



REPORT AND ACCOUNTS



30 June 2021

(Unaudited information)

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Management Report

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I. Management Report

(This is a translation of a document originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails – Note 20)

To the Shareholders

Pursuant to the legal requirements, the Board of Directors of Altri, SGPS, S.A. ("Altri") hereby presents its Management Report for the first half of 2021.

MESSAGE FROM THE CEO

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

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

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

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

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

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

José Pina

INTRODUCTION

Altri was incorporated in March 2005 and quickly became known and recognised as a leading European producer of bleached eucalyptus pulp and, more recently, of dissolving pulp. The company is now also a relevant player in the renewable energy sector, particularly in industrial cogeneration using black liquor and biomass, as its forestry strategy is based on the full use of all the components provided by the forest: pulp, black liquor and forest wastes.

All the shares representing Altri's share capital are admitted to trading on a regulated market - Euronext Lisbon - integrating its main reference index, PSI-20.

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 464 million Euro in industrial units in Portugal, equipping them with the most advanced technology available on the global market, adapting them, right from the start, to the conditions of the New BREF (Best Available Techniques – Reference Document for the Production of Pulp, Paper and Board). 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: Celulose Beira Industrial (Celbi), S.A., in Figueira da Foz, Celtejo – Empresa de Celulose do Tejo, S.A., in Vila Velha de Ródão and Caima – Indústria de Celulose, S.A., in Constância, with an installed capacity of production of eucalyptus pulp of more than 1 million tonnes per year in the three units as a whole. Additionally, Greenvolt - Energias Renováveis, S.A. (previously designated by Bioelétrica da Foz, S.A.) materializes the presence of Altri in the renewable energy sector, being currently composed by six biomass power plants which generates energy through biomass, considering the acquisition of Tilbury, in the United Kingdom, on 30 June 2021.

The forest is a strategic asset for Altri. At the end of 2020, Altri, through its subsidiaries, Altri Florestal, S.A. and Florestsul, S.A., managed 86.3 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 on a global scale providing a door-to-door service to its customers. With this goal in mind, Altri developed a strategy based on three pillars:

- Cutting cash cost per tonne: the projects completed in recent years and those underway do not entail an increase in fixed costs, leading to a dilution of the cash cost per tonne;

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- Strategic location of the customer base: the prime location for Altri's customers is Western and Central Europe, where it is possible to optimise the balance between the quality of customer service and transportation costs;
- Wood self-sufficiency: Altri has under its intervention around 86.3 thousand hectares of forest in Portugal, ensuring a potential level of wood self-sufficiency around 15 to 20%.

In pursuit of its continuous improvement goals, and in particular regarding the valorisation of forest resources, in 2005, Altri acquired 50% of EDP Produção - Bioelétrica, S.A. to generate electricity from forest biomass in partnership with EDP. This company is the leader in its market segment, with a 50% share of licences for generating electricity from forest biomass. In 2018, Altri reached an agreement with EDP to acquire, directly and through its subsidiary Caima - Indústria de Celulose, S.A., the remaining 50%, thereby taking control of 100% of that Company (now Greenvolt - Energias Renováveis, S.A.).

Hence, Altri, through its subsidiary Greenvolt - Energias Renováveis, S.A. ("GreenVolt") owns and manages currently five biomass power plants, which demonstrates its strong investment in the renewable energy sector and raised it to a prominent position in this market in Portugal.

Also, 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).

On 30 June 2021, subsidiary GreenVolt took the first step towards international expansion, having acquired an urban biomass plant (urban wood waste, such as demolition/construction waste) in Tilbury, United Kingdom, with an installed capacity of 42MW. GreenVolt has agreed a partnership with an investor in United Kingdom (Equitix Investment Management Ltd), reserving for itself a majority position. This acquisition allows GreenVolt to pursue its ambitious project of growth and internationalization, consolidating its position in the renewable energy sector at the European level and contributing to the expansion of the business.

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

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

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

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

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

On July 26, GreenVolt informed that, as agreed in the Underwriting Agreement entered into on July 1, 2021, the Joint Global Coordinators acting in the name and on behalf of the Managers, exercised the Greenshoe Option, resulting in the issue by GreenVolt of 4,588,235 additional shares, with a unit price of 4.25 Euro per share. Accordingly, GreenVolt

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will resolve on the corresponding additional capital increase in the amount of 19,499,998.75 Euro, to be carried out through the issue of the new optional shares.

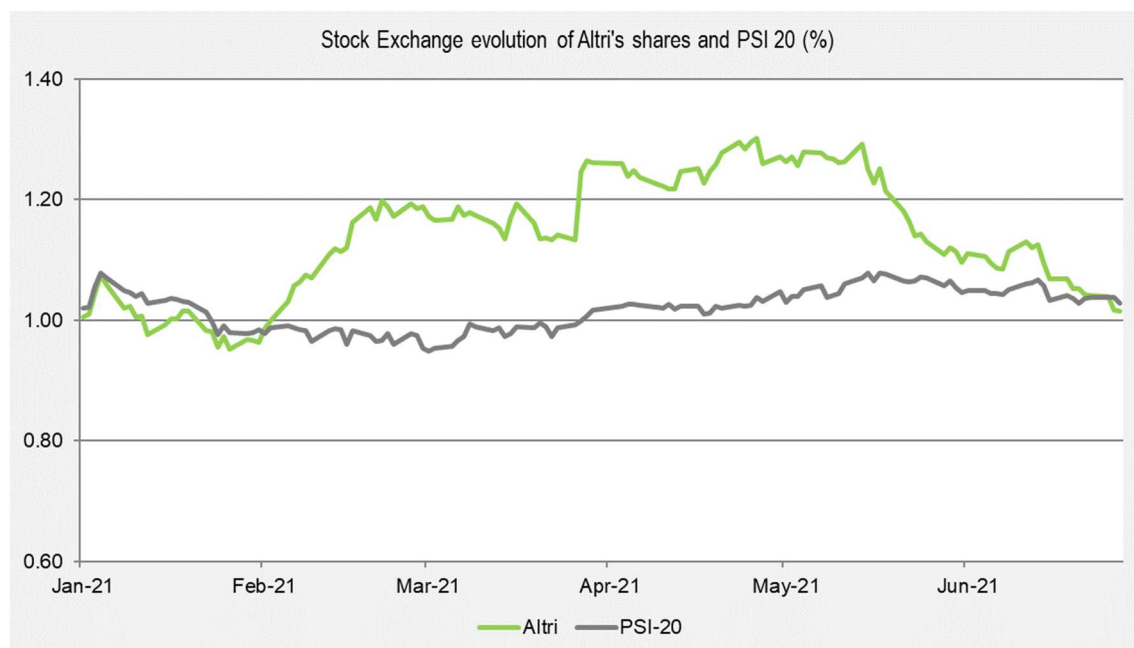
Consequently, the current functional organizational structure of the Altri Group is as follows:



STOCK EXCHANGE EVOLUTION

(Note: in order to enable a better comparison of the stock fluctuations, the PSI 20 index has been considered as being equal in value to the opening price of the shares.)

During the first half of 2021, PSI-20 index appreciated 2.79% over the end of 2020, while Altri Group shares appreciated 1.55%.



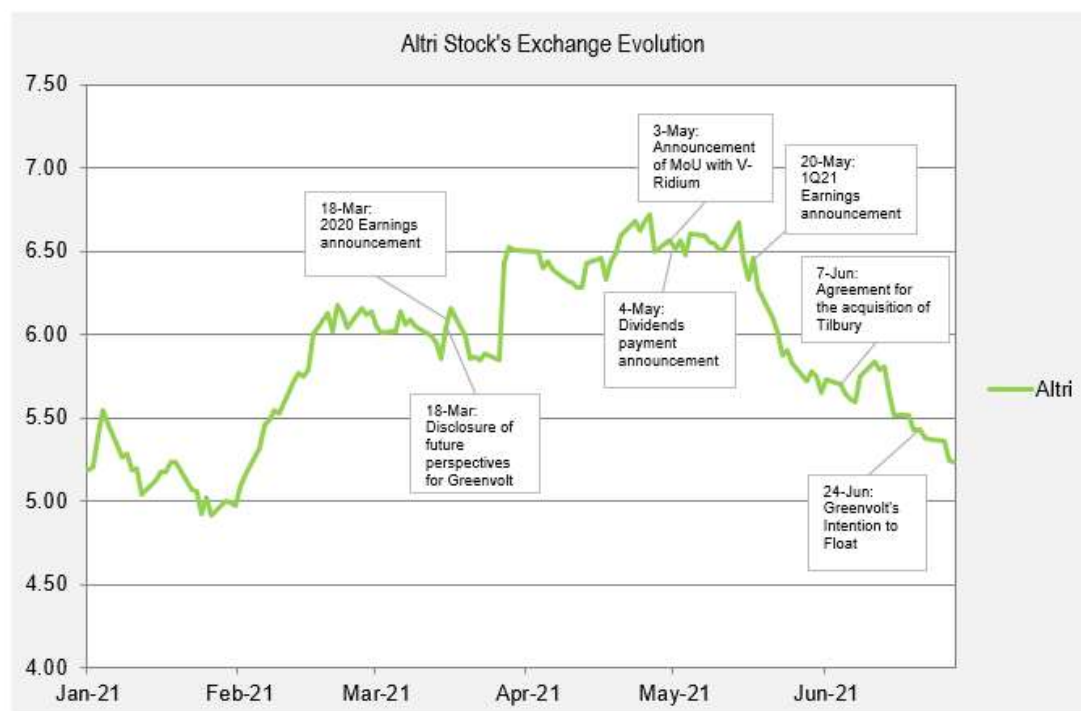
Altri's share price closed in the first half of 2021 at 5.24 Euro per share. The market capitalization at the end of that period was around 1,075 million Euro.

