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2.1 Market Context



2.1 Market Context

Economic and operational performance is the basis of the value creation process, distributed by the various stakeholders and with significant impacts on society.

Economic and operational performance is the basis of the value creation process, distributed by the various stakeholders and with significant impacts on society. Creating value from an economic perspective translates into adding value to local economies, producing products and services, paying taxes, creating jobs, and investing in the community. This is an example of the positive and stimulating influence that a company's economic performance can have on the local, national, and international economy.

To drive Altri's sustainable development, it is essential to maintain stability in economic and operational performance while keeping stakeholders informed about progress achievement. This report, which reflects a complete and transparent reality, intends to promote a more comprehensive visibility of the Group's activity and a better understanding of the value-creation process.

The events of 2023 reflect the focus of the Altri Group on operational discipline but also the transformation of its profile, increasingly oriented to bioeconomy markets.

2.1.1 Macroeconomic Framing

2.1.1 Macroeconomic Framing

In 2023, the global economy faced several challenges and inflation remained at high levels.

Economic growth was moderate, since, in a continuous attempt to contain the inflation trend, the main central banks globally continued to raise the reference interest rates, making monetary policy more restrictive. It was a challenging year for families, due to the impacts of increases in prices and interest rates, but there was a global resilience of employment. In geopolitical terms, the war in Ukraine continued throughout 2023 and remains without prospects for resolution in the short term. In early October, a new large-scale military conflict emerged, this time in the Middle East, after Hamas had carried out an unexpected attack on Israel.

Although slightly more positive than previously forecast for 2023, economic growth can be considered moderate, as the impact of tighter financial conditions, weak growth in international trade and lower business and consumer confidence has been felt more intensely. Growth has slowed in many developed economies, especially in Europe, where the importance of bank financing is relatively high, and the impact of rising energy costs has been particu-



larly strong. Although unemployment rates have remained low, signs of slowing the labor market in several economies have begun to emerge. Nominal wage growth has begun to slow down in many economies, but the growth in unit labor costs continued to be high due to poor productivity growth.

The world economy expanded at an annualized rate of 3.1% in the first half of 2023, compared to a record of 2.8% in the second half of 2022. According to the latest OECD estimates, world GDP growth has been of 3.1% in 2023, slowing slightly from 3.3% in the previous year. The projections of annual GDP growth at constant prices (in %) of

2.1.1 Macroeconomic Framing

the world economy are mostly in the 2% to 3% for 2024: 2.4% of the World Bank, 2.9% of the European Community, and 3.1% of the International Monetary Fund, and 2.9% of the OECD.

The OECD expects the slowdown to persist to a pace of 2.9% in 2024, with growth accelerating back to 3% in 2025, as actual income growth recovers and key central banks' interest rates begin to fall. The divergence in growth between different economies is expected to persist in the short term, with the growth of emerging economies performing better than that of advanced economies. The OECD expects European growth to be lower than the major US and Asian economies. A contraction is not expected for any of the major economies under consideration by the OECD.

As for inflation, the forecasts are pointing to a fall to values around 3% in Advanced Economies in 2024. Inflation has declined in almost all economies, relieving pressures on household incomes, but underlying inflation has remained relatively high. Financial conditions were increasingly restrictive, with actual interest rates rising in major advanced economies throughout the year. According to the OECD, in Group G20, which contains the 20 largest economies worldwide, inflation is expected to rise from an average of 6.3% in 2023 to around 6.6% in 2024 and 3.8% in 2025, as cost pressures continue to moderate. Inflation is expected to already be within the targets of the respective central banks in the main economies worldwide by 2025.

Source: IMF - Financial Markets Information, Macroeconomic Framework Report 2023 and Scenario for 2024, 20 February 2024

Concerning the Euro Area, in 2023, according to OECD data, there was a growth of 0.6%. As for inflation, 2023 ended at 5.5%, and forecasts are to drop to around 2% to 3% in 2024, as the more restrictive monetary policy produces effects. The unemployment rate in the Euro Area is expected to rise slightly to 6% to 7% in 2024, compared to 6.5% in 2023.

In Portugal, the average inflation in 2023 stood at 5.3% and is expected to reach 2.9% in 2024 and stabilize at 2% in 2025 and 2026, according to data from Banco de Portugal. Underlying inflation is expected to maintain a downward trend throughout 2024, reflecting the lagging effects of cost reduction and the tightening of the monetary policy. As for growth, it slowed down to 2.3% in 2023 and, according to Banco de Portugal, it is expected to reach 1.2% in 2024 and 2.2% in 2025.

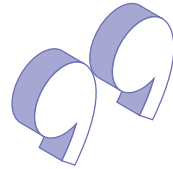
As far as China is concerned, as this country is one of the largest pulp importers globally, its economic framework has significant impacts on global demand and pulp prices. After successive and prolonged periods of confinement, China had the year 2023 marked by the reopening of the economy. In this way, China's GDP grew by 5.2% in 2023, above the target set for this year by the Chinese government. According to the OECD, forecasts for 2024 and 2025 indicate a growth of 4.7% and 4.2%, respectively.



