
Tax losses carried forward	681,523	—
Other effects	165,110	(968,265)
Total effects on income statement	(5,723,358)	1,286,475
Effects on equity:		
Fair value of derivative instruments (Note 31)	(263,874)	1,890,298
Pension funds	242,297	—
Total effects on other comprehensive income	(21,577)	1,890,298
Balance as at 31.12.2020	27,757,056	48,071,097

In 2016, the subsidiary Celulose Beira Industrial (Celbi) chose to apply the optional Property, plant and equipment revaluation and investment property regime, pursuant to Decree-Law no. 66/2016, of 3 November. Within this framework, the constituted revaluation reserve was subject to a 14% autonomous tax rate. It should be pointed out that this amount was paid in full in 2016, 2017, and 2018. In addition, the corresponding depreciation is deductible, for tax purposes, from the 2018 financial year, in order to determine the taxable income. Thus, in the financial years ended 31 December 2021 and 2020, the Group recorded a deferred tax asset in the amount of around 6,200,000 Euros and 9,300,000 Euros, respectively. The 2018 financial year was the first year when the subsidiary, for tax purposes, deducted the depreciation of the revaluation performed under said scheme. This revaluation, performed solely for tax purposes, did not impact the book value of fixed assets.

At December 31, 2020, the remaining amount between what was recorded in the income statement under the caption "Deferred tax" and the amount presented of total effects in the income statement, relates to the impact of discontinued activities in the amount of approximately 0.9 million Euros (Note 5).

As of 31 December 2021, the tax rate to be used by companies in Portugal for calculating deferred tax assets relating to tax losses is 21%. In the case of positive or negative temporary differences originating in Portuguese companies, the rate to be used is 22.5%, plus the municipal surtax rate in the companies where payment is expected in the expected reversal periods of the associated deferred taxes. In accordance with the legislation in force in Portugal during the financial year ended 31 December 2021, the state surtax corresponded to the application of an additional rate of 3% on the taxable income between EUR 1.5 and 7.5 million, 5% on the taxable income between EUR 7.5 and 35 million and 9% on the taxable income above EUR 35 million.

Under the terms of article 88 of the Corporate Income Tax Code, the Company is subject to autonomous taxation on a set of charges at the rates provided for in the mentioned article.

For companies or branches located in other countries, the respective rates applicable in each jurisdiction were used. In particular, in relation to the subsidiary Altri, SL, headquartered in Spain, the rate used in the calculation of deferred tax assets and liabilities was 25% as it is the tax rate in force in that country.

Deferred taxes to be recognised resulting from tax losses are only recorded to the extent where taxable income is likely to occur in the future and which can be used for recovering tax losses or deductible tax differences.

As of December 31, 2021, the Group has used all the deferred tax assets related to tax losses, amounting to 681,523 Euros, recorded as of December 31, 2020. This amount corresponded to the tax losses, amounting to approximately 3.2 million Euros, with which the Group's subsidiaries contributed to the RETGS in 2020. As of December 31, 2021, there are no deferred tax assets related to tax loss carryforwards recognized.

The Board of Directors of Altri Group believes that the remaining deferred tax assets recorded as of 31 December 2021 are fully recoverable.

The detail of the tax losses carried forward that did not generate deferred tax assets is detailed as follows:

		31.12.2021			31.12.2020		
		Tax loss	Tax credit	Limit of utilization date	Tax loss	Tax credit	Limit of utilization date
With limited date of use							
Generated in 2015	Portugal	543,306	114,094	2029	1,357,392	285,052	2029
Generated in 2016	Portugal	1,245,653	261,587	2030	1,249,654	262,427	2030
Generated in 2017	Portugal	792,497	166,424	2024	800,425	168,089	2024
Generated in 2018	Portugal	475,176	99,787	2025	475,176	99,787	2025
Generated in 2019	Portugal	93,477	19,630	2026	108,726	22,832	2026
Generated in 2020	Portugal	—	—	2032	35,767	7,511	2032
		3,150,109	661,522		4,027,140	845,698	
Without limited date of use							
	Spain	59,329,351	14,832,338		60,963,135	15,240,784	
		62,479,460	15,493,860		64,990,275	16,086,482	

As at 31 December 2016, the Group had deferred tax regarding tax losses from the subsidiary Altri SL, located in Spain. In view of changes to the Spanish income tax regarding Goodwill tax amortisation, that amount was fully cancelled in the financial year ended 31 December 2017, based on the recoverable tax loss amount within a 10-year timeframe and the Group's expectation to generate enough tax results in that subsidiary in order to recover said amount.

At December 31, 2021, GreenVolt and its subsidiaries recorded deferred tax assets related to tax losses amounting to 8.6 million euros. This amount corresponds to tax losses amounting to, approximately, 33.2 million Euros (with no limitation of use date) and 2.4 million Euros (with a limitation of use date). It also presented tax losses that did not give rise to deferred tax assets amounting to 0.3 million euros (with a time limit on utilization) and 2.2 million euros (without a time limit on utilization). On December 31, 2021, these assets were transferred to the item "Group of assets classified as held for distribution to shareholders" (Note 7).

Income tax recognised in the profit-and-loss statement in the financial years ended 31 December 2021 and 2020 can been detailed as follows:

	31.12.2021	31.12.2020 (Restated)
Current tax	(16,774,896)	19,035,550
Deferred tax	(9,741,383)	(7,879,208)
	(26,516,279)	11,156,342

The reconciliation of the profit before income tax to the income tax for the financial year is as follows:

	31.12.2021	31.12.2020 (Restated)
Profit before income tax and ESEC	150,291,038	13,665,695
Theoretical rate	21.00%	21.00%
	(31,561,118)	(2,869,796)
Tax benefits	8,789,576	—
Autonomous taxes	(271,736)	(410,964)
(Under)/over Income tax estimates	1,056,364	16,614,453
Surtax	(7,259,028)	(545,300)
Other effects	2,729,664	(1,632,051)
Income tax	(26,516,278)	11,156,342

At December 31, 2021, the amount included under the caption “(Under)/over Income tax estimates” relates essentially to the recognition of tax benefits (approximately 0.8 million Euros). At December 31, 2021, the amount included under the caption “Other effects” essentially relates to the recognition of the reversal of the provision as a result of the favourable outcome to the Group of tax proceedings (approximately, 4 million Euros) (Note 18).

As of December 31, 2020, the amount included under the caption “(Under)/over Income tax estimates” relates essentially to the recognition of tax benefits (approximately 15.5 million Euros), as well as, tax refunds obtained as a result of the favourable outcome to the Group of tax proceedings (approximately, 1.3 million Euros).

15. TRADE RECEIVABLES

As at 31 December 2021 and 2020, this line item was composed of the following:

	31.12.2021	31.12.2020
Trade receivables, current account	100,649,022	64,303,631
Trade receivables, bad debt	44,977	50,902
	100,693,999	64,354,534
Accumulated impairment losses (Note 25)	(198,909)	(204,834)
	100,495,090	64,149,699

The Group's exposure to credit risk is attributable first and foremost to receivables from its operating activity. The amounts given in the statement of financial position are net of accumulated impairment losses that were estimated by the Group. The Board of Directors believes that the book values receivable are close to their fair value, since these accounts’ receivable do not pay interests and the discount effect is deemed immaterial.

As at 31 December 2021 and 2020, the age of the net trade receivables balance amount can be analysed as follows:

	31.12.2021	31.12.2020
Not due	83,331,565	50,730,654
Due, with no impairment losses recorded		
0 - 30 days	13,155,427	10,403,494
30 - 90 days	3,744,499	2,754,343
+ 90 days	263,599	261,208
	100,495,090	64,149,699

The Group contracted credit insurances and other credit enhancements in order to cover the risk of uncollectability on the part of these trade receivables, as follows:

	31.12.2021	31.12.2020
With credit insurance and other credit enhancements	81,062,665	51,753,253
With no credit insurance and other credit enhancements	19,432,425	12,396,446
	100,495,090	64,149,699

The Group does not charge any interest while set payment terms (60 days, on average) are being complied with. Upon expiry of said terms, contractually set interest is charged under legislation in force and as applicable to each situation. This will tend to occur only in extreme situations.

The Board of Directors understands that receivables not fallen due shall be realised in their entirety, considering the history of uncollectability and the characteristics of the counterparties. In addition, with the adoption of IFRS 9, the Group calculates expected impairment losses for its receivables in accordance with the criteria disclosed under Note 2.3. l).

16. OTHER RECEIVABLES

As at 31 December 2021 and 2020, this line item was composed of the following:

	31.12.2021	31.12.2020
Advance payments to suppliers	25,097	43,517
Receivables from the State and other public entities (Note 18)	14,815,562	6,222,955
Others	5,938,194	6,838,695
	20,778,853	13,105,167
Accumulated impairment losses (Note 25)	(3,413,862)	(3,413,862)
	17,364,991	9,691,305

At December 31, 2021 and 2020, the caption "Others" includes, essentially, the achievement bonus recognized for meeting the objectives associated with the QREN project, as well as accounts receivable related to guarantees for lease agreements and others, for part of which impairment losses were recognized.

As at 31 December 2021 and 2020, the net balance amount under 'Other receivables' did not fall due. Receivables not fallen due show no sign of impairment, as the book value of net impairment assets is deemed to be close to their fair value, and the effect of their financial discount is immaterial.

The Board of Directors understands that receivables not fallen due shall be realised in their entirety, considering the history of uncollectability and the characteristics of the counterparties. In addition, the Group calculates expected impairment losses for its receivables in accordance with the criteria disclosed under Note 2.3. l).

17. ASSETS ASSOCIATED WITH CONTRACTS WITH CUSTOMERS

As at 31 December 2021 and 2020, the line item 'Assets associated with contracts with customers' is detailed as follows:

	31.12.2021	31.12.2020
Energy sales to be invoiced	—	7,476,825
	—	7,476,825

On December 31, 2021, these assets were transferred to the item "Group of assets classified as held for distribution to shareholders" (Note 7).

18. STATE AND OTHER PUBLIC ENTITIES

Debit and credit balances with the State and Other Public Entities as at 31 December 2021 and 2020 are detailed as follows:

	31.12.2021	31.12.2020
Debit balances:		
Income tax	3,361,653	17,160,243
Total income tax	3,361,653	17,160,243
Value-added tax	14,214,013	5,488,235
Other Taxes	601,549	734,720
Total other taxes (Note 16)	14,815,562	6,222,955
Credit balances:		
Income tax	(20,343,835)	—
Others	(705,554)	(4,705,554)
Total income tax	(21,049,389)	(4,705,554)
Tax withholding	(2,758,089)	(1,126,933)
Social Security contributions	(645,409)	(644,816)
Value-added tax	(5,115,932)	(1,710,763)
Other Taxes	(69,241)	(289,216)
Total other taxes (Note 28)	(8,588,671)	(3,771,728)

As at December 31, 2021, the debit balance "Income tax" includes mainly payments on account made by the Group company based in Spain, less the respective income tax payable for the year. As at December 31, 2021, the credit balance "Income tax" refers essentially to the tax payable by the Group companies based in Portugal, less the respective payments on account and additional payments on account.

As of December 31, 2020, the debit balance "Income tax" essentially includes payments on account made by the Group company based in Spain, as well as payments on account and additional payments on account receivable by the Group companies based in Portugal less the respective income tax payable for the year.

At December 31, 2021, the variation in the caption "Others" is essentially explained by the recognition of the reversal of the referred amount as a result of the favourable outcome to the Group of tax lawsuits.

The Extraordinary Contribution to the Energy Sector for the year ended December 31, 2021 amounted to 97,227 Euros (121,740 Euros at December 31, 2020 - Note 5).

19. OTHER CURRENT ASSETS

As at 31 December 2021 and 2020, the line item 'Other current assets' can be detailed as follows:

	31.12.2021	31.12.2020
Accrued income:		
Interest receivable	28,499	28,498
Other gains to be invoiced	3,975,184	—
Deferred costs:		
Prepaid rents and leases	414,352	413,434
Prepaid insurance	1,424,137	1,477,926
Other prepaid expenses	1,874,377	3,730,135
	7,716,549	5,649,993

On December 31, 2021, the balance of the item "Other gains to be invoiced" includes essentially an accrual of income related to chip sales, whose delivery of materials occurred at the end of the current fiscal year and invoicing only occurred at the beginning of the following year.

20. CASH AND CASH EQUIVALENTS

As at 31 December 2021 and 2020, the detail of 'Cash and cash equivalents' was as follows:

	31.12.2021	31.12.2020
Cash	33,542	32,307
Bank deposits	238,903,840	254,536,411
Cash and bank balances on the statement of financial position	238,937,382	254,568,719
Bank overdrafts (Note 24)	—	(1,996,090)
Cash and bank balances attributable to discontinued activities (Note 7)	258,757,013	—
Cash and bank balances in the statement of cash flows	497,694,395	252,572,629

As shown under Note 3) a) ii), as at 31 December 2021 and 2020, the balances of cash and cash equivalents in a currency other than the Euro come to EUR 10,677,693 and EUR 56,009,048, respectively. Given that these amounts are banks deposits that are constantly transacted, the effects resulting from changes to currency exchange rates on cash and its equivalents held at the start and at the end of the 2021 and 2020 financial years for the statement of cash-flows are immaterial.

During the years ended December 31, 2021 and 2020, payments related to financial investments are detailed as follows:

	31.12.2021	31.12.2020
Acquisitions in the year ended December 31, 2020		
Golditábua	(2,257,502)	(821,779)
	(2,257,502)	(821,779)
Acquisitions in the year ended December 31, 2021 (Note 6)		
Tilbury Green Power	(167,032,062)	—
Profit Energy	(1,819,984)	—
Perfecta Energia	(4,689,477)	—
Subsidiaries of V-Ridium Group	(577,438)	—
	(174,118,961)	—
	(176,376,463)	(821,779)

21. OTHER NON-CURRENT ASSETS

As at 31 December 2021 and 2020, the line item 'Other non-current assets' refers to an additional settlement paid to German tax authorities and which is entirely provisioned, as described under Note 25.

22. INTERESSES SEM CONTROLO

On July 14, 2021, an increase in the subsidiary GreenVolt's share capital of 177,599,998.75 Euro was recorded, following which 41,788,235 new ordinary, registered and book-entry shares without nominal value were issued at a subscription price of 4.25 Euro per share, bringing the subsidiary's share capital to 247,599,998.75 Euro, represented by 116,788,235 ordinary, registered and book-entry shares with no par value. 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 the subsidiary GreenVolt.

On July 26, 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 resolved on the corresponding additional capital increase in the amount of 19,499,998.75 Euro, carried out through the issue of the new optional shares. As such, the share capital of the Issuer which was that of 247,599,998.75 Euros is now of 267,099,997.50 Euro, represented by 121,376,470 ordinary, book-entry, nominative shares without nominal value.

As a result of these operations, Altri Group now owns 58.72% of Greenvolt - Energias Renováveis, S.A. and its subsidiaries.

As of December 31, 2021, the recognized non-controlling interests are related to minority interests held by the subsidiary GreenVolt, amounting to approximately 40.5 million Euros (Note 6) and to minority interests generated as a result of the above mentioned operation, amounting to approximately 140.8 million Euros.

23. SHARE CAPITAL AND RESERVES

Share capital

As at 31 December 2021 and 2020, the Company's share capital was fully subscribed and paid up and consisted of 205,131,672 nominative shares with a nominal value of 12.5 Euro-cents each.

As at 31 December 2021 and 2020, there were no legal entities with a subscribed capital interest of at least 20%.

Legal reserve

Portuguese commercial legislation establishes that at least 5% of the annual net profit must be allocated to the 'Legal reserve' until it represents at least 20% of the share capital.

As at 31 December 2021 and 2020, the Group's financial statements showed the amount of EUR 5,128,292 related to legal reserve, which may not be distributed among shareholders, except in the event of closing up the Group, but can be used for absorbing losses after the other reserves have been exhausted, or incorporated in capital.

Hedging reserve

The line item 'Hedging reserve' relates to the fair value of derivative financial instruments classified as cash flow hedging instruments in the effective hedge component, net of respective deferred taxes (Notes 14 and 31).

Other reserves

	31.12.2021	31.12.2020
Pension funds	(2,345,553)	(2,861,121)
Reserve DL 66/2016	9,366,128	13,689,563
Currency translation reserves	48,392	28,910
Retained earnings	386,826,085	365,186,590
	393,895,052	376,043,942

Pursuant to Portuguese legislation, the distributable reserves amount is determined based on the separate financial statements of Altri SGPS, S.A., submitted in accordance with the International Financial Reporting Standards, as adopted by the European Union. As at 31 December 2021, the distributable reserves amount comes to EUR 164,031,860.

24. BANK LOANS, OTHER LOANS AND REIMBURSABLE GOVERNMENT GRANTS

As at 31 December 2021 and 2020, the detail of 'Bank loans', 'Other loans', and 'Reimbursable Government Grants' was as follows:

	31.12.2021					
	Nominal value			Book value (1)		
	Current	Non-current	Total	Current	Non-current	Total
Bank loans	27,500,000	—	27,500,000	27,584,583	—	27,584,583
Bank overdrafts	—	—	—	—	—	—
Bank loans	27,500,000	—	27,500,000	27,584,583	—	27,584,583
Commercial paper	70,000,000	40,000,000	110,000,000	70,099,494	40,000,000	110,099,494
Bond loans	25,000,000	420,400,000	445,400,000	27,754,836	418,218,797	445,973,633
Other loans	—	—	—	—	—	—
Other loans	95,000,000	460,400,000	555,400,000	97,854,330	458,218,797	556,073,127
Reimbursable government grants	653,837	2,288,430	2,942,267	653,837	2,288,430	2,942,267
	123,153,837	462,688,430	585,842,267	126,092,750	460,507,227	586,599,977

(1) - includes accruals from accrued interest and borrowing expenses

	31.12.2020					
	Nominal value			Book value (1)		
	Current	Non-current	Total	Current	Non-current	Total
Bank loans	—	27,500,000	27,500,000	139,880	27,500,000	27,639,880
Bank overdrafts	1,996,090	—	1,996,090	1,996,090	—	1,996,090
Bank loans	1,996,090	27,500,000	29,496,090	2,135,970	27,500,000	29,635,970
Commercial paper	165,000,000	40,000,000	205,000,000	165,116,811	40,000,000	205,116,811
Bond loans	1,250,000	494,150,000	495,400,000	3,752,917	492,417,574	496,170,491
Other loans	—	—	—	—	—	—
Other loans	166,250,000	534,150,000	700,400,000	168,869,728	532,417,574	701,287,302
Reimbursable government grants	2,847,178	2,942,267	5,789,445	2,847,177	2,942,267	5,789,444
	171,093,268	564,592,267	735,685,535	173,852,875	562,859,841	736,712,716

(1) - includes accruals from accrued interest and borrowing expenses

24.1. Bank loans

(i) Bank loans

During the financial year ended 31 December 2016, Celbi contracted a bank loan in the amount of EUR 15,000,000, with interest at the Euribor twelve-month rate plus spread. This loan shall be settled in a single instalment at the end of the agreement (September 2022); therefore, the total loan amount is categorised as current debt.

During the financial year ended 31 December 2016, Caima Indústria contracted a bank loan in the amount of EUR 12,500,000, with interest at the Euribor twelve-month rate plus spread. This loan shall be settled in a single instalment at the end of the agreement (August 2022); therefore, the total loan amount is categorised as current debt.

In the year ending 2021, Lakeside Bidco (a subsidiary of GreenVolt) contracted a bank loan with Banco Santander, S.A., London Branch in the amount of 120 million Great British Pounds, which bears interest at a rate corresponding to SONIA ("Sterling Overnight Interbank Average Rate") plus spread, starting in December 2021 and ending in June 2026. This loan, in particular, was contracted under a "Project Finance" regime, whose terms include financial covenants customary in this type of financing, negotiated in accordance with the applicable market practices and that on the date of this report are in regular compliance. Additionally, in December 2021, GreenVolt contracted two new bank loans, whose amounts total 30 million Euros: the first, in the amount of 5 million Euros, maturing in 2026. The amount in debt will bear annual interest at a rate equivalent to Euribor 12 months plus spread, the second, in the amount of 25,000,000 Euros, maturing in 2027. The outstanding amount will bear annual interest at a rate equivalent to Euribor 12 months plus spread. As of December 31, 2021, these liabilities were transferred to the caption "Liabilities directly associated with the group of assets classified as held for distribution to shareholders" (Note 7).

(ii) Pledged current accounts

As at 31 December 2021 and 2020, there are pledged current accounts subscribed to in the amount of EUR 3 million, which were not used.

(iii) Bank overdrafts

As at 31 December 2021 and 2020, there are bank overdrafts subscribed in the amount of EUR 15 million. As at 31 December 2021, no amount was being used. As at 31 December 2020, the amount being used was EUR 1,996,090.

24.2. Other loans:

(i) Commercial paper

The Group has renewable commercial paper programmes in place, with placement guarantee in the amount of EUR 160,000,000 as at 31 December 2021 (EUR 160,000,000 as at 31 December 2020), subscribed by several subsidiaries of the Altri Group, with interest at a Euribor rate corresponding issue period (from 7 to 364 days), plus spread. As at 31 December 2021, the total amount used comes to EUR 70,000,000 (EUR 120,000,000 as at 31 December 2020).

Those issues include a tranche in the amount of EUR 40,000,000 categorised as non-current debt, relative to programmes not allowing early termination by the counterparty, and the financial institution has underwritten the issues. In this regard, the Board of Directors classifies this debt based on the duration of the issue of these commercial papers.

In addition, the Group has grouped placement agreements for commercial paper with no placement guarantee, in the maximum amount of EUR 65,000,000, subscribed by several subsidiaries of the Altri Group, with interest at a rate set by indirect placement with investors and/or set by a proposed subscription put forth by the financial intermediary, with an issue period up to 90 days. As at 31 December 2021, the total amount used comes to EUR 40,000,000 (EUR 85,000,000 as of 31 December 2020).

As of December 31, 2021, the total amount used related to renewable commercial paper programs by GreenVolt and subsidiaries amounts to 60,500,000 Euros. As of December 31, 2021, these liabilities were transferred to the caption "Liabilities directly associated with the group of assets classified as held for distribution to shareholders" (Note 7).

(ii) Bond loans

In April 2014, Celbi issued a bond loan in the amount of EUR 50,000,000, with a term of 6 years. On 20 February 2015, Altri SGPS took over the contractual position held by its subsidiary Celbi, and the bond loan became 'ALTRI 2014/2020.' In July 2017, Altri SGPS made an early repayment of this loan, issuing, on the same date, a second one for the same amount, for a period of 8 years, called 'ALTRI 2017/2025.'

During the financial year ended 31 December 2016, Altri SGPS issued two bond loans: the first, on 18 April 2016, in the amount of EUR 40,000,000, with an amortisation of EUR 20,000,000 in April 2022 (with early repayment in July 2019) and final repayment in April 2024; and another, issued on 28 November 2016, in the amount of EUR 25,000,000, falling due on 28 March 2022, with interest at the 6-month Euribor rate, plus spread.

In November 2016 Celbi issued a bond loan in the amount of EUR 65,000,000 and maturing in February 2024, called 'Celbi 2016/2024.' In turn, as at 31 December 2021, Altri SGPS held 'Celbi 2016/2024' bonds in the nominal amount of EUR 8,500,000 (EUR 8,500,000 as at 31 December 2020); thus, as at 31 December 2021, the Group's liability relative thereto came to EUR 56,500,000 (EUR 56,500,000 as at 31 December 2020).

In 2017, on March 6, Altri SGPS issued a bond loan amounting to 70,000,000 Euros, for a period of 7 years, under the name "ALTRI 2017/2024". In 2021, on April 19, Altri SGPS made an early repayment of this bond loan. At the same time, Celulose Beira Industrial (Celbi), S.A. issued a bond loan amounting to 70,000,000 Euros, for a period of 5 years, designated "CELBI 2021-2026". This bond loan has an amortization plan with repayment of 10,000,000 Euros on the fourth interest payment date (April 2023), 10,000,000 Euros on the sixth interest payment date (April 2024), 20,000,000 Euros on the eighth interest payment date (April 2025) and 30,000,000 Euros on the tenth interest payment date (April 2026).

During the financial year ended 31 December 2017 Celulose Beira Industrial (Celbi), S.A. issued two bond loans, both on 14 July 2017: one for EUR 40,000,000 with a term of 8 years and another for EUR 40,000,000 for a period of 10 years, earning interest at a rate equal to Euribor 6M plus spread. In turn, as at 31 December 2021, Altri SGPS held 'Celbi 2017/2027' bonds in the nominal amount of EUR 5,900,000 (EUR 5,900,000 as at 31 December 2020); thus, as at 31 December 2021, the Group's liability relative thereto came to EUR 34,100,000 (EUR 34,100,000 as at 31 December 2020).

During the financial year ended 31 December 2018, Celulose Beira Industrial (Celbi), S.A. issued two bond loans: on 20 April 2018, a loan in the amount of EUR 50,000,000, for a period of 8 years and a coupon rate of 2.98%; and another, on 28 May 2018, in the amount of EUR 50,000,000, for a period of 10 years, with interest at the 6-month Euribor rate, plus spread. In turn, Altri SGPS, as at 31 December 2021, held 'Celbi 2018/2028' bonds in the nominal amount of EUR 5,200,000 (EUR 5,200,000 as at 31 December 2020); thus, as at 31 December 2021, the Group's liability relative thereto came to EUR 44,800,000 (EUR 44,800,000 as at 31 December 2020).

On 15 July 2019, Altri SGPS issued a loan bond, in the amount of EUR 55,000,000, under the name 'ALTRI 2019/2024', with interest at the 6-month Euribor rate, plus spread.

On 26 February 2019, Sociedade Bioelétrica do Mondego, S.A. issued the green bond loan ("Green Bonds") named "SOCIEDADE BIOELÉTRICA DO MONDEGO 2019-2029", in the amount of 50,000,000 Euros and coupon rate of 1.90%. Additionally, in November 2021, Greenvolt - Energias Renováveis, S.A. ("GreenVolt") issued a green bond loan ("Green Bonds") in the amount of 100,000,000 Euros, for a term of 7 years, with a fixed interest rate of 2.625% per year, whose admission to trading on the regulated market Euronext Lisbon started in November 2021. In December 2021, GreenVolt issued a bond loan, called "Greenvolt 2021/2026", in the amount of 25,000,000 Euros, maturing in 2026. This loan bears semi-annual interest at a rate equal to Euribor 6 months plus spread. As of December 31, 2021, these liabilities were transferred to the caption "Liabilities directly associated with the group of assets classified as held for distribution to shareholders" (Note 7).

Expenses incurred with the issuance of loans were deducted from their nominal value and are recognised as interest expenses over the life of the loan (Note 38).

(iii) Factoring

Altri Group, as of 31 December 2021 and 2020, did not have a factoring contract in force.