During the first half of 2021, Altri's shares were traded at a maximum price of 6.715 Euro per share and at a minimum of 4.916 Euro per share. In total, 63 million shares were traded in the first half of the year.

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



- As of 18 March 2021, the Group announced its financial performance for the year 2020, reaching a consolidated net profit of 35.0 million Euro. Total revenue¹ amounted to 615.6 million Euro and consolidated EBITDA² amounted to 130.4 million Euro. On that date, shares closed at 6.04 Euro per share;
- On the same date, Altri announced to the market about GreenVolt's project of national and international growth, intending to consolidate its leadership position in the national market and enhance as a reference player within the renewable energy in the international market, not only through forest biomass, but also through innovative models of solar and wind energy;
- Additionally, the market was informed that researches were being carried out in order to study a possible operation that culminate in the admission to trading of all the shares representing GreenVolt in the regulated market Euronext Lisbon;
- On 3 May, Altri announced the signing of a Memorandum of Understanding with the Polish company V-RIDIUM EUROPE SP. Z O.O., whose scope consisted in carrying out a possible increase in the share capital of GreenVolt, in the context of the respective IPO;
- In the press release issued on 4 May 2021, Altri announced that dividends for the 2020 fiscal year, corresponding to 0.25 Euro per share, would be paid as from 20 May 2021;
- Through an announcement made on 20 May, the Group released the results for the first quarter of 2021. In that period, total revenue¹ amounted to 179.2 million Euro, EBITDA² reached about 39.5 million Euro, while the consolidated net profit recorded 13.2 million Euro;

¹ Total revenues = Sales + Services rendered + Other income

² EBITDA = Earnings before taxes - Gains / (losses) in investments + Financial expenses - Financial income + Amortisation and depreciation

- On 7 June, Altri informed the market that its subsidiary GreenVolt, together with funds managed by the Equitix Group, reached into an agreement for the acquisition of Tilbury Green Power Holdings Limited, a company that owns a renewable energy biomass power plant;
- On 24 June, 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, which means that all shares representing the share capital of GreenVolt were admitted to trading in the regulated market Euronext Lisbon on 15 July 2021.

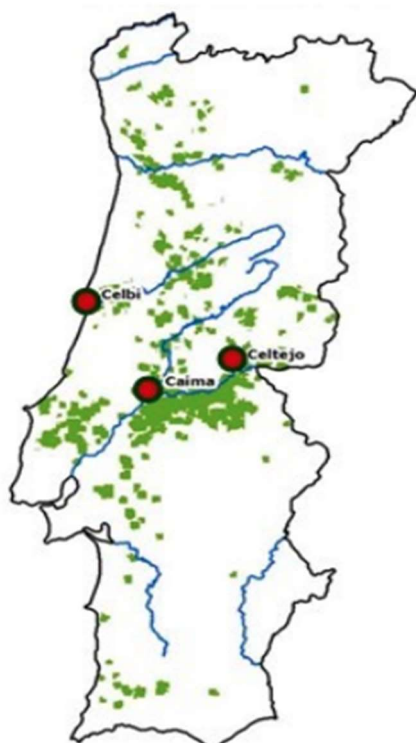
GROUP'S ACTIVITY

Altri is a leading European producer of bleached eucalyptus pulp and, more recently, a producer of dissolving pulp. The Company is also a relevant player in the field of forest-based renewable energy, particularly in industrial cogeneration using black liquor and biomass.

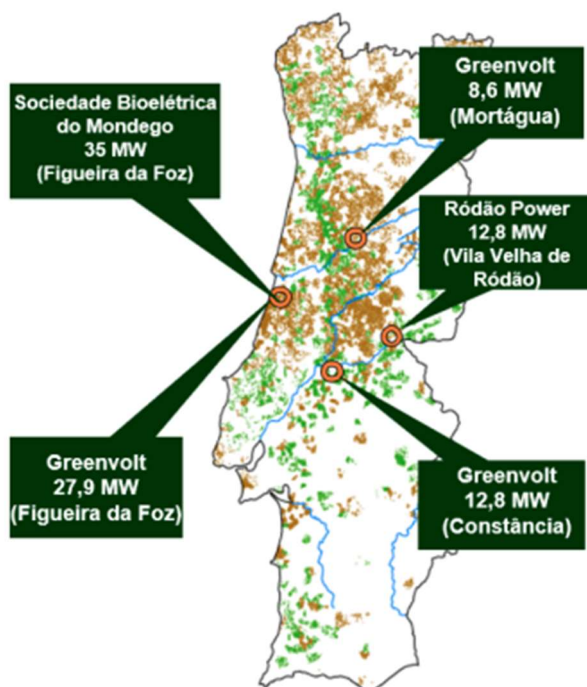
The main financial holdings held and managed by the Altri Group are as follows:

- **Caima – Indústria de Celulose (Constância)** – dissolving pulp producer and distributor;
- **Celulose Beira Industrial (Celbi) (Figueira da Foz)** – paper pulp producer and distributor;
- **Celtejo – Empresa de Celulose do Tejo (Vila Velha de Ródão)** – also paper pulp producer and distributor;
- **Altri Florestal (Constância)** – the company that manages the Group's forestry resources;
- **Greenvolt - Energias Renováveis, S.A. (Figueira da Foz, Mortágua e Constância)** – owns and manages three biomass power plants to generate energy;
- **Ródão-Power – Energia e Biomassa do Ródão, S.A. (Vila Velha de Ródão)** – owns and manages one biomass power plants to generate energy;
- **Sociedade Bioelétrica da Foz (Figueira da Foz)** – owns and manages one biomass power plants to generate energy.

Location of Altri Group's industrial units



Location of the power plants



With the acquisition of the Tilbury plant in the United Kingdom on June 30, 2021, subsidiary GreenVolt made a start on its internationalization strategy in the segment of energy production through residual biomass.

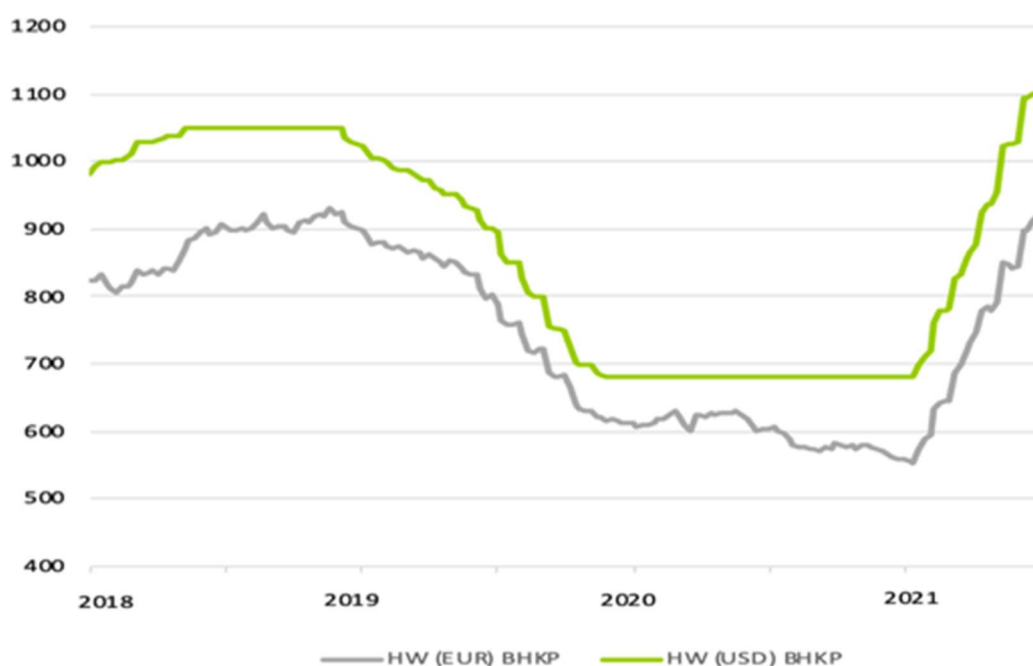
OPERATIONAL AND FINANCIAL PERFORMANCE

PULP SEGMENT

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

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

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



Source: FOEX.