2.1.2 Pulp Market



João Pereira
Commercial Director



Altri closely monitored these changes, exploring new opportunities for the current range of products and adjusting others, allowing its presence in new segments and markets.

The first year after the pandemic – 2023 – consolidated some changes to global consumption habits, namely the more sustainable use of resources both through greater individual awareness of their sustainability and by the evolution of regulations.

Altri closely monitored these changes, exploring new opportunities for the current range of products and adjusting others, allowing its presence in new segments and markets. This is the case of cellulosic fiber for textile applications whose focus was the filament and lyocell segments, the latter recognized as one of the most sustainable textile fibers with a greater potential for global demand.

At the same time, markets have diversified and expanded the customer base, with special reference to the Indian market for textile fibers and pharma, as well as that of North Africa and the Middle East in the case of paper applications, thus strengthening the position of Altri as a reference and diversified producer of sustainable cellulosic fibers.

Global demand for pulp during 2023 recorded an increase of 4.4% vs the same period of the previous year, while the evolution of demand for Hardwood pulp was even more positive, with an 8.7% increase over the same period, according to the PPPC (World Chemical Market Pulp Global 100 Report – December 2023).

2.1.2 Pulp Market

In regional terms, and focusing essentially on the Hardwood pulp market, which is more relevant for the Altri Group, we positively highlight China (+28.7%) and the rest of Asia/Africa (+10.4%). The European market presented a double-digit decrease during the year 2023, -15.8% in Western Europe and -7.3% in Eastern Europe. North America, despite performing better than Europe, ended 2023 with a negative annual evolution of 0.2%. Regional trends remained unchanged throughout 2023, with the slowdown in demand leading to a greater than expected destocking process in Europe and North America. In China, the very positive demand figures for 2023 are a consequence of the restocking process and greater dynamism following the (post-Covid) opening up of the economy since the end of 2022.

Global Pulp Demand by Region

Thousand Tons	Jan-Dec '23	Jan-Dec '22	Var. %
<i>Bleached Hardwood Sulphate</i>	40,989	37,724	0.087
<i>Bleached Softwood Sulphate</i>	24,673	24,487	0.8%
<i>Unbleached Sulphite</i>	2,471	3,031	-18.5%
<i>Sulphite</i>	107	110	-3.5%
Pulp Global Demand	68,239	68,239	4.4%
<i>Bleached Hardwood per region</i>			
North America	3,348	3,354	-0,2%
Western Europe	7,151	8,490	-15,8%
Eastern Europe	1,342	1,448	-7,3%
Latin America	2,933	2,814	4,2%
Japan	969	1,083	-10,5%
China	18,614	14,458	28,7%
Rest of Asia/Africa	6,450	5,842	10,4%
Oceania	181	234	-22,5%
Total	40,989	37,724	8,7%

Source: PPPC (World Chemical Market Pulp Global 100 Report- December 2023).

One of the relevant factors to assess the balance of demand and supply of pulp in the European market is the level of stocks in European ports. Given the global destocking trend in the pulp and paper industry value chain since the end of 2022, and during a great part of 2023, the level of stocks at European ports rose to levels above historical averages, reaching a peak at the end of 2Q23. Although the destocking situation still existed for part of the second half of 2023, the trend in stocks reversed as several Latin American producers redirected volumes to Asia, with 2023 ending below the average historical values.

Pulp stocks in European Ports

Thousand Tons	2023						Oct	Nov	Dec
	2020	2021	2022	1T	2T	3T			
Stocks (EU Ports)	1,542	1,198	1,157	1,637	1,808	1,525	1,245	1,216	1,184

Note: Monthly stocks for the end of the period. Monthly average for quarterly and annual values.
Source: Europulp (Federation of the National Associations of Pulp Agents in Europe).

During the 4Q23, and after reaching a low in August, the price of the PIX pulp index (BHKP) in Europe reversed its downward trend, ending the last quarter of 2023 at US\$ 1,001/ton. In average terms, the price of the European PIX pulp index (BHKP) in 4Q23 was up 9% vs. 3Q23 in US\$, with an increase of +11% in Euros. Compared to 4Q22, the decrease is -34% in US\$ and -38% in Euros. Looking to 2023, the average value of the pulp PIX index (BHKP) was 1,044 US\$/ton, 19% lower than the 2022 value in US\$ and -21% in Euros.

The year 2023 was highly volatile in terms of pulp price trends. After a sharp drop in prices in Europe during the first eight months of 2023, we began to see a recovery from September onwards, which continued until the end of the year. Having seen a start to the year in the process of normalizing value chains and absorbing the impact of new capacity in the global pulp market, strong demand from the Chinese market ended up partially absorbing these effects, leading to a recovery in the price level.

2.1.2 Pulp Market

Evolution of the average price of BHKP pulp in Europe (2018 to 4Q2023)

US\$/ton	2018	2019	2020	2021	2022	2023			
						1Q	2Q	3Q	4Q
Avg. Pulp Price (BHKP)	1,037	858	680	1,014	1,286	1,337	1,097	835	908

Source: FOEX.