24.3. Reimbursable Government Grants:

In January 2014, Celbi signed a new agreement granting financial and fiscal incentives under Decree-Law no. 203/2003, of 10 September, with Agência para o Investimento e Comércio Externo de Portugal, E.P.E. (AICEP), as the project to modernise and expand the production plant was considered by the Portuguese Government to be relevant and of strategic interest to the domestic economy. The Investment Project began on 19 August 2013, and lasted until 30 June 2015, and the contracted amount came to EUR 30,251,000. The Portuguese Government granted a refundable financial incentive corresponding to 20% of eligible expenses. In 2021, AICEP considered that Celbi met the proposed objectives, which were measured at the end of the years 2016, 2017 and 2019. Under this contract, the Portuguese State granted the full amount of the achievement premium, in the accumulated amount of 4,367,689 Euro. This amount was classified under "Other non-current liabilities" and "Other current liabilities" net of the amount directly recognized as income in the income statement in proportion to the already depreciated portion of the subsidized tangible fixed assets. The Portuguese State also granted a Tax Incentive corresponding to a corporate income tax credit of up to 15% of the relevant applications.

In the 2014 financial year, Caima Indústria signed a financial and fiscal incentive-granting agreement under Decree-Law no. 287/2007 with Agência para o Investimento e Comércio Externo de Portugal E.P.E. (AICEP) for an overall investment of EUR 35,161,000. This project's investment period lasted from 2013 to 2015. The maximum amount of the repayable incentive comes to EUR 10,511,850, corresponding to 30% of eligible expenses, as the Company has received EUR 10,508,314. In 2021 there was the repayment of the amount that was outstanding on December 31, 2020, in the amount of 2,212,216 Euros. If Caima Indústria fulfilled the proposed objectives and measures at the end of the years 2016, 2017 and 2019, the Portuguese Government would also grant an Accomplishment Premium, which will correspond to non-refund up to 48% of the refundable incentive amount. Said objectives were met by the subsidiary in reference to 31 December 2019, reason why the amount was recognized as an account receivable.

The Portuguese Government also granted a tax incentive corresponding to a tax credit as IRC (Corporate Income Tax) in the maximum amount of 15% of relevant applications. Up to 31 December 2021, Caima Indústria received the amount of EUR 2,017,596 pertaining to reimbursable government grant.

In December 2016, Celbi signed a new financial and fiscal incentive-granting agreement pursuant to article 5(1) of Decree-law no. 191/2014, of 31 December, with Agência para o Investimento e Comércio Externo de Portugal, E.P.E. (AICEP), as the competitiveness and internationalisation project was considered by the Portuguese Government to be relevant and of strategic interest to the domestic economy. The Investment Project began on 1 January 2016 and lasted until 31 December 2017. The contracted amount came to EUR 40,040,000, and the Portuguese Government will grant a repayable financial incentive corresponding to 10% of eligible expenses. As at 31 December 2021, the amount to be settled relative to this subsidy came to EUR 2,942,267 (EUR 3,195,096 as at 31 December 2020), of which the amount of EUR 653,837 is recorded as a current reimbursable government grant.

24.4. Change in indebtedness and maturities

As at 31 December 2021 and 2020, the reconciliation of the change in gross debt to cash flows is as follows:

	31.12.2021	31.12.2020
Balance as at 1 January	736,712,716	701,086,802
Acquisition of subsidiaries (Note 6)	110,134,322	—
Payments of loans obtained	(778,119,093)	(546,195,753)
Receipts of loans obtained	921,293,555	579,703,753
Reimbursable government grants	(2,847,178)	(178,966)
Bank overdrafts	(1,996,090)	1,996,090
Change in expenses incurred with the issuance of loans	(1,707,401)	300,790
Changes in currency exchange rate	2,667,456	—
Transfer to discontinued activities (Note 7)	(399,538,310)	—
Change in debt	(150,112,739)	35,625,914
Balance as at 31 December	586,599,977	736,712,716

The period for repaying bank loans, other loans and repayable incentives is as follows:

	31.12.2021					
	2022	2023	2024	2025	>2025	Total (valor nominal)
Bank overdrafts	—	—	—	—	—	—
Bank loans	27,500,000	—	—	—	—	27,500,000
Commercial paper	70,000,000	40,000,000	—	—	—	110,000,000
Bond loans	25,000,000	10,000,000	141,499,000	110,000,000	158,901,000	445,400,000
Other loans	—	—	—	—	—	—
Reimbursable government grants	653,837	653,837	653,837	653,837	326,919	2,942,267
	123,153,837	50,653,837	142,152,837	110,653,837	159,227,919	585,842,267

	31.12.2020					
	2021	2022	2023	2024	>2024	Total (nominal value)
Bank overdrafts	1,996,090	—	—	—	—	1,996,090
Bank loans	—	27,500,000	—	—	—	27,500,000
Commercial paper	165,000,000	—	40,000,000	—	—	205,000,000
Bond loans	1,250,000	27,500,000	3,750,000	208,000,000	254,900,000	495,400,000
Other loans	—	—	—	—	—	—
Reimbursable government grants	2,847,178	653,836	653,837	653,837	980,757	5,789,445
	171,093,268	55,653,836	44,403,837	208,653,837	255,880,757	735,685,535

25. PROVISIONS AND IMPAIRMENT LOSSES

The movement occurring under provisions and impairment losses during the financial years ended 31 December 2021 and 2020 can be detailed as follows:

	31.12.2021			
	Provisions	Impairment losses in receivables (Notes 15 and 16)	Impairment losses in inventories (Note 13)	Total
Opening balance	16,689,458	3,618,696	13,046,936	33,355,090
Acquisition of subsidiaries (Note 6)	4,081,872	64,824	—	4,146,696
Increases	426,982	146,887	—	573,869
Transfers	—	—	—	—
Utilizations	(12,204)	—	—	(12,204)
Reversals	(1,196,523)	(5,926)	(2,632,384)	(3,834,833)
Changes in currency exchange rate	83,488	(1,215)	—	82,273
Transfer to discontinued activities	(15,990,834)	(210,495)	—	(16,201,329)
Closing balance	4,082,239	3,612,771	10,414,552	18,109,562

	31.12.2020			
	Provisions	Impairment losses in receivables (Notes 15 and 16)	Impairment losses in inventories (Note 13)	Total
Opening balance	17,307,171	3,624,622	14,837,369	35,769,162
Increases	191,810	—	—	191,810
Transfers	—	—	—	—
Utilizations	(789,627)	—	—	(789,627)
Reversals	(19,896)	(5,926)	(1,790,433)	(1,816,255)
Closing balance	16,689,458	3,618,696	13,046,936	33,355,090

As at 31 December 2021 and 2020, the amount of the increase and reversals shown in the profit-and-loss statement is detailed as follows:

	31.12.2021	31.12.2020 (Reexpresso)
Increases/(Reversals) of inventory impairment losses	(2,632,384)	(1,790,433)
Increases/(Reversals) of impairment losses of accounts receivable	(5,926)	(5,926)
Increases/(Reversals) in provisions for other risks and charges	(936,790)	41,614
	(3,575,100)	(1,754,745)

At December 31, 2020 and 2021, the remaining amount between what was recorded in the income statement and the net amount presented under the captions "Increases" and "Reversals", relates to: i) the increases and reversals relating to dismantling provisions of Greenvolt - Energias Renováveis, S. A. and its subsidiaries, which are recorded against an increase/decrease in tangible fixed assets (amounting to, approximately, 163,000 Euros), and with ii) the impact of discontinued activities amounting to, approximately, 151,000 Euros (Note 7).

During the financial year ended 31 December 2013, the subsidiary Caima Indústria de Celulose, S.A. paid an additional settlement of Value-Added Tax for previous years to German tax authorities, in the amount of EUR 2,722,651, which was recorded under the line item 'Other non-current assets' due to not agreeing with the basics of said settlement. During the month of January 2014, it made an additional Value-Added Tax payment to the same entities, in the amount of around EUR 700,000. To address the risk of those additional settlements becoming definitive, in 2013 the Altri Group recorded a liability under the line item 'Provisions.' At December 31, 2021 the caption "Reversals" includes the amount of approximately 937,000 Euros, which is related to the favourable opinion obtained by the subsidiary by court decision regarding the year 2007. Regarding the remaining amount recorded as provisions, given the maintenance of the graduation as probable for the open years, it is the Board of Directors' understanding that this amount corresponds to the best estimate as of December 31, 2021.

As at 31 December 2020, the line item 'Provisions' mainly refers to the provision for dismantling and decommissioning power plants operated by those entities. In accordance with the provisions under the corresponding environmental licences for thermoelectric plants, when a plant is declared to cease operations, its deactivation phase begins; that is, the set of decommissioning, dismantling, demolition and environmental rehabilitation activities. In conformity with the accounting policies referred to under Note 2.3 j), these provisions are calculated based on the present value of future liabilities and recorded against an increase in the corresponding property, plant and equipment, and are depreciated for the remaining expected useful life of the respective assets. The effect of financially updating the financial year is recognised in the line item of financial expenses. On December 31, 2021, these liabilities were transferred to the caption "Liabilities directly associated with the group of assets classified as held for distribution to shareholders" (Note 7).

The remaining amount recorded under the line item 'Provisions' as at 31 December 2021 and 2020 is the best estimate from the Board of Directors in order to address the entirety of losses to be incurred with currently ongoing legal proceedings.

26. OTHER NON-CURRENT LIABILITIES

As at 31 December 2021 and 2020, this line item fully concerns the tranches of non-refundable investment subsidies (Notes 24 and 30), which was detailed as follows:

	31.12.2021			31.12.2020		
	Total	Current (Note 30)	Non-current	Total	Current (Note 30)	Non-current
Biotek						
POE	—	—	—	11,089	—	11,089
SIME	271,997	47,544	224,453	314,005	47,353	266,652
	271,997	47,544	224,453	325,094	47,353	277,741
Celbi						
PIN	8,238,287	2,786,717	5,451,570	10,685,650	2,798,773	7,886,877
Other subsidies	9,999	333	9,666	10,333	333	10,000
	8,248,286	2,787,050	5,461,236	10,695,983	2,799,106	7,896,877
Caima Indústria						
QREN	1,648,511	611,983	1,036,528	2,281,586	633,076	1,648,510
	1,648,511	611,983	1,036,528	2,281,586	633,076	1,648,510
Altri Florestal						
Proder	3,814	1,176	2,638	4,991	1,176	3,815
	3,814	1,176	2,638	4,991	1,176	3,815
Greenvolt						
IAPMEI	—	—	—	834,043	222,411	611,632
	—	—	—	834,043	222,411	611,632
Viveiros						
Proder	48,791	48,791	—	97,582	48,791	48,791
	48,791	48,791	—	97,582	48,791	48,791
	10,221,399	3,496,544	6,724,855	14,239,279	3,751,913	10,487,366

In January 2007, Celbi and Altri signed an agreement granting financial and fiscal incentives under Decree-Law no. 203/2003, of 10 September, with Agência para o Investimento e Comércio Externo de Portugal, E.P.E. (AICEP), as the Portuguese Government considered this project to be of national interest (PNI), to expand Celbi's production capacity. In 2015, the competent authorities felt that the project's objectives and merits had been achieved, with an achievement premium attributed in the amount of EUR 41,315,930. Celbi classified that amount under 'Other non-current liabilities' and 'Other current liabilities' (Notes 26 and 30) net of the amount that has been recognised directly as income in the profit-and-loss statement (Note 36) in the proportion of the already depreciated part of the subsidised property, plant and equipment according to the accounting policy under Note 2.3 e).

In January 2014, Celbi signed a new agreement granting financial and fiscal incentives under Decree-Law no. 203/2003, of 10 September, with Agência para o Investimento e Comércio Externo de Portugal, E.P.E. (AICEP), as the project to modernise and expand the production plant was considered by the Portuguese Government to be relevant and of strategic interest to the domestic economy. If Celbi fulfilled the proposed objectives and measures at the end of the years 2016, 2017 and 2019, the Portuguese Government would also grant an Accomplishment Premium, which will correspond to non-refund up to 75% of the refundable incentive amount. In 2021, AICEP, following the Compete Steering Committee's decision, and given that the main objectives, merits, and constraints have been met, approved the closure of the project, awarding a global achievement award of 4,367,689 euros. Celbi classified that amount under 'Other non-current liabilities' and 'Other current liabilities' net of the amount that has been recognised directly as profit in the profit-and-loss statement (Note 36) in the proportion of the already depreciated part of the subsidised property, plant and equipment according to the accounting policy under Note 2.3 e).

In the 2014 financial year, Caima Indústria signed a financial and fiscal incentive-granting agreement under Decree-Law no. 287/2007 with Agência para o Investimento e Comércio Externo de Portugal E.P.E. (AICEP) for an overall investment of EUR 35,161,000. If Caima Indústria fulfilled the proposed objectives and measures at the end of the years 2016, 2017 and 2019, the Portuguese Government would also grant an Accomplishment Premium, which will correspond to non-refund up to 48% of the refundable incentive amount. Said objectives were met by the subsidiary in reference to 31 December 2019, reason why the amount was recognized as an account receivable.

Until to 31 December 2021, Caima received the amount of EUR 2,017,596 pertaining to the Achievement Premium for fulfilling the objectives measured in the year 2016, which is recorded under non-current liability net of the amount that has been recognised directly as profit in the profit-and-loss statement (Note 36) in the proportion of the already depreciated part of the subsidised property, plant and equipment according to the accounting policy under Note 2.3 e).

On 31 December 2020, the presented amount pertaining to the subsidiary Greenvolt - Energias Renováveis, concerns the non-repayable investment subsidy attributed for financing the Mortágua Plant. On December 31, 2021, these liabilities were transferred to the caption "Liabilities directly associated with the group of assets classified as held for distribution to shareholders" (Note 7).

27. TRADE PAYABLES

As at 31 December 2021 and 2020, this line item was composed of the following:

		Payable		
	31.12.2021	0-90 days	90-180 days	>180 days
Trade payables, current account	50,799,903	50,798,771	154	978
Trade payables, invoices pending	22,138,053	22,138,053	—	—
Trade payables - securities payable	61,803,336	61,803,336	—	—
	134,741,292	134,740,160	154	978

		Payable		
	31.12.2020	0-90 days	90-180 days	>180 days
Trade payables, current account	40,668,226	40,421,499	17,697	229,030
Trade payables, invoices pending	18,594,848	18,329,095	96,685	169,068
Trade payables - securities payable	44,841,419	44,841,419	—	—
	104,104,493	103,592,013	114,382	398,098

As at 31 December 2021 and 2020, the line item 'Trade payables' concerned amounts payable resulting from acquisitions related to the Group's normal course of business.

The Board of Directors understands that the book value of these debts is close to its fair value.

As at 31 December 2021 and 2020, the line item 'Trade payables – securities payable' refers to supplier balances transferred in confirming operations, as described under Note 2.3 l).

28. OTHER PAYABLES

As at 31 December 2021 and 2020, the line item 'Other payables' can be detailed as follows:

		Payable		
	31.12.2021	0-90 days	90-180 days	>180 days
Suppliers of fixed assets	2,366,981	2,366,981	—	—
Payables to the State and other public entities (Note 18)	8,588,671	8,588,671	—	—
Other debts	5,670,566	5,626,210	—	44,356
	16,626,218	16,581,862	—	44,356

		Payable		
	31.12.2020	0-90 days	90-180 days	>180 days
Suppliers of fixed assets	2,560,508	2,560,508	—	—
Payables to the State and other public entities (Note 18)	3,771,728	3,771,728	—	—
Other debts	7,061,866	7,017,510	—	44,356
	13,394,102	13,349,746	—	44,356

29. LIABILITIES ASSOCIATED WITH AGREEMENTS WITH CUSTOMERS

As at 31 December 2021 and 2020, the line item 'Liabilities associated with agreements with customers' can be detailed as follows:

	31.12.2021	31.12.2020
Rappel and discounts to be settled	4,901,173	3,341,862
Commissions to be settled	446,000	300,074
	5,347,173	3,641,936

30. OTHER CURRENT LIABILITIES

On 31 December 2021 and 2020, the line item 'Other current assets' can be detailed as follows:

	31.12.2021	31.12.2020
Accrued expenses		
Energy and gas expenses to be settled	11,420,548	3,143,515
Remunerations to be settled	4,469,003	4,117,711
Rents to be settled	63,424	196,778
Insurance to be settled	144,029	28,774
Water fees to be settled	1,273,321	1,186,896
Other charges to be settled	9,183,960	8,774,789
Deferred income		
Government grants (Notes 24 and 26)	3,496,544	3,751,913
	30,050,829	21,200,376

As at 31 December 2021 and 2020, the line item 'Other charges to be settled' basically concerns expenses related to operating activities already incurred and yet to be invoiced.

The variation in the item "Energy and gas costs payable" is essentially explained by the price effect.

31. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December 2021 and 2020, the Altri Group had in force derivative financial instrument contracts associated with hedging interest rate changes and derivative financial instrument contracts associated with hedging exchange rate changes. As at 31 December 2021, the Group also signed derivative financial instrument contracts to hedge changes in the paper pulp price. All these instruments are recorded at fair value.

Altri Group subsidiaries only use derivatives to hedge cash flows associated with operations generated by their activity.

As at 31 December 2021 and 2020, the fair value of derivative financial instruments is as follows:

	31.12.2021				31.12.2020			
	Asset		Liability		Asset		Liability	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Interest rate derivatives	—	163,618	144,498	540,350	—	—	131,976	1,053,386
Exchange rate derivatives	1,130,725	—	2,273,978	—	7,313,870	—	230,685	—
Pulp price derivatives	—	—	680,674	—	—	—	—	—
	1,130,725	163,618	3,099,150	540,350	7,313,870	—	362,661	1,053,386

(i) Interest rate derivatives

In order to reduce its exposure to interest rate volatility, the Group has issued debt indexed to fixed-rate and entered into derivative financial instruments, namely, interest rate swaps. These contracts were valued at their fair value as at 31 December 2021 and 2020, and the corresponding amount was recognised under 'Derivative financial instruments.'

As at 31 December 2021 and 2020, the Altri Group had in force interest rate derivative contracts whose total amounts are as follows:

					Fair Value	
Type	Amount	Maturity	Interest	Fixing	31.12.2021	31.12.2020
Interest rate swap	5,000,000	16/04/2025	Pays a fixed rate and receives 6M Euribor rate	0.820%	(167,940)	(298,306)
Interest rate swap	5,000,000	16/04/2025	Pays a fixed rate and receives 6M Euribor rate	0.806%	(170,078)	(294,721)
Interest rate swap	5,000,000	16/04/2025	Pays a fixed rate and receives 6M Euribor rate	0.818%	(167,705)	(297,493)
Interest rate swap	5,000,000	16/04/2025	Pays a fixed rate and receives 6M Euribor rate	0.805%	(170,377)	(294,841)
Interest rate swap	20,000,000	27/07/2027	Pays a fixed rate and receives 6M Euribor rate	0.027%	28,675	—
Interest rate swap	20,000,000	27/07/2027	Pays a fixed rate and receives 6M Euribor rate	(0.060)%	126,195	—
					(521,230)	(1,185,361)

In accordance with the accounting policies adopted, these derivatives comply with the requirements to be classified as interest rate hedging instruments (Note 2.3 l).

The fair value of the derivatives contracted by the Group was calculated by the respective counterparties (financial institutions with whom such contracts were entered into). These derivatives' assessment model, as used by the counterparties, is based on the discounted cash-flow method, i.e., using Swap Par Rates, which are listed on the interbank market and available on the Reuters and/or Bloomberg web pages, for relevant periods, while calculating the respective forward rates and discount factors that serve to discount fixed cash flows (fixed leg) and variable cash flows (variable leg). The sum of the two instalments results in the Net Present Value of the future cash flows or fair value of the derivatives.

Finally, it should be noted that on December 31, 2021, Altri Group had about 22% (31% as of 31 December 2020) of its gross nominal financial debt issued at a fixed rate, having, in addition, contracted interest rate swaps - in which the Euribor (6M) index is exchanged for a fixed rate - on a global notional of EUR 60 million, associated with the Bond “Altri 2017/2025” and with the Bond “Celbi 2017/2027”. These interest rate swaps, entered into by Management's decision in June 2018 and November 2021, correspond to approximately 10% of the gross nominal financial debt issued. Therefore, with reference to 31 December, 2021, only 68% of the Altri Group's gross financial debt was indexed to a variable rate (66% as of 31 December 2020).

Resulting from the acquisition of Tilbury, an interest rate derivative contract was entered into, with the objective of mitigating the risk of volatility regarding the evolution of the interest rate of the new financing constituted in 2021, with a nominal value of 120 million Great British Pounds. In this case, the variable interest rate (indexing) "SONIA" was exchanged for a fixed interest rate of 0.8658%. This contract was valued according to its fair value at December 31, 2021, and the corresponding amount was recognized under "Derivative financial instruments". As of December 31, 2021, these assets and liabilities were transferred to the captions "Group of assets classified as held for distribution to shareholders" and "Liabilities directly associated with the group of assets classified as held for distribution to shareholders" (Note 7).

(ii) Exchange rate derivatives

The Altri Group essentially uses exchange rate derivatives to hedge future cash flows.

Indeed, a significant part of the Group's sales (about half) are made in USD. Accordingly, changes in the EUR/USD exchange rate can significantly affect the Group's results.

In order to monitor and mitigate this risk, Altri Group permanently analyses its exposure to exchange rate fluctuations, assessing the evolution of the EUR/USD spot price, as well as its forward rates, defining and implementing strategies hedging whenever it deems convenient. These strategies are based on a policy of hedging foreign exchange risk previously defined by the Executive Committee and which consists of covering part of the cash flows resulting from its estimated sales.

In 2020, the Executive Committee defined a hedging mandate, for fiscal year 2021, of up to about 24% of the total estimated sales of BHKP pulp and up to about 78% of the total estimated sales for the DWP pulp. This mandate is based on the contracting of Asian-style put and call options on the United States dollar (average rate collars) on a monthly basis and with a 12-month time horizon (from January 2021 to December 2021). With regard to shorter time horizons (up to 90 days), the Group favours the use of foreign exchange forwards to mitigate the risk of unfavourable developments in the EUR/USD exchange rate.

Thus, during the 2021 and 2020 financial years, the Altri Group contracted exchange rate 'options' and 'forwards' in U.S. dollars, to manage the exchange rate risk to which it is exposed.

As at 31 December 2021 and 2020, the Altri Group had in force the following exchange rate derivative agreements:

Notional USD / month	Maturity	31.12.2021		Asian Collar range (average strikes)	
		Asset	Liability	Euro put / USD call	Euro call / USD put
17,000,000	1H2022	209,225	(829,287)	1.1342	1.1711
17,000,000	2H2022	840,095	(1,367,707)	1.1342	1.1711

Notional USD / month	Maturity	Asset	Liability	Simple Forwards (sales USD) Forward (average)
3,000,000	Jan-22	13,722	—	1.1319
6,000,000	Jan-22	—	(44,664)	1.1474
7,000,000	Fev-22	31,377	—	1.1319
8,000,000	Fev-22	—	(32,320)	1.1432
3,000,000	Mar-22	36,306	—	1.1233
		1,130,725	(2,273,978)	

Notional USD / month	Maturity	31.12.2020		Asian Collar range (average strikes)	
		Asset	Liability	Euro put / USD call	Euro call / USD put
14,000,000	1H2021	3,358,624	(31,606)	1.1325	1.1718
14,000,000	2H2021	3,955,246	(199,079)	1.1325	1.1718
		7,313,870	(230,685)		

(iii) Pulp price hedging derivatives

In order to reduce its exposure to the volatility of the pulp price, the Group contracted pulp price hedging derivatives, which were valued according to their fair value at December 31, 2021, and the corresponding amount was recognized in the caption "Derivative financial instruments".

On December 31, 2021 the following pulp price hedging derivative contracts were in place:

Covered quantity	Start date	Maturity	31.12.2021		31.12.2020	
			Asset	Liability	Asset	Liability
3,500 ton/month	01/01/2022	31/12/2022	—	(680,674)	—	—
			—	(680,674)	—	—

The calculation of the fair value of derivatives to hedge the pulp price contracted by the Company was made by the respective counterparts (financial institutions with whom such contracts were signed). The derivative evaluation model, used by the counterparts, is based on the Discounted Cash Flows Method, i.e., the difference between the estimated pulp price (PIX) and the price fixed for the relevant periods is calculated, which is subsequently updated to the evaluation date.

In accordance with the accounting policies adopted, these pulp derivatives meet the requirements to be considered as hedging instruments, so the change in their fair value was recorded in the equity caption "Hedging reserves".

(iv) Inflation derivatives (RPI)

Following the acquisition of the Tilbury power plant by the subsidiary GreenVolt in 2021 (Note 6), an inflation derivative contract was signed, which fixed the annual growth at 3.4532% until 2037, in order to hedge the uncertainty associated with the evolution of the Retail Price Index (RPI), taking into account that the growth of the ROC component of Tilbury's revenue is influenced by the RPI. In accordance with the accounting policies adopted, these derivatives meet the requirements to be considered as hedging instruments, so the change in their fair value was recorded in the equity caption "Hedging reserves". As of December 31, 2021, these assets and liabilities were transferred to the captions "Asset group classified as held for distribution to shareholders" and "Liabilities directly associated with the asset group classified as held for distribution to shareholders" (Note 7).

The movement in the fair value of financial instruments during the years ended 31 December 2021 and 2020 can be broken down as follows:

2021	Pulp price hedging derivatives	Interest rate derivatives	Exchange rate derivatives	Inflation derivatives (RPI)	Total
Opening balance	—	(1,185,362)	7,083,185	—	5,897,823
Acquisition of subsidiaries (Note 6)	—	(8,145,161)	—	—	(8,145,161)
Change in fair value					
Effects on equity	(680,674)	1,792,311	(7,930,436)	(37,066,574)	(43,885,373)
Effects on the income statement (Note 38)	—	(845,064)	(2,245,281)	—	(3,090,345)
Effects on the statement of financial position	—	9,050,761	1,949,279	—	11,000,040
Changes in currency exchange rate	—	(46,827)	—	(503,584)	(550,411)
Transfer to discontinued activities (Note 7)	—	(1,141,888)	—	37,570,158	36,428,270
Closing balance	(680,674)	(521,230)	(1,143,253)	—	(2,345,157)

2020	Pulp price hedging derivatives	Interest rate derivatives	Exchange rate derivatives	Total
Opening balance	—	(1,030,123)	(212,277)	(1,242,400)
Change in fair value				
Effects on equity	—	(145,914)	8,309,260	8,163,346
Effects on the income statement (Note 38)	—	(222,826)	(3,051,786)	(3,274,612)
Effects on the statement of financial position	—	213,501	2,037,988	2,251,489
Closing balance	—	(1,185,362)	7,083,185	5,897,823

During the 2021 and 2020 financial years, the gains and losses associated with the change in the fair value of hedging instruments in the elapsed part, of the instruments which, though contracted for hedging purposes, did not meet the requirements for being classified as such, and the ineffective part of the hedging instruments were directly recorded in the profit-and-loss statement for financial years ended 31 December 2021 and 2020 (Note 38). At December 31, 2021, the remaining amount between what was recorded in the income statement and the amount shown under the caption "Effects on the income statement", relates to the impact of discontinued activities in the amount of approximately 576,000 Euros (Note 7).