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

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

Operational Indicators (Pulp)

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

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

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

Altri Group broke the absolute record of semester production and sales, producing 570.9 thousand tons of pulp in 1H21 (+3.5% vs 1H20). Pulp sales reached 595.4 thousand tons (+4.4% vs 1H20).

Operational and Financial Indicators (Pulp)

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

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ENERGY SEGMENT (GREENVOLT)

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

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

Operational and Financial Indicators (Energy)

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

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

Additionally, on June 30, 2021, GreenVolt took the first step towards international expansion, having acquired an urban biomass plant (urban wood waste, such as demolition/construction waste) in Tilbury, United Kingdom, with an installed capacity of 42MW. Despite not being consolidated in Altri Group accounts, taking into account the transaction date, it is noted that in 1H21 the revenues associated with this plant reached € 24.3 M³ and an EBITDA of € 12.2 M⁴.

³ Average exchange rate (GBP/EUR) between 1 January and 30 June 2021 of 1.1521.

⁴ Excluding non-recurring transaction costs of € 1.2 M. Accounting information in accordance with UK GAAP.

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FINANCIAL REVIEW

The consolidated financial information of Altri was prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union (IFRS-EU).

The main indicators and data of Altri Group are as follows:

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

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

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

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

(c) EBITDA margin = EBITDA / Total revenues

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

(e) EBIT margin = EBIT / Total revenues

Total revenues reached € 386.9 M during 1H21, a growth of 17.9% vs 1H20, while operating costs grew 4.9% in 1H21 vs 1H20. Altri Group EBITDA reached € 108.9 M, an increase of 72.8% when compared to the same period last year. As already mentioned in the 2Q21 commentary above, consolidated EBITDA includes a non-recurrent negative impact of approximately € 3 M, mainly related to the acquisition of Tilbury at the end of the semester. Consolidated net income reached € 44.8 M in 1H21 vs € 9.2 M in 1H20.

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The total net investment⁵ made during the first six months of 2021 by the Group's units amounted to approximately 14 million Euro.

SUSTAINABILITY

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

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

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

2030 Commitment		2018	2030 Goal
	Reduce the specific water use (m ³ / tSA) in Altri's industrial units by 50%	20	10
	Reduce the organic load (COD, kg O ₂ / tSA) in Altri's industrial effluents by 60%	11	4
	Increase by at least 60% the amount of renewable electric energy injected into the National Electricity Network (GWh)	625	1000
	100% of the primary energy consumed at Altri's industrial units is from renewable sources	83%	100%
	Doubling the number of women in leadership roles	19	38
	100% of process waste recovered or reused	77%	100%
	Reduce specific GHG emissions of scope 1 and 2 by 60% (kg CO ₂ / tSA)	192	66
	Reduce scope 3 emissions by 30% (kg CO ₂ / tSA)	292	202
	Increase the percentage of wood consumption with forest management certification by 40%	57%	80%
	Duplicate the area under natural conservation management (ha)	7980	16000
	Develop 13 biodiversity stations and biospots	2	15
	Walk towards zero accidents with lost days *	Continuous improvement in order to achieve this goal	

* More than 3 days lost

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



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

⁵ Total net investment: Payments in the period related to the acquisition of property, plant and equipment related to the operational activity of the Pulp and Energy segments.

OUTLOOK

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

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

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

CORPORATE GOVERNANCE

According to legal provisions, the Company is not required to provide information relating to corporate governance, since it is compulsory only together with the annual management report. The detailed annual corporate governance report is part of the Annual Report and Accounts of 2020 and is available on the website (www.altri.pt).

LEGAL MATTERS

Own shares

Pursuant to the requirements of article 66 of the Portuguese Companies Act, the Directors inform as of 30 June 2021 that Altri had no treasury shares and did not acquire nor sell any treasury shares during this semester.

Shares held by Altri's corporate boards

Pursuant and for the purposes of Article 447 of the Portuguese Companies Act, we hereby inform that, on June 30, 2021, Altri's directors held the following shares:

Paulo Jorge dos Santos Fernandes ^(a)	26,676,874
João Manuel Matos Borges de Oliveira ^(b)	31,000,000
Domingos José Vieira de Matos ^(c)	26,669,010
Ana Rebelo de Carvalho Menéres de Mendonça ^(d)	38,295,053
Paula Simões de Figueiredo Pimentel Freixo	4.500

^(a) – The 26,676,874 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.

^(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 the director João Manuel Matos Borges de Oliveira is director and shareholder.

^(c) – The 26,669,010 shares correspond to the total of Altri, SGPS, S.A. shares held by the company LIVREFLUXO, S.A., of which the director Domingos José Vieira de Matos is director and majority shareholder.

^(d) – 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 the director Ana Rebelo de Carvalho Menéres de Mendonça is director and majority shareholder.

As of 30 June 2021, the Statutory Auditor, the members of the Supervisory Board and the members of the Board of the General Shareholders' Meeting held no shares of Altri.

REPORT AND ACCOUNTS 1H2021

I. Management Report

Participation in the Company's share capital

Pursuant to and for the purposes of the provisions of Articles 16 and 20 of the Securities Code and Article 448 of the Portuguese Companies Act, the Company informs that the companies and/or natural persons with qualifying holdings exceeding 2%, 5%, 10%, 15%, 20%, 25%, 33% and 50% of the voting rights, according to the notifications received at Altri's registered office reported on June 30, 2021 are as follows:

	No. of shares held on 30-Jun-2021	% Share capital with voting rights
1 Thing, Investments, S.A.		
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

	No. of shares held on 30-Jun-2021	% Share capital with voting rights
Domingos José Vieira de Matos		
Through Livrefluxo, S.A. (of which he is dominant shareholder and director)	26,669,010	13.00%
Total attributable	26,669,010	13.00%

	No. of shares held on 30-Jun-2021	% Share capital with voting rights
Paulo Jorge dos Santos Fernandes		
Through Actium Capital, S.A. (of which he is dominant shareholder and director)	26,676,874	13.00%
Total attributable	26,676,874	13.00%

	No. of shares held on 30-Jun-2021	% Share capital with voting rights
João Manuel Matos Borges de Oliveira		
Through Caderno Azul, S.A. (of which he is shareholder and director)	31,000,000	15.11%
Total attributable	31,000,000	15.11%

	No. of shares held on 30-Jun-2021	% Share capital with voting rights
Promendo Investimentos, S.A.		
Directly ^(a)	38,295,053	18.67%
Through its director José Manuel de Almeida Archer	11,500	0.01%
Total attributable	38,306,553	18.67%

(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 Meneses 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.

CLOSING REMARKS

The Board of Directors concludes by expressing a vote of gratitude to all of the Group's Stakeholders, for the trust demonstrated in our organization. We would like to express our appreciation to all our employees for their dedication and commitment.

Oporto, 29 July 2021

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 Mendonça

Maria do Carmo Guedes Oliveira

Paula Simões de Figueiredo Pimentel Freixo

José Armindo Farinha Soares de Pina

José António Nogueira dos Santos

Carlos Alberto Sousa Van Zeller e Silva



Appendixes to the management report

STATEMENT UNDER THE TERMS OF ARTICLE 246, PARAGRAPH 1, C) OF THE SECURITIES MARKET CODE

The signatories individually declare that, to the best of their knowledge, the Management Report, the Individual and Consolidated Financial Statements and other accounting documents required by law or regulation were prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union, presenting a true and fair view of the assets and liabilities, the financial position and the consolidated and individual 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 assume responsibility for this information and affirm that the items included herein are true and that, to the best of their knowledge, there are no omissions.

As required by article 210 of the Social Security Contributions Plan Code (approved by Law 110/2009 of 16 September), the Board of Directors informs that there are no overdue debts to the State, namely with respect to Social Security.