Global demand for Dissolving Pulp (DP) has registered a 6.5% increase during 2023, according to Numera Analytics (Global DP Demand Report – December 2023). This positive variation is due to the sustained recovery of demand in the textile sector, after the slow-down experienced in the second half of 2022. We recall that DP is targeted for textile and used mainly in Asia, the region that absorbs around 85% of the demand. In geographical terms, China registered an increase of 15.4%, with Asia growing at around 10.3%. After a slight drop in the middle of the year, DP ended 2023 with prices just below US\$900/ton, a similar price level to the start of the year.

Global demand for dissolving pulp

Thousand Tons	Jan-Dec '23	Jan-Dec '22	Var.%
North America	463	473	-2.2%
Western Europe	487	606	-19.7%
Asia	6,151	5,578	10.3%
China	4,445	3,851	15.4%
Japan	185	177	4.7%
Taiwan	28	52	-46.8%
Thailand	226	200	13.1%
Rest of Asia	1,267	1,298	-2.4%
Other	53	56	-6.1%
Total	7,153	6,713	6.5%

Source: Numera Analytics (Global DP Demand Report – December 2023).



2.2 Operational Performance



After a period of strong growth in recent years, with an ambitious investment plan, the time has come to make operations more efficient and diversify their value creation strategy.

Having a clear purpose of building a more renewable world, Altri publicly took on different objectives and targets in its 2030 Commitment. Those are ambitious targets for the use of fossil fuels, GHG emissions, and water use.

The operations of the Altri Group are guided by assumptions of purposes and commitments. For the definition and operationalization of the strategy, we rely on the Altri Operating System, a continuous improvement program based on the lean tools of the Kaizen Institute. One of the main tools of this methodology is Hoshin, a strategy definition tool that also empowers the team spirit within the organization, since the defined projects have elements of several companies of the Group, enabling a 360° view for each of the strategic projects.

Altri has long been a benchmark for water use within the sector, presenting values of water use much lower than the BREF of 25m³/ADT, as can be seen on the pages of this report. The increase in production efficiency has made Altri plants experts in water use, steam use, and maximization of renewable electricity production (94% in 2023), intrinsic to the production process, and in the recovery of process chemicals.

For efficiency purposes, we rely on the principle of cascade in the usage of resources, mainly wood, a raw material that we fully use, taking advantage of the portion of the wood that cannot be consumed in the process of producing cellulosic fibers for energetic valorization. This type of use allowed our Caima to become recently the first plant



Carlos Van Zeller
COO and Vice President
of the Executive Committee

2.2 Operational Performance

in the Iberian Peninsula to apply the 3F: Fossil Fuel Free - and one of the first in Europe, in our industry, after the start of production of the new forest waste biomass boiler.

At the moment, Altri is betting on the diversification of products, having a history related to cellulosic fibers, namely for the paper and textile industries. The fibers for the textile market are being integrated into a rapidly growing market, the manmade cellulosic fibers, particularly in the production of viscose and lyocell. This market is a bet of Altri for a new industrial unit, which is awaiting for the investment decision – the GAMA project.

After a period of strong growth in recent years, with an ambitious investment plan, the time has come to make operations more efficient and diversify their value creation strategy.

Operational performance

In annual terms, the volume of pulp production reached 1,061 thousand tons, a decrease of -7.1% when compared to 2022. This reduction is a consequence of the lower level of demand for pulp in Europe and an optimization of the Group's inventory level.

Despite the context in the European market, the main market in which the Group operates, the total volume of pulp sales in 2023 was 1,081 thousand tons, a decrease of only 2.4% when compared to the previous year, reduction substantially lower than the market's behavior.

Operating indicators (2023)

Thousand Tons	2023	2022	Var. %
Pulp Production BHKP	961.0	1,046.8	-8.2%
Pulp Production DWP	100.0	95.7	4.4%
Total Production	1,061.0	1,142.6	-7.1%
Pulp Sales BHKP	984.0	1,010.9	-2.7%
Pulp Sales DWP	97.0	96.7	0.3%
Total Sales	1,081.0	1,107.6	-2.4%

In terms of end use, Tissue presented solid demand levels during the year, with a weight of 51% in 2023. The P&W (Printing and Writing) segment, despite losing weight compared to 2022, remains the second most important, with 19% of the volume sold. Despite some recovery near the end of the year, the P&W volumes have declined during 2023, given the relevant destocking effect and apparent decline in final demand occurring in this segment. In regional terms, Europe (including Portugal) accounts for 61% of sales, followed by the Middle East and North Africa with 25%, Turkey and Israel being the main destinations in the Middle East. To be able to seek destinations with higher levels of demand, the Altri Group increased its exposure to Asia and the Middle East and North Africa during the year of 2023.

2.2 Operational Performance



Segment	2023	2022	2021
Tissue	51%	53%	50%
P&W	19%	24%	19%
Dissolving	9%	8%	8%
Decor	4%	5%	7%
Specialties	3%	5%	6%
Packaging	2%	2%	2%
Other	12%	3%	8%

Operational Excellence

The commitment to operational excellence, one of Altri's strategic axes, implies a constant demand for continuous improvement, which will allow us to achieve competitive advantage and continuously strengthen Altri's position throughout its value chain. This commitment is shown through consistent actions implemented daily in Altri's operations, managed through the Altri Operating System.