32. GUARANTEES AND OTHER COMMITMENTS

a) Guarantees

As at 31 December 2021 and 2020, the guarantees provided was detailed as follows:

	31.12.2021	31.12.2020
AICEP/API (Note 24)	2,178,013	2,178,013
Others	2,230,534	3,475,034
	4,408,547	5,653,047

At December 31, 2021, the guarantees provided related to discontinued activities amount to 2,230,204 Euros and relate essentially to operational guarantees associated with the business areas of solar energy production, energy production from biomass and decentralized energy production.

b) Other commitments

As at 31 December 2021, the contractual obligation for the acquisitions of fixed assets assumed by the Altri Group companies (continued and discontinued activities) involve around EUR 33,400,000 (EUR 11,500,000 as at 31 December 2020).

Future commitments are essentially related to the acquisition of manufacturing equipment, namely, the biomass boiler and the ETAR - secondary treatment remodeling.

33. PENSION FUNDS

Some companies of the Altri Group comprise commitments related to expenses with retirement funds that were hedged in the amount of the autonomous pension funds. Net liabilities not hedged are recognised pursuant to IAS 19, and were broken down as follows.

The Caima and Altri Florestal Pension Fund, constituted by deed on 31 December 1987 and merged by 'BPI Pensões - Sociedade Gestora de Fundos de Pensões, S.A.', for the purpose of assuring workers (i) at the normal retirement date, or (ii) at the contractual termination of the employment agreement with the Company, that are at least 57 years old and with 10 years of continuous service; the right to a retirement supplement, from the normal retirement age, whose amount is based on average gross salaries of the last two years working for the company. By decision of the Management of Caima, the Caima and Altri Florestal Pension Fund was divided into two separate funds in December 1998, after authorisation from the Portuguese Insurance Institute. During the financial year ended 31 December 2010, Caima and Altri Florestal transferred the shares of the collective subscriptions held with BPI Pensões to the Tejo Pension Fund. This transfer was requested by the Portuguese Insurance Institute on 23 September 2010, which decided favourably on 3 March 2011. Thus, in April 2011, Altri Florestal and Caima pension fund assets were incorporated into the Tejo Pension Fund, bearing the name Pension Plan C.

The Tejo Pension Fund was constituted by Biotek on 28 February 2005, in order to finance, among others, the Pension Plan arising from Company Regulations and Agreements applicable to Associates. An agreement concluded with trade unions in 2007 created a new Pension Plan applicable to every worker hired after 1 September 2007, the date when the new agreement came into force, as well as to every worker hired prior to that date and who expressly choose the new Pension Plan. Thus, the Tejo Pension Fund started financing the benefits established under three Pension Plans provided for under the Regulation published in a Service Order in 2002, as well as the benefits set forth in the new Pension Plan, which became known as Pension Plan B, as defined in the Company Agreement published in the BTE, no. 32, of 29/08/2007. From the 2009 financial year, Pension Plan B started applying to every worker in Biotek's assets, while the other Pension Plans started hedging the liabilities pertaining to every former worker whose contract termination has considered a right to a pension, according to the benefits established under every Pension Plans.

A new defined contribution Pension Plan was created on 1 May 2014, integrated in the Tejo Pension Fund under the name CD Pension Plan, and applicable to every worker in the asset of the three Associates: Biotek, Caima and Altri Florestal. Workers hired by 30 April 2014 were given the right to choose to subscribe to the new CD Pension Plan ,upon resignation by expressly and definitively the defined benefit Pension Plan, under the following conditions: (a) Biotek workers who were active on 30 April 2014 with an open-ended contract were given the option to choose whether or not to move to the defined contribution plan, (b) in the case of Caima and Altri Florestal, the right to choose was given only to workers who, on 30 April 2014, had an open-ended contract, a period of service of at least 10 years, and aged 57 or older. Thus, the Tejo Pension Fund started funding the liabilities of five Pension Plans, of which four were the defined benefit, and whose liabilities tend to expire, as well as a defined contribution Pension Plan, whose contributions vary annually according to the Altri Group's results and are granted to every worker in each Associate, according to the respective pensionable salaries and service time.

From 2014, Celbi grants its employees under a subordinate open-ended contract a defined contribution pension plan. Under this plan, Celbi grants every worker on the permanent staff a percentage of their pensionable salary according to their service time. The contribution to the Pension Fund varies annually according to the Altri Group's results. Contributions they make are accounted for as an expense in the financial year, and no longer entail liabilities for future benefits related to the Pension Fund.

The defined benefit plans are not contributory for those taking part therein.

With the new defined contribution plan scheme, the Group records as an expense, during the financial year, the contributions it makes, and no longer entail liabilities for future benefits related to the Pension Fund.

According to the actuarial valuations conducted by fund management companies in reference to 31 December 2021 and 2020, the present value of liabilities for past services for active employees and for retired workers, as well as the asset situation of pension funds, on those dates, were as follows:

	31.12.2021	31.12.2020
	Caima/Biotek/Altri Florestal	Caima/Biotek/Altri Florestal
Current liabilities for past services	12,535,895	13,817,714
Asset of pension funds	9,264,736	8,637,510

The movement occurred on the present value of liabilities for past services during the financial years ended 31 December 2021 and 2020 is as follows:

31 December 2021	Plans				
	Ex -Directors (DA)	Plan A	Plan B	Plan C	Total
Responsibilities in the beginning of the year	865,937	5,898,884	2,666,114	4,386,779	13,817,714
Benefits paid under the Pension Funds	(36,366)	(453,191)	(126,724)	(297,494)	(913,775)
Current service expense	—	—	6,242	—	6,242
Interest expense	5,938	39,726	18,220	29,575	93,459
Actuarial losses/(gains)					
Resulting from changes in financial assumptions	(26,158)	(138,009)	(84,761)	(101,543)	(350,471)
Resulting from experience adjustments	58,397	42,399	(3,016)	(215,054)	(117,274)
Responsibilities in the end of the year	867,748	5,389,809	2,476,075	3,802,263	12,535,895

31 December 2020	Plans				
	Ex -Directors (DA)	Plan A	Plan B	Plan C	Total
Responsibilities in the beginning of the year	856,273	6,085,854	2,747,895	4,518,349	14,208,371
Benefits paid under the Pension Funds	(63,581)	(454,266)	(92,951)	(337,543)	(948,341)
Current service expense	—	—	7,838	1,269	9,107
Interest expense	8,387	58,586	26,951	43,556	137,480
Actuarial losses/(gains)					
Resulting from changes in financial assumptions	26,481	152,291	91,520	114,089	384,381
Resulting from experience adjustments	38,377	56,419	(115,139)	47,059	26,716
Responsibilities in the end of the year	865,937	5,898,884	2,666,114	4,386,779	13,817,714

The movement occurred in the asset situation of pension funds during the financial years ended 31 December 2021 and 2020 is as follows:

31 December 2021	Plans				
	Ex -Directors (DA)	Plan A	Plan B	Plan C	Total
Pension Funds value in the beginning of the year	477,131	3,667,296	1,755,927	2,737,156	8,637,510
Allocations	62,658	242,399	482,240	648,730	1,436,027
Paid pensions	(36,366)	(453,191)	(126,724)	(297,494)	(913,775)
Fund Income/Return					
Fund Income/Return	3,265	22,323	14,558	17,108	57,254
Income from Interests	3,216	24,105	11,812	18,023	57,156
Transfer between members / plans	—	—	—	—	—
Others	(519)	(3,562)	(2,174)	(3,181)	(9,436)
Pension Funds value at year end	509,385	3,499,370	2,135,639	3,120,342	9,264,736

31 December 2020	Plans				
	Ex -Directors (DA)	Plan A	Plan B	Plan C	Total
Pension Funds value in the beginning of the year	519,191	3,964,733	2,009,742	2,946,173	9,439,839
Allocations	—	—	—	121,386	121,386
Paid pensions	(63,581)	(454,266)	(92,951)	(337,543)	(948,341)
Fund Income/Return					
Fund Income/Return	1,309	10,063	4,818	7,511	23,701
Income from Interests	1,122	8,625	4,129	6,437	20,313
Transfer between members / plans	20,237	146,914	(167,151)	—	—
Others	(1,147)	(8,773)	(2,660)	(6,808)	(19,388)
Pension Funds value at year end	477,131	3,667,296	1,755,927	2,737,156	8,637,510

Considering the difference between the amount of the liabilities as at 31 December 2021 and 2020 and the amount of the pension funds as at the same date, the liabilities to 'Pension Liabilities' were decreased in the amount of EUR 1,909,045 and increased in EUR 411,674, respectively.

As at 31 December 2021 and 2020, the operations occurred under the line item 'Pension Liabilities' are detailed as follows:

31 December 2021	Plans				
	Ex -Directors (DA)	Plan A	Plan B	Plan C	Total
Pension liabilities in the beginning of the year	388,806	2,231,588	910,187	1,649,623	5,180,204
Increase/(reversal) in other comprehensive income	29,493	(114,371)	(100,161)	(330,529)	(515,568)
Increase/(reversal) in income statement	2,722	15,621	12,650	11,557	42,550
Settlements and Appropriations	(62,658)	(242,399)	(482,240)	(648,730)	(1,436,027)
Reclassification	—	—	—	—	—
Pension liabilities at year end	358,363	1,890,439	340,436	681,921	3,271,159

31 December 2020	Plans				
	Ex -Directors (DA)	Plan A	Plan B	Plan C	Total
Pension liabilities in the beginning of the year	337,080	2,121,120	737,176	1,573,153	4,768,529
Increase/(reversal) in other comprehensive income	64,696	207,420	(25,777)	160,445	406,784
Increase/(reversal) in income statement	7,268	49,961	30,660	38,388	126,277
Settlements and Appropriations	—	—	—	(121,386)	(121,386)
Reclassification	(20,237)	(146,914)	167,151	—	—
Pension liabilities at year end	388,807	2,231,587	909,210	1,650,600	5,180,204

Regarding the aforementioned plans, risks can be divided into:

(i) Financial Risks

The Fund is subject to the risk of variability of the income generated by the assets comprising the fund portfolio, namely interest rate risk, credit risk, price change risk, and exchange rate risk for the component expressed in currencies other than the euro.

- Interest rate risk results from the trade-off occurring between market interest rates and bond price. Thus, bond price rises as market interest rates drop, while bond price decreases when market interest rates increases;
- The credit risk of bonds consists of the investors' perceptions with regard to payment, interest and capital capacity, by issuing entities;
- The risk of varying share prices stems from the change in investors' expectations regarding the macroeconomic and sectoral conditions where the company operates and, above all, from the change in the specific conditions of each company's business.

(ii) Actuarial Risks

The actuarial risks comprise pension payment liabilities, presenting various risks that can have a negative impact on the value of the Fund's liabilities, namely pension growth rate, increased average life expectancy, and discount rate.

Relevant risks affecting the pension fund are managed by the Managing Company thereof, using the following mechanisms:

- The investment policy is mandatorily revised every three years. At the end of each year, an assessment is performed considering the fund's liabilities and, if there is a material change in the assumptions on which their preparation is based, materially, the Managing Company thereof proposes an amendment to the investment policy.

- The procedures used for adjusting between financial assets and liabilities are based on the distribution of liabilities by age groups, as this is associated with a risk profile.

- Share/Bond distribution by age group is based on the life cycle principle, which considers that risk tolerance decreases (reduced share weight) with a decrease in the investment horizon (approaching retirement age).

- The proposed allocation results from the weighting of these profiles, according to the weight of each echelon in the overall liability structure.

- In addition, and by deducting from the bond component, we consider a tranche of non-correlated assets (hedge funds, real estate, private equity, commodities), whose weight can range from 5% to 10%, and which is aimed at increasing the level of diversification.

- The Investment Policy followed by the Tejo BD Pension Sub-Fund on 31 December 2021 and 2020, complies with regulations set forth under Regulatory Standard no. 9/2007-R.

Liabilities regarding the Pension Plan as at 31 December 2021 were determined based on the following assumptions:

(i) 'Projected Unit Credit' calculation method";
(ii) Mortality Tables TV 88/90;
(iii) Yield/discount rate 1%;
(iv) Growth rate of wages 1%;

The Tejo Pension Fund comprises the following features:

(i) Portfolio composition:
   a. 12% shares;
   b. 68.7% fixed-rate bonds;
   c. 9.2% variable-rate bonds; and
   Alternative investments:
   a. 2.0% Real estate;
   b. 5.3% *Hedge Funds Liquidity*.
(ii) Expected return of the plan's long-term assets 1.30%.

Liabilities regarding the Pension Plan as at 31 December 2020 were determined based on the following assumptions:

(i) 'Projected Unit Credit' calculation method";
(ii) Mortality Tables TV 88/90;
(iii) Yield/discount rate 0.7%;
(iv) Growth rate of wages 1%;

The Tejo Pension Fund comprises the following features:

(i) Portfolio composition:
   a. 11.6% shares;

b. 71.3% fixed-rate bonds;
c. 8.7% variable-rate bonds; and

Alternative investments:
a. 2.0% Real estate;
b. 5.0% *Hedge Funds Liquidity*.

(ii) Expected return of the plan's long-term assets 4.19%.

The discount rate used was selected in reference to the yield rate of a basket of high-quality corporate bonds. The maturity and ratings of the bonds selected were deemed appropriate, given the amount and the period when monetary flows associated with benefit payments to employees occur.

The Altri Group performed a sensitivity analysis of this valuation to significant assumption changes, having concluded that, had it considered a discount rate under 25 basis points, the liability amount would have increased by, approximately, EUR 0.3 million.

The amount recognised as an expense, regarding the benefits of a set contribution, in the financial statements of the financial years ended 31 December 2021 and 2020 came to around EUR 475,000 and EUR 566,000, respectively.

34. RELATED PARTIES

Altri Group subsidiary companies have relationships with each other that qualify as transactions with related parties, which were carried out at market prices.

In the consolidation procedures, transactions between companies included in the consolidation using the full consolidation method are eliminated, since the consolidated financial statements show information on the holder and its subsidiaries as if it were a single company, and so they are not disclosed under this note.

Balances as at 31 December 2021 and 2020 and the transactions with related entities during the financial years ended on those dates can be summarised as follows:

	Purchases and acquired services		Sales and services rendered		Other income	
Transactions	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Associates and joint ventures (a)	20,502,798	17,549,955	618,391	—	37,616	1,572
Other related parties (b)	2,869,924	3,330,238	166,908	—	131,993	128,051
	23,372,722	20,880,193	785,299	—	169,609	129,623

	Payments of lease liabilities		Interest expense		Interest income	
Transactions	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Associates and joint ventures (a)	—	—	—	—	246,804	—
Other related parties (b)	6,880,587	6,605,727	1,421,363	—	—	—
	6,880,587	6,605,727	1,421,363	—	246,804	—

	Payables		Receivables	
Balances	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Associates and joint ventures (a)	3,128,339	2,185,564	165,504	1,600
Other related parties (b)	6,890,508	8,761,388	1,035,703	11,338
	10,018,847	10,946,952	1,201,207	12,938

	Loans granted		Shareholders Loans	
Balances	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Associates and joint ventures (a)	20,329,191	—	—	—
Other related parties (b)	20,140	—	40,826,529	—
	20,349,331	—	40,826,529	—

(a) Every entity included in the consolidation using the equity method as at 31 December 2021 and 2020 as detailed in Note 4.2.

(b) "Other related parties" include subsidiaries of Ramada Group companies, Cofina Group, shareholders and other related entities.

The caption "Sales and services rendered" includes services rendered by V-Ridium Group entities to joint ventures. As of December 31, 2021, this income was transferred to the caption "Profit after tax from discontinued operations" (Note 7).

The caption "Loans granted" includes loans granted by V-Ridium Group entities to joint ventures. As of December 31, 2021, these assets were transferred to the caption "Group of assets classified as held for distribution to shareholders" (Note 7).

The caption "Shareholder loans" includes a loan obtained from a shareholder of one of GreenVolt's subsidiaries, Lakeside Topco Limited. This loan bears interest at a rate of 7%, with a payment date of March 31, 2054. Thus, the entire face value of the loan was classified as non-current. The "Interest expenses" item essentially includes the interest associated with the referred loan. As of December 31, 2021, these liabilities were transferred to the caption "Liabilities directly associated with the group of assets classified as held for distribution to shareholders" (Note 7).

During the financial years ended 31 December 2021 and 2020, there were no transactions with the Board of Directors, nor were they granted loans.

35. COMPENSATIONS TO KEY MANAGEMENT

Compensations granted to key Management who, in view of the Group's governance model, are members of the Altri Group's Board of Directors, earned through all group's companies, during the financial years ended 31 December 2021 and 2020, were as follows:

	Board of Directors	
	31.12.2021	31.12.2020
Fixed remunerations	3,088,533	2,837,247
Variable remunerations	855,000	350,000
	3,943,533	3,187,247

As at 31 December 2021 and 2020, there are no: (i) incentive plans or systems with regard to granting shares to members of the Board of Directors; (ii) supplementary early retirement schemes for directors; (iii) compensations paid or owed to former directors regarding the suspension of duties during the financial year; or (iv) non-monetary benefits considered remuneration.

Director Laurentina Martins benefits from a plan granted prior to her appointment to the Board of Directors, since she was an employee of the subsidiary Caima – Indústria de Celulose, S.A. on the granting date. The main characteristics and information on the aforementioned plan is detailed under Note 33. As at 31 December 2021, the current amount of payable pensions granted to this employee came to EUR 365,301, and no contribution was made to the aforementioned fund in 2021. The amount earned directly via the pension fund in 2021 was EUR 28,088. Additionally, during 2021, the Group made contributions to the Celbi pension fund (defined contribution) (Note 33) for some directors, in the amount of 20,590 euros.

Altri, S.G.P.S., S.A. does not have a plan for granting shares or purchasing options for acquiring shares to members of its governing bodies or to its workers.

36. OTHER INCOME

The profit-and-loss statement line item 'Other income' in the financial years ended 31 December 2021 and 2020 was as follows:

	31.12.2021	31.12.2020 (Restated)
Investment and exploration subsidies	4,599,905	4,692,525
Gains on sales of assets	630,044	197,686
Claim compensations	563,819	502,595
Others	2,407,008	2,028,343
	8,200,776	7,421,149

37. OTHER EXPENSES

The profit-and-loss statement line item 'Other expenses' in the financial years ended 31 December 2021 and 2020 was as follows:

	31.12.2021	31.12.2020 (Restated)
Fees and direct taxes	2,278,690	1,981,642
Donations	127,299	94,057
Others	885,173	844,446
	3,291,162	2,920,145

38. FINANCIAL RESULTS

The financial expenses and income for the financial years ended 31 December 2021 and 2020 are as follows:

	31.12.2021	31.12.2020 (Restated)
Financial expenses:		
Interest expenses (Note 24)	9,553,573	10,572,754
Interest expenses related to lease liabilities (Note 10.2)	2,491,768	2,578,098
Unfavourable currency exchange differences	1,940,595	7,452,157
Losses in derivative instruments (Note 31)	5,165,565	4,753,067
Other financial expenses and losses	2,924,371	1,092,144
	22,075,872	26,448,220
Financial income:		
Interest income	154,286	614,099
Favourable currency exchange differences	5,807,748	1,862,290
Gains in derivative instruments (Note 31)	2,650,917	1,478,455
Other financial income and gains	33	459,017
	8,612,984	4,413,861

The line items 'Gains in derivative instruments' and 'Losses in derivative instruments' refer to gains and losses, respectively, resulting from the fair-value change in derivatives in force at the end of every financial year and losses in derivative instruments resulting from derivative instruments that matured or settlement of derivative instruments (Note 31).

The line item 'Other financial gains and losses' includes, among others, expenses incurred with loans, which are being recognised as an expense over the life of the respective loan (Note 24).

39. AMORTISATION AND DEPRECIATION

The profit-and-loss statement line item 'Amortisation and depreciation' regarding financial years ended 31 December 2021 and 2020 is as follows:

	31.12.2021	31.12.2020 (Restated)
Property, plant and equipment (Note 9)	53,733,384	52,538,268
Right-of-use assets (Note 10.1)	9,860,173	9,332,199
Intangible assets (Note 12)	398,379	343,884
	63,991,936	62,214,351

40. EARNINGS PER SHARE

Earnings per share ended 31 December 2021 and 2020 were calculated based on the following amounts:

	31.12.2021	31.12.2020 (Restated)
Number of shares for basic and diluted earning calculation	205,131,672	205,131,672
Earnings of continued operations for the purpose of calculating earnings per share	123,677,532	24,700,297
Earnings of discontinued operations for the purpose of calculating earnings per share	4,121,917	10,276,951
Earnings per share		
From continued operations		
Basic	0.60	0.12
Diluted	0.60	0.12
From discontinued operations		
Basic	0.02	0.05
Diluted	0.02	0.05

As at 31 December 2021 and 2020, there are no dilution effects on the number of circulating shares.

41. INFORMATION BY SEGMENTS

As mentioned in Notes 1 and 7, GreenVolt and its subsidiaries are presented in this consolidated financial information as a Group of assets classified as held for distribution to shareholders, with reference to December 31, 2021. Under the terms of the operations referred to above, the planned reorganization will have as its objective the separation of Altri's two autonomous business units corresponding to the exercise of the management of investments in the paper pulp sector and in the electric energy production sector, respectively. This reorganization was part of a rationale of focus and transparency of Altri's business, aimed at giving each of the areas greater visibility and perception of value by the market, and allowed the Altri Group to concentrate its activity on its core business, the production of bleached pulp from eucalyptus. Therefore, with reference to December 31, 2021, the Board of Directors considers that there is only one segment that can be reported, namely the production and commercialization of bleached paper pulp from eucalyptus, and the management information is also prepared and analysed on this basis.

Geographically speaking, the distribution of the Group's sales and services rendered by market is as follows:

	31.12.2021	31.12.2020 (Restated)
Domestic market	203,059,732	166,024,625
Foreign market	582,157,593	401,598,198
	785,217,325	567,622,823

42. PAYROLL EXPENSES

During the financial years ended 31 December 2021 and 2020, the average number of staff employed in the companies included in the consolidation using the full consolidation method was 757 and 766, respectively.

As at 31 December 2021 and 2020, the line item 'Payroll Expenses' shows the following detail:

	31.12.2021	31.12.2020 (Restated)
Remunerations	33,911,593	29,715,472
Social security contributions	6,046,755	6,046,954
Indemnities	178,424	286,738
Insurance	940,898	947,553
Costs with pensions	458,879	565,649
Others	1,711,939	1,449,604
	43,248,488	39,011,970

43. EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2021 and 2020, the line item 'External supplies and services' shows the following detail:

	31.12.2021	31.12.2020 (Restated)
Energy	53,569,643	25,944,611
Transport of goods	39,396,801	33,106,338
Specialised services	16,244,128	15,167,981
Fuels	18,227,447	9,984,581
Forestry activity costs	23,823,551	18,667,078
Maintenance and repair	21,148,243	18,777,607
Rents	2,173,476	2,080,320
Insurance	5,716,213	5,652,503
Subcontracts	5,153,586	5,310,873
Others	15,794,756	16,587,894
	201,247,844	151,279,786

At December 31, 2021, the variation in the Energy and Fuels items, are essentially explained by a significant increase in prices.

At December 31, 2021, the variation in the item Transport of goods, is essentially explained by the increase in transport prices and also by an increase in the volumes of wood imports.

At December 31, 2021, the variation in the caption Forestry activity costs is essentially related to an increase in the activity of cutting and sale of roundwood.

At December 31, 2021, the variation under the caption Maintenance and Repair is essentially explained by the fact that in 2020, due to the pandemic, conservation and repair work was not carried out to the usual extent, and in 2021, these costs are again at normal Group activity levels.

44. STATUTORY AUDITOR FEES

In 2021 and 2020, the total fees paid by Altri Group for services provided by companies in the EY Audit & Associados - SROC, S.A. universe, in both years, came to EUR 148,450 and EUR 142,000, respectively. These fees pertain to auditing and statutory audit services and include, in 2021 and 2020 the amount of EUR 2,500 and EUR 5,000, respectively, relating to Assurance services other than audits or reviews of historical financial Information and Agreed upon procedures.

45. ALLOCATION OF NET PROFIT

Regarding the 2020 financial year, the Board of Directors proposed in its annual report that the individual net profit of Altri, SGPS, S.A. in the amount of EUR 95,148,555, should be allocated as follows:

Dividends	EUR 51,282,918
Free reserves	EUR 43,865,637

The distribution of profits for the financial year and free reserves hereby proposed resulted in the payment of a gross dividend of 0.25 EUR/share.

In July 2021, as a result of the conclusion of the operation of admission to trading on the regulated market Euronext Lisbon of all shares representing the share capital of its subsidiary Greenvolt - Energias Renováveis, S.A., it was decided to distribute a gross dividend of 0.10 Euro for each share representing Altri's share capital (total amount of 20,513,167 Euro), and the distribution of 1 share of Greenvolt - Energias Renováveis, S.A. for each multiple of 55 shares representing Altri's share capital, up to a maximum of 5% of the total number of shares of the capital at the time before the admission, which corresponded to 3,726,771 shares.

In relation to the year 2021, the Board of Directors proposed in its annual report that the individual net profit of Altri, SGPS, S.A. in the amount of 88,065,822 Euro, be allocated as follows:

Dividends	EUR 51,282,918
Free reserves	EUR 36,782,904

The Board of Directors proposed to the General Meeting in its annual report the distribution, under conditions that the respective proposal will present, of a cash dividend corresponding to 25 cents per share. The same proposal will also include the distribution of a dividend in kind, consisting of a maximum number of 52,523,229 shares representing the share capital and voting rights of GreenVolt. If in this scenario of joint distribution, i.e. in cash and in kind (the latter, as referred to in Notes 1 and 7) the amount to be distributed exceeds the amount of distributable funds, the portion of the dividend in cash will be reduced by the amount corresponding to the excess, rounded down (to a minimum of 0.01 Euros per share).

46. OTHER MATTERS

a) Information regarding Environmental matters

Under the Kyoto Protocol, the European Union undertook to lower greenhouse gas emissions. Within this context, an EU Directive was issued, already reviewed, calling for the marketing of so-called 'CO2 emission licences' - CELE, already transposed to Portuguese law and which, from 1 January 2005, has been applicable to the pulp and paper industry, among others. This mechanism already has four implementation phases, the last of which, corresponding to the period 2021-2030, an intermediate target, included in the EU's strategic plan for climate neutrality by 2050, to reduce emissions attributed to the sectors covered by the ETS by 43% by 2030.

Through the publication of the Decree-law no. 12/2020, of 6 April 2020, the Portuguese Government distributed the 'CO2 emission licences' to the various Portuguese companies affected. As such, Group companies were granted said licences free of charge for the emission of 88,126 tons of CO2 for the year 2021. If actual emissions exceed the granted 'CO2 emission licences', the group will have to acquire the missing licences in the market.