REPORT AND ACCOUNTS 1H2021

II. Appendixes to the management report

Article 447 of the Portuguese Companies Act, Article 14(7) of the CMVM Regulation no. 05/2008 and Article 19 of Regulation (EU) no. 596/2014 of European Parliament and of the Council of 16 April 2014

Disclosure of shares and other securities held by members of the Board of Directors and by those discharging managerial responsibilities, as well as by people closely connected with them (article 248-B of the Portuguese Securities Code), and disclosure of the respective transactions during the first semester involving such shares and other securities:

Members of the Board of Directors	Shares held on			Shares held on
	31-Dec-2020	Acquisitions	Disposals	30-Jun-2021
Paulo Jorge dos Santos Fernandes (imputation through ACTIUM CAPITAL, S.A.)	26,676,874	-	-	26,676,874
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 Menêres de Mendonça (imputation through PROMENDO INVESTIMENTOS, S.A.)	38,295,053	-	-	38,295,053
Paula Simões de Figueiredo Pimentel Freixo	-	4,500	-	4,500

Paula Simões de Figueiredo Pimentel Freixo

Date	Type	Volume	Price (€)	Place	No. of shares
31-Dec-20	-	-	-	-	-
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
30-Jun-21	-	-	-	-	4,500

**Condensed consolidated
financial statements and
notes**

FINANCIAL INFORMATION 1H2021

Condensed consolidated financial statements and notes

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021 AND 31 DECEMBER 2020

(Translation of financial statements originally issued in Portuguese - Note 20)
(Amounts expressed in Euros)

ASSETS	Notes	30.06.2021	31.12.2020
NON-CURRENT ASSETS:			
Biological assets		102,434,575	105,621,199
Property, plant and equipment	5	640,522,615	523,507,899
Right-of-use assets	5	122,408,155	65,462,658
Investment properties		82,131	82,131
Goodwill	5	416,499,743	265,630,973
Intangible assets	5	70,693,671	52,201,704
Investments in joint ventures and associates	4	774,622	755,583
Other investments		298,454	280,147
Other non-current assets		3,210,260	3,210,260
Derivative financial instruments	11	701,078	-
Deferred tax assets		26,595,365	27,757,056
Total non-current assets		1,384,220,669	1,044,509,610
CURRENT ASSETS:			
Inventories		72,481,929	75,454,614
Trade receivables		122,385,748	64,149,699
Assets associated with contracts with customers	5	17,730,599	7,476,825
Other receivables		11,517,004	9,691,305
Income tax		1,707,540	17,160,243
Other current assets		8,157,627	5,649,993
Derivative financial instruments	11	2,240,196	7,313,870
Cash and cash equivalents	6	184,864,261	254,568,719
Total current assets		421,084,904	441,465,268
Total assets		1,805,305,573	1,485,974,878
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	8	25,641,459	25,641,459
Legal reserve		5,128,292	5,128,292
Hedging reserve		(8,558,095)	3,515,384
Other reserves		359,739,122	376,043,942
Consolidated net profit/(loss) for the period		44,758,502	34,977,248
Total equity attributable to shareholders of the Parent Company		426,709,280	445,306,325
Non-controlling interests	5	40,805,773	14,584
Total equity		467,515,053	445,320,909
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Bank loans	9	159,670,709	27,500,000
Other loans	9	505,078,221	532,417,574
Reimbursable government grants	9	2,615,349	2,942,267
Shareholders loans	16	39,974,360	-
Lease liabilities		124,654,714	65,461,849
Other payables		820,348	-
Other non-current liabilities		10,115,089	10,487,366
Deferred tax liabilities		46,466,259	48,071,097
Pension liabilities		4,194,325	5,180,204
Provisions	5 and 10	21,051,205	16,689,458
Derivative financial instruments	11	8,543,498	1,053,386
Total non-current liabilities		923,184,077	709,803,201
CURRENT LIABILITIES:			
Bank loans	9	3,919,934	2,135,970
Other loans	9	214,336,992	168,869,728
Reimbursable government grants	9	579,748	2,847,177
Lease liabilities		10,062,531	9,588,771
Trade payables		123,668,878	104,104,493
Liabilities associated with contracts with customers		4,127,522	3,641,936
Other payables		20,175,388	13,394,102
Income tax		4,718,842	4,705,554
Other current liabilities		31,274,158	21,200,376
Derivative financial instruments	11	1,742,450	362,661
Total current liabilities		414,606,443	330,850,768
Total liabilities and equity		1,805,305,573	1,485,974,878

The accompanying notes are an integral part of the condensed consolidated financial statements.

The Chartered Accountant

The Board of Directors

FINANCIAL INFORMATION 1H2021

Condensed consolidated financial statements and notes

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX AND THREE MONTHS PERIODS ENDED 30 JUNE 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 20)
(Amounts expressed in Euros)

	Notes	HALF ENDED AT		QUARTER ENDED AT	
		30.06.2021	30.06.2020	30.06.2021	30.06.2020
Sales		381,877,431	323,152,386	204,865,643	159,719,770
Services rendered		2,028,340	2,022,743	1,042,270	1,008,424
Other income	14	2,961,070	2,848,010	1,756,319	1,634,586
Costs of sales		(161,185,857)	(161,775,898)	(75,117,435)	(80,738,174)
External supplies and services		(95,474,483)	(83,393,310)	(51,272,709)	(40,445,793)
Payroll expenses		(20,458,634)	(19,616,125)	(11,011,955)	(10,423,592)
Amortisation and depreciation		(39,508,797)	(39,541,003)	(19,728,577)	(19,774,979)
Provisions and impairment losses	10	440,082	2,010,132	(223,042)	152,962
Other expenses		(1,332,275)	(2,241,050)	(657,651)	(1,048,292)
Results related to investments	4	19,039	51,400	(31,863)	(68,491)
Financial expenses	12	(10,294,890)	(12,997,033)	(7,007,814)	(7,191,014)
Financial income	12	5,391,032	1,661,100	2,529,970	384,527
Profit before income tax and CESE		64,462,058	12,181,352	45,143,156	3,209,934
Income tax		(18,610,442)	(2,949,513)	(13,504,760)	(793,638)
Energy sector extraordinary contribution (CESE)		(1,113,227)	-	(97,227)	-
Consolidated net profit for the period		44,738,389	9,231,839	31,638,396	2,416,296
Attributable to:					
Holders of equity in the parent company	13	44,758,502	9,232,077	31,651,361	2,416,296
Non-controlling interests		(20,113)	(238)	(12,965)	-
		44,738,389	9,231,839	31,638,396	2,416,296
Earnings per share					
Basic	13	0.22	0.05	0.15	0.01
Diluted	13	0.22	0.05	0.15	0.01

The accompanying notes are an integral part of the condensed consolidated financial statements.

The Chartered Accountant

The Board of Directors

FINANCIAL INFORMATION 1H2021

Condensed consolidated financial statements and notes

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX AND THREE MONTHS PERIODS ENDED 30 JUNE 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 20)
(Amounts expressed in Euros)

	Notes	HALF ENDED AT		QUARTER ENDED AT	
		30.06.2021	30.06.2020	30.06.2021	30.06.2020
Consolidated net profit/(loss) for the financial year		44,738,389	9,231,839	31,541,169	2,416,296
Other comprehensive income:					
Items that may be reclassified to profit or loss in the future					
Changes in fair value of cash flow hedging derivatives - gross amount	11	(13,374,785)	1,025,916	(8,051,711)	3,631,496
Changes in fair value of cash flow hedging derivatives - deferred tax		1,301,306	(287,374)	(81,865)	(957,488)
Change in exchange rate reserve		(5,628)	6,625	2,916	(2,637)
		(12,079,107)	745,167	(8,130,660)	2,671,371
Other comprehensive income for the period		(12,079,107)	745,167	(8,130,660)	2,671,371
Total consolidated comprehensive income for the period		32,659,282	9,977,006	23,410,509	5,087,667
Attributable to:					
Shareholders in the Parent Company		32,679,395	9,977,244	23,423,474	5,087,809
Non-controlling interests		(20,113)	(238)	(12,965)	(142)

The accompanying notes are an integral part of the condensed consolidated financial statements.

The Chartered Accountant

The Board of Directors

FINANCIAL INFORMATION 1H2021

Condensed consolidated financial statements and notes

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIODS ENDED 30 JUNE 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 20)

(Amounts expressed in Euros)

		Attributable to shareholders in the Parent Company							
	Notes	Share capital	Legal reserve	Hedging reserves	Other reserves	Profit and loss result	Total	Non-controlling interest	Total equity
Balance as at 1 January 2020	8	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		-	-	-	100,826,022	(100,826,022)	-	-	-
Dividends distribution		-	-	-	(61,539,502)	-	(61,539,502)	-	(61,539,502)
Total consolidated comprehensive income for the period		-	-	738,542	6,625	9,232,077	9,977,244	(238)	9,977,006
Balance as at 30 June 2020	8	25,641,459	5,128,292	(1,755,248)	376,220,644	9,232,077	414,467,224	13,215	414,480,439
Balance as at 1 January 2021	8	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		-	-	-	34,977,248	(34,977,248)	-	-	-
Dividends distribution	17	-	-	-	(51,282,918)	-	(51,282,918)	-	(51,282,918)
Liquidation of companies		-	-	-	-	-	-	(704)	(704)
Capital contributions by non-controlling interests	5	-	-	-	-	-	-	40,817,606	40,817,606
Others		-	-	-	6,478	-	6,478	(5,600)	878
Total consolidated comprehensive income for the period		-	-	(12,073,479)	(5,628)	44,758,502	32,679,395	(20,113)	32,659,282
Balance as at 30 June 2021	8	25,641,459	5,128,292	(8,558,095)	359,739,122	44,758,502	426,709,280	40,805,773	467,515,053

The accompanying notes are an integral part of the condensed consolidated financial statements.