This management and governance model ensures and enhances the synergies of the ongoing transformation process and intends to:

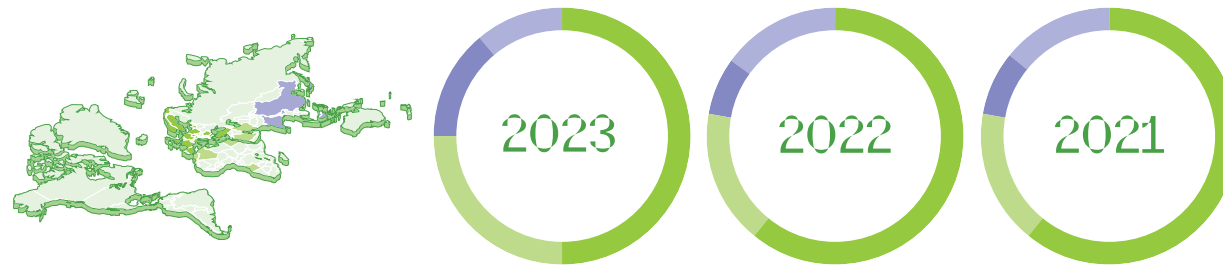
Sharing knowledge and experience among colleagues;

Promote the union between independent manufacturing units, challenging paradigms;

Identify problems, challenges, and improvement opportunities;

Compile results of previously tested actions;

Clarify issues and discuss (if possible, validate) in advance the effectiveness of countermeasures identified by the team.



Region	2023	2022	2021
Europe (excl. Portugal)	61%	61%	50%
Middle East & North Africa	17%	17%	25%
Asia	8%	7%	14%
Portugal	14%	15%	11%

2.2 Operational Performance



KAIZEN™ Award

The accumulation of Altri's efforts to achieve operational excellence through the various methodologies continues to be recognized, and the Group has been awarded by Kaizen™ Institute for the second consecutive year. This year, the Altri Group was awarded 1st place in terms of "Sustainability", one of the six categories distinguished at the 12th edition of KAIZEN™ Awards Portugal. This award recognizes the positive impact of the strategy outlined to address ESG challenges: Environmental (E), Social (S), and Governance (G).

1º PRÉMIO
SUSTENTABILIDADE
Altri



This culture established in the Altri Group encourages the participation of all employees, identifying improvements in their daily activities and solving issues from their genesis. Encouraging communication and collaboration between the various areas, and sharing best practices and lessons learned, represents the true Altri mindset.

Through the Altri Operating System (AOS), since 2016, the KAIZEN™ methodology is used, ensuring the alignment of priorities between the three industrial units of the Group, fostering internal communication, and establishing the implementation of strategic decisions and their prioritization. The speed of adaptation to the use of these tools attests to the rooting of the culture of continuous improvement in the Altri universe. More than 14 projects were underway in 2023, operationalized through this system and applying KAIZEN™ methodologies.

2.2 Operational Performance

Hoshin Kanri method

In the last edition of AOS, an annual review was carried out (Annual Hoshin Review), to analyze the work dynamics, review the objectives and their goals and identify counter-measures for possible difficulties felt and shared. As a result of this brainstorm:

- Review of the objectives of the initiatives already identified in the year 1 (2022) and the targets to be achieved
- New initiatives, sponsors, and teams: Operational efficiency | Specific consumption of subsidiary materials | Specific use of water | Reduction of accidents
- Involvement and participation in the workshop of new areas: Altri Florestal, Altri Sales and Procurement.

In total, there are 9 objectives:



There are several advantages to continuing with Hoshin Kanri's X-Matrix tool. It should be noted:

- Monitor the medium-long-term strategy and convert it into objectives with actions
- Focus the organization on the most critical initiatives
- Unlock constraints and make decisions in a short time



The use of the described methodologies allows positive impact in terms of the efficiency of cellulosic fiber production processes, with a consequent environmental and financial positive impact .



2.2 Operational Performance

Digital transformation project in the area



Development of a tool for carrying out inspection routes to manufacturing equipment, using digital tools with mobility to ensure support for asset management. The main requirements that the tool responded to were:

- Integrated operation with MAXIMO, from the creation of forms, through the execution of routes and ending in follow-up orders to correct detected anomalies;
- Standardization of processes in the 3 industrial units;
- The forms allow the configuration of various types of responses, whether conditioned or not, and with the possibility to add attachments as photographs. It also allows you to acquire readings via external devices and can interact with NFC technology. Depending on the response obtained, the system allows the automatic creation of execution orders to correct detected anomalies.



2.2 Operational Performance



Certifications

Altri focus on continuous improvement through the structuring of processes and activities based on recognized national and international standards, reflected in external certification and recognition. The validation of Altri's processes based on these benchmarks is a seal of confidence that its activity is managed and structured to improve continuously.