The delivery of "CO2 emission licenses", corresponding to the actual emissions made in a fiscal year, is made according to the historical data of the facilities, and this value may be adjusted annually depending on the level of activity. The values presented by the companies regarding the actual emissions made are subject to verification by an independent entity, duly accredited, in accordance with the applicable requirements.

Considering that these licences pertain to the year 2021, based on provisional CO2 emission data, no significant expenses are expected for the Group as a result of this legislation coming into force for the financial year ended 31 December 2021.

As at 31 December 2021 and 2020, the financial statements do not record any environmental liabilities, nor is any environmental contingency disclosed, as the Board of Directors is convinced that, on that date, there are no obligations or contingencies arising from past events resulting in materially relevant expenses for the Altri Group.

b) Regulatory framework

The Group, through its subsidiary GreenVolt, is integrated into the following regulatory framework:

Portugal

The regulatory framework of the Portuguese National Electricity System closely follows European Union regulation and policies by means of its transposition into national law. The EU Clean Energy package published in the EU Official gazette by June 2019, and which includes several legislative acts on renewable energy, energy efficiency, governance and electricity market design sets the grounds for the legislation and policies being put in place in Portugal.

In fact, on January 15, 2022, a new diploma entered into force (Decree-Law no. 15/2022, of January 14), establishing the organisation and functioning rules of the National Electric System. This diploma consolidates in a single legislative instrument a wide range of diplomas, including the two structural diplomas of this sector, Decree-Law no. 29/2006, of February 15 and Decree-Law no. 172/2006, of August 23. It also incorporates other legal regimes which were scattered in several diplomas such as overpowering, repowering, hybridization, self-consumption and energy communities. The document aims to align the rules of the electricity sector with the national objectives established in the Portuguese National Energy and Climate Plan (PNEC 2030) and in the Roadmap to Carbon Neutrality 2050 (RCN 2050), while also transposing the EU Directive on common rules for the internal electricity market and partially transposing the EU Directive on the promotion of the use of energy from renewable sources.

The PNEC 2030 was published in the official gazette on 10 July 2020 and is the main energy and climate policy instrument for the decade 2021-2030. It sets national targets and objectives on several dimensions such as GHG (Greenhouse Gas) emissions reduction, renewable energy, energy efficiency, interconnections and import dependency. The PNEC 2030 is aligned with the Roadmap to Carbon Neutrality 2050 (RCN 2050) published in July 2019 and foresees full decarbonisation of the electricity system (100% renewables production in 2050) and almost full decarbonisation of the transport sector, with electrification being the main driver. On renewable energy, the PNEC 2030 sets quite an ambitious target: a 47% renewables share in final energy consumption by 2030, 16 percentage points above Portugal’s 2020 target. It also establishes an increase to 80% of the share of renewable electricity in 2030 (60% in 2020) with solar playing a key role (more 9 GW in terms of installed capacity). The plan also underlines the importance of renewable energy decentralization to meet decarbonization objectives and contribute to a social and fair energy transition. It highlights the need to foster the acquisition and use of decentralized production systems, accelerating participation of small renewable production in market mechanisms and the empowerment of new players in the market, including energy communities.

Main Diplomas

On 31 December 2021, the ground rules of the Portuguese National Electricity System were laid down in the following diplomas:
a. Decree-Law no. 29/2006, of February 15 (amended by Decree Law no. 215-A/2012, of October 8); and
b. Decree-Law no. 172/2006, of August 23 (amended by Decree Law no. 215-B/2012, of October 8 and by Decree Law no. 76/2019, of June 2).

With respect to renewable energy generation, in addition to the above-mentioned legal acts, its main framework included the following diplomas:

i. Decree-Law no. 141/2010 (defining the 2020 renewable energy targets and partially transposing EU Directive 2009/28/CE on the promotion of renewable energy);

ii. Ministerial Order no. 237/2013 (establishes the legal framework for the prior communication procedure relating to electricity generation under special regime);

iii. Ministerial Order no. 243/2013 (defining the terms, conditions and criteria for licensing electricity generation under special regime with guaranteed remuneration).

Licensing and Remuneration

Electricity generation is subject to licensing and is carried out in a competitive environment.

In June 2019, the Decree-Law No. 76/2019 was published introducing substantial changes to the electricity sector framework, notably to the grid connection process for projects with a capacity greater than 1 MW. The purpose was to promote renewables deployment while ensuring that the grid can support the integration of increasing renewable generation. Under this diploma, electricity generation projects must first secure a network capacity reserve title (TRC) by the relevant network operator before the project can apply for a production licence. There are three options for the granting of a TRC:
i. General access: If there is sufficient network capacity available, the network operator grants the TRC.
ii. Direct agreement with the TSO (Transmission System Operator): If there is no sufficient network capacity, the applicant and the network operator may enter into an agreement under which the applicant will finance the network-related costs required to connect the project.
iii. Auctions: The government can also conduct auctions of TRCs for specific areas.

The remuneration regime of the power plants is divided into two regimes: an ordinary regime and a special regime, the latter being applicable mainly to renewable energy generation. The licensing procedures of both regimes are subject to the same legal framework. However, while the generation of electricity under the ordinary regime is always subject to the general remuneration regime (i.e. selling electricity at market prices, either through bilateral agreements or on organised markets), the generation of electricity under the special regime may either be subject to the general remuneration regime or the guaranteed remuneration regime.

Under the guaranteed remuneration regime, the promoters sell the electricity generated to the Last Resort Supplier which is obliged to acquire the electricity at a guaranteed price for a determined period, with such price being fixed or indexed to a reference rate which can have maximum/minimum thresholds, depending on their generation technology, the legal framework in force on the date of licensing of the relevant power plant, and the contractual conditions under which their licensing request was submitted.

Within the legal framework set out in Decree-Law no. 172/2006, of August 23, as amended by Decree-Law no. 76/2019, of June 3, the guaranteed remuneration regime may only be granted under the following terms:

a. Under auctions launched by the government which shall determine the remuneration conditions;

b. For power plants with maximum installed capacity up to 1 MW (within a certain threshold published annually), as defined in Ministerial Order published by the government;

c. For overpowering or hybrid projects, as defined in Ministerial Order to be approved by the government or under auctions launched by the government.

The prior remuneration regime, in force until 2012, foresaw the granting of a feed-in tariff to special regime generators in a much broader manner. Decree-Law no. 189/88, of May 27, and the amendments thereto, establish a specific formula for calculating the tariffs to be paid to renewable generators (excluding large hydro power plants) that initiated their licensing procedure prior to the entry into force of Decree-Law no. 215-B/2012, of October 8. This diploma revoked such regime but maintained the feed-in tariff rights of projects implemented until then. All biomass plants currently operated directly or indirectly by GreenVolt benefit from the guaranteed tariffs awarded under the old regime, as per the table below:

Biomass Power Plant	Applicable Legal Framework
Constância	Decree-Law no. 189/88, of 27 May, as amended by Decree-Law no. 225/2007, of 31 May
Figueira da Foz I	Decree-Law no. 189/88, of 27 May, as amended by Decree-Law no. 225/2007, of 31 May
Mortágua	Decree-Law no. 189/88, of 27 May, as amended by Decree-Law no. 168/99, of 18 May, and by Decree-Law no. 225/2007, of 31 May
Figueira da Foz II	Decree-Law no. 189/88, of 27 May, as amended by Decree-Law no. 225/2007, of 31 May, and Decree-Law no. 5/2011, of 10 January
Ródão	Decree-Law no. 189/88, of 27 May, as amended by Decree-Law no. 33-A/2005, of 16 February

Other Relevant Topics and Developments

a. Support Scheme for Biomass Plants close to Critical Areas with High Fire Risk
b. Energy sector extraordinary contribution (CESE)
c. Clawback
d. Guarantees of Origin
e. Self-Consumption, Collective Self Consumption and Renewable Energy Communities
f. Hydrogen Strategy
g. Recovery and Resilience Plan
h. Climate Law

<u>Poland</u>

On October 30, 2021, an amendment to the Polish act on renewable energy sources entered into force. The following changes are highlighted:

- Amendment to the rules of operation of the existing support systems for producers of energy from renewable energy sources, i.e. the auction system and FIT / FIP systems. The possibility of using state aid programs was extended until June 30, 2047 (instead of until June 30, 2039);
- Amendment to the definition of a small RES installation increasing the upper threshold up to 1 MW. This will limit the current obligation for entrepreneurs to obtain a concession for generating electricity from small RES installations;
- Introduction of net-billing, i.e. a system for valuing the surplus energy produced by prosumers. The new solutions implement EU regulations that provide for the obligation to enable prosumers to receive remuneration reflecting the market value of energy. The net-billing system implements these solutions. The net-billing system will apply to new prosumers who will submit an application for connection to the public grid from April 1, 2022.

In July 2016, the 10H Distance Act entered into force, preventing the construction of wind farms at a distance of less than 10 times the height of wind turbines on residential properties, considerably limiting the implementation of new projects. This law is expected to be amended in the upcoming months, allowing the development of new projects.

United Kingdom

The “Renewables Obligation” system is a renewable energy support system that imposes an obligation on UK electricity suppliers to purchase a proportion of electricity from renewable sources, which increases from year to year. In order to demonstrate the compliance with this obligation, the suppliers must submit “ROC” certificates to the Ofgem regulator. The suppliers acquire the ROCs from certified renewable energy producers. The annual evolution of ROCs is indexed to the evolution of the Retail Price Index (RPI) – plus a variable component, which depends on the evolution of the electricity price on the market. For the period from 1 April 2021 and 31 March 2022, Ofgem has set a buy-out price of £50.80 per ROC.

France

The French transmission system operator (RTE) has issued long-term scenarios for renewable energy sources (RES) market. All scenarios foresee zero carbon emissions in the electricity system no later than 2050. Scenario n. M0 considers 100% renewables, with complete phasing out of nuclear. Scenario n. N3 considers 50% renewables/ 50 % nuclear. All scenarios foresee a massive deployment of renewables. The general elections in May 2022 will determine which scenario will receive more support.

Romania

In October 2021, Romania adopted a new Ordinance 118/2021 which foresees several measures to alleviate the burden of the current rise in energy prices on end-consumer bills, such as direct financial support to consumers or a reduction of taxes and levies. The most relevant changes brought by the diploma include the additional tax on the revenues of electricity producers, exceptions to the payment of the price of green certificates and the support schemes for electricity and natural gas prices.

Greece

In November 2021, the European Commission approved a 2.27 billion Euros Greek aid scheme to support electricity production from renewable energy sources and high efficiency combined heat and power. For both onshore wind and solar installations, the aid will be awarded through a joint competitive tendering procedure, organised to increase competition and reduce the cost of renewable energy for Greek consumers, both on the mainland and on the islands. The first tender, for c. 600 MW, is planned for March 2022. In 2022, it is expected that 1 GW should be awarded in the auctions and 4.2 GW until 2025.

Italy

In order to mitigate the effects of the pandemic and relaunch of the Italian economy, the European Union has allocated 191.5 billion Euros for the Italian “PNRR” (National Recovery and Resilience Plan). Italy, confirming its commitment to recovery, adjusted the amount granted by the EU with an addition of 30.6 billion Euros through the Complementary Plan, financed directly by the government. An important portion – equal to 59.46 billion Euros (more than 31% of the total amount) – will be allocated to the “Green Revolution and Ecological Transition Project”.

Amongst the various investments foreseen in renewable energy, it is worth highlight the following projects of major importance: (i) agrivoltaic plants of medium and large size to have a sustainable agriculture and energy production from renewable sources with an allocated amount of 1.10 billion Euros. The objective is to reduce the energy supply costs of the sector and improve climate and environmental performance, with a potential decrease of 0.8 million tons of CO_2; (ii) an intervention aimed to support energy communities, i.e., organized coalitions of users who work together to produce, consume and manage clean energy through one or more local facilities with an assigned amount of 2.20 billion Euros.

47. SUBSEQUENT EVENTS

The project in Galicia is still under constant development, having started the environmental impact, economic feasibility and engineering studies with the partner entity in this project, Impulsa. This entity is the public-private consortium of the Galicia region with which the Memorandum of Understanding (MoU) was signed to study exclusively the construction of a greenfield industrial unit with an annual production capacity of 200,000 tons of soluble pulp and sustainable textile fibers. The definitive location of the project is expected to be announced shortly.

During 2022, Altri Group, through its subsidiary GreenVolt, carried out the following operations:

- Incorporation of Sustainable Energy One

On 4 January 2022, GreenVolt incorporated a company under Spanish law, Sustainable Energy One (hereinafter "SEO"), in which GreenVolt holds a 98.75% stake. SEO will engage in the promotion, development, construction and sale of small utility scale solar photovoltaic projects in Spain.

- Acquisition of a stake in Oak Creek

On 10 January 2022, GreenVolt, through its subsidiary V-Ridium, completed the acquisition of Oak Creek Energy Systems (hereinafter "OCES"), through the incorporated US-company V-Ridium Oak Creek Renewables (hereinafter "VOCR"). OCES is dedicated to the promotion and development of renewable energy projects in the United States and Mexico.

- Acquisition of a stake in MaxSolar

On 28 February 2022, GreenVolt announced the conclusion of an agreement to acquire a 35% stake in the German company MaxSolar GmbH (hereinafter “MaxSolar”), a leading company in the development, implementation and management of solar photovoltaic and battery storage projects, in the German and Austrian markets, for 26 million Euros. This shareholding is reinforced by rights of active intervention in management, and GreenVolt also has the right to, in the future, increase its stake in MaxSolar.

MaxSolar has a pipeline of projects of 3.2 GW, of which 800 MW are in an advanced stage of development. In addition to its positioning in the solar project development market, MaxSolar is also a market reference in the EPC (Engineering, Procurement and Construction) business.

- Strategic partnership with Infraventus

Also in the first quarter of 2022, GreenVolt formalized a strategic partnership for the co-development of photovoltaic solar projects in Portugal with Infraventus, a reference promotor in the Portuguese market, with a pipeline of 243 MW. It should be noted that GreenVolt holds 50% of this partnership.

It is also important to mention the invasion of Ukraine by the Russian Federation, which, in addition to the terrible devastation caused by the loss of lives and the humanitarian crisis in the region, is having a global economic impact, particularly in terms of the increase in the price of energy and the resulting rise in inflationary pressures, together with the predictable rise in interest rates and the fear of stagflation. Also noted are the efforts of European economies to house refugees and the support provided by democratic nations to the Ukrainian people. The war in Ukraine and the sanctions decreed on Russia by several Western countries should contribute to a worsening of logistical constraints and generalized inflation of production factors and some variable costs.

From 31 December 2021 to the date of issue of this report, there were no other relevant facts that could materially affect the financial position and future results of the Altri Group and its subsidiary, joint ventures and associates included in the consolidation.

48. TRANSLATION NOTE

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards as adopted by the 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.

The Board of Directors

Alberto João Coraceiro de Castro

Paulo Jorge dos Santos Fernandes

João Manuel Matos Borges de Oliveira

Domingos José Vieira de Matos

Laurentina da Silva Martins

Pedro Miguel Matos Borges de Oliveira

Ana Rebelo de Carvalho Menéres de Mendonça

Maria do Carmo Guedes Antunes de Oliveira

Paula Simões de Figueiredo Pimentel Freixo Matos Chaves

José Armindo Farinha Soares de Pina

José António Nogueira dos Santos

Carlos Alberto Sousa Van Zeller e Silva

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Separate Financial Statements and Accompanying Notes

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making our world + renewable

ALTRI, SGPS, S.A.

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 AND 2020
(Translation of financial statements originally issued in Portuguese - Note 26)
(Amounts expressed in Euro)

ASSETS	Notes	31.12.2021	31.12.2020
NON-CURRENT ASSETS:			
Property, plant and equipment	8	7,069,529	7,200,496
Right-of-use assets	9.1	276,565	218,041
Investments	4	144,263,546	180,988,177
Derivative financial instruments	18	—	—
Deferred tax assets	6	171,602	936,409
Total non-current assets		151,781,242	189,343,123
CURRENT ASSETS:			
Trade receivables	21	4,078,270	9,341,541
Other receivables	12 and 21	19,730,820	22,151,926
Income tax	6 and 11	—	15,851,988
Other current assets	13	2,606,452	694,369
Other financial assets	21	19,588,750	19,588,750
Derivative financial instruments	18	169,906	4,488,283
Cash and cash equivalents	10	121,869,849	154,809,495
Total current assets		168,044,047	226,926,352
Group of assets classified as held for distribution to shareholders	5	91,668,330	—
Total assets		411,493,619	416,269,475

EQUITY AND LIABILITIES		31.12.2021	31.12.2020
EQUITY:			
Share capital	14	25,641,459	25,641,459
Legal reserve	14	5,128,292	5,128,292
Other reserves	14	75,966,038	58,721,751
Net profit for the year		88,065,822	95,148,555
Total equity		194,801,611	184,640,057
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Other loans	15	124,704,059	219,386,078
Lease liabilities	9.2	147,239	124,418
Deferred tax liabilities	6	—	—
Provisions		479,712	479,712
Derivative financial instruments	18	540,350	1,053,386
Total non-current liabilities		125,871,360	221,043,594
CURRENT LIABILITIES:			
Other loans	15	65,401,445	808,370
Lease liabilities	9.2	132,271	97,213
Trade payables		558,303	117,406
Other payables	16 and 21	790,875	8,061,701
Income tax	6 and 11	20,343,835	—
Other current liabilities	17	2,611,277	1,232,011
Derivative financial instruments	18	982,642	269,123
Total current liabilities		90,820,648	10,585,824
Total liabilities		216,692,008	231,629,418
Total liabilities and equity		411,493,619	416,269,475

The accompanying notes are an integral part of the financial statements.

The Chartered Accountant

The Board of Directors

ALTRI, SGPS, S.A.

CONSOLIDATED INCOME STATEMENTS
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 26)
(Amounts expressed in Euro)

	Notes	31.12.2021	31.12.2020
Services rendered	21	10,425,000	15,075,000
Other income		362,803	256,939
External supplies and services		(2,458,984)	(1,379,716)
Payroll expenses	22	(4,737,641)	(3,911,074)
Amortisation and depreciation	8 and 9.1	(251,099)	(237,534)
Other expenses		(153,138)	(126,649)
Results related to investments	19	89,000,000	90,000,000
Financial expenses	20	(5,232,263)	(4,707,650)
Financial income	20 and 21	656,744	798,361
Profit before income tax		87,611,422	95,767,677
Income tax	6	454,400	(619,122)
Net profit for the year		88,065,822	95,148,555
Earnings per share			
Basic	23	0.429	0.464
Diluted	23	0.429	0.464

The accompanying notes are an integral part of the financial statements.

The Chartered Accountant

The Board of Directors

ALTRI, SGPS, S.A.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 26)
(Amounts expressed in Euro)

	Notes	31.12.2021	31.12.2020
Net profit for the year	23	88,065,822	95,148,555
Other comprehensive income:			
Items that will not be reclassified to profit or loss		—	—
Items that may be reclassified to profit or loss in the future		—	—
Changes in fair value of cash flow hedging derivatives - gross amount	18	510,859	(145,913)
Changes in fair value of cash flow hedging derivatives - tax effect	6	(114,741)	32,831
		396,118	(113,082)
Other comprehensive income for the year		396,118	(113,082)
Total comprehensive income for the year		88,461,940	95,035,473

The accompanying notes are an integral part of the financial statements.

The Chartered Accountant

The Board of Directors

ALTRI, SGPS, S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 26)
(Amounts expressed in Euro)

	Notes	Share capital	Legal reserve	Other reserves	Net profit for the year	Total equity
Balance as at 1 January 2020	14	25,641,459	5,128,292	5,946,020	114,428,315	151,144,086
Appropriation of the result from 2019		—	—	114,428,315	(114,428,315)	—
Distribution of dividends		—	—	(61,539,502)	—	(61,539,502)
Total comprehensive income for the year		—	—	(113,082)	95,148,555	95,035,473
Balance on 31 December 2020	14	25,641,459	5,128,292	58,721,751	95,148,555	184,640,057
Balance as at 1 January 2021	14	25,641,459	5,128,292	58,721,751	95,148,555	184,640,057
Appropriation of the result from 2020	24	—	—	95,148,555	(95,148,555)	—
Distribution of dividends	24	—	—	(71,796,085)	—	(71,796,085)
Distribution of dividends in kind	4	—	—	(6,504,301)	—	(6,504,301)
Total comprehensive income for the year		—	—	396,118	88,065,822	88,461,940
Balance on 31 December 2021	14	25,641,459	5,128,292	75,966,038	88,065,822	194,801,611

The accompanying notes are an integral part of the financial statements.

The Chartered Accountant

The Board of Directors

ALTRI, SGPS, S.A.

STATEMENTS OF CASH FLOW
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 26)
(Amounts expressed in Euro)

	Notes	31.12.2021	31.12.2020
Operating activities:			
Receipts from customers		18,086,023	18,435,081
Payments to suppliers		(3,159,766)	(1,295,846)
Payments to personnel		(4,776,673)	(2,567,630)
Other receipts/payments relating to operating activities		(2,203,231)	2,197
Income Tax (paid)/received		38,573,821	2,139,065
Cash flows generated by operating activities (1)		46,520,174	16,712,867
Investment activities:			
Receipts arising from:			
Dividends	19	89,000,000	90,000,000
Interest and similar income		412,656	376,933
Payments relating to:			
Investments	10	(61,448,000)	—
Other financial assets		—	(296,247)
Cash flows generated by investment activities (2)		27,964,656	90,080,686
Financing activities:			
Receipts arising from:			
Loans obtained	15	95,000,000	—
Other financing transactions		2,196,360	2,796,588
Payments relating to:			
Interest and similar expenses		(4,880,603)	(4,191,411)
Lease liabilities	9.2	(124,869)	(93,811)
Dividends	24	(71,796,085)	(61,541,554)
Loans obtained	15	(125,000,000)	—
Other financing transactions		(2,819,279)	(3,010,088)
Cash flows generated by financing activities (3)		(107,424,476)	(66,040,276)
Cash and cash equivalents at the beginning of the financial year	10	154,809,495	114,056,218
Cash and bank variation: (1)+(2)+(3)		(32,939,646)	40,753,277
Cash and cash equivalents at the end of the financial year	10	121,869,849	154,809,495

The accompanying notes are an integral part of the financial statements.

The Chartered Accountant

The Board of Directors

1. INTRODUCTORY NOTE

ALTRI, SGPS, S.A. (“Altri” or “the Company”) is a public limited company incorporated on 1 February 2005, whose headquarters is located at Rua Manuel Pinto de Azevedo, 818, in Porto, and its main activity involves managing shareholdings (Note 4), with shares listed at Euronext Lisbon.

Altri is the parent company of the group of companies named Altri Group, and its main activity is the management of investments mainly in the industrial area. The current activity of Altri Group focuses on the production of bleached eucalyptus pulp through three production units and the production of electricity from waste and forest biomass through thermoelectric power plants. During 2021, Altri, through the subsidiary GreenVolt, started a growth strategy based not only on biomass, but also dedicated to the development of wind power and photovoltaic projects and distributed electricity generation.

The Altri Group's financial statements are shown in Euro, in amounts rounded off to the nearest Euro. This is the currency used by the Group in its transactions and, as such, is deemed to be the functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on April 7, 2022. Its final approval is still subject to agreement from the Shareholders' General Meeting. The Company and the Board of Directors expect the same to be approved with no significant changes.

2. MAIN ACCOUNTING POLICIES

The main accounting policies adopted in preparing the attached financial statements are described below. These policies were consistently applied during the periods being compared.

In addition, there were no significant changes to the main estimates used by the Company in preparing the consolidated financial statements.

2.1. BASIS OF PRESENTATION

The attached financial statements were prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union (“IFRS-EU”) in force for the fiscal year beginning on 1 January 2021. These correspond to the International Financial Reporting Standards, as issued by the International Accounting Standards Board ('IASB') and interpretations issued by the IFRS Interpretations Committee ('IFRS - IC') or by the former Standing Interpretations Committee ('SIC'), which have been adopted by the European Union on the account publication date.

The Board of Directors assessed the capacity of the Company to operate on a going concern basis, based on the entire relevant information, facts and circumstances, of a financial, commercial or other nature, including events subsequent to the financial statements' reference date, as available regarding the future. As a result of the assessment conducted, the Board of Directors concluded that it has adequate resources to keep up its operations, which it does not intend to cease in the short term; therefore, it was considered appropriate to use the going concern basis in preparing the financial statements.

The attached financial statements were prepared from the accounting books and records of the Company, in the assumption of going concern basis. The attached financial statements have been prepared on a historical cost basis, except for derivative financial instruments, which were measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Preparation of financial statements in compliance with IFRS-EU calls for the use of estimates, assumptions and critical judgements in the process of determining the accounting policies to be adopted by the Company, with significant impact on the book value of assets and liabilities, as well as on income and expenses for the period.Although these estimates are based on the best experience of the Board of Directors and on its best expectations regarding current and future events and actions, current and future results may differ from these estimates. Areas involving a higher degree of judgement or complexity, or areas with significant assumptions and estimates are presented in Note 2.3.

In addition, for financial reporting purposes, fair-value measurement is categorised in three levels (Level 1, 2 and 3), taking into account, among others, whether the data used are observable in an active market, as well as their meaning in terms of valuing assets / liabilities or disclosing them.

Fair value is the amount for which an asset can be exchanged or a liability can be settled, between knowledgeable and willing parties, in a transaction not involving a relationship between them, regardless whether this price can be directly observable or estimated, using other valuation techniques. When estimating the fair value of an asset or liability, the Company considers the features that market participants would also take into account when valuing the asset or liability on the measurement date.

Assets measured at fair value following initial recognition are grouped into 3 levels according to the possibility of observing their fair value in the market:

Level 1: fair value is determined based on active market prices for identical assets/liabilities;

Level 2: fair value is determined based on evaluation techniques. The assessment models' main inputs are observable in the market; and

Level 3: fair value is determined based on assessment models, whose main inputs are not observable in the market.