The Chartered Accountant

The Board of Directors

FINANCIAL INFORMATION 1H2021

Condensed consolidated financial statements and notes

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX AND THREE MONTHS PERIODS ENDED 30 JUNE 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 20)
(Amounts expressed in Euros)

	Notes	HALF ENDED AT		QUARTER ENDED AT	
		30.06.2021	30.06.2020	30.06.2021	30.06.2020
Operating activities:					
<i>Cash flows generated by operating activities (1)</i>		<u>83,453,907</u>	<u>76,198,398</u>	<u>54,383,513</u>	<u>33,213,817</u>
Investment activities:					
Receipts arising from:					
Investments		-	106,200	-	58,200
Property, plant and equipment		65,870	25,096	65,054	8,955
Investment grants		-	45,140	-	-
Interest and similar income		<u>178,187</u>	<u>369,846</u>	<u>(281,246)</u>	<u>245,672</u>
Payments relating to:					
Investments	6	(169,289,564)	-	(167,532,062)	-
Property, plant and equipment		(14,006,974)	(14,862,977)	(6,921,932)	(6,828,983)
Intangible assets	5	<u>(20,001,370)</u>	<u>-</u>	<u>(20,001,370)</u>	<u>-</u>
<i>Cash flows generated by investment activities (2)</i>		<u>(203,053,851)</u>	<u>(14,316,695)</u>	<u>(194,671,556)</u>	<u>(6,516,156)</u>
Financing activities:					
Receipts arising from:					
Loans obtained		361,006,060	165,000,000	321,006,060	-
Shareholders Loans	16	39,974,360	-	39,974,360	-
Capital contributions by non-controlling interests	5	40,817,606	-	40,817,606	-
Other financing transactions		<u>3,930,637</u>	<u>-</u>	<u>2,250,362</u>	<u>-</u>
Payments relating to:					
Interest and similar expenses		(8,456,665)	(6,952,451)	(4,687,480)	(2,898,969)
Distributed dividends	17	(51,282,918)	(61,539,502)	(51,282,918)	(61,539,502)
Loans obtained		(316,125,523)	(151,178,967)	(246,125,523)	(159,091)
Reimbursable government grants		(2,594,349)	-	(2,594,349)	-
Lease liabilities		(3,311,951)	(9,593,849)	(1,136,844)	(1,156,122)
Other financing transactions		<u>(12,065,681)</u>	<u>(3,080,111)</u>	<u>(11,353,825)</u>	<u>(1,805,185)</u>
<i>Cash flows generated by financing activities (3)</i>		<u>51,891,576</u>	<u>(67,344,880)</u>	<u>86,867,449</u>	<u>(67,558,868)</u>
Cash and cash equivalents at the beginning of the period		252,572,629	181,343,914	238,284,855	216,741,945
Cash and cash equivalents variation: (1)+(2)+(3)		<u>(67,708,368)</u>	<u>(5,463,176)</u>	<u>(53,420,594)</u>	<u>(40,861,207)</u>
Cash and cash equivalents at the end of the period	6	<u>184,864,261</u>	<u>175,880,738</u>	<u>184,864,261</u>	<u>175,880,738</u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

The Chartered Accountant

The Board of Directors

1. INTRODUCTORY NOTE

Altri, SGPS, S.A. ('Altri' or 'the Company') is a public company incorporated on 1 March 2005, whose head office is located at Rua Manuel Pinto de Azevedo, 818, in Oporto, 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 Altri Group's current activities focus on producing bleached eucalyptus pulp at three production plants and on generating electricity via waste consumption and forest biomass through its power plants. In June 2021, with the acquisition of Tilbury, in the United Kingdom, through its subsidiary Greenvolt - Energias Renováveis, S.A., the Group now includes six thermoelectric power plants.

Faced with this reality in the Altri Group, its Board of Directors considers there are two business segments, namely, production and commercialization of bleached eucalyptus pulp and electricity generation via waste consumption and forest biomass, being management information also prepared and examined on that basis (Note 15).

The Altri Group's condensed consolidated financial statements are shown in Euros, 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 exchange rate used in converting the foreign currency to Euro was as follows:

	30.06.2021	
	End of the financial year	Average for the financial year
Pound sterling	0.85805	0.86801

2. MAIN ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The condensed consolidated financial statements, for the six months period ended on 30 June 2021, were prepared in accordance with IAS 34 – Interim Financial Reporting and include the condensed consolidated statement of financial position, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows, as well as, the selected explanatory notes. These condensed consolidated financial statements do not include all the information required to be published on the annual financial statements, and should, therefore, be read together with the consolidated financial statements of the Altri Group for the financial year ended 31 December 2020.

The accounting policies adopted for preparation of the attached condensed consolidated financial statements were consistently applied during the periods being compared.

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 financial, commercial or other nature, including events subsequent to the condensed consolidated 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 condensed consolidated financial statements.

The attached condensed consolidated financial statements were prepared based on 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 condensed consolidated financial statements, the Group used historical cost as its basis, modified, where applicable, via fair value measurement of i) biological assets measured at fair value, and ii) certain financial instruments, which are recorded at their fair value.

The preparation of condensed consolidated financial statements requires 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 of the accompanying notes to the consolidated financial statements of the Group for the financial year ended 31 December 2020.

3. CHANGES IN ACCOUNTING POLICIES AND COMPARABILITY OF THE CONSOLIDATED FINANCIAL STATEMENTS

During the period, there were no changes in accounting policies. Likewise, no material errors were recognised in relation to previous financial years.

New accounting standards and their impact in these condensed consolidated financial statements:

Up to the date of approval of 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:

	Effective date (financial years begun on or after)
Amendment to IFRS 4 Insurance Contracts - deferral of IFRS 9	01 Jan 2021
Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2	01 Jan 2021

The adoption of these standards and interpretations had no relevant impact on the Group's financial statements.

The following standards, interpretations, amendments, and revisions were endorsed by the European Union and have mandatory application in future years:

	Effective date (financial years begun on or after)
Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements 2018-2020	01 Jan 2022

The Group did not proceed with the early implementation of these amendments in the condensed financial statements for the six months period ended 30 June 2021 due to the fact that their application is not mandatory. No significant impacts are expected on the financial statements resulting from their adoption.

FINANCIAL INFORMATION 1H2021

Condensed consolidated financial statements and notes

The following standards, interpretations, amendments and revisions were not endorsed by the European Union at the date of the approval of the Condensed Financial Statements, and therefore may not be applied in the European Union:

	Effective date (financial years begun on or after)
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01 Jan 2023
IFRS 17 – Insurance Contracts	01 Jan 2023
Amendment to IAS 8: Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	01 Jan 2023
Amendment to IAS 1 Presentation of Financial Statements and Statement of Practice IFRS 2: Disclosure of Accounting Policies	01 Jan 2023
Amendment to IAS 1 Presentation of financial statements - Classification of liabilities as current and non-current	01 Jan 2023
Proposed changes to leases IFRS 16: Covid-19 Leases Concessions after 30 June 2021	01 Apr 2021

These standards have not yet been endorsed by the European Union and, as such, the Group did not proceed with the early adoption of any of these standards in the financial statements for the period ended 30 June 2021, as their application is not mandatory, and is in the process of examining the expected effects of these standards.