Referential



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
Norma 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®	Altri Florestal and industrial units
PEFC Programme for the Endorsement of Forest Certification	

Altri Abastecimento de Madeira:
License code: FSC® C104460
License code: PEFC/13-32-025
Altri Florestal:
License code: FSC® C004615
License code: PEFC/13-23-002
Celbi, Biotek and Caima:
License code: FSC® C022840
License code: PEFC/13-32-021

2.3 Financial Performance



We based all our actions on a foundation of integrity, with the aim of increasingly building an Altri of excellence.

After a 2022 with record results, the drop in pulp sales prices in the first half of 2023 made the year very challenging. To cope with these market conditions, it was necessary to focus even more on efficiency, cost control and optimizing working capital needs. Only a detailed plan, quickly put into practice, and a great deal of joint work by all areas, enabled Altri to partially counteract the more adverse market situation.

It was also a year in which we knew we were going to have a very demanding investment plan with the aim of preparing the company for the challenges of the future. Of particular note in this plan is the completion of Caima's new biomass boiler, which will make this plant the first in the sector on the Iberian Peninsula to operate completely free of fossil fuels. This investment will also allow Caima to move forward with the use and recovery of by-products resulting from its production process, namely acetic acid and furfural. The project is a clear example of the circular

economy concept and of what is intended to be a bio-factory of the future.

In order to finance Caima's new residual forest biomass boiler project, Altri issued 50 million Euro in green debt in November 2023. This issue, fully underwritten by the financial partner who led the issue, shows that it is possible to combine environmental and financial sustainability.

In short, it was a year in which we once again put Altri's values into practice, both in terms of the courage with which we faced the challenges and the simplicity and objectivity of the solutions we implemented. We based all our actions on a foundation of integrity, with the aim of increasingly building an Altri of excellence.

During 2023, the Altri Group's total revenues reached € 788.2 M, a decrease of 26.1% over 2022. This decrease, as already mentioned, is attributable to a very rapid negative



Miguel Silva
CFO

2.3 Financial Performance

evolution of hardwood pulp prices during 2023, consequence of the decrease in overall pulp demand at the beginning of the year, which also ended up affecting volumes sold. EBITDA reached € 137.3 M in 2023, a decrease of 54.4% over 2022, reaching an EBITDA margin of 17.4%, which translates into a reduction of 10.8 p.p. compared to the same period of the previous year.

Since the beginning of 2023, the Group has further strengthened its focus on cost management, with very positive results in the main inputs. In addition to the efficiency gains achieved, we should also mention the normalization of electricity and natural gas prices and the consequent reduction in the price of chemicals. Despite significant cost reductions, these were not sufficient to prevent a deterioration in the Group's profitability. The Net Profit of the Altri Group reached € 42.8 M in 2023, a decrease of 71.9% when compared to 2022.

Highlights of the 2023 income statement

€ M	2023	2022	Var. %
Cellulosic fibers	645.2	883.8	-27.0%
Other ¹	143.1	182.4	-21.6%
Total Revenues	788.2	1,066.2	-26.1%
EBITDA	137.3	301.4	-54.4%
EBITDA mg	17.4%	28.3%	-10.8 pp
EBIT	70.4	237.3	-70.3%
EBIT mg	8.9%	22.3%	-13.3 pp
Net financials	-23.4	-30.3	22.7%
Income tax	-5.0	-54.9	s.s.
Net profit of cont. operations²	42.8	152.5	-71.9%

¹ Others: includes essentially i) sale of biomass and rendering of operation and maintenance services to Greenvolt's biomass plants in Portugal and ii) sale of Electric Energy (cogeneration) related to the cellulosic fiber production process.

² Attributable to equity holders of the parent

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

Note: Variation of unrounded figures

Investment

The total net investment (i.e., payments in the period relating to acquisitions of property, plant and equipment) made by the Altri Group during the year 2023 reached € 60.7 M, which compares with the € 45.3 M in 2022. The investment in 2023 includes € 31.7 M related to the new biomass boiler (including the new turbine) for the Caima industrial unit, which came into operation at the end of 2023.

€ M	2023	2022
Total Net Investment	60.7	45.3

Debt

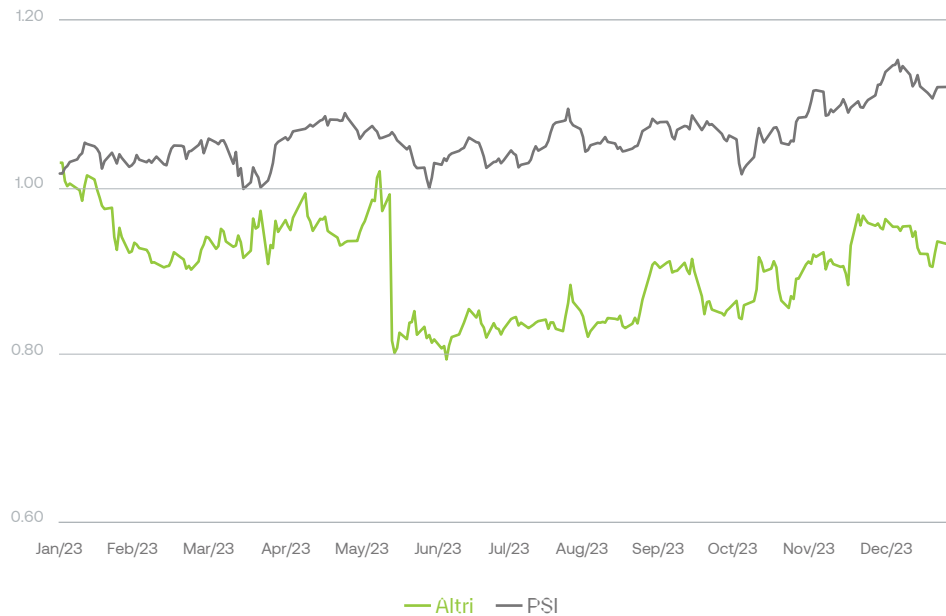
The Altri Group's net debt reached € 356.7 M at the end of 2023, which compares with € 325.8 M at the end of 2022. This level of debt is equivalent to a Net Debt/EBITDA ratio of 2.6x. The total net debt, (i.e., when adding lease liabilities), was around € 438.0 M at the end of 2023. By the end of 2023, around 30% of the debt of the Altri Group was remunerated at a fixed rate (including interest rate swap contracts).