(i) Adoption of new standards and interpretations, amendments, or reviews

Up to the date for approving these financial statements, the European Union endorsed the following accounting standards, interpretations, amendments, and revisions, mandatorily applied to the financial year beginning on 1 January 2021:

Standard / Interpretation	Applicable in the European Union in the financial years initiated in or after	
Amendment to IFRS 4 Insurance Contracts - deferral of application of IFRS 9	1-Jan-21	This amendment refers to the temporary accounting consequences that result from the difference between the effective date of IFRS 9 - Financial Instruments and the future IFRS 17 - Insurance Contracts. Specifically, the amendment made to IFRS 4 postpones until January 1, 2023 the expiry date of the temporary exemption from the application of IFRS 9 in order to align the effective date of the latter with that of the new IFRS 17. This temporary exemption is optional to apply and is only available to entities whose activities are predominantly insurance related.
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Phase 2 - Benchmark interest rate reform (IBOR Reform)	1-Jan-21	These amendments are part of the second phase of the IASB's "IBOR reform" project and allows for exemptions related to reforming the benchmark for reference interest rates by an alternative interest rate (Risk Free Rate (RFR)). The amendments include the following practical expedients: • A practical expedient that requires contractual changes, or changes in cash flows that are directly required by the reform, to be treated the same as a floating interest rate change, equivalent to a movement in the market interest rate; • Allow changes required by the reform to be made to hedge designations and hedge documentation without discontinuing the hedging relationship; • Provide temporary operational relief to entities that must comply with the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.
Amendments to IFRS 16 - Leases - COVID-19 Related Concessions for Rentals Beyond June 30, 2021	1-Apr-21	On May 28, 2020, the amendment to IFRS 16 entitled 'Covid-19 Related Concessions' was issued, and introduced the following practical expedient: a lessee may elect not to assess whether a Covid-19 related concession of rent is a lease modification. Lessees that choose to apply this expedient, account for the change to rental payments resulting from a Covid-19 related concession in the same way as they account for a change that is not a lease modification under IFRS 16. Initially, the practical expedient applied to payments originally due by June 30, 2021, however, due to the extended impact of the pandemic, on March 31, 2021, it was extended to payments originally due by June 30, 2022. The change applies to annual reporting periods beginning on or after April 1, 2021. In short, the practical expedient can be applied provided the following criteria are met: • the change in lease payments results in a revised consideration for the lease that is substantially equal to, or less than, the consideration immediately prior to the change; • any reduction in lease payments only affects payments due on or before June 30, 2022; and • there are no significant changes to other terms and conditions of the lease.

There were no significant effects on the Company's financial statements for the year ended December 31, 2021, from the adoption of the above standards, interpretations, amendments and revisions.

(ii) Standards, interpretations, amendments and revisions that will have mandatory application in future economic exercises

On the approval date of these financial statements, the following accounting standards and interpretations, to be mandatorily applied in future financial years, were endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years initiated in or after	
Amendments to IFRS 3 - References to the Framework for Financial Reporting	1-Jan-22	This amendment updates the references to the Conceptual Framework in the text of IFRS 3, with no changes being made to the accounting requirements for business combinations. It also clarifies the accounting treatment to be adopted in respect of liabilities and contingent liabilities under IAS 37 and IFRIC 21, incurred separately versus those included in a business combination. The amendment is of prospective application.
Amendments to IAS 16 - Income Earned Before Start of Operation	1-Jan-22	Clarifies the accounting treatment given to the consideration obtained with the sale of products that result from the production in test phase of tangible fixed assets, prohibiting their deduction from the acquisition cost of the assets. The entity recognizes the income obtained from the sale of such products and the costs of their production in the income
Amendments to IAS 37 - Onerous Contracts - costs of fulfilling a contract	1-Jan-22	This amendment specifies that in assessing whether or not a contract is onerous, only expenses directly related to the performance of the contract can be considered, such as incremental costs related to direct labor and materials and the allocation of other directly related expenses such as the allocation of depreciation expenses for tangible assets used to perform the contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly charged to the counterparty in accordance with the contract. This amendment should be applied to contracts that, at the beginning of the first annual reporting period to which the amendment is applied, still include unfulfilled contractual obligations, without restating the comparative.
Amendments to IFRS 1 - Subsidiary as a first-time adopter of IFRS (included in the annual improvements for the 2018-2020 cycle))	1-Jan-22	This improvement clarifies that when the subsidiary elects to measure its assets and liabilities at the amounts included in the parent company's consolidated financial statements (assuming no adjustment to the consolidation process has occurred), the measurement of the cumulative translation differences of all foreign operations can be made at the amounts that would be recorded in the consolidated financial statements based on the parent company's date of transition to IFRS.
Amendments to IFRS 9 - Derecognition of Financial Liabilities - Fees to be included in the '10 percent' change test (included in the annual improvements for the 2018-2020 cycle)	1-Jan-22	This improvement clarifies which fees an entity should include when assessing whether the terms of a financial liability are substantially different from the terms of the original financial liability. This improvement clarifies that, when performing derecognition tests on renegotiated liabilities, only fees paid or received between the debtor and the creditor should be included, including fees paid or received by the debtor or the creditor on behalf of the other.

Amendments to IAS 41 - Taxation and fair value measurement (included in the annual improvements for the 2018-2020 cycle)	1-Jan-22	This improvement eliminates the requirement to exclude tax cash flows in the fair value measurement of biological assets, ensuring consistency with the principles of IFRS 13 - Fair Value.
IFRS 17 - Insurance Contracts; includes amendments to IFRS 17 (some of which not approved)	1-Jan-23	IFRS 17 applies to all insurance contracts (i.e. life, non-life, direct insurance and reinsurance), regardless of the type of entity that issues them, as well as some guarantees and some financial instruments with discretionary participation features. In general terms, IFRS 17 provides an accounting model for insurance contracts that is more useful and more consistent for issuers. In contrast to the requirements of IFRS 4, which are based on previously adopted local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.
Amendments to IAS 8 - Defining Accounting Estimates	1-Jan-23	The amendment clarifies the distinction between change in accounting estimate, change in accounting policy and correction of errors. In addition, it clarifies how an entity uses measurement techniques and inputs to develop accounting estimates.
Amendments to IAS 1 - Disclosures of Accounting Policies	1-Jan-23	These amendments aim to assist the entity in disclosing 'material' accounting policies, previously referred to as 'significant' policies. However, due to the absence of this concept in IFRS, it was decided to replace it by the concept "materiality", a concept already known to users of financial statements. In assessing the materiality of accounting policies, the entity has to consider not only the size of the transactions but also other events or conditions and the nature of these.

These amendments, although endorsed by the European Union, were not adopted by the Company in 2021, because its application is not yet mandatory. It is not expected that the future adoption of these amendments will have significant impacts on the financial statements.

(iii) New, amended or revised standards and interpretation not adopted

The following accounting standards and interpretations were issued by IASB and are not yet endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years begun on or after	
Amendments to IAS 1 Presentation of financial statements - Classification of liabilities as current and non-current	1-Jan-23	This amendment aims to clarify the classification of liabilities as current or non-current balances depending on the rights that an entity has to defer its payment, at the end of each reporting period. The classification of liabilities is not affected by the entity's expectations (the assessment should determine whether a right exists, but should not consider whether the entity will or will not exercise that right), or by events occurring after the reporting date, such as the breach of a covenant. However, if the right to defer settlement for at least twelve months is subject to certain conditions being met after the reporting date, those criteria do not affect the right to defer settlement for the purpose of classifying a liability as current or non-current. This amendment also includes a new definition of "settlement" of a liability and it is of retrospective application.
Amendments to IAS 12 - Deferred Taxes related to Assets and Liabilities arising from a Single Transaction	1-Jan-23	The amendments clarify that payments that settle a liability are tax deductible, however it is a matter of professional judgment whether such deductions are attributable to the liability that is recognized in the financial statements or the related asset. This is important in determining whether there are temporary differences in the initial recognition of the asset or liability. According to these amendments, the initial recognition exception is not applicable to transactions that have given rise to equal taxable and deductible temporary differences. It only applies if the recognition of a leasing asset and a leasing liability gives rise to taxable and deductible temporary differences that are not equal.
Amendments to IFRS 17 - Insurance Contracts - Initial application of IFRS 17 and IFRS 9 - Comparative Information	1-Jan-23	This amendment to IFRS 17 relates to the presentation of comparative information for financial assets in the initial application of IFRS 17. The amendment adds a transition option that allows an entity to apply an 'overlay' to the classification of a financial asset in the comparative period(s) presented in initially applying IFRS 17. The overlay allows all financial assets, including those held in relation to non-contractual activities within the scope of IFRS 17 to be classified, instrument by instrument, in the comparative period(s) in a manner aligned with how the entity expects those assets to be classified on initial application of IFRS 9.

These standards are yet to be endorsed by the European Union. As such, they were not applied by the Company in the fiscal year ended December 31, 2021.

Regarding these standards and interpretations, as issued by the IASB but yet to be endorsed by the European Union, it is not believed that their future adoption will entail significant impacts on the attached financial statements.

2.2 MAIN RECOGNITION AND MEASUREMENT CRITERIA

The main recognition and measurement criteria used by the Company in preparing its consolidated financial statements are as follows:

a) Intangible assets

Intangible assets are recorded at acquisition cost, net of depreciation and accumulated impairment losses. Intangible assets are recognised only if they are likely to result in future economic benefits for the Company, if they can be controlled by the Company, and if their value can be reasonably measured.

When acquired individually, intangible assets are recognized at cost, which comprises: i) the purchase price, including intellectual rights costs and fees after deducting any discounts; and ii) any cost directly attributable to preparing the asset for its intended use.

Research expenses incurred with new technical knowledge are acknowledged in the income statement when incurred.

Development expenses for which the Company is shown as being able to complete its development and begin its sell and/or use and relative to which the created asset is likely to generate future economic benefits, are capitalised. Development expenses that do not meet these criteria are recorded as cost in the period in which they are incurred.

Internal expenses associated with software maintenance and development are recorded as costs in the profit and loss statement when incurred, except when said costs are directly associated with projects for which future economic benefits are likely to be generated for the Company. In such situations, costs are capitalised as intangible assets.

After the assets are available for use, amortisations are calculated using the straight-line method in accordance with the estimated useful life period (generally 3 to 5 years).

b) Property, Plant and Equipment

Property, Plant and Equipment that correspond, mainly, to the property acquired in 2018 to install the Company's head office and administrative equipment are recorded at acquisition cost, net of the corresponding depreciation as well as accumulated impairment losses.

The acquisition cost includes the purchase price of the asset, expenses directly attributable to its acquisition and costs incurred in preparing the asset to be ready for its intended use. Financial costs incurred on loans obtained for the construction of qualifying tangible assets are recognized as part of the construction cost of the asset.

After the date when the assets are available for use, depreciation is calculated using the straight-line method in accordance with the estimated useful life period for each group of assets.

Depreciation rates used correspond to the following estimated useful life periods:

	Years
Buildings and other edifications	50
Office equipment	3 to 10
Vehicles	4 to 8

Maintenance and repair expenses that do not increase the assets' useful life or result in significant upgrades or improvements to components of property, plant and equipment are recorded as an expense in the fiscal year when they are incurred.

Property, Plant and Equipment in progress represent fixed assets still under construction, and are recorded at acquisition cost net of any impairment losses. These fixed assets are depreciated from the moment the underlying assets are ready to be used.

Gains or losses resulting from the sale or write-off of the tangible fixed asset are determined as the difference between the sales price and the net book value on the disposal or write-off date. They are recorded in the profit and loss statement under the line items “Other income” or “Other expenses.”

c) Rights of use

At the start of every agreement, the Company assesses whether the agreement is, or contains, a lease. That is, whether the right of use of a specific asset or assets is being transferred for a certain period of time in exchange for a payment.

The Company as lessee

The Company applies the same recognition and measurement method to every lease, except for short-term leases and leases associated with low-value assets. The Company recognises a liability relative to lease payments and an asset identified as a right of use of the underlying asset.

(i) Right-of-use assets

On the lease start date (that is, the date from which the asset is available for use), the Company recognises an asset relative to the right of use. 'Right-of-use assets' are measured at cost, net of depreciation and accumulated impairment losses, adjusted by remeasuring lease liability. The cost comprises the initial value of the lease liability adjusted for any lease payments made on or prior to the start date, on top of any initial direct costs incurred, as well as a cost estimate for dismantling and removing the underlying asset (as applicable), net of any incentive granted (as applicable).

The right-of-use asset is depreciated in twelfths, using the straight-line depreciation method, based on the lease term.

If ownership of the asset is transferred to the Company at the end of the lease period, or the cost includes a purchase option, depreciation are calculated by taking into account the asset’s estimated useful life.

(ii) Lease liabilities

On the lease start date, the Company recognises a liability measured at the present value of the lease payments to be made throughout the agreement. Lease payments included in measuring lease liability include fixed payments, net of any incentives already received (where applicable) and variable payments associated with an index or rate. Where applicable, payments also include the cost of exercising a purchase option, which shall be exercised by the Company with reasonable certainty, and payments of penalties for ending the agreement, if the lease terms reflect the Company’s exercising option.

The lease liability is measured at amortised cost, using the effective interest method. It is remeasured when changes occur to future payments derived from a change to the rate or index, as well as possible modifications to the lease agreements.

Variable payments not associated with any indices or rates are recognised as an expense during the financial year, in the financial year when the event or condition leading to the payment occurs.

To calculate the present value of future lease payments, the Company uses its incremental interest rate on the lease start date, since the interest rate implicit in the agreement cannot be readily determined. After that date, the lease liability amount is increased by adding interest and reduced by lease payments made. In addition, the amount is remeasured in the event of a change in the terms of the agreement, the in lease amounts (e.g., changes in future payments caused by a change to an index or rate used in determining said payments) or a change in the assessment of a purchase option associated with the underlying asset.

(iii) Short-term leases and low-value leases

The Company applies the recognition exemption to its assets' short-term leases (i.e., leases lasting up to 12 months and not containing a purchase option). The Company also applies the recognition exemption to leases of assets deemed to be of low value. Payments of short-term and low-value leases are recognised as an expense in the financial year, throughout the lease period.

d) Impairment of non-current assets, except Goodwill

The Company's asset impairment is assessed on the date of every statement of financial position and whenever there is an event or change in circumstances indicating that the amount for which the asset is recorded might not be recoverable.

Whenever the amount for which the asset is recorded is higher than its recoverable amount, an impairment loss is recognised and recorded in the profit-and-loss statement under the line item 'Provisions and impairment losses.'

The recoverable amount is either the net sales price or the value in use, whichever is higher. The net sales price is the amount that would be obtained from the asset's disposal, in a transaction between independent knowledgeable entities, net of the costs directly attributable to the disposal. The use value is the present value of estimated future cash flows that are expected to arise from the continuous use of the asset and from its disposal at the end of its useful life. The recoverable amount is estimated for each asset individually or, if not possible, for the cash-generating unit to which the asset belongs.

The reversal of impairment losses recognised in previous financial years is recorded when it is concluded that previously recognised impairment losses no longer exist or has decreased. The reversal of impairment losses is recognised in the profit-and-loss statement under the line item 'Provisions and impairment losses'. This reversal of the impairment loss is made up to the limit of the amount that would have been recognised (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

e) Borrowing costs

Financial expenses related to loans are generally recognised as an expense in the profit and loss statement in accordance with the accrual basis.

Financial expenses on loans directly related to the acquisition, construction or production of property, plant and equipment are capitalised as part of the cost of the asset. The capitalisation of these expenses begins after the start of preparation of the construction or development activities of the asset and is interrupted when those assets are available for use or at the end of the construction of the asset or when the project in question is suspended.

f) Provisions

Provisions are recognised when, and only when the Company: (i) has a present obligation (legal or constructive) resulting from a past event; (ii) it is probable that an outflow of funds will be required to settle that obligation; and (iii) the amount of the obligation can be reasonably estimated. Provisions are reviewed at each balance sheet date and adjusted to reflect the best estimate of the Board of Directors at that date.

Provisions for restructuring costs are recognised whenever a formal and detailed restructuring plan exists and has been communicated to the parties involved.

When a provision is determined taking into consideration the cash flows required to settle such an obligation, it is recorded at its present value.

g) Investments in subsidiaries, joint ventures and associates

Investments in equity holdings in subsidiaries, joint ventures and associates are measured in accordance with 'IAS 27 - Separate Financial Statements', at acquisition cost net of any impairment losses.

Subsidiaries are all entities over which Altri has control. That is, it has the power to control its financial and operating policies, in such a way that they are able to influence, as a result of their involvement, the return on the activities of the detained entity and the ability to affect that return (definition of control used by the Company) .

Joint ventures are investments in entities that are the object of a joint agreement by all or part of their holders, with the parties that have joint control of the agreement rights over the entity's net assets. Joint control is obtained by contractual provision and exists only when the associated decisions have to be taken unanimously by the parties that share control.

In situations where the investment or financial interest and the contract entered into by the parties allows the entity to have direct joint control over the rights to hold the asset or obligations inherent in the liabilities related to that agreement, it is considered that such a joint agreement does not corresponds to a joint venture, but to a jointly controlled operation.

Associates correspond to entities over which the Company has significant influence, that is, over which the Company has the power to participate in decisions on the investee's operational and financial policies, but this power does not correspond to control or joint control over them.

Altri conducts impairment tests to financial investments whenever events or changes in the circumstances indicating that the amount for which they are recorded in the separate financial statements might not be recoverable.

The impairment analysis is based on the evaluation of the financial investments, using the 'discounted cash-flow' method, based on the financial projections of cash-flow at five years of each and the year of perpetuity starting from the fifth year, deducted from the fair value of the liabilities of the entities.

The Board of Directors believes that the methodology described above leads to reliable results on the existence of any impairment of the investments under analysis, as they take into consideration the best information available at the time of preparation of the financial statements.

Dividends received from these investments are recorded as investment income, when attributed. Dividends are recorded in the profit and loss statement under 'Results related to investments'.

h) Financial instruments

Financial assets and liabilities

Financial assets and liabilities are recognised in Altri's balance sheet when it becomes part of the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at their fair value. Transaction costs directly attributable to the acquisition or issuance of financial assets and liabilities (other than financial assets or liabilities measured at fair value through profit and loss statement) are added to or deducted from the fair value of the financial asset or liability, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or liabilities recognised at fair value through the profit and loss statement are recognised immediately in the profit and loss statement.

Financial assets

All purchases and sales of financial assets are recognised on the date of signature of the respective purchase and sale contracts, regardless of the date of their financial settlement. All recognised financial assets are subsequently measured at amortised cost or at their fair value, depending on the business model adopted by Altri and the characteristics of its contractual cash flows.

Classification of financial assets

(i) Debt instruments and receivables

Fixed income debt instruments and receivables that meet the following conditions are subsequently measured at amortised cost:
- the financial asset is held taking into account a business model whose objective is to preserve it in order to receive its contractual cash flows; and
- the contractual terms of the financial asset generate, on specific dates, cash flows that are solely payments of principal and interest on the amount of principal outstanding.

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating the corresponding interest during its life.

For financial assets that are not acquired or originated with impairment (i.e. assets impaired on initial recognition), the effective interest rate is the one that accurately discounts estimated future cash flows (including fees and commissions paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) over the expected life of the instrument in its gross carrying amount at the date of its initial recognition.

The amortised cost of a financial asset is the amount by which it is measured on initial recognition net of principal repayments plus the accumulated amortisation, using the effective interest rate method, of any difference between that initial amount and the amount of its repayment, adjusted for any impairment losses.

Interest-related revenue is recognised in the profit and loss statement under the line item 'Financial income', using the effective interest rate method, for financial assets subsequently recorded at amortised cost or at fair value through the profit and loss statement. Interest revenue is calculated by applying the effective interest rate to the financial asset's gross carrying amount.

Debt instruments and receivables that meet the following conditions are subsequently measured at fair value through other comprehensive income:
- the financial asset is held by considering a business model whose objective provides for both receiving its contractual cash flows and its disposal; and
- the contractual terms of the financial asset generate, on specific dates, cash flows that are solely payments of principal and interest on the amount of principal outstanding.

(ii) Capital instruments designated at fair value through other comprehensive income

In the initial recognition, the Company can make an irrevocable choice (on a financial instrument by financial instrument basis) to state certain investments under equity instruments (shares) at fair value through other comprehensive income when these fulfil the definition of capital provided for under IAS 32 Financial Instruments: Presentation and not held for trading. Classification is determined on an instrument-by- instrument basis.

The fair-value designation through other comprehensive income is not permitted if the investment is held for trading purposes or when resulting from a contingent consideration recognised as part of a business combination.

A capital instrument is held for trading if:
- it is acquired chiefly for the purpose of short-term disposal;
- in the initial recognition, it is part of a portfolio of identified financial instruments that the Company jointly manages and which shows an actual recent pattern of obtaining short-term gains; or
- if it is a derivative financial instrument (except if attributed to a hedging transaction).

Investments in equity instruments recognised at fair value through other comprehensive income are initially measured at their fair value plus transaction expenses. Subsequently, they are measured at their fair value with gains and losses arising from their change, as recognised under other comprehensive income. At the time of its disposal, the accumulated gain or loss generated with these financial instruments is not reclassified to the profit and loss statement, but, rather, merely transferred to the line item "Retained Earnings."

(iii) Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria for being measured at amortised cost or at fair value through other comprehensive income are measured at fair value through the profit-and-loss statement. These financial assets include financial assets held for trading, financial assets designated at the time of initial recognition as measured at fair value through profit or loss, or financial assets that are mandatorily measured at fair value.

Financial assets recorded at fair value through profit or loss are measured at fair value obtained at the end of each reporting period. The corresponding gains or losses are recognised in the profit and loss statement, except if they are part of a hedging relationship.

Financial asset impairment

Altri recognises expected impairment losses for debt instruments measured at amortised cost or at fair value through other comprehensive income, as well as for trade receivables and other receivables.

The expected impairment loss amount for the aforementioned financial assets is updated on every reporting date in order to reflect the credit risk changes occurred since the initial recognition of the corresponding financial assets.

Expected impairment losses for granted loans (trade receivables and other receivables parties) are estimated using the uncollectibility matrix based on Company debtors' credit history in the last few years, as well as from estimated future macroeconomic conditions.

Impairment loss of these assets is recorded according to expected impairment losses ('expected credit losses') of those financial assets. The amount of expected loss is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument. The loss amount is recognised in the profit-and-loss statement for the financial year when this situation occurs.

According to the expected simplified approach, Altri recognises expected impairment losses for the economic life of trade receivables and other receivables parties ("lifetime"). Expected losses on these financial assets are estimated using an impairment matrix based on the Altri's historical experience of impairment losses, affected by specific prospective factors related to debtors' expected credit risk, by the evolving general economic conditions and by an evaluation of current and projected circumstances on the financial reporting date.

Measuring and recognising expected credit losses

Measuring expected impairment losses reflects the estimated likelihood of default, the likelihood of loss due to said default (i.e., the magnitude of loss in the event of default) and the Altri's actual general exposure to said default. Altri considers 'default' to be 60 days after the due date.

Assessment of the likelihood of default and of loss due to said default is based on existing historical information, adjusted for future estimated information as described above.

For financial assets, exposure to default is shown as the assets' gross book value on each reporting date. For financial assets, expected impairment loss is estimated as the difference between every contractual cash flow owed to the Company, as agreed upon between the parties, and the cash flows the Company expects to receive, discounted at the original effective interest rate.

Altri recognises gains and losses regarding impairments in the profit and loss statement for every financial instrument, with the corresponding adjustments to their book value via the line item of accumulated impairment losses in the statement of financial position.

As a result of Altri's stringent credit control policy, irrecoverable debts have been nearly non-existent.

Altri evaluates expected impairment losses, in accordance with IFRS 9.

The model used to determine the impairments of accounts receivable consists of:

- Trade receivables stratification by type of associated revenue;
- Analysis of the history of irrecoverables and default for stated subpopulations;
- Segregation of outstanding balances, considering the existence of credit insurance and letters of credit;
- For balances not covered by credit insurance, determining the historical rate of irrecoverables in the last two years;
- Adjusting the rates obtained above with a forward-looking component based on future market evolution projections;
- Applying the rates obtained to trade receivables outstanding balance on the reporting date.

The amounts given in the statement of financial position are net of accumulated impairment losses for bad debts that were estimated by Altri; therefore, they are at their fair value.

For every other situation and nature of balances receivable, the Altri applies the general impairment model approach. On every reporting date, it assesses whether there was a significant increase in credit risk from the asset's initial recognition date. If credit risk did not increase, the Altri calculates an impairment corresponding to the amount equivalent to expected losses within a 12-month period. If credit risk did increase, the Altri calculates an impairment corresponding to the amount equivalent to expected losses for every contractual cash flow up to the asset's maturity. The credit risk is assessed in accordance with the loans disclosed in the credit risk management policies.

Derecognition of financial assets

Altri derecognises a financial asset only when the asset's contractual cash-flow rights expire, or when transferring the financial asset and substantially every risk and benefit associated with its ownership to another entity. When substantially every risk and benefit arising from ownership of an asset is neither transferred nor retained, or control over the asset is not transferred, Altri keeps on recognising the transferred asset to the extent of its continued involvement. In this case, Altri also recognises the corresponding liability, the transferred asset and corresponding liability are measured on a basis that reflects the rights and obligations retained by Altri. If Altri retains substantially every risk and benefit associated with ownership of a transferred financial asset, Altri keeps on recognising said asset; in addition, it recognises a loan for the amount received in the meantime.

In derecognising a financial asset measured at amortised cost, the difference between its carrying amount and the sum of the retribution received and to be received is recognised in the profit and loss statement.

On the other hand, when derecognising a financial asset represented by a capital instrument recorded at fair value through other comprehensive income, the accumulated gain or loss in the revaluation reserve is reclassified to the profit and loss statement.

However, in derecognising a financial asset represented by a capital instrument irrevocably designated in the initial recognition as recorded at fair value through other comprehensive income, the accumulated gain or loss in the revaluation reserve is not reclassified to the profit and loss statement, but, rather, transferred to the line item “Retained Earnings.”

iv) Financial liabilities and equity instruments

Classification as financial liability or as an equity instrument

Financial liabilities and equity instruments are classified as liability or as equity according to the transaction's contractual substance.

Equity

Altri considered equity instruments to be those where the transaction's contractual support shows that Altri holds a residual interest in a set of assets after deducting a set of liabilities.

The equity instruments issued by Altri are recognised at the amount received, net of costs directly attributable to their issue.

The repurchase of equity instruments issued by Altri (own shares) is accounted for at its acquisition cost as a deduction from equity. Gains or losses inherent to disposal of own shares are recorded under the line item 'Other reserves.'

Financial liabilities

After initial recognition, every financial liability is subsequently measured at amortised cost or at fair value through profit and loss statement.

Financial liabilities are recorded at fair value through profit and loss statement when:

- the financial liability results from a contingent consideration arising from a business combination;
- when the liability is held for trading; or
- when the liability is designated to be recorded at fair value through profit and loss statement.

A financial liability is classified as held for trading if:

- it is acquired chiefly for the purpose of short-term disposal; or
- in the initial recognition, it is part of a portfolio of identified financial instruments that the Company jointly manages and which shows an actual recent pattern of obtaining short-term gains; or
- if it is a derivative financial instrument (except if attributed to a hedging transaction).

Financial liabilities recorded at fair value through profit and loss statement are measured at their fair value with the corresponding gains or losses arising from their change, as recognised in the profit and loss statement, except if assigned to hedging transactions.

Financial liabilities subsequently measured at amortised cost

Financial liabilities not designated for recording at fair value through profit and loss statement are subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating the corresponding interest during its life.

The effective interest rate is the one that accurately discounts estimated future cash flows (including fees and commissions paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) over the expected life of the instrument in its gross carrying amount at the date of its initial recognition.

Types of financial liabilities

Loans in the form of commercial paper issues are classified as non-current liabilities when they are guaranteed to be placed for more than one year, and the Company's Board of Directors intends to use this source of funding also for more than one year.