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4. INVESTMENTS

4.1 INVESTMENTS IN SUBSIDIARIES

The companies included in the consolidation by the full consolidation method, respective registered offices, proportion of capital held and main activity as at 30 June 2021 and 31 December 2020 are as follows:

Company	Registered office	Effective held percentage		Main activity
		30.06.2021	31.12.2020	
Parent company:				
Altri, SGPS, S.A.	Porto, Portugal			Holding (company)
Subsidiaries:				
Altri Abastecimento de Madeira, S.A.	Figueira da Foz, Portugal	100%	100%	Timber commercialization
Altri Florestal, S.A.	Figueira da Foz, Portugal	100%	100%	Forest management
Altri Sales, S.A.	Nyon, Suíça	100%	100%	Group management support services
Altri, Participaciones Y Trading, S.L.	Pontevedra, Espanha	100%	100%	Commercialization of Eucalyptus pulp
Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.	Constância, Portugal	100%	100%	Generation of thermal energy and electricity
Caima – Indústria de Celulose, S.A.	Constância, Portugal	100%	100%	Production and commercialization of Eucalyptus pulp
Captaraiz Unipessoal, Lda.	Figueira da Foz, Portugal	100%	100%	Real estate
Cellejo – Empresa de Celulose do Tejo, S.A.	Vila Velha de Ródão, Portugal	100%	100%	Production and commercialization of Eucalyptus pulp
Celulose Beira Industrial (Celbi), S.A.	Figueira da Foz, Portugal	100%	100%	Production and commercialization of Eucalyptus pulp
Infloira – Sociedade de Investimentos Florestais, S.A.	Figueira da Foz, Portugal	100%	100%	Forest management
Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.	Porto, Portugal	100%	100%	Real estate
Viveiros do Furadouro Unipessoal, Lda.	Óbidos, Portugal	100%	100%	Plant production in nurseries and services related with forest and landscapes
Florestul, S.A.	Figueira da Foz, Portugal	100%	100%	Forest management
Sociedade de Energia Solar do Alto Tejo (SESAT), Lda.	Nisa, Portugal	80%	80%	Renewable energy sources
Greenvolt- Energias Renováveis, S.A. (a)	Porto, Portugal	100%	100%	Electricity generation using waste and biomass sources
Bioródão, S.A.	Figueira da Foz, Portugal	100%	100%	Electricity generation using waste and biomass sources
Ródão Power - Energia e Biomassa do Ródão, S.A.	Vila Velha de Ródão, Portugal	100%	100%	Production and commercialization of electric and thermal energy through cogeneration
Sociedade Bioelétrica do Mondego, S.A.	Figueira da Foz, Portugal	100%	100%	Electricity generation using waste and biomass sources
Goldtábua, S.A. (b)	Figueira da Foz	100%	100%	Electricity generation
Ribatejo Green, Lda (c)	Algés, Portugal	-	70%	Electricity generation
Amieira Green, Lda (c)	Algés, Portugal	-	70%	Electricity generation
Paraimo Green, Lda	Algés, Portugal	70%	70%	Electricity generation
Piara Solar, Lda (c)	Algés, Portugal	-	70%	Electricity generation
Maioir Green, Lda (c)	Algés, Portugal	-	70%	Electricity generation
Greenvolt Energias Renovaveis Holdco Limited (d)	Manchester, United Kingdom	100%	-	Holding
Lakeside Topco Limited (d)	Manchester, United Kingdom	51%	-	Holding
Lakeside Bidco Limited (d)	Manchester, United Kingdom	51%	-	Holding
Tilbury Green Power Holdings Limited (e)	Tilbury, United Kingdom	51%	-	Holding
Tilbury Green Power Limited (e)	Tilbury, United Kingdom	51%	-	Electricity generation

(a) Formerly known as Bioelétrica da Foz, S.A.

(b) Company acquired in December 2020

(c) Company extinguished with effect on 31 March 2021

(d) Company incorporated in the current period

(e) Company acquired with effect on 30 June 2021

All entities above were included in the Altri Group's condensed consolidated financial statements using the full consolidation method.

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4.2 INVESTMENT IN JOINT VENTURES AND ASSOCIATES

Joint ventures and associates, registered offices, proportion of capital held, main activity and financial position as at 30 June 2021 and 31 December 2020 are as follows:

Company	Registered office	Statement of financial position		Effective shareholding percentage		Main activity
		30.06.2021	31.12.2020	30.06.2021	31.12.2020	
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	774,622	755,583	33.33%	33.33%	Port operations
Investments in associates		<u>774,622</u>	<u>755,583</u>			
Total		<u>774,622</u>	<u>755,583</u>			

Operfoz has its registered office at Figueira da Foz and its main activity is operation of ports. This entity was included in the Altri Group's consolidated financial statements using the equity method.

The movements in the balance of this caption in the periods ended 30 June 2021 and 31 December 2020 are detailed as follows:

	Statement of financial position	
	30.06.2021	31.12.2020
Opening balance	755,583	725,472
Equity method:		
Effects on gains and losses pertaining to joint ventures and associates	19,039	30,111
Closing balance	<u>774,622</u>	<u>755,583</u>

The accounting policies used by these joint ventures and associates are not significantly different from those used by the Altri Group, and as such no harmonization of the accounting policies was necessary.

5. CHANGES IN THE CONSOLIDATION PERIMETER

During the period ended 30 June 2021, the following companies were acquired and constituted:

Company	Registered office	Empresa detentora	Held percentage as of the acquisition date	
			Direct	Effective
Greenvolt Energias Renováveis Holdco Limited (a)	Manchester, United Kingdom	Greenvolt- Energias Renováveis, S.A.	100%	100%
Lakeside Topco Limited (a)	Manchester, United Kingdom	Greenvolt Energias Renováveis Holdco Limited	51%	51%
Lakeside Bidco Limited (a)	Manchester, United Kingdom	Lakeside Topco Limited	100%	51%
Tilbury Green Power Holdings Limited (b)	Tilbury, United Kingdom	Lakeside Bidco Limited	100%	51%
Tilbury Green Power Limited (b)	Tilbury, United Kingdom	Tilbury Green Power Holdings Limited	100%	51%

(a) Company incorporated in the current period
(b) Company acquired with effect on 30 June 2021

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The acquisition of 100% of Tilbury Green Power Holdings Limited was made by the subsidiary Lakeside Bidco Limited. The acquisition took place on 30 June 2021, so the consolidated statement of financial position of the UK companies was considered, however, with no impact on the income statement. Thus, the effects of these acquisitions on the consolidated financial statements are detailed as follows:

Amounts in Euro	On acquisition date	30.06.2021
Net assets acquired		
Property, plant and equipment	135,148,817	135,148,817
Right-of-use assets	57,291,299	57,291,299
Intangible assets	-	20,001,370
Trade receivables	2,617,293	2,617,293
Assets associated with contracts with customers	10,957,521	10,957,521
Other assets	3,403,218	3,403,218
Cash and cash equivalents	12,087,159	12,087,159
Other loans	(109,605,501)	-
Derivative financial instruments	(8,145,161)	-
Shareholders Loans	(172,588,200)	(312,067,220)
Lease liabilities	(57,291,299)	(57,291,299)
Provisions	(4,081,872)	(4,081,872)
Trade payables	(8,668,739)	(8,668,739)
Other liabilities	(5,462,285)	(3,735,296)
Total net assets acquired	(144,337,748)	(144,337,748)
Goodwill	150,868,770	
Non-controlling interests	-	
Acquisition cost:		
Payment of shares	(6,531,021)	
Payment of Shareholders loans	(172,588,200)	
	(179,119,221)	
Net Cash flow resulting from the acquisition (Note 6)		
Payments performed	(179,119,221)	
Cash and cash equivalents acquired	12,087,159	
	(167,032,062)	

Amounts in Euro	Since acquisition date	6 months
Revenue	-	24,257,486
Net profit	-	(5,413,559)

This plant, with approximately 42 MW available for renewable generation, is one of the UK's largest plants producing energy through biomass from municipal wood waste. It operates with the majority of its revenues under the Renewables Obligation Certificates (ROCs) system. The ROC component of revenues grows 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 11). For the main cost items - biomass and operation and maintenance - long-term contracts are in place.

The Group's international expansion strategy in the energy segment is based on the exportation of its technical competencies, namely operational excellence. This acquisition fits in the 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 the subsidiary GreenVolt and the decisions where the approval of Equitix is required are deemed to be protective rights of Equitix. Therefore, their results will be included in Altri by the full consolidation method considering that the Group controls the relevant activities.

At the date of presentation of these financial statements and taking into consideration that the acquisition was concluded at 30 June 2021, the purchase price allocation is still ongoing as prescribed by IFRS 3, hence, the difference arising on acquisition (consideration paid vs. fair value of the assets acquired and liabilities assumed) was fully allocated to Goodwill. The purchase price allocation will be completed by the end of the twelfth month from the acquisition date, as permitted by IFRS 3.

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As at 30 June 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 pounds (approximately 40.8 million euros).

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 Tilbury. In this sense, Tilbury had to make a payment of 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.

With effect on 31 March 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.

6. CASH AND CASH EQUIVALENTS

As at 30 June 2021 and 2020, Cash and cash equivalents are as follows:

	30.06.2021	30.06.2020
Cash	44,556	38,950
Bank deposits	184,819,705	175,841,789
Cash and cash equivalents on the statement of financial position	184,864,261	175,880,738
Bank overdrafts (Note 9)	-	-
Cash and cash equivalents on the statement of cash flows	184,864,261	175,880,738

During the six-month period ended 30 June 2021, investment payments refer to the payments related to the acquisition of the subsidiary Golditábua, S.A. (in the amount of 2.3 million euros) and the payments related to the acquisition of the subsidiary Tilbury, including the payment of Shares and the payment of Shareholders Loans, net of the Cash and Cash equivalents incorporated as of the acquisition date (in the amount of 167.0 million euros).