€ M	2023	2022
Net Debt	356.7	325.8

2.4 Stock Market Evolution

2.4 Stock Exchange Evolution

Stock exchange evolution of Altri's shares and PSI (%)



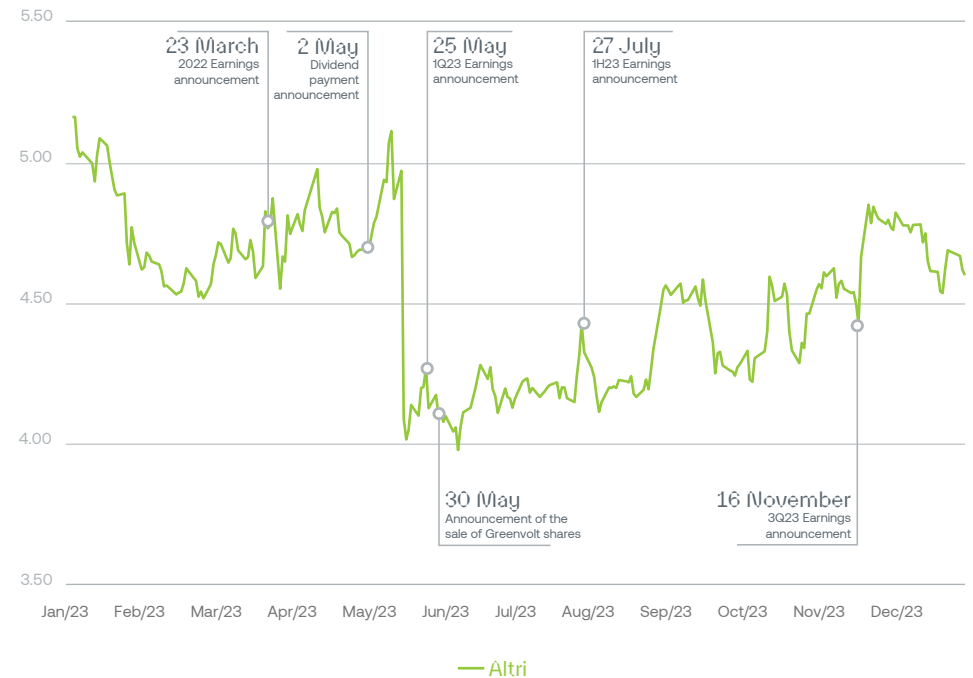
(Note: PSI was regarded as an index with an initial value identical to that of the security under analysis in order to enable a better comparison between share prices)

Altri's share price closed the year of 2023 at 4.6 Euro per share. Market capitalisation at the end of 2023 was about 943.6 million Euro.

During the year 2023, Altri's shares were traded at a maximum price of 5.16 Euro per share and at a minimum of 3.98 Euro per share. In total, approximately 175.4 million Altri shares were traded in that period, corresponding to 85.5% of the issued capital.

