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future



The global pulp market is currently in a normalisation process, after the last three more atypical years.

Europe, showing a quite strong performance in 2022, showed some slowdown towards the end of the year and in early 2023, namely in the more cyclical end-use segments like Décor (construction) and P&W. We believe that the main reasons may be some economic slowdown and the destocking effect along the value chain of the pulp and paper industry with the normalisation of global logistics. The demand in the Tissue segment, as end-use, maintains positive and solid levels of demand. China, after successive and prolonged periods of confinement, has eased restrictive measures during the last quarter of 2022. We believe that the reopening of the Chinese economy could have a relevant impact on global pulp demand starting in 2Q23. Hardwood pulp price (BHKP) in Europe maintained the level of US\$1,380 during January having corrected to levels close to US\$1,300/ton in early March 2023.

In terms of supply, and with further normalization of global logistics, we believe that many of the global supply constraints of recent years, are overcome. As such, and following the decision of China's economic reopening towards the end of 2022, a positive reaction from the Chinese market can be expected, and may contribute to absorb much of the capacity of the new projects based in Latin America, of which production may start to reach the market during the second half of 2023.

After an extremely challenging 2022 trying to minimise the effect of a generalized inflation of variable costs, we started to see some price stabilisation during 4Q22 and the beginning of 2023. The main drivers of this relevant increase in production cost per ton during 2022 were the evolution of natural gas and electricity prices, the price of chemicals and the cost of wood, the latter being partially related to the higher level of imports and evolution of the US\$. Additionally, in order to strengthen the energetic competitiveness of the

Altri Group, we expect that the project initiated in 2022 for the installation of additional electricity generation capacity, through photovoltaic plants at the three pulp mills of Altri, will start operations in the coming months.

In what concerns the Gama Project, in Galicia, the Altri Group continues to work with the goal of announcing the final investment decision. The Group continues to make progress on the main pillars for the decision making, namely the environmental impact study, engineering design, economic feasibility, financing structure and access to funds of the European Union. It is to be reminded that the Gama project stems from a Memorandum of Understanding (MoU) signed with Impulsa, a public-private consortium from the Autonomous Community of Galicia, to study exclusively the construction of a greenfield industrial plant from scratch, with an annual production capacity of 200,000 tons of dissolving pulp and sustainable textile fibres.

In terms of stoppages for maintenance during 2023, the schedule is as follows:

- Celbi: March 2023
- Caima: September 2023
- Biotek: October 2023

We refer to the considerations disclosed in Note 46. Subsequent events in the notes to the Consolidated Financial Statements