In the "Bank deposits" caption, a captive amount is included, which is intended for the payment of debt related to bank loans.

7. CURRENT AND DEFERRED TAXES

According to current Portuguese 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. Therefore, the Group's tax returns since 2017 may still be subject to review.

The Board of Directors of Altri believes that any potential corrections resulting from reviews/inspections of these tax returns by the tax authorities will not have a significant effect on the condensed consolidated financial statements as of 30 June 2021.

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8. SHARE CAPITAL

As at 30 June 2021 and 31 December 2020, the Company's share capital was fully subscribed and paid up, consisting of 205,131,672 shares with a nominal value of 12.5 cents of Euro each.

9. BANK LOANS, OTHER LOANS AND REIMBURSABLE GOVERNMENT GRANTS

As at 30 June 2021 and 31 December 2020, 'Bank loans', 'Other loans' and 'Reimbursable government grants' can be detailed as follows:

	30.06.2021					
	Nominal value			Book value		
	Current	Non-current	Total	Current	Non-current	Total
Bank loans	3,835,351	163,516,639	167,351,990	3,919,934	159,670,709	163,590,643
Bank overdrafts	-	-	-	-	-	-
Bank loans	3,835,351	163,516,639	167,351,990	3,919,934	159,670,709	163,590,643
Commercial paper	185,000,000	40,000,000	225,000,000	185,256,061	40,000,000	225,256,061
Bond loans	27,500,000	467,900,000	495,400,000	29,080,931	465,078,221	494,159,152
Other loans	-	-	-	-	-	-
Other loans	212,500,000	507,900,000	720,400,000	214,336,992	505,078,221	719,415,213
Reimbursable government grants	579,748	2,615,349	3,195,096	579,748	2,615,349	3,195,097
	216,915,099	674,031,988	890,947,086	218,836,674	667,364,279	886,200,953

	31.12.2020					
	Nominal value			Book value		
	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

The book value includes accrued interests and the expenditures with the issuance of the loans. These expenses were deducted from its nominal value and are being recognised as financial expenses along the life period of the loan (Note 12).

The variation in the caption "Bank loans" mainly relates to financing contracted by Lakeside Bidco Limited.

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10. ACCUMULATED PROVISIONS AND IMPAIRMENT LOSSES

The movement occurred under provisions and impairment losses in the six months periods ended 30 June 2021 and 2020 can be detailed as follows:

30.06.2021				
	Provisions	Impairment losses in receivables	Impairment losses in inventories	Total
Opening balance	16,689,458	3,618,696	13,046,936	33,355,090
Changes in the consolidation perimeter (Note 5)	4,081,872	-	-	4,081,872
Increases	285,978	-	-	285,978
Utilizations	-	-	-	-
Reversals	-	(2,963)	(664,130)	(667,093)
Transfers	(6,103)	-	-	(6,103)
Closing balance	21,051,205	3,615,733	12,382,806	37,049,744

30.06.2020				
	Provisions	Impairment losses in receivables	Impairment losses in inventories	Total
Opening balance	17,307,171	3,624,622	14,837,369	35,769,162
Increases	53,394	-	-	53,394
Utilizations	(713,649)	-	-	(713,649)
Reversals	-	(2,962)	(2,007,170)	(2,010,132)
Transfers	(6,102)	-	-	(6,102)
Closing balance	16,640,814	3,621,660	12,830,199	33,092,673

The amount recorded under 'Provisions' includes the dismantling provision of the power generation plants operated by Greenvolt - Energias Renováveis, S.A. and its subsidiaries.

The increase recorded in the six months period ended 30 June 2021 refers to the unwinding of the discount. This discount that results from the passage of time is recorded against the caption 'Financial expenses'.

The amount recorded under the caption 'Provisions' 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.

11. DERIVATIVE FINANCIAL INSTRUMENTS

As at 30 June 2021 and 31 December 2020, the Altri Group had in force derivative financial instrument contracts associated with hedging interest rate changes, inflation changes and derivative financial instrument contracts associated with hedging exchange rate changes. 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 30 June 2021 and 31 December 2020, the fair value of derivative financial instruments is as follows:

	30.06.2021				31.12.2020			
	Asset		Liability		Asset		Liability	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Interest rate derivatives	-	-	1,222,436	1,616,788	-	-	131,976	1,053,386
Exchange rate derivatives	2,231,356	701,078	520,014	437,798	7,313,870	-	230,685	-
Inflation derivatives (RPI)	8,840	-	-	6,488,912	-	-	-	-
	2,240,196	701,078	1,742,450	8,543,498	7,313,870	-	362,661	1,053,386

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The movement in the fair value of the derivative financial instruments during the six months period ended 30 June 2021 can be broken down as follows:

	Interest rate derivatives	Exchange rate derivatives	Inflation derivatives (RPI)	Total
Opening balance	(1,185,362)	7,083,185	-	5,897,823
Change in fair value				
Effects on equity	(1,653,301)	(5,241,412)	(6,480,072)	(13,374,785)
Effects on the income statement	(132,535)	1,606,384	-	1,473,849
Effects on the statement of financial position	131,974	(1,473,535)	-	(1,341,561)
Closing balance	(2,839,224)	1,974,622	(6,480,072)	(7,344,674)

In June 2021, with the acquisition of Tilbury, derivative financial instrument contracts associated with the hedging of interest rate and inflation rate variations, were put into effect. These instruments are recorded at fair value. On 30 June 2021, changes in the fair value of derivatives were recorded in equity.

As mentioned above, the growth of the ROC component of Tilbury's revenue is influenced by the Retail Price Index (RPI), and, with the aim of hedging the uncertainty associated with the evolution of the RPI, an inflation derivative contract was celebrated, which fixed the annual growth at 3.4532% until 2037.

Additionally, also arising from the acquisition of Tilbury, an interest rate derivative contract was celebrated, with the objective of mitigating the volatility risk regarding the evolution of the interest rate of the new loan constituted in 2021, with a nominal value of approximately 140 million euros. In this case, the variable interest rate (indexing) "SONIA" was exchanged for a fixed interest rate of 0.8658%.

12. FINANCIAL RESULTS

The financial results for the six months periods ended 30 June 2021 and 2020 are detailed as follows:

	30.06.2021	30.06.2020
Financial expenses		
Interest expenses	6,479,895	7,091,982
Other financial expenses and losses	3,814,995	5,905,051
	<u>10,294,890</u>	<u>12,997,033</u>
Financial income		
Interest income	31,505	24,791
Other financial income and gains	5,359,527	1,636,309
	<u>5,391,032</u>	<u>1,661,100</u>

During the six months period ended on 30 June 2021, the caption 'Other financial expenses and losses' includes, among others, expenses incurred with loans, which are being recognised as an expense over the life of the respective loan (Note 9) and the expenses on exchange rate derivatives (Note 11). The caption 'Other financial income and gains' includes, mainly, exchange rate gains.

13. EARNINGS PER SHARE

Earnings per share for the six months period ended 30 June 2021 and 2020 were calculated based on the following amounts:

	30.06.2021	30.06.2020
Number of shares for basic and diluted earning calculation	205,131,672	205,131,672
Result for the purpose of calculating earnings per share	44,758,502	9,232,077
Earnings per share		
Basic	0.22	0.05
Diluted	0.22	0.05

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14. OTHER INCOME

As at 30 June 2021 and 2020, the caption 'Other Income' is detailed as follows:

	30.06.2021	30.06.2020
Investment and exploration subsidies	1,956,381	2,337,569
Gains on sales of assets	70,871	57,099
Others	933,818	453,342
	<u>2,961,070</u>	<u>2,848,010</u>

15. INFORMATION BY SEGMENTS

The Altri Group shows the following reportable segments:

- i) **Pulp**
Comprising essentially the three pulp mills in Portugal: Celulose Beira Industrial (Celbi), S.A., in Figueira da Foz; Celtejo – Empresa de Celulose do Tejo, S.A., in Vila Velha de Ródão; and Caima – Indústria de Celulose, S.A., located in Constância, and the forestry activity; and
- ii) **Energy**
Consisting of Greenvolt – Energias Renováveis, S.A. and its subsidiaries, comprising six power plants generating energy from forest biomass, for sale to the public grid. It should be noted that in the case of the Tilbury plant no impact on the income statement was considered, since the acquisition took place with effect on 30 June 2021.

The Group identified these two reportable segments, considering that these are Group facilities that carry on business where revenues and expenses can be separately identified and relative to which separate financial information is produced. The identification of the reportable segments made by the Group is consistent with the way the Board of Directors conducts and controls them, and on which it makes decisions.