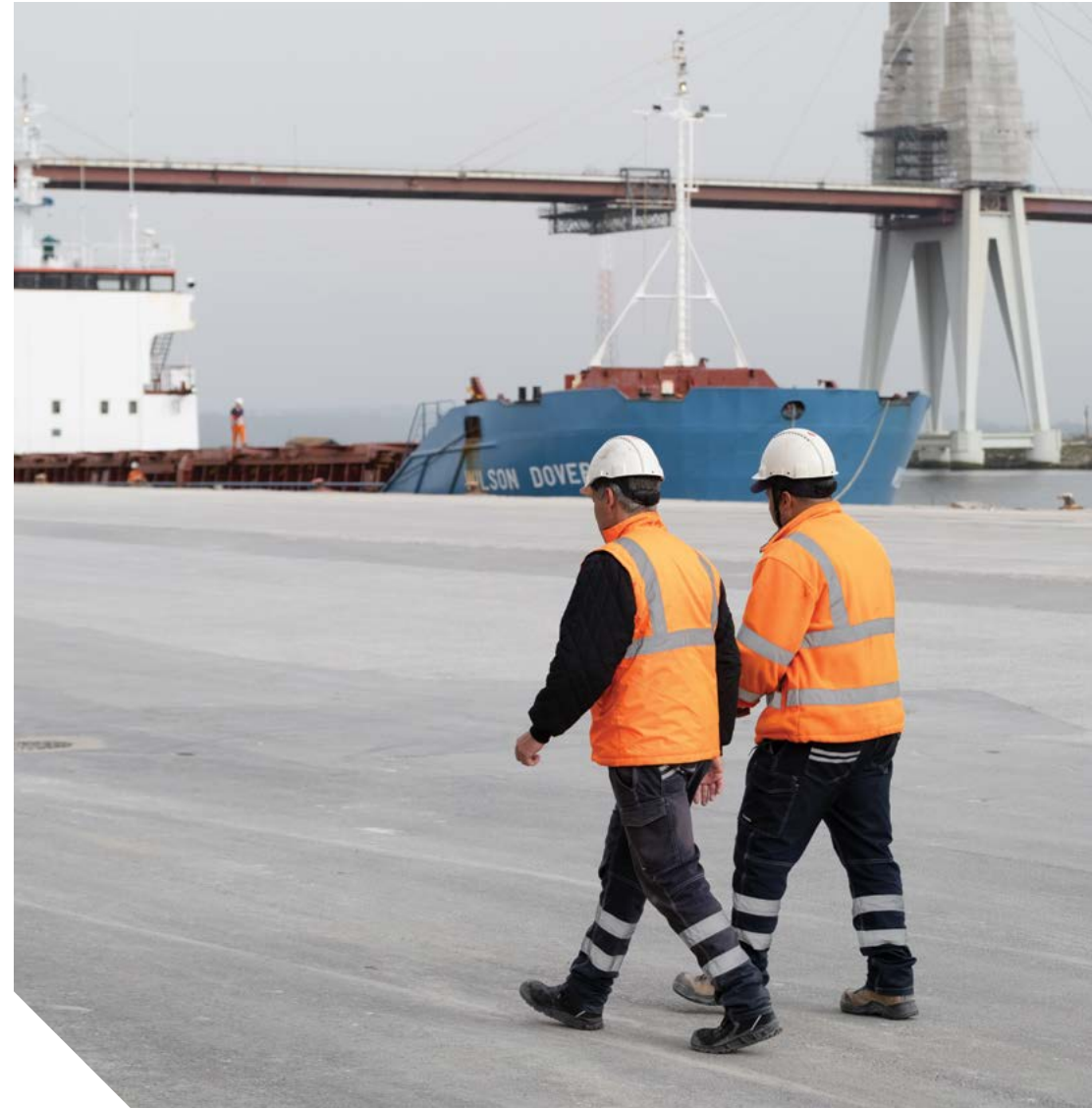
The main events that marked the evolution of the Group's shares in 2023 can be chronologically described as follows:

Altri's Stock exchange evolution



2.4 Stock Market Evolution

- On 23 March 2023, the Group announced the financial performance for the financial year 2022, reaching a consolidated net profit of 152.1 million Euro. Total consolidated revenues amounted to 1,066.2 million Euro and consolidated EBITDA amounted to 301.4 million Euro. On that date, the shares closed the quote at 4.78 Euro per share;
- In the announcement made on 2 May 2023, Altri informed the market that dividends for the financial year 2022, under the conditions announced, would be paid from 24 May 2023. The dividends distributed included a cash dividend of 0.25 Euro per share, and also a dividend in kind corresponding to Greenvolt shares. In this way, on 24 May 2023, and according to the conditions previously announced, the operation of distribution of 21,288,664 shares representing the share capital of Greenvolt was carried out, following which the Altri Group became the holder of 1.34% of Greenvolt, in a total of 1,866,119 shares;
- Through the announcement made on 25 May 2023, the Group released the results for the first quarter of 2023. Throughout this period, total consolidated revenues amounted to 224.7 million Euro, EBITDA reached 50.2 million Euro, while the consolidated net profit reached 19.6 million Euro;
- On 30 May 2023, it was announced the intention to sell the remaining shares of Greenvolt, which was completed on the same day, through an accelerated bookbuilding operation, with the Altri Group no longer holding any financial interest in the share capital of Greenvolt since that date;
- On 27 July 2023, Altri announced to the market the results for the first half of 2023, reaching total revenues of 426.6 million Euro, EBITDA of 81.2 million Euro, and consolidated net profit of the continued operations of 28.0 million Euro;
- On 16 November 2023, the results for the third quarter were released. In the first nine months of the year, the Group reached total revenues of 601.0 million Euro, EBITDA was 97.5 million Euro, and the consolidated net profit of continued operations was 27.6 million Euro.



2.5 European Union Taxonomy

2.5 European Union Taxonomy

During the 2023 exercise, all activities reported by Altri as eligible in the three Taxonomy indicators (Turnover, CapEx, and OpEx) met the alignment criteria. Annex **K. Taxonomy** details the process of aligning the different activities with the aim of mitigation and climate adaptation, and its compliance with the requirements of not significantly harming the other climate objectives, as well as the compliance with minimum social safeguards.