The other financial liabilities basically refer to factoring transactions and lease liabilities, which are initially recorded at their fair value. Following their initial recognition, these financial liabilities are measured at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are settled, cancelled or have expired.

The difference between the derecognised financial liability's carrying amount and the consideration paid or payable is recognised in the profit and loss statement.

When the Company and a given creditor exchange a debt instrument for another containing substantially different terms, said exchange is accounted for as a cancellation of the original financial liability and the recognition of a new financial liability.

Likewise, the Company accounts for substantial modifications to the terms of an existing liability, or to a part thereof, as a cancellation of the original financial liability and the recognition of a new financial liability.

If the modification is not substantial, the difference between: (i) the liability's carrying amount prior to modification; and (ii) the present value of future cash flows after modification is recognised in the profit and loss statement as a modification gain or loss.

Derivative instruments

Altri uses derivative instruments in managing its financial risks as a way to ensure hedging against said risks. Derivative instruments are not used for trading purposes.

The derivative instruments used by the Company defined as cash flow hedging instruments are related to the hedging of interest rates on loans obtained, exchange rates, as well as hedging the price of pulp.

The risk is hedged in its entirety, with no hedging of risk components, and no target hedging value is defined for these risks.

The Company designates only the spot element of forward agreements as a hedging instrument. The forward element is recognised under Other comprehensive income and accumulated in a separate equity component.

The derivative financial instruments used for economic risk hedging purposes can be classified in the accounts as hedging instruments, provided they cumulatively meet the following conditions:

(i) On the transaction start date, the hedging ratio is identified and formally documented, including identification of the hedged item, the hedging instrument and assessment of hedging effectiveness;
(ii) The hedging ratio is expected to be highly effective, on the transaction start date and over the course of its life;
(iii) The hedging effectiveness can be reliably measured on the transaction start date and over the course of its life;
(iv) For cash-flow hedging transactions, the likelihood of its occurrence has to be high.

Whenever expectations of evolving interest rates or currency exchange rates so justify, the Company seeks to put under contract transactions protecting against unfavourable operations, using derivative instruments, such as, among others, interest rate swaps (IRS), interest rate and currency exchange rate collars or exchange rate forwards.

Selecting hedging instruments to be used basically states their features in terms of economic risks they seek to hedge. Also considered are the implications of including each additional instrument in existing derivative portfolio, namely the effects in terms of volatility of results.

The conditions established for these cash flow hedge instruments are identical to those of the corresponding loans in terms of the amount, maturity dates of the interest and repayment schedules of the loans and for these reasons they qualify as perfect hedges.

In the case of hedge instruments, the exchange rate exposure is made for highly probable transactions and for a small portion of the total expected amount, so that it is also understood that hedging strategies are highly effective.

In the case of instruments for hedging the price of pulp, the price indexes to which the futures contracts for hedging the price of pulp are indexed are those most frequently used by the Group's subsidiaries as a reference for the sale price of their pulp, which is why it is considered that they also provide perfect cover for highly probable transactions which are expected to occur in much more significant amounts.

Hedging instruments are recorded at their fair value.

Fair value of these financial instruments is determined with recourse to third party entities and validated using IT systems for stating derivative instruments, and is based, in the case of swaps, on the updated, for the date of the Statement of Financial Position, future cash flows of the derivative instrument's fixed leg and of the variable leg.

Accounting for the hedging of derivative instruments is discontinued when the instrument matures or is sold, or when the future transaction is no longer highly probable.

In situations where the derivative instrument is no longer qualified as a hedging instrument, fair-value differences accumulated up to that point, which are recorded in equity under the line item 'Hedging reserves', are transferred to profit and loss for the period, or added to the asset’s book value to which the transactions subject to hedging gave rise, and subsequent revaluations are recorded directly under the line items of the profit and loss statement.

In the case of hedges of highly probable future transactions, the amount accumulated in Other comprehensive income should remain if the hedged future cash flows are still expected to occur. Otherwise, the cumulative amount is reclassified immediately to the income statement as a reclassification adjustment. After the interruption, once the hedged cash flows occur, any cumulative amount remaining in equity under "Hedging reserves" should be accounted for according to the nature of the underlying transaction.

When there are derivatives embedded in other financial instruments or other agreements, they are treated as separate derivatives in situations where the risks and features are not closely related to host agreements and in situations where the agreements are not shown at their fair value with unrealized gains or losses recorded in the profit and loss statement.

In cases where the derivative instruments, despite being put under contract with the specific goal of hedging financial risks, do not fulfil the aforementioned requirements for categorising as hedging instruments, the changes in fair value directly affect the profit-and-loss statement, under the line items 'Financial income' and 'Financial expenses.'

Offsetting financial instruments

Financial assets and financial liabilities are offset and the corresponding net amount is shown under the balance sheet if there is a present right of mandatory fulfilment to offset the recognised amounts and with the intention of either settling on a net basis or realising the asset and simultaneously settling the liability.

i) Contingent assets and liabilities

Contingent liabilities are defined by the Company as (i) possible obligations arising from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not under full control of the Company, or (ii) present obligations arising from past events but that are not recognised because it is unlikely that a cash flow affecting economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the Company's financial statements and are actually disclosed unless the possibility of a cash outflow affecting future economic benefits is remote, in which case they are not disclosed at all.

Contingent assets are possible assets that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not fully under the control of the Company.

Contingent assets are not recognised in the Company's financial statements, but are only disclosed when future economic benefits are likely.

j) Income tax

Income tax for the financial year is calculated based on the taxable earnings of the Company in accordance with the tax regulations in force and considers deferred taxation.

The Company is taxed under the special taxation regime for groups, according to article 69 of the Corporate Income Tax Code (“Código do Imposto sobre o Rendimento das Pessoas Coletivas”), with Altri SGPS, S.A. being the dominant company in the Tax Group.

Deferred taxes are calculated using the financial position statement liability method and reflect the temporary differences between the amount of assets and liabilities for accounting reporting purposes and the respective amounts for tax purposes. Deferred tax assets and liabilities are calculated and annually assessed using the tax rates in force or substantially in force at the expected date of reversal of temporary differences.

The measurement of deferred tax assets and liabilities:

– It is conducted in accordance with the expected rates to be applied in the period the asset is realised or the liability settled, based on the tax rates approved at the balance sheet date; and

– It reflects the tax consequences arising from the way the Company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised only when there are reasonable expectations of sufficient future tax profits for their use, or in situations where there are taxable temporary differences that offset the temporary differences deductible in the period of their reversal. At the end of each period a review is made of these deferred taxes, which are reduced whenever their future use is no longer likely.

Deferred taxes are not recognised in respect to temporary differences associated with investments in subsidiaries and associates, since the following conditions are simultaneously considered to be met:

– The Company is able to control the timing of the temporary difference reversal; and

– It is likely that the temporary difference will not be reversed in the foreseeable future.

Deferred taxes are recorded as expenses or income for the financial year, except if they result from amounts recorded directly in equity, in which case the deferred tax is also recorded under the same line item.

k) Revenue

Altri recognises revenue in accordance with IFRS 15, which sets forth that an entity recognises revenue in order to reflect the transfer of goods and services contracted by customers, in the retribution amount to which the entity expects to be entitled to receive as consideration for delivery of said goods or services, based on the 5-step model below:
1) contract identification with a client;
2) performance obligation identification;
3) pricing of the transaction;
4) allocation of the transaction price to performance obligation; and
5) recognition of revenue when or as the entity meets a performance obligation.

On 31 December 2021 and 2020, Altri's revenue refers entirely to corporate services rendered to the other subsidiaries. These services are billed quarterly and the invoice is issued at the end of the quarter for services rendered in that quarter.

Revenue is recognised net of bonuses, discounts and taxes (e.g.: commercial discounts), and refers to the consideration received or receivable for services sold in line with the type of business identified. Revenue is recognised by the amount of the performance obligation fulfilled. For the transaction price, this is a fixed component.

The Company considers the facts and circumstances when analysing the terms of each contract with clients, applying the requirements that determine the recognition and measurement of revenue in a harmonised way, when dealing with contracts with similar characteristics and circumstances.

l) Accrual accounting basis

The remaining income and expenses are recorded on an accrual basis, whereby they are recognised as they are generated regardless of when they are received or paid. The differences between the amounts received and paid and the corresponding income and expenses generated are recorded under the line items 'Other current assets', 'Other current liabilities', 'Other non-current assets', and 'Other non-current liabilities.'

m) Subsequent events

The events occurring after the statement of financial position providing additional evidence or information regarding conditions that existed on the date of the statement of financial position (adjusting events) are reflected in the financial statement. Events after the date of the statement of financial position that are indicative of the conditions that arose after the date of the statement of financial position (non-adjusting events), when material, are disclosed in the Notes to the financial statements.

n) Cash and cash equivalents

The amounts included under the line item 'Cash and cash equivalents' correspond to cash amounts, bank deposits, term deposits, and other treasury applications, maturing in less than three months, and are subject to insignificant risk of change in value.

In terms of statement of cash-flows, the line item 'Cash and cash equivalents' also comprises bank overdrafts included under the current liability line item 'Bank loans.'

o) Statement of cash-flows

The statement of cash-flows is prepared according to IAS 7, using the direct method.

The statement of cash flows is categorised under operating activities (which include receipts from customers, payments to suppliers, payments to personnel and others related to operating activities), financing (which include payments and receipts related to borrowings, leasing contracts, and dividend payments), and investment (which include, acquisitions and disposals of investments in subsidiaries and receipts and payments arising from the purchase and sale of property, plant and equipment).

p) Assets held for sale or distribution and discontinued operations

This category includes assets or a group of assets whose value is realizable through a sale or distribution transaction, or jointly as a group in a single transaction, and liabilities directly associated with these assets that are transferred in the same transaction. Assets and liabilities in this situation are measured at the lowest value between their book value and fair value less costs to sell.

For this situation to occur, it is necessary that the sale is highly probable (and expected to occur within less than 12 months), and that the asset is available for immediate sale or distribution in its present condition, besides the Company having committed itself to its sale or distribution.

The amortization of assets under these conditions ceases from the moment they are classified as held for sale or distribution and are presented as current in their own asset, liability and equity lines. A discontinued operation is a component (operating units and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity) of an entity that has either been disposed of or is classified as held for sale or distribution, and:

(i) represents a separate major line of business or geographic area of operations;

(ii) is an integral part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or

(iii) is a subsidiary acquired exclusively with a goal to resale.

The income of discontinued operations are presented as a single amount in the income statement, comprising the after-tax profit or loss of the discontinued operations, plus the after-tax gain or loss recognized on the fair value measurement less costs to sell or on the disposal of assets or disposal group(s) that constitute the discontinued operation.

Balances between continuing operations and discontinued operations are eliminated in the consolidation process. Transactions between continuing operations and discontinued operations are eliminated to the extent that they represent transactions that will no longer be carried on by the Company.

2.3 JUDGEMENTS AND ESTIMATES

When preparing the attached financial statements, value judgements and estimates were made and various assumptions were used that affected the reported amounts of assets and liabilities, as well as the reported amounts of income and expenses for the year.

The underlying estimates and assumptions were determined based on the best knowledge existing at the date of approval of the financial statements of current events and transactions, as well as on previous and/or current events experience. However, there are situations that could occur in subsequent periods which, while not foreseeable on that date, were not considered in those estimates. Changes in estimates that occur after the date of the financial statements will be prospectively amended. Therefore, and given the inherent degree of uncertainty, the actual results of the transactions in question may differ from the corresponding estimates.

The main value judgements and most significant estimates conducted and used in preparing consolidated financial statements include:

a) Impairment tests of financial investments

Impairment analyses require determining fair value and / or the use value of the assets in question (or of some cash-generating units). This process calls for a high number of relevant judgements, namely estimating future cash flows associated with assets or with the corresponding cash-generating units, and determining an appropriate discount rate for obtaining the present value of the aforementioned cash flows. In this regard, the Company once again established the requirement calling for use of the maximum possible amount of observable market data. It further established calculation monitoring mechanisms based on the critical challenge of reasonability of assumptions used, their coherence and consistency (in similar situations).

b) Determining fair value of derivative financial instruments

In stating financial instruments not traded in active markets valuation techniques have been used that were based on discounted cash-flow methods or on market transaction multiples. Fair value of derivative financial instruments is generally determined by the entities for which they were hired (counterparties). The Company's Board of Directors recognises the counterparties as being competent and objective.

The estimates and underlying assumptions were determined based on the best information available at the date of preparation of the financial statements and based on the best knowledge and experience of past and / or current events. However, situations may occur in subsequent periods that, not being predictable at the date, were not considered in these estimates. For this reason and given the degree of uncertainty associated, the actual results of the transactions in question may differ from the corresponding estimates. Changes to these estimates, which occur after the date of the financial statements, will be corrected prospectively in the income statement, as provided by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

2.4 CHANGES IN ACCOUNTING POLICY AND ERROR CORRECTION

Regarding new standards, interpretations, amendments and revisions to IFRS, see Note 2.1.

During the financial year ended 31 December 2021, there were no voluntary changes in accounting policies. Likewise, no material errors were recognised in relation to previous fiscal years.

3. FINANCIAL RISK MANAGEMENT

The Company is basically exposed to (a) market risk, (b) credit risk, and (c) liquidity risk. The main purpose of risk management is to reduce these risks to a level considered acceptable.

The general principles of risk management are approved by the Board of Directors, and their implementation and monitoring are overseen by the administrators and directors.

a) Market Risk

Interest rate risk is of particular importance in market risk management.

(i) Interest Rate Risk

The Company uses derivative instruments in managing its market risks to which it is exposed as a way of guaranteeing their hedging. Derivative instruments are not used for trading or speculation purposes.

The Company's exposure to the interest rate risk results essentially from Euribor-indexed long-term loans.

The Company's goal is to limit cash-flow volatility and results, considering the profile of its operating business by using an appropriate combination of debt to fixed and variable rate. The Company's policy allows using interest rate derivatives in order to reduce exposure to changes in Euribor, not for speculation purposes.

Most derivative instruments used by the Group in managing interest rate risk are established as cash-flow hedging instruments, as they provide perfect hedging. The Index, calculation conventions, the interest rate hedging instruments, and interest rate hedging instrument repayment plans are altogether identical to the conditions set forth for contracted underlying loans. However, there are some derivative instruments which, despite having been put under contract for interest rate risk hedging purposes, do not fulfil the aforementioned requirements for categorising as hedging instruments.

In the financial years ended 31 December 2021 and 2020, the Company's sensitivity to changes in the interest rate benchmark of approximately one percentage point, measured as the change in financial results, can be analysed as follows:

	31.12.2021	31.12.2020
Interest expenses (Note 20)	3,195,737	4,328,751
A 1 p.p. increase in the interest rate applied to the entire debt	1,900,000	2,200,000
A 1 p.p. decrease in the interest rate applied to the entire debt	(1,900,000)	(2,200,000)

The sensitivity analysis above was calculated based on the exposure to the existing interest rate on the date ending each financial year. This analysis' basic assumption was that the financing structure (remunerated assets and liabilities) remained stable throughout the year and similar to that shown at the end of every financial year, with the rest remaining constant.

b) Credit Risk

Credit risk is defined as the probability of a financial loss occurring as a result of a counterparty defaulting on its payment contractual obligations.

Altri is a holding company, having no commercial activity beyond the normal activities of a portfolio manager of holdings and corporative services to its subsidiaries. As such, on a regular basis, the Company is only exposed to credit risk arising from financial instruments (investments and deposits with banks and other financial institutions or resulting from derivative financial instruments entered into in the normal course of its hedging operations), or from loans granted to subsidiaries (when applicable).

The outstanding amounts on loans granted are considered to have low credit risk and, consequently, the impairments for credit losses recognised during the period were limited to the estimated 12-month credit losses. These financial assets are considered to have 'low credit risk' when they have a reduced risk of default and the debtor has a high capacity to meet its short-term cash flow contractual responsibilities.

In order to reduce the probability of a counterparty defaulting on its payment contractual obligations, Altri follows the following principles:

– It only performs transactions (short-term investments and derivatives) with counterparties that have been selected in accordance with their prestige and recognition at national and international level, their ratings, and which take into consideration the nature, maturity and size of the transactions;

– No financial instruments shall be contracted unless they have been authorised in advance. The definition of eligible instruments for both excess availability and derivatives has been made on the basis of a conservative approach;

– Additionally, regarding cash surpluses: i) they shall preferably be used, whenever possible where it is most efficient, either to repay existing debt, or preferably invested in relationship banks, thereby reducing the net exposure to such institutions, and ii) they may only be applied in previously authorized instruments.

Given the above policies, Altri's Board of Directors does not foresee the possibility of any material breach of contractual payment obligations of its external counterparties.

In the case of loans to subsidiaries, there is no specific credit risk management policy, since the granting of loans to subsidiaries is part of the normal activity of the Company.

c) Liquidity Risk

The main objective of the liquidity risk management policy is to ensure that the Company has the capacity to liquidate or meet its responsibilities and to pursue the strategies outlined in compliance with all its commitments to third parties within the stipulated time frame.

The Company defines as an active policy (i) to maintain a sufficient level of free and immediately available resources to meet the necessary payments on maturity, (ii) to limit the probability of default on the repayment of all its investments and loans by negotiating the extent of the contractual clauses, and (iii) to minimise the opportunity cost of holding excess liquidity in the short term.

It also seeks to make the due dates of assets and liabilities compatible, through a streamlined management of their maturities.

4. INVESTMENTS

On 31 December 2021 and 2020, 'Investments in subsidiaries and associates' consisted of the following investments:

	Holding Percentage		Statement of financial position	
Company	2021	2020	31.12.2021	31.12.2020
Altri, Participaciones Y Trading, S.L.	100.00%	100.00%	142,168,546	142,168,546
Greenvolt - Energias Renováveis, S.A. (a)	43.27%	45.00%	—	36,769,631
Altri Abastecimento de Madeira, S.A.	100.00%	100.00%	2,050,000	2,050,000
Pulpchem Logistics, A.C.E.	50.00%	50.00%	—	—
Biogama, S.A.	90.00%	—	45,000	—
			144,263,546	180,988,177

(a) Company classified as held for distribution to shareholders on December 31, 2021 (Note 5)

As of December 31, 2020, the investment of Greenvolt - Energias Renováveis, S.A. includes the amount of 5,917,500 euros referring to supplementary capital granted to the entity that were acquired when the company acquired 45% of the share capital. It is the understanding of the Board of Directors that the said amount grants a long-term investment without the prospect of reimbursement, giving the nature of an investment in the entity's capital, so the amount was presented together with the rest of the financial investment.

In March 2021, considering the ongoing corporate reorganization process in the context of the admission of GreenVolt shares to trading on the regulated market, it was decided that Altri, as the entity that owns and manages the Altri Group's shareholdings, would acquire from Caima Energia shares representing 30% of GreenVolt's share capital, for the amount of 23,903,000 Euro, which resulted in Altri holding 75% of GreenVolt.

In the Shareholders' Meeting of the subsidiary GreenVolt, held on March 31, 2021, it was unanimously approved that the shareholders would carry out a capital increase, in cash, in the total amount of 50,000,000 Euros. Altri carried out a share capital increase in GreenVolt in its proportion, which corresponded to 37,500,000 Euros.

In the Shareholders' Meeting of Altri, held on April 30, 2021, it was decided that a dividend in kind of up to 5% of the shares would be distributed, which corresponded to the total amount of 6,504,301 Euros and a total volume of 3,726,771 shares (Note 24).

In July 2021, the subsidiary GreenVolt went public as a result of the Initial Public Offering (IPO). As a result of this operation, Altri now holds 43.27% of Greenvolt - Energias Renováveis, S.A. and its subsidiaries.

Considering what is described in Note 5, the financial investment in GreenVolt amounting to 91,668,330 Euros is presented in this financial information as Group of assets classified as held for distribution to shareholders, with reference to December 31, 2021.

During 2021, a subsidiary company, Biogama. S.A., of which Altri owns 90%, and the remaining 10% is owned by Celulose Beira Industrial (Celbi), S.A., was incorporated.

In addition, Altri has prepared consolidated financial statements in accordance with the measurement and recognition principles of the International Financial Reporting Standards as adopted in the European Union, which present the following main financial data:

	31.12.2021	31.12.2020
Total consolidated net assets	2,290,063,385	1,485,974,878
Total consolidated equity	723,539,883	445,320,909
Consolidated profit for the year	135,229,824	34,968,479

The impairment tests conducted by Altri on its financial investments in the separate accounts allowed to determine the non-existence of impairment. Impairment tests were conducted on the basis of a diverse set of information on Altri SL's subsidiaries, namely, estimates of discounted cash flows. Those assessments were made based on historical performance and estimates of discounted cash flows based on business plans. For the subsidiaries in the pulp sector, subsidiaries of Altri SL, the business plans were carried out for 5 years (since it is the Board of Directors' understanding that this is the most appropriate period given the cyclical nature of the Group's respective operations), and was considered to be a medium and long-term paper pulp sales price, not influenced by short-term positive or negative fluctuations.

The main assumptions used in the calculation of Altri SL subsidiaries with reference to December 31, 2021 and 2020 were as follows:

	31.12.2021	31.12.2020
Inflation rate	1.28%	1.02%
Discount rate	6.09%	6.55%
Growth rate in perpetuity	2.00%	2.00%

The discount rate net of tax (because the cash flows used in the financial projections are also net of tax) used in the financial year ended December 31, 2021 was 6.09%, which was calculated based on the WACC (Weighted Average Cost of Capital) methodology, considering the following assumptions:

	31.12.2021	31.12.2020
Risk-free interest rate	0.35%	0.06%
Equity risk premium	4.38%	4.72%
Debt risk premium	3.50%	3.50%

From the analysis carried out, the Company concluded that there was a comfortable margin in relation to the point at which investments would be at risk of impairment.

5. GROUP OF ASSETS CLASSIFIED AS HELD FOR DISTRIBUTION TO SHAREHOLDERS

In July 2021, the subsidiary GreenVolt was listed on the stock exchange as a result of the Initial Public Offering (IPO). As a result of this operation, Altri Group now owns 58.72% of Greenvolt - Energias Renováveis, S.A. and its subsidiaries, of which Altri holds directly 43.27% (Note 4). The Altri Group conducted a study regarding the optimization of its shareholding in its subsidiary GREENVOLT - ENERGIAS RENOVÁVEIS, S.A., which, after analyzing the impacts and advantages of a full separation of the pulp business and the renewable energy business, concluded that such separation would be feasible as it would constitute an adequate response to the optimized evolution of the companies concerned, adjusted to the underlying reality of their businesses and their prospects for development. Altri's Board of Directors will propose, at the Annual General Meeting of 2022, under conditions that the respective proposal will present, the distribution to ALTRI's shareholders of a maximum number of shares corresponding to 52,523,229 shares of GreenVolt, which corresponds to the shareholding that Altri currently holds directly. It is the understanding of Altri's Board of Directors that the proposed distribution will be approved by the Company's shareholders, primarily because the Board believes that the shareholders will not only agree, but also consider essential, for the reasons already mentioned, the total separation of the pulp business from the renewable energy business. The delivery of the shares to the shareholders will take place, expectably, in a period never exceeding 30 days from the date of the resolution (i.e., in a period always less than 12 months after December 31, 2021).

Accordingly, and in accordance with IFRS 5, the financial stake in GreenVolt in the amount of 91,668,330 Euros is presented in this financial information as Group of assets classified as held for distribution to shareholders, with reference to December 31, 2021.

6. CURRENT AND DEFERRED TAXES

According to current legislation, tax returns are subject to review and correction by the tax authorities during a period of four years (five years for Social Security), except when there have been tax losses, tax benefits granted, or when inspections, complaints or challenges are in progress, in which cases, depending on the circumstances, the deadlines are extended or suspended. Thus, the Company's tax returns since 2018 may still be subject to review.

The Company's Board of Directors considers that any corrections resulting from reviews/inspections by the tax authorities to those tax returns will not have a material effect on the financial statements as of 31 December 2021 and 2020.

The Company is subject to the special taxation regime for groups. Altri is the dominant company of the Tax Group which, since 1 January 2016, is comprised of the following entities:

- Altri Florestal, S.A.;
- Altri Abastecimento de Madeira, S.A.;
- Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.;
- Caima Indústria de Celulose, S.A.;
- Captaraíz Unipessoal, Lda.;
- Biotek, S.A.;
- Celulose Beira Industrial (Celbi), S.A.;
- Inflora – Sociedade de Investimentos Florestais, S.A.;
- Soc. Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.;
- Viveiros do Furadouro Unipessoal, Lda.;
- Florestsul, S.A..

As of December 31, 2021, as a result of the capital increase of the subsidiary GreenVolt (Note 4), the subsidiaries based in Portugal below started to be taxed individually, since the percentage of ownership by Altri is, as a result of this operation, less than 75%.

- GREENVOLT – Energias Renováveis, S.A.;
- Energia Unida, S.A.;
- Ródão Power - Energia e Biomassa do Ródão, S.A.;
- Sociedade Bioelétrica do Mondego, S.A..

Each of the companies taxed through RETGS records the income tax in its separate accounts under the line item 'Subsidiaries' (Notes 12 and 16). Where subsidiaries contribute with losses, the amount of tax corresponding to the losses that will be offset against the profits of the other companies covered by this regime is recorded in the separate financial statements (Note 21). If deferred tax assets are recorded for tax losses generated, the amount is recorded in the subsidiary against a payable account to the entities of the Group.

Deferred tax assets and liabilities recorded during the fiscal year are essentially related to the fair value of interest rate, exchange rate and pulp price hedging derivatives and as such were recorded under 'Other comprehensive income'.

In accordance with the legislation in force in Portugal, for the fiscal years ended 31 December 2021 and 2020 the base income tax rate in force was 21%. The Company is also subject to a municipal surtax at the rate of 1.5% on taxable income.

Additionally, in accordance with the legislation in force in Portugal during the financial year ended 31 December 2021, the state surtax corresponded to the application of an additional rate of 3% on the taxable income between EUR 1.5 and 7.5 million, 5% on the taxable income between EUR 7.5 and 35 million and 9% on the taxable income above EUR 35 million.

Under the terms of Article 88 of the Corporate Income Tax Code, the Company is subject to autonomous taxation on a number of fees at the rates set out in the aforementioned article.

The reconciliation of the profit before income tax to the income tax for the financial year is as follows:

	31.12.2021	31.12.2020
Profit before income tax	87,611,422	95,767,677
Tax rate	22,5%	22,5%
	19,712,570	21,547,727
Non-taxable dividends	(20,025,000)	(20,250,000)
Others	(141,970)	(678,605)
	(454,400)	619,122

As of December 31, 2021, the Company has used all the deferred tax assets related to tax losses in the amount of 681,522 Euros recorded as of December 31, 2020. This amount corresponded to the tax losses, amounting to approximately 3.2 million Euro, with which the Group's subsidiaries contributed to the RETGS in 2020. As of December 31, 2021, there are no tax loss carryforwards in the individual sphere.

The deferred tax assets were recorded to the extent that it is the Board of Directors expectation that, as in recent years, the RETGS will generate future taxable income that allows its recovery.