The contribution of the business segments to the consolidated income statement for the six months period ended 30 June 2021 is as follows:

	Energy	Pulp	Total	Eliminations	Consolidated
Sales	41,852,888	340,024,543	381,877,431	-	381,877,431
Sales - intersegmental	-	193,272,446	193,272,446	(193,272,446)	-
Services rendered	-	2,028,340	2,028,340	-	2,028,340
Services rendered - intersegmental	-	26,280,467	26,280,467	(26,280,467)	-
Other income	111,465	2,849,605	2,961,070	-	2,961,070
Other income - intersegmental	-	485,776	485,776	(485,776)	-
Total operating income	<u>41,964,353</u>	<u>564,941,177</u>	<u>606,905,530</u>	<u>(220,038,689)</u>	<u>386,866,841</u>
Cost of sales	(18,229,810)	(332,844,713)	(351,074,523)	189,888,666	(161,185,857)
External supplies and services	(12,239,167)	(113,111,030)	(125,350,197)	29,875,714	(95,474,483)
Payroll expenses	(894,039)	(19,564,739)	(20,458,778)	144	(20,458,634)
Amortisation and depreciation	(7,330,486)	(32,178,311)	(39,508,797)	-	(39,508,797)
Provisions and impairment losses	(2,011)	442,093	440,082	-	440,082
Other expenses	35,283	(1,367,587)	(1,332,304)	29	(1,332,275)
Total operating expenses	<u>(38,660,230)</u>	<u>(498,624,287)</u>	<u>(537,284,517)</u>	<u>219,764,553</u>	<u>(317,519,964)</u>
Operating results	<u>3,304,123</u>	<u>66,316,890</u>	<u>69,621,013</u>	<u>(274,136)</u>	<u>69,346,877</u>
Results related to investments					19,039
Financial results					(4,903,858)
Profit before income tax and CESE					64,462,058
Income tax					(18,610,442)
Energy sector extraordinary contribution (CESE)					(1,113,227)
Consolidated net profit for the period					<u>44,738,389</u>
Attributable to:					
Holders of equity in the parent company					44,758,502
Non-controlling interests					(20,113)
					<u>44,738,389</u>

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The contribution of the business segments to the consolidated income statement for the six months period ended 30 June 2020 is as follows:

	Energy	Pulp	Total	Eliminations	Consolidated
Sales	43,384,957	279,767,429	323,152,386	-	323,152,386
Sales - intersegmental	3,013,987	205,640,437	208,654,424	(208,654,424)	-
Services rendered	-	2,022,743	2,022,743	-	2,022,743
Services rendered - intersegmental	-	25,319,823	25,319,823	(25,319,823)	-
Other income	111,206	2,736,804	2,848,010	-	2,848,010
Other income - intersegmental	0	673,104	673,105	(673,105)	-
Total operating income	46,510,150	516,160,341	562,670,492	(234,647,352)	328,023,139
Cost of sales	(21,490,355)	(345,661,872)	(367,152,227)	205,376,329	(161,775,898)
External supplies and services	(9,232,444)	(102,913,294)	(112,145,738)	28,752,428	(83,393,310)
Payroll expenses	-	(19,619,718)	(19,619,718)	3,593	(19,616,125)
Amortisation and depreciation	(7,339,229)	(32,201,774)	(39,541,003)	-	(39,541,003)
Provisions and impairment losses	-	2,010,132	2,010,132	-	2,010,132
Other expenses	(98,945)	(2,362,143)	(2,461,088)	220,038	(2,241,050)
Total operating expenses	(38,160,973)	(500,748,669)	(538,909,642)	234,352,388	(304,557,254)
Operating results	8,349,177	15,411,672	23,760,850	(294,964)	23,465,885
Results related to investments					51,400
Financial results					(11,335,933)
Profit before income tax and CESE					12,181,352
Income tax					(2,949,513)
Energy sector extraordinary contribution (CESE)					-
Consolidated net profit for the period					9,231,839
Attributable to:					
Holders of equity in the parent company					9,232,077
Non-controlling interests					(238)
					9,231,839

16. 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.

During the six months periods ended 30 June 2021 and 2020, there were no transactions with the Board of Directors, nor were they granted loans.

As at 30 June 2021 and 2020, balances and transactions with related entities during the six months periods ended on those dates can be summarised as follows:

	Payables		Receivables		Shareholders Loans	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Balances						
Joint ventures and associates (a)	1,888,529	989,451	-	-	-	-
Other related parties (b)	180,219	36,333	-	-	39,974,360	-
	<u>2,068,748</u>	<u>1,025,784</u>	<u>-</u>	<u>-</u>	<u>39,974,360</u>	<u>-</u>
	Purchases and acquired services		Sales and services rendered		Interest obtained	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Joint ventures and associates (a)	8,273,768	8,609,516	-	-	-	-
Other related parties (b)	1,137,703	2,401,370	-	-	-	-
	<u>9,411,471</u>	<u>11,010,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

- (a) Entities included in the consolidation using the equity method as at 30 June 2021 and 2020 (Note 4.2)
- (b) The companies listed below were considered as other related parties

Along with the companies included in the consolidation (Note 4), entities deemed related as at 30 June 2021 can be shown as follows:

- Actium Capital, S.A.
- A Nossa Aposta – Jogos e Apostas On-line, S.A.
- Caderno Azul, S.A.
- Cofihold, S.A.
- Cofihold II, S.A.
- Cofina Media, S.A.
- Cofina, SGPS, S.A.
- Elege Valor, Lda.
- Expeliarmus – Consultoria, Lda.
- Fisio Share – Gestão de Clínicas, S.A.
- F. Ramada II, Imobiliária, S.A.
- Grafedisport – Impressão e Artes Gráficas, S.A.
- Índiceverde S.A.
- Livrefluxo, S.A.
- Mercados Globais – Publicação de Conteúdos, Lda.
- Planfuro Global, S.A.
- Préstimo – Prestígio Imobiliário, S.A.
- Promendo Investimentos, S.A.
- Ramada – Aços, S.A.
- Ramada Investimentos e Indústria, S.A.
- Socitrel – Sociedade Industrial de Trefilaria, S.A.
- Universal Afir, S.A.
- Valor Autêntico, S.A.
- VASP – Sociedade de Transportes e Distribuições, Lda.
- 1 Thing, Investments, S.A.
- Equitix Fund 6 Healthcare Sector Holdco Limited

The caption "Shareholder loans" includes a loan obtained from a shareholder of one of GreenVolt's subsidiaries, of Lakeside Topco Limited. This loan bears interest at a rate of 7% and the payment date of the loan is due on 31 March 2054. Thus, the totality of the loan was classified as non-current.

17. APPROPRIATION OF NET PROFIT

Regarding the 2020 financial year, the Board of Directors proposed in its annual report, which was approved in the General Meeting held on 30 April 2021, that the individual net profit of Altri, SGPS, S.A. in the amount of EUR 95,148,555, should be allocated as follows:

Free reserves	EUR 43,865,637
Dividends	EUR 51,282,918

The distribution of profits for the financial year results in the payment of a gross dividend of EUR 0.25 per share.

18. SUBSEQUENT EVENTS

On 14 July 2021, an increase in the subsidiary GreenVolt's share capital in the amount of 177,599,998.75 Euro was recorded, following which 41,788,235 new ordinary, book-entry, nominative shares without nominal value were issued at a unit subscription price of 4.25 Euro. As such, the share capital of the subsidiary which was that of 70,000,000 Euros is now of 247,599,998.75 Euros, represented by 116,788,235 ordinary, book-entry, nominative shares without nominal 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 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 the subsidiary GreenVolt of 4,588,235 additional shares, with a unit price of 4.25 Euro per share. Accordingly, GreenVolt will resolve on the corresponding additional capital increase in the amount of 19,499,998.75 Euro, to be carried out through the issue of the new optional shares. As such, the share capital of the subsidiary which was that of 247,599,998.75 Euros is now of 267,099,997.50 Euros, represented by 121,376,470 ordinary, book-entry, nominative shares without nominal value.

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

The magnitude, extent and durability of the current Covid-19 pandemic context will depend on the effectiveness of the mass vaccination process, as well as the effectiveness of any additional containment measures defined by governments. We believe that the combination of these various factors will define the effects on the global economy and on consumption patterns.

From 30 June 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, its subsidiaries, joint ventures and associates included in the consolidation.

19. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for issue on 29 July 2021.

20. TRANSLATION NOTE

These consolidated financial statements are a translation of the financial statements originally issued in Portuguese in accordance with IAS 34 – Interim Financial Reporting and with the International Financial Reporting Standards as adopted by the European Union, 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 Oliveira

Paula Simões de Figueiredo Pimentel Freixo

José Armindo Farinha Soares de Pina

José António Nogueira dos Santos

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