Turnover:

Percentage of turnover for eligible and aligned activities

2023	Turnover (Euro)	Proportion of Turnover (% of total)	Proportion of aligned Turnover (% of total)
Business activities			
A. Eligible activities			
4.8 - Electricity generation from bioenergy	3,121,771	—%	—%
4.20 - Cogeneration of heat/cool and power from bioenergy	12,710,645	2%	2%
Sub-total eligible activities (A)	15,832,416	2%	2%
B. Ineligible activities			
Turnover of ineligible activities (B)	736,594,546	98%	98%
Total turnover of consolidated business (A+B)	752,426,962	100%	100%

Capital Expenditure (CapEx):

Percentage of capital expenditure for eligible and aligned activities

2023	CapEx (Euro)	Proportion of CapEx (% of total)	Proportion of aligned CapEx (% of total)
Business activities			
A. Eligible activities			
1.3 - Forest management	20,494,126	26%	26%
4.1 - Production of electricity from photovoltaic solar technology	2,674,001	3%	3%
4.8 - Electricity generation from bioenergy	33,313,704	42%	42%
4.20 - Cogeneration of heat/cool and power from bioenergy	5,786,248	7%	7%
5.1. Construction, extension and operation of water collection, treatment and supply systems	98,500	—%	—%
5.3. Construction, extension and operation of waste water collection and treatment	5,451,353	7%	7%
9.2 - Research, development, and innovation activities close to the market	136,877	—%	—%
Sub-total eligible activities (A)	67,954,809	86%	86%
B. Ineligible activities			
CapEx of ineligible activities (B)	10,819,226	14%	14%
Total consolidated CapEx (A+B)	78,774,035	100%	100%

2.5 European Union Taxonomy



Operating Expenses (OpEx):

Percentage of operational expenses for eligible and aligned activities

2023	OpEx (Euro)	Proportion of OpEx (% of total)	Proportion of aligned OpEx (% of total)
Business activities			
A. Eligible activities			
1.3. - Forest management	4,998,461	10%	10%
4.8 - Electricity generation from bioenergy	407,461	1%	1%
4.20 - Cogeneration of heat/cool and power from bioenergy	4,607,731	10%	10%
5.1. Construction, extension and operation of water collection, treatment and supply systems	274,440	1%	1%
5.3. Construction, extension and operation of waste water collection and treatment	599,809	1%	1%
Sub-total eligible activities (A)	10,887,901	23%	23%
B. Ineligible activities			
OpEx of ineligible activities (B)	36,759,552	77%	77%
Total consolidated OpEx (A+B)	47,647,453	100%	100%

2.6 Responsible Investment (Green Bonds)

2.6 Responsible Investment (Green Bonds)

For a more responsible investment, companies have at their disposal instruments such as Green Bonds, which represent a form of fundraising different from traditional stocks and bonds. Green bonds stand out for their purpose: Raising capital for environmental projects.

The bond issuance process requires transparency and disclosure of detailed financial information, meeting specific market requirements and involving regulators, rating agencies, and investors. In addition to assessing the typical financial characteristics, such as maturity, price, and credit quality of the issuer, investors also evaluate the specific environmental objective of the projects that the bonds intend to support. In particular, green bonds have attracted investors from the growing segment focused on sustainable and responsible investment, as well as investors who incorporate ESG criteria as part of their investment analysis.

In November 2023, the Altri Group obtained funding of 50 million Euro through the issuance of Green Bonds, with a maturity of up to five years, winning interest at the rate equal to Euribor at 6 months and added spread, to refund the “Caima Go Green” Project.

This project aimed at the transition of Caima to a production entirely based on renewable sources, abandoning fossil fuels in its production process. Caima is the first Iberian company in its industry to achieve this milestone, reinforcing the Altri Group’s commitment to sustainability.

With this operation, organized, assembled, and fully subscribed by Banco BPI, it was possible to finance the installation of a forest waste biomass boiler and a new turbo generator of 5 MW at Caima, in Constância, that operates with residual forest biomass.

The issuance is part of the Altri Green Bond Framework, a document that obtained a positive Second Party Opinion (“SPO”) from ESG ratings and specialized independent research company, Sustainalytics, in particular regarding its alignment with the Green Bond Principles published by the International Capital Market Association. To strengthen transparency with the market, an additional external verification was carried out on the allocation report by Ernst & Young Audit & Associados, SROC, S.A. The corresponding reports and verification statements can be found in Annexes **L. Green Bonds Report Caima - 2023-2028, M. Sustainability Report (Green Bonds Second Party Opinion), and N. Green Bonds External Verification Report.**

The new Caima boiler, in 2023, with just one month of operation, achieved a total renewable energy production of 4,525.8 MWh, reinforcing Altri’s commitment to the Group’s main sustainability objectives, in line with the United Nations Sustainable Development Goals (SDGs), and with the expectations of its stakeholders, which resulted in the definition of the Altri Group’s “2030 Commitment”.

It is an excellent example of decarbonization and innovation from a circular economy perspective. The environmental objectives that this project proposes are explained in greater detail in subchapter **3.4 Renewable Energy and Energy Efficiency.**