The movement in deferred tax assets and liabilities as of December 31, 2021 and 2020 was as follows:

	31.12.2021		31.12.2020	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Opening balance	936,409	—	222,056	—
Effects on income statement:				
Others	31,456	—	—	—
Effects on equity:				
Fair value of derivative instruments	(114,741)	—	32,831	—
Effect of RETGS tax losses	(681,522)	—	681,522	—
Closing balance	171,602	—	936,409	—

7. CLASSES OF FINANCIAL INSTRUMENTS

In accordance with the accounting policies described under Note 2.2.h), financial instruments were classified as follows:

Financial assets:

31 December 2021	Financial assets recorded at amortised cost	Derivative financial instruments at fair value	Total
Current assets			
Trade receivables	4,078,270	—	4,078,270
Other receivables	19,726,978	—	19,726,978
Other current assets	2,060,503	—	2,060,503
Other financial assets	19,588,750	—	19,588,750
Derivative financial instruments	—	169,906	169,906
Cash and cash equivalents	121,869,849	—	121,869,849
	167,324,350	169,906	167,494,256

31 December 2020	Financial assets recorded at amortised cost	Derivative financial instruments at fair value	Total
Current assets			
Trade receivables	9,341,541	—	9,341,541
Other receivables	22,151,926	—	22,151,926
Other current assets	140,632	—	140,632
Other financial assets	19,588,750	—	19,588,750
Derivative financial instruments	—	4,488,283	4,488,283
Cash and cash equivalents	154,809,495	—	154,809,495
	206,032,344	4,488,283	210,520,627

Financial liabilities:

31 December 2021	Financial liabilities recorded at amortised cost	Derivative financial instruments at fair value	Total
Non-current liabilities			
Other loans	124,704,059	—	124,704,059
Lease liabilities	147,239	—	147,239
Derivative financial instruments	—	540,350	540,350
	124,851,298	540,350	125,391,648
Current liabilities			
Other loans	65,401,445	—	65,401,445
Lease liabilities	132,271	—	132,271
Trade payables	558,303	—	558,303
Other payables	337,020	—	337,020
Other current liabilities	2,611,277	—	2,611,277
Derivative financial instruments	—	982,642	982,642
	69,040,316	982,642	70,022,958
	193,891,614	1,522,992	195,414,606

31 December 2020	Financial liabilities recorded at amortised cost	Derivative financial instruments at fair value	Total
Non-current liabilities			
Other loans	219,386,078	—	219,386,078
Lease liabilities	124,418	—	124,418
Derivative financial instruments	—	1,053,386	1,053,386
	219,510,496	1,053,386	220,563,882
Current liabilities			
Other loans	808,370	—	808,370
Lease liabilities	97,213	—	97,213
Trade payables	117,406	—	117,406
Other payables	7,032,822	—	7,032,822
Other current liabilities	1,232,011	—	1,232,011
Derivative financial instruments	—	269,123	269,123
	9,287,822	269,123	9,556,945
	228,798,318	1,322,509	230,120,827

Financial instruments measured at fair value

The following table shows the financial instruments that are measured at fair value after initial recognition, grouped into three levels according to the possibility of observing its fair value in the market:

	31.12.2021			31.12.2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value: Derivatives (Note 18)	—	169,906	—	—	4,488,283	—
Financial liabilities measured at fair value: Derivatives (Note 18)	—	1,522,992	—	—	1,322,509	—

As at 31 December 2021 and 2020, there are no financial assets whose terms have been renegotiated and which, if not, would fall due or impaired.

8. PROPERTY, PLANT AND EQUIPMENT

During the financial years ended December 31, 2021 and 2020, the movement occurred in the value of property, plant and equipment, as well as in the corresponding depreciation and accumulated impairment losses, was as follows:

	31 December 2021				
	Asset gross value				
	Land and natural resources	Building and other edifications	Vehicles	Office equipment	Total
Opening balance	1,863,806	5,591,419	50,700	421,636	7,927,561
Additions	—	—	—	—	—
Disposals	—	—	—	—	—
Write-offs	—	—	—	—	—
Transfers	—	—	—	—	—
Closing balance	1,863,806	5,591,419	50,700	421,636	7,927,561
	Accumulated depreciation				
	Land and natural resources	Building and other edifications	Vehicles	Office equipment	Total
Opening balance	—	335,484	50,700	340,881	727,065
Additions	—	111,829	—	19,138	130,967
Disposals	—	—	—	—	—
Write-offs	—	—	—	—	—
Transfers	—	—	—	—	—
Closing balance	—	447,313	50,700	360,019	858,032
	1,863,806	5,144,106	—	61,617	7,069,529

	31 December 2020				
	Asset gross value				
	Land and natural resources	Building and other edifications	Vehicles	Office equipment	Total
Opening balance	1,863,806	5,591,419	50,700	421,636	7,927,561
Additions	—	—	—	—	—
Disposals	—	—	—	—	—
Write-offs	—	—	—	—	—
Transfers	—	—	—	—	—
Closing balance	1,863,806	5,591,419	50,700	421,636	7,927,561
	Accumulated depreciation				
	Land and natural resources	Building and other edifications	Vehicles	Office equipment	Total
Opening balance	—	223,656	50,700	305,032	579,388
Additions	—	111,828	—	35,849	147,677
Disposals	—	—	—	—	—
Write-offs	—	—	—	—	—
Transfers	—	—	—	—	—
Closing balance	—	335,484	50,700	340,881	727,065
	1,863,806	5,255,935	—	80,755	7,200,496

9. RIGHT-OF-USE

9.1. RIGHT-OF-USE ASSET

During the financial year ended 31 December 2021 and 2020, the movement that occurs in the amount of right-of-use assets, as well as the corresponding depreciation, was as follows:

	31 December 2021		
	Asset gross value		
	Buildings and other edifications	Vehicles	Total
Opening balance	—	445,998	445,998
Additions	203,075	—	203,075
Disposals and write-offs	—	(62,207)	(62,207)
Closing balance	203,075	383,791	586,866
	Accumulated depreciation		
	Buildings and other edifications	Vehicles	Total
Opening balance	—	227,957	227,957
Additions	28,205	91,927	120,132
Disposals and write-offs	—	(37,788)	(37,788)
Closing balance	28,205	282,096	310,301
	174,870	101,695	276,565

	31 December 2020	
	Asset gross value	
	Vehicles	Total
Opening balance	360,268	360,268
Additions	85,730	85,730
Closing balance	445,998	445,998
	Accumulated depreciation	
	Vehicles	Total
Opening balance	138,100	138,100
Additions	89,857	89,857
Closing balance	227,957	227,957
	218,041	218,041

The line item 'Vehicles' refers to contracts for the lease of vehicles for periods of 4 years.

The item "Buildings and other edifications" relates to a new facility rental contract for a term of 3 years.

9.2. LEASE LIABILITIES

During the financial year ended 31 December 2021 and 2020, the movement in lease liabilities was as follows:

	31.12.2021	31.12.2020
Opening balance	221,631	225,327
Additions	203,075	85,730
Accrued interest	4,614	4,385
Payments	(124,869)	(93,811)
Other effects	(24,941)	—
Closing balance	279,510	221,631
Current	132,271	97,213
Non-current	147,239	124,418

In addition, the following amounts were recognised in 2021 and 2020 as expenses related to right-of-use assets:

	31.12.2021	31.12.2020
Depreciation of right-of-use assets	120,132	89,857
Interest expenses related to lease liabilities	4,614	4,385
Expenses related to short-term leases	—	—
Total amount recognised in the profit-and-loss account	**124,746**	**94,242**

The maturity of the lease liabilities is as follows:

	31.12.2021					
	2022	2023	2024	2025	>2025	Total
Lease Liabilities	132,271	89,897	57,342	—	—	279,510
	132,271	89,897	57,342	—	—	279,510

	31.12.2020					
	2021	2022	2023	2024	>2024	Total
Lease Liabilities	97,213	73,193	29,860	21,365	—	221,631
	97,213	73,193	29,860	21,365	—	221,631

10. CASH AND CASH EQUIVALENTS

As at 31 December 2021 and 2020, the detail of 'Cash and cash equivalents' was as follows:

	31.12.2021	31.12.2020
Cash	97	81
Bank deposits	121,869,752	154,809,414
	121,869,849	154,809,495

As a result of the transactions referred to in Note 4, during the year ended December 31, 2021, payments relating to financial investments refer to the acquisition of shares representing 30% of the capital of GreenVolt from Caima Energia in the amount of 23,903,000 Euros, the payment relating to the increase in the capital of GreenVolt in the amount of 37,500,000 Euros and the paid-up capital of Biogama in the amount of 45,000 Euros.

11. STATE AND OTHER PUBLIC ENTITIES

On 31 December 2021 and 2020 these assets and liabilities were comprised as follows:

	31.12.2021	31.12.2020
Debit balances:		
Income tax	—	15,851,988
Total income tax	—	15,851,988
Other taxes	3,842	—
Total other taxes (Note 12)	3,842	—

	31.12.2021	31.12.2020
Credit balances:		
Income tax	20,343,835	—
Total income tax	20,343,835	—
Value-added tax	308,684	803,744
Personal income tax withholding	38,850	39,756
Tax withholding	70,000	—
Social Security contributions	36,321	33,177
Other taxes	—	152,202
Total other taxes (Note 16)	453,855	1,028,879

As of December 31, 2021, the credit balance "Income tax" includes income tax for the year payable by the Tax Group over which the Company is dominant (Note 6) less the respective payments on account and additional payments on account.

As of December 31, 2020, the debit balance 'Income tax' includes payments on account and additional payments on account receivable deducted from the corresponding income tax payable for the fiscal year made by the tax group over which the Company is dominant (Note 6).

12. OTHER RECEIVABLES

In the years ended 31 December 2021 and 2020 the line item 'Other receivables' was composed as follows:

	31.12.2021	31.12.2020
Subsidiaries (Note 21)		
Special Taxation Regime for Groups	18,627,451	22,149,907
Others	1,099,527	—
Other debts	—	2,019
Receivables from the State and other public entities (Note 11)	3,842	—
	19,730,820	22,151,926

On 31 December 2021, the balance under the line item 'Others' from Subsidiaries refers essentially to amounts receivable from subsidiaries of the Altri Group related to derivative instruments.

13. OTHER CURRENT ASSETS

On December 31, 2021 and 2020, the detail of 'Other current assets' is as follows:

	31.12.2021	31.12.2020
Accrued income:		
Interest receivable	123,149	140,632
Other gains to be invoiced	1,937,354	—
Deferred costs:		
Other prepaid expenses	545,949	553,737
	2,606,452	694,369

The line item 'Other expenses' includes at December 31, 2021 and 2020, the amount of 479,712 Euro referring to the payment of an additional corporate income tax settlement for the fiscal year ended December 31, 2003, which was made in 2008 by Celulose do Caima SGPS, S.A. (company merged into Altri in 2014). Celulose do Caima SGPS, S.A. paid that amount and recorded it under 'Other current assets', since it challenged this liquidation. The Board of Directors believes that this additional liquidation is undue. However, given the likelihood of success, this amount is fully provisioned.

The line item 'Other gains to be invoiced' includes the accruals charged to the Altri Group manufacturing units, as provided for in the Wood Pulp Production Agreement. This amount has no impact on the Company's profit and loss statement, given that the Company operates as a billing agent on behalf of the other subsidiaries of the Group, which is why it recorded an accrued expense for the same amount (Notes 17 and 21). As of December 31, 2021, as a result of the activity and the application of the contract mechanisms in force, no accrued expenses or income were recorded.

14. SHARE CAPITAL AND RESERVES

Share capital

On December 31, 2021, the Company's share capital was fully subscribed and paid up and consisted of 205,131,672 nominative shares with a nominal value of 12.5 cents of an Euro each.

As of December 31, 2021 and 2020, there were no legal entities with a subscribed capital interest of at least 20%.

Legal reserve

Portuguese commercial legislation establishes that at least 5% of the annual net profit must be allocated to the 'legal reserve' until it represents at least 20% of the share capital. This reserve is not distributable, except in the event of liquidation of the Company, but may be used to absorb losses, after all other reserves have been exhausted, and for incorporation into capital.

Other reserves

On December 31, 2021 and 2020, the line item 'Other reserves' was composed as follows:

	31.12.2021	31.12.2020
Hedging reserves	(479,237)	(875,355)
Other reserves and retained earnings	76,445,275	59,597,106
	75,966,038	58,721,751

The line item 'Hedging reserves' relates to the fair value of derivative financial instruments classified as cash flow hedging instruments in the effective hedge component, net of accrued interest and respective deferred taxes (Notes 6 and 18).

The line item 'Other reserves and retained earnings' corresponds to retained earnings and free reserves, which in accordance with current legislation are distributable to the Company's shareholders, after consideration of the net income for the year and advances on profits. As a result, as at 31 December 2021, distributable reserves amounted to 164,031,860 Euro.

15. OTHER LOANS

On 31 December 2021 and 2020, the detail of 'Other loans' was as follows:

	31.12.2021			
	Nominal value		Book value	
	Current	Non-current	Current	Non-current
Other loans:				
Bond loans	25,000,000	125,000,000	25,412,227	124,704,059
Commercial paper	40,000,000	—	39,989,218	—
Total	65,000,000	125,000,000	65,401,445	124,704,059

	31.12.2020			
	Nominal value		Book value	
	Current	Non-current	Current	Non-current
Other loans:				
Bond loans	—	220,000,000	808,370	219,386,078
Total	—	220,000,000	808,370	219,386,078

Expenses incurred with the issuance of loans were deducted from their nominal value and are recognised as interest expense over the life of the loans (Note 20).

Commercial paper

The Company has contracted renewable commercial paper programs with placement guarantee in the maximum amount of 40,000,000 Euro (15,000,000 Euro as of 31 December 2020), which as of 31 December 2021 and 2020 were not being used. These contracts bear interest at an interest rate corresponding to the Euribor of the respective issue term (between 7 and 364 days) plus spread.

Additionally, the Company has commercial paper programs without placement guarantee, in the maximum amount of 65,000,000 Euros, which bear interest at an interest rate defined by indirect placement with investors and/or defined by subscription proposal presented by the financial intermediary, with an issuance period of up to 90 days, being that, as of December 31, 2021, the total amount used amounts to 40,000,000 Euros (as of December 31, 2020 these commercial paper programs were not contracted).

Bond loans

In April 2014, Celulose Beira Industrial (Celbi), S.A. issued a bond loan in the amount of 50,000,000 Euro with a term of 6 years. On 20 February 2015, Altri SGPS took over the contractual position held by its subsidiary Celbi, and the bond loan became 'ALTRI 2014/2020.' In July 2017, Altri SGPS made an early repayment of this loan, issuing, on the same date, a second one for the same amount, for a period of 8 years, called 'ALTRI 2017/2025.'

During the financial year ended 31 December 2016, Altri SGPS issued two bond loans. The first one was issued on 18 April 2016, in the amount of 40,000,000 Euro, with an amortisation of 20,000,000 Euro in April 2022, and final repayment in April 2024. In July 2019, Altri SGPS made an early repayment of 20,000,000 Euro scheduled for April 2022, bringing the loan to a nominal value of 20,000,000 Euro maturing in April 2024. The second one was issued on 28 November 2016, in the amount of 25,000,000 Euro, maturing on 28 March 2022, bearing interest at a rate equal to Euribor 6M rate plus spread.

In November 2016 Celbi issued a bond loan in the amount of EUR 65,000,000 and maturing in February 2024, called 'Celbi 2016/2024.' In turn, Altri SGPS, as of 31 December 2021, held 'Celbi 2016/2024' bonds in the nominal value of 8,500,000 Euro (8,500,000 Euro as of 31 December 2020).

During the financial year ended on 31 December 2017 Celulose Beira Industrial (Celbi), S.A. issued two bond loans, both on 14 July 2017: one for EUR 40,000,000 with a term of 8 years, and another for EUR 40,000,000 with a term of 10 years, earning interest at a rate equal to Euribor 6M rate plus spread. In turn, Altri SGPS, as of 31 December 2021, held 'Celbi 2017/2027' bonds in the nominal value of 5,900,000 Euro (5,900,000 Euro as of 31 December 2020).

Also in 2017, on 6 March, Altri SGPS issued a bond loan in the amount of 70,000,000 Euro, for a period of 7 years, under the title 'ALTRI 2017/2024'. In 2021, on April 19, Altri SGPS made an early repayment of this bond loan. At the same time, Celulose Beira Industrial (Celbi), S.A. issued a bond loan amounting to 70,000,000 Euros, for a period of 5 years, designated "CELBI 2021-2026". This bond loan has an amortization plan with repayment of 10,000,000 Euros on the fourth interest payment date (April 2023), 10,000,000 Euros on the sixth interest payment date (April 2024), 20,000,000 Euros on the eighth interest payment date (April 2025) and 30,000,000 Euros on the tenth interest payment date (April 2026).

During the year ended 31 December 2018, Celulose Beira Industrial (Celbi), S.A. issued a bond loan titled 'Celbi 2018/2028', in the amount of 50,000,000 Euro, with a maturity of 10 years, bearing interest at a rate equal to Euribor 6M rate plus spread. In turn, Altri SGPS, as of 31 December 2021, held 'Celbi 2018/2028' bonds in the nominal value of 5,200,000 Euro (5,200,000 Euro as of 31 December 2020).

On 15 July 2019, Altri SGPS issued a bond loan in the amount of 55,000,000 Euro, for a period of 5 years, under the title 'ALTRI 2019/2024', bearing interest at a rate equal to Euribor 6M plus spread.

As of 31 December 2021 and 2020, the reconciliation of the change in gross debt to cash flows is as follows:

	31.12.2021	31.12.2020
Balance as at 1 January	220,194,448	219,921,044
Payments of loans obtained	(125,000,000)	—
Receipts of loans obtained	95,000,000	—
Change in expenses incurred with the issuance of loans	(88,944)	273,404
Change in debt	(30,088,944)	273,404
Balance as at 31 December	190,105,504	220,194,448

The repayment term for the other non-current loans is as follows:

	31.12.2021					
	2022	2023	2024	2025	>2025	Total (nominal value)
Bond loans	25,000,000	—	75,000,000	50,000,000	—	150,000,000
Commercial paper	40,000,000	—	—	—	—	40,000,000
	65,000,000	—	75,000,000	50,000,000	—	190,000,000

	31.12.2020					
	2021	2022	2023	2024	>2024	Total (nominal value)
Bond loans	—	25,000,000	—	145,000,000	50,000,000	220,000,000
	—	25,000,000	—	145,000,000	50,000,000	220,000,000

16. OTHER PAYABLES

As of 31 December 2021 and 2020, the item “Other payables” can be detailed as follows:

	31.12.2021	31.12.2020
Subsidiaries (Note 21)		
Special Taxation Regime for Groups	288,888	2,479,856
Others	197	4,507,407
Other payables	47,935	45,559
Payables to the State and other public entities (Note 11)	453,855	1,028,879
	790,875	8,061,701

As of 31 December, 2020, the balance under the caption “Others” essentially refers to amounts payable to subsidiaries of the Altri Group referring to derivative instruments (Note 21).

17. OTHER CURRENT LIABILITIES

On 31 December 2021 and 2020, the line item 'Other current assets' can be detailed as follows:

	31.12.2021	31.12.2020
Accrued expenses		
Remuneration to be settled	303,900	161,988
Other charges to be settled	2,307,377	1,070,023
	2,611,277	1,232,011

As of 31 December 2021, the line item 'Other charges to be settled' includes the accrual for expenses charged to the Altri Group manufacturing units, as provided for in the Wood Pulp Production Agreement (Notes 13 and 21).

18. DERIVATIVE FINANCIAL INSTRUMENTS

On 31 December 2021 and 2020, the Company had in force derivative financial instrument contracts associated with hedging interest rate changes and derivative financial instrument contracts associated with hedging exchange rate changes. On 31 December 2021, the Company also signed derivative financial instrument contracts to hedge changes in the paper pulp price. All these instruments are recorded at fair value.

The Company only uses derivatives to hedge cash flows associated with operations generated by its activity and those of its subsidiaries.

On 31 December 2021 and 2020, the detail of derivative financial instruments was as follows:

	31.12.2021				31.12.2020			
	Asset		Liability		Asset		Liability	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Interest rate derivatives	—	—	135,750	540,350	—	—	131,976	1,053,386
Exchange rate derivatives	169,906	—	166,218	—	4,488,283	—	137,148	—
Pulp price derivatives	—	—	680,674	—	—	—	—	—
	169,906	—	982,642	540,350	4,488,283	—	269,124	1,053,386

(i) Interest rate derivatives

In order to reduce its exposure to interest rate volatility, the Company has entered into interest rate swaps. These contracts were valued at their fair value on 31 December 2021 and 2020, and the corresponding amount was recognised under 'Derivative financial instruments'.

On 31 December 2021 and 2020, the Company had in force interest rate derivative contracts whose total amounts are as follows:

Type	Amount	Maturity	Interest	Fixing	Fair value	
					31.12.2021	31.12.2020
Interest rate swap	5,000,000	16/4/2025	Pays a fixed rate and receives 6M Euribor rate	0.820%	(167,940)	(298,306)
Interest rate swap	5,000,000	16/4/2025	Pays a fixed rate and receives 6M Euribor rate	0.806%	(170,078)	(294,721)
Interest rate swap	5,000,000	16/4/2025	Pays a fixed rate and receives 6M Euribor rate	0.818%	(167,705)	(297,493)
Interest rate swap	5,000,000	16/4/2025	Pays a fixed rate and receives 6M Euribor rate	0.805%	(170,377)	(294,841)
					(676,100)	(1,185,362)

In accordance with the accounting policies adopted, these derivatives comply with the requirements to be classified as interest rate hedging instruments (Note 2.2 h)).

The fair value of the derivatives contracted by the Company was calculated by the respective counterparties (financial institutions with whom such contracts were entered into). The valuation model of these derivatives, used by the counterparties, is based on the discounted Cash Flow method, i.e., using the Swap Par Rates, which are listed on the interbank market and available on the Reuters and/ or Bloomberg websites, for the relevant maturities, calculating the respective forwards rates and discount factors which can be used to discount fixed (fixed leg) and variable (variable leg) cash flows. The sum of the two instalments results in the Net Present Value of the future cash flows or fair value of the derivatives.

(ii) Exchange rate derivatives

During 2021 and 2020, Altri contracted exchange rate 'options' on US dollars with financial institutions in order to transfer this position to its subsidiary Celbi in order to hedge future cash flows and manage the exchange rate risk to which it is exposed in its operations. The need for the Company to act as an intermediary, results from its greater weight and visibility before the financial markets. Therefore, on 31 December 2021 and 2020, Celbi was transferred the position in the derivatives contracted amounting to 3,688 Euro and 4,351,135 Euro, respectively.

On 31 December 2021 and 2020, exchange rate derivatives contracts were entered into with financial institutions, the total amounts of which are as follows:

		31.12.2021		Asian Collar range (average strikes)	
Notional USD / month	Maturity	Asset	Liability	Euro put / USD call	Euro call / USD put
2,000,000	1H2022	36,869	(46,657)	1.1148	1.1600
2,000,000	2H2022	133,037	(119,561)	1.1148	1.1600
		169,906	(166,218)		

		31.12.2020		Asian Collar range (average strikes)	
Notional USD / month	Maturity	Asset	Liability	Euro put / USD call	Euro call / USD put
8,000,000	1H2021	2,064,946	(18,738)	1.1306	1.1713
8,000,000	2H2021	2,423,337	(118,410)	1.1306	1.1713
		4,488,283	(137,148)		

(iii) Pulp price hedging derivatives

In order to reduce its exposure to the volatility of the pulp price, Altri contracted derivatives to hedge the pulp price in order to transfer this position to its subsidiary Celbi, so that this company can hedge future cash flows and manage the risk associated with the price of pulp to which it is exposed in its operations.

As in the case of exchange rate derivatives, the need for the Company to act as an intermediary results from its greater weight and visibility in the financial markets. Thus, on December 31, 2021, was made the transfer to Celbi of the credit position in derivatives contracted in the amount of 680,674 Euros. On December 31, 2020, there were no derivative contracts for pulp price hedging in force.

These contracts were valued according to their fair value at December 31, 2021, and the corresponding amount was recognized in the caption "Derivative financial instruments".

At December 31, 2021, the following pulp price hedging derivative contracts were in force:

Quantity covered	Start date	Maturity	31.12.2021		31.12.2020	
			Asset	Liability	Asset	Liability
3,500 ton/month	01/01/2022	31/12/2022	—	(680,674)	—	—
			—	(680,674)	—	—

The calculation of the fair value of derivatives to hedge the pulp price contracted by the Company was made by the respective counterparts (financial institutions with whom such contracts were signed). The derivative evaluation model, used by the counterparts, is based on the Discounted Cash Flows Method, i.e., the difference between the estimated pulp price (PIX) and the price fixed for the relevant periods is calculated, which is subsequently updated to the evaluation date.

The movement in the fair value of financial instruments during the years ended 31 December 2021 and 2020 can be detailed as follows:

2021	Pulp price hedging derivatives	Interest rate derivatives	Exchange rate derivatives	Total
Opening balance	—	(1,185,362)	4,351,135	3,165,773
Change in fair value				
Effects on equity	—	510,859	—	510,859
Effects on the statement of financial position	(680,674)	267,771	(4,347,447)	(4,760,350)
Effects on the income statement	—	(269,368)	—	(269,368)
Closing balance	(680,674)	(676,100)	3,688	(1,353,085)

2020	Pulp price hedging derivatives	Interest rate derivatives	Exchange rate derivatives	Total
Opening balance	—	(1,030,123)	(353,126)	(1,383,249)
Change in fair value				
Effects on equity	—	(145,913)	—	(145,913)
Effects on the statement of financial position	—	213,500	4,704,261	4,917,761
Effects on the income statement	—	(222,826)	—	(222,826)
Closing balance	—	(1,185,362)	4,351,135	3,165,774

19. RESULTS RELATED TO INVESTMENTS

The income statement line item 'Results related to investments' refers to dividends distributed by the subsidiary companies (Note 21).

20. FINANCIAL RESULTS

The financial results for the years ended 31 December 2021 and 2020 are as follows:

	31.12.2021	31.12.2020
Financial expenses:		
Interest expenses	3,195,737	4,328,751
Other financial expenses and losses	2,036,526	378,899
	5,232,263	4,707,650
Financial income:		
Interest income	124,035	368,755
Other financial income and gains	532,709	429,606
	656,744	798,361

On 31 December 2021 and 2020, 'Other financial expenses and losses' refers mainly to losses on derivative instruments, costs incurred with the issuance of commercial paper and commissions related to banking services (Notes 15, 18, and 21).

During 2021, there was an early amortization of bonds, which resulted in an increase in commissions associated with these operations, which justifies the increase in the caption "Other financial expenses and losses". As a result of the above, the item "Interest expenses" decreased in the sense that the interest related to bonds was reduced.

21. RELATED PARTIES

Altri Group companies have relationships with each other that qualify as transactions with related parties. All these transactions are performed at market prices.

The main balances with related entities as of 31 December 2021 and 2020 are detailed as follows:

31 December 2021	Debt balances				
	Trade receivables	Special taxation regime for groups (Note 12)	Other current financial assets	Other receivables (Note 12)	Other current assets (Note 13)
Biotek (a)	1,030,125	—	—	—	1,237,354
Altri Florestal	64,575	1,037,617	—	—	—
Inflora	15,375	299,093	—	—	—
Caima Indústria	604,750	—	—	—	—
Viveiros do Furadouro	60,270	—	—	—	—
Caima Energia	110,700	1,131,844	—	—	—
Altri Abastecimento de Madeira	27,675	192,894	—	—	—
Celbi	2,152,500	15,965,851	19,588,750	1,099,527	—
Ródão Power	—	152	—	—	—
Florestsul	12,300	—	—	—	—
	4,078,270	18,627,451	19,588,750	1,099,527	1,237,354

31 December 2021	Credit balances			
	Trade payables	Special taxation regime for groups (Note 16)	Other payables (Note 16)	Other current liabilities (Note 17)
Biotek (a)	—	197,765	—	—
Caima Indústria	—	48,179	—	1,237,354
Viveiros do Furadouro	—	30,184	—	—
Captaraíz	—	53	—	—
Porto Seguro	—	1,421	197	—
Florestsul	—	11,286	—	—
Cofina Media	11,445	—	—	—
	11,445	288,888	197	1,237,354

31 December 2020	Debt balances			Credit balances		
	Trade receivables	Special taxation regime for groups (Note 12)	Other current financial assets	Trade payables	Special taxation regime for groups (Note 16)	Other payables (Note 16)
Biotek (a)	1,470,465	—	—	—	2,477,170	—
Altri Florestal	38,130	2,838,697	—	—	—	—
Inflora	15,373	299,328	—	—	—	—
Caima Indústria	797,655	1,080,325	—	1,389	—	—
Viveiros do Furadouro	47,970	26,897	—	—	—	—
Captaraíz	10,763	—	—	—	1,457	—
Caima Energia	74,415	3,185,685	—	—	—	—
Altri Abastecimento de Madeira	117,465	576,819	—	—	—	—
Celbi	5,744,715	10,730,642	19,588,750	664	—	4,497,984
Seguro	—	—	—	—	842	4,810
Greenvolt	530,745	933,726	—	—	—	—
Mondego	391,755	2,162,350	—	—	—	—
Ródão Power	95,940	315,438	—	—	—	—
Bioródão	—	—	—	—	387	4,613
Florestsul	6,150	—	—	—	—	—
Cofina Media, S.A.	—	—	—	10,083	—	—
	9,341,541	22,149,907	19,588,750	12,136	2,479,856	4,507,407

(a) Previosuly named Celtejo – Empresa de Celulose do Tejo, S.A.

On 31 December 2021 and 2020, the current assets line item 'Other current financial assets' refers to Celbi's bonds acquired in the market by Altri SGPS that mature in February 2024 (amounting to 8,501,000 Euro; 8,501,000 Euro on 31 December 2020), July 2027 (amounting to 5,892,250 Euro; 5,892,250 Euro on 31 December 2020), and May 2028 (amounting to 5,195,500 Euro; 5,195,500 on 31 December 2020) whose book value is similar to its fair value.

On 31 December 2021, the caption “Other receivables” includes a receivable amount from Celbi related to the transfer of the position in the exchange rate and pulp price hedging derivatives (Note 18).

As at 31 December 2021 and 2020, the main transactions with related parties are as follows:

	31.12.2021				31.12.2020		
	Services rendered	External supplies and services	Payroll expenses	Payments of lease liabilities	Services rendered	External supplies and services	Payroll expenses
Biotek (a)	2,010,000	—	—	—	2,391,000	—	—
Altri Florestal	70,000	—	—	—	62,000	—	—
Caima Indústria	1,180,000	—	—	—	1,297,000	—	—
Viveiros do Furadouro	10,000	—	—	—	11,000	—	—
Captaraíz	—	—	—	—	—	—	—
Caima Energia	120,000	—	—	—	121,000	—	—
Celbi	7,000,000	7,911	2,051,806	—	9,341,000	7,538	1,437,837
Porto Seguro	—	—	—	—	—	—	—
Altri Abastecimento de Madeira	30,000	—	—	—	191,000	—	—
Greenvolt	—	—	—	—	863,000	—	—
Ródão Power	—	—	—	—	156,000	—	—
Bioelétrica do Mondego	—	—	—	—	637,000	—	—
Florestsul	5,000	—	—	—	5,000	—	—
Cofina Media	—	50,649	—	28,905	—	104,256	—
	10,425,000	58,560	2,051,806	28,905	15,075,000	111,794	1,437,837

(a) Previosuly named Celtejo – Empresa de Celulose do Tejo, S.A.

During 2021, the subsidiary Altri SL distributed reserves as dividends amounting to 89,000,000 Euro (90,000,000 Euro in 2020).

During 2021, Financial Income was recognized with the subsidiary Celbi in the amount of 375,938 Euros (428,311 Euros in 2020).

On December 31, 2021, the Company proceeded to the specialization of the amounts, as provided in the Pulp Production Agreement. This amount has no impact on the Company's income statement, since the Company acts as an agent invoicing on behalf of other Group subsidiaries, which is why it recorded an accrued expense for the same amount (Notes 17 and 21). On December 31, 2020, as a result of the activity and the application of the contract mechanisms in force, no accrued expenses or income were recorded.

22. PAYROLL EXPENSES

During the years ended 31 December 2021 and 2020 the average number of employees working for the Company was 9 and 11, respectively.

23. EARNINGS PER SHARE

Earnings per share as at 31 December 2021 and 2020 were calculated based on the following amounts:

	31.12.2021	31.12.2020
Number of shares for basic and diluted earning calculation	205,131,672	205,131,672
Result for the purpose of calculating earnings per share	88,065,822	95,148,555
Earnings per share		
Basic	0.429	0.464
Diluted	0.429	0.464

24. ALLOCATION OF NET PROFIT

Regarding the 2020 financial year, the Board of Directors proposed in its annual report that the individual net profit of Altri, SGPS, S.A. in the amount of EUR 95,148,555, should be allocated as follows:

Dividends	EUR 51,282,918
Free reserves	EUR 43,865,637

The distribution of profits for the financial year and free reserves hereby proposed resulted in the payment of a gross dividend of 0.25 EUR/share.

In July 2021, as a result of the conclusion of the operation of admission to trading on the regulated market Euronext Lisbon of all shares representing the share capital of its subsidiary Greenvolt - Energias Renováveis, S.A., it was decided to distribute a gross dividend of 0.10 Euro for each share representing Altri's share capital (total amount of 20,513,167 Euro), and the distribution of 1 share of Greenvolt - Energias Renováveis, S.A. for each multiple of 55 shares representing Altri's share capital, up to a maximum of 5% of the total number of shares of the capital at the time before the admission, which corresponded to 3,726,771 shares (Note 4).

In relation to the year 2021, the Board of Directors proposed in its annual report that the individual net profit of Altri, SGPS, S.A. in the amount of 88,065,822 Euro, be allocated as follows:

Dividends	EUR 51,282,918
Free reserves	EUR 36,782,904

The Board of Directors proposed to the General Meeting in its annual report the distribution, under conditions that the respective proposal will present, of a cash dividend corresponding to 25 cents per share. The same proposal will also include the distribution of a dividend in kind, consisting of a maximum number of 52,523,229 shares representing the share capital and voting rights of GreenVolt. If in this scenario of joint distribution, i.e. in cash and in kind (the latter, as referred to in Note 5) the amount to be distributed exceeds the amount of distributable funds, the portion of the dividend in cash will be reduced by the amount corresponding to the excess, rounded down (to a minimum of 0.01 Euros per share).

25. SUBSEQUENT EVENTS

The project in Galicia is still under constant development, and the environmental impact, economic feasibility and engineering studies are being initiated with the partner entity in this project, Impulsa. This entity is the public-private consortium in the Galicia region with which the Memorandum of Understanding (MoU) was signed to study exclusively the construction of a greenfield industrial unit with an annual production capacity of 200,000 tons of soluble pulp and sustainable textile fibers. The definitive location of the project is expected to be announced shortly.

It is also important to mention the invasion of Ukraine by the Russian Federation, which in addition to the terrible devastation caused with the loss of lives and the humanitarian crisis prevailing in the region, is having an economic impact worldwide, particularly in the increase in the price of energy factors and the consequent triggering of inflationary pressures, associated with the foreseeable rise in interest rates and the fear of stagflation. Also noted are the efforts of European economies to house refugees and the support provided by democratic nations to the Ukrainian people. The war in Ukraine and the sanctions decreed on Russia by several Western countries should contribute to a worsening of logistical constraints and generalized inflation of production factors and some variable costs.

Since 31 December, 2021 to the date of issue of this report, there were no other relevant facts that could materially affect the Company's financial position and future results.

26. TRANSLATION NOTE

These financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards as adopted by the 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.

The Board of Directors

Alberto João Coraceiro de Castro

Paulo Jorge dos Santos Fernandes

João Manuel Matos Borges de Oliveira

Domingos José Vieira de Matos

Laurentina da Silva Martins

Pedro Miguel Matos Borges de Oliveira

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Maria do Carmo Guedes Antunes de Oliveira

Paula Simões de Figueiredo Pimentel Freixo Matos Chaves

José Armindo Farinha Soares de Pina

José António Nogueira dos Santos

Carlos Alberto Sousa Van Zeller e Silva

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making our world + renewable

Building a better working world

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Statutory and Auditor's Report

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Altri, SGPS, S.A. (the Group), which comprise the Consolidated Statement of Financial Position as at 31 December 2021 (showing a total of 2,290,063,385 euros and a total equity of 723,539,883 euros, including a net profit for the year of 135,229,824 euros), the Consolidated Statement of Income by Nature, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Altri, SGPS, S.A. as at 31 December 2021, and of its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent of the entities comprising the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors' code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

1. **Goodwill impairment**

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As at 31 December 2021, Goodwill amounts to 265,630,973 euros (2020: 265,630,973), representing 12% (2020: 18%) of the total assets of the Group. The risk of Goodwill impairment was considered a key audit matter due to the significance of the amount and due to the fact that the impairment assessment process is complex, including the use of estimates and assumptions, namely in what regards future economic forecasts, production capacity in the market, revenue and margin	Our audit approach included the following procedures: ► The examination of the cash flow projections used in the valuation models prepared by management. We tested the basis of preparation taking into consideration the reliability of the previous projections and the historical information about the main assumptions; ► The assessment of the underlying assumptions used in the valuation models approved by management, namely the cash flow projections, the discount rate, the inflation rate, the perpetuity

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
evolution. Due to the Covid-19 pandemic, the uncertainty regarding these estimates has increased.	growth rate and the sensitivity analysis, supported by internal specialists in business valuations; and ► We evaluated the clerical and arithmetic accuracy of the models used and assessed the impact that possible deviations in the key assumptions would have in the Goodwill impairment testing. We verified the compliance with the applicable disclosure requirements (IAS 36), included in Note 11 of the notes to the consolidated financial statements.

2. Biological assets

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As at 31 December 2021, non-current Biological assets total 105,583,652 euros (2020: 105,621,199 euros), representing 5% (2020: 7%) of the Group's total assets. Biological assets comprise essentially eucalyptus, which are scattered through a vast area in land which is property of the Group or rented. After being harvested, the wood is used as the main raw material for the pulp production. Biological assets are measured at fair value, as prescribed by IAS 41 and as disclosed in Note 2.3 i) of the notes to the consolidated financial statements. The fair value was calculated by an external entity from the data base maintained by the Group, which contains a significant volume of information with several characteristics. Taking into account that an observable market amount does not exist, the fair value computation is based on significant and complex judgments used in the cash flow models. These models, in turn, are based on several assumptions, computations and allocations between the plant species of the estimated costs to be incurred until the forests are prepared for harvesting as well as the expected sale price, which explains why this matter was considered a key audit matter. The use of different models and/or assumptions would result in a different fair value for the same assets.	Our audit approach included the following procedures: ► Understanding of the key controls implemented to ensure the reliability of the information available regarding forest area details; ► Analysis of the information included in the forest data base through an analysis of a sample of agreements with the owners of the land being explored by the Group and physical inspection of some of those properties; ► Substantive procedures performed on the capitalization of plantation expenses and rental costs and on the harvest of the period; ► Assessment of the credentials of the external party contracted to determine the fair value of the Biological assets; ► Analysis of the valuation report issued by the external party, including the verification of the consistency of the financial and non-financial information used with the accounting records. In particular, we analysed the main assumptions used in the computation of the fair value, including the discount rate, expected wood sale price and costs to incur until the plantations are ready for harvesting; ► Test of the calculations used in the model used by the external party; ► Involvement of valuation internal specialists in order to assess the reasonableness of the discount rate used; and ► Assessment of the reasonableness of the wood selling price, taking into account the Group's historic data, and estimated expenses to incur until the assets are ready for use. We also assessed the split of the total estimated expenditures between the different species by comparison to those incurred in the current period. We also assessed the adequacy of the applicable disclosures (IAS 41 and IFRS 13), included in Notes 2.3 i) and 13 of the notes to the consolidated financial statements.

3. Group of assets held for distribution to owners

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As at 31 December 2021, assets classified as held for distribution to shareholders amount to 390,485,178 euros and relate to Greenvolt – Energias Renováveis, S.A. and its subsidiaries (Greenvolt Group), which in July 2021 went through an Initial Public Offering (IPO), after which Altri Group reduced its interest to 58.72%. As a result of the IPO, Greenvolt Group carried out several acquisitions, which initial accounting required significant judgment (i) in assessing whether it was a business combination or an asset acquisition; (ii) in determining the fair value of the identifiable assets ad liabilities at the acquisition date; (iii) in measuring the non-controlling interests; and (iv) in the determination of a significant amount of goodwill. The Greenvolt Group audit is performed by other Statutory Auditor. The application of "IFRS 5 – Non-current assets held for sale and discontinued operations" to a group of assets held for distribution to owners should comply with certain criteria that must be met in the reporting period to ensure that the actions required to complete the distribution indicate that it is unlikely that significant changes to the distribution will be made or that the distribution will not be approved. This matter was considered a key audit matter due to the materiality of carrying amount and due to the complexity around the business combinations' accounting.	Our audit approach included the following procedures: ► Design of an audit plan for the Group audit that ensures coverage of all significant subsidiaries and the adequacy of performance materiality used in the audit; ► Issuance of audit instructions to the auditor of Greenvolt – Energias Renováveis, S.A., and holding several meetings to monitor the work carried out on the main audit matters identified, which included the review of working papers, in compliance with the International Standard of Audit (ISA) 600, Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors); ► Reading of the reporting documents requested in the audit instructions sent, as well as the Statutory and Auditor's Report of the Greenvolt Group; ► Assessment of the criteria set out in "IFRS 5 – Non-current assets held for sale and discontinued operations" to present Greenvolt – Energias Renováveis, S.A. and its subsidiaries as a Group of assets classified as held for distribution to owners; and ► Assessing the reasonableness of the amounts disclosed as discontinued operations in the year ended 31 December 2021, as well as of the restatement of the corresponding figures reflected in the consolidated income statement. We also verified the compliance with the applicable disclosure requirements, namely the disclosures included in Notes 5, 6 and 7 of the notes to the consolidated financial statements.

Responsibilities of management and the supervisory board for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that present a true and fair view of the Group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union;
- the preparation of the Management Report, the Corporate Governance Report, the consolidated statement of non-financial information and the remunerations report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and

- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;

- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

- from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and

- we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility includes the verification of the consistency of the Management Report with the consolidated financial statements, and the verification under nr. 4 and nr. 5 of article 451 of the Commercial Companies Code regarding corporate governance matters, and the verification that the statement of non-financial information and the remunerations report were presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Consolidated Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment of the Group, we have not identified any material misstatement.

On the Corporate Governance Report

Pursuant to article 451, nr. 4, in our opinion, the Corporate Governance Report includes the information required of the Group in accordance with article 29-H of the Securities Code, and we have not identified any material misstatements of the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of nr. 1 of the said article.

On the Statement of non-financial information

Pursuant to article 451, nr. 6, of the Commercial Companies Code, we inform that the Group has included in its Sustainability Report the statement of non-financial information as per article 508-G of the Commercial Companies Code, which has been disclosed together with the Management Report.

On the remunerations report

Pursuant to article 26-G, nr. 6 of the Securities Code, we inform that the Group has included in the Corporate Governance Report, on a separate chapter, the information required in the nr. 2 of the said article.

On additional items set out in article 10 of the Regulation (EU) nr. 537/2014

Pursuant to article 10 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as auditors of Altri SGPS, S.A. (Group's parent company) for the first time in the shareholders' general meeting held on 26 April 2017 for a mandate from 2017 to 2019. We were reappointed as auditors Altri SGPS, S.A. in the shareholders' general meeting held on 30 April 2021 for a new mandate covering the year 2021;
- Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the consolidated financial statements. In planning and executing our audit in accordance with ISAs we maintained professional skepticism and we designed audit procedures to respond to the possibility of material misstatement in the consolidated financial statements due to fraud. As a result of our work we have not identified any material misstatement in the consolidated financial statements due to fraud;
- We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Group as of today; and
- We declare that we have not provided any prohibited services as described in article 5 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and that we have remained independent of the Group in conducting the audit.

European Single Electronic Format (ESEF)

The accompanying consolidated financial statements of Altri, SGPS, S.A. for the year ended 31 December 2021 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (ESEF Regulation).

Management is responsible for preparing and disclosing the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures considered the OROC Technical Application Guide (GAT 20) on report in ESEF and included, among others:

- obtaining an understanding of the financial reporting process, including the submission of the annual report in valid XHTML format; and
- the identification and evaluation of the risks of material distortion associated with the marking-up of the information of the financial statements, in XBRL format using iXBRL technology. This evaluation was based on the understanding of the process implemented by the Group to mark-up the information.

In our opinion, the accompanying consolidated financial statements included in the annual report are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

Oporto, 7 April 2022

Ernst & Young Audit & Associados – SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)

Rui Manuel da Cunha Vieira - ROC nr. 1154
Registered with the Portuguese Securities Market Commission under license nr. 20160766

Building a better working world

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(Translation from the original Portuguese language. In case of doubt, the Portuguese version prevails.)

Statutory and Auditor's Report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Altri, SGPS, S.A. (the Entity), which comprise the Statement of Financial Position as at 31 December 2021 (showing a total of 411,493,619 euros and a total equity of 194,801,611 euros, including a net profit for the year of 88,065,822 euros), the Statement of Profit or Loss, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of Altri, SGPS, S.A. as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section below. We are independent of the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors´ code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

1. **Measurement/impairment of financial investments in subsidiaries and joint ventures**

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As at 31 December 2021, "Investments" amount to 144,263,546 euros (2020: 180,988,177 euros) representing 35% (2020: 43%) of the total assets of the Entity. The risk of impairment in "Investments" was considered a key audit matter due to the significance of the amount and due to the fact that the impairment assessment process is complex, including the use of estimates and assumptions, namely in what regards future economic forecasts, production capacity in the market, revenue and margin evolution. Due to the Covid-19 pandemic,	Our audit approach included the following procedures: ► Assessment of the existence of any impairment indicators in the measurement of investments in subsidiaries and joint ventures; ► Review of the underlying assumptions used in the valuation models approved by management, namely the cash flow projections, the discount rate, the inflation rate and the perpetuity growth rate; ► Evaluation of the clerical and arithmetic accuracy of the models used; and

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
the uncertainty regarding these estimates has increased.	► Sensitivity analysis, focused on possible changes in the most significant variables, such as the sales price, the discount rate and the perpetuity growth rate. We verified the compliance with the applicable disclosure requirements (IAS 36), included in Note 4 of the Notes to the financial statements.

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for:

- the preparation of financial statements that presents a true and fair view of the Entity´s financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union;
- the preparation of the Management Report, the Corporate Governance Report and the remunerations report in accordance with the laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Entity's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Entity´s ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our responsibility includes the verification of the consistency of the Management Report with the financial statements, and the verifications under nr. 4 and nr. 5 of article 451 of the Commercial Companies Code regarding corporate matters and the verification that the remunerations report was presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over the Entity, we have not identified any material misstatement.

On the Corporate Governance Report

Pursuant to article 451, nr. 4, in our opinion, the Corporate Governance Report includes the information required of the Entity in accordance with article 29-H of the Securities Code, and we have not identified any material misstatements of the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of nr. 1 of the said article.

On the remuneration report

Pursuant to article 26-G, nr. 6 of the Securities Code, we inform that the Entity has included in the Corporate Governance Report, on a separate chapter, the information required in the nr. 2 of the said article.

On additional items set out in article 10 of the Regulation (EU) nr. 537/2014

Pursuant to article 10 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as auditors of the Entity for the first time in the shareholders' general meeting held on 26 April 2017 for a mandate from 2017 to 2019. We were reappointed as auditors of the Entity in the shareholders' general meeting held on 30 April 2021 for a new mandate covering the year 2021;
- Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional skepticism and we designed audit procedures to respond to the possibility of material misstatement in the financial statements due to fraud. As a result of our work we have not identified any material misstatement to the financial statements due to fraud;
- We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Entity as of today; and
- We declare that we have not provided any prohibited services as described in article 5 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and we have remained independent of the Entity in conducting the audit.

European Single Electronic Format (ESEF)

The accompanying financial statements of Altri, SGPS, S.A. for the year ended 31 December 2021 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (ESEF Regulation).

Management is responsible for preparing and disclosing the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures considered the OROC Technical Application Guide (GAT 20) on report in ESEF and included obtaining an understanding of the financial reporting process and the verification of the submission of the annual report in valid XHTML format.

In our opinion, the accompanying financial statements included in the annual report are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

Oporto, 7 April 2022

Ernst & Young Audit & Associados – SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)

Rui Manuel da Cunha Vieira - ROC nr. 1154
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Report and Opinion of the Statutory Audit Board

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Report and Opinion of the Statutory Audit Board
(Translation of a Report and Opinion originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails)

To the Shareholders of
ALTRI, SGPS, S.A.

In compliance with the applicable legislation and our mandate, we hereby submit our Report and Opinion of the Statutory Audit Board, which covers the Management Report and the others documents in the separate and consolidated annual report of ALTRI, SGPS, S.A. (“Company”) for the year ended 31 December 2021, which are the responsibility of the Company’s Board of Directors.

1. Report over the developed activity

During the year under analysis, in accordance with its legal competence and as established in the Regulation of the Statutory Audit Board, the Statutory Audit Board accompanied regularly the operations of the Company and its affiliates, analysed, to the extent advisable, the activity of the Board of Directors and respective committees, namely the evolution of the business, the quality of the process of preparation and disclosure of financial information, accounting policies and measurement criteria, and monitored the regularity of accounting records, the compliance with statutory and legal requirements and the effectiveness of the risk management and internal control systems, has held meetings, in person or by telematic means, with the periodicity and length considered appropriate, having met six times in 2021, in which, according to the nature of the matters to be dealt with, other members of the Company's bodies or directorates were present, such as members of the Board of Directors of the Company, and having obtained, from Management and personnel of the Company and its affiliates, all the information and explanations required.

The Statutory Audit Board developed its powers and interrelations with the other governing bodies and services of the Company, in accordance with the principles and conduct recommended in the legal and recommended provisions, not having received from the Statutory External Auditor any report regarding irregularities or difficulties in the exercise of their respective functions. In particular, and within the scope of its powers, the Statutory Audit Board obtained from the Board of Directors the information necessary for the exercise of the respective supervisory activity and carried out the interactions necessary to fulfil the powers listed in the law and in the respective Regulations of the Statutory Audit Board.

In compliance with article 29º-S, paragraph 1 of the Portuguese Securities Code, in the version introduced by Law no. 99-A/2021, of 31 December, at its meeting of 18 November 2020, the Statutory Audit Board issued a binding prior opinion regarding the review of the internal transaction policy with related parties, a policy that has been approved by the Board of Directors in 19 November 2020. During the year, transactions with related parties or qualified shareholders that are within the scope of the Company´s current activity, were carried out under market conditions, complying with the applicable legal and regulatory requirements, with no conflicts of interest identified.

In the exercise of its competences, the Statutory Audit Board held regularly meetings with Statutory External Auditor’s representatives in order to monitor the audit work carried out and its conclusions, and also to assessing its independence. In this matter, the Statutory Audit Board also analysed the proposals that were presented to it for the provision of services other than auditing by the Statutory External Auditor, having approved them, since they respect the permitted services, do not affect the independence of the respective Statutory External Auditor and comply with other legal requirements.

As part of its duties, the Statutory Audit Board examined the Management Report, including the Corporate Governance Report and the other separate and consolidated accounts, namely the Separate and Consolidated Financial Statements of the Financial Position, Income Statement, Comprehensive Income, Changes in Equity and Cash Flows for the year ended 31 December 2021 and the corresponding Notes, prepared by the Board of Directors, considering that the information disclosed meets the applicable legal standards, is appropriate for understanding the financial position and results of the company and the consolidation perimeter, and also proceeded to the assessment of the respective Statutory and Auditor's Report, issued by the Statutory External Auditor, documents which were issued with an unmodified opinion and which deserve their agreement.

The Statutory Audit Board also appreciated the Corporate Governance Report and the Sustainability Report (which complies with the reporting of non-financial information), attached to the Management Report on the Consolidated financial statements, under the terms and for the purposes of article 420 (5) of the Portuguese Companies Act, having analysed that it contains the elements referred to in article 29º-H of the Portuguese Securities Code.

In the meeting held on April 7, 2022, the Company's Board of Directors approved the annual report for the year. The Statutory Audit Board had access to the entire documental or personal information that appeared to be adequate for the exercise of its supervisory action.

The Statutory Audit Board also analysed the Additional Report to the Statutory Audit Board and other documentation issued by the representative of Ernst & Young Audit & Associados – SROC, S.A., Statutory External Auditor of the Company.

2. Declaration of Responsibility

In accordance with the provisions of subparagraph c) of number 29-G of the Portuguese Securities Code, the Statutory Audit Board declares that, to its knowledge and conviction, the documents of the annual report above mentioned, were prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and the results of ALTRI, SGPS, S.A. and the companies included in the consolidation. And that the Management Report adequately describes the business, performance and financial position of the Group, containing an adequate description of the major risks and uncertainties it faces.

3. Opinion

Considering the above, in the opinion of the Statutory Audit Board, that all the necessary conditions are fulfilled in order for the Shareholders' General Meeting to approve:

a) The Management Report;

b) The separate and consolidated financial statements and the corresponding notes, for the year ended 31 December 2021;

c) The proposal of net profit appropriation presented by the Board of Directors.

We wish to express our appreciation to the Board of Directors and to the various services of the Company and of its affiliates for their collaboration.

Oporto, 7 April 2022

The Statutory Audit Board

Pedro Pessanha
Statutory Audit Board President

António Pinho
Statutory Audit Board Member

Ana Paula dos Santos Silva e Pinho
Statutory Audit Board Member

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